


Fiscal 2016 Interim Results Presentation



November 18, 2016

Mitsubishi UFJ Financial Group, Inc.



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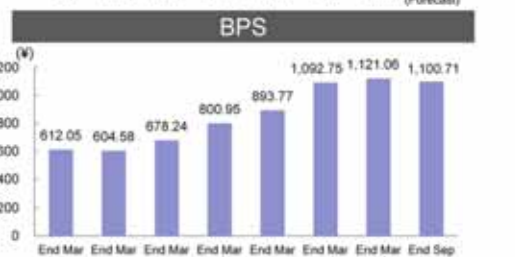
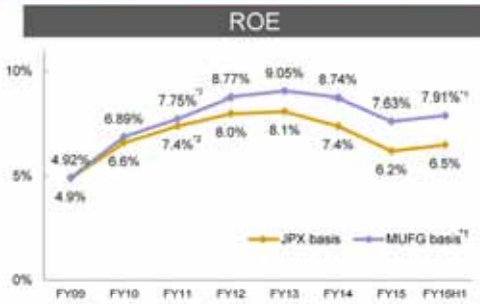
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Definitions of figures used in this document

Consolidated	: Mitsubishi UFJ Financial Group (consolidated)
Non-consolidated	: Simple some of Bank of Tokyo-Mitsubishi UFJ (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)
Commercial bank consolidated	: Bank of Tokyo-Mitsubishi UFJ (consolidated)

Management index

(Consolidated)



^{*1} $\frac{\text{Profits attributable to owners of parent} \times 2}{\text{[Total shareholders' equity at the beginning of the period + Foreign currency translation adjustments at the beginning of the period]}} \times 100$
 $\frac{\text{Profits attributable to owners of parent} \times 2}{\text{[Total shareholders' equity at the end of the period + Foreign currency translation adjustments at the end of the period]}} \times 100$
^{*2} 11.10%(MUFG basis), 10.8%(JPX basis) before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley
^{*3} ¥68.09 before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley
^{*4} 17.6% before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley



Financial targets of the current mid-term business plan

- Aim to achieve stable and sustainable income growth through seeking diversified revenue bases especially in customer segment both domestically and overseas, and capital efficiency by improving productivity
- Enhance shareholder value by conducting capital management flexibly taking the balance of (1) enhancement of further shareholder returns, (2) maintenance of a solid capital base and (3) strategic investments for sustainable growth, into consideration

		FY14	FY17 Target	FY16H1
Growth	EPS(¥)	¥73.22	Increase 15% or more from FY14	¥35.93
	ROE	8.74%	Between 8.5-9.0%	7.91%
Profitability	Expense ratio	61.1%	Approx. 60%	63.1%
	CET1 ratio (Full implementation) ^{*1}	12.2%	9.5% or above	12.5%
(Excluding an impact of net unrealized gains (losses) on available-for-sale securities)				10.1%

^{*1} Calculated on the basis of regulations to be applied at end Mar 19

FY2016 financial target

- FY16 consolidated target of profits attributable to owners of parent is held at ¥850.0 bn

(Mn)	<Financial target, etc.>		<Results>			
	FY16		FY15		FY16	
	Interim	Full year	Interim	Full year	Interim	
[MUG Consolidated]						
1	Total credit costs	(110.0)	(150.0)	(31.0)	(255.1)	(57.6)
2	Ordinary profits	610.0	1,320.0	969.9	1,539.4	794.8
3	Profits attributable to owners of parent	360.0	850.0	599.3	951.4	490.5
(BTMU: for reference)						
4	Net business profits	320.0	700.0	480.4	888.1	417.0
5	Total credit costs	(20.0)	(30.0)	21.2	(103.4)	(4.7)
6	Ordinary profits	290.0	670.0	538.3	863.7	410.2
7	Net income	210.0	490.0	379.6	586.0	323.0
(MUTB: for reference)						
8	Net business profits	80.0	170.0	95.6	193.0	92.7
9	Total credit costs	(5.0)	(5.0)	1.3	(0.2)	1.7
10	Ordinary profits	75.0	180.0	99.5	206.5	105.5
11	Net income	55.0	130.0	70.3	159.9	75.7

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- ✓ Please look at the presentation material page six that shows the contents of the presentation. I would briefly cover the some highlights of financial results, and then would like to focus on the contents about the current economic environment and thereafter.
- ✓ Please go to page eight.

Outline of FY2016 Interim Results

Key points of FY2016 interim

(Consolidated)

● Profits attributable to owners of parent was ¥490.5 bn (decreased ¥108.7 bn from FY15H1)

- Progress rate was 57.7% of ¥850.0 bn target
- ¥57.6 bn total credit cost was posted
- Steady growth in overseas loans and non-JPY deposits
- Commission and net interest income in overseas and net gains on debt securities increased. Commission income from sale of investment products and net interest income from domestic loan and deposit decreased, reflecting lower interest rates in domestic market

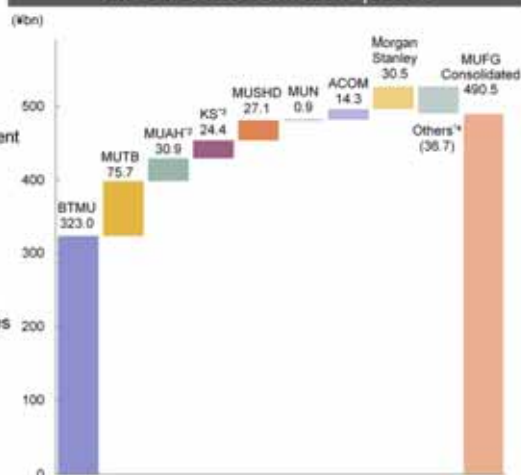
● Progress of mid-term business plan

- Acquired 23% of Hitachi Capital shares and formed into as an equity method affiliate of MUFG
- Concluded a share purchase agreement to acquire 100% of the issued shares of U.S. fund admin company, Rydex Fund Services
- Established U.S. Intermediate Holding Company to comply with U.S. financial regulations
- BTMU and MUS dealing rooms integrated globally

● Shareholder return and others

- Repurchased approx. ¥100.0 bn own share (FY16H1)
- Resolved to repurchase up to ¥100.0 bn own share (FY16H2)
- FY15 dividend was ¥18 per common stock
- FY16 dividend forecast is also ¥18 per common stock
- Approx. ¥85.0 bn equities holdings were sold (acquisition costs basis)

Breakdown of FY16 interim profits attributable to owners of parent¹



¹ The above figures take into consideration the percentage holding in each subsidiary and equity method investee (after-tax basis)

² MUFG Americas Holdings Corporation

³ Bank of Ayudhya (Krungthai)

⁴ Including cancellation of the amount of inter-group dividend receipt and equity method income from other affiliate companies



- ✓ Let me give you highlights of the fiscal 2016 interim results. While the world economy, particularly emerging markets, remained lackluster, a stronger yen and prolonged low interest rates globally, coupled with the negative interest rate introduced in Japan, pushed down net interest income from loan and deposit at home and abroad.
- ✓ Commission income from the sale of investment products also decreased. Due to such a challenging environment, profits attributable to owners of parent dropped to 490.5 billion yen, down 108.7 billion yen year on year.
- ✓ Customer segments, such as retail banking and corporate banking, were negatively affected by interest rate and currency movements. All customer segments in business groups posted lower profit compared to a year ago.
- ✓ However, the profit of global markets increased year on year, and if we exclude the impact of the stronger yen, which appreciated 20 yen from a year ago, the global business unit effectively generated higher profit. It is fair to say our efforts in expanding business in the Americas and Asia and improving efficiency bore fruit to some extent.
- ✓ Morgan Stanley's contribution receded due to a setback in first quarter performance and a stronger yen, but this was offset by lower credit costs and progress in the sale of equity holdings. All in all, we achieved 57.7 percent of the whole year target of 850 billion yen ending the first half, ahead of plan, notwithstanding a profit decrease.
- ✓ We will keep the fiscal '16 target of profits attributable to owners of parent at 850 billion yen, which we announced at the beginning of the year.
- ✓ Regarding the common stock dividend, we will pay 9 yen for the interim period, in line with the original forecast, and maintain 18 yen for the full-year amount. Furthermore, we resolved a share buyback of up to 100 billion yen.
- ✓ Please proceed to page nine.

Income statement summary

(Consolidated)

● Net operating profits

- Gross profits decreased mainly due to a decrease in net interest income from domestic loan and deposit, reflecting lowering interest rates, and a decrease in fee income from sale of investment products in domestic market, as well as JPY appreciation, while both net interest income and fee income in overseas, and net gains on debt securities increased
- Expenses decreased mainly due to the JPY appreciation
- Net operating profits recorded ¥725.4 bn, down ¥94.8 bn from FY15H1

● Total credit costs^{*1}

- Total credit costs increased to ¥57.6 bn from the same period of the previous year, well below the initial plan for FY16

● 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 decreased, partly due to the JPY appreciation

● Profits attributable to owners of parent

- As a result, profits attributable to owners of parent recorded ¥490.5 bn, down ¥108.7 bn from FY15H1

	(¥bn)	FY15	FY16H1	YoY
1	Gross profits (before credit costs for trust accounts)	4,143.2	1,969.4	(139.7)
2	Net interest income	2,113.5	975.0	(101.2)
3	Trust fees + Net fees and commissions	1,437.6	682.6	(17.4)
4	Net trading profits + Net other operating profits	592.0	311.6	(21.0)
5	Net gains (losses) on debt securities	132.9	92.6	10.5
6	G&A expenses	2,585.2	1,244.0	(44.9)
7	Depreciation	288.5	150.1	(4.7)
8	Net operating profits	1,557.9	725.4	(94.8)
9	Total credit costs ^{*1}	(255.1)	(57.6)	(26.6)
10	Net gains (losses) on equity securities	88.3	44.0	3.0
11	Net gains (losses) on sales of equity securities	113.6	55.4	6.3
12	Losses on write-down of equity securities	(25.3)	(11.4)	(3.3)
13	Profits (losses) from investments in affiliates	230.4	113.9	(30.7)
14	Other non-recurring gains (losses)	(82.0)	(30.8)	(25.9)
15	Ordinary profits	1,539.4	794.8	(175.0)
16	Net extraordinary gains (losses)	(40.7)	(56.4)	(13.2)
17	Total of income taxes-current and income taxes-deferred	(460.2)	(178.4)	80.4
18	Profits attributable to owners of parent	951.4	490.5	(108.7)
19	EPS (¥)	68.51	35.93	(7.04)

*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

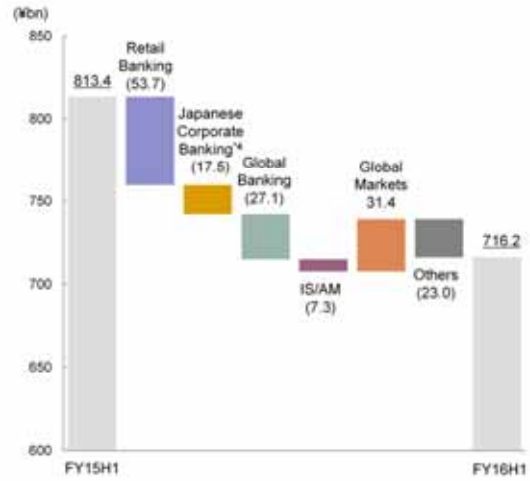


- ✓ Let me discuss a P/L in some more detail. Look at a chart on the right.
- ✓ Line 1, gross profits decreased, mainly due to the reasons I cited on page eight, namely, a decrease in net interest income from domestic and overseas loan and deposit, reflecting a prolonged lower interest rate environment, the yen's further appreciation, and a setback in the sale of investment products in the domestic market. Gross profit declined to 1 trillion 969.4 billion yen, down 139.7 billion yen year on year.
- ✓ On the other hand, G&A expenses on line 6 decreased of 44.9 billion yen thanks to a group-wide cost-cutting effort and a stronger yen, which in this case produced a positive effect.
- ✓ As a result, net operating profit on line 8 was 725.4 billion yen, down 94.8 billion yen year on year.
- ✓ Line 9, total credit cost increased to 57.6 billion yen, up 26.6 billion yen year on year, but this was well below the initial plan.
- ✓ Line 10, we made net gains on equity securities of 44.0 billion yen, which includes about 60 billion yen of proceeds from the sale of equity holdings. But part of this sale resulted in losses on write-down amounting to 11.4 billion yen in total.
- ✓ Now please turn to page 18.

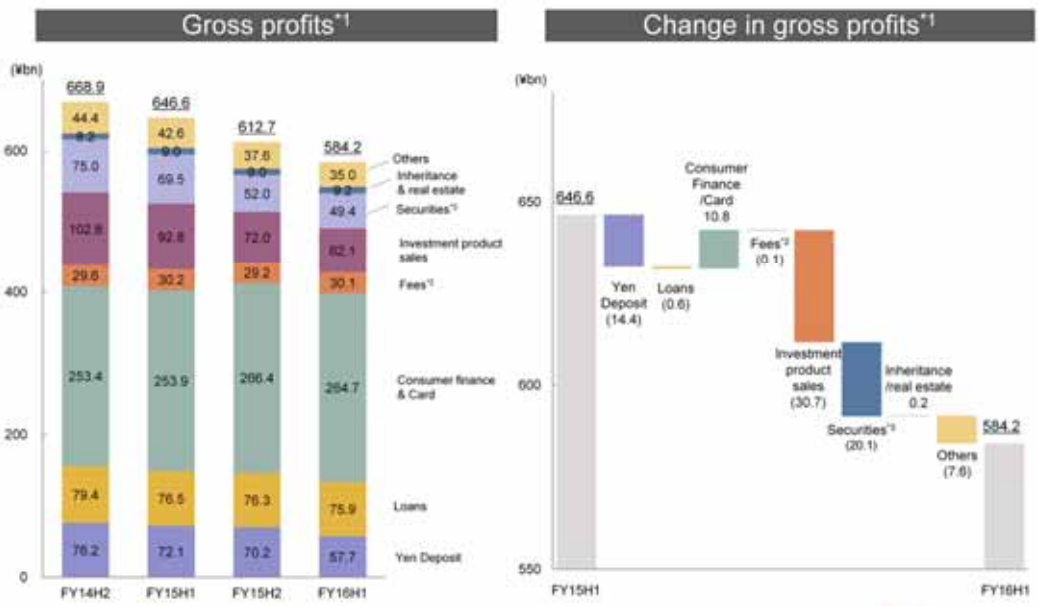
Net operating profits by segment^{*1}

FY16H1 ¥716.2 bn^{*2}

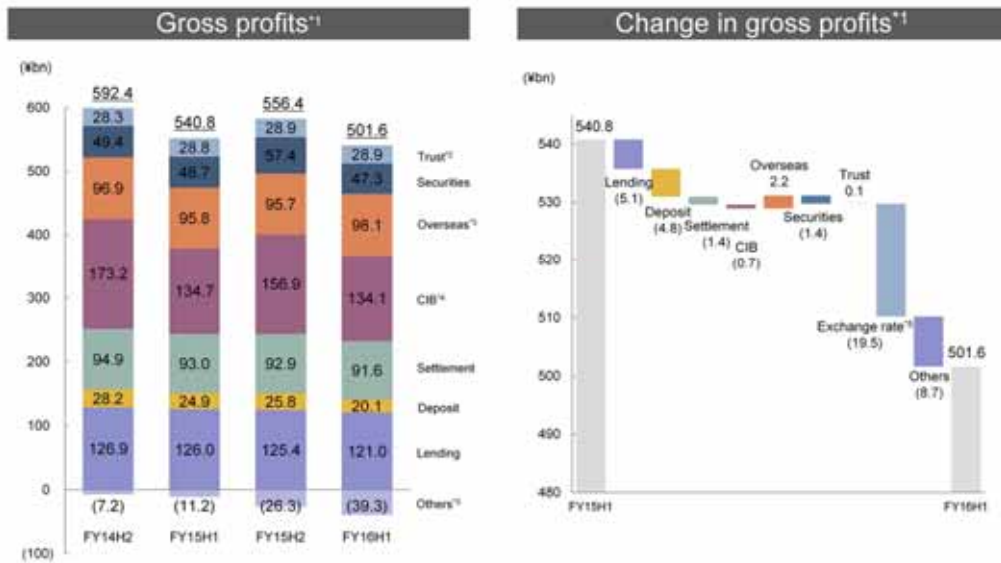
Global banking segment accounted for 38% of total customer segments^{*3}



