

Financial Highlights under Japanese GAAP
for 2nd Quarter of Fiscal Year
Ending March 31, 2015

November 14, 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. 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, 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

- FY2014 H1 financial result summary 3
- Income statement summary 4
- Outline of net income 5
- Outline of results by business segment 6
- Balance sheet summary 7
- Loans / deposits 8
- Domestic deposit / lending rates 9
- Loan assets 10
- Investment securities 11
- Capital adequacy 12
- FY2014 targets 13
- Shareholder returns 14
- Repurchase of own shares 15
- (Reference) Overall interest rate spread 16

FY2014 H1 financial result summary

(for Fiscal Year Ending March 31, 2015)

【Consolidated/Non-consolidated】

Net income ¥578.7bn

- Net income increased by ¥48.5bn compared to the same period in the previous year and attained 60.9% of our FY14 target: ¥950.0bn.
- EPS increased by ¥4.04 compared to the same period in the previous year.

Consolidated net operating profits (customer segments)^{*1}

- Consolidated net operating profits from the customer segments increased by ¥61.6bn, mainly due to higher net business profits in Global Banking as well as due to the consolidation of Bank of Ayudhya (Krungsri).

Consolidated net income RORA and consolidated ROE

- Both ratios remained stable.

Common Equity Tier1 ratio (full implementation)

- Capital levels were ahead of regulatory requirement.

Shareholder returns

- FY14 dividend forecast revised from ¥16 to ¥18 per common stock.
- Resolved to repurchase own shares of up to ¥100bn

〈Consolidated〉

(¥bn)

	FY13 H1	FY14 H1	Change
1 Gross profits	1,845.2	2,012.9	167.6
2 G&A expenses	1,120.2	1,235.5	115.3
3 Net business profits	725.0	777.3	52.3
4 Net income	530.2	578.7	48.5
5 EPS (¥)	36.82	40.86	4.04
6 Dividend per common stock (¥)	7.00	9.00	2.00

〈Financial Targets〉

	FY13 H1	FY14 H1	FY14 (Targets)	
7 Consolidated net operating profits (customer segments) ^{**1,2}	615.2	676.8	20% increase from FY2011	
8 Expenses ratio	Consolidated	60.7%	61.3%	Between 55-60%
	Non-consolidated	56.5%	53.9%	Between 50-55%
9 Consolidated net income RORA ^{**3,4}	1.16%	1.11%	Approx. 0.9%	
10 Consolidated ROE ^{**5}	10.03%	10.18%	Approx. 8.0%	
11 Common Equity Tier1 ratio (full implementation) ^{**4}	11.6%	11.4%	9.5% or above	

^{*1} Simple sum of consolidated operating results for the Retail Banking, Corporate Banking, Global Banking, Trust Assets segment and Bank of Ayudhya. ^{*2} FY11 H1 figure was ¥518.7bn

^{*3} Annualized ^{*4} Calculated on the basis of regulations applied at the end of March, 2019

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

Income statement summary

【Consolidated】

Net business profits

- Gross profits increased mainly 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 Krungsri.
- 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 increased by ¥52.3bn from the same period in the previous year to ¥777.3bn.

Total credit costs

- Total credit costs improved mainly due to posting a reversal of 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 decreased mainly due to a decrease in gains on sales of equity securities.

Net extraordinary gains (losses)

- Net extraordinary losses was ¥68.9bn mainly due to losses on change in equity in our investments in Morgan Stanley and a provision in connection with a U.S. regulatory matter.

Net income

- As a result, net income increased by ¥48.5bn from the same period in the previous year to ¥578.7bn.

Income statement (¥bn)		FY13 H1	FY14 H1	Change
1	Gross profits (before credit costs for trust accounts)	1,845.2	2,012.9	167.6
2	Net interest income	908.6	1,035.7	127.1
3	Trust fees + Net fees and commissions	618.1	661.3	43.1
4	Net trading profits + Net other business profits	318.4	315.7	(2.6)
5	Net gains (losses) on debt securities	77.0	89.3	12.2
6	G&A expenses	1,120.2	1,235.5	115.3
7	Net business profits	725.0	777.3	52.3
8	Total credit costs ^{*1}	25.7	41.1	15.4
9	Net gains (losses) on equity securities	43.4	22.9	(20.5)
10	Net gains (losses) on sales of equity securities	54.2	25.5	(28.7)
11	Losses on write-down of equity securities	(10.8)	(2.6)	8.2
12	Profits (losses) from investments in affiliates	68.6	103.9	35.2
13	Other non-recurring gains (losses)	(12.4)	4.5	16.9
14	Ordinary profits	850.4	949.8	99.4
15	Net extraordinary gains (losses)	(27.7)	(68.9)	(41.2)
16	Total of income taxes-current and income taxes-deferred	(212.1)	(242.5)	(30.3)
17	Net income	530.2	578.7	48.5
18	EPS (¥)	36.82	40.86	4.04

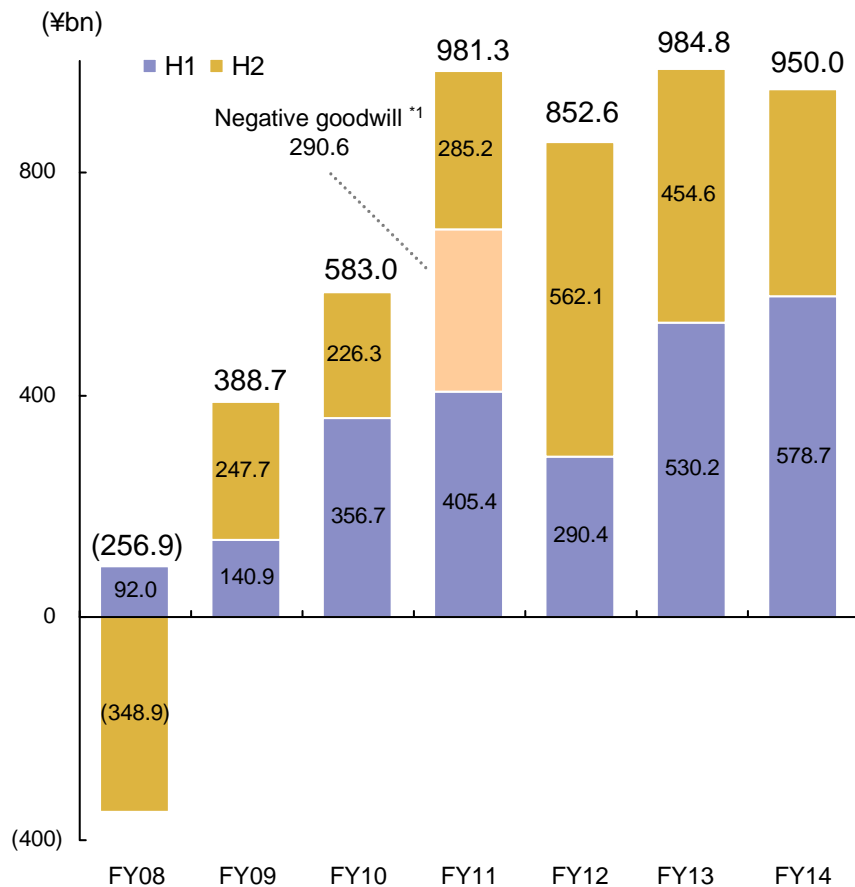
^{*1} Credit costs for trust accounts + Provision for general allowance for credit losses
+ Credit costs (included in non-recurring gains/losses) + Reversal of allowance for credit losses
+ Reversal of reserve for contingent losses included in credit costs + Gains on loans written-off

