

Financial Highlights under Japanese GAAP
for 1st Quarter of Fiscal Year
Ending March 31, 2016

July 31, 2015

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)

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Net business profits

- Gross profits increased compared to FY14 1Q mainly due to an increase in net interest income from overseas loans. Increases in fees from securities-related businesses and profits from sales and trading businesses also contributed to the positive growth of gross profits.
- G&A expenses increased compared to FY14 1Q mainly due to an increase in costs in overseas businesses by the depreciation of the Japanese yen.
- As a result, net business profits for FY15 1Q increased ¥77.5bn from FY14 1Q to ¥416.8bn.

Total credit costs

- Total credit costs for FY15 1Q on consolidated basis increased from FY14 1Q mainly due to increases in credit cost in our commercial and trust banking subsidiaries.

Net gains (losses) on equity securities

- Net gains on equity securities increased mainly due to an increase in gains on sales of equity securities.

Profits (losses) from investments in affiliates

- Profits from investments in affiliates increased as Morgan Stanley performed well during the period.

Profits attributable to owners of parent

- Profits attributable to owners of parent increased ¥37.2bn from FY14 1Q to ¥277.7bn.

Income statement (¥bn)		FY14 1Q	FY15 1Q	Change
1	Gross profits (before credit costs for trust accounts)	967.4	1,070.0	102.5
2	Net interest income	490.7	545.3	54.6
3	Trust fees + Net fees and commissions	309.4	333.1	23.7
4	Net trading profits + Net other business profits	167.3	191.5	24.2
5	Net gains (losses) on debt securities	85.4	79.3	(6.0)
6	G&A expenses	628.2	653.1	24.9
7	Net business profits	339.2	416.8	77.5
8	Total credit costs ^{*1}	(7.4)	(39.6)	(32.2)
9	Net gains (losses) on equity securities	17.9	31.6	13.7
10	Net gains (losses) on sales of equity securities	18.4	37.9	19.4
11	Losses on write-down of equity securities	(0.4)	(6.2)	(5.7)
12	Profits (losses) from investments in affiliates	44.8	85.7	40.8
13	Other non-recurring gains (losses)	0.3	(9.4)	(9.8)
14	Ordinary profits	394.9	485.0	90.0
15	Net extraordinary gains (losses)	(33.9)	(36.9)	(2.9)
16	Total of income taxes-current and income taxes-deferred	(97.7)	(135.7)	(38.0)
17	Profits attributable to owners of parent	240.4	277.7	37.2
18	EPS (¥)	16.98	19.86	2.88

^{*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)	FY14 1Q	FY15 1Q	Change	FY17 (Target)
ROE ^{*2}	8.56%	9.03%	0.46%	Between 8.5-9.0%
Expense ratio	64.9%	61.0%	(3.8%)	Approx.60%

