



Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for 2nd Quarter of Fiscal Year Ending March 31, 2014**

Nov 14, 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. We will publish U.S. GAAP financial results in a separate disclosure document when such information becomes available.

<Definitions of figures used in this document>

Consolidated	: Mitsubishi UFJ Financial Group(Consolidated)
Non-consolidated	: The Bank of Tokyo-Mitsubishi UFJ, Ltd (non-consolidated) + Mitsubishi UFJ Trust and Banking Corporation (non-consolidated) (without any adjustments)

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FY2013 H1 financial result summary

【Consolidated /Non-consolidated】



● Net income ¥530.2bn

- Net income increased by ¥239.7bn compared to the same period in the previous year, achieved 69.7% of the initial FY2013 target of ¥760.0bn.
- EPS : ¥36.82.

● Consolidated net operating profit (customer segment)^{*1}

- Consolidated net operating profit from the customer segment increased by ¥131.3bn, due to higher net business profits from Retail Banking, Corporate Banking, Global Banking and Trust Assets segment.

● Consolidated net income RORA and consolidated ROE

- Both ratios improved.

● Common Equity Tier1 ratio (full implementation) 11.6%

- Capital levels ahead of regulatory requirement.

〈Consolidated〉

	(¥bn)		
	FY12 H1	FY13 H1	Change
1 Gross profits	1,831.6	1,845.2	13.6
2 G&A expenses	1,014.4	1,120.2	105.8
3 Net business profits	817.1	725.0	(92.1)
4 Net income	290.4	530.2	239.7
5 EPS(¥)	19.90	36.82	16.92

〈Financial Targets〉

		FY12 H1	FY13 H1	FY14 (Targets)
6 Consolidated net operating profit (customer segment) ^{*1*2}		482.2	613.5	20% increase from FY2011
7 Expenses ratio	Consolidated	55.3%	60.7%	Between 55-60%
	Non-consolidated	48.3%	56.5%	Between 50-55%
9 Consolidated net income RORA ^{*3*4}		Approx. 0.7%	1.16%	Approx. 0.9%
10 Consolidated ROE ^{*5}		6.14%	10.03%	Approx. 8.0%
11 Common Equity Tier1 ratio (full implementation) ^{*4}		Approx. 10.0%	11.6%	9.5% or above

*1 Simple sum of consolidated operating results for the Retail Banking, Corporate Banking, Global Banking, and Trust Assets segment

*2 FY11 H1 figure was ¥520.0bn

*3 Annualized

*4 Calculated on the basis of regulations applied at the end of March, 2019

*5
$$\frac{(\text{Net income} \times 2) - \text{Equivalent of annual dividends on nonconvertible preferred stocks}}{\{(\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period} - \text{Number of nonconvertible preferred stocks at the end of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the end of the period})\} \div 2} \times 100$$

Income statement summary

【Consolidated
/Non-consolidated】



● Net business profits

- Gross profits slightly increased primarily due to increases in net interest 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 increased mainly due to an increase in costs in overseas businesses.
- Net business profits decreased.

● Total credit costs

- Total credit costs amounted to a net reversal of ¥25.7bn by posting reversal of provision for general allowance for credit losses.

● Net gains (losses) on equity securities

- Net gains (losses) on equity securities improved mainly due to an increase in gains on sales of equity securities and a decrease in losses on write-down of equity securities.

● Net income

- As a result, net income increased by ¥239.7bn from the same period in the previous year to ¥530.2bn.

Income statement (¥bn)

〈Consolidated〉		FY12 H1	FY13 H1	Change
1	Gross profits (before credit costs for trust accounts)	1,831.6	1,845.2	13.6
2	Net interest income	876.2	908.6	32.3
3	Trust fees+Net fees and commissions	518.4	618.1	99.6
4	Net trading profits +Net other business profits	436.8	318.4	(118.4)
5	Net gains (losses) on debt securities	275.2	77.0	(198.1)
6	G&A expenses	1,014.4	1,120.2	105.8
7	Net business profits	817.1	725.0	(92.1)
8	Total credit costs ^{*1}	(62.2)	25.7	88.0
9	Net gains (losses) on equity securities	(173.5)	43.4	217.0
10	Losses on write-down of equity securities	(186.8)	(10.8)	176.0
11	Profits (Losses) from investments in affiliates	27.4	68.6	41.2
12	Other non-recurring gains (losses)	(38.7)	(12.4)	26.2
13	Ordinary profits	570.0	850.4	280.3
14	Net extraordinary gains (losses)	(26.9)	(27.7)	(0.7)
15	Total of income taxes-current and income taxes-deferred	(194.7)	(212.1)	(17.4)
16	Net income	290.4	530.2	239.7
17	EPS(¥)	19.90	36.82	16.92

〈Non-consolidated〉		FY12 H1	FY13 H1	Change
18	Gross profits (before credit costs for trust accounts)	1,257.8	1,126.0	(131.8)
19	G&A expenses	608.3	636.4	28.0
20	Net business profits	649.5	489.5	(159.9)
21	Total credit costs ^{*1}	(28.5)	44.4	73.0
22	Ordinary profits	373.3	542.3	168.9
23	Net income	211.1	332.5	121.4

^{*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.

