

Financial Highlights under Japanese GAAP  
for 3rd Quarter of Fiscal Year  
Ending March 31, 2018

February 2, 2018

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 nine-month period ended December 31, 2017)

【Consolidated】

## Net operating profits

- Gross profits almost unchanged. Net interest income decreased mainly due to a decrease in net interest income from domestic loans and deposits as well as from bond portfolio, and net gains on debt securities decreased. Those decreases were more than offset by increases in net interest income from overseas loans and deposits and fee relating to corporate and investment banking business, in addition to the depreciation of JPY against other currencies.
- G&A expenses increased, reflecting higher expenses in overseas, in addition to the depreciation of JPY against other currencies.
- Net operating profits decreased by ¥103.5bn from FY16 3Q to ¥957.1bn.

## Total credit costs\*1

- Total credit costs decreased on a consolidated basis, mainly due to 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.

## Profits (losses) from investments in affiliates

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

## Profits attributable to owners of parent

- As a result, profits attributable to owners of parent increased by ¥76.4bn from FY16 3Q to ¥863.4bn.

Income statement (¥bn)		FY16 3Q	FY17 3Q	Changes
1	Gross profits (before credit costs for trust accounts)	2,927.9	2,928.4	0.4
2	Net interest income	1,470.2	1,433.7	(36.5)
3	Trust fees + Net fees and commissions	1,007.8	1,061.2	53.3
4	Net trading profits + Net other operating profits	449.8	433.5	(16.2)
5	Net gains (losses) on debt securities	127.6	53.5	(74.1)
6	G&A expenses	1,867.3	1,971.3	104.0
7	Net operating profits	1,060.6	957.1	(103.5)
8	Total credit costs	(50.9)	(34.1)	16.7
9	Net gains (losses) on equity securities	96.1	134.9	38.7
10	Net gains (losses) on sales of equity securities	98.1	136.2	38.1
11	Losses on write-down of equity securities	(1.9)	(1.2)	0.6
12	Profits (losses) from investments in affiliates	171.1	202.2	31.0
13	Other non-recurring gains (losses)	(64.8)	(54.1)	10.7
14	Ordinary profits	1,212.2	1,206.0	(6.1)
15	Net extraordinary gains (losses)	(59.5)	4.7	64.3
16	Total of income taxes-current and income taxes-deferred	(279.6)	(267.9)	11.7
17	Profits attributable to owners of parent	786.9	863.4	76.4
18	EPS (¥)	57.80	64.86	7.06
	(Reference)	FY16 3Q	FY17 3Q	Changes
19	ROE*2	8.45%	8.82%	0.36%
20	Expense ratio	63.7%	67.3%	3.5%
				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

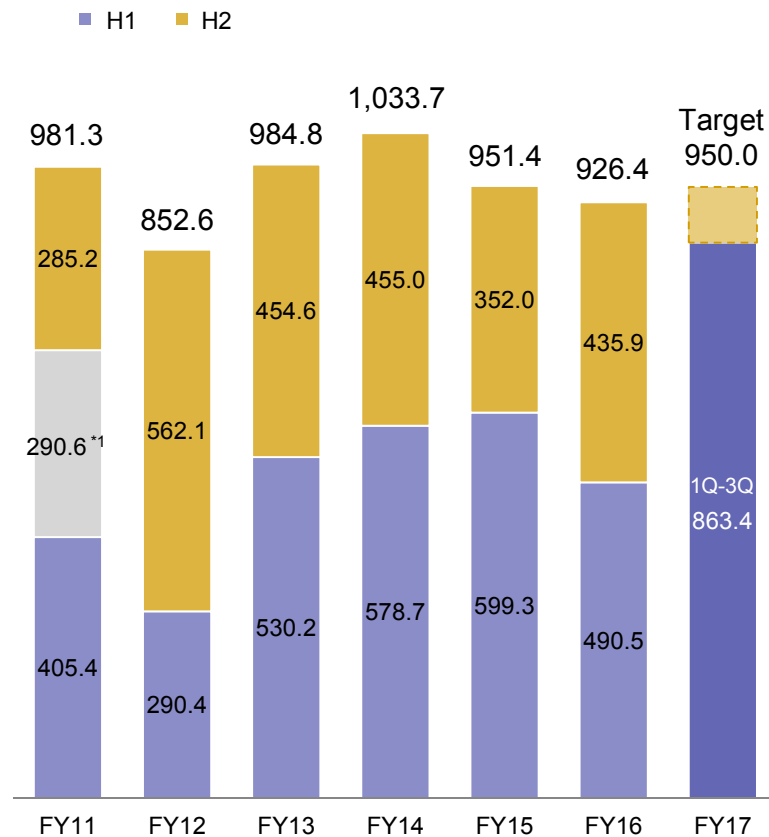
# Outline of profits attributable to owners of parent