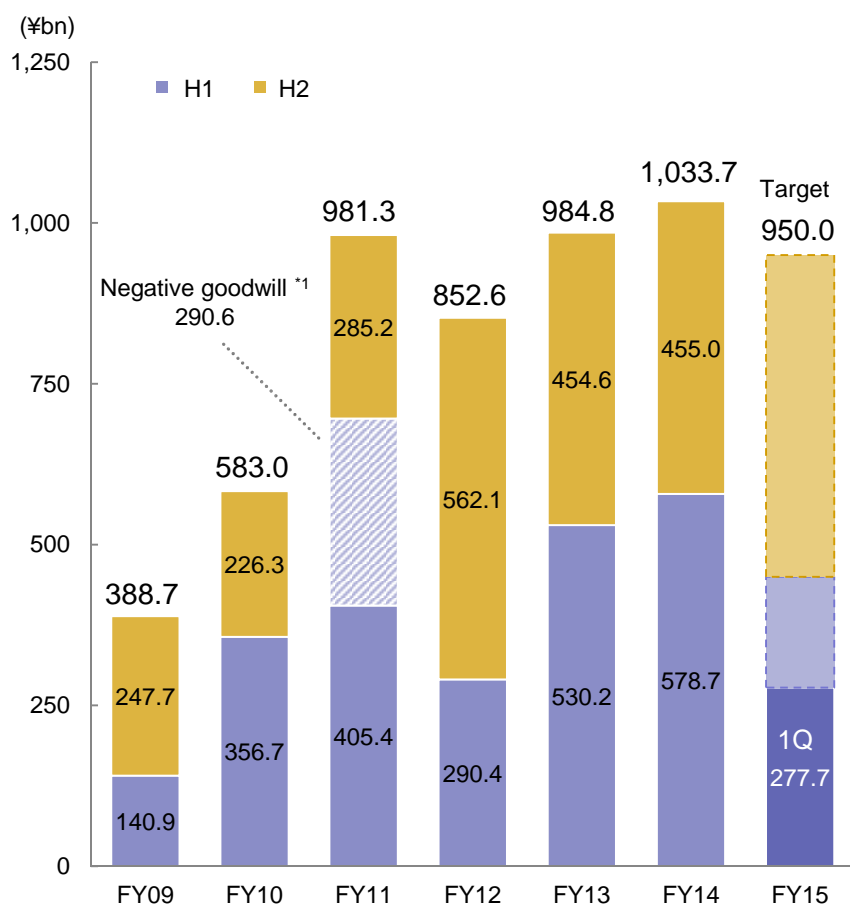
^{*2} (Profits attributable to owners of parentx4) ÷ Equivalent of annual dividends on nonconvertible preferred stocks
{ (Total shareholders' equity at the beginning of the period - Number of nonconvertible preferred stocks at the beginning of the period) x issue price + Foreign currency translation adjustments at the beginning of the period } ÷ { (Total shareholders' equity at the end of the period - Number of nonconvertible preferred stocks at the end of the period) x issue price + Foreign currency translation adjustments at the end of the period } - 2

Outline of profits attributable to owners of parent

【Consolidated】

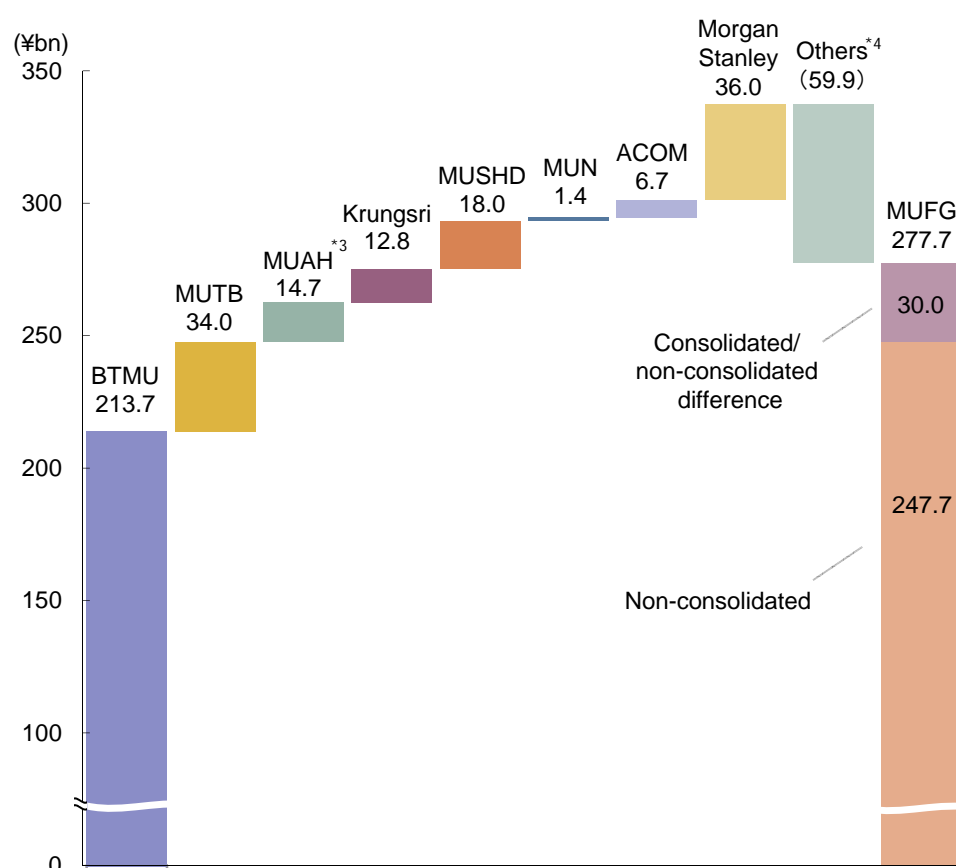
- Attained 29.2% of our FY15 target.
- Difference between consolidated and non-consolidated was ¥30.0bn. All the major subsidiaries and equity method investees contributed to the profits attributable to owners of parent.