Outline of net income

【Consolidated】

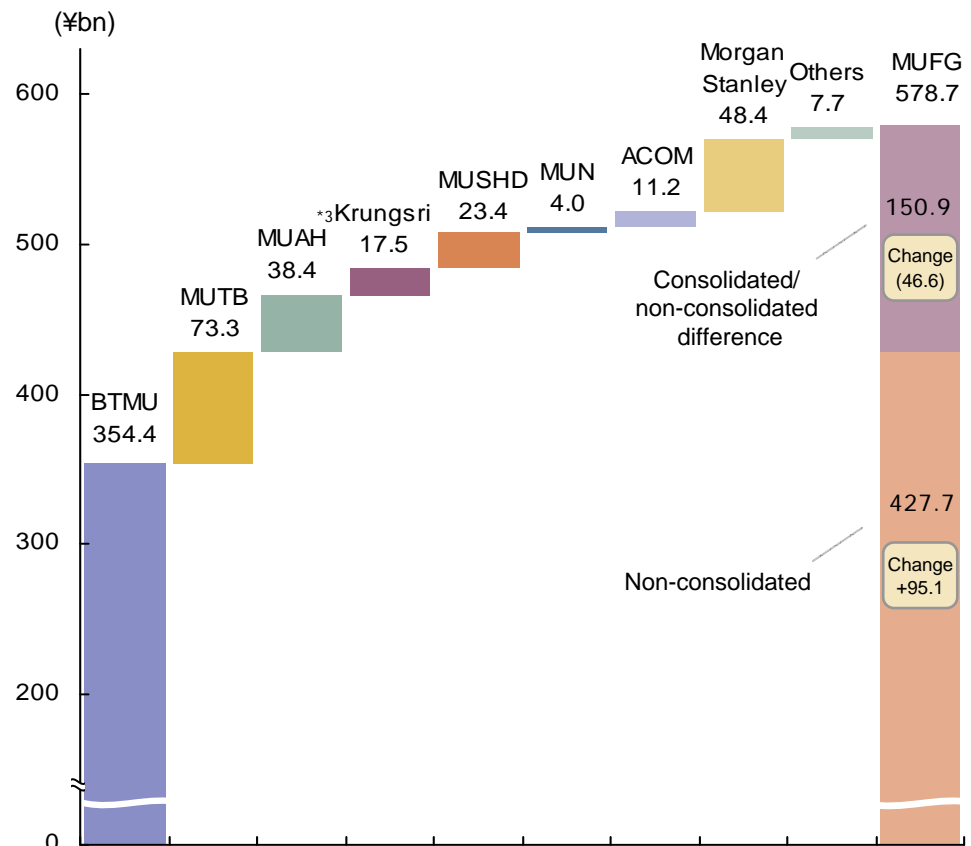
- Attained 60.9% of our target of net income for FY14.
- Consolidation of income statement of Krungsri started from FY14 1Q. Difference between consolidated and non-consolidated net income was ¥150.9bn by contribution of major subsidiaries.

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 reflect the percentage holding in each subsidiaries and equity method investees (after-tax basis)

