

Financial Highlights under Japanese GAAP
for 2nd Quarter of Fiscal Year
Ending March 31, 2017

November 14, 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. 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)

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FY2016 H1 financial result summary

(for Fiscal Year Ending March 31, 2017)

【Consolidated】

Profits attributable to owners of parent ¥490.5bn

- A decrease of ¥108.7bn compared to the same period in the previous fiscal year.
- Attained 57.7% of our FY16 target.

Common Equity Tier 1 capital ratio (full implementation)

- Keep a good level of capital adequacy.

Shareholder returns

- Keep our dividend forecast of ¥18.00 per common stock for the fiscal year ending March 31, 2017.
- Resolved to repurchase own shares up to ¥100bn.

〈Consolidated〉 (¥bn)

	FY15 H1	FY16 H1	Changes
1 Gross profits	2,109.1	1,969.4	(139.7)
2 G&A expenses	1,288.9	1,244.0	(44.9)
3 Net operating profits	820.2	725.4	(94.8)
4 Profits attributable to owners of parent	599.3	490.5	(108.7)
5 Dividend per common stock (¥)	9.00	9.00	0.00

〈Financial targets of medium-term business plan〉

	FY15 H1	FY16 H1	FY17 (Targets)
6 EPS (¥)	42.97	35.93	15% increase or more from FY14
7 ROE ^{*1}	9.59%	7.91%	Between 8.5-9.0%
8 Expenses ratio	61.1%	63.1%	Approx. 60%
9 Common Equity Tier 1 capital ratio (full implementation) ^{*2}	12.0%	12.5%	9.5% or above

*1 $\frac{\text{Profits attributable to owners of parent} \times 2}{\{(\text{Total shareholders' equity at the beginning of the period} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period} + \text{Foreign currency translation adjustments at the end of the period})\}} \div 2} \times 100$

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

Income statement summary

【Consolidated】

Net operating 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 income in overseas and net gains on debt securities increased, the translated JPY value declined due to the appreciation of JPY against the other currencies.
- Expenses decreased mainly due to the appreciation of JPY against the other currencies.
- Net operating profits decreased by ¥94.8bn from FY15 H1 to ¥725.4bn.

Total credit costs*1

- Total credit costs increased to ¥57.6bn from the previous year, while the costs were lower than estimated at the beginning of FY16.

Net gains (losses) on equity securities

- Net gains on sales of equity securities increased mainly driven by a progress in sales of equity holdings.

Profits (losses) from investments in affiliates

- Profits from investments in Morgan Stanley decreased, partly due to the appreciation of JPY against US dollar.

Profits attributable to owners of parent

- As a result, profits attributable to owners of parent decreased by ¥108.7bn from FY15 H1 to ¥490.5bn.

Income statement (¥bn)		FY15 H1	FY16 H1	Changes
1	Gross profits (before credit costs for trust accounts)	2,109.1	1,969.4	(139.7)
2	Net interest income	1,076.3	975.0	(101.2)
3	Trust fees + Net fees and commissions	700.1	682.6	(17.4)
4	Net trading profits + Net other operating profits	332.6	311.6	(21.0)
5	Net gains (losses) on debt securities	82.1	92.6	10.5
6	G&A expenses	1,288.9	1,244.0	(44.9)
7	Net operating profits	820.2	725.4	(94.8)
8	Total credit costs*1	(31.0)	(57.6)	(26.6)
9	Net gains (losses) on equity securities	40.9	44.0	3.0
10	Net gains (losses) on sales of equity securities	49.0	55.4	6.3
11	Losses on write-down of equity securities	(8.1)	(11.4)	(3.3)
12	Profits (losses) from investments in affiliates	144.6	113.9	(30.7)
13	Other non-recurring gains (losses)	(4.9)	(30.8)	(25.9)
14	Ordinary profits	969.9	794.8	(175.0)
15	Net extraordinary gains (losses)	(43.1)	(56.4)	(13.2)
16	Total of income taxes-current and income taxes-deferred	(258.9)	(178.4)	80.4
17	Profits attributable to owners of parent	599.3	490.5	(108.7)
18	EPS (¥)	42.97	35.93	(7.04)

*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

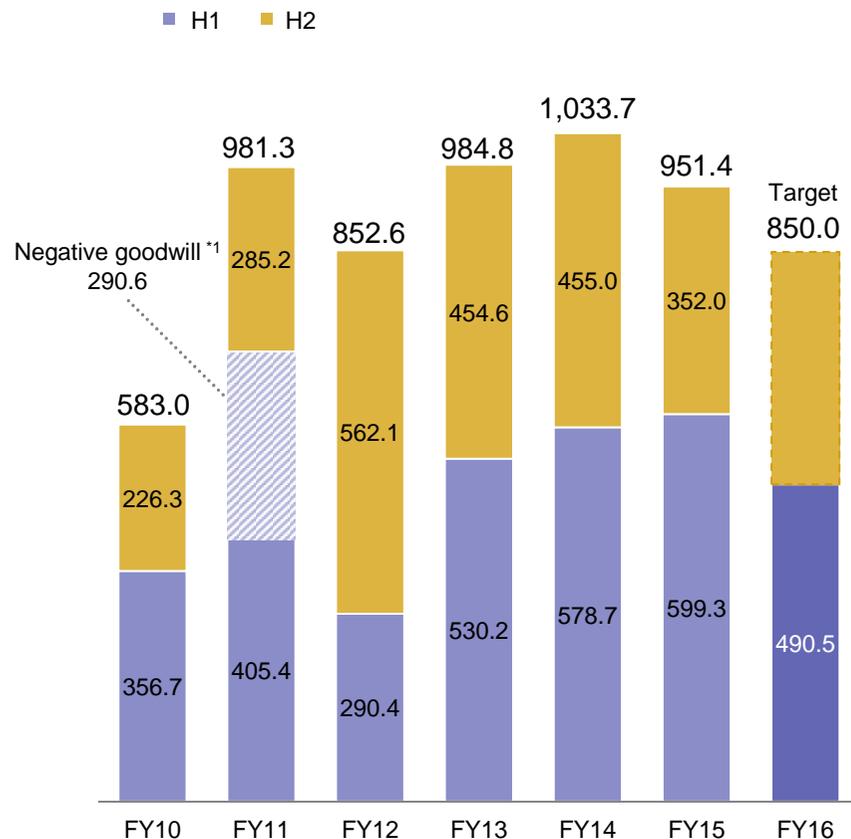
Outline of profits attributable to owners of parent