【Consolidated】

- Profits attributable to owners of parent for the nine months ended December 31, 2017 were ¥863.4bn, attained 90.8% of the FY17 target.

## History of profits attributable to owners of parent

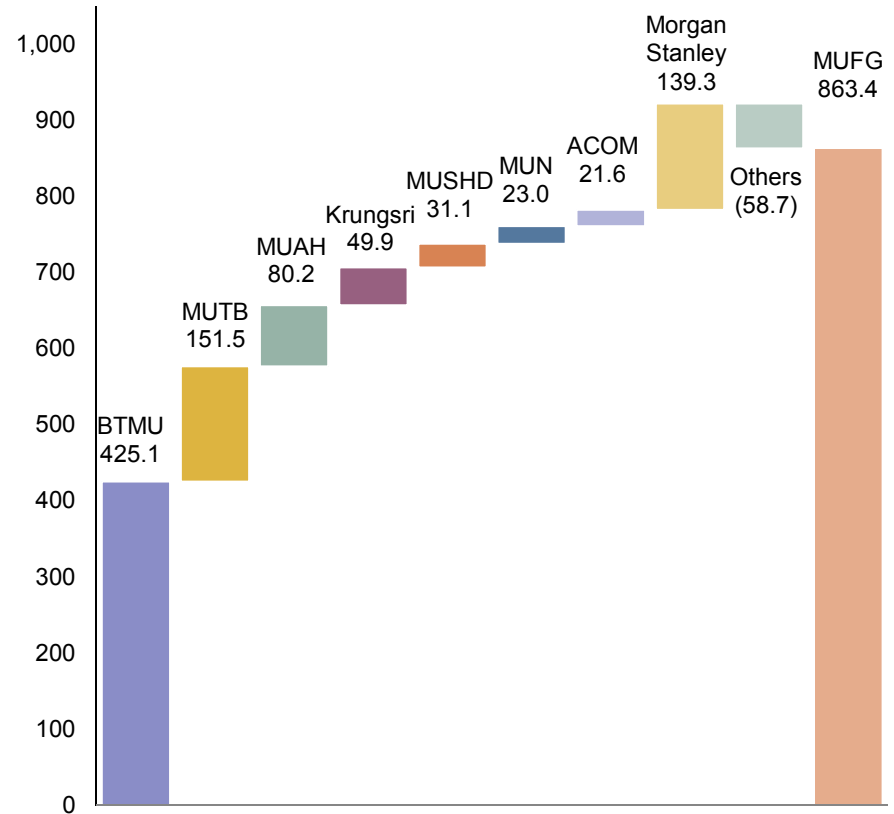
(¥bn)



\*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<sup>\*2</sup>

(¥bn)



\*2 The above figures reflect the percentage holding in each subsidiary and equity method investee

# Balance sheet summary

【Consolidated】

## Loans (Banking + Trust accounts)

- Increased from the end of March 2017 mainly due to an increase in overseas loans, as well as the depreciation of JPY against other currencies.

## Investment securities

- Increased from the end of March 2017 mainly due to an increase in foreign bonds, while Japanese government bonds decreased.