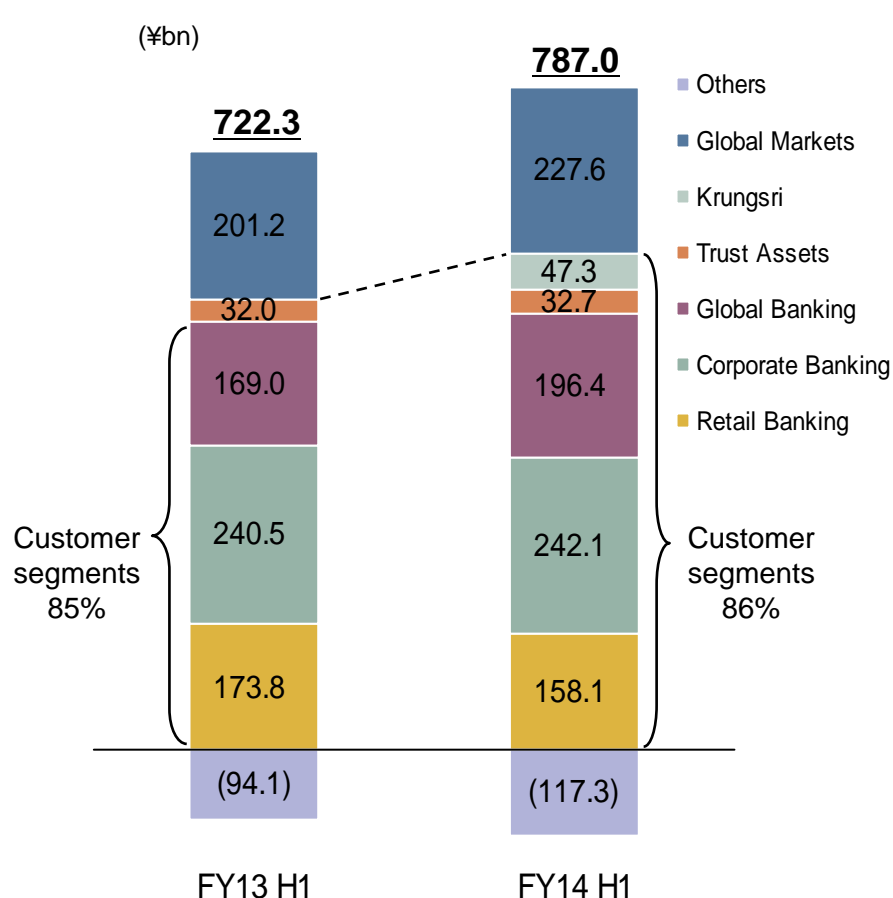
*3 MUFG Americas Holdings Corporation

Outline of results by business segment

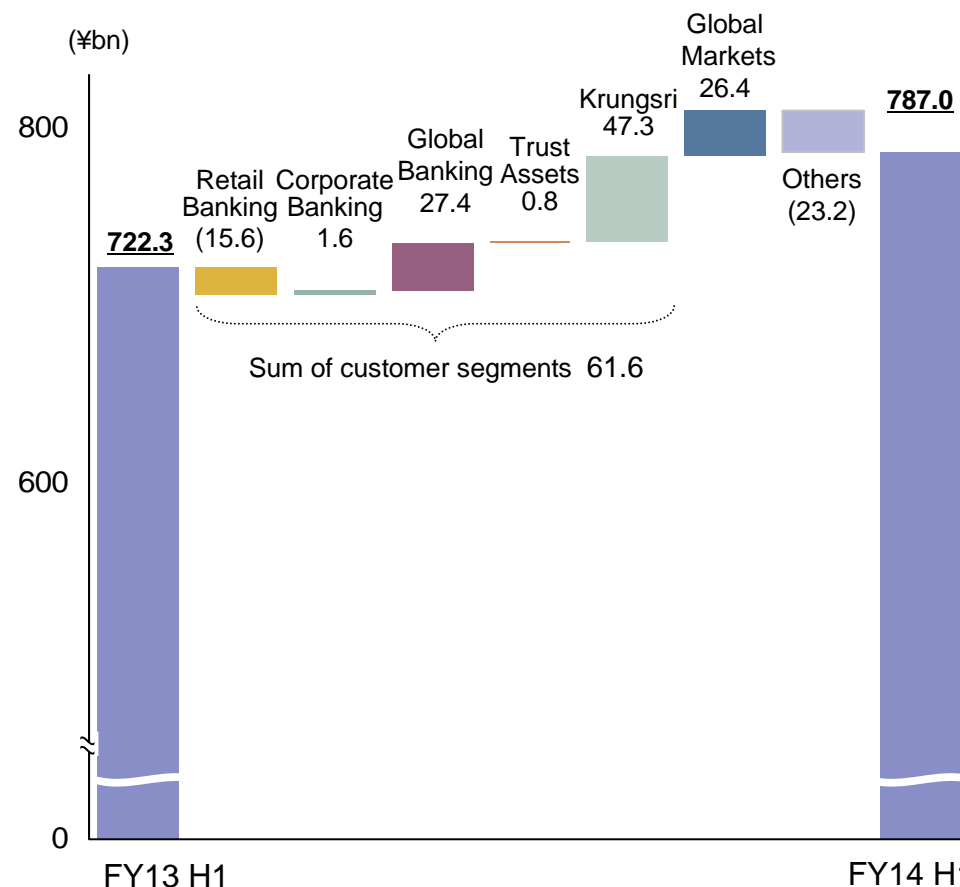
【Consolidated】

- Consolidated net operating profits from the customer segments increased by ¥61.6bn due to increases in net business profits in Corporate Banking, Global Banking and Trust Assets as well as due to the consolidation of Krungsri.
- Net operating profits from customer segments occupied 86% of the total. Of customer segments, 36% of profits were generated from overseas business*2.

Net operating profits by business segment*1



Breakdown of changes in net operating profits



*1 Consolidated net business profits on a managerial accounting basis.
 *2 Global Banking and Krungsri

Balance sheet summary

【Consolidated】

Loans

- Increased from the end of March 2014 mainly due to increases in domestic corporate loans and overseas 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)		Sep. 14	Change from Mar. 14
1	Total assets	264,458.1	6,326.2
2	Loans (Banking + Trust accounts)	102,671.7	633.1
3	Loans (Banking accounts)	102,571.0	632.1
4	Housing loans ^{*1}	15,977.6	(370.0)
5	Domestic corporate loans ^{**2}	41,599.7	286.8
6	Overseas loans ^{*3}	35,590.8	1,683.8
7	Investment securities (banking accounts)	73,179.3	(1,336.2)
8	Domestic equity securities	5,516.3	518.1
9	Japanese government bonds	39,763.2	(886.6)
10	Foreign bonds	20,029.0	(1,402.7)
11	Total liabilities	249,115.1	6,096.0
12	Deposits	144,135.8	(624.4)
13	Individual deposits (Domestic branches)	69,286.3	419.0
14	Total net assets	15,343.0	230.1
15	FRL disclosed loans ^{**1*4}	1,209.9	(208.2)
16	NPL ratio ^{*1}	1.18%	(0.22%)
17	Net unrealized gains (losses) on securities available for sale	2,751.6	881.7

*1 Non-consolidated + trust accounts *2 Excluding loans to government

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

*4 FRL = the Financial Reconstruction Law

Loans / deposits

【Consolidated】

Loan balance ¥102.6tn

(increased by ¥0.6tn from March 2014)