History of profits attributable to owners of parent



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

Breakdown of profits attributable to owners of parent^{*2}



*2 The above figures reflect the percentage holding in each subsidiaries and equity method investees

*3 MUFG Americas Holdings Corporation

*4 Including cancellation of the amount of inter-group dividend receipt and profits (losses) related to transfer of equity securities within MUFG.



Loans

- Increased from the end of March 2015 mainly due to increases in overseas loans and loans to government and governmental institutions.

Investment securities

- Decreased from the end of March 2015 mainly due to decreases in holdings of Japanese government bonds and foreign bonds.

Deposits

- Increased from the end of March 2015 mainly due to increases in domestic corporate deposits and overseas deposits.

Non performing loans (“NPLs”)

- Decreased compared to the end of March 2015 due to a decrease in special attention loans.

Net unrealized gains on available-for-sale securities

- Decreased from the end of March 2015 mainly due to decreases in unrealized gains on Japanese government bonds and foreign bonds, partially offset by an increase in unrealized gains on domestic equity securities.

Balance sheet (¥bn)		Jun.15	Change from Mar.15
1	Total assets	284,991.5	(1,158.2)
2	Loans (Banking + Trust accounts)	111,268.3	1,787.6
3	Loans (Banking accounts)	111,153.7	1,785.4
4	Housing loans ^{*1}	15,753.5	(125.5)
5	Domestic corporate loans ^{*1*2}	42,288.4	(168.3)
6	Overseas loans ^{*3}	42,423.6	721.9
7	Investment securities (Banking accounts)	66,565.5	(6,972.6)
8	Domestic equity securities	6,656.4	332.7
9	Japanese government bonds	32,360.1	(2,850.4)
10	Foreign bonds	19,393.9	(4,177.6)
11	Total liabilities	267,911.6	(950.6)
12	Deposits	155,405.5	2,048.1
13	Individual deposits (Domestic branches)	70,508.9	93.7
14	Total net assets	17,079.8	(207.6)
15	FRL disclosed loans ^{*1*4}	1,211.7	(11.5)
16	NPL ratio ^{*1}	1.13%	(0.02%)
17	Net unrealized gains (losses) on available-for-sale securities	3,796.5	(336.6)

