



Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for 3rd Quarter of Fiscal Year Ending March 31, 2014**

Feb 3, 2014

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	: The Bank of Tokyo-Mitsubishi UFJ, Ltd (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 deposit / lending rates** 6
- **Loan assets** 7
- **Investment securities** 8
- **Japanese government bonds** 9
- **(Reference) Share acquisition of Bank of Ayudhya (Krungsri)** 10

Income statement summary

(For the nine-month period ended December 31, 2013)

【Consolidated】



● Net business profits

- Gross profits 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 ¥40.7bn mainly due to a 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 ¥252.9bn from the same period in the previous year to ¥785.4bn.

Income statement (¥bn) 〈Consolidated〉				
	FY12 3Q	FY13 3Q	Change	
1	Gross profits (before credit costs for trust accounts)	2,678.1	2,774.6	96.5
2	Net interest income	1,309.8	1,393.9	84.1
3	Trust fees+Net fees and commissions	784.2	921.8	137.6
4	Net trading profits +Net other business profits	584.0	458.8	(125.1)
5	Net gains (losses) on debt securities	344.3	124.7	(219.6)
6	G&A expenses	1,523.9	1,686.0	162.0
7	Net business profits	1,154.1	1,088.6	(65.4)
8	Total credit costs ^{*1}	(103.5)	40.7	144.3
9	Net gains (losses) on equity securities	(90.9)	62.7	153.6
10	Losses on write-down of equity securities	(110.2)	(10.3)	99.8
11	Profits (Losses) from investments in affiliates	20.2	86.5	66.2
12	Other non-recurring gains (losses)	(43.4)	(19.0)	24.4
13	Ordinary profits	936.4	1,259.6	323.2
14	Net extraordinary gains (losses)	(27.1)	(27.5)	(0.3)
15	Total of income taxes-current and income taxes-deferred	(282.9)	(327.7)	(44.7)
16	Net income	532.4	785.4	252.9
17	EPS(¥)	37.00	54.84	17.84

*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.

〈Reference〉	FY12 3Q	FY13 3Q	Change	FY14(Target)
Expense ratio (Consolidated)	56.9%	60.7%	3.8%	Between 55-60%
Expense ratio (Non-consolidated)	50.7%	56.6%	5.8%	Between 50-55%
Consolidated ROE ^{*2}	7.51%	9.85%	2.34%	Approx. 8.0%

*2 $\frac{\text{Net income} \times 4 \div 3 - \text{Equivalent of annual dividends on nonconvertible preferred stocks}}{\left\{ \frac{\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period} \right\} \times 100}$
+ $\frac{\text{Total shareholders' equity at the end of the period} - \text{Number of nonconvertible preferred stocks at the end of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the end of the period}}{\left\{ \right\} \times 2}$

Balance sheet summary

【Consolidated】



● Loans

- Increased from the end of March 2013 and the end of September 2013 mainly due to continuous increases in domestic corporate loans and overseas loans.

● Investment securities

- Decreased from the end of March 2013 mainly due to a decrease in Japanese government bonds. Increased from the end of September 2013 mainly due to an increase in foreign bonds.

● Deposits

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

● Non performing loans (“NPLs”)

- Decreased from the end of March 2013 and the end of September 2013 mainly due to decreases in doubtful and special attention loans.

● Net unrealized gains on securities available for sale

- Increased from the end of March 2013 and the end of September 2013 mainly due to higher unrealized gains on domestic equity securities.

Balance sheet (¥bn) (Consolidated)		Dec.13	Change from Mar.13	Change from Sep.13
1	Total assets	258,441.7	23,943.0	16,218.7
2	Loans(Banking+Trust accounts)	100,224.1	8,820.9	4,877.2
3	Loans(Banking accounts)	100,121.3	8,821.7	4,876.0
4	Housing loans ^{*1}	16,314.9	(275.3)	(75.4)
5	Domestic corporate loans ^{*1*2}	41,004.5	660.4	557.1
6	Overseas loans ^{*3}	32,533.1	7,095.5	4,187.3
7	Investment securities (banking accounts)	78,289.0	(1,237.7)	1,175.2
8	Domestic equity securities	5,506.6	783.8	346.3
9	Japanese government bonds	38,914.6	(9,793.2)	(2,355.4)
10	Foreign bonds	26,240.1	7,370.5	2,764.6
11	Total liabilities	243,832.4	22,853.3	15,937.8
12	Deposits	142,904.6	11,207.5	6,776.3
13	Individual deposits (Domestic branches)	69,666.0	2,323.2	1,614.2
14	Total net assets	14,609.3	1,089.6	280.9
15	FRL disclosed loans ^{*1*4}	1,492.2	(204.5)	(29.4)
16	NPL ratio ^{*1}	1.48%	(0.31%)	(0.08%)
17	Net unrealized gains (losses) on securities available for sale	1,953.2	68.1	142.2

