

Financial Highlights under Japanese GAAP
for 3rd Quarter of Fiscal Year
Ending March 31, 2017

February 3, 2017

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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Income statement summary

(For the nine-month period ended December 31, 2016)

【Consolidated】

Net operating profits

- Gross profits decreased mainly due to decreases in net interest income from domestic loans and deposits, fee income from sales of investment products, and the translated JPY value by the appreciation of JPY against other currencies. Those were partially offset by increases in net interest income from overseas loans and deposits, fee relating to corporate and investment banking business in domestic and overseas and net gains on debt securities.
- Expenses decreased mainly due to the appreciation of JPY against other currencies.
- Net operating profits decreased by ¥108.3bn to ¥1,060.6bn.

Total credit costs*1

- Total credit costs decreased on a consolidated basis, while reporting net reversal on a non-consolidated basis.

Net gains (losses) on equity securities

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

Profits (losses) from investments in affiliates

- Profits from investments in Morgan Stanley decreased, partially 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 ¥65.3bn to ¥786.9bn.

Income statement (¥bn)		FY15 3Q	FY16 3Q	Changes
1	Gross profits (before credit costs for trust accounts)	3,096.5	2,927.9	(168.6)
2	Net interest income	1,596.0	1,470.2	(125.7)
3	Trust fees + Net fees and commissions	1,039.5	1,007.8	(31.6)
4	Net trading profits + Net other operating profits	461.0	449.8	(11.2)
5	Net gains (losses) on debt securities	93.5	127.6	34.1
6	G&A expenses	1,927.6	1,867.3	(60.2)
7	Net operating profits	1,168.9	1,060.6	(108.3)
8	Total credit costs*1	(59.1)	(50.9)	8.1
9	Net gains (losses) on equity securities	63.6	96.1	32.5
10	Net gains (losses) on sales of equity securities	72.3	98.1	25.7
11	Losses on write-down of equity securities	(8.7)	(1.9)	6.8
12	Profits (losses) from investments in affiliates	191.3	171.1	(20.1)
13	Other non-recurring gains (losses)	(24.0)	(64.8)	(40.8)
14	Ordinary profits	1,340.8	1,212.2	(128.6)
15	Net extraordinary gains (losses)	(43.5)	(59.5)	(16.0)
16	Total of income taxes-current and income taxes-deferred	(354.8)	(279.6)	75.1
17	Profits attributable to owners of parent	852.2	786.9	(65.3)
18	EPS (¥)	61.23	57.80	(3.43)
	<Reference>	FY15 3Q	FY16 3Q	Changes
19	ROE*2	9.16%	8.45%	(0.70%)
20	Expense ratio	62.2%	63.7%	1.5%
				FY17 (Targets)
				Between 8.5-9.0%
				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 Profits attributable to owners of parent × 4 ÷ 3

{(Total shareholders' equity at the beginning of the period + Foreign currency translation adjustments at the beginning of the period) + (Total shareholders' equity at the end of the period + Foreign currency translation adjustments at the end of the period)} ÷ 2 × 100

