Financial Highlights under Japanese GAAP for 2nd Quarter of Fiscal Year Ending March 31, 2016

November 13, 2015

Mitsubishi UFJ Financial Group, Inc.

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)

Agenda

FY2015 H1 financial result summary

(for Fiscal Year Ending March 31, 2016)

【Consolidated】

Profits attributable to owners of parent

- Profits attributable to owners of parent for the six-month ended September 30, 2015 was ¥599.3bn, an increase of ¥20.6bn compared to the same period in the previous fiscal year, and attained 63% of our FY15 target.

Common Equity Tier1 ratio (full implementation)

- Keep a good level of capital adequacy.

Shareholder returns

- 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, 2016.
- Resolved to repurchase own shares of up to ¥100bn.

〈Consolidated〉

(¥bn)

		FY14 H1	FY15 H1	Change
1	Gross profits	2,012.9	2,109.1	96.2
2	G&A expenses	1,235.5	1,288.9	53.4
3	Net business profits	777.3	820.2	42.8
4	Profits attributable to owners of parent	578.7	599.3	20.6
5	Dividend per common stock (¥)	9.00	9.00	0.00

〈Financial targets of medium-term business plan〉

		FY14 H1	FY15 H1	FY17 (Targets)
6	EPS (¥)	40.86	42.97	15% increase or more from FY14
7	ROE[*1]	10.18%	9.59%	Between 8.5-9.0%
8	Expenses ratio	61.3%	61.1%	Approx. 60%
9	Common Equity Tier1 ratio (full implementation)[*2]	11.4%	12.0%	9.5% or above

*1 $\frac{\text{(Profits attributable to owners of parent×2) − Equivalent of annual dividends on nonconvertible preferred stocks}}{\text{\{(Total shareholders' equity at the beginning of the period − Number of nonconvertible preferred stocks at the beginning of the period×Issue price+Foreign currency translation adjustments at the beginning of the period) + (Total shareholders' equity at the end of the period − Number of nonconvertible preferred stocks at the end of the period ×Issue price+Foreign currency translation adjustments at the end of the period)\}÷2}} \times 100$

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

MUFG

Income statement summary

【Consolidated】

Net business profits

- Gross profits increased compared to FY14 H1 mainly due to an increase in net interest income from overseas loans. Increases in fees from securities-related businesses and profits from sales and trading businesses also contributed to the positive growth of gross profits.
- G&A expenses increased compared to FY14 H1 mainly due to an increase in costs in overseas businesses by the depreciation of the Japanese yen.
- As a result, net business profits for FY15 H1 increased ¥42.8bn from FY14 H1 to ¥820.2bn.

Total credit costs

- Total credit costs recorded ¥ 31.0bn mainly due to specific allowance for credit losses.

Net gains (losses) on equity securities

- Net gains on equity securities increased mainly due to an increase in gains on sales of equity securities.

Profits (losses) from investments in affiliates

- Profits from investments in affiliates increased as Morgan Stanley performed well during the period.

Profits attributable to owners of parent

- Profits attributable to owners of parent increased ¥20.6bn from FY14 H1 to ¥599.3bn.

Income statement (¥bn)

		FY14 H1	FY15 H1	Change
1	Gross profits (before credit costs for trust accounts)	2,012.9	2,109.1	96.2
2	Net interest income	1,035.7	1,076.3	40.5
3	Trust fees + Net fees and commissions	661.3	700.1	38.8
4	Net trading profits + Net other business profits	315.7	332.6	16.8
5	Net gains (losses) on debt securities	89.3	82.1	(7.1)
6	G&A expenses	1,235.5	1,288.9	53.4
7	Net business profits	777.3	820.2	42.8
8	Total credit costs*1	41.1	(31.0)	(72.1)
9	Net gains (losses) on equity securities	22.9	40.9	18.0
10	Net gains (losses) on sales of equity securities	25.5	49.0	23.5
11	Losses on write-down of equity securities	(2.6)	(8.1)	(5.4)
12	Profits (losses) from investments in affiliates	103.9	144.6	40.7
13	Other non-recurring gains (losses)	4.5	(4.9)	(9.4)
14	Ordinary profits	949.8	969.9	20.0
15	Net extraordinary gains (losses)	(68.9)	(43.1)	25.8
16	Total of income taxes-current and income taxes-deferred	(242.5)	(258.9)	(16.4)
17	Profits attributable to owners of parent	578.7	599.3	20.6
18	EPS (¥)	40.86	42.97	2.11

