



Fiscal 2016 Results Presentation

May 19, 2017



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In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed.

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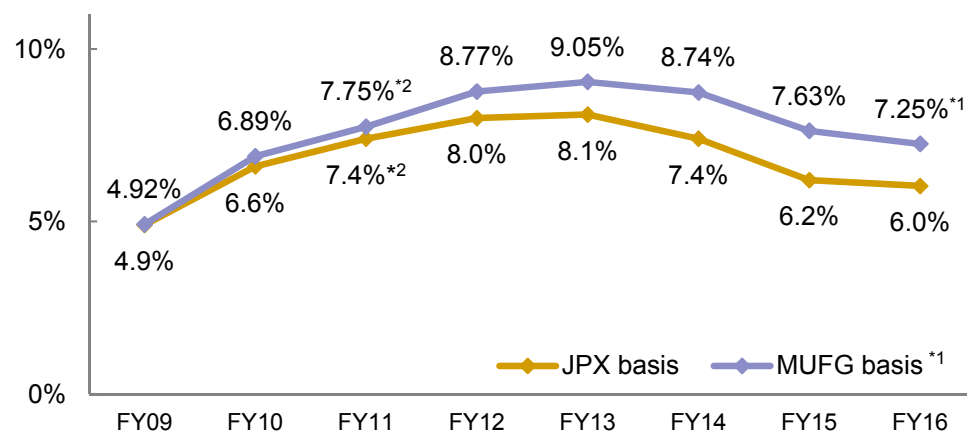
Definitions of figures used in this document

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)

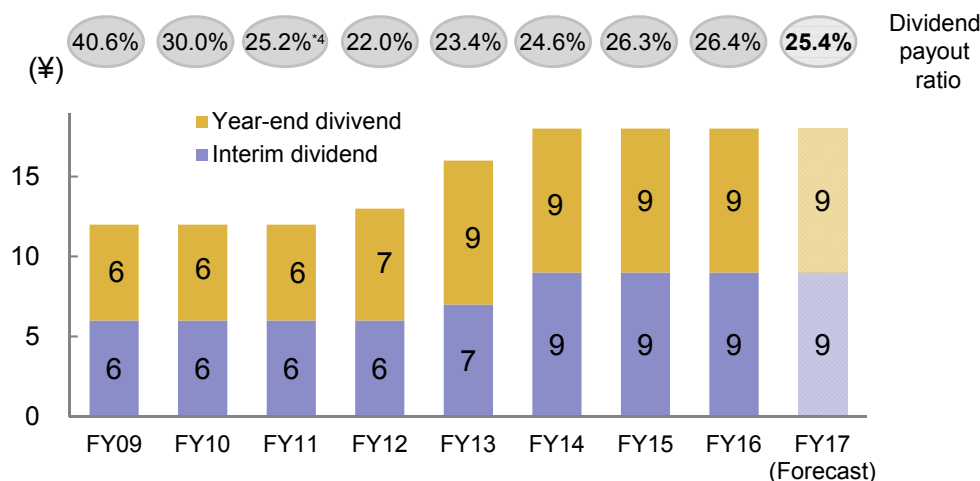
Management index

(Consolidated)

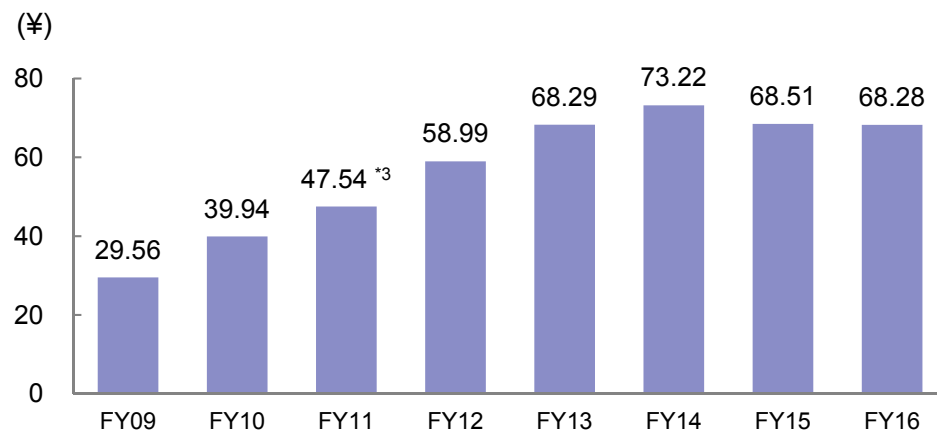
ROE



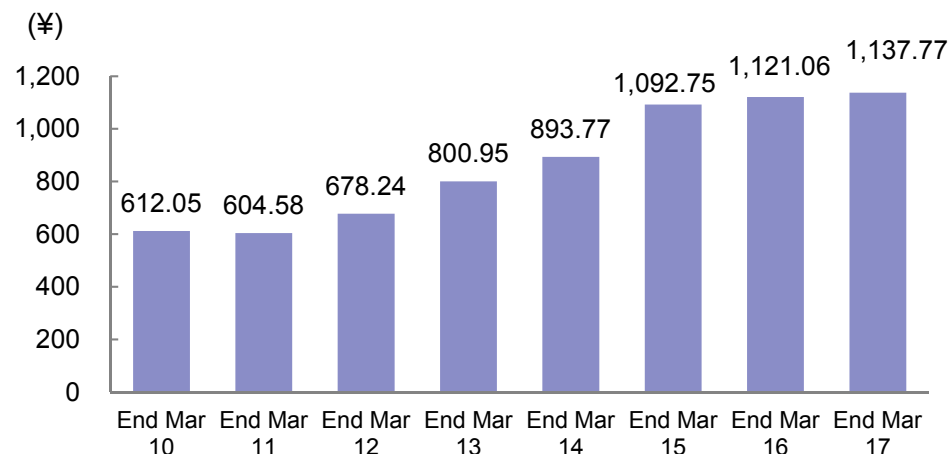
Dividend per share / Dividend payout ratio



EPS



BPS



Profits attributable to owners of parent

*1 $\frac{\{(\text{Total shareholders' equity at the beginning of the period} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period} + \text{Foreign currency translation adjustments at the end of the period})\}}{2} \times 100$

*2 11.10%(MUFG basis), 10.6%(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

		FY14	FY17 Target	FY16
Growth	EPS (¥)	¥73.22	Increase 15% or more from FY14	¥68.28
Profitability	ROE	8.74%	Between 8.5-9.0%	7.25%
	Expense ratio	61.1%	Approx. 60%	64.6%
Financial strength	CET1 ratio (Full implementation)*1	12.2%	9.5% or above	11.9%
				9.8%
	(Excluding an impact of net unrealized gains (losses) on available-for-sale securities)			

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

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Outline of FY2016 Results

Key points of FY2016

(Consolidated)

● Profits attributable to owners of parent was ¥926.4 bn (decreased ¥24.9 bn from FY15)

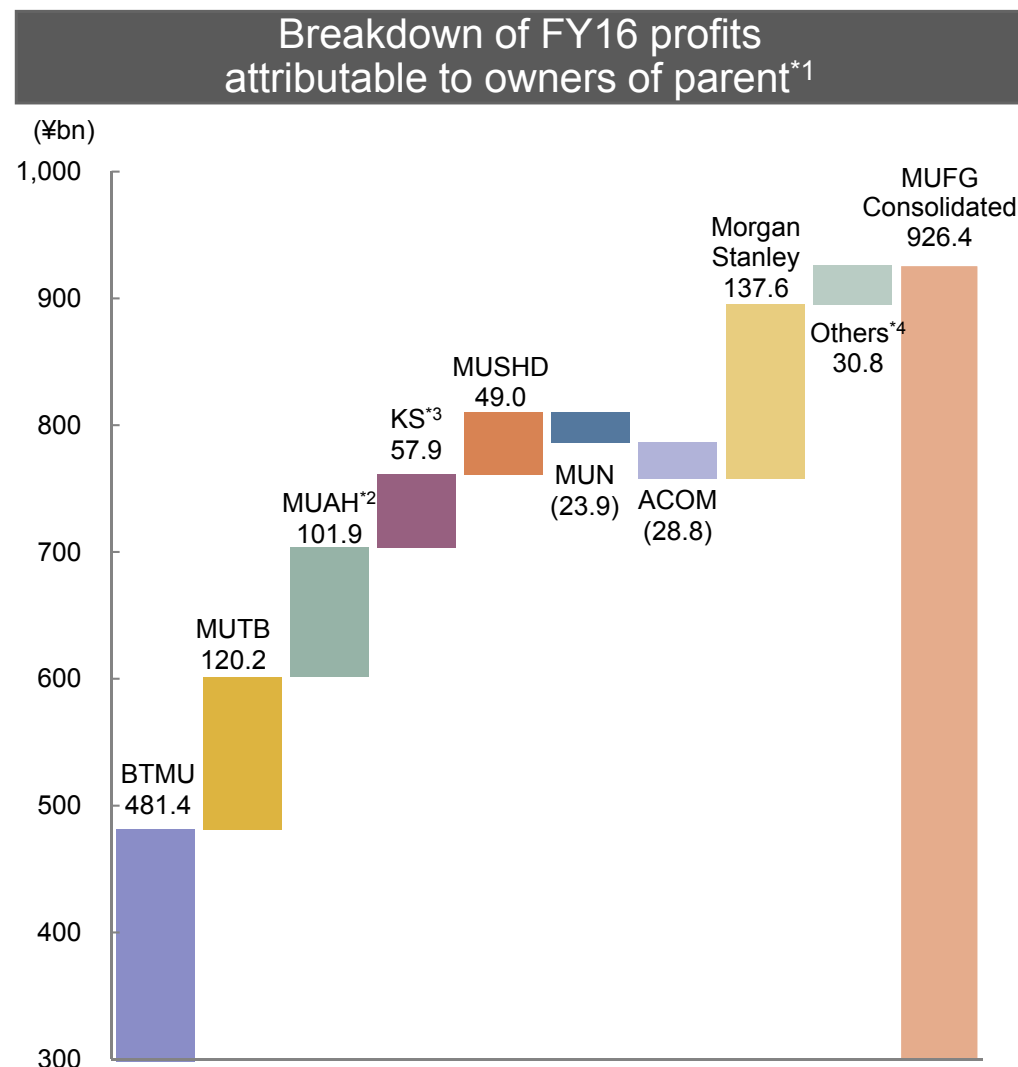
- Achieved FY16 target of ¥850.0 bn, achievement ratio was 108.9%
- Posted total credit cost of ¥155.3 bn, almost on line with our projection
- Negative Interest Rate Policy impact was in line with our initial expectation

● Actions for evolution and reform

- Established U.S. Intermediate Holding Company to comply with U.S. financial regulations
- Acquired 23% of Hitachi Capital shares and formed into as an equity method affiliate of MUFG
- Acquired 100% of the issued shares of U.S. fund admin company, Rydex Fund Services
- BTMU and MUS dealing rooms integrated globally
- Reorganizing BTMU offices in continental Europe under MUFG Bank (Europe) N.V.
- Resolved to make MUN a wholly owned subsidiary

● Shareholder return and others

- FY16 dividend per share stayed at ¥18
- Developed policy of cancellation of own shares
- Resolved repurchase of own shares up to ¥100.0 bn which will be all cancelled
- Approx. ¥149.0 bn equities holdings were sold on acquisition costs basis



*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 (Krungsri)

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

Financial results of MUN

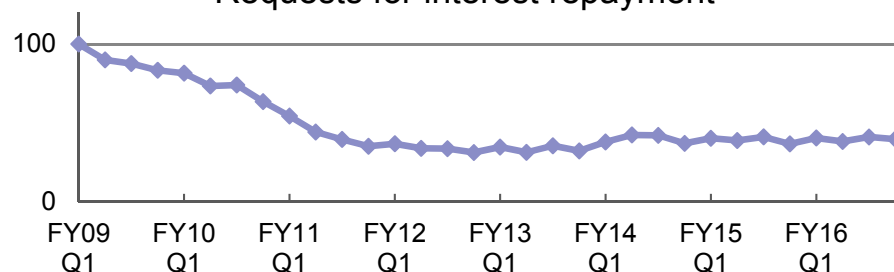
- Recorded losses due to temporary expenses associated with structural reform and allowance for excess interest repayment

Results of MUN

(¥bn)	FY15	FY16	YoY
1 Operating revenue	270.1	275.2	5.0
2 Card shopping	183.1	189.0	5.8
3 Card cashing	27.7	24.5	(3.1)
4 Loan revenue	6.4	5.2	(1.2)
5 Operating expenses	288.3	281.7	(6.5)
6 G&A expenses	246.7	256.5	9.8
7 Credit related costs	10.6	14.1	3.4
8 Provision for loss on interest repayment	30.9	11.1	(19.8)
9 Operating profit	(18.1)	(6.5)	11.5
10 Ordinary profit	(17.4)	(5.9)	11.4
11 Profits attributable to owners of parent	(40.9)	(28.1)	12.7
12 Interest repayment^{*1}	20.0	18.9	(1.1)

*1 Including waiver of repayment

<Requests for interest repayment^{*2}>



*2 Requests for interest repayment in FY09Q1 = 100

Primary factors of financial results^{*3}

	FY15	FY16
Business line	Ordinary profit of JPY11.6bn ^{*4}	Ordinary profit of JPY8.6bn ^{*4} , which was lower than expected
System integration	Determined system integration (Total investment budget JPY157.2bn)	On schedule
Structural reform	—	Posted JPY12.7bn of temporary expense for structural reform ^{*5}
Deferred tax asset	Reversal of JPY18.1bn due to a revision of profit forecast associated with determination of system integration	Reversal of JPY6.4bn due to the change of eligible estimation periods from five years to one year
Expense of excess interest repayment	Posted reserve of JPY26.3bn since reimbursement claims of excess interest were larger than an initial forecast	Posted reserve of JPY9.4bn due to a revision of forecast of reimbursement claims of excess interest based on current market environment
Profit (loss) contribution to MUFG	(JPY34.7bn)	(JPY23.9bn)

*3 Figures reflect the percentage holding

*4 Excluding expense for system integration and interest repayment

*5 Integration of business operation related to Cloud-based settlement system with JCB group etc.

Financial results of ACOM

- Recorded losses mainly due to provision for losses on interest repayment
- Aware of public concerns about the rapid growth of banking card loans, we will help nurture the sound development of the consumer finance market

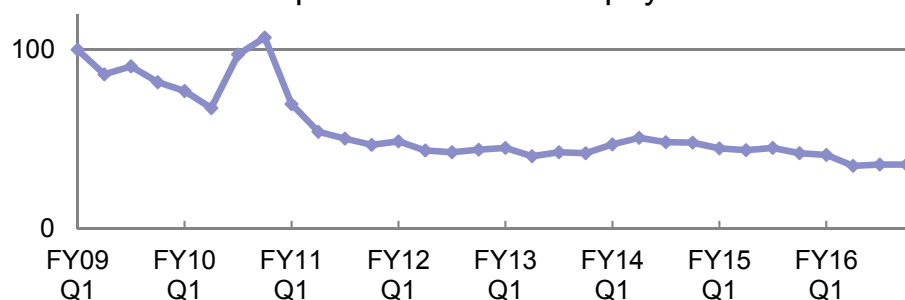
Results of ACOM

(¥bn)	FY15	FY16	YoY
1 Operating revenue	237.6	245.1	7.4
2 Operating expenses	222.1	315.3	93.1
3 G&A expenses	88.1	89.5	1.3
4 Provision for bad debts	60.0	68.5	8.4
5 Provision for loss on interest repayment	56.6	143.7	87.0
6 Operating profit	15.5	(70.1)	(85.6)
7 Profits attributable to owners of parent	14.5	(72.1)	(86.7)
8 Guaranteed receivables	987.5	1,129.7	142.2
9 Unsecured consumer loans (non-consolidated)	758.2	777.5	19.3
10 Share of loans*1	32.6%	32.9%	0.3ppt
11 Interest repayment*2	69.2	68.8	(0.4)

*1 Share of the receivables outstanding excluding housing loans (non-consolidated) in consumer finance industry. Figure in FY16 is as of end Dec 16

*2 Including waiver of repayment

<Requests for interest repayment*3>



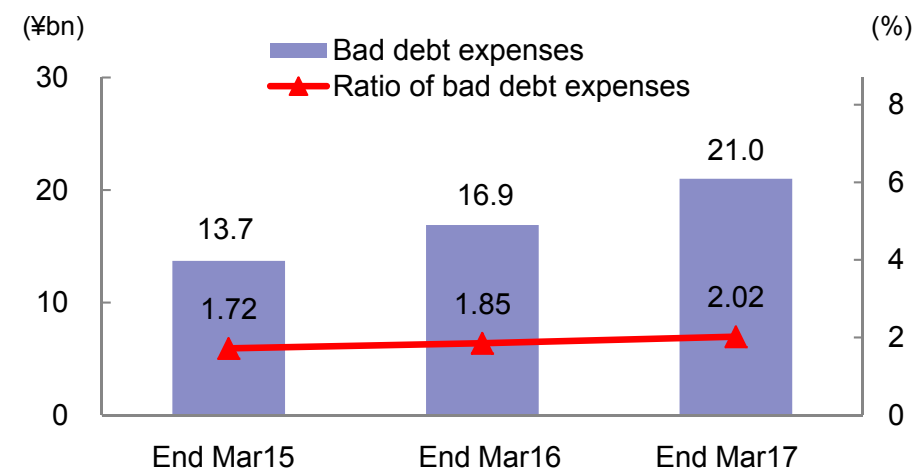
*3 Requests for interest repayment in FY09Q1 = 100

Key points for provision

- JPY68.8 bn was drawn down from JPY90 bn of provision
- JPY143.7 bn was added to provision in FY16
 - Made adjustments on initial estimate based on excessed amount and analysis on recent trend. Then calculated future estimate of amount to be requested
- Hence, end balance is JPY164.9 bn

Amount and ratio of bad debt expenses*4

- Bad debt expense ratio for guarantee business has been staying at low level



*4 Only for guarantee business

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 lower interest rates, decreases in fee income from sale of investment products and net gains on debt securities, as well as a decrease in the translated JPY value due to the appreciation of JPY against other currencies, although gross profits in overseas were solid
- G&A expenses almost unchanged partially due to the appreciation of JPY against other currencies
- Net operating profits decreased by ¥139.6 bn from FY15 to ¥1,418.2 bn

● Total credit costs^{*1}

- Total credit costs decreased from the previous year mainly due to a decrease in provision of allowance for credit losses

● Net gains (losses) on equity securities

- Net gains on sales of equity securities increased mainly driven by a progress in sales of equity holdings

● Profits (losses) from investments in affiliates

- Profits from investments in Morgan Stanley increased in H2, as well as profits from other affiliates increased

● Profits attributable to owners of parent

- As a result, profits attributable to owners of parent decreased by ¥24.9 bn from FY15 to ¥926.4 bn

Ref. Approx. Negative Interest Rate Policy impact^{*2}

	Original expectation	Annual results
Deposit/lending profits	(¥35 bn)	(¥35 bn)
Derivatives	(¥35 bn)	(¥30 bn)
Investment products sales	(¥30 bn)	(¥23 bn)
Total	(¥100 bn)	(¥88 bn)

(¥bn)	FY15	FY16	YoY
1 Gross profits (Before credit costs for trust accounts)	4,143.2	4,011.8	(131.3)
2 Net interest income	2,113.5	2,024.4	(89.0)
3 Trust fees + Net fees and commissions	1,437.6	1,450.5	12.9
4 Net trading profits + Net other operating profits	592.0	536.7	(55.2)
5 Net gains (losses) on debt securities	132.9	56.8	(76.0)
6 G&A expenses	2,585.2	2,593.5	8.2
7 Depreciation	300.1	316.4	16.2
8 Net operating profits	1,557.9	1,418.2	(139.6)
9 Total credit costs^{*1}	(255.1)	(155.3)	99.7
10 Net gains (losses) on equity securities	88.3	124.9	36.6
11 Net gains (losses) on sales of equity securities	113.6	127.4	13.8
12 Losses on write-down of equity securities	(25.3)	(2.5)	22.8
13 Profits (losses) from investments in affiliates	230.4	244.4	14.0
14 Other non-recurring gains (losses)	(82.0)	(271.4)	(189.4)
15 Ordinary profits	1,539.4	1,360.7	(178.7)
16 Net extraordinary gains (losses)	(40.7)	(57.5)	(16.8)
17 Total of income taxes-current and income taxes-deferred	(460.2)	(342.1)	118.0
18 Profits attributable to owners of parent	951.4	926.4	(24.9)
19 EPS (¥)	68.51	68.28	(0.23)

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

^{*2} Managerial accounting basis

Balance sheets summary

(Consolidated)

● Loans (Banking + Trust accounts)

- Increased from the end of September 2016 due to increases in domestic corporate and overseas loans, partially due to an increase in the translated JPY value of foreign currency denominated loans reflecting the depreciation of JPY against the other currencies

● Investment securities

- Decreased mainly due to a decrease in foreign bonds

● Deposits

- Increased mainly due to an increase in domestic corporate deposits

● Net unrealized gains on available-for-sale securities

- Net unrealized gains on available-for-sale securities decreased mainly due to decreases in those of foreign bonds and Japanese government bonds, while those of domestic equity securities increased

	(¥bn)	End Mar 17	Change from End Mar 16	Change from End Sep 16
1 Total assets		303,297.4	4,994.5	9,620.2
2 Loans (Banking + Trust accounts)		109,209.4	(4,697.4)	4,191.6
3 Loans (Banking accounts)		109,005.2	(4,751.0)	4,160.3
4 Provision for loan loss		(957.3)	(100.2)	32.0
5 Housing loans^{*1}		15,720.2	149.5	82.3
6 Domestic corporate loans^{*1*2}		44,297.4	492.9	893.0
7 Overseas loans^{*3}		43,418.6	373.1	4,423.3
8 Investment securities (Banking accounts)		59,438.8	(10,554.9)	(5,469.5)
9 Domestic equity securities		5,980.9	407.4	655.1
10 Japanese government bonds		25,111.5	(3,245.5)	(404.2)
11 Foreign bonds		19,129.8	(8,753.9)	(6,643.0)
12 Total liabilities		286,639.0	5,722.9	9,463.4
13 Deposits		170,730.2	9,765.1	9,105.1
14 Individuals (Domestic branches)		73,093.3	2,024.6	1,825.0
15 Corporations and others		61,050.3	8,268.0	4,758.5
16 Overseas and others		20,696.5	(365.8)	40.3
17 Total net assets		16,658.3	(728.3)	156.8
18 Net unrealized gains (losses) on available-for-sale securities		3,139.0	(346.2)	(269.9)

*1 Non-consolidated + trust accounts

*2 Excluding loans to government and governmental institution

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

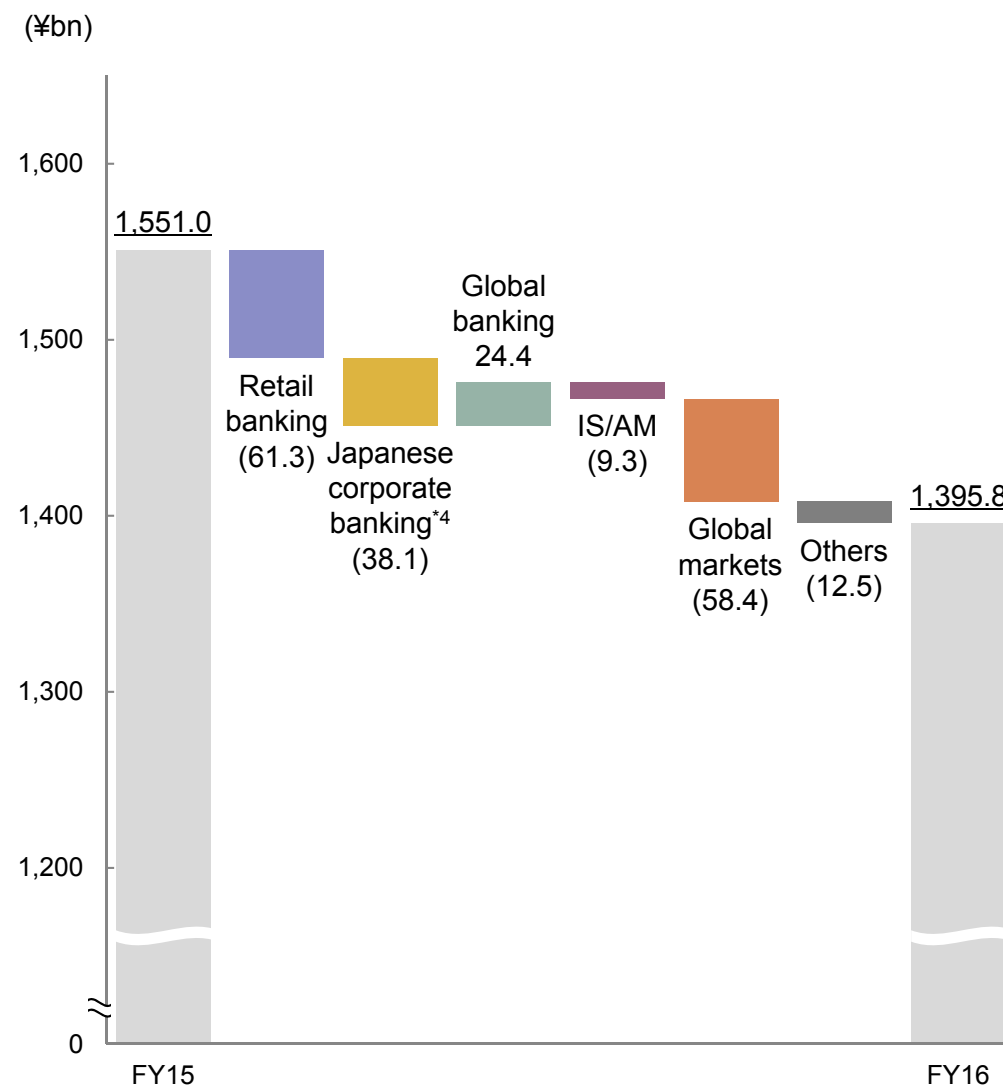
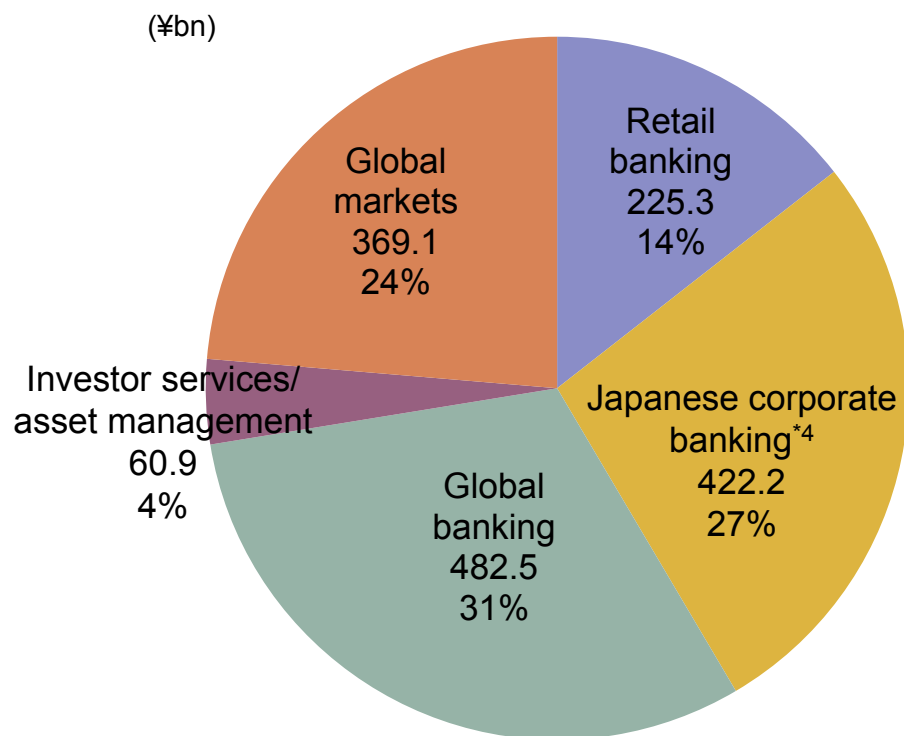
Outline of results by business segment

(Consolidated)

Net operating profits by segment*1

FY16 ¥1,395.8*2 bn

Global banking segment accounted for 40% of total customer segments*3



*1 All figures are in actual exchange rate and managerial accounting basis

*2 Including profits or losses from others

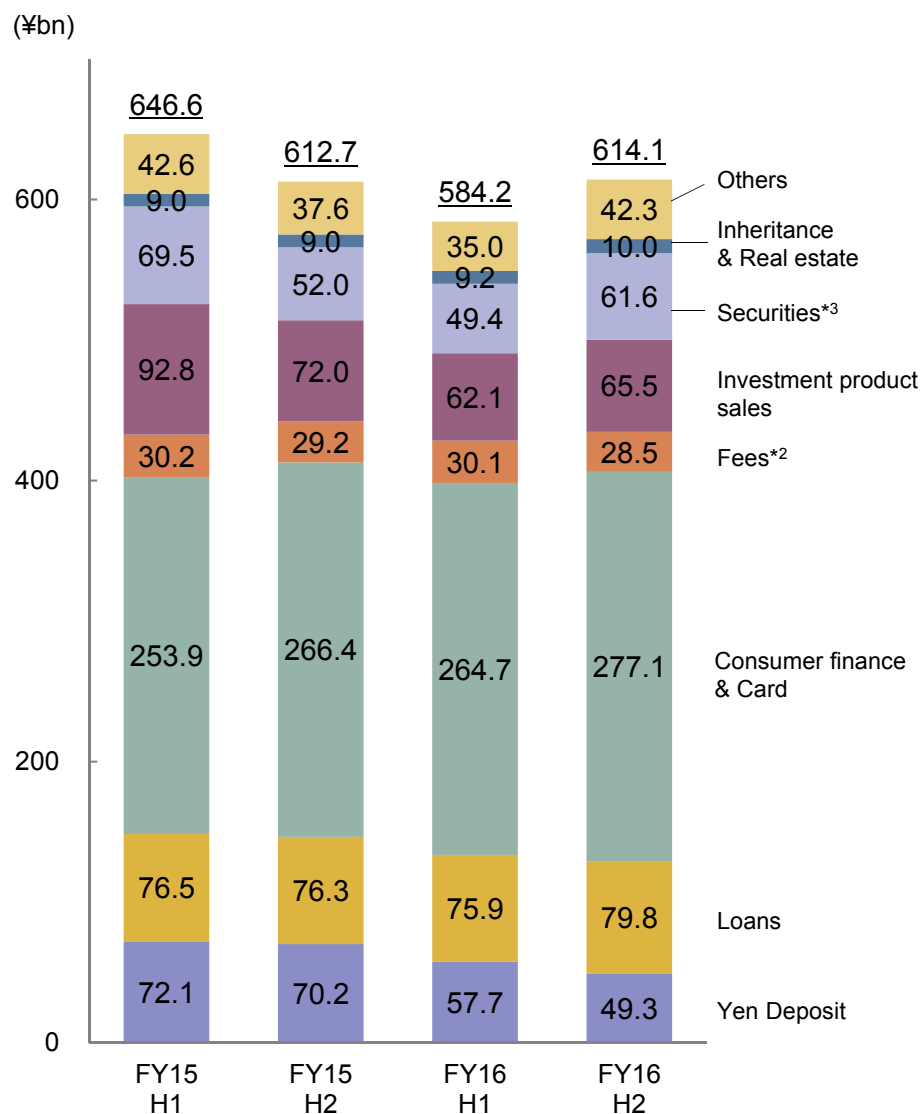
*3 Net operating profit of Global banking / net operating profit of total customer segments

