



Fiscal 2018 Interim Results Presentation

November 16, 2018

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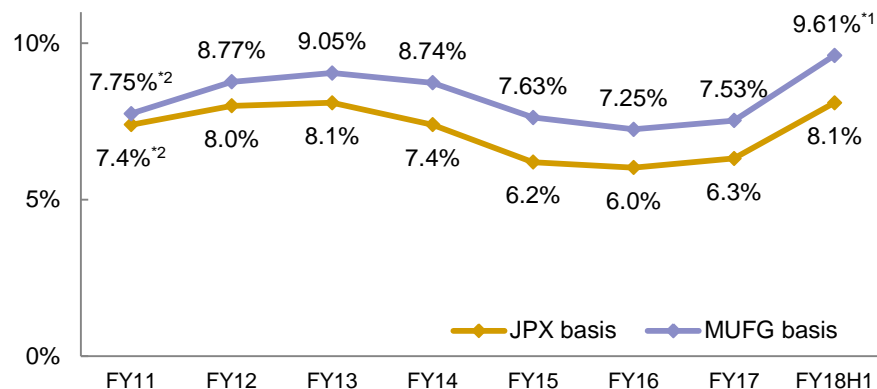
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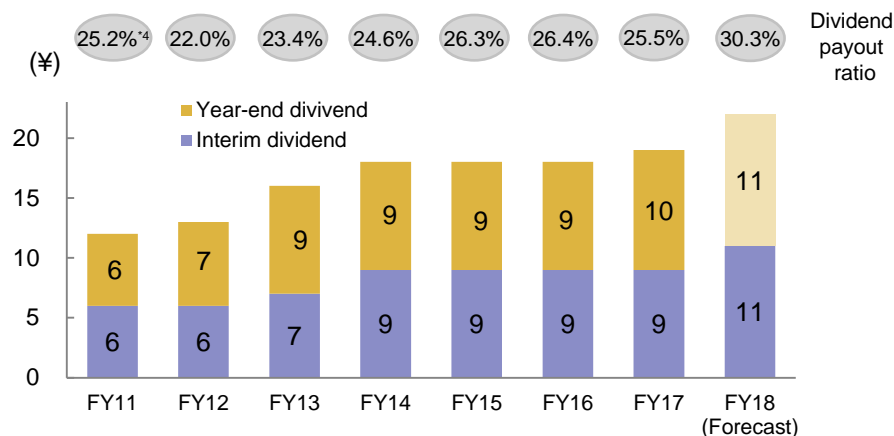
Definitions of figures used in this document

• 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)		

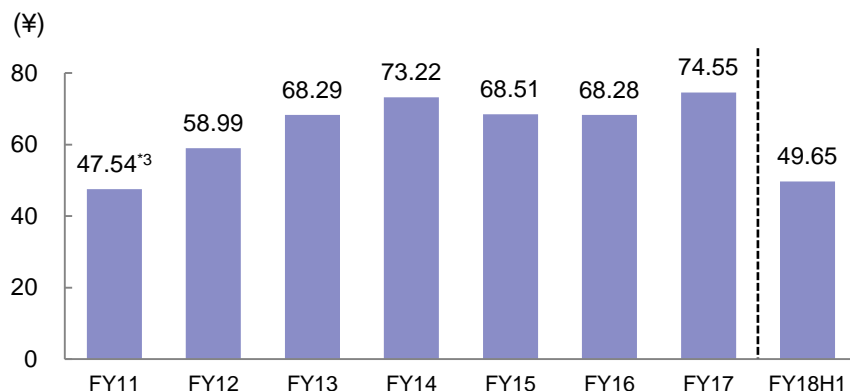
ROE



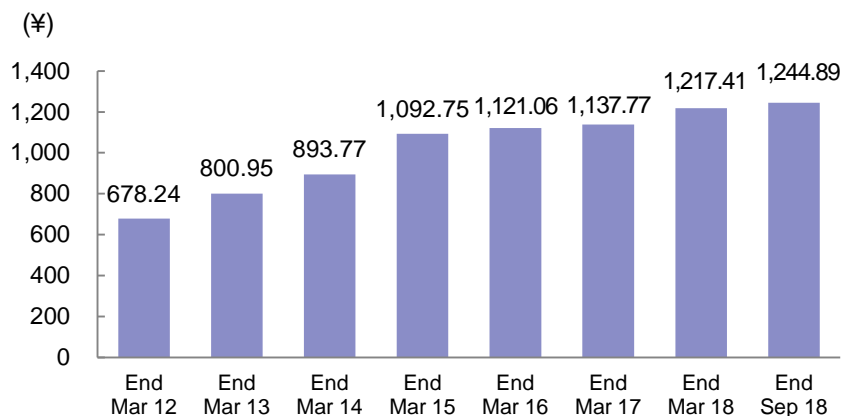
Dividend per share / Dividend payout ratio



EPS



BPS



Interim profits attributable to owners of parent x 2

*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

	FY17 results	FY18 interim results	FY20 targets	Mid- to long- term targets
ROE	7.53%	9.61%	Approx. 7% - 8%	9% - 10%
Expense ratio	68.0%	69.8%	Below FY17 results	Approx. 60%
CET1 ratio (Finalized Basel III reforms basis*1)	11.7%	11.8%	Approx. 11%	

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

FY2018 targets

(Consolidated)

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

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

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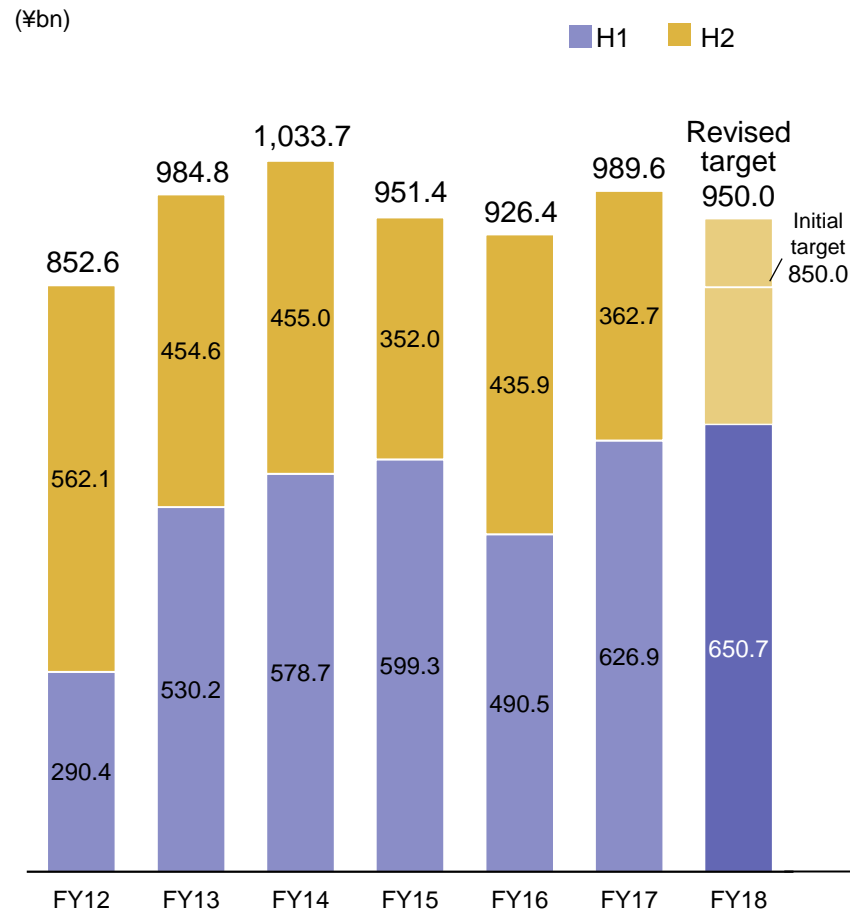
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Outline of FY2018 Interim Results

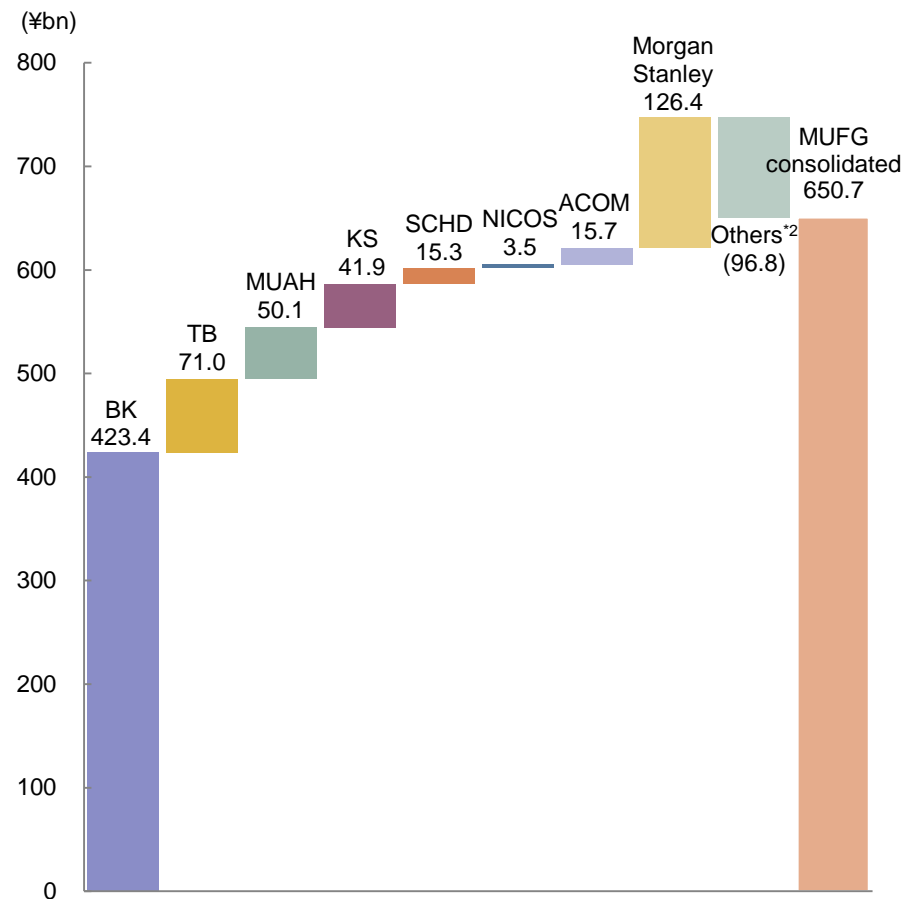
Outline of FY2018 interim results

(Consolidated)

History of profits attributable to owners of parent



Breakdown of FY18 interim 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} Including cancellation of the amount of inter-group dividend receipt and equity method income from other affiliate companies

Income statement summary

(Consolidated)

● Gross profits

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

● G&A expenses and Expense ratio

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

● Total credit costs*¹

- The credit costs were net reversal of ¥117.9 bn

● Profits attributable to owners of parent

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

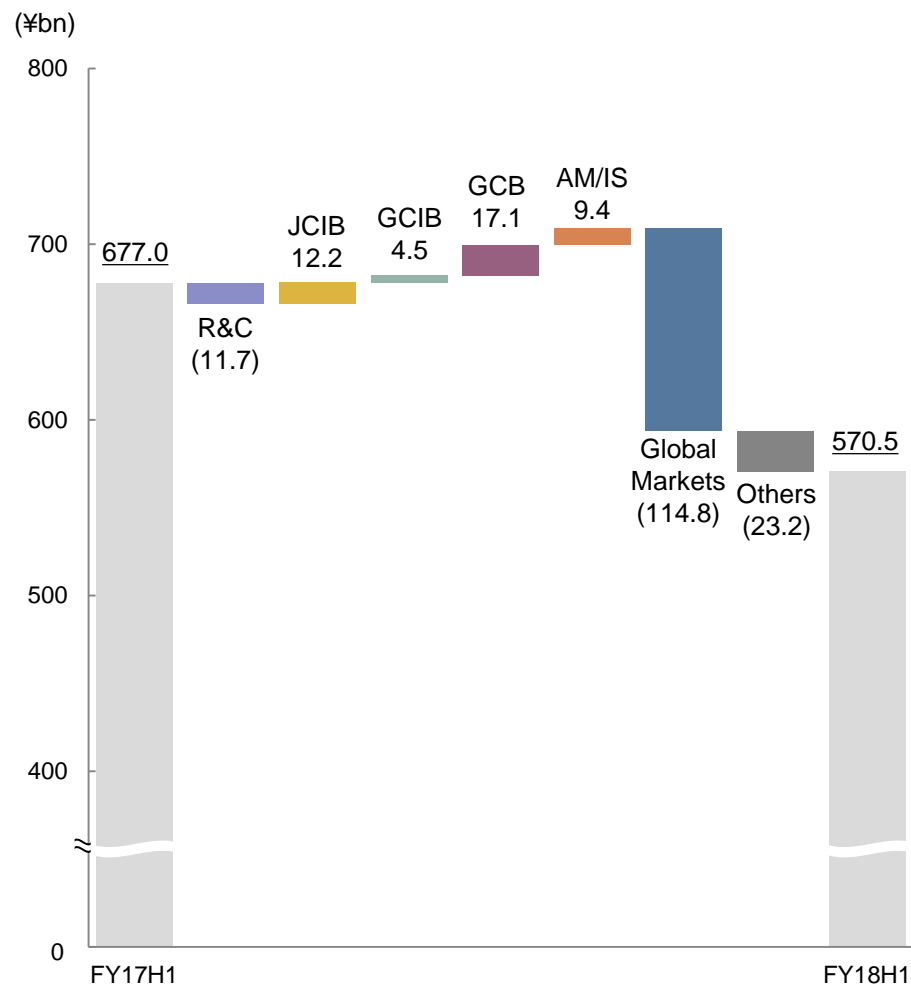
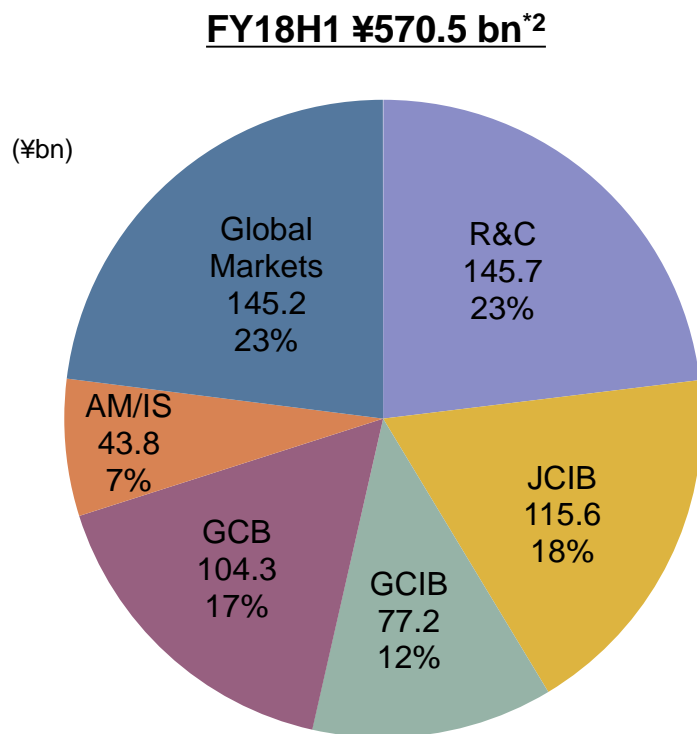
	(¥bn)	FY17H1	FY18H1	YoY
1	Gross profits (before credit costs for trust accounts)	2,008.1	1,882.5	(125.5)
2	Net interest income	973.6	970.2	(3.3)
3	Trust fees + Net fees and commissions	695.9	696.7	0.8
4	Net trading profits + Net other operating profits	338.5	215.5	(123.0)
5	Net gains (losses) on debt securities	84.7	(1.6)	(86.3)
6	G&A expenses	1,307.3	1,314.4	7.1
7	Net operating profits	700.7	568.1	(132.6)
8	Total credit costs*¹	3.1	117.9	114.8
9	Net gains (losses) on equity securities	55.0	85.1	30.1
10	Net gains (losses) on sales of equity securities	56.1	86.6	30.5
11	Losses on write-down of equity securities	(1.0)	(1.4)	(0.3)
12	Profits (losses) from investments in affiliates	135.6	163.7	28.1
13	Other non-recurring gains (losses)	(30.5)	(49.1)	(18.5)
14	Ordinary profits	864.0	885.9	21.8
15	Net extraordinary gains (losses)	4.3	(17.1)	(21.5)
16	Total of income taxes-current and income taxes-deferred	(190.5)	(165.3)	25.2
17	Profits attributable to owners of parent	626.9	650.7	23.8
18	EPS (¥)	47.00	49.65	2.65

