

Financial Highlights under Japanese GAAP
for 1st Quarter of Fiscal Year
Ending March 31, 2015

July 31, 2014

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

Agenda

- **Income statement summary** 3
- **Outline of net income** 4
- **Balance sheet summary** 5
- **Loans / deposits** 6
- **Domestic deposit / lending rates** 7
- **Loan assets** 8
- **Investment securities** 9

● Net business profits

- Gross profits increased primarily due to increases in net interest income from loan businesses in overseas and revenue from investment banking as well as a positive impact of the consolidation of Bank of Ayudhya (Krungsri), partially offset by decreases in net trading profits and net other business profits.
- G&A expenses increased mainly due to an increase in costs in overseas businesses as well as due to the consolidation of Krungsri.
- As a result, Net business profits decreased by ¥43.1bn from the same period in the previous year to ¥339.2bn.

● Total credit costs

- Total credit costs improved mainly due to a decrease in provision for specific allowance for credit losses, partially offset by a lower 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 a decrease in losses on write-down of equity securities.

● Net income

- As a result, net income decreased by ¥14.7bn from the same period in the previous year to ¥240.4bn.

Income statement (¥bn)

	FY13 1Q	FY14 1Q	Change	
1	Gross profits (before credit costs for trust accounts)	948.9	967.4	18.5
2	Net interest income	441.3	490.7	49.3
3	Trust fees + Net fees and commissions	295.7	309.4	13.6
4	Net trading profits + Net other business profits	211.8	167.3	(44.5)
5	Net gains (losses) on debt securities	67.5	85.4	17.9
6	G&A expenses	566.5	628.2	61.6
7	Net business profits	382.3	339.2	(43.1)
8	Total credit costs ^{*1}	(15.4)	(7.4)	7.9
9	Net gains (losses) on equity securities	12.8	17.9	5.1
10	Losses on write-down of equity securities	(7.3)	(0.4)	6.8
11	Profits (losses) from investments in affiliates	39.6	44.8	5.2
12	Other non-recurring gains (losses)	1.2	0.3	(0.9)
13	Ordinary profits	420.6	394.9	(25.7)
14	Net extraordinary gains (losses)	(26.8)	(33.9)	(7.1)
15	Total of income taxes-current and income taxes-deferred	(95.4)	(97.7)	(2.2)
16	Net income	255.2	240.4	(14.7)
17	EPS (¥)	18.03	16.98	(1.05)

*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>	FY13 1Q	FY14 1Q	Change	FY14 (Target)
Expense ratio (Consolidated)	59.7%	64.9%	5.2%	Between 55-60%
Expense ratio (Non-consolidated)	56.0%	57.8%	1.7%	Between 50-55%
Consolidated ROE ^{*2}	9.85%	8.56%	(1.28%)	Approx. 8.0%