*4 Excluding overseas business with Japanese corporates

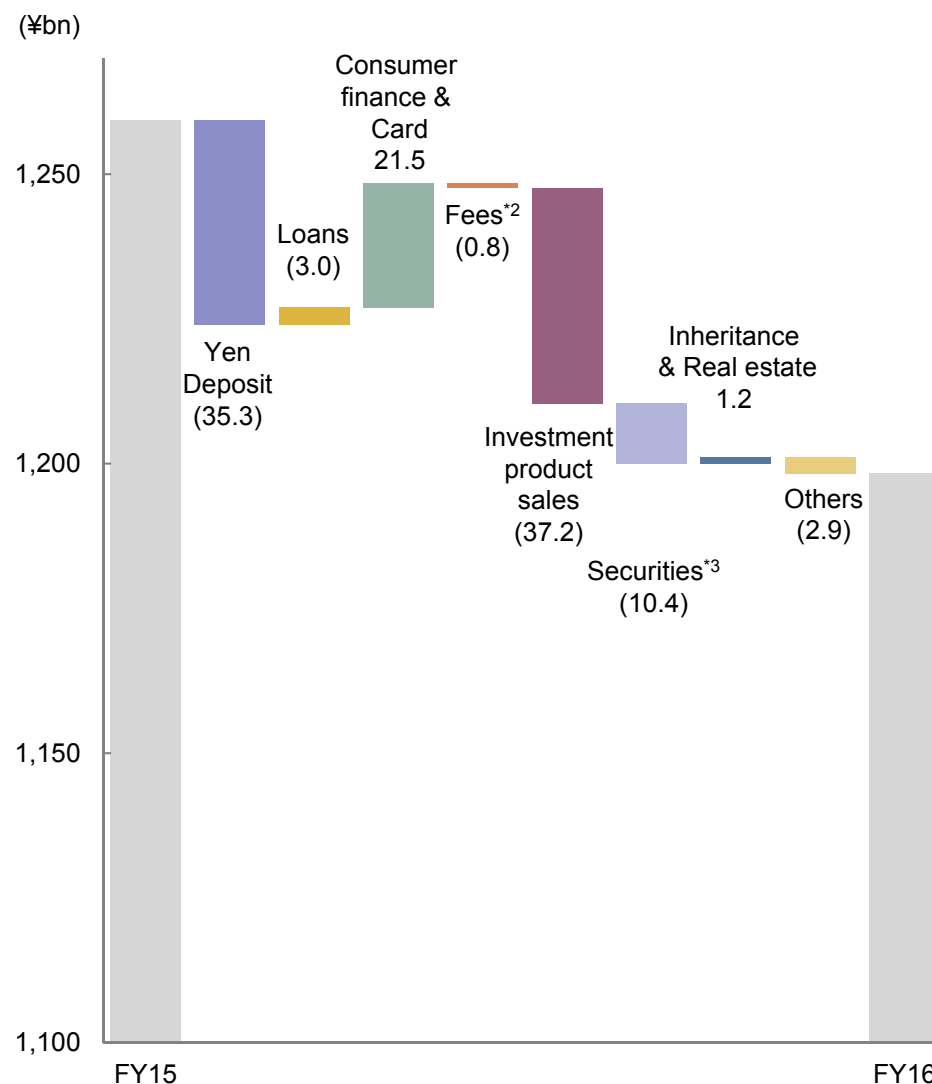
Historical outlook in Retail Banking

(Consolidated)

Gross profits^{*1}



Change in gross profits^{*1}



*1 All figures are in actual exchange rate and managerial accounting basis

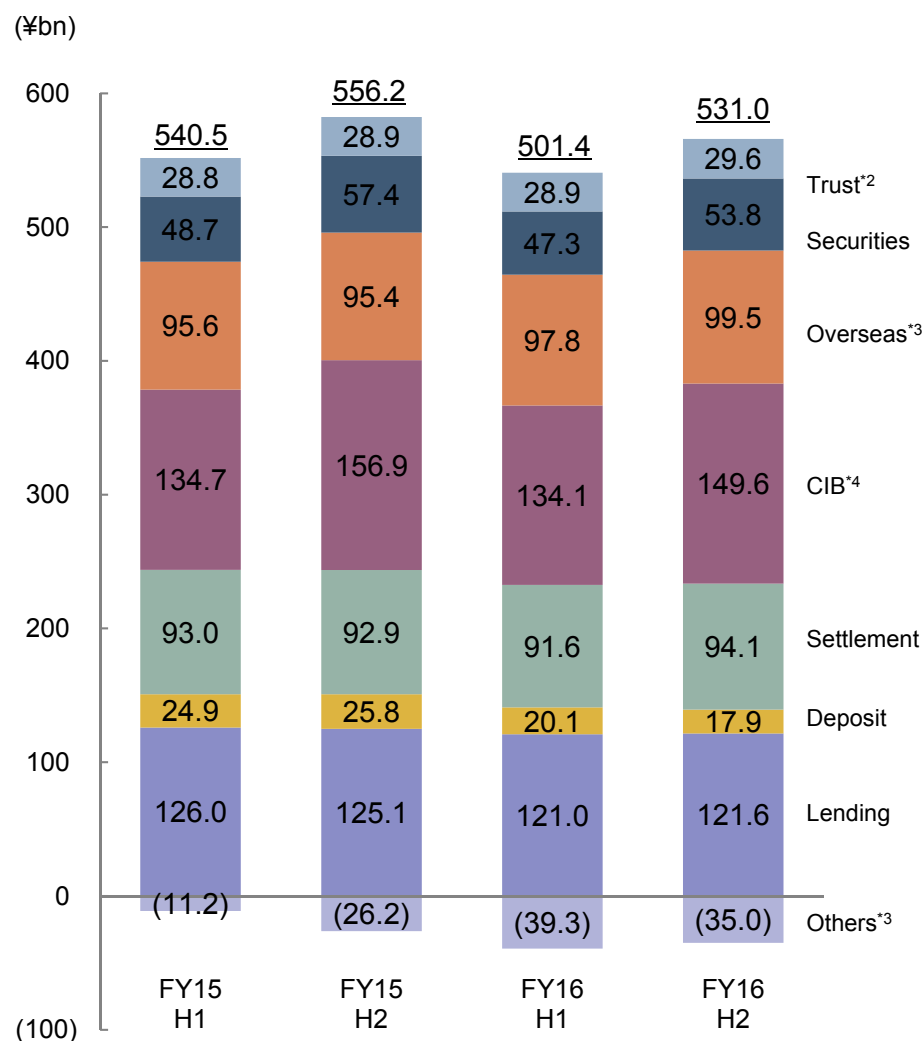
*2 Transfer, ATM, etc.

*3 Fees from stock / bond sales, etc.

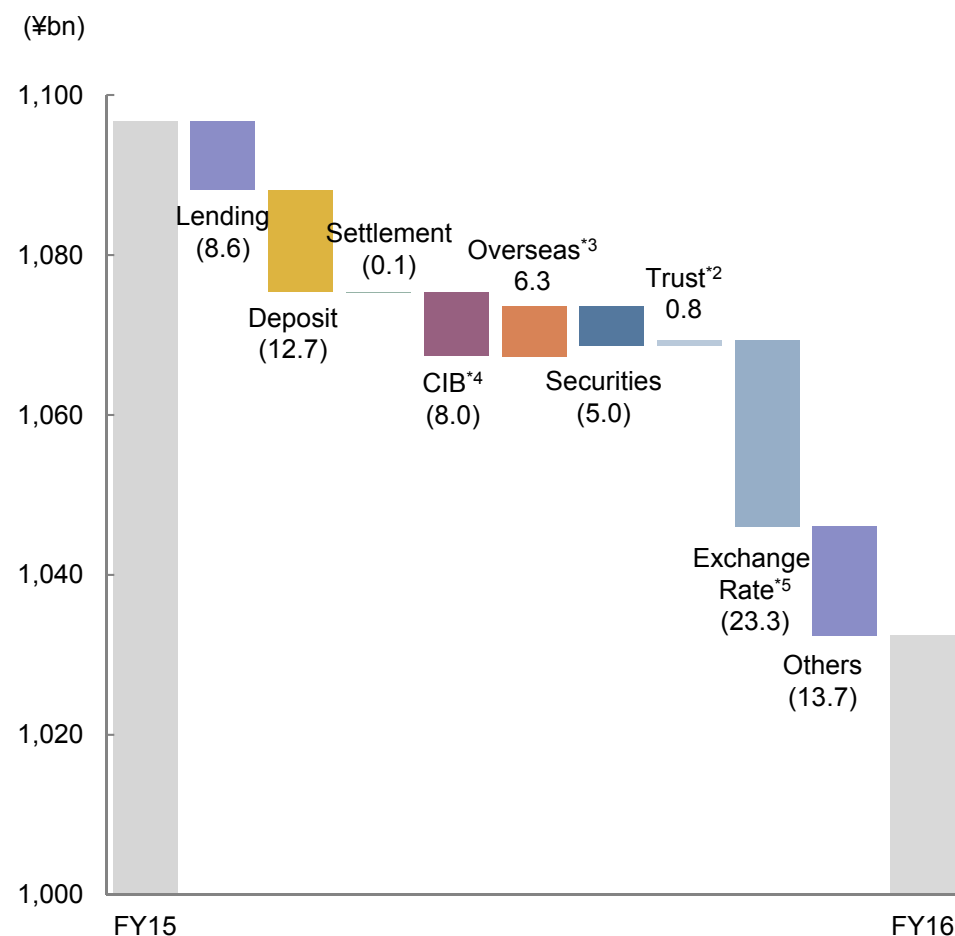
Historical outlook in Japanese Corporate Banking

(Consolidated)

Gross profits^{*1}



Change in gross profits^{*1}



*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.

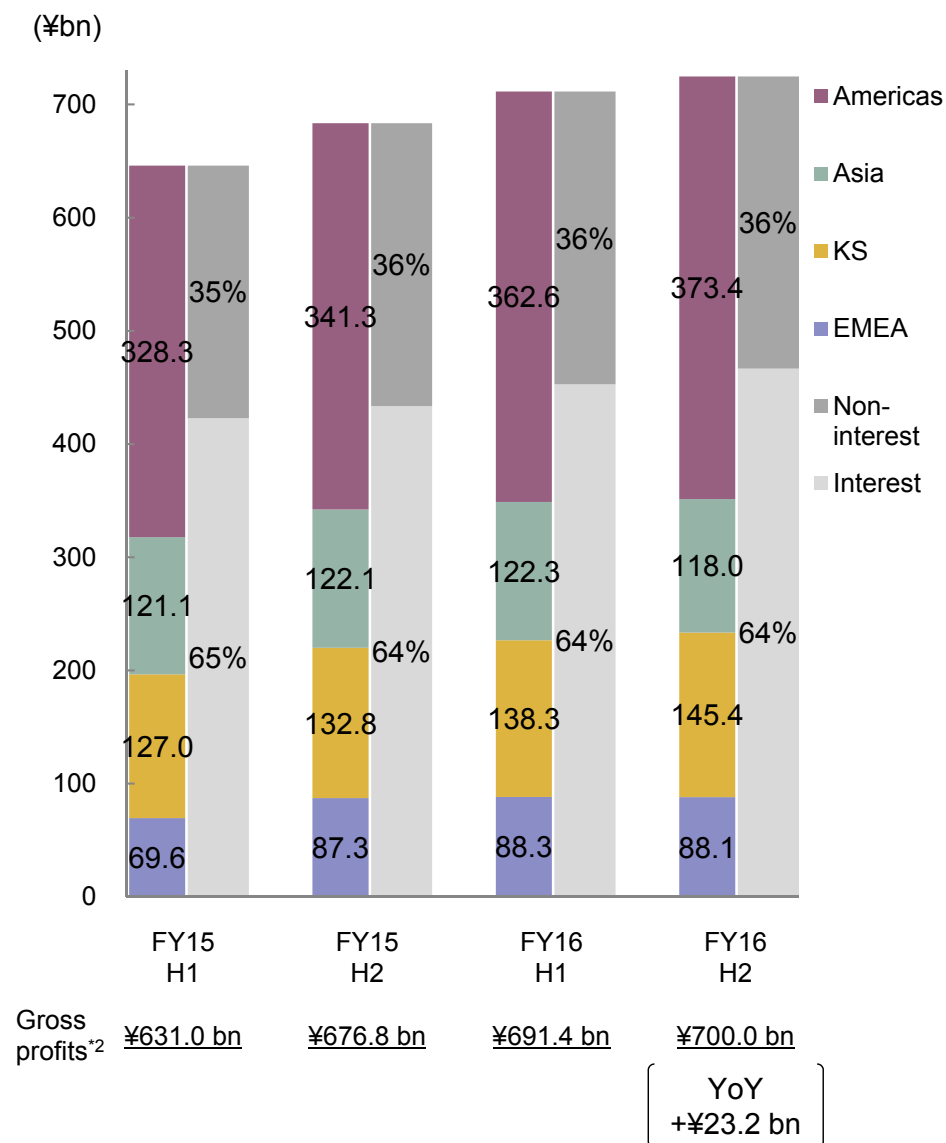
*5 Exchange rate impact caused by overseas business with Japanese corporates

Historical outlook in Global Banking

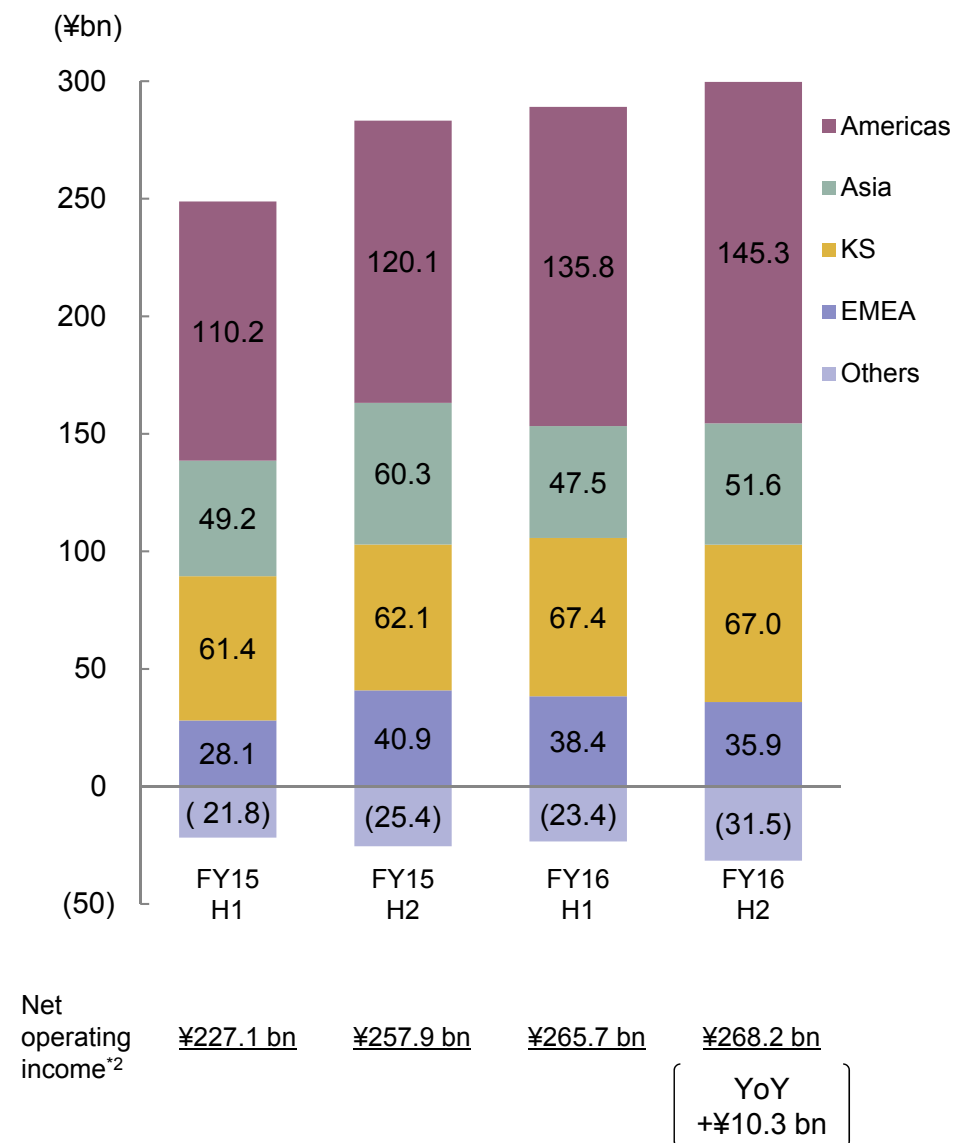
– Gross profits & operating income by region

(Consolidated)

Gross profits by region*¹



Operating income by region*¹



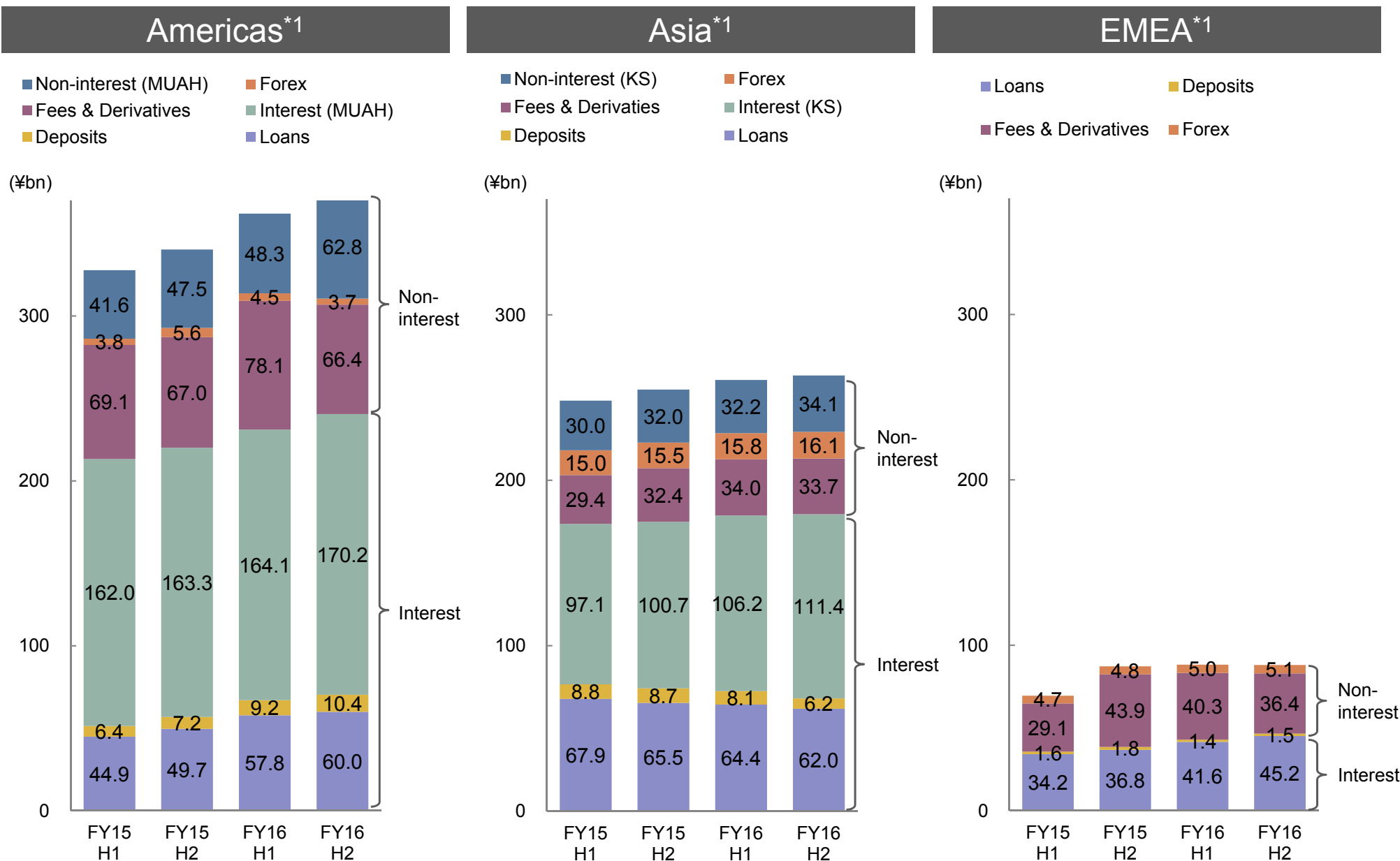
*¹ Local currency basis. Each breakdown is before elimination of duplication, and excludes other gross profits

*² After adjustment of duplication between regions

Historical outlook in Global Banking

– Breakdown of gross profits

(Consolidated)

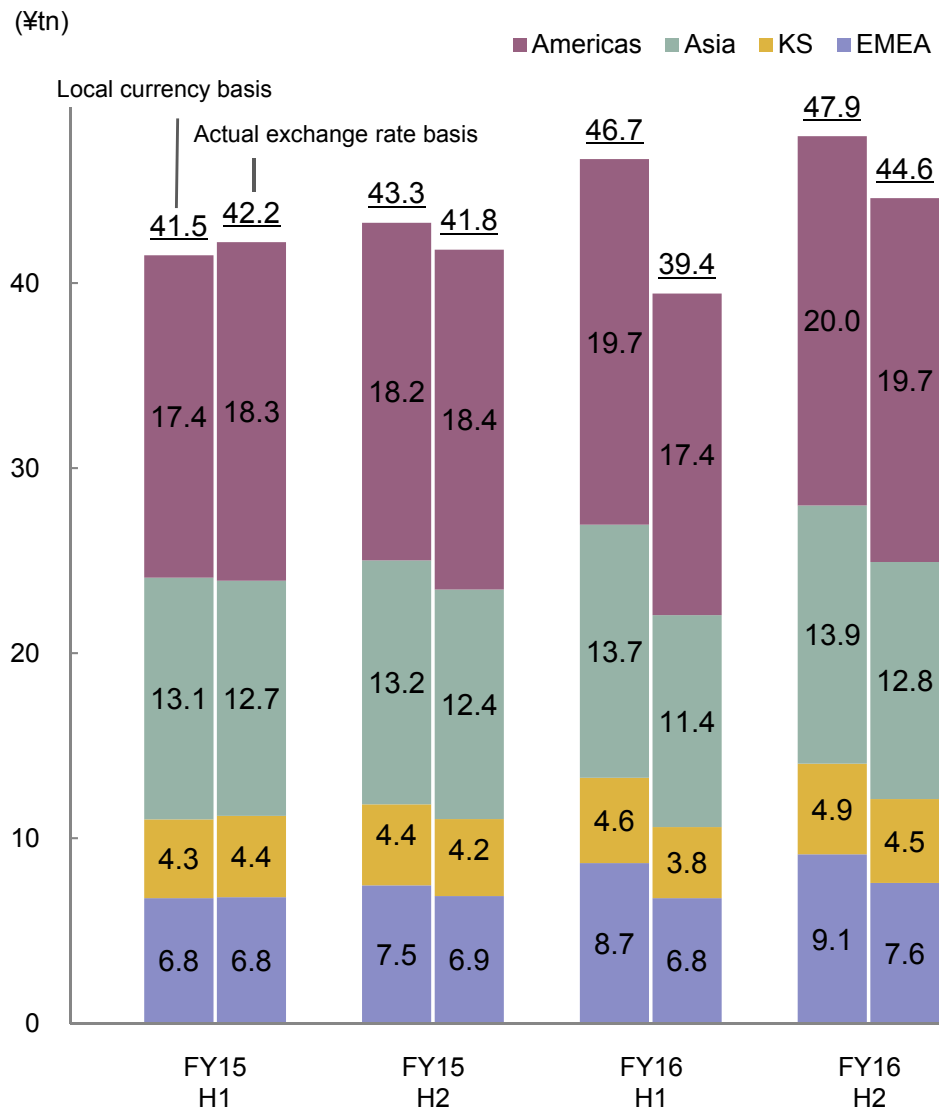


*1 Local currency basis. Each breakdown is before elimination of duplication and excludes other gross profits

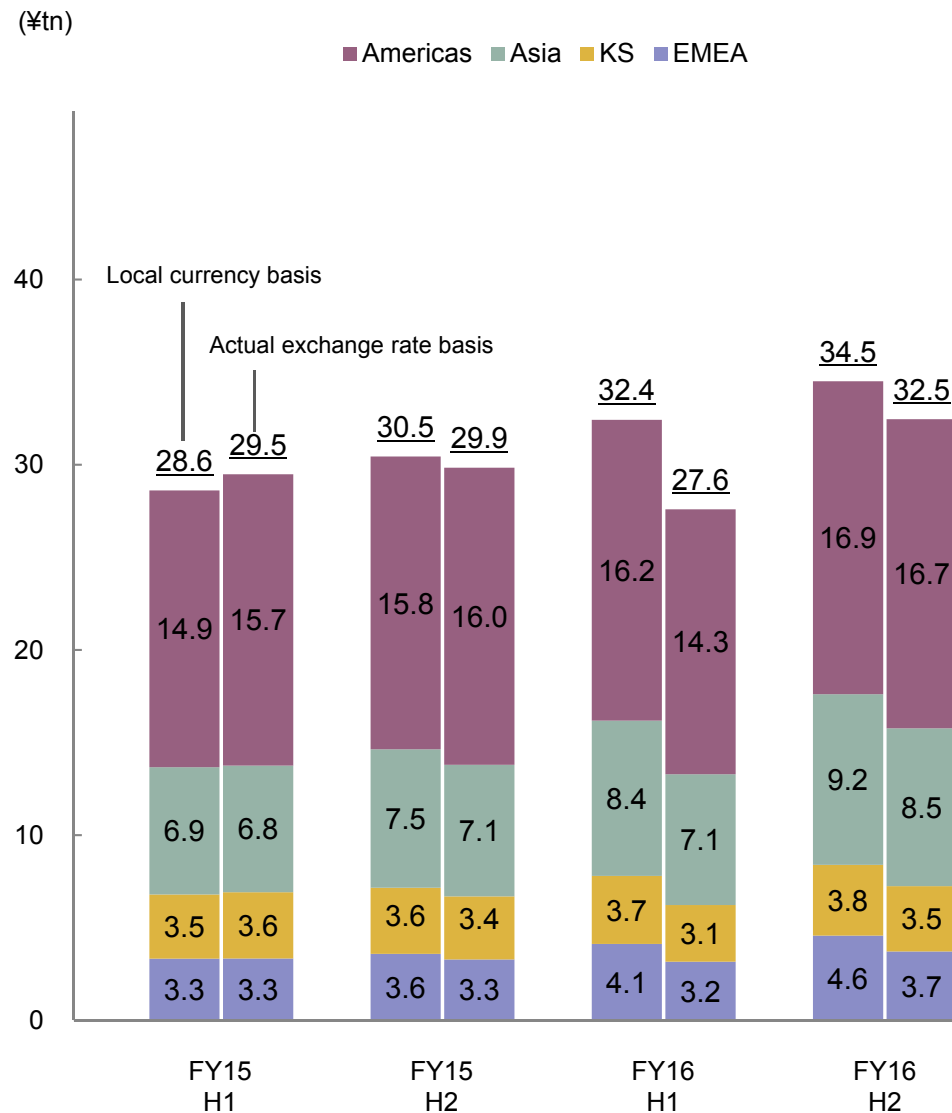
Historical outlook in Global Banking – Loans and deposits by region

(Consolidated)

