

Financial Highlights under Japanese GAAP  
for 1st Quarter of Fiscal Year  
Ending March 31, 2017

August 1, 2016

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>

<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)

# Agenda

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# Income statement summary

(For the three-month period ended June 30, 2016)

【Consolidated】

## Net business profits

- Gross profits decreased mainly due to a decrease in net interest income from domestic loan and deposit, reflecting lower interest rates in domestic market, and a decrease in fee income from sale of investment products. Although fee and net interest incomes in overseas were stable, the translated JPY value decreased due to the appreciation of JPY against the other currencies.
- Expenses decreased mainly due to the appreciation of JPY against the other currencies.
- Net business profits decreased by ¥62.5bn from FY15 1Q to ¥354.2bn.

## Total credit costs\*1

- Total credit costs recorded ¥55.5bn mainly due to a decrease in reversal of allowance for doubtful account, and an increase in allowance for credit losses.

## Net gains (losses) on equity securities

- Net gains on equity securities decreased mainly due to a decrease in net gains on sales of equity securities, and an increase in losses on write-down of equity securities.

## Profits (losses) from investments in affiliates

- Profits from investments in affiliates decreased mainly due to lower profits of Morgan Stanley.

## Profits attributable to owners of parent

- As a result, profits attributable to owners of parent decreased by ¥88.8bn from FY15 1Q to ¥188.9 bn.

Income statement (¥bn)		FY15 1Q	FY16 1Q	Changes
1	Gross profits (before credit costs for trust accounts)	1,070.0	997.6	(72.3)
2	Net interest income	545.3	502.0	(43.2)
3	Trust fees + Net fees and commissions	333.1	327.9	(5.1)
4	Net trading profits + Net other operating profits	191.5	167.5	(23.9)
5	Net gains (losses) on debt securities	79.3	72.4	(6.9)
6	G&A expenses	653.1	643.3	(9.7)
7	Net business profits	416.8	354.2	(62.5)
8	Total credit costs*1	(39.6)	(55.5)	(15.8)
9	Net gains (losses) on equity securities	31.6	1.7	(29.9)
10	Net gains (losses) on sales of equity securities	37.9	18.1	(19.7)
11	Losses on write-down of equity securities	(6.2)	(16.4)	(10.1)
12	Profits (losses) from investments in affiliates	85.7	61.1	(24.5)
13	Other non-recurring gains (losses)	(9.4)	(20.7)	(11.2)
14	Ordinary profits	485.0	340.8	(144.2)
15	Net extraordinary gains (losses)	(36.9)	(54.9)	(18.0)
16	Total of income taxes-current and income taxes-deferred	(135.7)	(60.7)	74.9
17	Profits attributable to owners of parent	277.7	188.9	(88.8)
18	EPS (¥)	19.86	13.77	(6.09)

(Reference)	FY15 1Q	FY16 1Q	Changes	FY17 ( Targets )	
19	ROE*2	9.03%	6.06%	(2.97%)	Between 8.5-9.0%
20	Expense ratio	61.0%	64.4%	3.4%	Approx.60%

\*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

\*2 
$$\frac{\text{Profits attributable to owners of parent} \times 4}{\{(\text{Total shareholders' equity at the beginning of the period} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period} + \text{Foreign currency translation adjustments at the end of the period})\} \div 2} \times 100$$