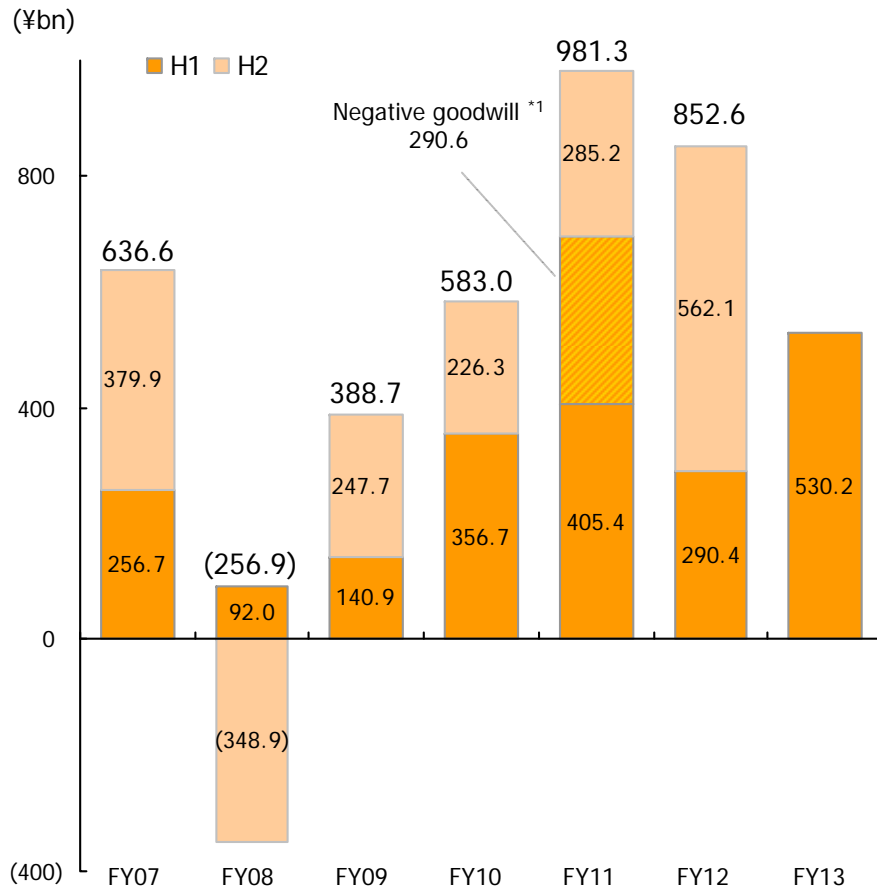
Outline of net income

【Consolidated】



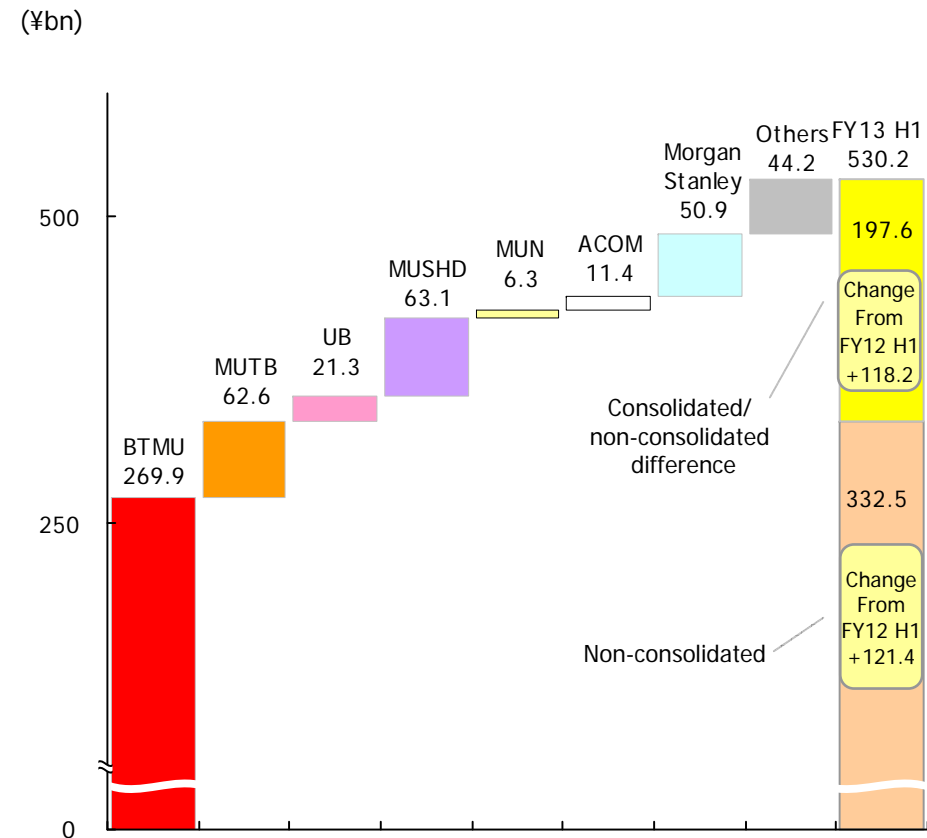
- Net income increased by ¥121.4bn on non-consolidated basis.
- Net income of securities subsidiary increased significantly. Solid performance of other subsidiaries led difference between consolidated and non-consolidated net income to increase by ¥118.2bn compared to the same period in the previous year.

Net income history



*1 one-time effect of negative goodwill associated with the application of equity method accounting on our investment in Morgan Stanley

