

Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for 3rd Quarter of Fiscal Year Ending March 31, 2012
(From April 1, 2011 to December 31, 2011)**

February 1, 2012

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Definitions of figures used in this document

Consolidated Mitsubishi UFJ Financial Group (consolidated)

Non-consolidated Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust and Banking Corporation (non-consolidated) (without any adjustments)

Income statement summary

(Consolidated)



● Net business profits

- Gross profits decreased mainly due to lower consumer-finance income and dividend income on preferred stock, partially offset by an increase in net gains on sales of debt securities.
- Net business profits decreased due to lower gross profits, despite a decrease in G&A expenses reflecting the progress in an ongoing intensive corporate-wide cost reduction.

● Total credit costs

- Non-consolidated credit costs remained almost unchanged. Meanwhile, consolidated credit costs significantly decreased due to lower credit costs from other subsidiaries.

● Net losses on equity securities

- Increased mainly due to higher losses on write-down of equity securities reflecting weak stock performance in the market.

● Other non-recurring gains (losses)

- Significantly improved due to a negative goodwill of ¥290.6 bn recorded as a result of the application of equity method accounting for our investment in Morgan Stanley by completion of conversion of their convertible preferred stock into their common stock and lower provision for loss on interest repayment.

● Net income

- As a result, net income increased significantly. Both EPS and ROE also improved substantially.

Reference(¥)	FY11 3Q	FY10 3Q	Change
EPS	57.04	38.39	18.65
ROE ^{*4}	11.30%	8.75%	2.54%

*4 The one-time impact of Morgan Stanley becoming an equity-method affiliate of MUFG is adjusted.

$$\frac{\text{Net income} \times 4 \div 3 - \text{Equivalent of annual dividends on nonconvertible preferred stocks}}{\left\{ (\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period}) \right\}} \times 100$$

$$\frac{\text{Net income} \times 4 \div 3 - \text{Equivalent of annual dividends on nonconvertible preferred stocks}}{\left\{ (\text{Total shareholders' equity at the end of the period} - \text{Number of nonconvertible preferred stocks at the end of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the end of the period}) \right\}} \div 2$$

Income statement(¥bn)

<Consolidated>		FY11 3Q	FY10 3Q	Change
1	Gross profits (before credit costs for trust accounts)	2,646.6	2,732.5	(85.8)
2	Net interest income	1,378.0	1,496.4	(118.4)
3	Trust fees+Net fees and commissions	769.9	779.2	(9.3)
4	Net trading profits +Net other business profits	498.7	456.7	41.9
5	Net gains (losses) on debt securities	285.2	214.1	71.1
6	G&A expenses	1,473.3	1,511.8	(38.5)
7	Net business profits	1,173.3	1,220.6	(47.3)
8	Credit costs ^{*1}	(137.6)	(254.9)	117.3
9	Net gains (losses) on equity securities	(155.0)	(23.8)	(131.2)
10	Other non-recurring gains (losses) ^{*2}	350.8	(105.7)	456.5
11	Ordinary profits	1,231.4	836.1	395.2
12	Net extraordinary gains (losses)	(17.8)	19.8	(37.7)
13	Total of income taxes-current and income taxes-deferred	(319.4)	(277.8)	(41.5)
14	Minority interests	(78.3)	(26.2)	(52.0)
15	Net income	815.8	551.8	263.9
16	Total credit costs ^{*3}	(90.7)	(201.5)	110.8

<Non-consolidated>		FY11 3Q	FY10 3Q	Change
17	Gross profits (before credit costs for trust accounts)	1,811.8	1,758.8	52.9
18	G&A expenses	883.8	883.3	0.5
19	Net business profits	927.9	875.5	52.4
20	Ordinary profits	640.7	689.9	(49.2)
21	Income before income taxes	635.6	701.2	(65.5)
22	Net income	380.6	496.3	(115.7)
23	Total credit costs ^{*3}	(43.0)	(44.2)	1.2

*1 Credit costs for trust accounts+Provision for general allowance for credit losses
+Credit costs(included in non-recurring gains/losses)

*2 Included Profits (losses) from investments in affiliates, provision for losses on interest repayment, Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off. Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off were recorded in Net extraordinary gains(losses) at FY10 3Q

*3 Credit costs+Reversal of allowance for credit losses+Reversal of reserve for contingent losses included in credit costs
+Gains on loans written-off.