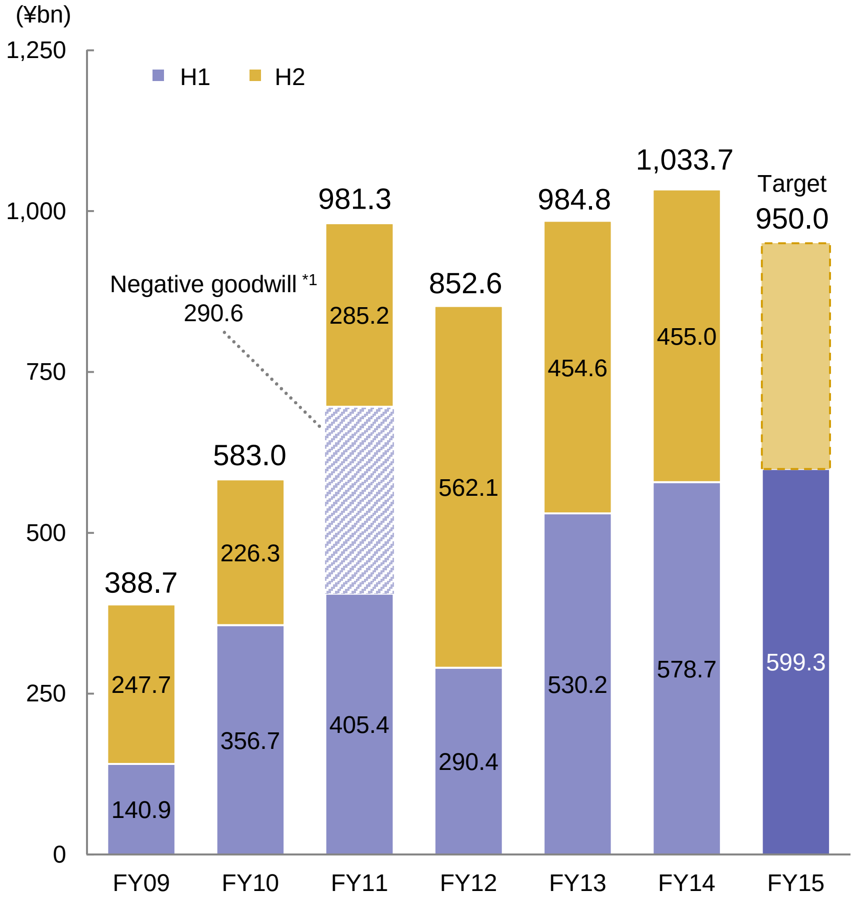
*1 Credit costs for trust accounts + Provision for general allowance for credit losses
+ Credit costs（included in non-recurring gains/losses）+ Reversal of allowance for credit losses
+ Reversal of reserve for contingent losses included in credit costs + Gains on loans written-off

MUFG

Outline of profits attributable to owners of parent 【Consolidated】

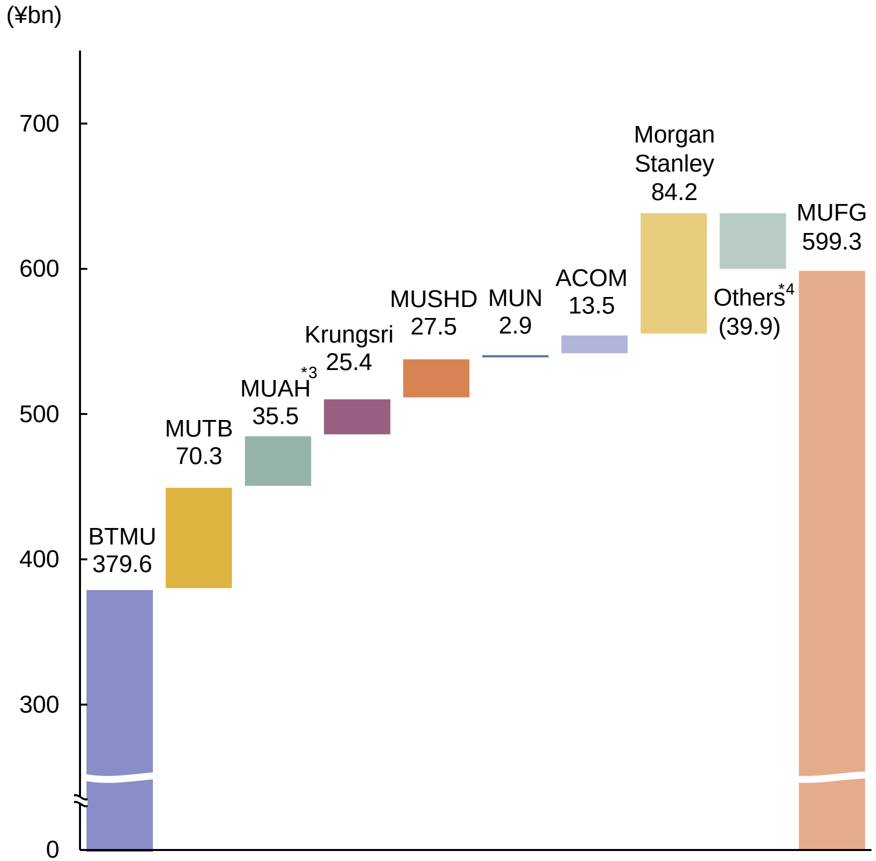
- Attained 63% of the FY15 target.
- All the major subsidiaries and equity method investees contributed to the profits attributable to owners of parent.