*1 Non-consolidated+trust accounts

*2 Excluding lending to government

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

*4 FRL=the Financial Reconstruction Law

Loans / deposits

● **Loan balance ¥100.2tn**
(increased by ¥4.8tn from September 2013)

<Changes from September 2013 >

■ Housing Loan	(¥0.0tn)
■ Domestic corporate ^{*1}	+¥0.5tn
■ Overseas ^{*2}	+¥4.1tn
Excluding impact of foreign currency exchange	+¥2.8tn
Of which Bank of Ayudhya	+¥2.0tn

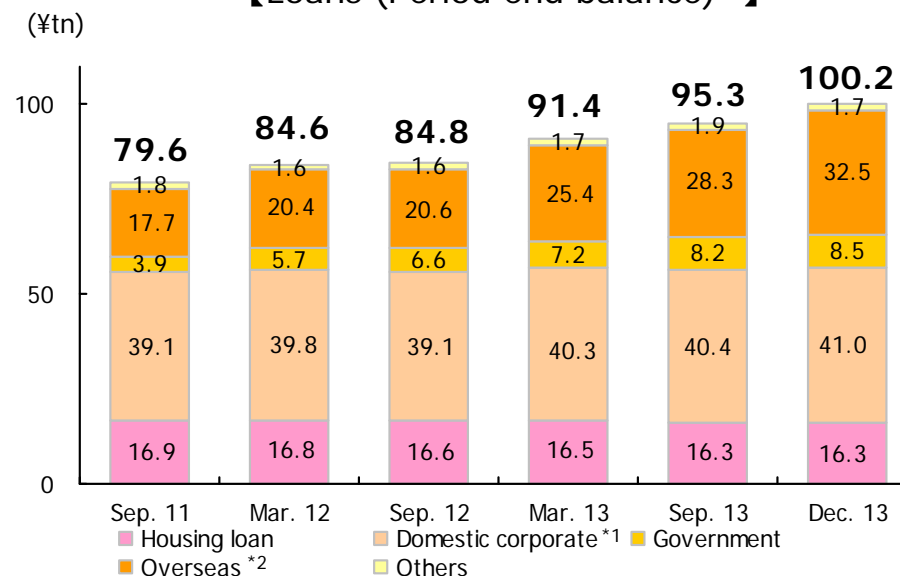
- *1 Excluding lending to government
- *2 Loans booked in Overseas branches + UnionBanCal Corporation + Bank of Ayudhya + BTMU (China) + BTMU (Holland)
- *3 Sum of banking and trust accounts

● **Deposit balance ¥142.9tn**
(increased by ¥6.7tn from September 2013)