Loans

- Increased from End Mar. 11 and End Sep. 11 mainly due to higher overseas loans.

Investment securities

- Increased from End Mar. 11 mainly due to higher Japanese government bonds. Decreased from End Sep. 11 mainly due to lower foreign bonds.

Deposits

- Individual deposits increased from End Mar. 11 and End Sep. 11. Total deposits decreased from End Mar. 11 mainly due to lower deposits from corporate.

Total net assets

- Increased from End Mar. 11 mainly due to an increase in retained earnings. Decreased from End Sep. 11 mainly due to an increase in negative impact of foreign currency translation adjustments associated with an appreciation of the Japanese yen.

Non performing loans (“NPLs”)

- NPL ratio slightly deteriorated from End Mar. 11 and End Sep. 11, but keeping at a low level.

Net unrealized gains (losses) on securities available for sale

- Decreased from End Mar. 11 and End Sep. 11 mainly due to unrealized losses recognized on domestic equity securities.

Balance sheet (¥bn)

	End Dec. 11	Change from End Mar. 11	Change from End Sep. 11
1 Total assets	210,870.1	4,643.0	(5,077.0)
2 Loans(Banking+Trust accounts)	80,981.2	838.8	1,316.5
3 Loans(Banking accounts)	80,825.9	830.9	1,314.5
4 Domestic corporate loans ^{*1}	43,552.1	(364.8)	468.3
5 Housing loans ^{*1}	16,901.1	(399.5)	(81.6)
6 Overseas loans ^{*2}	18,267.6	1,845.4	1,126.8
7 Investment securities (banking accounts)	72,620.4	1,596.7	(2,953.7)
8 Japanese government bonds	46,488.4	1,546.5	(774.4)
9 Foreign bonds	14,530.9	893.4	(1,782.7)
10 Receivables under resale agreements and Receivables under securities borrowing transactions	8,049.4	(568.8)	(2,366.6)
11 Total liabilities	199,661.9	4,249.2	(4,950.5)
12 Deposits	122,447.0	(1,697.3)	864.4
13 Individual deposits (Domestic branches)	66,101.6	1,717.0	1,224.8
14 Payables under repurchase agreements and Payables under securities lending transactions	16,366.2	1,877.8	(3,274.2)
15 Total net assets	11,208.2	393.8	(126.5)
16 Deposit/lending spread (Domestic, non-consolidated)	1.24%	(0.05%)	(0.01%)
17 FRL disclosed loans ^{*1*3}	1,516.6	85.9	52.7
18 NPL ratio ^{*1}	1.77%	0.08%	0.02%
19 Net unrealized gains (losses) on securities available for sale	298.5	(29.0)	(91.6)

*1 Non-consolidated+trust accounts

*2 Loans booked in overseas branches, UnionBanCal Corporation and BTMU(China)

*3 FRL=the Financial Reconstruction Law

Loans/deposits

(Consolidated)



● **Loan balance ¥80.9tn**
(up ¥1.3tn from End Sep. 11)

Changes from End Sep. 11:

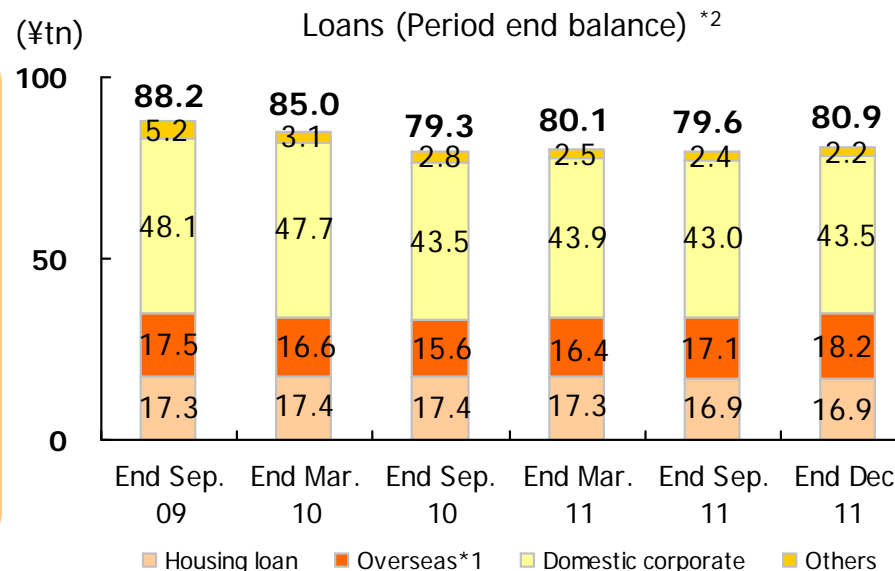
- Housing Loan (¥0.1tn)
- Overseas*1 +¥1.1tn
- Domestic corporate +¥0.4tn

*1 Overseas branches + UnionBanCal Corporation + BTMU (China)

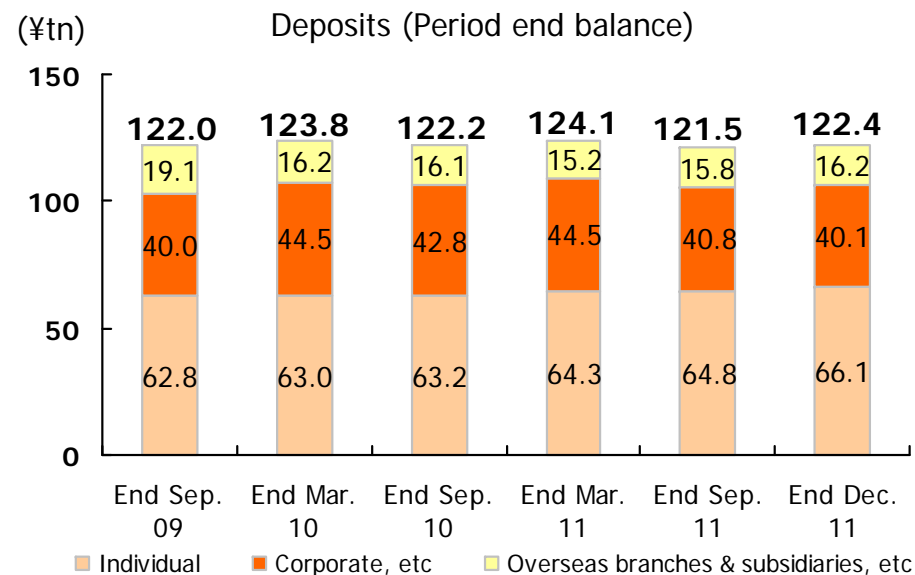
● **Deposit balance ¥122.4tn**
(up ¥0.8tn from End Sep. 11)

Changes from End Sep. 11:

- Individual +¥1.2tn
- Corporate, etc. (¥0.7tn)
- Others +¥0.3tn

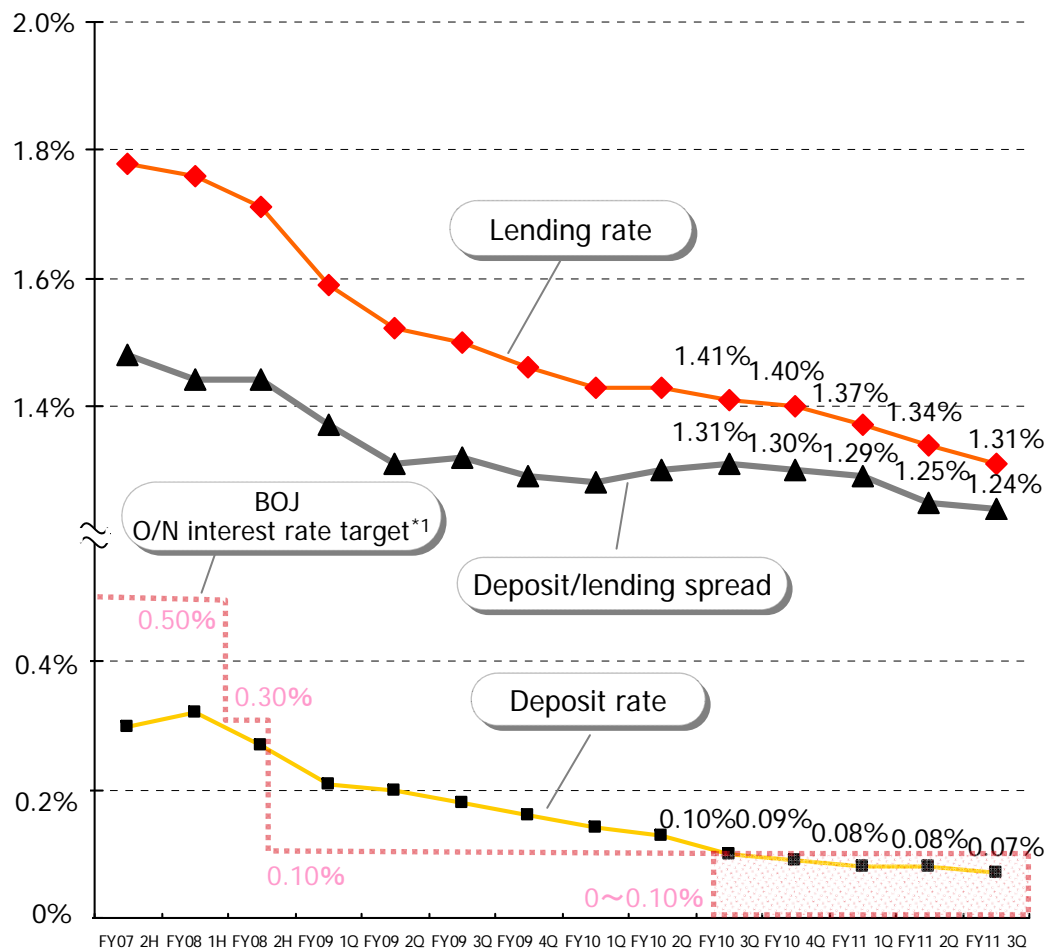


*2 Sum of banking and trust accounts



- Deposit/lending spread in FY11 3Q slightly decreased mainly due to a decrease in lending rate

Changes in domestic deposit/lending rates (non-consolidated)



*1 Before Mar 06, during quantitative easing : Actual O/N interest rate

Interest rate changes

- November 4, 2008
Interest rate on ordinary deposits: 0.200% ⇒ 0.120%
- November 20, 2008
Short-term prime rate: 1.875% ⇒ 1.675%
- December 22, 2008
Interest rate on ordinary deposits: 0.120% ⇒ 0.040%
- January 13, 2009
Short-term prime rate: 1.675% ⇒ 1.475%
- April 1, 2009
Variable rate on new housing loans :
⇒ Changed based on the long-term lending rate linked to short-term prime rate as of March 1
- July 1, 2009
Variable rate on existing housing loans :
⇒ Changed based on the long-term lending rate linked to short-term prime rate as of April 1
- September 6, 2010
Interest rate on ordinary deposits: 0.040% ⇒ 0.020%

