Financial Highlights under Japanese GAAP for 2nd Quarter of Fiscal Year Ending March 31, 2019

November 13, 2018

Mitsubishi UFJ Financial Group, Inc.

FY2018 H1 financial results summary

(for Fiscal Year Ending March 31, 2019)

【Consolidated】

- **Net operating profits decreased ¥132.6bn YoY due to a decrease in gross profits mainly because of a decrease in net gains on debt securities, and a slight increase in G&A expenses.**
- **Profits attributable to owners of parent increased ¥23.8bn to ¥650.7bn, mainly due to an improvement in credit costs and an increase in profits from investments in Morgan Stanley. (Representing 76% of the initial FY18 target)**
- **The target for profits attributable to owners of parent for FY18 was revised upward to ¥950.0bn.**
- **FY18 dividend forecast was raised to ¥22 per common stock and resolved to repurchase own shares up to ¥100.0bn.**

1 Gross profits

¥1,882.5bn

down ¥125.5bn, (6%) YoY

2 Net operating profits

¥568.1bn

down ¥132.6bn, (19%) YoY

3 Profits attributable to owners of parent

¥650.7bn

up ¥23.8bn, 4% YoY

FY18 target
¥850.0bn
Revised to ¥950.0bn

4 Expense ratio

69.8%

up 4.7% YoY

FY20 target
Below FY17 result (68.0%)

5 ROE

9.61%

down (0.02%) YoY

FY20 target
Approx. 7% to 8%

6 Common Equity Tier 1 capital ratio

Finalized BaselⅢ reforms basis*1

11.8%

up 0.1% from end of FY17

FY20 target
Approx. 11%

7 Shareholder returns

Dividend per common stock for FY18 (forecast) : ¥22

up ¥3 from FY17

FY18 dividend (initial forecast) ¥20
Raised by ¥2 to ¥22 per common stock

Repurchase of own shares for FY18 H2 : ¥100.0bn

During FY18 H1, repurchased own shares for approx. ¥50.0bn

*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis.

* Definitions of figures and abbreviations used in this document can be found on page 13.

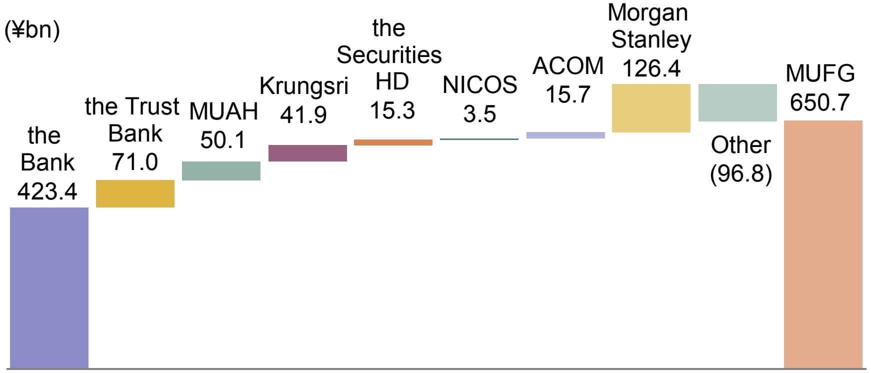
FY2018 H1 financial results summary
(for Fiscal Year Ending March 31, 2019)

【Consolidated】

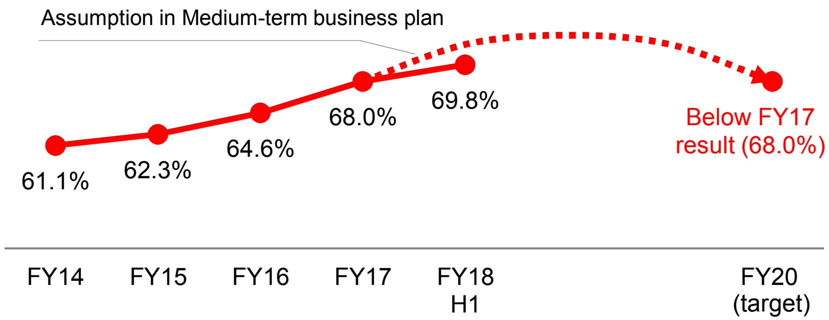
3 6 Financial results summary

	(¥bn)	FY17 H1	FY18 H1	YoY
1	Gross profits	2,008.1	1,882.5	(125.5)
2	G&A expenses	1,307.3	1,314.4	7.1
3	**Net operating profits**	700.7	568.1	(132.6)
4	Expense ratio	65.1%	69.8%	4.7%
5	**Ordinary profits**	864.0	885.9	21.8
6	**Profits attributable to owners of parent**	626.9	650.7	23.8
7	Interim dividend per common stock (¥)	9.00	11.00	2.00
8	**Common Equity Tier 1 capital ratio** (Finalized Basel Ⅲ reforms basis)*1		11.8%	

