



IR Presentation

September, 2018



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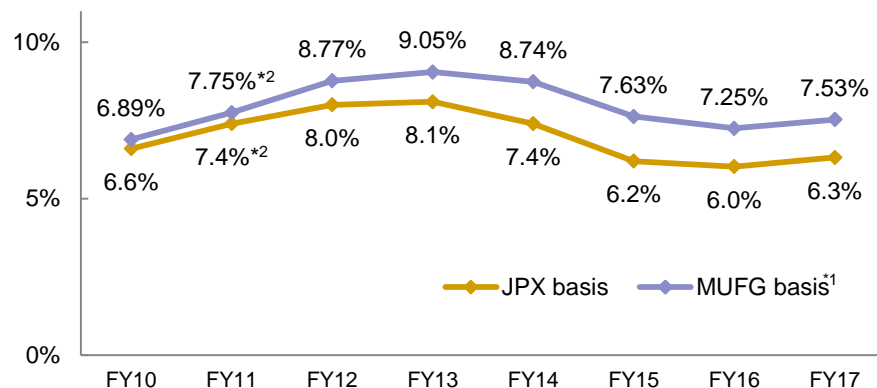
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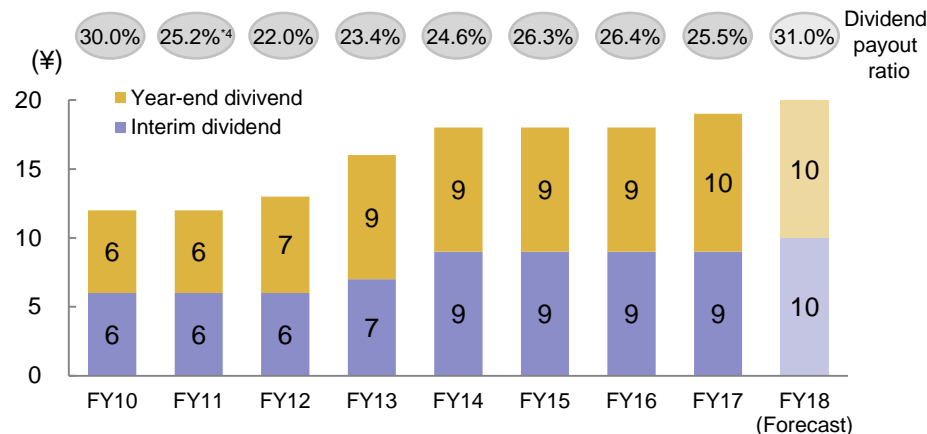
Definitions

• Consolidated:	Mitsubishi UFJ Financial Group (consolidated)		
• Non-consolidated:	Simple sum of MUFG Bank (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)		
• the Bank (consolidated):	MUFG Bank (consolidated)		
• MUFG:	Mitsubishi UFJ Financial Group	• R&C :	Retail & Commercial Banking
• the Bank (BK):	MUFG Bank	• JCIB:	Japanese Corporate & Investment Banking
• the Trust Bank (TB):	Mitsubishi UFJ Trust & Banking Corporation	• GCIB:	Global Corporate & Investment Banking
• the Securities HD (SCHD):	Mitsubishi UFJ Securities Holdings	• GCB:	Global Commercial Banking
• MUMSS:	Mitsubishi UFJ Morgan Stanley Securities	• AM/IS:	Asset Management & Investor Services
• MSMS:	Morgan Stanley MUFG Securities		
• NICOS:	Mitsubishi UFJ NICOS		
• MUAH:	MUFG Americas Holdings Corporation		
• KS:	Bank of Ayudhya (Krungsri, KS)		

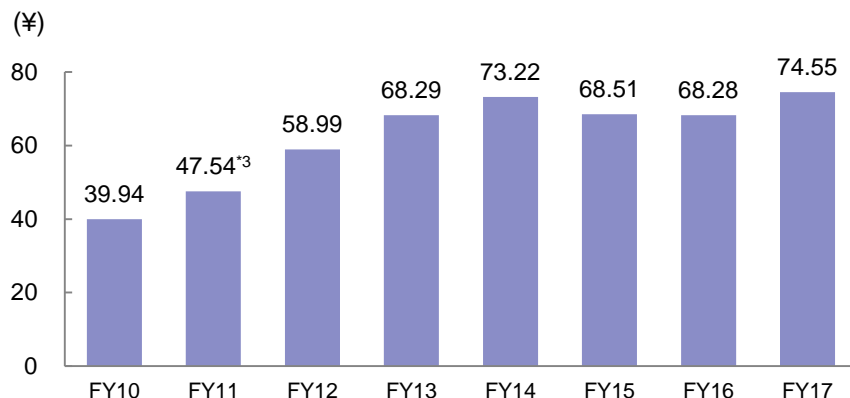
ROE



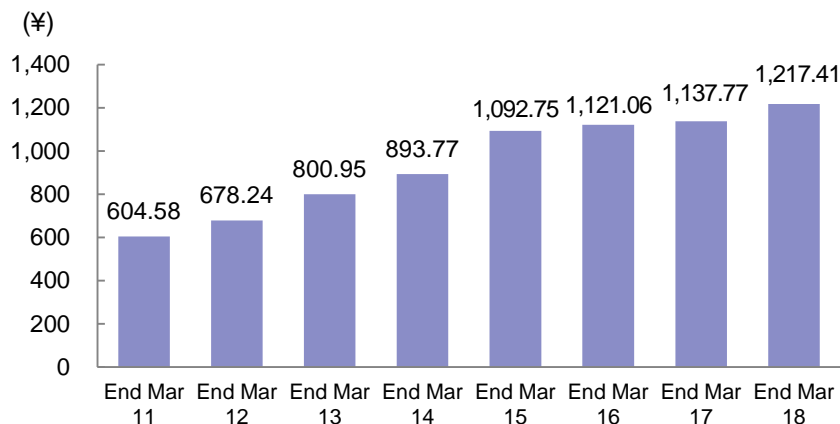
Dividend per share / Dividend payout ratio



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

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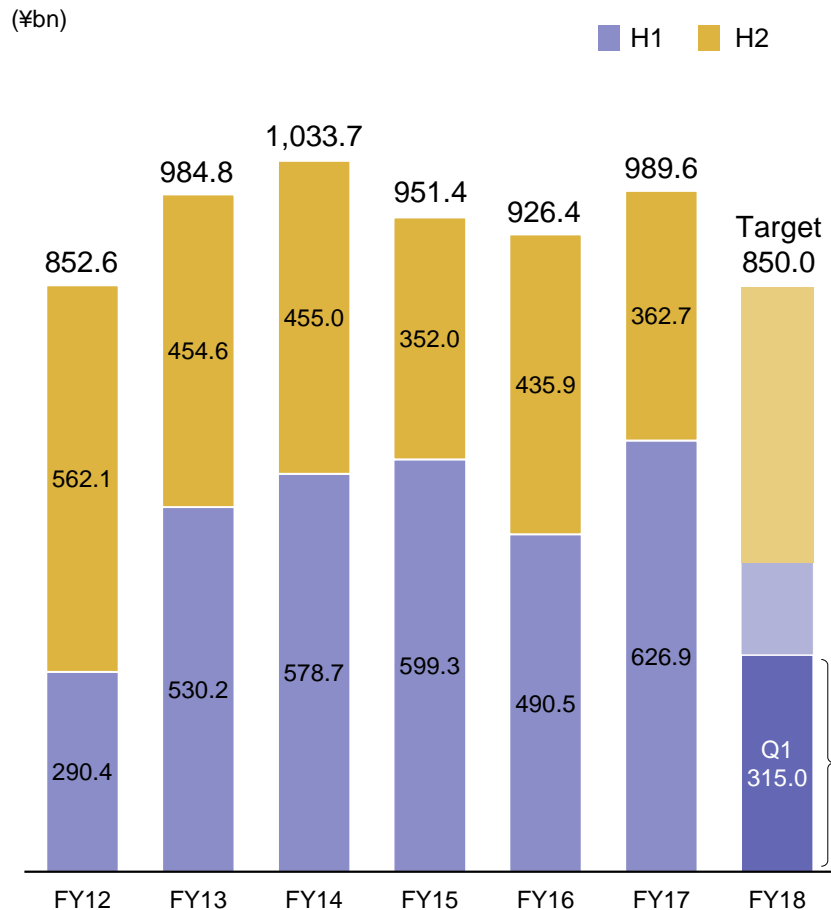
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Outline of FY2018 Q1 Results

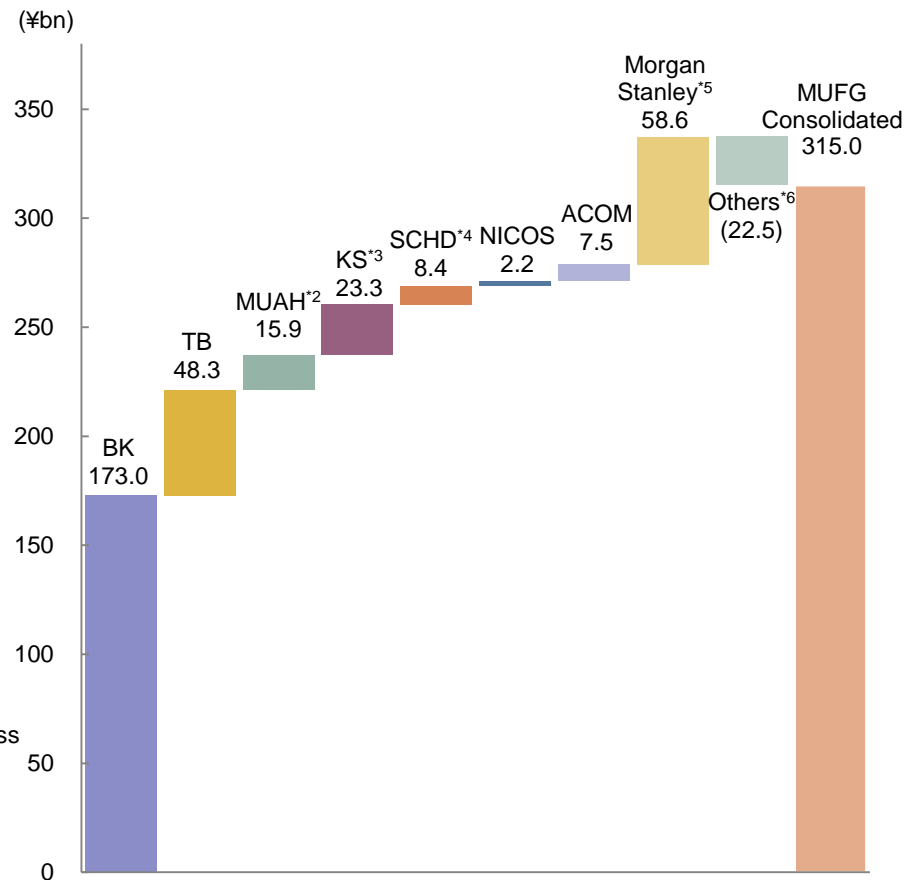
Outline of FY2018Q1 results

(Consolidated)

History of profits attributable to owners of parent



Breakdown of FY18Q1 profits attributable to owners of parent*1



*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 Mitsubishi UFJ Securities Holdings Co., Ltd

*5 The figure includes ¥15.2bn of losses on change in equity

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

Income statement summary

(Consolidated)

● Gross profits

- Gross profits decreased by ¥61.3bn from FY17Q1
- This decrease was mainly due to a decrease in net gains on debt securities relating to domestic bonds, partially offset by increases in net interest income from overseas loans and deposits as well as fees and commissions

● Expenses

- G&A expenses slightly increased from FY17Q1
- Expense ratio rose to 69.6% mainly due to a decrease in gross profits

● Profits attributable to owners of parent

- Net operating profits decreased by ¥62.7bn
- Profits attributable to owners of parent increased by ¥25.9bn from FY17Q1. This increase was mainly attributable to the improvement of credit costs and an increase in net gains on equity securities reflecting the sales of equity holdings

	(¥bn)	FY17Q1	FY18Q1	YoY
1	Gross profits (Before credit costs for trust accounts)	1,004.3	942.9	(61.3)
2	Net interest income	462.5	480.5	17.9
3	Trust fees + Net fees and commissions	327.6	343.3	15.7
4	Net trading profits + Net other operating profits	214.1	119.0	(95.1)
5	Net gains (losses) on debt securities	91.2	22.5	(68.6)
6	G&A expenses	655.2	656.5	1.3
7	Net operating profits	349.0	286.3	(62.7)
8	Total credit costs ^{*1}	(20.0)	24.5	44.6
9	Net gains (losses) on equity securities	24.2	62.3	38.1
10	Net gains (losses) on sales of equity securities	27.6	64.1	36.4
11	Losses on write-down of equity securities	(3.3)	(1.7)	1.6
12	Profits (losses) from investments in affiliates	68.0	84.4	16.4
13	Other non-recurring gains (losses)	(23.8)	(38.0)	(14.1)
14	Ordinary profits	397.4	419.8	22.3
15	Net extraordinary gains (losses)	(20.9)	(14.0)	6.9
16	Total of income taxes-current and income taxes-deferred	(62.3)	(65.3)	(2.9)
17	Profits attributable to owners of parent	289.0	315.0	25.9
18	EPS (¥)	21.59	23.99	2.40

*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

Balance sheets summary

(Consolidated)

● Loans (Banking + Trust accounts)

- Increased from the end of March 2018 mainly due to an increase in overseas loans

● Investment securities

- Decreased from the end of March 2018 mainly due to decreases in Japanese government bonds and foreign bonds

● Deposits

- Decreased from the end of March 2018 mainly due to decreases in domestic corporate and overseas deposits

● Net unrealized gains (losses) on available-for-sale securities

- Decreased from the end of March 2018 mainly due to declines in net unrealized gains (losses) for foreign equity securities and foreign bonds

	(¥bn)	End Mar 18	End Jun 18	Change from End Mar 18
1 Total assets		306,937.4	299,107.4	(7,829.9)
2 Loans (Banking + Trust accounts)		108,397.7	108,675.1	277.4
3 Loans (Banking accounts)		108,090.9	108,313.9	222.9
4 Housing loans^{*1}		15,453.9	15,332.9	(121.0)
5 Domestic corporate loans^{*1*2}		44,458.0	44,461.4	3.4
6 Overseas loans^{*3}		42,949.3	43,237.7	288.4
7 Investment securities (Banking accounts)		59,266.1	55,874.7	(3,391.4)
8 Domestic equity securities		6,378.5	6,456.8	78.3
9 Japanese government bonds		23,551.3	21,160.1	(2,391.2)
10 Foreign bonds		18,569.3	16,881.5	(1,687.7)
11 Total liabilities		289,642.3	282,051.8	(7,590.5)
12 Deposits		177,312.3	175,683.2	(1,629.0)
13 Individuals^{*4} (Domestic branches)		75,302.5	76,289.8	987.2
14 Corporations and others^{*4}		63,134.6	62,329.0	(805.5)
15 Overseas and others^{*4}		21,722.6	21,286.3	(436.2)
16 Total net assets		17,295.0	17,055.6	(239.3)
17 Net unrealized gains (losses) on available-for-sale securities		3,517.4	3,435.5	(81.8)

*1 Non-consolidated + trust accounts

*2 Excluding loans to government and governmental institutions

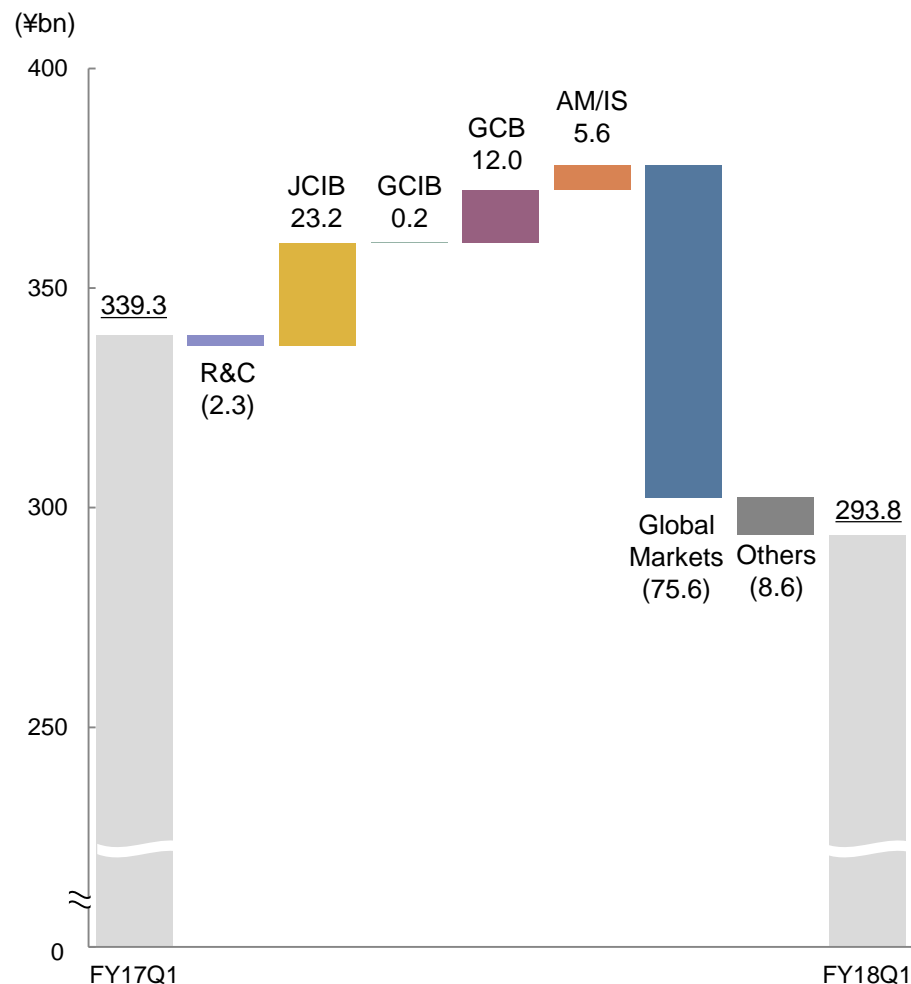
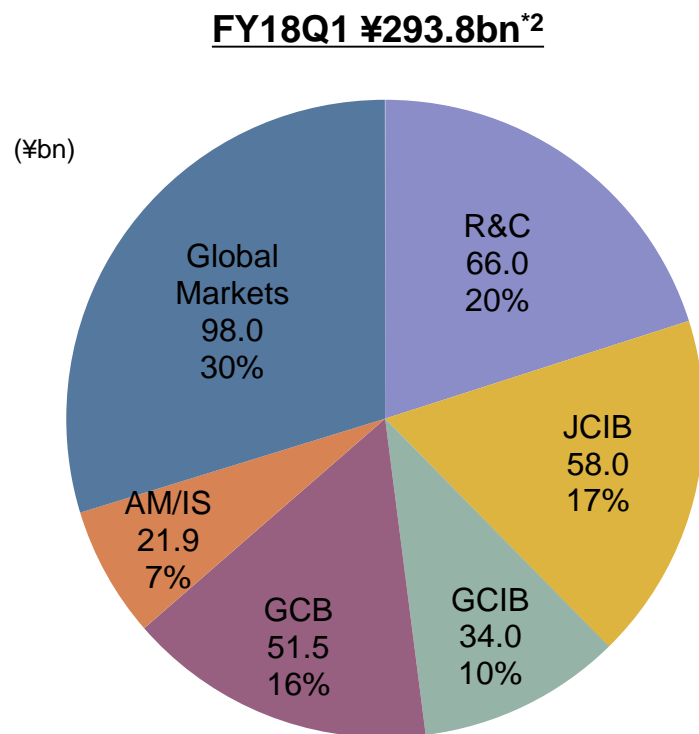
*3 Loans booked in overseas branches, MUFG, KS, the Bank (China), the Bank (Malaysia) and the Bank (Europe)

*4 Non-consolidated

Outline of results by business segment

(Consolidated)

Net operating profits by business segment*1



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

*2 Including profits or losses from others

● Loan balance ¥108.6tn^{*1} (increased by ¥0.2tn from Mar 18)

<Breakdown of Change>

- Housing Loan (¥0.1tn)
- Domestic Corporate^{*2} +¥0.0tn
Excl. Impact of foreign exchange fluctuation (¥0.3tn)
- Government (¥0.2tn)
- Overseas^{*3} +¥0.2tn
Excl. Impact of foreign exchange fluctuation +¥0.5tn

*1 Sum of banking and trust accounts

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

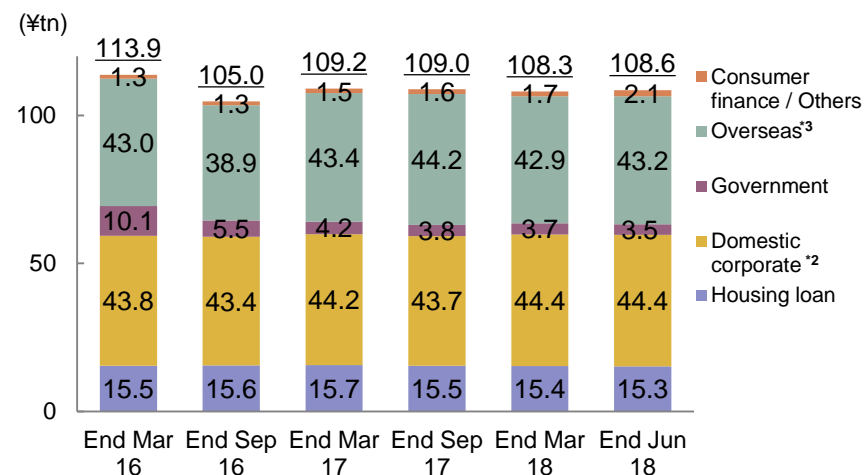
*3 Loans booked in overseas branches, MUAH, Krungsri, the Bank (China), the Bank (Malaysia) and the Bank (Europe)

● Deposit balance ¥175.6tn (decreased by ¥1.6tn from Mar 18)

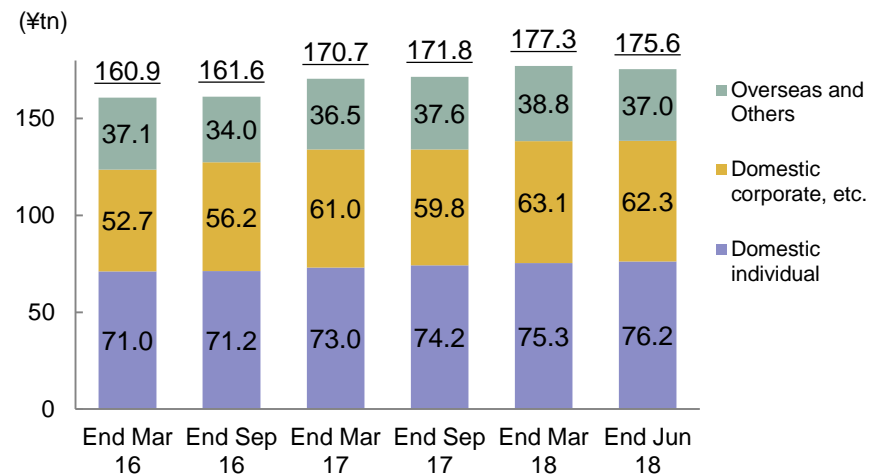
<Breakdown of Change>

- Domestic Individual +¥0.9tn
- Domestic Corporate, etc. (¥0.8tn)
- Overseas and Others (¥1.8tn)
Excl. Impact of foreign exchange fluctuation (¥1.1tn)

Loans (Period end balance)^{*1}



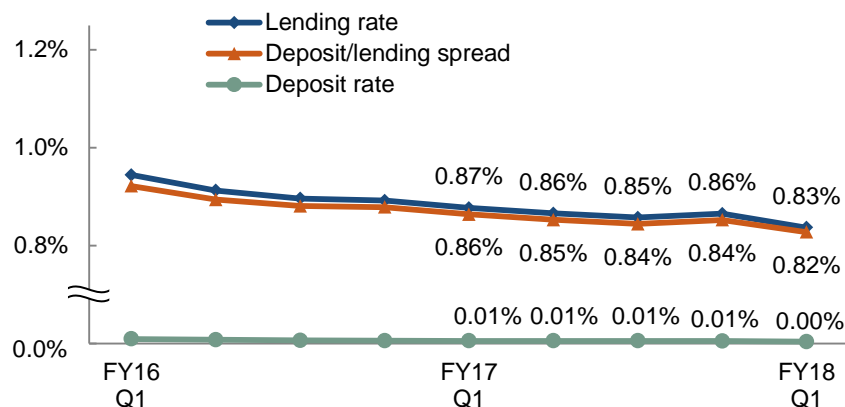
Deposits (Period end balance)



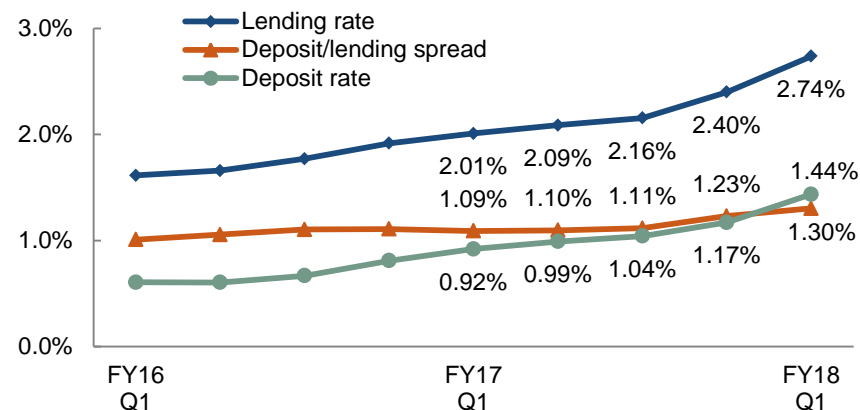
Deposit / lending rate

(Non-consolidated)

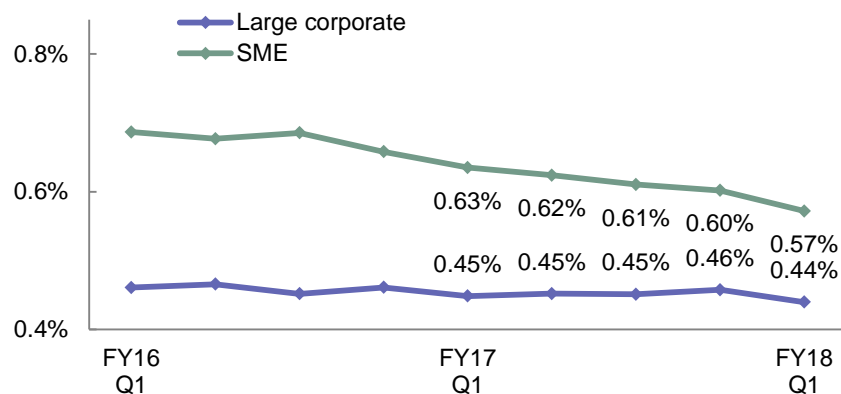
Changes in domestic deposit/lending rate^{*1*2}



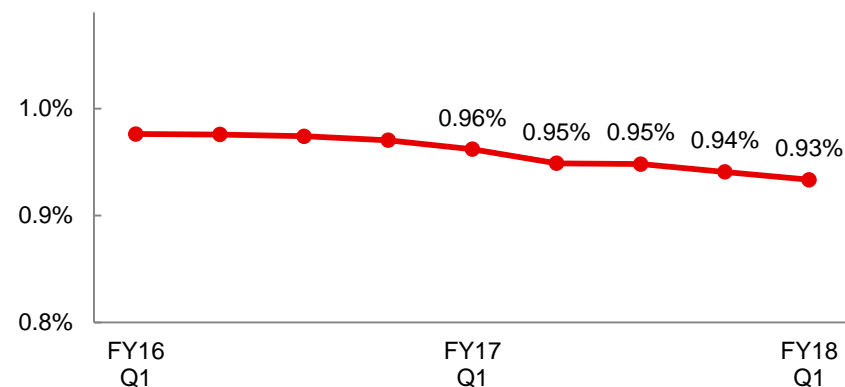
Changes in overseas deposit/lending rate^{*1}



Domestic corporate lending spread^{*1*2}



Overseas corporate lending spread^{*1*3*4}



*1 Managerial accounting basis

*2 Excluding lending to government etc.

