

MITSUBISHI UFJ FINANCIAL GROUP INC
Form 6-K
February 14, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934
For the month of February 2018
Commission File No. 000-54189

MITSUBISHI UFJ FINANCIAL GROUP, INC.

(Translation of registrant's name into English)

7-1, Marunouchi 2-chome, Chiyoda-ku

Tokyo 100-8330, Japan

(Address of principal executive office)

**Indicate by check mark whether the registrant files or
will file annual reports under cover of Form 20-F or Form 40-F.**

Form 20-F X Form 40-F _____

Indicate by check mark if the registrant is submitting the Form 6-K

in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K

in paper as permitted by Regulation S-T Rule 101(b)(7):

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT ON FORM F-3 (NO. 333-209455) OF MITSUBISHI UFJ FINANCIAL GROUP, INC. AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED TO THE U.S. SECURITIES AND EXCHANGE COMMISSION TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED WITH OR FURNISHED TO THE U.S. SECURITIES AND EXCHANGE COMMISSION.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 14, 2018

Mitsubishi UFJ Financial Group, Inc.

By: /s/ Zenta Morokawa

Name: Zenta Morokawa

Title: Chief Manager

Documentation & Corporate Secretary Department
Corporate Administration Division

English Translation of Excerpts from Quarterly Securities Report Filed in Japan

This document is an English translation of selected information included in the Quarterly Securities Report for the quarter ended December 31, 2017 filed by Mitsubishi UFJ Financial Group, Inc. (MUFG or we) with the Kanto Local Financial Bureau, the Ministry of Finance of Japan, on February 14, 2018 (the Quarterly Securities Report). An English translation of certain information included in the Quarterly Securities Report was previously submitted in a report on Form 6-K dated February 2, 2018. Accordingly, this document should be read together with the previously submitted report.

The Quarterly Securities Report has been prepared and filed in Japan in accordance with applicable Japanese disclosure requirements as well as generally accepted accounting principles in Japan (J-GAAP). There are significant differences between J-GAAP and generally accepted accounting principles in the United States. In addition, the Quarterly Securities Report is intended to update prior disclosures filed by MUFG in Japan and discusses selected recent developments in the context of those prior disclosures. Accordingly, the Quarterly Securities Report may not contain all of the information that is important to you. For a more complete discussion of the background to information provided in the Quarterly Securities Report disclosure, please see our annual report on Form 20-F for the fiscal year ended March 31, 2017 and the other reports filed with or submitted to the U.S. Securities and Exchange Commission by MUFG.

Risks Relating to Our Business

We describe below some major developments and changes to update our risk factor disclosure previously included in our annual securities report for the fiscal year ended March 31, 2017 filed in Japan on June 29, 2017. The updates below are not a complete update of the prior disclosure, but instead intended to explain only the significant developments and changes that we believe may have a material impact on the risks to our business and other risks. The discussion below contains forward-looking statements, which, unless specifically described otherwise, reflect our understanding as of the date of filing of the Quarterly Securities Report.

The numbering of the subheading of the risk disclosure below corresponds to the numbering of the subheading of the same risk disclosure in Risks Relating to Our Business in our most recent annual securities report filed in Japan.

19. Risks of receiving potential claims or sanctions regarding inappropriate or illegal practices or other conduct from our customers or regulatory authorities

We conduct our business subject to ongoing regulations and associated compliance risks (including the effects of changes in laws, regulations, policies and voluntary codes of practice in Japan and other markets where we operate). In the current regulatory environment, we are subject to various regulatory inquiries or investigations from time to time in connection with various aspects of our business and operations. Our compliance risk management systems and programs may not be fully effective in preventing all violations of laws, regulations and rules.

Our failure to comply with all applicable laws and regulations, including those relating to money laundering, financial crimes, and other inappropriate or illegal transactions, may lead to penalties, fines, public reprimands, damage to reputation, issuance of business improvement and other administrative orders, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate. These consequences may harm our reputation resulting in loss of customer or market confidence in us or otherwise in deterioration of our business environment, and may adversely affect our business and results of operations. Our ability to obtain regulatory approvals for future strategic initiatives may also be adversely affected.