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

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

*4 FRL = the Financial Reconstruction Law

Loan balance ¥111.2tn

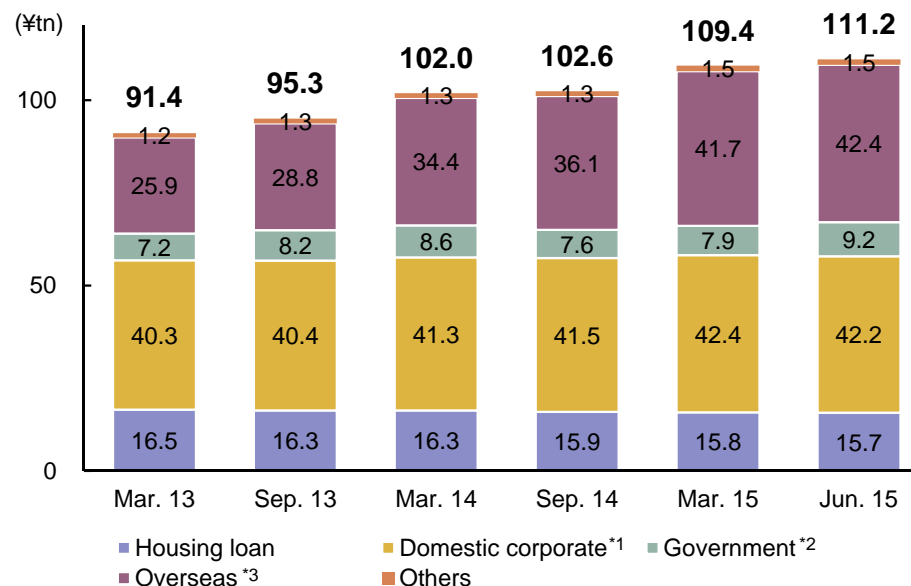
(increased ¥1.7tn from the end of March 2015)

<Change factors from March 2015 >

- Housing loan (¥0.1tn)
- Domestic corporate^{*1} (¥0.1tn)
- Government^{*2} +¥1.3tn
- Overseas^{*3} +¥0.7tn
- Excluding impact of foreign exchange fluctuation +¥0.0tn

*1 Excluding loans to government and governmental institutions
 *2 Government and governmental institutions
 *3 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Holland), BTMU (Canada) and BTMU (Malaysia)
 *4 Sum of banking and trust accounts

【Loans (Period end balance)^{*4}】



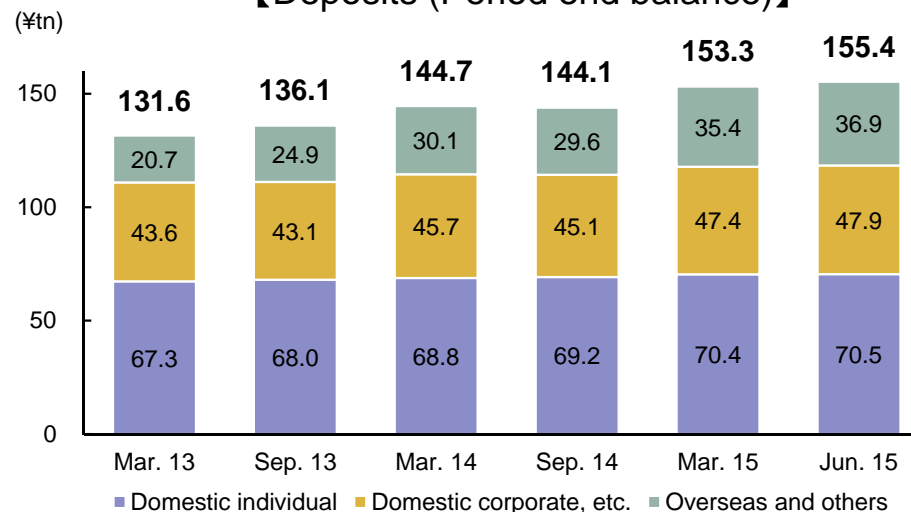
Deposit balance ¥155.4tn

(increased ¥2.0tn from the end of March 2015)

<Change factors from March 2015 >

- Domestic individual +¥0.0tn
- Domestic corporate, etc. +¥0.4tn
- Overseas and others +¥1.4tn
- Excluding impact of foreign exchange fluctuation +¥0.8tn