^{*1} All figures are in actual exchange rate and managerial accounting basis
^{*2} Including profits or losses from others
^{*3} Net operating profit of Global banking / net operating profit of total customer segments
^{*4} Excluding Japanese corporate transaction outside of Japan



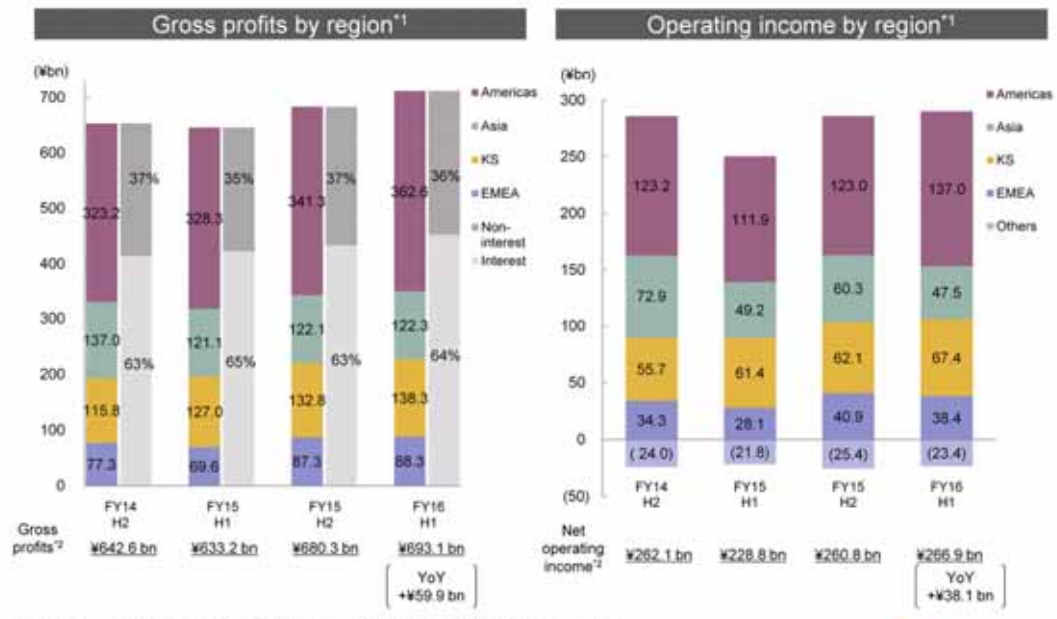
¹ All figures are in actual exchange rate and managerial accounting basis.
 ² Transfer, ATM, etc.
 ³ Fees from stock/bond sales, etc.



^{*1} All figures except for overseas are in actual exchange rate and managerial accounting basis
^{*2} Real estate brokerage, transfer agency business, etc. ^{*3} Local currency basis. Difference with actual exchange rate is included in "Others"
^{*4} Structured finance, syndicated loan, derivatives, etc. ^{*5} Exchange rate impact caused by overseas business with Japanese corporates

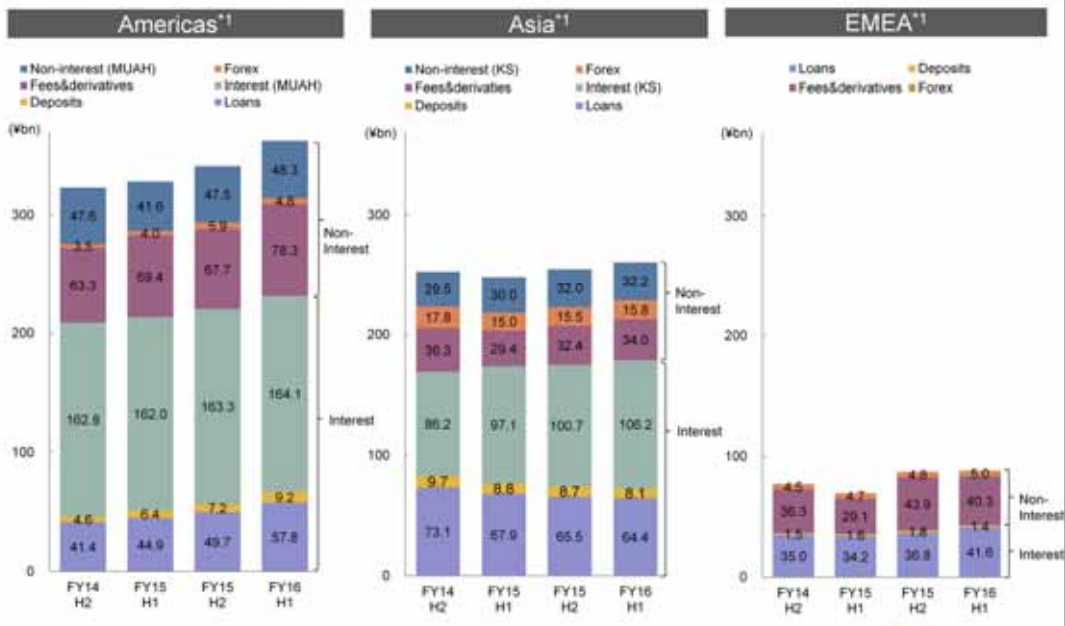
Historical outlook in Global Banking - Gross profits & operating income by region

(Consolidated)



Historical outlook in Global Banking - Breakdown of gross profits

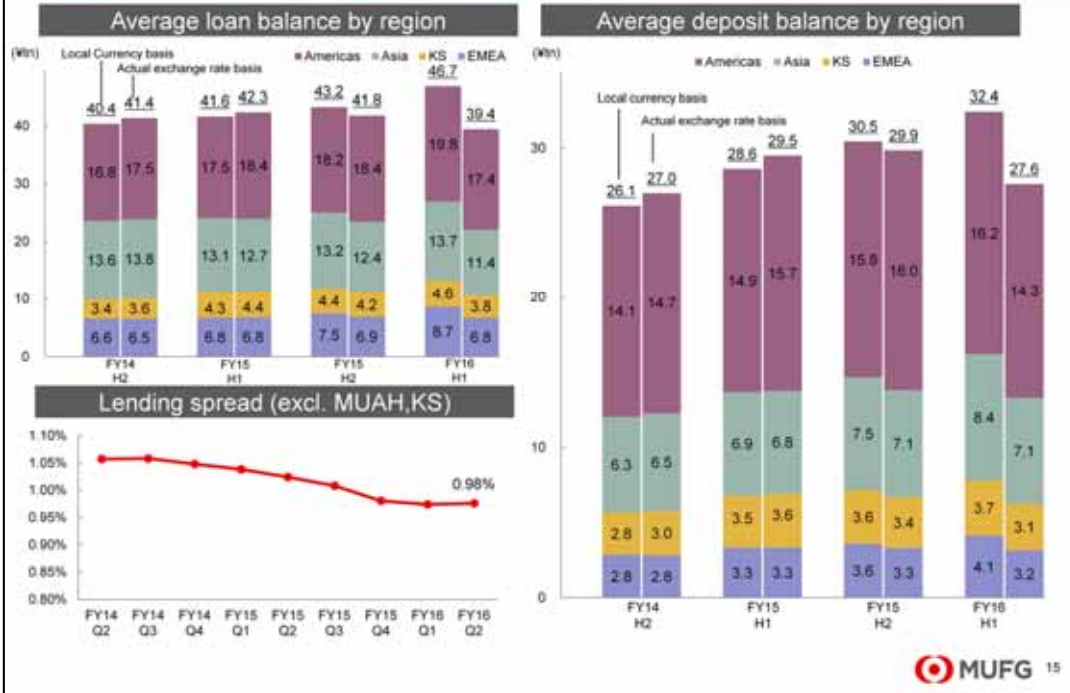
(Consolidated)



*1 Local currency basis. Each break down is before elimination of duplication and excludes other gross profits

Historical outlook in Global Banking - Loans and deposits by region

(Consolidated)



Historical outlook in Investor Services/Asset Management (Consolidated)

(Consolidated)



^{*1} All figures are on actual exchange rate and managerial accounting basis. Profits of the Master Trust Bank of Japan, Ltd (MTBJ) are split into each business section.
^{*2} Services provided under the "MUFJ Investor Services" brand, custody and fund administration services, etc.
^{*3} Investment trust management profits for FY15H1 was the sum of the figures of before and after the merger of Mitsubishi UFJ KOKUSAI AM.
^{*4} Following the 2 AM companies merger, accounting method of commission research cost has been unified to subtract it from gross profit instead of posting it as an expense. Gross profits of this business in FY16H1 was down ¥2.3bn from FY15H1, excluding impacts from this accounting method change.



Balance sheets summary

(Consolidated)

● Loans

- Total loans decreased from the end of Mar 16 mainly due to a decrease in loans to governmental institutions, as well as a decrease in the translated JPY value of foreign currency denominated loans reflecting JPY appreciation

● Investment securities

- Domestic equity securities, Japanese government bonds and foreign bonds decreased

● Deposits

- Total deposits increased mainly due to an increase in domestic deposit balance, while foreign currency denominated deposit decreased reflecting JPY appreciation

● Net unrealized gains on available-for-sale securities

- Net unrealized gains on available-for-sale securities slightly decreased compared to the end of Mar 16, mainly due to a decrease in those of domestic equities, while those of foreign currency bonds increased

(Bn)	End Mar 16	End Sep 16	Change from end Mar 16
1 Total assets	298,302.8	293,677.1	(4,625.7)
2 Loans (Banking + Trust accounts)	113,906.8	105,017.7	(8,889.1)
3 Loans (Banking accounts)	113,756.3	104,844.8	(8,911.4)
4 Provision for loan loss	(1,057.5)	(925.2)	(132.2)
5 Housing loans ^{*1}	15,570.7	15,637.9	67.1
6 Domestic corporate loans ^{**}	43,804.4	43,404.4	(400.0)
7 Overseas loans ^{**}	43,045.4	38,995.2	(4,050.2)
8 Investment securities (Banking accounts)	69,993.8	64,908.4	(5,085.4)
9 Domestic equity securities	5,573.5	5,325.7	(247.7)
10 Japanese government bonds	28,357.1	25,515.8	(2,841.2)
11 Foreign bonds	27,883.7	25,772.8	(2,110.8)
12 Total liabilities	280,916.1	277,175.6	(3,740.5)
13 Deposits	160,965.0	161,625.0	659.9
14 Individuals (domestic branches)	71,068.6	71,268.2	199.5
15 Corporations and others	52,782.3	56,291.7	3,509.4
16 Overseas and others	37,114.1	34,065.1	(3,049.0)
17 Total net assets	17,386.7	16,501.5	(885.2)
18 Net unrealized gains (losses) on available-for-sale securities	3,485.2	3,409.0	(76.2)

*1 Non-consolidated + trust accounts

*2 Excluding loans to government and governmental institution

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

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Loans/Deposits

(Consolidated)

● Loan balance ¥105.0 tn (decreased by ¥8.8 tn from Mar 16)

<Breakdown of change>

• Housing loan	+¥0.0 tn
• Domestic corporate ^{*1} Excl. impact of foreign exchange fluctuation	+¥0.3 tn
• Government	(¥4.5 tn)
• Overseas ^{*2} Excl. impact of foreign exchange fluctuation	+¥1.5 tn

^{*1} Excluding lending to government and governmental institutions, and including foreign currency denominated loans

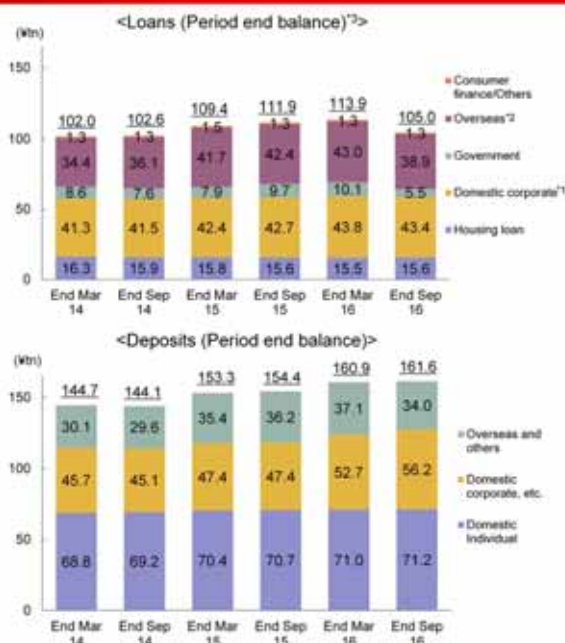
^{*2} Loans booked in overseas branches, MUJAH, KS, BTMU (China), BTMU (Malaysia) and MUF-G Bank (Europe)

^{*3} Sum of banking and trust accounts

● Deposit balance ¥161.6 tn (increased by ¥0.6 tn from Mar 16)

<Breakdown of change>

• Domestic Individual	+¥0.1 tn
• Domestic corporate, etc.	+¥3.5 tn
• Overseas and others Excl. impact of foreign exchange fluctuation	(¥3.0 tn)
	+¥2.6 tn



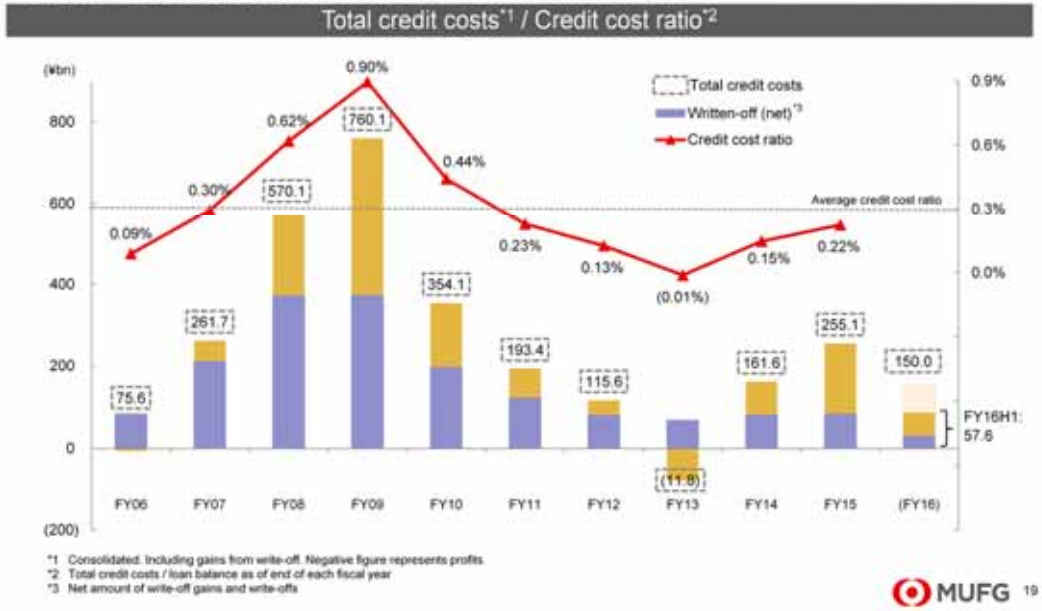
MUFG 18

- ✓ I will explain loans and deposits.
- ✓ Housing loans were up slightly after turning to a growth trend last spring. Domestic corporate loans continue to grow thanks to persistent efforts and event finance-driven business, such as M&A, if we exclude the impact of forex fluctuation in foreign currency denominated lending. Overseas lending also increased, excluding the forex fluctuation impact.
- ✓ Next, deposit balance increased by 0.6 trillion yen from March '16 due mainly to growth in domestic yen deposits centering around corporate deposits.
- ✓ On the other hand, overseas deposits, here again it is better to exclude the impact of forex fluctuation. Overseas deposits expanded by 2.6 trillion yen in real terms, outpacing the growth of overseas lending. We will continue to work hard to boost deposits to secure foreign currency-based liquidity.
- ✓ Please turn to page 19.