*3 MUFG Bank consolidated basis. Excluding MUAH, KS

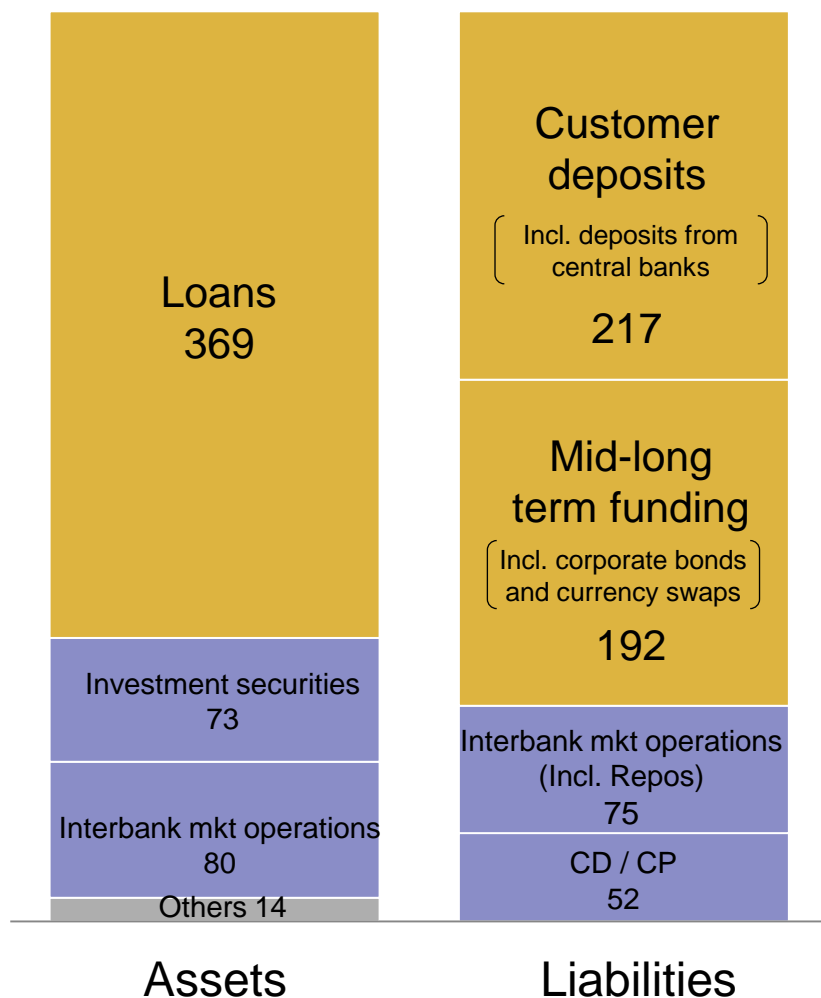
*4 Adjusting the factors due to changes in the accounting period of the Bank (Europe) which took place in FY17Q3

Non-JPY assets and funding

(the Bank consolidated)

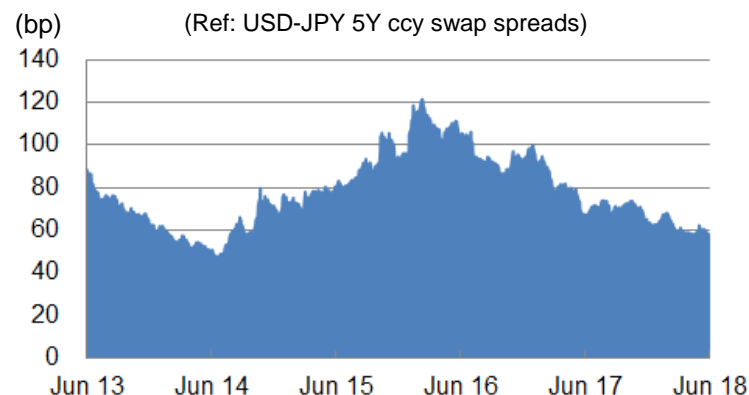
Non-JPY balance sheet (the Bank managerial basis excl. MUAH, KS)

As of end Jun 18 (US\$ bn)



Non-JPY funding in stable and efficient manner

- Customer deposits now cover approx. 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 requirement (see pages 69 – 70 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

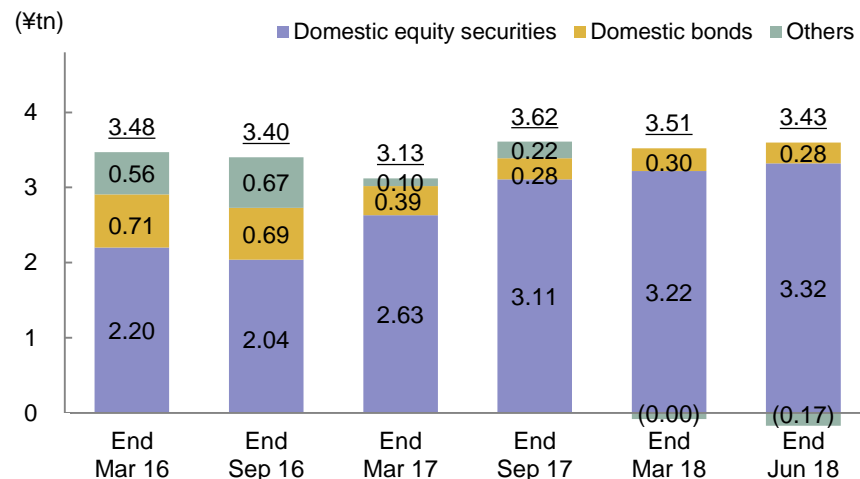
Investment securities

(Consolidated / Non-consolidated)

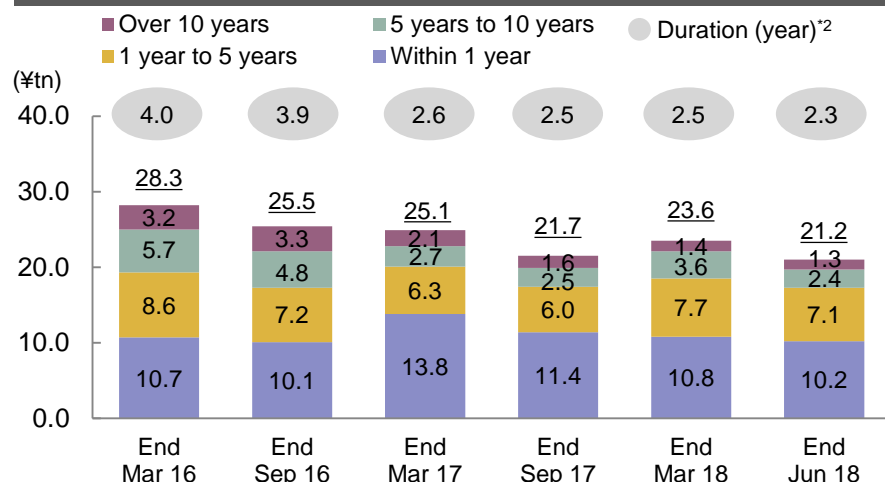
Securities Available for Sale with fair Value

	(¥bn)	Balance		Unrealized Gains (Losses)	
		End Jun 18	Change from End Mar 18	End Jun 18	Change from End Mar 18
1 Total		51,928.7	(3,468.5)	3,435.5	(81.8)
2 Domestic Equity securities		5,627.7	86.6	3,323.7	103.5
3 Domestic Bonds		24,862.6	(2,117.9)	286.2	(19.2)
4 Japanese Government Bonds		20,059.3	(2,391.1)	236.8	(22.1)
5 Others		21,438.4	(1,437.2)	(174.4)	(166.1)
6 Foreign Equity Securities		254.6	(79.8)	(34.9)	(70.9)
7 Foreign Bonds		15,663.8	(1,784.5)	(207.1)	(68.0)
8 Others		5,519.8	427.1	67.7	(27.0)

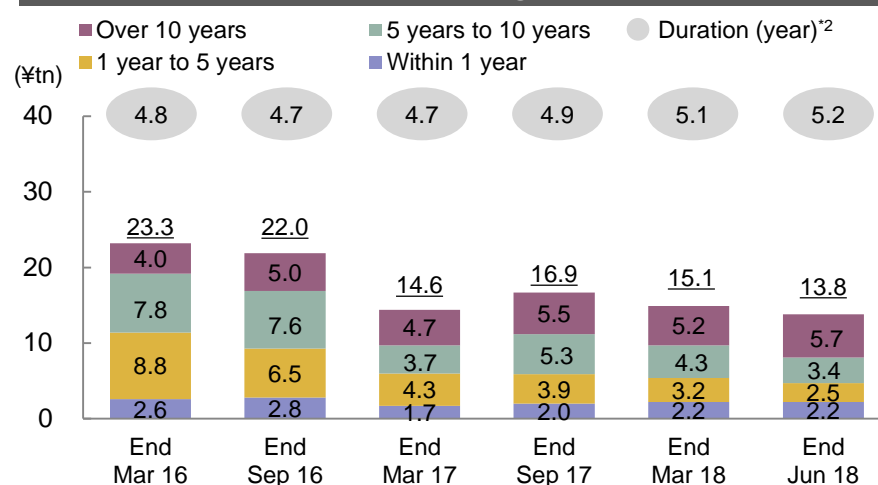
Unrealized Gains (Losses) on Securities Available for Sale



Balance of JGBs*1



Balance of Foreign Bonds*1



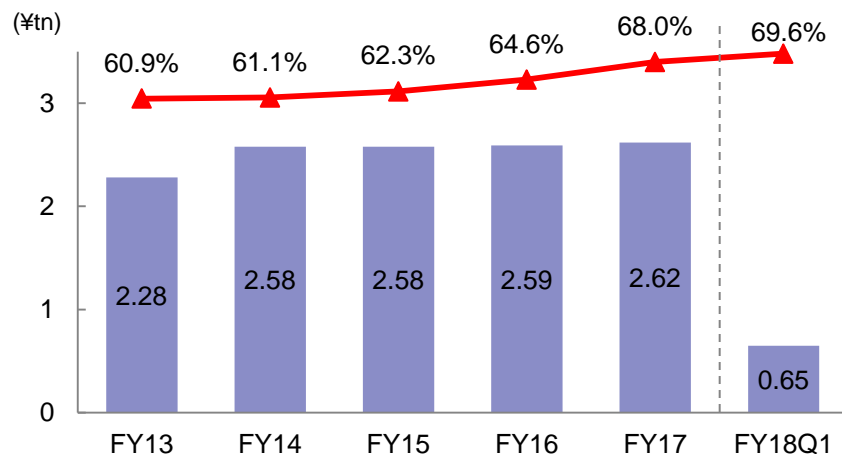
*1 Securities available for sale and securities being held to maturity. Non-consolidated

*2 Securities available for sale. Non-consolidated

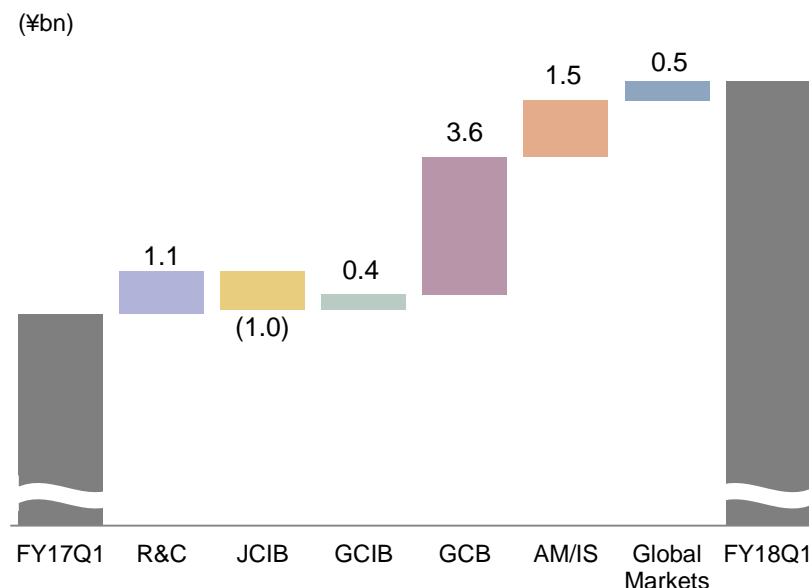
Expense

(Consolidated)

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



Changes in expenses by business segment ^{*4}



Expenses in major group companies

		FY18 Q1	YoY	Expense ratio
BK + TB combined	(¥bn)	331.5	(1.9)	66.3%
MUAH (US GAAP) ^{*2}	(US\$m)	1,084	78	89.8%
KS (Thai GAAP)	(THBmm)	12,399	618	46.1%
SCHD consolidated	(¥bn)	75.0	1.3	87.2%
NICOS ^{*3}	(¥bn)	65.0	2.5	89.4%
ACOM ^{*3}	(¥bn)	22.5	0.4	34.6%

<Major reasons of changes by business segment>

- R&C: Increased personnel cost due to expanded business volume
- JCIB: Reduced non-personnel expense by restraining cost in overseas branches
- GCB: Increased personnel expense in MUAH and KS
- AM/IS: Increased system integration cost by fund administration subsidiaries

^{*1} Expense ratio=G&A expense / gross profits (before credit cost for trust accounts)

^{*2} Includes expense associated with employees providing support services to the Bank

^{*3} Financial expense is excluded from gross profits. Expenses related to loan losses and others and repayment expense are excluded from expenses

^{*4} Local currency basis

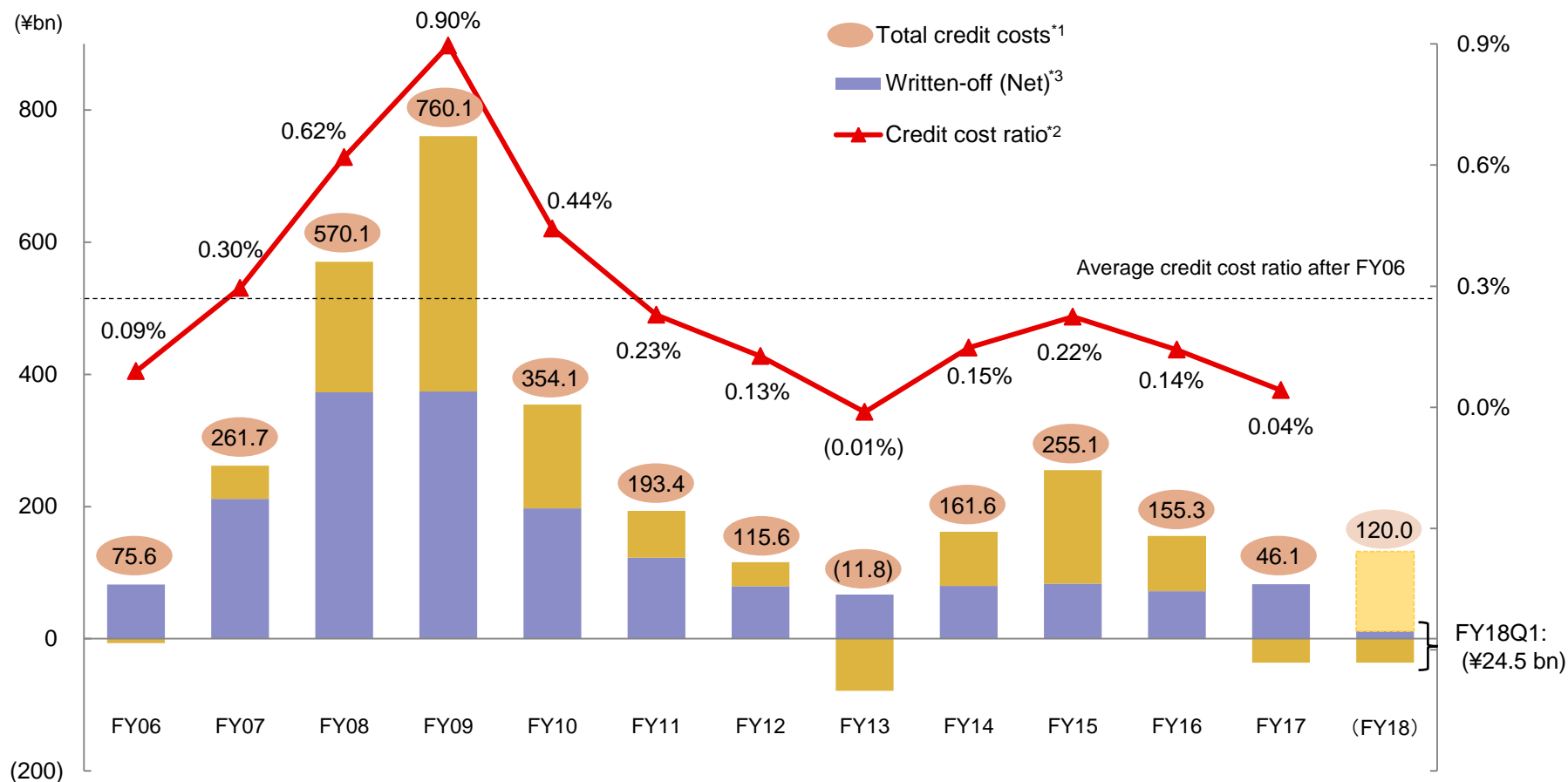
Asset quality

– Historical credit costs

(Consolidated)

- Credit costs for FY18Q1 were net reversal of ¥24.5 bn
- Total credit costs forecast for FY18: ¥120.0 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 the end of each fiscal year

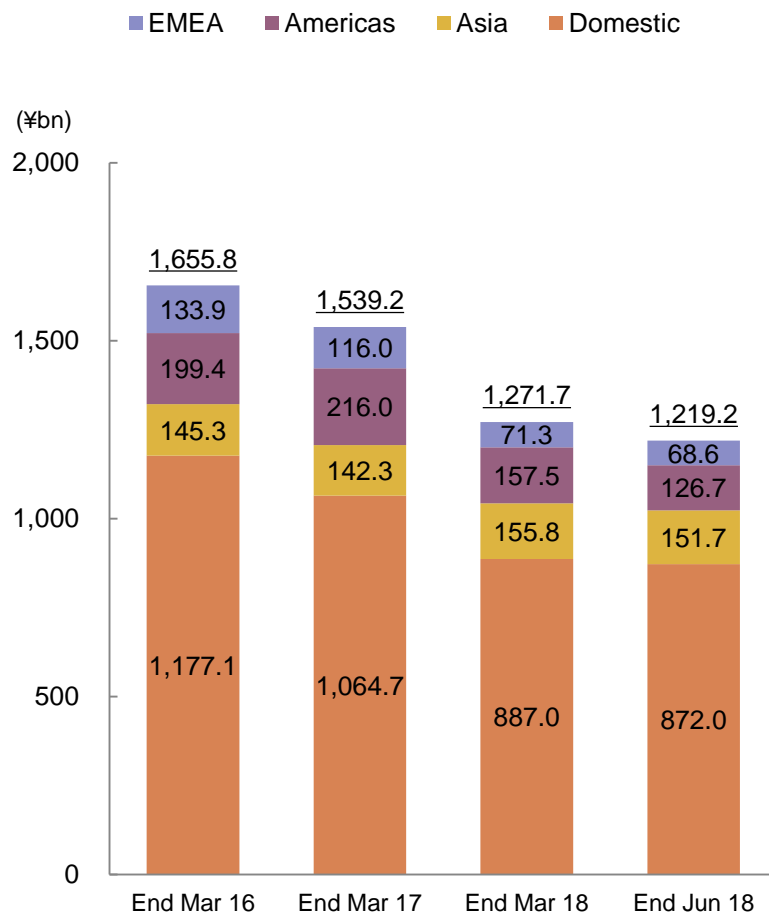
*3 Net amount of write-off gains and write-offs

Asset quality

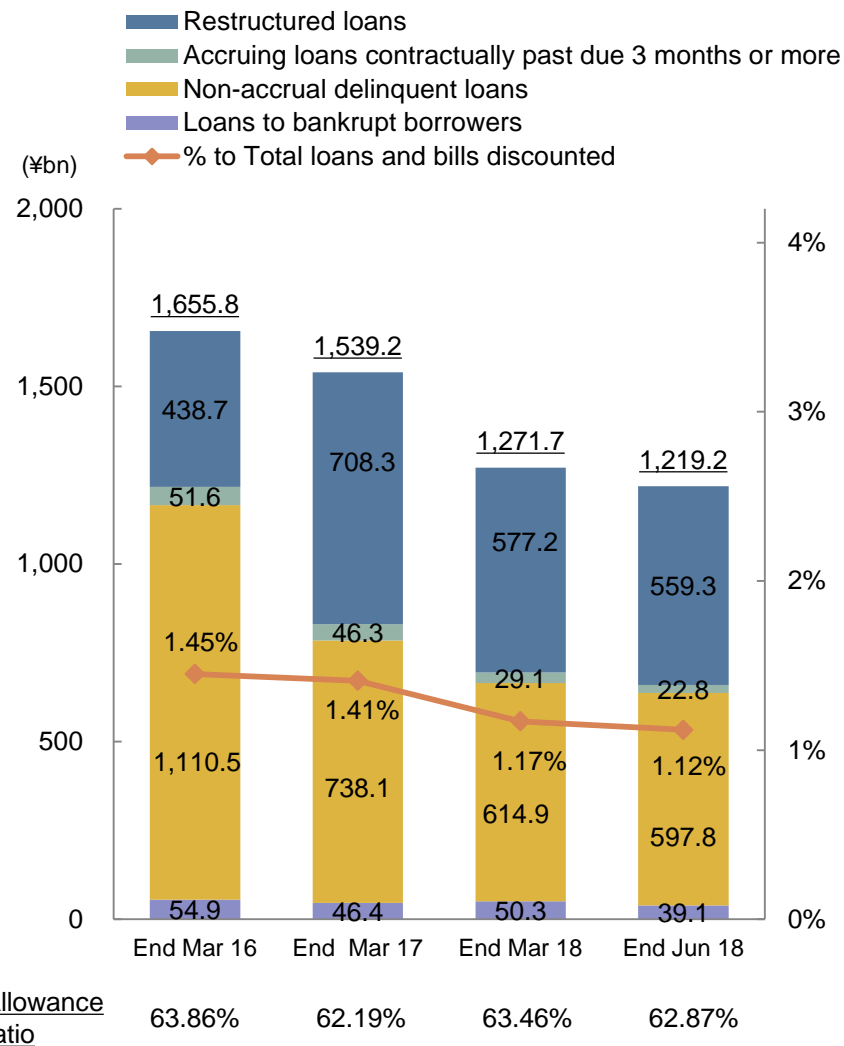
– Non-performing loans*1

(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

Capital

(Consolidated)

● Common Equity Tier 1 ratio

- Full implementation basis^{*1} : 12.3%
- Excluding impact of net unrealized gains (losses) on available-for-sale-securities : 10.0%
- Finalized Basel III reforms basis^{*2} : 11.7%

● Risk weighted assets (Up ¥1.2tn from Mar 18)

- Credit risk : (¥0.7tn)
- Market risk : +¥0.4tn
- Operational risk : (¥0.0tn)
- Floor adjustment^{*3} : +¥1.7tn

● Leverage ratio

- Transitional basis : 5.10%

		End Mar 18	End Jun 18	Change from end Mar 18
(¥bn)				
1	Common Equity Tier 1 capital ratio	12.58%	12.36%	(0.22ppt)
2	Tier 1 capital ratio	14.32%	14.08%	(0.24ppt)
3	Total capital ratio	16.56%	16.40%	(0.15ppt)
4	Common Equity Tier 1 capital	14,284.9	14,188.0	(96.9)
5	Retained earnings	10,064.6	10,245.6	181.0
6	Other comprehensive income	3,143.8	2,775.6	(368.2)
7	Regulatory adjustments	(1,786.1)	(1,767.8)	18.3
8	Additional Tier 1 capital	1,966.8	1,965.0	(1.7)
9	Preferred securities and subordinated debt	1,822.1	1,822.1	-
10	Tier 1 capital	16,251.7	16,153.0	(98.7)
11	Tier 2 capital	2,543.7	2,667.2	123.5
12	Subordinated debt	2,165.0	2,276.2	111.2
13	Total capital (Tier 1+Tier 2)	18,795.4	18,820.2	24.8
14	Risk weighted assets	113,463.6	114,714.6	1,251.0
15	Credit risk	89,823.1	89,034.6	(788.5)
16	Market risk	2,714.5	3,129.8	415.3
17	Operational risk	7,236.0	7,150.1	(85.8)
18	Floor adjustment	13,689.9	15,400.0	1,710.1

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

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

*3 Adjustments made for the difference between risk-weighted assets under Basel I and Basel III

FY2018 financial targets

(¥bn)		<Results>		<Financial targets>	
		FY17		FY18	
		Interim	Full year	Interim	Full year
[MUFG consolidated]					
1	Net business profits before credit costs for trust accounts and provision for general allowance for credit losses	770.7	1,232.8	500.0	1,040.0
2	Total credit costs	3.1	(46.1)	(30.0)	(120.0)
3	Ordinary profits	864.0	1,462.4	630.0	1,230.0
4	Profits attributable to owners of parent	626.9	989.6	450.0	850.0

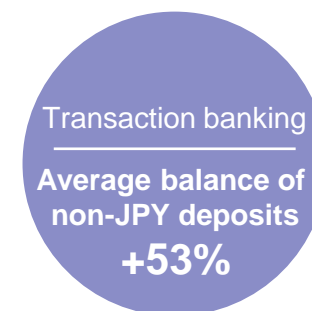
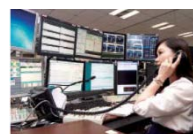
New Medium-term Business Plan

Review of the previous medium-term business plan

Financial targets				
		FY14 results	FY17 targets	FY17 results
Growth	EPS (¥)	¥73.22	Increase 15% or more from FY14	¥74.55
Profitability	ROE	8.74%	Between 8.5-9.0%	7.53%
	Expense ratio	61.1%	Approx. 60%	68.0%
Financial strength	CET1 ratio (Full implementation) ^{*1}	12.2%	9.5% or above	12.5%