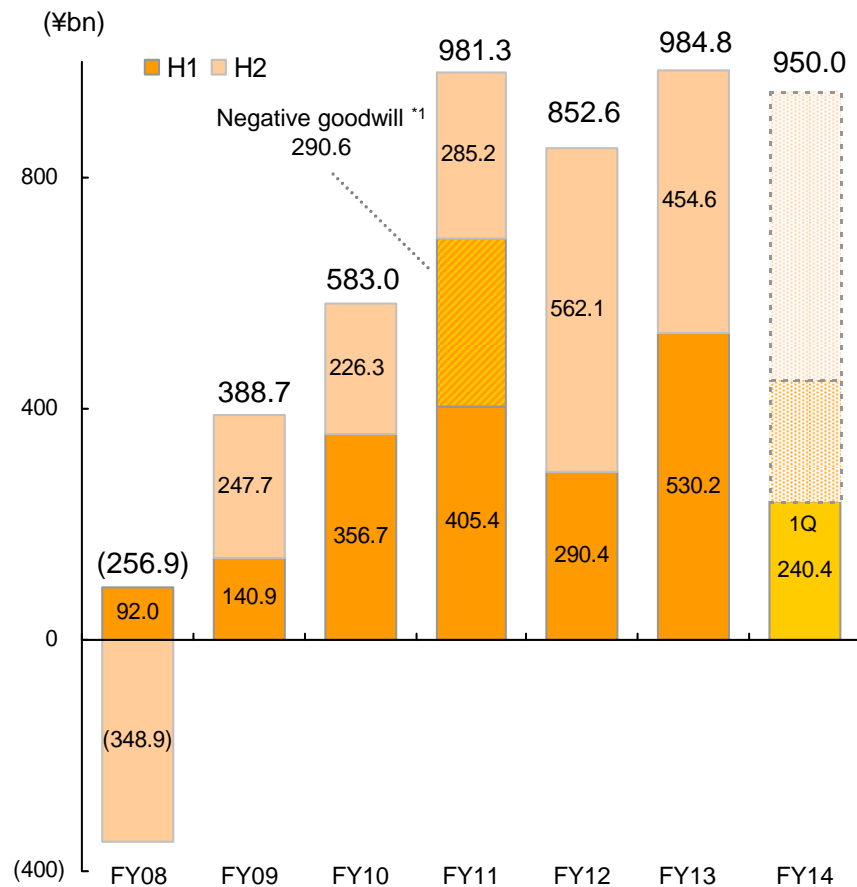
*2 $\frac{\text{Net income} \times 100}{\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{issue price} + \text{Foreign currency translation adjustments at the beginning of the period}}$
+ $\frac{\text{Total shareholders' equity at the end of the period} - \text{Number of nonconvertible preferred stocks at the end of the period} \times \text{issue price} + \text{Foreign currency translation adjustments at the end of the period}}{2}$

Outline of net income

【Consolidated】

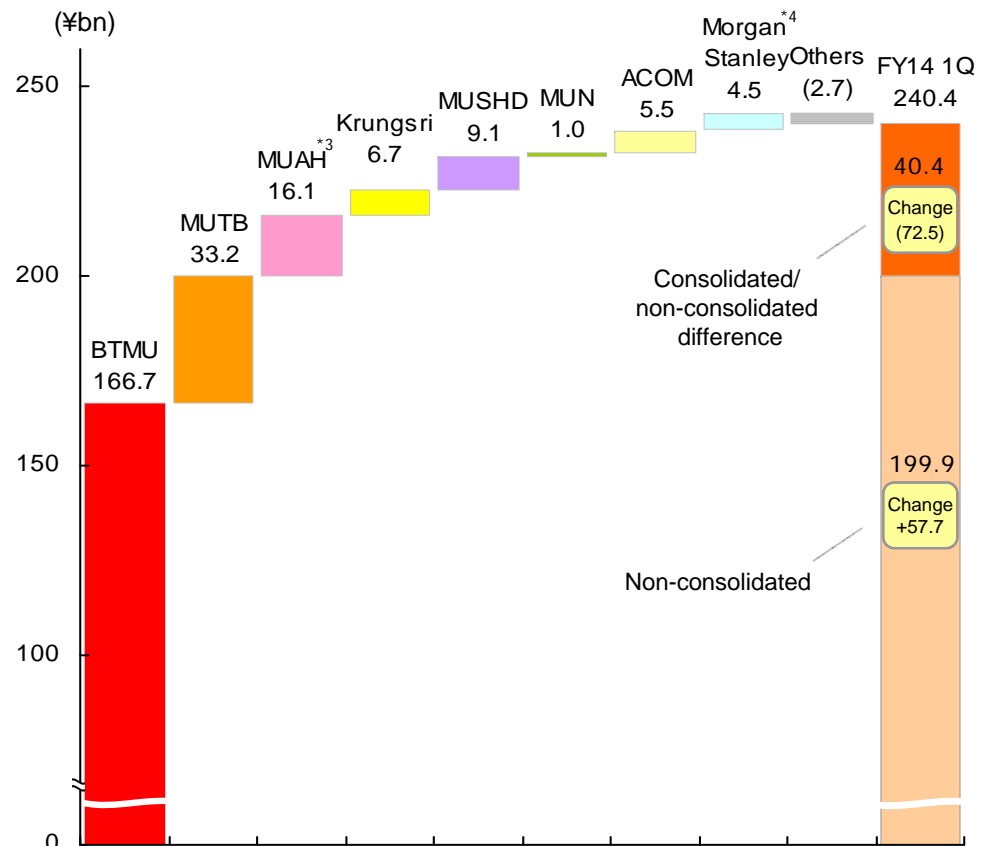
- Attained 25.3% to our target of net income for the FY14.
- Consolidation of income statement of Krungsri started from FY14 1Q. Difference between consolidated and non-consolidated net income was ¥40.4bn by contribution of major subsidiaries.