Asset quality - Historical credit costs

(Consolidated)

- Credit costs for FY16H1 was ¥57.6 bn, of which approx. ¥48 bn was attributed to energy and natural resources sector
- Total credit costs forecast has been lowered to ¥150.0 bn from ¥210.0 bn

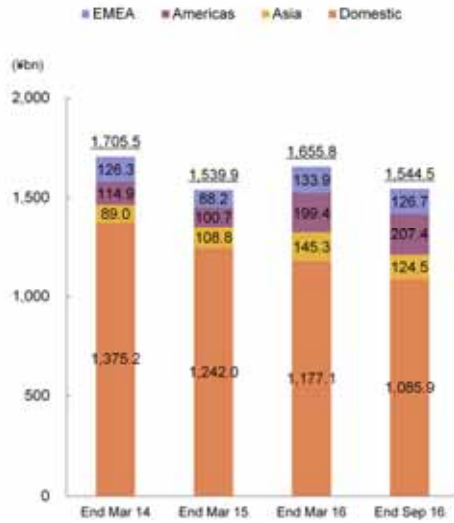


- ✓ It is about credit costs and asset quality.
- ✓ As I said earlier, credit costs for the first half were 57.6 billion yen. Due to the fact that natural resources-related credit costs have stabilized and that there was an upgrade of a major borrower, coupled with the yen's appreciation, credit costs were significantly below the original projection. So, we revised downward the full year forecast from 210 billion yen to 150 billion yen.
- ✓ For your information, of the total cost for the first six months, 48 billion yen was attributed to the energy and natural resources sector.
- ✓ Our projection in the beginning of the year was 75 billion yen for the year based on the WTI assumption of 35 dollars, and we said that if WTI goes up by 5 dollars, that would contribute to a reduction of about 20 billion yen for a year. On that basis, you may think that credit costs could have been lower. In fact, the projection gap in the oil/gas sector linked to WTI prices was within several billions of yen, so we were not so widely off the mark.
- ✓ But in the first half, in the mining sector, which is not linked to the WTI price, there was a major borrower-related factor. That is the main reason for this figure we ended up with. For the full year, I can assure you that the cost will remain below 75 billion yen, as we forecasted at the beginning of the year.
- ✓ Please turn to page 21.

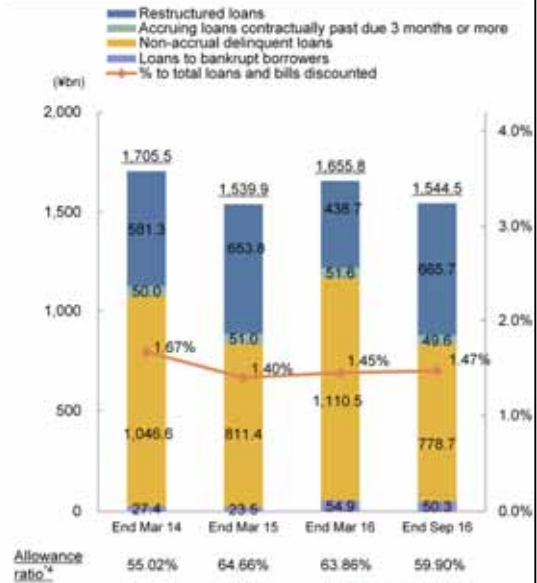
Asset quality - Non-performing loans^{*1}

(Consolidated)

Risk-monitored loans by region^{*2}



Risk-monitored loans/ratio^{*3}/allowance ratio^{*4}

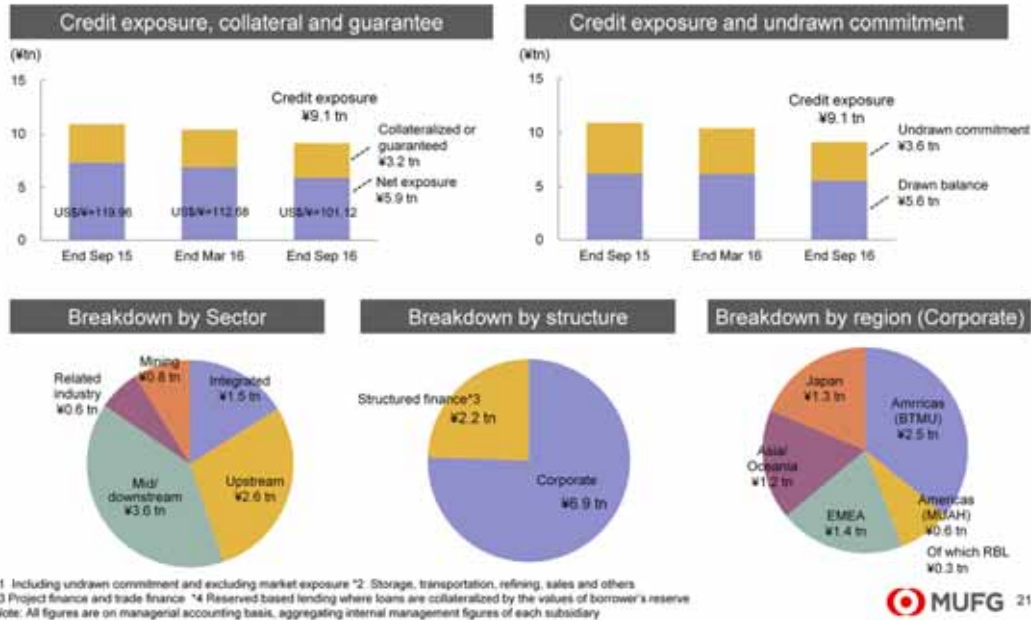


*1 Risk-monitored loans based on Banking Act. Excluding direct write-off
 *2 Based on the locations of debtors
 *3 Total risk-monitored loans/total loans and bills discounted
 *4 Allowance for credit losses/total risk-monitored loans

Energy and mining portfolio - Overview

(Consolidated)

- Total credit exposure^{*1} in the energy related sector decreased to ¥9.1 tn from more than ¥10.0 tn
- Net exposure, deducting collateral and guarantee (e.g. ECA), was ¥5.9 tn



- ✓ Let me explain our credit exposure in the energy and mining-related sector in more detail.
- ✓ The credit exposure in the energy and mining-related sector decreased to 9.1 trillion yen at the end of September from more than 10 trillion yen last year. Net exposure, deducting collateral and guarantees, was 5.9 trillion yen.
- ✓ Next is asset quality by sector and region. Please turn to page 22.

Energy and mining portfolio - Credit quality (1)

(Consolidated)

Credit exposure and non-performing loans¹ by sector and region

- NPLs was ¥137 bn as of end Sep 16
- NPLs increased in related industry and mining in Americas (BTMU), while decreased in upstream industry in Americas

As of end Sep 16		Total		Americas (BTMU)		Americas (MUAH)		EMEA		Asia/Oceania		Japan		Structured finance	
		Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16
1	Total	Credit exposure	9,146 (1,258)	2,473 (518)	577 (227)	1,371 (76)	1,193 (241)	1,293 37	2,238 (233)						
2		NPLs	137 18	56 41	37 (25)	0 0	13 (2)	1 0	30 2						
3	Integrated ²	Credit exposure	1,489 (221)	380 (143)	0 0	644 102	445 (181)	0 0	0 0						
4		NPLs	0 0	0 0	0 0	0 0	0 0	0 0	0 0						
5	Upstream ³	Credit exposure	2,626 (358)	A 636 (1)	B 465 (218)	127 (74)	183 (9)	122 (18)	C 1,093 (40)						
6		NPLs	65 (34)	3 (12)	37 (25)	0 0	0 0	0 0	25 3						
7	Mid/	Credit exposure	3,631 (288)	913 (105)	86 (14)	105 (17)	341 (25)	1,170 52	1,016 (178)						
8	downstream ⁴	NPLs	1 0	0 0	0 0	0 0	0 0	1 0	0 0						
9	Related	Credit exposure	594 (42)	D 270 (65)	25 5	196 (13)	101 30	0 0	0 0						
10	industry ⁵	NPLs	10 10	10 10	0 0	0 0	0 0	0 0	0 0						
11	Mining	Credit exposure	826 (349)	E 274 (204)	0 0	300 (73)	F 123 (57)	0 0	G 129 (14)						
12		NPLs	62 42	43 43	0 0	0 0	13 (2)	0 0	5 (1)						

¹ Subject to the relevant criteria applying to each subsidiary. For example, risk-monitored loans based on Japanese Banking Act

² Integrated business from upstream to downstream

³ Exploration, development and production of oil and gas

⁴ Storage, transportation, refinement, retail

⁵ Sales of mining machine to companies among upstream industry

Note: All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary



- ✓ As you can see here, non-performing loans decreased in upstream industry in the Americas but increased in related industry and mining in the Americas. NPLs in other regions and segments remain extremely limited.

Energy and mining portfolio - Credit quality (2)

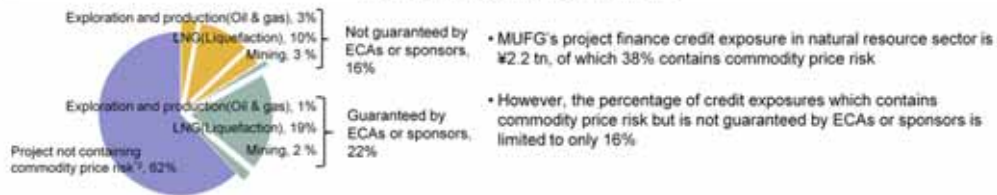
(Consolidated)

NPLs, collateral and allowance in major sectors and regions

- Approx. 90% of NPLs are covered with collateral, guarantee or allowance

		Upstream			Related industry	Mining			(¥bn)
As of end Sep 16		A Americas (BTMU)	B Americas (MUAH)	C Structured finance	D Americas (BTMU)	E Americas (BTMU)	F Asia/Oceania	G Structured finance	
1	Credit exposure (1)	636	465	1,093	270	274	123	129	
2	Collateralized or guaranteed (2)	140	357	431	53	52	26	55	
3	Uncollateralized or unguaranteed (3) = (1)-(2)	496	108	662	217	222	98	74	Total NPLs ¹ (Total from A to G)
4	NPLs ¹ (4)	3	37	25	10	43	13	5	136
5	Collateralized or guaranteed (5)	2	34	20	0	16	0	0	Total NPLs ¹ (net) (Total from A to G)
6	Allowance (6)	0	3	4	8	22	10	3	
7	NPLs ¹ (net) (7) = (4)-(5)	0	0	1	2	5	3	2	14

Project Finance Portfolio Analysis



¹ NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria.
² Projects whose revenues are determined based on the oil/gas process volume or facility operational days, and hence are not exposed to the commodity price risk (e.g., LNG ship).

Note: All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary

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- ✓ Furthermore, as shown on the right side of page 23, around 90 percent of these NPLs are covered with collateral, guarantees, or allowance.
- ✓ Please turn to page 33. I will talk about our responses to the current economic environment.

Energy and mining portfolio - Credit quality (3)

(Consolidated)

Analysis based on IRBA^{*1}

- Over 60% of total exposures is graded 1-5, which is equivalent to investment grade based on PD

		(¥bn)		
	Category of borrowers	Internal rating grade	As of end Sep 16 Exposure	% to total
1	Normal	1-3	4,043	44%
2		4-5	1,711	19%
3		6-7	1,528	17%
4		8-9	1,077	12%
5	Requiring caution	10-11	559	6%
6	Potentially bankrupt to Bankrupt	12-15	227	2%
7	Total		9,146	100%

Over 60% of total exposure is equivalent to investment grade

^{*1} Internal rating based approach

Note: All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary

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(Reference) Corporate credit exposure

(Consolidated)

Corporate credit exposure analysis based on IRBA^{*1}

- The following table provides global EAD^{*2} portfolio by internal rating
- Over 70% of total exposure is categorized in grade 1-5, which is equivalent to investment grade based on PD

As of end Sep 16

	Category of borrowers	Internal rating grade	EAD ^{*2}	% to total EAD	PD (weighted average)	LGD (weighted average)	(Wbn)
1	Normal	1-3	49,282	50%	0.08%	36.72%	70% of total EAD is equivalent to investment grade
2		4-5	24,547	25%	0.15%	34.30%	
3		6-7	10,356	10%	0.56%	30.03%	
4		8-9	10,694	11%	2.03%	27.89%	
5	Requiring caution	10-11	2,766	3%	9.52%	23.67%	
6	Potentially bankrupt to Bankrupt	12-15	1,443	1%	100.00%	34.79%	
7	Total		99,088	100%	2.07%	34.07%	

*1 Internal rating based approach

*2 Exposure at default, including market risk and exposure to project finance. Not including exposures to governmental organization nor exposure held by MUAH and KS

Note: All figures are preliminary and on managerial accounting basis

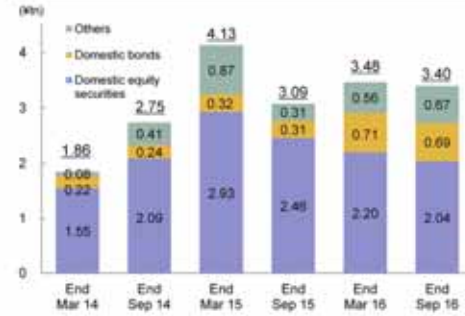
Investment securities

(Consolidated/Non-consolidated)

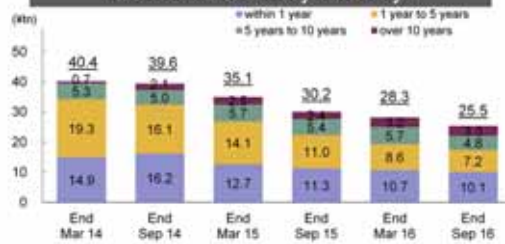
Securities available for sale with fair value

