



Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for 1st Quarter of Fiscal Year Ending March 31, 2013**

July 31, 2012

Quality for You

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.

<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** 3
- **Balance sheet summary** 4
- **Loans / deposits** 5
- **Domestic deposits / lending rates** 6
- **Loan assets** 7
- **Holdings of investment securities** 8
- **Exposures in European peripheral countries** 9

Income statement summary

● Net business profits

- Net interest income decreased due to tighter domestic deposit-loan margin, lower interest income in Global Markets segment and smaller consumer-finance income, partially offset by an increase in loan income in overseas business. Gross profits, however, increased mainly due to a huge increase in net gains on security portfolio.
- G&A expenses increased slightly due to an increase in costs in overseas business.
- Net business profits increased, as a result.

● Total credit costs

- Non-consolidated credit costs turned to profits, while credit costs in other subsidiaries increased slightly.

● Net losses on equity securities

- Increased due to an increase in the cost of write-down.

● Net income

- Although ordinary profits, excluding one-time negative goodwill of ¥290.6bn posted in 1Q FY2012, increased by ¥30.1bn, net income decreased due to net extraordinary losses and an increase in income taxes-current and income taxes-deferred.

Reference	FY12 1Q	FY11 1Q	Change	FY14(Target)
Expense ratio (Consolidated)	55.5%	59.1%	(3.5%)	Between 55-60%
Expense ratio (Non-consolidated)	48.3%	52.5%	(4.2%)	Between 50-55%
ROE ^{*3}	7.79%	13.00%	(5.21%)	Approx. 8.0%

^{*3} The one-time impact of Morgan Stanley becoming an equity-method affiliate of MUFG at FY11 1Q is adjusted.

$$\text{Net income} \times 4 - \text{Equivalent of annual dividends on nonconvertible preferred stocks}$$

$$\div \left(\frac{\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period}}{\text{Total shareholders' equity at the end of the period} - \text{Number of nonconvertible preferred stocks at the end of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the end of the period}} \right) \times 100$$

Income statement(¥bn) 〈Consolidated〉

	FY12 1Q	FY11 1Q	Change
1 Gross profits (before credit costs for trust accounts)	932.3	854.9	77.3
2 Net interest income	418.7	470.9	(52.1)
3 Trust fees+Net fees and commissions	235.6	247.9	(12.3)
4 Net trading profits +Net other business profits	277.9	136.0	141.8
5 Net gains (losses) on debt securities	217.0	77.7	139.3
6 G&A expenses	518.0	505.5	12.5
7 Net business profits	414.2	349.4	64.7
8 Total credit costs ^{*1}	(14.8)	(18.9)	4.1
9 Net gains (losses) on equity securities	(54.5)	(22.4)	(32.1)
10 Other non-recurring gains (losses) ^{*2}	(4.1)	293.2	(297.3)
11 Ordinary profits	340.7	601.2	(260.5)
12 Without one-time effect of negative goodwill	340.7	310.6	30.1
13 Net extraordinary gains (losses)	(23.0)	10.2	(33.3)
14 Total of income taxes-current and income taxes-deferred	(103.1)	(79.9)	(23.1)
15 Minority interests	(31.6)	(31.0)	(0.5)
16 Net income	182.9	500.5	(317.6)
17 Without one-time effect of negative goodwill	182.9	209.9	(27.0)

〈Non-consolidated〉

	FY12 1Q	FY11 1Q	Change
18 Gross profits (before credit costs for trust accounts)	644.0	573.3	70.6
19 G&A expenses	311.1	301.2	9.9
20 Net business profits	332.9	272.1	60.7
21 Total credit costs ^{*1}	0.4	(13.8)	14.2
22 Ordinary profits	235.3	192.5	42.8
23 Income before income taxes	239.5	195.1	44.4
24 Net income	150.8	141.8	9.0

^{*1} Credit costs for trust accounts+Provision for general allowance for credit losses
+ Credit costs (included in non-recurring gains/losses) + Reversal of allowance for credit losses
+ Reversal of reserve for contingent losses included in credit costs+Gains on loans written-off.
^{*2} Included Profits (losses) from investments in affiliates and provision for losses on interest repayment.