Breakdown of net income *2



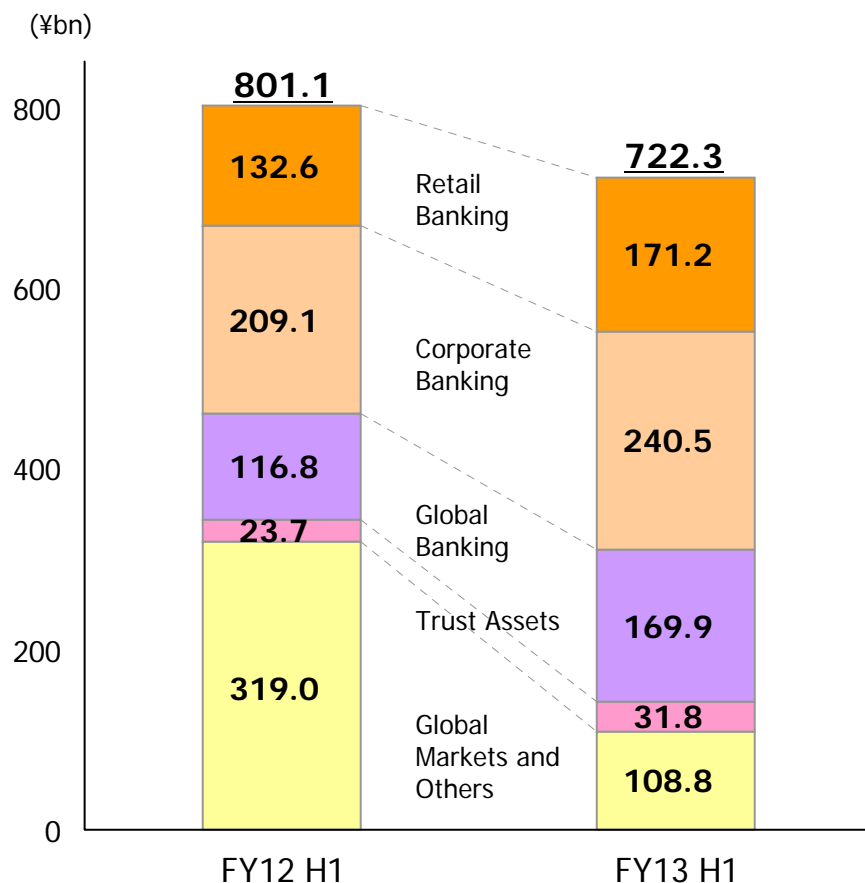
*2 The above figures take into consideration the percentage holding in each subsidiaries and equity method investees (after-tax basis)

Outline of results by business segment [Consolidated]

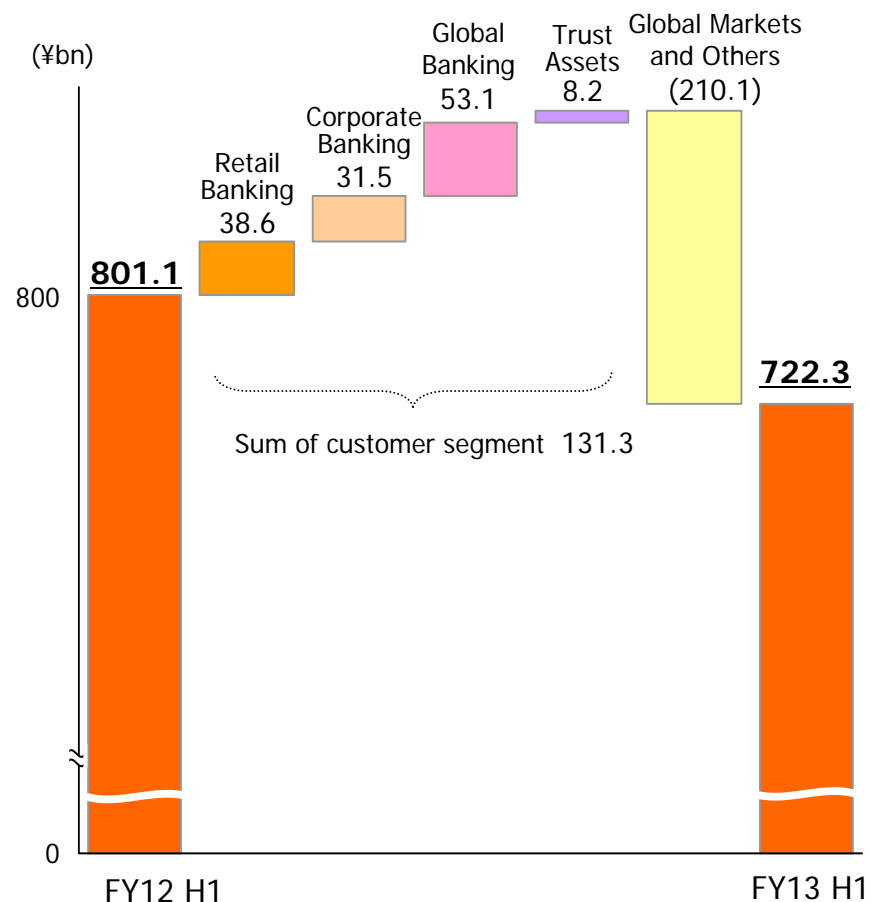


- Consolidated net operating profit from the customer segment increased by ¥131.3bn, due to higher net business profits from Retail Banking, Corporate Banking and Trust Assets segments seizing business chances arising from the solid economy and markets in Japan and higher profits from Global Banking segment mainly attributable to higher lending related income.

Net operating profits by segment*1



Breakdown of changes in net operating profits



*1 Consolidated net business profits on a managerial accounting basis.

Balance sheet summary

【Consolidated】



● Loans

- Increased from the end of March 2013 mainly due to an increase in overseas 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 increases in individual and overseas deposits.

● Non performing loans (“NPLs”)

- NPL ratio declined from the end of March 2013 mainly due to decreases in doubtful and special attention loans.

