

Financial Highlights under Japanese GAAP
for 1st Quarter of Fiscal Year
Ending March 31, 2018

August 1, 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 three-month period ended June 30, 2017)

【Consolidated】

Net operating profits

- Gross profits almost unchanged. While net interest income decreased mainly due to a decrease in net interest income from domestic loans and deposits as well as from bond portfolio, net trading profits and net other operating profits increased.
- G&A expenses increased, reflecting higher expenses in overseas, in addition to the depreciation of JPY against other currencies.
- Net operating profits decreased by ¥5.1bn from FY16 1Q to ¥349.0bn.

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 mainly driven by a progress in sales of equity holdings, as well as a decrease in losses on write-down of equity securities.

Profits (losses) from investments in affiliates

- Profits from investments in Morgan Stanley increased, as well as profits from other affiliates increased.

Profits attributable to owners of parent

- As a result, profits attributable to owners of parent increased by ¥100.1bn from FY16 1Q to ¥289.0bn.

Income statement (¥bn)		FY16 1Q	FY17 1Q	Changes
1	Gross profits (before credit costs for trust accounts)	997.6	1,004.3	6.6
2	Net interest income	502.0	462.5	(39.5)
3	Trust fees + Net fees and commissions	327.9	327.6	(0.3)
4	Net trading profits + Net other operating profits	167.5	214.1	46.5
5	Net gains (losses) on debt securities	72.4	91.2	18.7
6	G&A expenses	643.3	655.2	11.8
7	Net operating profits	354.2	349.0	(5.1)
8	Total credit costs	(55.5)	(20.0)	35.4
9	Net gains (losses) on equity securities	1.7	24.2	22.5
10	Net gains (losses) on sales of equity securities	18.1	27.6	9.5
11	Losses on write-down of equity securities	(16.4)	(3.3)	13.0
12	Profits (losses) from investments in affiliates	61.1	68.0	6.9
13	Other non-recurring gains (losses)	(20.7)	(23.8)	(3.0)
14	Ordinary profits	340.8	397.4	56.6
15	Net extraordinary gains (losses)	(54.9)	(20.9)	33.9
16	Total of income taxes-current and income taxes-deferred	(60.7)	(62.3)	(1.6)
17	Profits attributable to owners of parent	188.9	289.0	100.1
18	EPS (□)	13.77	21.59	7.82
	(Reference)	FY16 1Q	FY17 1Q	Changes
19	ROE*2	6.06%	9.00%	2.94%
20	Expense ratio	64.4%	65.2%	0.7%
				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

{(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

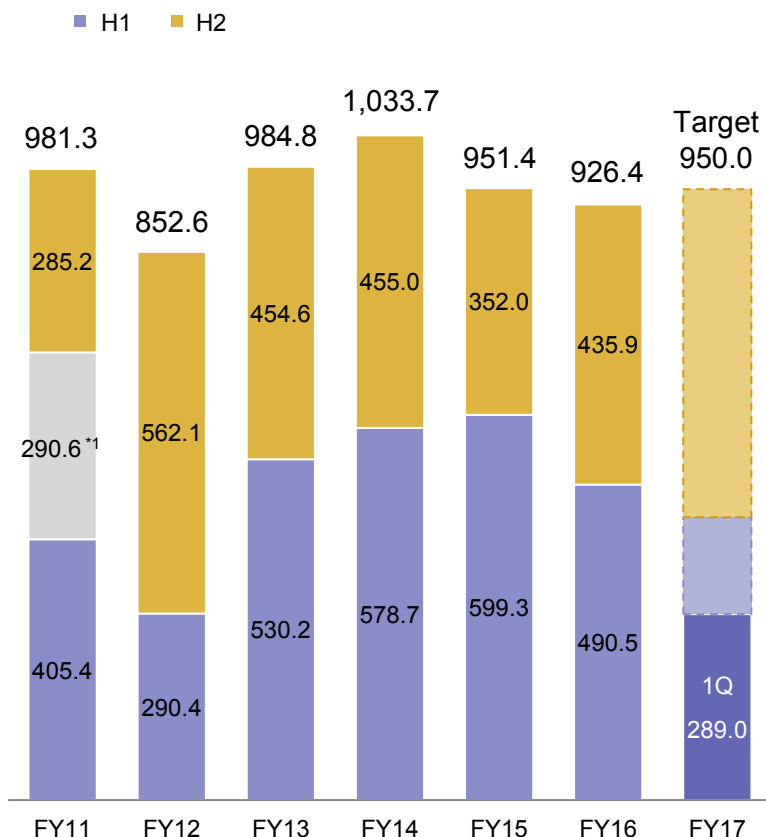
Outline of profits attributable to owners of parent

