Mitsubishi UFJ Financial Group

Financial Highlights under Japanese GAAP for 3rd Quarter of Fiscal Year Ending March 31, 2013

Feb 1, 2013

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 affect 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 terms 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)

Agenda

Income statement summary

(For the nine-month period ended December 31, 2012)

【Consolidated】

MUFG

Net business profits

- Net interest income decreased mainly due to tighter domestic deposit-loan margin, lower interest income in Global Markets segment and lower income from consumer-finance subsidiary, partially offset by an increase in loan income in overseas. Gross profits, however, increased primarily due to increases in income from sales and trading and net gains on debt securities.
- G&A expenses increased mainly due to an increase in costs in strengthening overseas businesses.
- Net business profits decreased, as a result.

Total credit costs

- Total credit costs increased mainly due to a lower reversal of provision for general allowance for credit losses, partially offset by a decrease in losses on loans written-off.

Net losses on equity securities

- Net losses on equity securities decreased due to a decrease in the losses on write-down of equity securities.

Net income

- As a result, net income excluding one-time effect of negative goodwill associated with the application of equity method accounting on our investment in Morgan Stanley remained almost unchanged.

Reference	FY11 3Q	FY12 3Q	Change	FY14(Target)
Expense ratio (Consolidated)	55.6%	56.9%	1.2%	Between 55-60%
Expense ratio (Non-consolidated)	48.7%	50.7%	2.0%	Between 50-55%
Consolidated ROE[*3]	11.30%	7.51%	(3.79%)	Approx. 8.0%
EPS(¥)	57.04	37.00	(20.04)	

*3
Net income×4÷3−Equivalent of annual dividends on nonconvertible preferred stocks
{(Total shareholders' equity at the beginning of the period −Number of nonconvertible preferred stocks at the beginning of the period×Issue price+Foreign currency translation adjustments at the beginning of the period)
'+(Total shareholders' equity at the end of the period −Number of nonconvertible preferred stocks at the end of the period ×Issue price+Foreign currency translation adjustments at the end of the period)}÷2
×100

Income statement(¥bn)
〈Consolidated〉

		FY11 3Q	FY12 3Q	Change
1	Gross profits (before credit costs for trust accounts)	2,646.6	2,678.1	31.4
2	Net interest income	1,378.0	1,309.8	(68.2)
3	Trust fees+Net fees and commissions	769.9	784.2	14.3
4	Net trading profits	134.7	200.8	66.0
5	Net other business profits	363.9	383.2	19.2
6	Net gains (losses) on debt securities	285.2	344.3	59.1
7	G&A expenses	1,473.3	1,523.9	50.6
8	Net business profits	1,173.3	1,154.1	(19.1)
9	Total credit costs[*1]	(90.7)	(103.5)	(12.8)
10	Net gains (losses) on equity securities	(155.0)	(90.9)	64.1
11	Losses on write-down of equity securities	(155.5)	(110.2)	45.3
12	Other non-recurring gains (losses)[*2]	303.9	(23.2)	(327.1)
13	Ordinary profits	1,231.4	936.4	(294.9)
14	Net extraordinary gains (losses)	(17.8)	(27.1)	(9.3)
15	Total of income taxes-current and income taxes-deferred	(319.4)	(282.9)	36.4
16	Minority interests	(78.3)	(93.8)	(15.4)
17	Net income	815.8	532.4	(283.3)
18	Without one-time effect of negative goodwill	525.1	532.4	7.2

〈Non-consolidated〉

		FY11 3Q	FY12 3Q	Change
19	Gross profits (before credit costs for trust accounts)	1,811.8	1,811.5	(0.2)
20	G&A expenses	883.8	920.0	36.2
21	Net business profits	927.9	891.5	(36.4)
22	Total credit costs[*1]	(43.0)	(54.3)	(11.3)
23	Ordinary profits	640.7	673.0	32.3
24	Income before income taxes	635.6	672.4	36.8
25	Net income	380.6	433.3	52.6

*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

【Consolidated】

- **Loans**
  - Increased from the end of March 2012 and the end of September 2012 mainly due to higher domestic corporate loans and overseas loans.
- **Investment securities**
  - Decreased from the end of March 2012 and the end of September 2012 mainly due to a decrease in Japanese government bonds, partially offset by an increase in foreign bonds.
- **Deposits**
  - Increased from the end of March 2012 and the end of September 2012 mainly due to higher individual, overseas and others deposits.
- **Non performing loans ("NPLs")**
  - Deteriorated from the end of March 2012 mainly due to downgrades of debtor credit ratings of large borrowers. Remained almost unchanged from the end of September 2012
- **Net unrealized gains on securities available for sale**
  - Increased from the end of March 2012 and the end of September 2012 mainly due to higher unrealized gains on domestic equity securities.