● Net unrealized gains on securities available for sale

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

Balance sheet (¥bn) 〈Consolidated〉		Mar.13	Sep.13	Change from Mar.13
1	Total assets	234,498.7	242,222.9	7,724.2
2	Loans(Banking+Trust accounts)	91,403.2	95,346.9	3,943.7
3	Loans(Banking accounts)	91,299.5	95,245.2	3,945.6
4	Housing loans ^{*1}	16,590.3	16,390.3	(199.9)
5	Domestic corporate loans ^{*1*2}	40,344.1	40,447.4	103.3
6	Overseas loans ^{*3}	25,437.5	28,345.7	2,908.1
7	Investment securities (banking accounts)	79,526.8	77,113.8	(2,413.0)
8	Domestic equity securities	4,722.7	5,160.2	437.5
9	Japanese government bonds	48,707.9	41,270.1	(7,437.7)
10	Foreign bonds	18,869.6	23,475.4	4,605.8
11	Total liabilities	220,979.0	227,894.5	6,915.5
12	Deposits	131,697.0	136,128.3	4,431.2
13	Individual deposits (Domestic branches)	67,342.8	68,051.8	708.9
14	Total net assets	13,519.6	14,328.3	808.7
15	FRL disclosed loans ^{*1*4}	1,696.8	1,521.7	(175.1)
16	NPL ratio ^{*1}	1.80%	1.57%	(0.22%)
17	Net unrealized gains (losses) on securities available for sale	1,885.1	1,811.0	(74.1)

*1 Non-consolidated+trust accounts

*2 Excluding lending to government

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

*4 FRL=the Financial Reconstruction Law

Loans / deposits

【Consolidated】



● **Loan balance ¥95.3tn**
(increased by ¥3.9tn from March 2013)

<Changes from March 2013 >

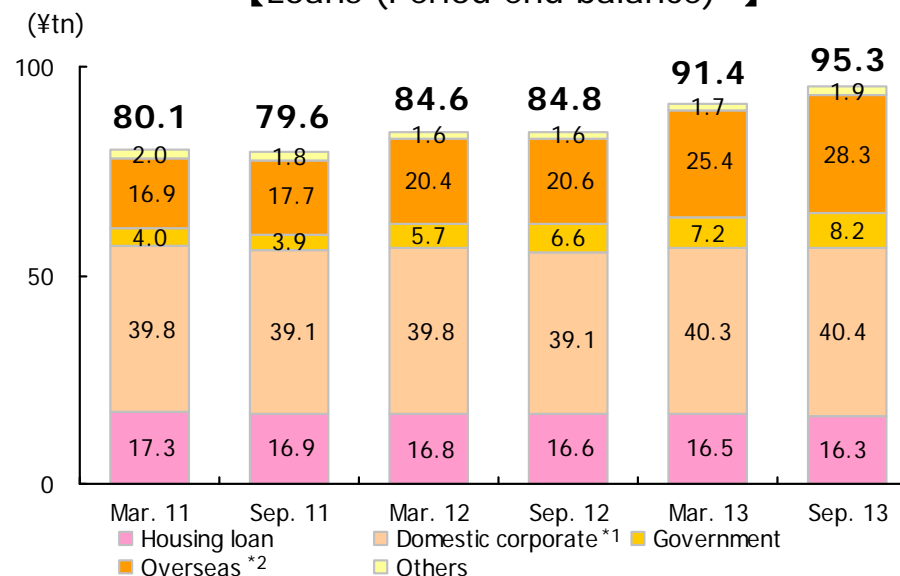
■ Housing Loan	(¥0.1tn)
■ Domestic corporate ^{*1}	+¥0.1tn
■ Overseas ^{*2}	+¥2.9tn
Excluding impact of foreign currency exchange	+¥1.2tn

*1 Excluding lending to government

*2 Loans booked in Overseas branches + UnionBanCal Corporation + BTMU (China) + BTMU (Holland)

*3 Sum of banking and trust accounts

【Loans (Period end balance)^{*3}】

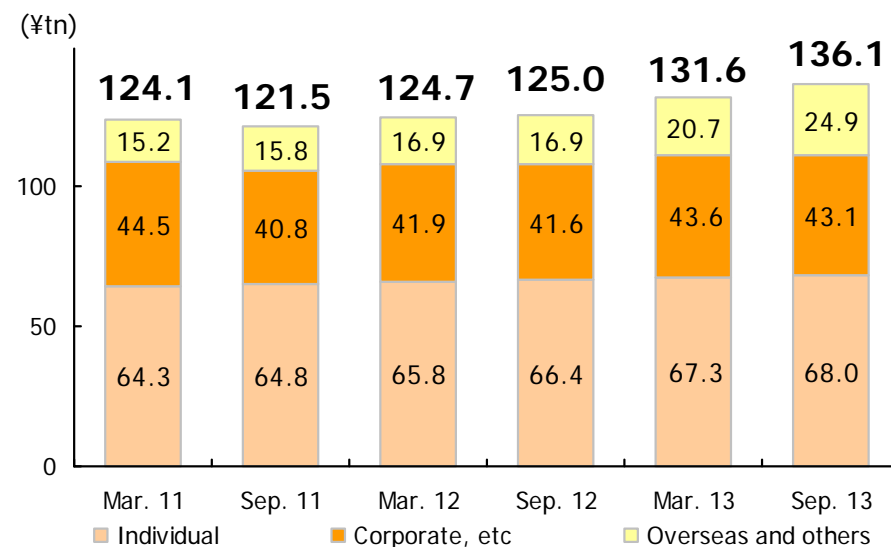


● **Deposit balance ¥136.1tn**
(increased by ¥4.4tn from March 2013)

<Changes from March 2013 >

■ Individual	+¥0.7tn
■ Corporate, etc.	(¥0.5tn)
■ Overseas and others	+¥4.2tn
Excluding impact of foreign currency exchange	+¥2.3tn