【Consolidated】

- Profits attributable to owners of parent for the six months ended September 30, 2016 were ¥490.5bn, attained 57.7% of the FY16 target.

History of profits attributable to owners of parent

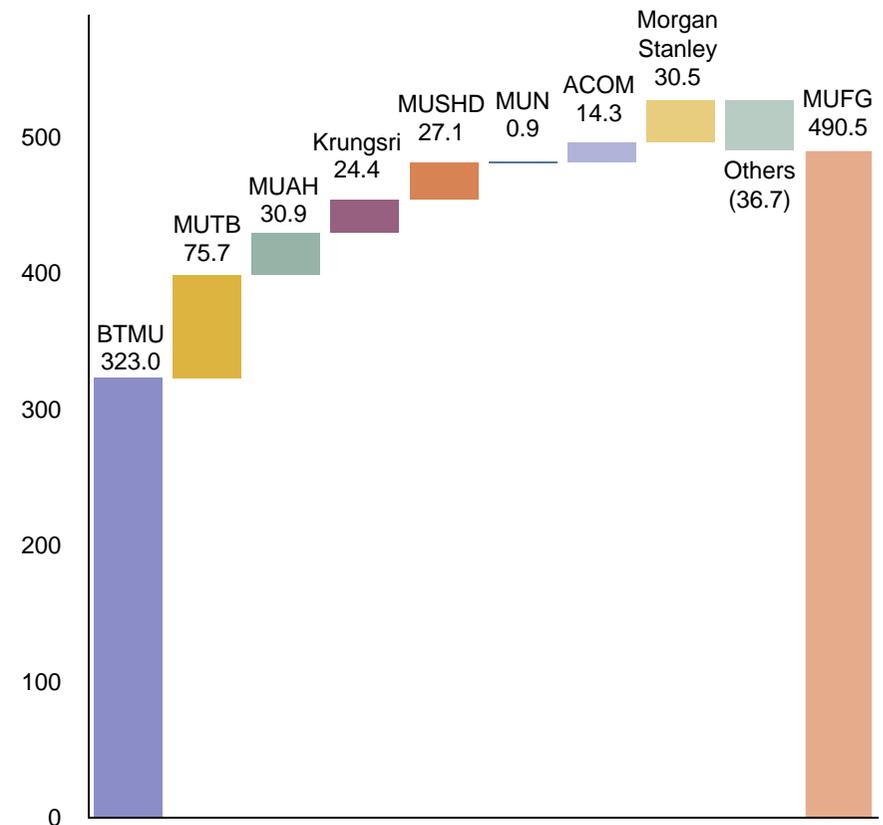
(¥bn)



*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)



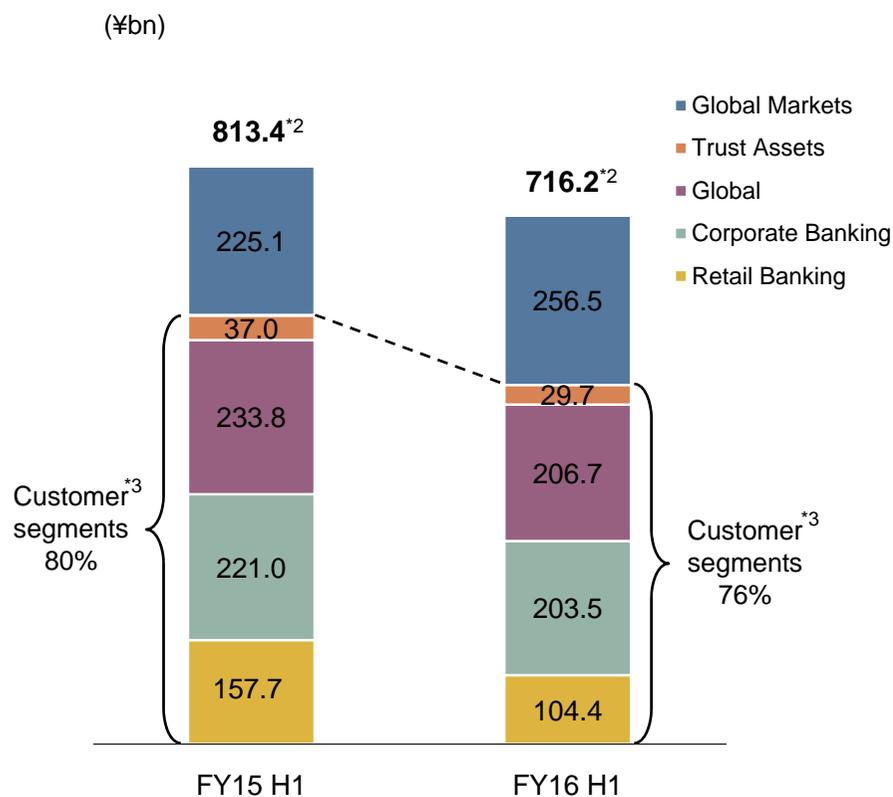
*2 The above figures reflect the percentage holding in each subsidiaries and equity method investees