Balance sheet summary

● Loans

- Total loans decreased compared to the end of Mar 2012 mainly due to a weak demand in domestic corporate loans and housing loans.

● Investment securities

- Decreased mainly due to a decrease in foreign bonds and equity securities, partially offset by an increase in Japanese government bonds compared to the end of Mar 2012.

● Deposits

- Total deposits increased compared to the end of Mar 2012 mainly due to a large increase in individual deposits in domestic branches.

● Total net assets

- Total net assets increased compared to the end of Mar 2012 mainly due to an increase in retained earnings and foreign currency translation adjustments.

● Non performing loans (“NPLs”)

- NPLs and NPL ratio remained almost unchanged at low levels since the end of Mar 2012.

● Net unrealized gains (losses) on securities available for sale

- Net unrealized gains deteriorated compared to the end of Mar 2012 because of weak equity markets in both Japan and foreign countries.

Balance sheet (¥bn)

	End Jun.12	End Mar.12	Change from End Mar.12
1 Total assets	222,245.3	218,861.6	3,383.7
2 Loans(Banking+Trust accounts)	84,225.0	84,640.0	(415.0)
3 Loans(Banking accounts)	84,077.1	84,492.6	(415.5)
4 Domestic corporate loans*1	45,154.8	45,634.7	(479.8)
5 Housing loans*1	16,726.1	16,866.0	(139.8)
6 Overseas loans*2	19,985.7	19,947.1	38.6
7 Investment securities (banking accounts)	78,143.6	78,264.7	(121.0)
8 Japanese government bonds	49,292.2	48,562.7	729.4
9 Foreign bonds	18,171.8	18,772.0	(600.2)
10 Receivables under resale agreements and Receivables under securities borrowing transactions	8,788.6	7,809.5	979.1
11 Total liabilities	210,418.5	207,185.8	3,232.7
12 Deposits	125,360.1	124,789.2	570.8
13 Individual deposits (Domestic branches)	66,862.3	65,844.3	1,017.9
14 Payables under repurchase agreements and Payables under securities lending transactions	19,447.5	18,564.7	882.7
15 Total net assets	11,826.7	11,675.7	150.9
16 FRL disclosed loans*1*3	1,576.4	1,582.1	(5.7)
17 NPL ratio*1	1.80%	1.77%	0.02%
18 Net unrealized gains (losses) on securities available for sale	637.0	832.0	(195.0)

*1 Non-consolidated+trust accounts

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

*3 FRL=the Financial Reconstruction Law

Loans / deposits

● **Loan balance ¥84.2tn**
(down by ¥0.4tn from End Mar. 12)

<Changes from End Mar. 12>

■ Housing Loan	(¥0.1tn)
■ Domestic corporate	(¥0.4tn)
■ Overseas ^{*1}	+¥0.0tn
	Excluding impact of foreign currency exchange
	+¥0.5tn

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

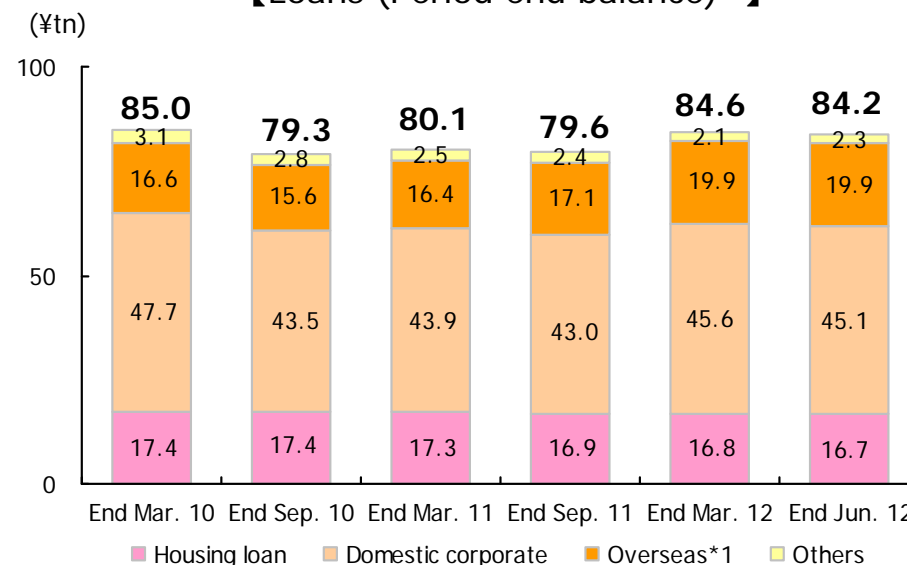
*2 Sum of banking and trust accounts

● **Deposit balance ¥125.3tn**
(up by ¥0.5tn from End Mar. 12)