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

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

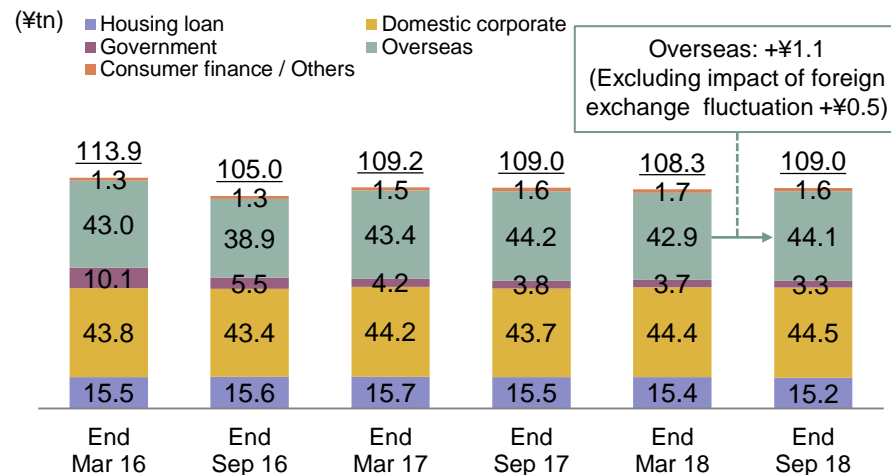
*2 Including profits or losses from others

Balance sheets summary

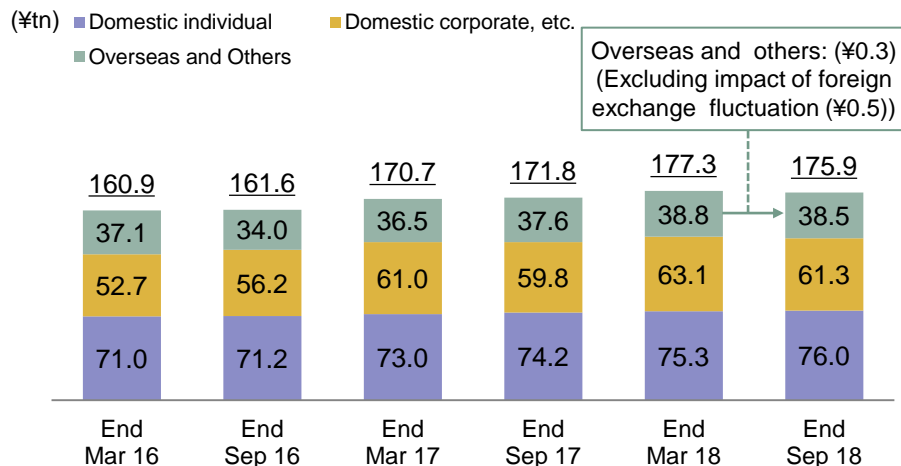
(Consolidated)

(¥bn)	End Mar 18	End Sep 18	Changes
1 Total assets	306,937.4	306,387.6	(549.7)
2 Loans (Banking + Trust accounts)	108,397.7	109,011.7	613.9
3 Loans (Banking accounts)	108,090.9	108,642.7	551.7
4 Housing loans ^{*1}	15,453.9	15,225.4	(228.5)
5 Domestic corporate loans ^{*1*2}	44,458.0	44,580.3	122.2
6 Overseas loans ^{*3}	42,949.3	44,116.5	1,167.1
7 Investment securities (Banking accounts)	59,266.1	58,766.6	(499.5)
8 Domestic equity securities	6,378.5	6,611.6	233.1
9 Japanese government bonds	23,551.3	21,685.0	(1,866.3)
10 Foreign bonds	18,569.3	18,223.8	(345.4)
11 Total liabilities	289,642.3	288,812.1	(830.1)
12 Deposits	177,312.3	175,979.7	(1,332.5)
13 Individuals (Domestic branches) ^{*4}	75,302.5	76,087.0	784.4
14 Domestic corporates and others ^{*4}	63,134.6	61,351.0	(1,783.6)
15 Overseas and others ^{*3}	38,875.0	38,541.7	(333.3)
16 Total net assets	17,295.0	17,575.4	280.3
17 Net unrealized gains (losses) on available-for-sale securities	3,517.4	3,565.5	48.0

Loans (Period end balance)



Deposits (Period end balance)

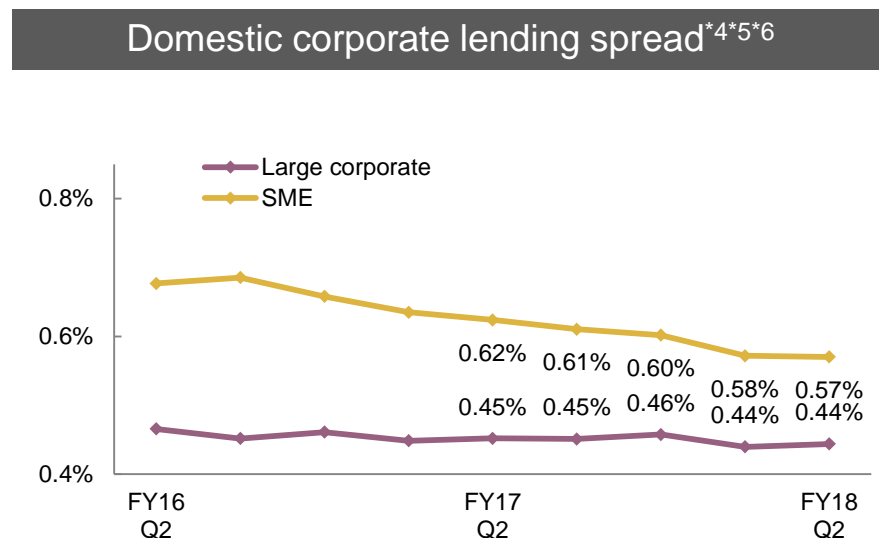
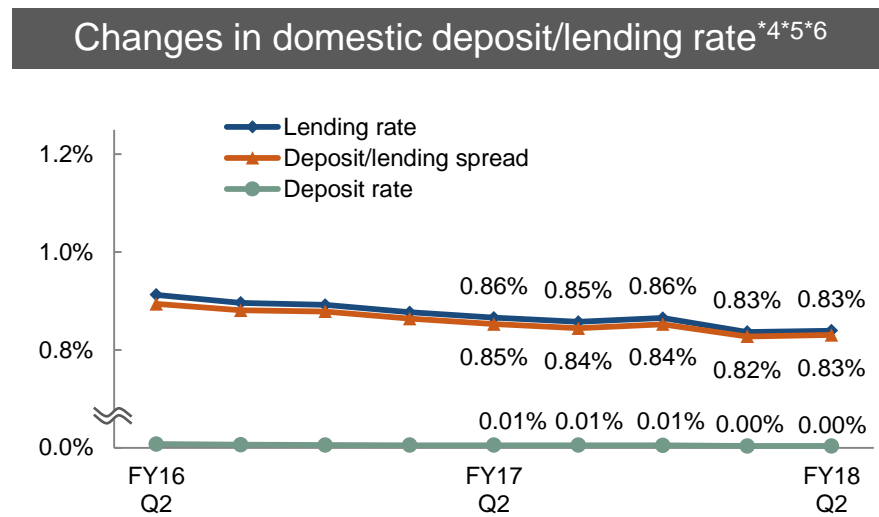
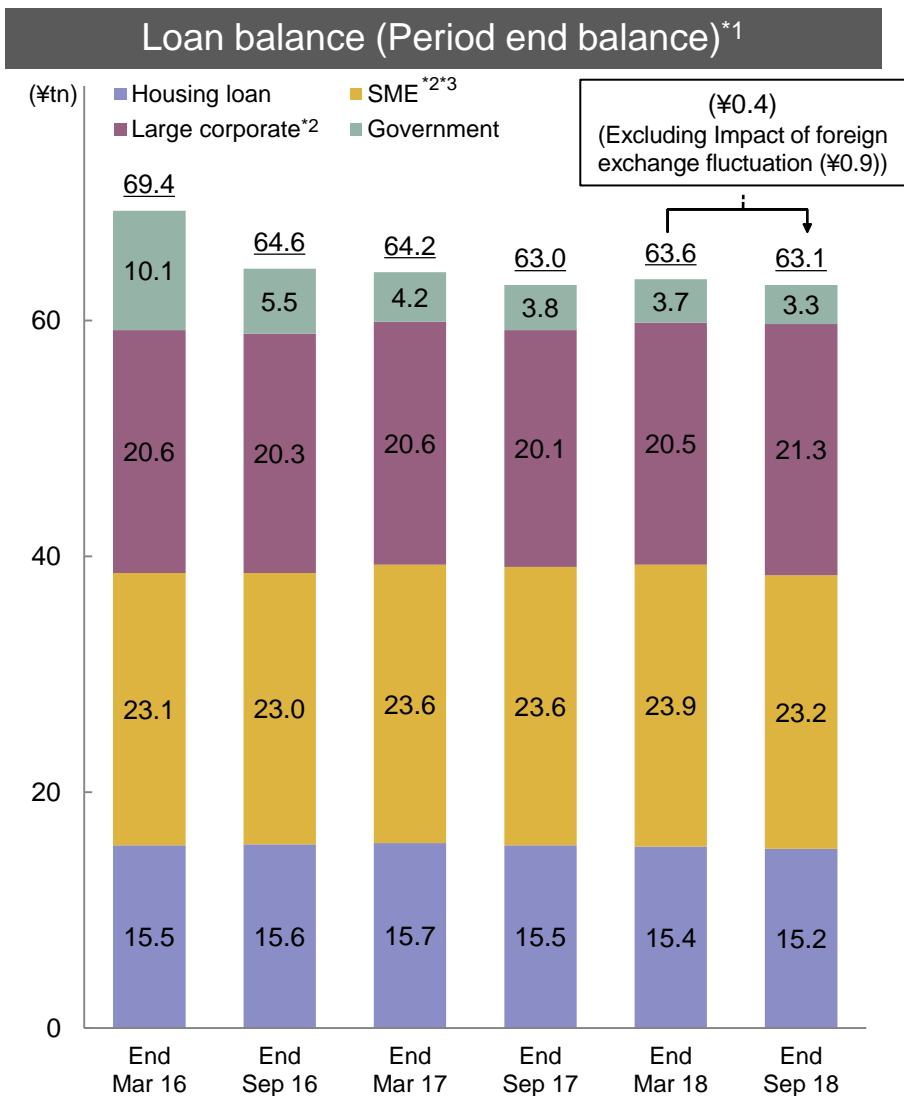


*1 Non-consolidated + trust accounts *2 Excluding loans to government and governmental institutions and including foreign currency denominated loans (Excluding impact of foreign exchange fluctuation: (¥0.3) tn from Mar 18)

*3 Loans booked in overseas branches, MUAH, Krungsri, the Bank (China), the Bank (Malaysia) and the Bank (Europe) *4 Non-Consolidated

Domestic loans

(Consolidated / Non-consolidated)



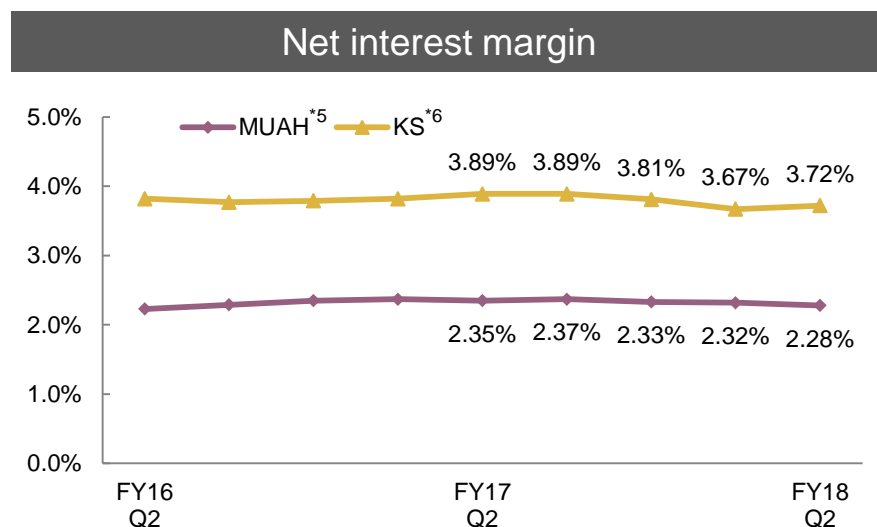
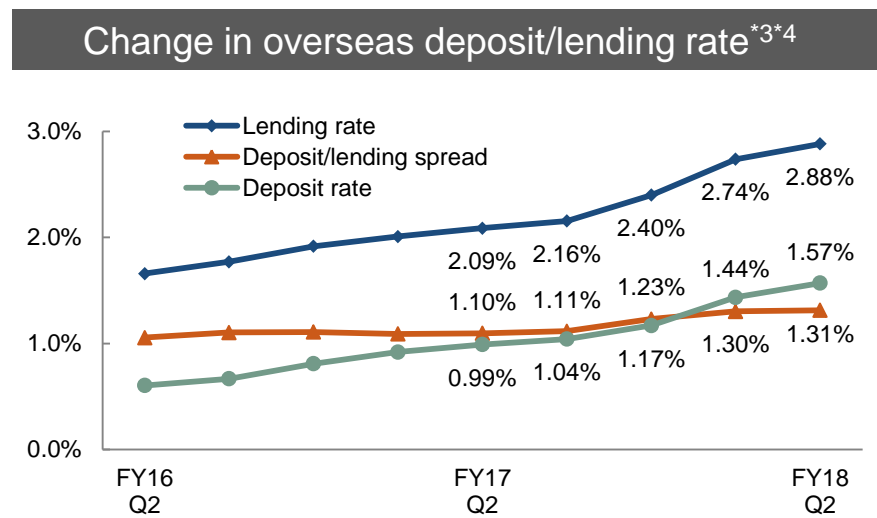
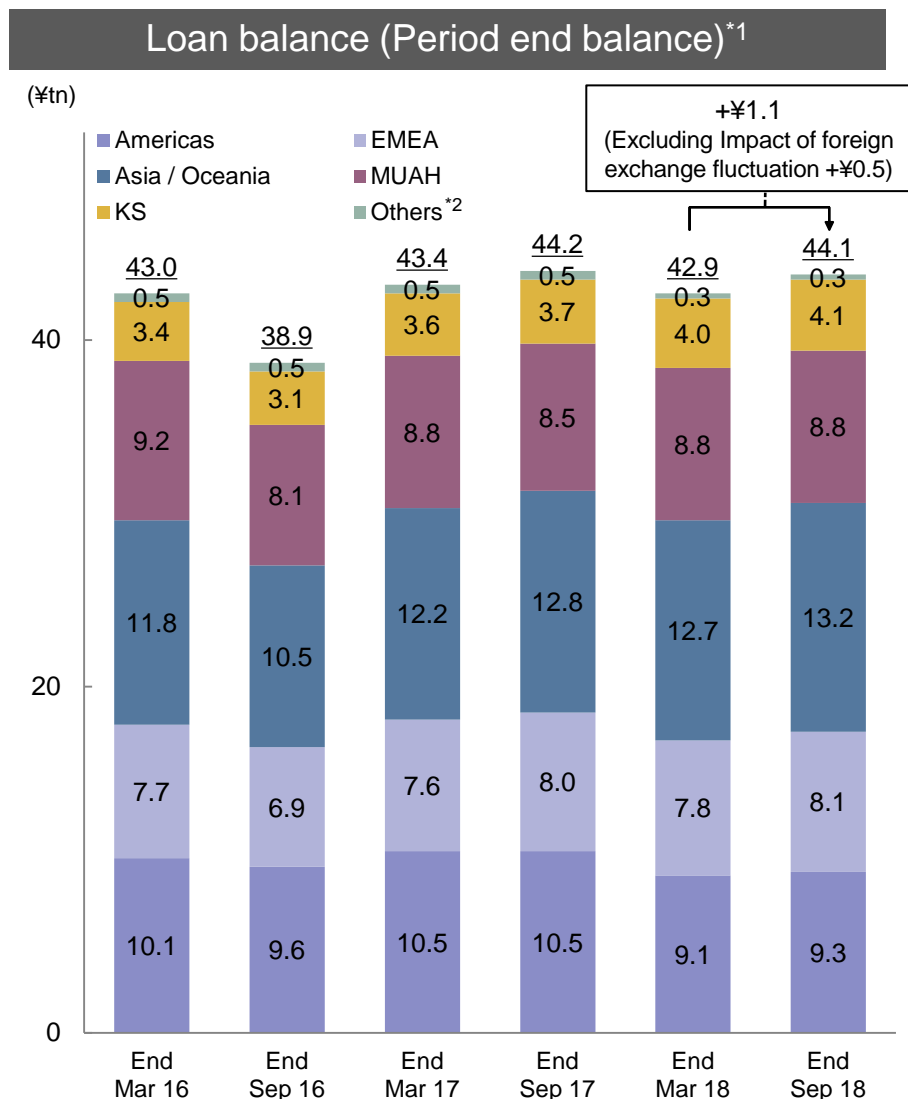
*1 Consolidated. Sum of banking and trust accounts *2 Including non-JPY loans