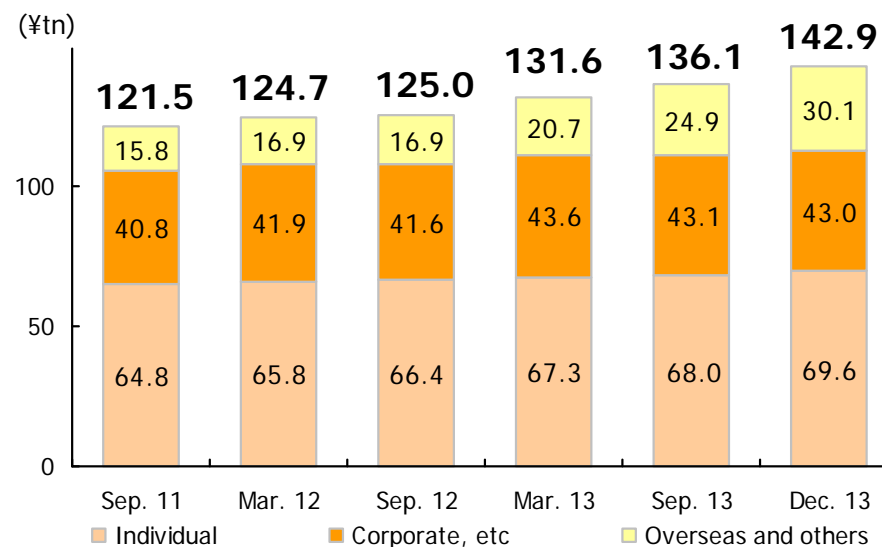
<Changes from September 2013 >

■ Individual	+¥1.6tn
■ Corporate, etc.	(¥0.0tn)
■ Overseas and others	+¥5.2tn
Excluding impact of foreign currency exchange	+¥4.0tn
Of which Bank of Ayudhya	+¥2.4tn