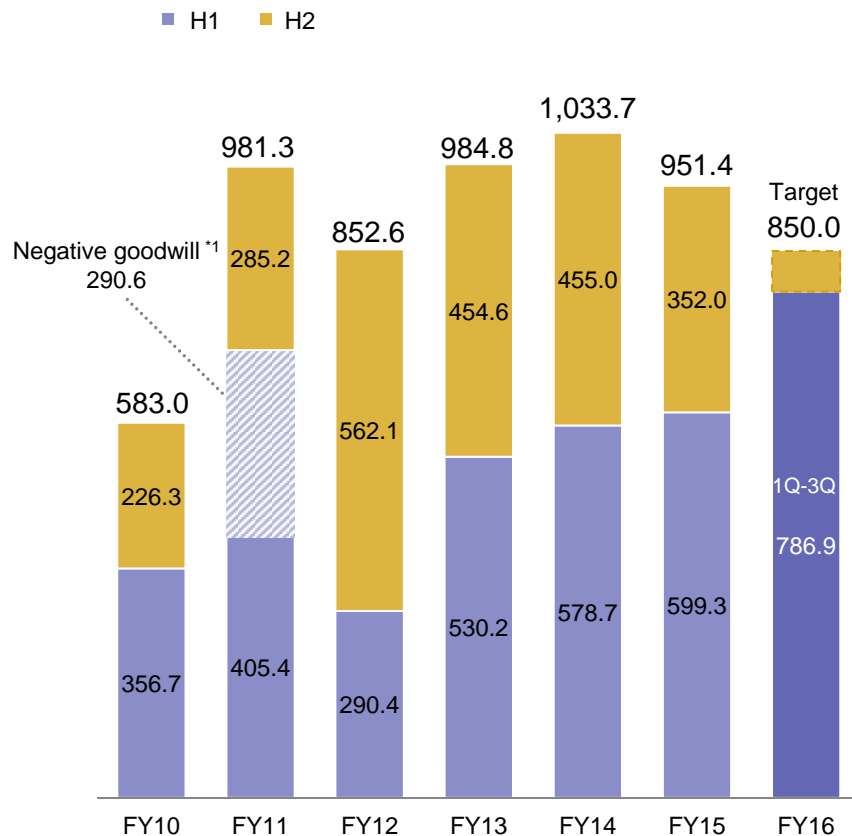
Outline of profits attributable to owners of parent

【Consolidated】

- Profits attributable to owners of parent for the nine months ended December 31, 2016 were ¥786.9bn, or 92.5% of the FY16 target.

History of profits attributable to owners of parent

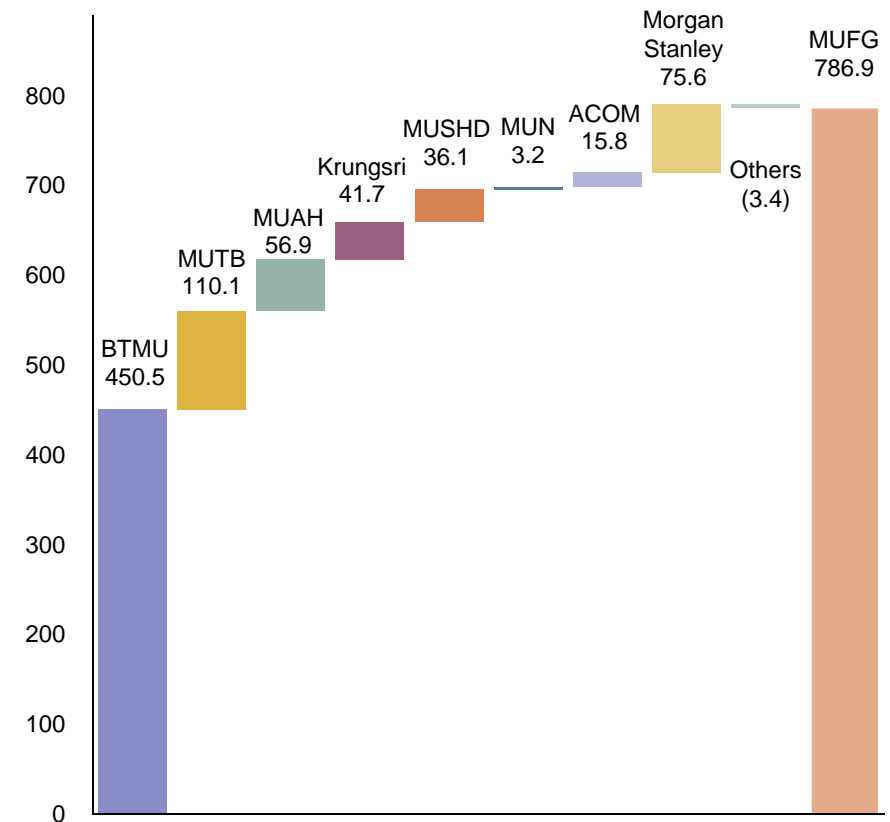
(¥bn)



*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

Loans (Banking + Trust accounts)

- Increased from the end of September 2016 mainly due to increases in domestic corporate loans and overseas loans, as well as the depreciation of JPY against other currencies.

Investment securities

- Decreased mainly due to decreases in foreign bonds and Japanese government bonds.