(Bn)	Balance		Unrealized gains (losses)	
	End Sep 16	Change from End Mar 16	End Sep 16	Change from End Mar 16
1 Total	60,761.7	(4,756.7)	3,409.0	(76.2)
2 Domestic equity securities	4,624.9	(248.2)	2,042.5	(162.8)
3 Domestic bonds	28,055.1	(2,267.3)	695.1	(23.1)
4 Japanese government bonds	24,414.8	(2,841.1)	612.0	(19.8)
5 Others	28,081.6	(2,241.0)	671.3	109.6
6 Foreign equity securities	144.5	(4.5)	17.6	(6.1)
7 Foreign bonds	24,709.6	(1,940.8)	617.6	106.6
8 Others	3,227.5	(295.7)	36.0	9.2

Unrealized gains (losses) on securities available for sale



Balance of JGBs by maturity¹



JGB Duration²



¹ Securities available for sale and securities being held to maturity. Non-consolidated
² Securities available for sale. Non-consolidated

Capital

(Consolidated)

- **Common Equity Tier 1 ratio**
 - Full implementation basis** : 12.5%
 - Excluding impact of net unrealized gains (losses) on available-for-sale-securities : 10.1%
- **Risk weighted asset
(Down ¥6.8 tn from Mar 16)**
 - Credit Risk : (¥7.0 tn)
 - Market Risk : (¥0.2 tn)
 - Operational Risk : +¥0.3 tn
- **Leverage ratio**
 - Transitional basis : 4.74%

	End Mar 16	End Sep 16	Change from end Mar 16
(¥bn)			
1 Common Equity Tier 1 capital ratio	11.63%	12.20%	0.56ppt
2 Tier 1 capital ratio	13.24%	13.50%	0.26ppt
3 Total capital ratio	16.01%	16.56%	0.55ppt
4 Common Equity Tier 1 capital	13,039.8	12,839.4	(200.4)
5 Retained earnings	8,587.5	8,965.0	377.4
6 Other comprehensive income	2,161.2	1,695.6	(465.6)
7 Regulatory adjustments	(1,100.4)	(1,094.0)	6.4
8 Additional Tier 1 capital	1,799.4	1,366.0	(433.3)
9 Preferred securities and subordinated debt	1,544.5	1,387.5	(156.9)
10 Foreign currency translation adjustments	316.5	3.6	(312.9)
11 Tier 1 capital	14,839.2	14,205.5	(633.7)
12 Tier 2 capital	3,102.5	3,218.8	116.3
13 Subordinated debt	2,060.5	2,197.9	137.3
14 Amounts equivalent to 45% of unrealized gains on available-for-sale securities	633.8	621.9	(11.8)
15 Total capital (Tier 1+Tier 2)	17,941.8	17,424.3	(517.4)
16 Risk weighted assets	112,054.3	105,206.2	(6,858.1)
17 Credit risk	95,372.3	88,269.2	(7,073.0)
18 Market risk	2,198.7	1,898.9	(299.7)
19 Operational risk	6,581.1	6,934.2	353.1
20 Transitional floor	7,912.1	8,073.7	161.5

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

Financial results of Mitsubishi UFJ Securities Holdings (MUSHD)

- Commission received and net trading income decreased in FY16H1 compared to the same period of last FY. Though business performance overseas remained in good condition, domestic retail customer flow kept sluggish on the back of JPY appreciation and weak equity market

Results of MUSHD

(¥bn)	FY15	FY16H1	YoY
1 Net operating revenue ^{*1}	437.7	185.0	(60.3)
2 Commission received	226.1	85.5	(41.4)
3 To consignees	46.6	17.9	(7.6)
4 Underwriting, etc.	54.1	23.3	(8.0)
5 Offering, etc.	49.7	15.7	(16.5)
6 Other fees received	75.5	28.5	(9.1)
7 Net trading income	178.7	81.4	(16.5)
8 Stocks	37.5	(11.6)	(37.9)
9 Bonds, other	141.1	93.0	21.3
10 G&A expenses	357.0	160.9	(30.2)
11 Transaction expenses	122.5	47.1	(18.0)
12 Operating income	80.6	24.0	(30.1)
13 Non-operating income	27.1	23.6	11.0
14 Equity in earnings of affiliates	19.5	19.5	11.3
15 Ordinary income	107.8	47.7	(19.0)
16 Net income	70.6	39.7	(2.4)
17 Profits attributable to owners of parent	43.2	27.1	(0.3)

Results of MUMSS^{*2}

(¥bn)	FY15	FY16H1	YoY
1 Net operating revenue ^{*1}	331.4	135.2	(41.2)
2 G&A expenses	252.4	115.6	(13.4)
3 Operating income	79.0	19.6	(27.8)
4 Ordinary income	80.1	20.2	(27.6)
5 Profits attributable to owners of parent	51.8	12.7	(18.4)

Net operating revenue of domestic securities firms (FY16H1)

Rank	Security firm(s)	Amount (¥bn)
1	Nomura Securities	281.3
2	MUMSS ^{*3} (incl. MUMSPB) + MSMS + kabu.com	200.8 [†]
3	Mizuho Securities	159.5
4	Daiwa Securities	151.4
5	SMBC Nikko Securities	142.5

(Source: Company disclosure)

^{*1} Operating revenue minus financial expenses

^{*2} Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (MUMSS) with Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. (MUMSPB) consolidated

^{*3} Simple total of MUMSS[†], Morgan Stanley MUFJ Securities Co., Ltd. (MSMS) and kabu.com Securities Co., Ltd.

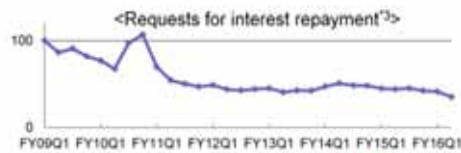
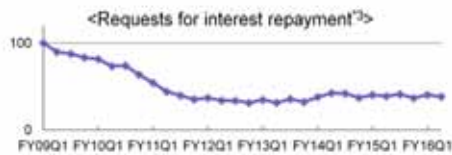
MSMS is one of the securities joint ventures between MUFG and Morgan Stanley in Japan and is an associated company of MUSHD accounted for by using the equity-method

Financial results of MUN/ACOM

- MUN: Profits attributable to owners of parent turned to surplus, though decreased compared to the same period of last FY mainly due to an increase in G&A expenses, mostly for business infrastructure investment and system integration expense
- ACOM: Guaranteed receivables business and unsecured consumer loans business grew steadily

Results of MUN			
(¥bn)	FY15	FY16H1	YoY
1 Operating revenue	270.1	134.2	3.2
2 Card shopping	183.1	92.1	2.1
3 Card cashing	27.7	12.6	(1.8)
4 Finance	6.4	2.7	(0.6)
5 Operating expenses	288.3	133.1	6.0
6 G&A expenses	246.7	126.5	3.8
7 Credit related costs	10.6	6.5	2.2
8 Repayment expenses	30.9	-	-
9 Operating income	(18.1)	1.1	(2.8)
10 Ordinary income	(17.4)	1.2	(2.8)
11 Profits attributable to owners of parent	(40.9)	1.1	(2.4)
12 Interest repayment ¹⁾	20.0	10.2	0.3

Results of ACOM			
(¥bn)	FY15	FY16H1	YoY
1 Operating revenue	237.6	121.0	2.6
2 Operating expenses	222.1	82.7	1.2
3 G&A expenses	88.1	43.7	0.1
4 Provision for bad debts	60.0	31.9	3.2
5 Provision for loss on interest repayment	56.6	-	-
6 Operating income	15.5	38.2	1.3
7 Profits attributable to owners of parent	14.5	35.9	2.1
8 Guaranteed receivables	987.5	1,058.8	132.6
9 Unsecured consumer loans (Non-consolidated)	758.2	770.9	20.5
10 Share of loans ²⁾	32.6%	32.7%	0.2ppt
11 Interest repayment ¹⁾	69.2	35.2	2.5



¹⁾ Including waiver of repayment

²⁾ Share of the receivables outstanding excluding housing loans (non-consolidated) in consumer finance industry. Figure in FY16H1 is as of end June 16

³⁾ Requests for interest repayment in FY09Q1 = 100

Financial results of MUAH/Krungsi

- MUAH: Revenue growth offset increase in credit costs, resulting in net income increase. Trading account business contributed to non-interest income growth
- Krungsi: Increase in both interest and non-interest income, decreased funding cost as well as asset quality control all contributed to significant increase in net profits

Results of MUAH¹

<P/L> (US\$mm)	FY15	FY16	
		Q1-3 ³	YoY ⁴
1 Net interest income	2,815	2,251	89
2 Interest income	3,238	2,749	190
3 Interest expense	421	498	101
4 Total non-interest income	1,530	1,609	241
5 Trading account activities	55	93	55
6 Merchant banking fees/ Investment banking and syndication fees	79	253	(4)
7 Fees from affiliates ²	747	692	139
8 Total revenue	4,345	3,890	330
9 Non-interest expense ³	3,438	2,826	42
10 Pre-tax, pre-provision income	907	1,034	288
11 Provision for loan losses	228	196	181
12 Net income attributable to MUAH	573	656	96
13 NIM	2.75%	2.19%	0.11ppt
<BS> (US\$mm)	End Dec15 ⁴	End Sep 16 ⁴	Change ⁴
14 Loans	79,257	79,249	(8)
15 Deposit	84,300	84,643	343
16 Total equity	16,593	17,512	919
17 Total asset	153,070	151,099	(1,971)
18 NPL ratio	0.70%	0.91%	0.21ppt
19 NPL coverage ratio	130.86%	96.08%	(34.78ppt)

¹ Financial results as disclosed in MUAH's statutory report based on U.S. GAAP

² Represents income resulting from the business integration of BTMU & MUB

³ Includes expense associated with employees providing support services to BTMU

⁴ Figures have been revised to include the results of the transferred DIC entities, such as MUSA (MUFJ Securities Americas)

Results of Krungsi⁵

<P/L> (THBmm)	FY15	FY16	
		Q1-3	YoY
1 Net interest income	56,350	45,825	4,113
2 Interest income	81,946	83,435	2,174
3 Interest expense	25,596	17,610	(1,930)
4 Net fees and services income	17,230	13,453	647
5 Fees and services income	22,670	17,808	1,049
6 Fees and services expense	5,440	4,355	402
7 Non-interest and non fees income	9,193	8,697	2,029
8 Other operating expense	38,947	31,350	2,687
9 Pre-provision operating profit	43,826	36,625	4,102
10 Impairment loss of loans and debt securities	20,186	15,944	634
11 Net profit attribute to owners of the bank	18,634	16,248	2,721
12 NIM	4.15%	3.75%	(0.48ppt)
<BS> (THBmm)	End Dec15	End Sep 16	Change
13 Loans	1,353,559	1,459,013	105,454
14 Deposit	1,046,290	1,085,551	39,261
15 Total equity	190,748	203,718	12,970
16 Total asset	1,705,517	1,827,871	122,354
17 NPL ratio	2.24%	2.10%	(0.14ppt)
18 NPL coverage ratio	140.6%	152.3%	11.7ppt

⁵ Financial results as disclosed in Krungsi's financial report based on Thai GAAP

Financial results of Morgan Stanley and major collaborations

- FY16 Q1-3 income before taxes increased YoY owing to cost control. In FY16Q3, strong performance of trading and wealth management led to net income increase compared to FY15Q3
- Leveraging the MUFG-MS alliance, the joint venture acted as bookrunner for both the domestic and international tranches in all of 13 large-sized global IPOs^{*1} of Japanese companies since 2010

Results of Morgan Stanley²

(US\$mm)	FY15 ³	FY16	
		Q1-3	YoY
1 Net revenue	35,155	25,610	(1,065)
2 Non-interest expenses	26,660	19,008	(1,353)
3 Income from continuing operations before taxes	8,495	6,802	287
4 Net income applicable to MS	6,127	4,313	(429)
5 Earnings applicable to MS common Shareholders	5,671	3,999	(443)
6 ROE	8.5%	7.7%	(1.1ppt)

² Based on U.S. GAAP

³ Includes DVA impact for FY15

M&A advisory		(Jan 16 – Sep 16)		
Rank	FA	#	Amount (¥bn)	Share (%)
1	Mizuho Financial Group	156	6,183.1	41.1
2	MUMSS	38	4,666.2	31.6
3	The Raine Group LLC	2	4,136.1	27.5
4	Goldman Sachs & Co	13	3,857.6	25.6
5	Lazard	8	3,746.6	24.9

Any Japanese involvement announced

(Source) Thomson Reuters

^{*1} Over ¥30bn, excluding J-REIT deals

Major collaborations

- Acquisition of Joy Global by Komatsu
 - MUMSS acted as FA for Komatsu Ltd. in its approx. \$3.7 bn acquisition of Joy Global
- Acquisition of StanCorp Financial Group by Meiji Yasuda Life Insurance
 - MUMSS acted as sole FA for Meiji Yasuda in its approx. \$5.0 bn cash acquisition of StanCorp
- Global IPO by Kyushu Railway Company
 - MUMSS acted as Joint Global Coordinator and MUMSS/MS acted as Joint Bookrunner for both the domestic and international tranches in JR Kyushu's approx. ¥416 bn global IPO
- Acquisition of Tumi by Samsonite
 - MS and MUFG acted as Joint Lead Arranger and Joint Bookrunner in Samsonite's acquisition finance of \$2.43 bn

Equity underwriting		(Jan 16 – Sep 16)		
Rank	Bookrunner	#	Amount (¥bn)	Share (%)
1	Nomura	82	640.1	32.6
2	Mizuho	98	379.8	19.3
3	SMBC Nikko	110	290.5	14.8
4	MUMSS	55	234.5	11.9
5	Daiwa	68	166.4	8.5

(Source) Thomson Reuters

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Respond to current economic environment

Respond to current economic environment

Basic Policy

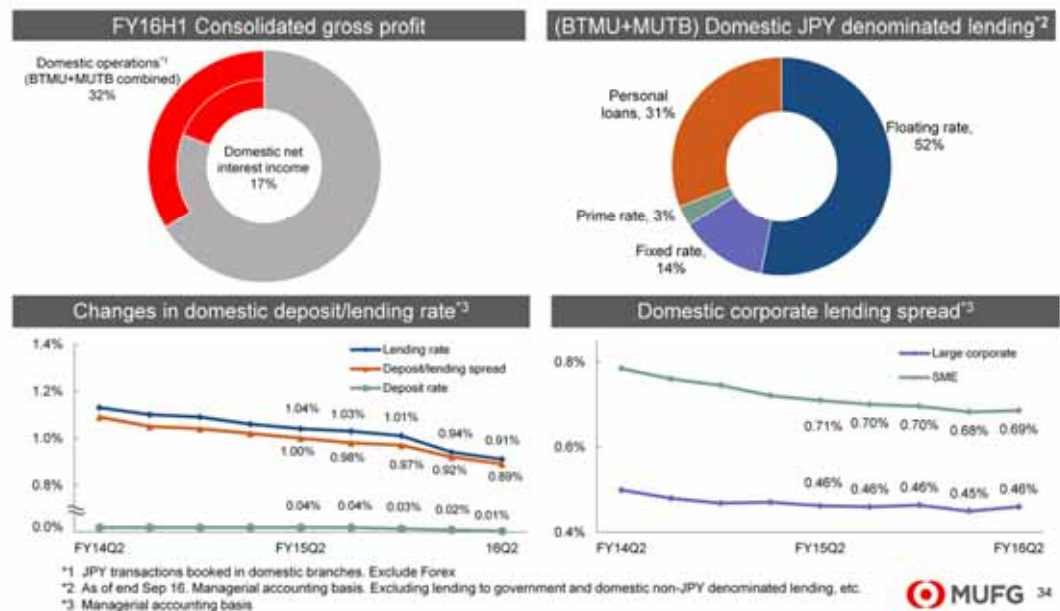
Respond to changes in business environment multi-directionally

- Accelerated basic policy and strategies of the mid-term business plan ⇒ Page 40~
- Executed measures to respond to negative interest rate environment ⇒ Page 34~35
- Productivity improvement ⇒ Page 36~37
- Steady reduction of equity holdings ⇒ Page 38
- Stable Non-JPY funding ⇒ Page 39

- ✓ Against the drastic environmental changes, our basic strategy of focusing on the domestic market and seeking growth opportunities overseas remains unchanged. We will accelerate our effort toward evolution and transformation based on customer perspective, a group-driven approach, and productivity improvements in order to overcome this difficult situation.
- ✓ In other words, we will complete the basic policy and strategies of the mid-term business plan, and furthermore execute measures to respond to the negative interest rate environment, improve our productivity, steadily reduce equity holdings, and achieve stable, non-Japanese yen funding.
- ✓ Let me explain the negative interest rate policy impact. Please turn to page 34.

