Mitsubishi UFJ Financial Group

Financial Highlights under Japanese GAAP for 1st Quarter of Fiscal Year Ending March 31, 2014

July 31, 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 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)

Agenda

Income statement summary

【Consolidated / Non-consolidated】

MUFG

● Net business profits

- Gross profits slightly increased primarily due to increases in net interest income reflecting higher loan income in overseas, net fees and commissions and income from sales and trading, partially offset by a decrease in net gains on debt securities.
- G&A expenses also increased mainly due to an increase in costs in overseas businesses.
- Net business profits decreased, as a result.

● Total credit costs

- Total credit costs remained almost unchanged due to a higher reversal of provision for general allowance for credit losses, offset by an increase in provision for specific allowance for credit losses.

● Net gains (losses) on equity securities

- Net gains on equity securities improved mainly due to a decrease in losses on write-down of equity securities.

● Net income

- As a result, net income increased by ¥72.3bn to ¥255.2bn.

Reference	FY12 1Q	FY13 1Q	Change	FY14(Target)
Expense ratio (Consolidated)	55.5%	59.7%	4.1%	Between 55-60%
Expense ratio (Non-consolidated)	48.3%	56.0%	7.7%	Between 50-55%
Consolidated ROE*1	7.79%	9.85%	2.06%	Approx. 8.0%

*1 $$\frac{\text{(Net income×4)−Equivalent of annual dividends on nonconvertible preferred stocks}}{\{\text{(Total shareholders' equity at the beginning of the period −Number of nonconvertible preferred stocks at the beginning of the period×Issue price+Foreign currency translation adjustments at the beginning of the period)} + \text{(Total shareholders' equity at the end of the period −Number of nonconvertible preferred stocks at the end of the period ×Issue price+Foreign currency translation adjustments at the end of the period)}\}\div 2} \times 100$$

Income statement(¥bn)

〈Consolidated〉

		FY12 1Q	FY13 1Q	Change
1	Gross profits (before credit costs for trust accounts)	932.3	948.9	16.6
2	Net interest income	418.7	441.3	22.5
3	Trust fees+Net fees and commissions	235.6	295.7	60.1
4	Net trading profits +Net other business profits	277.9	211.8	(66.0)
5	Net gains (losses) on debt securities	217.0	67.5	(149.5)
6	G&A expenses	518.0	566.5	48.5
7	Net business profits	414.2	382.3	(31.8)
8	Total credit costs*2	(14.8)	(15.4)	(0.6)
9	Net gains (losses) on equity securities	(54.5)	12.8	67.3
10	Losses on write-down of equity securities	(64.6)	(7.3)	57.2
11	Profits (Losses) from investments in affiliates	10.1	39.6	29.5
12	Other non-recurring gains (losses)	(14.2)	1.2	15.4
13	Ordinary profits	340.7	420.6	79.9
14	Net extraordinary gains (losses)	(23.0)	(26.8)	(3.7)
15	Total of income taxes-current and income taxes-deferred	(103.1)	(95.4)	7.6
16	Net income	182.9	255.2	72.3
17	EPS(¥)	12.93	18.03	5.10

〈Non-consolidated〉

		FY12 1Q	FY13 1Q	Change
18	Gross profits (before credit costs for trust accounts)	644.0	580.7	(63.2)
19	G&A expenses	311.1	325.6	14.5
20	Net business profits	332.9	255.1	(77.7)
21	Total credit costs*2	0.4	(2.2)	(2.6)
22	Ordinary profits	235.3	238.8	3.4
23	Net income	150.8	142.2	(8.5)

*2 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.

Balance sheet summary

【Consolidated】

MUFG

Loans

- Increased from the end of March 2013 mainly due to higher overseas loans, partially offset by lower housing loans and domestic corporate loans.

Investment securities

- Decreased from the end of March 2013 mainly due to a decrease in Japanese government bonds.

Deposits

- Increased from the end of March 2013 mainly due to higher individual and overseas & others deposits, partially offset by lower corporate deposits.

Non performing loans ("NPLs")

- NPL ratio declined from the end of March 2013 mainly due to lower FRL*3 disclosed loans.

Net unrealized gains on securities available for sale

- Deteriorated from the end of March 2013 mainly due to lower market value in Japanese government bonds and foreign bonds.