*3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)

*4 Managerial accounting basis *5 Non-consolidated *6 Excluding lending to government etc.

Overseas loans

(Consolidated / Non-consolidated)



*¹ Consolidated *² Loans booked at offshore markets etc. *³ Non-consolidated *⁴ Managerial accounting basis

*⁵ Financial results as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP

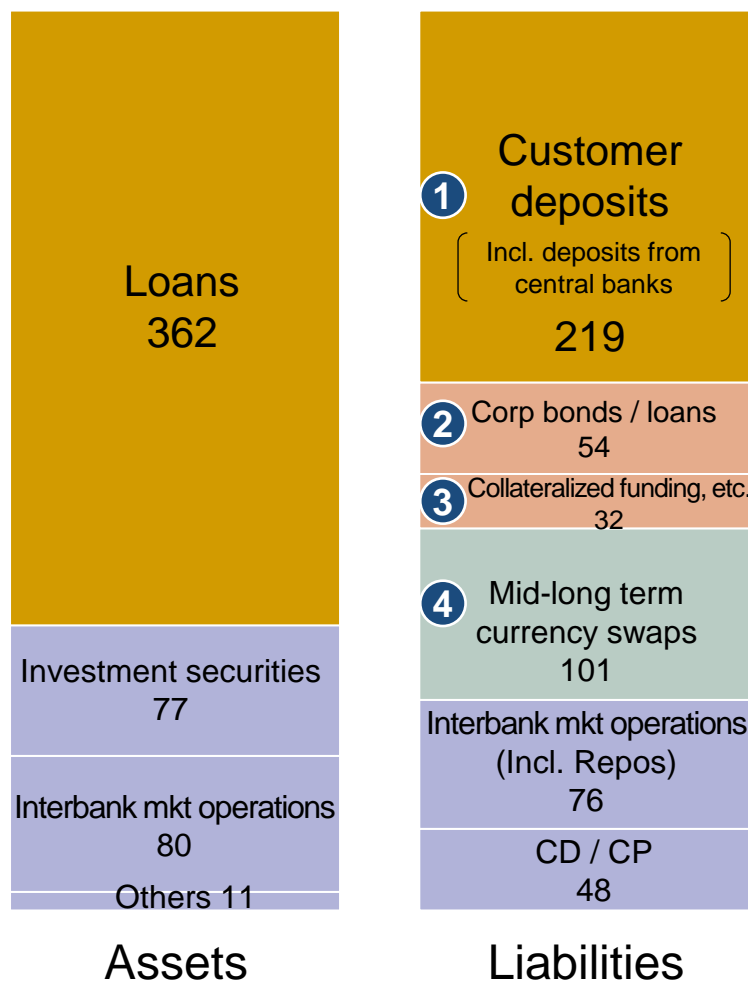
*⁶ Financial results as disclosed in Krungsri's financial reports based on Thai GAAP

Non-JPY assets and funding

(the Bank consolidated)

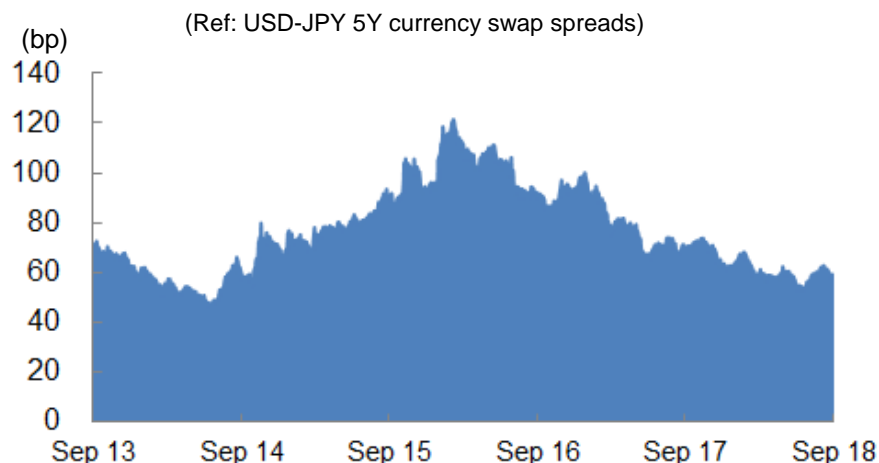
Non-JPY balance sheet (the Bank managerial basis excl. MUAH, KS)

As of end Sep 18 (US\$bn)



Non-JPY funding in stable and efficient manner

- 1 Customer deposits currently cover 60-70% of non-JPY loans. Enhance product development and sales capabilities to increase deposits
- 2 Corp bonds are mainly issued from HoldCo (MUFG) to ensure stable funding and TLAC requirement (See page 73-74)
→ **Average duration: 6.7 years**
- 3 Cross-currency repos*1 (JGB collateral), etc.
- 4 Currency swaps are transacted mainly in medium-term durations



*1 Repurchase agreement in which denominated currency is different in cash transaction and collateral security

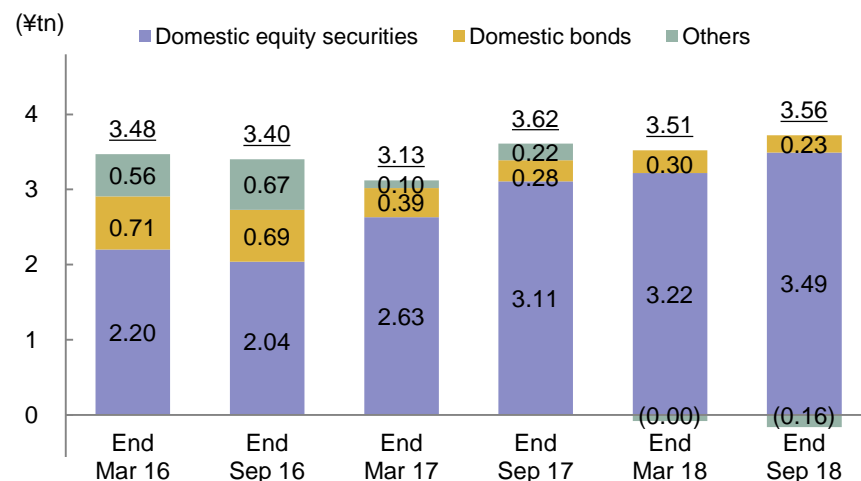
Investment securities

(Consolidated / Non-consolidated)

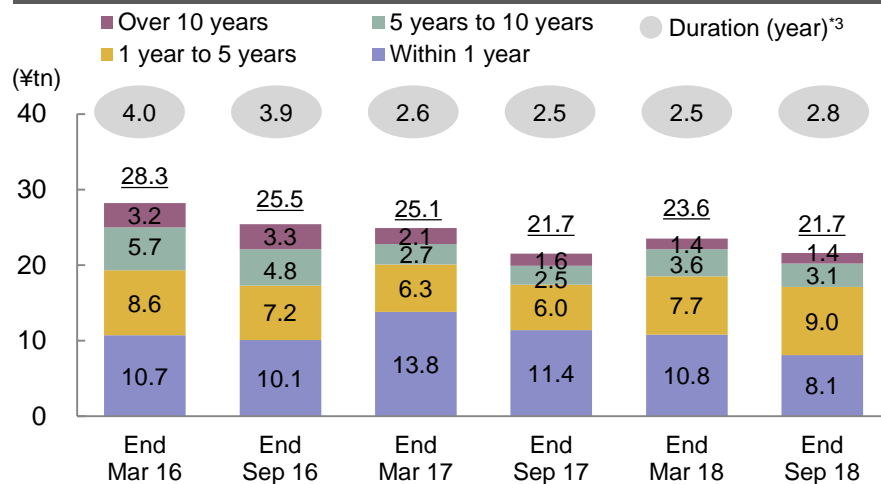
Securities available for sale with fair value*1

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

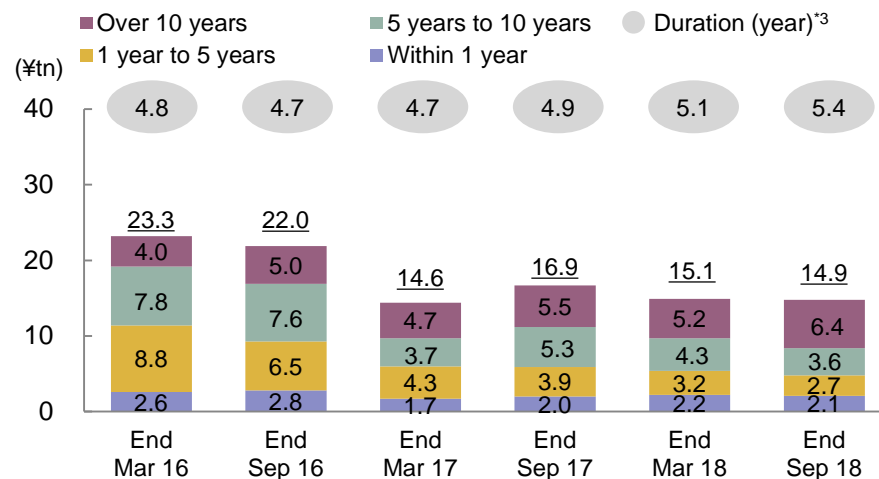
Unrealized gains (losses) on securities available for sale*1



Balance of JGBs*2



Balance of foreign bonds*2



*1 Consolidated

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

*3 Securities available for sale. Non-consolidated

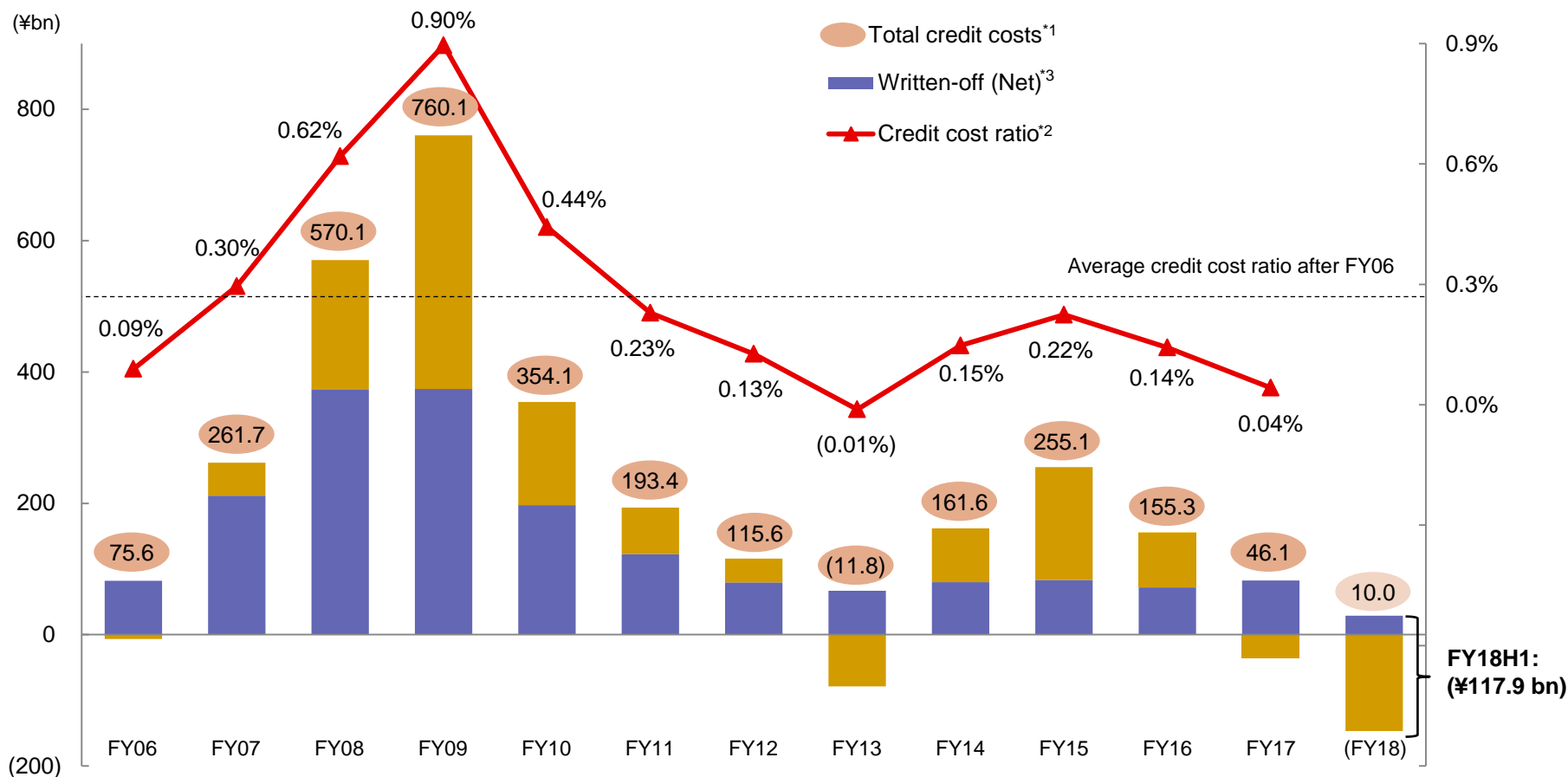
Asset quality

– Historical credit costs

(Consolidated)