<Change factors from March 2014 >

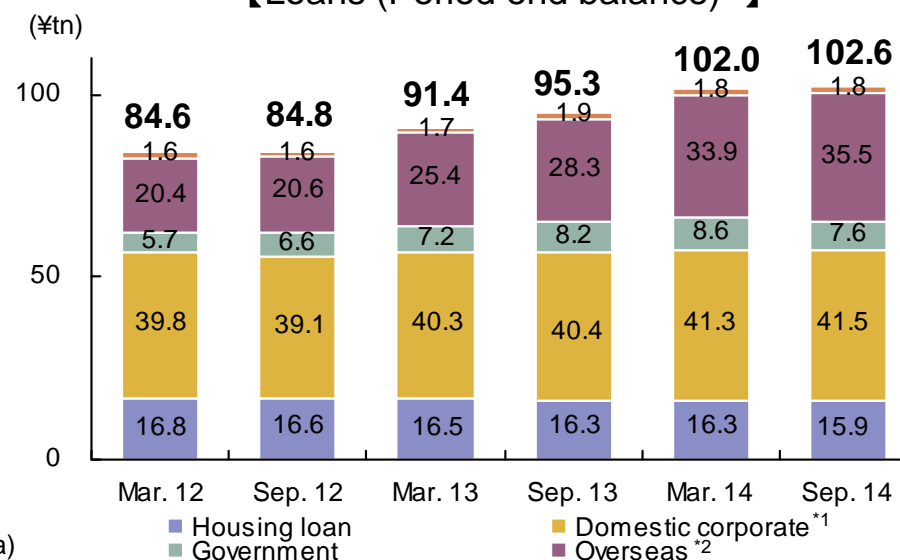
■ Housing loan	(¥0.3tn)
■ Domestic corporate ^{*1}	+¥0.2tn
■ Government	(¥1.0tn)
■ Overseas ^{*2}	+¥1.6tn
Excluding impact of foreign currency exchange	+¥1.1tn

*1 Excluding loans to government

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

*3 Sum of banking and trust accounts

【Loans (Period end balance)^{*3}】



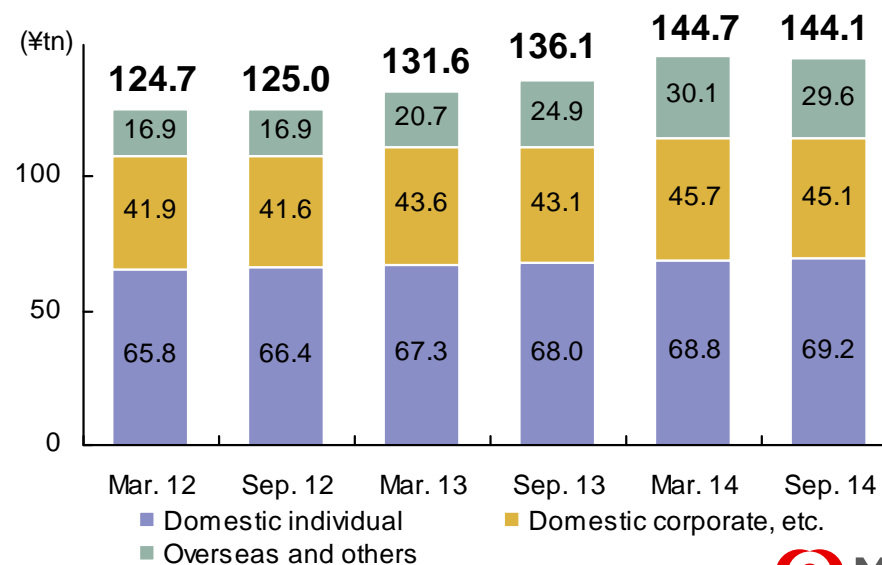
Deposit balance ¥144.1tn

(decreased by ¥0.6tn from March 2014)

<Change factors from March 2014 >

■ Domestic individual	+¥0.4tn
■ Domestic corporate, etc. (¥0.5tn)	
■ Overseas and others (¥0.4tn)	
Excluding impact of foreign currency exchange	(¥0.6tn)

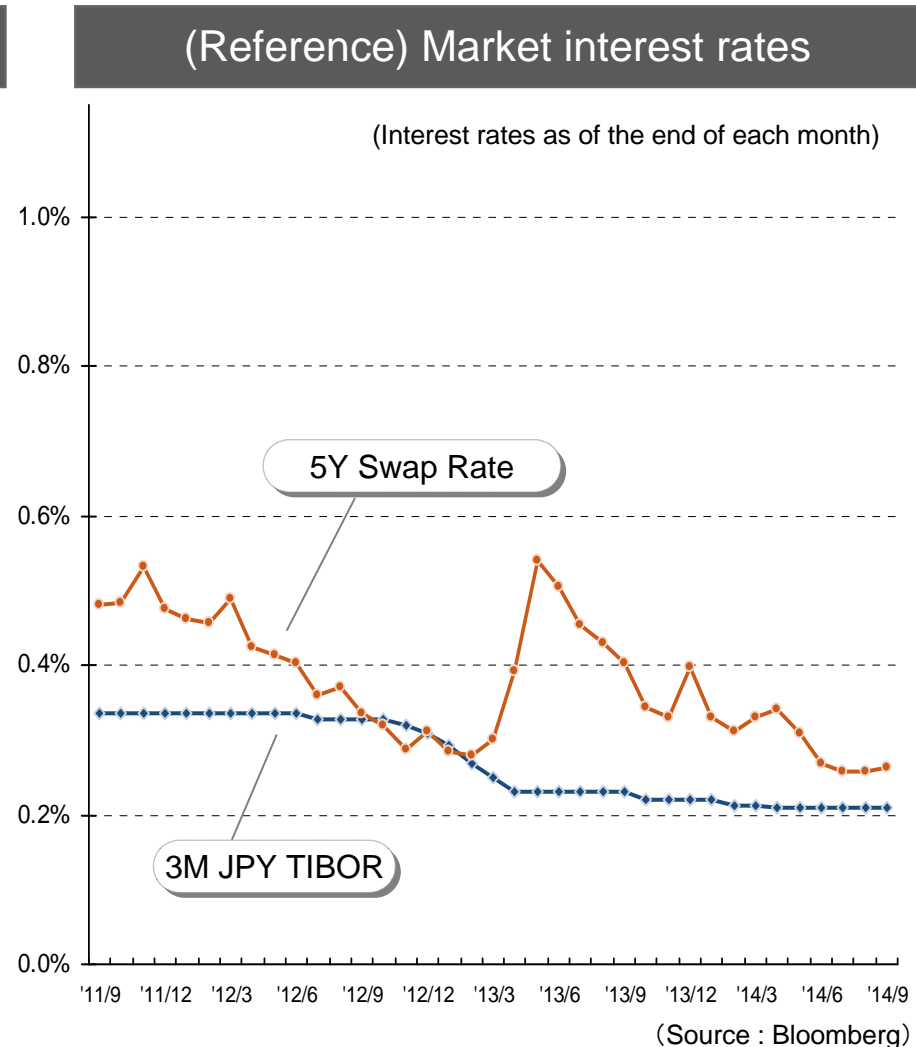
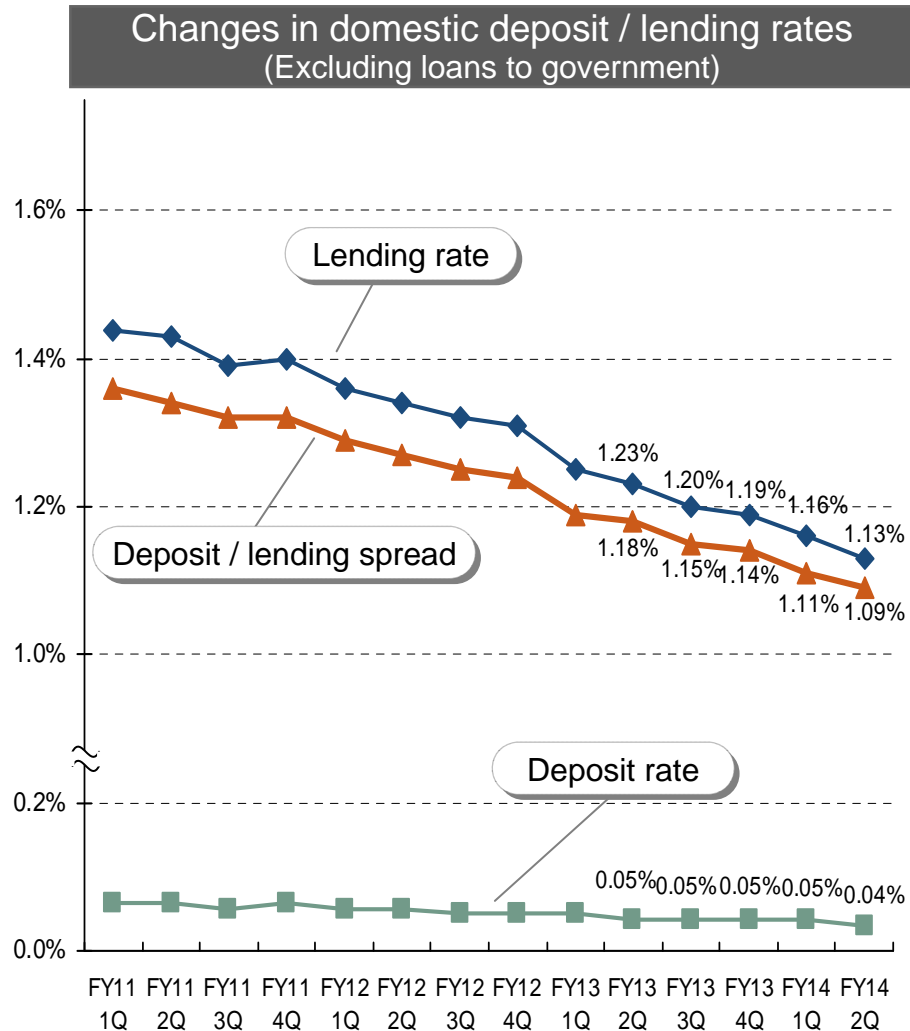
【Deposits (Period end balance)】