Negative Interest Rate Policy impact - Domestic deposit/lending rates

- Negative Interest Rate Policy impact for FY16H1 was approx. ¥16 bn in line with our original expectation
- Lending rate in FY16Q2 was decreased by 13 bp from FY15Q2, mainly due to decline in market interest rates



- ✓ Six months ago I said the negative interest rate policy impact was estimated at approximately 35 billion yen in net interest income from loan and deposit, approximately 35 billion yen in interest rate derivative, and approximately 30 billion yen in lower fee income from retail investment product sales, a total of approximately 100 billion yen.
- ✓ After six months, the impact in the first half was approximately 16 billion yen in net interest income from loan and deposit, approximately 14 billion yen in interest rate derivative, and approximately 15 billion yen in retail investment product sales, which is about half of the full-year forecast, and therefore in line with our estimate at the beginning of the year.
- ✓ Regarding net interest income from loan and deposit, we think the impact from negative interest rate policy on MUFG is relatively small.
- ✓ Please look at the upper-left pie chart. Domestic net interest income accounts for only 17 percent of our consolidated gross profit. Furthermore, the yen negative interest rate impact is declining due to the diversification of our profit source.
- ✓ This is because we are taking three actions: first, expanding not only interest income but also fee income; second, expanding to the Americas and Southeast Asia in addition to Japan, and; third, diversifying our business portfolio to commercial banking business, investment banking business, including Morgan Stanley, asset management and consumer finance, such as ACOM and NICOS.
- ✓ As shown in the lower-left graph, the domestic deposit lending rate declined by 13 basis points year on year, the majority of which comes from the decline in the market interest rate.
- ✓ In reality, as shown in the lower-right graph, the trend of domestic corporate lending spread is almost flat, so without a further negative interest rate, the negative impact on net interest income from loan and deposit is expected to be milder.

Negative Interest Rate Policy Impact - Measures against the effect

Initiatives to counter the negative interest rate policy

<Retail Banking Business>

- With a wider range of products, enhance the Group's product distribution structure and promote shifts from savings to stable asset building. Promote foreign currency deposits
- From ALM point of view, capture growing customer loan demands like housing loans

<Domestic corporate banking business>

- Provide sophisticated solutions to various business issues
- Enhance fee incomes by promoting deal-creating business model fully leveraging MUFG's global network and solution capabilities

<Trust Assets business>

- DB Pension Customers
Promote sales of JGB substitutional products, alternative investment products and risk-restrained products
- DC Pension Customers
Focus on promoting shifts from savings to investment trust through investment education
- Asset Management Business
Promote investment trust product strategies, such as fixed income products and balanced products, in response to demand for stable income and asset diversification

Large Deposits

- Charges may apply mainly to overseas financial institution customers' yen account for forex transactions
- Targeting corporate customers, promote enhanced profitability management through the monitoring of deposit balance movements

- ✓ In addition, as shown at the bottom of page 35, for large deposits we are partially applying charges to overseas financial institutional customers' nostro accounts and promoting enhanced profitability management through the monitoring of deposit balance movements of corporate customers.
- ✓ Please turn to page 36 on our expense status.

Initiatives for productivity improvements - Expense

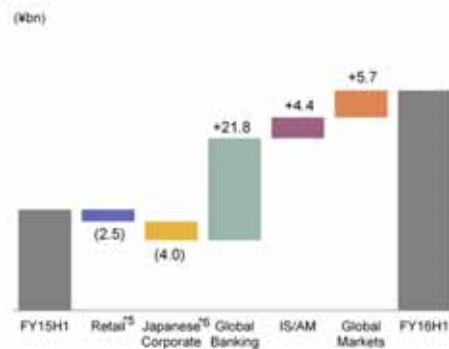
(Consolidated)

- Consolidated expense ratio for FY16H1 was 63.1%, up 2ppts from FY15H1
- Despite various cost reduction measures, expenses for Global Banking business unit increased due to rise in regulatory cost, etc.

G&A expenses/Expense ratio



Changes in expenses by business segment⁴



Expenses in major group companies

		FY16H1	YoY	Expense ratio
BTMU+MUTB combined	(¥bn)	654.8	(4.4)	56.2%
MUAH (US GAAP) ²⁻³	(US\$m)	282.6	4.2	73.2%
KS (Thai GAAP) ²	(THBmm)	3,135.0	268.7	46.2%
MUSHD consolidated	(¥bn)	124.1	(17.9)	79.2%
MUN	(¥bn)	124.5	3.7	94.4%
ACOM	(¥bn)	42.6	0.3	41.5%

<Major reasons of changes by business segment>

- Global Banking: Increased regulatory cost and expanded business volume
- IS/AM: Increased acquisition cost
- Global Markets: Development cost of S&T business by BTMU-MUS in an integrated manner

¹ Expense ratio = G&A expense/gross profits (before credit cost for trust accounts) ² FY16Q1-Q3
³ Includes expense associated with employees providing support services to BTMU ⁴ Local currency basis
⁵ Excl. intergroup intermediation charges ⁶ Excl. expenses associated with overseas Japanese Corporate Banking business



- ✓ Please look at the right graph. In Japan, retail and corporate banking reduced expenses, and the expense ratio of BTMU and MUTB combined became 56.2 percent.
- ✓ On the other hand, our challenge overseas is how to control the system infrastructure and regulatory costs that are showing an increasing trend.
- ✓ Please move on to page 37.

Initiatives for productivity improvements - Initiatives

(Consolidated)

• Execute strategies/initiatives for productivity improvement on global/group basis

		Results/Progress(examples)	
Overseas	Americas	Jul 2014-	● Integrated BTMU's U.S. Banking Operations under MUFG Americas Holdings Corp (MUAH) / MUFG Union Bank
		Apr 2016-	● Instituted efficiency programs (organization simplification, resource location strategy, etc.)
	EMEA	Mar 2016-	● Ongoing reorganization of BTMU offices in continental Europe under MUFG Bank (Europe) N.V., BTMU's 100% owned subsidiary in Holland
			<ul style="list-style-type: none"> • FY16: Belgium office • FY17 (plan): Germany/Spain/Portugal offices
	Asia	Dec 2015-	● Strategic reallocation of Human Resources (Refrain from recruitment/encourage early retirement and the reallocation of resources to strategic field)
2018 (Plan)		● Centralize operations by setting up an administrative center (Manila)	
Domestic	S&T ¹	Feb-Aug 2016	● Integrated dealing rooms of BTMU and MUS
		Jul-Nov 2016	● Integration of sales representative, consolidation of position and flow
	MUKAM ²	Jul 2015	● Generated cost synergy effect from merging two asset management subsidiaries

Additional measures for productivity improvement under consideration

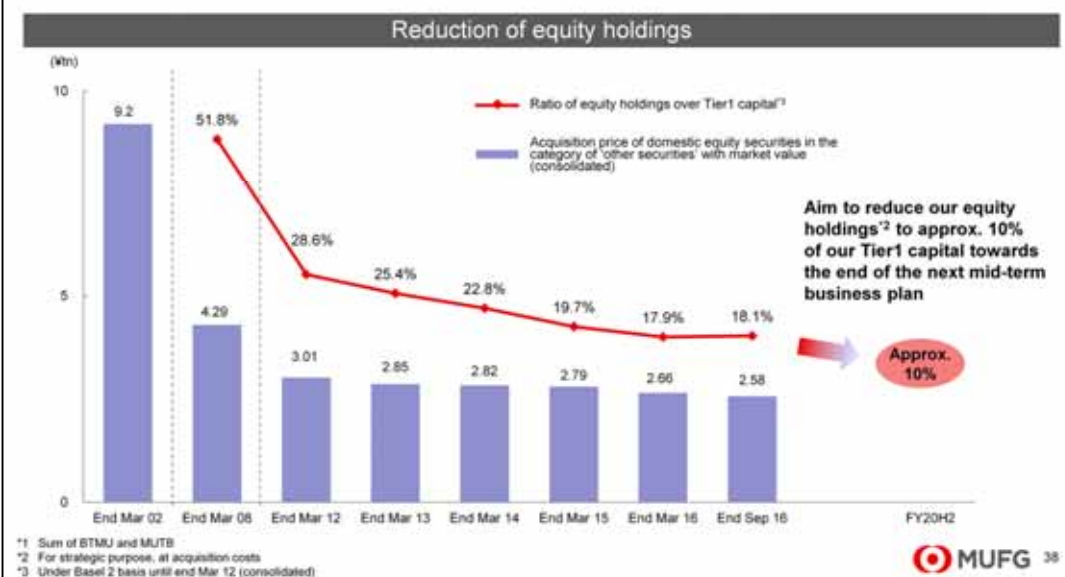
*1 Sales and Trading Business *2 Mitsubishi UFJ Kokusai Asset Management

 MUFG 37

- ✓ We are planning on improving the marginal cost ratio and executing strategies and initiatives for productivity improvement on a global and group basis.
- ✓ In the Americas, we are integrating BTMU's U.S. banking operations and MUFG Union Bank, simplifying the organization; in other words, reducing the number of middle management, relocating back office to low-cost areas, reducing outsourcing and business trip costs, and promoting various other measures.
- ✓ In Europe, we will reorganize BTMU offices in continental Europe under MUFG Bank Europe N.V., BTMU's wholly-owned subsidiary in Holland that has an EU passport. Following the Belgium office, which has been completed, we plan to reorganize our offices in Germany, Spain, and Portugal within six months starting October 2017.
- ✓ In Asia, we are refraining from recruitment, encouraging early retirement, as well as reallocating human resources, especially high performers to strategic fields. Furthermore, we are working on various transformations, including a plan to centralize operations by setting up an administrative center in Manila.
- ✓ Substantive integration of sales and trading business in banks and securities is under way, and we integrated the dealing rooms as scheduled: London in February, New York in April, Hong Kong in July, and Tokyo in August.
- ✓ We will study further initiatives for productivity improvements going forward.
- ✓ Please turn to page 38, reduction of equity holdings.

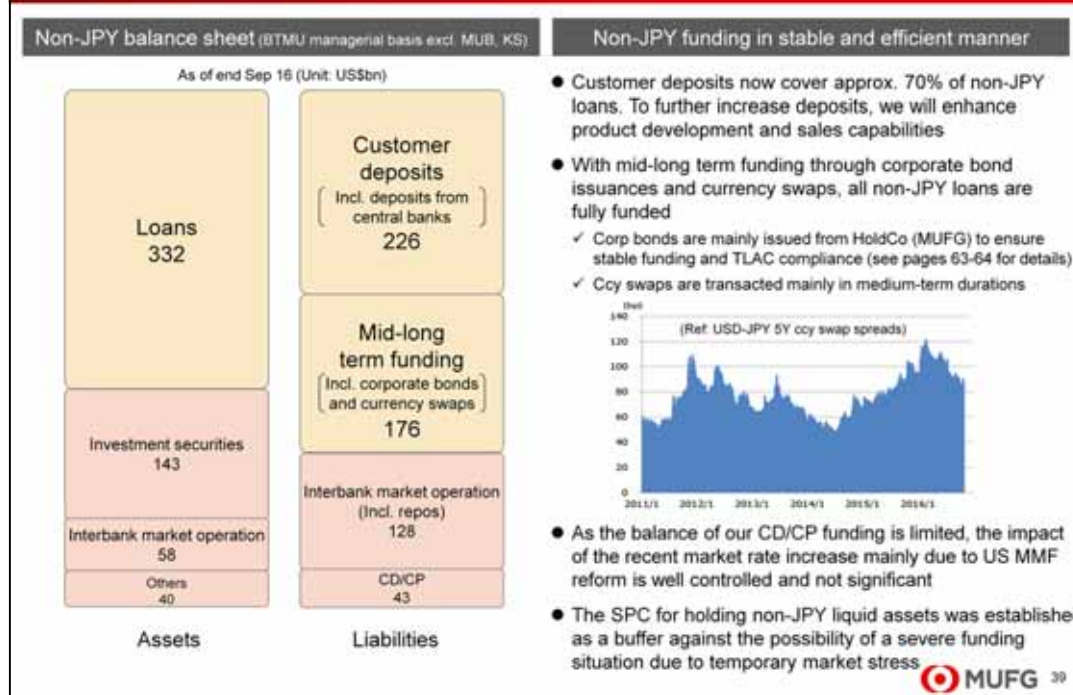
Reduction of equity holdings

- Our basic policy is reducing the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- Approx. ¥85 bn equities were sold in FY16H1¹, though ratio of equity holdings² over Tier1 capital increased by 0.2ppt compared to end Mar 16 due to Yen appreciation etc.



- ✓ In November last year we announced our goal that is aiming to reduce equity holdings to approximately 10 percent of our Tier 1 capital over the next five-year period.
- ✓ Under this policy, we swiftly developed a plan for each account, set a priority, and started discussions with core customers first. As a result, we were able to reduce the holdings by about 120 billion yen on an acquisition price basis last year.
- ✓ In the first half, we kept this strong momentum and continued our reduction efforts.
- ✓ From the graph on this page you may get the impression that the ratio of equity holdings over Tier 1 capital worsened from 17.9 percent to 18.1 percent, but this is only a transient phenomenon due to a stronger yen, which caused a reduction in foreign currency translation adjustments, which constitutes part of our capital base. In real terms we executed sales of equity holdings of about 85 billion yen on an acquisition price basis in the first half.
- ✓ In addition, we have been successfully negotiating and agreeing with more customers for a sale. I am pleased that this reduction project is progressing steadily.
- ✓ Next, please move to page 39 for non-Japanese yen funding.