## 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 and an increase in total exposures.

## 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.

Balance sheet (¥bn)		Dec. 17	Changes from Mar. 17
1	Total assets	312,515.7	9,218.3
2	Loans (Banking + Trust accounts)	110,207.8	998.3
3	Loans (Banking accounts)	109,914.6	909.4
4	Housing loans <sup>*1</sup>	15,454.7	(265.5)
5	Domestic corporate loans <sup>*1*2</sup>	44,272.1	(25.2)
6	Overseas loans <sup>*3</sup>	45,101.7	1,683.0
7	Investment securities (Banking accounts)	60,316.8	877.9
8	Domestic equity securities	6,782.9	801.9
9	Japanese government bonds	22,675.0	(2,436.5)
10	Foreign bonds	21,015.2	1,885.4
11	Total liabilities	294,913.8	8,274.7
12	Deposits	174,759.8	4,029.6
13	Individual deposits (Domestic branches)	76,037.9	2,944.6
14	Total net assets	17,601.9	943.5
15	FRL disclosed loans <sup>*1*4</sup>	1,024.9	(148.3)
16	NPL ratio <sup>*1</sup>	0.95%	(0.15%)
17	Net unrealized gains (losses) on available-for-sale securities	4,080.7	941.6

\*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

# Loans / deposits

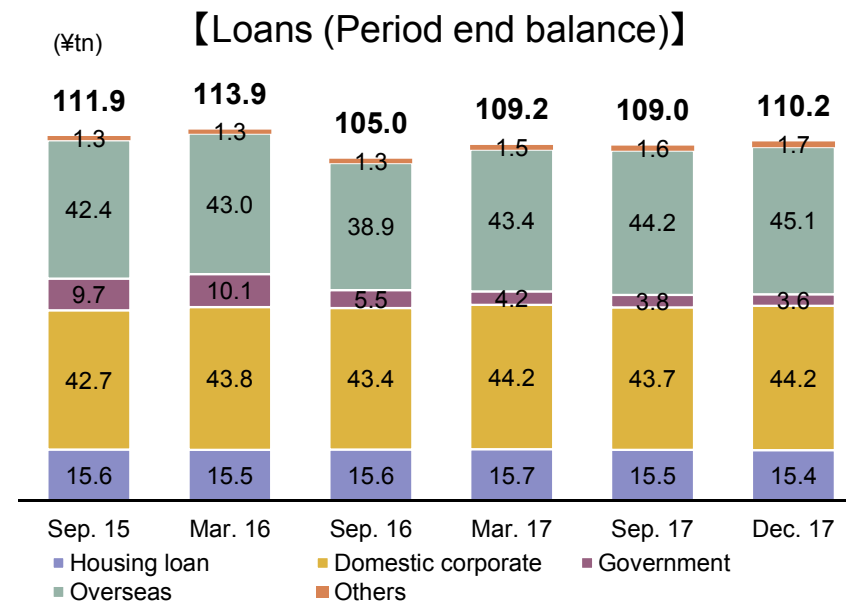
【Consolidated】

Loan balance <sup>\*1</sup> ¥110.2tn

(increased ¥0.9tn from the end of March 2017)

## <Changes from March 2017 >

■ Housing loan	(¥0.2tn)
■ Domestic corporate <sup>*2</sup>	(¥0.0tn)
Excluding impact of foreign exchange fluctuation	(¥0.1tn)
■ Government	(¥0.5tn)
■ Overseas <sup>*3</sup>	+¥1.6tn
Excluding impact of foreign exchange fluctuation	+¥0.7tn



