



**Mitsubishi UFJ Financial Group**

**Financial Highlights under Japanese GAAP  
for Fiscal Year Ended March 31, 2014**

**May 14, 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. 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>

<b>Consolidated</b>	: Mitsubishi UFJ Financial Group, Inc(Consolidated)
<b>Non-consolidated</b>	: 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 financial result summary

(for Fiscal Year Ended March 31, 2014)

【Consolidated  
/Non-consolidated】



## ● Net income ¥984.8bn

- Net income increased by ¥132.2bn compared to FY12 and achieved our target: ¥910.0bn.
- EPS increased by ¥9.29 compared to FY12.
- Dividend per common share increased by ¥3 compared to FY12.

## ● Consolidated net operating profit (customer segments)<sup>\*1</sup>

- Consolidated net operating profit from the customer segments increased by ¥184.6bn.
- All 4 segments posted higher net operating profits.

## ● Consolidated net income RORA and consolidated ROE

- Both ratios improved.

## ● Common Equity Tier1 ratio (full implementation)

- Capital levels ahead of regulatory requirement.

### 〈Consolidated〉

		(¥bn)		
		FY12	FY13	Change
1	Gross profits	3,634.2	3,753.4	119.2
2	G&A expenses	2,095.0	2,289.3	194.3
3	Net business profits	1,539.2	1,464.1	(75.0)
4	Net income	852.6	984.8	132.2
5	EPS (¥)	58.99	68.29	9.29
6	Dividend per common share (¥)	13.00	16.00	3.00

### 〈Financial Targets〉

		FY12	FY13	FY14 (Targets)	
7	Consolidated net operating profit (customer segments) <sup>*1*2</sup>	1,072.3	1,257.0	20% increase from FY2011	
8	Expenses ratio	Consolidated	57.6%	60.9%	Between 55-60%
9		Non-consolidated	51.4%	55.5%	Between 50-55%
10	Consolidated net income RORA <sup>*3</sup>	0.95%	0.99%	Approx. 0.9%	
11	Consolidated ROE <sup>*4</sup>	8.77%	9.05%	Approx. 8.0%	
12	Common Equity Tier1 ratio (full implementation) <sup>*3</sup>	11.1%	11.1%	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 figure was ¥1,041.4bn

\*3 C calculated on the basis of regulations applied at the end of March, 2019

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

+ (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

# Income statement summary

【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, however it increased if it was without the negative impact from net gains on debt securities.

## ● Total credit costs

- Total credit costs amounted to a net reversal of ¥11.8bn 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 extraordinary gains (losses)

- Net extraordinary losses amounted ¥151.7bn, mainly due to the impairment of the goodwill related to investments in Mitsubishi UFJ NICOS.

## ● Net income

- As a result, net income increased by ¥132.2bn from FY12 to ¥984.8bn.

## Income statement (¥bn) (Consolidated)

	FY12	FY13	Change
1 Gross profits (before credit costs for trust accounts)	3,634.2	3,753.4	119.2
2 Net interest income	1,816.8	1,878.6	61.7
3 Trust fees + Net fees and commissions	1,137.3	1,268.7	131.3
4 Net trading profits + Net other business profits	679.9	606.1	(73.8)
5 Net gains (losses) on debt securities	336.7	142.8	(193.8)
6 G&A expenses	2,095.0	2,289.3	194.3
7 Net business profits	1,539.2	1,464.1	(75.0)
8 Total credit costs <sup>*1</sup>	(115.6)	11.8	127.5
9 Net gains (losses) on equity securities	(53.6)	144.5	198.2
10 Net gains (losses) on sales of equity securities	33.6	157.5	123.8
11 Losses on write-down of equity securities	(87.3)	(12.9)	74.3
12 Profits (losses) from investments in affiliates	52.0	112.4	60.4
13 Other non-recurring gains (losses)	(77.7)	(38.2)	39.4
14 Ordinary profits	1,344.1	1,694.8	350.6
15 Net extraordinary gains (losses)	9.6	(151.7)	(161.4)
16 Total of income taxes-current and income taxes-deferred	(395.7)	(439.9)	(44.2)
17 Net income	852.6	984.8	132.2
18 EPS (¥)	58.99	68.29	9.29