Average loan balance by region



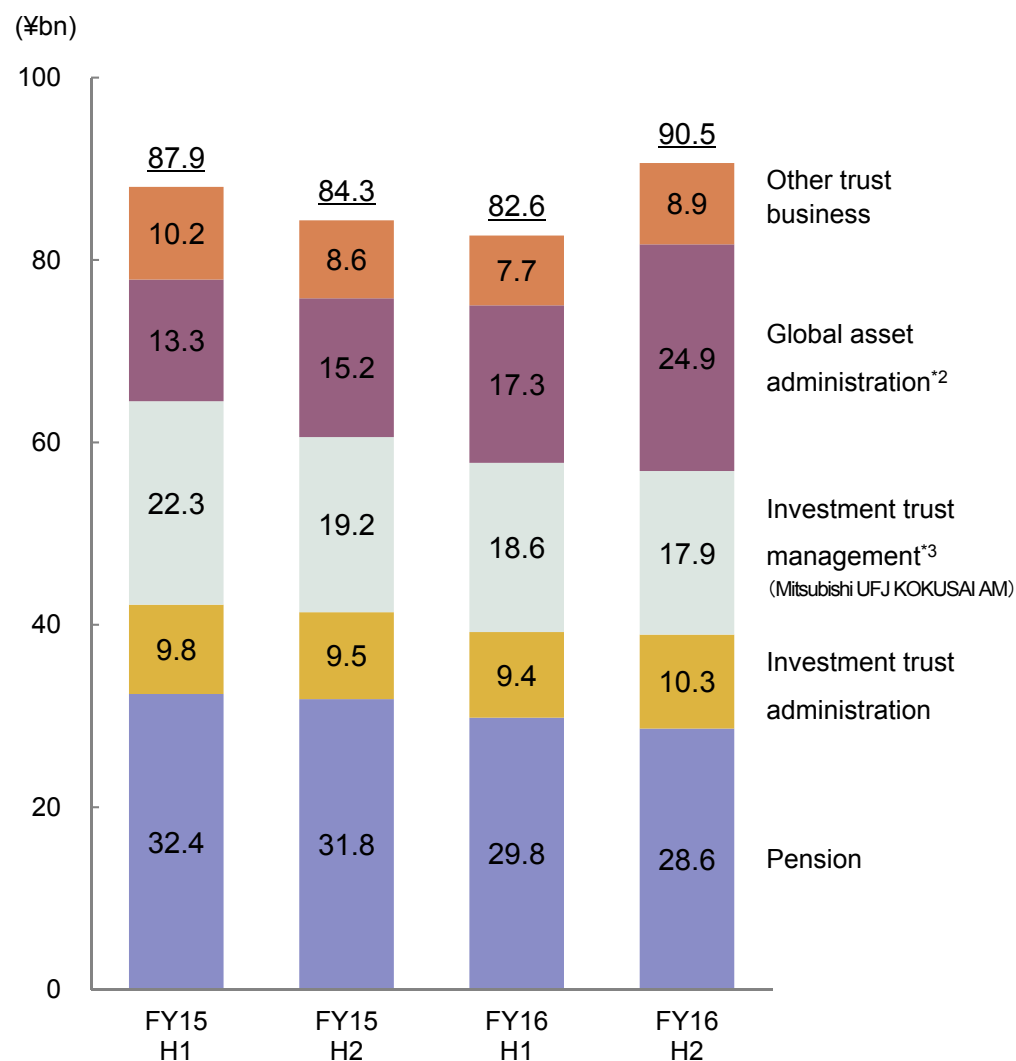
Average deposit balance by region



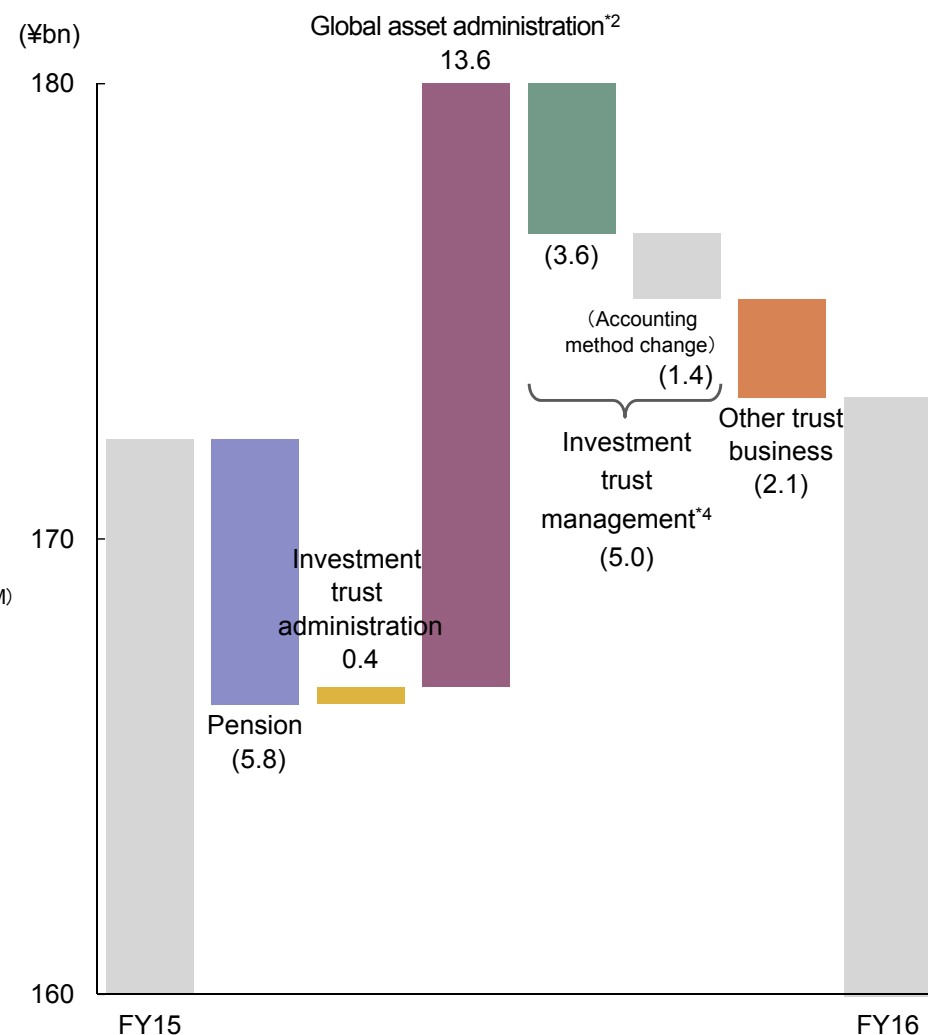
Historical outlook in investor services / asset management

(Consolidated)

Consolidated gross profits*1



Change in gross profits*1



*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 "MUFG 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 FY16 was down ¥3.6 bn from FY15, excluding impacts from this accounting method change

Loans / Deposits

(Consolidated)

● Loan balance ¥109.2 tn (increased by ¥4.1 tn from Sep 16)

<Breakdown of Change>

- Housing Loan +¥0.0 tn
- Domestic Corporate^{*1} +¥0.8 tn
(Excl. Impact of foreign exchange fluctuation) (+¥0.1 tn)
- Government (¥1.3 tn)
- Overseas^{*2} +¥4.4 tn
(Excl. Impact of foreign exchange fluctuation) (+¥0.3 tn)

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

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

*3 Sum of banking and trust accounts

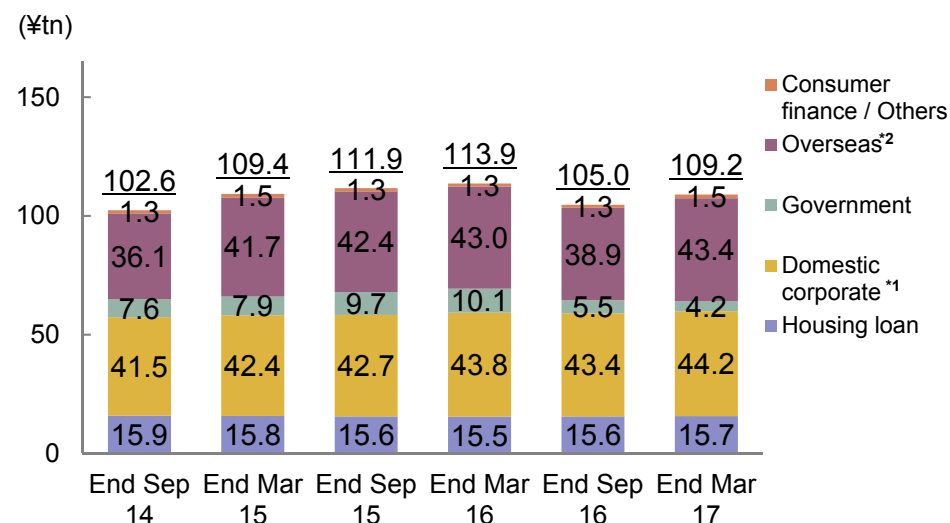
● Deposit balance ¥170.7 tn (increased by ¥9.1 tn from Sep 16)

<Breakdown of Change>

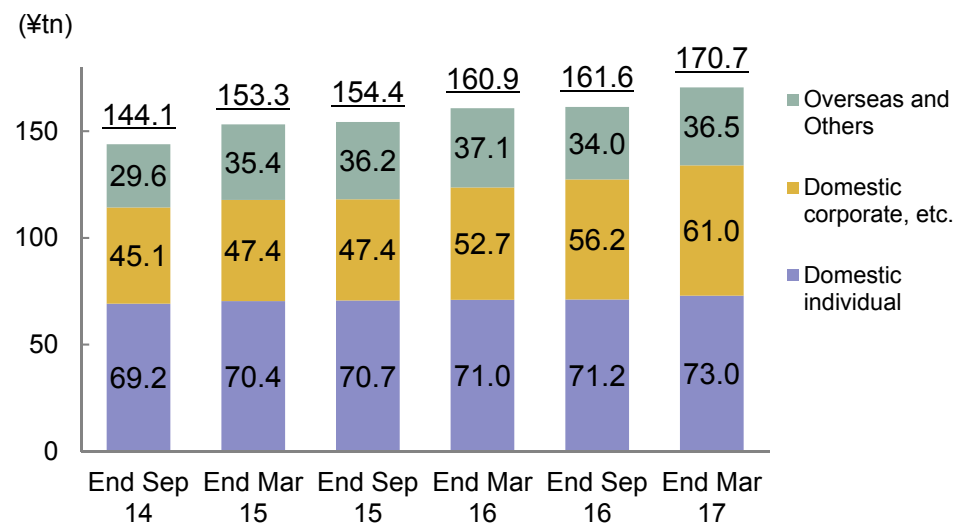
- Domestic Individual +¥1.8 tn
- Domestic Corporate, etc. +¥4.7 tn
- Overseas and Others +¥2.5 tn
(Excl. Impact of foreign exchange fluctuation) (¥1.1 tn^{*4})

*4 Overseas customer deposits during FY16H2 increased by ¥2.0 tn compared to FY16H1. (Overseas customer deposits are the average amounts of deposits from customers in Global Banking business segment. On a managerial accounting basis.)

Loans (Period end balance)^{*3}



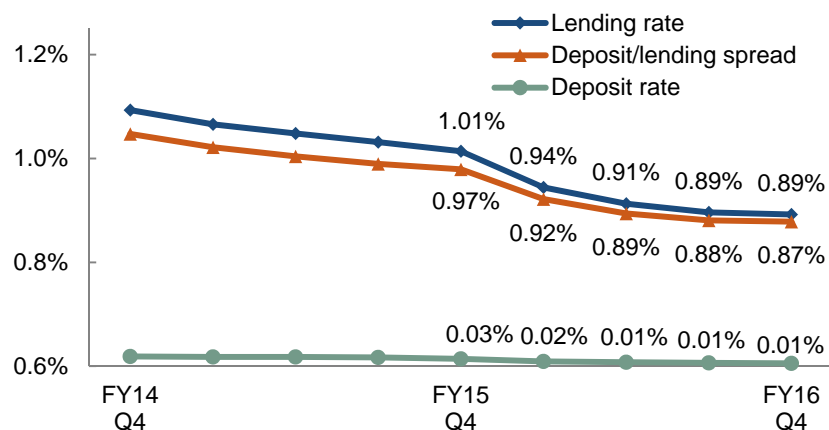
Deposits (Period end balance)



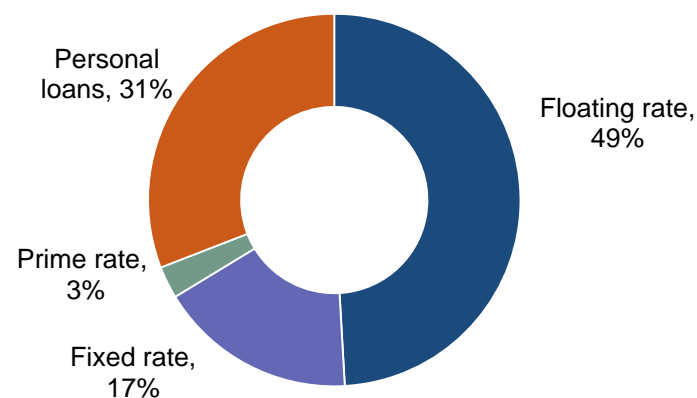
Domestic deposit/lending rate

(Non-consolidated)

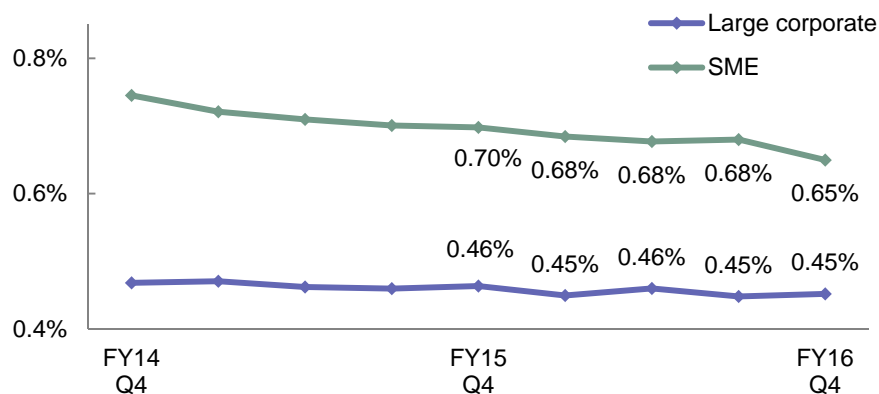
Changes in domestic deposit/lending rate^{*1}



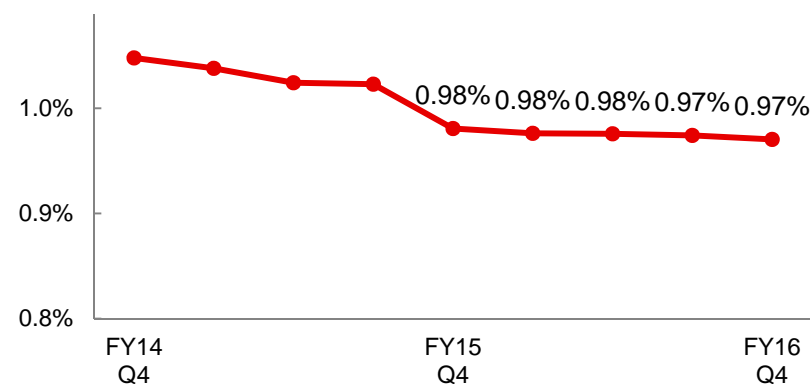
Domestic JPY denominated lending^{*1*2*3}



Domestic corporate lending spread^{*1}



Ref. Overseas corporate lending spread^{*4}



*1 Managerial accounting basis. Excluding lending to government etc.

*2 As of end Mar 17

*3 Excluding domestic non-JPY denominated lending etc.

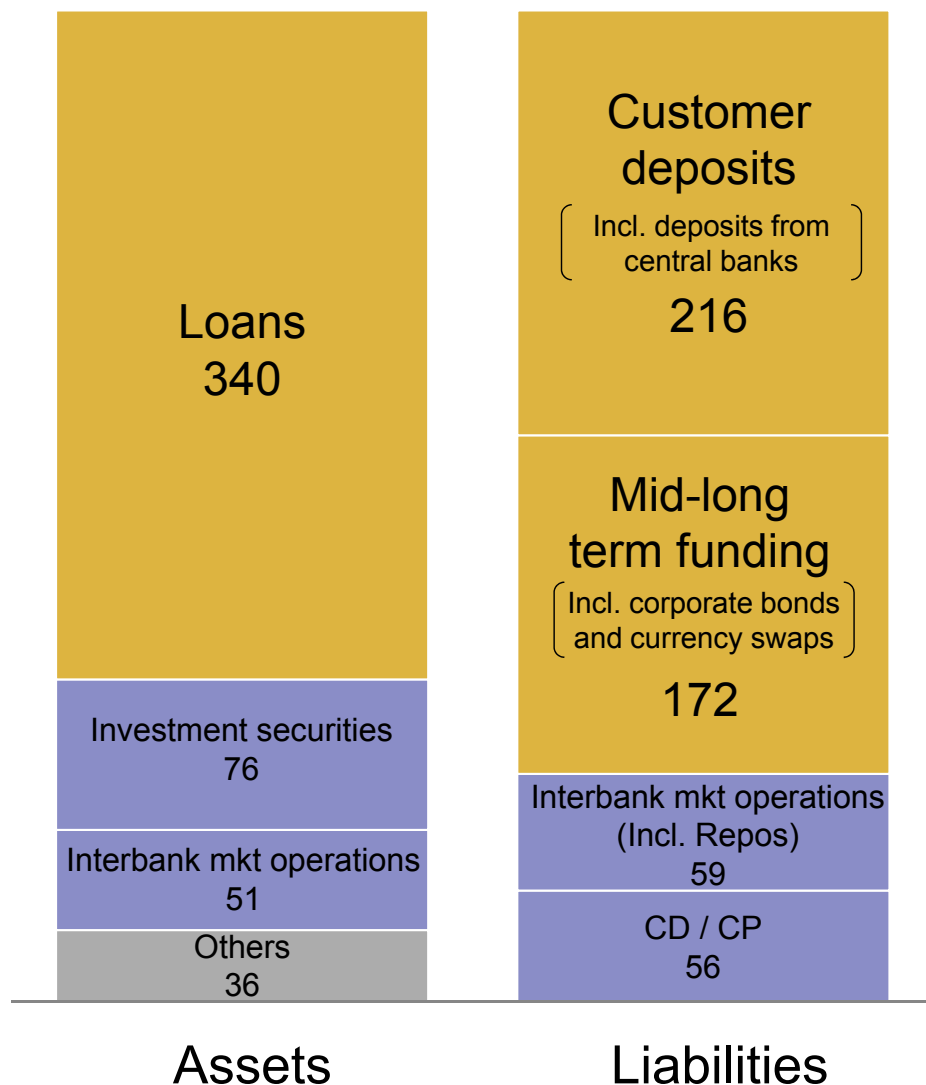
*4 Excluding MUAH, KS

Non-JPY assets and funding

(Commercial bank consolidated)

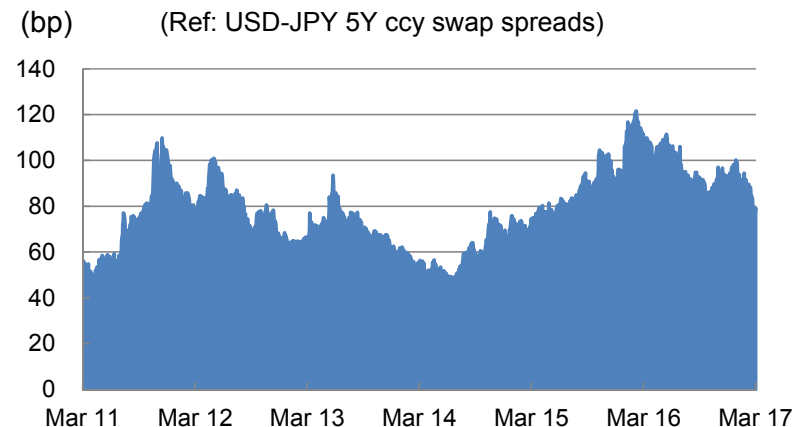
Non-JPY balance sheet (BTMU managerial basis Excl. MUAH, KS)

As of end Mar 17 (US\$ bn)



Non-JPY funding in stable and efficient manner

- Customer deposits now cover 60-70% of non-JPY loans. To further increase deposits, we will enhance product development and sales capabilities
- With mid-long term funding through corporate bond issuances and currency swaps, all non-JPY loans are fully funded
 - Corp bonds are mainly issued from HoldCo (MUFG) to ensure stable funding and TLAC compliance (see pages 62-63 for details)
 - Ccy swaps are transacted mainly in medium-term durations



- The SPC for holding non-JPY liquid assets was established as a buffer against the possibility of a severe funding situation due to temporary market stress

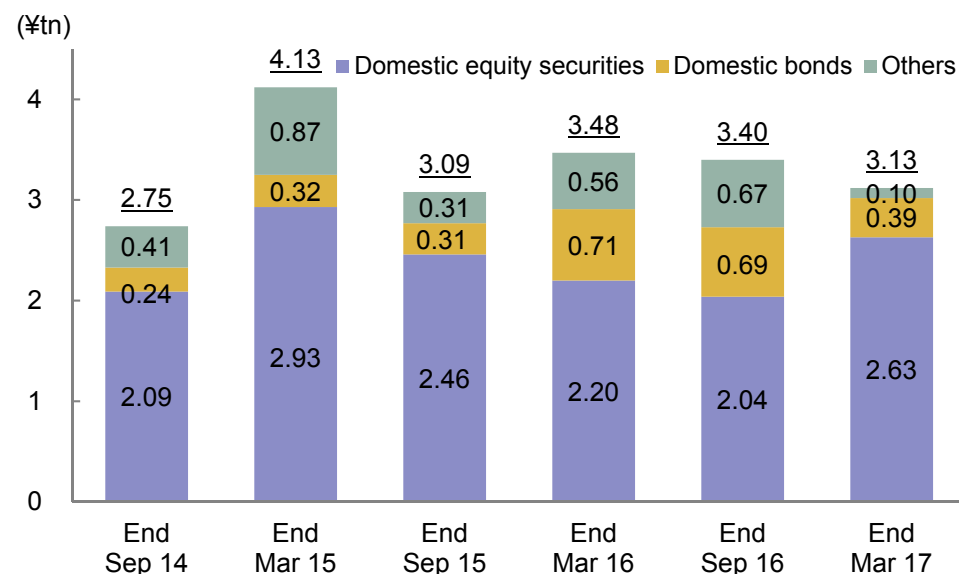
Investment securities

(Consolidated / Non-consolidated)

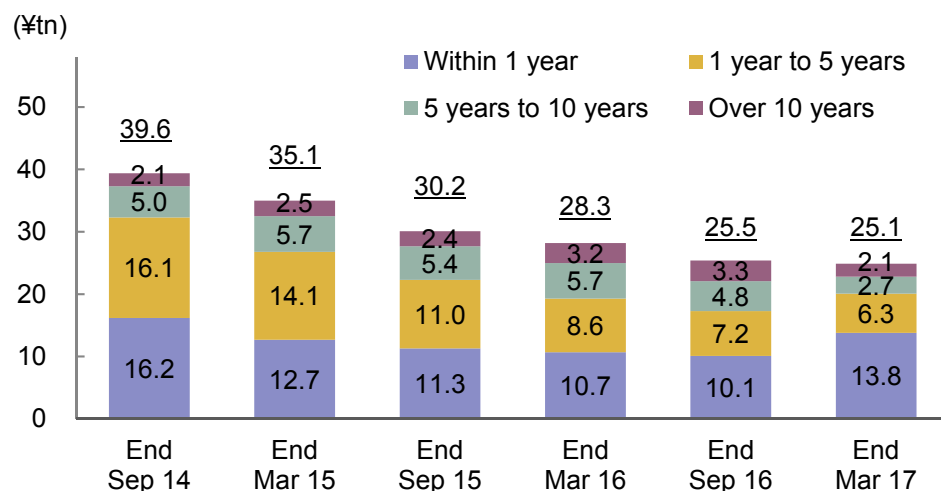
Securities available for sale with fair value

		Balance		Unrealized gains (losses)	
		End Mar 17	Change from End Sep 16	End Mar 17	Change from End Sep 16
(¥bn)					
1	Total	54,813.1	(5,948.6)	3,139.0	(269.9)
2	Domestic equity securities	5,164.6	539.7	2,635.1	592.6
3	Domestic bonds	27,688.8	(366.3)	399.1	(296.0)
4	Japanese government bonds	24,010.6	(404.2)	351.0	(261.0)
5	Others	21,959.6	(6,122.0)	104.7	(566.5)
6	Foreign equity securities	182.8	38.2	49.8	32.2
7	Foreign bonds	17,917.3	(6,792.3)	(8.4)	(626.0)
8	Others	3,859.5	632.0	63.3	27.2

Unrealized gains (losses) on securities available for sale

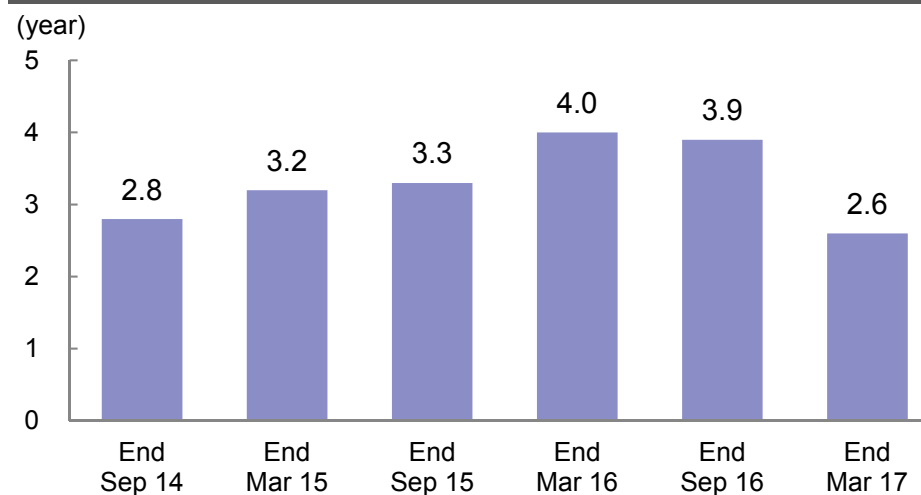


Balance of JGBs by maturity^{*1}



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

JGB duration^{*2}



*2 Securities available for sale. Non-consolidated

Bond portfolio management

(Non-consolidated)

- Reduced the balance of foreign bonds from the perspective of interest rate hike risk. Manage portfolio flexibly while carefully monitoring interest rate fluctuations

Bond portfolio management

Environment:

Excess deposit
in Yen B/S

Equity holdings

Methodology:

Flexible portfolio management that accommodates changes in the market environment

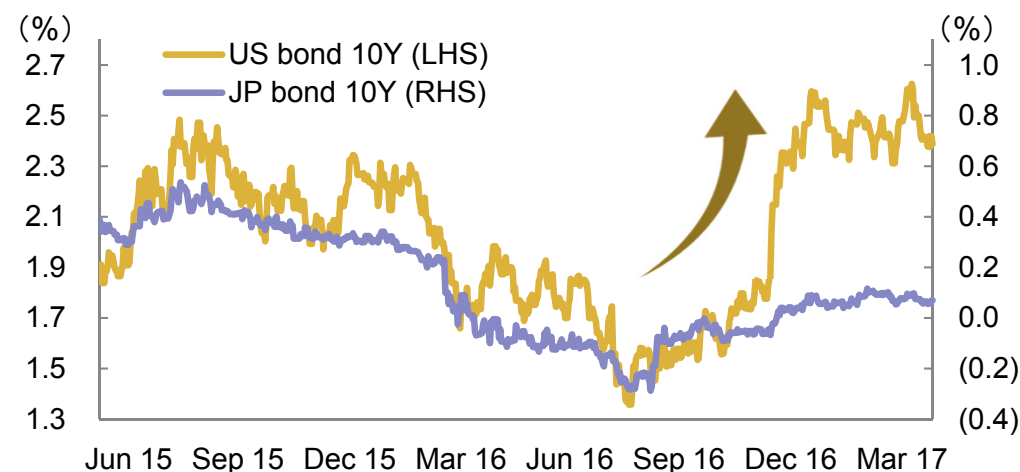
Domestic & foreign
bond integrated
management

Bond & equity
integrated
management

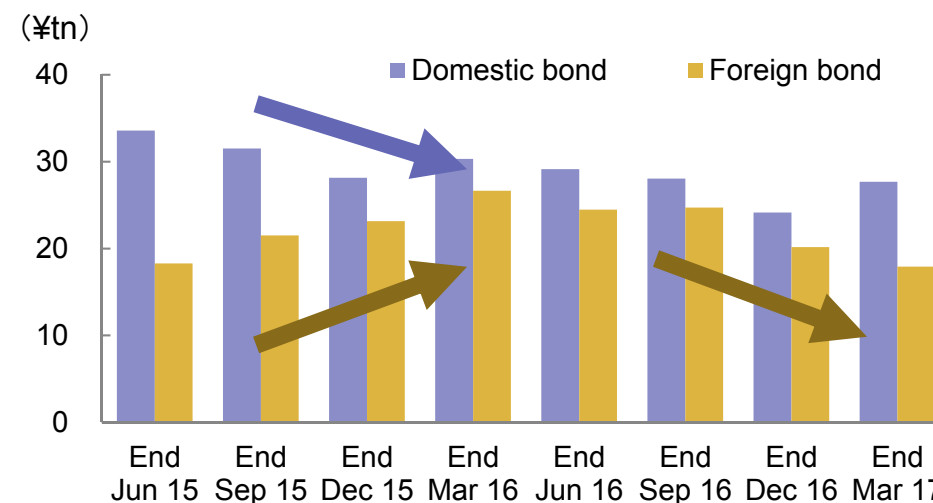
Purpose:

Secure stable financial income

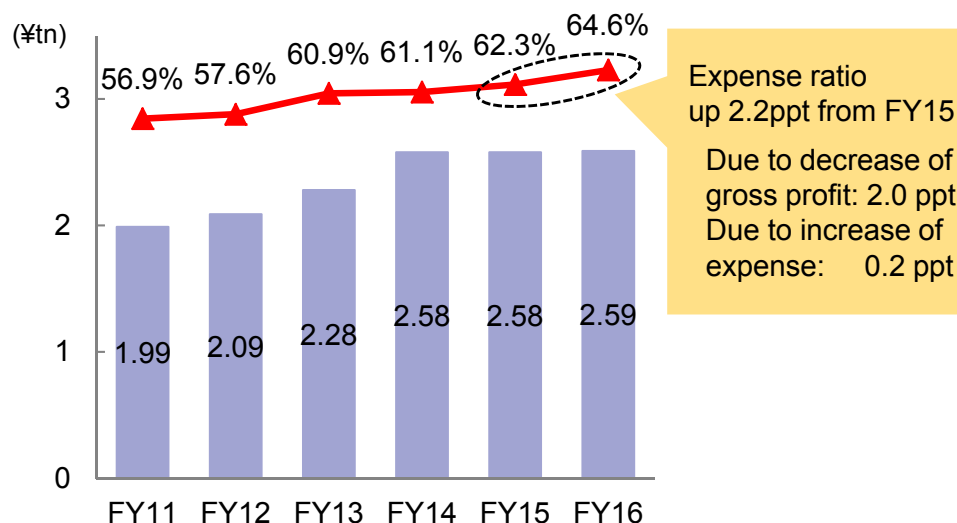
Long-term yield (Japan & USA)



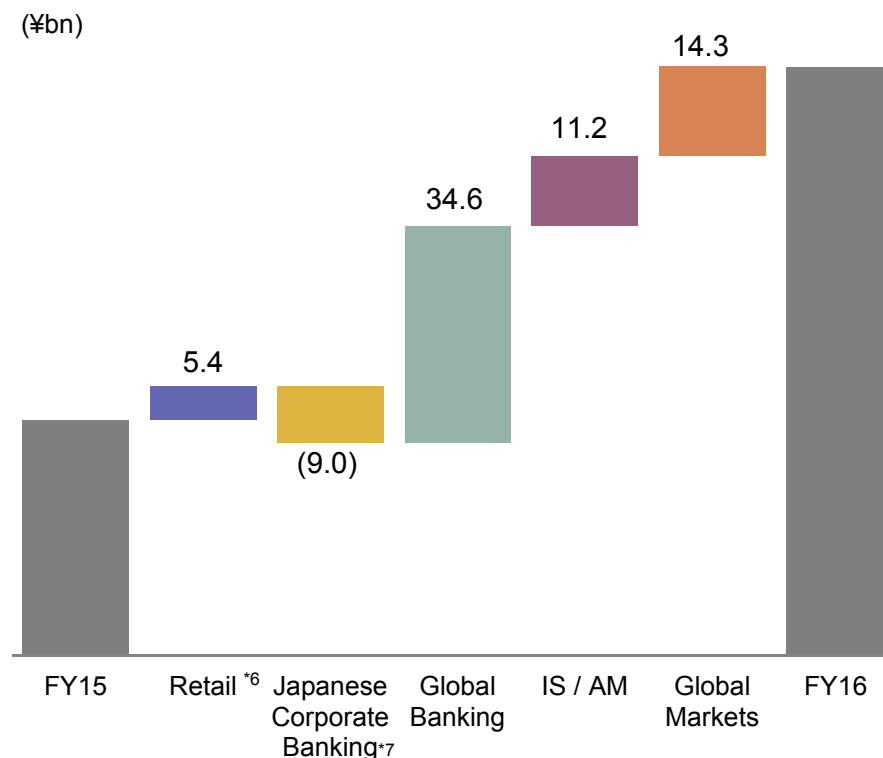
Balance of bond portfolios (consolidated)