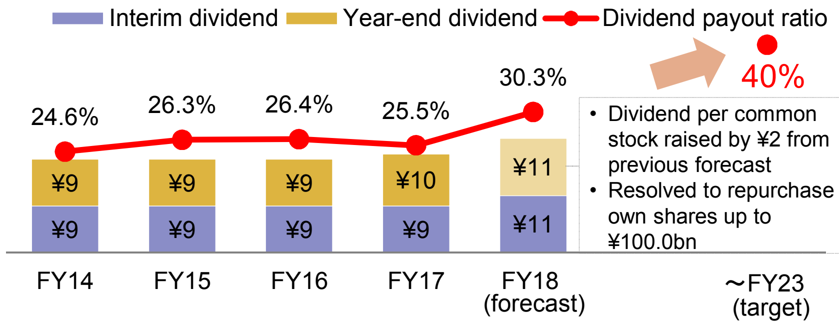
＜Breakdown of profits attributable to owners of parent*2＞



4 Expense ratio



7 Shareholder returns



- Dividend per common stock raised by ¥2 from previous forecast
- Resolved to repurchase own shares up to ¥100.0bn

Progress of MUFG Re-Imagining Strategy

Digitalization	Channel / BPR	Functional Realignment	Strategic investment
Started collaboration with Akamai Technologies, Inc. to develop a new payment platform	Plan to open the first branch of "MUFG NEXT" (in Jan. 2019)	Integrated the Bank - the Trust Bank corporate loan-related businesses, Developed RM-PO Model	Increased the investment for Bank Danamon
Began PoC*3 of information trust platform "DPRIME"(provisional name)	Established a new company with MEC*4 to provide consulting services and others on some of the branch properties owned by MUFG Group	Reorganized the business groups' segmentation into matrix structure by focusing on types of customer	Agreed on acquisition of shares of Australian asset management firm, Colonial First State Group Limited Subsidiaries

*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis
*2 The figures reflect the percentage holding in each subsidiaries and equity method investees *3 Proof of Concept *4 Mitsubishi Estate Co., Ltd.

Income statement summary

【Consolidated】

Income statement

	(¥bn)	FY17 H1	FY18 H1	YoY
1	**Gross profits** **(before credit costs for trust accounts)**	2,008.1	1,882.5	(125.5)
2	Net interest income	973.6	970.2	(3.3)
3	Trust fees + Net fees and commissions	695.9	696.7	0.8
4	Net trading profits + Net other operating profits	338.5	215.5	(123.0)
5	Net gains (losses) on debt securities	84.7	(1.6)	(86.3)
6	**G&A expenses**	1,307.3	1,314.4	7.1
7	**Net operating profits**	700.7	568.1	(132.6)
8	**Total credit costs***1	3.1	117.9	114.8
9	**Net gains (losses) on equity securities**	55.0	85.1	30.1
10	Net gains (losses) on sales of equity securities	56.1	86.6	30.5
11	Losses on write-down of equity securities	(1.0)	(1.4)	(0.3)
12	**Profits (losses) from investments in affiliates**	135.6	163.7	28.1
13	**Other non-recurring gains (losses)**	(30.5)	(49.1)	(18.5)
14	**Ordinary profits**	864.0	885.9	21.8
15	**Net extraordinary gains (losses)**	4.3	(17.1)	(21.5)
16	**Total of income taxes-current and income taxes-deferred**	(190.5)	(165.3)	25.2
17	**Profits attributable to owners of parent**	626.9	650.7	23.8
18	EPS (¥)	47.00	49.65	2.65

*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

YoY changes

Gross profits

- The decrease in gross profits was mainly due to a decrease in net gains on debt securities as well as a decrease in net interest income from debt securities, while net interest income from foreign currency-denominated loans and deposits increased.

G&A expenses and Expense ratio

- G&A expenses slightly increased. Expenses associated with domestic operations fell, which were more than offset by increases in expenses for overseas operations due to the expansion of overseas business and expenses for global financial regulatory compliance purposes.
- Expense ratio increased to 69.8% mainly due to a decrease in gross profits.

Total credit costs

- Total credit costs improved to ¥117.9bn.

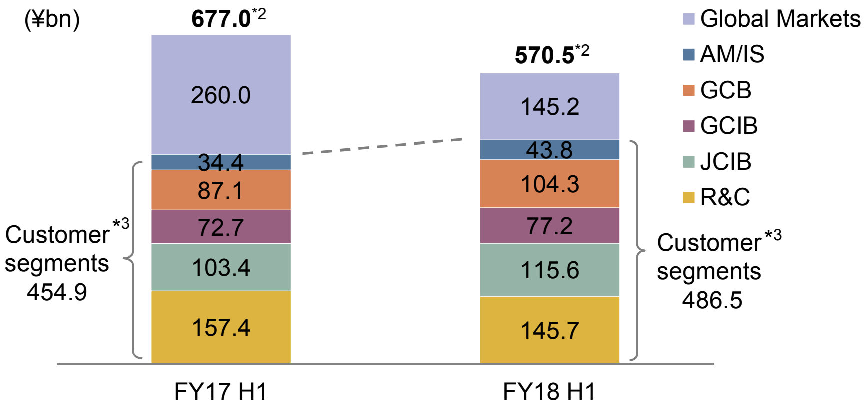
Profits attributable to owners of parent

- Profits attributable to owners of parent increased ¥23.8bn. In addition to the improvement in total credit costs, net gains on equity securities as well as profits from investments in Morgan Stanley increased.