Deposits

- Increased from the end of September 2016 mainly due to increases in domestic individual deposits, as well as overseas and others deposits reflecting the depreciation of JPY against other currencies.

Non performing loans (“NPLs”)

- Declined due to a decrease in non performing loans and an increase in total loans.

Net unrealized gains on available-for-sale securities

- Net unrealized gains on available-for-sale securities decreased from the end of September 2016 mainly due to decreases in those of foreign bonds and Japanese government bonds, while those of domestic equities increased.

Balance sheet (¥bn)		Dec.16	Changes from Sep.16
1	Total assets	302,056.4	8,379.2
2	Loans (Banking + Trust accounts)	109,052.8	4,035.0
3	Loans (Banking accounts)	108,862.0	4,017.2
4	Housing loans ^{*1}	15,623.0	(14.8)
5	Domestic corporate loans ^{**2}	44,619.0	1,214.6
6	Overseas loans ^{*3}	42,430.1	3,434.9
7	Investment securities (Banking accounts)	57,513.5	(7,394.8)
8	Domestic equity securities	6,050.1	724.3
9	Japanese government bonds	21,597.4	(3,918.3)
10	Foreign bonds	21,227.1	(4,545.6)
11	Total liabilities	285,858.1	8,682.5
12	Deposits	166,429.8	4,804.7
13	Individual deposits (Domestic branches)	73,286.9	2,018.6
14	Total net assets	16,198.3	(303.2)
15	FRL disclosed loans ^{**4}	1,166.0	(47.4)
16	NPL ratio ^{*1}	1.07%	(0.10%)
17	Net unrealized gains (losses) on available-for-sale securities	3,194.5	(214.4)

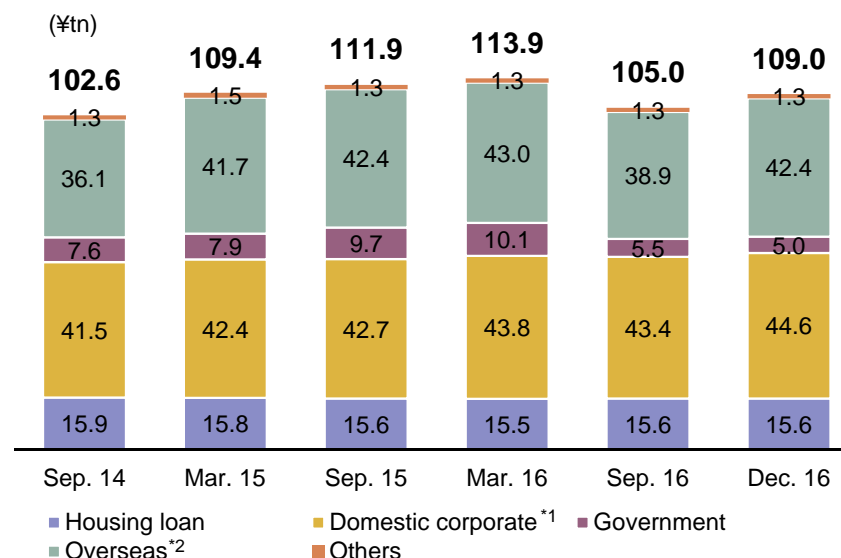
*1 Non-consolidated + trust accounts *2 Excluding loans to government and governmental institutions
 *3 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Malaysia) and MUFG Bank (Europe)
 *4 FRL = the Financial Reconstruction Law

Loan balance ¥109.0tn
(increased ¥4.0tn from the end of September 2016)

<Changes from September 2016 >

- Housing loan (¥0.0tn)
- Domestic corporate^{*1} +¥1.2tn
Excluding impact of foreign exchange fluctuation +¥0.2tn
- Government (¥0.5tn)
- Overseas^{*2} +¥3.4tn
Excluding impact of foreign exchange fluctuation +¥0.3tn