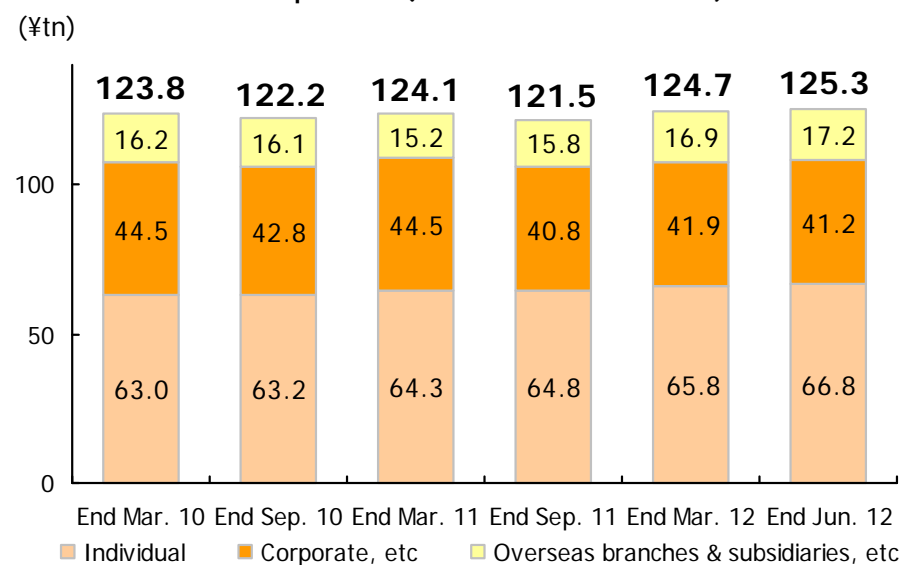
<Changes from End Mar. 12>

■ Individual	+¥1.0tn
■ Corporate, etc.	(¥0.7tn)
■ Others	+¥0.2tn

【Loans (Period end balance)^{*2}】



【Deposits (Period end balance)】



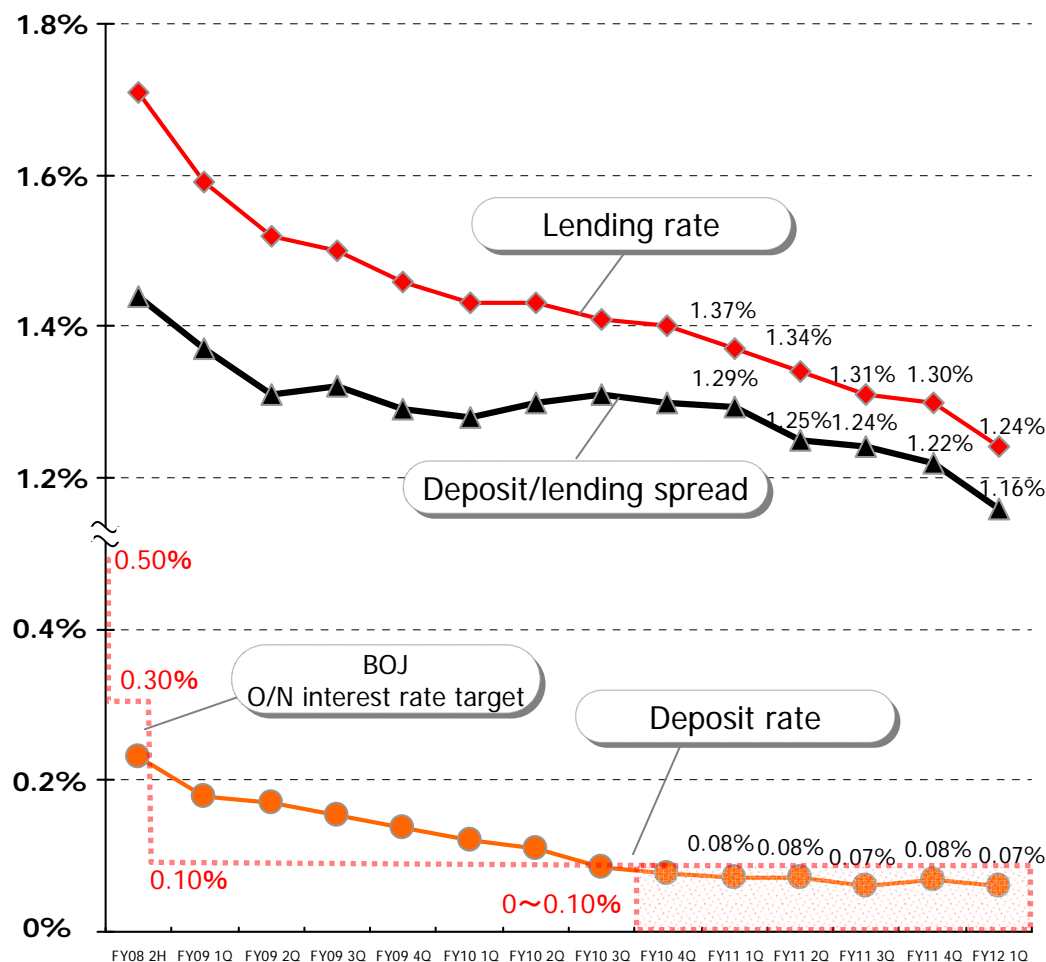
Domestic deposit / lending rates

【Non-consolidated】



- Deposit/lending spread in FY12 1Q decreased mainly due to a decrease in lending rate