【Loans (Period end balance)^{*3}】



【Deposits (Period end balance)】



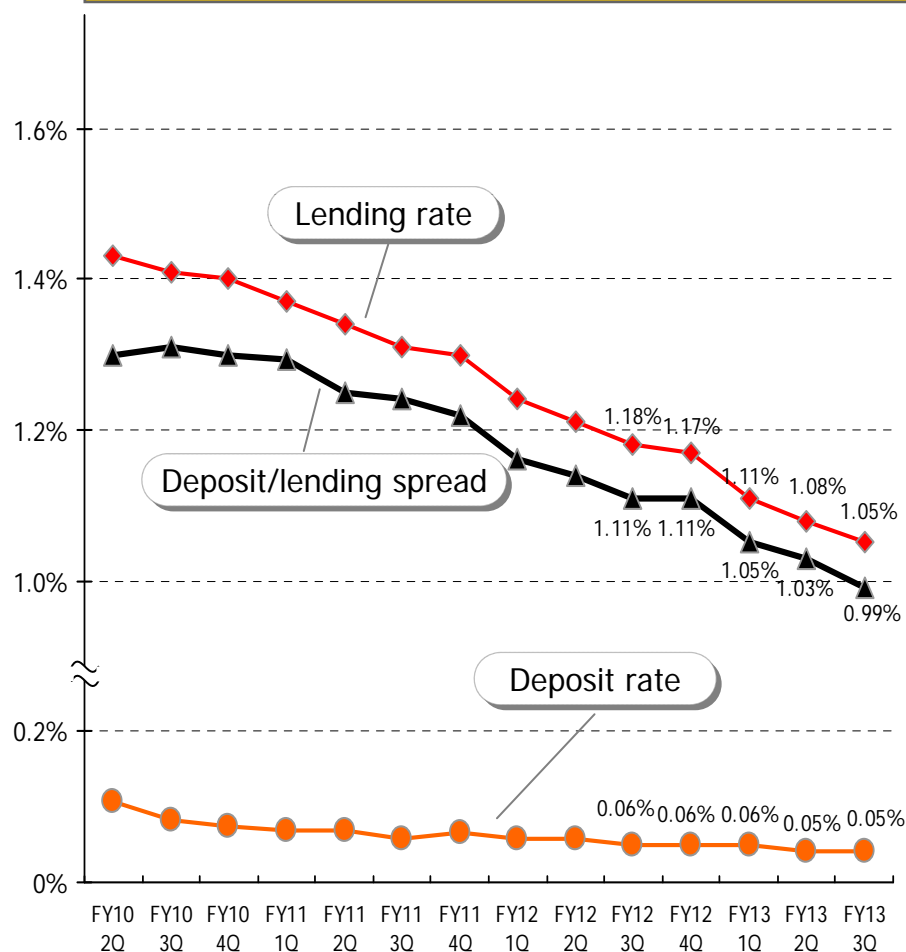
Domestic deposit / lending rates

【Non-consolidated】

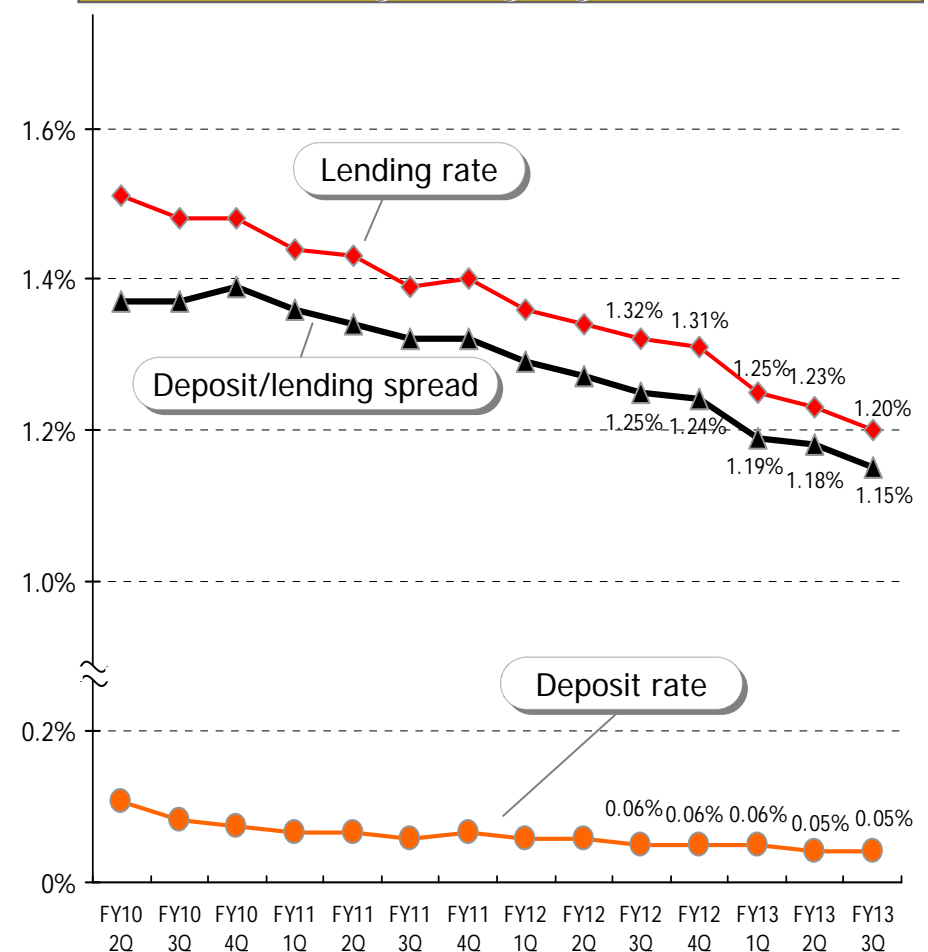


- Deposit/lending spread excluding lending to government in FY13 3Q decreased by 0.03 percentage points from FY13 2Q mainly due to a decline in lending rate.