- Credit costs for FY18H1 were net reversal of ¥117.9 bn
- Total credit costs forecast for FY18 has been lowered to ¥10.0 bn from ¥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

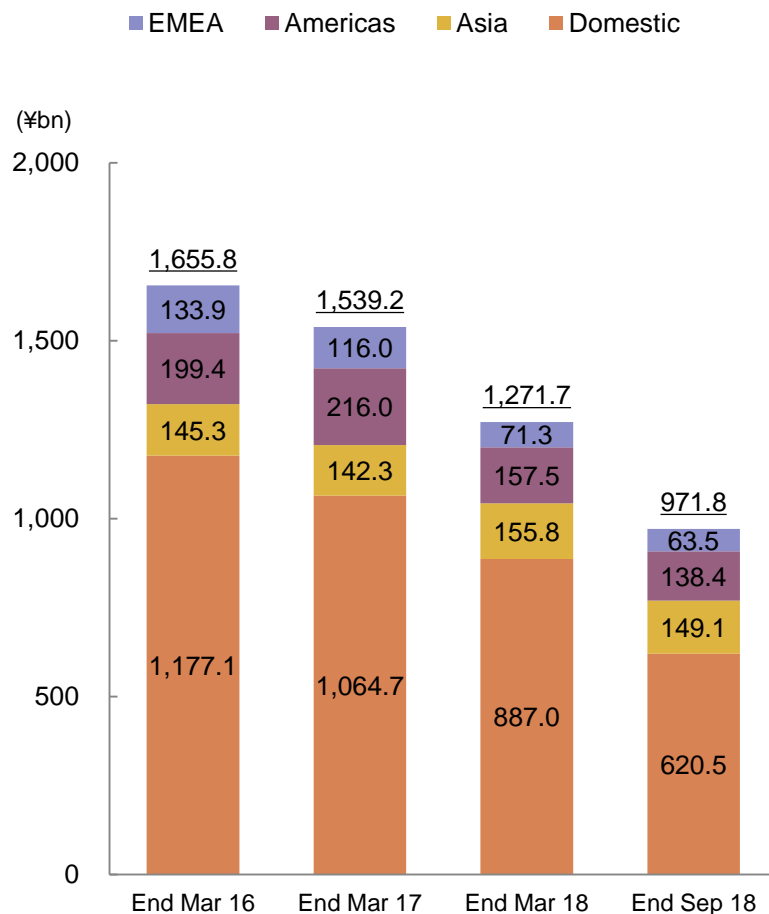
*3 Net amount of write-off gains and write-offs

Asset quality

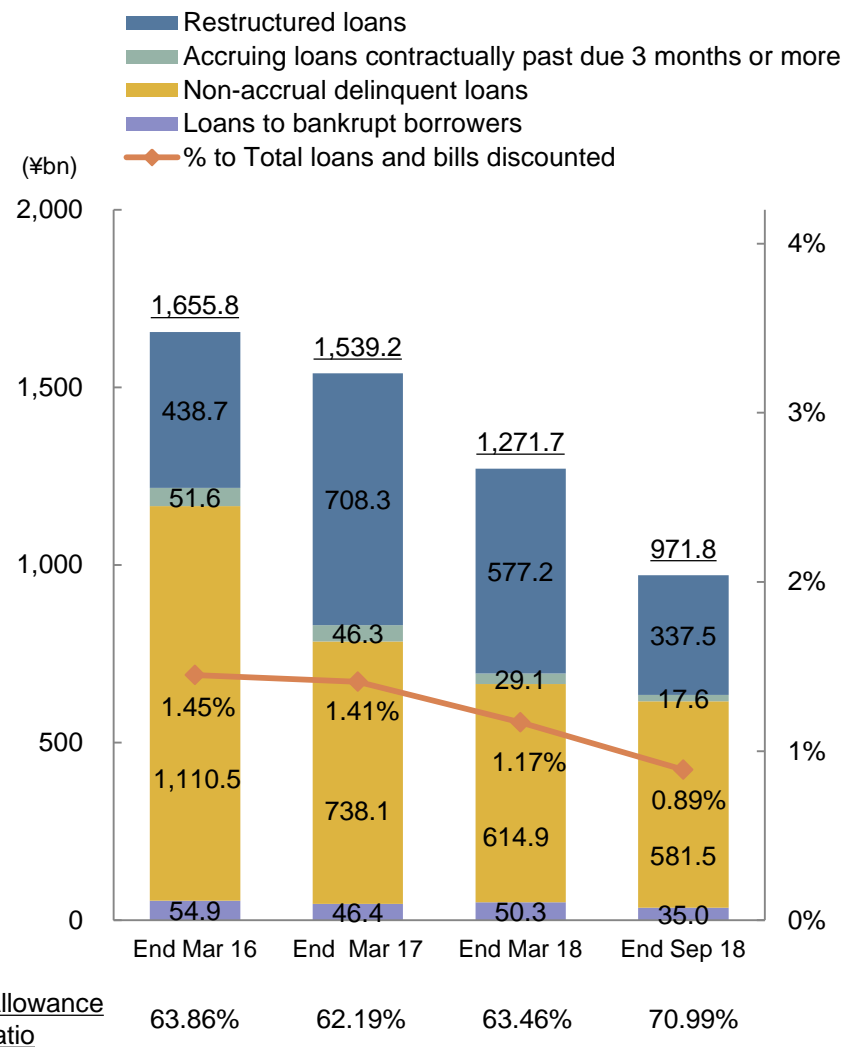
– Non-performing loans*1

(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

● Common Equity Tier 1 ratio

- Full implementation basis*¹ 11.9%
- Excluding impact of net unrealized gains (losses) on available-for-sale-securities : 9.7%
- Finalized Basel III reforms basis*² : 11.8%

● Risk weighted assets (Up ¥6.6 tn from Mar 18)

- Credit risk (¥0.3 tn)
- Market risk +¥0.4 tn
- Operational risk +¥0.1 tn
- Floor adjustment*³ +¥6.4 tn

● Leverage ratio

- Transitional basis 5.05%

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

*1 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

Results by Business Group

Results by business group

Business group		Net operating profits (¥bn)			Expense ratio		ROE* ¹	
		FY17H1	FY18H1	Change	FY17H1	FY18H1	FY17H1	FY18H1
Retail & Commercial Banking	R&C	157.4	145.7	(11.7)	79%	81%	—	9% (9%)
Japanese Corporate & Investment Banking	JCIB	103.4	115.6	12.2	59%	56%	—	17% (17%)
Global Corporate & Investment Banking	GCIB	72.7	77.2	4.5	63%	62%	—	10% (10%)
Global Commercial Banking	GCB	87.1	104.3	17.1	72%	70%	—	8% (9%)
Asset Management & Investor Services	AM/IS	34.4	43.8	9.4	63%	58%	—	20% (21%)
Global Markets	Global Markets	260.0	145.2	(114.8)	30%	44%	—	6% (6%)

*1 Calculated based on Risk Assets (R&C, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets)
 (Managerial accounting basis. Net profit basis. Calculated excluding non-JPY mid- to long-term funding costs)
 Figures in parentheses exclude the impacts of investment related accounting factors (amortization of goodwill, etc.)

Retail & Commercial Banking

FY18H1 results*1

(¥bn)	FY17H1	FY18H1	YoY
Gross profits	784.7	775.4	(9.3)
Loan interest income	107.9	101.9	(6.0)
Deposit interest income	72.6	78.8	6.2
Domestic and foreign settlement / forex	82.4	80.1	(2.3)
Derivatives, solutions	24.2	19.6	(4.6)
Real estate, corporate agency and inheritance	21.4	21.6	0.1
Investment product sales	142.2	119.9	(22.3)
Card settlement	145.6	151.8	6.2
Consumer finance	135.6	143.8	8.2
Overseas	17.6	21.3	3.7
Expenses	626.6	626.5	(0.1)
Expense ratio	80%	81%	1ppt
Net operating profits	158.1	148.9	(9.2)
ROE	—	9%	—

- **Loan interest income:** Decreased mainly due to a decline of domestic lending spread
- **Deposit interest income:** Grew due to an increase in non-JPY deposit margin
- **Investment product sales:** Profits declined due to lower sales activities although the balance of investment assets increased partly due to a rise of market value
- **Card settlement / Consumer finance:** Profits increased due to an increase in transaction volume and balance

Loans / Deposits

(¥tn)	FY17H1	FY18H1	YoY
Ave. loan balance *2	32.4	32.0	(0.4)
Lending spread*3	0.77%	0.73%	(0.04ppt)
Ave. deposit balance	114.5	117.6	3.1

KPI

	FY17H1	FY18H1	YoY
Investment assets (¥tn)	40.5	42.3	1.8
Volume of card shopping*4 (¥tn)	2.8	2.9	0.1
Balance of consumer loans*5 (¥tn)	1.5	1.5	0.1
No. of entrusted testamentary trust	1,796	1,746	(50)
Pipeline related to corporate ownership succession*6 (¥bn)	526.0	528.7	2.7

*1 Managerial accounting basis. Local currency basis. Gross profits, expenses and net operating profits include profits from overseas transactions with Japanese corporate customers and profits from business owner transactions which belong to JCIB. ROE is calculated based on net profits and excludes non-JPY mid- to long-term funding costs

*2 Excluding consumer loans *3 Excluding non-JPY mid- to long-term funding costs *4 For NICOS cardmembers

*5 Total balance of personal card loans of the Bank, the Trust Bank and ACOM (excl. guarantee)

*6 Value is calculated based on the amount of treasury stock inherited (that is held by either family members or non-family members)

Japanese Corporate & Investment Banking

FY18H1 results*1

(¥bn)	FY17H1	FY18H1	YoY
Gross profits	258.0	271.0	13.0
Loan interest income	40.5	47.2	6.7
Deposit interest income	46.4	61.7	15.3
Domestic and foreign settlement / forex*2	39.7	41.6	1.9
Derivatives, solutions*2	41.8	37.0	(4.9)
Real estate, corporate agency	21.2	21.4	0.1
M&A, DCM, ECM*3	18.1	21.4	3.2
Non-interest income from overseas business	41.0	34.9	(6.1)
Expenses	150.6	147.7	(2.9)
Expense ratio	58%	55%	(4ppt)
Net operating profits	107.4	123.3	15.9
ROE	—	17%	—

- **Loan interest income**: Increased mainly due to an improvement of non-JPY lending spread
- **Deposit interest income**: Grew due to an increase in non-JPY deposit volume and non-JPY deposit margin increase
- **Derivatives, solutions, non-interest income from overseas business**: Profits declined due to rebound of large-scale deals from the previous year
- **M&A, DCM, ECM**: Increased mainly due to large M&A deals

Loans / Deposits

(¥tn)	FY17H1	FY18H1	YoY
Ave. loan balance	40.2	39.6	(0.7)
Lending spread*4	0.48%	0.49%	0.01ppt
Ave. non-JPY loan balance*5	19.3	18.6	(0.7)
Non-JPY lending spread*4*5	0.59%	0.62%	0.03ppt
Ave. deposit balance	33.2	34.0	0.8
Ave. non-JPY deposit balance*5	13.1	13.7	0.6

KPI

	FY17H1	FY18H1	YoY
Transaction volume*6 (\$bn)	530.1	546.7	16.5
No. of domestic settlement (mm)	86	88	2
M&A advisory League Table*7	#3	#1	-
DCM League Table*7	#1	#3	-
ECM League Table*7	#3	#2	-

*1 Managerial accounting basis. Local currency basis. Gross profits, expenses, and net operating profits include profits from business owner transactions which belong to R&C and profits from Japanese corporate customers served by MUAH and KS which belong to GCB. ROE is calculated based on net profits and excludes non-JPY mid- to long-term funding costs

*2 Figures are domestic business only *3 Including real estate securitization etc. *4 Excluding non-JPY mid- to long-term funding costs

*5 Sum of domestic and overseas loans and deposits *6 Domestic foreign exchange transaction amount related to trade, inward and outward investment, dividend, and services, etc. *7 Based on data of Thomson Reuters, etc., M&A advisory only counts Japanese corporates related deals. DCM includes both domestic and foreign bonds.

Global Corporate & Investment Banking

FY18H1 results*1

(¥bn)	FY17H1	FY18H1	YoY
Gross profits	204.5	211.6	7.1
Loan interest income	72.5	83.3	10.9
Deposit interest income	19.9	23.1	3.2
Commission, forex, Derivatives	103.6	103.3	(0.3)
DCM, ECM	14.1	13.6	(0.6)
Profits from non-Japanese corporate customers located in Japan, etc.	10.2	9.6	(0.6)
Joint venture profits with Global Markets*2	8.2	7.8	(0.5)
Expenses	130.9	133.2	2.3
Expense ratio	64%	63%	(1ppt)
Net operating profits	73.6	78.4	4.8
ROE	—	10%	—

- **Loan interest income**: Increased due to a decline in non-JPY mid- to long-term funding costs with loan tenor shortening as well as favorable funding cost environment, despite a declining trend of lending spread
- **Deposit interest income**: Grew due to an increase in a deposit margin
- Measures are taken to improve the loan-to-deposit gap

Loans / Deposits

(¥tn)	FY17H1	FY18H1	YoY
Ave. loan balance	23.1	23.8	0.7
Lending spread*3	1.08%	1.06%	(0.02ppt)
Ave. deposit balance	11.3	9.8	(1.5)

KPI

	FY17H1	FY18H1	YoY
Distribution amount**4 (¥tn)	9.2	10.6	1.4
Distribution ratio*5*6	43%	55%	12ppt
GSB*7 profits (¥bn)	40.0	43.6	3.6
ABS League Table (US)	#8	#9	-
Wallet share of syndicated loan and DCM (Non-IG*8)	0.72%	1.07%	0.35ppt

*1 Managerial accounting basis. Local currency basis. Gross profits, expenses and net operating profits include profits from non-Japanese large corporate customers of KS which belong to GCB and JCIB's non-Japanese corporate customers located in Japan, and Joint venture profits with Global Markets. ROE is calculated based on net profits and excludes non-JPY mid- to long-term funding costs *2 Profits including O&D profits through collaboration with Global Markets *3 Excluding non-JPY mid- to long-term funding costs

*4 Distribution amount = Arrangement amount – Final hold amount (Syndicated loan, Project Finance, Securitization, Aviation Finance, etc.)
+ Securities' arrangement amount of DCM, ABS, etc.