Balance sheet(¥bn)

		Dec.12	Change from Mar.12	Change from Sep.12
1	Total assets	224,470.2	5,608.6	5,829.1
2	Loans(Banking+Trust accounts)	87,080.1	2,440.0	2,251.6
3	Loans(Banking accounts)	86,979.5	2,486.8	2,298.3
4	Housing loans*1	16,611.4	(254.6)	(80.2)
5	Domestic corporate loans*1	46,333.3	698.6	563.2
6	Overseas loans*2	21,922.8	1,975.6	1,773.6
7	Investment securities (banking accounts)	75,403.4	(2,861.2)	(1,873.3)
8	Domestic equity securities	4,157.3	(59.2)	432.6
9	Japanese government bonds	44,196.5	(4,366.1)	(3,877.3)
10	Foreign bonds	20,094.2	1,322.1	1,422.3
11	Receivables under resale agreements and Receivables under securities borrowing transactions	7,875.3	65.8	(239.6)
12	Total liabilities	212,199.9	5,014.1	5,425.7
13	Deposits	126,931.2	2,142.0	1,845.3
14	Individual deposits (Domestic branches)	67,828.9	1,984.5	1,347.7
15	Payables under repurchase agreements and Payables under securities lending transactions	20,037.0	1,472.2	1,810.1
16	Total net assets	12,270.2	594.5	403.3
17	FRL disclosed loans*1*3	1,670.6	88.4	19.4
18	NPL ratio*1	1.83%	0.05%	(0.03%)
19	Net unrealized gains (losses) on securities available for sale	1,026.9	194.8	327.3

*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】

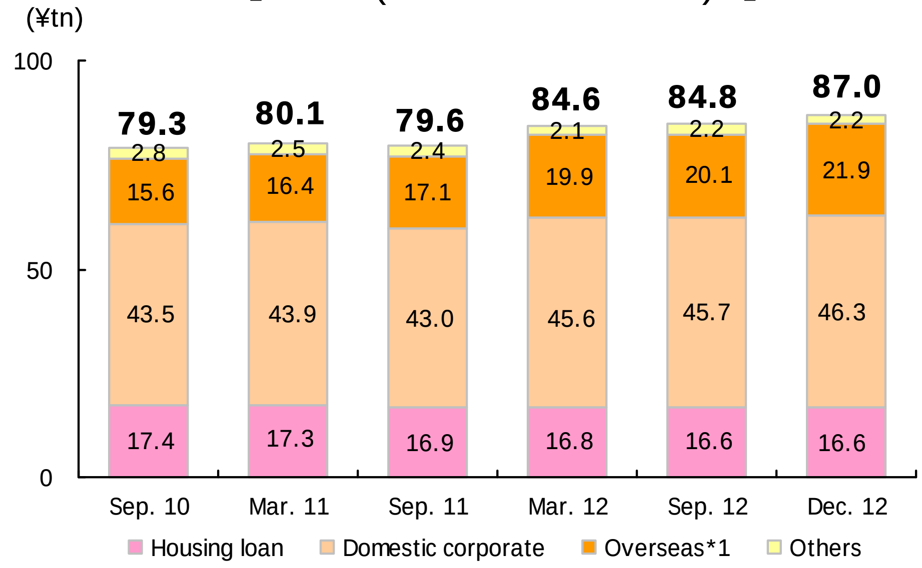
●**Loan balance ¥87.0tn**
(up by ¥2.2tn from September 2012)

<Changes from September 2012 >

■ Housing Loan	(¥0.0tn)
■ Domestic corporate	+¥0.5tn
■ Overseas*1	+¥1.7tn
Excluding impact of foreign currency exchange	+¥0.3tn

*1 Overseas branches + UnionBanCal Corporation +BTMU (China)
*2 Sum of banking and trust accounts