【Deposits (Period end balance)】



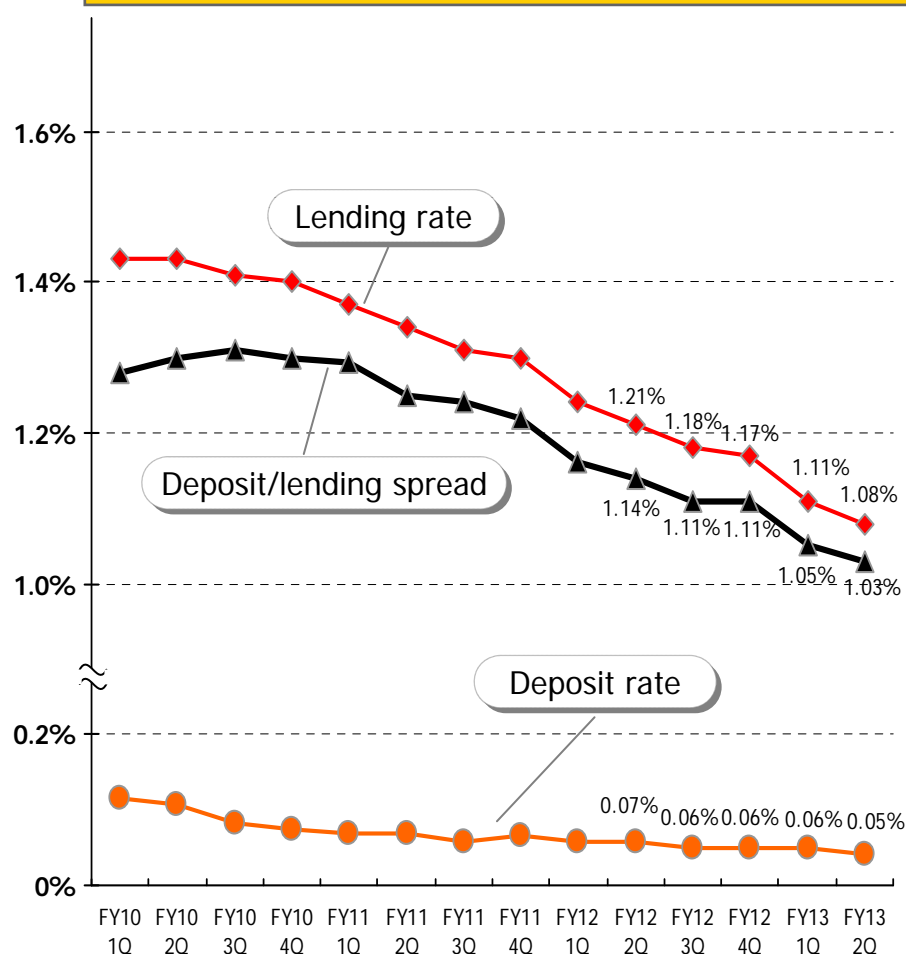
Domestic deposit / lending rates

【Non-consolidated】

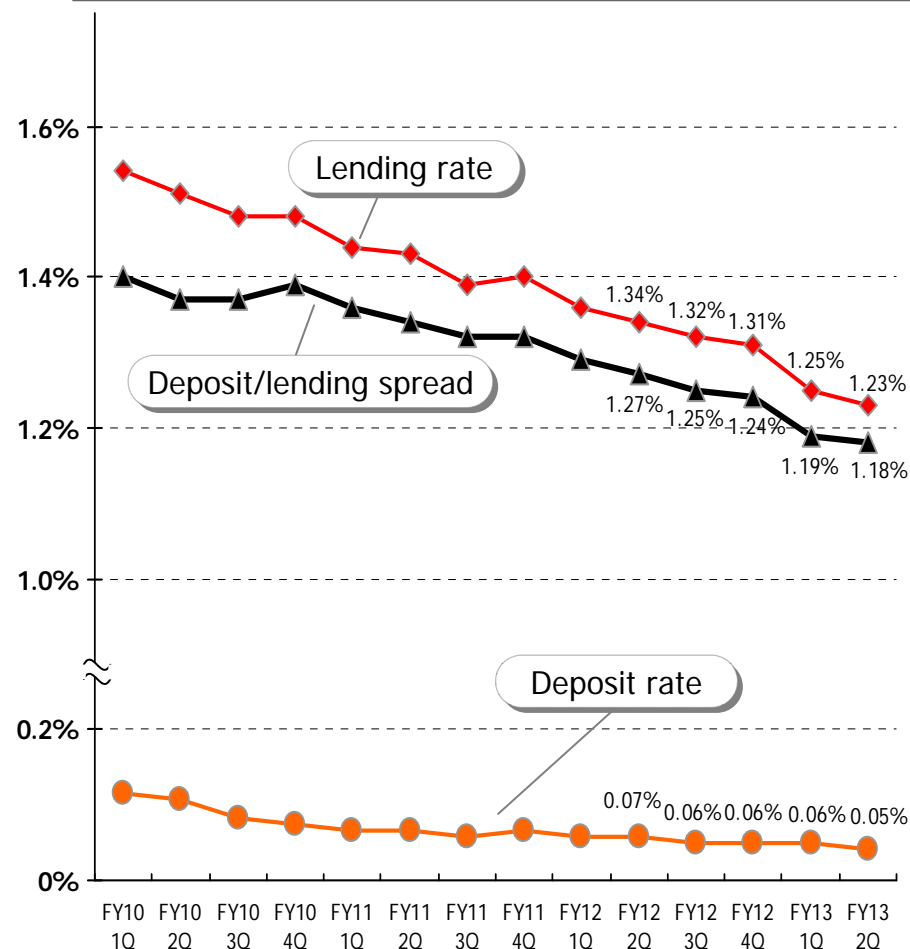


- Deposit/lending spread excluding lending to government in FY13 2Q decreased by 0.01 percentage points from FY13 1Q mainly due to a decline in lending rate reflecting lower market interest rates.