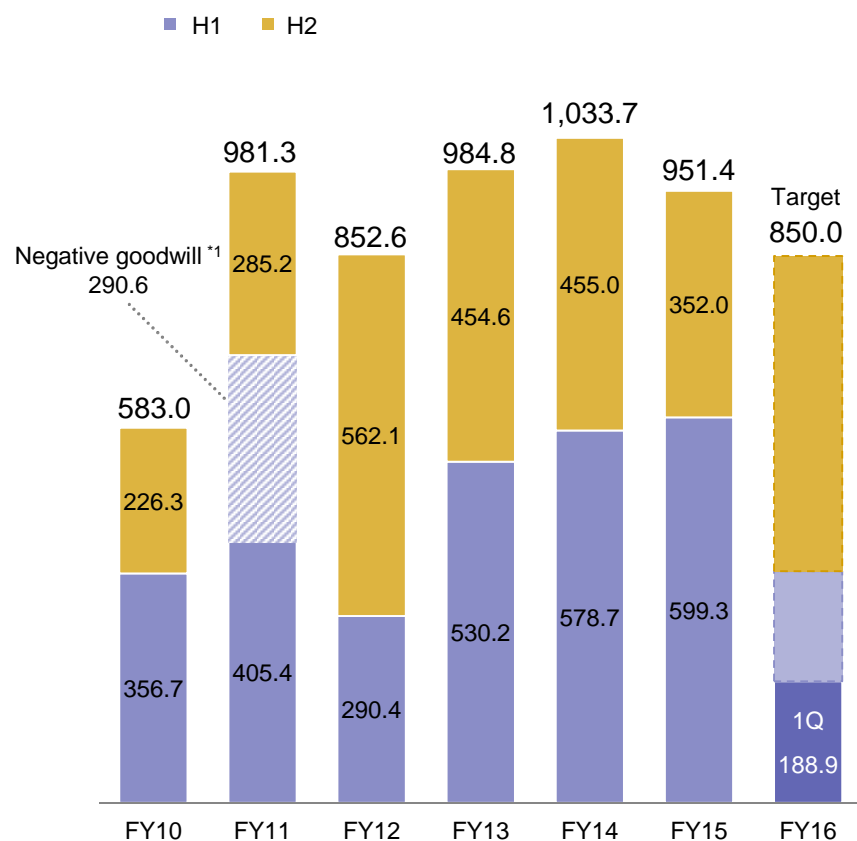
# Outline of profits attributable to owners of parent

【Consolidated】

- Profits attributable to owners of parent for the three months ended June 30, 2016 were ¥188.9bn, attained 22.2% of the FY16 target.

## History of profits attributable to owners of parent

(¥bn)



\*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

(¥bn)



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

\*3 Including ¥45.6bn of losses on changes in equity

## Loans (Banking + Trust accounts)

- Decreased from the end of March 2016 mainly due to a decrease in loans to governmental institutions, in addition to a decrease in the translated JPY value of overseas loans because of the appreciation of JPY against the other currencies.

## Investment securities

- Decreased from the end of March 2016 mainly due to decreases in Japanese government bonds and foreign bonds.

## Deposits

- Almost unchanged. Domestic deposit balance increased, while deposit balance in overseas and others decreased mainly due to the appreciation of JPY against the other currencies.

## Non performing loans (“NPLs”)

- NPL ratio increased mainly due to a decrease of total exposure.

## Net unrealized gains on available-for-sale securities

- Decreased from the end of March 2016 mainly due to a decrease in unrealized gains of domestic equity securities, reflecting a plunge of equity market in FY16 1Q.

Balance sheet (¥bn)		Jun.16	Changes from Mar.16
1	Total assets	298,193.9	(108.9)
2	Loans (Banking + Trust accounts)	108,609.4	(5,297.4)
3	Loans (Banking accounts)	108,447.9	(5,308.3)
4	Housing loans <sup>*1</sup>	15,543.3	(27.4)
5	Domestic corporate loans <sup>*1*2</sup>	43,009.3	(795.1)
6	Overseas loans <sup>*3</sup>	40,598.7	(2,446.7)
7	Investment securities (Banking accounts)	65,528.1	(4,465.7)
8	Domestic equity securities	5,170.8	(402.6)
9	Japanese government bonds	26,852.5	(1,504.5)
10	Foreign bonds	25,676.2	(2,207.5)
11	Total liabilities	281,095.6	179.5
12	Deposits	160,886.5	(78.4)
13	Individual deposits (Domestic branches)	71,652.0	583.3
14	Total net assets	17,098.3	(288.4)
15	FRL disclosed loans <sup>*1*4</sup>	1,283.5	(23.3)
16	NPL ratio <sup>*1</sup>	1.22%	0.03%
17	Net unrealized gains (losses) on available-for-sale securities	3,439.0	(46.2)