Non-JPY assets and funding

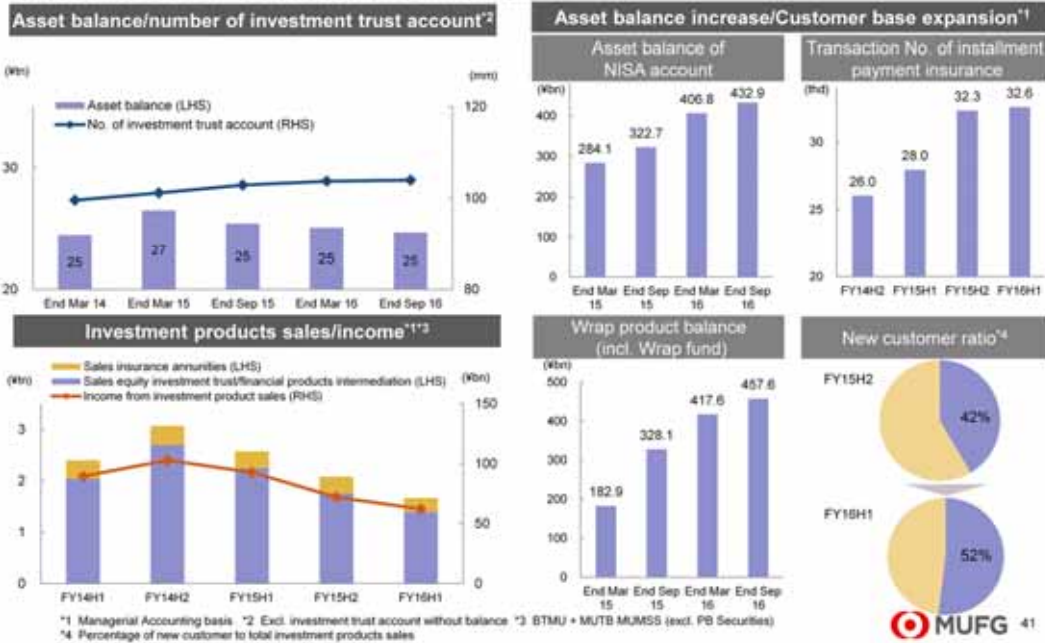


- ✓ In order to expand non-yen assets, we focused on acquisition of sticky foreign currency deposits by strengthening transaction banking and deposit product development. Of late, we see growth of overseas deposits outpacing the growth of overseas lending.
- ✓ At BTMU, customer deposits support about 70 percent of non-yen loans. By combining this with the mid- to long-term funding through corporate bond issuance and cross-currency swap funding, we stably and fully fund foreign currency denominated loans.
- ✓ We have been steadily issuing foreign currency denominated corporate bonds. Particularly with the TLAC regulation in mind, we issued straight bonds of 5 billion dollars this March, another 2 billion dollars in April, and 4 billion dollars in September, so this contributes to optimization of the capital structure and the availability of foreign currency liquidity.
- ✓ Recently we saw dollar-based funding costs increase mainly in the short date forward market, but we raise funds mainly through currency swaps in medium to long durations so the rise in funding cost is relatively moderate in our case.
- ✓ Furthermore, we own SPC for holding non-yen liquid assets as a buffer against the possibility of a severe funding situation due to temporary market stress, so we are ready to sell these assets or pledge them as collateral to supplement foreign currency liquidity should it be necessary.
- ✓ Please turn to page 41.

Growth strategy

Support wealth accumulation and stimulation of consumption for individual clients - Promotion of shifts from savings to stable asset building

- Steady progress for asset balance increase and customer base expansion, although investment products sales slowed due to unfavorable economic environment



- ✓ I would now like to talk about our growth strategy by business segment.
- ✓ First, let's look at retail banking, particularly asset management business. As you know, we are struggling in this business area. Asset balance is not growing; investment product sales are declining.
- ✓ But as the bottom-right chart indicates, we are steadily expanding our customer base, despite the challenging environment. So this is indeed what we aim to achieve in the current mid-term business plan.
- ✓ So based on this growing customer base, we will fulfill our fiduciary duties, namely: 1) improved product lineup to suit different stages, risk appetites, and environments of different customers; 2) provide sufficient necessary information to help our customers make the right investment decision, and; 3) use the right distribution channel that suits the customer's need. Through this we would like to promote a shift from savings to stable asset building.
- ✓ Next is about sales and trading, page 46.

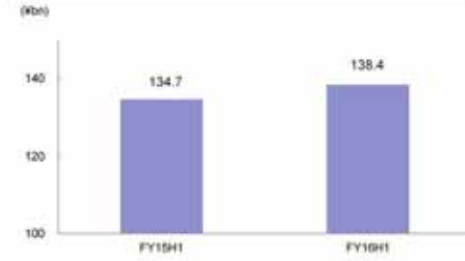
Support wealth accumulation and stimulation of consumption for individual clients
 - Consumer finance/payments

- Steady progress for consumer finance and card/payments business

Balance of BANQUIC (BTMU)*¹



Profits in card business (MUFG)*¹



Balance of unsecured loan, guarantee*¹



MUN volume*¹

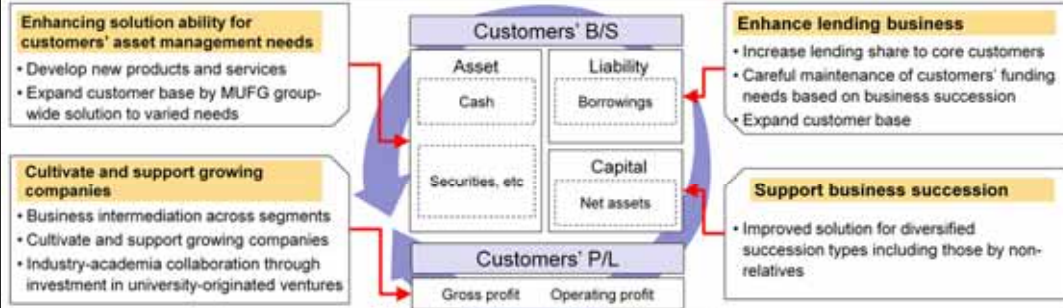


*¹ Managerial Accounting basis

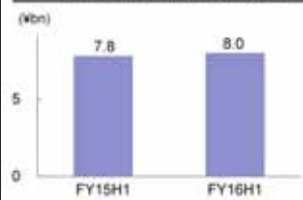
Contribute to growth of SMEs

- Enhance core businesses (lending, deposits and exchange) considering they are the sources of competitiveness for the commercial banking model
- Strengthen and expand fee businesses fully leveraging MUFG's group-wide solution capabilities

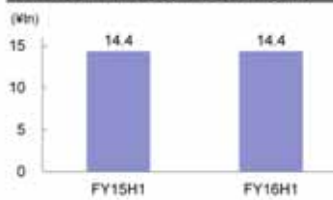
Contribute to customers' growth by responding to the needs not only on their liability but also on asset, capital, and gross profit, etc.



Profits from AM business^{*1}



Average lending balance (domestic)^{*1*2}



Profits from inheritance / M&A related business (BTMU)^{*1}



*1 All figures on a managerial accounting basis *2 In BTMU domestic branches or offices for SMEs

Reform global CIB business model - Japanese large corporation

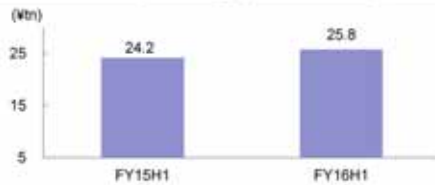
- Respond to customers' sophisticated needs globally positioning sector strategy as a key in our business with large Japanese corporation
- Increase our knowledge and MUFG's group-wide business solution capabilities for diversified operational environment and business issues of each customers from sector to sector

Promote deal-creating business model



- Providing solutions to customers' management issues by sector approach
Finding M&A deals to enlarge value-chain, matching customers' global CRE^{*1} supply-demand along with their strategies, etc.

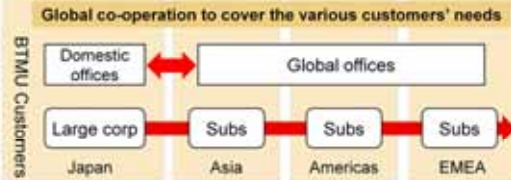
Average lending (Global, BTMU)^{*2,3}



*1 Corporate Real Estate *2 All figures are in managerial accounting basis

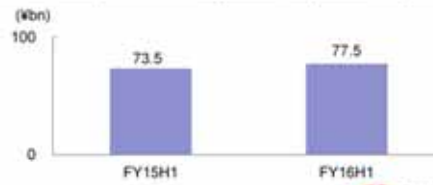
*3 Avg. lending balance to Japanese corporations of BTMU branches or offices for large corporate business in global basis

Expand overseas business with global co-operating structure



- Providing solutions to various customers' business issues globally with co-operation by domestic and global offices

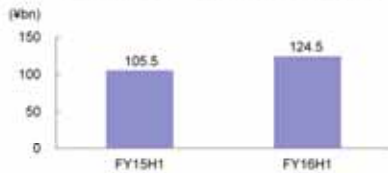
Overseas profits from Japanese corporations (BTMU)^{*2}



Reform global CIB business model - Global corporation

- Continue to reform performance appraisal, organizational structure and credit risk management for promoting inter-group collaboration
- Integrated operation between banking and securities business has started for developing O&D business and improving asset efficiency

Non-interest profits (global corporates)¹⁾



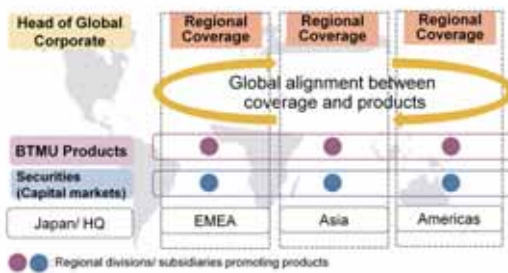
¹⁾ Managerial account basis. Including fees FX and derivatives. Excluding KS and MUAH

Case

- **Acquisition finance for Dell**
BTMU and MUSA²⁾ supported \$1.6 bn of the \$43 bn in new debt that Dell raised to acquire EMC (Sep16)
- **Cross border pooling for Vivendi**
BTMU was mandated for pan Asia cross boarder pooling by Vivendi, the top media company in France (Jul 16)

²⁾ MUFG Securities Americas

Global coverage model

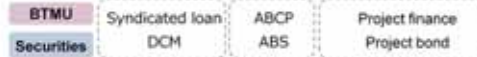


Integrated operation in primary business

April 2016 BTMU and MUSA started integrated operation between syndicated loan and DCM for leveraged capital markets, in the U.S.

Next step Expand geographical area and products scope

Example of possible products for integrated operation



Evolve sales and trading operations

- As for FY16H1, a healthy performance mainly in U.S. has compensated for a profit decrease in the Japanese market
- With regard to the integration of our S&T business, the consolidation of BTMU-MUS units will help move the business toward becoming operational, allowing MUFG to provide customers with a high-quality services in line with its aim to realize enhanced brand value and market penetration

Moving toward operational phase

Provide high-quality services through Cross-Region, Cross-Entity and Cross-Products

- ✓ Better Solution
- ✓ Better Price
- ✓ Better Product Lineup



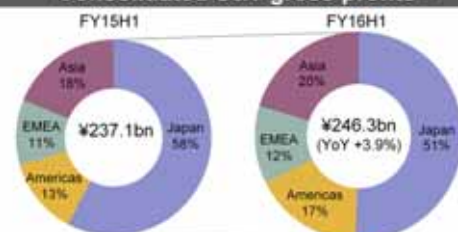
Implementation phase completed ✓

Integration of dealing rooms

- Introduction of common business framework
- Integration of sales representatives
- Consolidation of position and flow

LDN (Feb 16)	EMEA (Jul 16)
HK (Jul 16)	Asia (Jul 16)
NY (Apr 16)	Americas (Sep 16)
TKY ^{*1} (Aug 16)	Japan (Nov 16)

Consolidated S&T gross profits^{*2}



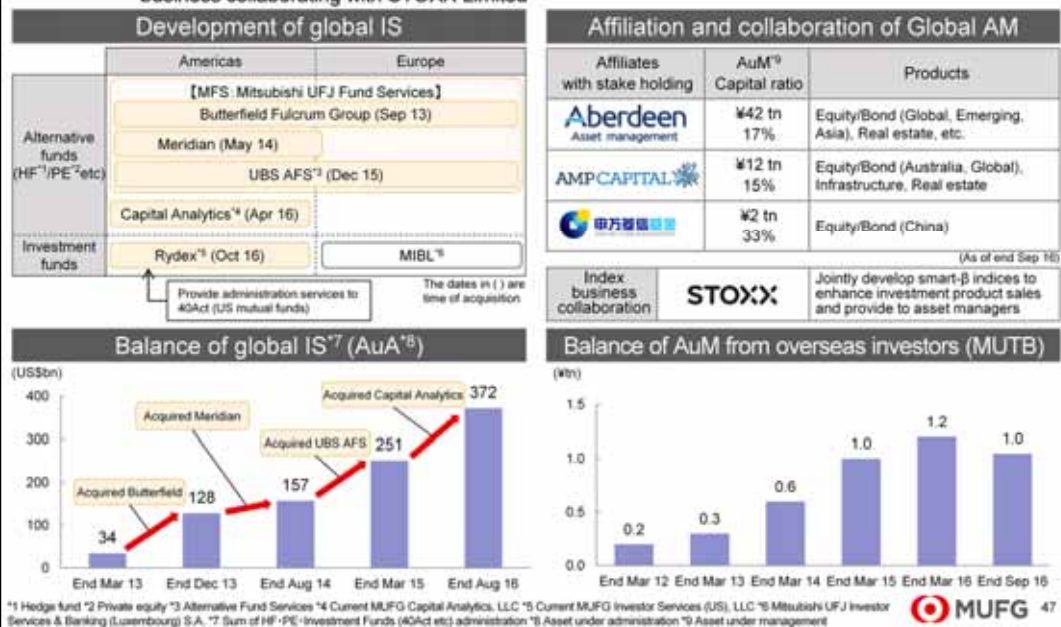
^{*1} The dealing room in Tokyo has been merged into same building ^{*2} Consolidated S&T gross profits of BTMU/MUTB/MUSHD. Planned exchange rate basis



- ✓ As mentioned earlier, we completed the process of dealing room integration between BTMU and MUS with the integration in Tokyo last August. Further, as we completed integration of sales representatives and consolidation of position and flow, we have entered the operational phase. Going forward we will provide high quality services through better solutions and more competitive pricing, which is the genuine objective of S&T integration between BTMU and MUS. We will ensure that this new framework fully penetrates among our customers and endeavor to increase the value of this business itself.
- ✓ Next is about the development of global asset management and investor services operations. Please proceed to page 47.