In December 2012, BTMU agreed to make a payment to the Office of Foreign Assets Control of the U.S. Department of the Treasury, or OFAC, to settle potential civil liability for apparent violations of certain U.S. sanctions regulations from 2006 to 2007. In addition, in June 2013, BTMU entered into a consent agreement with the New York State Department of Financial Services, or NYDFS, to resolve issues relating to certain U.S. dollar payments that were routed through New York from 2002 to 2007. Under the terms of the agreement with NYDFS, BTMU agreed to make a civil monetary payment to NYDFS and retain an independent consultant to conduct a compliance review of the relevant controls and related matters in BTMU's current operations. In addition, in November 2014, BTMU entered into a consent agreement with NYDFS to resolve issues relating to instructions given to PricewaterhouseCoopers LLP, or PwC, and the disclosures made to NYDFS in connection with BTMU's 2007 and 2008 voluntary investigation of BTMU's U.S. dollar clearing activity toward countries under U.S. economic sanctions. BTMU had hired PwC to conduct a historical transaction review report in connection with that investigation. Under the terms of the agreement with NYDFS, BTMU made a payment of the stipulated amount to NYDFS, and agreed to take actions on persons involved in the matter at that time, relocate its U.S. BSA/AML and OFAC sanctions compliance programs to New York, and extend, if regarded as necessary by NYDFS, the period during which an independent consultant is responsible for assessing BTMU's internal controls regarding compliance with applicable laws and regulations related to U.S. economic sanctions. On November 9, 2017, BTMU entered into a Stipulation and Consent to the Issuance of a Consent Order with the U.S. Office of the Comptroller of the Currency, or OCC, under which BTMU agreed to the entry by the OCC of a Consent Order that includes remedial terms and conditions that are substantively the same as those included in the consent agreements that BTMU had reached with NYDFS in June 2013 and November 2014. This Consent Order, which the OCC executed, enables the OCC to supervise BTMU's plans to enhance its internal controls and compliance program relating to OFAC sanctions requirements. The Stipulation and Consent with the OCC followed MUFG's conversion of its U.S. Branches and Agencies of BTMU and MUTB, including its BTMU New York Branch, from state-licensed branches and agencies under the supervision of state regulatory agencies, including NYDFS, to federally licensed branches and agencies under the supervision of the OCC. BTMU is having continuing discussions on these and related issues with relevant regulators, and is undertaking necessary actions relating to these matters. In addition, BTMU is currently engaged in litigation with NYDFS with regard to the conversion of its New York Branch license. These developments or other similar events may result in additional regulatory actions against us or agreements to make significant settlement payments.

We have received requests and subpoenas for information from government agencies in some jurisdictions that are conducting investigations into past submissions made by panel members, including us, to the bodies that set various interbank benchmark rates as well as investigations into foreign exchange related practices of global financial institutions. We are cooperating with these investigations and have been conducting an internal investigation among other things. In connection with these matters, we and other panel members and global financial institutions have been named as defendants in a number of civil lawsuits, including putative class actions, in the United States. These developments or other similar events may expose us to significant adverse financial and other consequences.

Additional Japanese GAAP Financial Information for the nine months ended December 31, 2017

1. Changes in the Scope of Consolidation or Application of the Equity Method

I. Significant changes in the scope of consolidation

Japan Digital Design, Inc. was newly included in the scope of consolidation due to new establishment.

II. Significant changes in the scope of application of the equity method

None.

2. Additional Information

I. Strategic investment in Danamon

The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), a consolidated subsidiary of MUFG, entered into conditional share purchase agreements with Asia Financial (Indonesia) Pte. Ltd. (AFI) and other entities (together with AFI, the Sellers) on December 26, 2017, to acquire their 73.8% equity interests in Indonesian bank PT Bank Danamon Indonesia, Tbk. (Danamon), subject to applicable regulatory approvals.

II. Objectives of the transaction

BTMU intends to establish an integrated and comprehensive services platform that serves as a gateway for clients wishing to make inroads into Indonesia's burgeoning economy as well as local companies keen on expanding into the region. This investment is also expected to strategically allow BTMU to benefit from Danamon's foothold in the developing local retail and small and medium enterprises (SME) segments to deepen its banking franchise in Indonesia.