<sup>\*1</sup> Non-consolidated + trust accounts      <sup>\*2</sup> Excluding loans to government and governmental institutions

<sup>\*3</sup> Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Malaysia) and MUFG Bank (Europe)

<sup>\*4</sup> FRL = the Financial Reconstruction Law

# Loans / deposits

【Consolidated】

Loan balance ¥108.6tn

(decreased ¥5.2tn from the end of March 2016)

## <Changes from March 2016 >

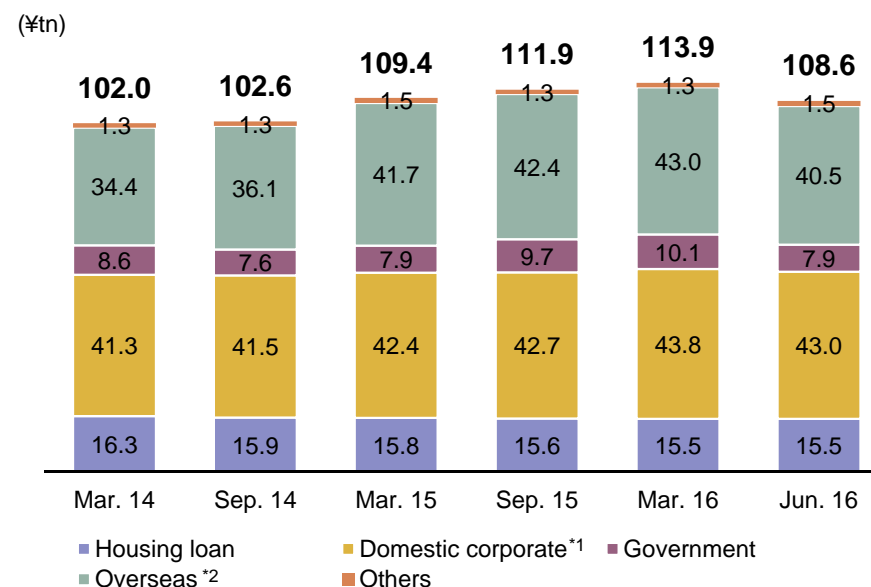
■ Housing loan	(¥0.0tn)
■ Domestic corporate <sup>*1</sup>	(¥0.7tn)
■ Government	(¥2.1tn)
■ Overseas <sup>*2</sup>	(¥2.4tn)
Excluding impact of foreign exchange fluctuation	+¥1.2tn

\*1 Excluding loans to government and governmental institutions

\*2 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Malaysia) and MUFG Bank (Europe)

\*3 Sum of banking and trust accounts

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



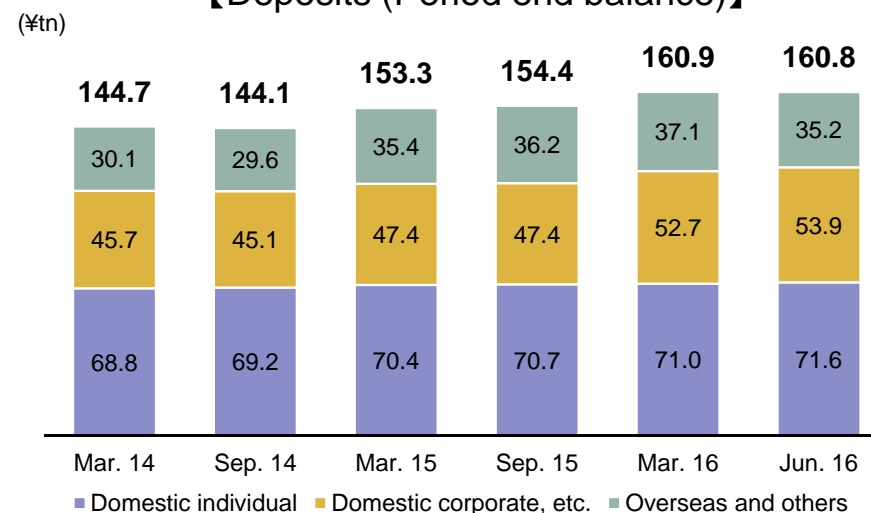
Deposit balance ¥160.8tn

(decreased ¥0.0tn from the end of March 2016)