Balance sheet(¥bn)

		Mar.13	Jun.13	Change from Mar.13
1	Total assets	234,498.7	234,081.7	(416.9)
2	Loans(Banking+Trust accounts)	91,403.2	92,992.9	1,589.7
3	Loans(Banking accounts)	91,299.5	92,888.0	1,588.4
4	Housing loans*1	16,590.3	16,430.9	(159.4)
5	Domestic corporate loans*1	47,610.7	47,492.7	(118.0)
6	Overseas loans*2	25,437.5	27,133.3	1,695.7
7	Investment securities (banking accounts)	79,526.8	71,070.9	(8,455.8)
8	Domestic equity securities	4,722.7	4,956.6	233.8
9	Japanese government bonds	48,707.9	40,279.9	(8,428.0)
10	Foreign bonds	18,869.6	19,085.3	215.6
11	Total liabilities	220,979.0	220,399.4	(579.6)
12	Deposits	131,697.0	134,028.6	2,331.5
13	Individual deposits (Domestic branches)	67,342.8	68,445.6	1,102.8
14	Total net assets	13,519.6	13,682.2	162.6
15	FRL disclosed loans*1*3	1,696.8	1,629.4	(67.4)
16	NPL ratio*1	1.80%	1.71%	(0.08%)
17	Net unrealized gains (losses) on securities available for sale	1,885.1	1,516.9	(368.1)

*1 Non-consolidated+trust accounts
*2 Loans booked in overseas branches, UnionBanCal Corporation, BTMU(China) and BTMU(Holland)
*3 FRL=the Financial Reconstruction Law

Loans / deposits

【Consolidated】

●Loan balance ¥92.9tn
(up by ¥1.5tn from March 2013)

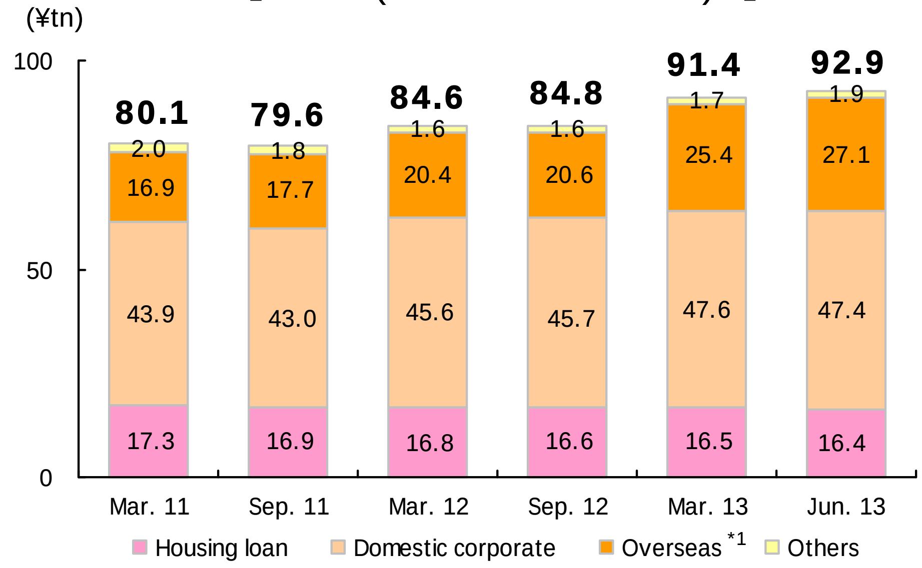
<Changes from March 2013 >

■ Housing Loan	(¥0.1tn)
■ Domestic corporate	(¥0.1tn)
■ Overseas*1	+¥1.6tn
Excluding impact of foreign currency exchange	+¥0.5tn