Outline of results by business segment

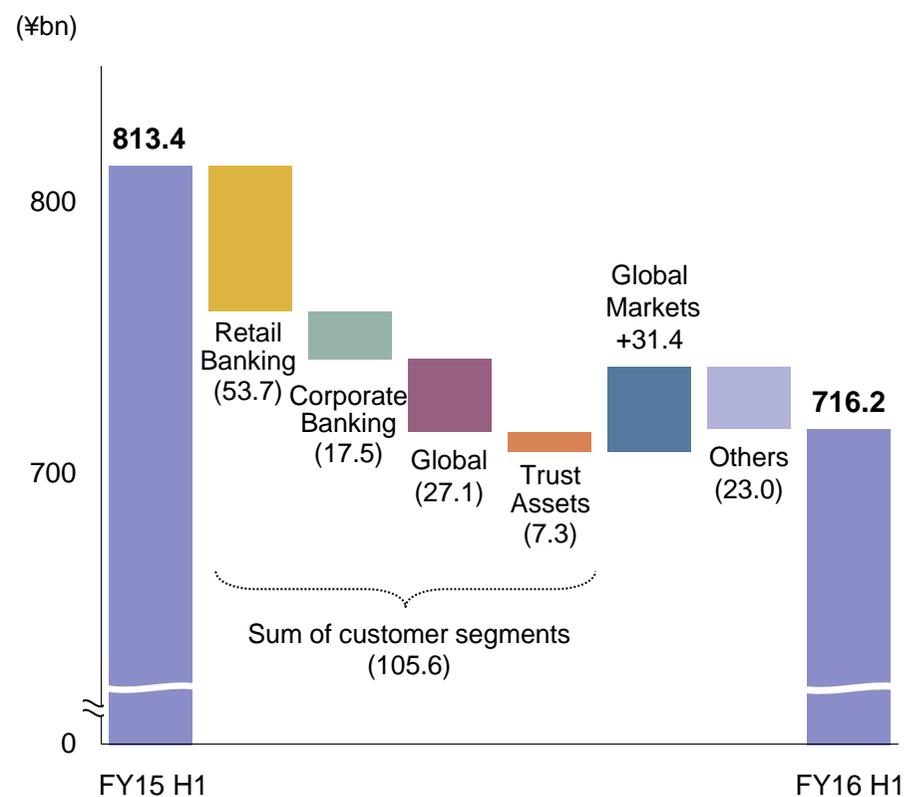
【Consolidated】

- Consolidated net operating profits*¹ decreased by ¥97.2bn from the same period in the previous fiscal year. The translated JPY value decreased about ¥70bn, mainly attributed to Global business segment.
- 76% of the total operating profits was from the customer segments. 38% of profits of the customer segments was generated by overseas business.

Net operating profits by business segment



Breakdown of changes in net operating profits



*1 On a managerial accounting basis. Profits out of overseas Japanese corporate business are excluded from Corporate Banking business segment.

*2 Total net operating profits include net operating profit for "Other" segment (FY15 H1:¥(61.2)bn, FY16 H1:¥(84.2)bn).

*3 Ratio of customer segments = net operating profits from customer segments ÷ total net operating profits (*2)

Balance sheet summary

【Consolidated】

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 foreign currency denominated loans because of the appreciation of JPY against the other currencies.

Investment securities

- Domestic equity securities, Japanese government bonds and foreign bonds decreased.

Deposits

- Total amount increased mainly due to an increase in domestic deposit balance, while foreign currency denominated deposit decreased due to the appreciation of JPY against the other currencies.

Non performing loans (“NPLs”)

- NPL ratio was almost unchanged.
Both total exposure and NPLs decreased.

Net unrealized gains on available-for-sale securities

- Net unrealized gains on available-for-sale securities slightly decreased compared to the end of March 2016, mainly due to a decrease in those of domestic equities, while those of foreign currency bonds increased.

Balance sheet (¥bn)		Sep.16	Changes from Mar.16
1	Total assets	293,677.1	(4,625.7)
2	Loans (Banking + Trust accounts)	105,017.7	(8,889.1)
3	Loans (Banking accounts)	104,844.8	(8,911.4)
4	Housing loans ^{*1}	15,637.9	67.1
5	Domestic corporate loans ^{*1*2}	43,404.4	(400.0)
6	Overseas loans ^{*3}	38,995.2	(4,050.2)
7	Investment securities (Banking accounts)	64,908.4	(5,085.4)
8	Domestic equity securities	5,325.7	(247.7)
9	Japanese government bonds	25,515.8	(2,841.2)
10	Foreign bonds	25,772.8	(2,110.8)
11	Total liabilities	277,175.6	(3,740.5)
12	Deposits	161,625.0	659.9
13	Individual deposits (Domestic branches)	71,268.2	199.5
14	Total net assets	16,501.5	(885.2)
15	FRL disclosed loans ^{*1*4}	1,213.5	(93.4)
16	NPL ratio ^{*1}	1.18%	(0.00%)
17	Net unrealized gains (losses) on available-for-sale securities	3,409.0	(76.2)