【Deposits (Period end balance)】

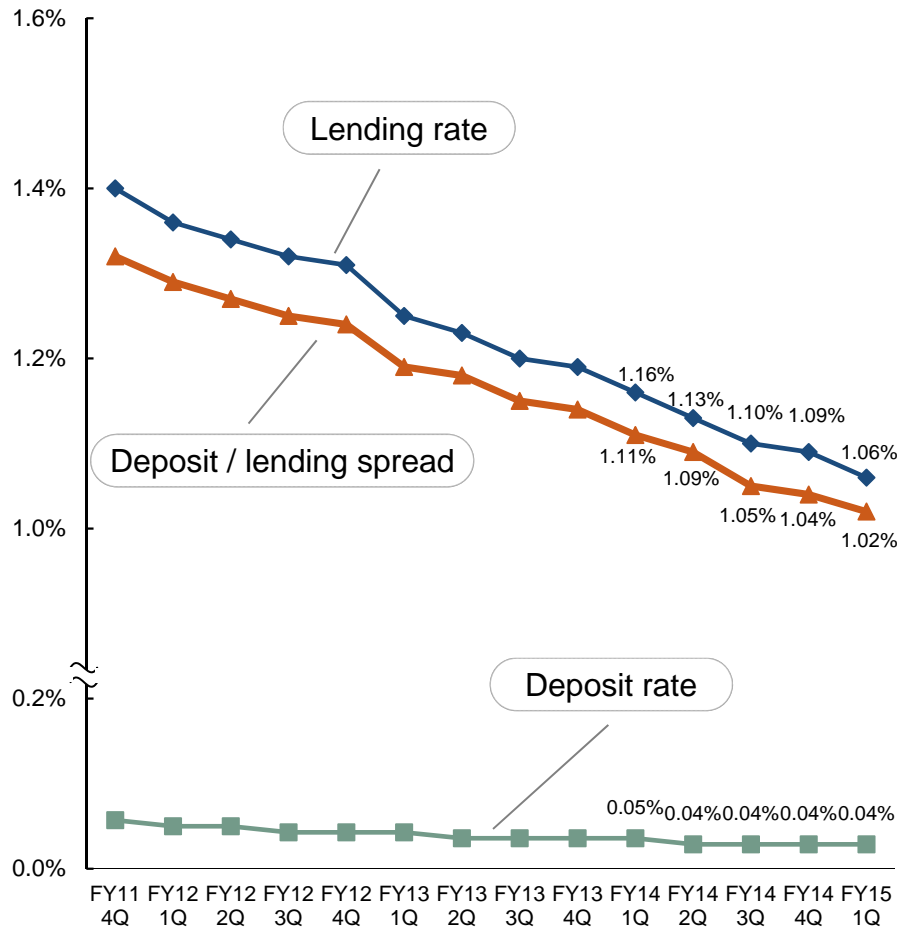


Domestic deposit / lending rates

【Non-consolidated】

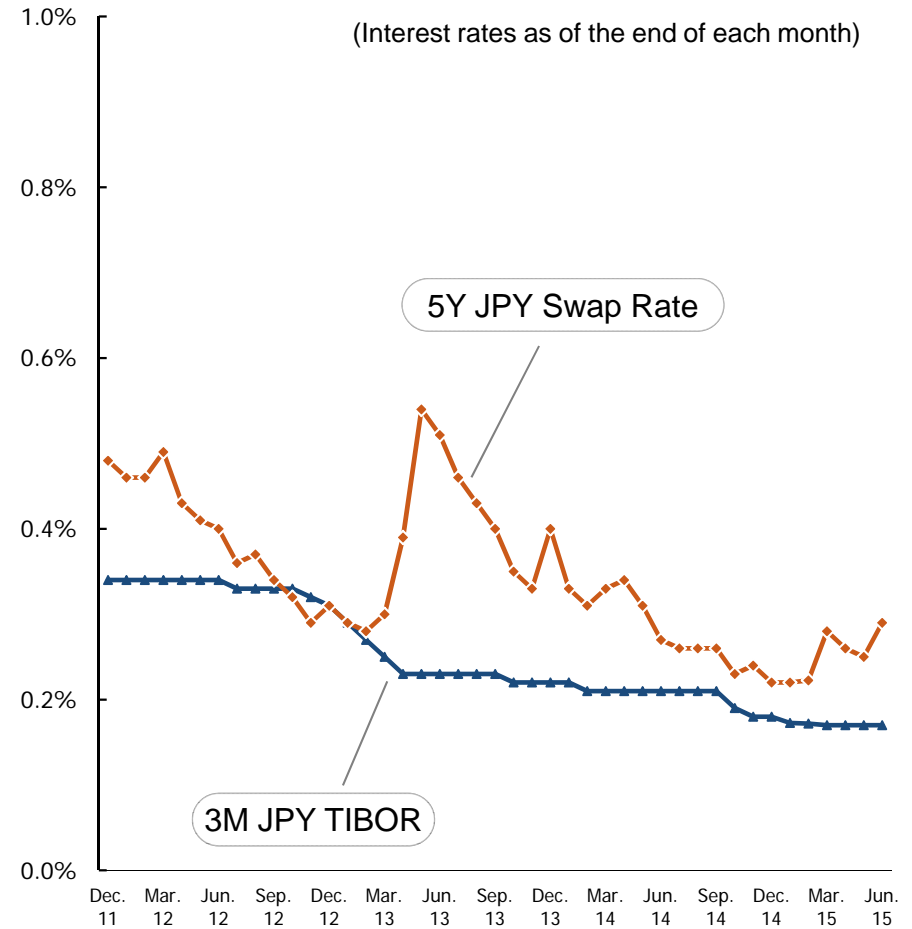
- Domestic deposit / lending spread excluding loans to Government*1 in FY15 1Q decreased 0.02 percentage points