Changes in domestic deposit / lending rates



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



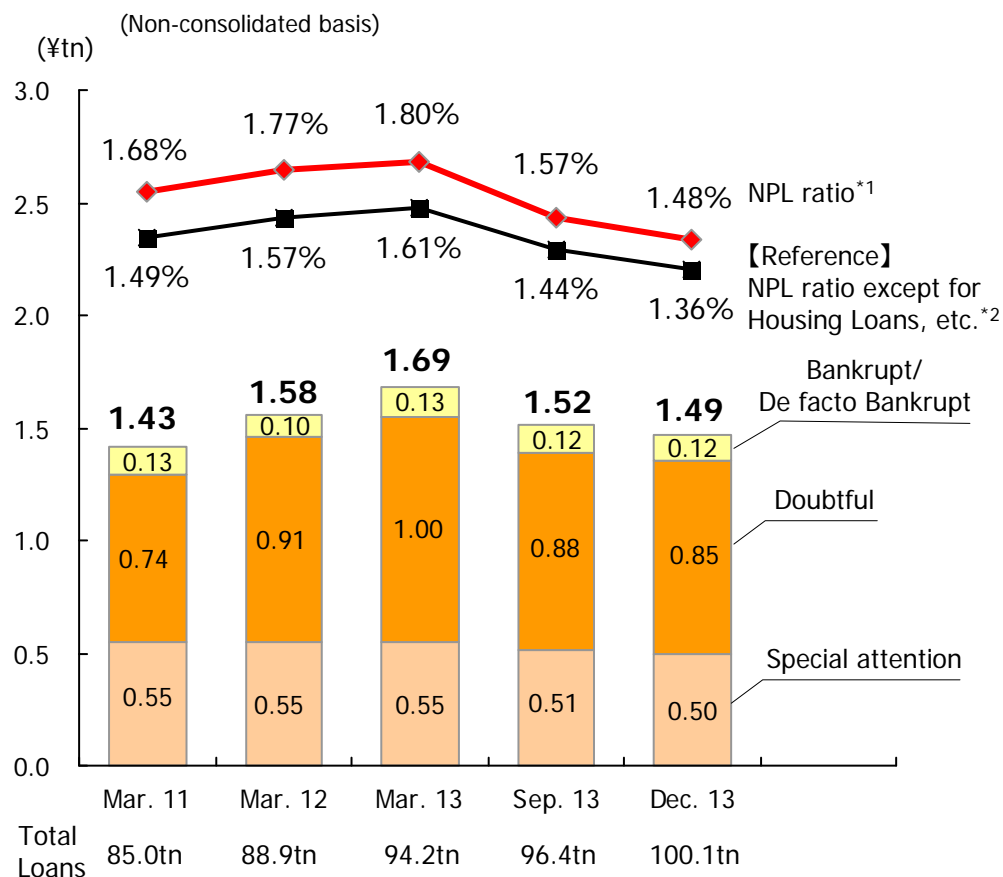
Loan assets

【Consolidated/Non-consolidated】



- NPL ratio declined 0.08 percentage points from the end of September 2013 to 1.48%.
- Total credit costs for the nine-month ended December 31, 2013 improved to a net reversal of ¥40.7bn on consolidated basis (a net reversal of ¥65.8bn on non-consolidated basis) compared with the same period of the previous year.