【Loans (Period end balance)^{*3}】



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

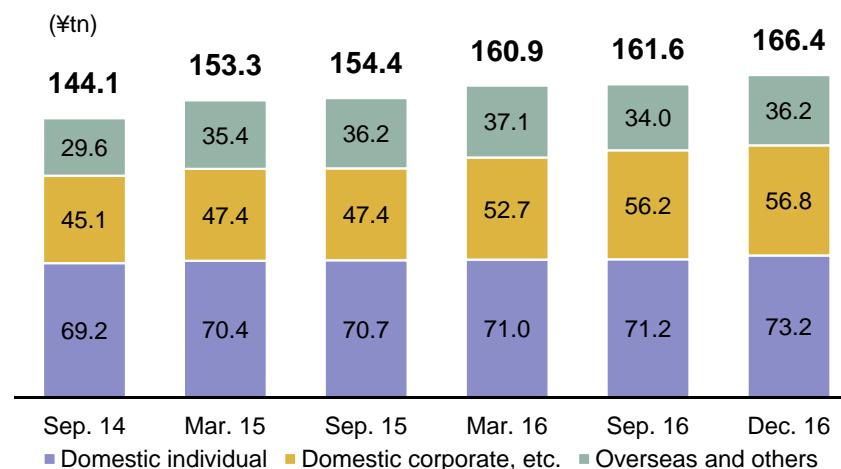
*2 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Malaysia) and MUFG Bank (Europe) *3 Sum of banking and trust accounts

Deposit balance ¥166.4tn
(increased ¥4.8tn from the end of September 2016)

<Changes from September 2016 >

- Domestic individual +¥2.0tn
- Domestic corporate, etc. +¥0.5tn
- Overseas and others +¥2.2tn
Excluding impact of foreign exchange fluctuation +¥0.0tn