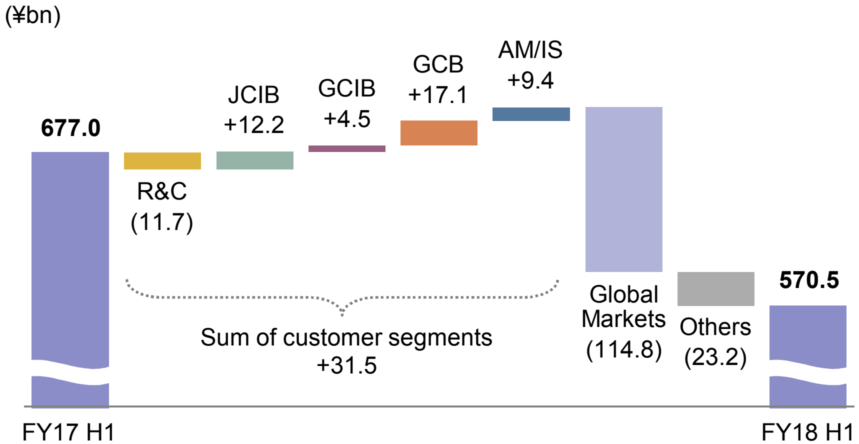
Outline of results by business segment

【Consolidated】

Net operating profits by business segment*1



Breakdown of changes in net operating profits



Overview

R&C	Expanded credit card business and consumer finance, and increased net interest income from foreign currency-denominated loans and deposits due to rising U.S. interest rates, while struggled in investment products sales due to sluggish markets.
JCIB	Increased profits due to increases in net interest income from foreign currency-denominated loans and deposits reflecting rising U.S. interest rates, and in profits from primary markets business.
GCIB	Increased profits mainly due to an increase in loan outstanding balance and closing of several event driven finance deals in Americas and Asia & Oceania.
GCB	In Americas, increased net interest income from loans and deposits due to rising U.S. interest rates. In Thailand, increased interest income from loans mainly due to an increase in auto-loans.
AM/IS	Increased profits mainly due to increases in the balance of asset under management both within and outside Japan, and in sales amount of investment products for domestic corporate customers.
Global Markets	Decreased revenues from treasury operations. Managed our portfolio in accordance with the market environment.

*1 On a managerial accounting basis *2 Total net operating profits include net operating profit for “Other” segment (FY17 H1: (¥38.0)bn, FY18 H1: (¥61.2)bn)
*3 Ratio of customer segments = net operating profits from customer segments ÷ total net operating profits(*2) : 67% for FY17 H1 and 85% for FY18 H1
Ratio of net operating profits from global customers is defined as net operating profits from GCIB and GCB ÷ net operating profits from customer segments : 35% for FY17 H1 and 37% for FY18 H1