Key achievements

Establish our foundations for commercial banking in Southeast Asia



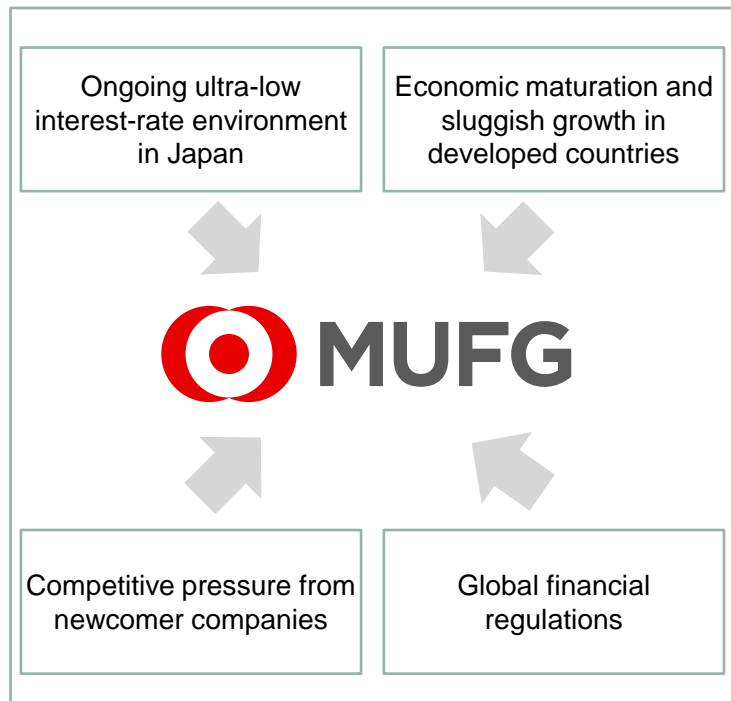
^{*1} Calculated on the basis of regulations to be applied at end Mar 19

^{*2} Sum of Hedge funds/Private equity funds/Investment funds (40Act etc) administration

Business environment and challenges / MUFG's Vision

Business environment and challenges

Irreversible structural changes



Need for bold reforms that grapple squarely with our challenges

MUFG's Vision

Deliver the best solution to customers and society

Redefine the profiles and needs of customers we aim to serve

Reorganize business groups into new customer segments

Fully leverage the strength of the MUFG Group

Move to "group-based, integrated management"

New Business Group

⇒ Page 24-25

Eleven Transformation Initiatives

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Global Commercial Banking

⇒ Page 39-45

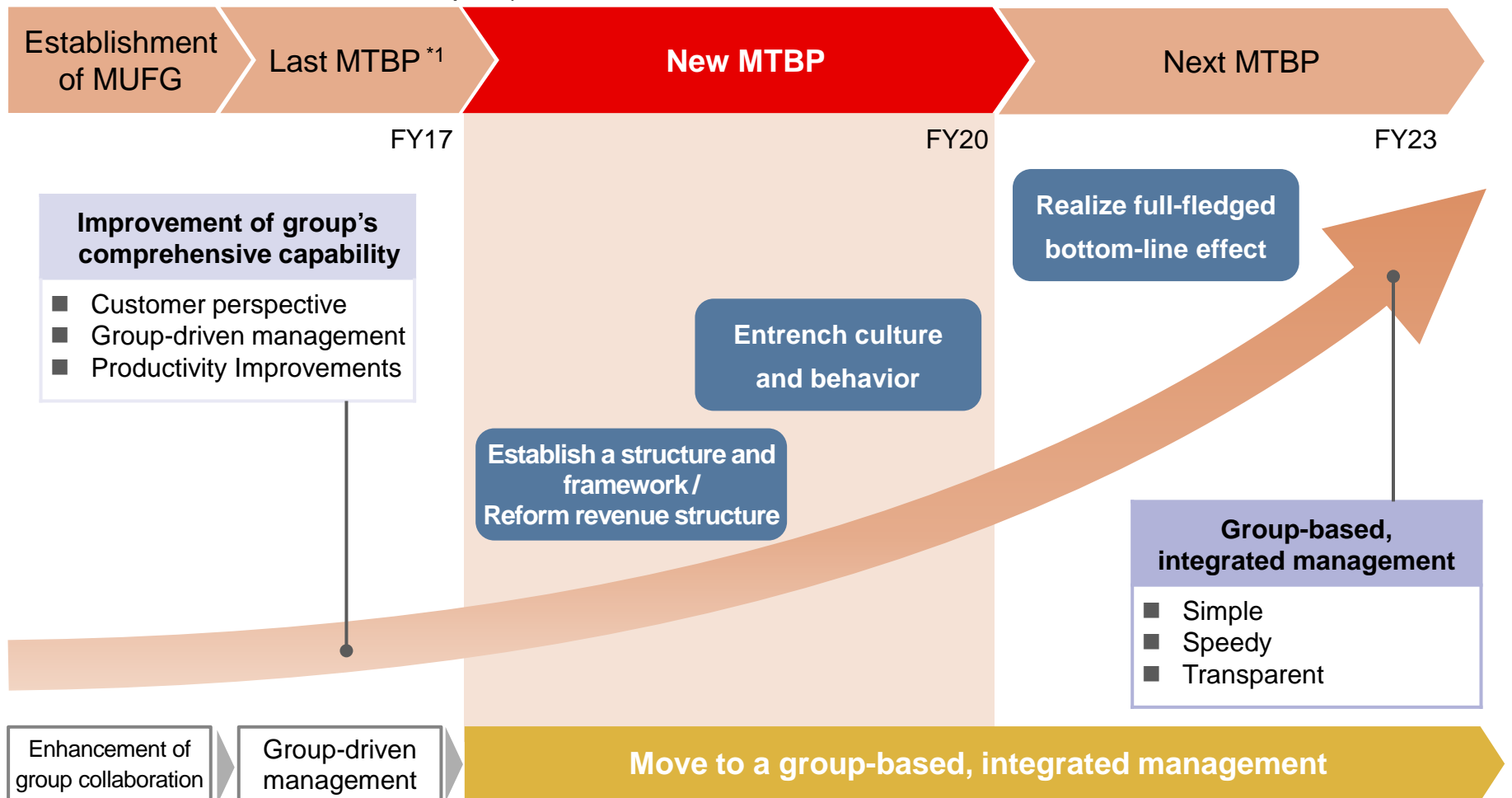
A six-year time frame

Our Corporate Vision Beyond "Re-Imagining" Initiative

- Simple, speedy and transparent group-integrated operations
⇒ We aim to deliver the best value to all stakeholders
- Sustainable growth by promoting solution-oriented business
⇒ We will contribute to the realization of a better society

Timeline

- Having specified a six-year time frame for business transformation, intensively allocate management resources in the initial three years, thereby seeking to lay a solid foundation for new future-oriented business platform
- Aim to establish a new growth model for MUFG's domestic and overseas operations within six years (the end of the next medium-term business plan)



^{*1} Medium-term business plan

Financial targets

- Set mid-to long-term financial targets, along with targets for FY20

	FY17 results	FY20 targets	Mid- to long- term targets
ROE	7.53%	Approx. 7% - 8%	9% - 10%
Expense ratio	68.0%	Below FY17 results	Approx. 60%
CET1 ratio (Finalized Basel III reforms basis ^{*1})	11.7%	Approx. 11%	

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

Reorganization of the business groups

- Reorganize the segmentation of the business groups into matrix structure by focusing on the types of customer (e.g., Japanese or Non-Japanese; Large corporates or Retail & SMEs)
- Manage Japanese Retail and SMEs in an integrated manner to create new profit opportunities and enhance efficiency; Aim to evolve from “investing” to “managing” at newly established Global Commercial Banking



Plan by business group

Business group		Net operating profits (¥bn)			Expense ratio		ROE* ¹	
		FY17 results	FY20 targets	Change	FY17 results	FY20 targets	FY17 results	FY20 targets
Retail & Commercial Banking	R&C	350	350	+0 (+0%)	78%	79%	9% (9%)	9% (9%)
Japanese Corporate & Investment Banking	JCIB	220	260	+40 (+20%)	58%	54%	10% (10%)	10% (11%)
Global Corporate & Investment Banking	GCIB	120	200	+80 (+65%)	67%	58%	7% (7%)	8% (8%)
Global Commercial Banking	GCB	190	320	+130 (+65%)	70%	66%	6% (8%)	8% (10%)
Asset Management & Investor Services	AM/IS	70	80	+10 (+15%)	63%	63%	21% (23%)	19% (20%)
Global Markets	Global Markets	390	490	+100 (+25%)	36%	35%	7% (7%)	9% (9%)

*1 Managerial accounting basis. Calculated based on Risk Assets (R&C, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets)

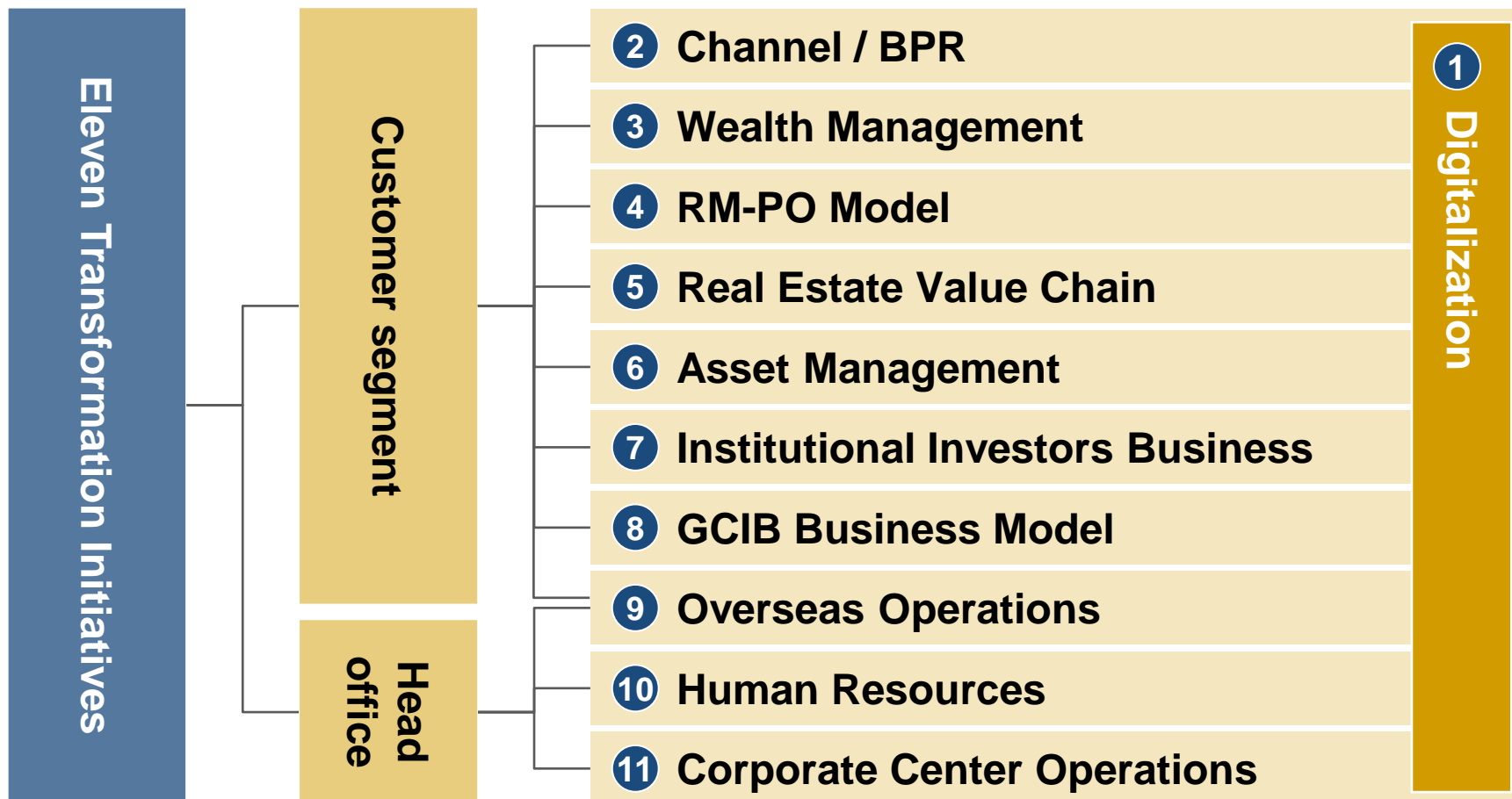
Calculated excluding mid- to long-term foreign currency funding costs

Figures in parentheses exclude the impacts of investment related accounting factors (amortization of goodwill, etc.)

Note: FY17 results are provisional numbers

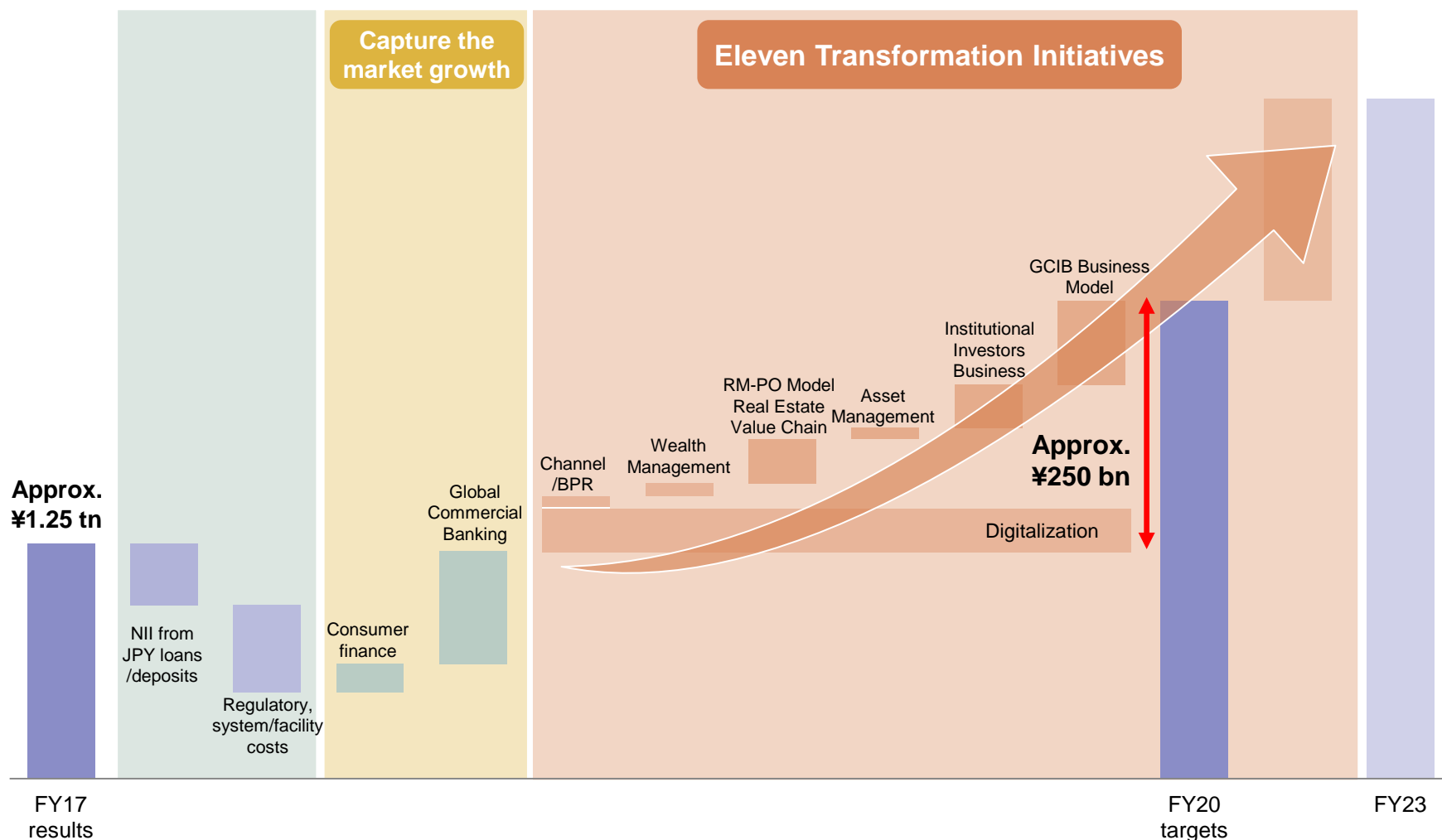
Key strategies

- “Eleven Transformation Initiatives” have been outlined in the new medium-term business plan as specific initiatives to achieve the MUFG Re-Imagining Strategy
- MUFG promotes the initiatives with a joint collaboration by entities, business groups and corporate center



Plan of net operating profits

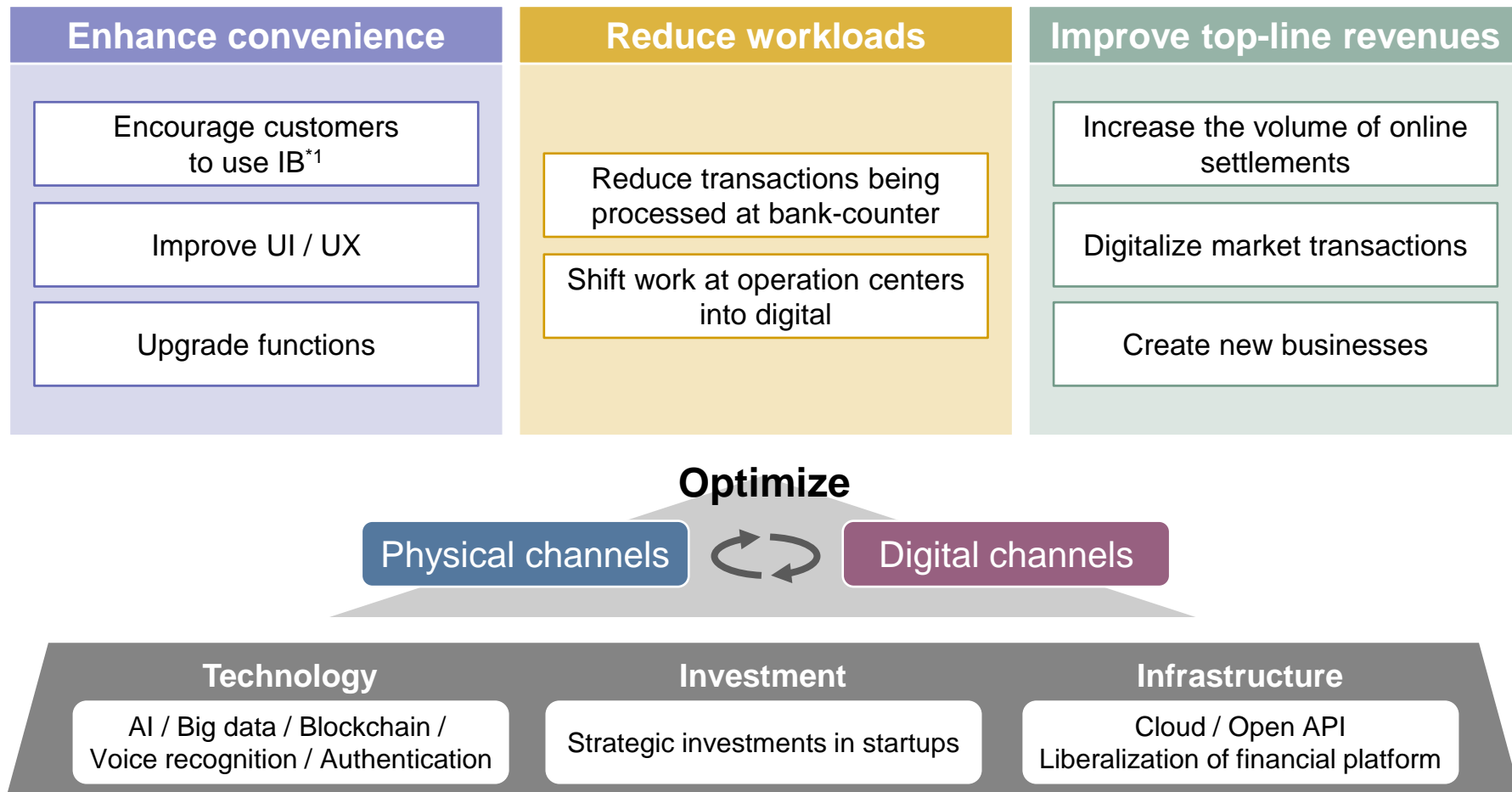
- Growth of Global Commercial Banking and consumer finance business will offset a decrease in NII from JPY loans/deposits and an increase in regulatory costs and system/facility related costs
- Aim for the sustainable growth of MUFG through the realization of Eleven Transformation Initiatives



Eleven Transformation Initiatives

(1) Digitalization

- Improve productivity while accelerating customers' channel shift by providing optimal channels with better convenience
- Optimize physical and digital channels

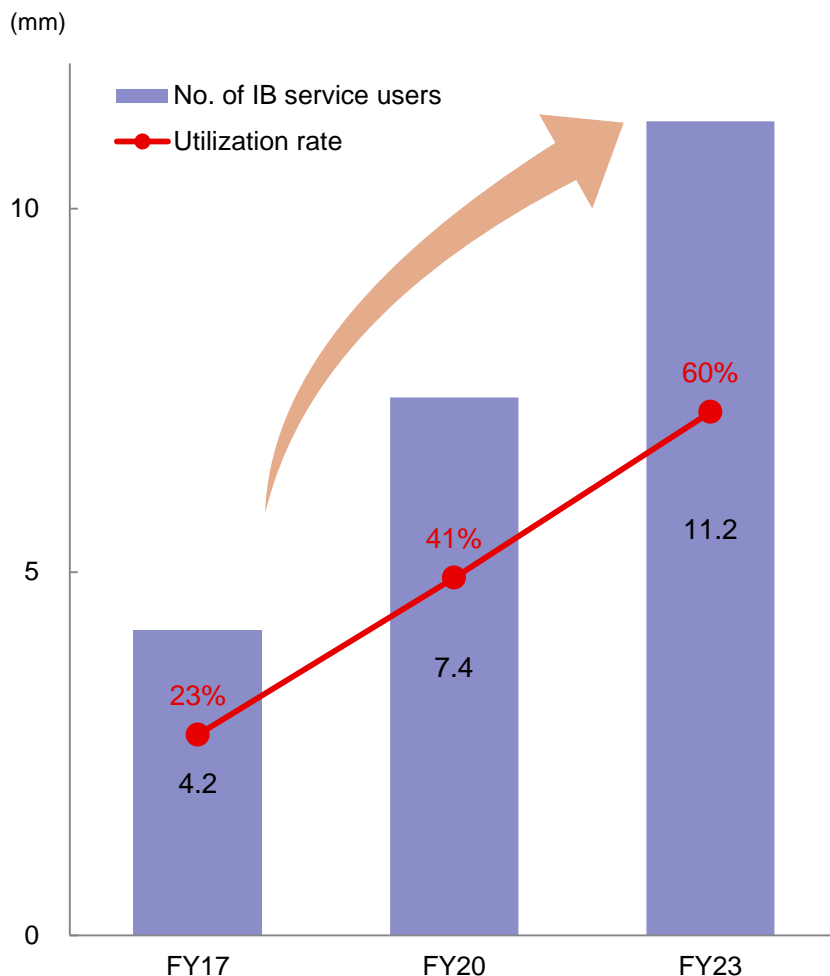


*1 Mitsubishi UFJ DIRECT: Internet banking for individual customers

Eleven Transformation Initiatives

(1) Digitalization (2) Channel / BPR

No. of IB service users^{*1}, utilization rate^{*2}



*1 IB service users = users who log-in IB at least once in 6 months out of all active accounts (excl. accounts used for direct debit only)

*2 Utilization rate = IB service users / active accounts

*3 Part of the transactions of time-deposit, foreign currency deposits and mutual funds

*4 Past transactions up to 10 years

Improve UI / UX



Smartphone app for individual account

Complete transactions ^{*3} in app	Released Apr 18
Update design	From FY18H2 onward
Biometric authorization (fingerprint/face)	From FY18H2 onward
Access to past transaction history ^{*4}	From FY18H2 onward

Upgrade functions



Smartphone app for new account opening



Smartphone app for various bank services

New account opening	Released Sep 16
Replacement of unusable cards	Released Apr 18
Report of the loss (replacement)	
Change of address	
Switch to account without bankbooks and seals	

Eleven Transformation Initiatives

(1) Digitalization (2) Channel / BPR

R&C

GCB

AM/IS

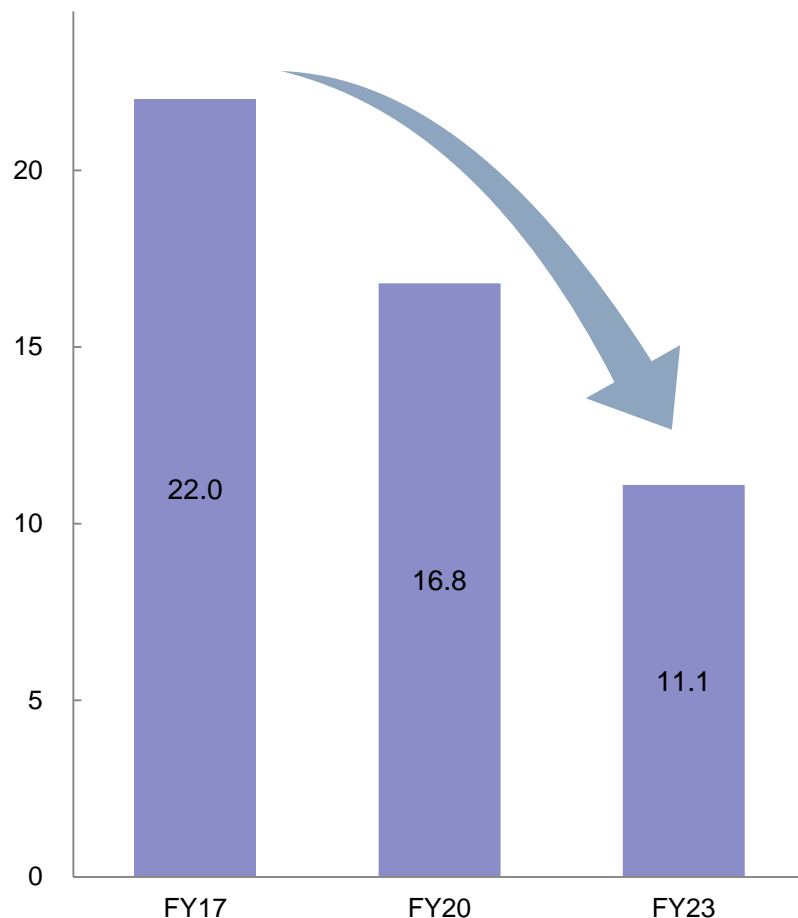
JCIB

GCIB

Global Markets

No. of transactions at bank-counters

(mm)



Initiatives to reduce transactions at bank counters

Channel shift

⇒ Page 29



Transform channels

⇒ Page 48



STM^{*1}



Tax payments
and domestic
transfer

LINKS^{*2}



Consultation related to
mortgage, inheritance

Shift work at operation centers into digital

- Exhaustively review workflows for operations that can be routinely processed and consolidated at service centers while promoting digitalization

RPA etc.