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 MUFG Americas Holdings Corporation

*4 Including losses on change in equity (¥33.2bn)



● Loans

- Increased from the end of March 2014 mainly due to an increase in domestic corporate loans.

● Investment securities

- Decreased from the end of March 2014 mainly due to decreases in Japanese government bonds and foreign bonds.

● Deposits

- Decreased from the end of March 2014 mainly due to decreases in domestic corporate and overseas deposits, partially offset by an increase in domestic individual deposits.

● Non performing loans (“NPLs”)

- Decreased from the end of March 2014 mainly due to a decrease in doubtful loans.

● Net unrealized gains on securities available for sale

- Increased from the end of March 2014 mainly due to increases in net unrealized gains on domestic equity securities and foreign bonds.

Balance sheet (¥bn)		Jun.14	Change from Mar.14
1	Total assets	259,395.1	1,263.2
2	Loans (Banking + Trust accounts)	102,176.8	138.2
3	Loans (Banking accounts)	102,075.9	137.0
4	Housing loans ^{*1}	16,201.9	(145.7)
5	Domestic corporate loans ^{*1*2}	41,643.4	330.5
6	Overseas loans ^{*3}	33,857.4	(49.5)
7	Investment securities (banking accounts)	72,037.7	(2,477.8)
8	Domestic equity securities	5,223.1	224.8
9	Japanese government bonds	38,331.7	(2,318.1)
10	Foreign bonds	20,603.8	(827.9)
11	Total liabilities	244,621.0	1,602.0
12	Deposits	144,298.4	(461.8)
13	Individual deposits (Domestic branches)	69,608.5	741.2
14	Total net assets	14,774.1	(338.7)
15	FRL disclosed loans ^{*1*4}	1,362.0	(56.0)
16	NPL ratio ^{*1}	1.35%	(0.05%)
17	Net unrealized gains (losses) on securities available for sale	2,342.6	472.7

*1 Non-consolidated + trust accounts

*2 Excluding lending to government

*3 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China) and BTMU (Holland)

*4 FRL = the Financial Reconstruction Law

● Loan balance ¥102.1tn

(increased by ¥0.1tn from March 2014)

<Change factors from March 2014 >

■ Housing loan	(¥0.1tn)
■ Domestic corporate ^{*1}	+¥0.3tn
■ Overseas ^{*2}	(¥0.0tn)
Excluding impact of foreign currency exchange	+¥0.4tn

*1 Excluding lending to government

*2 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China) and BTMU (Holland)