【Consolidated】

- Profits attributable to owners of parent for the three months ended June 30, 2017 were ¥289.0bn, attained 30.4% of the FY17 target.

History of profits attributable to owners of parent

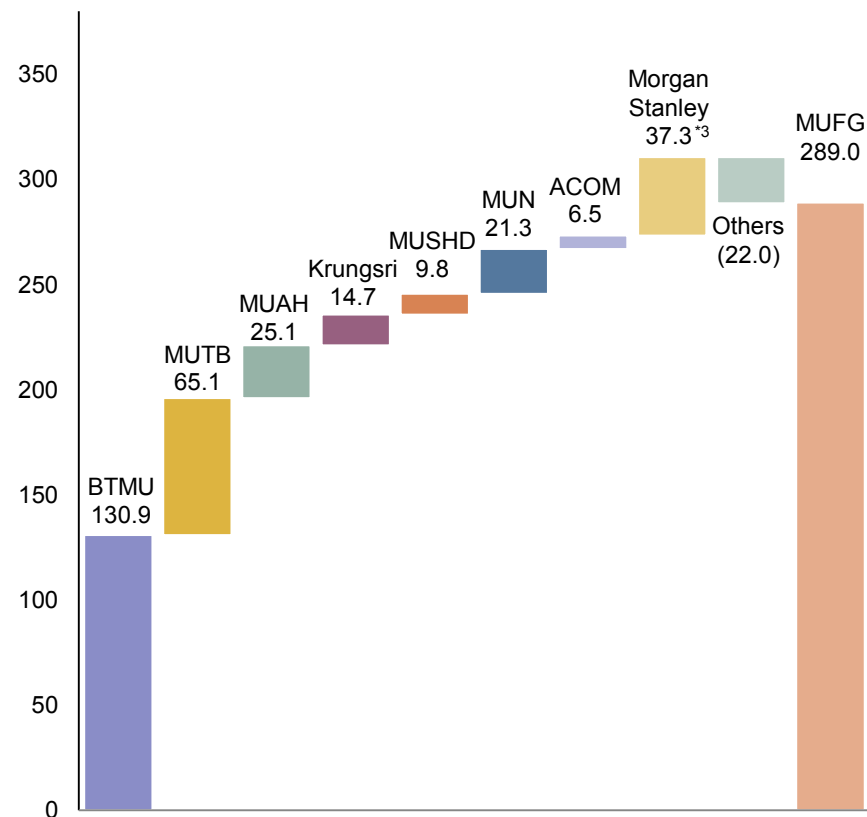
(¥bn)



*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 ¥19.5bn of losses on changes in equity

Balance sheet summary

【Consolidated】

Loans (Banking + Trust accounts)

- Decreased from the end of March 2017 mainly due to decreases in loans to domestic corporate and governmental institutions.

Investment securities

- Decreased from the end of March 2017 mainly due to a decrease in Japanese government bonds, partially offset by an increase in foreign bonds.

Deposits

- Increased mainly due to an increase in individual deposits as well as overseas deposits.

Non performing loans (“NPLs”)

- NPL ratio declined mainly due to a decrease in NPLs.

Net unrealized gains on available-for-sale securities

- Net unrealized gains on available-for-sale securities increased mainly due to an increase in those of domestic equity securities, which was partially offset by a decrease in those of Japanese government bonds.