*5 Distribution ratio = Distribution amount / Total amount of loans to global corporate customers *6 Provisional numbers

*7 Global Subsidiary Banking. Transactions with subsidiaries of global corporate multinational customers *8 Non-investment grade

Global Commercial Banking

FY18H1 results*1

(¥bn)	FY17H1	FY18H1	YoY
Gross profits	308.3	337.6	29.3
MUAH*2	170.1	183.2	13.1
KS*3	138.9	155.0	16.1
Expenses	223.1	235.8	12.7
(Expense ratio)	72%	70%	(2ppt)
MUAH*2	132.0	138.6	6.6
(Expense ratio)	78%	76%	(2ppt)
KS*3	73.7	79.3	5.6
(Expense ratio)	53%	51%	(2ppt)
Net operating profits	85.3	101.9	16.6
MUAH*2	38.1	44.6	6.5
KS*3	65.2	75.7	10.6
ROE	—	8%	—

- **MUAH:**
Gross profits grew due to an increase in interest income from loan growth, favorable interest rate environment on loans and deposits, as well as an increase in fees in Retail / Wealth. Measures will be taken to change asset composition and improve yield (See page 41)
- **KS:**
Interest income increased mainly due to robust loan growth
Non-interest income increased from retail & consumer businesses

Loans / Deposits

(¥tn)		FY17H1	FY18H1	YoY
MUAH*2	Ave. loan balance	6.6	7.2	0.6
	Ave. deposit balance	8.4	8.3	(0.1)
	NIM*4	2.84%	2.76%	(0.08ppt)
KS*3	Ave. loan balance	4.6	5.1	0.4
	Ave. deposit balance	3.6	4.4	0.8
	NIM*5	3.82%	3.75%	(0.07ppt)

*1 Managerial accounting basis. Local currency basis. Gross profits, expenses and net operating profits include figures which belong to GCB only and not include figures which belong to other business groups. ROE is calculated based on net profits

*2 MUAH figures as reported in MUAH's 10-Q and 10-K excluding figures belonging to Trust/Securities subsidiaries, GCIB and Global Markets

*3 After GAAP adjustment. Excluding figures which belong to Global Markets

*4 Excluding figures which belong to Global Markets *5 KS entity basis

Asset Management & Investor Services

FY18H1 results*1

(¥bn)	FY17H1	FY18H1	YoY
Gross profits	92.6	104.0	11.4
AM*2	23.5	26.4	2.8
IS*3	39.4	46.8	7.3
Pension	29.6	30.8	1.2
Expenses	58.4	60.5	2.1
Expense ratio	63%	58%	(5ppt)
Net operating profits	34.2	43.5	9.3
ROE	—	20%	—

Strategic Acquisition of CFSGAM*6

Through this transaction with CBA*7, the Trust Bank will acquire 100% of the shares in nine major subsidiaries of CFSGAM Group from CFSGAM Holding Company, a wholly owned subsidiary of CBA
(Share sale deed was signed on Oct 31, 2018)

⇒see page 71-72 for details

- **AM**: Sales of investment products targeting domestic corporate investors was performing
- **IS**: Profits grew mainly due to an enhancement of banking services including fund finance in the area of global IS
- **Pension**: Profits grew due to an increase in the DB pension balance

KPI

		FY17H1	FY18H1	YoY
AM	Investment products balance of corporate customers (¥tn)	6.26	6.84	0.58
	Alternative products balance*4 (¥bn)	113.1	198.4	85.3
IS	Global IS balance (\$bn)	515.5	537.5	22.0
Pension	DB/Balance (¥tn)	11.1	11.4	0.3
	DC/Increase number of subscriber*5 (thd)	65	155	90

*1 Managerial accounting basis. Local currency basis. ROE is calculated based on net profits *2 Asset Management *3 Investor Services

*4 Balance of internally developed low-liquidity investment products, such as real estate-based products *5 Net increase of subscribers from 2017

*6 Colonial First State Global Asset Management *7 Commonwealth Bank of Australia

Global Markets

FY18H1 results*1

(¥bn)	FY17H1	FY18H1	YoY
Gross profits	406.3	299.1	(107.3)
Customer business	157.5	149.3	(8.3)
FIC & Equity	126.3	117.9	(8.4)
Corporates	69.7	66.2	(3.5)
Institutional investors	56.4	50.2	(6.2)
Asset Management	6.6	5.6	(1.1)
Joint venture profits with GCIB*2	29.3	29.7	0.4
Treasury	251.7	153.5	(98.1)
Expenses	131.9	132.1	0.2
Expense ratio	32%	44%	12ppt
Net operating profits	274.4	166.9	(107.5)
Customer business	53.6	45.1	(8.4)
Treasury	226.4	127.6	(98.8)
ROE	—	6%	—

- **Corporates:** Profits decreased mainly due to a decline of derivative profits in EMEA, although forex business was performing
- **Institutional investors:** Profits decreased on the back of inactive bond and equity market
- **Treasury:** Significant decrease due to relationally fall of gains on JGB sales in FY17 and reduction of foreign bond position

KPI			
	FY17H1	FY18H1	YoY
Derivative revenues from strategic fields*3 (¥bn)	0.3	2.4	2.1
Client Value*4 (YoY)	-	(20%)	-
Digitalization ratio of FX rate contracts*5	52%	67%	15ppt

*1 Managerial accounting basis. local currency basis. Gross profits, net operating profits, and expenses includes Joint venture profits with GCIB. ROE is calculated based on net profits

*2 Profits including O&D profits through collaboration with GCIB

*3 Profits from new type of risk hedging (e.g. hedging against interest rate and forex risks in M&A transactions) and deals related to investment banking products

*4 Quasi sales & trading profits in institutional investors business *5 Internal transactions

Eleven Transformation Initiatives

Key strategies*1

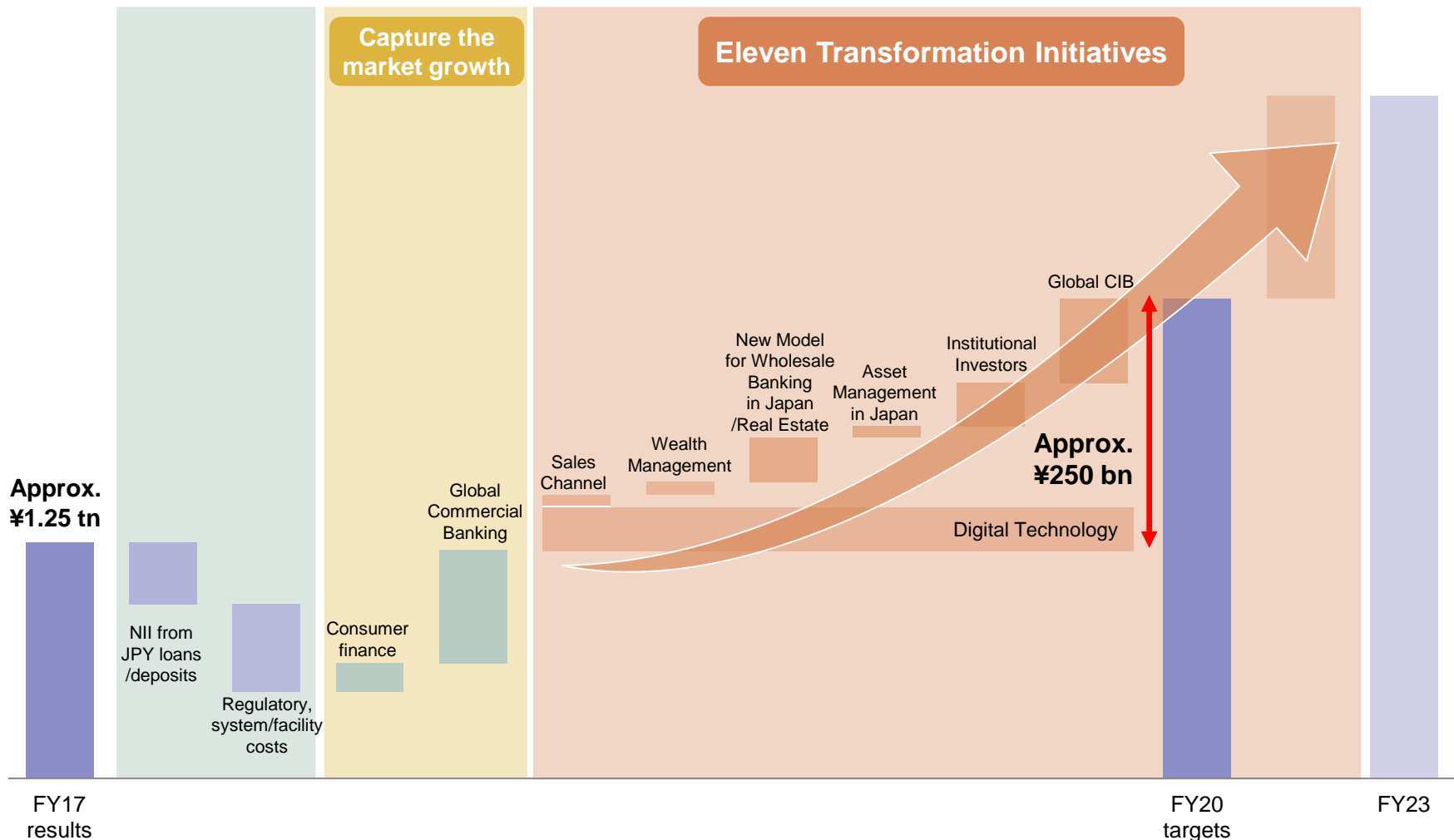
- “Eleven Transformation Initiatives” have been outlined in the new medium-term business plan as specific initiatives to achieve the MUFG Re-Imagining Strategy
- MUFG promotes the initiatives with a joint collaboration by entities, business groups and corporate center



*1 Re-shown from page 26, Fiscal 2017 Results Presentation

Plan of net operating profits*1

- 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



*1 Re-shown from page 27, Fiscal 2017 Results Presentation

(1) Digital Technology

R&C

GCB

AM/IS

JCIB

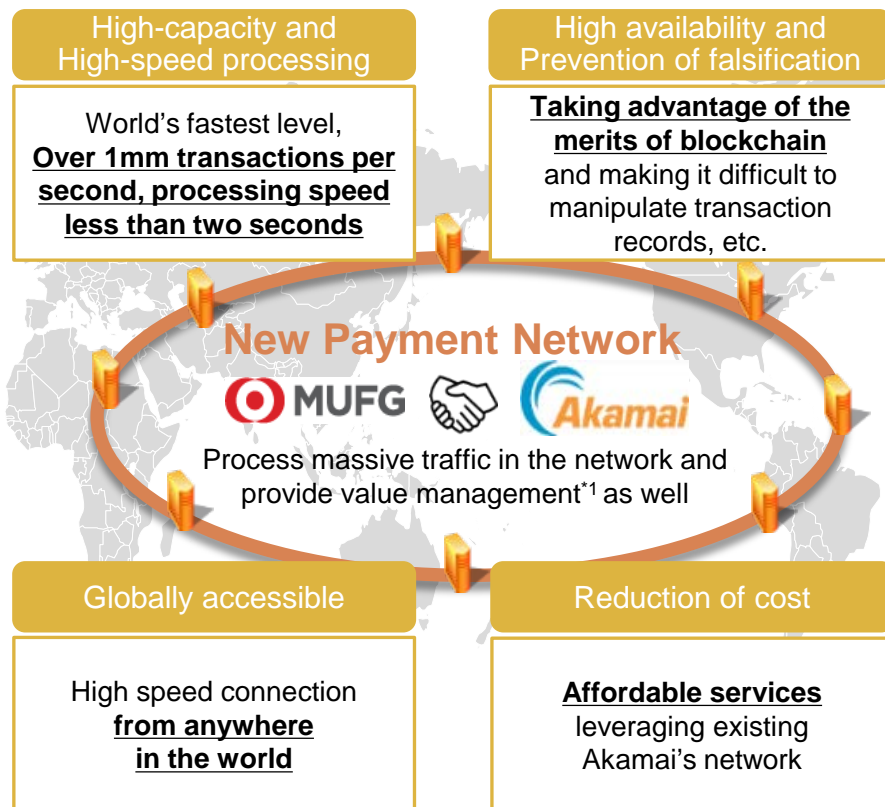
GCIB

Global Markets

Develop a new payment platform in collaboration with Akamai Technologies, Inc. (USA)

Overview

- Jointly developing a payment platform based on advanced blockchain technology to realize high-speed, high-capacity transaction processing to meet the needs of the IoT era



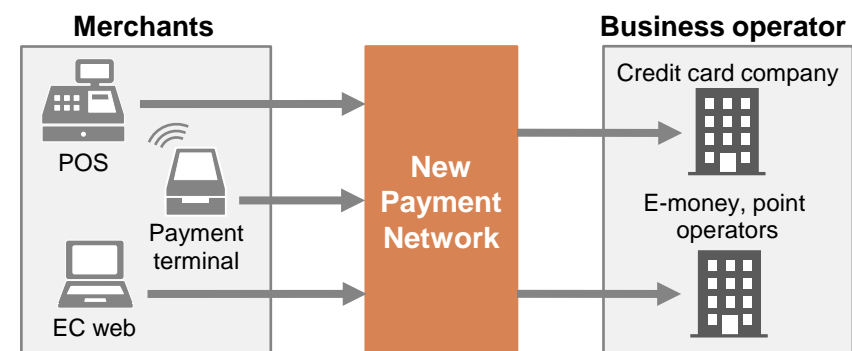
*1 Management and credit/debit of credit limit and account balance for business operators

*2 Analyze and transform various data of IoT devices and transmit payment data

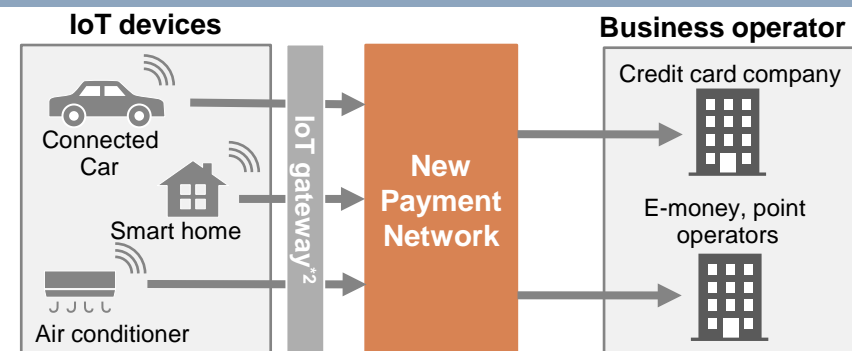
General use case

- Aim to offer an open payment platform that can be used as a communications network along with functions for the transfer and management of value to support diverse payment services