*3 Sum of banking and trust accounts

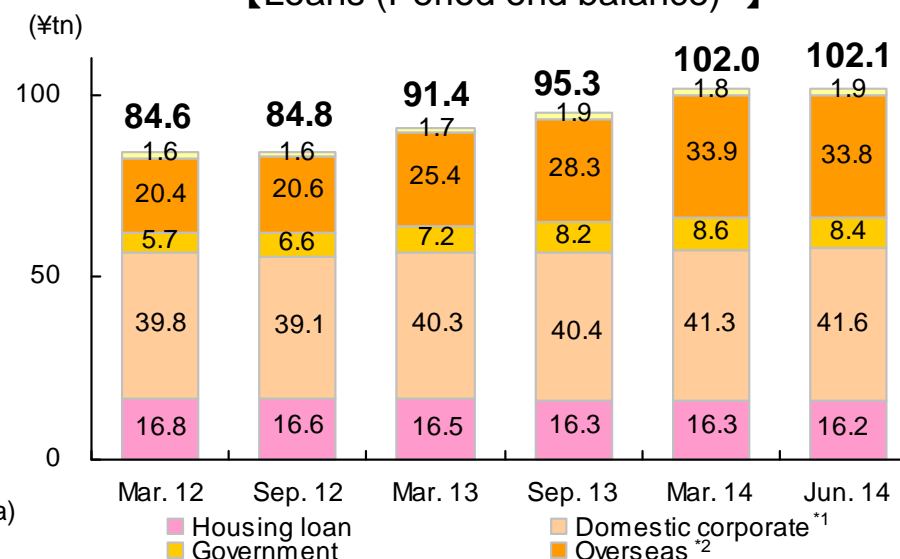
● Deposit balance ¥144.2tn

(decreased by ¥0.4tn from March 2014)

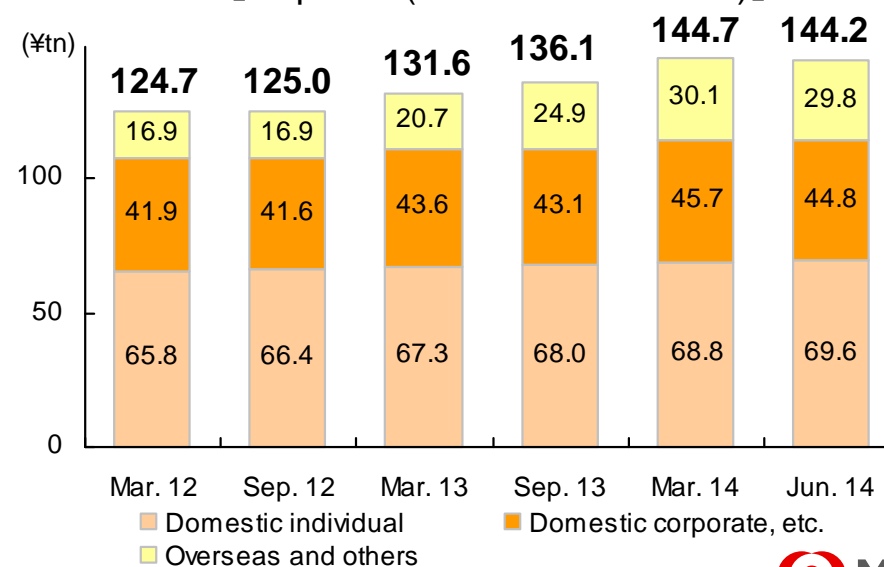
<Change factors from March 2014 >

■ Domestic individual	+¥0.7tn
■ Domestic corporate, etc.	(¥0.9tn)
■ Overseas and others	(¥0.2tn)
Excluding impact of foreign currency exchange	+¥0.1tn