Balance sheet (¥bn)		Jun.17	Changes from Mar.17
1	Total assets	304,221.6	924.2
2	Loans (Banking + Trust accounts)	108,710.4	(499.0)
3	Loans (Banking accounts)	108,477.3	(527.8)
4	Housing loans ^{*1}	15,617.4	(102.8)
5	Domestic corporate loans ^{*1*2}	43,929.8	(367.6)
6	Overseas loans ^{*3}	43,581.5	162.8
7	Investment securities (Banking accounts)	59,301.7	(137.1)
8	Domestic equity securities	6,228.8	247.9
9	Japanese government bonds	22,114.6	(2,996.8)
10	Foreign bonds	21,588.0	2,458.2
11	Total liabilities	287,499.8	860.8
12	Deposits	171,505.9	775.6
13	Individual deposits (Domestic branches)	74,344.0	1,250.7
14	Total net assets	16,721.7	63.3
15	FRL disclosed loans ^{*1*4}	1,129.5	(43.6)
16	NPL ratio ^{*1}	1.07%	(0.03%)
17	Net unrealized gains (losses) on available-for-sale securities	3,353.7	214.6

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

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

^{*4} FRL = the Financial Reconstruction Law

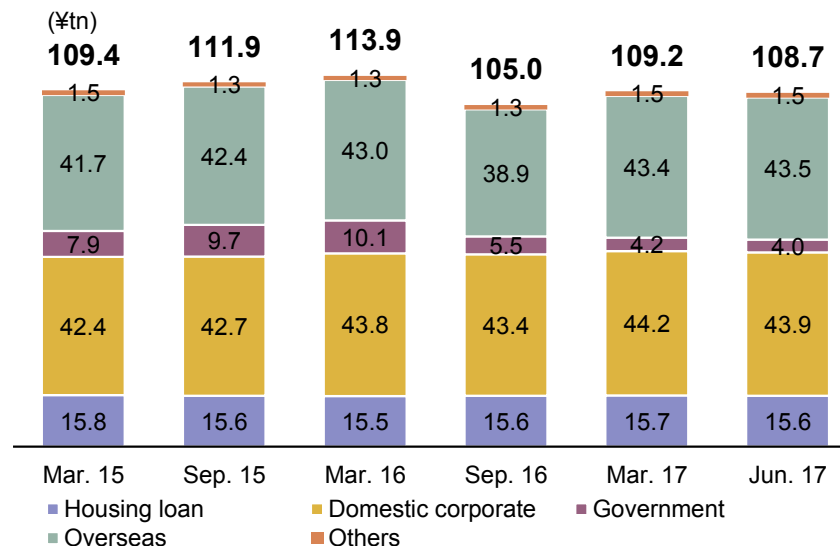
Loan balance*¹ ¥108.7tn

(decreased ¥0.4tn) from the end of March 2017)

<Changes from March 2017 >

■ Housing loan	(¥0.1tn)
■ Domestic corporate* ²	(¥0.3tn)
Excluding impact of foreign exchange fluctuation	(¥0.3tn)
■ Government	(¥0.2tn)
■ Overseas* ³	+¥0.1tn
Excluding impact of foreign exchange fluctuation	+¥0.2tn

【Loans (Period end balance)】



*1 Sum of banking and trust accounts *2 Excluding loans to government and governmental institutions, and including foreign currency denominated loans

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

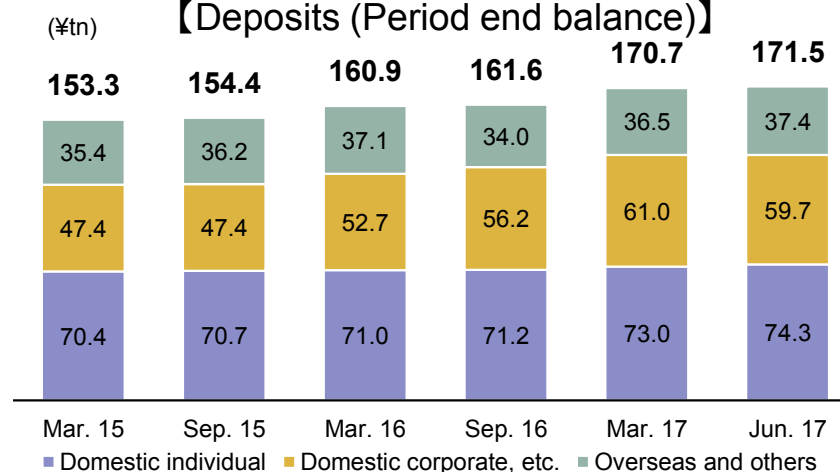
Deposit balance ¥171.5tn

(increased ¥0.7tn from the end of March 2017)