Automate verification and data entry via intra-system coordination

AI-OCR^{*4}

Automate operations by employing data captured using OCR

Paper-less

Promote paperless applications and the automated processing

^{*1} STM: Store Teller Machine (ATM equipped with functions to handle tax payment, utility bills payment and domestic transfer with a private request form)

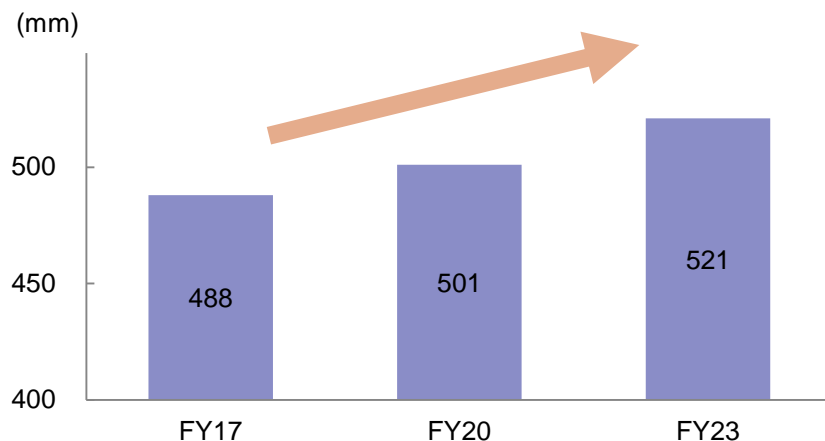
^{*2} LINKS: Low-counter Interaction on Knowledge Station (New terminal that connects to operational center via TV, which can handle consultation related to mortgage, inheritance and etc.) ^{*3} STP: Straight Through Processing ^{*4} OCR: Optical Character Recognition

Eleven Transformation Initiatives

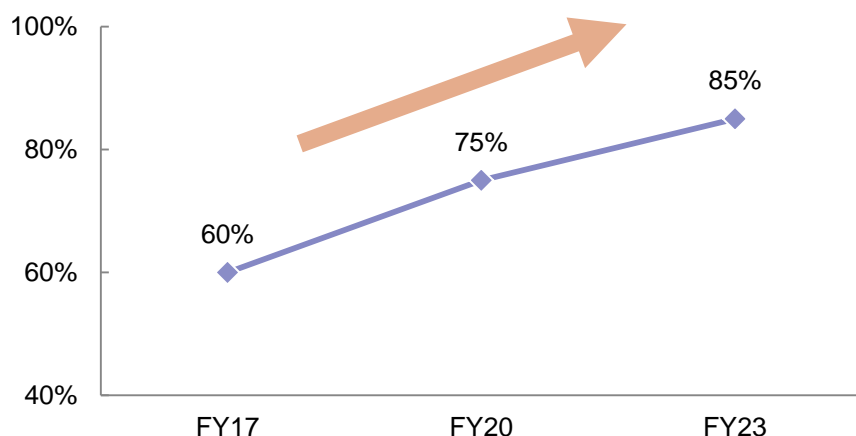
(1) Digitalization (2) Channel / BPR

R&C	GCB	AM/IS
JCIB	GCIB	Global Markets

No. of corporate settlements



Digitalization ratio of exchange rate contracts^{*3}



^{*1} Japan Digital Design ^{*2} HR Tech = Human Resources × Technology
^{*3} Internal transactions

Newly established M-AIS(MUFG AI Studio)

- Establish M-AIS within JDD^{*1} to conduct R&D into an AI model employing the MUFG Group's unique strength
- Engage in joint research with external research institutions while collaborating with AI ventures at home and abroad

Main initiatives	Finance	Cash flow analysis, scoring	Market transactions
	Management	Customer behavior prediction, marketing	HR Tech ^{*2}

For the practical use of MUFG Coin

- Aim for commercialization by promoting in-house PoC initiatives while stepping up collaboration with multiple companies
- Consider utilizing FSA's hub for PoC to realize our goal of releasing new services by the end of FY19

Started PoC (from Apr 18)



Verify QR code settlements at on-premises cafe and convenience stores

Accelerate open innovation



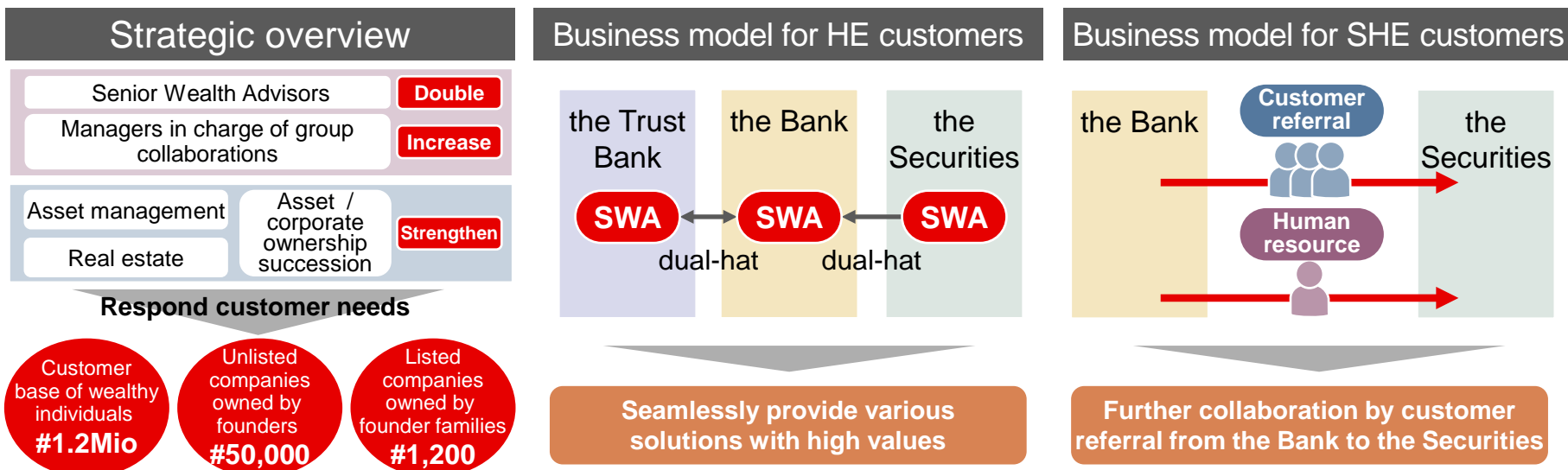
Utilize external inputs to create services that help resolve issues society is confronting and empower users in various ways

Eleven Transformation Initiatives

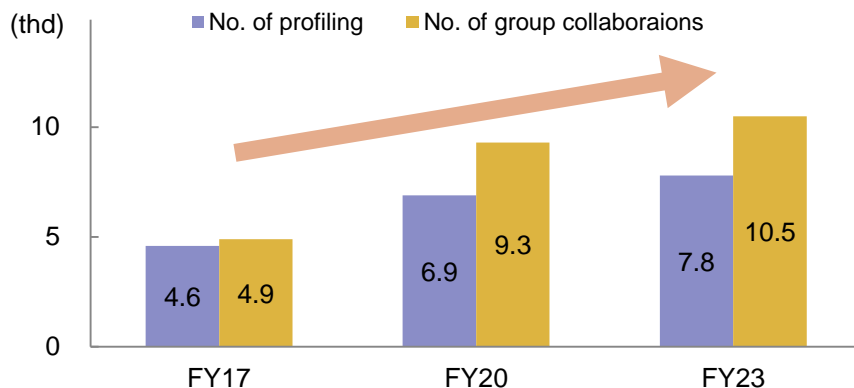
(3) Wealth Management

R&C	GCB	AM/IS
JCIB	GCIB	Global Markets

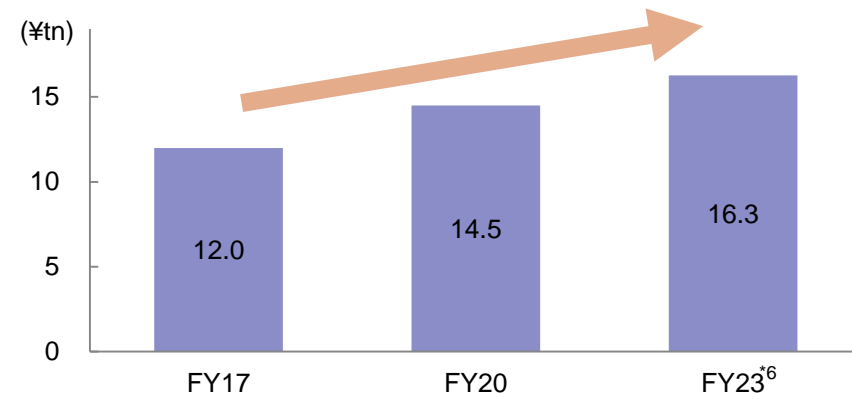
- For High-End(HE) customers^{*1}, SWAs^{*2} collectively handle initial customer inquiries and seamlessly provide various solutions. For asset management needs of Semi-High-End(SHE) customers^{*3}, MUFG provide optimal solutions and products by referring the Bank's customers to MUMSS



No. of profiling^{*4}, group collaborations^{*5}



AUM of HE / SHE customers



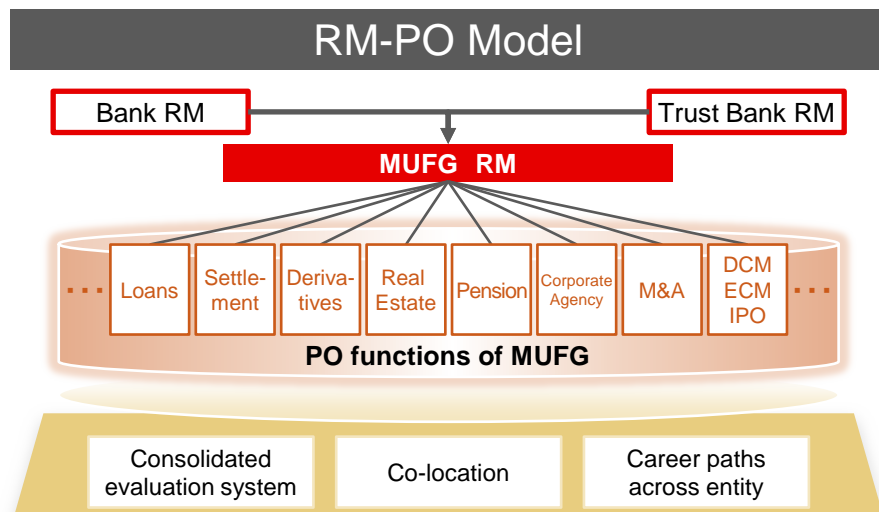
^{*1} Over ¥2bn assets ^{*2} Senior Wealth Advisor ^{*3} Over ¥0.3bn assets ^{*4} No. of will trusts + wealth assessment etc.

^{*5} No. of customer referral from the Bank to MUMSS + collaboration between the Trust Bank and MUMSS etc. ^{*6} Excluding changes in market prices

Eleven transformation initiatives

(4) RM-PO Model (5) Real Estate Value Chain

- Realign MUFG RM-PO*1 model via functional realignment of the Bank-the Trust Bank corporate lending business
- Maximize MUFG's overall earnings by utilizing non-interest earnings toward securing sustainable growth

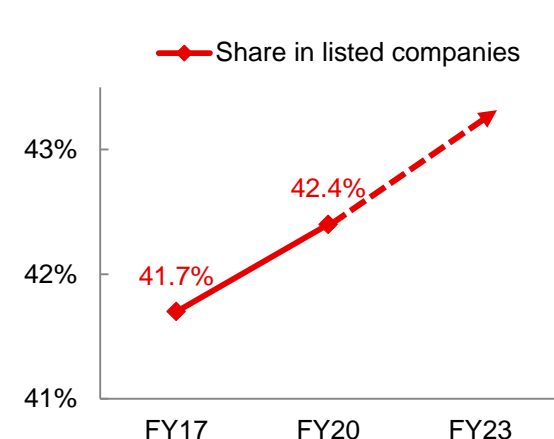
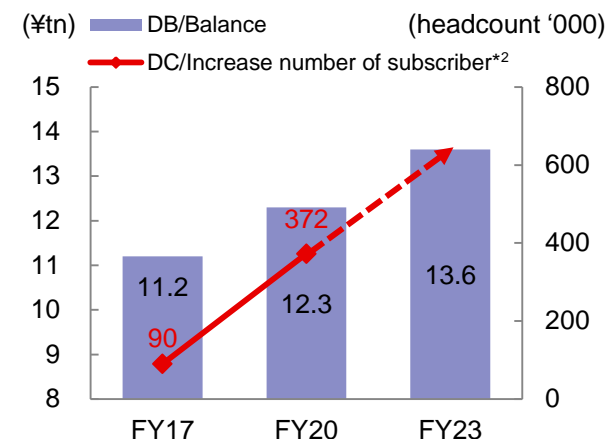
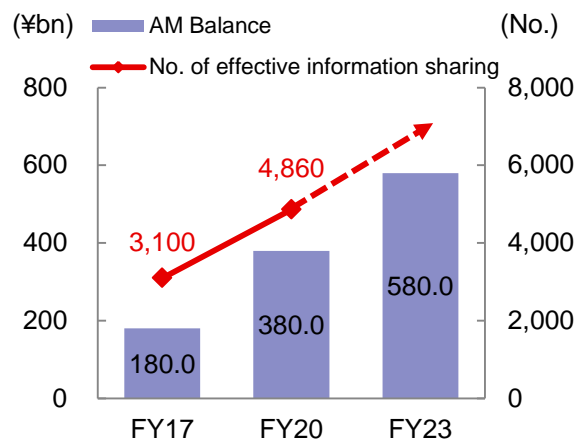


Outline of strategy	
Functional realignment of the Bank-the Trust Bank	<ul style="list-style-type: none"> Enhance our services by improving RM's capabilities and PO's expertise through the Bank-the Trust Bank functional realignment
The Bank-MUMSS strengthen multi-layered coverage	<ul style="list-style-type: none"> Enhance customer relations by stepping up the Bank-Securities collaboration Increase the opportunity to propose service and enhance value added service by establishment of the Bank-MUMSS dual-hat organization
Real Estate Value Chain	<ul style="list-style-type: none"> Consolidate the management of information across all business groups to facilitate closer collaboration with POs
Management Platform	<ul style="list-style-type: none"> Facilitate the integrated management of human resources via personnel exchanges between different entities and the consolidated HR evaluation system

Real estate

Pension

Corporate agency



*1 RM: Relationship Manager, PO: Product Office, which plans, develops and provides products and services

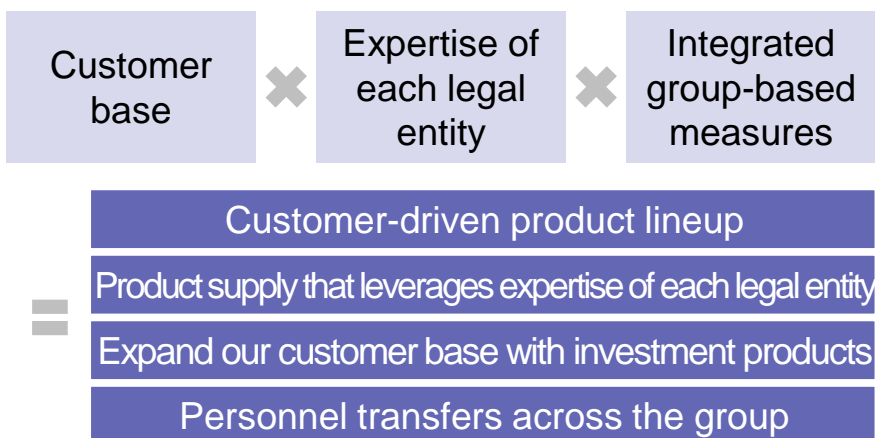
*2 Net increase amount from 2017

Eleven Transformation Initiatives

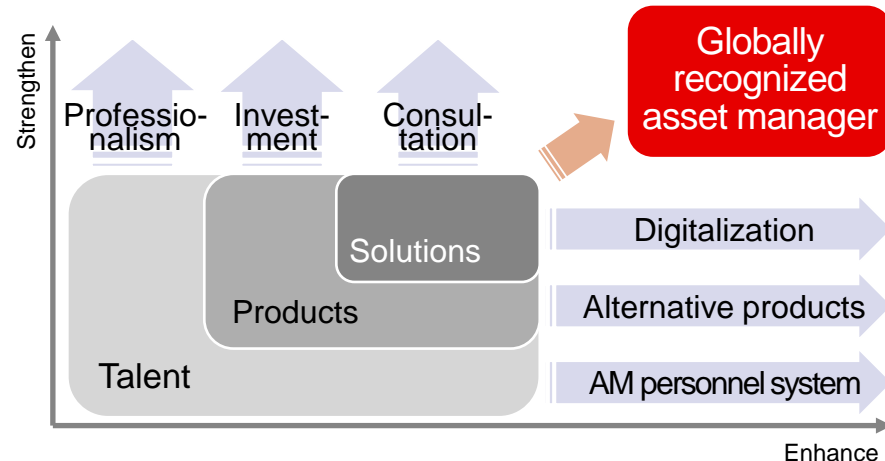
(6) Asset Management

- Establish an asset management business model. Promote group-based, integrated measures with a newly established "Investment Products Planning Division" taking the initiative across four business groups
- Aim to become a globally recognized asset manager by upgrading our asset management business

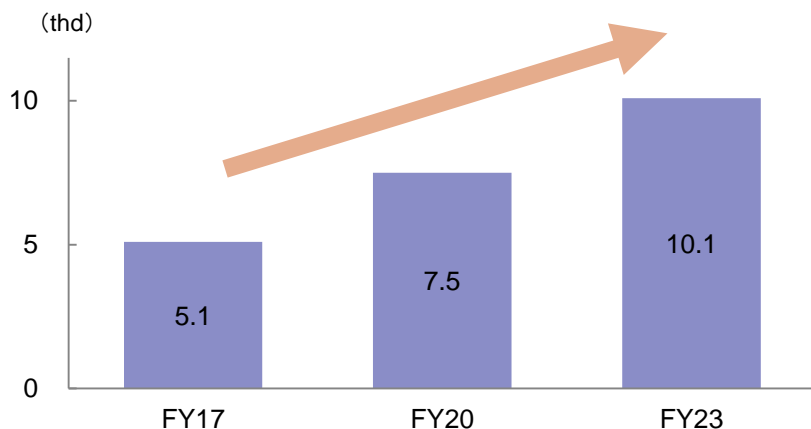
Asset management business model unique to MUFG



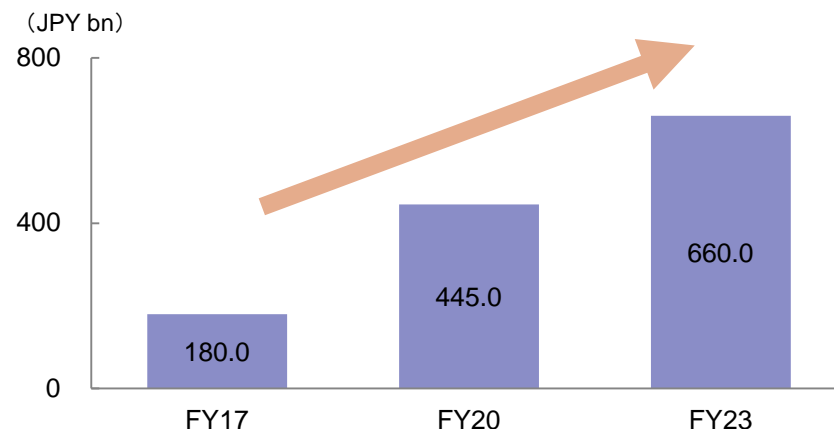
Upgrading asset management business



No. of corporate customers with investment products



Alternative products balance^{*1}



*1 Balance of internally developed low-liquidity investment products, such as real estate-based products

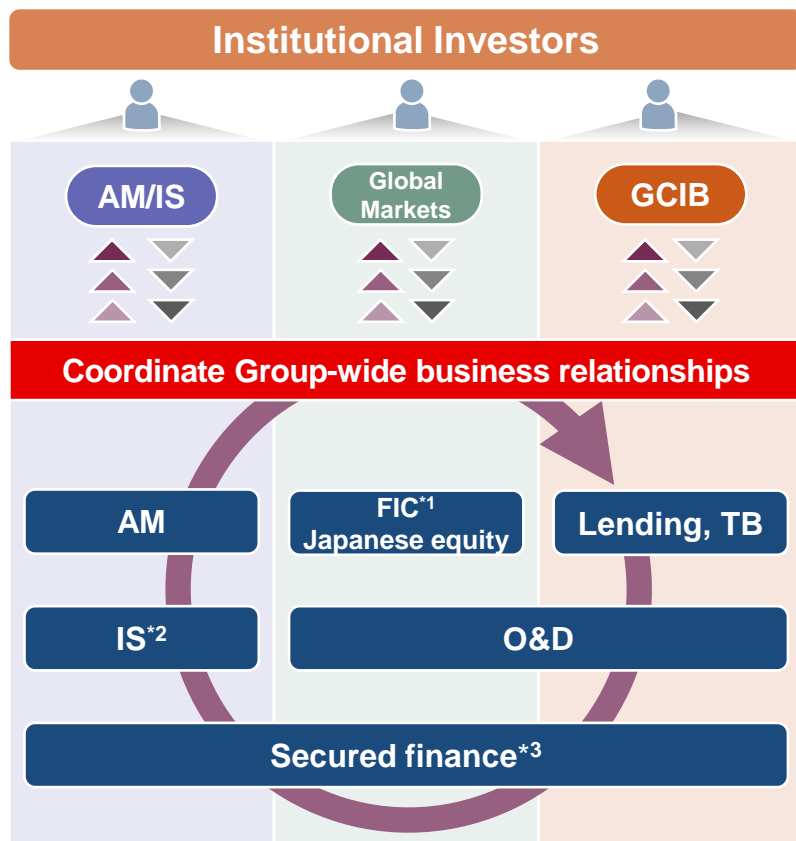
Eleven Transformation Initiatives

(7) Institutional Investors Business

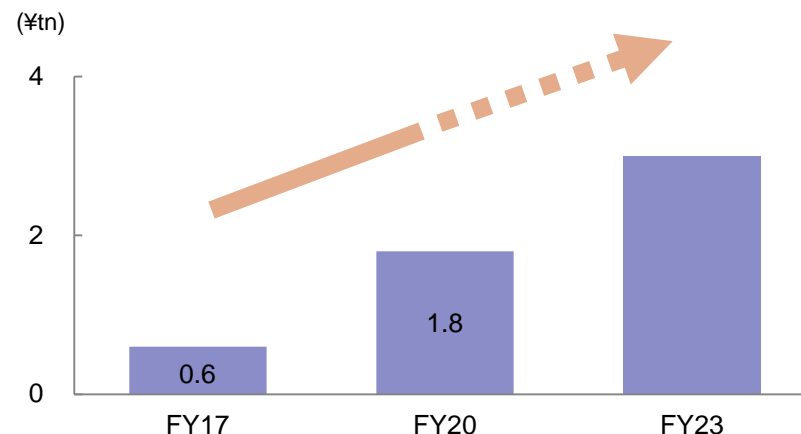
- Enhance our competitiveness through Group-wide integrated approaches and promote an O&D business leveraging MUFG's strength

Overview

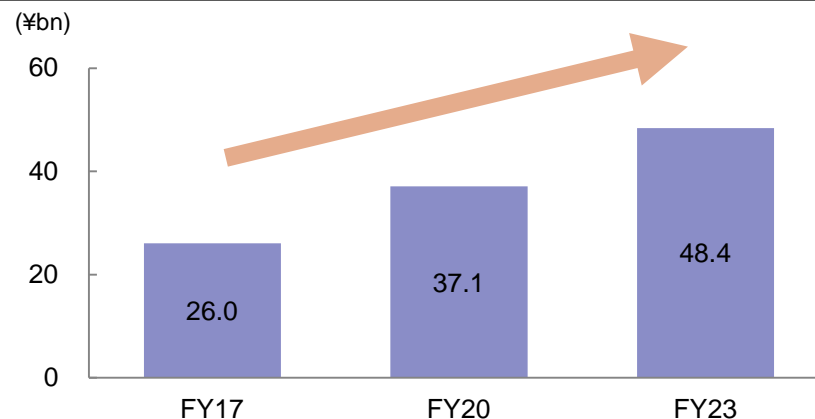
- Sophisticate the product capabilities and services in each professional field
- Utilize business relationships of each business group



Sales of structured products for domestic institutional investors^{*4}



Operating income from IS^{*2} business



^{*1} Fixed income, currency ^{*2} Investor Services ^{*3} Collateralized finance

^{*4} Amount of domestic and foreign securitized products / structured notes sold mainly in Japan

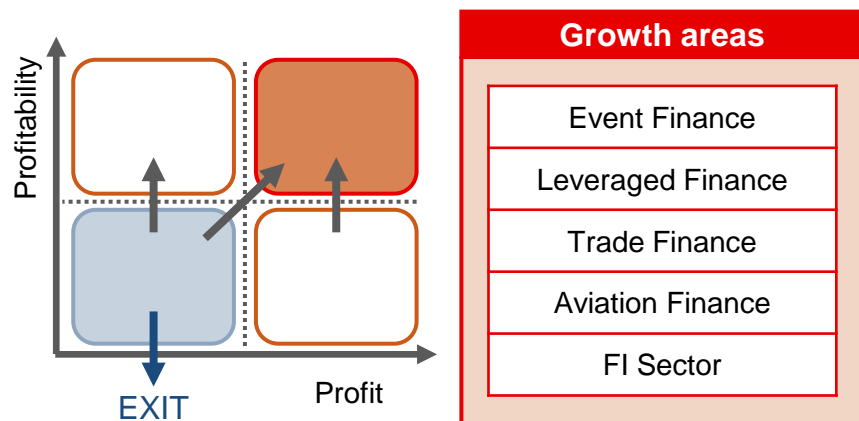
Eleven Transformation Initiatives

(8) GCIB Business Model

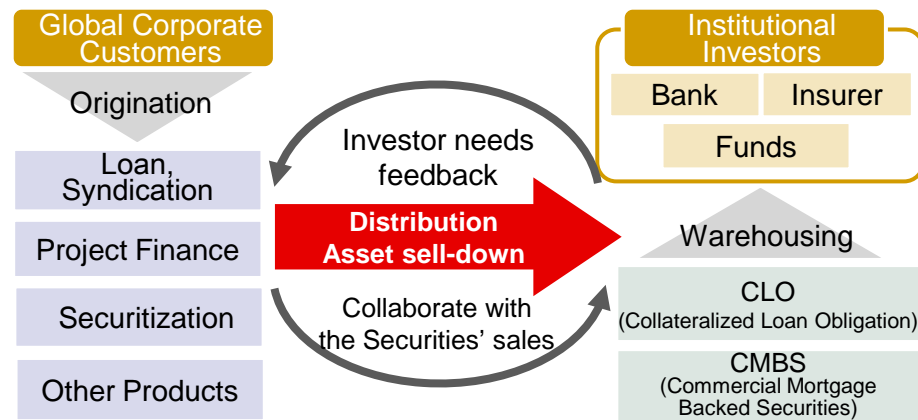
R&C	GCB	AM/IS
JCIB	GCIB	Global Markets

- Improve return through 3R (Repricing, Reduction, Restructuring) and recycle loan assets, etc. globally by placing greater emphasis on growth areas
- Shift value to “quality” over “quantity” by accelerating investor-driven O&D through One MUFG approach

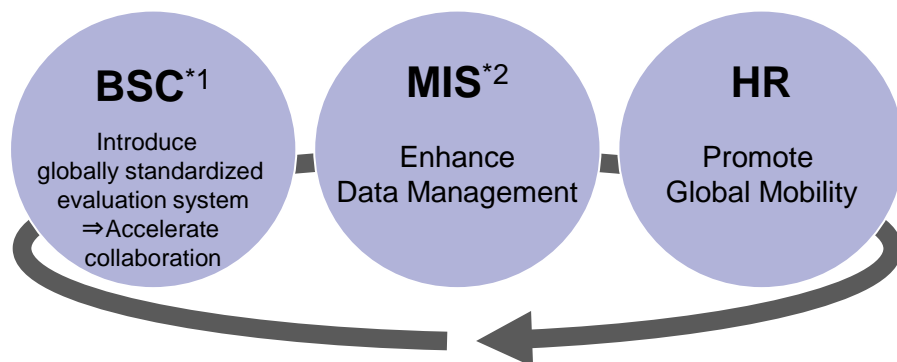
Global portfolio recycle



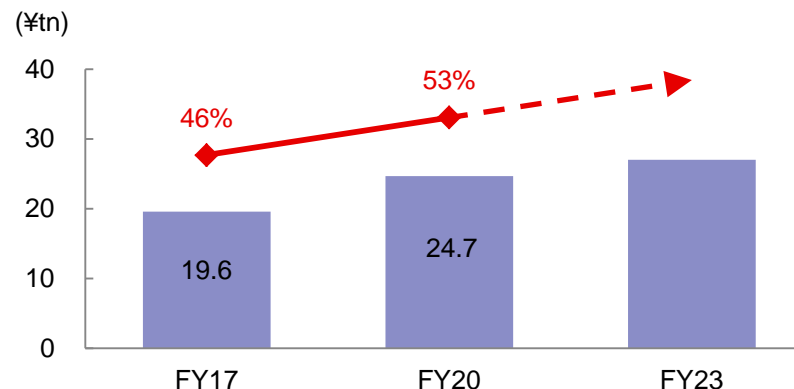
Accelerate O&D



Platform for transformation



Distribution amount / the ratio^{*3}




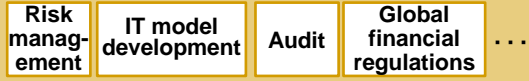
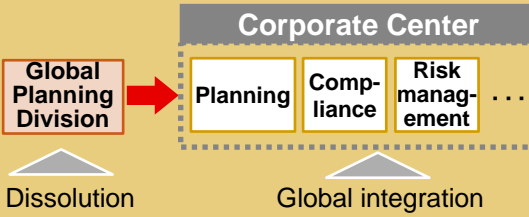
*1 Balanced Scorecard *2 Management Information System

*3 Distribution Amount = Arrangement amount - Final hold amount (Syndicated loan, Project Finance, Securitization, Aviation finance, etc.)
+ Securities' Arrangement amount of DCM, ABS, etc.