III. Outline of proposed transaction

This strategic investment by BTMU will be executed through three steps (the Proposed Transaction), and the completion of the Proposed Transaction will result in BTMU becoming the largest shareholder in Danamon and Danamon becoming a consolidated subsidiary of BTMU.

Step 1: On December 29, 2017, BTMU acquired an initial 19.9% equity interest in Danamon from the Sellers based on a price of IDR 8,323 (approximately ¥70) per share and at an investment amount of IDR 15,875 billion (approximately ¥133 billion). The price was based on a price book-value ratio of 2.0 calculated on the basis of Danamon's net assets as of September 30, 2017, with certain adjustments applied. AFI remained the majority shareholder in Danamon upon closing of Step 1. BTMU classifies the shares it holds in Danamon as available-for-sale securities.

Step 2: BTMU intends to seek regulatory approvals and other relevant approvals to acquire an additional 20.1% to increase its equity interest in Danamon to 40%. This step is expected to close between April and September of 2018, subject to receiving these approvals. The price for Danamon's shares in Step 2 will be based on a similar approach as Step 1.

Step 3: Upon completion of Step 2, BTMU intends to seek the necessary approvals to increase its equity interest in Danamon above 40%, and this will provide an opportunity for all other existing Danamon shareholders to either remain as shareholders or receive cash from BTMU. With the closing of Step 3, BTMU's final equity interest in Danamon is expected to be over 73.8%. The price for Danamon's shares in Step 3 will be based on a similar approach as Step 1.

IV. Overview of Danamon

Corporate name:	PT Bank Danamon Indonesia, Tbk.
Name and title of representative:	Sng Seow Wah, President Director
Location:	Jakarta Indonesia
Date of establishment:	July 16, 1956
Business description:	Banking services
Paid-in capital:	IDR 5,901,122 million (as of December 31, 2016)
Number of shares outstanding:	9,584,643,365 shares (as of December 31, 2016)
Fiscal year end:	December 31

Financial summary of Danamon for the fiscal year ended December 31, 2016:

(millions of IDR)

Operating income:	26,554,900
Net operating income:	4,934,212
Net income attributable to shareholders:	2,669,480
Total assets:	174,086,730
Net equity:	36,377,972

(Notes)

1. Operating income refers to the total of Interest income, Insurance premium income and Other operating income.
2. The above figures are presented based on Regulation of Financial Service Authority (POJK) No. 6/POJK.03/2015 dated 31 March 2015 regarding Transparency and Publication of Bank Reports and its amendment of POJK No. 32/POJK.03/2016 dated 8 August 2016, and the Copy of Circular Letter of Financial Service Authority (SEOJK) No. 43/SEOJK.03/2016 dated 28 September 2016.

3. Consolidated Balance Sheets

I. Risk-monitored loans included in Loans and bills discounted

	(in millions of yen)	
	March 31, 2017	December 31, 2017
Loans to bankrupt borrowers	¥ 46,498	¥ 54,758
Non-accrual delinquent loans	738,103	647,137
Accruing loans contractually past due 3 months or more	46,301	32,728
Restructured loans	708,354	637,537
Total	¥ 1,539,258	¥ 1,372,163

The amounts above represent gross amounts before the deduction of allowance for credit losses.

II. The principal amount of money trusts entrusted to domestic trust banking subsidiaries, for which repayment of the principal to the customers was guaranteed

	(in millions of yen)	
	March 31, 2017	December 31, 2017
Principal-guaranteed money trusts	¥ 6,678,398	¥ 6,651,775

III. Guarantee obligations for private placement bonds (provided in accordance with Article 2-3 of the Financial Instruments and Exchange Law) among the bonds and other securities included in Securities

	(in millions of yen)	
	March 31, 2017	December 31, 2017
Guarantee obligations for private placement bonds	¥ 563,884	¥ 508,923

IV. Contingent liabilities (Litigation)

In the ordinary course of business, MUFG is subject to various litigation and regulatory matters. In accordance with applicable accounting guidance, MUFG establishes a Reserve for Contingent Losses arising from litigation and regulatory matters when they are determined to be probable in their occurrences and the probable loss amount can be reasonably estimated. Based upon current knowledge and consultation with counsel, management believes the eventual outcome of such litigation and regulatory matters, where losses are probable and the probable loss amounts can be reasonably estimated, would not have a material adverse effect on the MUFG's financial position, results of operations or cash flows.