Changes in domestic deposit / lending rates



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



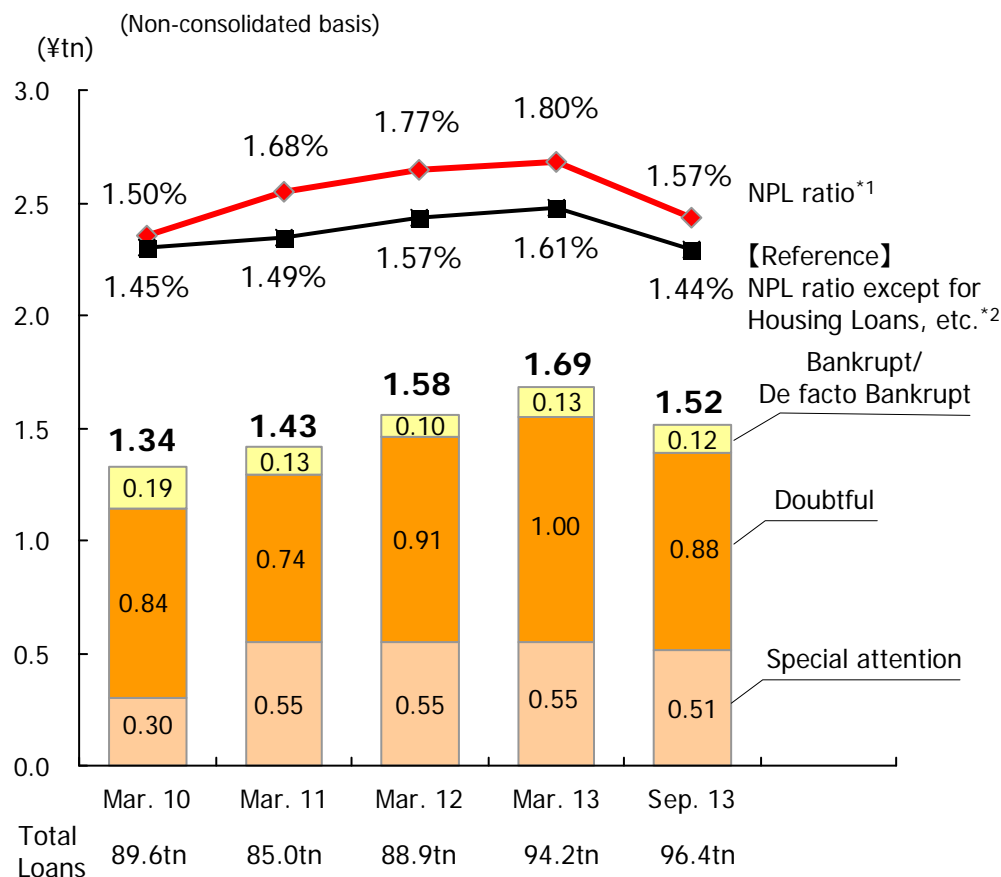
Loan assets

【Consolidated/Non-consolidated】

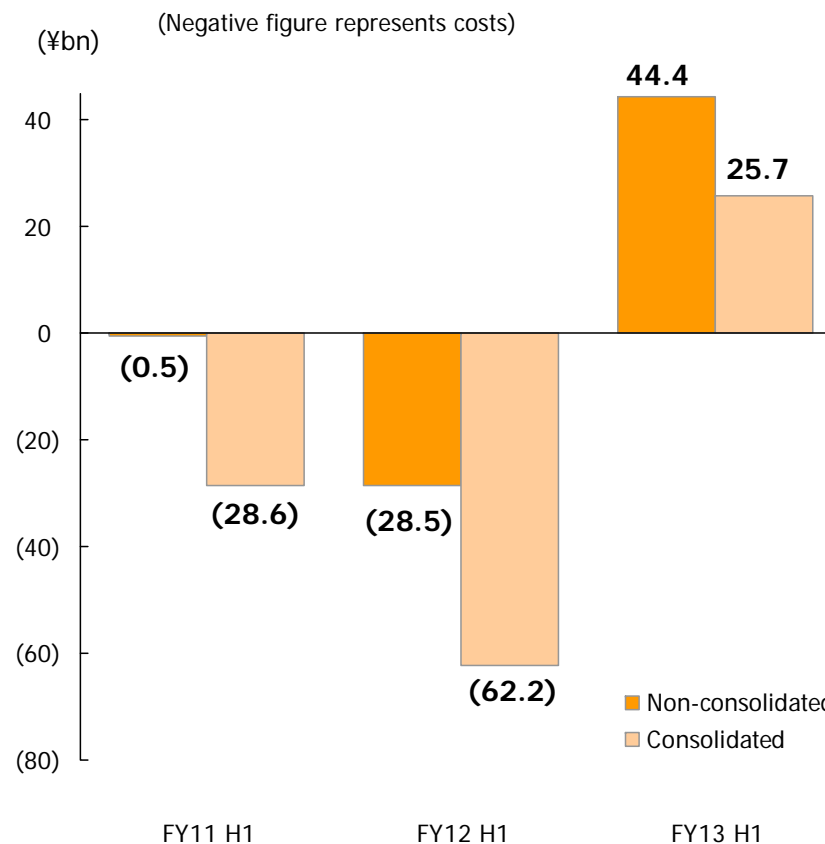


- NPL ratio declined 0.22 percentage points from the end of March 2013 to 1.57% mainly due to decreases in doubtful and special attention loans.
- Total credit costs improved to a net reversal of ¥25.7bn on consolidated basis (a net reversal of ¥44.4bn on non-consolidated basis) compared with FY12 H1.

Balance of FRL disclosed loans



Total credit costs



*1 Non performing loans ÷ Total loans

*2 Excluding restructured loans, etc. of Housing Loans guaranteed by MUFG credit guarantee companies