【Deposits (Period end balance)】

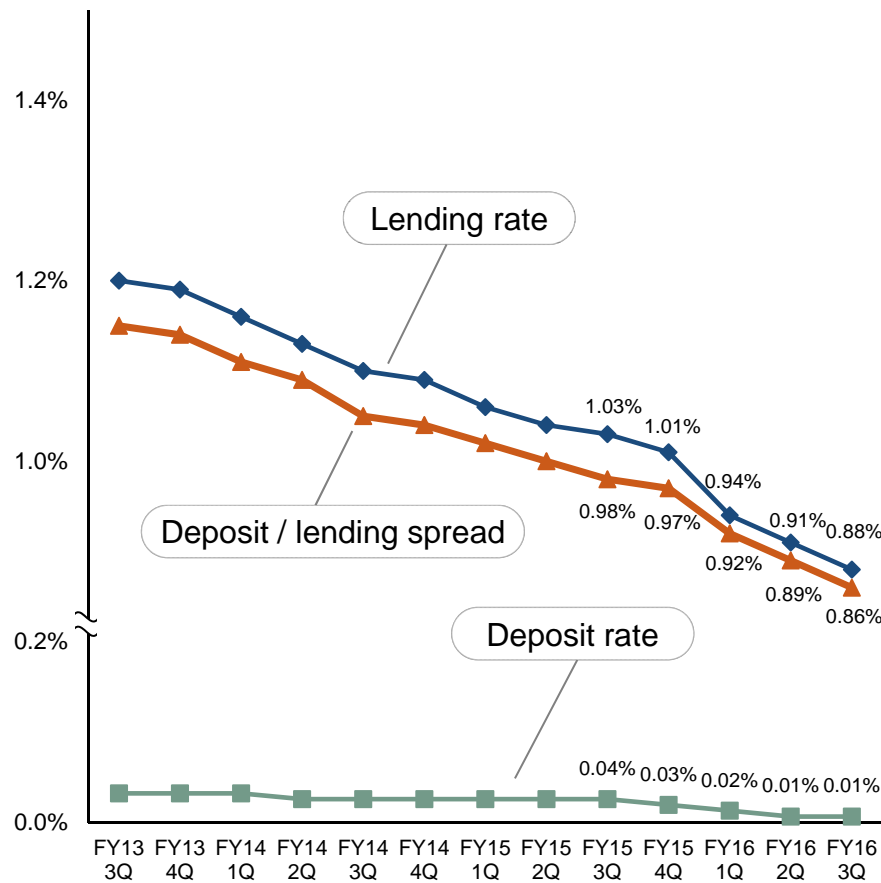


Domestic deposit / lending rates

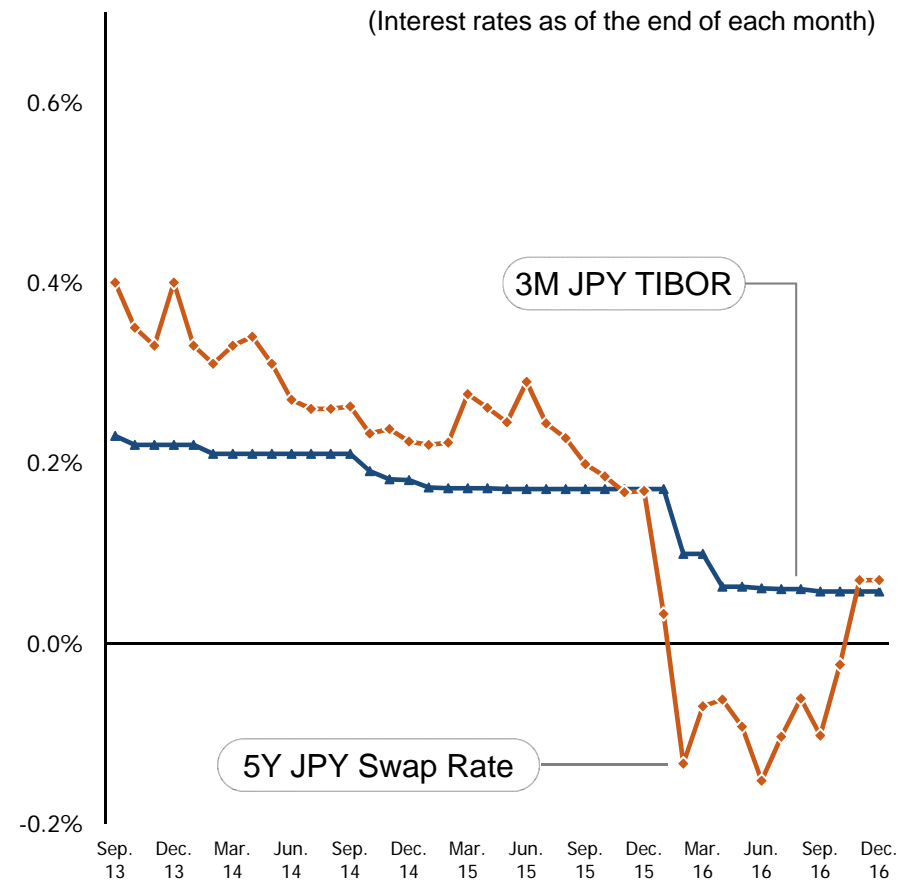
【Non-consolidated】

- Domestic deposit / lending spread excluding loans to government in FY16 3Q decreased by 0.02 percentage points from FY16 2Q due to a decline in lending rates, mainly reflecting lower market interest rates.

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



(Reference) Market interest rates



(Source : Bloomberg)

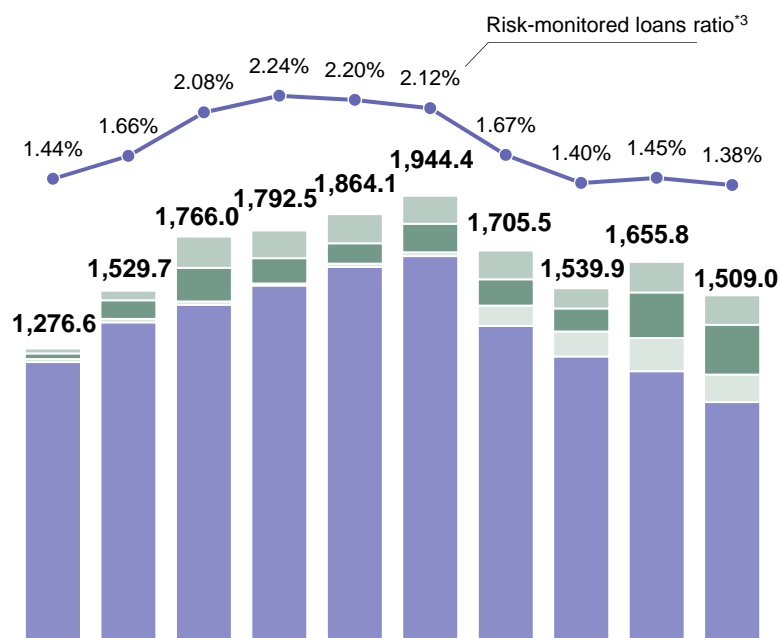
Loan assets

[Consolidated]