【Loans (Period end balance)^{*3}】



【Deposits (Period end balance)】

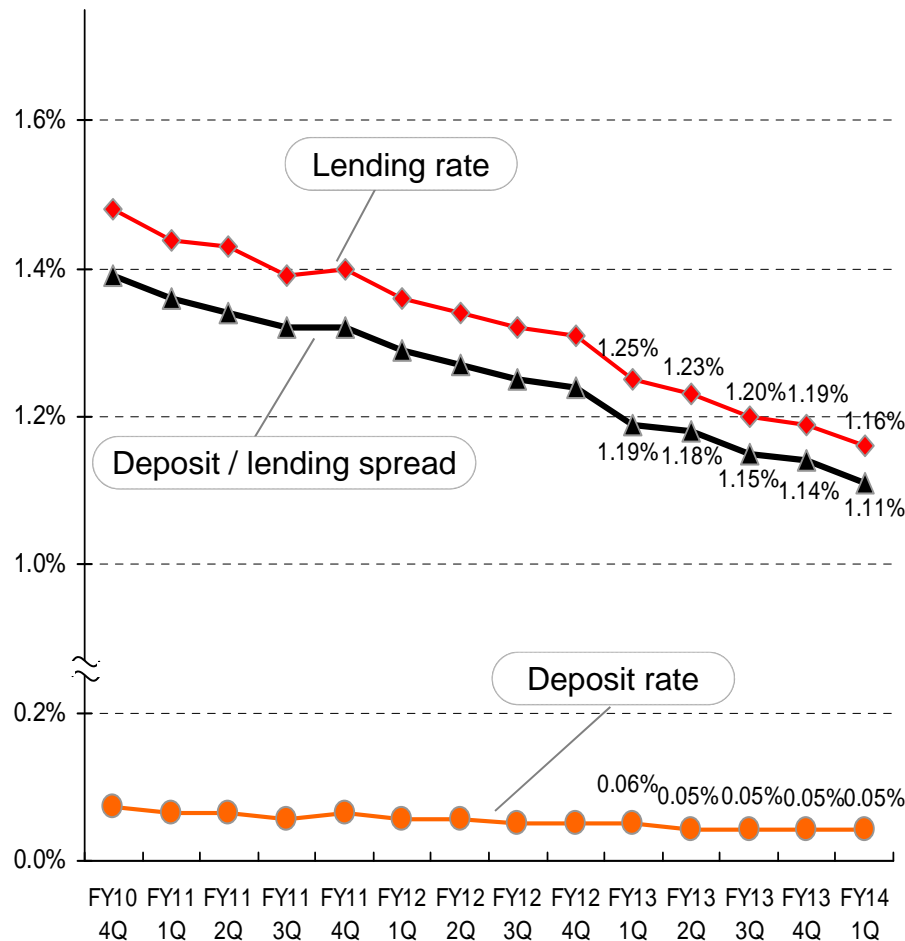


Domestic deposit / lending rates

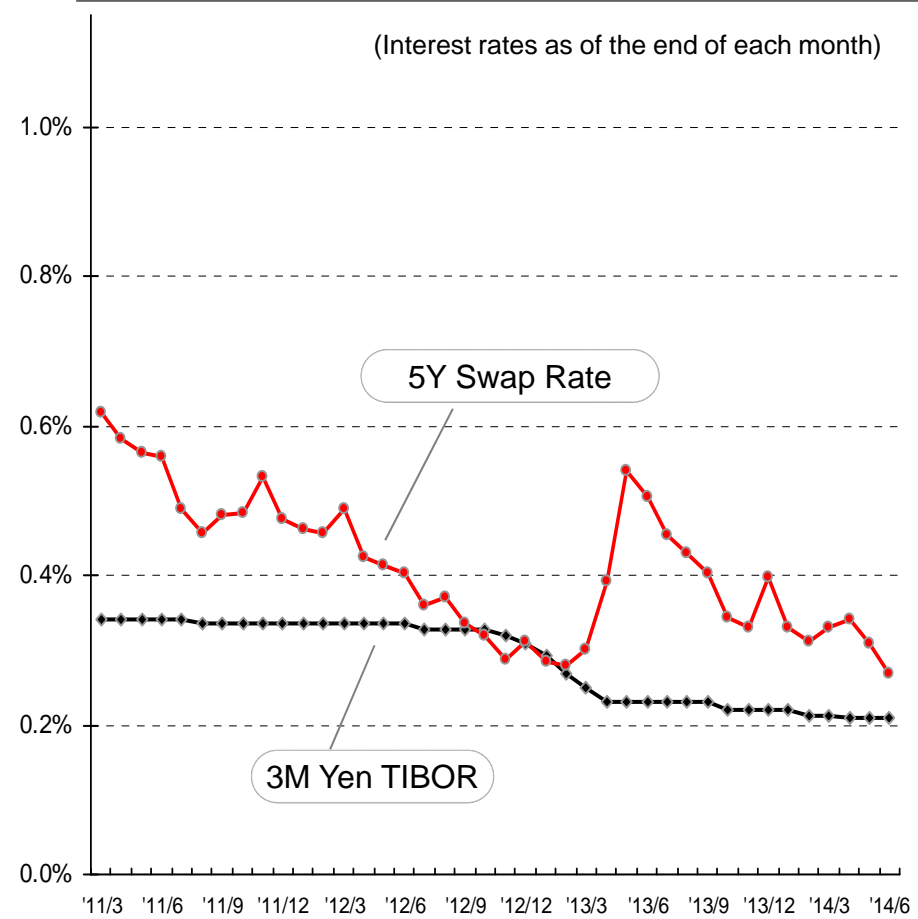
【Non-consolidated】

- Deposit / lending spread excluding lending to government