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

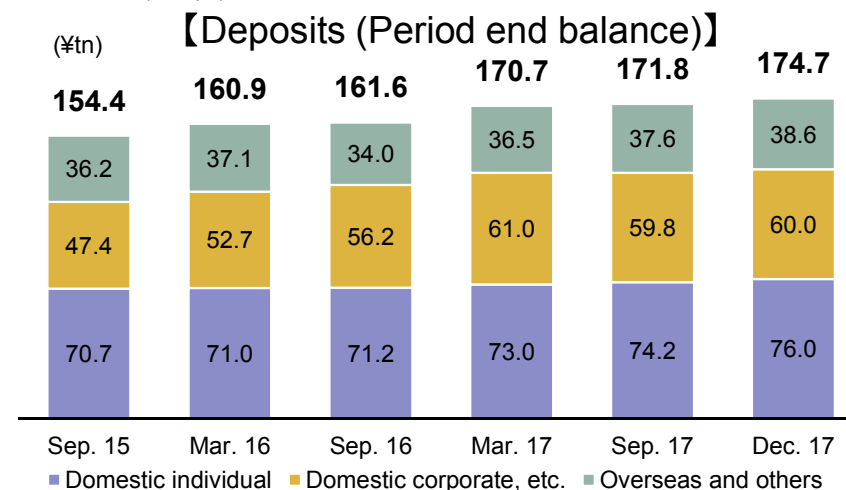
\*3 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Malaysia) and MUFG Bank (Europe)

Deposit balance ¥174.7tn

(increased ¥4.0tn from the end of March 2017)

## <Changes from March 2017 >

■ Domestic individual	+¥2.9tn
■ Domestic corporate, etc.	(¥1.0tn)
■ Overseas and others	+¥2.0tn
Excluding impact of foreign exchange fluctuation	+¥1.2tn