<Changes from March 2017 >

■ Domestic individual	+¥1.2tn
■ Domestic corporate, etc.	(¥1.3tn)
■ Overseas and others	+¥0.8tn
Excluding impact of foreign exchange fluctuation	+¥1.0tn

【Deposits (Period end balance)】

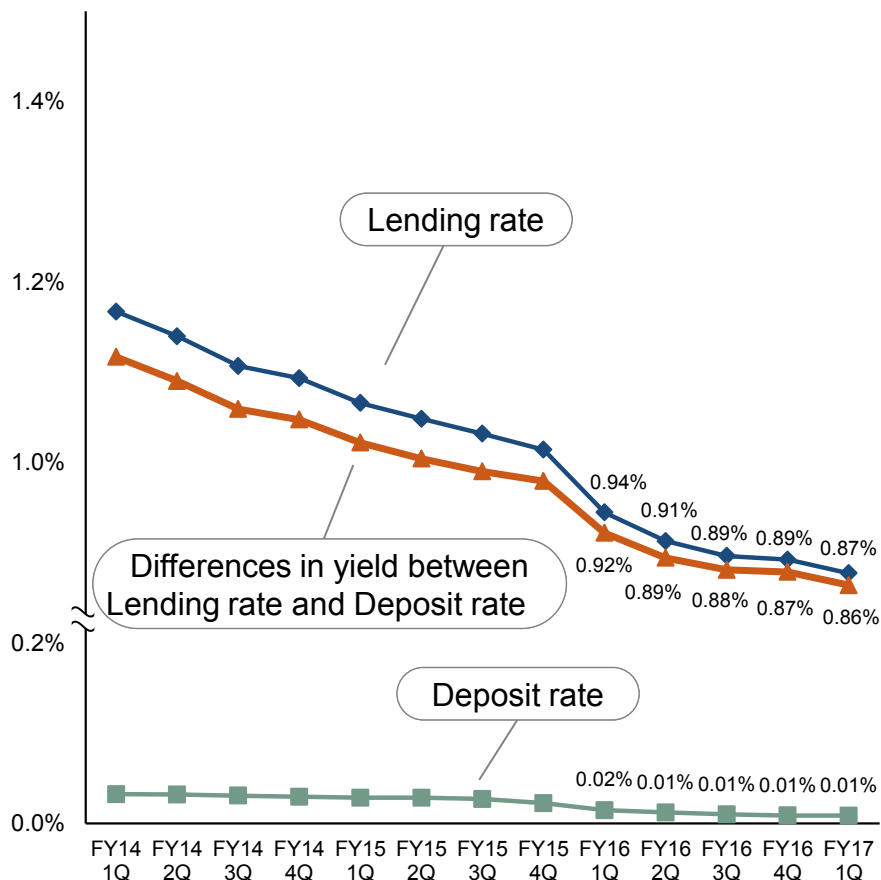


Domestic deposit / lending rates

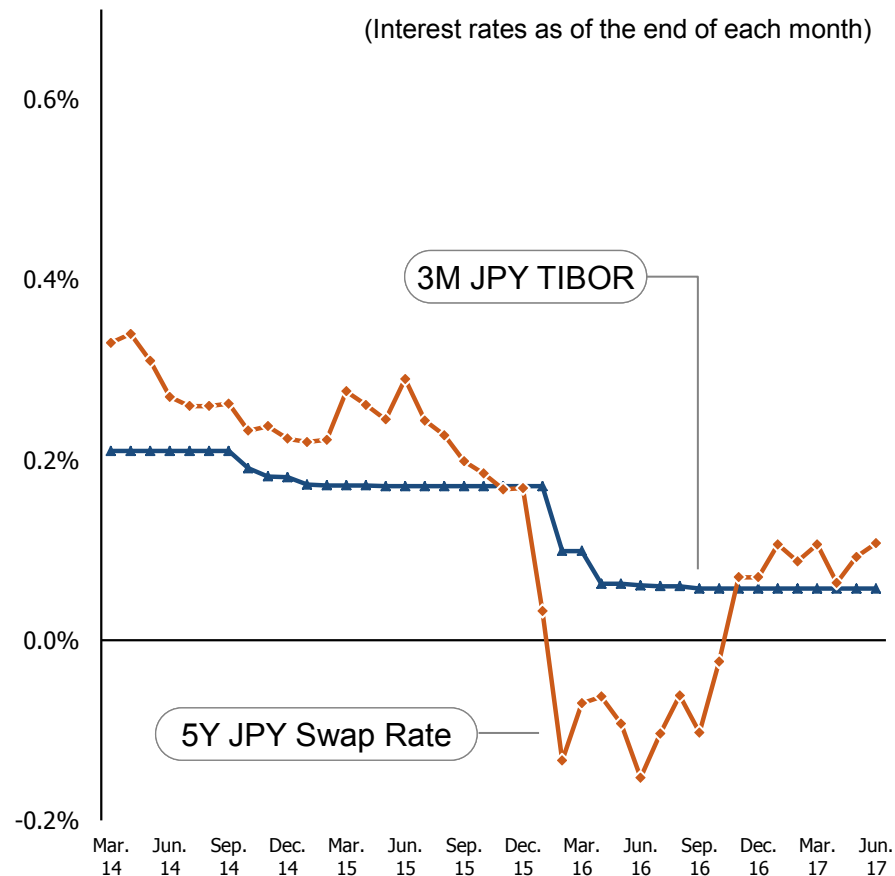
【Non-consolidated】

- Differences in yield between Lending rate and Deposit rate in Japan, excluding loans to government, in FY17 1Q decreased by 0.01 percentage