in FY14 1Q decreased by 0.03 percentage points compared to FY13 4Q mainly due to a decline in lending rate.

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



(Reference) Market interest rates



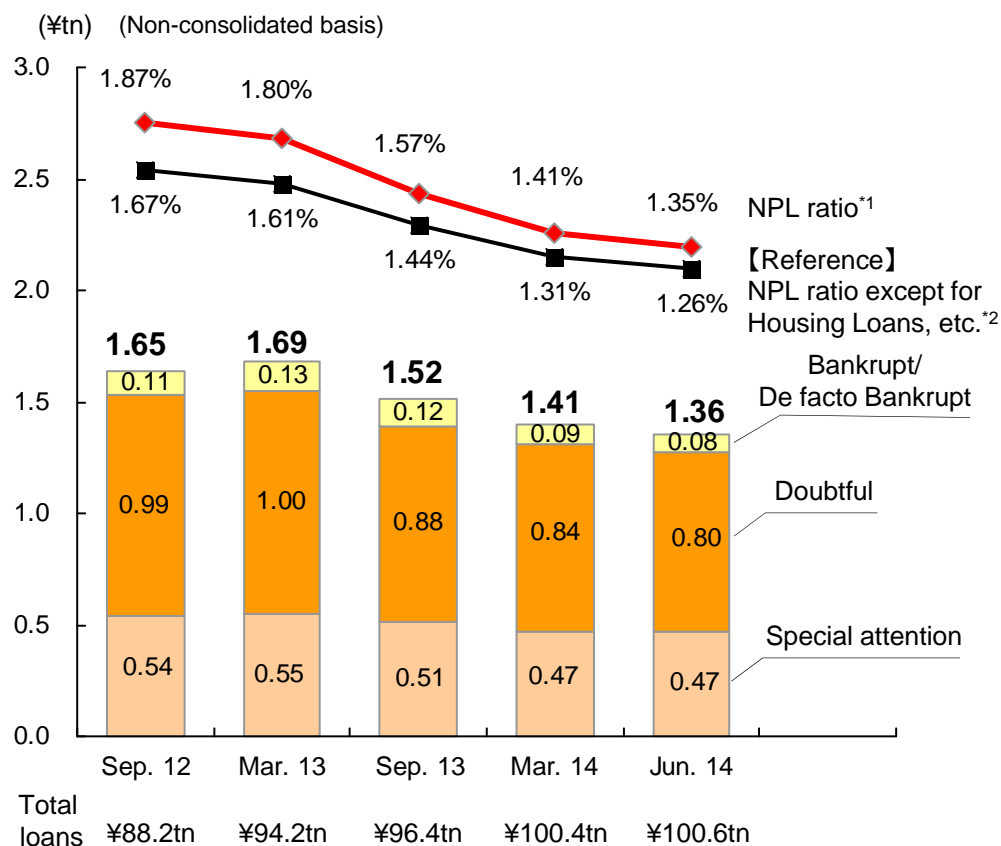
(Source : Bloomberg)