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

*2 Sum of banking and trust accounts

【Loans (Period end balance)*2】

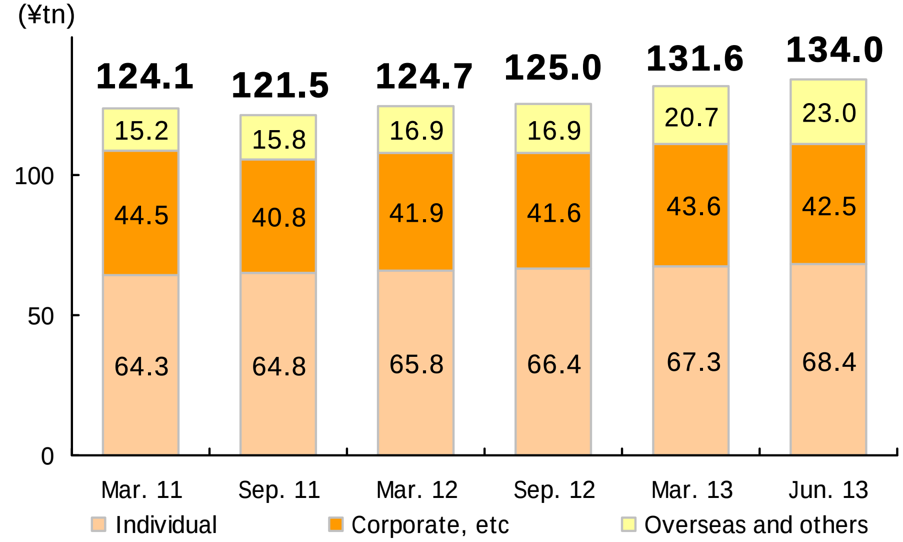


●Deposit balance ¥134.0tn
(up by ¥2.3tn from March 2013)

<Changes from March 2013 >

■ Individual	+¥1.1tn
■ Corporate, etc.	(¥1.1tn)
■ Overseas and others	+¥2.3tn
Excluding impact of foreign currency exchange	+¥1.1tn