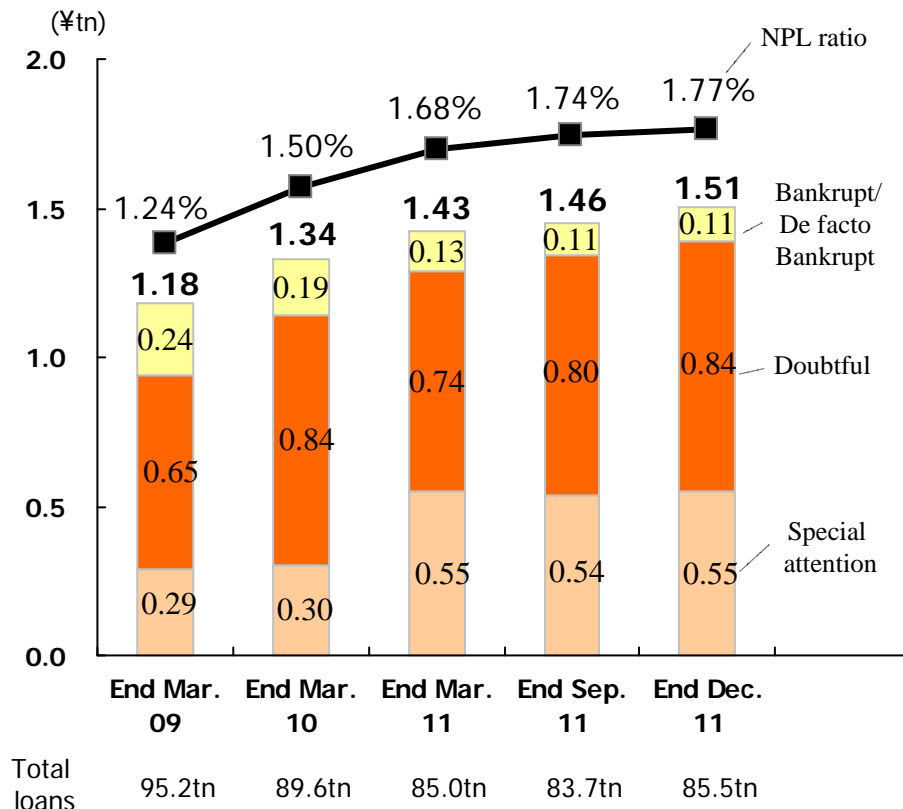
Loan assets

(Consolidated/Non-consolidated)



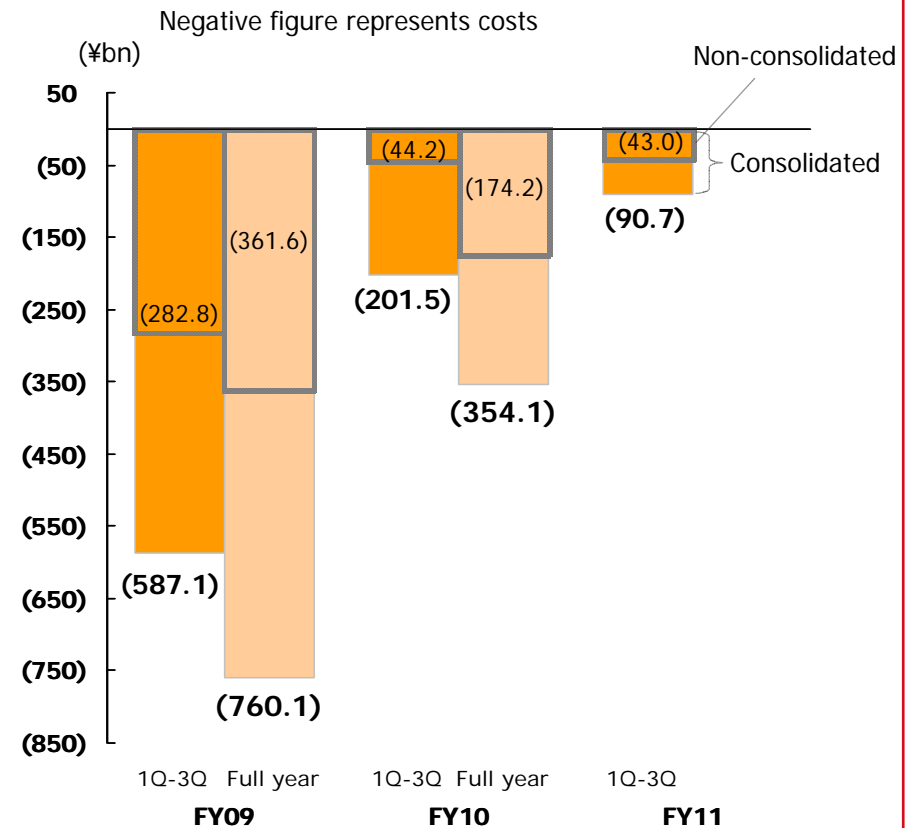
- NPL ratio increased 0.02% from End Sep. 11 to 1.77%, but keeping at a low level.
- Total credit costs were unchanged at ¥43.0bn for Non-consolidated, but decreased significantly to ¥90.7 bn for Consolidated.