point from FY16 4Q mainly due to a decline in lending rates, reflecting continued low interest rate environment in Japan.

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



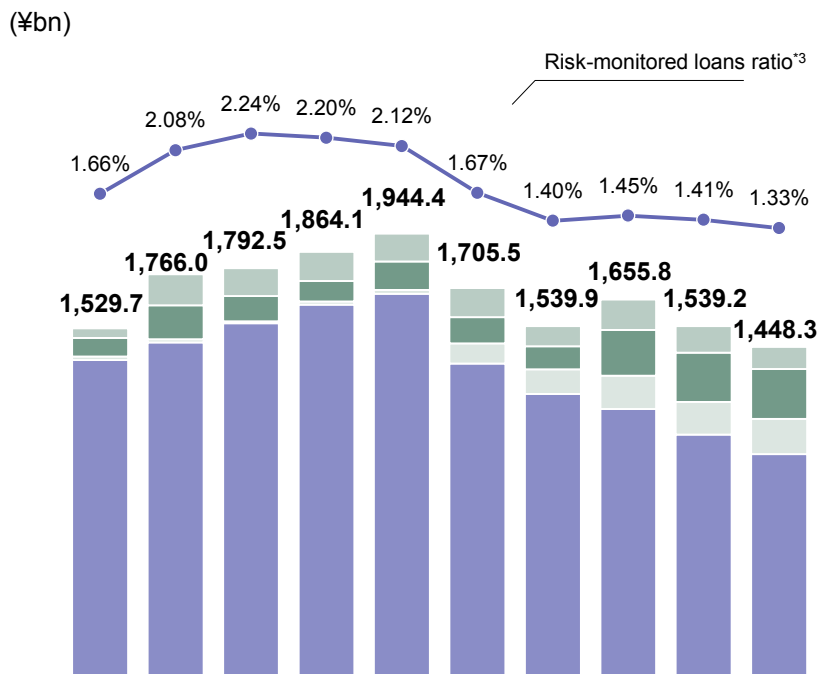
(Reference) Market interest rates



(Source : Bloomberg)

- Risk-monitored loans ratio decreased by 0.07 percentage points from the end of March 2017 to 1.33%.
- Total credit costs were ¥20.0bn on a consolidated basis. Net reversal on a non-consolidated basis was ¥13.4bn.