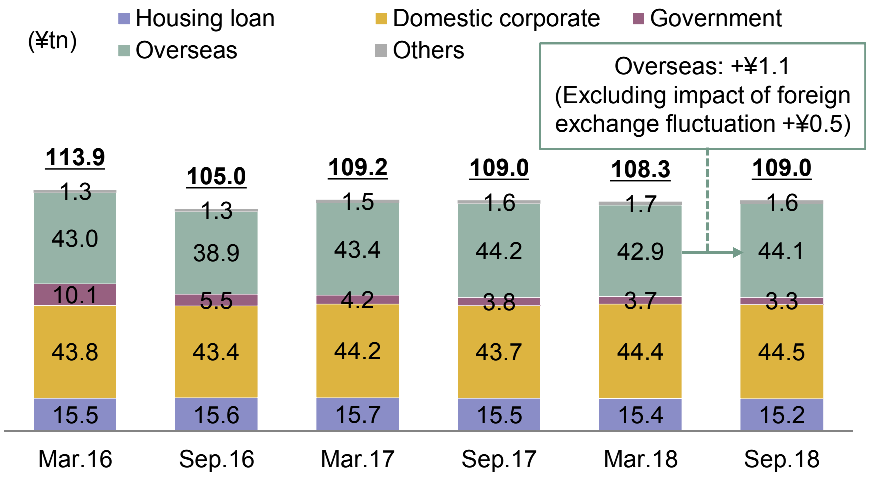
Balance sheets summary

【Consolidated】

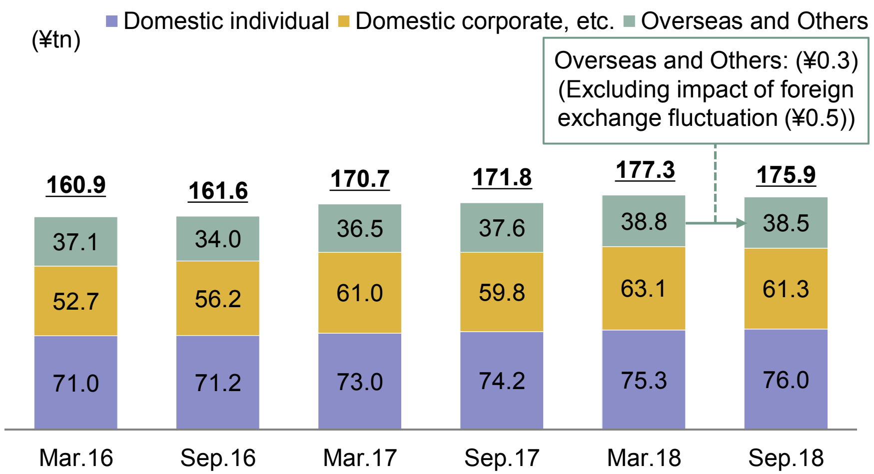
Balance sheets

	(¥bn)	End Sep.18	Changes from End Mar.18
1	**Total assets**	306,387.6	(549.7)
2	Loans (Banking + Trust accounts)	109,011.7	613.9
3	Loans (Banking accounts)	108,642.7	551.7
4	Housing loans*1	15,225.4	(228.5)
5	Domestic corporate loans*1*2	44,580.3	122.2
6	Overseas loans*3	44,116.5	1,167.1
7	Investment securities (Banking accounts)	58,766.6	(499.5)
8	Domestic equity securities	6,611.6	233.1
9	Japanese government bonds	21,685.0	(1,866.3)
10	Foreign bonds	18,223.8	(345.4)
11	**Total liabilities**	288,812.1	(830.1)
12	Deposits	175,979.7	(1,332.5)
13	Domestic Individuals*4	76,087.0	784.4
14	Domestic corporates etc.*4	61,351.0	(1,783.6)
15	Overseas and others*3	38,541.7	(333.3)
16	**Total net assets**	17,575.4	280.3
17	**FRL disclosed loans*1*5**	649.8	(275.8)
18	**NPL ratio*1**	0.62%	(0.26%)
19	**Net unrealized gains (losses) on available-for-sale securities**	3,565.5	48.0

Loans (Period end balance)



Deposits (Period end balance)

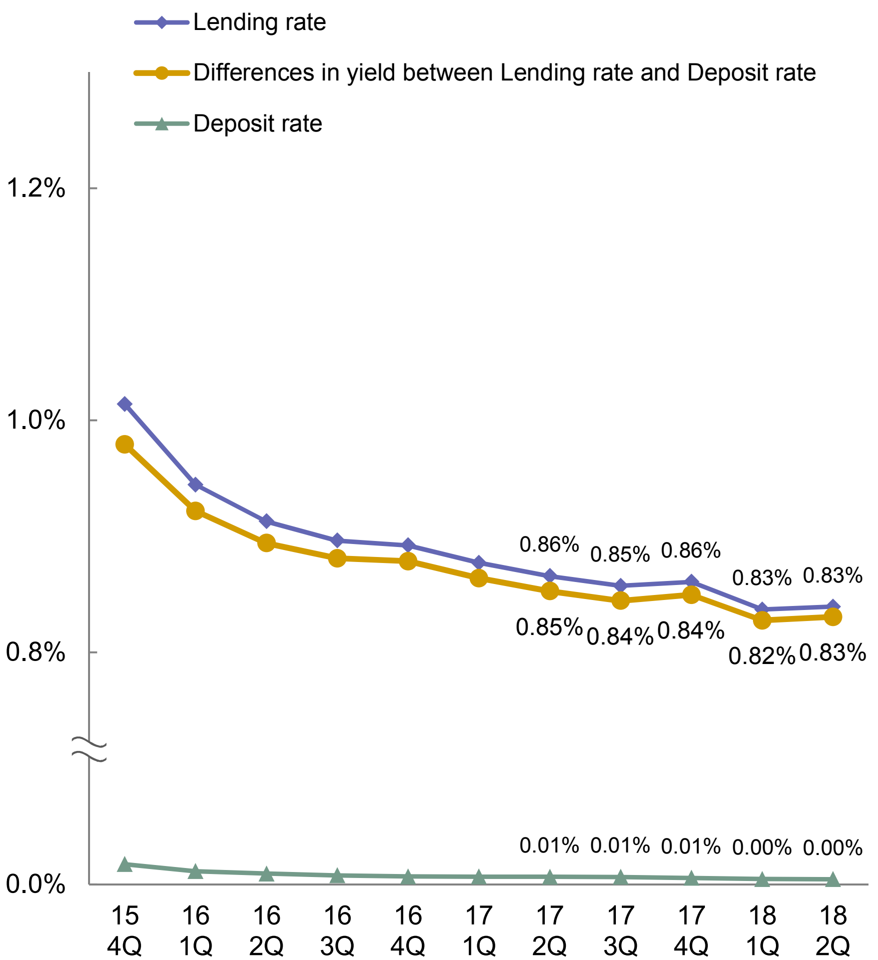


*1 Non-consolidated + trust accounts *2 Excluding loans to government and governmental institutions and including foreign currency-denominated loans (Excluding impact of foreign exchange fluctuation: (¥0.3)tn from the end of Mar.18)
*3 Loans booked in overseas branches, MUAH, Krungsri, the Bank (China), the Bank (Malaysia) and the Bank (Europe)
*4 Non-consolidated *5 FRL = the Financial Reconstruction Law