Develop global asset management and investor services operations

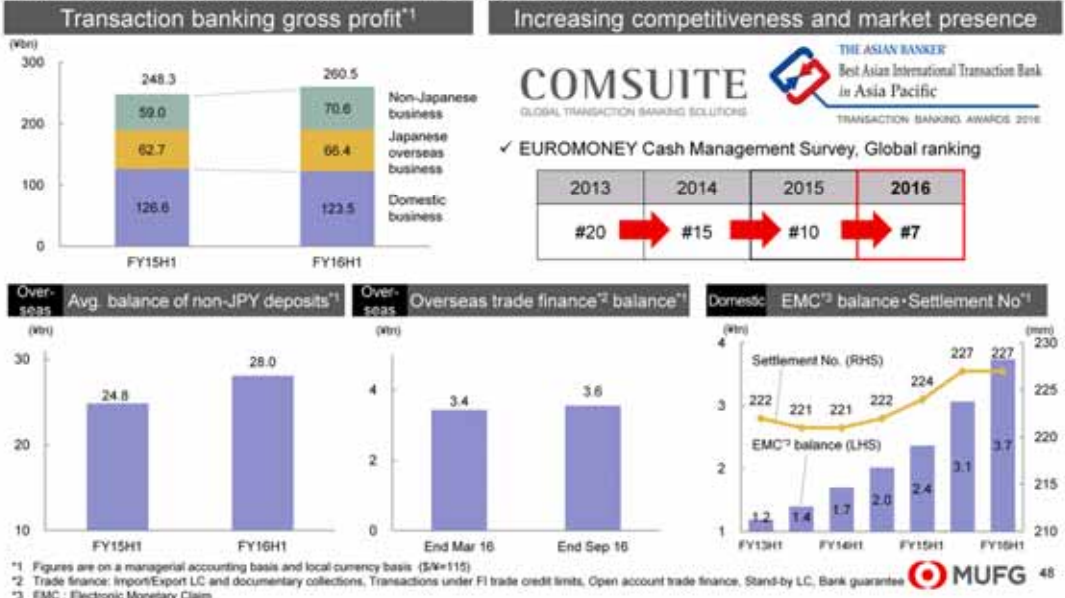
- Global IS : Provide a full lineup of fund administration services by utilizing the functions gained through non-organic growth
- Global AM : Consider new non-organic investment focused on North America and Asia, and accelerate the indices business collaborating with STOXX Limited



- ✓ While the global economy slows down, the accumulation of household and corporate wealth is accelerating. Against this backdrop, it is asset managers who are gaining greater prominence in the global financial service industry recently. We are the largest player in the pension fund and investment fund management market in Japan, but in global markets, we have equity method affiliates of Aberdeen in the UK and AMP Capital in Australia.
- ✓ This is basically fee business and business we must make a full-fledged effort to cultivate in order to diversify our income streams. As the latest topic, we jointly developed smart-beta indices with STOXX to enhance investment product sales.
- ✓ We also focus more energy on the development of investor services. In October this year we acquired Rydex, which provides administration services to 40 Act. So far, we focused on strengthening administration services for hedge funds and private equities, but by adding the 40 Act Fund, which is a U.S. mutual fund, with a larger market we will be able to provide comprehensive fund administration services going forward. We will do our best to respond to increasingly diverse fund administration needs.
- ✓ Next is transaction banking. Please turn to page 48.

Further reinforce transaction banking business

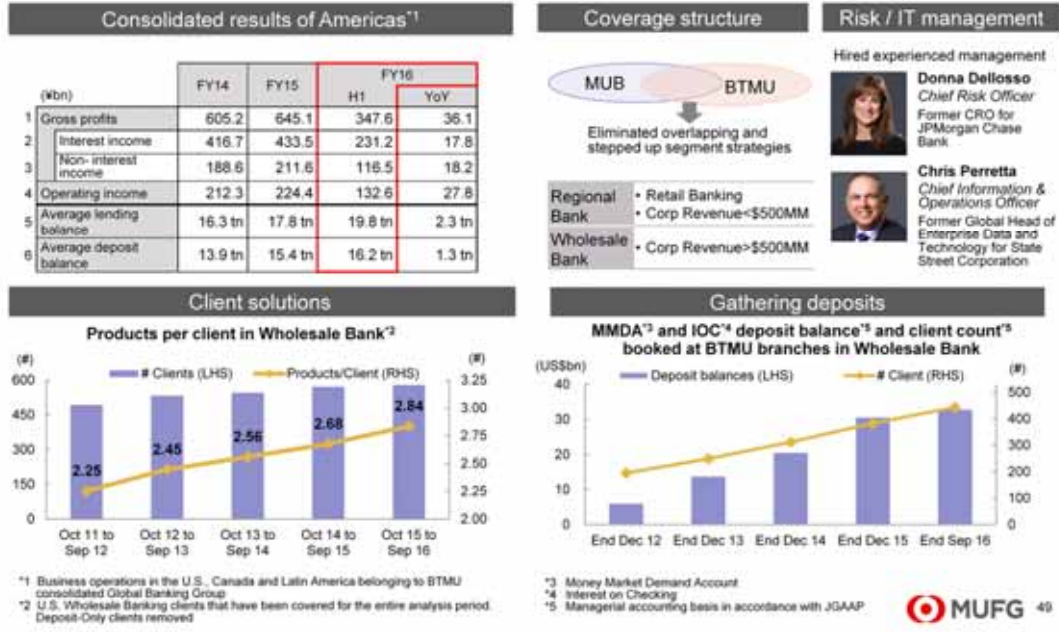
- The competitiveness of transaction banking products has been steadily enhanced through the COMSUITE brand, which has increased our presence in the global market
- The increase in non-JPY deposits far exceeded the initial plan. We are also seeing steady growth in such basic client base indicators as the overseas trade finance balance and domestic settlement numbers



- ✓ This area has been positioned as a key reinforcement area since the previous mid-term business plan in order to enhance non-interest rate business and secure foreign currency liquidity.
- ✓ The increase in non-Japanese yen deposits, one of the important KPIs, far exceeded the initial plan. The know-how and customer network brought in by the regional sales heads hired and assigned in major overseas offices are showing remarkable effect in strategy development, education, and customer promotion.
- ✓ We are enhancing our product competitiveness through the globally-integrated brand COMSUITE. We were awarded by *The Asian Banker* magazine this year and were ranked within the Top 10 in the *Euromoney* ranking, achieving our long-sought goal. We are striving to establish a presence comparable to the major U.S. and European players.
- ✓ Please turn to page 49. Let me explain our U.S. business strategy.

Strengthen commercial banking platforms in Asia and the United States - U.S. business strategy

- Focus on increasing fee income and deposit, diversifying business mix and cost management to improve profitability and generate sustainable growth



- ✓ MUAH, Mitsubishi UFJ Americas Holding, became the U.S. intermediate holding company under which the U.S. subsidiaries of MUFG were reorganized.
- ✓ We are enhancing our governance and improving our efficiency and productivity through the business line reorganization conducted last year, establishment of a single leadership structure, and hiring of experienced management.
- ✓ We are building a solid track record in fee income and deposit increase to improve profitability and generate sustainable growth, as shown here.
- ✓ Please turn to page 50.

Strengthen commercial banking platforms in Asia and the United States - Krungsri strategy

- Steadily increased lending balance, while asset quality continued to improve
- Continue promoting supply chain finance by leveraging BTMU's solid relationship with JP automobile manufactures and KS's robust auto loan business franchise

Strategic objectives¹

Grow asset, increase non-interest income, increase CASA balance

(THBbn)	FY14 ² (End Dec 14 ²)	FY15 (End Dec 15)	FY16 Q1-3(End Sep 16)	YoY/Change
Lending balance ³	1,245.5	1,303.5	1,403.9	100.5 (or 7.7%YTD)
Non-interest income	22.8	26.4	22.2	2.7 (or 13.7%YoY)
CASA balance	520.1	539.0	569.5	50.4 (or 9.4%YTD)

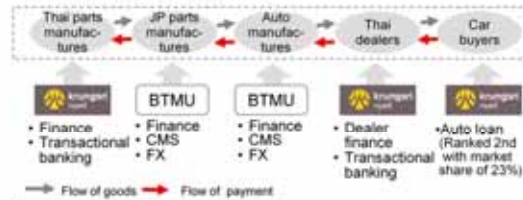
¹All figures are based on Thai GAAP

²The figures are sum of KS & BTMU Bangkok branch

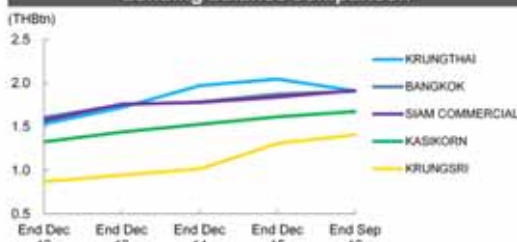
³Loans to customers net of deferred revenue

Supply chain finance for automobile industry

Enhancing our positioning by capturing the business flow of the whole automobile industry

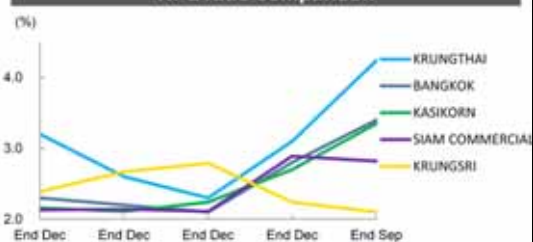


Lending balance comparison



Source: Company data. Lending balance is sum of loans to customers, Accrued receivables and deferred revenue
BTMU Bangkok branch was integrated to KS with total loan of THB 232.7 bn in Jan 15

NPL ratio comparison



MUFG 50

- ✓ Krungsri, or Bank of Ayudhya, in Thailand is steadily increasing the lending balance while maintaining an NPL ratio at a low level through proper credit management.
- ✓ In addition, as shown on the upper-right, supply chain finance is reinforced in Thailand leveraging the strength of BTMU and Krungsri, and building a unique MUFG business model.
- ✓ Please turn to page 52 on ICT or digital strategy.

ICT Strategy - Key themes for promoting digital innovation

Big Data

- Marketing
- Business development & predictive risk control



Robotics

- Robots at branch ("Nao")
- Automation of manual labor at domestic and overseas operation centers



AI (Artificial Intelligence)

- IBM's Watson provides customer inquiry and wealth planning consultation
- Organizational vitalization through behavioral analysis
- AI-driven investment fund for securing absolute return



Blockchain

- Participating in DLG^{*1} (R3)
- Investment in Coinbase
- MUFG coin under consideration
- PoC^{*2} testing for check digitization with Hitachi in Singapore



^{*1} Distributed Ledger Group
^{*2} Proof of Concept

Digital marketing

- Marketing using SNS
- Intersection of mobile banking and marketing (Apps for investment trust beginners and opening investment accounts)



RegTech

- Utilizing ICT for regulatory and compliance operations
- Economic sanction check



ICT Strategy - Initiatives to facilitate innovation

- Incorporate new technologies and services by employing open innovation through alliance with FinTech companies

Global innovation

Coverage structure

Make society smarter through financial innovation

Dream Big

Make It Real

Open Innovation

Open innovation initiatives and results

Partner	Results from collaboration with MUFG
Alpaca	Discussed the development of AI-based assistance tools for managing foreign currency deposits and other trading
xenodata lab.	Created an AI-based solution that automatically analyzes financial results, with plans calling for distributing analysis reports to individual investors
zerobillbank	Operated a virtual coin scheme using the blockchain technology on a trial basis
ZUU	Developed a dedicated MUFG website for promoting open innovation
FINATEX	Developed and released smartphone apps for assisting in the selection of investment trusts

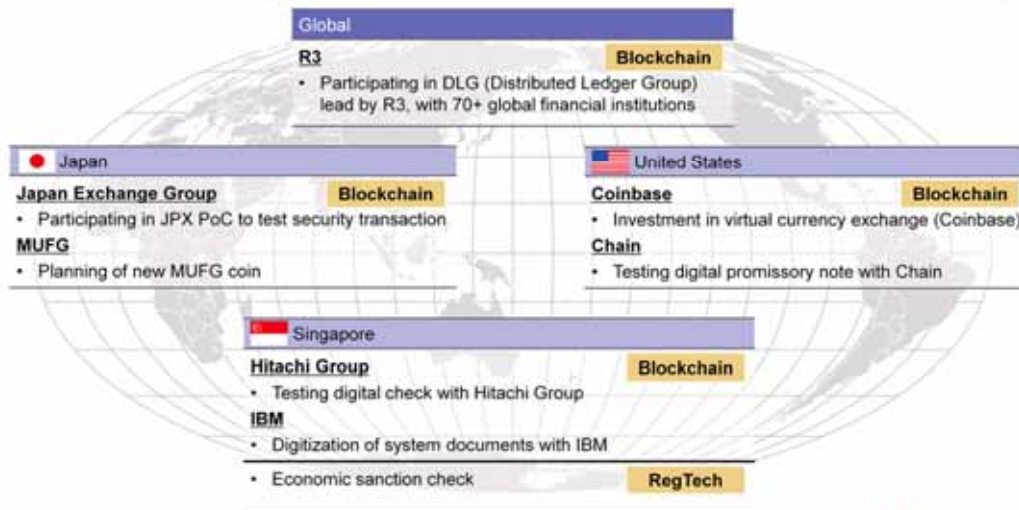
52

- ✓ We opened Innovation Lab this year, which is a specialized organization to launch new innovative businesses and established a global structure, adding New York and Singapore to Silicon Valley. We are now working on accelerator programs to develop FinTech entrepreneurs.
- ✓ Please turn to page 53.

ICT Strategy - Ongoing projects in Japan and overseas

- Blockchain is a revolutionary technology that is expected to significantly impact financial services in the near future
- MUFG employs its facilities around the globe to take part in multiple projects aimed at commercializing innovative solutions

Key projects undertaken at facilities around the world



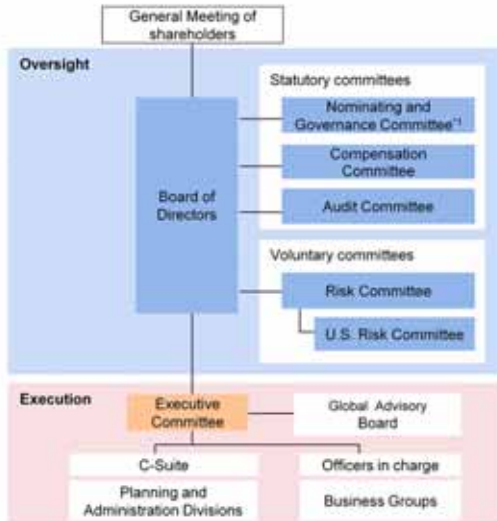
- ✓ We are involved in a number of projects in innovation facilities around the world. For example, we are actively leveraging our alliance with other companies, such as our investment in Coinbase, one of the largest blockchain operators in the U.S., collaboration with Hitachi, Ltd. to test digital check in Singapore, collaboration with IBM on smart contract also in Singapore and collaboration with MAS in Singapore based on R3 for interbank settlement using blockchain in order to take more active efforts in both consumer and corporate domains.
- ✓ Please turn to page 60 on our capital policy.