Changes in domestic deposit / lending rates



【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%

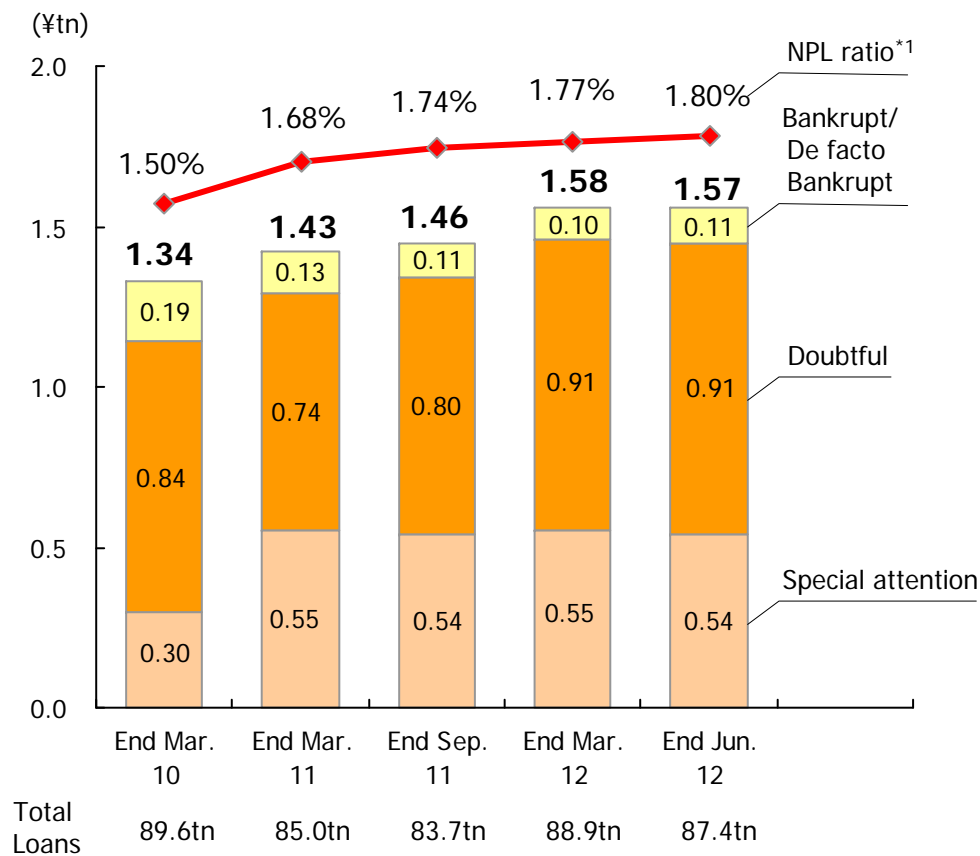
Loan assets

【Consolidated/Non-consolidated】



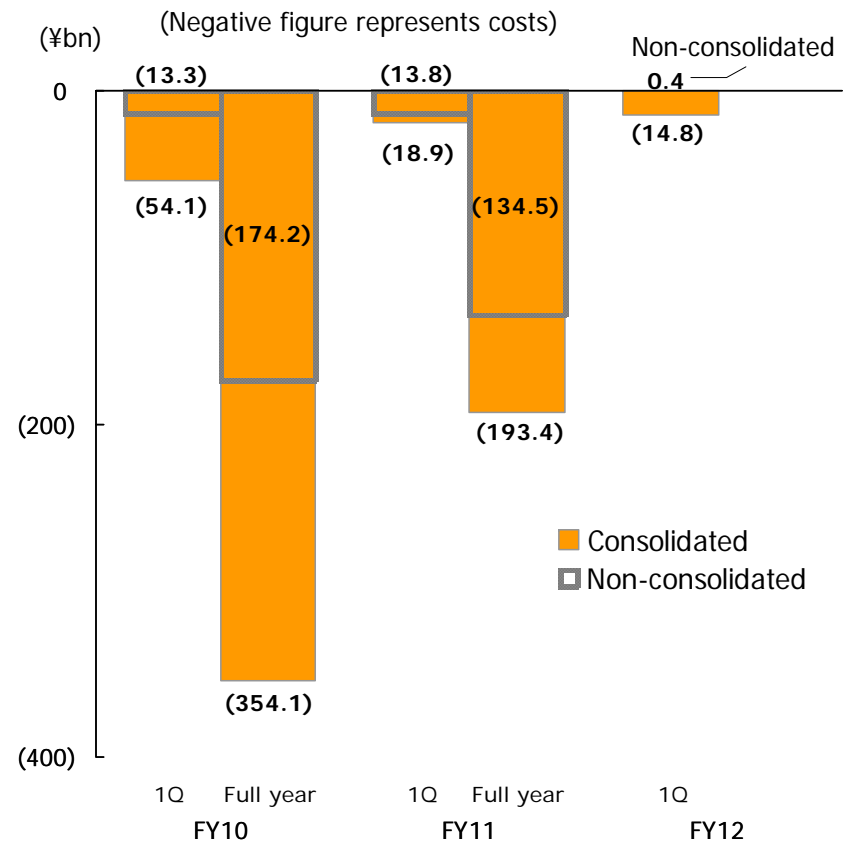
- NPLs (non performing loan) remained almost unchanged compared to the end of Mar 2012. NPL ratio was low at "1.80%".
- Total credit costs were ¥0.4bn gains for Non-consolidated, and ¥14.8bn losses for Consolidated.