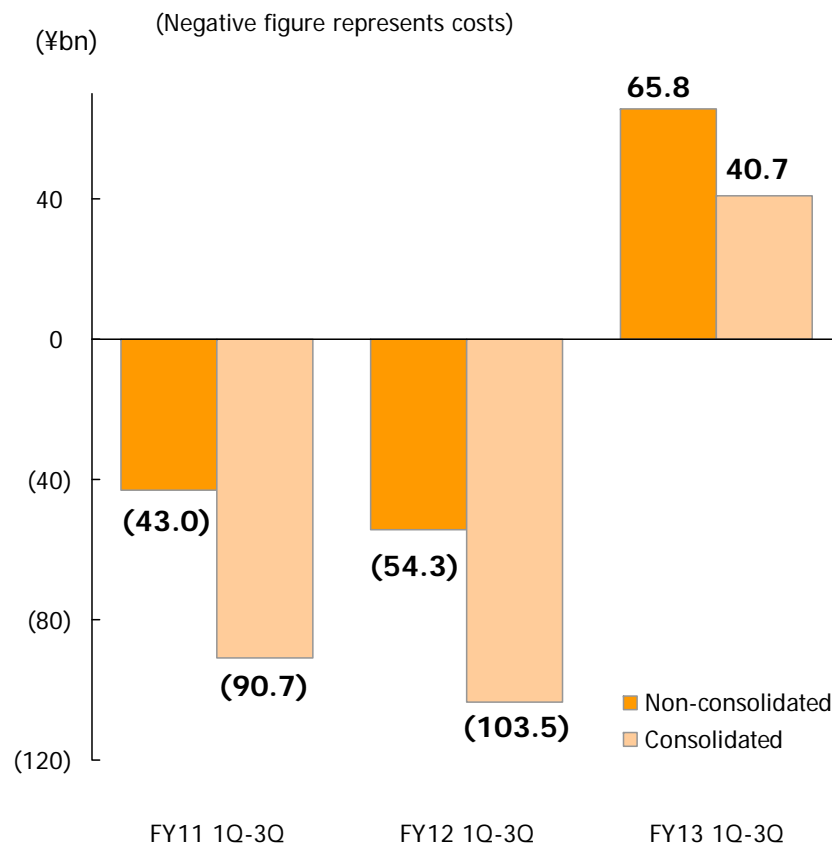
Balance of FRL disclosed loans



*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】

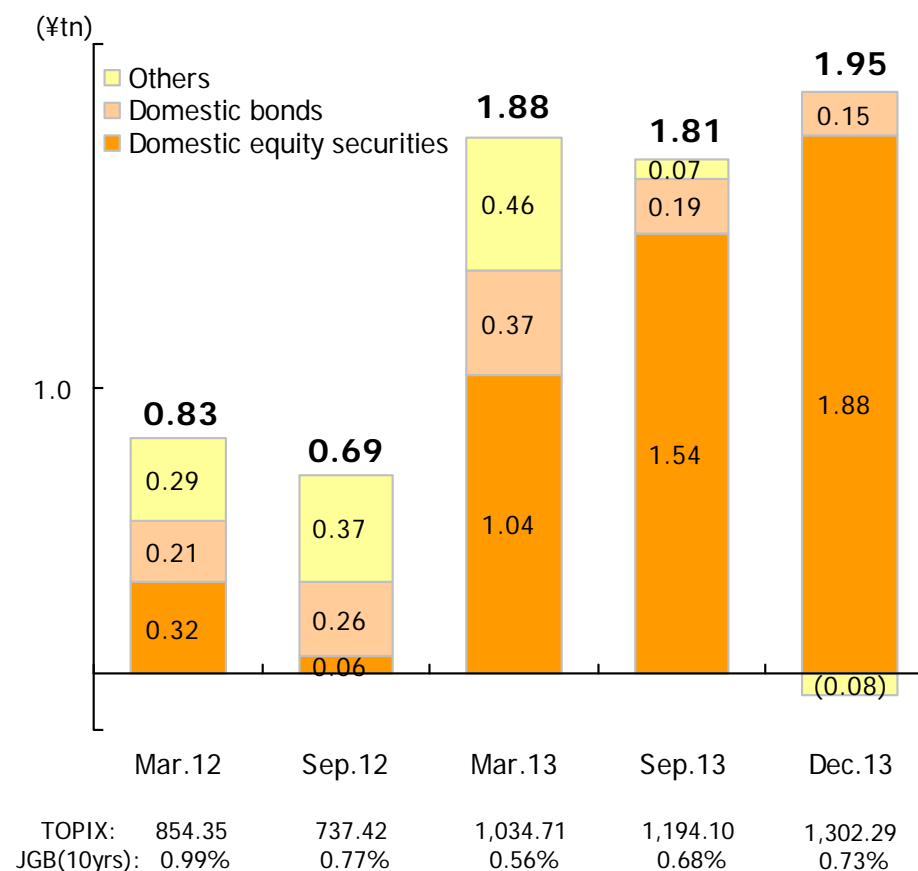


- Total unrealized gains on securities available for sale increased by ¥142.2bn from the end of September 2013 mainly due to higher unrealized gains on domestic equity securities, partially offset by lower unrealized gains in Japanese government bonds and higher unrealized losses in foreign bonds.

Breakdown of securities available for sale with fair value

	(¥bn)	Balance		Unrealized gains (losses)	
		Dec. 13	Change from Sep. 13	Dec. 13	Change from Sep. 13
1	Total	75,547.0	760.7	1,953.2	142.2
2	Domestic equity securities	4,718.7	334.4	1,882.7	341.6
3	Domestic bonds	41,473.2	(2,342.8)	157.6	(38.4)
4	Japanese government bonds	38,699.6	(2,355.4)	105.8	(33.7)
5	Others	29,355.0	2,769.1	(87.0)	(160.8)
6	Foreign equity securities	237.4	27.1	99.6	7.0
7	Foreign bonds	25,563.1	2,369.4	(260.9)	(197.1)
8	Others	3,554.4	372.5	74.1	29.1

Unrealized gains (losses) on securities available for sale



Japanese government bonds

【Consolidated /Non-consolidated】



● Balance of Japanese government bonds (JGB)

- The balance decreased by ¥2.3tn from the end of September 2013.