【Loans (Period end balance)*2】

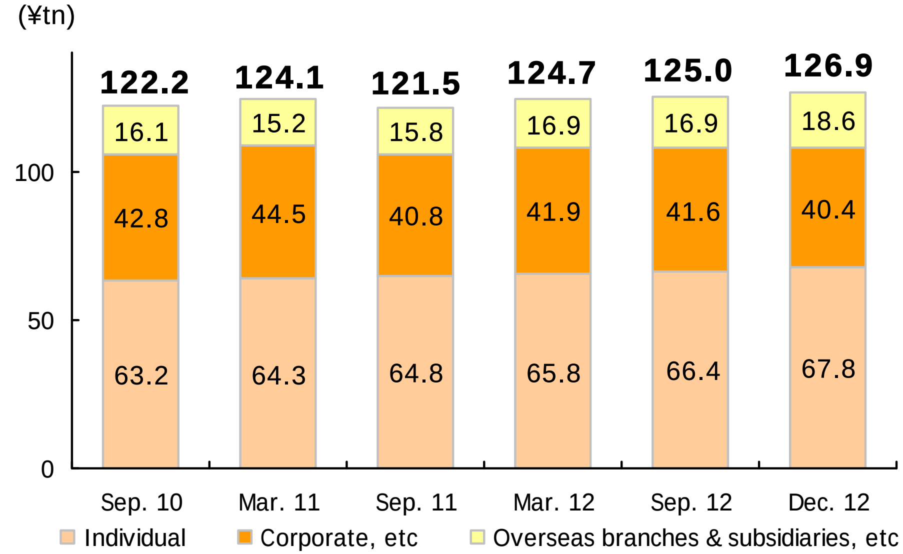


●**Deposit balance ¥126.9tn**
(up by ¥1.8tn from September 2012)

<Changes from September 2012 >

■ Individual	+¥1.3tn
■ Corporate, etc.	(¥1.1tn)
■ Overseas and others	+¥1.6tn
Excluding impact of foreign currency exchange	+¥0.7tn