G&A expenses / expense ratio^{*1}



Changes in expenses by business segment^{*5}



Expenses in major group companies

		FY16	YoY	Expense ratio
BTMU + MUTB combined	(¥bn)	1,342.0	27.2	61.2%
MUAH (US GAAP)^{*2,3}	(US\$mm)	826	34	73.4%
KS (Thai GAAP)^{*2}	(THBmm)	11,781	1,651	48.8%
MUSHD consolidated	(¥bn)	315.1	(41.9)	83.0%
MUN^{*4}	(¥bn)	252.7	10.0	93.1%
ACOM^{*4}	(¥bn)	89.5	1.3	38.6%

<Major reasons of changes by business segment>

- Retail: System integration of MUN
- Global Banking: Increased regulatory cost and expanded business volume
- IS / AM: Acquisition of fund administration subsidiaries
- Global Markets: Development 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} FY17Q1

^{*3} Includes expense associated with employees providing support services to BTMU

^{*4} Financial expense is excluded from gross profits. Expenses related to loan losses and others and repayment expense are excluded from expenses

^{*5} Local currency basis ^{*6} Excl. intergroup intermediation charges ^{*7} Excl. expenses associated with overseas Japanese Corporate Banking business

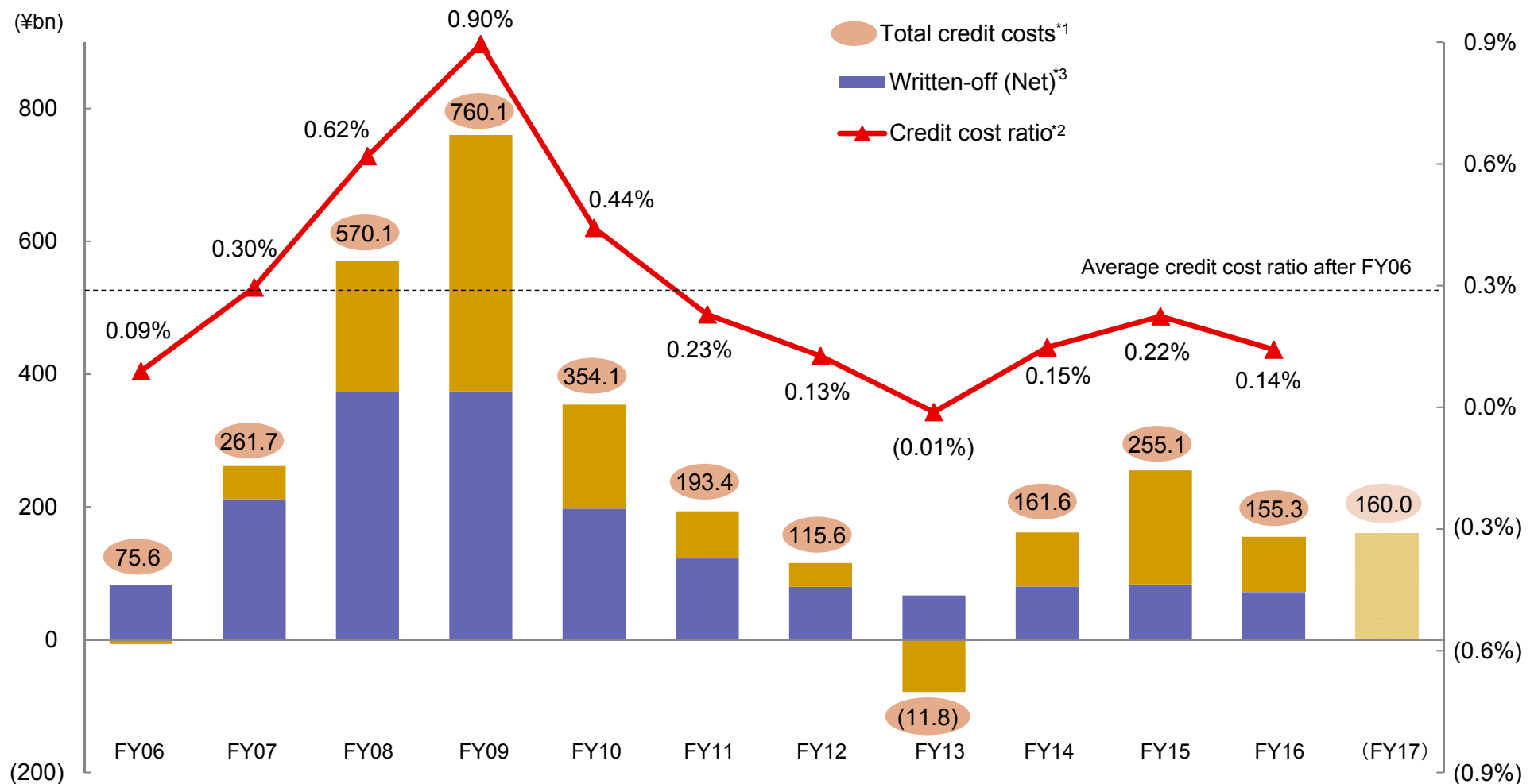
Asset quality

– Historical credit costs

(Consolidated)

- Credit costs for FY16 was within original estimate of ¥155.3 bn. Of which approx. ¥42.1 bn was attributed to energy and natural resources sector
- Total credit costs forecast for FY17 is ¥160.0 bn

Total credit costs^{*1} / Credit cost ratio^{*2}



*1 Consolidated. Including gains from write-off. Negative figure represents profits

*2 Total credit costs / loan balance as of end of each fiscal year

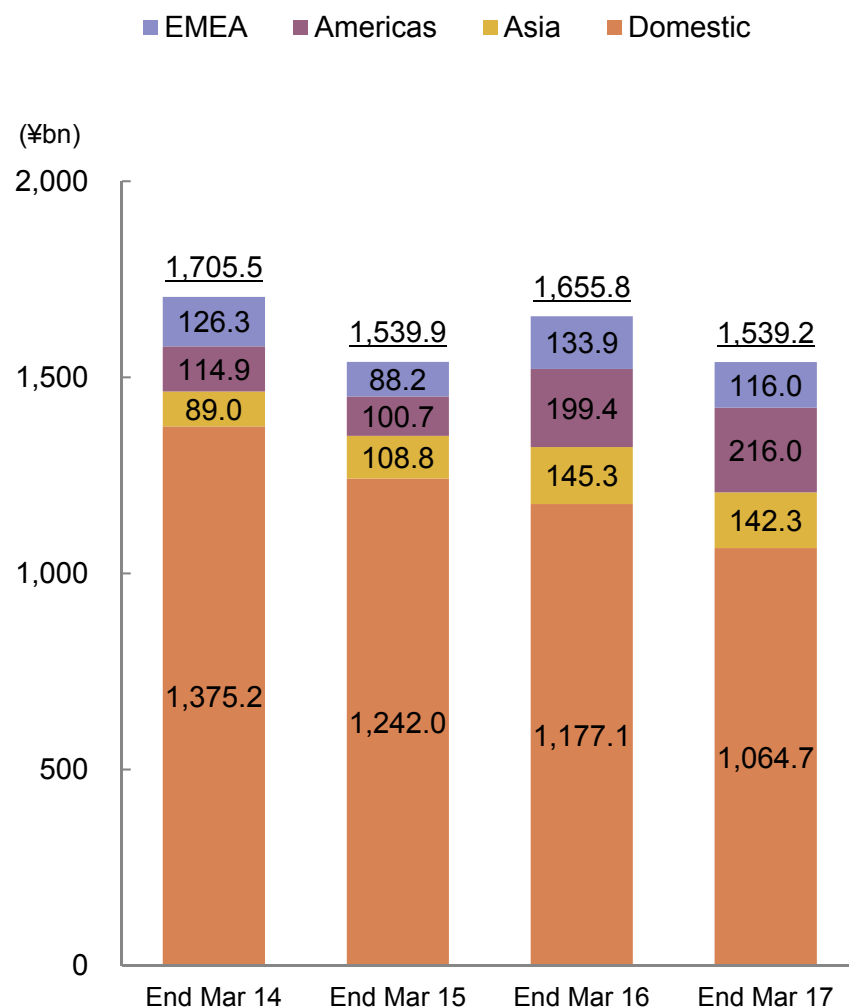
*3 Net amount of write-off gains and write-offs

Asset quality

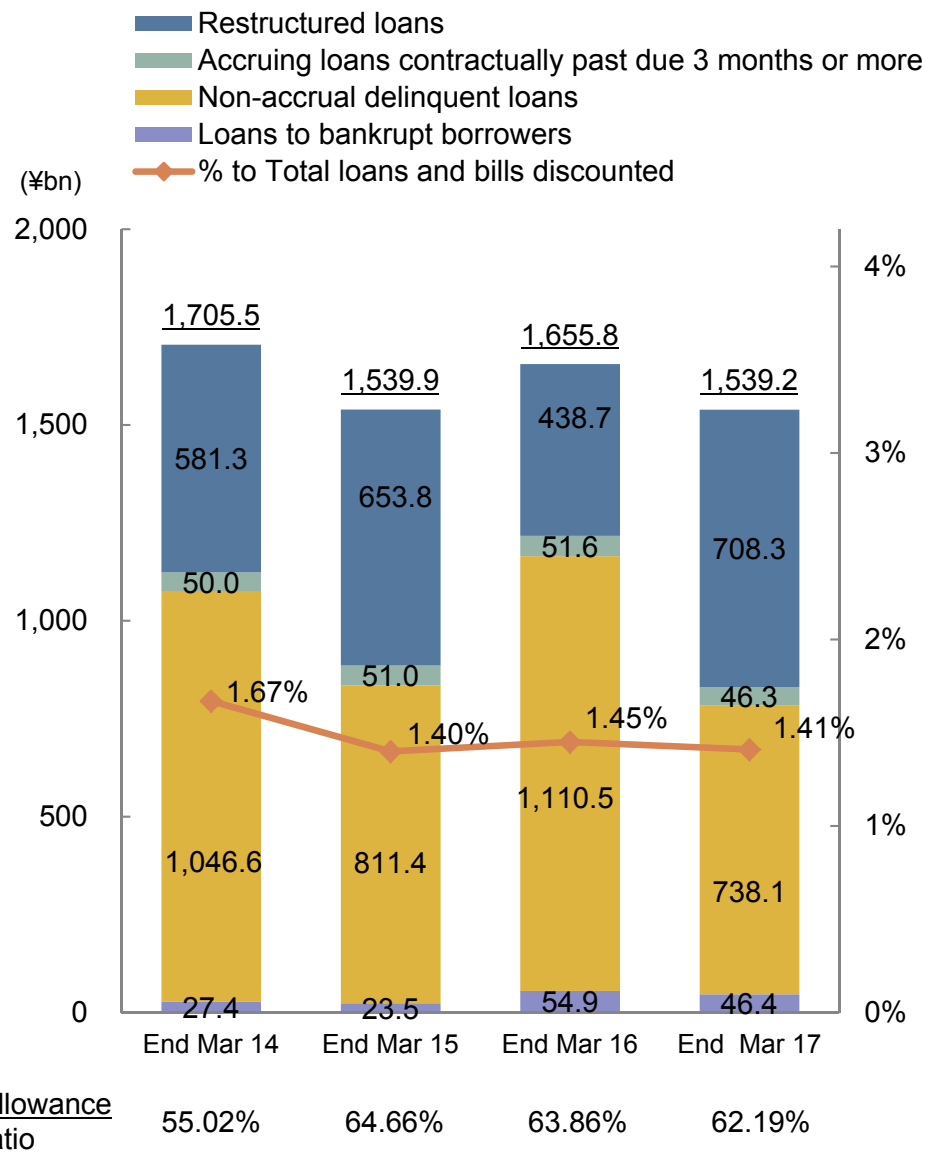
– Non-performing loans*1

(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

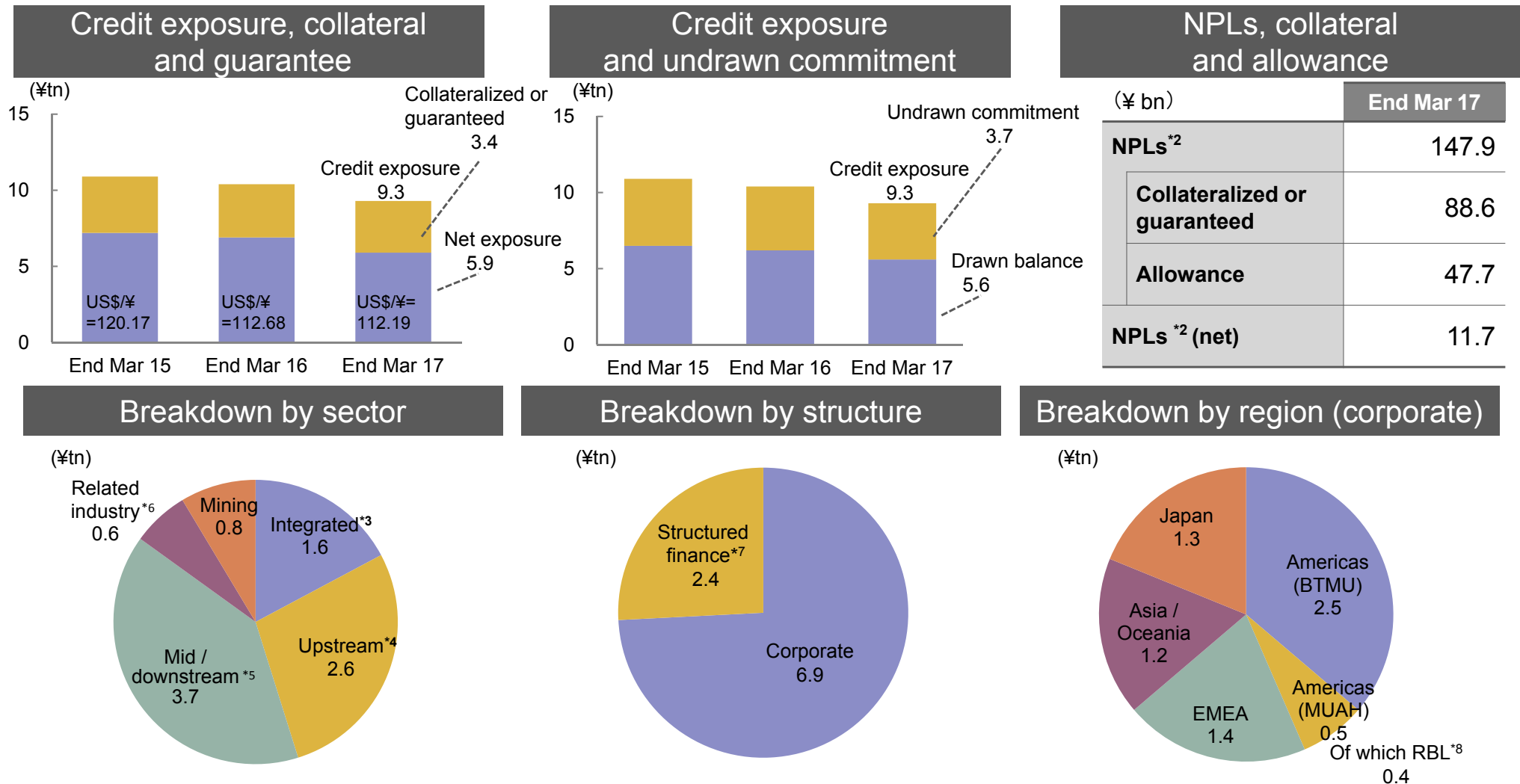
*4 Allowance for credit losses / total risk-monitored loans

Asset quality

– Energy and mining portfolio

(Consolidated)

- Total credit exposure*¹ in the energy related sector decreased to ¥9.3 tn. Net exposure was ¥5.9 tn
- NPLs*² was ¥147.9 bn. Net NPLs was ¥11.7 bn



*¹ Including undrawn commitment and excluding market exposure

*² 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

*³ Integrated business from upstream to downstream *⁴ Exploration, development and production of oil and gas *⁵ Storage, transportation, refinement, retail

*⁶ Sales of mining machine to companies among upstream industry *⁷ Project finance and trade finance

*⁸ Reserve based lending where loans are collateralized by the values of borrower's reserve

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

● Common Equity Tier 1 ratio

- Full implementation basis^{*1} : 11.9%
- Excluding impact of net unrealized gains (losses) on available-for-sale-securities : 9.8%

● Risk weighted asset (Up ¥8.7 tn from Sep 16)

- Credit risk : +¥8.6 tn
- Market risk : +¥0.2 tn
- Operational risk : (¥0.1 tn)

● Leverage ratio

- Transitional basis : 4.81%

		End Sep 16	End Mar 17	Change from end Sep 16
	(¥bn)			
1	Common Equity Tier 1 capital ratio	12.20%	11.76%	(0.43ppt)
2	Tier 1 capital ratio	13.50%	13.36%	(0.13ppt)
3	Total capital ratio	16.56%	15.85%	(0.70ppt)
4	Common Equity Tier 1 capital	12,839.4	13,413.8	574.4
5	Retained earnings	8,965.0	9,278.5	313.4
6	Other comprehensive income	1,695.6	2,369.1	673.4
7	Regulatory adjustments	(1,094.0)	(1,363.2)	(269.2)
8	Additional Tier 1 capital	1,366.0	1,818.6	452.5
9	Preferred securities and subordinated debt	1,387.5	1,650.2	262.7
10	Foreign currency translation adjustments	3.6	111.6	108.0
11	Tier 1 capital	14,205.5	15,232.4	1,026.9
12	Tier 2 capital	3,218.8	2,843.6	(375.1)
13	Subordinated debt	2,197.9	2,132.6	(65.3)
14	Amounts equivalent to 45% of unrealized gains on available-for-sale securities	621.9	277.8	(344.1)
15	Total capital (Tier 1+Tier 2)	17,424.3	18,076.1	651.7
16	Risk weighted assets	105,206.2	113,986.3	8,780.1
17	Credit risk	88,299.2	96,906.3	8,607.1
18	Market risk	1,898.9	2,135.7	236.8
19	Operational risk	6,934.2	6,734.5	(199.7)
20	Transitional floor	8,073.7	8,209.7	135.9

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

Financial results of Mitsubishi UFJ Securities Holdings (MUSHD)

- Net operating revenue decreased due to slowdown in retail customer flow. However, net operating revenue recovered in Q4 due to increase of both commission received and net trading income
- Net income increased YoY on the back of strong performance in overseas subsidiaries and MSMS as well as strict corporate-wide cost control

Results of MUSHD

(¥bn)	FY15	FY16	YoY	(Reference ^{*2}) FY16
1 Net operating revenue^{*1}	437.7	379.2	(58.5)	411.0
2 Commission received	226.1	173.2	(52.8)	
3 Equity brokerage	46.6	39.0	(7.6)	
4 Underwriting and secondary distribution	54.1	36.6	(17.4)	
5 Sales of investment trusts	49.7	35.6	(14.0)	
6 Other fees received	75.5	61.9	(13.6)	
7 Net trading income	178.7	179.1	0.3	
8 Stocks	37.5	29.2	(8.3)	
9 Bonds and other	141.1	149.9	8.7	
10 SG&A expenses	357.0	315.1	(41.9)	338.9
11 Transaction expenses	122.5	98.4	(24.0)	
12 Operating income	80.6	64.1	(16.5)	
13 Non-operating income	27.1	35.4	8.3	
14 Equity in earnings of affiliates	19.5	29.2	9.6	
15 Ordinary income	107.8	99.5	(8.2)	107.5
16 Profits attributable to owners of parent	43.2	49.0	5.8	53.8

Results of MUMSS^{*3}

(¥bn)	FY15	FY16	YoY
1 Net operating revenue^{*1}	331.4	295.0	(36.3)
2 SG&A expenses	252.4	242.6	(9.7)
3 Operating income	79.0	52.4	(26.6)
4 Ordinary income	80.1	53.8	(26.3)
5 Profits attributable to owners of parent	51.8	34.4	(17.3)

Net operating revenue of domestic securities firms (FY16)

Rank	Security firm(s)	Amount (¥bn)
1	Nomura Securities	566.5
2	MUMSS^{*3} (incl. MUMSPB) + MSMS + kabu.com	421.9^{*4}
3	Daiwa Securities	314.1
4	SMBC Nikko Securities	313.5
5	Mizuho Securities	303.2

(Source: Company disclosure)

*1 Operating revenue minus financial expenses

*2 Figures represent the simple aggregation with MUFG Securities Americas' result

*3 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (MUMSS) with Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. (MUMSPB) consolidated

*4 Simple total of MUMSS, Morgan Stanley MUFG 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 MUAH / Krungsri

- MUAH: Net income was \$229 mm, up \$167mm compared with FY16Q1, due to an increase in NII driven by an increase in NIM and a reversal of provision for credit losses
- Krungsri: Increase in fee income, decrease in credit costs as well as increase in NII driven by improvement of NIM all contributed to increase in net profits

Results of MUAH^{*1*2}

<P/L> (US\$m)		FY17	
	FY16	Q1	YoY
1 Net interest income	3,053	795	71
2 Interest income	3,716	984	90
3 Interest expense	663	189	19
4 Total non-interest income	2,225	488	14
5 Trading account activities	105	(4)	(32)
6 Investment banking and syndication fees	312	88	27
7 Fees from affiliates ^{*3}	957	219	7
8 Total revenue	5,278	1,283	85
9 Non-interest expense ^{*4}	3,782	1,006	38
10 Pre-tax, pre-provision income	1,496	277	47
11 Provision for loan losses	155	(30)	(192)
12 Net income attributable to MUAH	990	229	167
13 NIM	2.23%	2.37%	0.31ppt

<BS> (US\$mm)		End Dec16	End Mar 17	Change
14	Loans	77,551	78,434	883
15	Deposit	86,947	86,533	(414)
16	Total equity	17,386	17,630	244
17	Total asset	148,144	149,678	1,534
18	NPL ratio	0.89 %	0.73 %	(0.16ppt)
19	NPL coverage ratio	92.69%	100.12%	7.43ppt

Results of Krungsri^{*5}

<P/L> (US\$m)		FY17	
	FY16	Q1	YoY
1 Net interest income	61,977	16,483	1,490
2 Interest income	85,925	22,762	1,887
3 Interest expense	23,948	6,279	397
4 Net fees and services income	18,175	4,669	125
5 Fees and services income	24,142	6,286	255
6 Fees and services expense	5,967	1,617	130
7 Non-interest and non fees income	11,335	3,007	467
8 Other operating expense	43,080	11,781	1,651
9 Pre-provision operating profit	48,407	12,378	431
10 Impairment loss of loans and debt securities	21,314	5,243	(171)
11 Net profit attribute to owners of the bank	21,404	5,645	495
12 NIM	3.74%	3.82%	0.01ppt

<BS> (THBmm)		End Dec 16	End Mar 17	Change
13	Loans	1,506,222	1,491,574	(14,648)
14	Deposit	1,108,288	1,125,464	17,176
15	Total equity	208,768	214,336	5,568
16	Total asset	1,883,188	1,857,004	(26,184)
17	NPL ratio	2.21%	2.33%	0.12ppt
18	NPL coverage ratio	143.3%	143.0%	(0.2ppt)

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

*2 Figures have been revised to include the results of the transferred IHC entities, such as MUSA (MUFG Securities Americas)

*3 Represents income resulting from the business integration of BTMU & MUB

*4 Includes expense associated with employees providing support services to BTMU

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

Financial results of Morgan Stanley and major collaborations

- FY17Q1 income before taxes increased YoY as a result of improvement in the market environment. Institutional Securities led firmwide earnings, driven by steady performance in Sales & Trading and improved underwriting results
- Leveraging the MUFG-MS alliance, the Joint Venture acted as Bookrunner for both the domestic and international tranches in all of 13 large global IPOs*¹ by Japanese companies since 2010

Morgan Stanley Financial results*²

(US\$mm)		FY15* ³	FY16		FY17	
			Q4	Annual	Q1	YoY
1	Net revenue	35,155	9,021	34,631	9,745	1,953
2	Non-interest expenses	26,660	6,775	25,783	6,937	883
3	Income from continuing operations before taxes	8,495	2,246	8,848	2,808	1,070
4	Net income applicable to MS	6,127	1,666	5,979	1,930	796
5	Earnings applicable to MS common Shareholders	5,671	1,509	5,508	1,840	785
6	ROE	8.5%	8.7%	8.0%	10.7%	4.5ppt

*2 Based on U.S. GAAP

*3 Includes DVA impact for FY15

Major collaborations

- Acquisition of Joy Global by Komatsu
 - MUMSS acted as FA to 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 to Meiji Yasuda in its approx. \$5.0 bn 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

M&A Advisory

(Apr 16- Mar 17)

Rank	Financial Advisor	# of Deals	AMT (¥ bn)	Share (%)
1	Mizuho FG	183	6,997.6	35.4
2	MUMSS	43	5,348.8	27.0
3	GS	26	5,262.5	26.6
4	Lazard	21	5,050.5	25.5
5	The Raine Group LLC	2	4,136.1	20.9

Any Japanese involvement announced

(Source) Thomson Reuters

Equity Underwriting

(Apr 16- Mar 17)

Rank	Bookrunner	# of Deals	AMT (¥ bn)	Share (%)
1	Nomura	101	795.3	24.0
2	SMBC Nikko	160	694.0	20.9
3	MUMSS	73	508.8	15.3
4	Mizuho	127	443.1	13.4
5	Daiwa	93	369.8	11.2

(Source) Thomson Reuters

FY2017 financial targets

- FY17 consolidated profits attributable to owners of parent target is ¥950.0 bn

(¥bn)

		<Financial target, etc.>		<Results>	
		FY17		FY16	
[MUFG consolidated]		Interim	Full year	Interim	Full year
1	Total credit costs	(70.0)	(160.0)	(57.6)	(155.3)
2	Ordinary profits	670.0	1,390.0	794.8	1,360.7
3	Profits attributable to owners of parent	440.0	950.0	490.5	926.4

(BTMU: for reference)

4	Net business profits before provision for general allowance for credit losses	300.0	580.0	417.0	666.9
5	Total credit costs	(20.0)	(30.0)	(4.7)	(25.4)
6	Ordinary profits	280.0	570.0	410.2	632.2
7	Net income	200.0	420.0	323.0	481.4

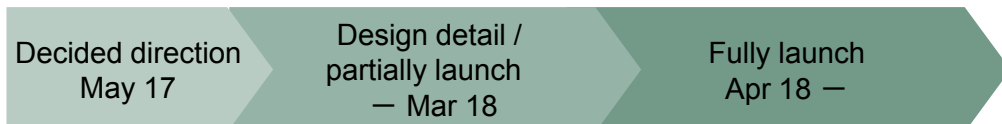
(MUTB: for reference)

8	Net business profits before credit costs for trust account and provision for general allowance for credit losses	95.0	175.0	92.7	181.4
9	Total credit costs	(5.0)	(10.0)	1.7	(22.5)
10	Ordinary profits	100.0	175.0	105.5	164.4
11	Net income	75.0	130.0	75.7	120.2

MUFG Re-Imagining Strategy – Building Anew at MUFG

MUFG Re-Imagining Strategy – Building Anew at MUFG

- Provide customers, employees, shareholders, and all stake holders with the best value through an integrated group-based management approach that is simple, speedy and transparent
- Also aim to achieve sustainable growth and contribute to the betterment of society by developing solutions-oriented businesses



Net operating profits
¥300 bn

=

Gross profits
¥180 bn

+

Cost reduction
¥120 bn

(note) Figures are rough estimation in FY23

1. Strengthening our management approach based on customer- and business-based segments

- (1) Further Wealth Management strategy
- (2) Reinforce business with large companies with group-unified service and global platform
- (3) Accelerate Asset Management business
- (4) Enhance Payment Platform

2. Business transformation through the use of digital technology

- (1) Improve customer convenience
- (2) Business process reengineering
- (3) Reform customer interface channels domestically and globally

3. Initiatives to improve productivity

- (1) Strategically review portfolio of existing investment in affiliates
- (2) Optimizing human resource allocation on a group-basis
- (3) Working-Style reforms(increase time to face customers)

4. Reorganization of MUFG group management structure

- (1) Integrate corporate loan-related business of BTMU and MUTB
 - Establish the most suitable formation to service our corporate clients as one group
 - Clarify the mission and responsibility of each group member
- (2) Strengthen AM and IS businesses - New trust banking model
 - Accelerate AM and IS businesses as growth area for group
 - Make MUKAM a wholly owned subsidiary of MUTB
- (3) Review customer segmentation
 - Integrate Japanese retail banking and SME segments
 - Reorganize Japanese large corporate and global corporate segments respectively, each of which is managed globally across geographical boundaries
- (4) Establish the framework to promote our digital strategy
 - Appoint a Chief Digital Transformation Officer(CDTO)
 - Establish Digital Transformation Division
- (5) Reinforce retail payment business
 - Make MUN a wholly owned company of MUFG
- (6) Rename the commercial bank as “MUFG Bank”

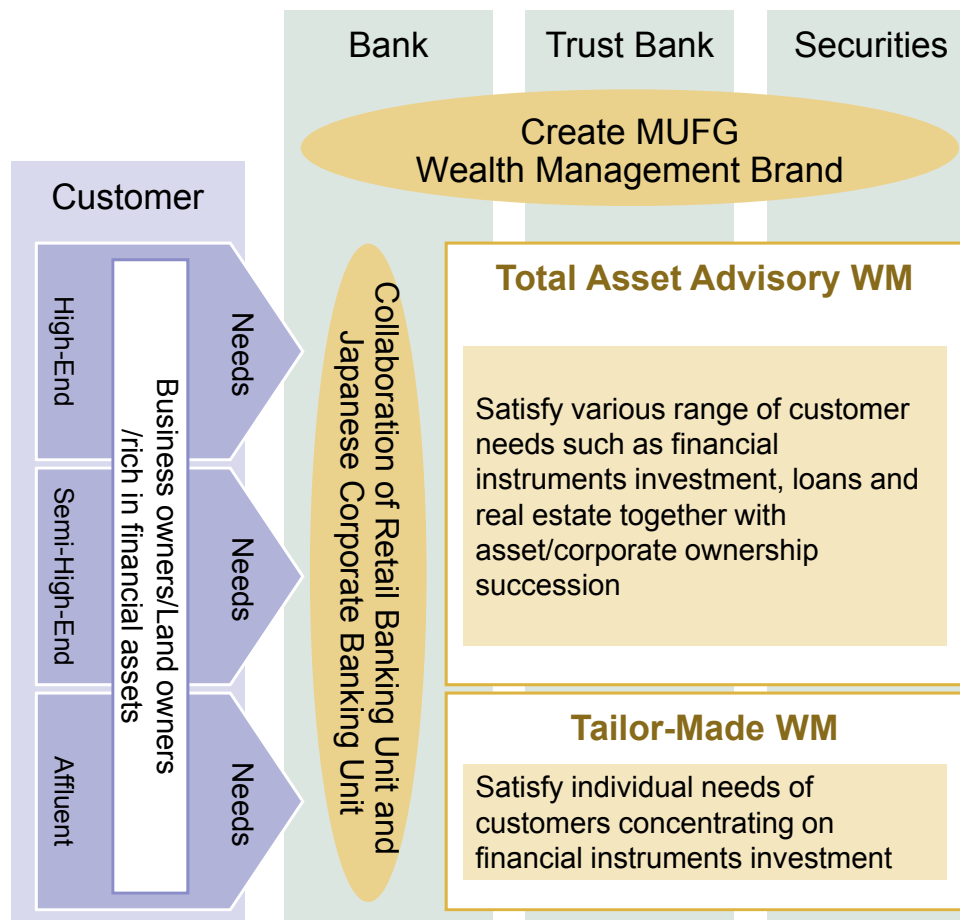
MUFG Re-Imagining Strategy - Building Anew at MUFG