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

^{*3} Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Malaysia) and MUFG Bank (Europe)

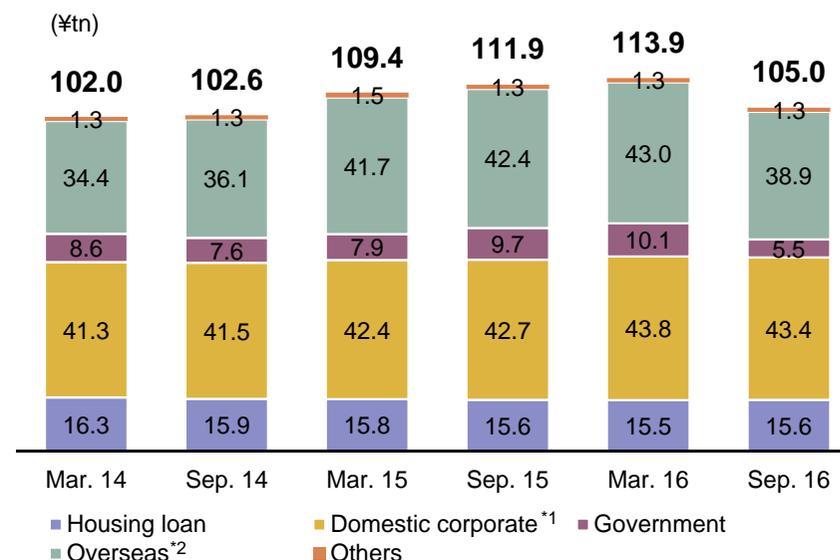
^{*4} FRL = the Financial Reconstruction Law

Loan balance ¥105.0tn
(decreased ¥8.8tn from the end of March 2016)

<Changes from March 2016 >

- Housing loan +¥0.0tn
- Domestic corporate^{*1} (¥0.4tn)
Excluding impact of foreign exchange fluctuation +¥0.3tn
- Government (¥4.5tn)
- Overseas^{*2} (¥4.0tn)
Excluding impact of foreign exchange fluctuation +¥1.5tn

【Loans (Period end balance)^{*3}】



*1 Excluding loans to government and governmental institutions, and including foreign currency denominated loans

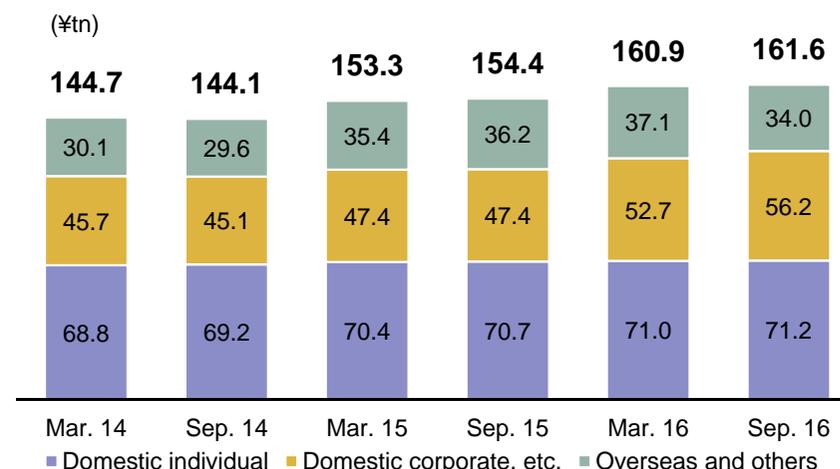
*2 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Malaysia) and MUFG Bank (Europe) *3 Sum of banking and trust accounts

Deposit balance ¥161.6tn
(increased ¥0.6tn from the end of March 2016)

<Changes from March 2016 >

- Domestic individual +¥0.1tn
- Domestic corporate, etc. +¥3.5tn
- Overseas and others (¥3.0tn)
Excluding impact of foreign exchange fluctuation +¥2.6tn