from FY14 4Q mainly due to a decline in lending rate.

Changes in domestic deposit / lending rates
(Excluding loans to Government*1)



*1 Government and governmental institutions

(Reference) Market interest rates



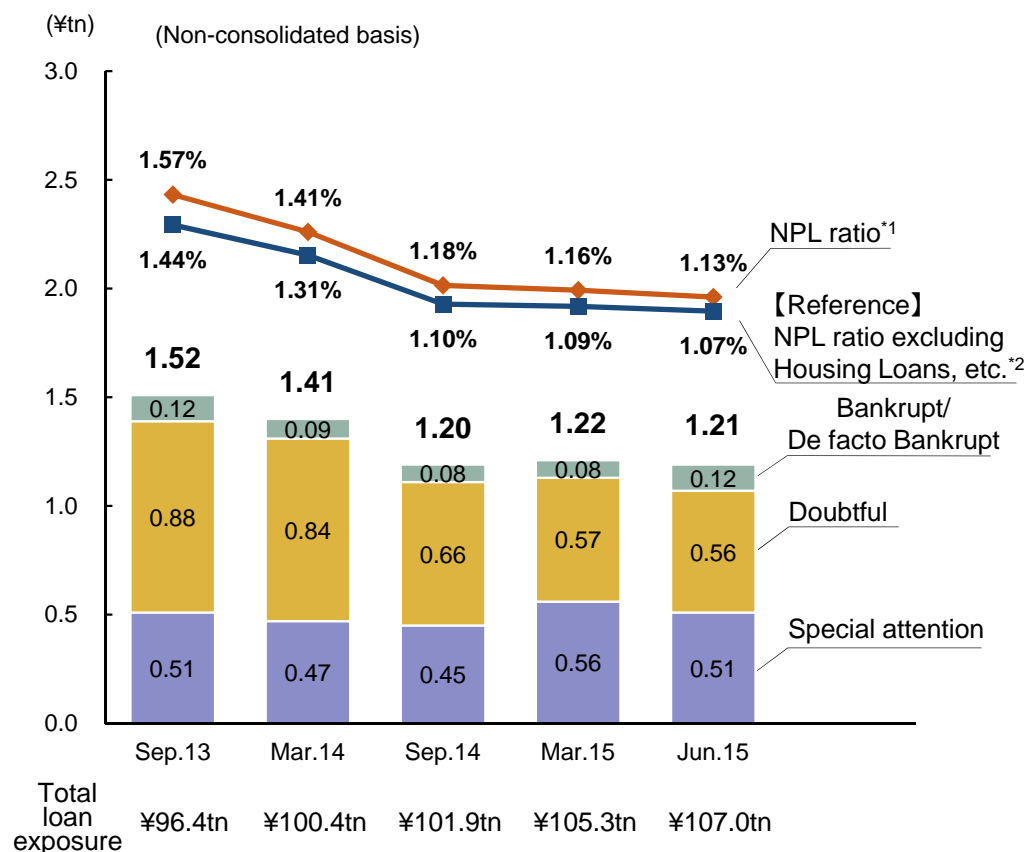
(Source : Bloomberg)