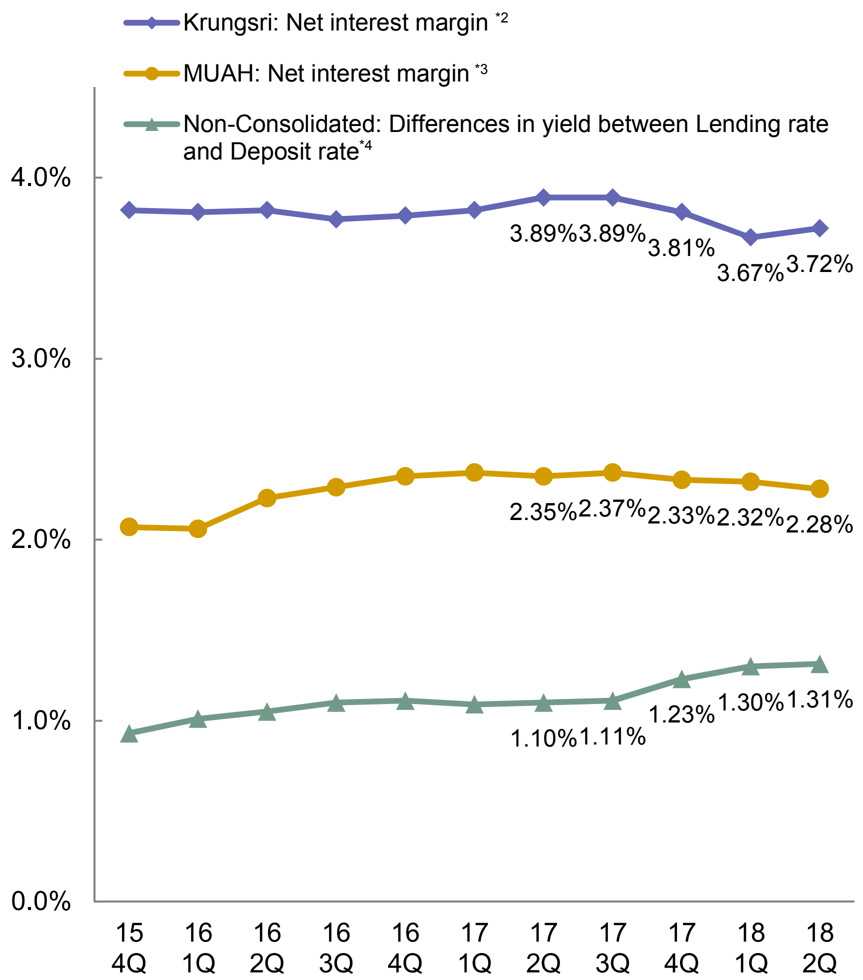
Deposit / Lending rates

【Non-Consolidated / MUAH / Krungsri】

Changes in domestic deposit / lending rates*1



Changes in overseas deposit / lending rates

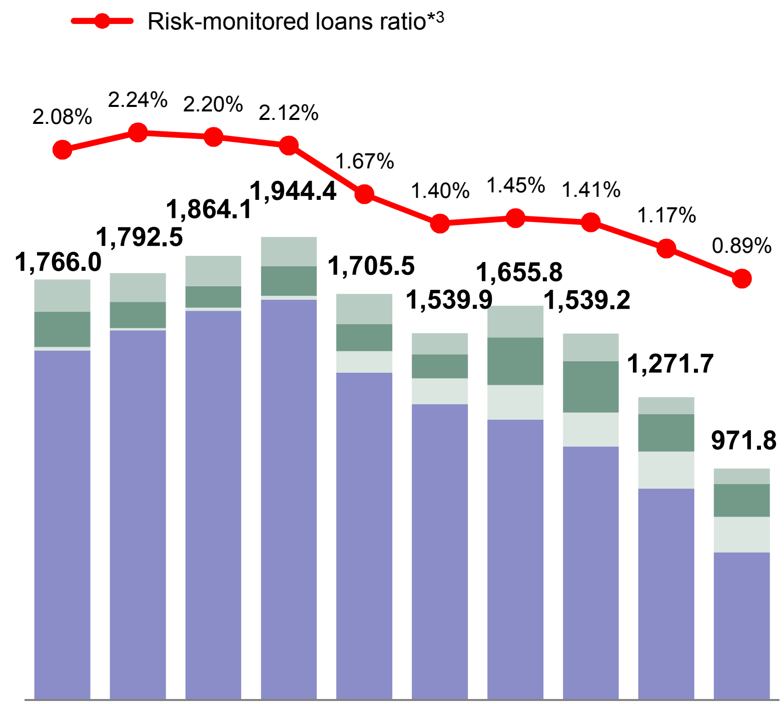


*1 Excluding loans to government
*2 Financial results as disclosed in Krungsri's financial reports based on Thai GAAP
*3 Financial results as disclosed in MUAH's Form 10-K and Form 10-Q reports based on U.S. GAAP
*4 On a managerial accounting basis