History of profits attributable to owners of parent



*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



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

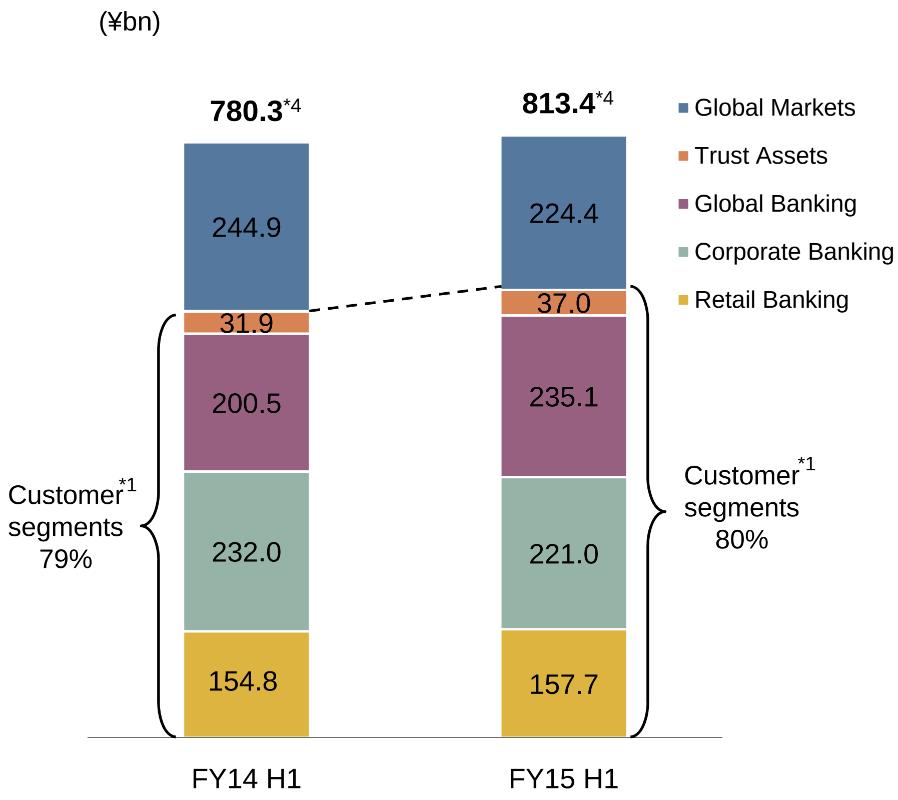
*3 MUFG Americas Holdings Corporation

*4 Including cancellation of the amount of inter-group dividend receipt and profits (losses) related to transfer of equity securities within MUFG.

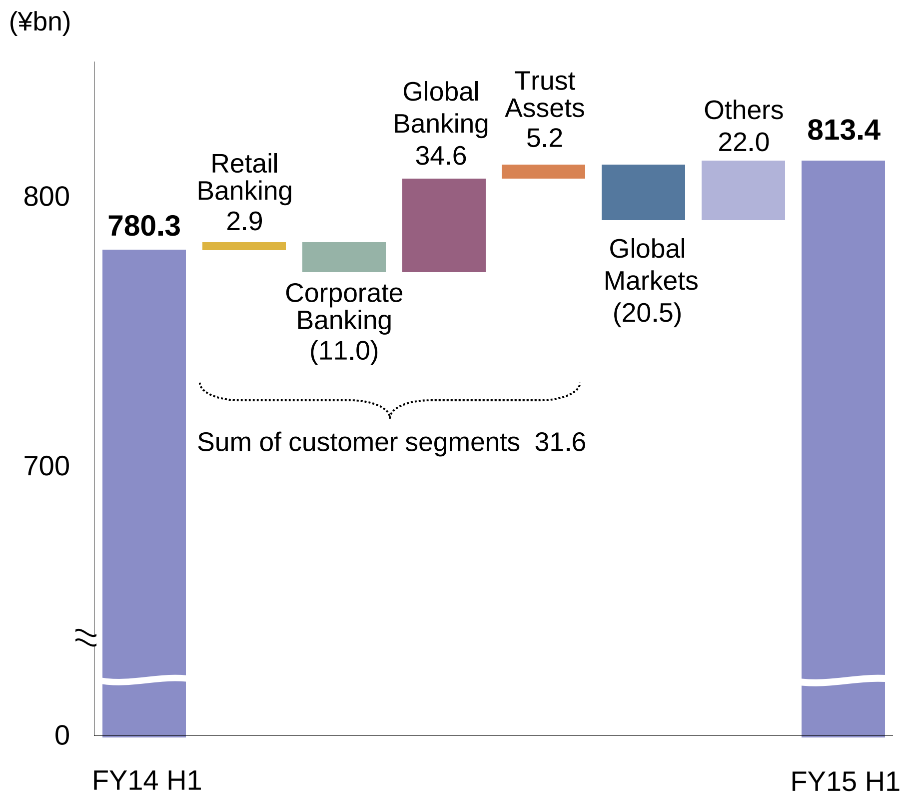
Outline of results by business segment 【Consolidated】

- Consolidated net operating profits increased ¥33.1bn from the same period in the previous fiscal year. ¥31.6bn, 80% of the total*1, was from the customer segments mainly due to increases in Global Banking, Trust Assets and Retail Banking segments.
- 36% of profits of the customer segments were generated by overseas business*2.

Net operating profits by business segment*3



Breakdown of changes in net operating profits



*1 "Total" used for the calculation of the ratios of customer segments to total, is the same definition from *4 described below.
*2 Global Banking *3 Consolidated net business profits on a managerial accounting basis.
*4 "Total" (FY14 H1:¥780.3bn, FY15 H1:¥813.4bn) includes net operating profit for "Other" segment (FY14 H1:¥(83.8)bn, FY15 H1:¥(61.8)bn).

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Balance sheet summary

【Consolidated】

Loans

- Increased from the end of March 2015 mainly due to increases in domestic corporate loans and overseas loans.

Investment securities

- Decreased from the end of March 2015 mainly due to lower fair value of domestic equity securities reflecting declines in stock prices, and decreases in holdings of Japanese government bonds and foreign bonds.

Deposits

- Increased from the end of March 2015 mainly due to increases in domestic individual deposits and overseas deposits.

Non performing loans (“NPLs”)

- Decreased from the end of March 2015 mainly due to a decrease in special attention loans.

Net unrealized gains on available-for-sale securities

- Decreased from the end of March 2015 mainly due to decreases in unrealized gains on domestic equity securities and foreign bonds.

	Balance sheet (¥bn)	Sep.15	Change from Mar.15
1	Total assets	289,165.0	3,015.2
2	Loans (Banking + Trust accounts)	111,963.0	2,482.3
3	Loans (Banking accounts)	111,837.8	2,469.4
4	Housing loans*1	15,685.1	(193.9)
5	Domestic corporate loans*1*2	42,705.7	248.9
6	Overseas loans*3	42,473.0	771.3
7	Investment securities (Banking accounts)	66,699.1	(6,839.0)
8	Domestic equity securities	5,920.1	(403.5)
9	Japanese government bonds	30,215.4	(4,995.2)
10	Foreign bonds	22,737.3	(834.2)
11	Total liabilities	272,045.1	3,182.8
12	Deposits	154,490.5	1,133.1
13	Individual deposits (Domestic branches)	70,735.8	320.7
14	Total net assets	17,119.9	(167.6)
15	FRL disclosed loans*1*4	1,164.2	(59.0)
16	NPL ratio*1	1.08%	(0.07%)
17	Net unrealized gains (losses) on available-for-sale securities	3,094.0	(1,039.1)