Distribution Ratio = Distribution Amount ÷ Total amount of loans to global corporate customers

Eleven Transformation Initiatives

(9) Overseas Operations (10) Human Resources (11) Corporate Center Operations

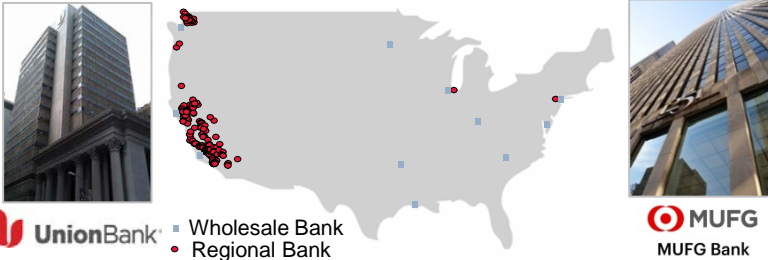


	Overseas Operations	Human Resources	Corporate Center Operations
Integrated group-based management	<p>Shift our business focus from “region-/ legal entity-based” to “customer-/ business-based”</p> <ul style="list-style-type: none"> Reorganize Global Banking Business Group  <ul style="list-style-type: none"> Expand dual-hatted staff between the Bank and the Securities 	<p>Group HR strategy</p> <ul style="list-style-type: none"> Group-wide HR allocation to support business strategy Accelerate personnel allocation and transfers across the Group Create the training program for future executives, “MUFG University” 	<p>Transform from the integrated operation of “MUFG & the Bank” into Integrated MUFG Corporate Center operations</p> <ul style="list-style-type: none"> Effectively leverage the expertise and knowledge of specialists all across the Group <p>Key professional territory</p> 
Integrated global based management	<p>Enhance overseas branch networks</p> <ul style="list-style-type: none"> Centralize booking functions of existing branches and HQ functions <p>Enhance operations and systems</p> <ul style="list-style-type: none"> Centralize and standardize global operations 	<p>Global HR strategy</p> <ul style="list-style-type: none"> Establish an HR division that oversees human resource management on a global basis Global integration of HR management Strengthen control of HR expenses 	<p>Improvement of global operations</p> 
Improvement of productivity	<p>Reduce fixed expenses</p> <ul style="list-style-type: none"> Strengthen “control of fixed expenses” including HR expenses and system / facility costs 	<p>Seek efficient / lean HR operations</p> <p>Allocate resources to key strategies</p> <p>Provide re-skilling opportunities to support initiatives and new business model</p>	<p>Integration of location</p> <p>Reduce staff at HQ</p> <p>Reduce facility costs of HQ office building, etc.</p>

Eleven Transformation Initiatives

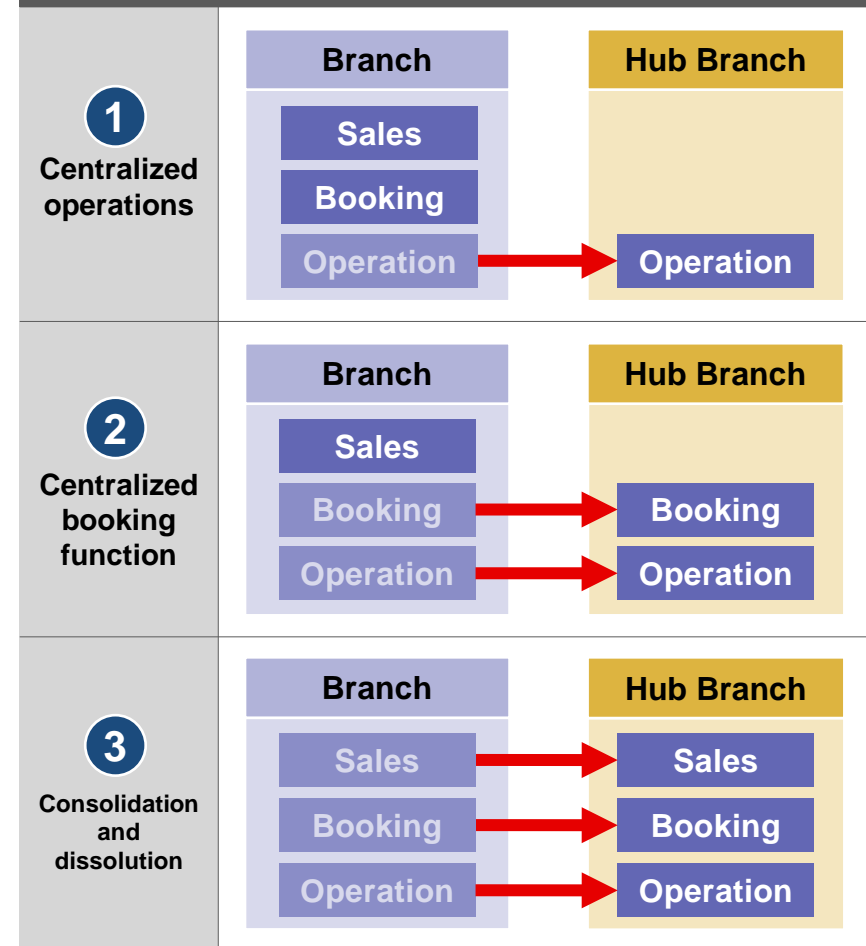
(9) Overseas Operations – Enhance overseas branch networks

- Executed ongoing initiatives to optimize the structure of our overseas branches and operations in Americas, EMEA and Asia
- Optimize branch management on a global basis, thereby establishing sustainable branch networks

Initiatives being undertaken so far

Americas	<p>Integrated MUFG Bank's Americas operations and managed local branches in an integrated manner</p>  <p>UnionBank: ■ Wholesale Bank ● Regional Bank</p> <p>MUFG MUFG Bank</p>
EMEA	<p>Transferred MUFG Bank's branches in Europe under MUFG Bank (Europe)</p> 
Asia	<p>Established Operations Centers (Mumbai, Manila)</p> 

Future branch networks enhancement (example)



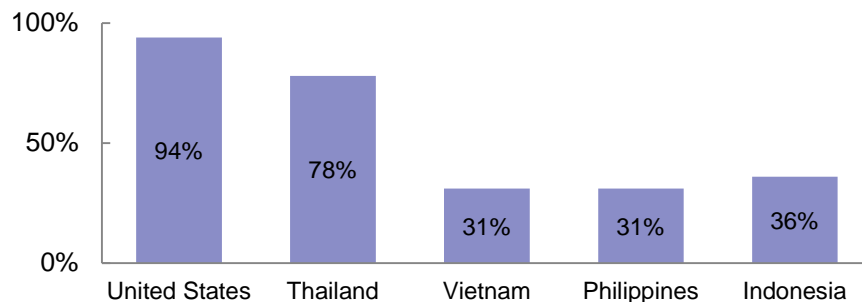
Global Commercial Banking (GCB)

- The network of MUFG's partner banks serves an extensive, multi-national market with total population of 850 million. With rapidly growing GDPs, these countries boast robust potential demand for banking services
- Enhance partner banks' presences in their respective countries by exchanging business development know-how among partner banks and MUFG

Population and GDP

	United States	Thailand	Vietnam	Philippines	Indonesia
Population (mm)	322.2	68.9	94.6	103.3	261.1
Median age	37.6	37.8	30.4	24.1	28.0
Nominal GDP (US\$ bn)	18,624.5	407.0	205.3	304.9	932.3
GDP per capita (US\$)	57,808	5,911	2,171	2,951	3,570

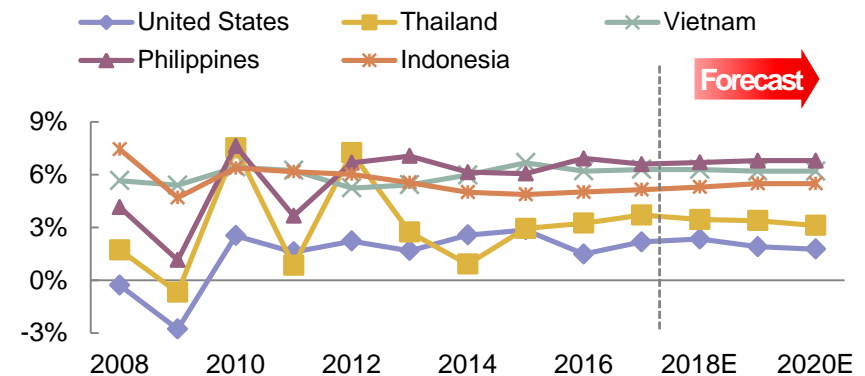
Bank account penetration^{*1}



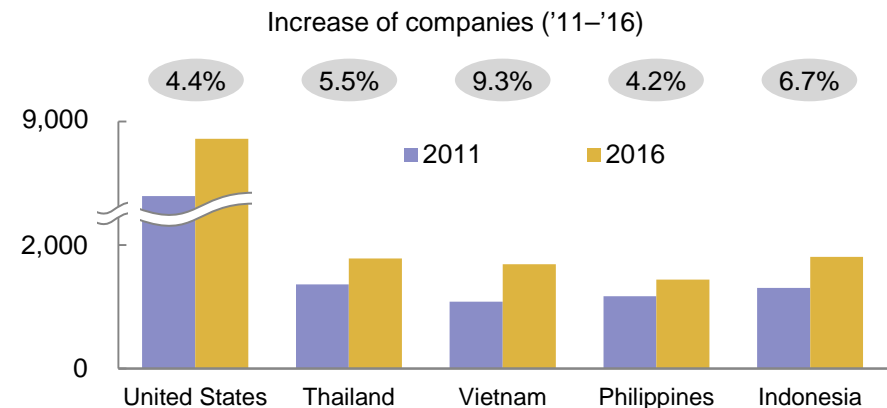
(Source) The Ministry of Foreign Affairs of Japan, IMF, United Nations, World Bank

*1 World Bank data: Share with an account in 2014

Growth of real GDP








Japanese companies' market entry (by country)



Global Commercial Banking (GCB)

- Evolve from “Investing” to “Managing”. Establish a new business group after due consideration to the scale and growth potential of retail and local corporate/SME banking business in ASEAN and the US
- Ensure that best practices are shared among all partner banks and MUFG, thereby mutually enhancing corporate value and creating synergy

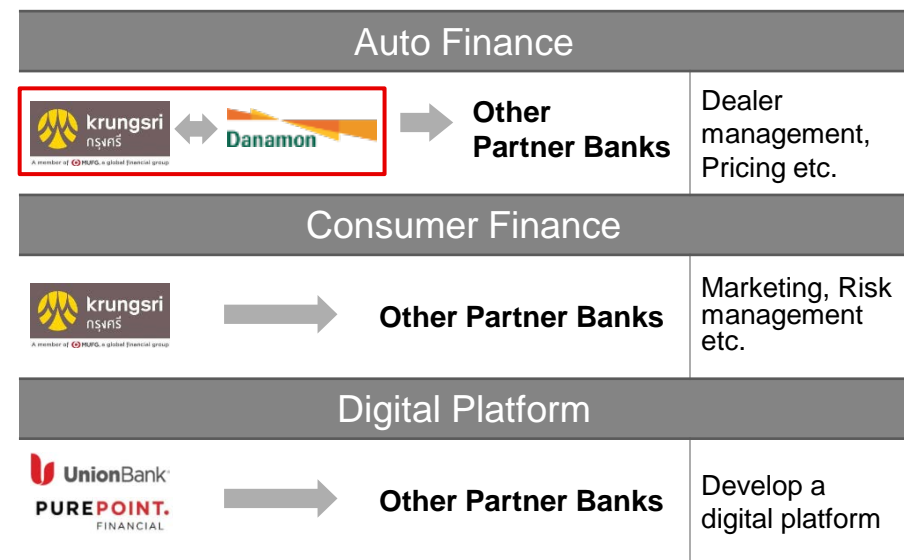
Partner Banks

Partner Bank	Voting right*1	Ranking*2
United States  UnionBank	100%	#13
Thailand  krungsri <small>A member of MUFG a global financial group</small>	76.8%	#5
Vietnam  VietinBank	19.7%	#2
Philippines  SECURITY BANK	20.0%	#5
Indonesia  Danamon	19.9%	#5

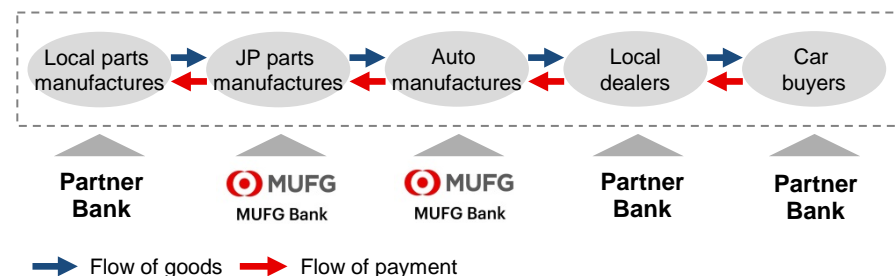
Initiatives for value enhancement

- Accelerate sharing of best practices
- Create synergy
- Enhance risk management and governance
- Pursue inorganic strategy
- Formulate and implement strategy across countries

Sharing of best practices (example)



Create synergy (example) Supply chain finance for auto industry



(source) SNL, Central Bank of the Philippines, Bloomberg, Company data, loan outstanding of MUFG Bank's branches = managerial accounting figures within the Bank

*1 End of Mar 2018 *2 Each Partner Bank's total assets + loan outstanding of MUFG Bank's branches in the countries. Ranking among D-SIBs for Thailand (End of Dec 2017)

Global Commercial Banking (GCB)

- MUFG Americas Holdings Corporation (MUAH)

- FY17 net income increased by \$87 million primarily due to reversal of provision for credit losses and favorable tax impact offset by a slight decrease in total revenues and an increase in noninterest expense
- Focus on increasing fee income/USD deposit and cost reduction to improve profitability, in addition to growing the consumer loan business

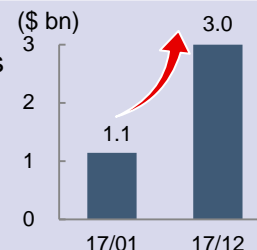
Financial results of MUAH^{*1*2}

<P/L> (US\$ mm)		FY16	FY17	YoY
1	Net Interest Income	3,053	3,204	151
2	Total non-interest income	2,225	2,010	(215)
3	Trading account activities	105	(5)	(110)
4	Investment banking and syndication fees	312	369	57
5	Fees from affiliates ^{*3}	957	866	(91)
6	Total revenue	5,278	5,214	(64)
7	Non-interest expenses ^{*4}	3,782	3,984	202
8	Salaries and employee benefits	2,355	2,376	21
9	Pre-tax, pre-provision income	1,496	1,230	(266)
10	Provision for credit losses	155	(103)	(258)
11	Income tax expense	419	299	(120)
12	Net income attributable to MUAH	990	1,077	87
13	NIM	2.23%	2.33%	0.10ppt
<BS> (US\$ mm)		End Dec 16	End Dec 17	Change
14	Loans	77,551	80,014	2,463
15	Deposit	86,947	84,787	(2,160)
16	Total equity	17,386	18,355	969
17	Total asset	148,144	154,550	6,406
18	NPL ratio	0.89 %	0.58%	(0.31ppt)
19	NPL coverage ratio	92.69%	102.37%	9.68ppt

Key initiatives of Regional Bank

PurePoint Direct Banking

- Scale USD deposit balance (\$ bn)
- Launched 22 financial centers



Unsecured Consumer loans

- Leverage Union Bank and PurePoint brands to grow business using financial center footprints



Mortgage Servicing Rights (MSR)

- Enhance non-interest income from servicing business by MSR purchases

Initiatives to improve efficiency of Americas

Resource & location strategy

- Redistribute part of workforce to a lower cost location and strong labor supply (Phoenix, AZ)

IT services Transformation & cost reduction

- Process re-engineering; Reduction in professional and outside service expenses

^{*1} MUAH's December 31, 2017 10-K report based on U.S. GAAP

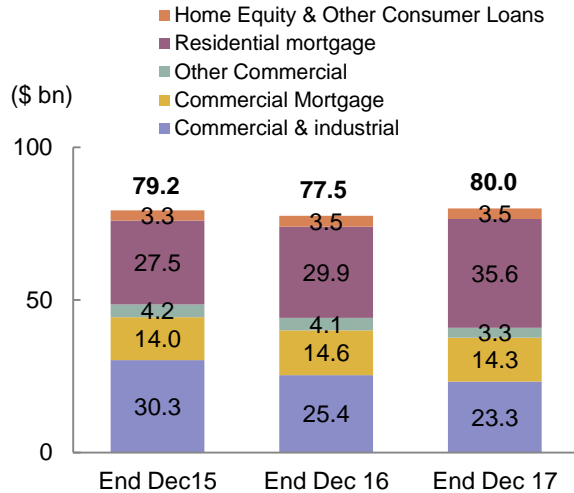
^{*2} Figures have been revised to include the results of the transferred IHC entities, such as MUFG Securities Americas applicable to FY16

^{*3} Represents income resulting from the business integration of MUFG Bank & MUFG Union Bank, N.A. ^{*4} Includes expense associated with employees providing support services to MUFG Bank

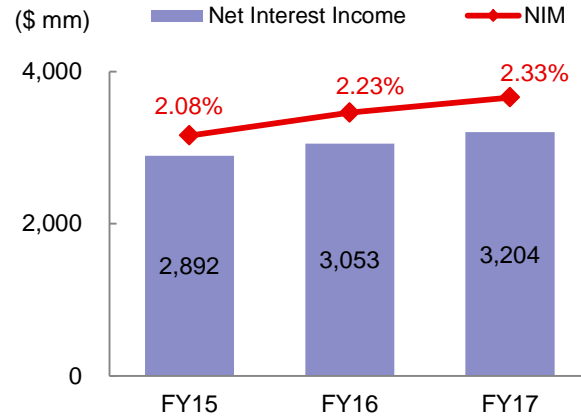
Global Commercial Banking (GCB)

- (Reference)Key figures of MUAH

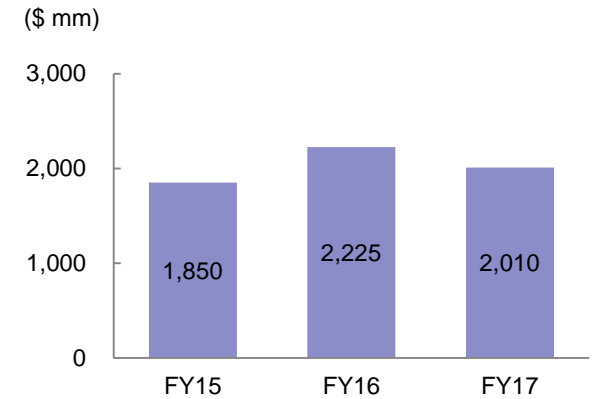
Lending balance



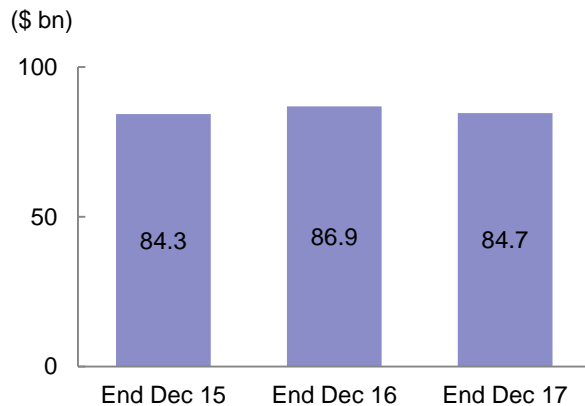
Net interest income



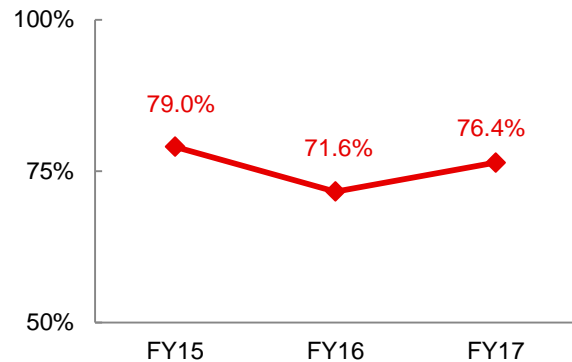
Non-interest income



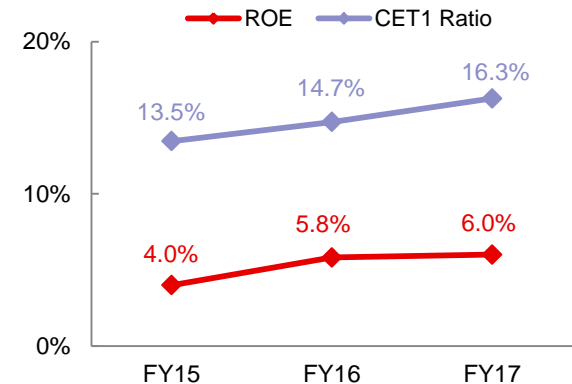
Deposit balance



Cost to income ratio^{*1}



ROE / CET1 Ratio^{*2}



*1 Efficiency ratio

*2 U.S. Basel III standardized approach; fully phased-in
MUAH is working on capital optimization and recently paid a \$500mm dividend in 2017

Global Commercial Banking (GCB)

- Krungsri

- Increase in NII driven by robust loan growth and non-interest income contributing to increase in net profit of FY17
- Krungsri was among the five leading domestic banks recognized by the Central Bank (BOT) as D-SIBs
- Strategic Direction: Thai Corp, SME and Retail segments enhancement, while maintaining strong position in JPC/MNC*1 and Consumer Finance

Financial results*2

<P/L> (THB mm)	FY16	FY17	
			YoY
1 Net interest income	61,977	68,535	6,558
2 Net fees and services income	18,175	19,675	1,500
3 Non-interest and non fees income	11,335	12,270	935
4 Total income	91,487	100,480	8,993
5 Other operating expense	43,080	48,210	5,130
6 Employee expenses	21,334	24,438	3,104
7 Pre-provision operating profit	48,407	52,270	3,863
8 Impairment loss of loans and debt securities	21,314	22,970	1,656
9 Net profit attribute to owners of the bank	21,404	23,209	1,805
10 NIM	3.74%	3.74%	0.00ppt
<BS> (THB mm)	End Dec 16	End Dec 17	Change
11 Loans	1,506,222	1,619,358	113,136
12 Deposit	1,108,288	1,319,229	210,941
13 Total equity	208,768	225,987	17,219
14 Total asset	1,883,188	2,088,772	205,584
15 NPL ratio	2.21%	2.05%	(0.16ppt)
16 NPL coverage ratio	143.3%	148.4%	5.1ppt

*1 Multinational Corporation *2 Financial results as disclosed in Krungsri's financial report based on Thai GAAP

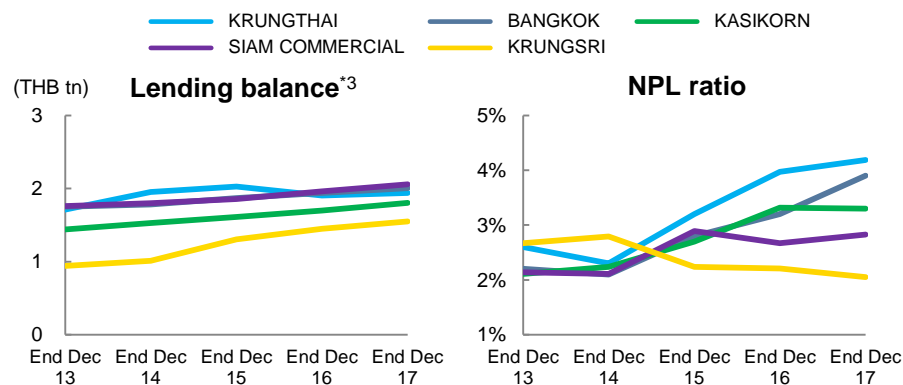
*3 Lending balance is sum of loans

BTMU Bangkok branch was integrated to KS with total loan of THB 232.7bn in Jan 15

Strategic direction

Segment	Position		Key Strategies
	Current		
JPC / MNC	#1	→	Promote deposit & investment banking business
Thai Corp	#5	→	Explore new market / enhance fee business
SME	#5	→	Focus on working capital solution, and grow non-interest income and CASA*4
Retail	#5	→	Improve Krungsri brand consideration and advisory capability
Consumer Finance	#1	→	Maintain and enhance #1 position
Accelerate digital / Improve productivity			Maintain high asset quality