<sup>\*1</sup> 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

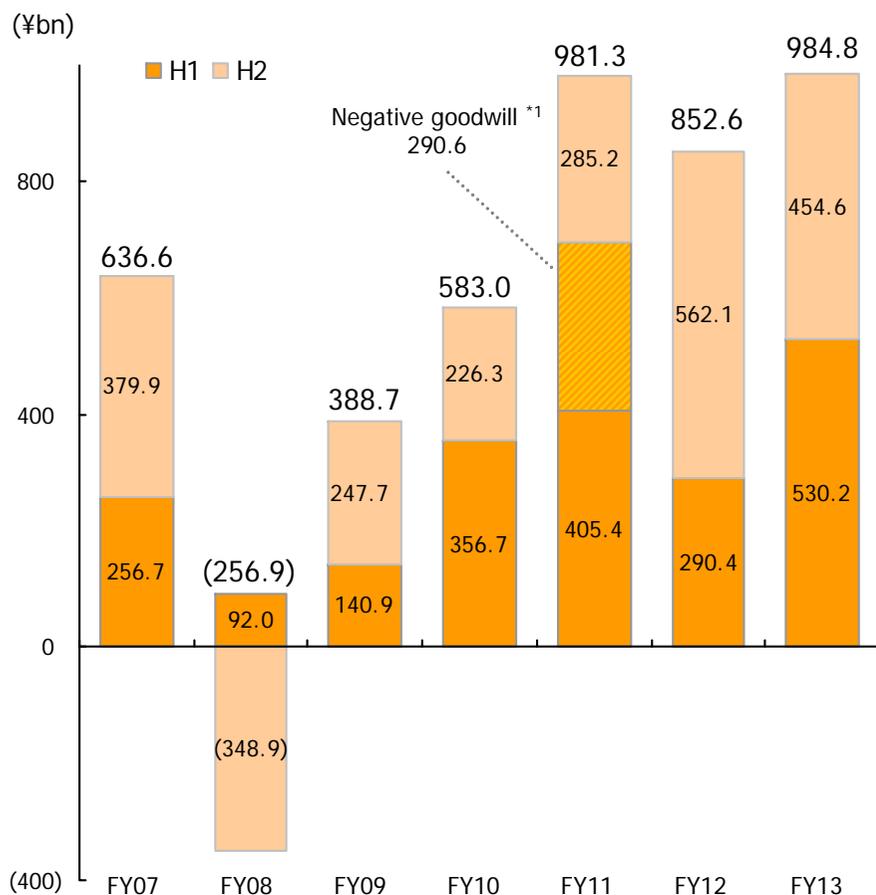
# Outline of net income

【Consolidated】



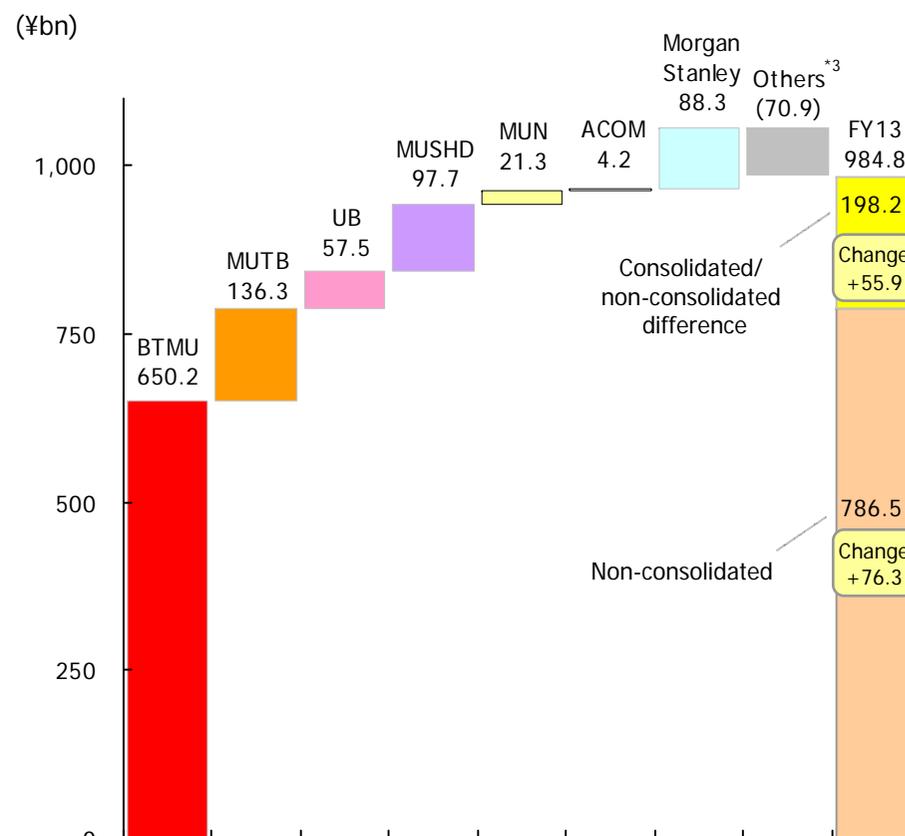
- Net income increased by ¥76.3bn on non-consolidated basis compared to FY12.
- Difference between consolidated and non-consolidated net income increased by ¥55.9bn compared to FY12, mainly due to a significant increase of net income of securities subsidiary.

## 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)

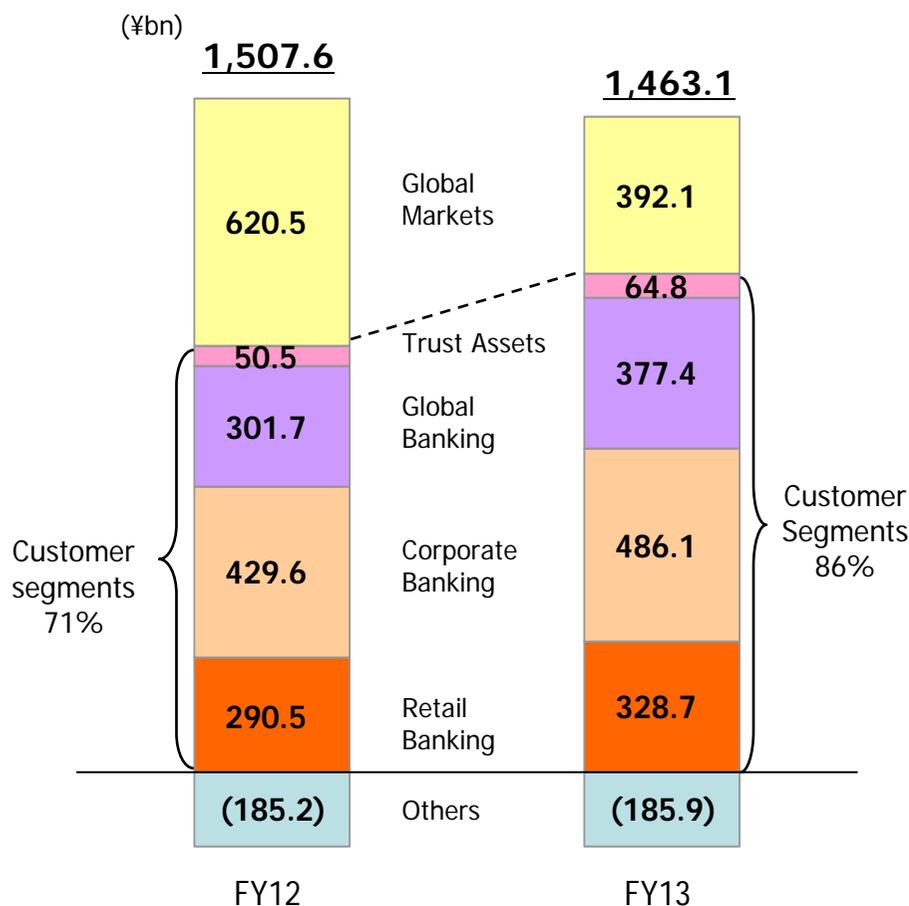
\*3 Including the impairment of the goodwill related to investments in Mitsubishi UFJ NICOS (¥110.1bn)