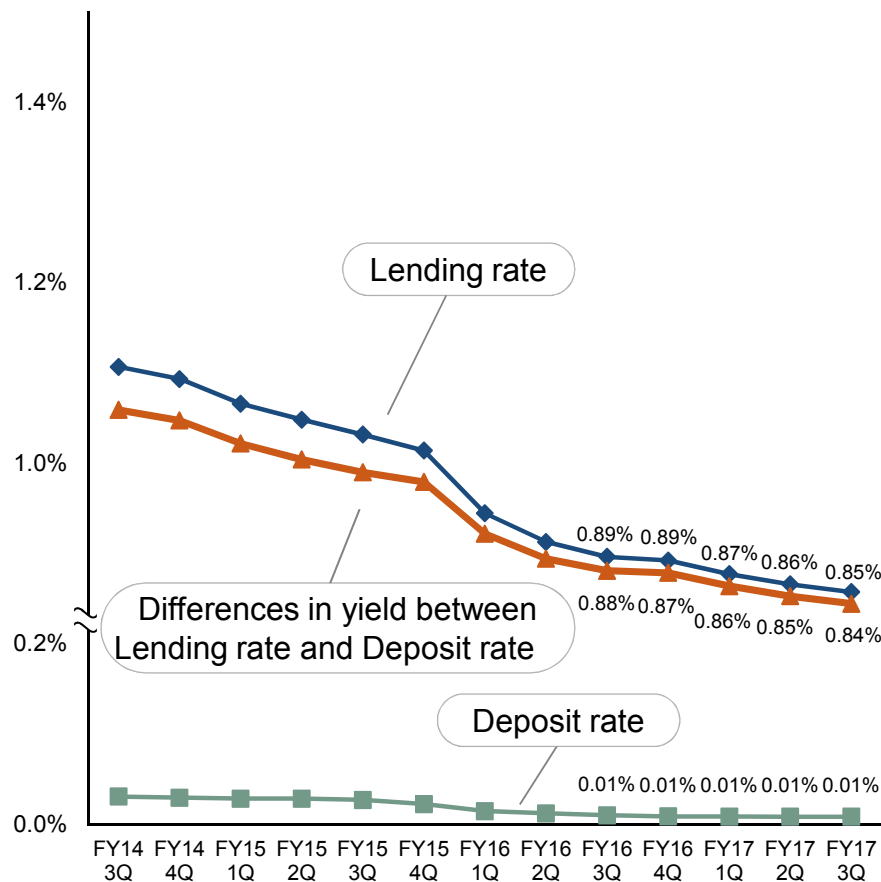


# Domestic deposit / lending rates

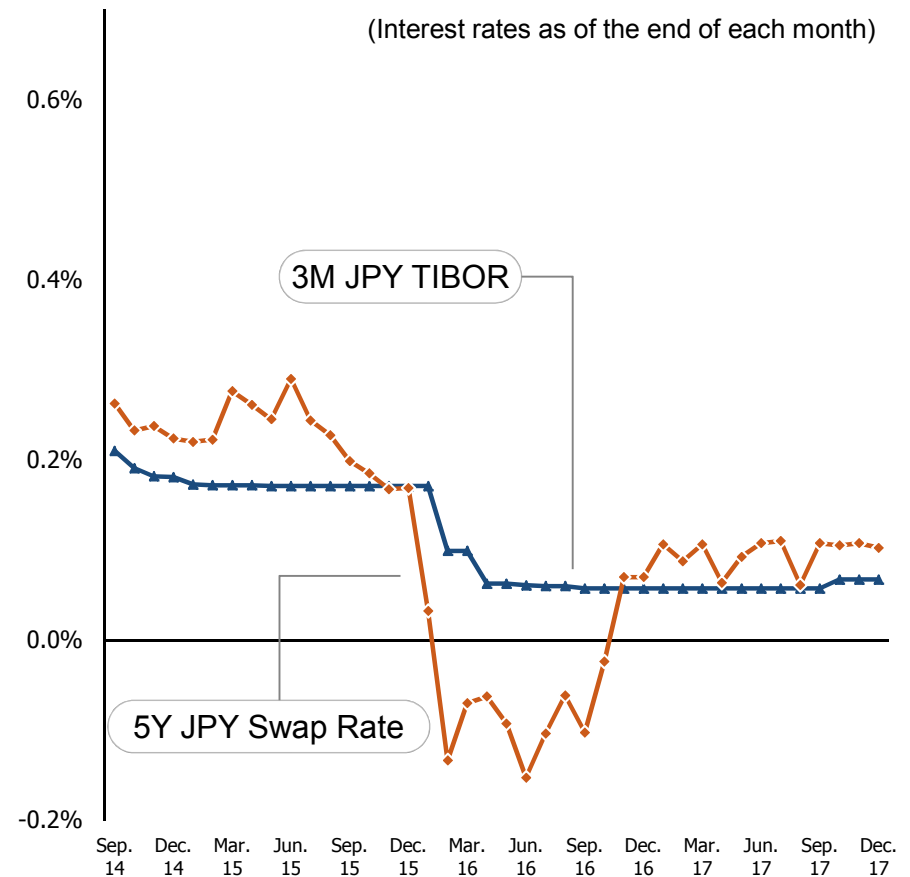
【Non-consolidated】

- Differences in yield between Lending rate and Deposit rate in Japan, excluding loans to government, in FY17 3Q slightly decreased from FY17 2Q 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)



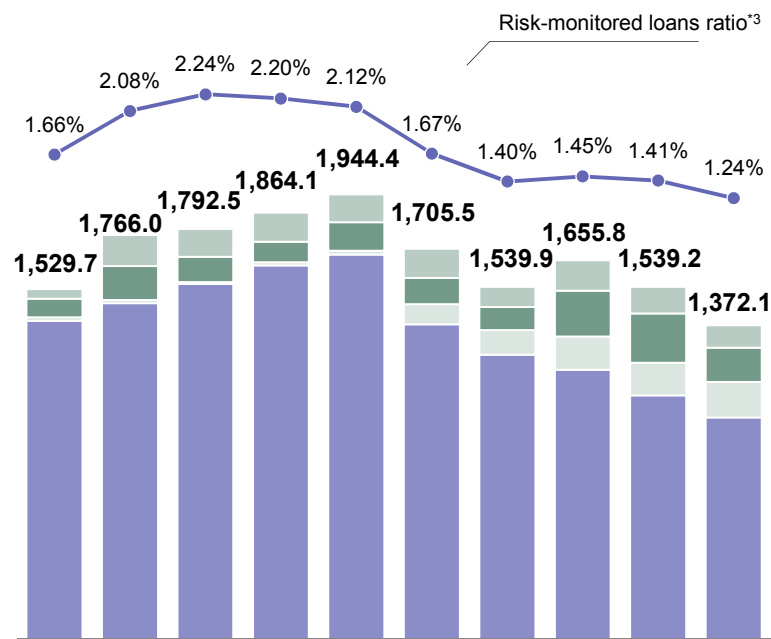
# Loan assets

【Consolidated】

- Risk-monitored loans ratio decreased by 0.16 percentage points from the end of March 2017 to 1.24%.
- Total credit costs were ¥34.1bn on a consolidated basis. Net reversal on a non-consolidated basis was ¥62.5bn.