Balance of FRL disclosed loans (Non-consolidated)



*1 Non Performing Loans ÷ Total loans

Total credit costs*2



*2 Figures included gains on loans written-off

Holdings of investment securities

(Consolidated)

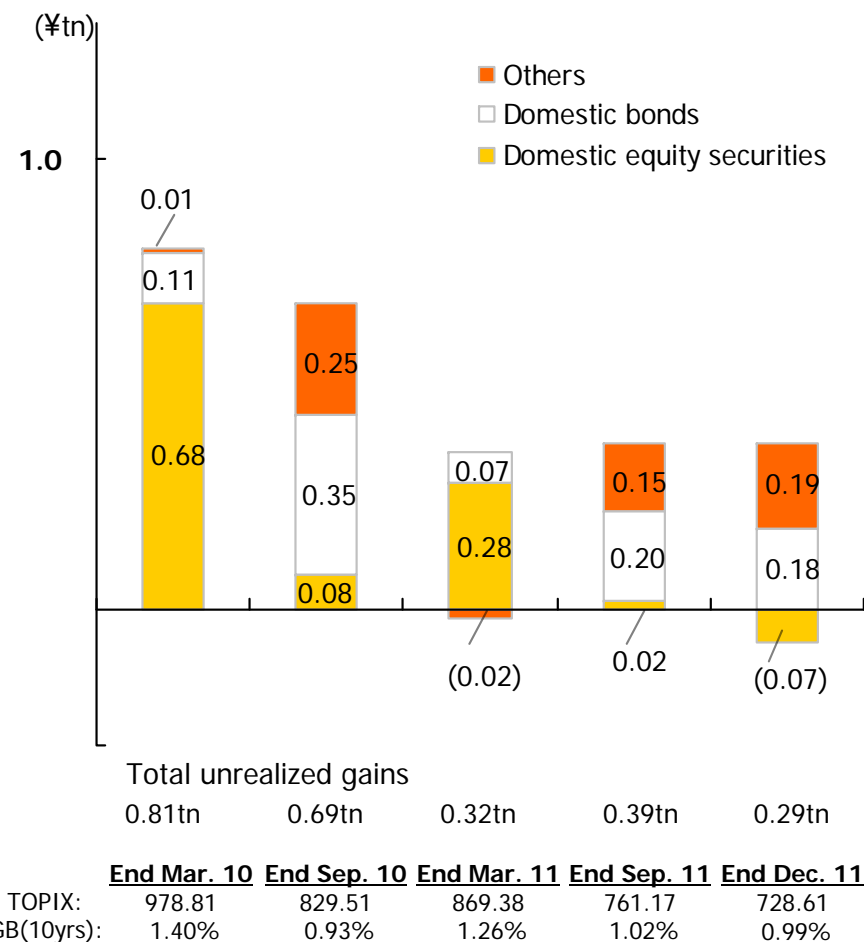


- Total unrealized gains on securities available for sale decreased by ¥91.6bn from End Sep. 11, mainly reflecting weak stock performance in the domestic market.