Domestic deposit / lending rates

【Non-consolidated】

- Deposit / lending spread excluding loans to government in FY14 2Q decreased by 0.02 percentage points compared to FY14 1Q mainly due to a decline in lending rate.

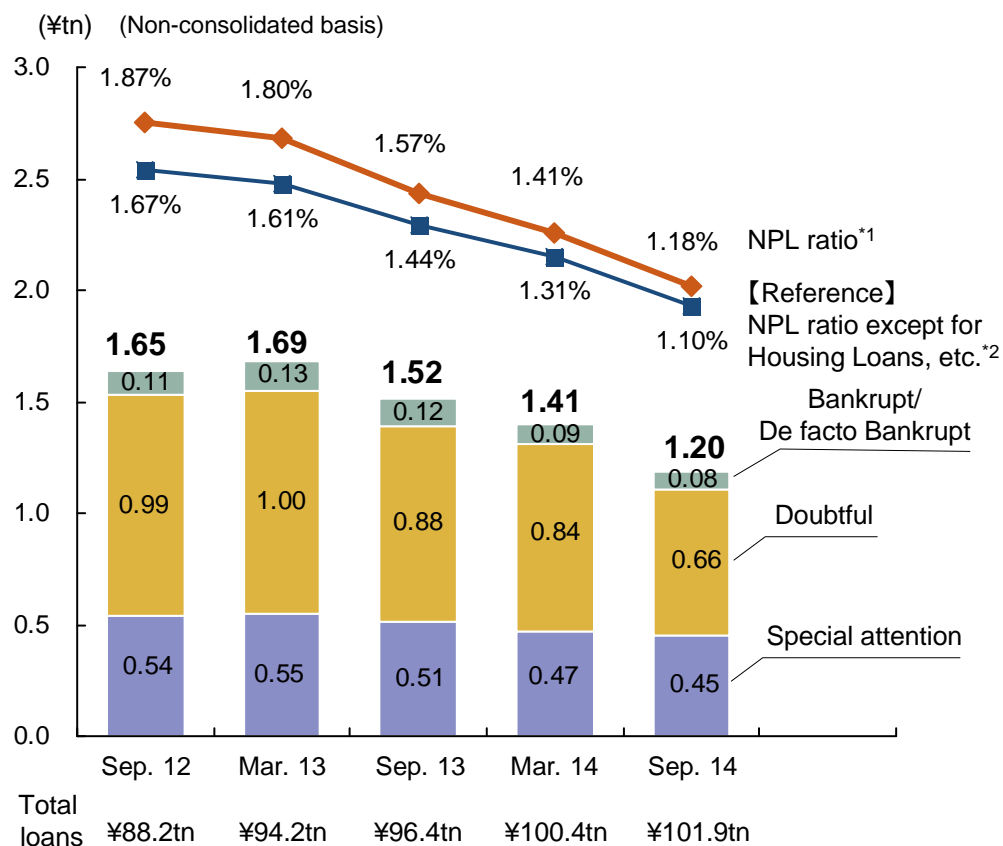


Loan assets

【Consolidated/Non-consolidated】

- NPL ratio declined 0.22 percentage points from the end of March 2014 to 1.18% mainly due to a decrease in doubtful loans.
- Total credit costs improved from the same period in the previous year to a net reversal of ¥41.1bn on consolidated basis (a net reversal of ¥76.3bn on non-consolidated basis.)