## Balance of risk-monitored loans\*1

(¥bn)



[Breakdown]

	Mar. 09	Mar. 10	Mar. 11	Mar. 12	Mar. 13	Mar. 14	Mar. 15	Mar. 16	Mar. 17	Dec. 17
EMEA <sup>2</sup>	42.6	136.3	121.2	127.2	122.0	126.3	88.2	133.9	116.0	98.3
Americas <sup>2</sup>	81.2	147.3	110.3	89.2	125.0	114.9	100.7	199.4	216.0	150.7
Asia	15.4	14.4	9.4	14.4	17.0	89.0	108.8	145.3	142.3	154.9
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	968.0

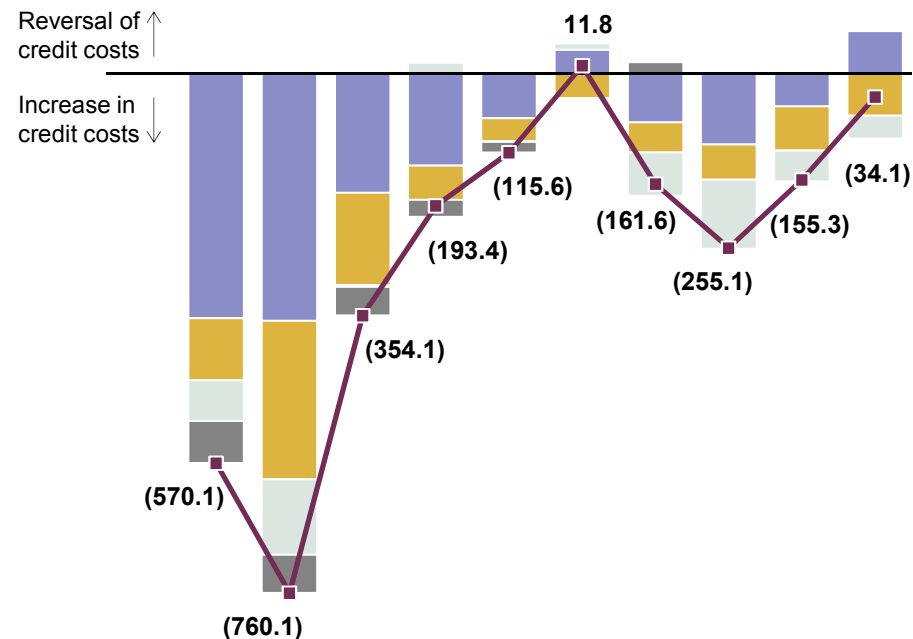
\*1 Risk-monitored loans based on Banking Act. Regions are based on the borrowers' location.

\*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]

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17 3Q
Non-Consolidated	(357.8)	(361.6)	(174.2)	(134.5)	(65.3)	35.1	(71.1)	(103.7)	(47.9)	62.5
CF <sup>4</sup>	(91.0)	(232.2)	(135.0)	(50.1)	(33.7)	(35.7)	(44.1)	(51.6)	(64.5)	(61.2)
Overseas <sup>5</sup>	(59.7)	(110.6)	(2.7)	16.1	(0.8)	9.2	(63.2)	(100.8)	(45.0)	(34.0)
Others <sup>6</sup>	(61.5)	(55.7)	(42.1)	(24.9)	(15.6)	3.2	16.9	1.0	2.1	(1.4)