Credit card, e-money, point



IoT

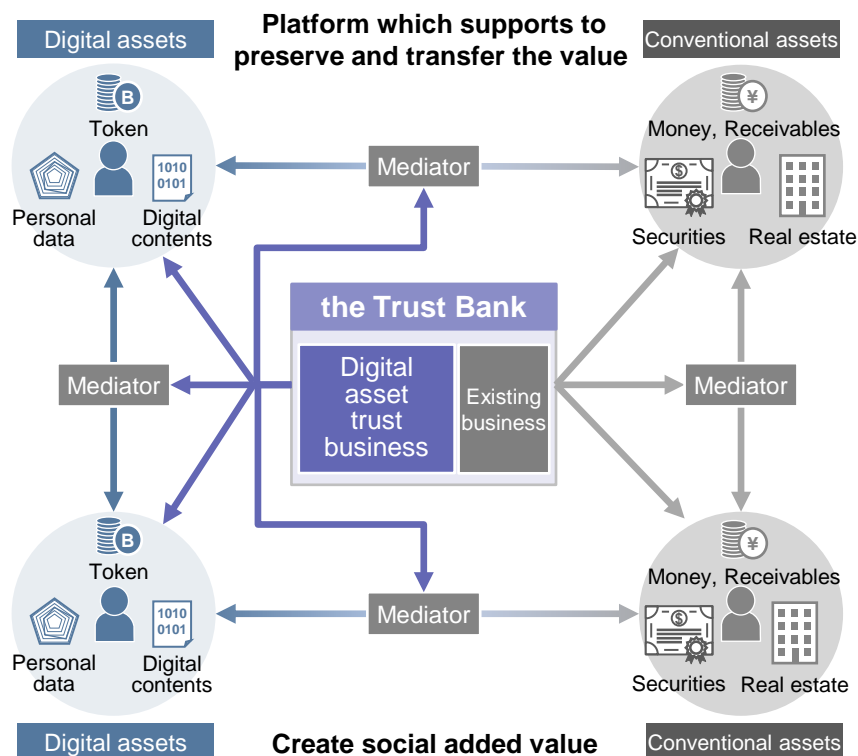


(1) Digital Technology

Digital asset trust business

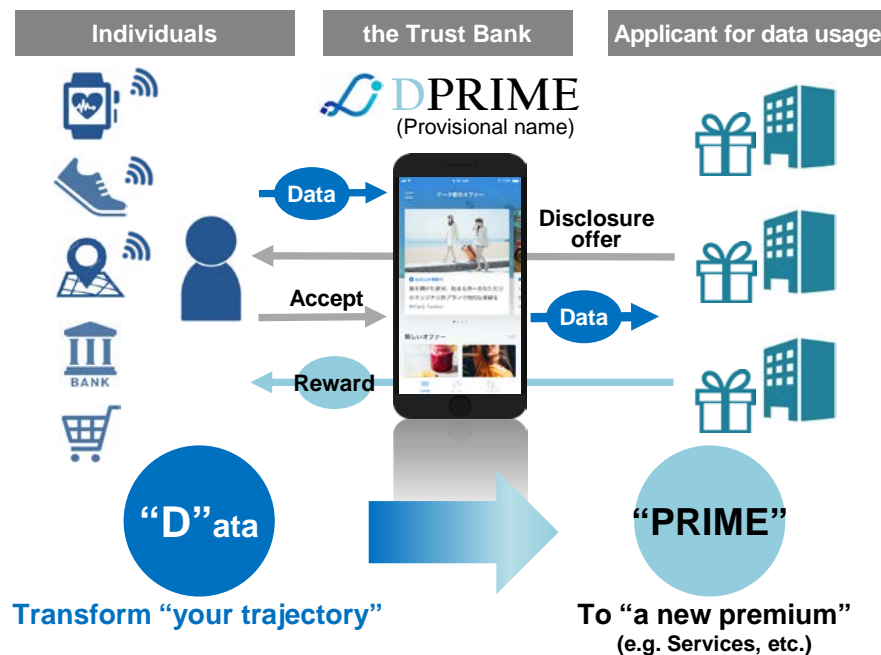
Overview

- To create social value added while supporting to preserve and transfer the value by the trust function, which enables the digital assets owners to make use of the property by themselves



Information trust platform “DPRIME”(provisional name)

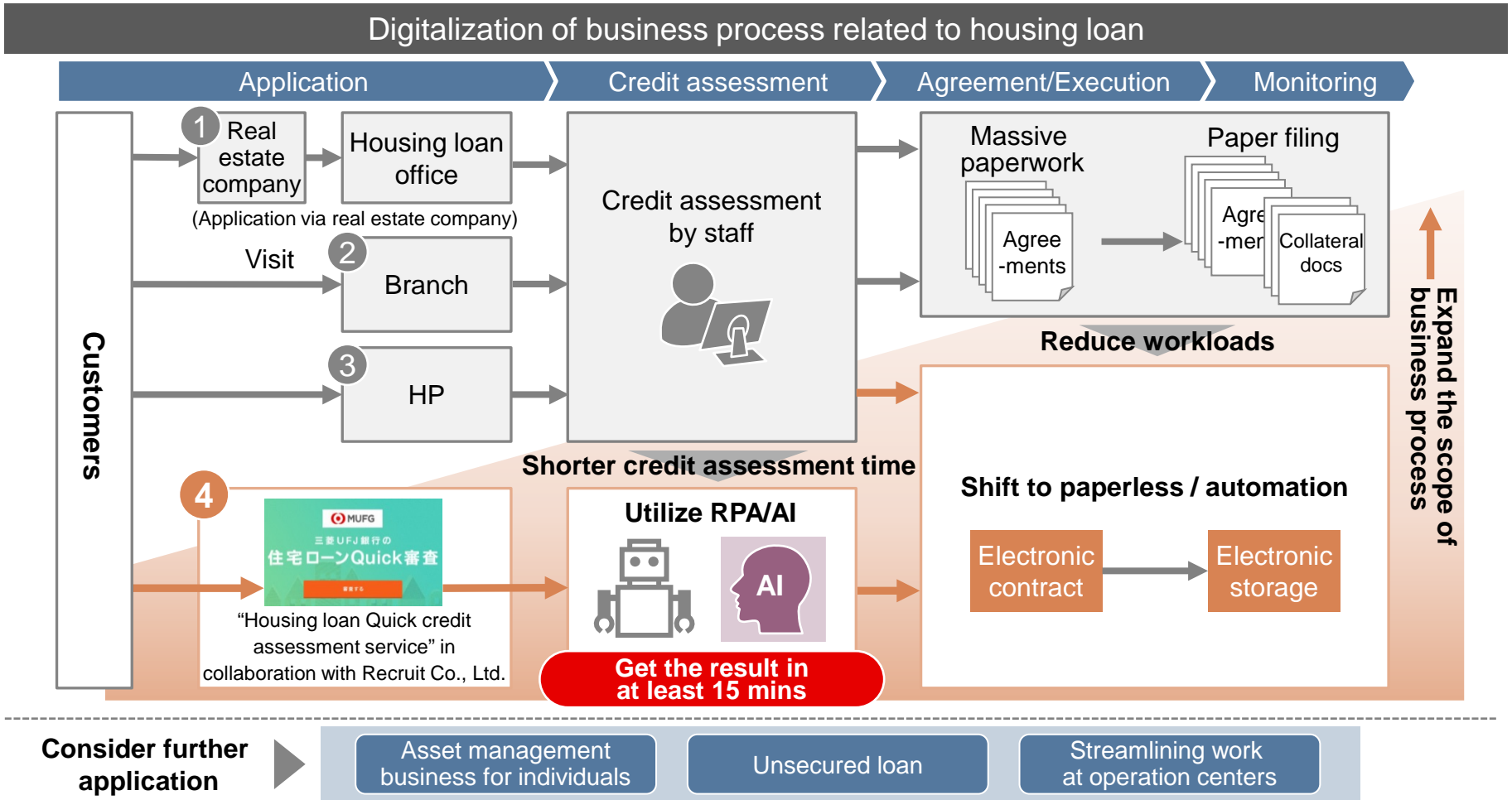
- Aiming to provide services for the public, started PoC*1 from Aug 18, and distribute beta application for 1,000 individuals from 10 supporting companies



*1 Proof of Concept *2 Excluding group companies

(1) Digital Technology

- In Oct 18, began providing “Housing loan Quick credit assessment service”, which allows customers to check the result of housing loan pre-application in at least 15 mins.
- Going forward, expands the scope of business process introducing digital technologies such as RPA, etc. and aims to thoroughly review the entire business process



(2) Sales Channel

Improve UI / UX



Smartphone app for individual account

Complete transactions* ¹ in app	✓ Apr 18
Complete Pay-easy* ² in app	✓ Apr 18
Biometric authorization	To come Nov 18
Access to past 10y transaction* ³	To come Feb 19
Update screen design	From FY19H1 onward

Upgrade functions



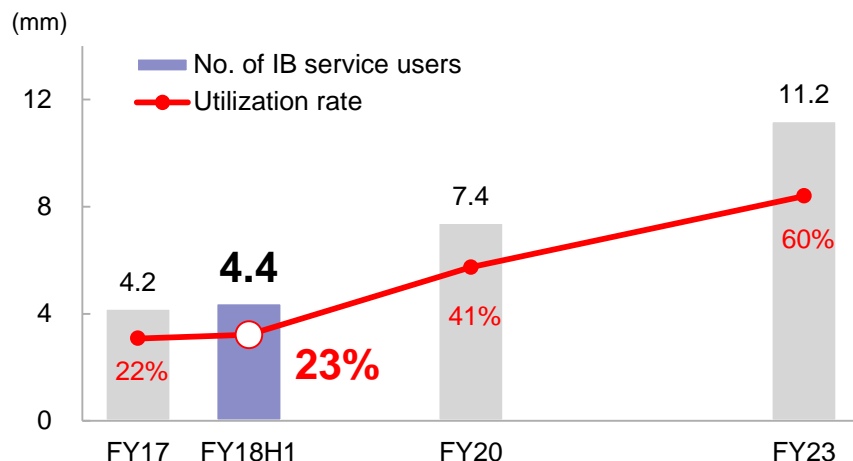
Smartphone app for new account opening



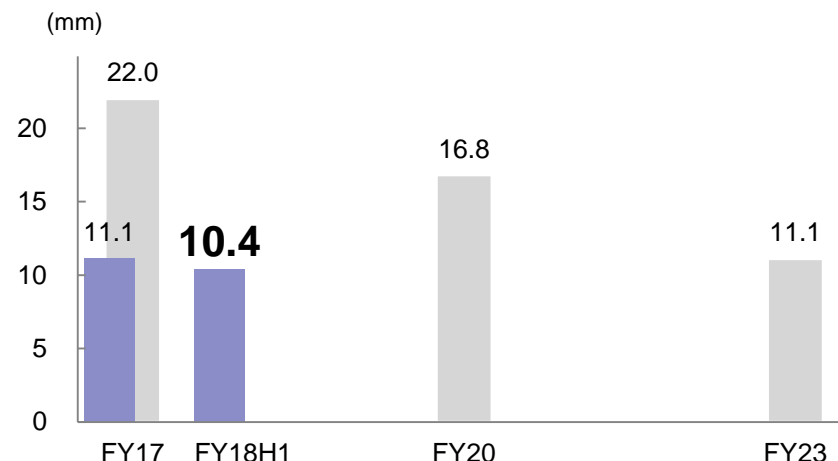
Smartphone app for various bank services

New account opening	✓ Sep 16 (app) ✓ Nov 18 (web)
Replacement of unusable cards	✓ Apr 18
Replacement when lost cards, etc.	✓ Aug 18
Change of address	From FY18H2 onward
Switch to account without bankbooks and seals	

KPI No. of IB*⁴ service users*⁵, utilization rate*⁶



KPI No. of transactions at bank-counter



*1 Part of the transactions of time-deposit, foreign currency deposits and mutual funds *2 Pay-easy: Services of the Japan multi-payment Network Promotion Council that allow us to pay tax bills etc. via smartphone or ATMs *3 Past transactions up to 10 years *4 Mitsubishi UFJ DIRECT: Internet banking for individual customers

*5 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)

*6 Utilization rate = IB service users / active accounts

(2) Sales Channel

- The first “MUFG NEXT,” which provides brand-new UX, will be released in Jan 19
- With exploiting external knowledge, accelerate transformation of physical channel through introducing “MUFG NEXT” and group co-located branches

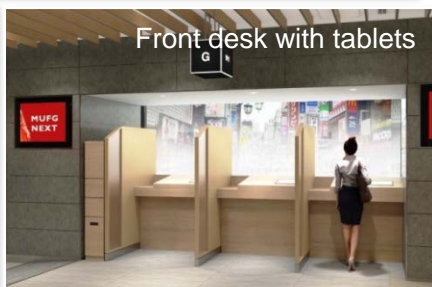
Introducing MUFG NEXT

MUFG NEXT New Experience Together

➔ To be released in Jan 19 (Gakugeidai-Ekimae Branch)

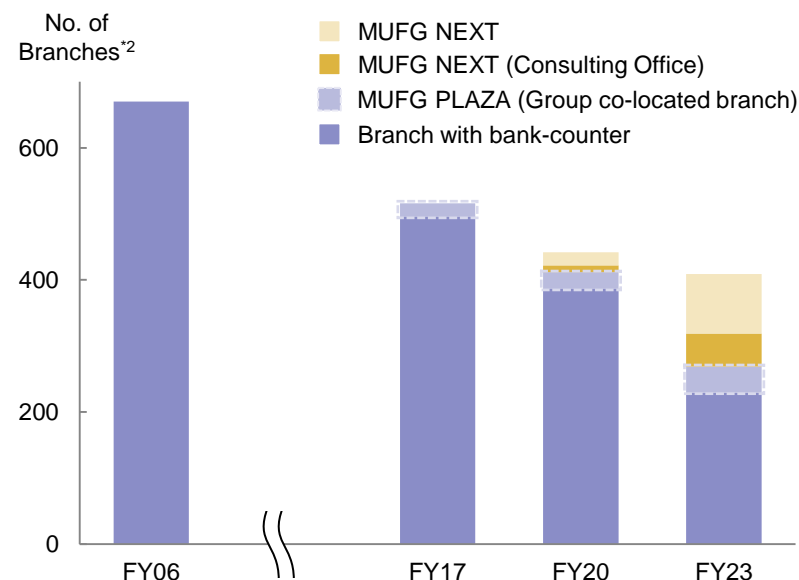


Concierge helps how to use LINKS and supports transactions



Quick reception using a tablet, deliver a speedy and paperless transaction

Transforming customers' channels



Support restructuring Group's branch property

- In Oct 18, MUFG and MEC^{*3} established “MUMEC Visionary Design, Ltd.” that provides consulting services and others on some of the branch properties owned by MUFG Group
- By exploiting MEC's human resources and know-how in real estate business, put forward the transformation of MUFG's customer channels

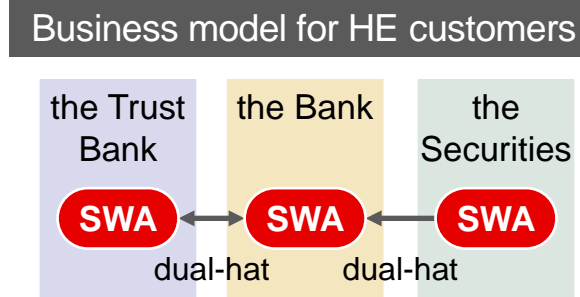
^{*1} LINKS: Low-counter Interaction on Knowledge Station (Terminal that connects to operational center via TV, which can handle consultation related to mortgage, inheritance and etc.) ^{*2} MUFG Bank non-consolidate basis ^{*3} Mitsubishi Estate Co., Ltd.