# Outline of results by business segment [Consolidated]

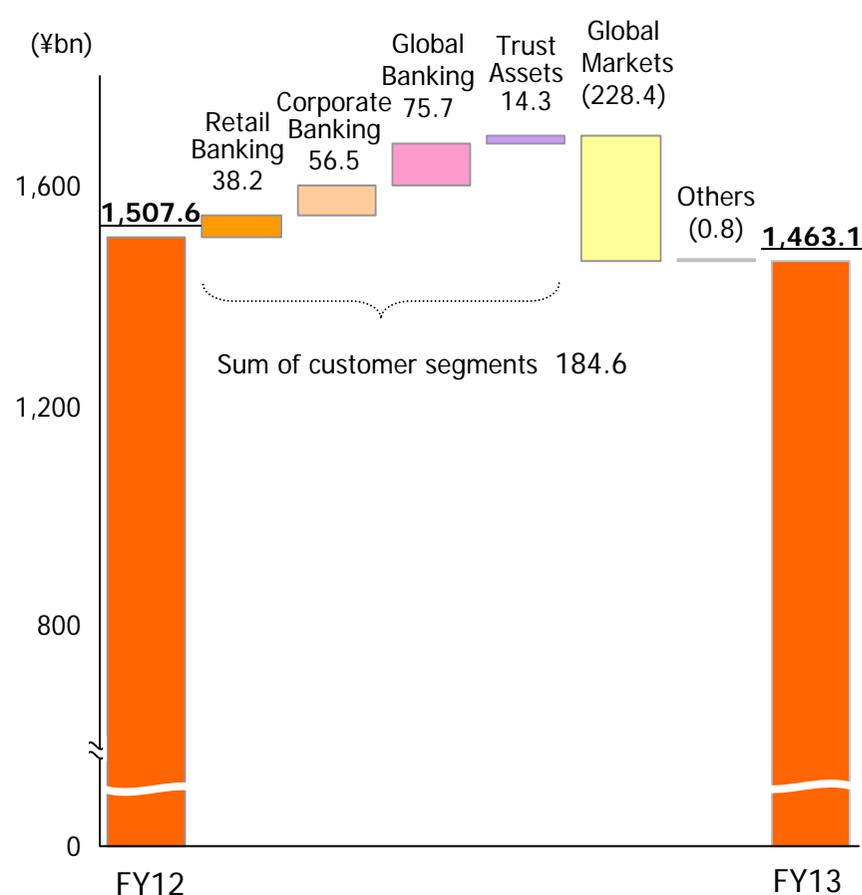


- Consolidated net operating profit from the customer segments increased by ¥184.6bn due to increases in net business profits of all four customer segments by the efforts through the initiatives to strengthen business and the group-wide cooperation.

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

## ● Loans

- Increased from the end of March 13 and the end of September 13 mainly due to continuous increases in domestic corporate loans and overseas loans.

## ● Investment securities

- Decreased from the end of March 13 mainly due to a decrease in Japanese government bonds. Decreased from the end of September 13 mainly due to a decrease in foreign bonds.

## ● Deposits

- Increased from the end of March 13 and the end of September 13 mainly due to increases in individual, corporate and overseas deposits.

## ● Non performing loans (“NPLs”)

- Decreased from the end of March 13 and the end of September 13 mainly due to decreases in bankrupt, de facto bankrupt, doubtful and special attention loans.

## ● Net unrealized gains on securities available for sale

- Decreased from the end of March 13 mainly due to lower market value in Japanese government bonds and foreign bonds. Increased from the end of September 13 mainly due to higher unrealized gains on domestic equity securities and Japanese government bonds.

Balance sheet (¥bn) (Consolidated)		Mar. 14	Change from Mar. 13	Change from Sep. 13
1	Total assets	258,131.9	23,633.2	15,908.9
2	Loans (Banking + Trust accounts)	102,038.5	10,635.3	6,691.6
3	Loans (Banking accounts)	101,938.9	10,639.3	6,693.6
4	Housing loans <sup>*1</sup>	16,347.7	(242.6)	(42.6)
5	Domestic corporate loans <sup>*1*2</sup>	41,312.8	968.7	865.4
6	Overseas loans <sup>*3</sup>	33,907.0	8,469.4	5,561.2
7	Investment securities (banking accounts)	74,515.5	(5,011.2)	(2,598.2)
8	Domestic equity securities	4,998.2	275.5	(161.9)
9	Japanese government bonds	40,649.9	(8,058.0)	(620.2)
10	Foreign bonds	21,431.8	2,562.2	(2,043.6)
11	Total liabilities	243,019.0	22,040.0	15,124.4
12	Deposits	144,760.2	13,063.1	8,631.9
13	Individual deposits (Domestic branches)	68,867.2	1,524.4	815.4
14	Total net assets	15,112.8	1,593.2	784.5
15	FRL disclosed loans <sup>*1*4</sup>	1,418.1	(278.7)	(103.5)
16	NPL ratio <sup>*1</sup>	1.41%	(0.38%)	(0.16%)
17	Net unrealized gains (losses) on securities available for sale	1,869.9	(15.2)	58.9

\*1 Non-consolidated + trust accounts

\*2 Excluding lending to government

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

\*4 FRL = the Financial Reconstruction Law

# Loans / deposits

【Consolidated】



## ● Loan balance ¥102.0tn

(increased by ¥6.6tn from September 13)

### <Changes from September 13 >

■ Housing Loan	(¥0.0tn)
■ Domestic corporate <sup>*1</sup>	+¥0.8tn
■ Overseas <sup>*2</sup>	+¥5.5tn
Excluding impact of foreign currency exchange	+¥3.7tn
Of which Bank of Ayudhya	+¥2.0tn

\*1 Excluding lending to government

\*2 Loans booked in overseas branches, UNBC, Bank of Ayudhya, BTMU (China) and BTMU (Holland)

\*3 Sum of banking and trust accounts

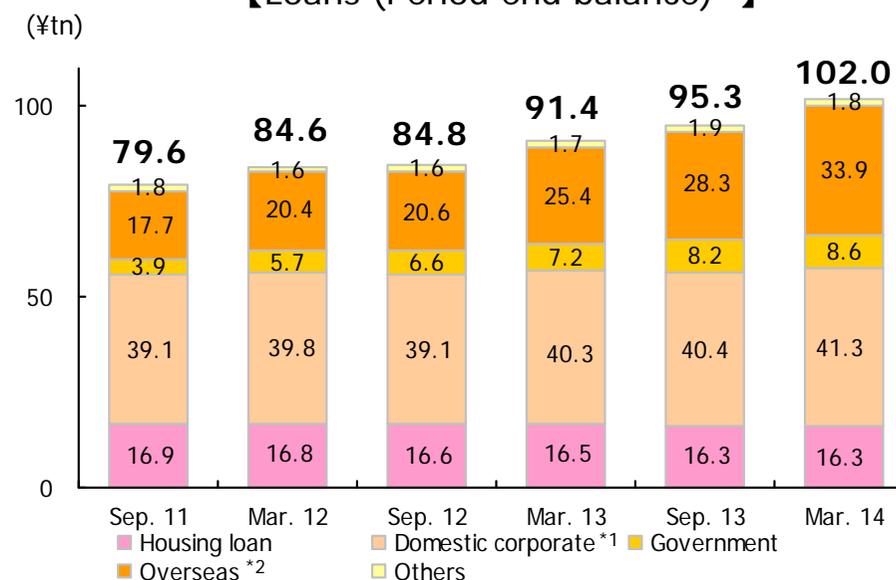
## ● Deposit balance ¥144.7tn

(increased by ¥8.6tn from September 13)