*1 Non-consolidated + trust accounts *2 Excluding loans to government and govermental institutions

*3 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Holland), BTMU (Canada) and BTMU (Malaysia)

*4 FRL = the Financial Reconstruction Law

Loans / deposits

【Consolidated】

Loan balance ¥111.9tn

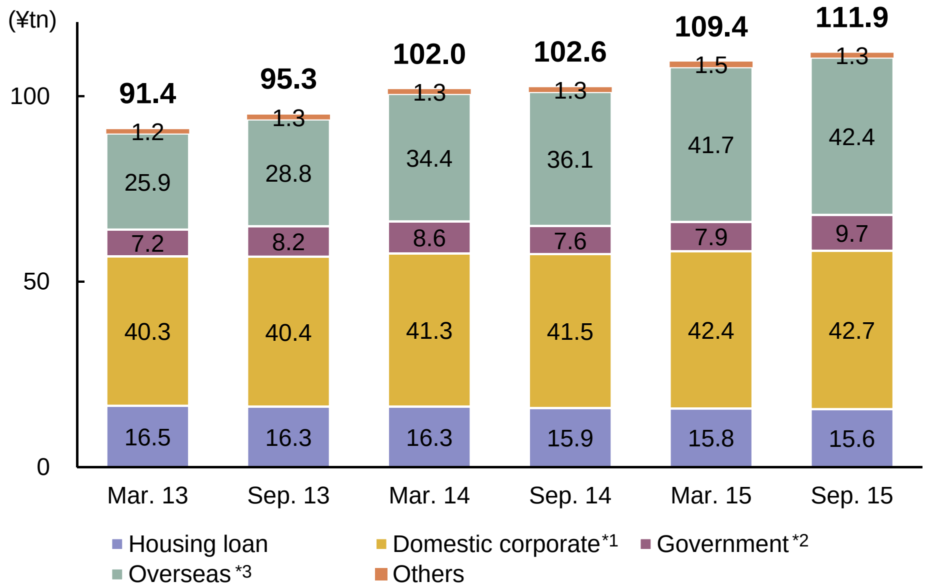
(increased ¥2.4tn from the end of March 2015)

<Change factors from March 2015 >

■ Housing loan	(¥0.1tn)
■ Domestic corporate[*1]	+¥0.2tn
■ Government[*2]	+¥1.8tn
■ Overseas[*3]	+¥0.7tn
Excluding impact of foreign exchange fluctuation	+¥1.0tn

*1 Excluding loans to government and governmental institutions
*2 Government and governmental institutions
*3 Loans booked in overseas branches, MUAH, Krungsri, BTMU (China), BTMU (Holland) , BTMU (Canada) and BTMU (Malaysia)

【Loans (Period end balance)[*4]】



*4 Sum of banking and trust accounts

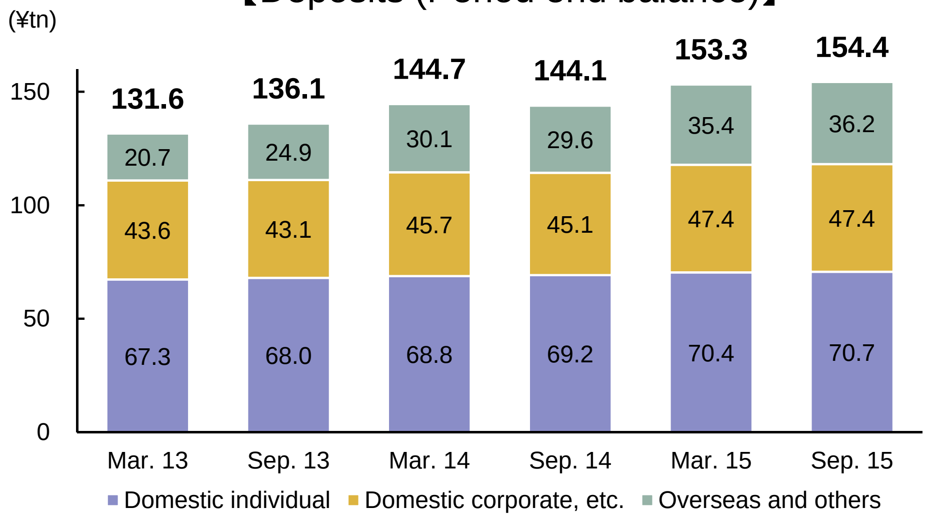
Deposit balance ¥154.4tn

(increased ¥1.1tn from the end of March 2015)

<Change factors from March 2015 >

■ Domestic individual	+¥0.3tn
■ Domestic corporate, etc.	+¥0.0tn
■ Overseas and others	+¥0.7tn
Excluding impact of foreign exchange fluctuation	+¥0.7tn