\*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

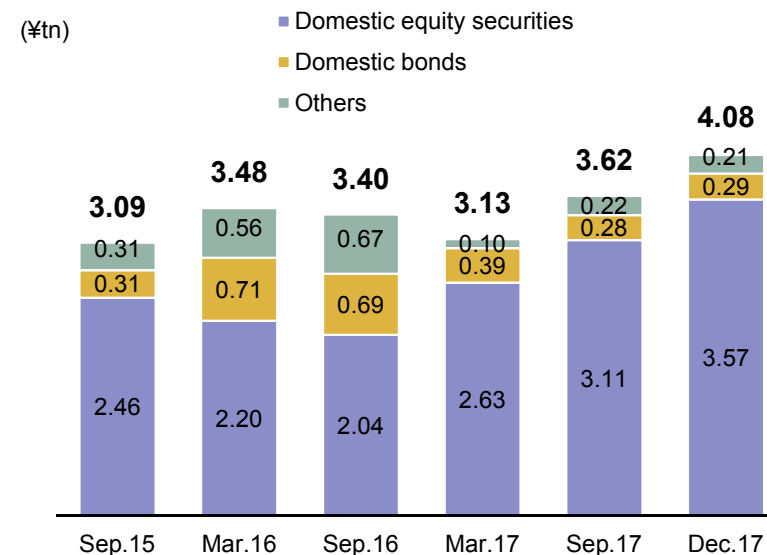
# Investment securities

【 Consolidated/Non-consolidated 】

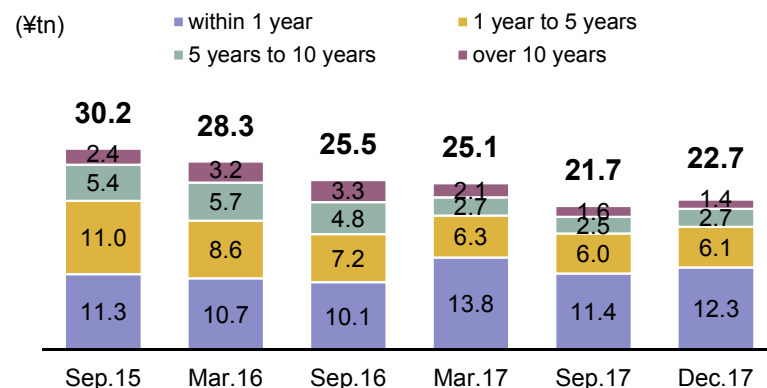
## Available-for-sale securities with fair value

	Balance		Unrealized gains (losses)	
	Dec. 17	Changes from Mar. 17	Dec. 17	Changes from Mar. 17
1 Total	56,487.4	1,674.3	4,080.7	941.6
2 Domestic equity securities	5,948.4	783.7	3,572.9	937.7
3 Domestic bonds	25,916.6	(1,772.1)	296.7	(102.3)
4 Japanese government bonds	21,574.1	(2,436.4)	251.7	(99.2)
5 Others	24,622.3	2,662.7	211.0	106.3
6 Foreign equity securities	354.7	171.9	53.3	3.5
7 Foreign bonds	19,845.2	1,927.9	(19.9)	(11.4)
8 Others	4,422.3	562.7	177.6	114.2

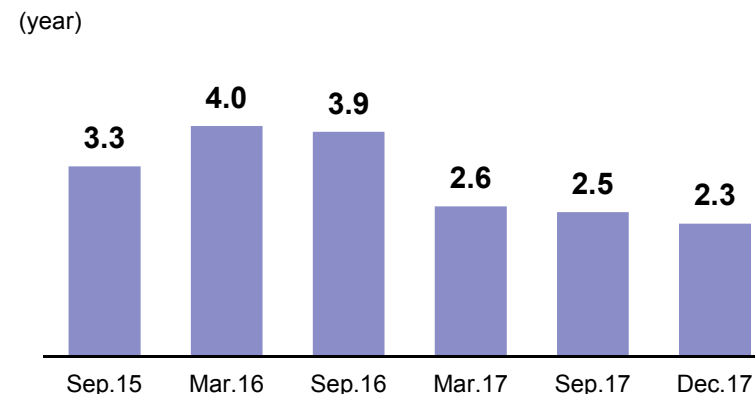
## Unrealized gains (losses) on available-for-sale securities



## 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.