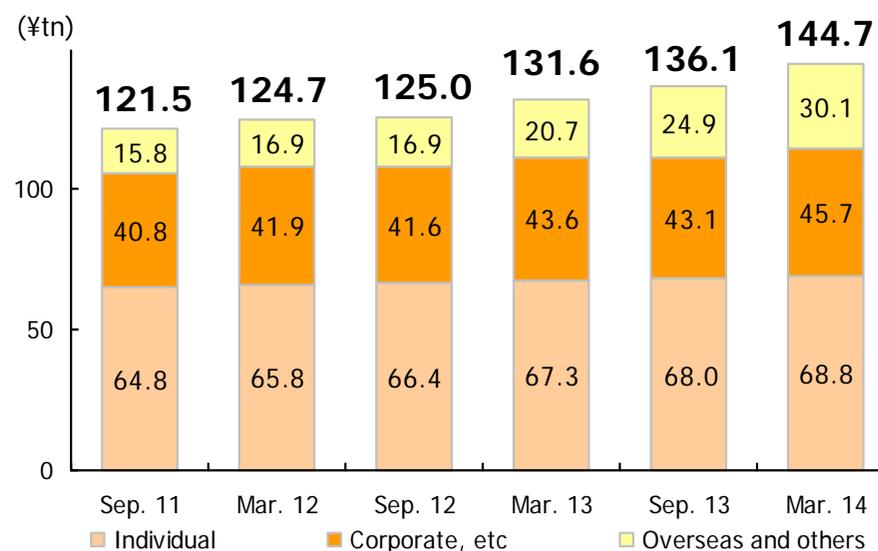
### <Changes from September 13 >

■ Individual	+¥0.8tn
■ Corporate, etc.	+¥2.5tn
■ Overseas and others	+¥5.2tn
Excluding impact of foreign currency exchange	+¥3.5tn
Of which Bank of Ayudhya	+¥2.5tn