【Deposits (Period end balance)】

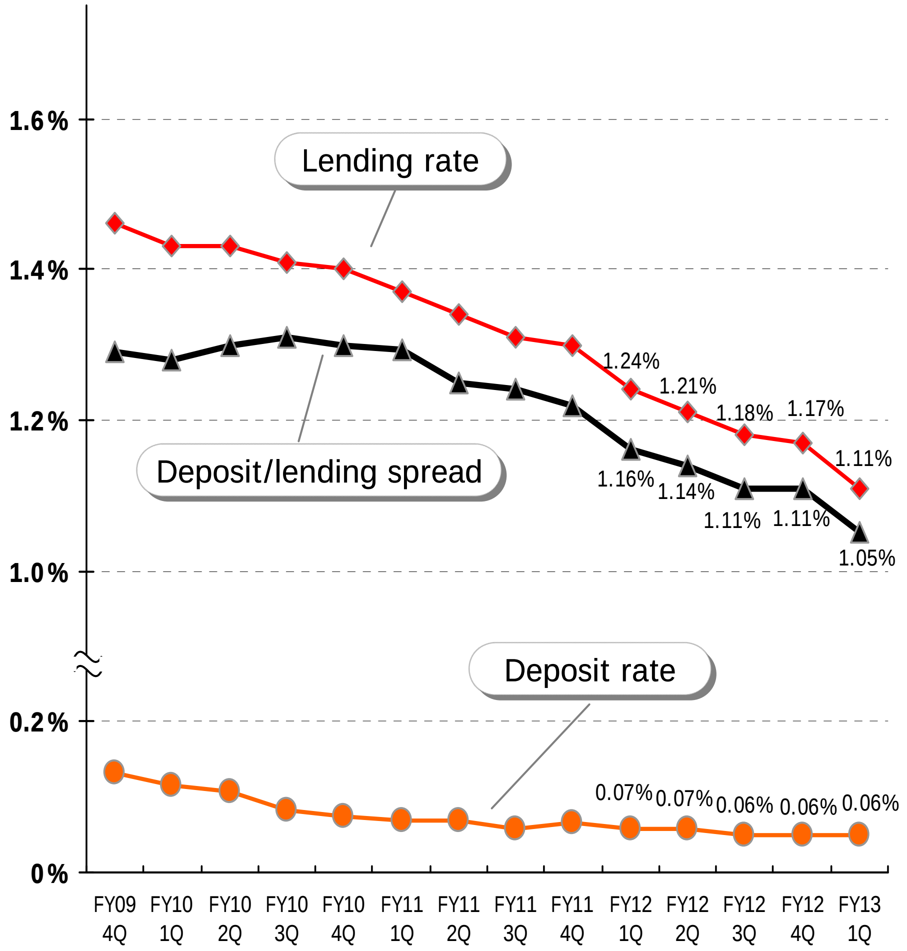


Domestic deposit / lending rates

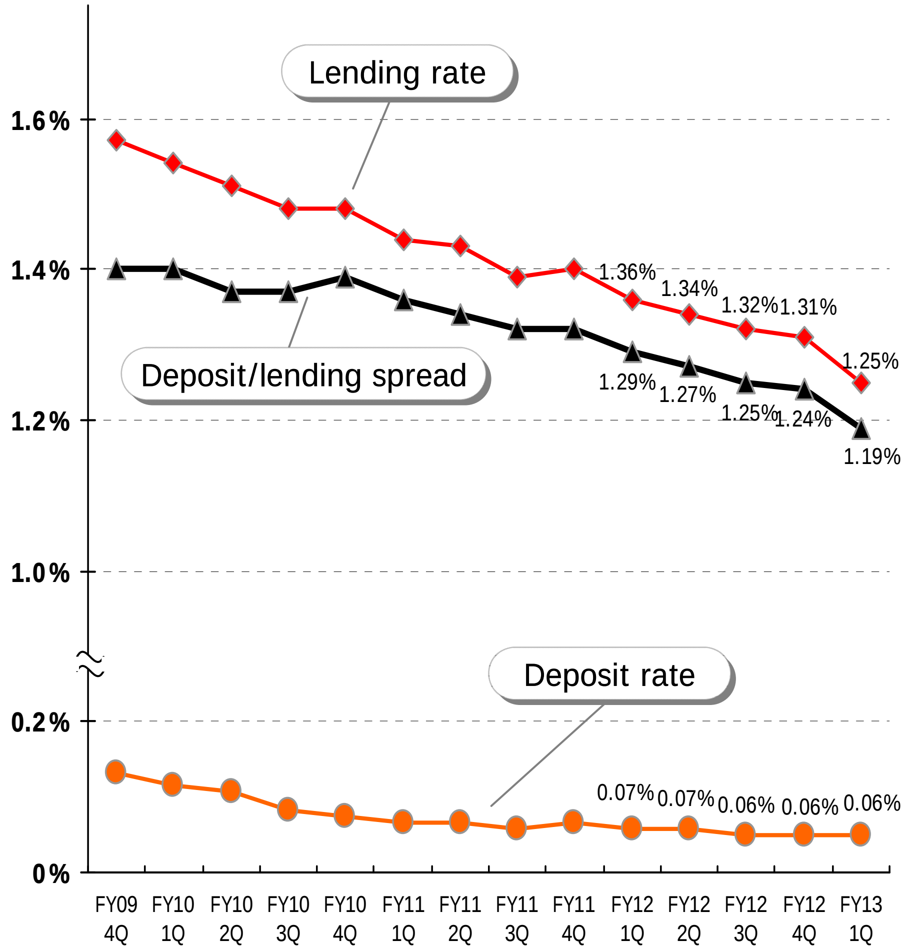
【Non-consolidated】

- Deposit/lending spread in FY13 1Q decreased from FY12 4Q mainly due to a decline in lending rate reflecting lower market interest rates.