- Further Wealth Management strategy

Operating profit
¥50 bn

- Provide seamless “Comprehensive financial services” where MUFG has an advantage
- Promote (1) “Total Asset Advisory WM” of cross-sell various solutions through asset/corporate ownership succession, (2) “Tailor-Made WM” of setting financial instruments sales as the core
- Strengthen collaboration with corporate finance team for business owners

Business promotion model by segment



Areas to be enhanced

Improve an appeal for High-End owner

- Bring together persons in charge of High-End segment customers within group
- Concentrate group-wide expertise to respond to various customer needs

Develop advisory function of asset and corporate succession

- Consolidate Products Offices for asset/corporate ownership succession to be shared among the group

Drive portfolio management business

- Accelerate collaboration with MUMSS and PB security
- Share best practice of PB style business promotion among group

Expand product-line up

- Reinforce loan, investment products sales and real estate business from WM business-oriented perspective
- Officially start fee based advisory services

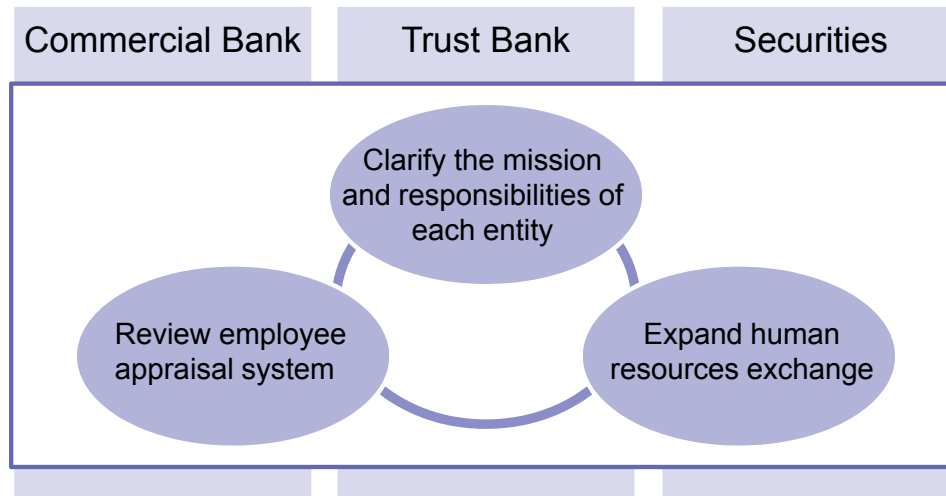
MUFG Re-Imagining Strategy - Building Anew at MUFG

- Reinforce business with large companies with group-unified service and global platform

Strengthen the framework to promote businesses with large corporate customers

Strengthen customer- and business-based approach beyond boundary of group entity

- Each entity exerts expertise and establish the formation to seamlessly provide comprehensive financial services

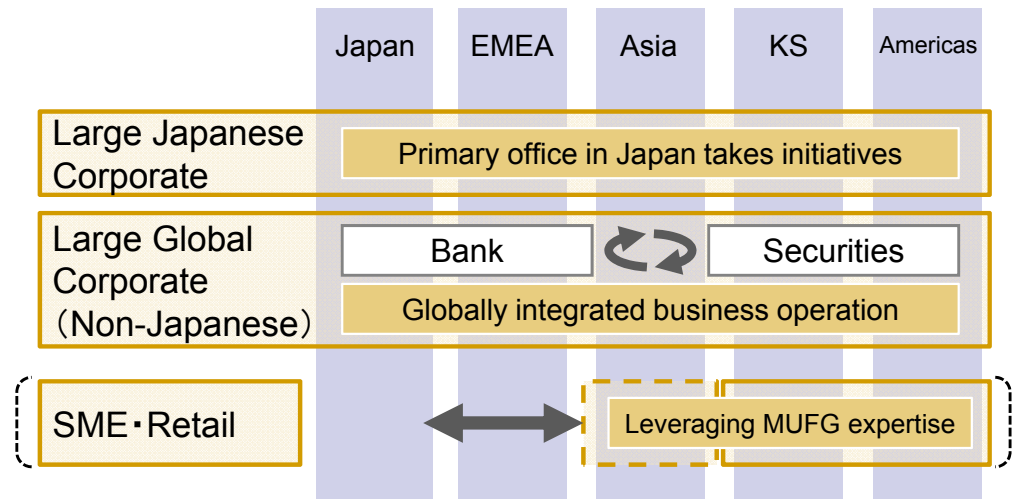


Transfer MUTB's corporate loan-related businesses to BTMU (Apr 18)

Trust Bank will focus on its domestic and global AM/IS business, which is one of the most important growth segments for MUFG, and strengthen its real estate business, pension service, shareholder service and estate administration service, thereby integrating its high level of expertise with MUFG's wide customer base and developing a "trust business-oriented consulting and solution business"

Strengthen customer- and business-based approach beyond boundary of regions

- Strengthen our capabilities to respond to the needs of large companies with business-based approach on a global basis



Redefine business areas enabling further strategic human resources allocation

Become our customers' best partner by enhancing their corporate value

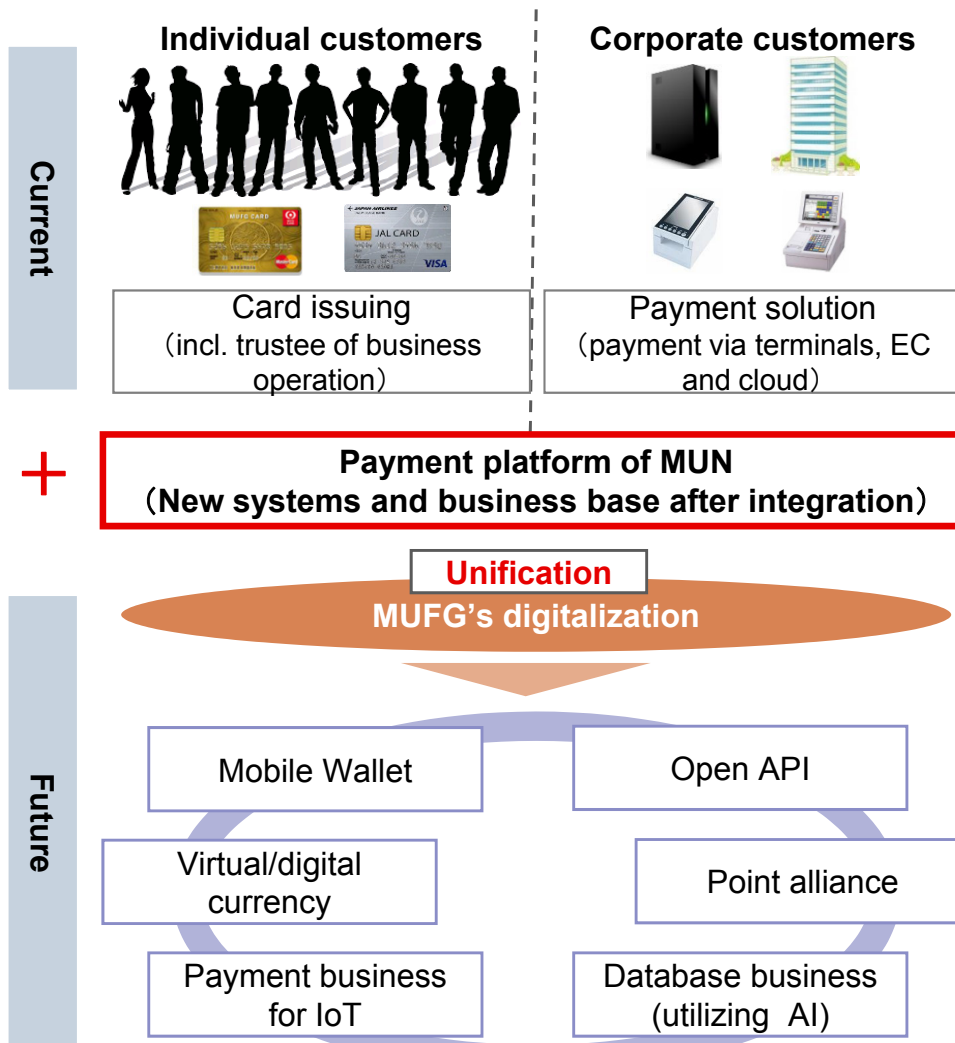
MUFG Re-Imagining Strategy - Building Anew at MUFG

- Enhance payment platform

- Expand payment business positioning MUN as a payment platform of MUFG

Make MUN a wholly owned subsidiary of MUFG

Future vision of retail payment business



Mid-to-long term outlook

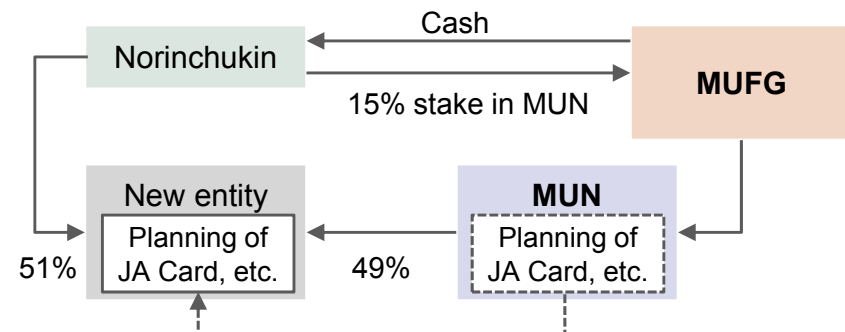
- MUN will become a wholly owned subsidiary of MUFG to accelerate MUN's structural reform and to pursue group synergies

【Contribution on profits】

Effect of boosting profits (FY24, ¥ bn)

Structural reform	10.0
System integration	20.0
Strategic initiatives	5.0 - 10.0
Total	35.0 - 40.0

- Strengthen strategic alliance with The Norinchukin Bank. Transfer strategic planning function of JA Card business to a newly established company, and enhance collaborations

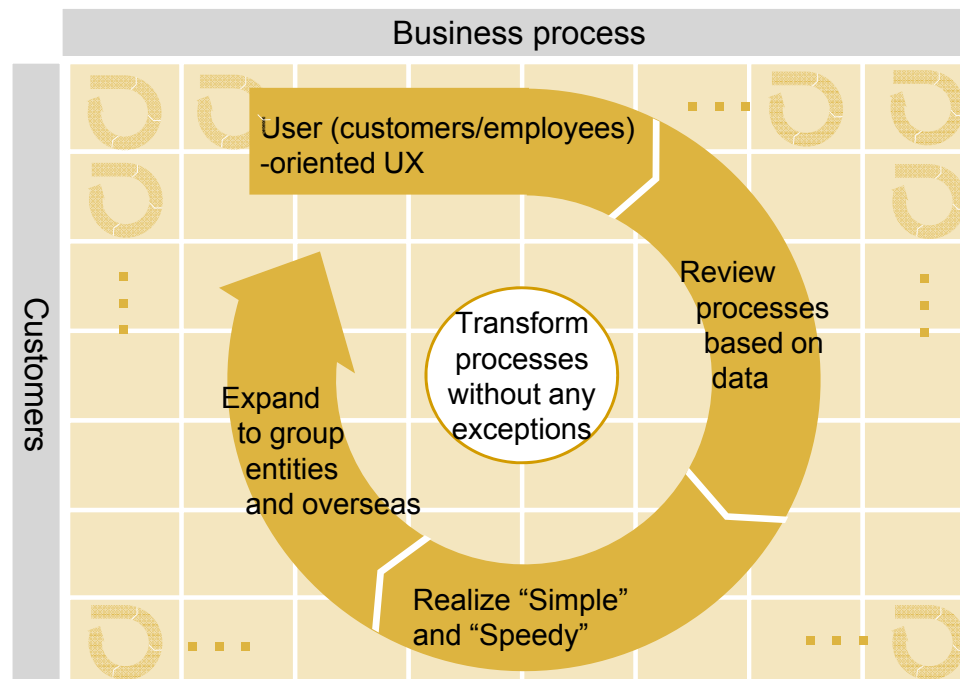
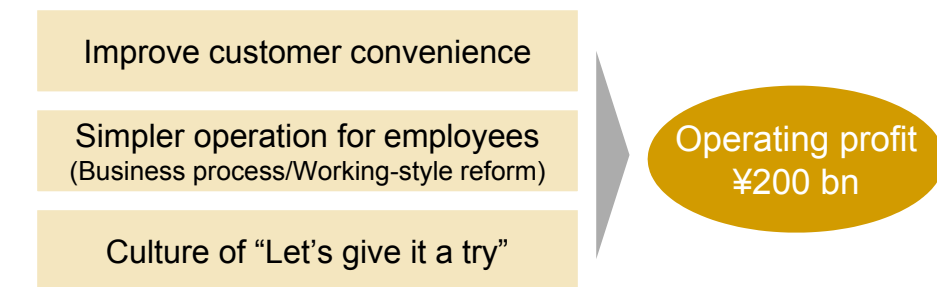


MUFG Re-Imagining Strategy - Building Anew at MUFG

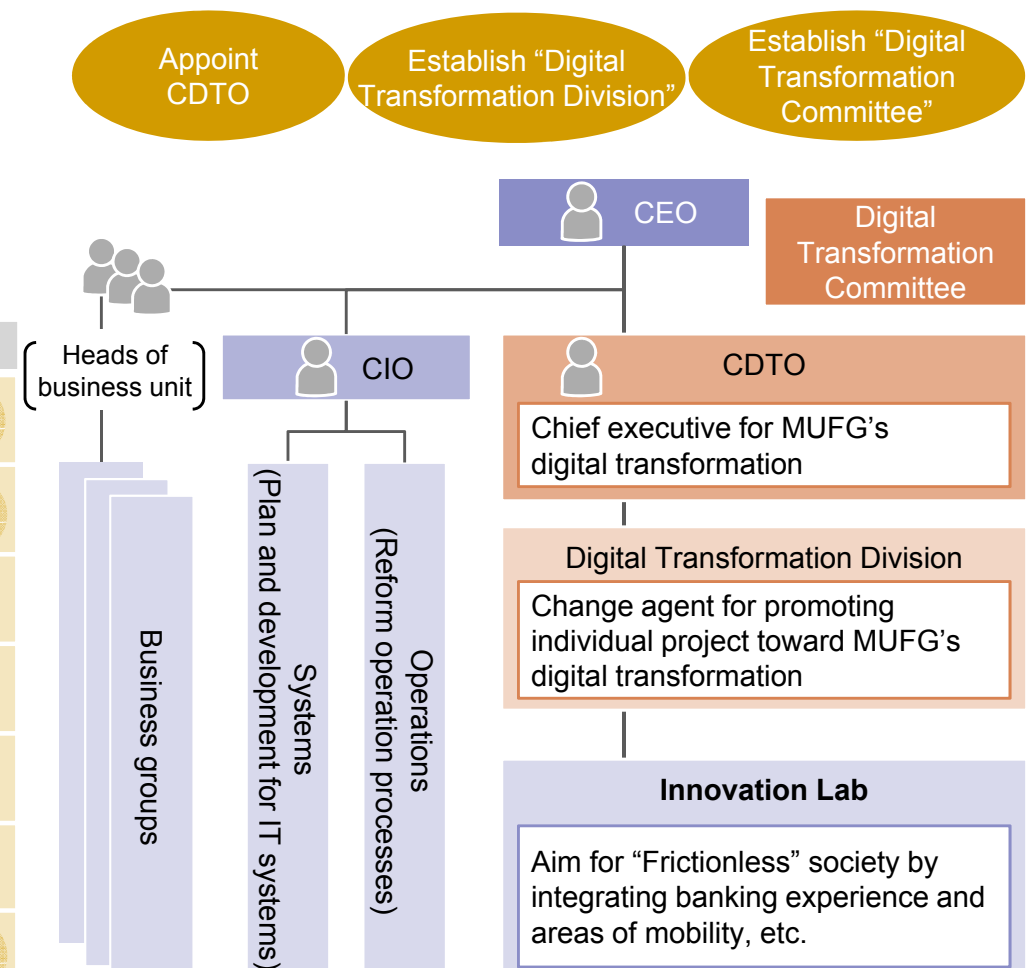
- Business transformation through the use of digital technology

- Incorporate new technologies and best practices free off preconceptions and thereby establish new businesses and operational processes that are more sustainable
- Appoint Chief Digital Transformation Officer (CDTO) and establish Digital Transformation Division to take the lead in promoting our digital strategy
- Also, establish Digital Transformation Committee to deliberate various policies

Future direction



Framework for promoting digitalization



MUFG Re-Imagining Strategy - Building Anew at MUFG

- Reform customer interface channels

- Transform customer interface channels and convert to “next-generation” outlets by digitalization with accessibility of our services anytime and anywhere



MUFG Re-Imagining Strategy - Building Anew at MUFG

- Initiative to improve productivity

Financial discipline / network optimization

Optimize business platform along with changes in business environment

- Achieve structural reforms through sophisticating business operations and platform in the face of tightened international financial regulations and changes in business environment

RWA・
Non-JPY liquidity

Strategic
Investment

Domestic and
overseas network

RWA・
Non-JPY
liquidity

- Manage Non-JPY balance sheet by focusing more on profitability
- Strengthen capabilities for Non-JPY deposit taking business
- Optimize asset portfolio

Strategic
investment

- Optimize strategic investment considering financial discipline and restrictions on RWA
- Pursue inorganic growth opportunities in strategic areas

Domestic and
overseas
network

- Rebuild most suitable delivery channels
- Reduce costs related to overseas network by introducing hub-and-spoke model etc.

Reinforce base for sustainable growth on a global basis through achieving structural reforms

Best allocation of human resources

Allocating human resources across group entities

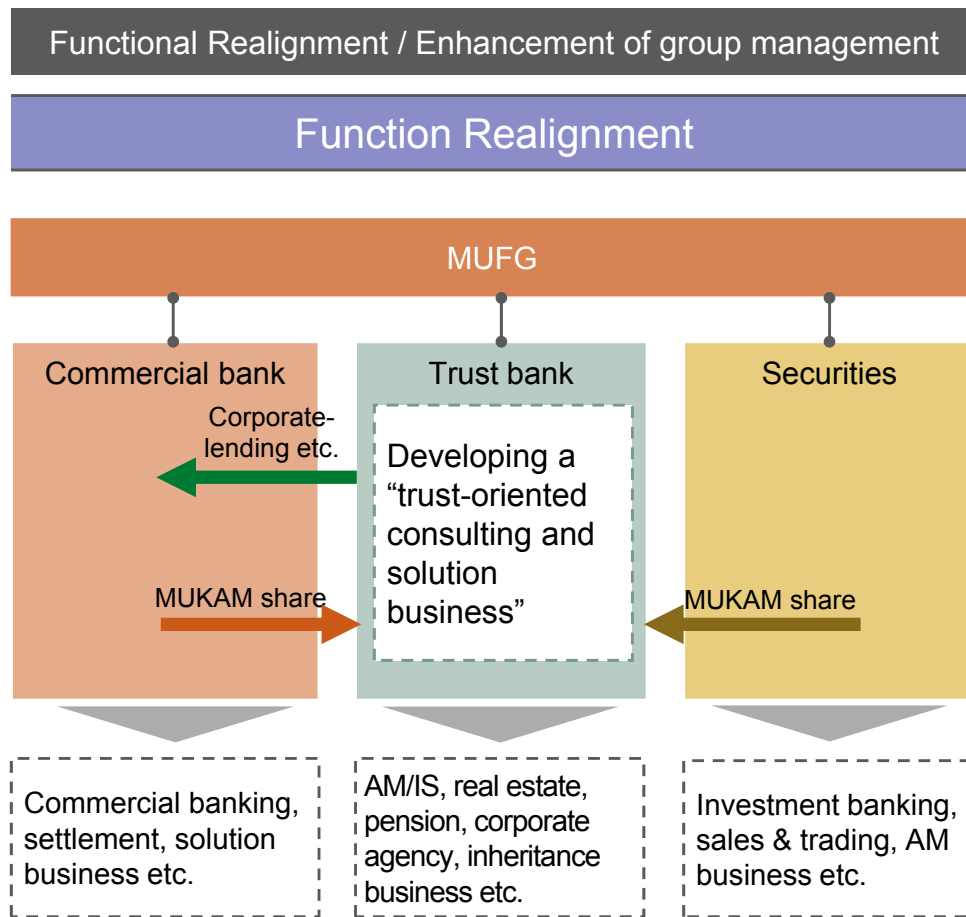
- Accelerate human resource exchanges across group entities and share evaluation methods in equivalent positions in order to promote group-based activities
- As MUFG, enhance competitiveness of the talents with professional skills including digital technology by establishing MUFG Academy and initiating a group-based recruitment
- Launch a new organization that manages both those hired in Japan and those in overseas markets to optimize best allocation and strengthen global strategies
- Foster employees' mindset that encourages everyone to pursue the common goals by, for example, introducing compensation system linked with MUFG group performance

Improve worthwhileness of working

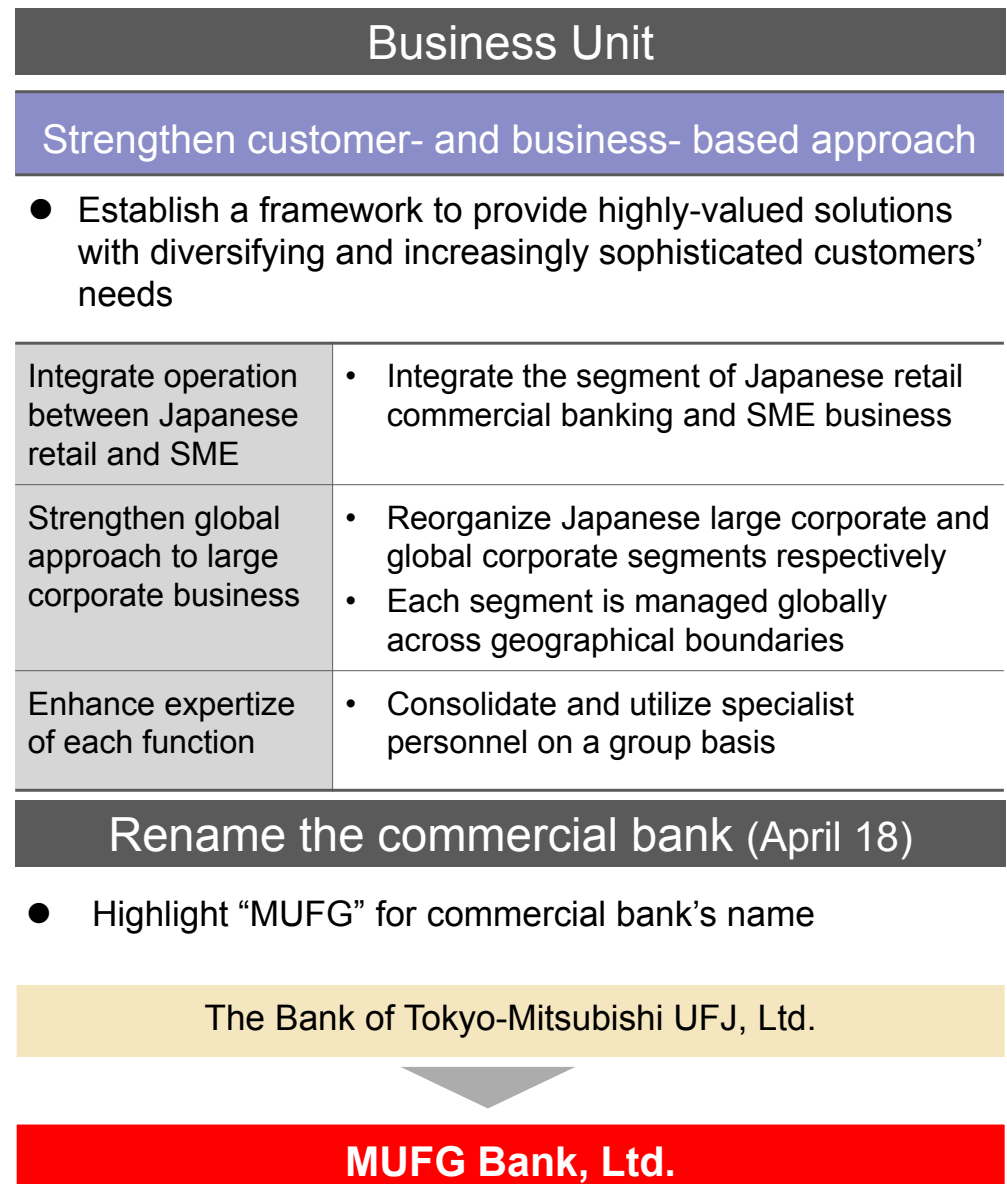
- Enhance business processes to a more user-friendly one by implementing digitalization strategy, which improves productivity, brings additional values to our business and contributes to capture new opportunities
- Achieve best mix of diversified human resources leveraging individuals' strengths regardless of job category, age, gender, and hiring place

MUFG Re-Imagining Strategy - Building Anew at MUFG

- Reorganization of MUFG group management structure



- Enhancement of group management
- On top of efforts for improving efficiencies by each entity, effectively utilize resources on a group basis
 - Centralize and improving efficiency of the functions of our corporate center, back-office and IT systems



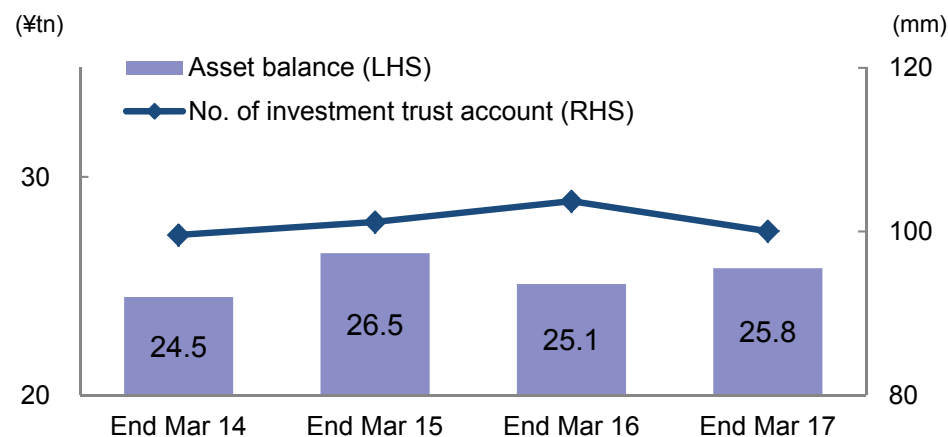
Growth Strategy

Support wealth accumulation and stimulation of consumption for individual clients

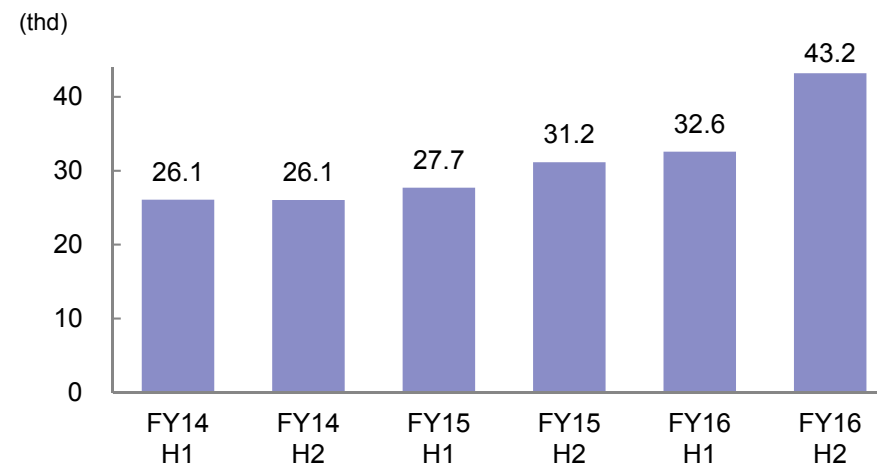
– Promotion of shifts from savings to stable asset building

- Steady progress for enhancing revenue from stock balance. Investment products sales slowed due to unfavorable economic environment, however, the trend has slightly turned around in FY16H2

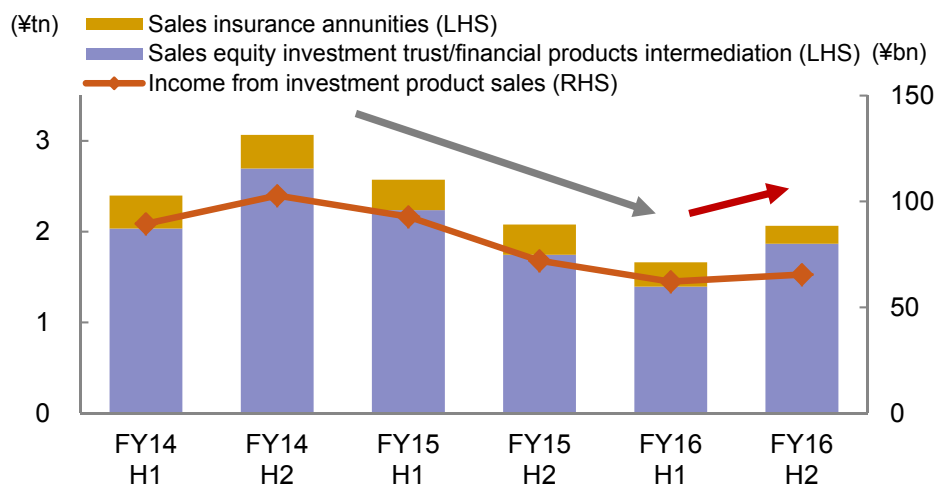
Asset balance^{*1} / no. of investment trust account^{*2}