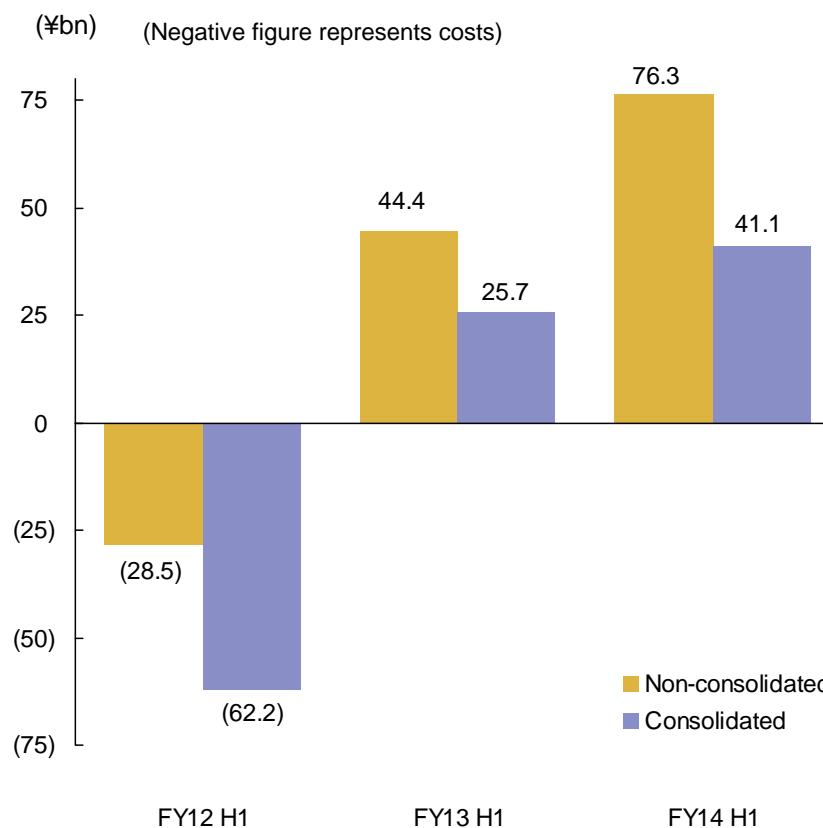
Balance of FRL disclosed loans



*1 Non performing loans ÷ Total loans

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

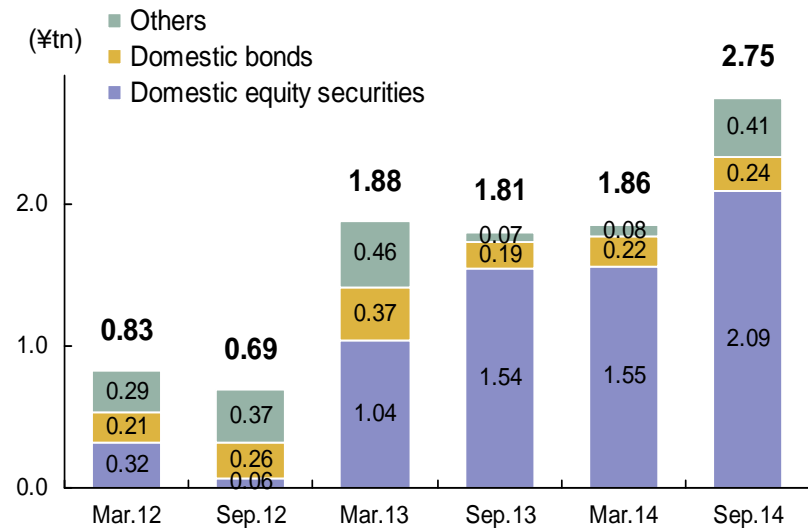
Total credit costs



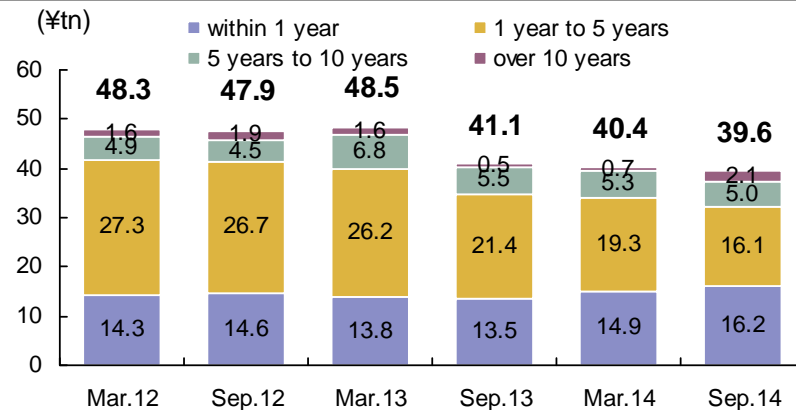
Securities available for sale with fair value

	(¥bn)	Balance		Unrealized gains (losses)	
		Sep.14	Change from Mar.14	Sep.14	Change from Mar.14
1	Total	69,594.1	(2,127.8)	2,751.6	881.7
2	Domestic equity securities	4,904.6	520.4	2,090.7	531.0
3	Domestic bonds	41,431.3	(1,692.3)	246.6	23.7
4	Japanese government bonds	38,947.8	(1,487.0)	189.8	22.1
5	Others	23,258.1	(955.9)	414.3	326.9
6	Foreign equity securities	217.6	0.1	86.8	5.1
7	Foreign bonds	19,076.8	(1,523.0)	191.6	244.6
8	Others	3,963.7	566.9	135.8	77.1

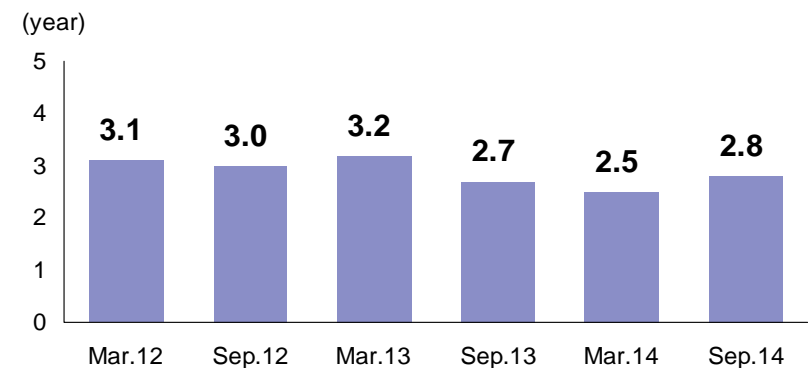
Unrealized gains (losses) on securities available for sale



Balance of JGBs by maturity*1



JGB Duration*2



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

*2 Securities available for sale. Non-consolidated.