- Risk-monitored loans ratio decreased by 0.06 percentage points from the end of March 2016 to 1.38%.
- Total credit costs were ¥50.9bn on a consolidated basis. Net reversal on a non-consolidated basis was ¥25.8bn.

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	Dec. 16
EMEA*2	21.2	42.6	136.3	121.2	127.2	122.0	126.3	88.2	133.9	128.5
Americas*2	24.8	81.2	147.3	110.3	89.2	125.0	114.9	100.7	199.4	217.6
Asia	13.1	15.4	14.4	9.4	14.4	17.0	89.0	108.8	145.3	120.7
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	1,042.2

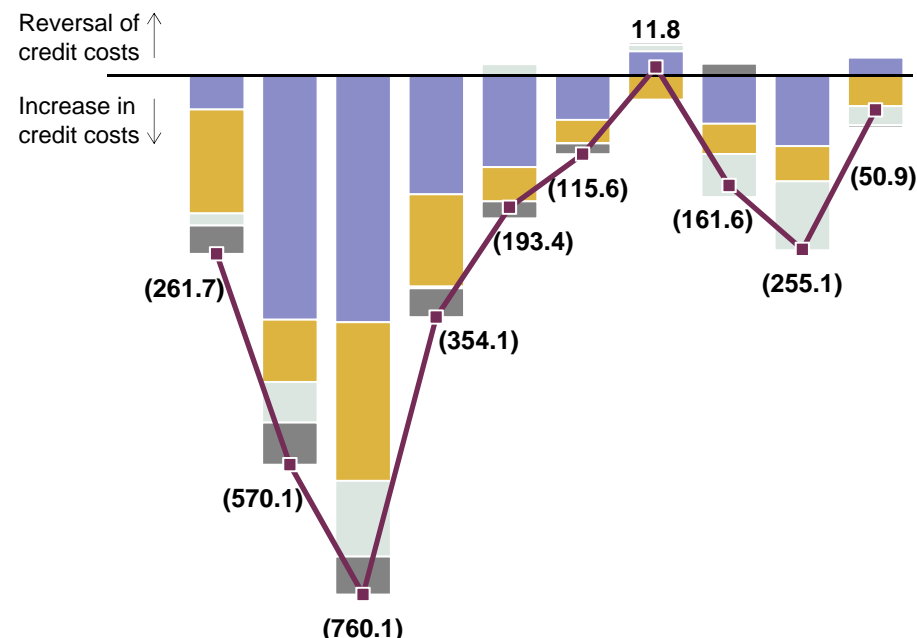
*1 Risk-monitored loans based on Banking Act. Regions are based on the borrowers' location.

*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 3Q
Non-Consolidated	(50.1)	(357.8)	(361.6)	(174.2)	(134.5)	(65.3)	35.1	(71.1)	(103.7)	25.8
CF*4	(152.1)	(91.0)	(232.2)	(135.0)	(50.1)	(33.7)	(35.7)	(44.1)	(51.6)	(45.2)
Overseas*5	(17.8)	(59.7)	(110.6)	(2.7)	16.1	(0.8)	9.2	(63.2)	(100.8)	(27.8)
Others*6	(41.5)	(61.5)	(55.7)	(42.1)	(24.9)	(15.6)	3.2	16.9	1.0	(3.7)