Peer comparison



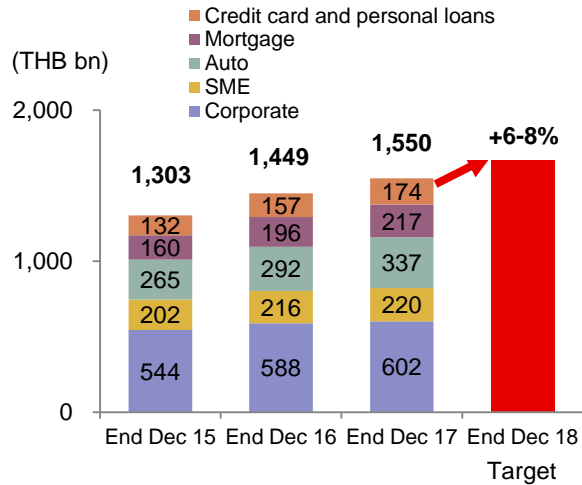
(Source) Bloomberg, Company data

*4 Current Account and Savings Account

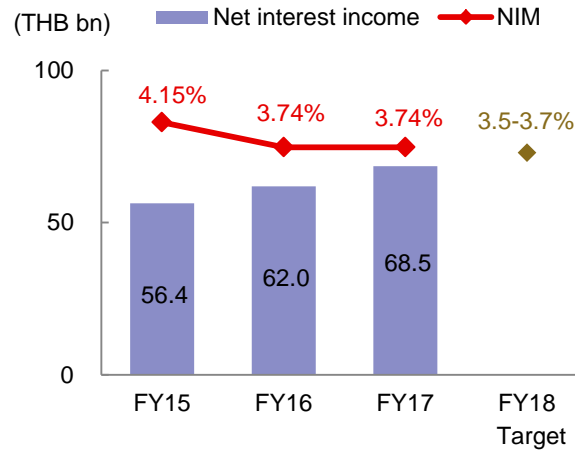
Global Commercial Banking (GCB)

-(Reference) Key figures of Krungsri

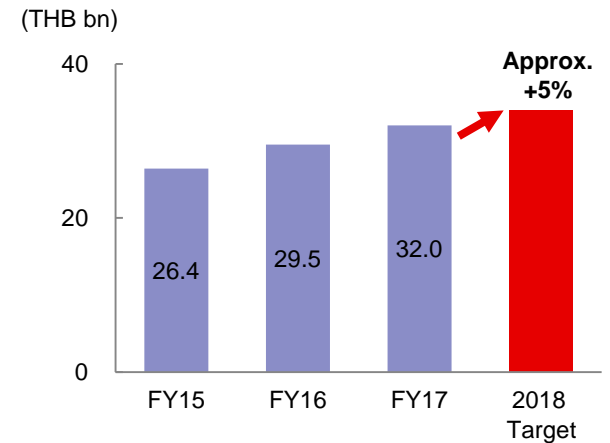
Lending balance



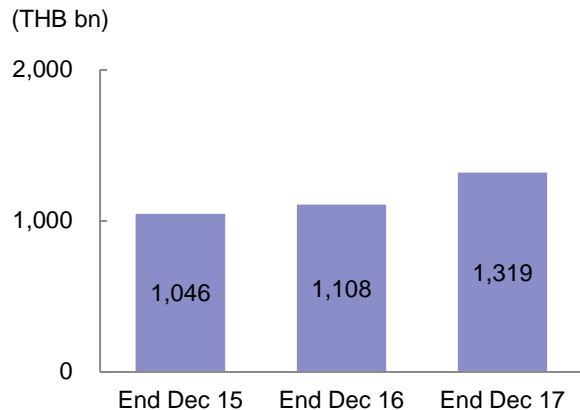
Net interest income



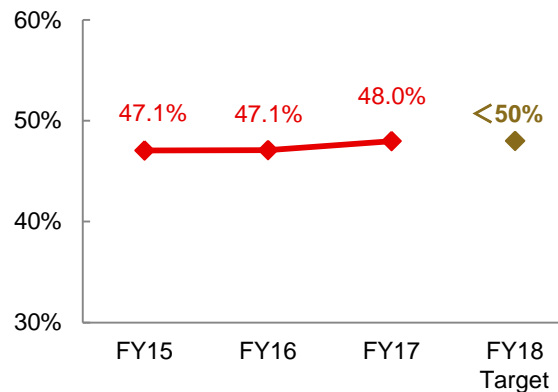
Non-interest income



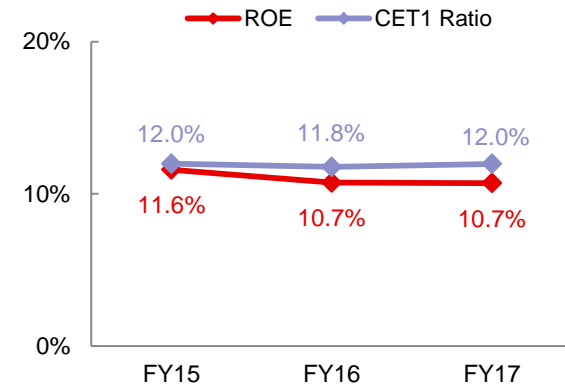
Deposit balance



Cost to income ratio



ROE·CET1 Ratio



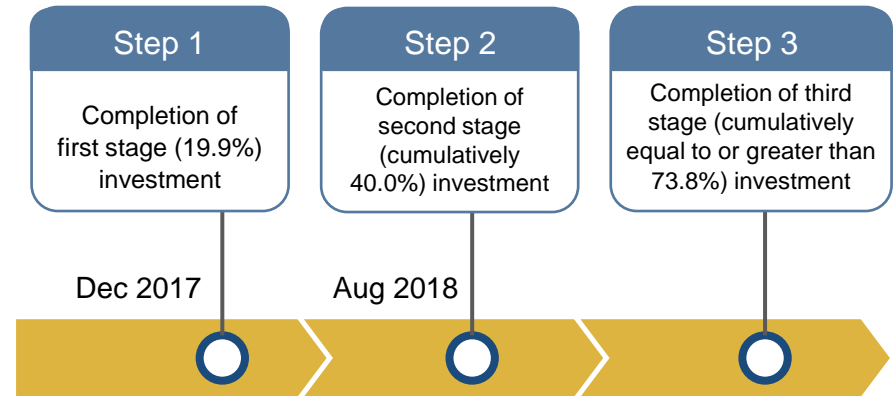
Global Commercial Banking (GCB)

- Bank Danamon

Company overview

Establishment	1956 (established as a private bank)
Rating	Moody's: Baa2, Fitch: BB+, Pefindo: AAA
Operating Income / Net Income*1	USD1,303mm / USD282mm
Total Asset*1	USD13,157mm
Branches*2	Consolidated base: More than 1,600 Stand-alone base: 992
Employees*2	Consolidated base : 36,410 Stand-alone base : 16,811

Transaction schedule



Accelerating the growth strategy by utilizing the synergies with MUFG



Features and initiatives of Bank Danamon

- Strengthening SME and Transaction banking services
- Maintaining leadership position in the Auto industry
- Growth of digital channels
- Mortgages and knowledge of real estate business



Strengths of MUFG

- Global network
- Transaction of Japanese Corporate clients
- Products and services
- Track record of synergies from partnering ASEAN banks

Contribute to the Indonesia's economy

Expansion of the presence in Indonesia

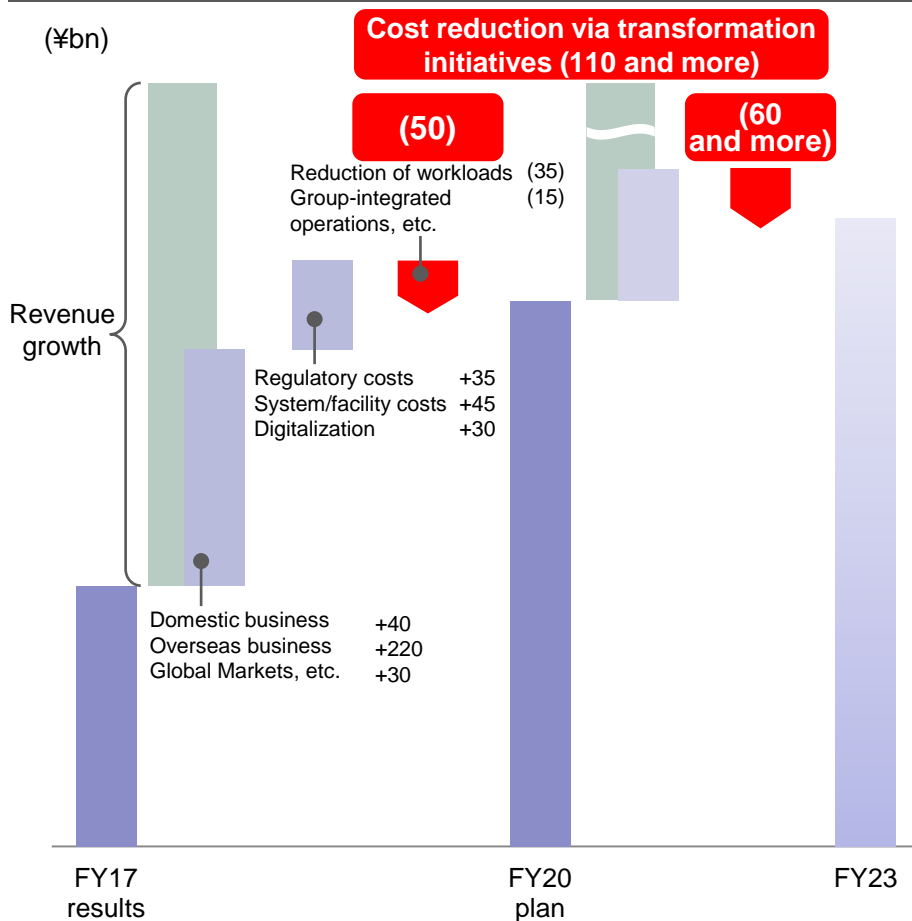
Enhance MUFG's Global Commercial Banking business

Provide unparalleled comprehensive financial services

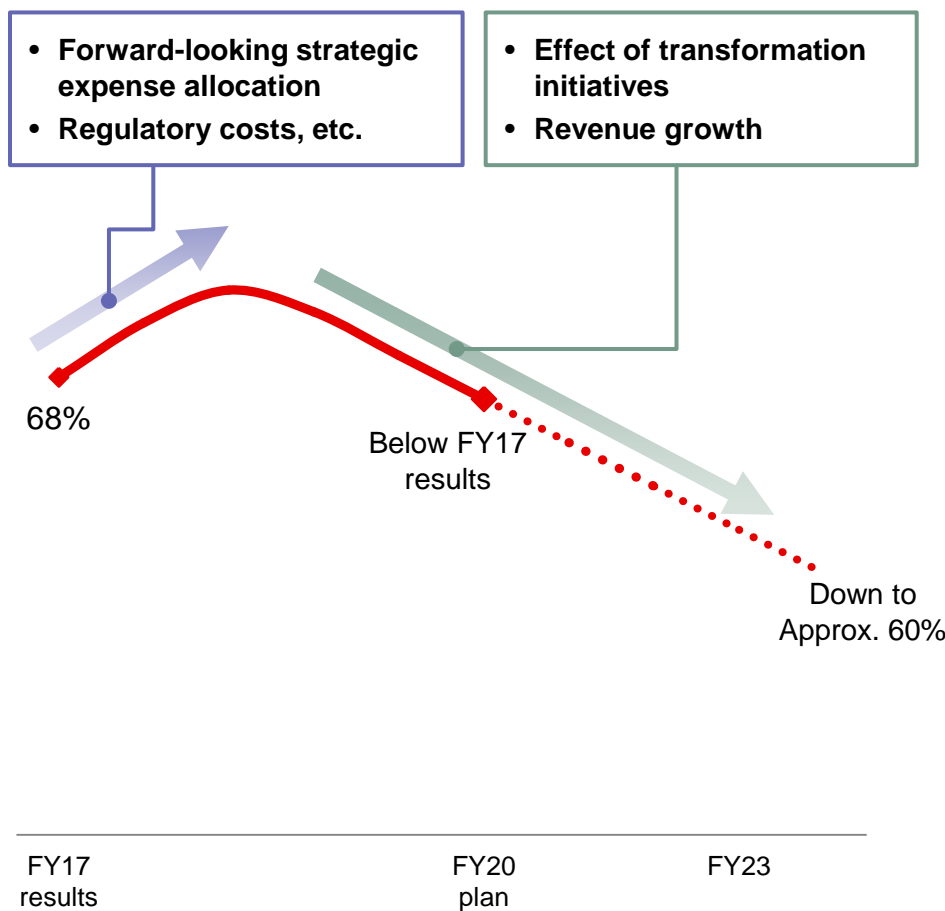
Expense

- Expense ratios for the first and second years of the new MTBP are expected to rise compared with FY17 results due to forward-looking strategic expense allocation as well as regulatory costs, etc.
- Expense ratio for the third year of new MTBP will down below FY17 results due to the effect of transformation initiatives and the growth of Global Commercial Banking, etc. Aim for the expense ratio of 60% over the mid- to long- term

Changes in expenses



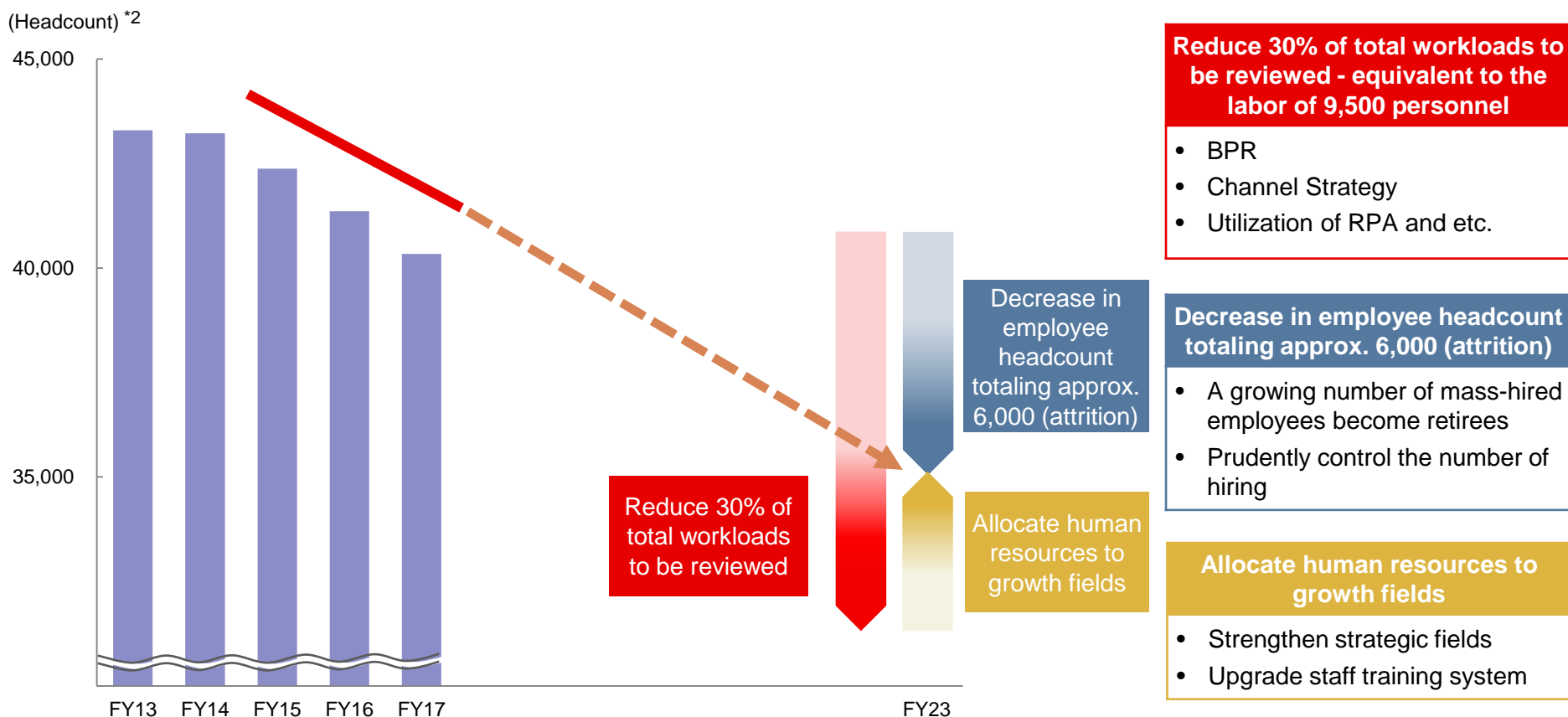
Expense ratio



Positive effects of reduction in workloads

- Reduce 30% of total workloads^{*1} to be reviewed by FY23 via business process reengineering under the MUFG Re-Imagining Strategy
- Expect a decrease in employee headcount totaling approx. 6,000 (attrition) by FY23
- Allocate human resources to growth fields by upgrading staff training system

Staffing plan based on estimated reduction in workloads (MUFG Bank non-consolidated)



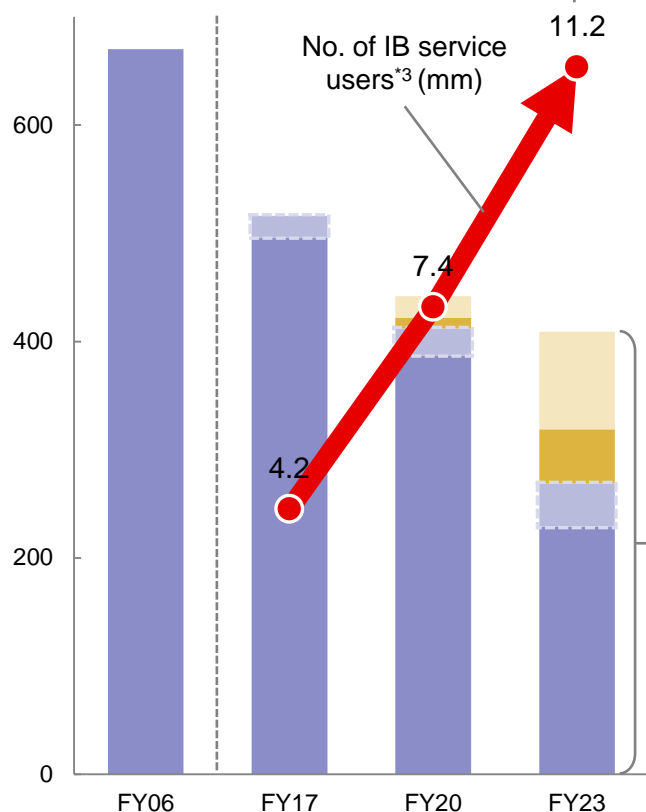
*1 Including MUFG Bank's subsidiaries engaged in operations

*2 The figure includes MUFG Bank's domestic bank staff, part-time and contract staff as well as temporary staff but excludes overseas staff hired locally. The figure also includes employees of other companies seconded to MUFG Bank but excludes employees temporarily transferred to other companies

Transforming customers' channels

- Raise the number of IB^{*1} service users to accelerate a shift from branch transactions to online transactions
- Diversify interface addressing to customers' individual needs by introducing "MUFG NEXT," which provides brand-new UX, "Consulting Office," which dedicates to consulting business, and "MUFG PLAZA," which offers a full range of services at single location

No. of branches^{*2}

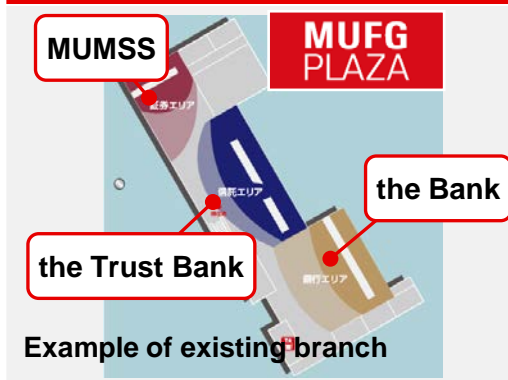


1 Shift from the branch to the internet

2 Diversify customer interface at branches

- MUFG NEXT
- MUFG NEXT (Consulting Office)
- MUFG PLAZA (Group co-located branch)
- Branch with bank-counter

MUFG PLAZA (Group co-located branch)



MUFG NEXT

New EXperience Together
~Create brand-new UX with customers~



MUFG NEXT (Consulting Office)



^{*1} Mitsubishi UFJ DIRECT: Internet banking for individual customers ^{*2} MUFG Bank non-consolidated basis

^{*3} IB service users = users who log-in IB once in 6 months out of all active accounts (excl. accounts used for direct debit only)

(Reference) Assumption of economic environment

Base scenario for new medium-term business plan in major countries and financial conditions^{*1}

Eco- nomy	Japan	<ul style="list-style-type: none"> Modest economic recovery will continue, supported by robust corporate earnings and cyclical recovery in production
	US/ Europe	<ul style="list-style-type: none"> The upward trend will continue on the back of improving employment, despite political and policy risks
	Asia	<ul style="list-style-type: none"> While the economy is likely to continue maturing, overall growth will remain robust due to the expansion of the middle class and strong investment in infrastructure
Financial		<ul style="list-style-type: none"> Monetary policies will be gradually normalized, mainly in developed countries. However, interest rates will be kept low, reflecting a lower growth rate

Real GDP growth rate (%)^{*1}

	2018	2019	2020
Japan	1.3	0.9	0.9
US	2.3	2.4	2.0
Euro zone	1.7	1.4	1.3
Asia	5.9	5.6	5.4
China	6.4	6.0	5.8
ASEAN(5 countries) ^{*2}	5.1	4.9	4.8

Policy / long term interest rate and FX^{*3}

		2018	2019	2020
Policy interest rate (%)	Japan ^{*4}	(0.1)	(0.1)	(0.1)
	US	2.25	2.50	2.50
10year government bonds yields (%)	Japan	0.2	0.3	0.3
	US	2.7	2.9	2.9
FX (rate in business plan)	USD/JPY	110		
	EUR/JPY	125		

^{*1} "Japan": fiscal year basis, other: calendar year basis ^{*2} Malaysia, Indonesia, Thailand, Philippines, Vietnam

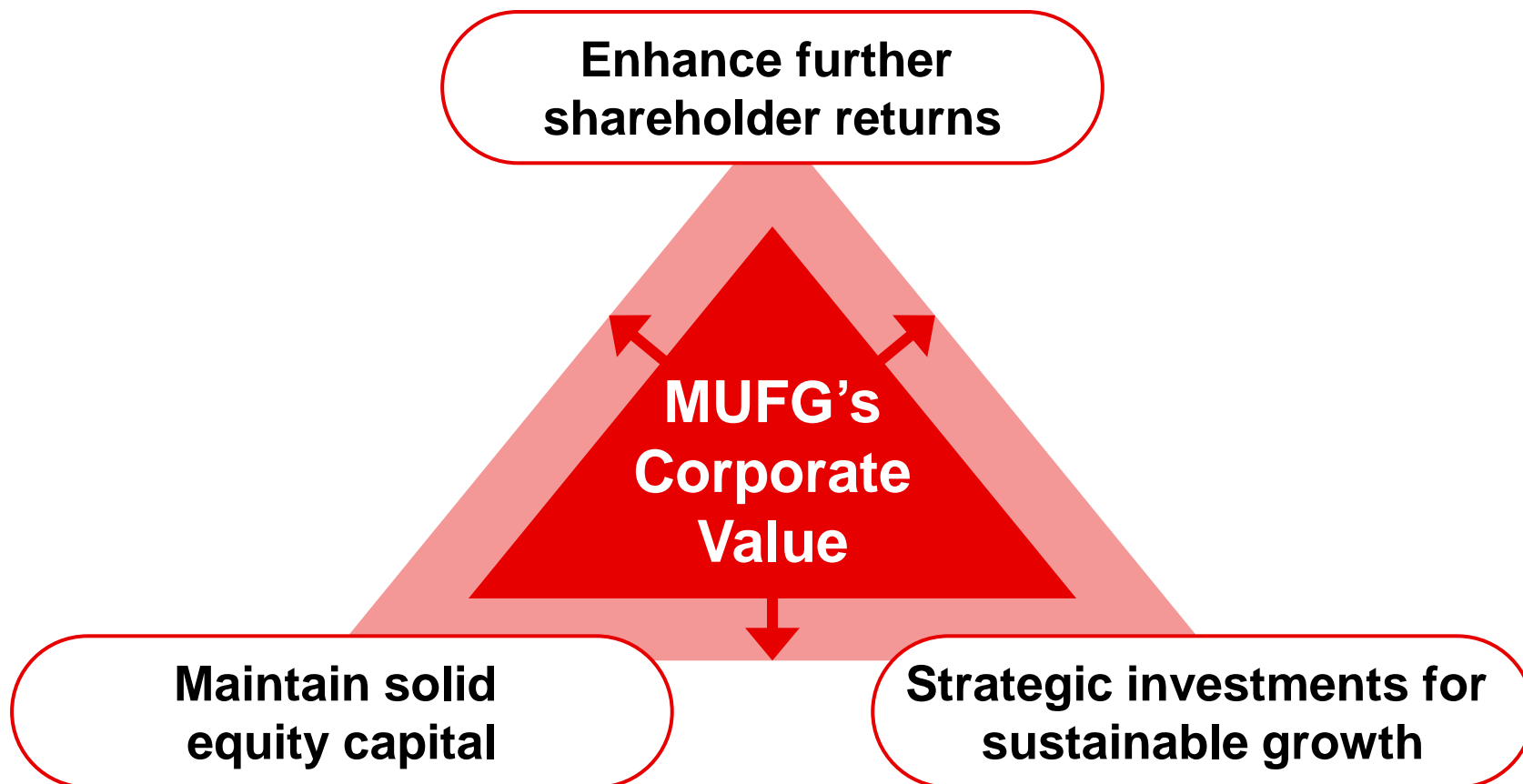
^{*3} Policy interest rate: end of the period basis. 10yr government bonds: average of the period basis

^{*4} Rate applied to the Policy-Rate Balance of current account deposits at the Bank of Japan

Capital Policy

Capital policy

- Our capital policy calls for striking an appropriate balance from three perspectives: solid equity capital maintenance, strategic investments for sustainable growth, and the further enhancement of shareholder returns