Total capital

- Common Equity Tier1 capital increased by ¥282.7bn from the end of March 2014 mainly due to an increase in retained earnings.
- Total capital increased by ¥644.8bn from the end of March 2014 mainly due to increases in retained earnings and amounts equivalent to 45% of unrealized gains on other securities reflecting increases in domestic stock prices.

Risk weighted assets (RWA)

- RWA increased ¥5,075.8bn from the end of March 2014 mainly due to an increase in transitional floor amount based on regulations.

Risk-adjusted capital ratio

(Full implementation^{*1})

Common Equity Tier1 ratio : 11.4%

Excluding impact of net unrealized gains (losses) on securities available for sale : 9.4%

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

Leverage ratio

Transitional basis (pro forma) : 4.4%

		Mar.14	Sep.14	Change from Mar.14
(¥bn)				
1	Common Equity Tier1 ratio	11.25%	10.97%	(0.27%)
2	Tier1 ratio	12.45%	12.21%	(0.23%)
3	Total capital ratio	15.53%	15.39%	(0.13%)
4	Common Equity Tier1 capital	11,153.0	11,435.8	282.7
5	Capital and stock surplus	3,924.8	3,580.9	(343.9)
6	Retained earnings	7,033.1	7,531.0	497.9
7	Additional Tier1 capital	1,188.8	1,290.3	101.4
8	Preferred stock and preferred securities	1,326.0	1,326.0	—
9	Foreign currency translation adjustments	325.7	203.3	(122.4)
10	Regulatory adjustment of goodwill (transitional arrangements)	(439.7)	(213.2)	226.4
11	Tier1 capital	12,341.8	12,726.1	384.2
12	Tier2 capital	3,052.4	3,313.0	260.6
13	Subordinated debt	2,119.9	1,990.6	(129.2)
14	Amounts equivalent to 45% of unrealized gains on other securities	671.4	997.3	325.8
15	Total capital (Tier1+Tier2)	15,394.3	16,039.1	644.8
16	Risk weighted assets	99,084.3	104,160.1	5,075.8
17	Credit risk	88,001.3	88,530.0	528.6
18	Market risk	2,340.8	2,835.9	495.0
19	Operational risk	6,062.2	6,072.6	10.3
20	Transitional floor	2,679.8	6,721.5	4,041.6

FY2014 targets

【 Consolidated/Stand-alone 】

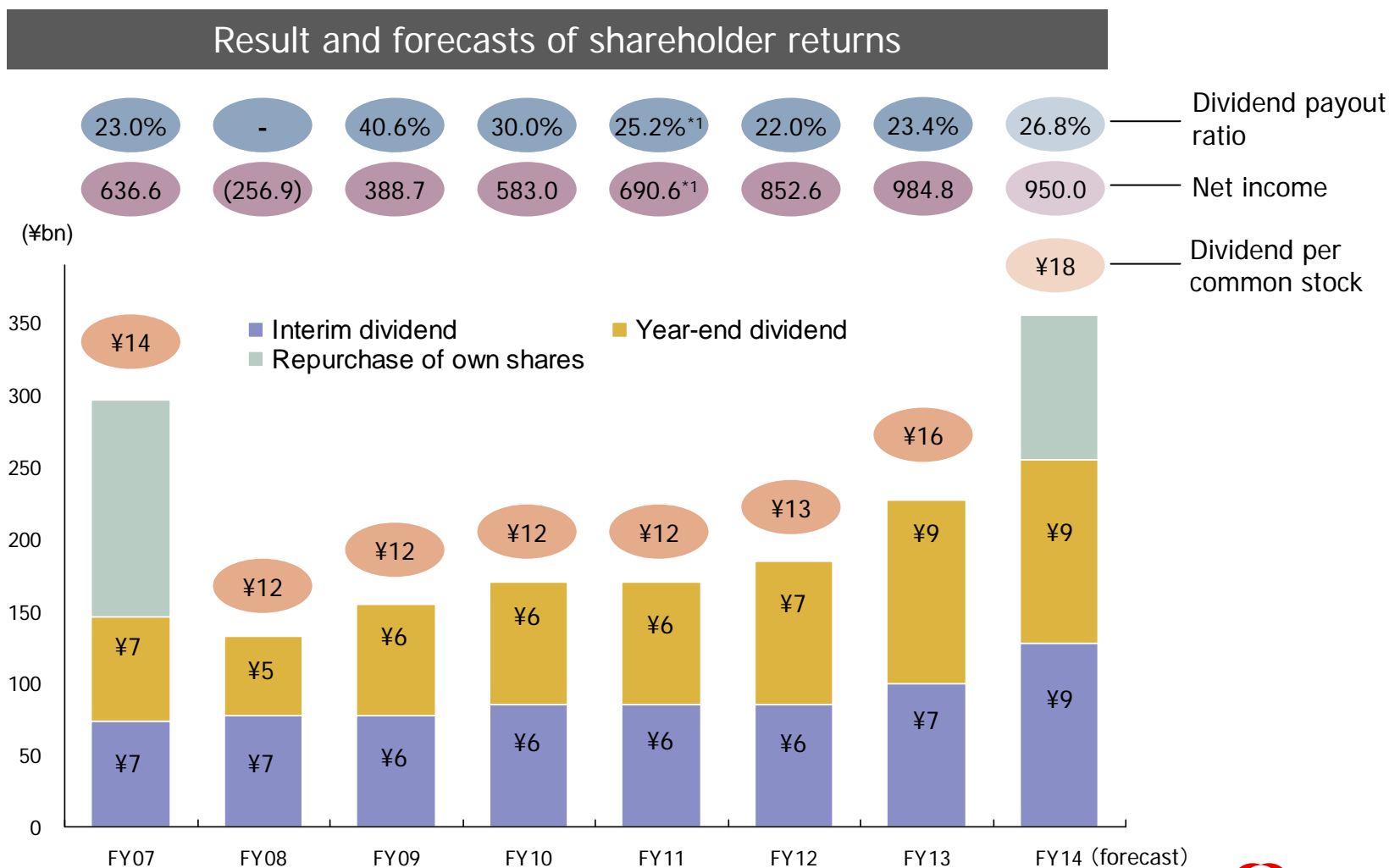
- FY14 consolidated net income target is ¥950.0bn. (unchanged from initial target)