Management also believes the amount of loss that is reasonably possible, but not probable, from various litigation and regulatory matters is not material to MUFG's financial position, results of operations or cash flows.

4. Consolidated Statements of Income

Other ordinary income for the periods indicated included the following:

	(in millions of yen)	
	For the nine months ended December 31,	
	2016	2017
Equity in gains of the equity method investees	¥ 171,199	¥ 202,242
Gains on sales of equity securities	134,687	149,471

Other ordinary expenses for the periods indicated included the following:

	(in millions of yen)	
	For the nine months ended December 31,	
	2016	2017
Write-offs of loans	¥ 93,384	¥ 106,150
Provision for reserve for contingent losses	89,126	20,691

5. Consolidated Statements of Cash Flows

No consolidated statements of cash flows have been prepared for the nine months periods ended December 31, 2016 and 2017. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the periods indicated were as follows:

	(in millions of yen)			
	For the nine months ended December 31,			
	2016		2017	
Depreciation	¥	228,850	¥	240,189
Amortization of goodwill		11,020		13,033

6. Shareholders Equity

For the nine months ended December 31, 2016

I. Cash dividends

Date of approval	Type of stock	Total dividends (in millions of yen)	Dividend per share (yen)	Dividend record date	Effective date	Source of dividends
Annual General Meeting of Shareholders on June 29, 2016	Common stock	124,116	9	March 31, 2016	June 29, 2016	Retained earnings
Meeting of Board of Directors on November 14, 2016	Common stock	122,440	9	September 30, 2016	December 5, 2016	Retained earnings

II. Dividends the record date for which fell within the nine-month period and the effective date of which was after the end of the nine-month period
None.

For the nine months ended December 31, 2017

I. Cash dividends

Date of approval	Type of stock	Total dividends (in millions of yen)	Dividend per share (yen)	Dividend record date	Effective date	Source of dividends
Annual General Meeting of Shareholders on June 29, 2017	Common stock	121,160	9	March 31, 2017	June 30, 2017	Retained earnings
Meeting of Board of Directors on November 14, 2017	Common stock	119,890	9	September 30, 2017	December 5, 2017	Retained earnings

II.

Dividends the record date for which fell within the nine-month period and the effective date of which was after the end of the nine-month period

None.

7. Segment Information

I. Business segment information

(1) Information on net revenue and operating profit (loss) for each reporting segment
For the nine months ended December 31, 2016

(in millions of yen)

	For the nine months ended December 31, 2016							Other	Total
	Retail Banking Business Group	Corporate Banking Business Group	Global Business Group	Trust Assets Business Group	Total of Customer Business	Global Markets Business Group			
Net revenue	¥ 878,983	¥ 731,006	¥ 910,807	¥ 124,881	¥ 2,516,799	¥ 534,425	¥ (35,450)	¥ 3,015,775	
Operating expenses	719,695	428,833	567,179	79,847	1,687,109	152,990	126,325	1,966,425	
Operating profit (loss)	¥ 159,287	¥ 302,173	¥ 343,628	¥ 45,034	¥ 829,690	¥ 381,435	¥ (161,775)	¥ 1,049,350	

(Notes)

1. Net revenue in the above table is used in lieu of net sales generally used by Japanese non-financial companies.
2. Net revenue includes net interest income, trust fees, net fees and commissions, net trading profit, and net other operating profit.
3. Operating expenses includes personnel expenses and premise expenses.
4. Net revenue and Operating expenses for each of the Corporate Banking Business Group and the Global Business Group include net revenue and operating expenses relating to overseas Japanese corporate transactions. The amounts relating to such transactions included in each of these reporting segments are as follows:
¥128,878 million of net revenue, ¥108,445 million of operating expenses and ¥20,433 million of operating profit.
Adjustments have been made by deducting these amounts from the Total of Customer Business.