Investment securities

【Consolidated】

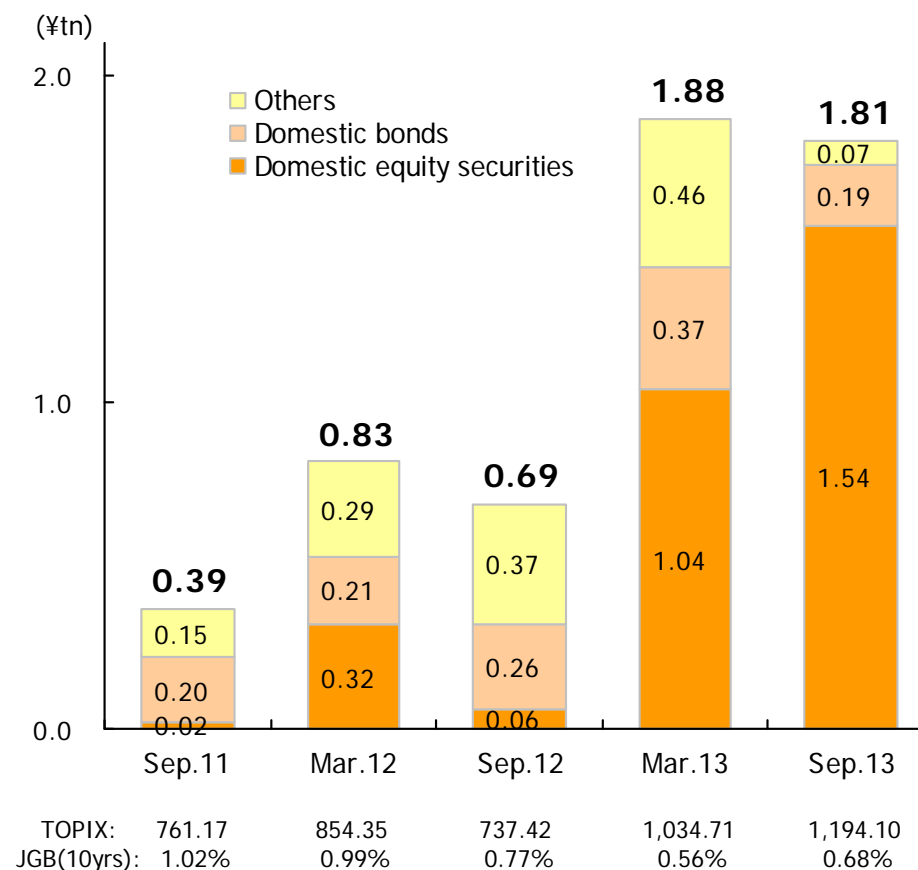


- Total unrealized gains on securities available for sale decreased by ¥74.1bn from the end of March 2013 mainly due to lower market value in Japanese government bonds and foreign bonds, partially offset by higher unrealized gains on domestic equity securities.

Breakdown of securities available for sale with fair value

	(¥bn)	Balance		Unrealized gains (losses)	
		Sep.13	Change from Mar.13	Sep.13	Change from Mar.13
1	Total	74,786.3	(2,305.5)	1,811.0	(74.1)
2	Domestic equity securities	4,384.3	487.7	1,541.1	495.0
3	Domestic bonds	43,816.1	(7,656.8)	196.0	(175.4)
4	Japanese government bonds	41,055.1	(7,422.8)	139.5	(163.5)
5	Others	26,585.8	4,863.6	73.8	(393.7)
6	Foreign equity securities	210.2	1.1	92.6	(1.9)
7	Foreign bonds	23,193.6	4,812.2	(63.7)	(369.0)
8	Others	3,181.9	50.2	44.9	(22.7)

Unrealized gains (losses) on securities available for sale



Japanese government bonds

【Consolidated /Non-consolidated】



● Balance of Japanese government bonds (JGB)

- The balance decreased by ¥7.4tn from the end of March 2013.

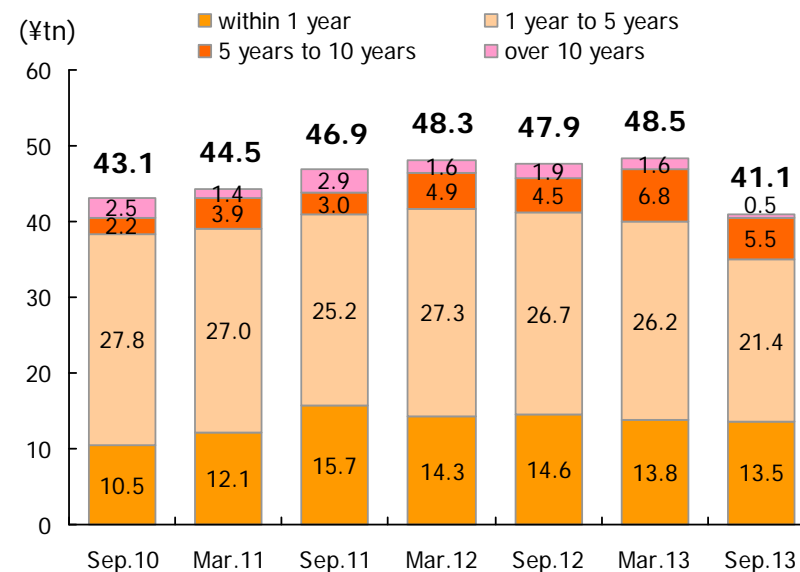
● Duration and interest rate risk

- 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

- Our basic policy of stable holding of JGBs remains unchanged.
- We manage interest rate risk appropriately time to time in a given market environment.

Balance of JGBs by maturity*1

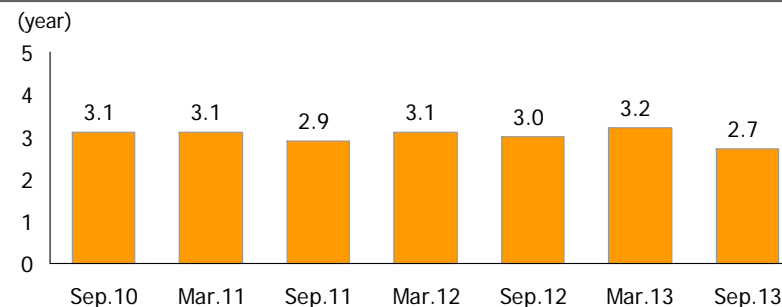


*1 Securities available for sale and securities being held to maturity. Non-Consolidated

Balance of JGBs

	Balance		Unrealized gains(losses)	
	Sep.13	Change from Mar.13	Sep.13	Change from Mar.13
1 Total	41,270.1	(7,437.7)	140.8	(164.1)
2 Securities being held to maturity	214.9	(14.9)	1.2	(0.6)
3 Securities available for sale	41,055.1	(7,422.8)	139.5	(163.5)

JGB Duration*2



*2 Securities available for sale. Non-Consolidated

● Total capital

- Tier1 capital increased ¥465.1bn from the end of March 2013 mainly due to an increase in retained earnings.
- Additional Tier 1 capital increased ¥318.7bn from the end of March 2013 mainly due to an improvement of foreign currency translation adjustments.