【Loans (Period end balance)<sup>\*3</sup>】



【Deposits (Period end balance)】



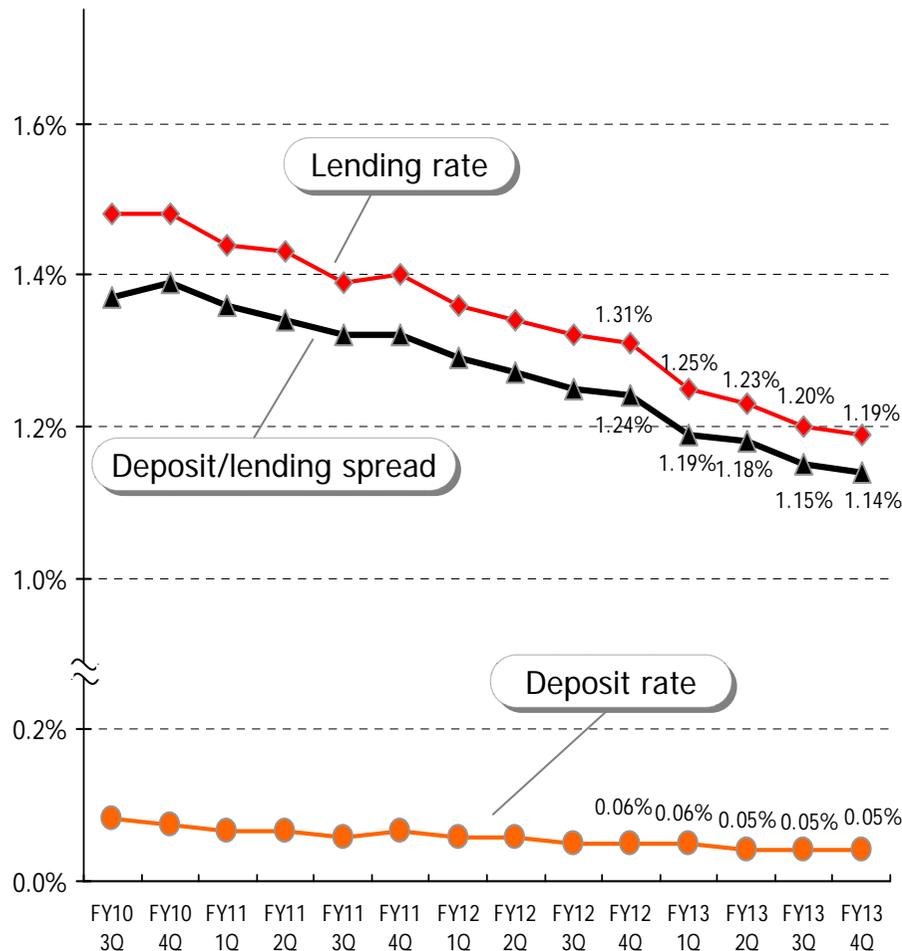
# Domestic deposit / lending rates

【Non-consolidated】

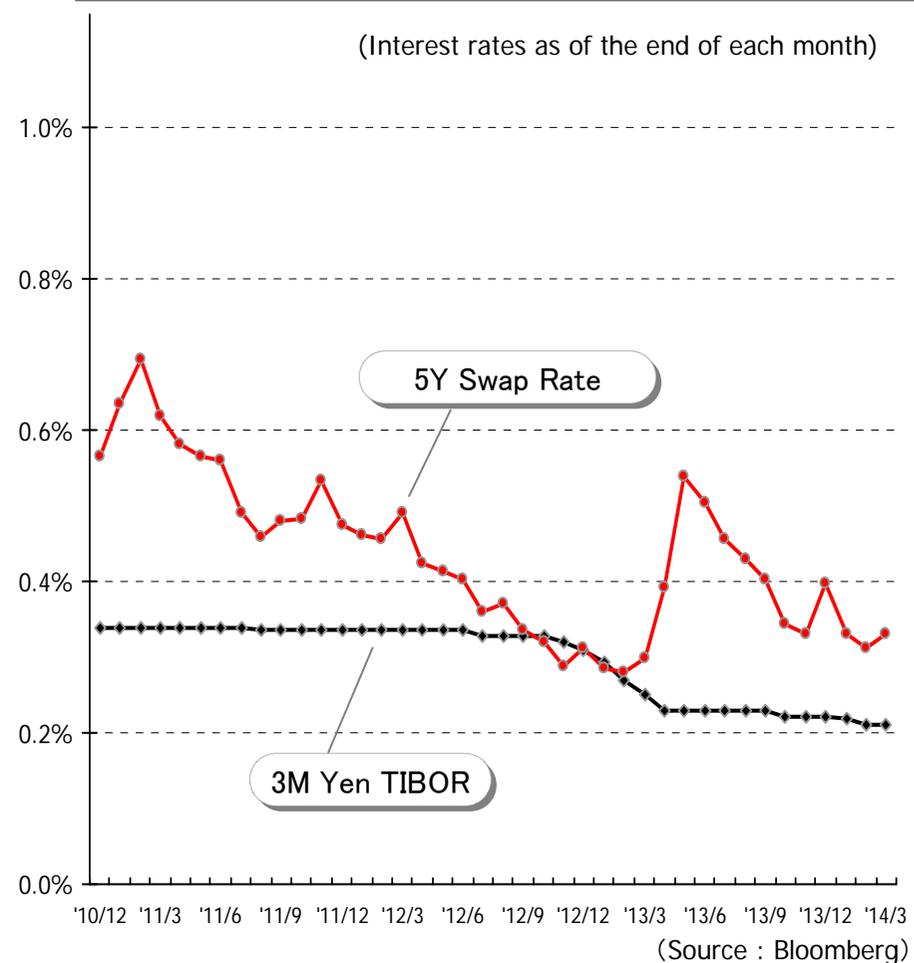


- Deposit/lending spread excluding lending to government in FY13 4Q remained almost unchanged compared to FY13 3Q

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



**(Reference) Market interest rates**



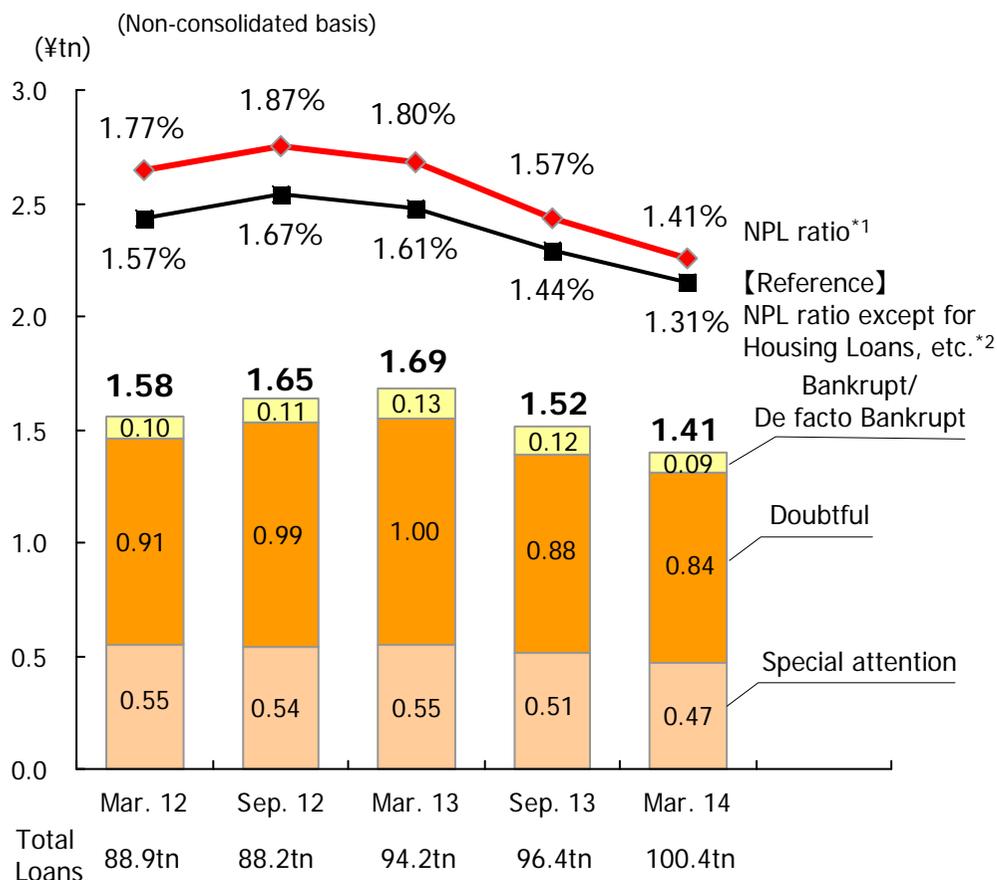
# Loan assets

【Consolidated/Non-consolidated】



- NPL ratio declined 0.16 percentage points from the end of September 13 to 1.41% mainly due to a decrease in FRL disclosed loans.
- Total credit costs improved from FY12 to a net reversal of ¥11.8bn on consolidated basis (a net reversal of ¥35.1bn on non-consolidated basis.)