Loan assets

【Consolidated】

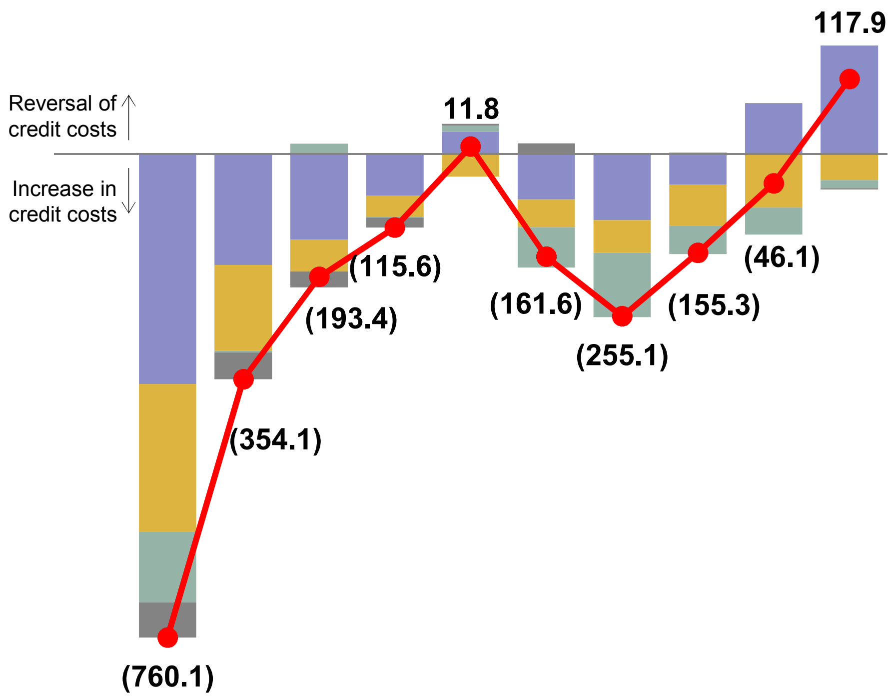
Balance of risk-monitored loans*1



[Breakdown]	Mar.10	Mar.11	Mar.12	Mar.13	Mar.14	Mar.15	Mar.16	Mar.17	Mar.18	Sep.18
EMEA*2	136.3	121.2	127.2	122.0	126.3	88.2	133.9	116.0	71.3	63.5
Americas*2	147.3	110.3	89.2	125.0	114.9	100.7	199.4	216.0	157.5	138.4
Asia	14.4	9.4	14.4	17.0	89.0	108.8	145.3	142.3	155.8	149.1
Domestic	1,467.9	1,551.5	1,633.2	1,680.3	1,375.2	1,242.0	1,177.1	1,064.7	887.0	620.5

*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]	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18 H1
Non-consolidated	(361.6)	(174.2)	(134.5)	(65.3)	35.1	(71.1)	(103.7)	(47.9)	79.5	173.4
CF*4	(232.2)	(135.0)	(50.1)	(33.7)	(35.7)	(44.1)	(51.6)	(64.5)	(83.6)	(41.1)
Overseas*5	(110.6)	(2.7)	16.1	(0.8)	9.2	(63.2)	(100.8)	(45.0)	(42.7)	(12.3)
Others*6	(55.7)	(42.1)	(24.9)	(15.6)	3.2	16.9	1.0	2.1	0.8	(2.0)

*4 Sum of NICOS and ACOM on a consolidated basis
*5 Sum of overseas subsidiaries and affiliated companies of the Bank and the Trust Bank
*6 Sum of other subsidiaries and affiliated companies, and consolidation adjustment