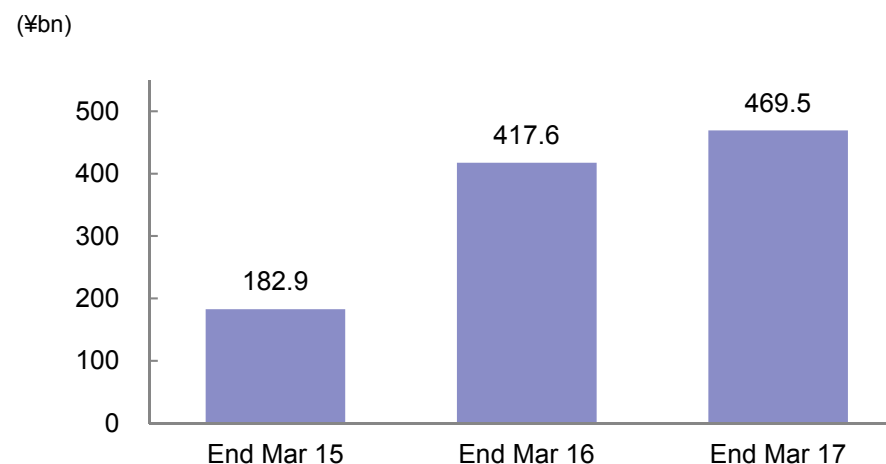
Transaction no. of installment payment insurance



Investment products sales / income^{*1*3}



Wrap product balance (Incl. wrap fund)^{*1}



*1 Managerial accounting basis

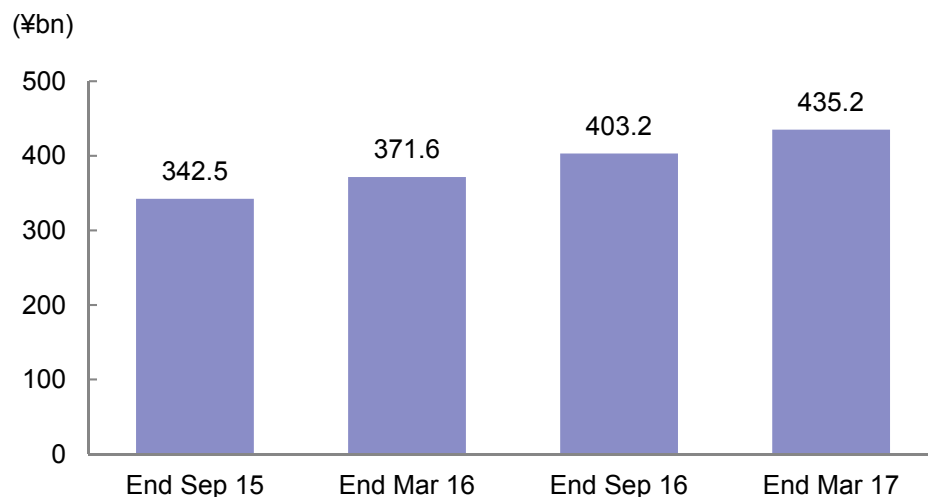
*2 Excl. investment trust account without balance

*3 BTMU + MUTB MUMSS (excl. PB Securities)

Support wealth accumulation and stimulation of consumption for individual clients

– Consumer finance / payments

Balance of BANQUIC (BTMU)*¹

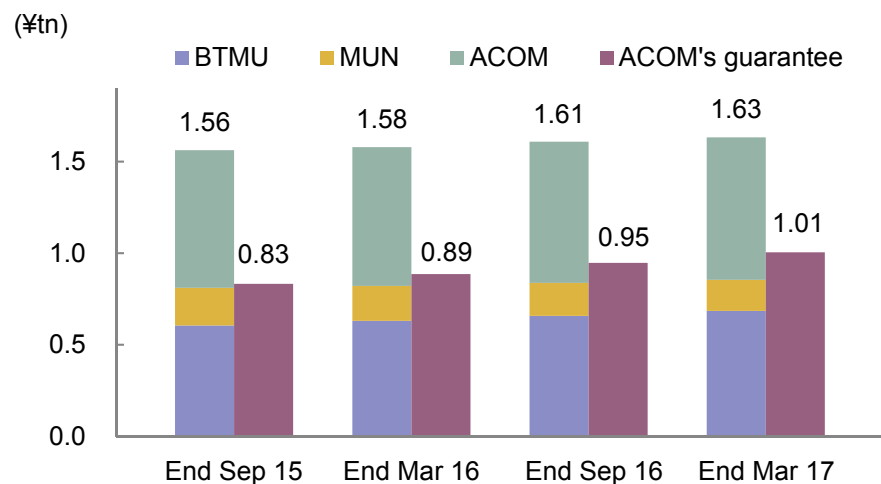


Contributing to the healthy consumer finance market

- Taking related regulations/requirements into account, contributed to the development of healthy bank card loan market
- Review our current approach for bank card loans and take steps such as following

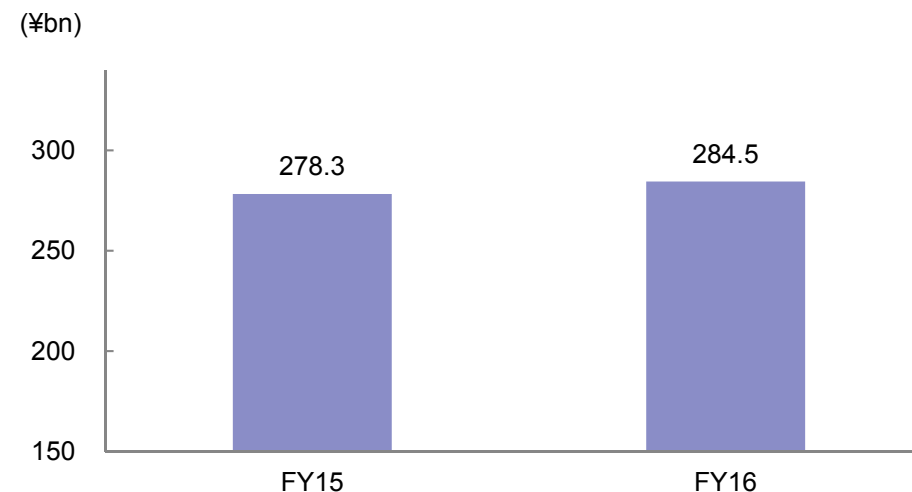
Approaches	
Requirements of annual income certificate	<ul style="list-style-type: none"> • From more than ¥2.0 mm to more than ¥0.5 mm
Advertising policy	<ul style="list-style-type: none"> • Manage with consideration such as <ul style="list-style-type: none"> ✓ Broadcasting volume and time of TV ad ✓ Refrain from presenting standards for annual income certificate submission

Balance of unsecured loan, guarantee*¹



*¹ Managerial accounting basis

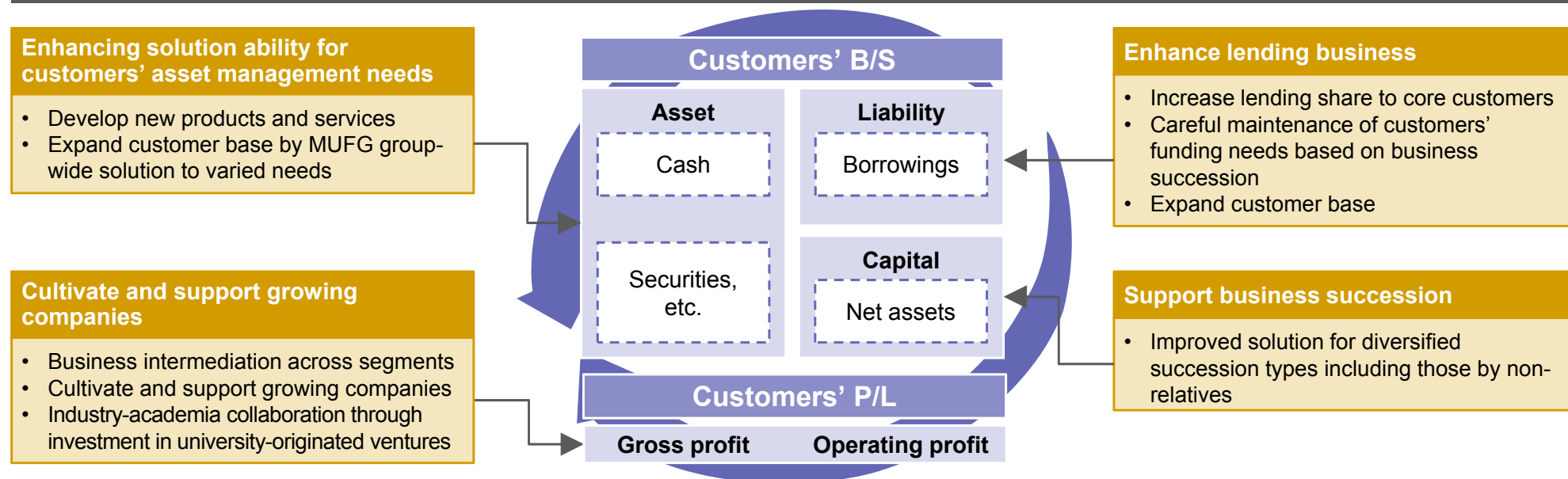
Profits in card business (MUFG)*¹



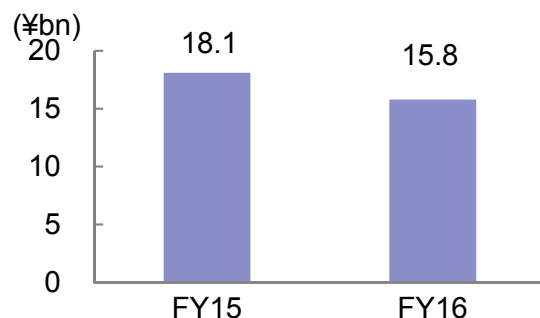
Contribute to growth of SMEs

- Enhance core businesses (lending and exchange, etc.) 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

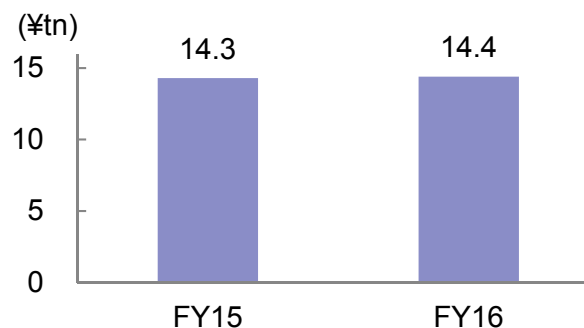
Contribute to customers' growth by responding to the needs not only on their liability but also on asset, capital, and gross profit, etc.



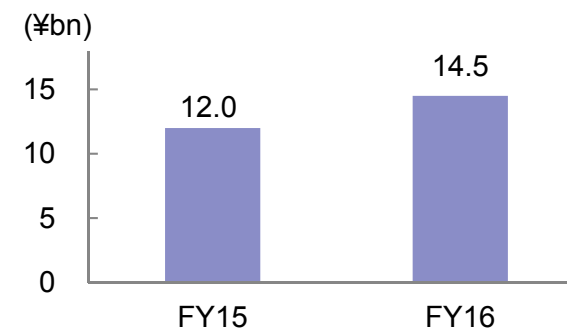
Profits from AM business*1



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

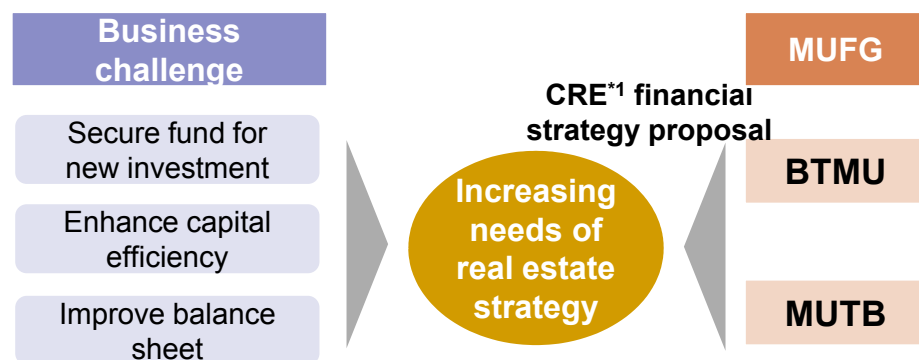
Reform global CIB business model

– Japanese large corporation

- Increase our knowledge and MUFG's group-wide business solution capabilities for diversified operational environment and business issues of each customers

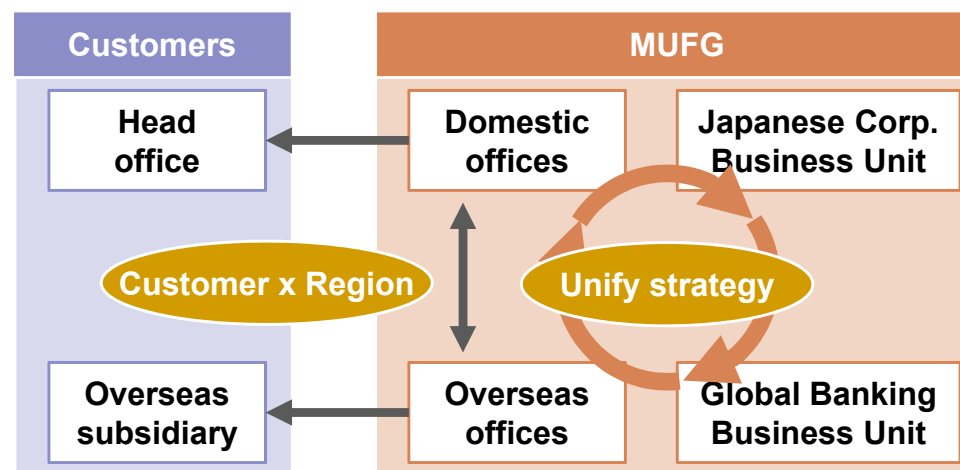
Promote deal-creating business model

Example: CRE^{*1} financial strategy proposal



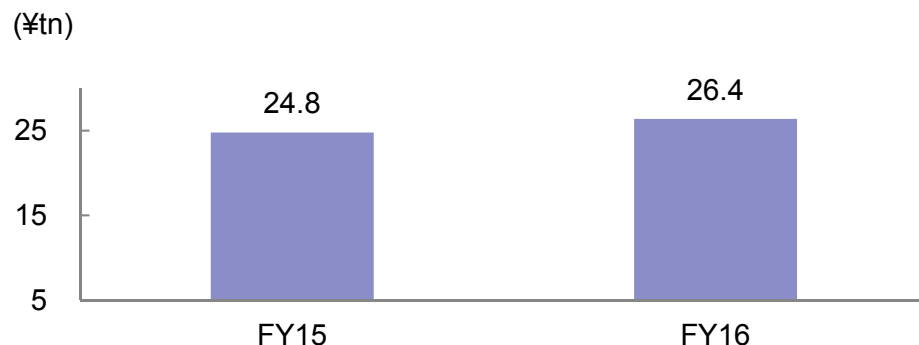
- Provide solutions to customers leveraging BTMU/MUTB's strength

Expand overseas business with global co-operating structure

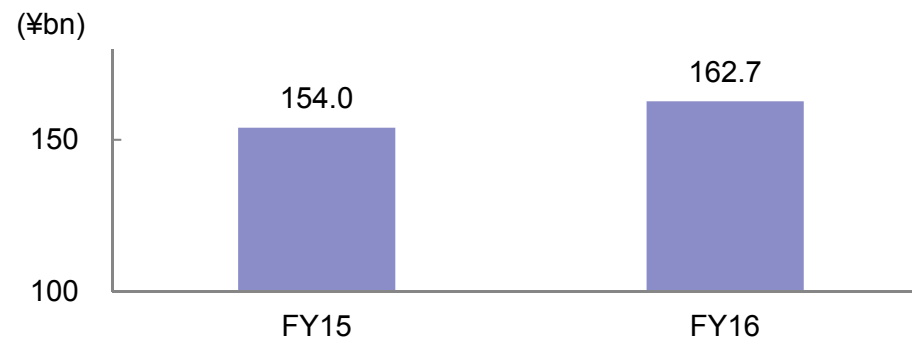


- Promote PMI (post merger integration) transactions by providing solutions to overseas acquired company

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



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



*1 Corporate Real Estate

*2 All figures are in managerial accounting basis

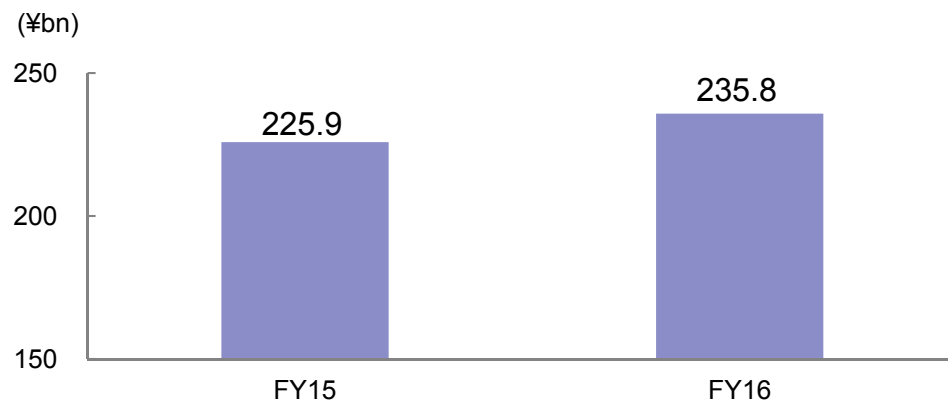
*3 Avg. lending balance to Japanese corporations of BTMU branches or offices for large corporate business in global basis

Reform global CIB business model

– Global corporate

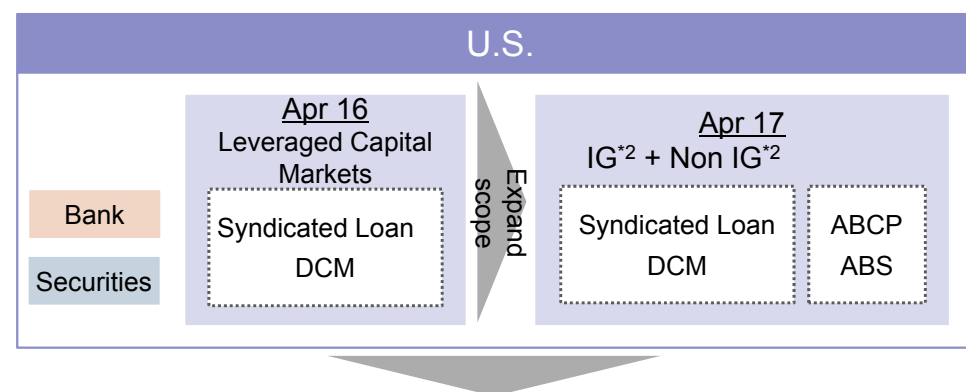
- Strengthen business with global corporates by developing global coverage model and expanding integrated operation between banking and securities business

Non-interest profits (Global corporates)*¹



*1 Managerial account basis. Local currency basis. Including fees, FX and derivatives. Excluding KS and MUAH

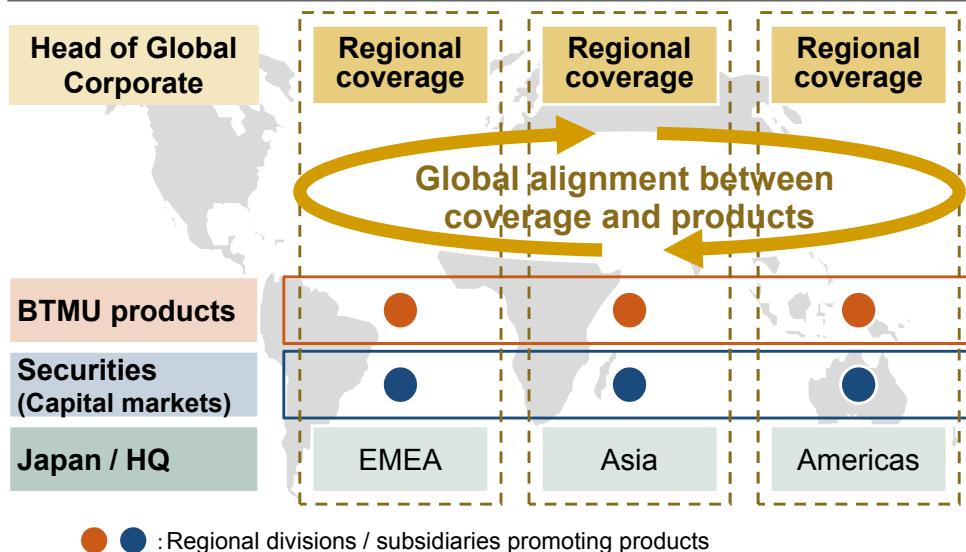
Integrated operation in primary business



Expand integrated operation model to EMEA and Asia

*2 Investment Grade

Global coverage model



Case studies

Acquisition finance for Abbott

- MUFG supported Abbott's acquisition of St. Jude with bridge finance, bond issuance (Passive Book runner)

RMBS*³ Transaction for AMP (Issue Size: AUD750 mm)

- MUFG Securities was mandated as a Joint Lead Manager for the deal
- MUFG provided comprehensive debt solutions for the client, with BTMU serving as warehouse provider*⁴

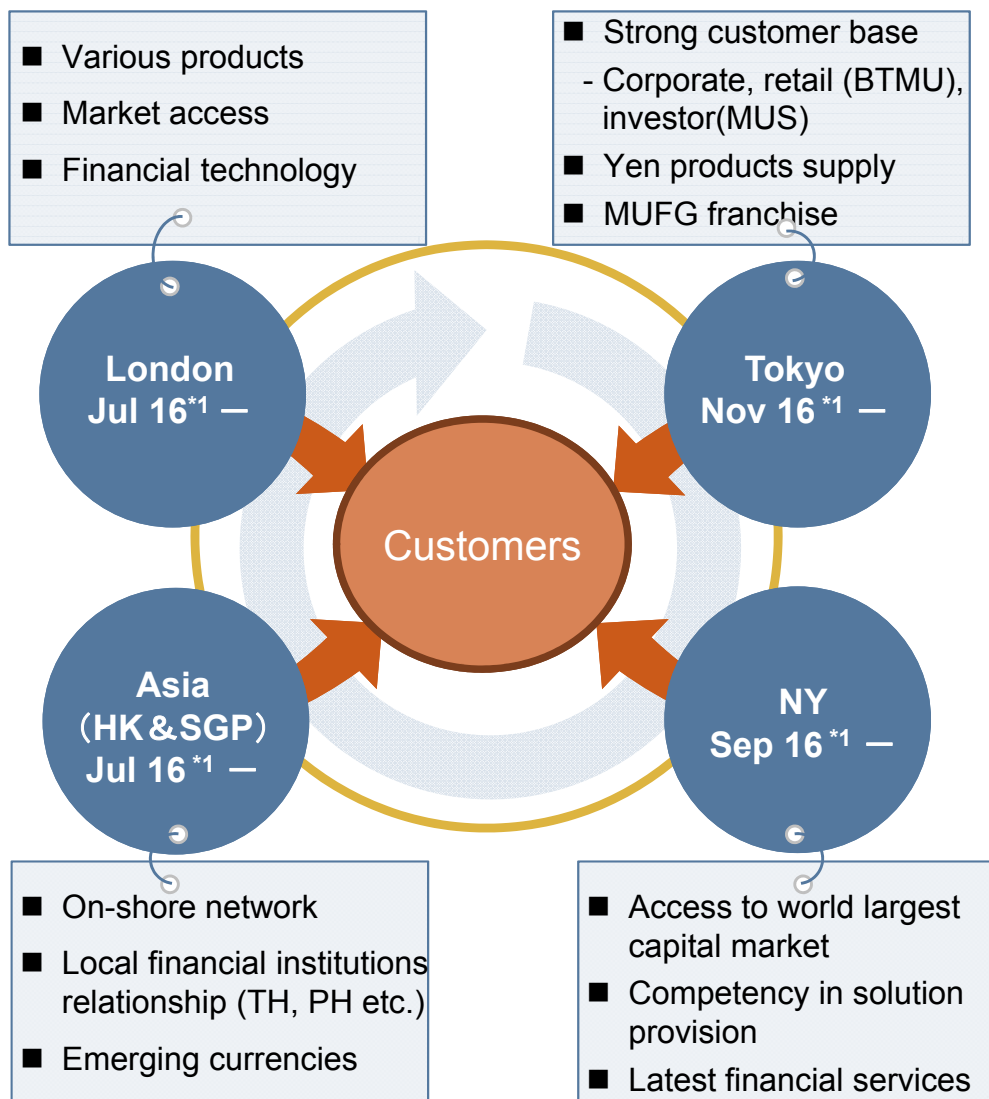
*3 Residential Mortgage-Backed Securities

*4 Financing function which provides temporary funding for purchasing assets to be utilized for originating securitized products

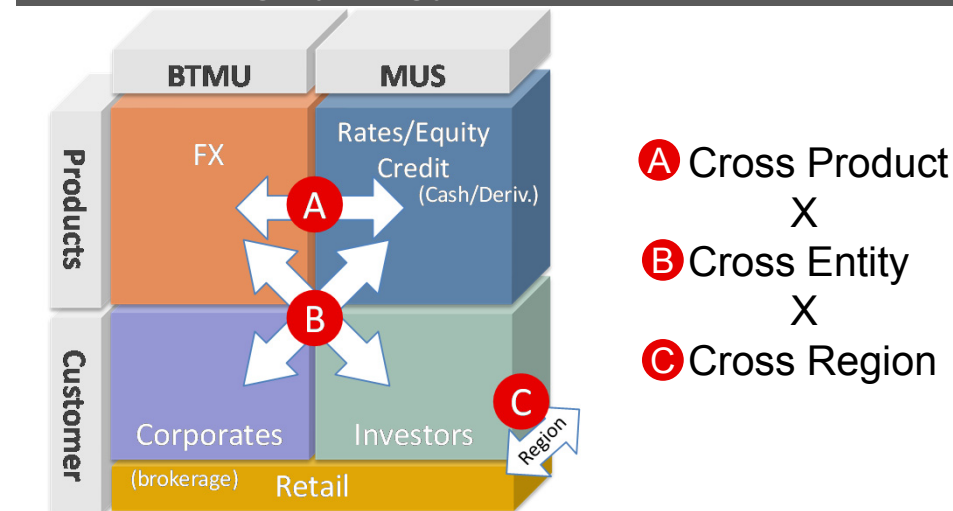
Evolve sales and trading operations

- In FY16, a healthy overseas performance has compensated for profit decrease in domestic market
- Move toward operational phase. Develop inbound/outbound business through globally integrated operations

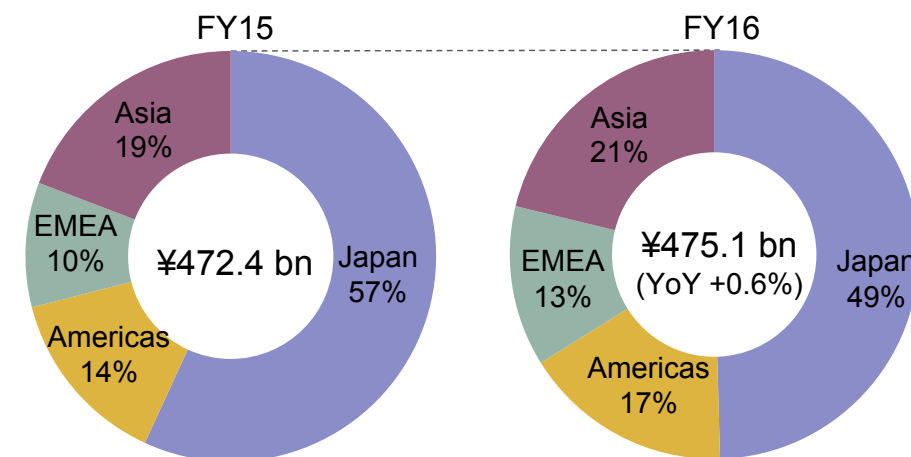
MUFG One Global Platform



Enhancing synergy between BTMU & MUS



Consolidated S&T gross profits^{*2}



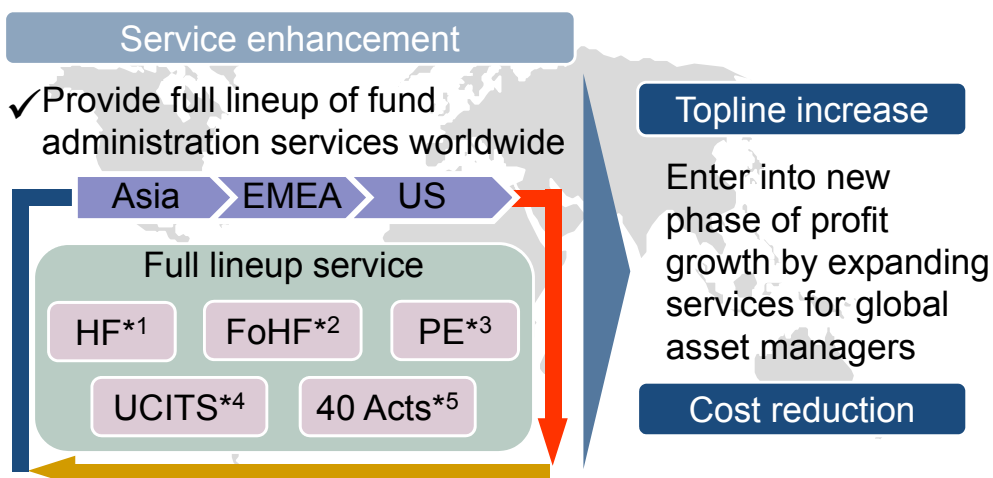
^{*1} Integrated operations started in each region on the date shown

^{*2} Consolidated S&T gross profits of BTMU / MUTB / MUSHD.
Local currency basis

Develop global asset management and investor services operations

- Global IS : Provide a full lineup of fund administration services for global investment managers and enter into new phase of profit growth
- Global AM : Consider new inorganic investments. Accelerate the index business and expand the distribution channel

Global IS to enter into new phase of profit growth



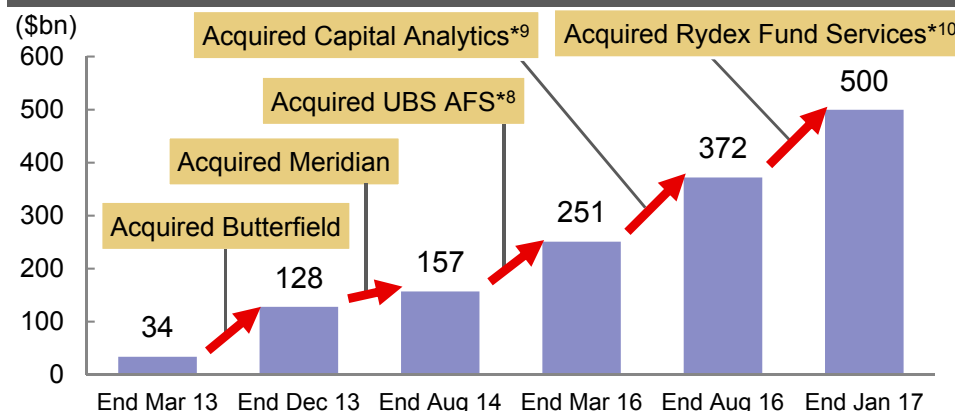
Affiliation and collaboration of global AM