(3) Wealth Management

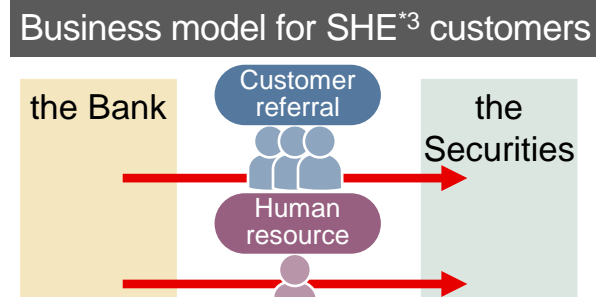
- Established Wealth Management Business Unit across the group in Jul 18. Under that, 70 professionals were gathered and serve High-End (HE)^{*1} customers as SWAs^{*2}
- No. of group collaborations exceeded its original plan. Continue to make efforts to accumulate client assets



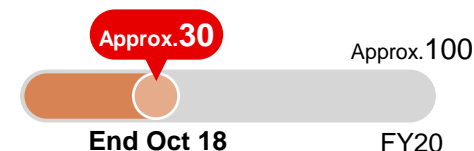
Respond customer needs



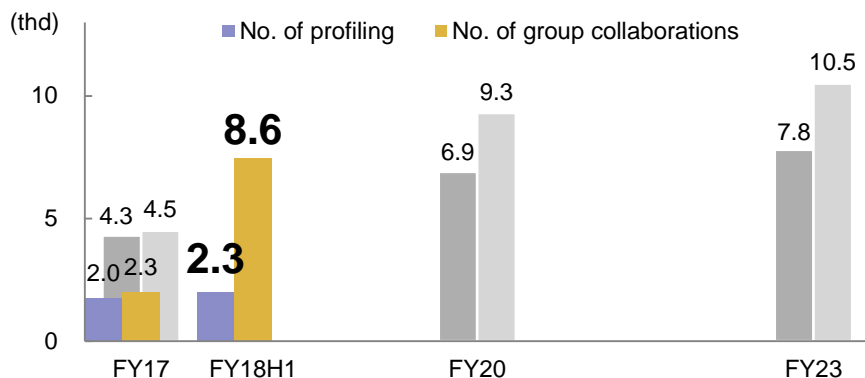
Number of SWA



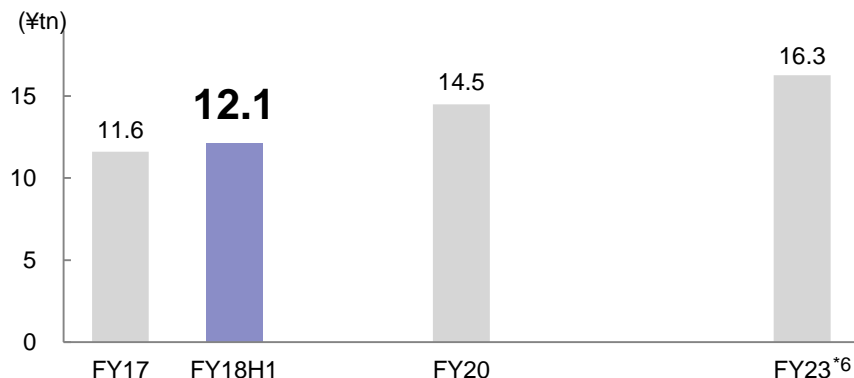
Shift resources from the Bank to the Securities



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



KPI AuM of HE / SHE customers



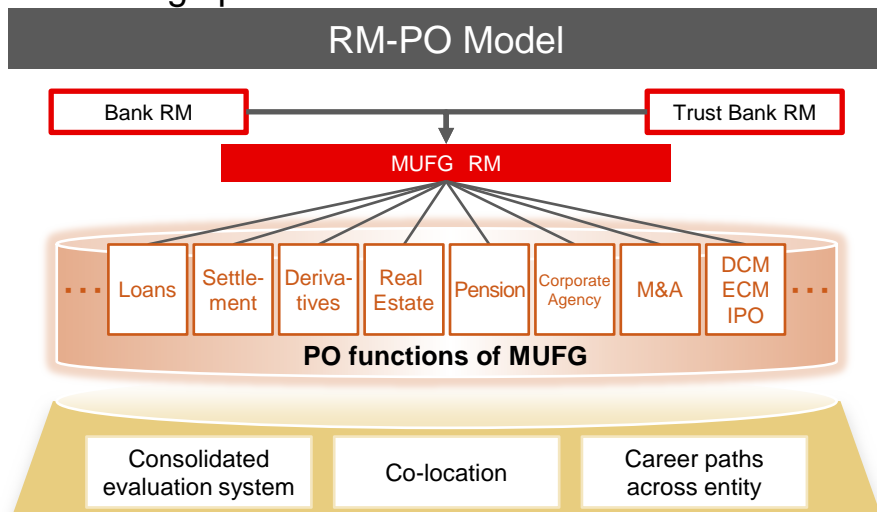
^{*1} Over ¥2 bn assets ^{*2} Senior Wealth Advisor ^{*3} Semi-High-End customers. Over ¥0.3 bn assets ^{*4} No. of testamentary trusts + wealth assessment etc.

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

(4) New Model for Wholesale Banking in Japan

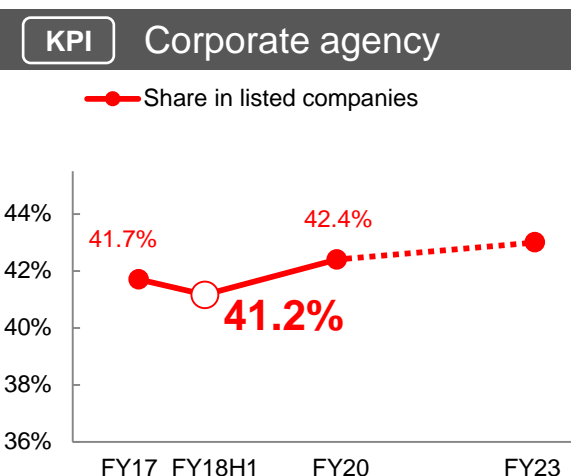
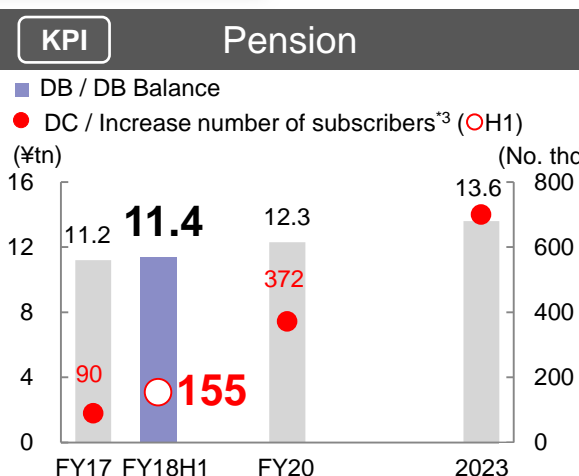
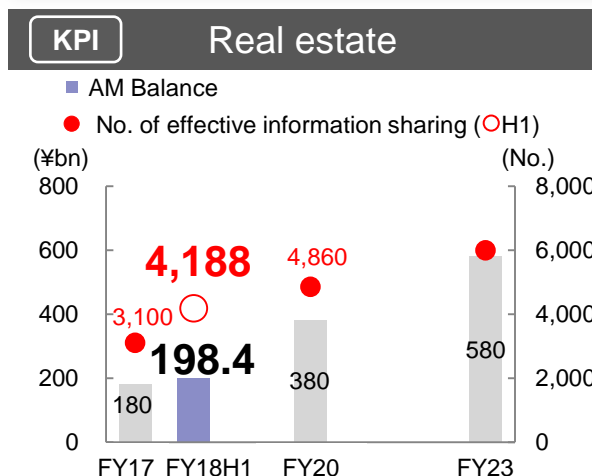
(5) Real Estate

- Integrated Corporate Banking Groups in the Bank and the Trust Bank and reorganized by industry sector in Apr 18
- Group collaborations in real estate and pension business exceeded its original plan. Made a steady progress in setting up MUFG RM-PO^{*1} model



Functional realignment

Integration of BK-TB corporate loan-related business	✓ Apr 18
Co-location	✓ Apr 18
Mirroring the RM and the PO (Real estate)	✓ Apr 18
Establishment of Securities Business Origination Office ^{*2}	✓ Jul 18
Mirroring the RM and the PO (Corporate agency / Pension)	✓ Oct 18

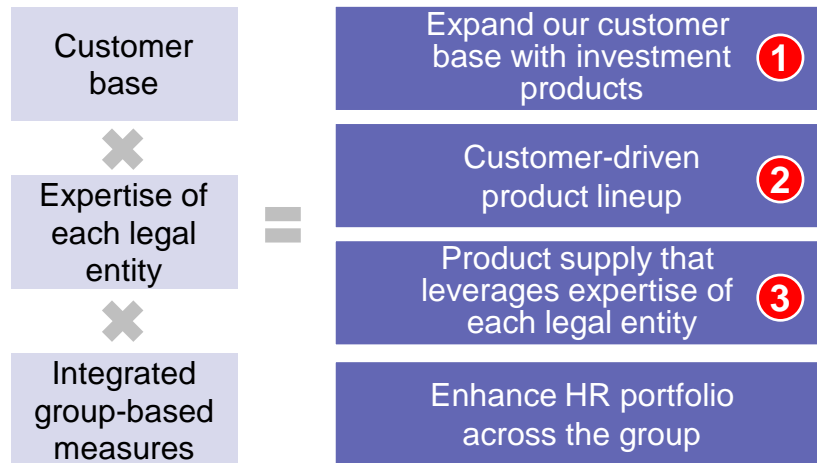


^{*1} RM: Relationship Manager, PO: Product Office, which plans, develops and provides products and services ^{*2} The Bank-MUMSS dual-hat organization that supports RMs to create new securities businesses, such as debt and equity underwriting ^{*3} Net increase of subscribers from 2017

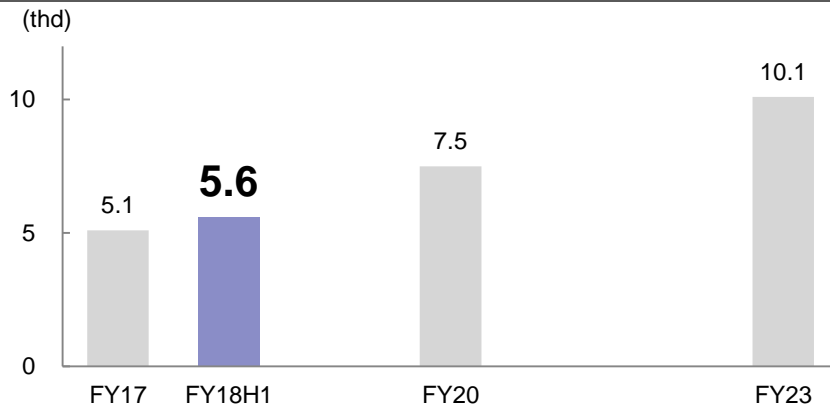
(6) Asset Management in Japan

- Acquired new corporate clients and increased sales amount by introducing low-risk products meeting the clients' needs
- Expand our "customer-driven line up" targeting individual investors with medium- to long-term investment vehicles and achieve improvement in total return^{*1} of clients

Asset management business model unique to MUFG



KPI No. of corporate customers with investment products^{*3}

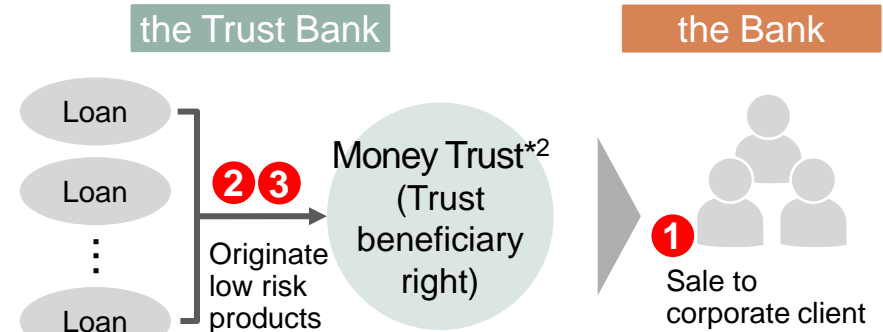


^{*1} "Comparable common KPI" defined by JFSA: The total return of investment funds and fund wrap held by each retail investor

^{*2} Joint-management specified money trust (Investment product backed by corporate loans etc.)

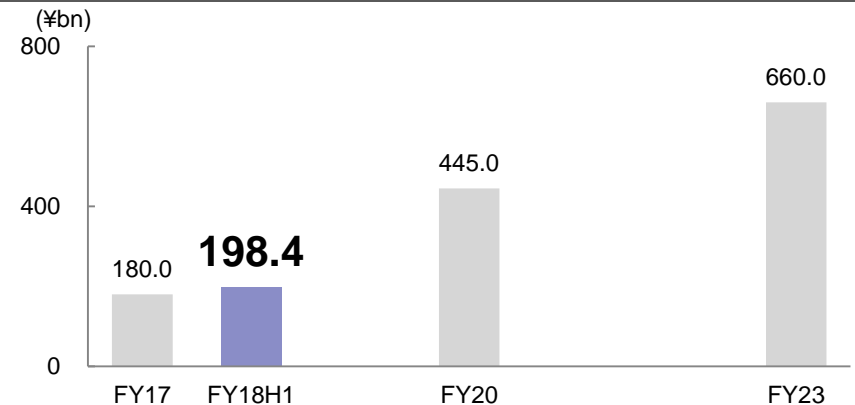
^{*3} Number of corporate customers with investment products ^{*4} Balance of internally developed low-liquidity investment products, such as real estate-based products

Expansion of customer base(corporate customers)



Sales amount **¥420 bn** (FY18H1)

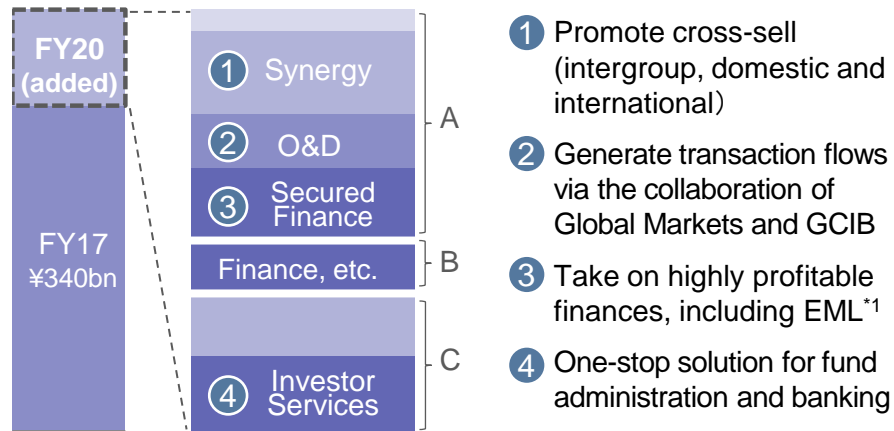
KPI Alternative products balance^{*4}



(7) Institutional Investors

- Accelerate the development of business frameworks to increase profit in major products and business areas

Profit increase (gross profit)



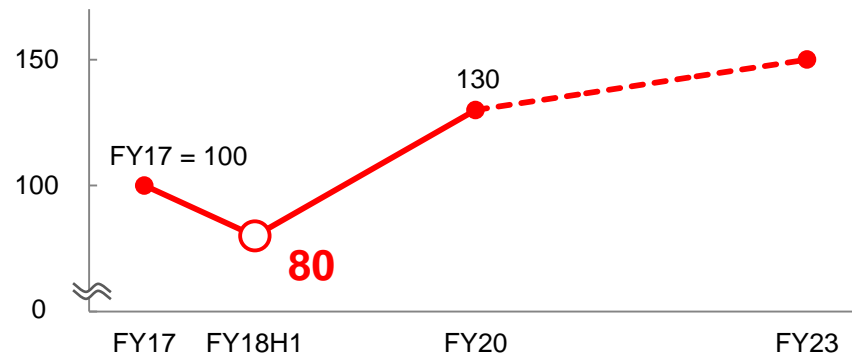
A: Global Markets B: GCIB C: AM/IS

Development of business frameworks

GH / RH *2: Established senior management functions overseeing both BK and SCHD	✓ Oct 18
Dual hatting : Started dual hatting in both BK and SCHD outside Japan*3	✓ Oct 18
O&D : Established promotion units in both BK and SCHD	✓ Sep 18
Secured Finance : Establish policies for flexible booking and credit management	Dec 18
Fund Finance, etc. : Develop a more robust product supply structure	Work in progress