Loan assets

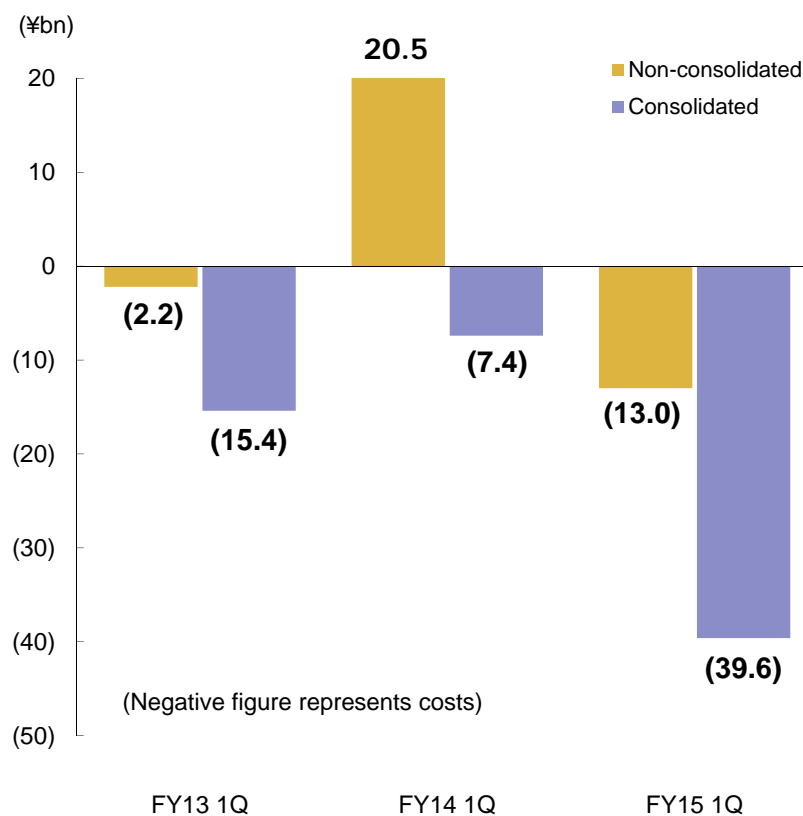
【Consolidated/Non-consolidated】

- NPL ratio declined 0.02 percentage points from the end of March 2015 to 1.13% mainly due to a decrease in non-performing loan balance and an increase in total loan exposure.
- Total credit costs were ¥39.6bn on consolidated basis (¥13.0bn on non-consolidated basis.)