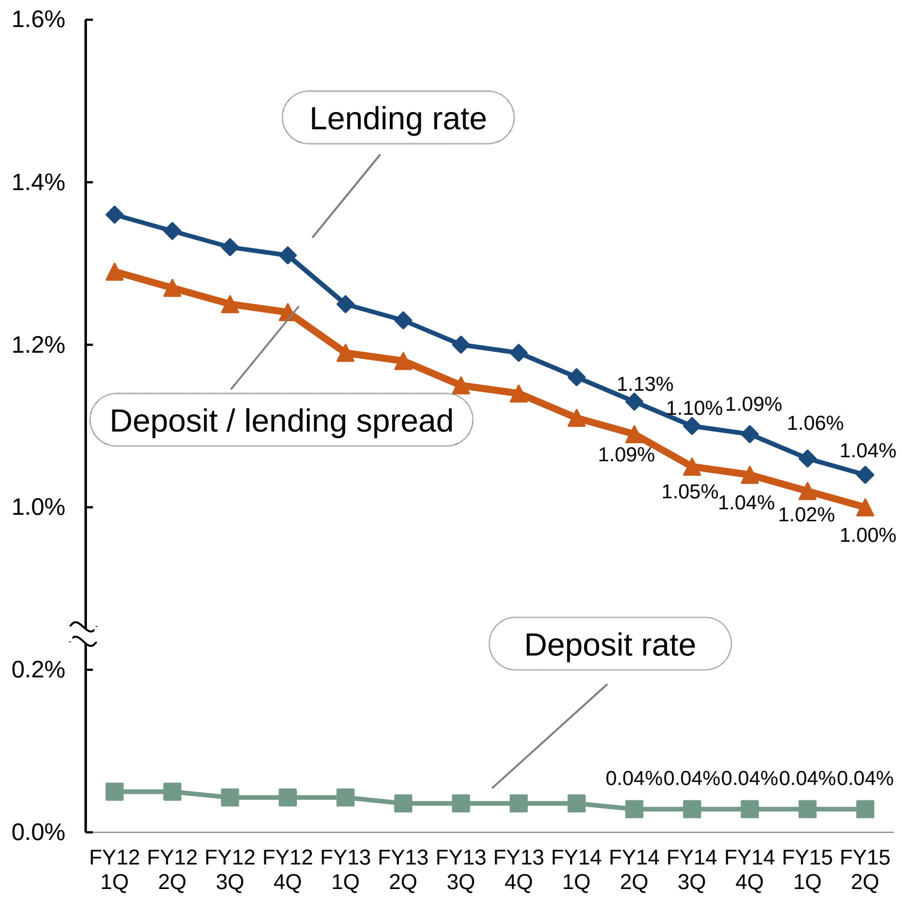
【Deposits (Period end balance)】



Domestic deposit / lending rates 【Non-consolidated】

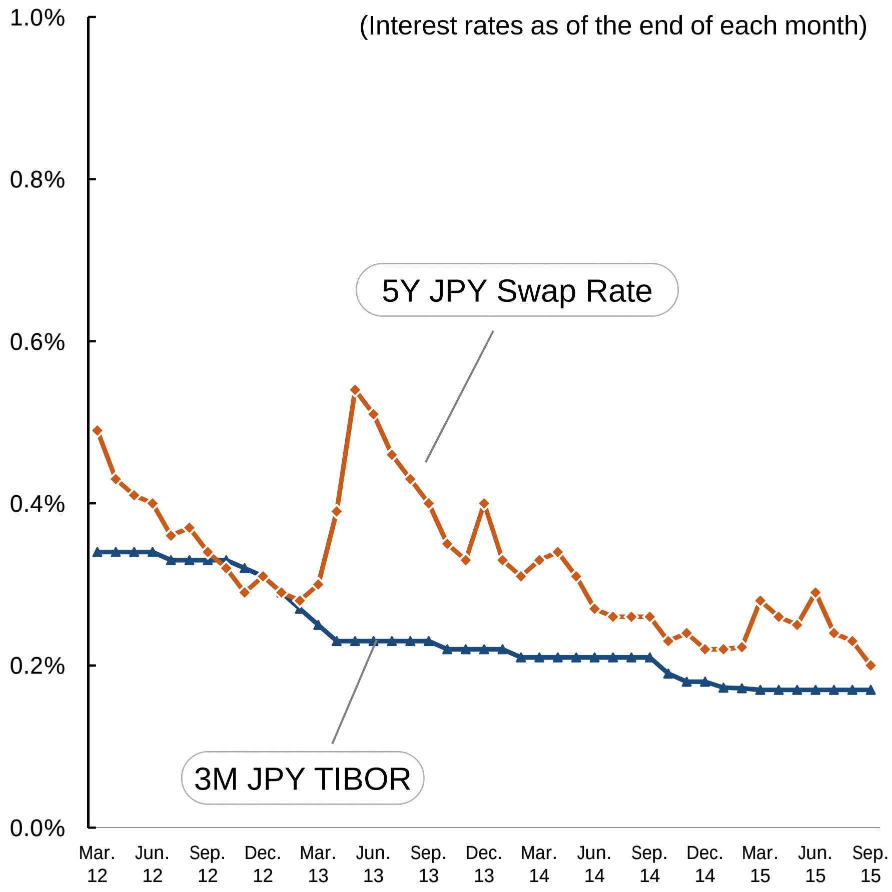
- Domestic deposit / lending spread excluding loans to Government[*1] in FY15 2Q decreased 0.02 percentage points from FY15 1Q mainly due to a decline in lending rates reflecting lower market interest rates.

Changes in domestic deposit / lending rates
(Excluding loans to Government[*1])