● Risk weighted assets (RWA)

- RWA increased ¥3,479.9bn from the end of March 2013 mainly due to an increase in transitional floor amount based on regulations.

● Risk-adjusted capital ratio

- Common Equity Tier1 ratio : 11.77%
- Tier1 ratio : 13.12%
- Total capital ratio : 16.84%

(Full implementation^{*1})

Common Equity Tier1 ratio : 11.6%

Excluding impact of net unrealized gains (losses) on securities available for sale : 9.9%

*1 Calculated on the basis of regulations applied at the end of March, 2019

		Mar.13	Sep.13	Change from Mar.13
	(¥bn)			
1	Common Equity Tier1 ratio	11.70%	11.77%	0.07%
2	Tier1 ratio	12.74%	13.12%	0.38%
3	Total capital ratio	16.68%	16.84%	0.16%
4	Common Equity Tier1 capital	10,300.5	10,765.6	465.1
5	Capital and stock surplus	3,922.3	3,924.3	2.0
6	Retained earnings	6,267.9	6,688.2	420.2
7	Additional Tier1 capital	914.2	1,232.9	318.7
8	Preferred stock and Preferred securities	1,491.7	1,491.7	—
9	foreign currency translation adjustments	(195.4)	163.7	359.1
10	Tier1 capital	11,214.8	11,998.6	783.8
11	Tier2 capital	3,459.1	3,409.2	(49.9)
12	Subordinated debt	2,384.9	2,384.9	—
13	Total capital (Tier1+Tier2)	14,673.9	15,407.8	733.9
14	Risk weighted assets	87,968.6	91,448.5	3,479.9
15	Credit risk	79,124.0	79,692.1	568.0
16	Market risk	2,486.8	1,853.2	(633.6)
17	Operational risk	5,284.8	5,456.6	171.8
18	Transitional floor	403.0	3,748.8	3,345.7

FY2013 targets/dividend forecasts

【Consolidated/
Stand-alone】



- Upwardly-revised FY2013 net income target of ¥910.0bn.

【Earnings targets】

【Consolidated】

	FY 2013			FY 2012	
	Interim (results)	Full Year	Change from initial target	Interim (results)	Full Year (results)
1 Ordinary profits	¥850.4 bn	¥1,530.0 bn	¥260.0 bn	¥570.0 bn	¥1,344.1 bn
2 Net income	¥530.2 bn	¥910.0 bn	¥150.0 bn	¥290.4 bn	¥852.6 bn
3 Total credit costs	¥25.7 bn	(¥20.0 bn)	¥130.0 bn	(¥62.2 bn)	(¥115.6 bn)

【Stand-alone】

(The Bank of Tokyo-Mitsubishi UFJ, Ltd)

4 Net business profits	¥417.9 bn	¥860.0 bn	—	¥569.6 bn	¥1,001.5 bn
5 Ordinary profits	¥455.1 bn	¥865.0 bn	¥125.0 bn	¥326.4 bn	¥860.9 bn
6 Net income	¥269.9 bn	¥510.0 bn	¥50.0 bn	¥171.4 bn	¥585.1 bn
7 Total credit costs	¥27.8 bn	¥0 bn	¥80.0 bn	(¥26.8 bn)	(¥56.6 bn)

(Mitsubishi UFJ Trust and Banking Corporation)

8 Net business profits	¥71.6 bn	¥160.0 bn	—	¥79.8 bn	¥162.2 bn
9 Ordinary profits	¥87.1 bn	¥155.0 bn	¥20.0 bn	¥46.8 bn	¥136.2 bn
10 Net income	¥62.6 bn	¥105.0 bn	¥20.0 bn	¥39.7 bn	¥125.1 bn
11 Total credit costs	¥16.6 bn	¥10.0 bn	¥20.0 bn	(¥1.7 bn)	(¥8.6 bn)

【Dividend forecasts】

	FY 2013			FY 2012		
	Interim (results)	Year-end (forecasts)	Annual (forecasts)	Interim (results)	Year-end (results)	Annual (results)
12 Dividend per common share	¥7	¥7	¥14	¥6	¥7	¥13

(Reference) Progress update: Share acquisition of Bank of Ayudhya (Krungsri)



- Launched Voluntary Tender Offer (VTO) aiming to take a majority stake in Krungsri, after obtaining approvals by relevant authorities and Krungsri’s shareholders’ meeting.
- Plan to integrate Krungsri and BTMU Bangkok Branch by the end of 2014.

<p>Aim to take a majority stake in Krungsri</p>	<ul style="list-style-type: none"> ● BTMU aims to take a majority stake in Krungsri (maximum of 75%) through a Voluntary Tender Offer (VTO). ● GE Capital agreed to tender its entire shareholding. ● Upon successful completion of the VTO, BTMU as a major shareholder and partner with Ratanarak Group (existing major group of shareholders) to support Krungsri’s next phase of development.
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<p>Plan to integrate Krungsri and BTMU Bangkok Branch</p>	<ul style="list-style-type: none"> ● BTMU plans to integrate its Bangkok Branch and Krungsri in compliance with the Thai regulation “One Presence Policy”. ● Expect to complete the integration within 1 year from the share acquisition. ● BTMU will receive new shares of Krungsri in payment for the transfer of the business of Bangkok Branch.
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