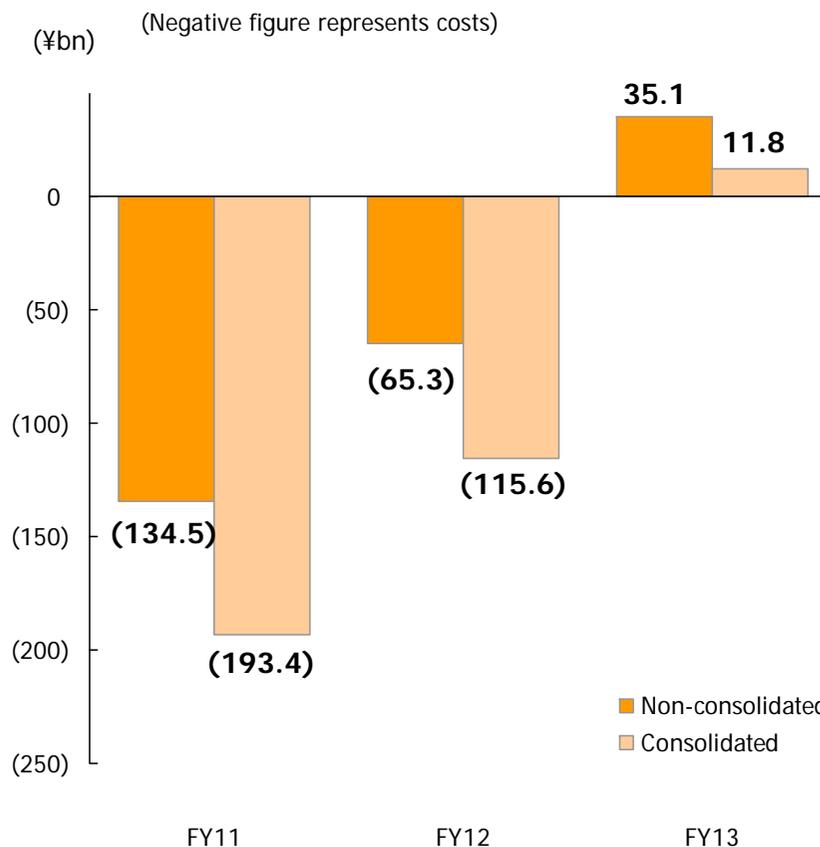
## Balance of FRL disclosed loans



\*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

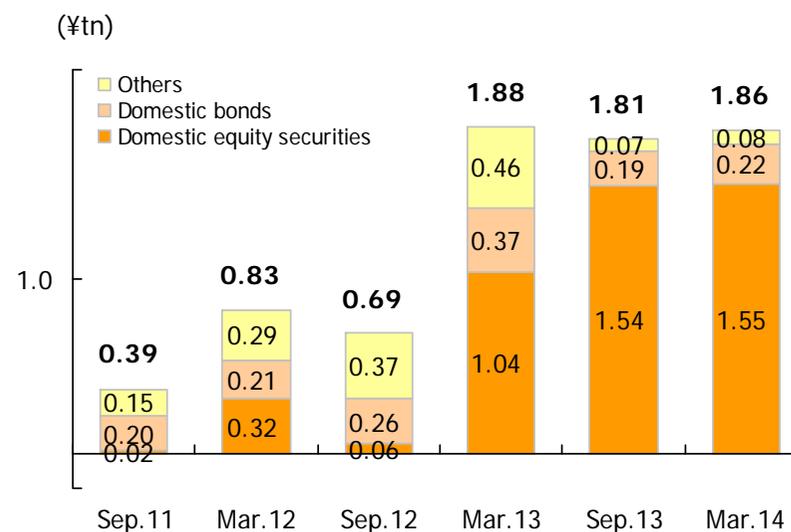
【Consolidated/Non-consolidated】



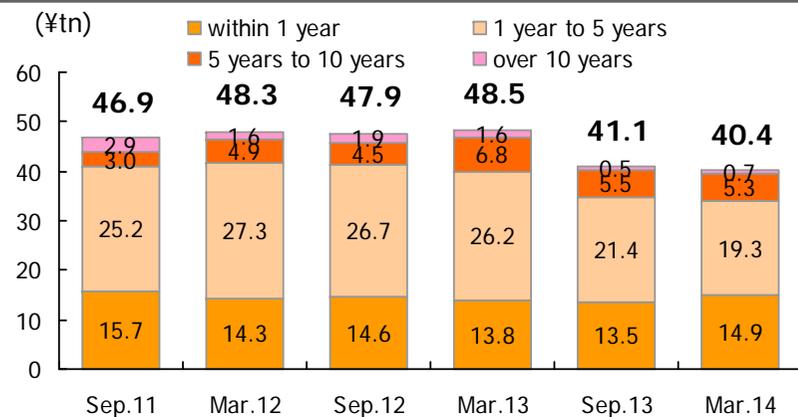
## Breakdown of securities available for sale with fair value

	(¥bn)	Balance		Unrealized gains (losses)	
		Mar. 14	Change from Sep. 13	Mar. 14	Change from Sep. 13
1	Total	71,722.0	(3,064.2)	1,869.9	58.9
2	Domestic equity securities	4,384.1	(0.1)	1,559.6	18.5
3	Domestic bonds	43,123.6	(692.4)	222.8	26.7
4	Japanese government bonds	40,434.9	(620.2)	167.7	28.1
5	Others	24,214.1	(2,371.7)	87.3	13.5
6	Foreign equity securities	217.5	7.2	81.6	(10.9)
7	Foreign bonds	20,599.8	(2,593.7)	(53.0)	10.7
8	Others	3,396.7	214.8	58.7	13.7

## Unrealized gains (losses) on securities available for sale



## Balance of JGBs by maturity\*1



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

## JGB Duration\*2



\*2 Securities available for sale. Non-consolidated.

# Capital adequacy

【Consolidated】



## ● Total capital

- Common Equity Tier1 capital increased by ¥387.3bn from the end of September 2013 mainly due to an increase in retained earnings.
- Total capital remained almost unchanged from the end of September 2013 mainly due to lower caps on preferred stock, preferred securities and subordinated debt subject to transitional arrangements.

## ● Risk weighted assets (RWA)

- RWA increased ¥7,635.7bn from the end of September 2013 mainly due to an increase in credit risk caused by consolidation of Bank of Ayudhya, depreciation of Japanese yen and an increase in loans.

## ● Risk-adjusted capital ratio

(Full implementation<sup>\*1</sup>)

Common Equity Tier1 ratio : 11.1%

Excluding impact of net unrealized gains (losses) on securities available for sale : 9.5%

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

## ● Leverage ratio

Transitional basis (pro forma) : 4.4%

(¥bn)		Sep.13	Mar.14	Change from Sep.13
1	Common Equity Tier1 ratio	11.77%	11.25%	(0.51%)
2	Tier1 ratio	13.12%	12.45%	(0.66%)
3	Total capital ratio	16.84%	15.53%	(1.31%)
4	Common Equity Tier1 capital	10,765.6	11,153.0	387.3
5	Capital and stock surplus	3,924.3	3,924.8	0.5
6	Retained earnings	6,688.2	7,033.1	344.8
7	Additional Tier1 capital	1,232.9	1,188.8	(44.1)
8	Preferred stock and preferred securities	1,491.7	1,326.0	(165.7)
9	Foreign currency translation adjustments	163.7	325.7	162.0
10	Tier1 capital	11,998.6	12,341.8	343.2
11	Tier2 capital	3,409.2	3,052.4	(356.7)
12	Subordinated debt	2,384.9	2,119.9	(264.9)
13	Total capital (Tier1+Tier2)	15,407.8	15,394.3	(13.5)
14	Risk weighted assets	91,448.5	99,084.3	7,635.7
15	Credit risk	80,389.8	88,001.3	7,611.4
16	Market risk	1,853.2	2,340.8	487.6
17	Operational risk	5,456.6	6,062.2	605.5
18	Transitional floor	3,748.8	2,679.8	(1,068.9)