Investment securities

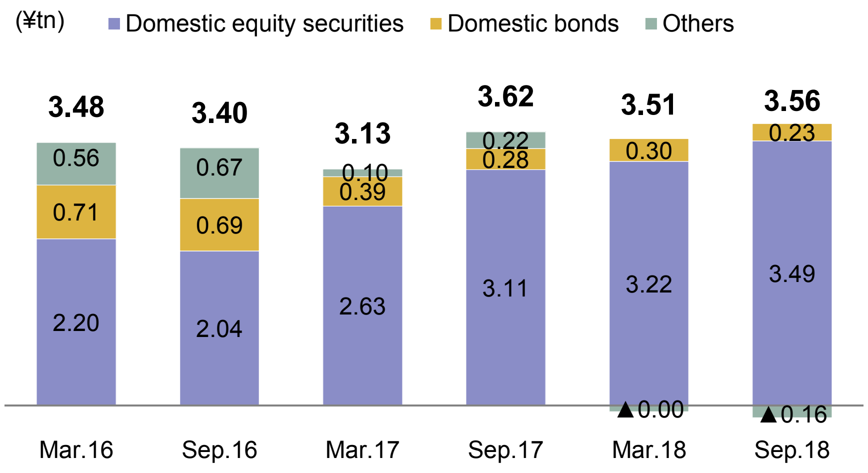
【Consolidated / Non-Consolidated】

Available-for-sale securities with fair value

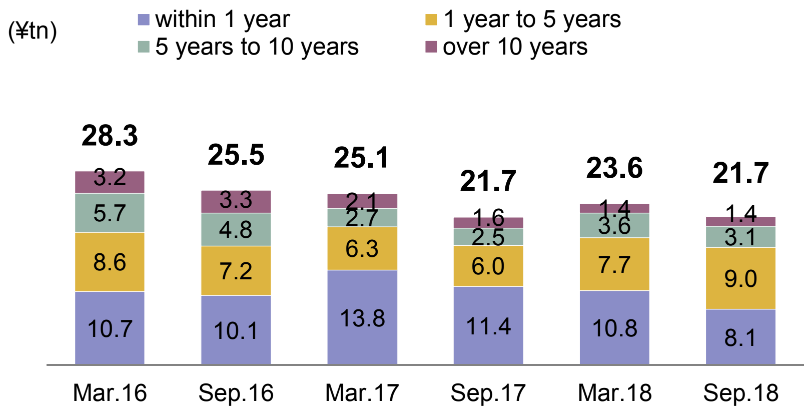
(¥bn)

		Balance		Unrealized gains (losses)	
		End Sep.18	Changes from End Mar.18	End Sep.18	Changes from End Mar.18
1	**Total**	54,472.9	(924.4)	3,565.5	48.0
2	Domestic equity securities	5,779.0	238.0	3,497.8	277.7
3	Domestic bonds	25,507.8	(1,472.7)	230.3	(75.1)
4	Japanese government bonds	20,584.2	(1,866.2)	199.7	(59.2)
5	Others	23,185.9	310.3	(162.7)	(154.4)
6	Foreign equity securities	156.8	(177.7)	1.4	(34.5)
7	Foreign bonds	17,003.5	(444.8)	(275.7)	(136.6)
8	Others	6,025.6	932.8	111.5	16.7

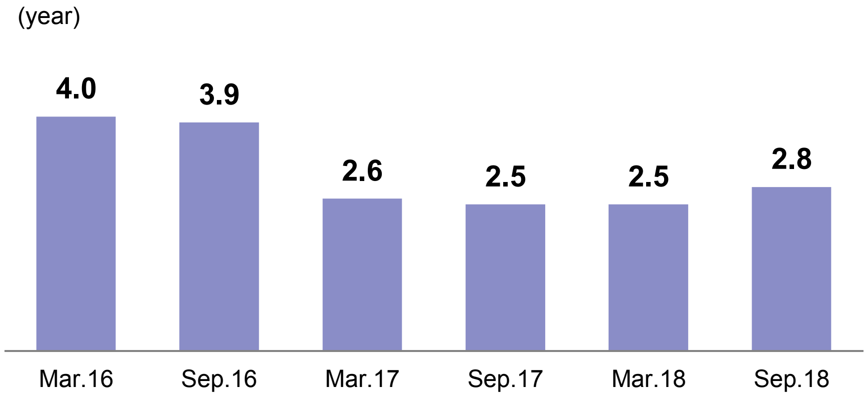
Unrealized gains (losses) on available-for-sale securities



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.

Capital adequacy

【Consolidated】

Total capital

- Total capital increased ¥215.7bn from the end of March 2018 mainly due to increases in retained earnings and issuances of subordinated debt.
- Common Equity Tier 1 capital increased ¥161.2bn from the end of March 2018.

Risk weighted assets (RWA)

- Credit Risk : (¥0.3tn)
  Decreased mainly due to upgrade to internal credit rating of our clients.
- Floor Adjustment[*1] : +¥6.4tn

Common Equity Tier 1 capital ratio

- Full implementation basis[*2] : 11.9%
- Excluding impact of net unrealized gains (losses) on available-for-sale securities : 9.7%
- Finalized BaselⅢ reforms basis[*3]: 11.8%

Leverage ratio

- Transitional basis: 5.05%

	(¥bn)	End Mar.18	End Sep.18	Changes from End Mar.18
1	**Common Equity Tier 1 capital ratio**	12.58%	12.02%	(0.56%)
2	**Tier 1 capital ratio**	14.32%	13.67%	(0.64%)
3	**Total capital ratio**	16.56%	15.82%	(0.73%)
4	Common Equity Tier 1 capital	14,284.9	14,446.1	161.2
5	Retained earnings	10,064.6	10,581.9	517.2
6	Other comprehensive income	3,143.8	2,945.4	(198.3)
7	Regulatory adjustments	(1,786.1)	(1,879.9)	(93.7)
8	Additional Tier 1 capital	1,966.8	1,980.9	14.1
9	Preferred securities and subordinated debt	1,822.1	1,822.1	-
10	**Tier 1 capital**	16,251.7	16,427.0	175.3
11	**Tier 2 capital**	2,543.7	2,584.1	40.4
12	Subordinated debt	2,165.0	2,243.5	78.4
13	**Total capital (Tier 1＋Tier 2)**	18,795.4	19,011.2	215.7
14	**Risk weighted assets**	113,463.6	120,127.1	6,663.5
15	Credit risk	89,823.1	89,472.2	(350.9)
16	Market risk	2,714.5	3,201.8	487.3
17	Operational risk	7,236.0	7,358.4	122.4
18	Floor adjustment	13,689.9	20,094.5	6,404.6