Balance of risk-monitored loans*1

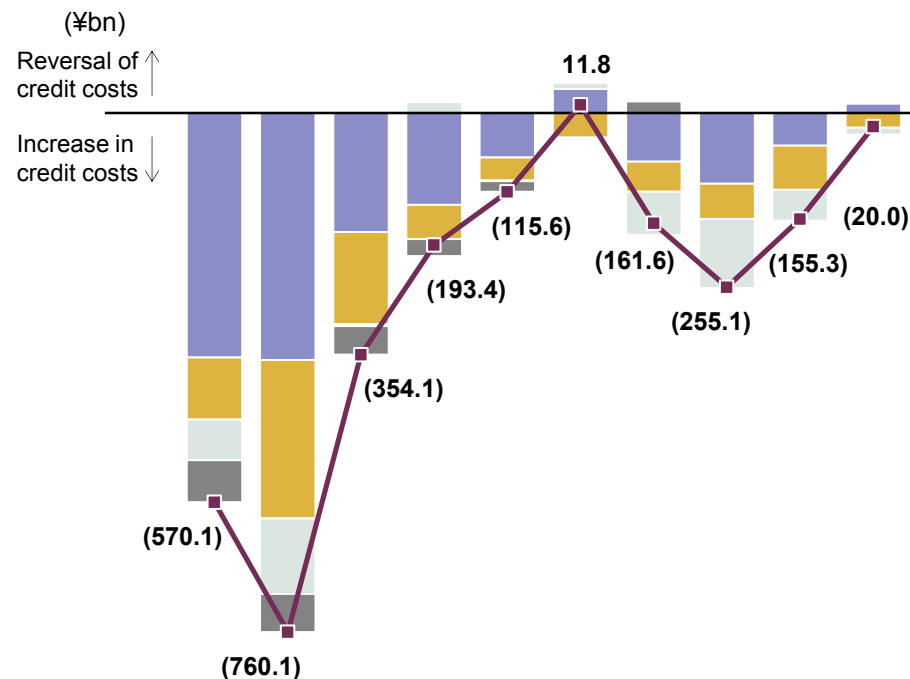


[Breakdown]

	Mar. 09	Mar. 10	Mar. 11	Mar. 12	Mar. 13	Mar. 14	Mar. 15	Mar. 16	Mar. 17	Jun. 17
EMEA*2	42.6	136.3	121.2	127.2	122.0	126.3	88.2	133.9	116.0	97.2
Americas*2	81.2	147.3	110.3	89.2	125.0	114.9	100.7	199.4	216.0	217.5
Asia	15.4	14.4	9.4	14.4	17.0	89.0	108.8	145.3	142.3	153.6
Domestic	1,390.5	1,467.9	1,551.5	1,633.2	1,680.3	1,375.2	1,242.0	1,177.1	1,064.7	979.9

*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



[Breakdown]

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17 1Q
Non-Consolidated	(357.8)	(361.6)	(174.2)	(134.5)	(65.3)	35.1	(71.1)	(103.7)	(47.9)	13.4
CF*4	(91.0)	(232.2)	(135.0)	(50.1)	(33.7)	(35.7)	(44.1)	(51.6)	(64.5)	(21.4)
Overseas*5	(59.7)	(110.6)	(2.7)	16.1	(0.8)	9.2	(63.2)	(100.8)	(45.0)	(10.7)
Others*6	(61.5)	(55.7)	(42.1)	(24.9)	(15.6)	3.2	16.9	1.0	2.1	(1.2)