Loan assets

【Consolidated/Non-consolidated】

- NPL ratio declined 0.05 percentage points from the end of March 2014 to 1.35% mainly due to a decrease in doubtful loans.
- Total credit costs improved from the same period in the previous year to ¥7.4bn on consolidated basis (a net reversal of ¥20.5bn on non-consolidated basis.)

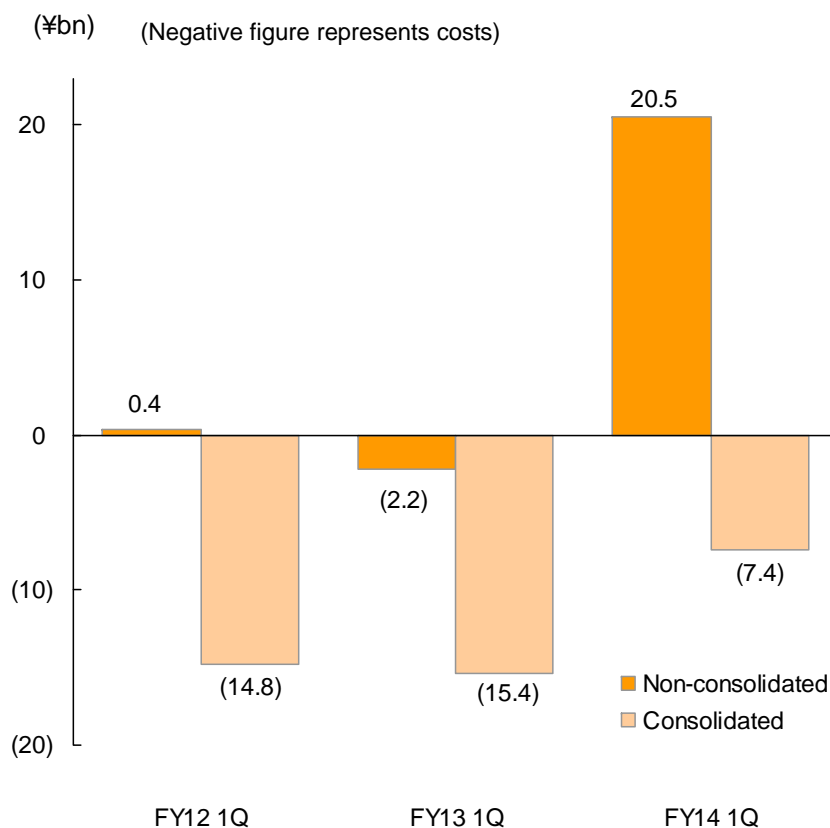
Balance of FRL disclosed loans



*1 Non performing loans ÷ Total loans

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

Total credit costs



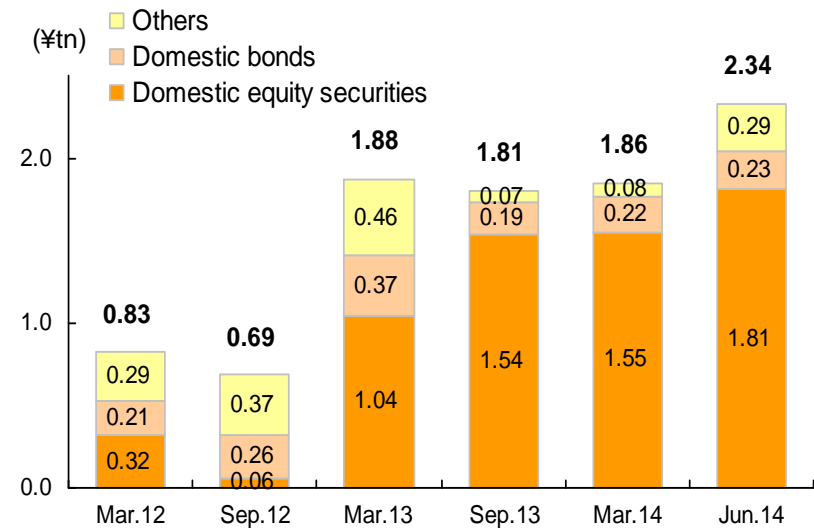
Investment securities

【Consolidated/Non-consolidated】

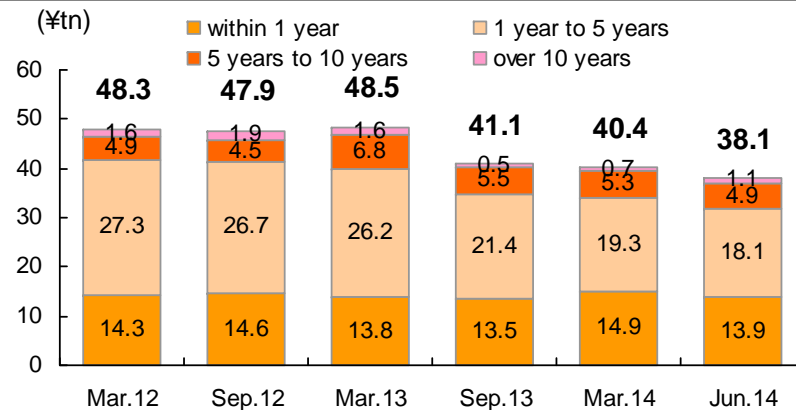
Breakdown of securities available for sale with fair value