Changes in domestic deposit / lending rates



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

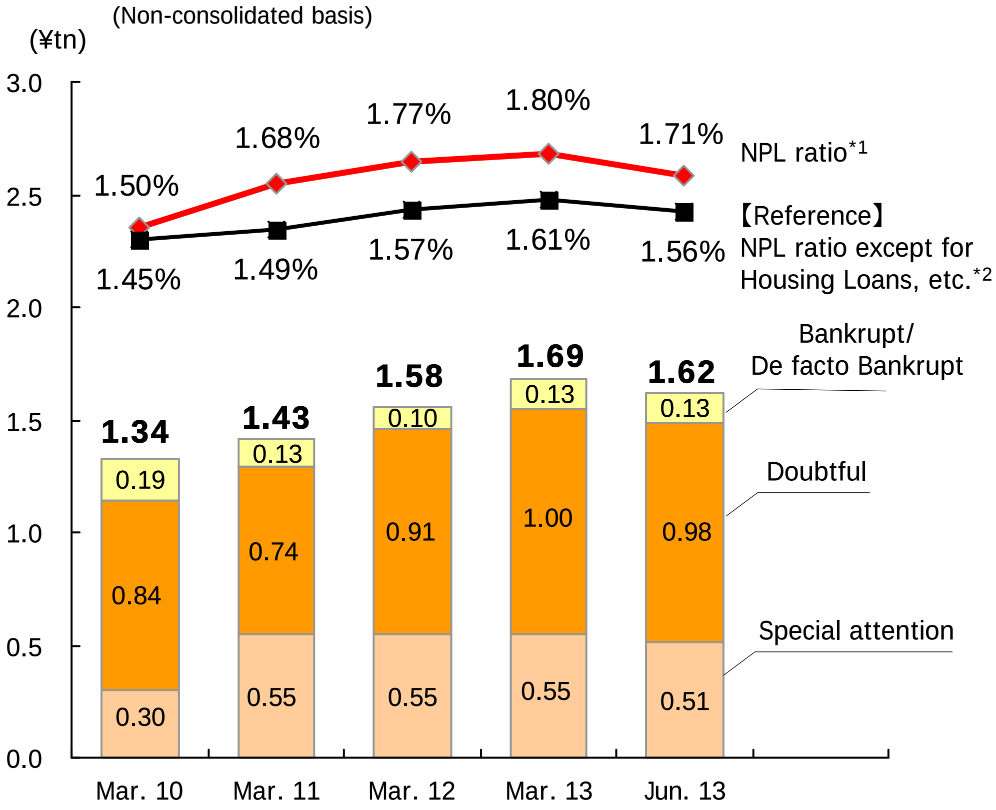


Loan assets

【Consolidated / Non-consolidated】

- NPL ratio declined 0.08 percentage points from the end of March 2013 to 1.71% mainly due to lower doubtful and special attention loans.
- Total credit costs remained almost unchanged at ¥15.4bn on consolidated basis compared with FY12 1Q. (¥2.2bn on non-consolidated basis)

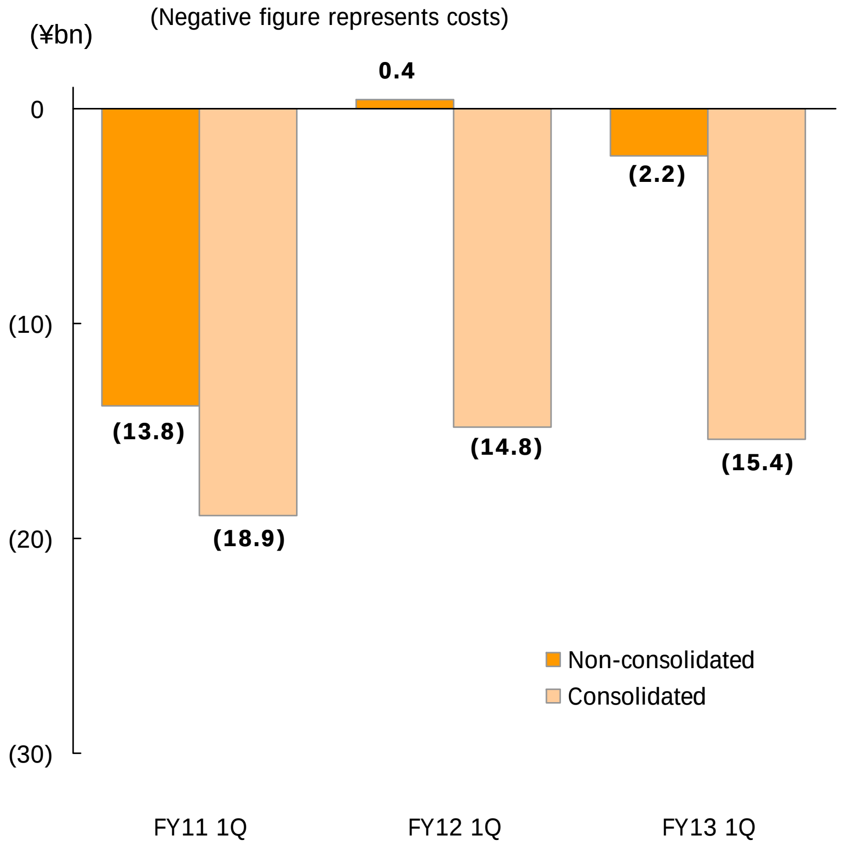
Balance of FRL disclosed loans



Total Loans	89.6tn	85.0tn	88.9tn	94.2tn	95.2tn

*1 Non performing loans ÷ Total loans
*2 Excluding restructured loans, etc. of Housing Loans guaranteed by MUFG credit guarantee companies