# FY2014 targets

【Consolidated/  
Stand-alone】



- FY14 consolidated net income target is ¥950.0bn

## 【Earnings targets】

【Consolidated】

	FY 14		FY 13	
	Interim	Full Year	Interim (results)	Full Year (results)
1 Ordinary profits	¥770.0bn	¥1,580.0bn	¥850.4bn	¥1,694.8bn
2 Net income	¥450.0bn	¥950.0bn	¥530.2bn	¥984.8bn
3 Total credit costs	(¥50.0bn)	(¥110.0bn)	¥25.7bn	¥11.8bn

【Stand-alone】

(Bank of Tokyo-Mitsubishi UFJ)

4 Net business profits	¥440.0bn	¥920.0bn	¥417.9bn	¥855.9bn
5 Ordinary profits	¥430.0bn	¥880.0bn	¥455.1bn	¥1,002.1bn
6 Net income	¥280.0bn	¥570.0bn	¥269.9bn	¥650.2bn
7 Total credit costs	¥0.0 bn	(¥20.0bn)	¥27.8bn	¥17.0bn

(Mitsubishi UFJ Trust and Banking Corporation)

8 Net business profits	¥80.0bn	¥175.0bn	¥71.6bn	¥162.9bn
9 Ordinary profits	¥70.0bn	¥155.0bn	¥87.1bn	¥195.0bn
10 Net income	¥45.0bn	¥95.0bn	¥62.6bn	¥136.3bn
11 Total credit costs	(¥5.0bn)	(¥15.0bn)	¥16.6bn	¥18.0bn

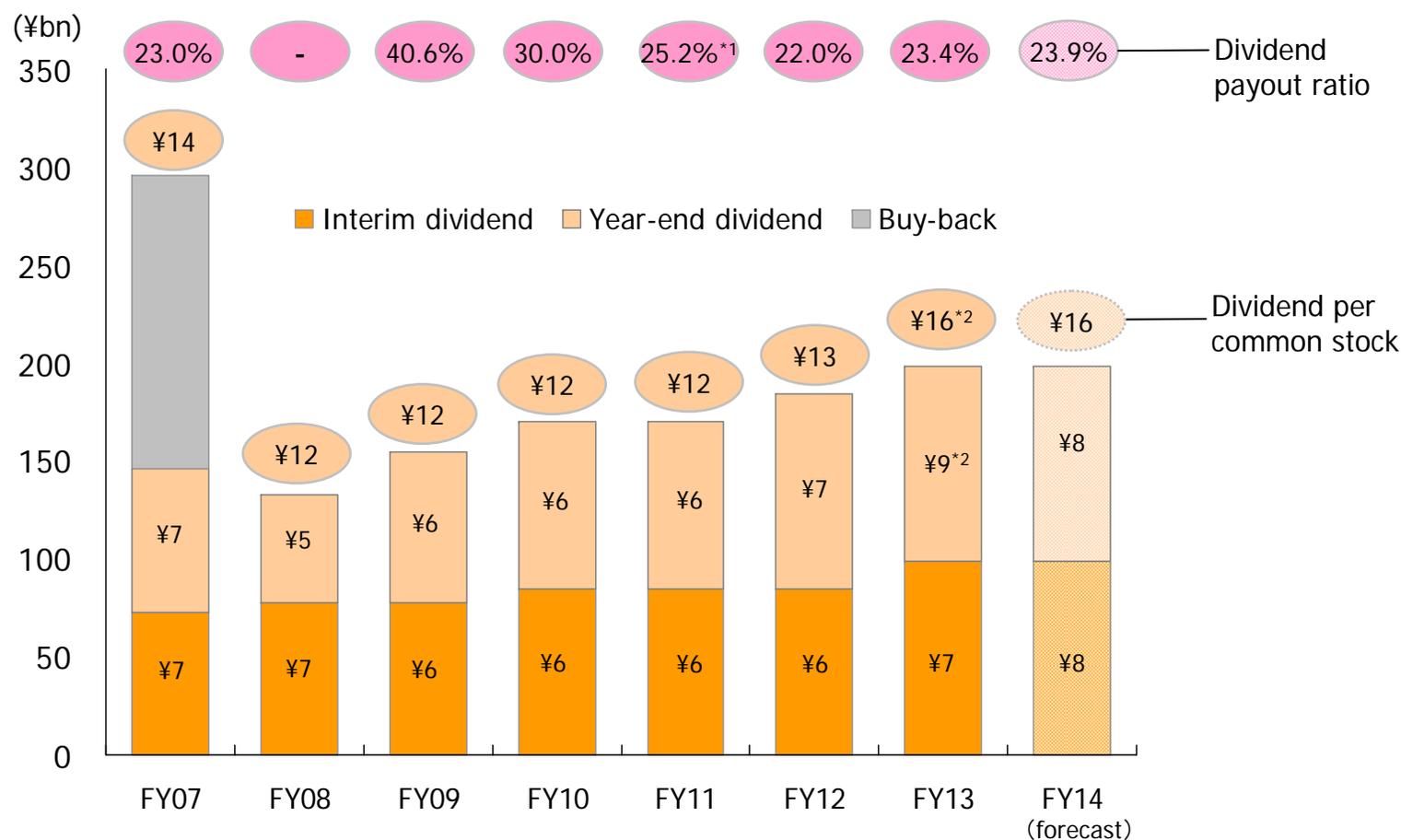
# Dividend forecast

【Consolidated】



- FY13 dividend is ¥16 per common stock, an increase of ¥3 from FY12
- FY14 dividend forecast is ¥16 per common stock

## Results of shareholder returns/Dividend forecast



\*1 FY11 figures do not include one-time effect of negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

\*2 The year-end dividend for the FY13 is based on the assumption that it will be approved at the General Meeting of Shareholders to be held on June 27, 2014

## (Reference)

# Impairment of goodwill related to investments in Mitsubishi UFJ NICOS (MUN)



### FY13 Financial Result (MUN)

- **Ordinary income of ¥19.8bn (¥19.1bn lower than MUN's medium-term plan)**
  - Total revenue from the core business of MUN, "Card Settlement business" including issuing, acquiring, revolving and installment credit, grew firmly during 3 years of the medium-term plan.
  - Main reason of miss-achieving the targets set in the medium-term plan was lower-than-expected revenue from card cashing and card loan business under the prolonged influence of regulation of limiting total borrowing amount.