Breakdown of securities available for sale (with market value)

	(¥bn)	Balance		Unrealized gains(losses)	
		End Dec.11	Change from End Sep.11	End Dec.11	Change from End Sep.11
1	Total	68,955.3	(2,824.2)	298.5	(91.6)
2	Domestic equity securities	2,924.6	(191.6)	(73.7)	(96.9)
3	Domestic bonds	49,726.0	(862.5)	182.0	(27.6)
4	Government bonds	45,863.4	(774.3)	115.5	(25.6)
5	Others	16,304.6	(1,770.0)	190.2	32.9
6	Foreign equity securities	147.1	12.8	29.8	11.4
7	Foreign bonds	14,530.9	(1,782.7)	244.6	(8.5)
8	Others	1,626.6	(0.1)	(84.3)	29.9

Unrealized gains (losses) on securities available for sale



Exposures in European peripheral countries



- Exposures of BTMU consolidated in European peripheral countries were limited compared to consolidated total assets.

Exposures (BTMU consolidated)

	End Sep. 11	End Dec. 11
Spain	Approx.\$6.4 bn	Approx.\$5.7 bn
Italy	Approx.\$5.4 bn	Approx.\$5.4 bn
Ireland	Approx.\$0.3 bn	Approx.\$0.3 bn
Portugal	Approx.\$0.6 bn	Approx.\$0.5 bn
Greece	Approx.\$0.3 bn	Approx.\$0.3 bn
Total	Approx.\$13.0 bn	Approx.\$12.2 bn

Balance of sovereign bonds (MUFG)

	End Sep. 11	End Dec. 11
Spain	Approx.\$0.9 bn	Approx.\$0.8 bn
Italy	Approx.\$3.2 bn	Approx.\$2.7 bn
Ireland	-	-
Portugal	\$0.0 bn	\$0.0 bn
Greece	-	-
Total	Approx.\$4.1 bn	Approx.\$3.5 bn

Limited exposures

● Exposures (BTMU consolidated)

- No exposures to sovereign borrowers.
- More than 90% of exposures were to industrial corporations and structured finance.
 - Exposures to Spain and Italy were mainly towards infrastructure sector, such as electricity, gas and telecommunications.
- Limited exposures to financial institutions.
- Exposures including CDS hedge were approx.\$11.5bn.

● Balance of sovereign bonds (MUFG)

- No Greek or Irish government bonds.
- Very small amount of Portuguese government bonds in a trading account, all of which were hedged.
- Majority of our Spanish and Italian government bonds were held to maturity.

This document contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the company and/or the group as a whole (the “forward-looking statements”). The forward-looking statements are made based upon, among other things, the company’s current estimations, perceptions and evaluations. In addition, in order for the company to adopt such estimations, forecasts, targets and plans regarding future events, certain assumptions have been made. Accordingly, due to various risks and uncertainties, the statements and assumptions are inherently not guarantees of future performance, may be considered differently from alternative perspectives and may result in material differences from the actual result. For the main factors that may effect the current forecasts, please see Consolidated Summary Report, Annual Securities Report, Disclosure Book, Annual Report, and other current disclosures that the company has announced.

The financial information included in this financial highlights is prepared and presented in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”). Differences exist between Japanese GAAP and the accounting principles generally accepted in the United States (“U.S. GAAP”) in certain material respects. Such differences have resulted in the past, and are expected to continue to result for this period and future periods, in amounts for certain financial statement line items under U.S. GAAP to differ significantly from the amounts under Japanese GAAP. For example, differences in consolidation basis or accounting for business combinations, including but not limited to amortization and impairment of goodwill, could result in significant differences in our reported financial results between Japanese GAAP and U.S. GAAP. Readers should consult their own professional advisors for an understanding of the differences between Japanese GAAP and U.S. GAAP and how those differences might affect our reported financial results. To date, we have published U.S. GAAP financial results only on a semiannual and annual basis, and currently do not expect to publish U.S. GAAP financial results for the period reported in this financial highlights.