*1 Government and governmental institutions

(Reference) Market interest rates



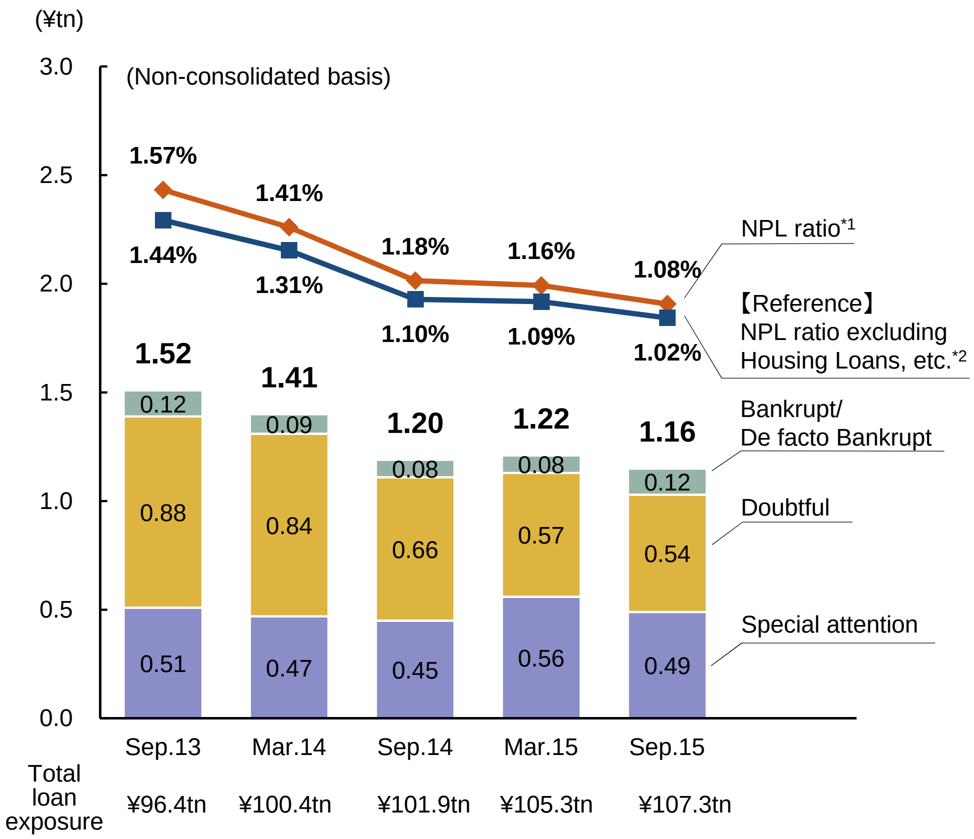
(Source : Bloomberg)

Loan assets

【Consolidated/Non-consolidated】

- NPL ratio declined 0.07 percentage points from the end of March 2015 to 1.08% mainly due to a decrease in non-performing loan balance and an increase in the total loan exposure.
- Total credit costs were ¥31.0bn on a consolidated basis. (Net reversal of ¥22.5bn on a non-consolidated basis.)

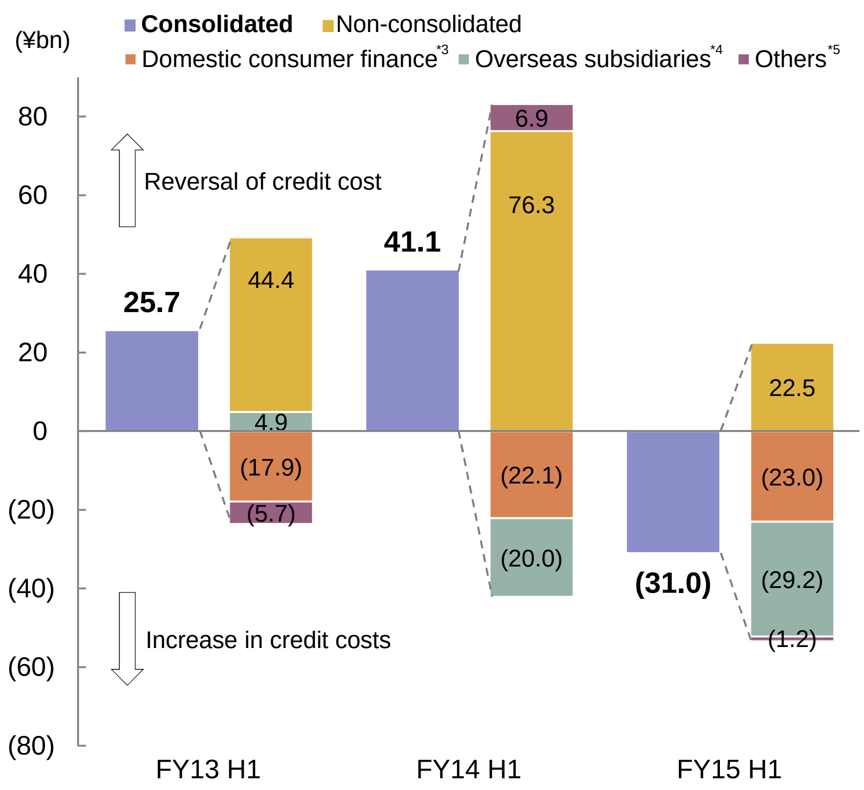
Balance of FRL disclosed loans



*1 Non performing loan balance ÷ Total loan exposure

*2 Excluding restructured housing loans, etc. guaranteed by credit guarantee companies within MUFG group

Total credit costs



*3 Sum of MUN (consolidated) and ACOM (consolidated)