## <Changes from March 2016 >

■ Domestic individual	+¥0.5tn
■ Domestic corporate, etc.	+¥1.2tn
■ Overseas and others	(¥1.8tn)
Excluding impact of foreign exchange fluctuation	+¥1.5tn

## 【Deposits (Period end balance)】

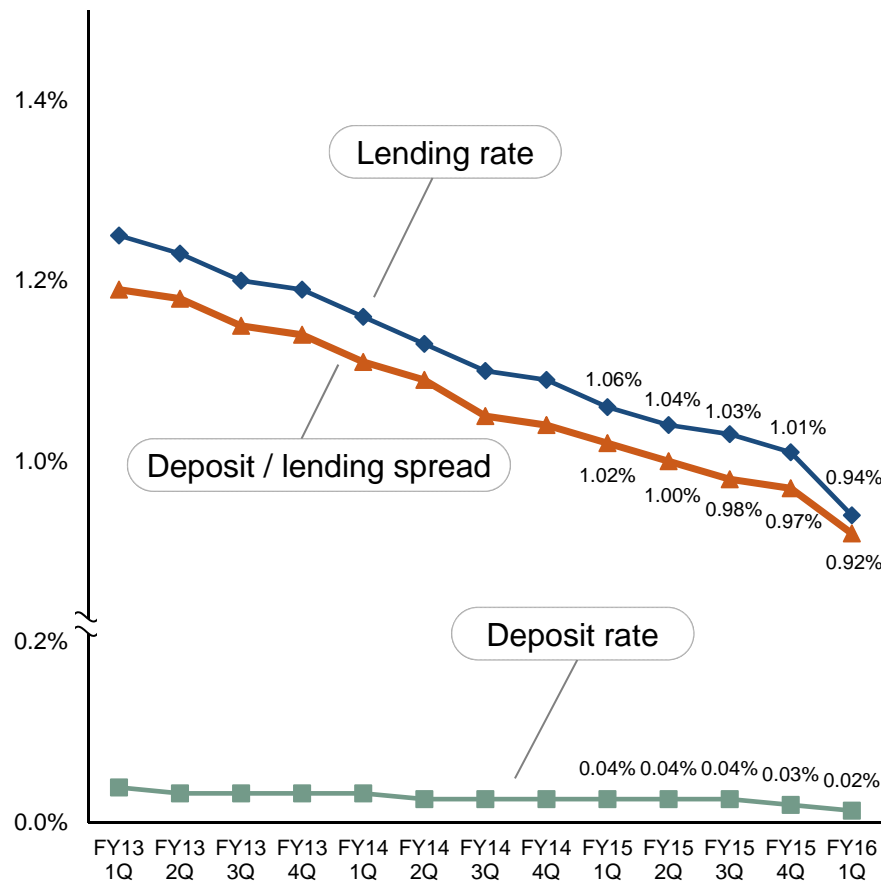


# Domestic deposit / lending rates

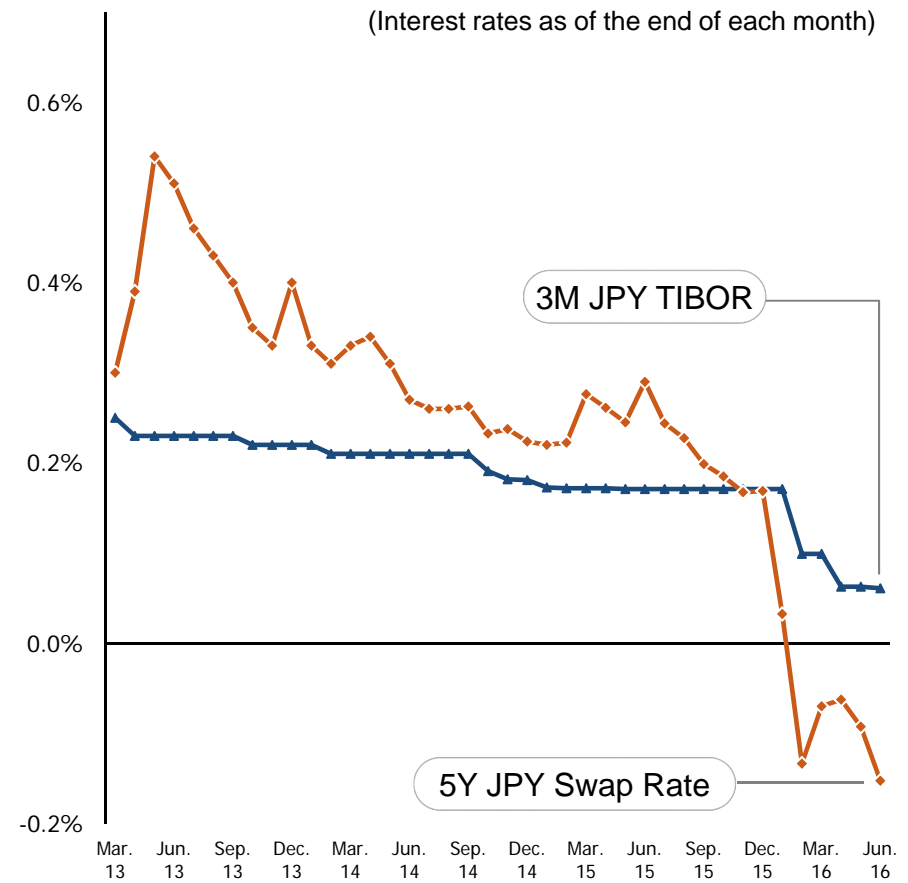
【Non-consolidated】

- Domestic deposit / lending spread excluding loans to government in FY16 1Q decreased by 0.05 percentage points from FY15 4Q