【Deposits (Period end balance)】

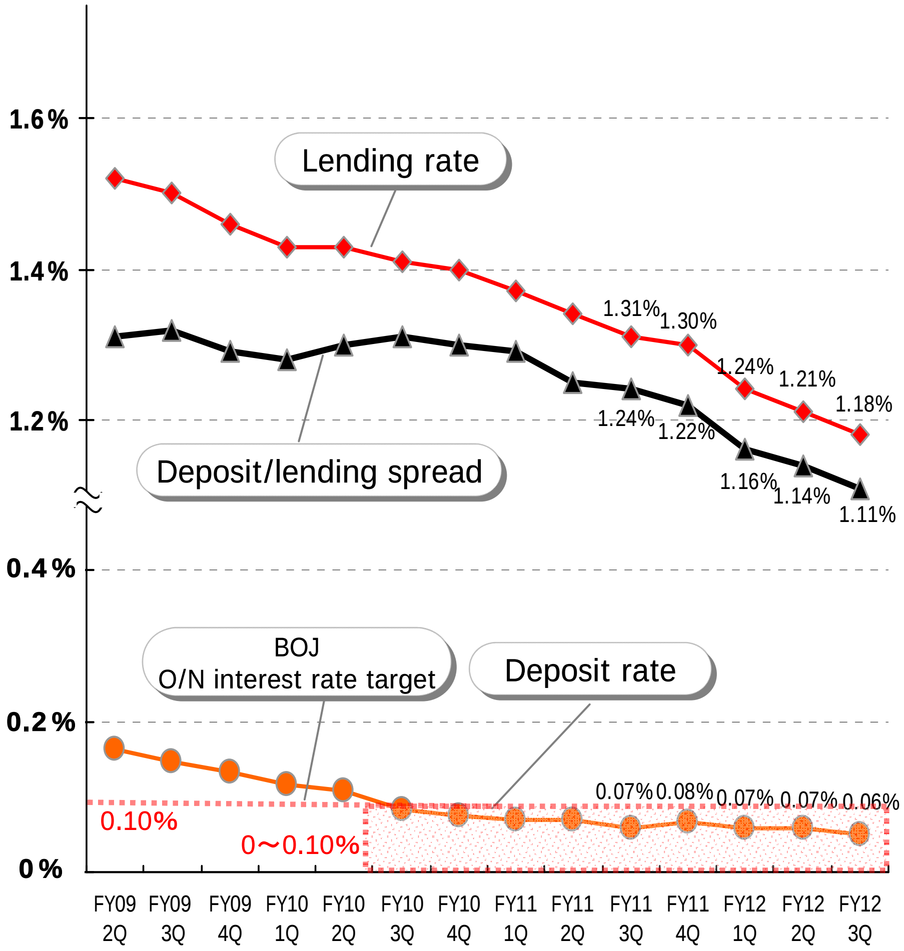


Domestic deposit / lending rates

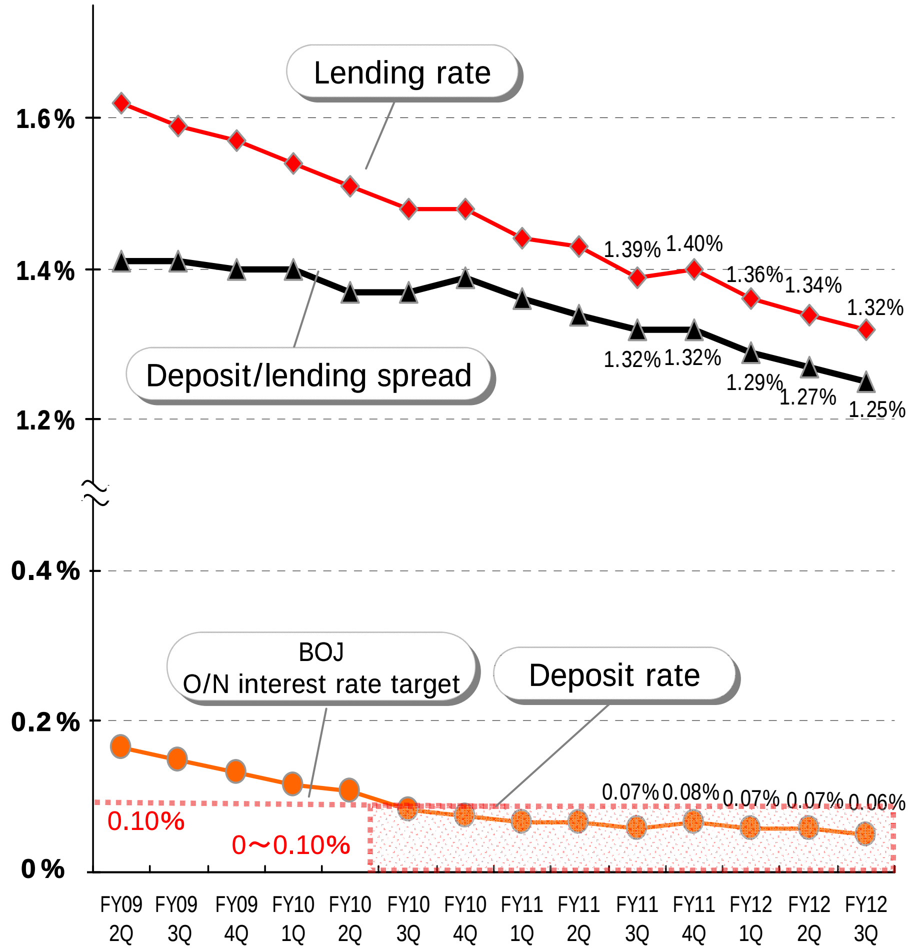
【Non-consolidated】

- Deposit / lending spread in FY12 3Q decreased mainly due to a decline in lending rate

Changes in domestic deposit / lending rates



Changes in domestic deposit / lending rates (Excluding lending to Government)