Balance of FRL disclosed loans



*1 Non performing loan ÷ Total loans

Total credit costs



Holdings of investment securities

【Consolidated】

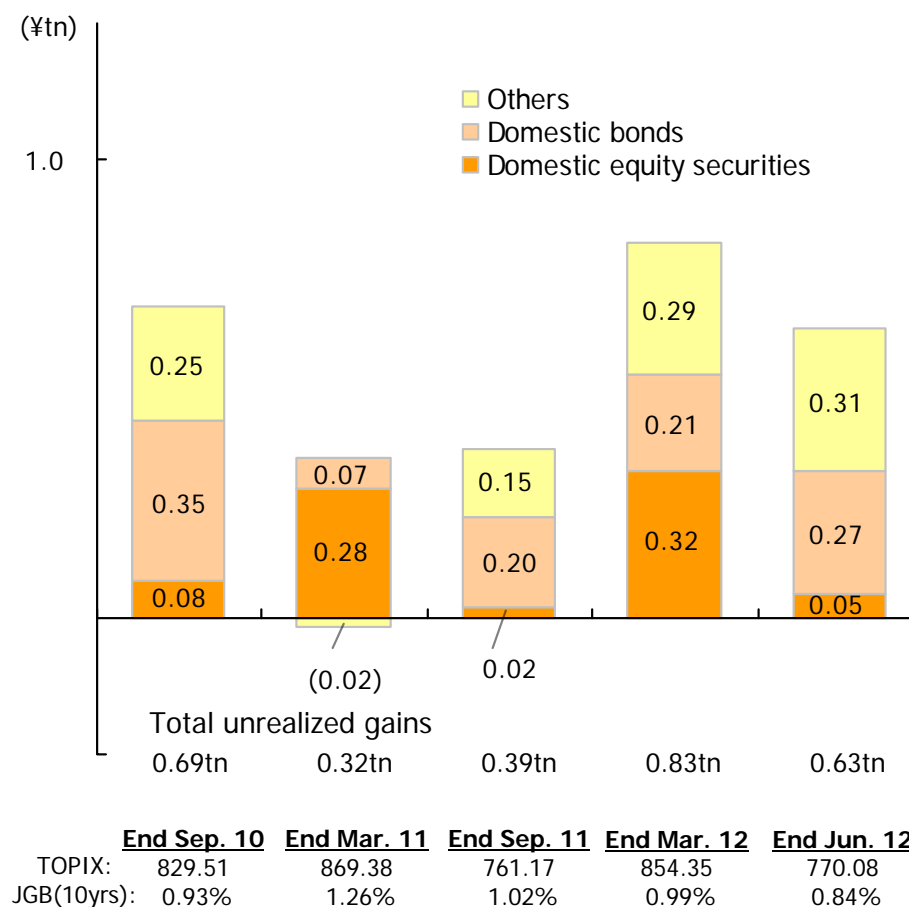


- Total unrealized gains on securities available for sale decreased by ¥195.0bn compared to the end of Mar 2012, mainly due to a decrease in unrealized gains on domestic and foreign equity securities followed by weak stock performance in markets.

Breakdown of securities available for sale

	(¥bn)	Balance		Unrealized gains(losses)	
		End Jun.12	Change from End Mar.12	End Jun.12	Change from End Mar.12
1	Total	74,897.9	66.2	637.0	(195.0)
2	Domestic equity securities	2,987.9	(345.9)	54.1	(267.6)
3	Domestic bonds	52,241.0	674.2	270.8	53.3
4	Government bonds	48,762.2	756.4	203.8	48.6
5	Others	19,668.9	(262.0)	312.0	19.2
6	Foreign equity securities	146.6	(23.6)	27.3	(22.9)
7	Foreign bonds	17,434.0	(487.9)	292.8	32.2
8	Others	2,088.2	249.5	(8.1)	9.9

Unrealized gains on securities available for sale



Exposures in European peripheral countries



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

Exposures (BTMU consolidated)

	End Mar. 12	End Jun. 12
Spain	Approx.\$5.8 bn	Approx.\$5.2 bn
Italy	Approx.\$5.9 bn	Approx.\$5.6 bn
Ireland	Approx.\$0.3 bn	Approx.\$0.2 bn
Portugal	Approx.\$0.6 bn	Approx.\$0.5 bn
Greece	Approx.\$0.3 bn	Approx.\$0.3 bn
Total	Approx.\$12.9 bn	Approx.\$11.9 bn

Balance of sovereign bonds (MUFG)

	End Mar. 12	End Jun. 12
Spain	Approx.\$0.7 bn	Approx.\$0.2 bn
Italy	Approx.\$2.8 bn	Approx.\$2.7 bn
Ireland	—	—
Portugal	\$0.0 bn	\$0.0 bn
Greece	—	—
Total	Approx.\$3.5 bn	Approx.\$2.9 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 for infrastructure, such as electricity, gas and telecommunications, etc.
- Limited exposures to financial institutions.
- Exposures including CDS hedge were approx. \$11.0bn.

● Balance of sovereign bonds (MUFG)

- No Greek or Irish government bonds.
- Outstanding of Spanish government bonds was approx.\$0.1bn at the end of Jul 2012.
- Hold-to-Maturity accounting has been used for most of Italian government bonds which will be redeemed within next 2.2years.