【Deposits (Period end balance)】

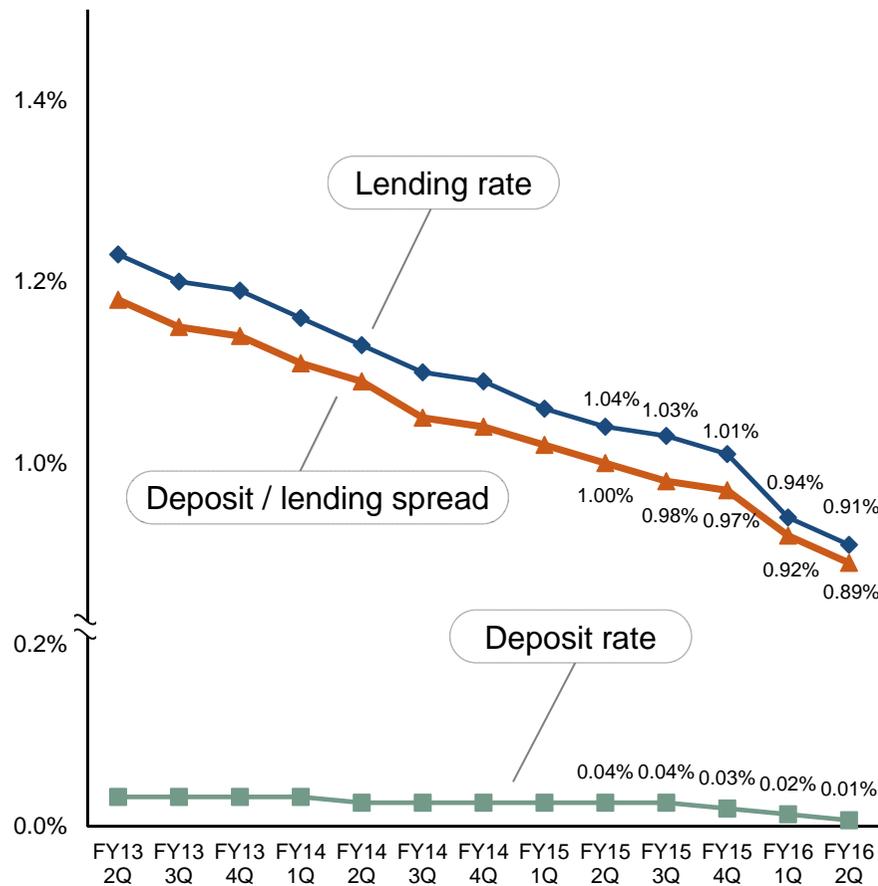


Domestic deposit / lending rates

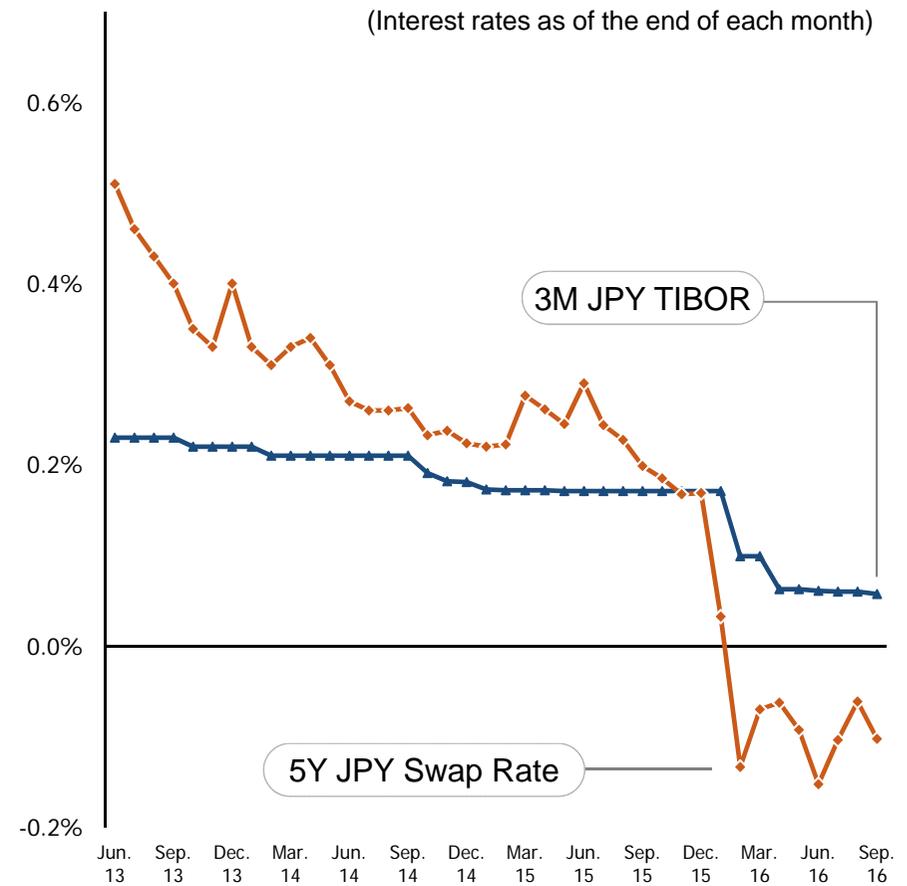
【Non-consolidated】

- Domestic deposit / lending spread excluding loans to government in FY16 2Q decreased by 0.02 percentage points from FY16 1Q 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)

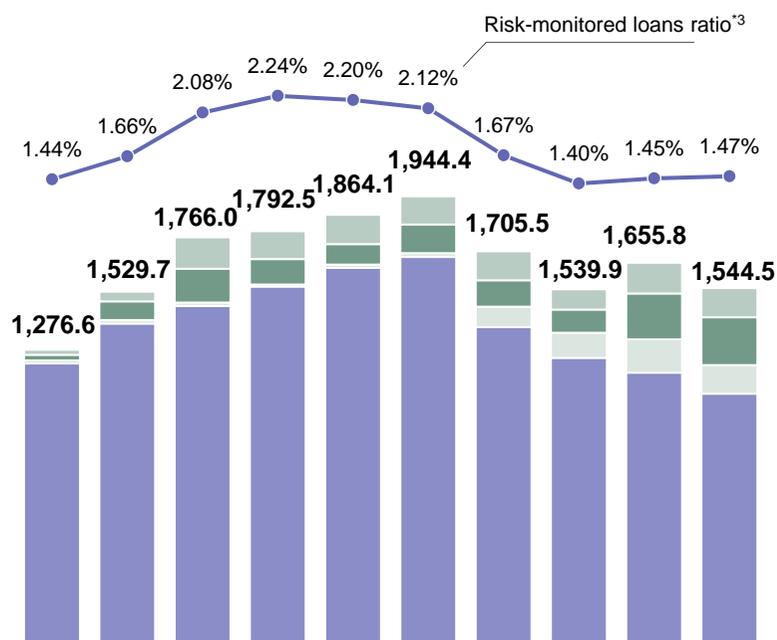
Loan assets

[Consolidated]