*4 Sum of MUN and ACOM on a consolidated basis

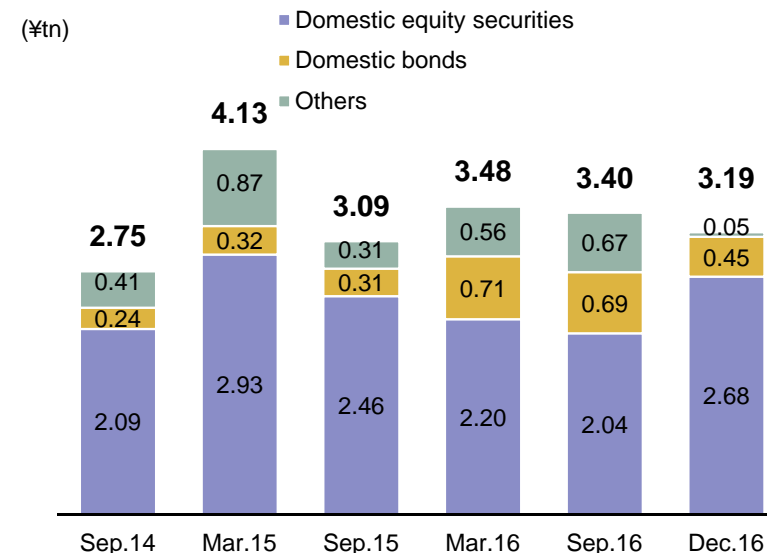
*5 Sum of overseas subsidiaries and affiliated companies of BTMU and MUTB

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

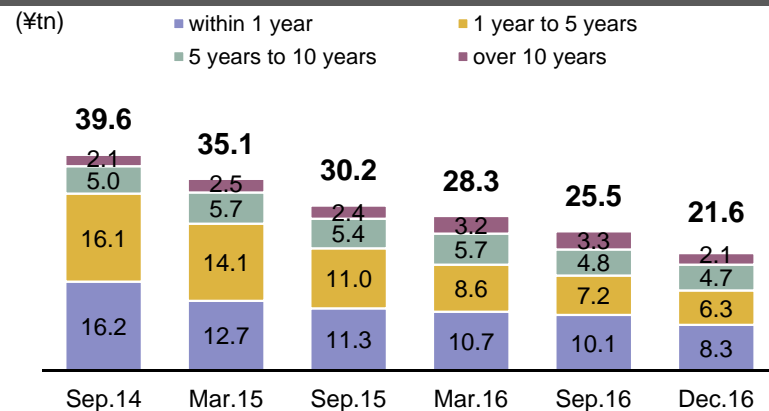
Available-for-sale securities with fair value

	Balance		Unrealized gains (losses)	
	Dec.16	Changes from Sep.16	Dec.16	Changes from Sep.16
1 Total	53,241.6	(7,520.0)	3,194.5	(214.4)
2 Domestic equity securities	5,241.6	616.6	2,682.8	640.2
3 Domestic bonds	24,138.7	(3,916.3)	452.9	(242.2)
4 Japanese government bonds	20,496.4	(3,918.3)	399.5	(212.5)
5 Others	23,861.2	(4,220.3)	58.7	(612.5)
6 Foreign equity securities	162.2	17.6	30.2	12.6
7 Foreign bonds	20,169.1	(4,540.5)	(26.3)	(644.0)
8 Others	3,529.9	302.4	54.9	18.8

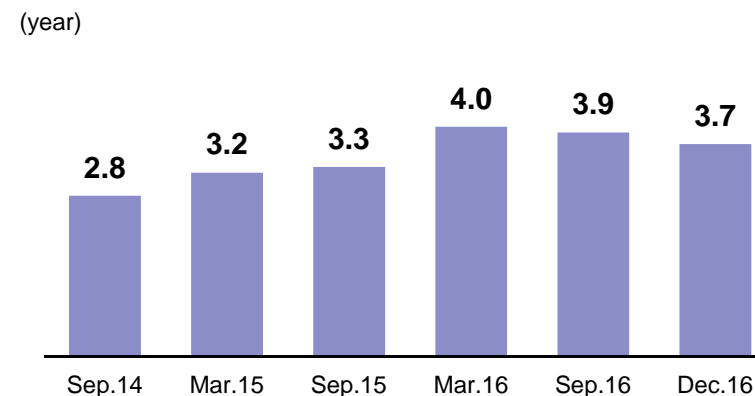
Unrealized gains (losses) on available-for-sale securities



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.