*4 Sum of BTMU and MUTB's oversea subsidiaries and affiliated companies

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

MUFG

Investment securities

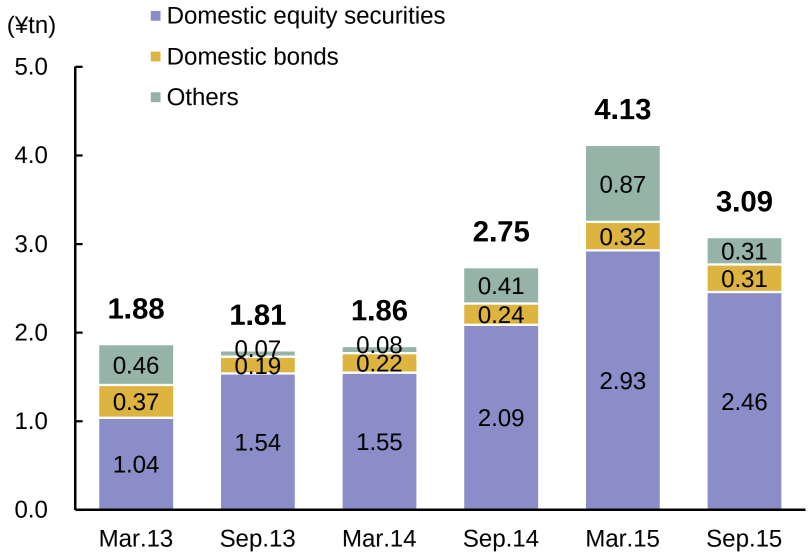
【Consolidated/Non-consolidated】

Available-for-sale securities with fair value

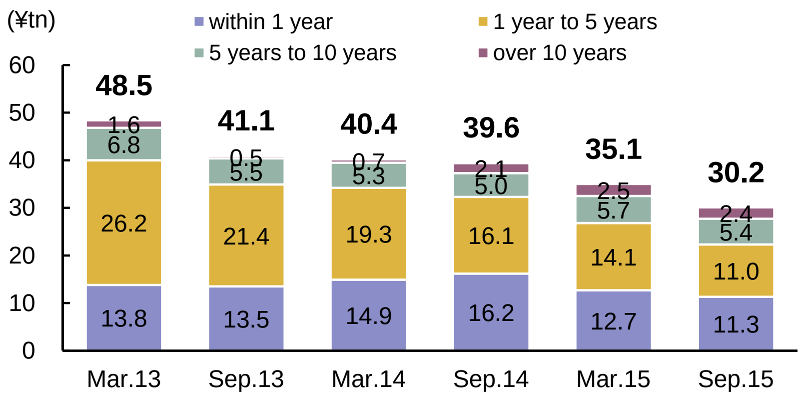
(¥bn)

		Balance		Unrealized gains (losses)	
		Sep.15	Change from Mar.15	Sep.15	Change from Mar.15
1	Total	62,203.6	(7,132.6)	3,094.0	(1,039.1)
2	Domestic equity securities	5,217.9	(503.4)	2,460.4	(469.6)
3	Domestic bonds	31,514.4	(5,005.7)	316.8	(9.4)
4	Japanese government bonds	29,114.2	(4,970.1)	266.2	(7.2)
5	Others	25,471.1	(1,623.4)	316.7	(560.0)
6	Foreign equity securities	133.7	(57.6)	2.1	(56.2)
7	Foreign bonds	21,505.0	(1,059.9)	306.5	(290.7)
8	Others	3,832.4	(505.8)	8.0	(212.9)

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

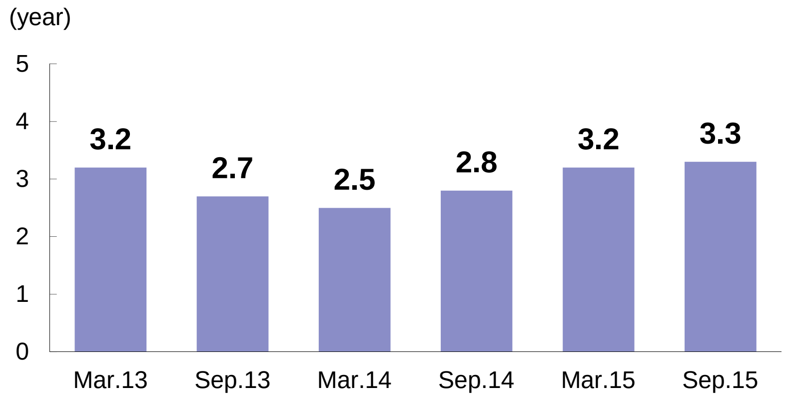


Balance of JGB portfolio by maturity*1



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

Duration of JGB portfolio*2



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

MUFG

Capital adequacy

【Consolidated】

Total capital

- Retained earnings and subordinated debts increased, while unrealized gain of investment securities decreased in the six-months.
- Common Equity Tier1 capital increased and the total capital amount was almost unchanged from the end of March 2015.

Risk weighted assets (RWA)

- Credit risk asset : (¥3.0 tn)
  Decreased mainly due to improved internal credit rating of our clients
- Transitional floor adjustment[*1] : +¥3.1 tn

Common Equity Tier 1 ratio

Full implementation[*2] basis : 12.0%

Excluding impact of net unrealized gains (losses) on available-for-sale securities : 10.0%

Leverage ratio

Transitional basis : 4.67%

*1 Adjustment to adjust the difference between exposures under Basel I and Basel III.
*2 Calculated on the basis of regulations applied at the end of March 2019

	(¥bn)	Mar.15	Sep.15	Change from Mar.15
1	Common Equity Tier1 ratio	11.09%	11.23%	0.13%
2	Tier1 ratio	12.58%	12.73%	0.15%
3	Total Capital ratio	15.62%	15.69%	0.06%
4	Common Equity Tier1 capital	12,466.6	12,571.9	105.3
5	Capital and stock surplus	3,569.9	3,567.8	(2.0)
6	Retained earnings	7,860.4	8,358.0	497.6
7	Other comprehensive income	1,595.7	1,356.2	(239.4)
8	Additional Tier1 capital	1,663.7	1,682.2	18.5
9	Preferred stock, preferred securities and subordinated debt	1,260.2	1,260.2	—
10	Foreign currency translation adjustments	570.9	588.4	17.5
11	Tier1 capital	14,130.3	14,254.1	123.8
12	Tier2 capital	3,421.9	3,308.6	(113.2)
13	Subordinated debt	1,944.9	2,110.4	165.4
14	Amounts equivalent to 45% of unrealized gains on available-for-sale securities	1,108.5	838.3	(270.1)
15	Total capital（Tier1＋Tier2）	17,552.3	17,562.8	10.5
16	Risk weighted assets	112,315.2	111,925.3	(389.9)
17	Credit risk	98,292.2	95,274.0	(3,018.2)
18	Market risk	2,511.7	1,989.1	(522.5)
19	Operational risk	6,644.6	6,635.4	(9.2)
20	Transitional floor	4,866.6	8,026.6	3,160.0