Affiliates with stake holding	AuM*11 capital ratio	Products
Aberdeen Asset management *12	¥43 tn 17%	Equity / Bond (Global, Emerging, Asia), Real estate, etc.
AMP CAPITAL	¥14 tn 15%	Equity / Bond (Australia, Global), Infrastructure, Real estate
申万菱信基金 SWS MU FUND MANAGEMENT	¥2 tn 33%	Equity / Bond (China)

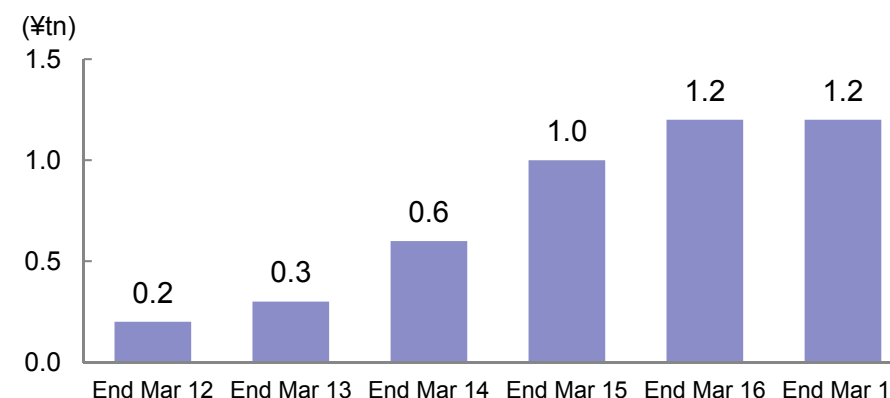
(As of end Dec 16)

Index Business Collaboration	STOXX	Jointly develop smart-β indices to enhance investment product sales and provide to asset managers
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Balance of global IS*6 (AuA*7)



Balance of AuM from overseas investors (MUTB)



*1 Hedge fund *2 Fund of Hedge Funds *3 Private equity *4 Investment funds established and managed under the EU regulations *5 Mutual fund based on the 1940 Investment Company Act *6 Sum of HF·PE·Investment funds (40Act etc) administration *7 Asset under administration

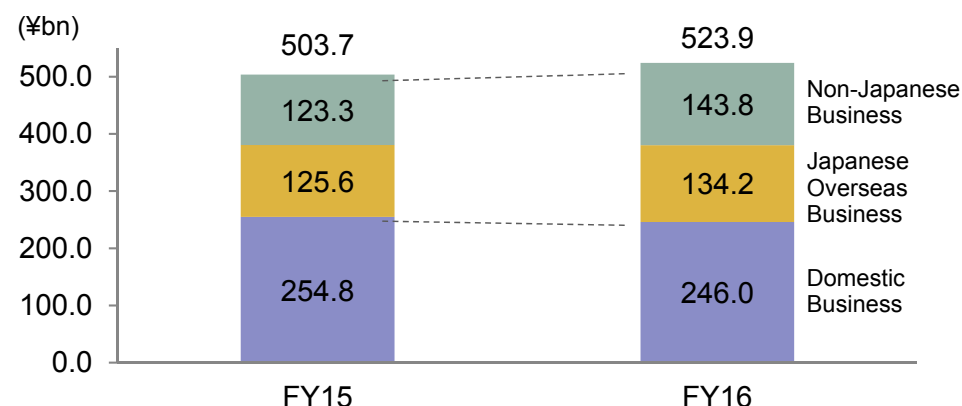
*8 Alternative Fund Services *9 Current MUFG Capital Analytics, LLC *10 Current MUFG Investor Services(US), LLC *11 Asset under management

*12 Scheduled to merge with Standard Life Plc in FY17Q3 (Jul-Sep)

Further reinforce transaction banking business

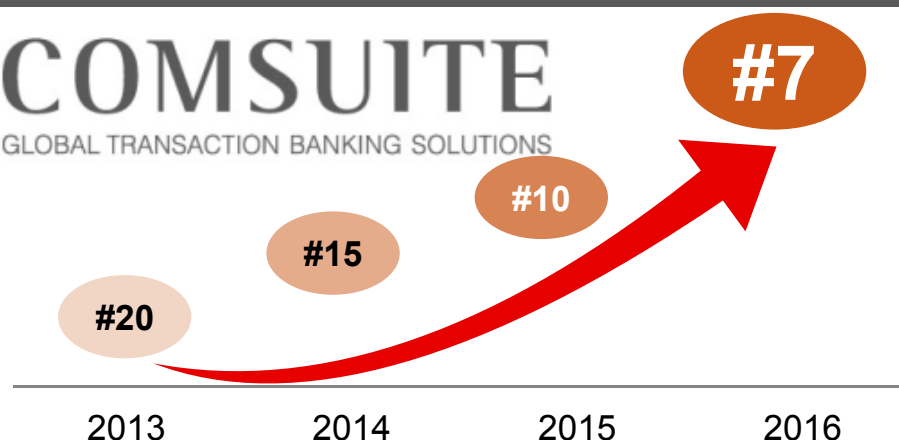
- The competitiveness of transaction banking products has been steadily enhanced under the COMSUITE brand. Sales are also showing steady growth
- The increase in non-JPY deposits far exceeded the initial plan. We are also seeing steady growth in such basic client base indicators as the overseas trade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

Transaction banking gross profit*1

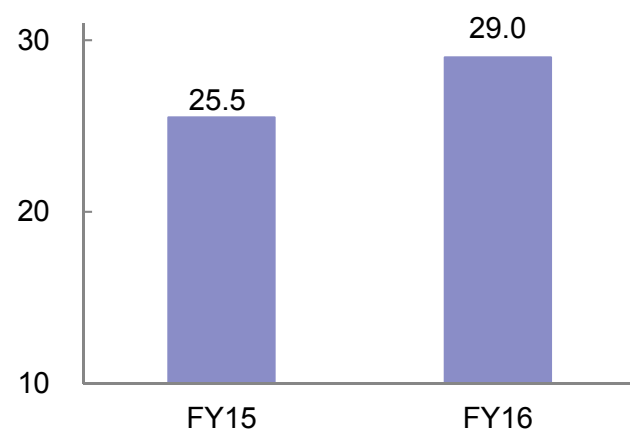


EUROMONEY cash management survey, global ranking

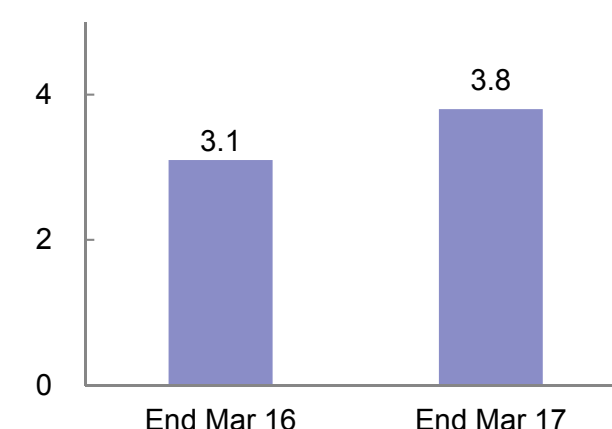
COMSUITE
GLOBAL TRANSACTION BANKING SOLUTIONS



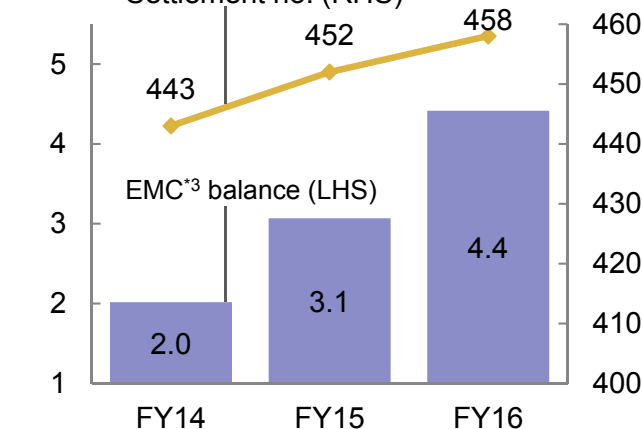
Over-seas Avg. balance of non-JPY deposits*1
(¥tn)



Over-seas Trade finance*2 balance*1
(¥tn)



**Dome-
stic** EMC*3 balance·settlement no*1
(¥tn) Settlement no. (RHS) (mm)



*1 Figures are on a managerial accounting basis and local currency basis

*2 Trade finance: Import / export LC and documentary collections, transactions under FI trade credit limits, open account trade finance, stand-by LC, bank guarantee

*3 EMC: Electronic Monetary Claim

Strengthen commercial banking platforms in Asia and the United States

– U.S. Business

- Focus on increasing fee income/deposit and cost management to improve profitability and generate sustainable growth

Consolidated results of Americas*1

	(¥bn)	FY15	FY16	
			Full	YoY
1	Gross Profits	639.5	698.5	59.0
2	Interest Income	433.5	471.7	38.2
3	Non- Interest Income	206.0	226.7	20.7
4	Operating Income	219.7	270.8	51.1
5	Average Lending Balance (tn)	17.8	19.9	2.0
6	Average Deposit Balance (tn)	15.4	16.6	1.2

Gathering deposits

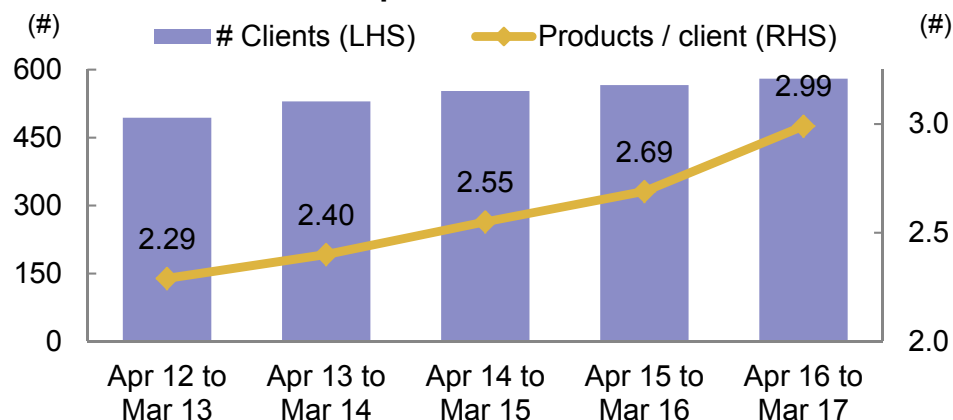
Offer online-banking services with a strategically located physical presence across the U.S.

PUREPOINT™
FINANCIAL



Client solutions

Products per client in Wholesale Bank*2



*1 Managerial accounting basis. Local currency basis. Business operations in the U.S., Canada and Latin America belonging to BTMU consolidated Global Banking Group

*2 U.S. Wholesale Banking clients that have been covered for the entire analysis period. Deposit-Only clients removed

Improving efficiency

Organization simplification

- Spans & layer recalibration - reduce number of managers
- Increase centralization of certain functions

Resource location strategy

- Increase ratio of workforce distributed in low cost geographies
- Offshoring / outsourcing

Third party spend

- Reduce business consulting spend

Other important business considerations

- Six Sigma process reengineering
- Rationalize certain non-core businesses
- Branch consolidations, self service banking

Strengthen commercial banking platforms in Asia and the United States

– Krungsri

- Support Thai corporate customers in their overseas expansion leveraging MUFG's global networks and capabilities
- NPL ratio maintained lower level

Strategic objectives*1

(THB bn)	FY15 (End Dec 15)	FY16 (End Dec 16)	FY17 Q1 (End Mar 17)	Change
Lending balance *2	1,303.5	1,448.9	1,432.0	(16.8)
Non-interest income	26.4	29.5	7.7	+0.6*3
CASA balance	539.0	583.9	575.8	(8.1)

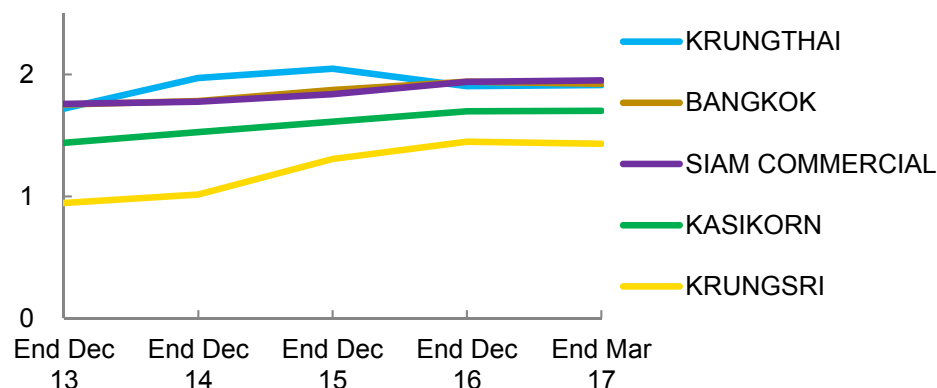
*1 All figures are based on Thai GAAP

*2 Loans to customers net of deferred revenue

*3 Year on Year

Lending balance comparison*4

(THB tn)



(Source) Company data.

*4 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

Major synergy transactions

Support cross border business of Thai Corporates



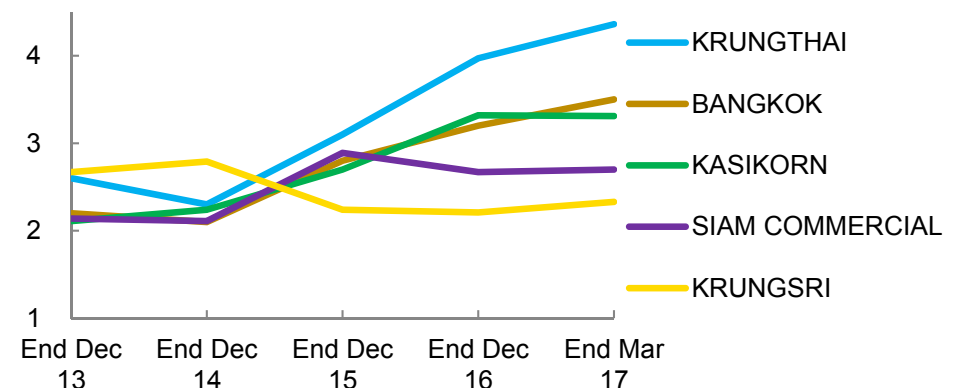
- Provided financial support to Central Group for its M&A deal for Big C Vietnam



- Supported Thai Union Group in international investment in US seafood restaurant chain Red Lobster

NPL ratio comparison

(%)



ICT strategy

– Progress in open innovation

API

Provision of “MUFG APIs”

MUFG {APIs}

- MUFG group companies open their APIs to external parties to deliver innovative services

Customers

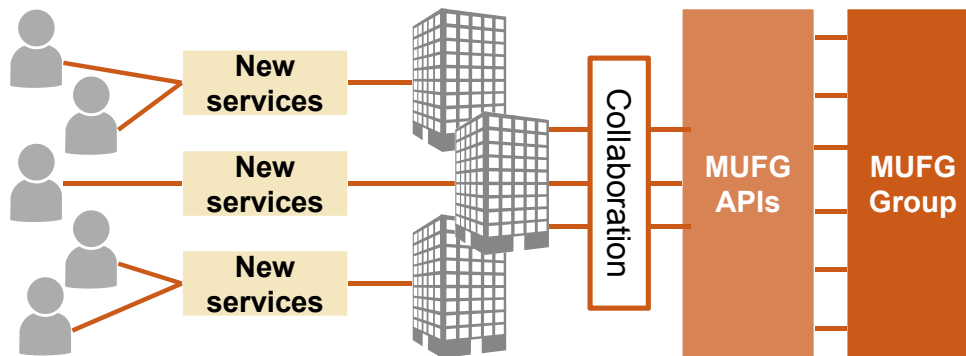
Enjoy improved/
secured services

Companies

Develop new
businesses

MUFG

Quick services
deployment



Companies*1

Service offering
(from Apr 17)



Under consideration



OHKEN **GMO** MEDIA



Blockchain

Participation in Ripple's global settlement network

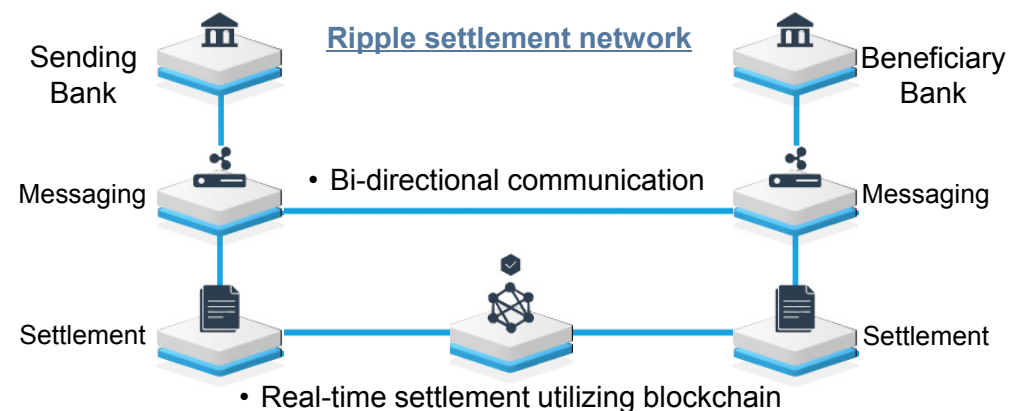


- The only Japanese bank participating in domestic and overseas councils
- Contribute to network rulemaking as first Asian member of global advisory group

Global Payments Steering Group*2

MUFG, BoA, CIBC, RBC, Santander, StanChart, Westpac

Evolutional settlement processing



- Implement quick, secure and efficient settlement
- Aim for commercial use, following pilot tests in FY17

*1 Companies developing or considering to develop businesses by utilizing Bank API (As of end Apr 17)

*2 A global advisory group of financial Institutions which contributes to defining rules, standards and governance for cross-border payments

ICT strategy

– Progress in open innovation

AI (Deep learning)

Collaboration with Alpaca



- Alpaca won second prize in MUFG's "Accelerator Program" held in Aug 16
- Leveraging its strengths in deep learning, involved in multiple projects at MUFG



Online trade

Provide chart image recognition service

Enhance individual investors' analysis capabilities



(Jibun Bank)

Foreign ccy deposit

Offer support tools (Market forecast utilizing AI)

Aim to provide deposit product using an AI-based investment decision assistant

Bank of Tokyo-Mitsubishi UFJ

Trading

- Establish market forecast model
- AI trader

Employ deep learning to realize automated and more efficient trading

Other initiatives and results

Major initiatives (from FY15H2)



Venture-affiliation website

A website for setting up partnerships with promising startups



Accelerator Program

Select a few of distinguished startups and helps them launch business



Hackathon

External developers compete to create innovative apps, with demonstration-use banking APIs

Results from collaboration with MUFG



Created AI-based financial analysis for individual investors



Operated a virtual coin scheme using the blockchain on a trial basis



Developed a dedicated MUFG website for promoting open innovation



Developed apps for assisting in the selection of investment trusts

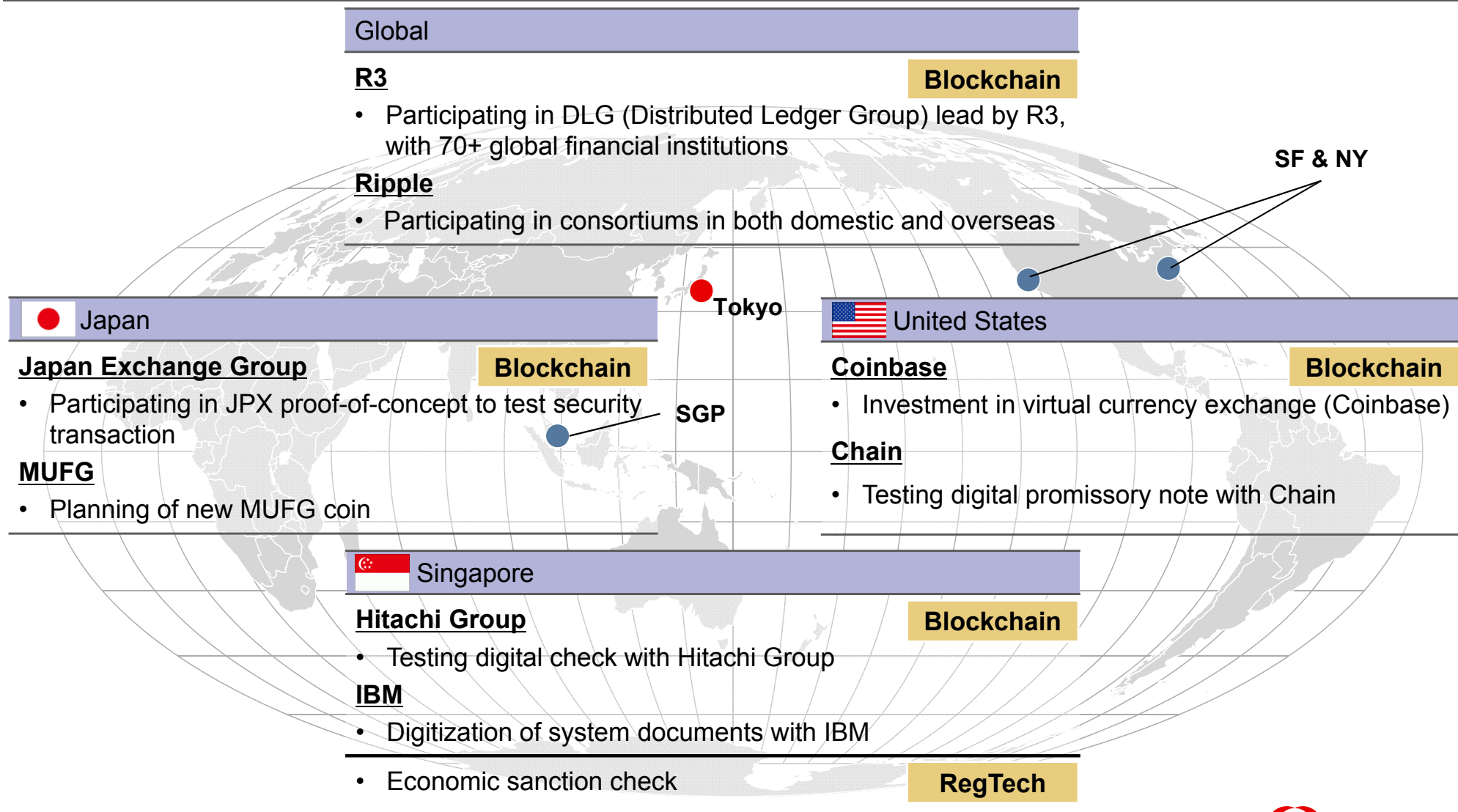
- **AI-based analysis has reached the commercial phase**
 - Radically enhances customer convenience
 - Improves operational efficiency while reducing cost

ICT strategy

- Ongoing projects in Japan and overseas

- MUFG employs its facilities around the globe to take part in multiple projects aimed at commercializing innovative solutions

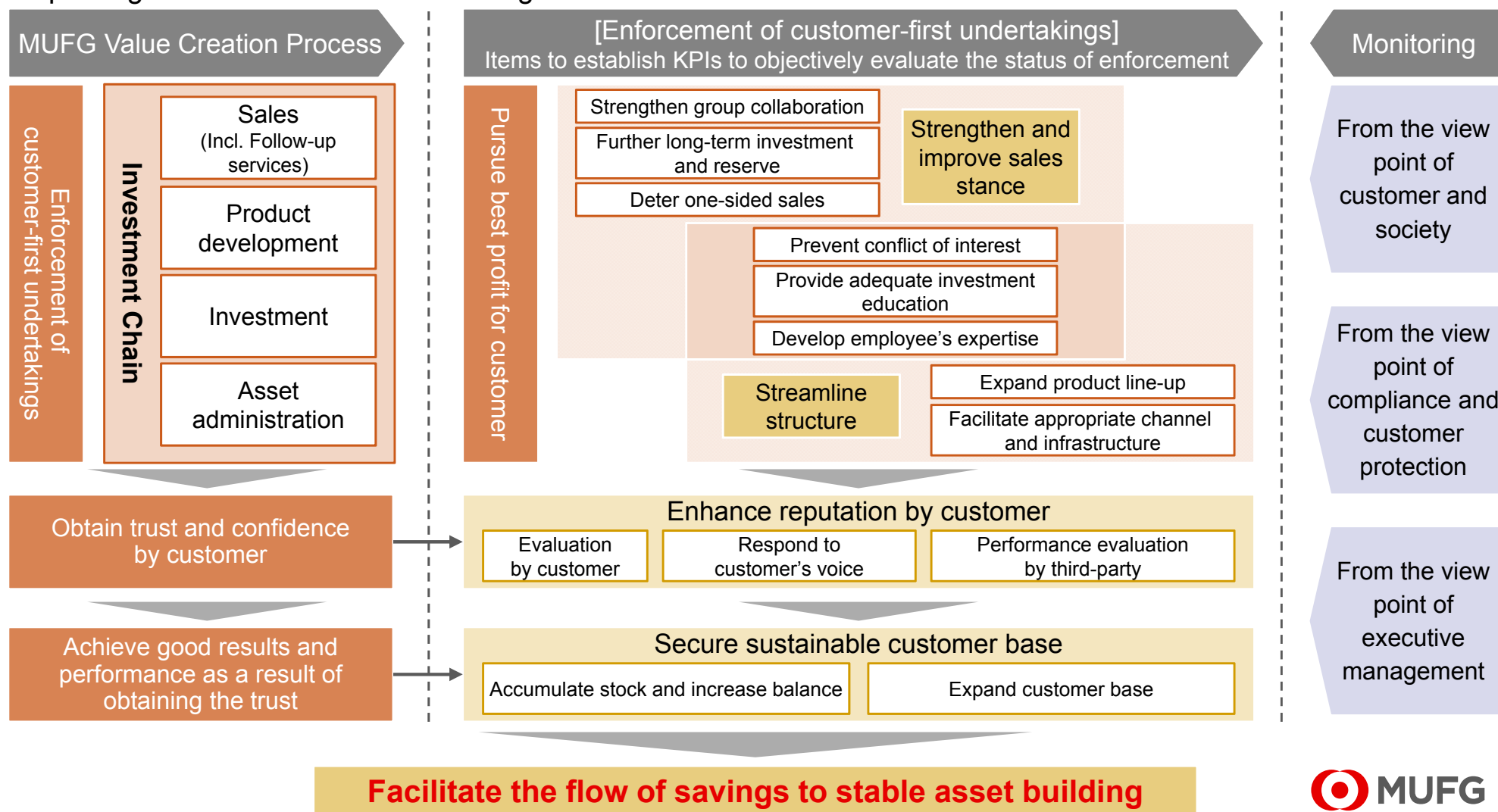
Key projects undertaken at facilities around the world



Enforcement of customer-first undertakings

- Revision of MUFG Basic Policy for Fiduciary Duties

- In response to the increasing importance of services for customers' stable asset building, fully enforce customer-first undertakings and facilitate the flow of savings to stable asset building
- Build long-term relationship with customer and aim at the realization of stable and sustainable business growth by enforcement of customer-first undertakings
- Establish and monitor KPIs to objectively evaluate the status of enforcements by each entity for strengthening and improving sales stance and streamlining structure

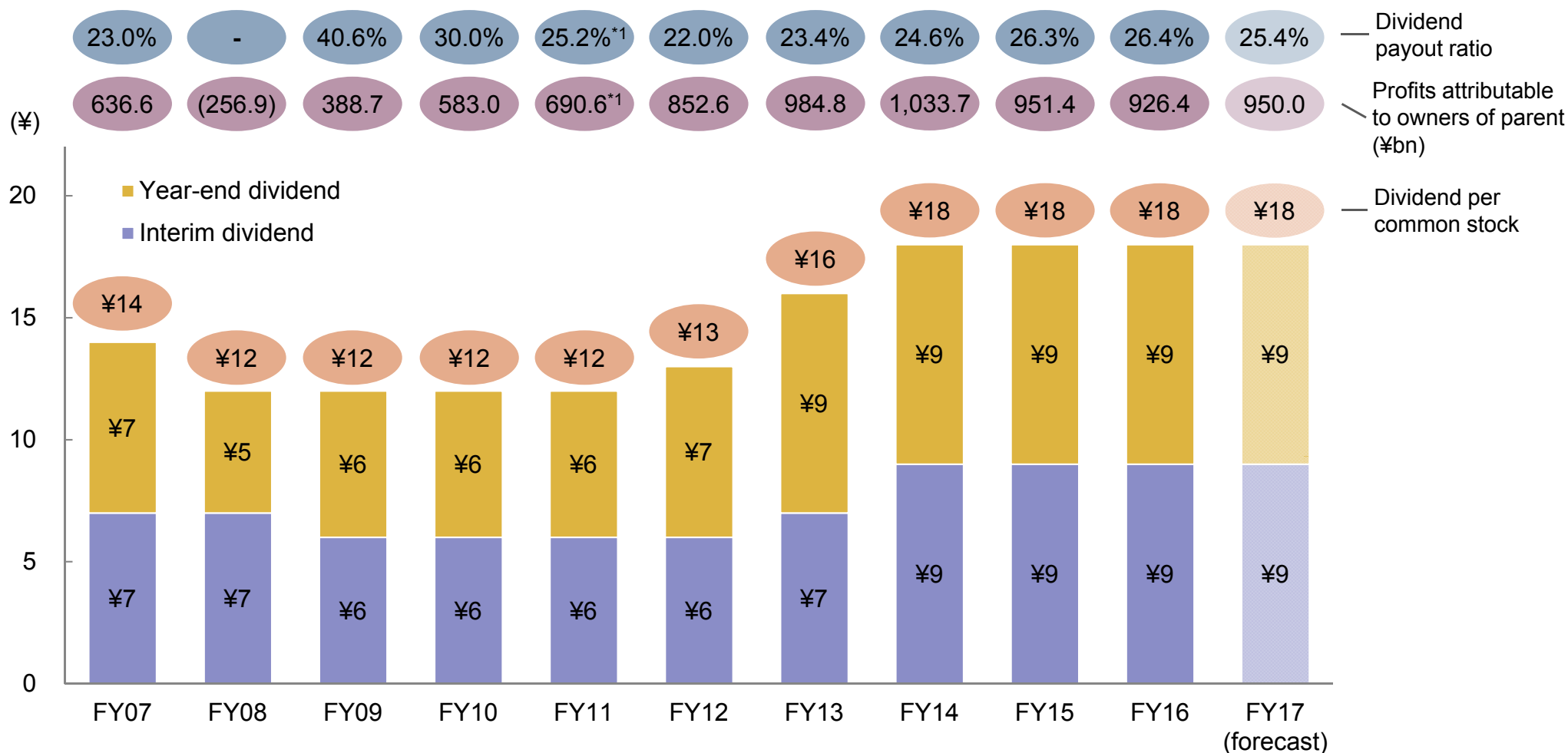


Capital Policy

Dividend forecast

- FY16 dividend is ¥18 per common stock. FY17 dividend forecast is ¥18 per common stock