- Risk-monitored loans ratio increased by 0.01 percentage points from the end of March 2016 to 1.47%.
- Total credit costs were ¥57.6bn on a consolidated basis and ¥2.9bn 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	Sep. 16
EMEA*2	21.2	42.6	136.3	121.2	127.2	122.0	126.3	88.2	133.9	126.7
Americas*2	24.8	81.2	147.3	110.3	89.2	125.0	114.9	100.7	199.4	207.4
Asia	13.1	15.4	14.4	9.4	14.4	17.0	89.0	108.8	145.3	124.5
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	1,085.9

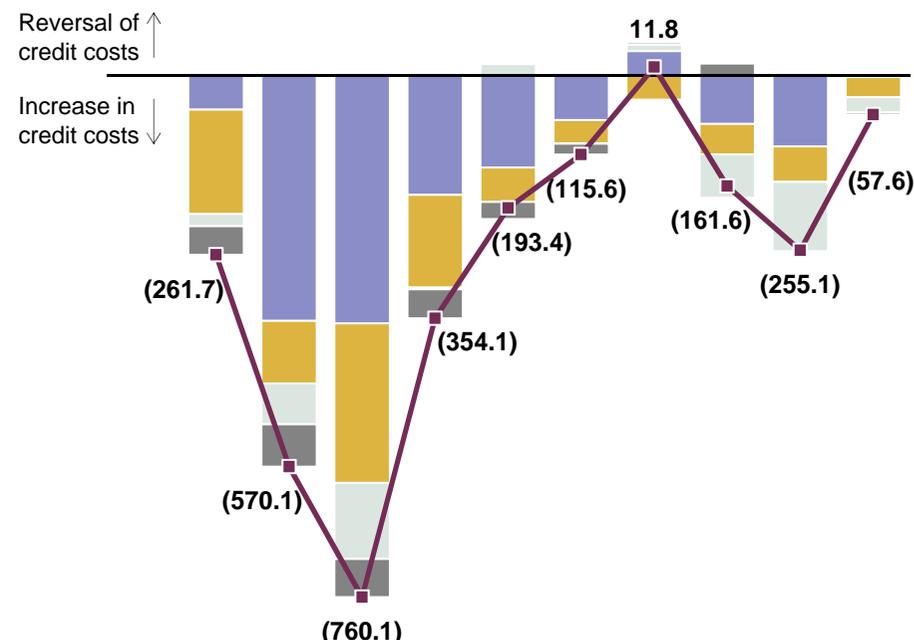
*1 Risk-monitored loans based on Banking Act. Regions are based on the borrowers' location.

*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 H1
Non-Consolidated	(50.1)	(357.8)	(361.6)	(174.2)	(134.5)	(65.3)	35.1	(71.1)	(103.7)	(2.9)
CF*4	(152.1)	(91.0)	(232.2)	(135.0)	(50.1)	(33.7)	(35.7)	(44.1)	(51.6)	(29.2)
Overseas*5	(17.8)	(59.7)	(110.6)	(2.7)	16.1	(0.8)	9.2	(63.2)	(100.8)	(22.1)
Others*6	(41.5)	(61.5)	(55.7)	(42.1)	(24.9)	(15.6)	3.2	16.9	1.0	(3.1)

*4 Sum of MUN and ACOM on a consolidated basis

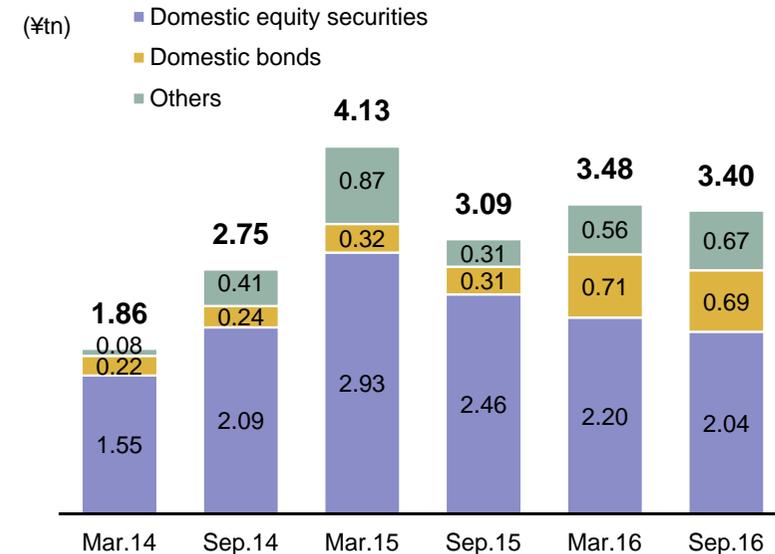
*5 Sum of overseas subsidiaries and affiliated companies of BTMU and MUTB