*1 Adjustments made for the difference between risk-weighted assets under Basel I and Basel III
*2 Calculated on the basis of regulations applied at the end of March 2019
*3 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis

FY2018 targets

【Consolidated】

- **The target for consolidated profits attributable to owners of parent for FY2018 was revised upward from ¥850.0bn to ¥950.0bn**

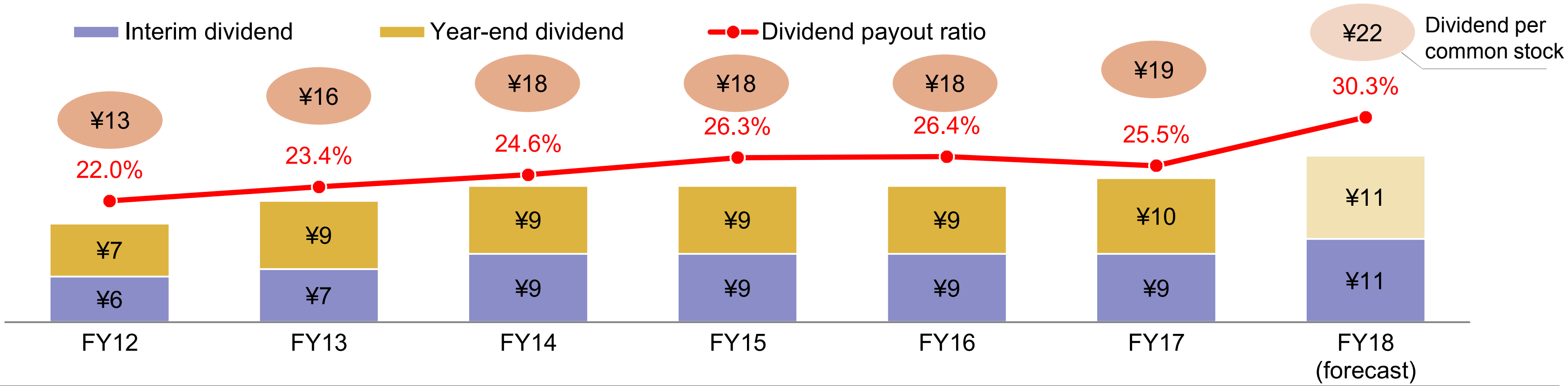
	Results			Targets		
	FY17		FY18	FY18		
Consolidated (¥bn)	Interim	Full Year	Interim	Interim	Full Year (revised targets)	Changes from initial targets
1 **Net operating profits** before credit costs for trust accounts and provision for general allowance for credit losses	700.7	1,232.8	568.1	500.0	1,050.0	10.0
2 **Total credit costs**	3.1	(46.1)	117.9	(30.0)	(10.0)	110.0
3 **Ordinary profits**	864.0	1,462.4	885.9	630.0	1,350.0	120.0
4 **Profits attributable to owners of parent**	626.9	989.6	650.7	450.0	950.0	100.0

FY2018 shareholder returns

【Consolidated】

Results and forecasts of dividend per common stock

- Interim dividend per common stock for FY18 is ¥11, increased ¥1 compared to the previous forecast.
- Revised FY18 dividend forecast to ¥22, increased ¥2 compared to the previous forecast.



Repurchase and cancellation of own shares

- For FY18 H2, resolved to repurchase own shares up to ¥100.0bn and all of the repurchased shares to be cancelled.

	FY17 result	FY18 H1 result	FY18 H2 plan
Aggregate amount of repurchase price	Approx. ¥200.0bn	Approx. ¥50.0bn	Up to ¥100.0bn
Aggregate number of shares repurchased	Approx. 268.81 mm shares All of the shares were cancelled	Approx. 72.42 mm shares All of the shares were cancelled	Up to 200 mm shares (All of shares to be cancelled)

(Reference) Own shares held by MUFG as of October 31, 2018
Total number of issued shares (excluding own shares) : 13,119,338,443 shares
Number of own shares : 708,268,877 shares

MUFG

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 and abbreviations used in this document>

Consolidated	: Mitsubishi UFJ Financial Group, Inc. (Consolidated)
Non-consolidated	: MUFG Bank, Ltd. (Non-consolidated) + Mitsubishi UFJ Trust and Banking Corporation (Non-consolidated) (without any adjustments)
the Bank	: MUFG Bank, Ltd.
the Trust Bank	: Mitsubishi UFJ Trust and Banking Corporation
the Securities HD	: Mitsubishi UFJ Securities Holdings Co., Ltd.
NICOS	: Mitsubishi UFJ NICOS Co., Ltd.
MUAH	: MUFG Americas Holdings Corporation
R&C	: Retail & Commercial Banking Business Group
JCIB	: Japanese Corporate & Investment Banking Business Group
GCIB	: Global Corporate & Investment Banking Business Group
GCB	: Global Commercial Banking Business Group
AM/IS	: Asset Management & Investor Services Business Group
Global Markets	: Global Markets Business Group

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