Total credit costs



Investment securities

【Consolidated】

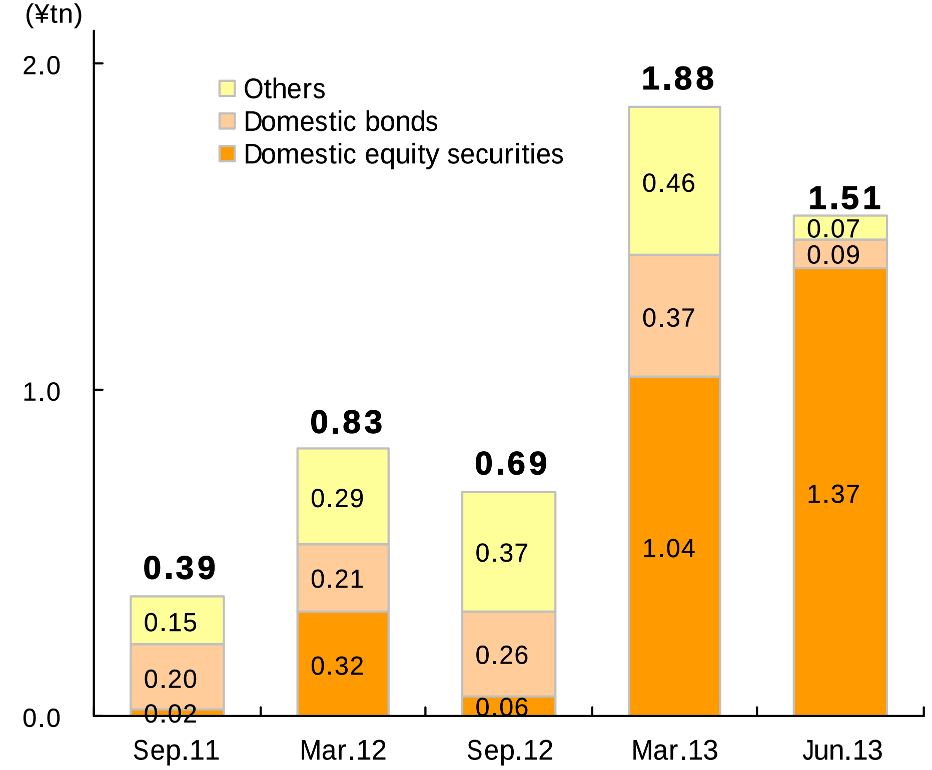
- **Total unrealized gains on securities available for sale deteriorated by ¥368.1bn from the end of March 2013 mainly due to lower market value in Japanese government bonds and foreign bonds, partially offset by improvement of unrealized gains on domestic equity securities.**

Breakdown of securities available for sale with fair value

(¥bn)

		Balance		Unrealized gains(losses)	
		Jun.13	Change from Mar.13	Jun.13	Change from Mar.13
1	Total	68,625.3	(8,466.4)	1,516.9	(368.1)
2	Domestic equity securities	4,189.0	292.4	1,345.2	299.1
3	Domestic bonds	42,978.7	(8,494.3)	99.6	(271.8)
4	Japanese Government bonds	40,064.9	(8,413.0)	51.1	(251.9)
5	Others	21,457.6	(264.6)	72.0	(395.4)
6	Foreign equity securities	207.7	(1.4)	89.3	(5.3)
7	Foreign bonds	18,667.3	285.8	(37.0)	(342.2)
8	Others	2,582.6	(549.0)	19.7	(47.9)

Unrealized gains on securities available for sale



	Sep.11	Mar.12	Sep.12	Mar.13	Jun.13
TOPIX:	761.17	854.35	737.42	1,034.71	1,133.84
JGB(10yrs):	1.02%	0.99%	0.77%	0.56%	0.84%

Japanese Government Bonds

【Consolidated /Non-consolidated】

Balance of Japanese Government Bonds (JGB)

- As a leading bank, in response to the Quantitative and Qualitative Monetary Easing by the Bank of Japan, MUFG actively tendered bids for JGB purchase operations.
- The balance decreased by ¥8.4tn from the end of March 2013.