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

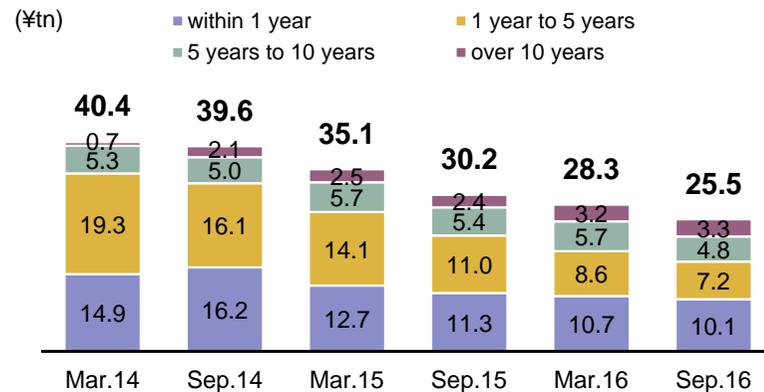
Available-for-sale securities with fair value

	Balance		Unrealized gains (losses)	
	Sep.16	Changes from Mar.16	Sep.16	Changes from Mar.16
1 Total	60,761.7	(4,756.7)	3,409.0	(76.2)
2 Domestic equity securities	4,624.9	(248.2)	2,042.5	(162.8)
3 Domestic bonds	28,055.1	(2,267.3)	695.1	(23.1)
4 Japanese government bonds	24,414.8	(2,841.1)	612.0	(19.8)
5 Others	28,081.6	(2,241.0)	671.3	109.6
6 Foreign equity securities	144.5	(4.5)	17.6	(6.1)
7 Foreign bonds	24,709.6	(1,940.8)	617.6	106.6
8 Others	3,227.5	(295.7)	36.0	9.2

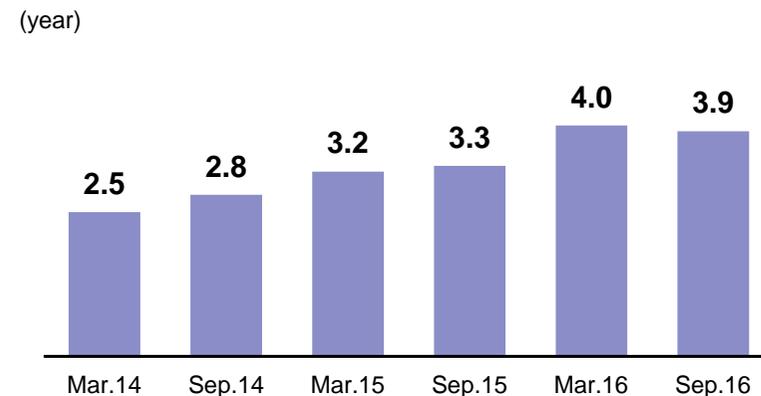
Unrealized gains (losses) on available-for-sale securities



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.

Total capital

- Total capital decreased by ¥517.4bn from the end of March 2016 mainly due to decreases in foreign currency translation adjustments and redemption of preferred securities and subordinated debt, despite an increase in retained earnings.
- Common Equity Tier 1 capital decreased by ¥200.4bn from the end of March 2016.

Risk weighted assets (RWA)

- RWA decreased by ¥6,858.1bn primarily due to a decrease in credit risk mainly attributed to the appreciation of JPY against the other currencies.

Common Equity Tier 1 capital ratio

Full implementation*¹ basis : 12.5%

Excluding impact of net unrealized gains (losses) on available-for-sale securities : 10.1%

Leverage ratio

Transitional basis : 4.74%

(¥bn)	Mar.16	Sep.16	Changes from Mar.16
1 Common Equity Tier 1 capital ratio	11.63%	12.20%	0.56%
2 Tier 1 capital ratio	13.24%	13.50%	0.26%
3 Total capital ratio	16.01%	16.56%	0.55%
4 Common Equity Tier 1 capital	13,039.8	12,839.4	(200.4)
5 Retained earnings	8,587.5	8,965.0	377.4
6 Other comprehensive income	2,161.2	1,695.6	(465.6)
7 Regulatory adjustments	(1,100.4)	(1,094.0)	6.4
8 Additional Tier 1 capital	1,799.4	1,366.0	(433.3)
9 Preferred securities and subordinated debt	1,544.5	1,387.5	(156.9)
10 Foreign currency translation adjustments	316.5	3.6	(312.9)
11 Tier 1 capital	14,839.2	14,205.5	(633.7)
12 Tier 2 capital	3,102.5	3,218.8	116.3
13 Subordinated debt	2,060.5	2,197.9	137.3
14 Amounts equivalent to 45% of unrealized gains on available-for-sale securities	633.8	621.9	(11.8)
15 Total capital (Tier 1 + Tier 2)	17,941.8	17,424.3	(517.4)
16 Risk weighted assets	112,064.3	105,206.2	(6,858.1)
17 Credit risk	95,372.3	88,299.2	(7,073.0)
18 Market risk	2,198.7	1,898.9	(299.7)
19 Operational risk	6,581.1	6,934.2	353.1
20 Transitional floor	7,912.1	8,073.7	161.5

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

FY2016 targets

【Consolidated/Stand-alone】

- FY16 consolidated profits attributable to owners of parent target is ¥850.0bn.
(unchanged from initial target)

(¥bn)

〈Consolidated〉	FY 2015		FY 2016		
	Interim (results)	Full Year (results)	Interim (results)	Full Year	Change from original number stated at the beginning of FY
1 Total credit costs	(31.0)	(255.1)	(57.6)	(150.0)	60.0
2 Ordinary profits	969.9	1,539.4	794.8	1,320.0	-
3 Profits attributable to owners of parent	599.3	951.4	490.5	850.0	-