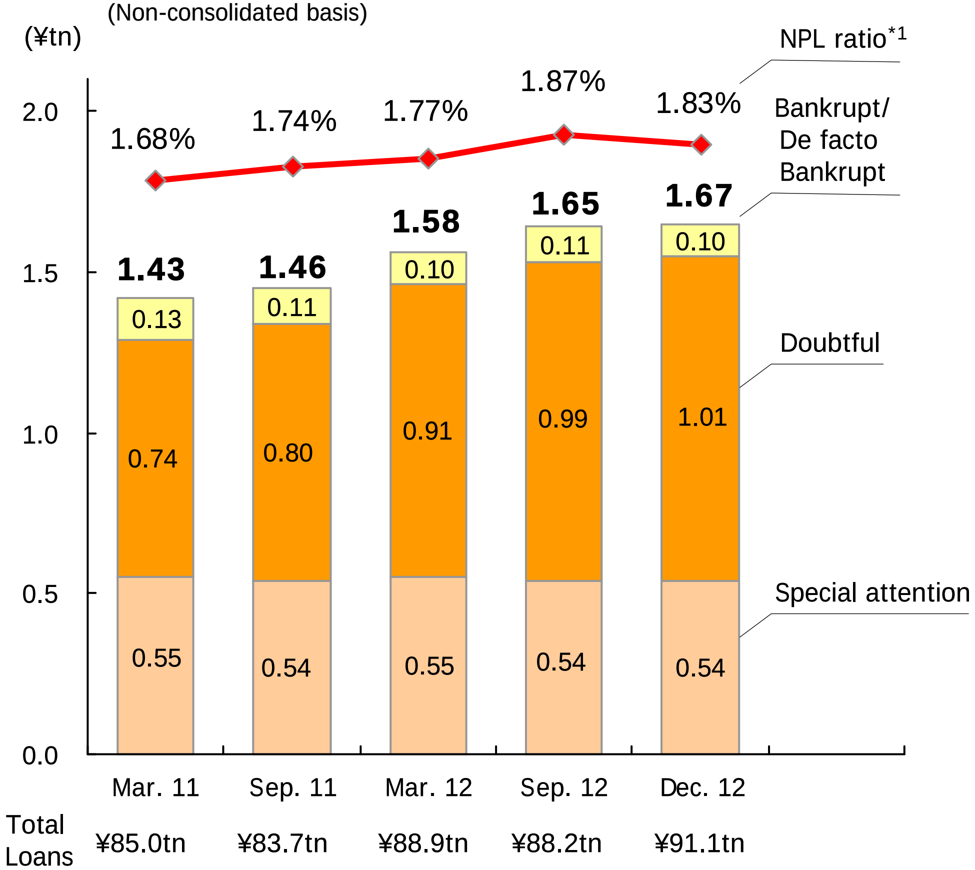
Loan assets

【Consolidated / Non-consolidated】

- NPLs remained almost unchanged from the end of September 2012. NPL ratio was 1.83%.
- Total credit costs for the nine-month ended December 31, 2012 increased by ¥12.8bn compared with the same period last year to ¥103.5bn on consolidated basis. (¥54.3bn on non-consolidated basis)

Balance of FRL disclosed loans

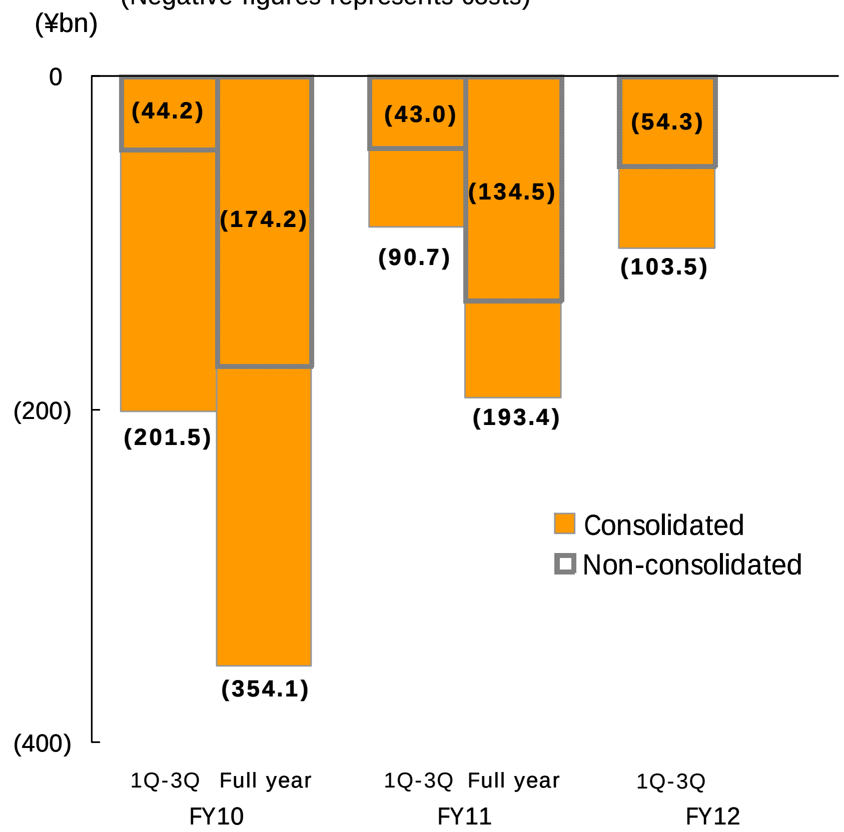
(Non-consolidated basis)



*1 Non performing loans ÷ Total loans

Total credit costs

(Negative figures represents costs)