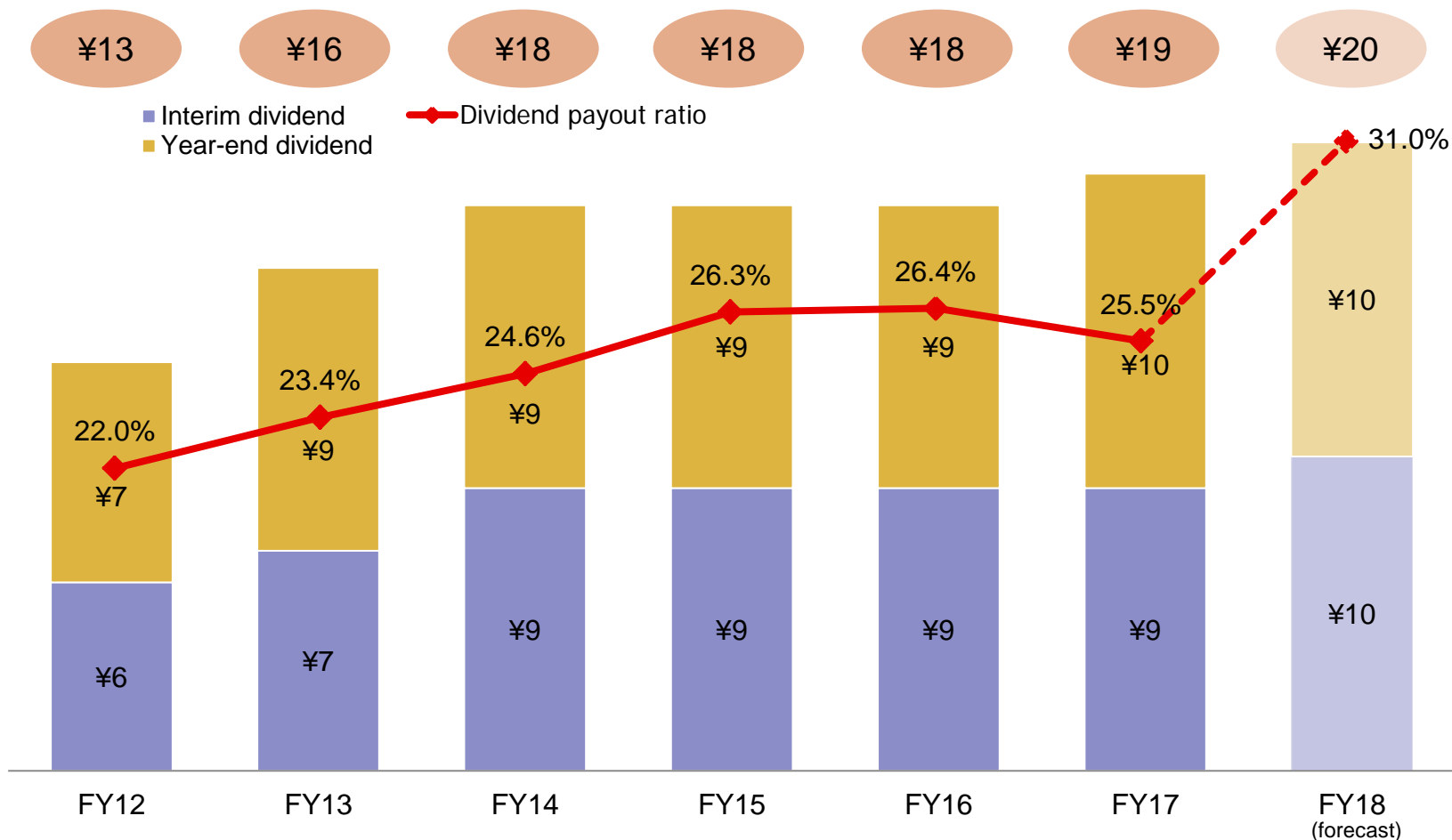
Basic policies for shareholder returns

Basic policies for shareholder returns		<ul style="list-style-type: none">● MUFG continuously seeks to improve shareholder returns, focusing on dividends in the pursuit of an optimal balance with solid equity capital and strategic investment for growth
Dividends		<ul style="list-style-type: none">● MUFG aims for a stable and sustainable increase in dividends per share through profit growth, with a dividend payout ratio target of 40%
Share Repurchase		<ul style="list-style-type: none">● MUFG plans to flexibly repurchase its own shares, as part of its shareholder return strategies, in order to improve capital efficiency
Share Cancellation		<ul style="list-style-type: none">● In principle, MUFG plans to hold a maximum of approximately 5% of the total number of issued shares, and cancel shares that exceed this amount

Dividend forecast

- Dividend per common stock for FY17 is ¥19, increased by ¥1 compared to the previous forecast
- FY18 dividend forecast is ¥20 per common stock, up by ¥1 compared to FY17

Results and forecasts of dividend per common stock



Outline of repurchase and cancellation of own shares

- Repurchased own shares approximately ¥50bn. All of the repurchased shares have been cancelled

Outline of repurchase and cancellation of own shares

	FY14	FY15	FY16	FY17	FY18H1
Type of shares repurchased	Ordinary shares of MUFG	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)	Approx. ¥200.0 bn (Approx. ¥100.0 bn each on two occasions)	Approx. ¥50.0 bn
Aggregate number of shares repurchased	Approx. 148.59 mm shares	Approx. 232.85 mm shares	Approx. 332.85 mm shares	Approx. 268.81 mm shares (All of the shares have been cancelled)	Approx. 72.42 mm shares (All of the shares have been cancelled)

(Ref) As of July 31, 2018

Total number of issued shares (excluding own shares):

13,119,541,241 shares

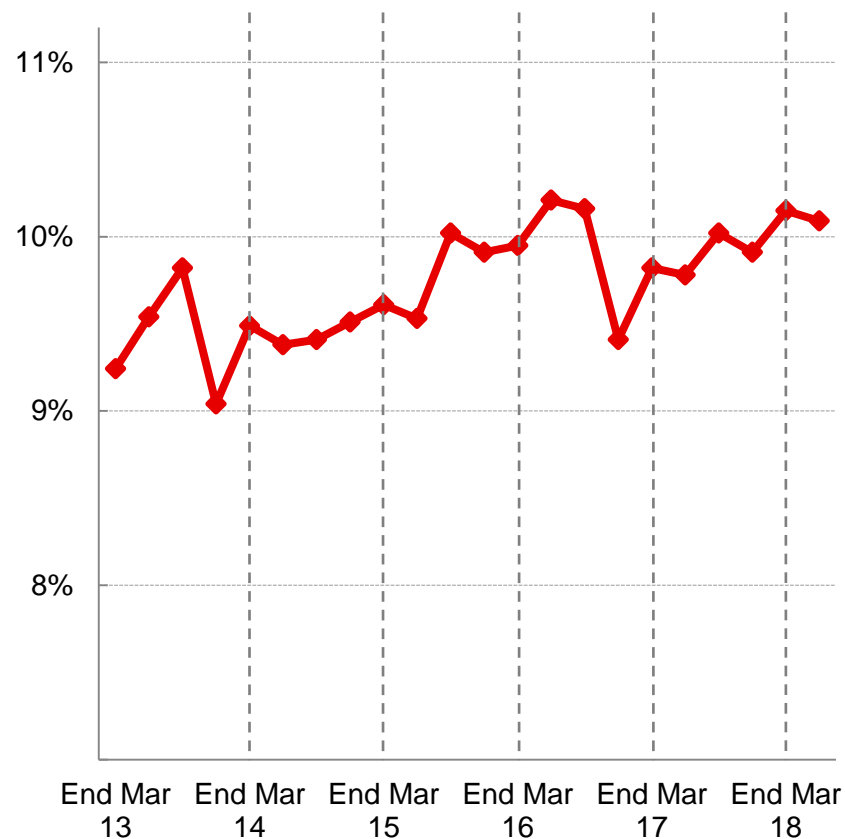
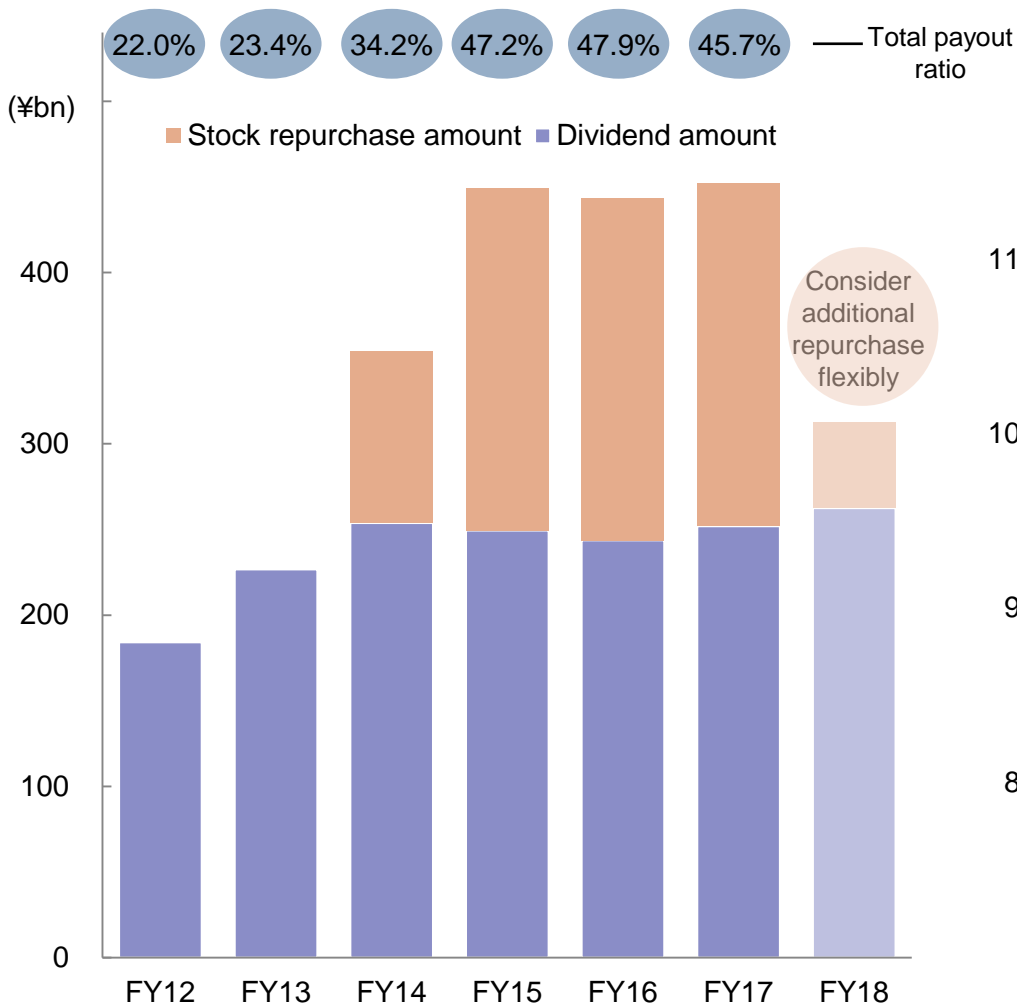
Number of own shares held by MUFG:

708,066,079 shares

(Reference) Total payout

Total payout

Trend of CET1 ratio*1

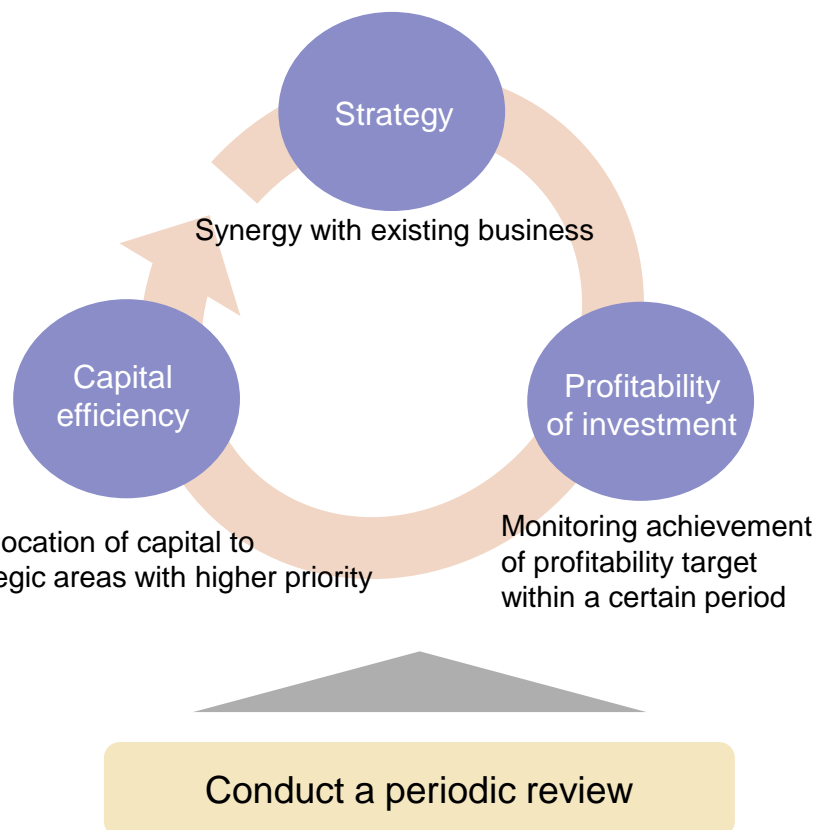


*1 Calculated on the basis of regulations to be applied at end Mar 19. On a basis that excludes unrealized gain

Optimize strategic investment

Optimize strategic investment

- Optimize capital management in the face of tightened international financial regulation and changes in business environment
- Conduct a review of existing strategic investment from viewpoint of strategy, capital efficiency and profitability of investment



Particular cases

- Sold entire stake of CIMB Group Holdings Berhad shares and approx. half stake of Banco Bradesco SA shares
- Nothing changes in their status as one of MUFG's important strategic partners/alliances

Outline



Number of shares sold	412,506,345 ordinary shares (equivalent to 4.6% stake)
Date of sale	September 20, 2017
Sale price	Approx. 68 billion yen



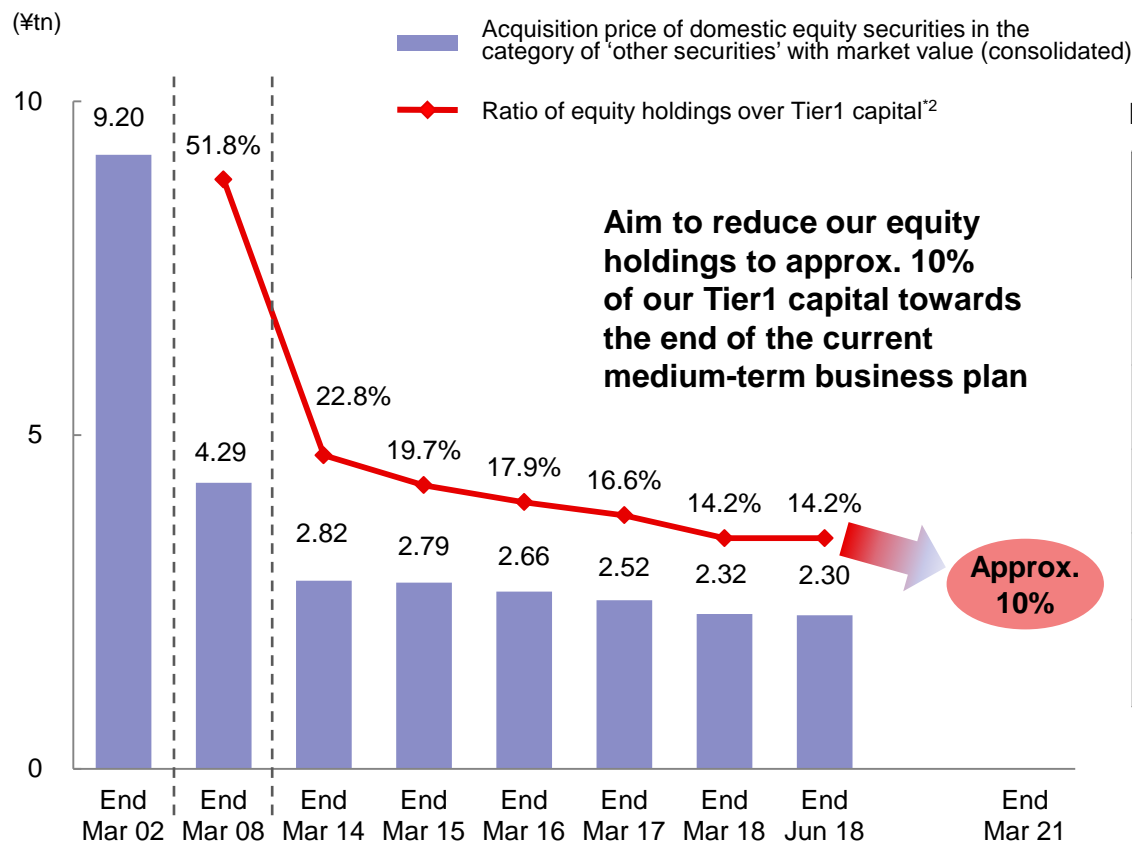
Number of shares sold	41,718,620 ordinary shares (equivalent to 1.25% stake)
Date of sale	April 6, 2018
Sale price	Approx. 45 billion yen

Further considering optimization of strategic investment

Reduction of equity holdings

- Accelerate reduction of equity holdings considering the risk, capital efficiency and international financial regulations
- Approx. ¥17 bn*¹ equities were sold in FY18Q1

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
FY17	¥318 bn	¥201 bn	¥117 bn
FY18 Q1	¥38 bn	¥17 bn	¥21 bn
Total	¥834 bn	¥484 bn	¥350 bn

*1 Sum of the Bank and the Trust Bank

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

Environment, Social and Governance

MUFG's approach

- Place greater emphasis on ESG in our business management to achieve sustainable growth in corporate value

Directions

Opportunities

- We will sustainably enhance our corporate value by helping resolve environmental/social (E/S) issues through our business activities while looking to contribute to the SDGs and other sustainability targets

Risk Management

- Staying apprised of international trends and standards, we will upgrade our E/S risk management framework and enhance our responsiveness to climate change



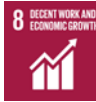




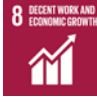

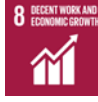

Disclosure

- We will maintain easy-to-understand information disclosure covering a range of our initiatives while enhancing engagement with various stakeholders

Major initiatives from FY18

• Specifying priority E/S issues that MUFG must address

P.60

1 Aging population & low birth rate  	2 Business incubation & job creation 	3 Social infrastructure & town planning  
4 Global warming & climate change  	5 Financial innovation  	6 Work style reforms 
7 Issues in cross-business areas 		

• Formulating group-wide E/S policies and procedures

P.60

MUFG
Environmental
Policy Statement

MUFG
Human Rights
Policy Statement

MUFG
Environmental and
Social Policy
Framework

• Strengthening corporate governance structure

P.61-63

Decreasing the
number of directors
Board with a majority
of outside directors

Review of the
Senior Advisors
System

Review of the
compensation
policy for individual
officers, etc.

Major initiatives (FY18 -)

- Each business group has set up initiatives for E/S issues. Accelerate the ongoing initiatives in the business fields with a strong track record while challenging into new business fields
- Formulate group-wide E/S policies and procedures (effective from July 2018)

Major E/S issues-based business initiatives

1 Aging population & low birth rate	<ul style="list-style-type: none"> Support personal financial asset building and succession (Dollar-Cost Averaging NISA, etc.) Investment education: help improve financial literacy on a multigenerational basis 	R J R A
2 Business incubation & job creation	<ul style="list-style-type: none"> Expand business with venture corporations Microfinance through KS^{*1} and its subsidiaries 	R J GCB
3 Social infrastructure & town planning	<ul style="list-style-type: none"> Support regional economic revitalization via the Tourism Activation Fund Promote global infrastructure business in collaboration with clients and group Cos. (JII^{*2}/MUL) 	J J G
4 Global warming & climate change	<ul style="list-style-type: none"> Stronger focus on environmental financing in the renewable energy industry Expand our consulting business for tackling climate change 	R J G
5 Financial innovation	<ul style="list-style-type: none"> Provide advanced financial services (e.g. using blockchain technology & AI) 	
6 Work style reforms	<ul style="list-style-type: none"> Improve productivity through flexible work styles 	
7 Issues in cross-business areas	<ul style="list-style-type: none"> Sophisticate the investment chains; enhance our investment activities focused on ESG criteria ESG investment in banking book 	A M

R : R&C, J : JCIB, G : GCIB, GCB : GCB, A : AM/IS, M : Global Markets

Formulating E/S policies and procedures^{*3}

MUFG's basic policy with regard to E/S issues

MUFG Environment Policy Statement

- Recognize environmental initiatives as a management responsibility
- Continuously address environmental issues through our business activities and enhance corporate value

MUFG Human Rights Policy Statement

- Recognize respect for human rights as an important management issue
- Support and respect international standards, such as the Universal Declaration of Human Rights, etc.

Framework and procedures to support the basic policy

MUFG Environmental and Social Policy Framework^{*4}

- Identify transactions which are "prohibited from financing" and "financing is restricted" (e.g., cluster munitions manufacturing sector, coal fired power generation sector)
- Declare our policy of actively financing renewable energy businesses, such as solar and wind power generation, to help combat climate change while supporting the adoption of advanced technologies aimed at reducing GHG emissions
- Introduce an enhanced due diligence process to identify and assess E/S risks associated with designated transactions

^{*1} Bank of Ayudhya (Krungsri) ^{*2} Japan Infrastructure Initiative

^{*3} https://www.mufg.jp/english/vcms_if/news/pressrelease-20180515-005-e.pdf

^{*4} Applied to the Bank, the Trust Bank and the Securities HD

Strengthening oversight function by outside directors

- Decrease the number of directors from 18 to 15, with outside directors being majority, thereby enhancing the quality of discussions undertaken by and the supervisory functions of the Board of Directors

Outside directors

(As of July 31, 2018)

	Name		Current position and responsibilities at the Company	Other Public Co. Boards (#)	Expertise				
					Business Admin.	Finance	Accounting	Law	
1	Hiroshi Kawakami	Reelected Independent	Outside director Nominating, Compensation, Audit	1	●	-	-	-	
2	Yuko Kawamoto	Reelected Independent	Outside director Nominating, Compensation, Risk (Chair)	0	-	●	-	-	
3	Haruka Matsuyama	Reelected Independent	Outside director Nominating, Compensation (Chair)	3	-	-	-	●	
4	Toby S. Myerson	Reelected Independent	Outside director Risk	0	-	-	-	●	
5	Tsutomu Okuda	Reelected Independent	Outside director Nominating (Chair), Compensation	0	●	-	-	-	
6	Yasushi Shingai	Newly elected Independent	Outside director Audit, Risk	1	●	-	●	-	
7	Tarisa Watanagase	Reelected Independent	Outside director Risk	1	-	●	-	-	
8	Akira Yamate	Reelected Independent	Outside director Audit (Chair)	1	-	-	●	-	

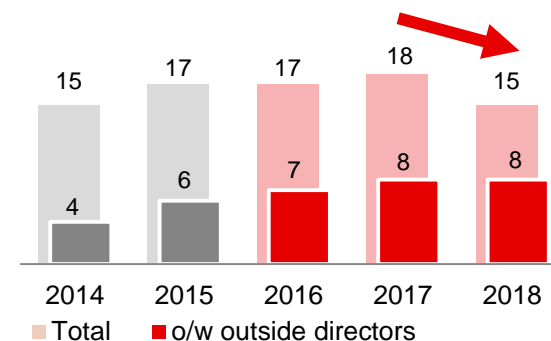
Nominating: Nominating and Governance Committee member
Compensation: Compensation Committee member

Audit: Audit Committee member
Risk: Risk Committee member

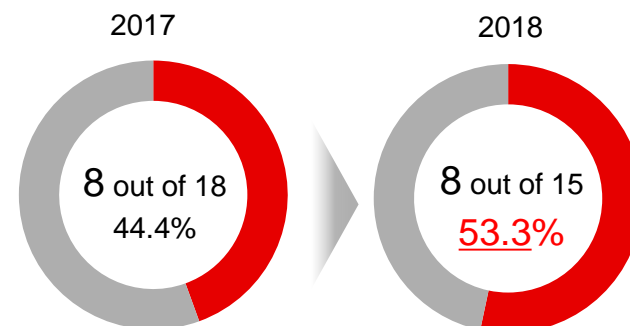
Board structure

Numbers of the Board members

Co. with a Board of Corporate Auditors → Co. with Three Committees



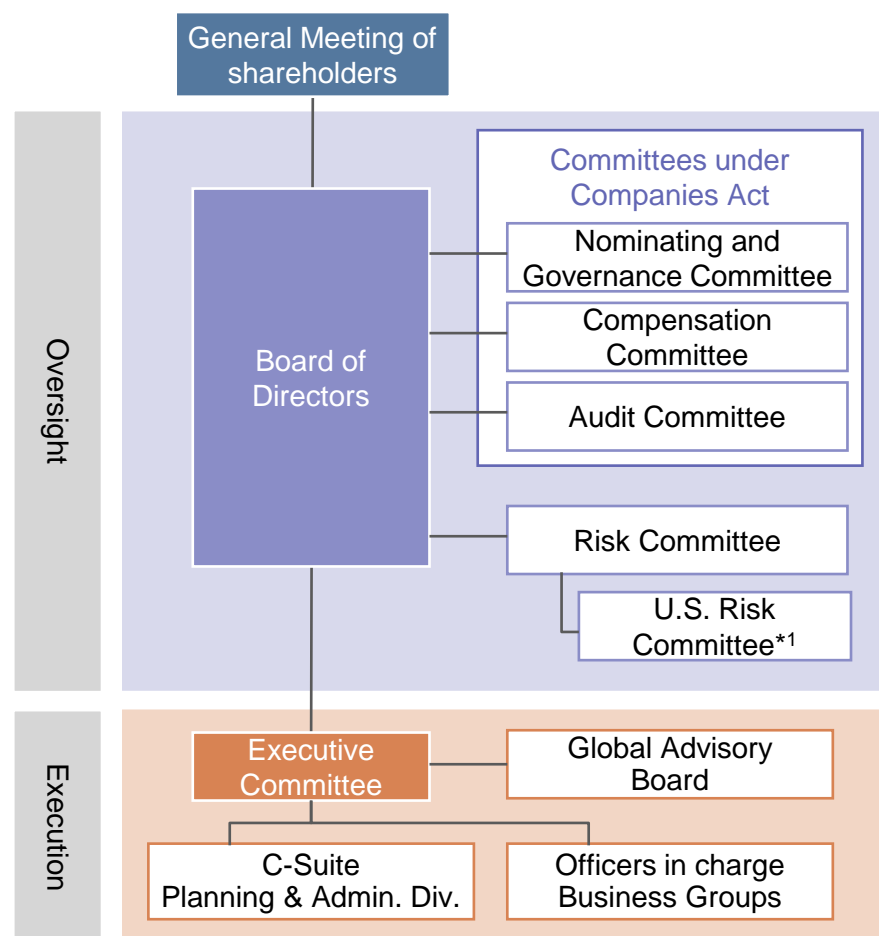
Ratio: Independent outside directors



Corporate governance structure

- All committees under the Board of Directors are chaired by outside directors
- Terminate the previous Senior Advisors System and implement an enhanced system with greater transparency

MUFG governance structure



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	Ann F. Jaedicke	MUFG outside director

Review of MUFG's Senior Advisors System

- The previous Senior Advisors System in subsidiaries was officially **terminated**
- Implemented a new Senior Advisors System from July 2018

Duty	<ul style="list-style-type: none"> • No involvement in management decision making • Engage in external activities in addition to their activities in contributing to the financial world and society
Length of term	<ul style="list-style-type: none"> • Contract will be renewed every year (in principle, a maximum of six years)
Number of people	<ul style="list-style-type: none"> • 13 (the Bank: 7, the Trust Bank: 3, the Securities HD: 3)*3

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

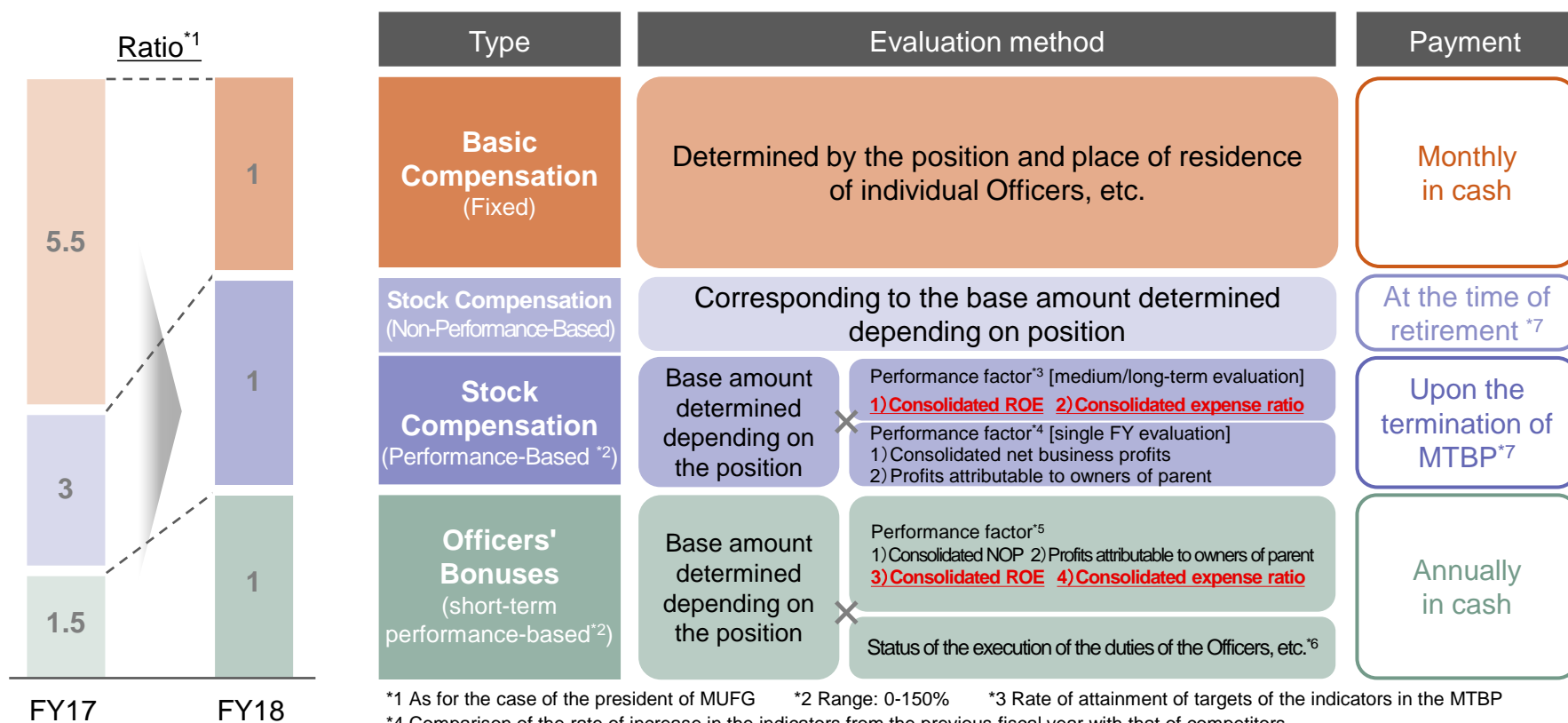
*2 As of July 31, 2018 *3 As of July 1, 2018

Compensation policy for individual officers, etc.