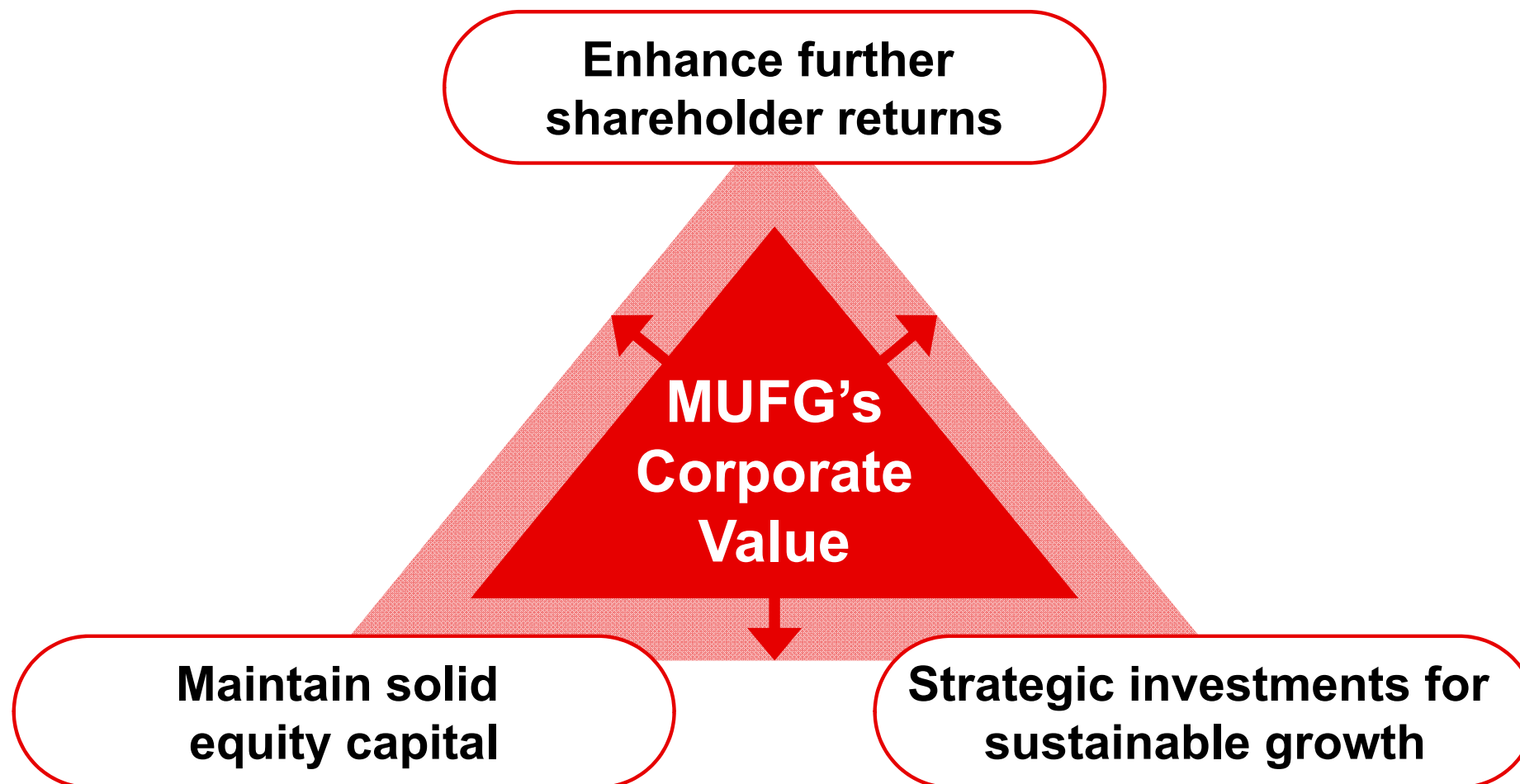
Result and forecast of dividend



*1 FY11 figures do not include one-time effect of negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

Capital policy

- Enhance further shareholder returns and make strategic investment for sustainable growth while maintaining solid equity capital



Outline of repurchase and cancellation of own shares

(Consolidated)

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

Outline of repurchase and cancellation of own shares

	FY14	FY15	FY16	FY17H1
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. ¥200.0 bn (Approx. ¥100.0 bn each on two occasions)	Up to ¥100.0 bn
Aggregate number of shares repurchased	Approx. 148.59 mm shares	Approx. 232.85 mm shares	Approx. 332.85 mm shares	Up to 200 mm shares <u>(All of the shares to be cancelled)</u>

(Ref) As of April 30, 2017

Total number of issued shares (excluding own shares):

13,462,290,580 shares

Number of own shares held by MUFG:

706,563,240 shares

(Ref)	FY14	FY15	FY16
Total payout ratio	34.2%	47.2%	47.9%

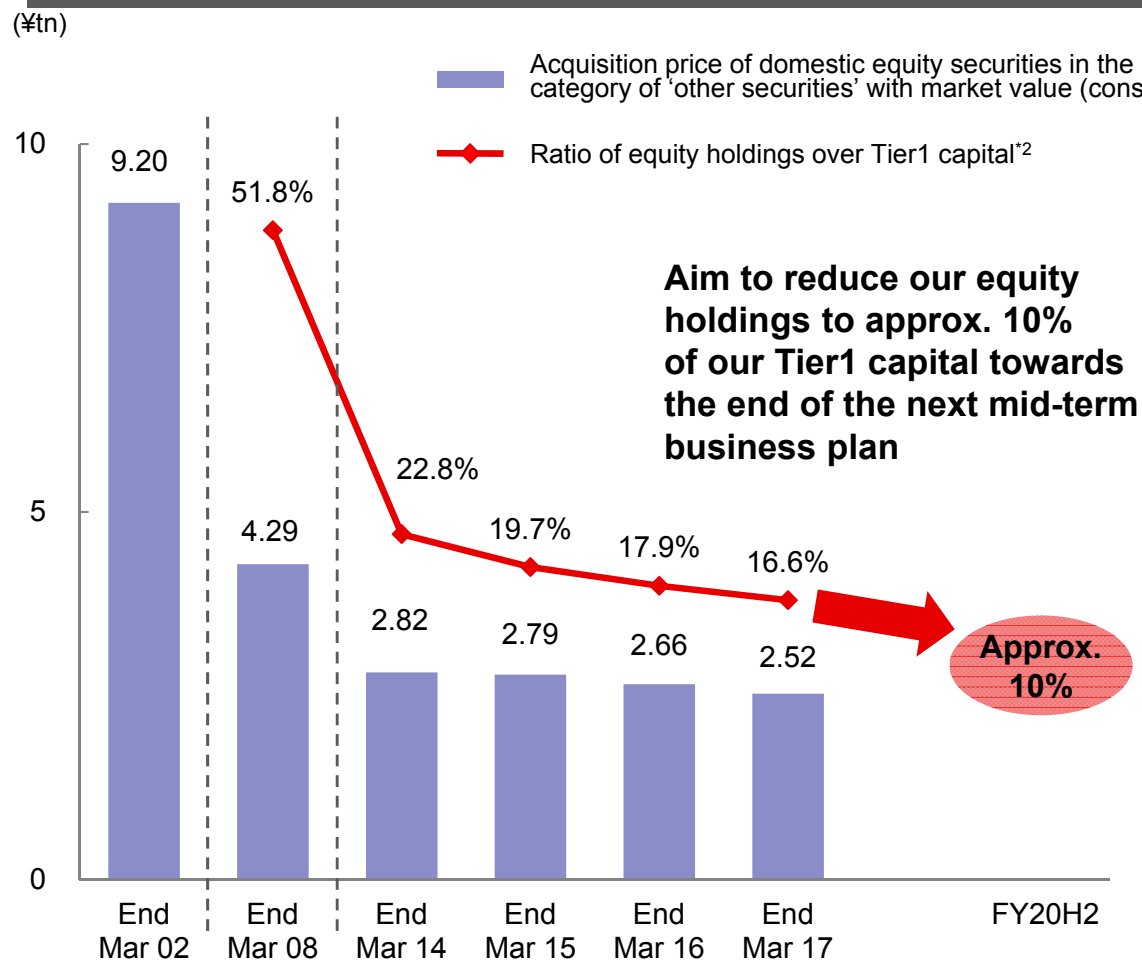
Cancellation of own shares

Retain own shares of approximately 5% of the total number of issued shares at maximum and cancel the shares exceeding the threshold

Reduction of equity holdings

- Our basic policy is reducing the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- Approx. ¥149 bn^{*1} equities were sold in FY16

Reduction of equity holdings



Ref. Approx. selling amount of equity holdings

	Selling amount	Acquisition cost basis	Net gains (losses)
FY15	¥211 bn	¥117 bn	¥94 bn
FY16	¥267 bn	¥149 bn	¥118 bn
Total	¥478 bn	¥266 bn	¥212 bn

*1 Sum of BTMU and MUTB

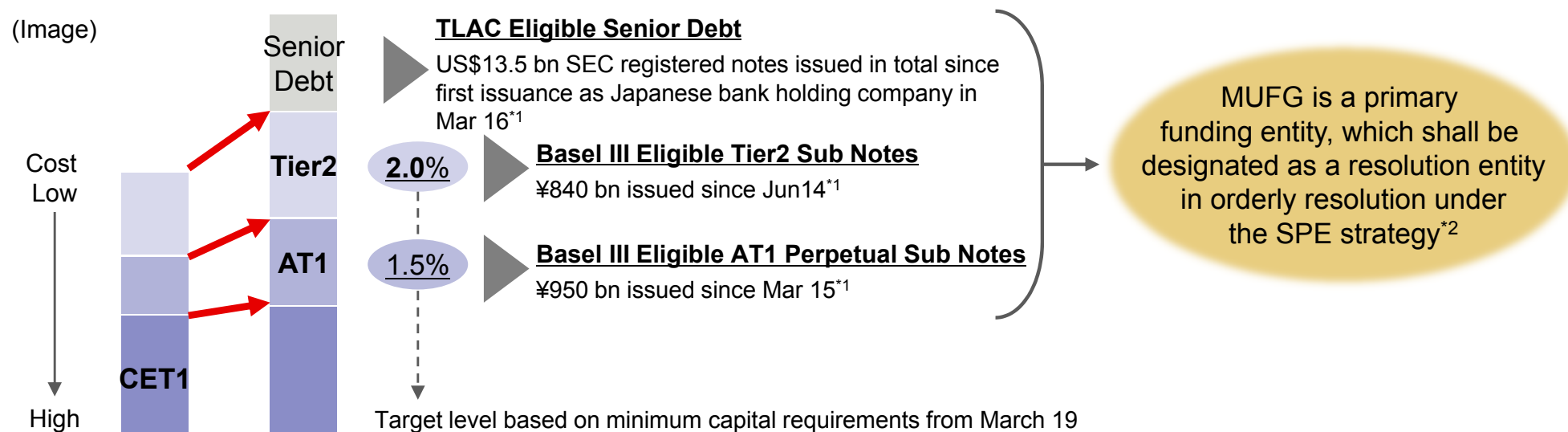
*2 Under Basel 2 basis until end Mar 12 (consolidated)

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

Best capital mix among CET1, AT1 and Tier2



Ref. estimated TLAC ratio*3

As of end Mar 17	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 Mar 17

TLAC Ratio = Total capital ratio (15.85%) – Capital conservation buffer (2.5%) – G-SIB surcharge (1.5%) + Contribution of Deposit Insurance Fund Reserve (2.5%) + TLAC eligible debt (1.37%) – Other adjustments, etc.

Ref. minimum TLAC requirements

	from Mar 19	from Mar 22
TLAC requirement	16.0%	18.0%

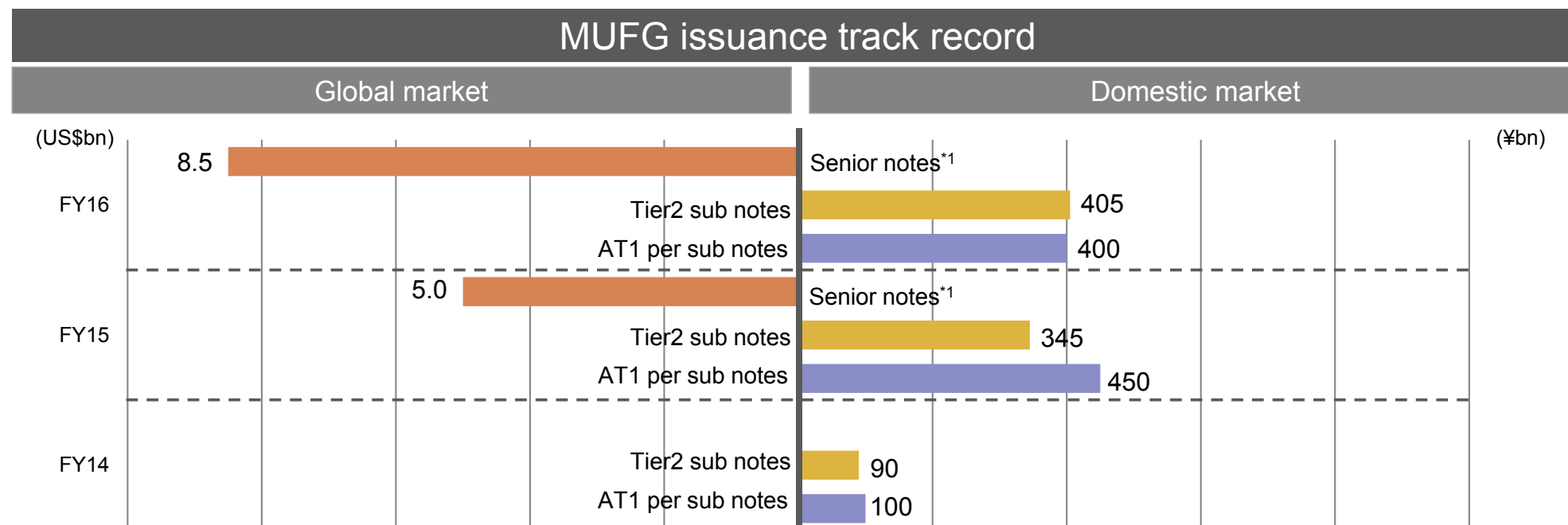
*1 Accumulated amount as of end Mar 17

*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

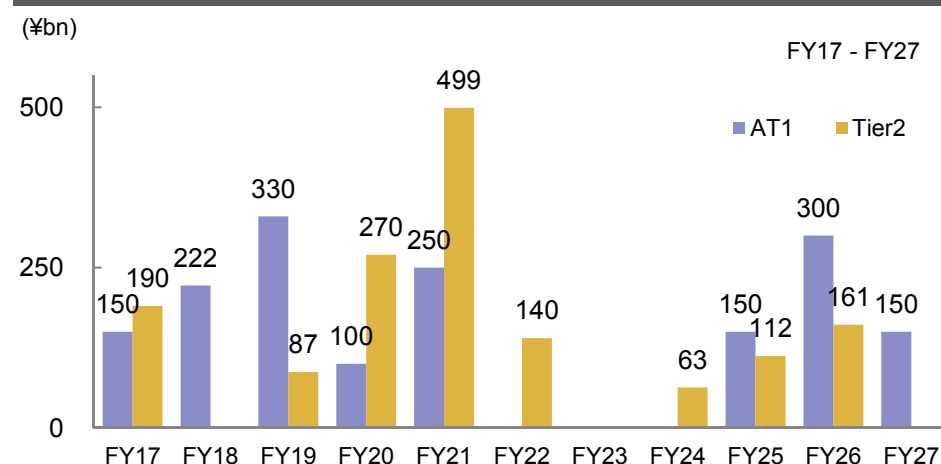
*3 Figure contains 2.5% portion of RWA, which is expected to be counted as TLAC after Mar 19 based on the prospect that the relevant authorities agree that the Japanese Deposit Insurance Fund Reserves satisfy as credible ex-ante commitments specified in TLAC Term Sheet. This will add another 1.0% of 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

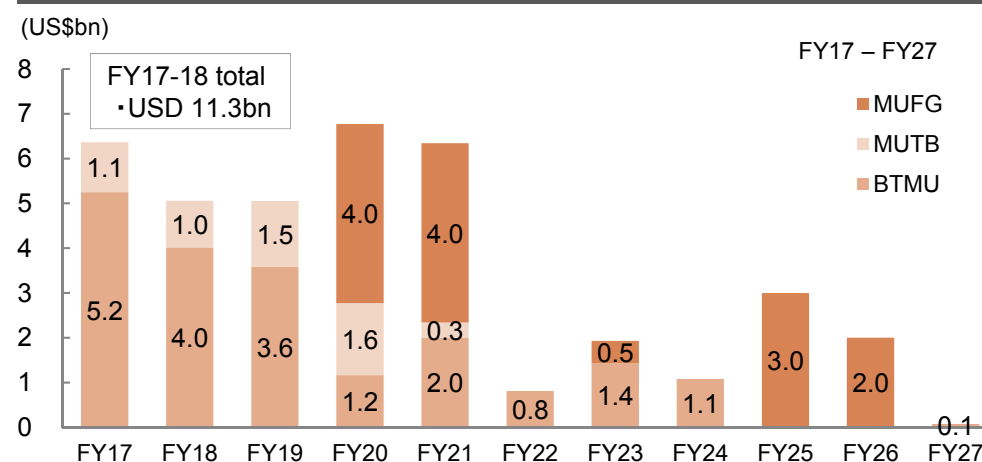
– MUFG issuance track record in both domestic and global markets and redemption schedule



MUFG / BTMU / MUTB AT1, Tier2 call / redemption schedule*2



MUFG / BTMU / MUTB senior unsecured bond redemption schedule*3



*1 Total of public issuance

*2 Figures are as of end Mar 17 assuming that all callable notes are to be redeemed on its first callable date. AT1 and Tier2 contain Basel II Tier1 preferred securities and Basel II Tier2 sub notes respectively

*3 Figures are all converted into US\$ with actual exchange rates as of end Mar 17. Excluding structured bond and notes issued by overseas branches and subsidiaries

Corporate Governance

Corporate governance

- Strengthening oversight function by outside directors

- Considering outside directors' areas of specialty and the diversity of their backgrounds, increase the number of outside directors subject to approval at the Annual General Meeting of Shareholders in Jun 17

Outside directors (candidates for AGM in Jun 17)

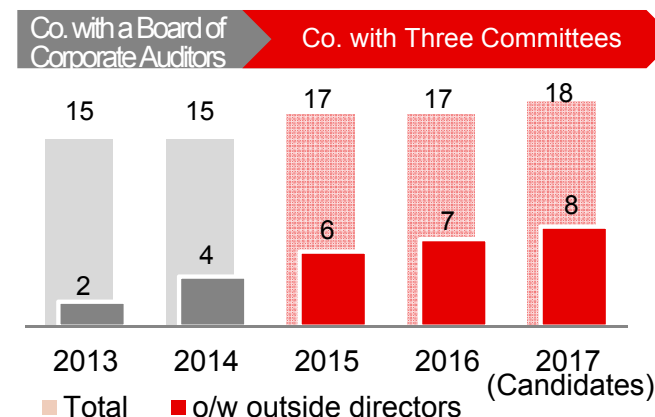
Candidate's Name		Current position and responsibilities at the Company (Before 2017 AGM)	Expertise				
			Admin.	Business	Finance	Accounting	Law
1 Hiroshi Kawakami	Reelected Independent	Outside director Nominating, Compensation, Audit	●	-	-	-	-
2 Yuko Kawamoto	Reelected Independent	Outside director Nominating, Compensation, Risk (Chair)	-	●	-	-	-
3 Haruka Matsuyama	Reelected Independent	Outside director Nominating, Compensation	-	-	-	-	●
4 Toby S. Myerson	Newly elected Independent	-	-	-	-	-	●
5 Tsutomu Okuda	Reelected Independent	Outside director Nominating (Chair), Compensation, Risk	●	-	-	-	-
6 Yukihiro Sato	Reelected Independent	Outside director Audit	●	-	-	●	-
7 Tarisa Watanagase	Newly elected Independent	-	-	●	-	-	-
8 Akira Yamate	Reelected Independent	Outside director Audit (Chair)	-	-	-	●	-

Nominating: Nominating and Governance Committee member
Compensation: Compensation Committee member

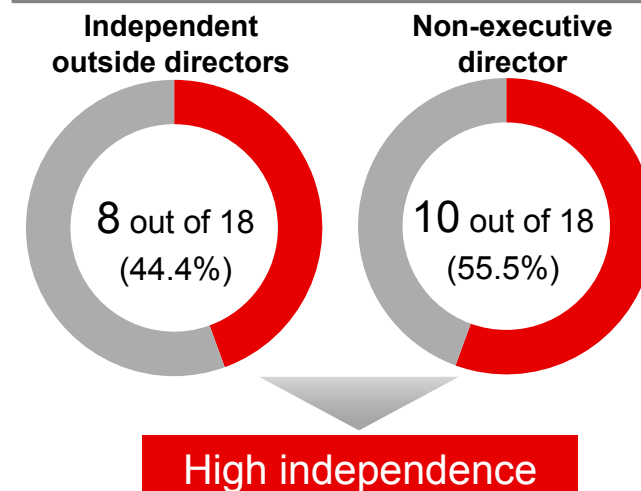
Audit: Audit Committee member
Risk: Risk Committee member

Board structure

Numbers of the Board members



Ratio



Corporate governance

- Globalization of the Board of Directors

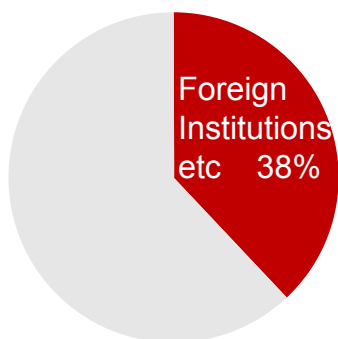
- Strengthen corporate governance further by appointing highly experienced executives under an increasingly globalized and diversified business environment
- New candidates of outside directors are a corporate law professional and a former central bank governor

Globalization of the Board of Directors

- Approximately 40% of MUFG business bases are located overseas
- The appointment of outside directors from Asia as MUFG's second mother market and North America strengthens further the supervisory function of the Board of Directors



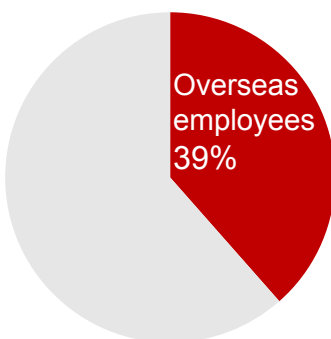
Share ownership*¹



Net operating profit of customer segments*¹



Group employees*²



*¹ As of end Mar 17

*² As of end Mar 16

New candidates of outside directors



- **Toby S. Myerson**
 - ✓ Former partner of Paul Weiss
 - ✓ Chairman and CEO of Longsight Strategic Advisors LLC
 - ✓ Outside director of MUAH and MUB
- Experience
 - ✓ More than three decades of experience as lawyer
 - ✓ Professional knowledge in the areas of the US corporate law and global M&A



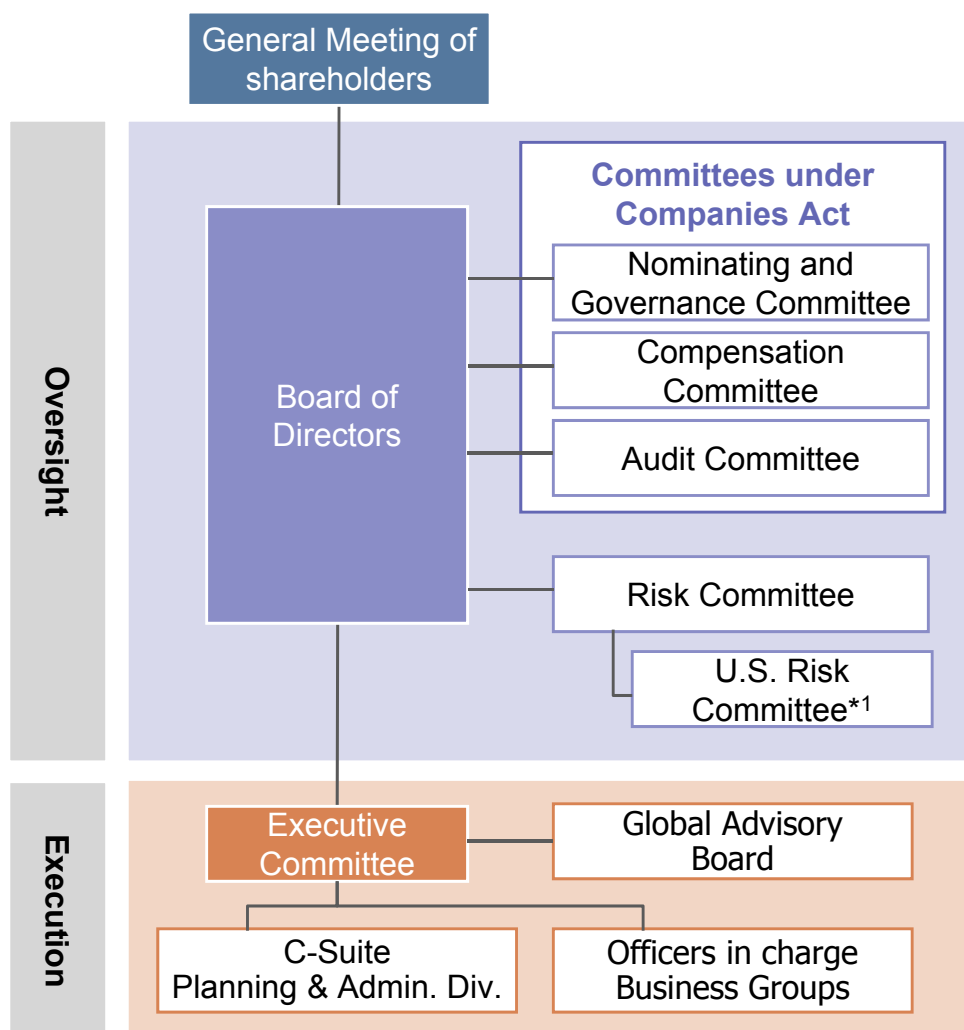
- **Tarisa Watanagase**
 - ✓ Former Governor of the Bank of Thailand
 - ✓ Independent Director, The Siam Cement Public Company Limited
- Experience
 - ✓ More than three decades of experience as central banker
 - ✓ Professional knowledge in the areas of monetary policy and economics

Corporate governance

- Structure

- All committees under the Board of Directors are chaired by outside directors
- To ensure stable management succession, the Nominating and Governance committee takes measures to enhance top management appointing process

MUFG Governance structure



*¹ Established to comply with U.S. Enhanced Prudential Standard

Chairpersons of committees under the Board of Directors*²

Nominating and Governance Committee	Tsutomu Okuda	MUFG outside director
Compensation Committee	Haruka Matsuyama	MUFG outside director
Audit Committee	Akira Yamate	MUFG outside director
Risk Committee	Yuko Kawamoto	MUFG outside director
U.S. Risk Committee	Christine Garvey	MUFG outside director

Activities of Nominating and Governance Committee

- Identifies ideal traits for key managerial positions and formulates standards to evaluate them, with outside directors taking initiative
- Appoints top management leaders; to this end:
 - ✓ Conducts face-to-face interviews with multiple candidates screened by the execution team via a 360-degree evaluation, with the aim of securing accountability
 - ✓ To ensure stable management succession, identifies the most promising candidates at earlier stages in their careers, with outstanding individuals being referred to outside directors, who, in turn, provide the execution team with advice on how they should be trained

*² The chairpersons will be appointed in each committee following the AGM in Jun 17

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 agendas 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

Improvement of the BoD meeting

- Focus more on crucial issues by reviewing / optimizing agendas

	Before (FY14 ^{*1})	After (FY16 ^{*2})
Number of meetings held	14	7
Number of agenda items	210	Approx. 80
Avg. duration of regular BoD meetings	2.5 hours	5 hours
Volume of pages included in meeting materials (annual total)	Approx. 1,200	Approx. 300

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 chairperson and the president by a lead independent outside director

Evaluation framework for the BoD’s operations

- Improving the BoD’s operations in the PDCA cycle

Interviews with directors and reporting by external consultants

Deliberation by the Nominating and Governance Committee

Deliberation by the BoD

Activities of outside directors

- In addition to the BoD meetings and statutory committee meetings, the following meetings are held to discuss MUFG’s strategies and challenges going forward

Activities	Contents
Strategic Off-site Meeting	Incorporating outside directors’ perspectives <ul style="list-style-type: none"> • Outside directors and Group executives meet on holidays to intensively discuss such themes as “MUFG Re-Imagining Strategy” and “Global human resource strategies”
Discussions with MUAH outside directors	Stepping up information gathering <ul style="list-style-type: none"> • MUAH outside directors, who are well-versed in policies of U.S. authorities, bring their input into discussions on corporate governance
MUFG Investors Day	Face-to-face dialogue with institutional investors <ul style="list-style-type: none"> • Outside director Tsutomu Okuda^{*3} gives a presentation and leads Q&A sessions on MUFG’s corporate governance
MUFG Management Meeting	Communication with execution team members <ul style="list-style-type: none"> • All Group directors and executives meet and discuss Group policies and the challenges • Outside directors give presentations to bring their insights

^{*1} Jun 14 to Mar 15

^{*2} Jun 16 to Mar 17

^{*3} Lead independent outside director,
Chairperson of Nominating and Governance Committee

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
- Transit from existing stock compensation type stock option (issued 9 times) to the stock compensation plan using a trust structure

Outline

	Linked contents	Share delivery
	Indices	
Linked to financial results (Performance share plan)	Linked to mid- to long-term improvement of financial results <ul style="list-style-type: none"> ■ EPS growth ratio 	Delivered to all directors when mid-term business plan ends
	Linked to single year improvement of financial results <p>Growth of indices below are considered</p> <ol style="list-style-type: none"> 1) Consolidated net business profit 2) Consolidated net income 3) Market capitalization 	
Fixed (Restricted stock plan)	<ul style="list-style-type: none"> ■ Shares are to be delivered in accordance with the rank 	Delivered to retiring directors

Concept

- Designed based on performance share plans and restricted stock plans in the U.S.
- Corresponding to the principle of Japan's Corporate Governance Code "incentives such that it reflects mid- to long-term business results and potential risks, as well as promotes healthy entrepreneurship"
- MUFG shares, acquired and managed by trustee in advance, are to be delivered in accordance with the rank and the financial achievements
- The way to measure financial achievements is as follows

Linked to mid- to long-term improvement of financial results	<ul style="list-style-type: none"> • <u>EPS growth ratio</u>, one of financial targets in MUFG mid-term business plan
Linked to single year improvement of financial results	<ul style="list-style-type: none"> • 1) <u>Consolidated net business profit</u>, 2) <u>Consolidated net income</u> and 3) <u>Market capitalization</u> • Considering both market environment and competitors, evaluated by achievement level compared with peer banks