### FY14 Financial Plan (MUN)

- **Ordinary income of ¥18.0bn (increase from FY13 in excl. temporal factors base)**
  - Aiming to increase overall revenue by strengthening the "Card Settlement business", despite of the expected lower revenue from card cashing and card loan business.
  - Prior investments in smart-phone and e-commerce related business for MUN's future sustainable growth.

### MUN Financial Results FY11-13 (medium-term plan) and Financial Plan FY14

	FY11	FY12	FY13			FY14	
				Compared to FY12	Compared to medium term plan	Plan	Compared to FY13
1 Total revenue	281.2	266.9	265.7	(1.1)	(39.3)	275.2	9.4
2 Issuing business	107.0	105.7	111.2	5.5	(2.3)	122.3	11.0
3 Loans* 1 and revolving credit	111.3	97.9	88.9	(9.0)	(29.5)	82.4	(6.4)
4 Card cashing and card loan	72.1	57.0	46.9	(10.1)	(24.0)	39.2	(7.7)
5 Revolving and installment credit	29.9	32.7	35.2	2.4	(5.4)	37.3	2.1
6 Acquiring business	33.6	34.7	36.6	1.9	(6.6)	40.1	3.4
7 Processing business	23.6	24.1	24.1	0.0	(1.9)	25.7	1.6
8 Total operating expenses	252.2	242.9	246.4	3.5	(20.0)	257.9	11.4
9 Expenses related to loan losses and others	23.8	12.9	9.4	(3.5)	(27.4)	12.5	3.1
10 Temporal factors*2	1.8	(3.2)	(3.8)	(0.6)	(3.8)	-	3.8
11 Provision for losses on interest repayment	-	-	-	-	-	-	-
12 Ordinary income	29.5	24.6	19.8	(4.8)	(19.1)	18.0	(1.8)
13 Net income	28.7	31.6	25.0	(6.5)	(13.9)	17.3	(7.7)
(Reference)							
14 Ordinary income excl. temporal factors	31.3	21.4	16.0	(5.4)	(23.0)	18.0	1.9

\*1 Card cashing and Card loan

\*2 Reversal of provisions caused by the earthquake in 2011 + reversal of provisions from housing loan business + others

### Impairment of goodwill related to investments in MUN

- **Recorded ¥110.1bn of impairment loss (booked as a part of extraordinary losses)**
  - At the end of MUN's medium-term plan in March 2014, MUFG re-estimated the recoverable amount (future cash flows for and after FY14.)
  - Recoverable amounts fell below the book value of MUN related fixed assets including the goodwill related to our investments in MUN, which caused our recognition of impairment loss.

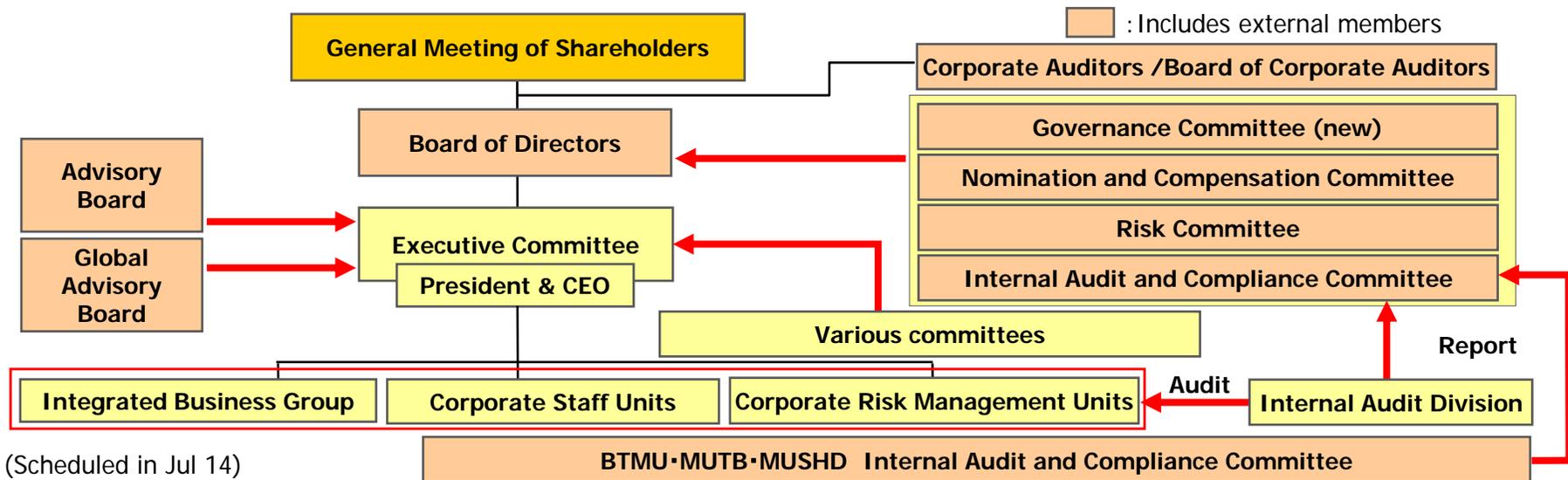
### Importance of MUN to MUFG

- **Credit card business will surely be in a growing phase in near future.**
- **MUN is one of our core subsidiaries which will play an important role in the credit card business.**
- **MUN together with MUFG will keep strengthening its service and competitiveness in credit card business.**

# (Reference) Enhancement of Corporate Governance



- Appointed 2 additional outside directors. One third of 15 candidates for directors, and 40% of 20 candidates for directors and corporate auditors are independent members.
- Establish “Governance Committee” to enhance corporate governance, to the level appropriate to the G-SIFI.
- Utilize the external expert knowledge. Appointed new outside experts in “Governance Committee” and “Risk Committee.”
- Promote diversification including gender. 2 female candidates out of 5 for outside directors and non-executive directors independent from MUFG.
- Appoint outside director as the chair of “Nomination and Compensation Committee” and “Governance Committee.” All 5 independent members and the President & CEO will participate these committees.



Chair of advisory committees (scheduled)		
Governance	Kunie Okamoto	Nippon Life Insurance Company, Board Chairman
Nomination and Compensation	Tsutomu Okuda	J. Front Retailing, Senior Advisor
Risk	Yuko Kawamoto	Waseda University Graduate School of Finance, Accounting and Law, Professor
Internal Audit and Compliance	Ryuji Araki	Toyota Motor Corporation, Advisor