		FY 2013		FY 2014		(¥bn)
〈Consolidated〉		Interim (results)	Full Year (results)	Interim (results)	Full Year	Change from initial target
1	Ordinary profits	850.4	1,694.8	949.8	1,670.0	90.0
2	Net income	530.2	984.8	578.7	950.0	0.0
3	Total credit costs	25.7	11.8	41.1	0.0	110.0
〈The Bank of Tokyo-Mitsubishi UFJ, Ltd〉						
4	Net business profits	417.9	855.9	490.6	920.0	0.0
5	Ordinary profits	455.1	1,002.1	547.2	960.0	80.0
6	Net income	269.9	650.2	354.4	570.0	0.0
7	Total credit costs	27.8	17.0	66.9	60.0	80.0
〈Mitsubishi UFJ Trust and Banking Corporation〉						
8	Net business profits	71.6	162.9	88.9	180.0	5.0
9	Ordinary profits	87.1	195.0	110.1	185.0	30.0
10	Net income	62.6	136.3	73.3	115.0	20.0
11	Total credit costs	16.6	18.0	9.3	5.0	20.0

Shareholder returns

【Consolidated】

- FY14 dividend forecast revised from ¥16 to ¥18 per common stock.
- Shareholders return ratio for FY14 will be 37.4% by an increase in dividend forecast and the repurchase of own shares of up to ¥100bn.



- Resolved to repurchase own shares in order to enable enhancement of the return of earnings to shareholders, improvement of capital efficiency and implementation of flexible capital policies.

Outline of repurchase of own share

Type of shares to be repurchased	Ordinary shares of MUFG
Aggregate amount of repurchase price	Up to ¥100.0bn
Aggregate number of shares to be repurchased	Up to 180mil shares (Equivalent to 1.27% of the total number of issued shares (excluding own shares))
Repurchase period	From November 17, 2014 to March 31, 2015

(Reference) Own shares held by MUFG as of October 31, 2014
Total number of issued shares (excluding own shares) : 14,168,365,044 shares
Number of own shares : 241,876 shares

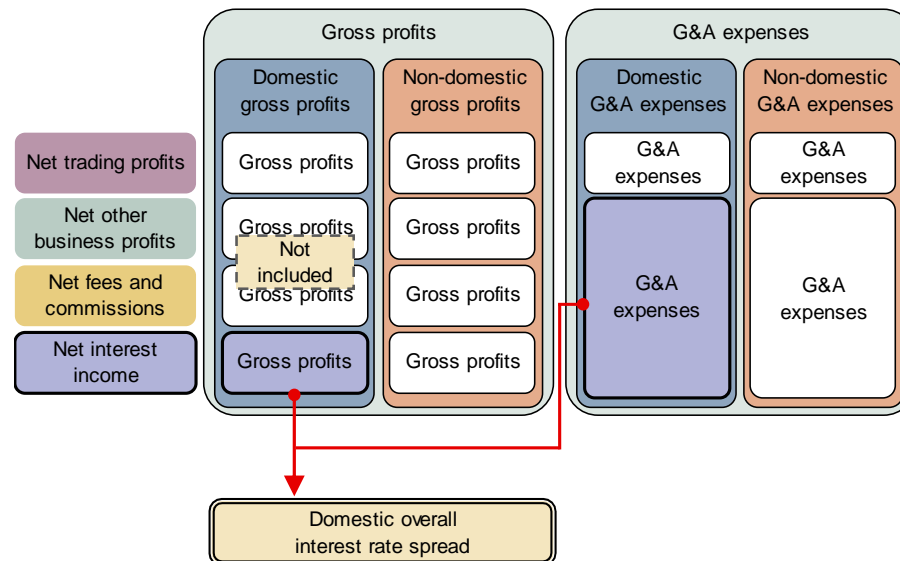
(Reference) Overall interest rate spread

【BTMU (non-consolidated)】

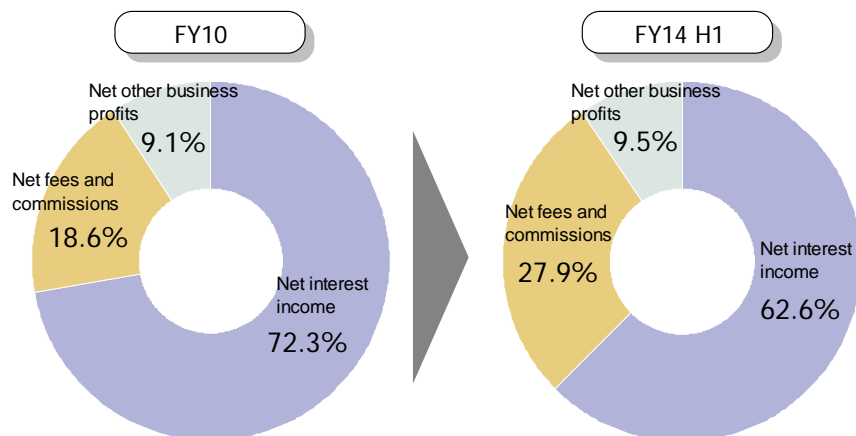
Average interest rate spread

BTMU Non-consolidated (Domestic business segment)			
	FY13 H1	FY14 H1	Change
1 Total average interest rate on interest-earning assets	0.71%	0.65%	(0.06%)
2 Average interest rate on loans and bills discounted	1.14%	1.04%	(0.09%)
3 Average interest rate on securities	0.45%	0.49%	0.04%
4 Total average interest rate on interest-bearing liabilities (including G&A expenses)	0.74%	0.73%	(0.01%)
5 Average interest rate on deposits and NCD	0.04%	0.03%	(0.00%)
6 Average interest rate on other liabilities	0.20%	0.17%	(0.02%)
7 Overall interest rate spread (=1-4)	(0.03%)	(0.07%)	(0.04%)
8 Interest rate spread	1.10%	1.01%	(0.08%)

Conceptual diagram of overall interest rate spread



Breakdown of domestic gross profits (excluding net trading profits)



Proportion of domestic gross profits and non-domestic gross profits