mainly due to a decline in lending rates, reflecting lower market interest rates.

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



(Reference) Market interest rates



(Source : Bloomberg)





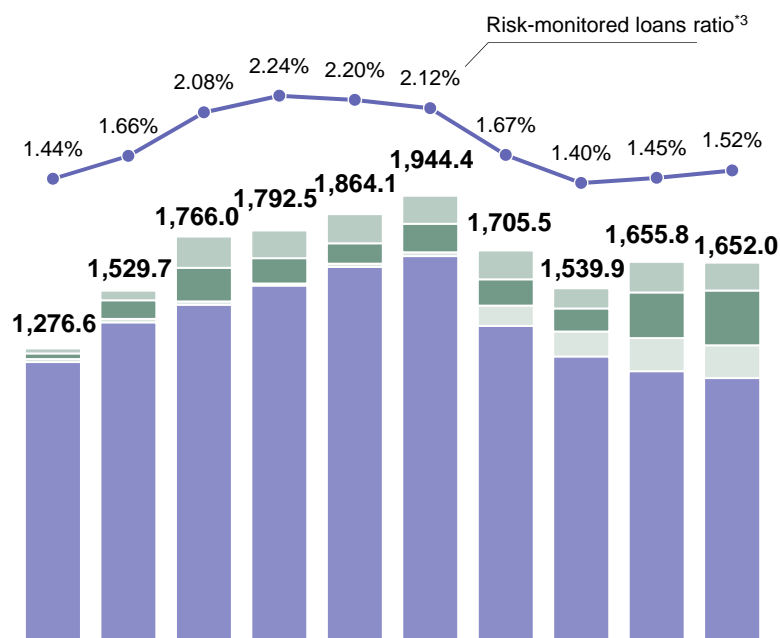
# Loan assets

[Consolidated]

- Risk-monitored loans ratio increased by 0.06 percentage points from the end of March 2016 to 1.52%.
- Total credit costs were ¥55.5bn on a consolidated basis and ¥16.0bn on a non-consolidated basis, respectively.