Balance of FRL disclosed loans



Total credit costs



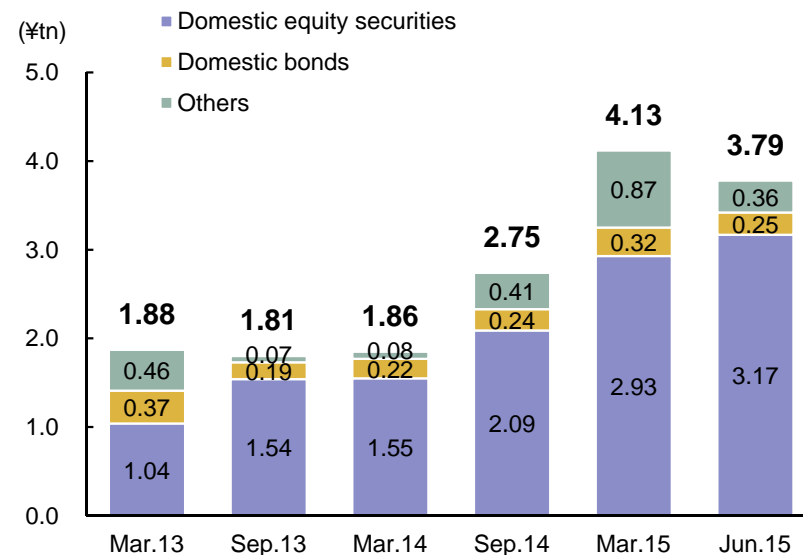
*1 Non performing loan balance ÷ Total loan exposure

*2 Excluding restructured Housing loans, etc. guaranteed by credit guarantee companies within MUFG group

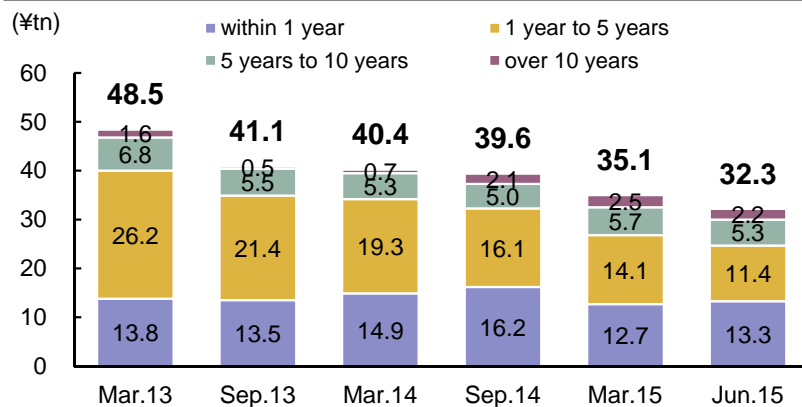
Available-for-sale securities with fair value

	(¥bn)	Balance		Unrealized gains (losses)	
		Jun.15	Change from Mar.15	Jun.15	Change from Mar.15
1	Total	62,210.8	(7,125.3)	3,796.5	(336.6)
2	Domestic equity securities	5,954.6	233.2	3,174.3	244.3
3	Domestic bonds	33,576.8	(2,943.4)	254.6	(71.6)
4	Japanese government bonds	31,234.0	(2,850.4)	207.3	(66.1)
5	Others	22,679.3	(4,415.2)	367.4	(509.3)
6	Foreign equity securities	196.6	5.2	64.3	5.8
7	Foreign bonds	18,290.4	(4,274.5)	169.6	(427.6)
8	Others	4,192.2	(146.0)	133.4	(87.5)

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

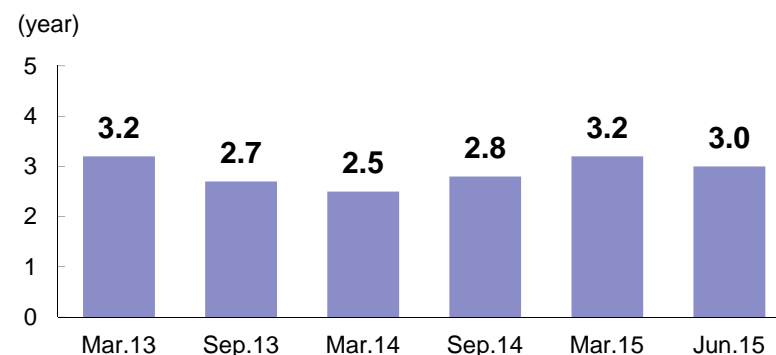


Balance of JGB portfolio by maturity*1



*1 Available-for-sale securities and held-to-maturity securities. Non-consolidated.

Duration of JGB portfolio*2



*2 Available-for-sale securities. Non-consolidated.