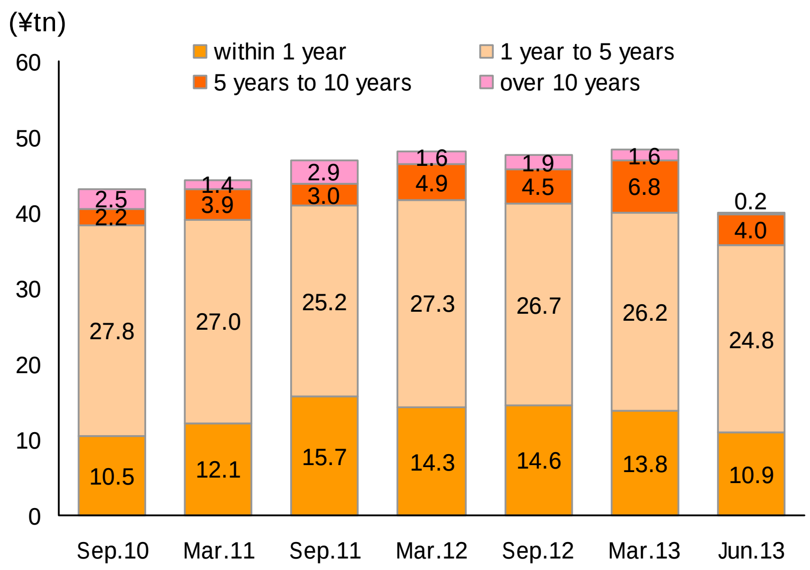
Duration and Interest rate risk

- Duration shortened by 0.5-year to 2.7-year from the end of March 2013.
- Interest rate risk decreased from the end of March 2013.

MUFG's Policy

- Basic policy of holding JGBs stably remains unchanged.
- Interest rate risk is managed appropriately time to time in a given market environment.

Redemption schedule of JGB*1



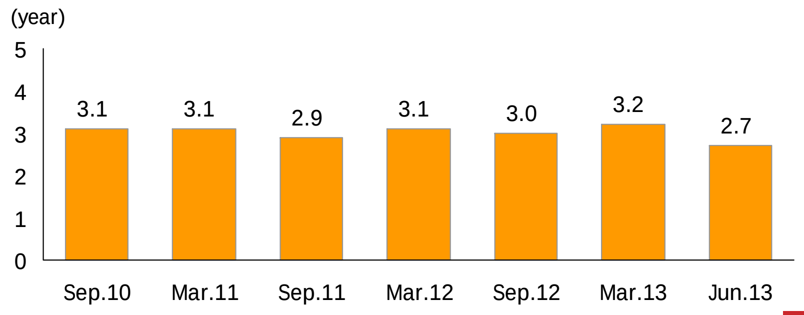
*1 Securities available for sale and securities being held to maturity. Non-Consolidated

Balance of JGBs

(¥bn)

		Balance		Unrealized gains(losses)	
		Jun.13	Change from Mar.13	Jun.13	Change from Mar.13
1	Total	40,279.9	(8,428.0)	52.4	(252.4)
2	Securities being held to maturity	214.9	(14.9)	1.3	(0.5)
3	Securities available for sale	40,064.9	(8,413.0)	51.1	(251.9)

JGB Duration*2



*2 Securities available for sale. Non-Consolidated

(Reference) 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)

	Mar. 13	Jun. 13
Spain	Approx.$4.7 bn	Approx.$4.6 bn
Italy	Approx.$5.8 bn	Approx.$5.6 bn
Ireland	Approx.$0.1 bn	Approx.$0.2 bn
Portugal	Approx.$0.5 bn	Approx.$0.4 bn
Greece	Approx.$0.0 bn	Approx.$0.0 bn
Total	Approx.$11.1 bn	Approx.$10.9 bn

Balance of sovereign bonds (MUFG)

	Mar. 13	Jun. 13
Spain	Approx.$0.1 bn	Approx.$0.1 bn
Italy	Approx.$1.7 bn	Approx.$1.4 bn
Ireland	Approx.$0.0 bn	Approx.$0.0 bn
Portugal	—	Approx.$0.0 bn
Greece	—	—
Total	Approx.$1.7 bn	Approx.$1.5 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 for infrastructure, such as electricity, gas and telecommunications, etc.
  - Limited exposures to financial institutions.
  - Exposures net of CDS hedge were approx. $9.8bn.
- **Balance of sovereign bonds (MUFG)**
  - No Greek government bonds.
  - Held-to-Maturity accounting has been used for most of Italian government bonds which will be redeemed in approximately 1.2 years.