## Balance of risk-monitored loans\*1

(¥bn)



[Breakdown]

	Mar. 08	Mar. 09	Mar. 10	Mar. 11	Mar. 12	Mar. 13	Mar. 14	Mar. 15	Mar. 16	Jun. 16
EMEA*2	21.2	42.6	136.3	121.2	127.2	122.0	126.3	88.2	133.9	121.9
Americas*2	24.8	81.2	147.3	110.3	89.2	125.0	114.9	100.7	199.4	239.3
Asia	13.1	15.4	14.4	9.4	14.4	17.0	89.0	108.8	145.3	143.4
Domestic	1,217.3	1,390.5	1,467.9	1,551.5	1,633.2	1,680.3	1,375.2	1,242.0	1,177.1	1,147.2

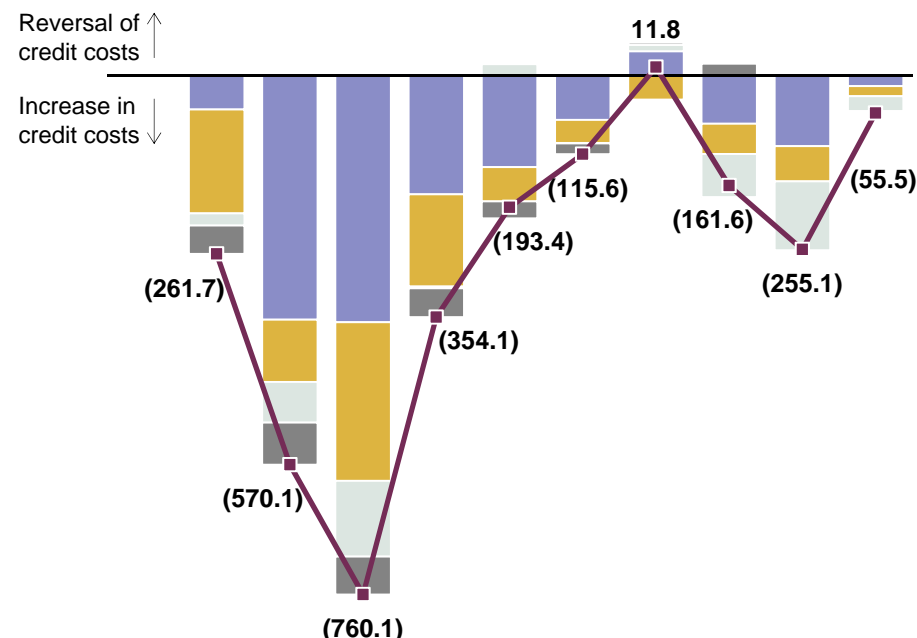
\*1 Risk-monitored loans based on Banking Act. Regions are based on the borrowers' location.

\*2 Figures of EMEA (Europe, Middle East and Other) and Americas before March 2012 are previously disclosed as Other and United States of America, respectively.

\*3 Total risk-monitored loans / Total loans and bills discounted (banking accounts as of period end)

## Total credit costs

(¥bn)



[Breakdown]

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16 1Q
Non-Consolidated	(50.1)	(357.8)	(361.6)	(174.2)	(134.5)	(65.3)	35.1	(71.1)	(103.7)	(16.0)
CF*4	(152.1)	(91.0)	(232.2)	(135.0)	(50.1)	(33.7)	(35.7)	(44.1)	(51.6)	(14.7)
Overseas*5	(17.8)	(59.7)	(110.6)	(2.7)	16.1	(0.8)	9.2	(63.2)	(100.8)	(21.9)
Others*6	(41.5)	(61.5)	(55.7)	(42.1)	(24.9)	(15.6)	3.2	16.9	1.0	(2.8)