	(¥bn)	Balance		Unrealized gains (losses)	
		Jun.14	Change from Mar.14	Jun.14	Change from Mar.14
1	Total	68,871.0	(2,850.9)	2,342.6	472.7
2	Domestic equity securities	4,635.0	250.8	1,816.7	257.0
3	Domestic bonds	40,381.7	(2,741.9)	234.1	11.2
4	Japanese government bonds	37,817.2	(2,617.7)	176.3	8.6
5	Others	23,854.3	(359.8)	291.8	204.4
6	Foreign equity securities	208.6	(8.8)	78.8	(2.7)
7	Foreign bonds	19,666.2	(933.6)	95.5	148.5
8	Others	3,979.4	582.6	117.4	58.7

Unrealized gains (losses) on securities available for sale

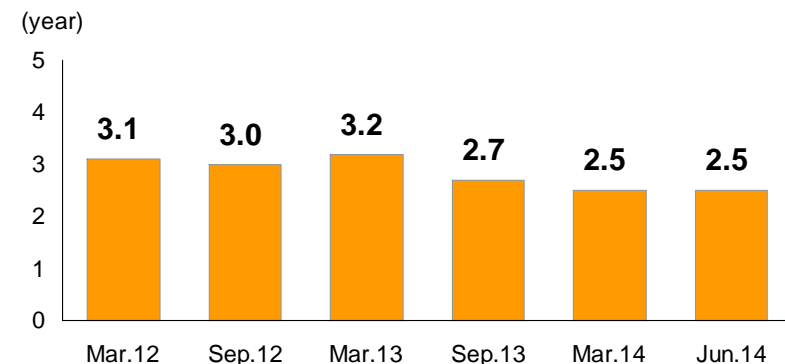


Balance of JGBs by maturity*1



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

JGB Duration*2



*2 Securities available for sale. Non-consolidated.