〈The Bank of Tokyo-Mitsubishi UFJ, Ltd (non-consolidated)〉

4 Net operating profits before provision for general allowance for credit losses	480.4	888.1	417.0	700.0	30.0
5 Total credit costs	21.2	(103.4)	(4.7)	(30.0)	10.0
6 Ordinary profits	538.3	863.7	410.2	670.0	70.0
7 Net income	379.6	586.0	323.0	490.0	60.0

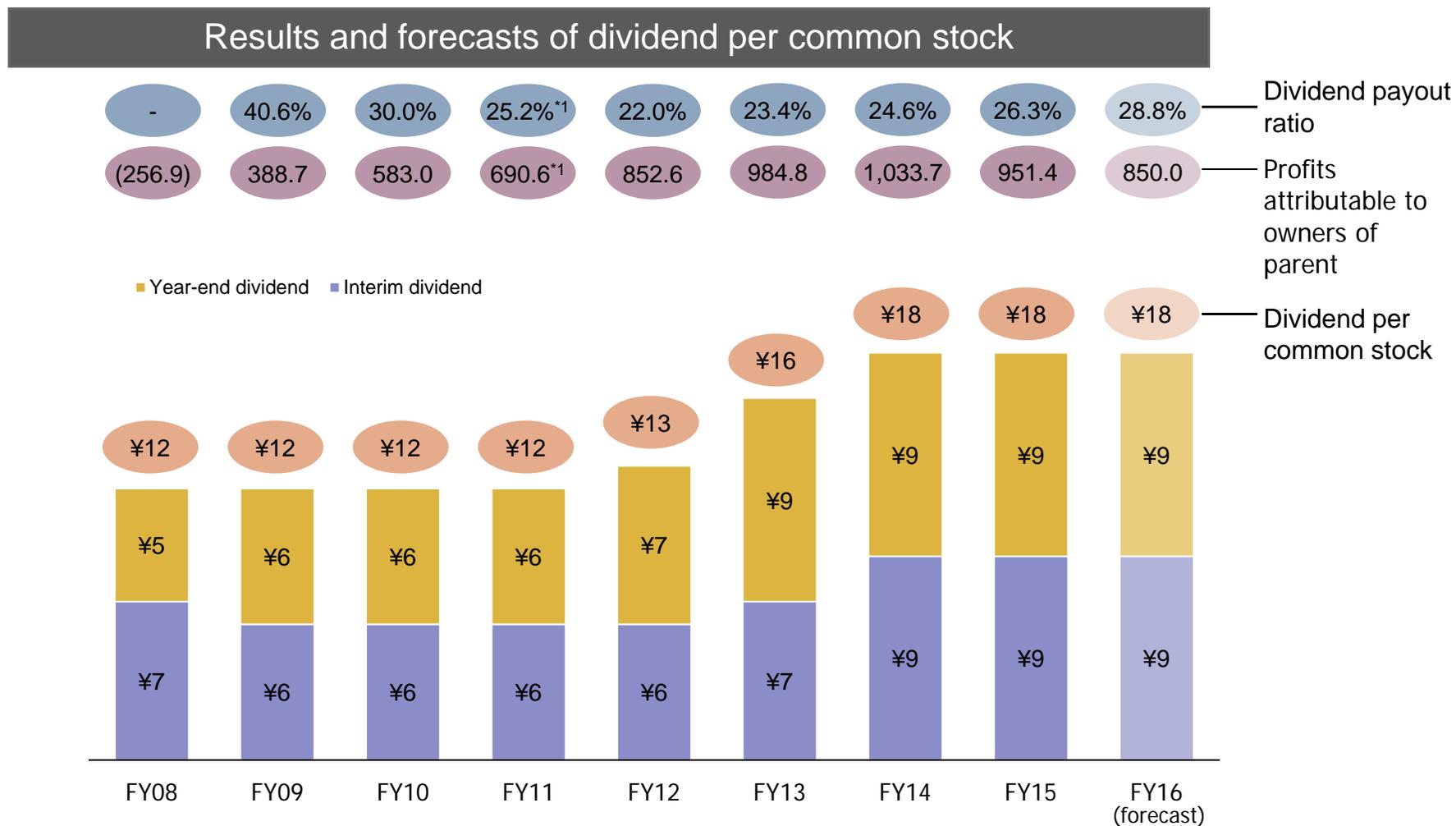
〈Mitsubishi UFJ Trust and Banking Corporation (non-consolidated)〉

8 Net operating profits before credit costs for trust accounts and provision for general allowance for credit losses	95.6	193.0	92.7	170.0	-
9 Total credit costs	1.3	(0.2)	1.7	(5.0)	5.0
10 Ordinary profits	99.5	206.5	105.5	180.0	15.0
11 Net income	70.3	159.9	75.7	130.0	10.0

Dividend forecast

【Consolidated】

- Plan to pay interim-dividend of ¥9.00 per common stock, and keep our dividend forecast of ¥18.00 per common stock for the fiscal year ending March 31, 2017.



*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

- Resolved to repurchase own shares in order to enhance shareholder returns, improve capital efficiency and conduct capital management flexibly.

Outline of repurchase of own shares

Type of shares to be repurchased	Ordinary shares of MUFG
Aggregate number of shares to be repurchased	Up to 230 million shares (Equivalent to 1.69% of the total number of issued shares (excluding own shares))
Aggregate amount of repurchase price	Up to ¥100.0 billion
Repurchase period	From November 15, 2016 to December 31, 2016

(Reference) Own shares held by MUFG as of October 31, 2016
Total number of issued shares (excluding own shares) : 13,604,556,568 shares
Number of own shares : 564,297,252 shares