\*4 Sum of MUN and ACOM on a consolidated basis

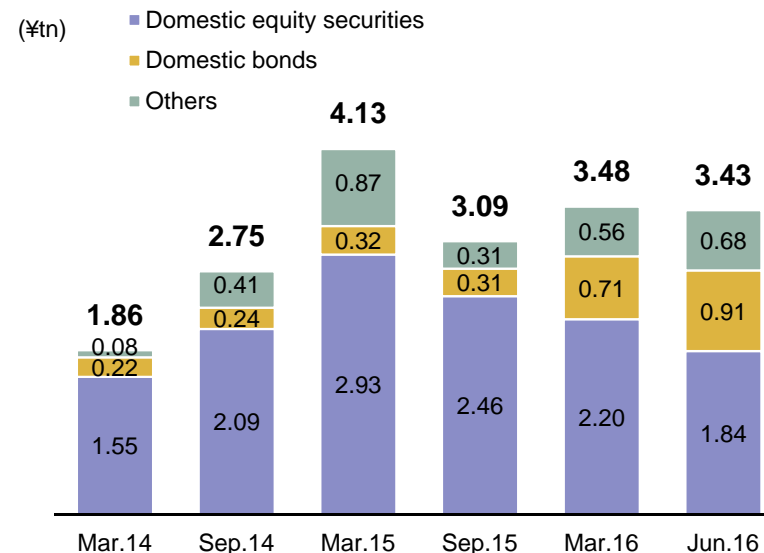
\*5 Sum of overseas subsidiaries and affiliated companies of BTMU and MUTB

\*6 Sum of other subsidiaries and affiliated companies, and consolidation adjustment

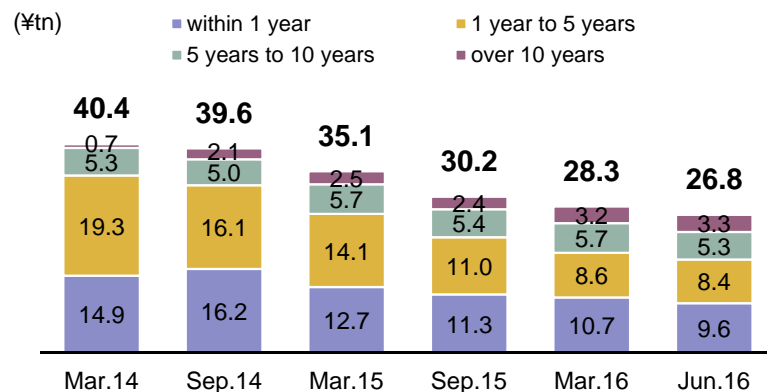
## Available-for-sale securities with fair value

	Balance		Unrealized gains (losses)	
	Jun. 16	Changes from Mar. 16	Jun. 16	Changes from Mar. 16
1 Total	61,114.6	(4,403.8)	3,439.0	(46.2)
2 Domestic equity securities	4,472.7	(400.4)	1,848.7	(356.6)
3 Domestic bonds	29,140.6	(1,181.8)	910.0	191.7
4 Japanese government bonds	25,751.4	(1,504.5)	807.8	175.9
5 Others	27,501.2	(2,821.5)	680.2	118.5
6 Foreign equity securities	138.2	(10.7)	11.4	(12.3)
7 Foreign bonds	24,473.4	(2,176.9)	669.9	159.0
8 Others	2,889.4	(633.7)	(1.2)	(28.0)

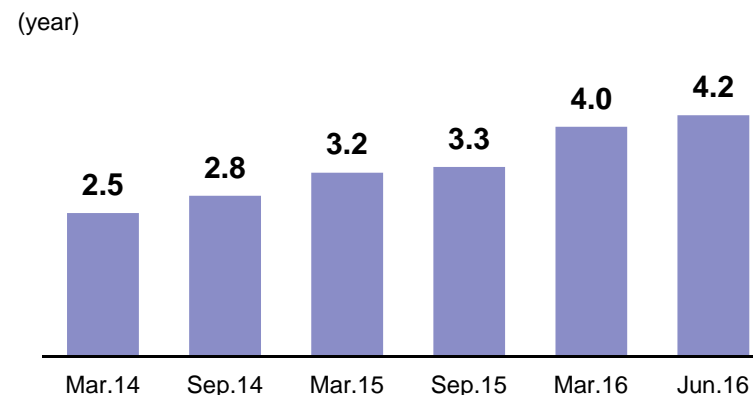
## Unrealized gains (losses) on available-for-sale securities



## Balance of JGB portfolio by maturity\*1



## Duration of JGB portfolio\*2



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

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