MUFG

FY2015 targets

【Consolidated/Stand-alone】

- FY15 consolidated profits attributable to owners of parent target is ¥950.0bn. (unchanged from initial target)

(¥bn)

	〈Consolidated〉	FY 2014		FY 2015		
		Interim (results)	Full Year (results)	Interim (results)	Full Year	Change from initial target
1	Total credit costs	41.1	(161.6)	(31.0)	(120.0)	10.0
2	Ordinary profits	949.8	1,713.0	969.9	1,580.0	20.0
3	Profits attributable to owners of parent	578.7	1,033.7	599.3	950.0	-

〈The Bank of Tokyo-Mitsubishi UFJ, Ltd〉

4	Net business profits	490.6	931.4	480.4	840.0	75.0
5	Total credit costs	66.9	(70.7)	21.2	0.0	-
6	Ordinary profits	547.2	902.6	538.3	870.0	100.0
7	Net income	354.4	571.7	379.6	610.0	80.0

〈Mitsubishi UFJ Trust and Banking Corporation〉

8	Net business profits	88.9	190.4	95.6	185.0	10.0
9	Total credit costs	9.3	(0.4)	1.3	(5.0)	5.0
10	Ordinary profits	110.1	210.0	99.5	185.0	15.0
11	Net income	73.3	140.7	70.3	140.0	25.0

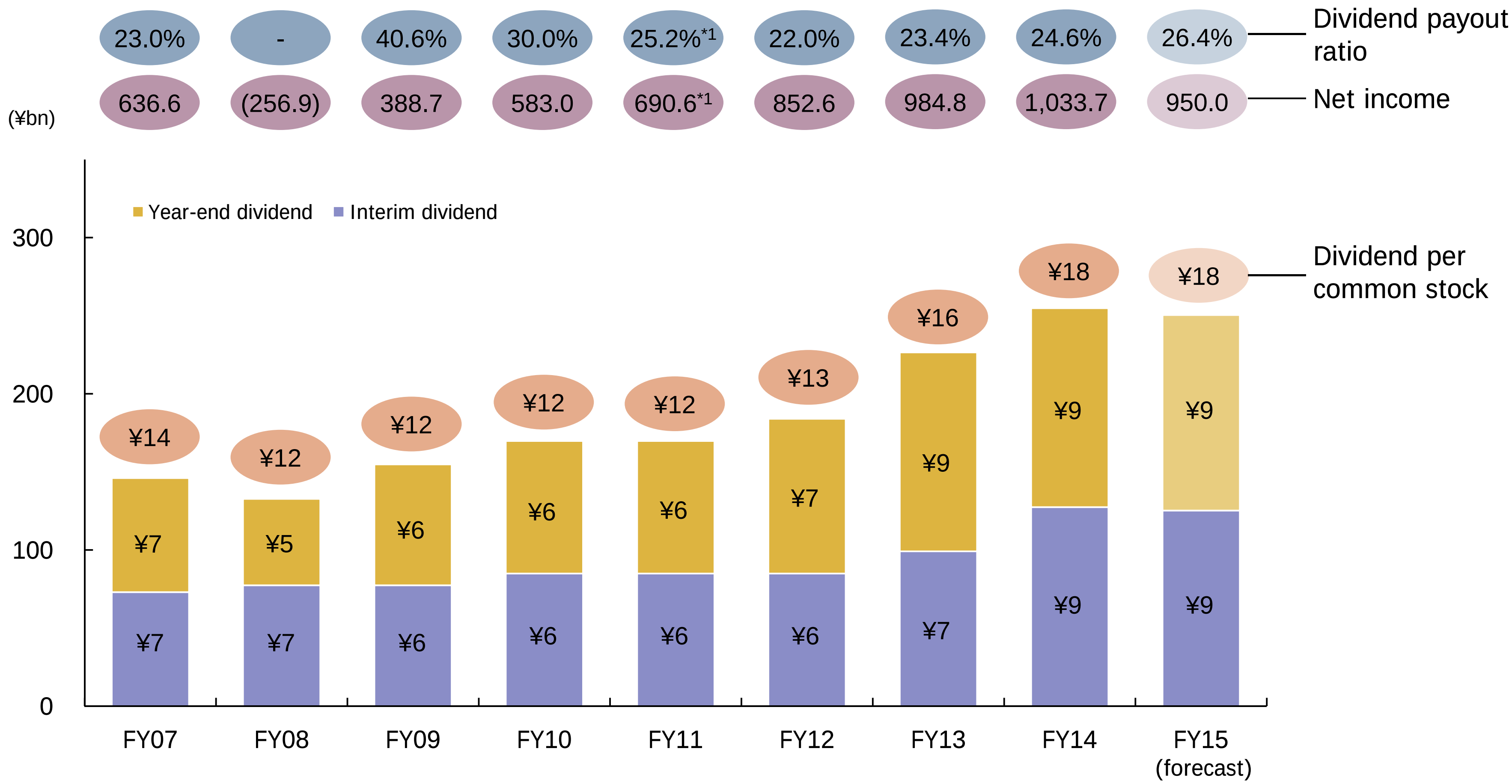
MUFG

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, 2016.

Result and forecasts of shareholder returns



*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

Repurchase of own shares

【Consolidated】

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

Outline of repurchase of own share

Type of shares to be repurchased	Ordinary shares of MUFG
Aggregate amount of repurchase price	Up to ¥100.0 billion
Aggregate number of shares to be repurchased	Up to 140 million shares (Equivalent to 1.01% of the total number of issued shares (excluding own shares))
Repurchase period	From November 16, 2015 to December 31, 2015

(Reference) Own shares held by MUFG as of October 31, 2015
Total number of issued shares (excluding own shares) : 13,912,491,774 shares
Number of own shares : 256,362,046 shares

MUFG