For the nine months ended December 31, 2017

(in millions of yen)

	For the nine months ended December 31, 2017							Other	Total
	Retail Banking Business Group	Corporate Banking Business Group	Global Business Group	Trust Assets Business Group	Total of Customer Business	Global Markets Business Group			
Net revenue	¥ 912,609	¥ 726,828	¥ 971,253	¥ 138,368	¥ 2,608,987	¥ 413,773	¥ (7,903)	¥ 3,014,858	
Operating expenses	715,476	438,722	645,361	85,983	1,768,990	169,116	127,534	2,065,641	

Operating profit (loss)	¥ 197,132	¥ 288,106	¥ 325,892	¥ 52,384	¥ 839,997	¥ 244,657	¥ (135,437)	¥ 949,216
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(Notes)

1. Net revenue in the above table is used in lieu of net sales generally used by Japanese non-financial companies.
2. Net revenue includes net interest income, trust fees, net fees and commissions, net trading profit, and net other operating profit.
3. Operating expenses includes personnel expenses and premise expenses.
4. Net revenue and Operating expenses for each of the Corporate Banking Business Group and the Global Business Group include net revenue and operating expenses relating to overseas Japanese corporate transactions. The amounts relating to such transactions included in each of these reporting segments are as follows:
¥140,072 million of net revenue, ¥116,553 million of operating expenses and ¥23,519 million of operating profit. Adjustments have been made by deducting these amounts from the Total of Customer Business.

- (2) Reconciliation of the total operating profit in each of the above tables to the ordinary profit in the consolidated statements of income for the corresponding nine-months periods

	(in millions of yen)			
	For the nine months ended December 31,			
	2016		2017	
Total operating profit of reporting segments	¥	1,049,350	¥	949,216
Operating profit of consolidated subsidiaries excluded from reporting segments		33,937		18,318
Credit related expenses		(146,095)		(129,320)
Gains on reversal of allowance for credit losses		49,281		35,561
Gains on loans written-off		45,866		59,589
Net gains on equity securities and other securities		96,160		134,952
Equity in gains of the equity method investees		171,199		202,242
Others		(87,498)		(64,527)
Ordinary profit in the consolidated statements of income	¥	1,212,200	¥	1,206,031

- (3) Changes in reporting segments

From the nine months ended December 31, 2017, MUFG has reflected changes in the allocation of net revenue and operating expenses among reporting segments in our segment information calculation methodology.

Accordingly, the business segment information for the nine months ended December 31, 2016 has been restated based on the new allocation.

8. Financial Instruments

There are no material changes to be disclosed as of December 31, 2017 compared to March 31, 2017.

9. Securities

- *1 The following shows those securities as of December 31, 2017 which were deemed material in the management of our group company businesses and showed material changes as compared to those as of March 31, 2017.
- *2 In addition to Securities on the consolidated balance sheet, the figures in the following tables include negotiable certificates of deposit in Cash and due from banks and beneficiary certificates in trusts in Monetary claims bought and others.

I. Available-for-sale securities

	(in millions of yen)		
	March 31, 2017		
	Acquisition cost	Amount on consolidated balance sheet	Difference
Domestic equity securities	¥ 2,529,462	¥ 5,164,653	¥ 2,635,191
Domestic bonds	27,289,712	27,688,842	399,130
Government bonds	23,659,599	24,010,611	351,011
Municipal bonds	1,006,407	1,009,875	3,468
Corporate bonds	2,623,705	2,668,355	44,650
Other securities	21,854,910	21,959,652	104,742
Foreign equity securities	132,927	182,802	49,875
Foreign bonds	17,925,794	17,917,306	(8,487)
Other	3,796,189	3,859,542	63,353
Total	¥ 51,674,085	¥ 54,813,148	¥ 3,139,063

(Note) The total difference amount shown in the table above includes ¥41,607 million of revaluation gains on securities by application of the fair value hedge accounting method.

	(in millions of yen)		
	December 31, 2017		
	Acquisition cost	Amount on consolidated balance sheet	Difference
Domestic equity securities	¥ 2,375,513	¥ 5,948,431	¥ 3,572,917
Domestic bonds	25,619,913	25,916,671	296,757
Government bonds	21,322,364	21,574,146	251,782
Municipal bonds	1,424,841		