- Add ROE and expenses ratio as performance factor of compensation for individual directors, corporate executive officers and executive officers (“Officers, etc.”), considering MUFG’s management issues
- Increase the proportion of performance-based compensation from FY18 with the aim of better harmonizing with shareholders’ interests

< Philosophy and objective > From “Policy on Decisions on the Contents of Compensation for Individual Officers, etc.”

- Prevent excessive risk-taking and raise motivation of Officers, etc., to contribute not only to the short-term but also to the medium- to long-term improvement of financial results, thereby enabling sustainable growth and the medium- to long-term enhancement of the enterprise value of the Group
- This policy has been prescribed in accordance with the business performance and financial soundness of the Group and applicable Japanese and overseas regulations regarding compensation of officers



*1 As for the case of the president of MUFG *2 Range: 0-150% *3 Rate of attainment of targets of the indicators in the MTBP

*4 Comparison of the rate of increase in the indicators from the previous fiscal year with that of competitors

*5 Rate of increase/decrease of the indicators from the previous fiscal year and the rate of attainment of targets of these indicators

*6 Determined exclusively by independent outside directors at the Compensation Committee

*7 Subject to claw-back clause, etc.

Appendix

Appendix: Financial results of Mitsubishi UFJ Securities Holdings

- The consolidated revenue increased year on year supported by the strong performance in investment banking business of MUMSS*1, covering the sluggish overseas business
- Net profits decreased due to deconsolidation of Mitsubishi UFJ Kokusai AM from the equity-method affiliated company as a measure of functional realignment among MUFG and increase in tax expense

Results of Mitsubishi UFJ Securities Holdings

(¥bn)	FY17Q1	FY18Q1	YoY	(Reference*2) FY18Q1
1 Net operating revenue*3	83.3	86.0	2.6	101.1
2 Commission received	36.8	40.9	4.1	
3 Equity brokerage	9.8	8.9	(0.9)	
4 Underwriting and secondary distribution	4.5	7.0	2.4	
5 Sales of investment trusts	8.7	5.9	(2.7)	
6 Other fees received	13.7	19.1	5.4	
7 Net trading income	36.9	37.3	0.4	
8 Stocks	7.0	(5.8)	(12.9)	
9 Bonds and other	29.8	43.2	13.3	
10 SG&A expenses	73.6	75.0	1.3	87.4
11 Transaction expenses	22.0	20.5	(1.4)	
12 Operating income	9.7	10.9	1.2	
13 Non-operating income	5.4	4.2	(1.2)	
14 Equity in earnings of affiliates	3.9	3.4	(0.4)	
15 Ordinary income	15.1	15.1	0.0	17.8
16 Profits attributable to owners of parent	9.8	8.4	(1.3)	10.4

Results of MUMSS*1

(¥bn)	FY17Q1	FY18Q1	YoY
1 Net operating revenue*3	61.4	68.2	6.7
2 SG&A expenses	58.6	59.1	0.4
3 Operating income	2.8	9.0	6.2
4 Ordinary income	3.1	9.3	6.2
5 Profits attributable to owners of parent	1.8	6.1	4.2

Net operating revenue of domestic securities firms (FY18Q1)

Rank	Security firm(s)	Amount (¥bn)
1	Nomura Securities	128.7
2	MUMSS*1 (incl. MUMSPB) + MSMS + kabu.com	97.3*4
3	SMBC Nikko Securities	83.1
4	Daiwa Securities	77.9
5	Mizuho Securities	67.6

(Source: Company disclosure)

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

*2 Figures represent the simple aggregation of consolidated results with operating results of MUFG Securities Americas, which was excluded from the scope of consolidation in the second half of FY16

*3 Operating revenue minus financial expenses

*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 the Securities HD accounted for by using the equity-method

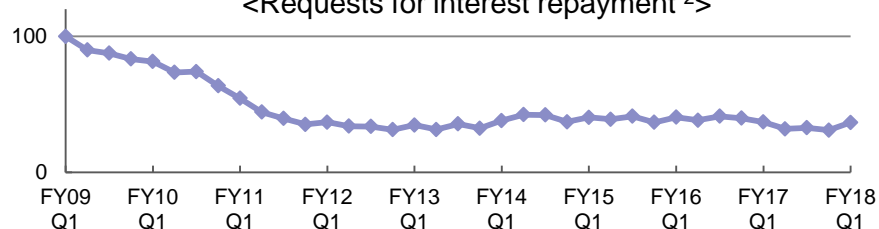
Appendix: Financial results of Mitsubishi UFJ NICOS / ACOM

- NICOS: Operating revenue increased due to an increase of card shopping while operating expenses increased too. As a results, operating profit remained the same level as FY17Q1. Profits attributable to owners of parent decreased yoy since NICOS posted deferred tax assets last year
- ACOM: Operating revenue and operating profit increased due to growth of loan and guarantee business. Maintained an increasing trend of guaranteed receivables.

Results of NICOS

(¥bn)		FY17Q1	FY18Q1	YoY
1	Operating revenue	70.5	73.4	2.9
2	Card shopping	48.6	50.6	2.0
3	Card cashing	5.7	5.3	(0.4)
4	Loan revenue	1.1	1.0	(0.1)
5	Operating expenses	69.6	72.5	2.9
6	G&A expenses	63.4	65.8	2.3
7	Credit related costs	6.1	6.7	0.5
8	Provision for loss on interest repayment	-	-	-
9	Operating profit	0.9	0.9	(0.0)
10	Ordinary profit	0.9	0.9	0.0
11	Profits attributable to owners of parent	25.1	2.2	(22.9)
12	Interest repayment ^{*1}	4.3	3.3	(1.0)

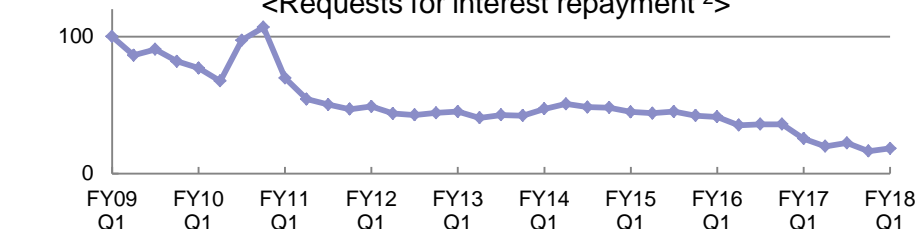
<Requests for interest repayment^{*2}>



Results of ACOM

(¥bn)		FY17Q1	FY18Q1	YoY
1	Operating revenue	63.4	68.0	4.5
2	Operating expenses	45.4	44.9	(0.4)
3	G&A expenses	22.1	22.5	0.4
4	Provision for bad debt	20.1	19.4	(0.6)
5	Provision for loss on interest repayment	-	-	-
6	Operating profit	18.0	23.0	5.0
7	Profits attributable to owners of parents	16.3	18.9	2.6
8	Interest repayment ^{*1}	16.3	9.8	(6.5)
		End Mar 18	End Jun 18	Change from end Mar 18
9	Guaranteed receivables	1,199.6	1,202.7	3.1
10	Unsecured consumer loans (Non-consolidated)	797.2	803.8	6.6
11	Share of loans ^{*3}	32.6%	-	-

<Requests for interest repayment^{*2}>



*1 Including waiver of repayment *2 Requests for interest repayment in FY09Q1 = 100

*3 Share of the receivables outstanding excluding housing loans (non-consolidated) in consumer finance industry. (Source) Japan Financial Services Association

Appendix: Financial results of Morgan Stanley and major collaborations

- FY18 H1 net revenue and net income increased YoY, driven by strong performance across all businesses and geographies
- Leveraging the MUFG-MS alliance, the Joint Venture acted as Bookrunner for both the domestic and international tranches in all 17 large global IPOs*¹ by Japanese companies since its inception in May 2010

Morgan Stanley Financial results*²

(US\$mm)		FY17 H1	FY18 H1	YoY
1	Net revenue	19,248	21,687	2,439
2	Non-interest expenses	13,798	15,158	1,360
3	Income from continuing operations before taxes	5,450	6,529	1,079
4	Net income applicable to MS	3,687	5,105	1,418
5	Earnings applicable to MS common Shareholders	3,427	4,842	1,415
6	ROE	9.9%	13.9%	4.0ppt

Major collaborations

- Bain-led Consortium's acquisition of Toshiba Memory
 - MUMSS acted as FA to Bain Capital and SK Hynix in the consortium's JPY 2tn acquisition of Toshiba Memory
- Global IPO by SG Holdings
 - MS acted as Lead-left Joint Global Coordinator and MUMSS / MS acted as Joint Bookrunner for both the domestic and international tranches in SG Holdings' approx. JPY 128bn global IPO
- Global Follow-on Offering by Renesas Electronics
 - MS acted as Lead-left Joint Global Coordinator and MUMSS/MS acted as Joint Bookrunner for both the domestic and international tranches in Renesas' approx. JPY 349bn global follow-on equity offering
- Shanghai Pharma's acquisition of Cardinal Health's China business
 - MS acted as Global Coordinator and buy-side advisor for the USD 1.2bn acquisition, and MUFG acted as the Sole Underwriter for the USD 920mm bridge facility to support the acquisition

M&A Advisory		(Apr 17- Mar 18)		
Rank	Financial Advisor	# of Deals	AMT (¥ bn)	Share (%)
1	Nomura	106	6,755.5	31.6
2	MUMSS	49	6,403.1	30.0
3	Goldman Sachs	29	5,312.6	24.9
4	Credit Suisse	19	3,229.5	15.1
5	Mizuho FG	208	2,522.6	11.8

Any Japanese involvement. Announced basis

(Source) Thomson Reuters

Equity Underwriting		(Apr 17- Mar 18)		
Rank	Bookrunner	# of Deals	AMT (¥ bn)	Share (%)
1	Nomura	115	1,024.7	24.2
2	Daiwa	97	915.3	21.6
3	SMBC Nikko	159	607.0	14.4
4	MUMSS	81	494.7	11.7
5	Mizuho	133	469.4	11.1

(Source) Thomson Reuters

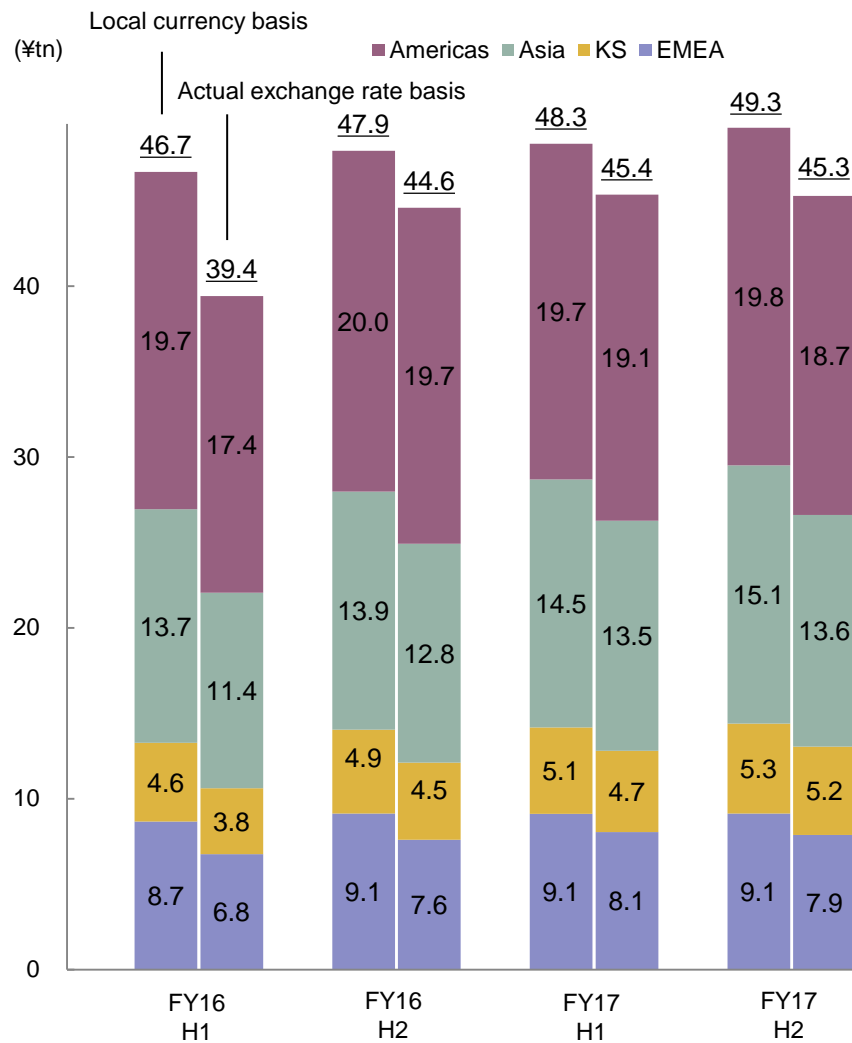
*¹ Over ¥50bn, excluding J-REIT deals

*² Based on U.S. GAAP

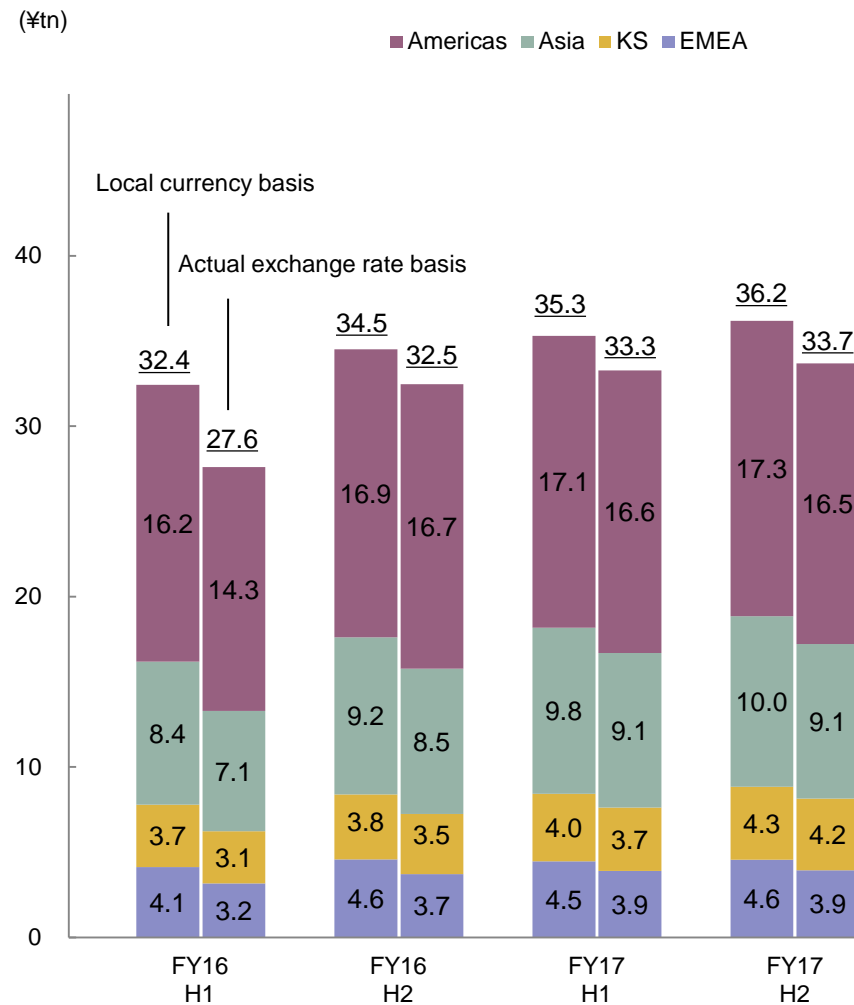
Appendix: Global Loans and deposits by region

(Consolidated)

Average loan balance by region



Average deposit balance by region

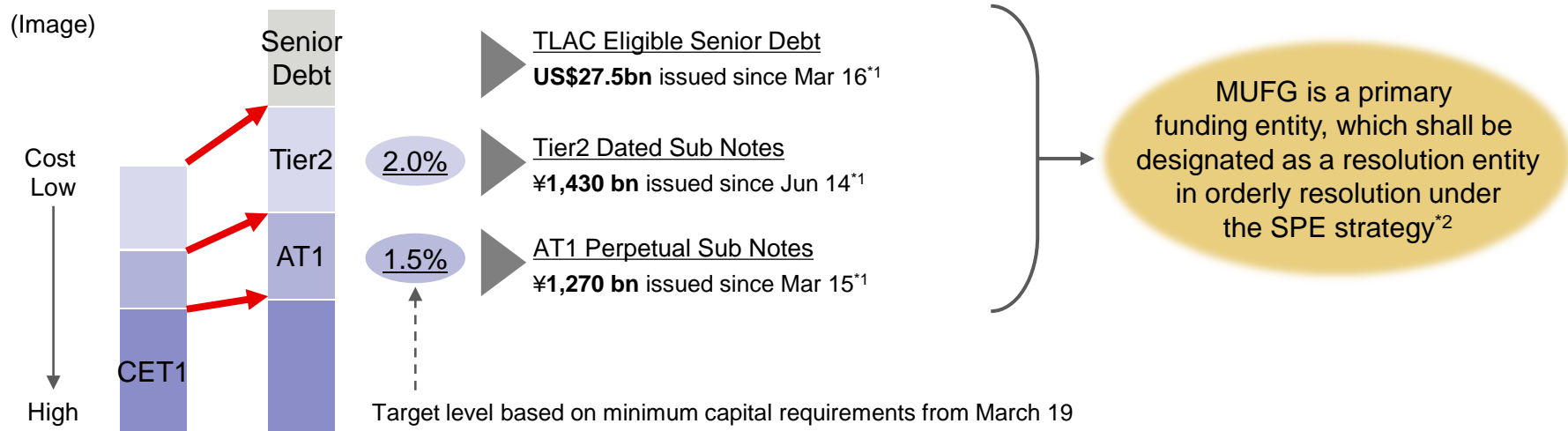


Appendix: TLAC requirement

– The best capital mix

- Capital management with utilization of AT1 / Tier2 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 Jun 18

17.3%

(Note) TLAC ratio estimation is calculated as follows, which is based on our total capital ratio as of end Jun18

TLAC Ratio = Total capital ratio (16.40%) – Capital conservation buffer (2.5%) – G-SIB surcharge (1.5%) + Credible ex-ante commitments (2.5%) + TLAC eligible debt (2.22%) ± Other adjustments, etc.

Ref. minimum TLAC requirement

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

^{*1} Accumulated amount of issuance of benchmark-size notes as of end Jul 18 (excluding the amount of buyback). TLAC Eligible Senior Debt are converted into US\$ with actual exchange rates as of end Jul 18

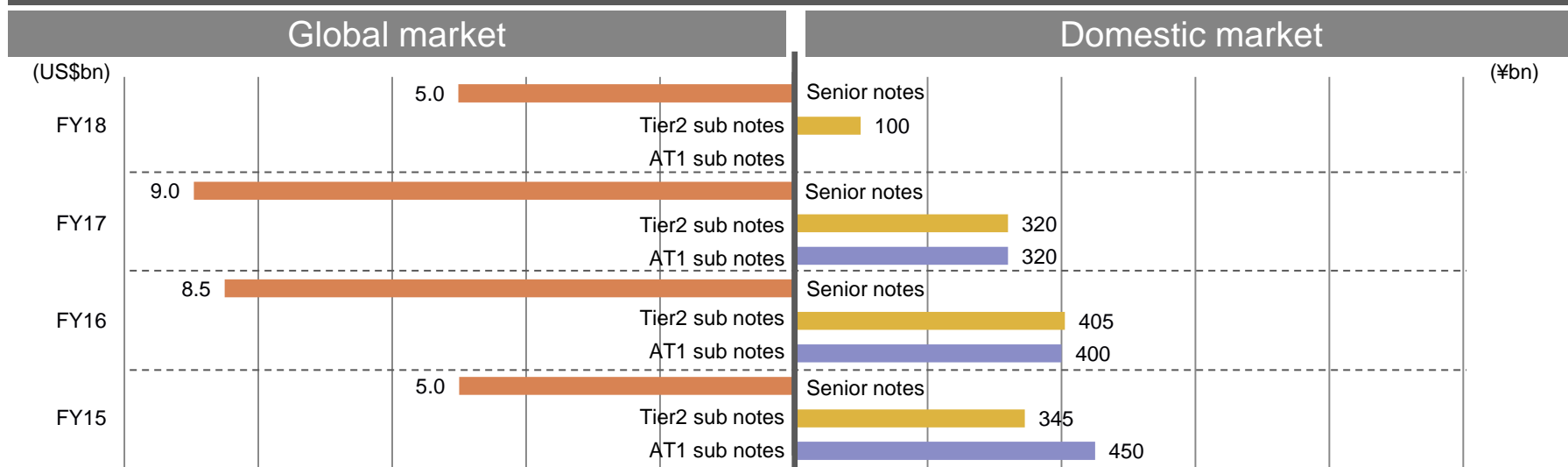
^{*2} Single Point of Entry strategy: to resolve a financial group at the level of its ultimate parent, rather than the operating companies at subsidiary level in financial difficulty by the single national financial authority

^{*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

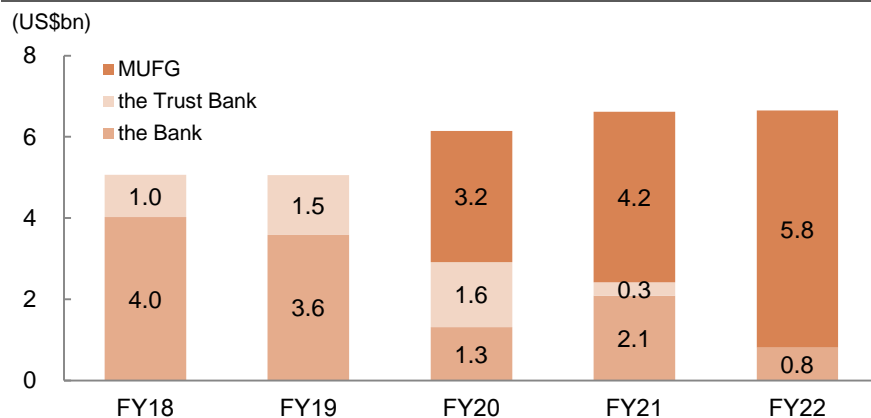
Appendix: TLAC requirement

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

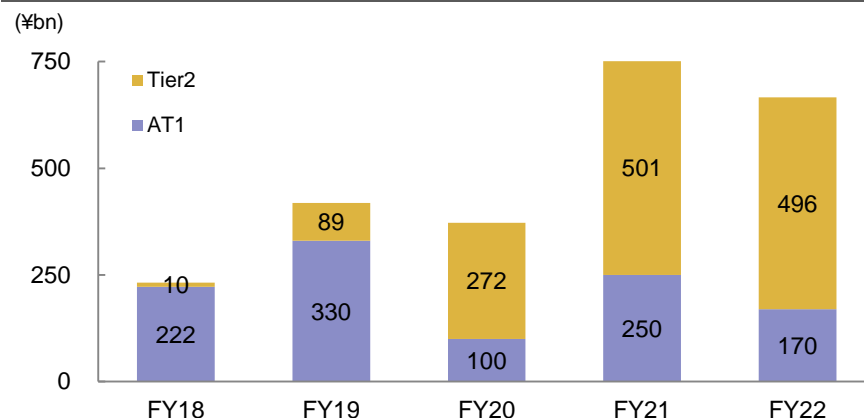
MUFG issuance track record^{*1}



Senior unsecured bond redemption schedule^{*2}



AT1, Tier2 bond call / redemption schedule^{*3}



^{*1} Total of public issuance, as of end Jul 18. TLAC Eligible Senior Debt are converted into US\$ with actual exchange rates as of end Jul 18

^{*2} Annual figures assuming that all callable notes are to be redeemed on its first callable date. All figures are converted into US\$ with actual exchange rates as of end Jul 18. Excluding structured bond and notes issued by overseas branches and subsidiaries

^{*3} Annual figures 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 issued by the Bank and the Trust Bank respectively