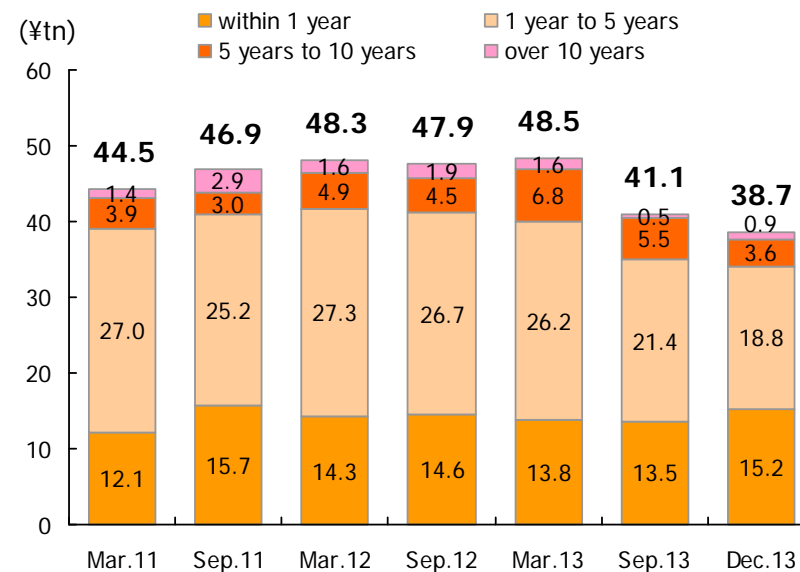
● Duration

- Duration shortened by 0.4-year to 2.3-year from the end of September 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

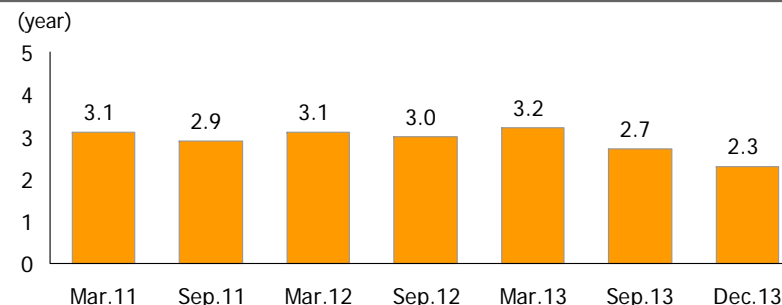


*1 Securities available for sale and securities being held to maturity. Non-Consolidated

Balance of JGBs

	Balance	Unrealized gains (losses)		
		Dec. 13	Change from Sep.13	
1 Total	38,914.6	(2,355.4)	106.8	(33.9)
2 Securities being held to maturity	214.9	0.0	1.0	(0.2)
3 Securities available for sale	38,699.6	(2,355.4)	105.8	(33.7)

JGB Duration*2



*2 Securities available for sale. Non-Consolidated

(Reference) Share acquisition of Bank of Ayudhya (Krungsri)



- Acquired 72.01% of Krungsri's total outstanding shares through Voluntary Tender Offer (VTO).
- Plan to integrate BTMU Bangkok branch into Krungsri within one year from share acquisition.

Results of Voluntary Tender Offer (VTO)

- Acquired 72.01% of Krungsri's total outstanding shares (including 25.33% purchased from GE Capital International Holdings Corporation).
- Funds used in the VTO was approx. THB170.6 bn (approx. ¥536.0 bn, calculated at the currency exchange rate of THB1 = ¥3.142).
- Krungsri has become a subsidiary of BTMU.
Consolidation of balance sheet started from December 2013.
Consolidation of income statement will start from June 2014.
- Krungsri remains listed on the Stock Exchange of Thailand.

Future plan

- In accordance with Thailand's One Presence Policy, BTMU's Bangkok branch plans to be integrated into Krungsri through the contribution in kind of the BTMU Bangkok branch business to Krungsri within one year from the date of the acquisition of Krungsri shares through the VTO.
- BTMU's ownership in Krungsri is estimated to be 76.44% after the integration.