Corporate governance

Corporate governance - Enhancement of corporate governance

- 9 directors are non-executives, including 7 outside directors, out of the total 17 board members. All statutory and voluntary committees under the board are chaired by outside directors

MUFG Governance structure



Chairpersons of committees under the Board

Nominating and Governance Committee ^{*1}	Tsutomu Okuda	MUFG outside director
Compensation Committee	Kunie Okamoto	MUFG outside director
Audit Committee	Akira Yamate	MUFG outside director
Risk Committee	Yuko Kawamoto	MUFG outside director
U.S. Risk Committee	Christine Garvey	MUAH outside director

Member of Global Advisory Board

Mr. John C. Dugan	(U.S.)
Dr. Victor K. Fung	(Hong Kong)
Ambassador John V. Roos	(U.S.)
Lord (James) Sassoon	(U.K.)
Associate Professor Simon S.C. Tay	(Singapore)
Dr. Gertrude Tumpel-Gugerell	(Austria)
Mr. Toshio Iwamoto	(Japan)
Mr. Toru Nagashima	(Japan)
Mr. Akio Mimura	(Japan)

^{*1} Nominating and Governance Committee is a "Nominating Committee" as provided for in the Companies Act

Corporate governance - Corporate governance development

Corporate governance development							
	October 2005 Establishment of MUFG		June 2013	June 2014	June 2015	May 2016	
Governance Structure	Company with a Board of Corporate Auditors				Company with Three Committees		
Outside Directors	2005 Four	2006 Three	2012 Two	Three	Five	Seven	
Committees under the Board of Directors	2005 Nomination Committee			Governance Committee		Nominating and Governance Committee (statutory Nominating Committee) Compensation Committee (statutory) Audit Committee (statutory) U.S. Risk Committee	
	2005 Compensation Committee		2005 Nomination and Compensation Committee				
	2005 Internal Audit and Compliance Committee				Audit Committee (statutory)		
				Risk Committee			
							U.S. Risk Committee
Advisory Board	2005 Advisory Board					Integrated into the Global Advisory Board	
	Global Advisory Board						
Board of Directors Operations	Evaluation of Board of Directors						
					Independent Outside Directors Meeting/ Appointment of Lead Independent Outside Director		
Policy						MUFG Corporate Governance Policies	

Corporate governance - Strengthening the function of the Board of Directors

- MUFG takes measures to strengthen the function of the Board of Directors ("the BoD"), such as Independent Outside Directors Meetings and reviewing the agenda of the BoD meetings, leading to more substantial and intensive discussion
- Introduced a framework to regularly evaluate the BoD's working practices

Strengthening the function of the BoD

【Independent Outside Directors Meetings】

- BoD meetings are followed by Independent Outside Directors Meetings attended only by outside directors where the operations of the BoD and committees are deliberated
- Conclusions are reported to the chairman and the president by a Lead Independent Outside Director

【Support for Outside Directors】

- Board Educational Sessions are held to support independent outside directors' deeper understanding of business and managerial environment of MUFG

【Evaluation framework for the BoD's operations】



【Review of the agenda】

- Focus more crucial issues by reviewing / optimizing the agenda

	FY14 ^{*)}	FY15 ^{*)}
Number of meetings held	14	7
Number of agenda items	210	86
Average duration of regular Board of Directors meetings	2.5 hours	5 hours
Volume of pages included in meeting materials (annual total)	Approx. 1,200	Approx. 300

(Example of time table for a regular BoD's meeting)

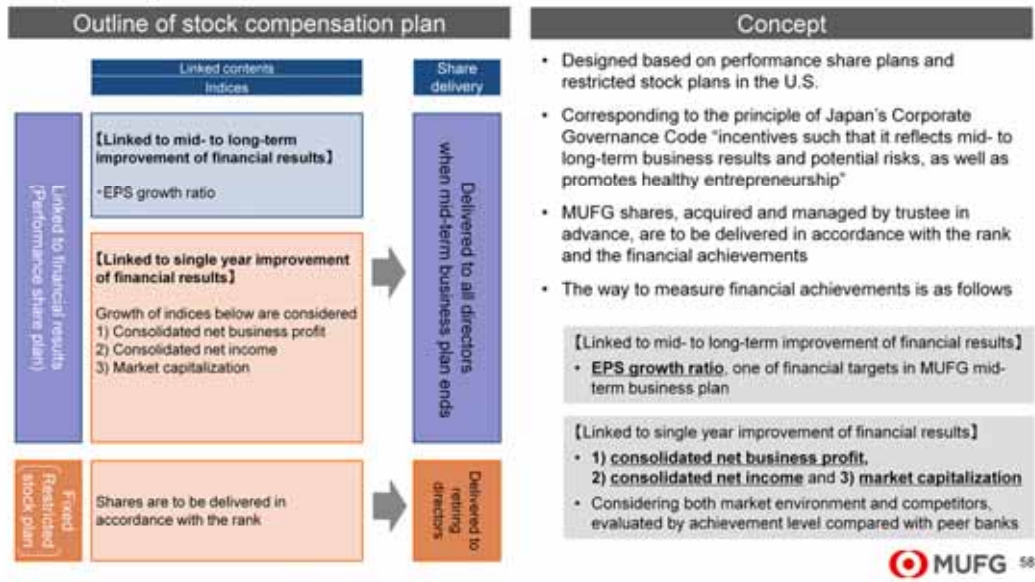
	Topics	Presenter or attendees
10:00	CEO Report	Group CEO
	CSO Report	Group CSO
	CFO Report	Group CFO
Lunch break		
	CRO Report	Group CRO
	Risk Committee Report	Chairperson of Risk Committee
	CCO Report	Group CCO
	Audit Committee Report	Chairperson of Audit Committee
	Nominating and Governance Committee Report	Chairperson of Nominating and Governance Committee
	Compensation Committee Report	Chairperson of Compensation Committee
Break		
16:30	Specific issue (1)-(4)	Officer in charge of the issue
	Independent Outside Directors Meeting	All outside directors
	Report on the conclusions reached at the aforementioned meeting	Lead Independent Outside Director, Chairman of the Board and President, Group CEO
17:30	Close (7.5 hours in total)	

^{*)} 1. Jun 14 to Mar 15 ²⁾ Jun 15 to Mar 16 (After transition to the "company with three committees" system)

Corporate governance

- Performance-based stock compensation plan for executives

- Performance-based stock compensation plan in order to incentivize group-wide management that focuses more on the mid- to long-term improvement of financial results and stock price
- Resolved to transit from existing stock compensation type stock option (issued 9 times so far) to the stock compensation plan using a trust structure

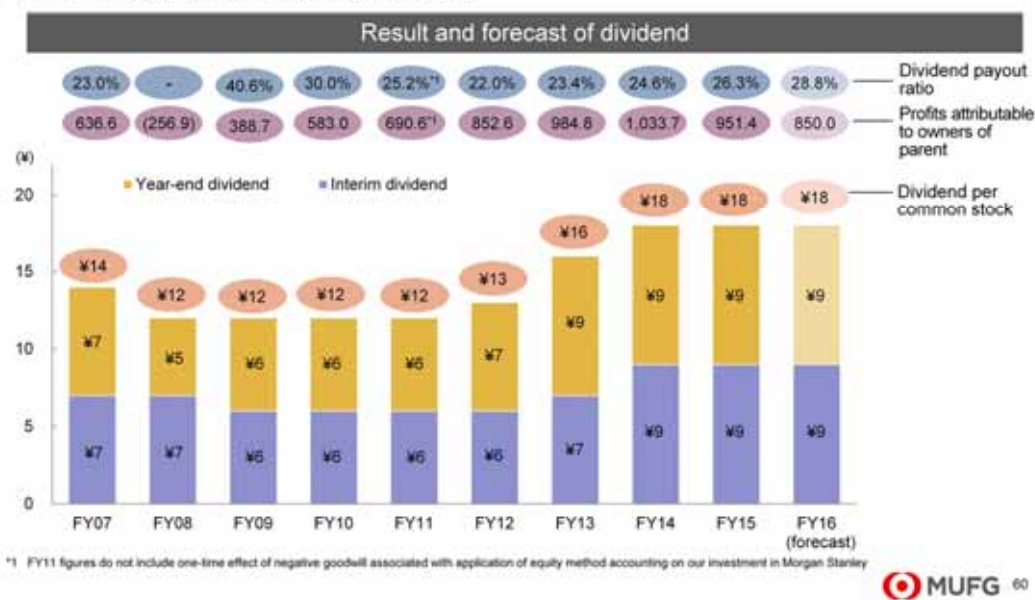


Capital policy

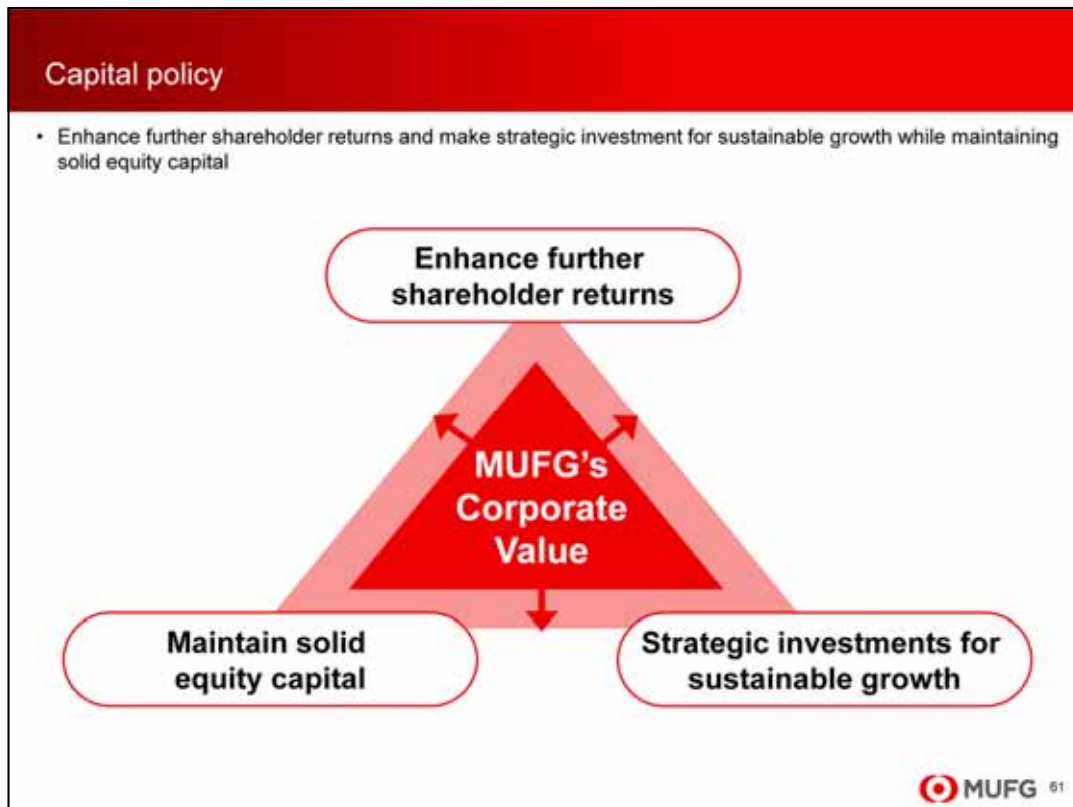
Dividend forecast

(Consolidated)

- MUFG makes it a basic policy to aim for a stable and continuous increase in dividends per share through growth in profits
- FY16 dividend forecast is ¥18 per common stock



- ✓ As mentioned at the outset, dividend per common stock is 9 yen for the interim dividend as scheduled, and the 18 yen full year dividend will be maintained. My message to you is that MUFG management has strong feeling about stable dividends, even under the current business environment which is difficult.
- ✓ We have explained to our investors that we are aiming for a payout ratio of around 30 percent. This does not mean a mechanical or automatic dividend reduction when profit declines. As you can see in this diagram, we paid a dividend even in 2008 when we generated losses following the Lehman crisis. This is the only year MUFG reduced its dividend.
- ✓ In other words, an 18 yen dividend per share is set as a level we can offer a stable dividend considering our business structure and profitability from a comprehensive perspective, and we want to maintain it unless there are any major changes in our assumptions.
- ✓ Please move on to page 61.



- ✓ Regarding our capital policy, we check the items in this triangle every time, receive multiple options from the secretariat, and discuss them actively in the board meeting, mainly by outside directors. In other words, we go through a process of checking our capital soundness from the viewpoint of international financial regulations and rating, in comparison with G-SIB competitors shown on the lower left, then confirming the strategic investment pipeline for sustainable growth, on the lower right, and deciding on further shareholder returns, shown at the top.
- ✓ The business environment is changing dramatically but the basic thinking will remain unchanged.
- ✓ Please move on to page 62.

Repurchase of own shares

(Consolidated)

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

	FY14	FY15	FY16H1	FY16H2
Type of shares repurchased	Ordinary shares of MUFG	Ordinary shares of MUFG	Ordinary shares of MUFG	Ordinary shares of MUFG
Aggregate amount of repurchase price	Approx. ¥100.0 bn	Approx. ¥200.0 bn (Approx. ¥100.0 bn each on two occasions)	Approx. ¥100.0 bn	Up to ¥100.0 bn
Aggregate number of shares repurchased	Approx. 148.59 mm shares	Approx. 232.85 mm shares	Approx. 190.61 mm shares	Up to 230 mm shares (Equivalent to 1.69% of the total number of issued shares (excluding own shares))

(Reference) As of October 31, 2016

Total number of issued shares (excluding own shares) : 13,604,556,568 shares
 Number of own shares held by MUFG : 564,297,252 shares

(Reference)

	FY14	FY15	FY16 ^{*1}
Total payout ratio	34.2%	47.2%	52.3%

^{*1} Based on the estimation assuming the denominator to be ¥850 bn, which is our financial target

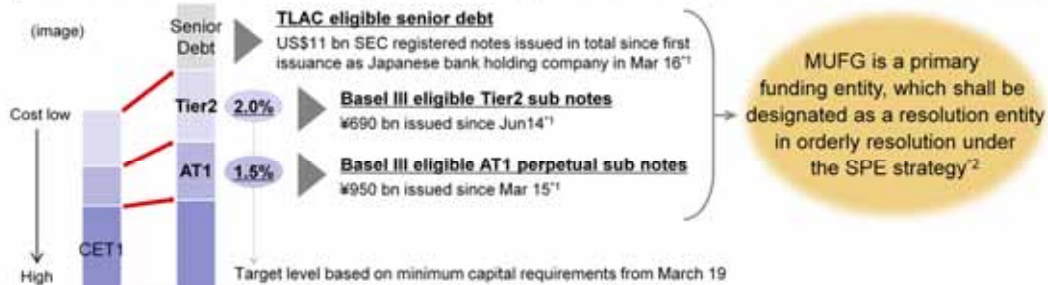


- ✓ The other shareholder return policy is repurchase of our own shares. We decided on a 100 billion share buyback following the last one in May of this year.
- ✓ We will consider and actively discuss future buybacks based on the capital policy triangle shown earlier.
- ✓ As mentioned at the beginning, we are facing an extremely severe business environment; however, our mid-term business plan policy remains unchanged, such as the business model transformation in each business domain and productivity improvement in people, goods, and money. We will overcome the current difficulties by accelerating these initiatives.
- ✓ I ask the investors for your further understanding and support. Thank you very much.

Capital management - The best capital mix and TLAC compliance

- Capital management with utilization of AT1 / Tier 2 and controlling CET1 at necessary and sufficient level. Aiming for the right balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
- Reducing the amount of equity holdings considering the risk, capital efficiency and regulations (On page 38)

Best capital mix among CET1, AT1 and Tier2



Ref. Minimum capital requirements

	Mar 16	Mar 17	Mar 18	Mar 19 -
Total capital ratio	9.0%	10.0%	11.0%	12.0%
Tier1 ratio	7.0%	8.0%	9.0%	10.0%
CET1 ratio	5.5%	6.5%	7.5%	8.5%

Ref. Estimated TLAC ratio³⁾

As of end Sep 16	15.8%
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Note) TLAC ratio estimation is calculated as follows, which is based on our total capital ratio as of end Sep 16
 TLAC ratio = Total capital ratio (16.5%) - Capital conservation buffer (2.5%)
 - G-SIB surcharge (1.5%) + Contribution of Deposit Insurance Fund Reserve (2.5%) + TLAC eligible debt (1.1%) - Other adjustments, etc.

¹⁾ Accumulated amount as of end Oct 16

²⁾ Single Point of Entry strategy: to resolve a financial group at the level of its ultimate parent, rather than the operating companies at subsidiary level in financial difficulty by the single national financial authority

³⁾ Figure contains 2.5% portion of RWA, which is expected to be counted as TLAC after Mar 19 based on the prospect that the relevant authorities agree that the Japanese Deposit Insurance Fund Reserves satisfy as credible ex-ante commitments specified in TLAC Term Sheet. This will add another 1.0% of RWA after Mar 22, which will increase the estimated TLAC ratio by 1.0%. Since TLAC requirements in Japan have not yet been finalized, actual TLAC ratio may be different from our estimation.

Capital management

- MUFG issuance track record in both domestic and global markets and redemption schedule