Investment securities

【Consolidated】

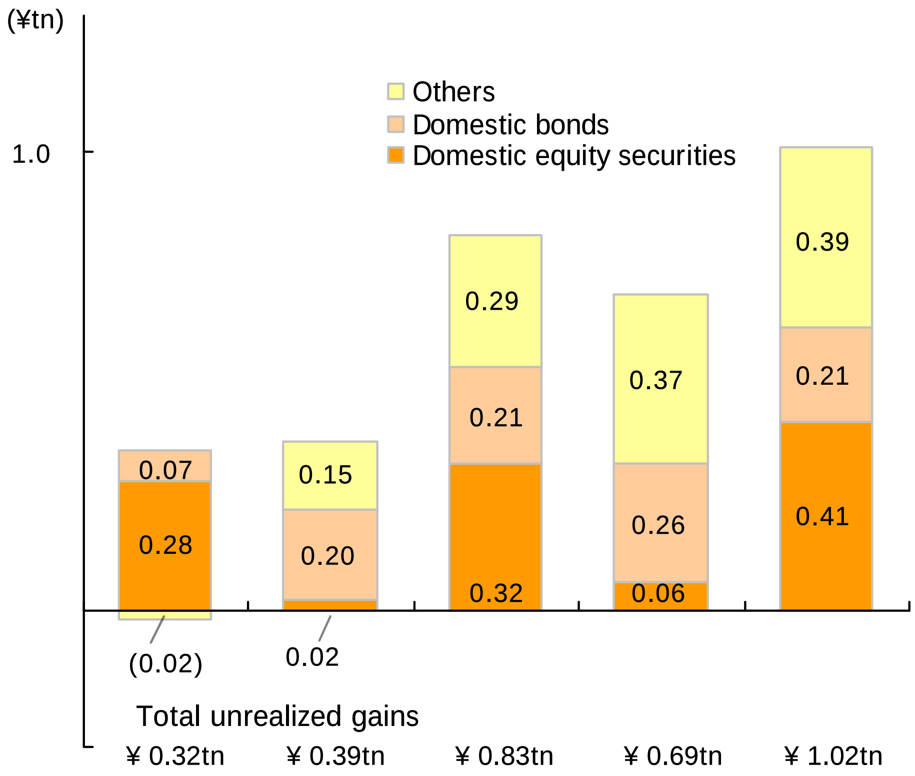
- **Total unrealized gains on securities available for sale improved by ¥327.3bn from the end of September 2012. Unrealized gains on domestic and foreign equity securities boosted reflecting particularly strong domestic and foreign equity markets towards the end of December 2012.**

Breakdown of securities available for sale

(¥bn)

		Balance Dec.12	Balance Change from Sep.12	Unrealized gains(losses) Dec.12	Unrealized gains(losses) Change from Sep.12
1	Total	72,904.8	(1,189.2)	1,026.9	327.3
2	Domestic equity securities	3,296.7	426.4	419.8	358.2
3	Domestic bonds	47,220.0	(3,642.1)	210.2	(53.6)
4	Government bonds	43,946.6	(3,597.3)	151.9	(49.0)
5	Others	22,388.1	2,026.4	396.8	22.7
6	Foreign equity securities	186.6	36.3	65.3	33.5
7	Foreign bonds	19,531.9	1,571.2	312.2	(18.2)
8	Others	2,669.5	418.8	19.2	7.4

Unrealized gains on securities available for sale



	Mar. 11	Sep. 11	Mar. 12	Sep. 12	Dec. 12
TOPIX:	869.38	761.17	854.35	737.42	859.80
JGB(10yrs):	1.26%	1.02%	0.99%	0.77%	0.79%

Exposures to European peripheral countries

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

Exposures (BTMU consolidated)

	Sep. 12	Dec. 12
Spain	Approx.$5.2 bn	Approx.$5.1 bn
Italy	Approx.$6.1 bn	Approx.$6.0 bn
Ireland	Approx.$0.2 bn	Approx.$0.2 bn
Portugal	Approx.$0.6 bn	Approx.$0.6 bn
Greece	Approx.$0.2 bn	Approx.$0.2 bn
Total	Approx.$12.2 bn	Approx.$12.1 bn

Balance of sovereign bonds (MUFG)

	Sep. 12	Dec. 12
Spain	Approx.$0.1 bn	Approx.$0.1 bn
Italy	Approx.$1.5 bn	Approx.$1.5 bn
Ireland	—	—
Portugal	$0.0 bn	$0.0 bn
Greece	—	—
Total	Approx.$1.6 bn	Approx.$1.6 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. $11.1bn.

● **Balance of sovereign bonds (MUFG)**

- No Greek or Irish government bonds.
- Most of Italian government bonds are securities held-to-maturity, which will be redeemed in approximately 2 years.