*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

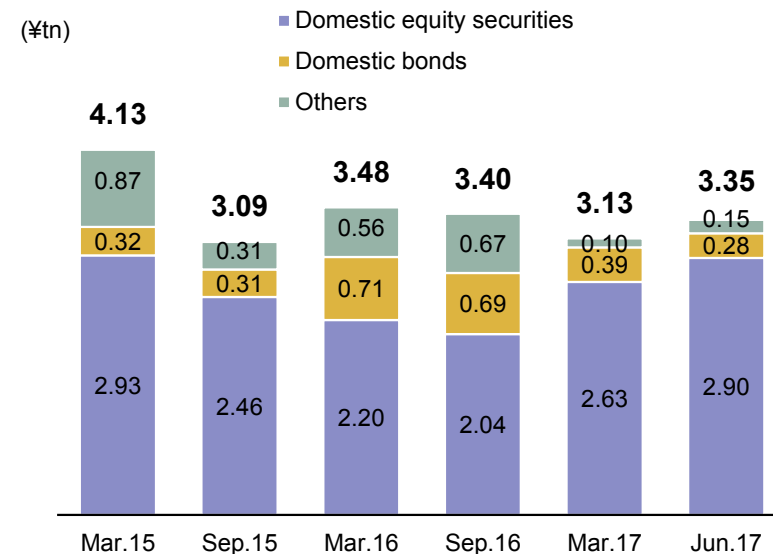
Investment securities

【Consolidated/Non-consolidated】

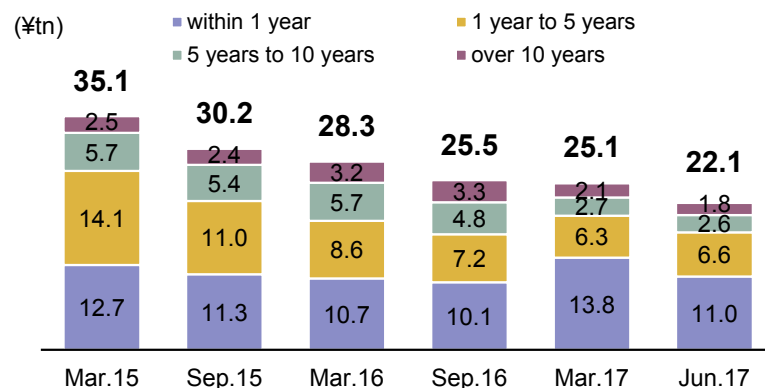
Available-for-sale securities with fair value

(¥bn)		Balance		Unrealized gains (losses)	
		Jun. 17	Changes from Mar. 17	Jun. 17	Changes from Mar. 17
1	Total	54,635.3	(177.8)	3,353.7	214.6
2	Domestic equity securities	5,401.4	236.8	2,904.4	269.2
3	Domestic bonds	24,822.4	(2,866.3)	289.6	(109.4)
4	Japanese government bonds	21,013.7	(2,996.8)	248.6	(102.4)
5	Others	24,411.3	2,451.7	159.6	54.9
6	Foreign equity securities	187.1	4.3	53.8	3.9
7	Foreign bonds	20,399.4	2,482.1	10.1	18.6
8	Others	3,824.8	(34.7)	95.6	32.2

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

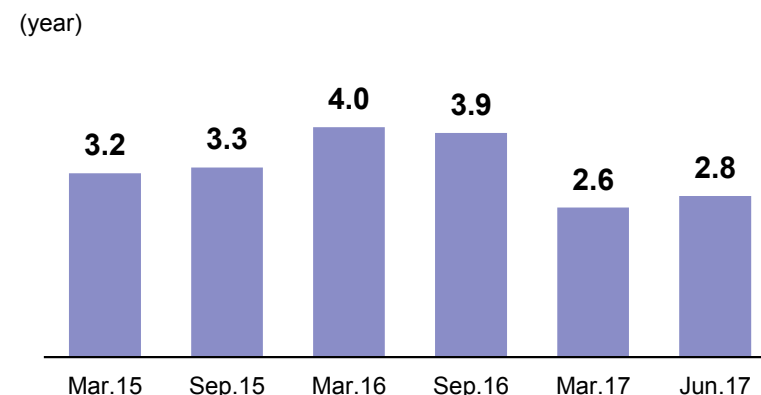


Balance of JGB portfolio by maturity*1



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

Duration of JGB portfolio*2



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