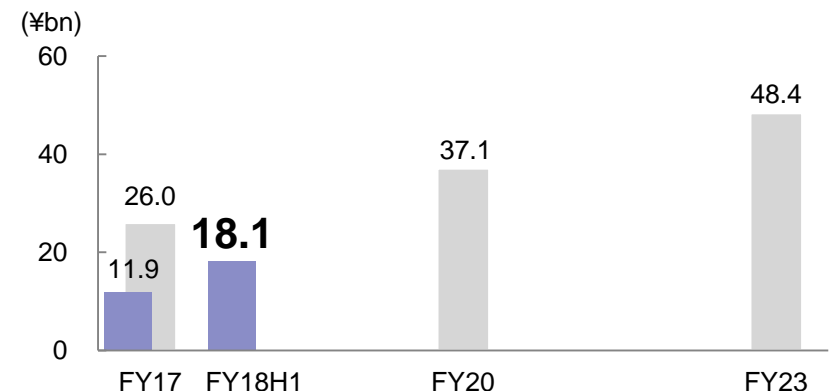
KPI

Client Value*4



KPI

Operating income from IS*5 business



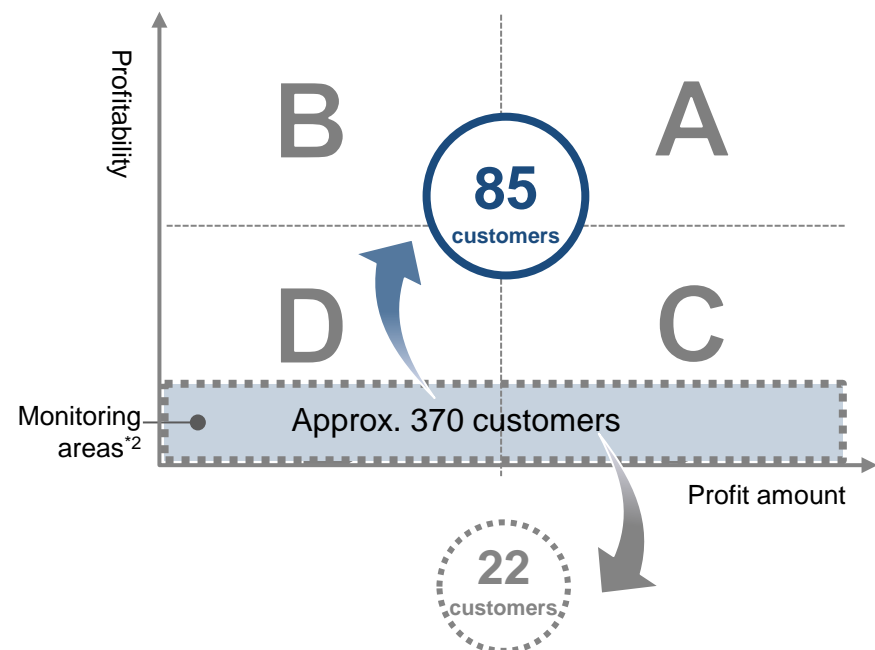
*1 Equity margin lending (financing secured by collateral stocks) *2 GH: Global head, RH: Regional head *3 Excluding some regions and countries

*4 Quasi sales & trading profits in institutional investors business. Indexation using figure in FY17 as 100 (annualized) *5 Investor Services

(8) Global CIB

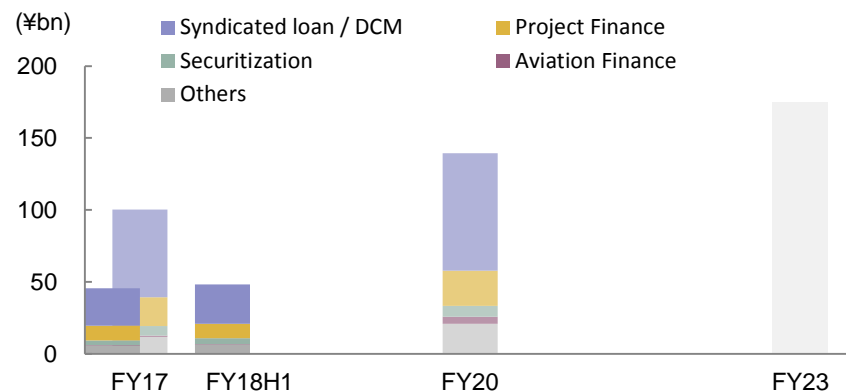
- Accelerate distribution-driven O&D via One MUFG approach and enhance product capabilities, aiming to shift from a loan centric business model
- Reduced the number of low-profitability customers by approx. 30% during FY18H1

Global portfolio recycle

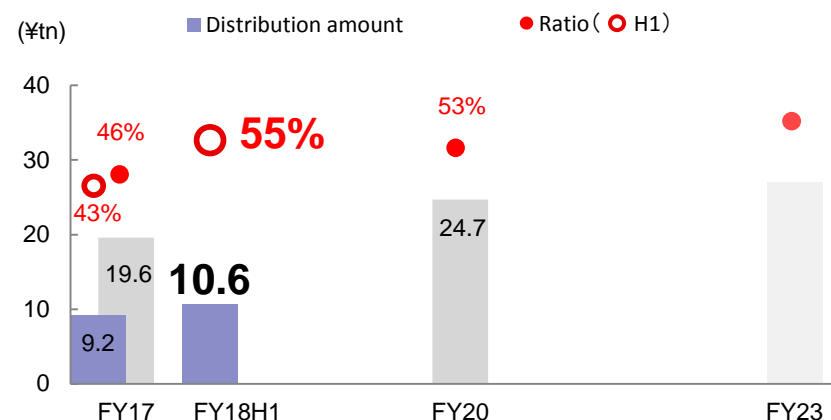


KPI	Item	FY18H1 (against FY17)	FY20 (against FY17)
	Reduce low-profitability customers*3	(29%)	(25%)

Fee income by product*1



KPI Distribution amount / the ratio*4*5



*1 Estimated impact on net operating profits *2 A group of customers with low profitability below our profitability threshold

*3 Reduction rate of approx.370 customers with low profitability in the monitoring areas

*4 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 *5 FY18H1 Distribution ratio is provisional numbers

Global Commercial Banking

MUFG Americas Holdings Corporation (MUAH)

Financial results of MUAH^{*1*2}

<P/L> (US\$mm)		FY17H1	FY18H1	YoY
1	Net Interest Income	1,589	1,650	61
2	Total non-interest income ^{*3}	977	978	1
3	Trading account activities	(7)	(8)	(1)
4	Investment banking and syndication fees	182	177	(5)
5	Fees from affiliates ^{*4}	430	575	145
6	Total revenue	2,566	2,628	62
7	Non-interest expenses ^{*5}	1,963	2,167	204
8	Salaries and employee benefits	1,260	1,348	88
9	Pre-tax, pre-provision income	603	461	(142)
10	Provision for credit losses	(52)	(21)	31
11	Income tax expense	146	(14)	(160)
12	Net income attributable to MUAH	524	510	(14)
13	NIM	2.36%	2.30%	(0.06ppt)

<BS> (US\$mm)		End Dec 17	End Jun 18	Change
14	Loans	80,014	82,236	2,222
15	Deposit	84,787	85,516	729
16	Total equity	18,255	18,462	207
17	Total asset	154,550	160,373	5,823
18	NPL ratio	0.58%	0.49%	(0.09ppt)
19	NPL coverage ratio	102.37%	110.23%	7.86ppt

*1 MUAH's June 30, 2018 10-K and 10-Q reports based on U.S. GAAP

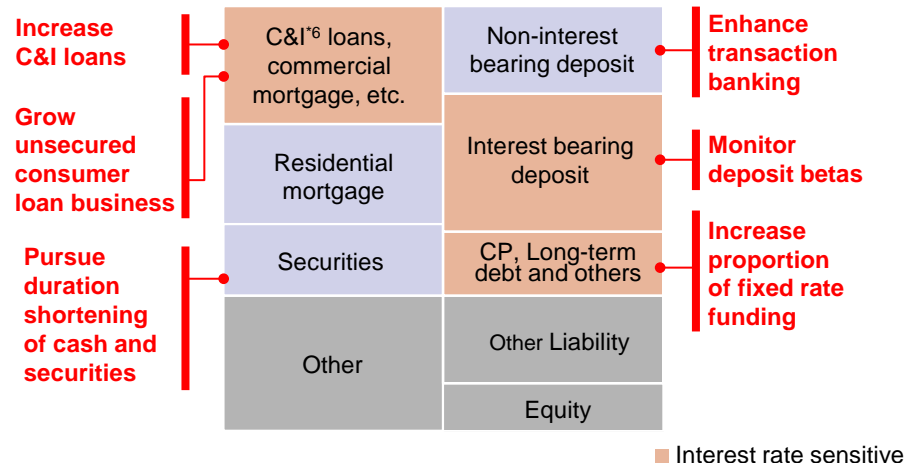
*2 Figures have been revised to include the results of the transferred IHC entities, such as MUFG Securities Americas applicable to FY16

*3 Figure for FY18H1 includes the losses on certain renewable energy investments of \$164 mm as a result of Tax Cuts and Jobs Act of 2017

*4 Represents income resulting from the business integration of MUFG Bank & MUFG Union Bank, N.A.

*5 Including expense associated with employees providing support services to MUFG Bank *6 Commercial & industrial

Asset mix for a more efficient balance sheet

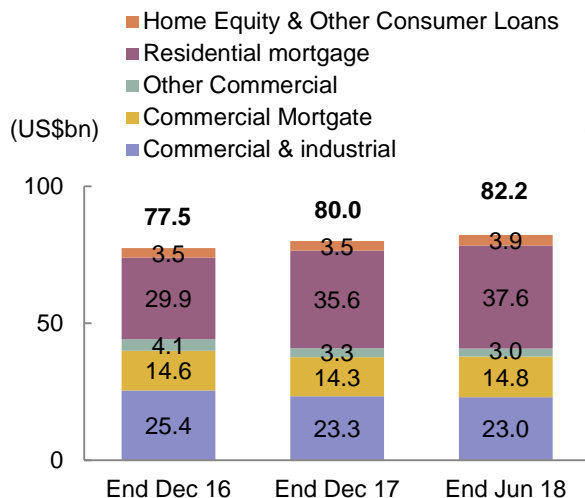


Initiatives to improve efficiency of Americas

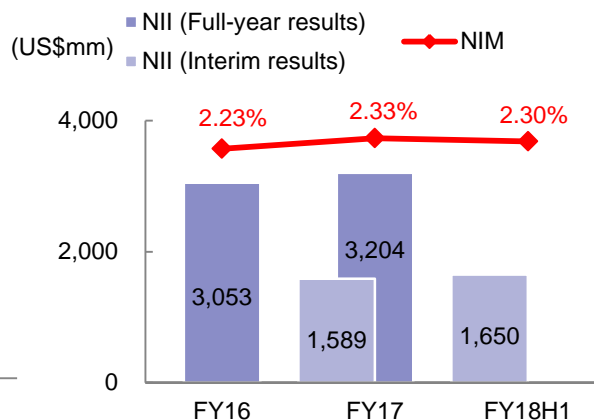
- Streamline operations and improve productivity through the use of cloud service and establishment of agile development team among others
- Improve mid-long term productivity via the core banking transformation and the revisit of operation process
- Redistribute part of workforce to a lower cost location and strong labor supply (Phoenix, AZ)
- Reduction in professional and outside service expenses

(Reference) Key figures*¹ of MUAH

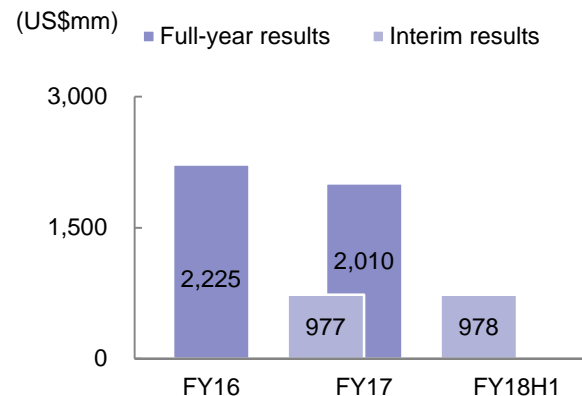
Lending balance



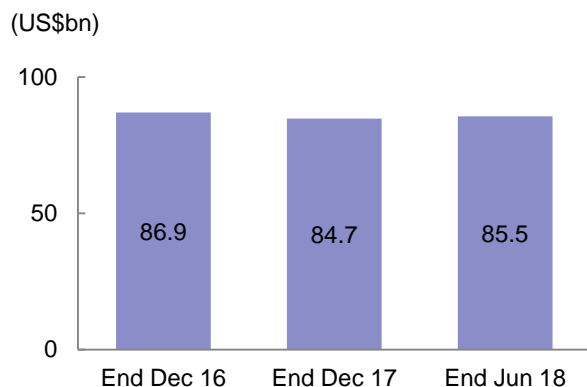
Net interest income



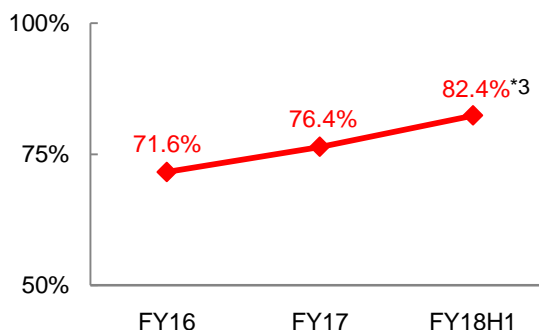
Non-interest income



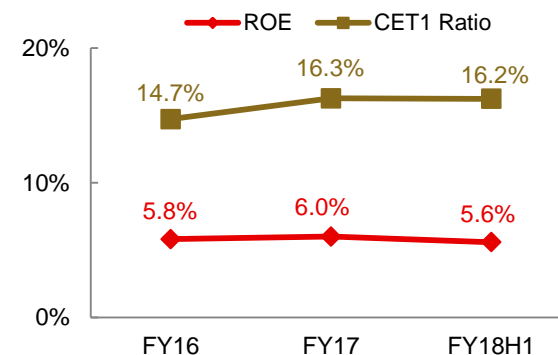
Deposit balance



Cost to income ratio*²



ROE / CET1 Ratio*⁴



*¹ Financial results as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP

*² Efficiency ratio

*³ The adjusted efficiency ratio is a non-GAAP financial measure. Management believes adjusting the efficiency ratio for the fees (US\$534 mm) and costs (US\$496 mm) associated with the provision of services to MUFG Bank, Ltd. branches in the U.S. enhances the comparability of MUAH's efficiency ratio when compared with other financial institutions. Management believes adjusting revenue for the impact of the TCJA (negative revenue US\$164 mm) enhances comparability between periods. Adjusted Efficiency Ratio for FY18H1 is 74.0%

*⁴ U.S. Basel III standardized approach; fully phased-in
MUAH is working on capital optimization and recently paid a US\$500 mm dividend in 2017

Financial results*1

<P/L> (THB mm)	FY17H1	FY18H1	
			YoY
1 Net interest income	33,421	36,510	3,089
2 Net fees and services income	9,307	10,506	1,199
3 Non-interest and non fees income	5,791	6,787	996
4 Total income	48,519	53,803	5,284
5 Other operating expenses	23,287	24,977	1,690
6 Employee expenses	12,054	12,995	941
7 Pre-provision operating profit	25,232	28,826	3,594
8 Impairment loss of loans and debt securities	10,682	13,087	2,405
9 Net profit attribute to owners of the bank	11,516	12,488	972
10 NIM	3.82%	3.75%	(0.07ppt)
<BS> (THB mm)	End Dec 17	End Jun 18	Change
11 Loans	1,619,358	1,719,576	100,218
12 Deposit	1,319,229	1,367,531	48,302
13 Total equity	225,987	234,563	8,576
14 Total asset	2,088,772	2,100,941	12,169
15 NPL ratio	2.05%	2.02%	(0.03ppt)
16 NPL coverage ratio	148.4%	161.7%	13.3ppt

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

*3 Lending balance is sum of loans. The Bank Bangkok branch was integrated to KS with total loan of THB 232.7 bn in Jan 15

*4 Current Account and Savings Account

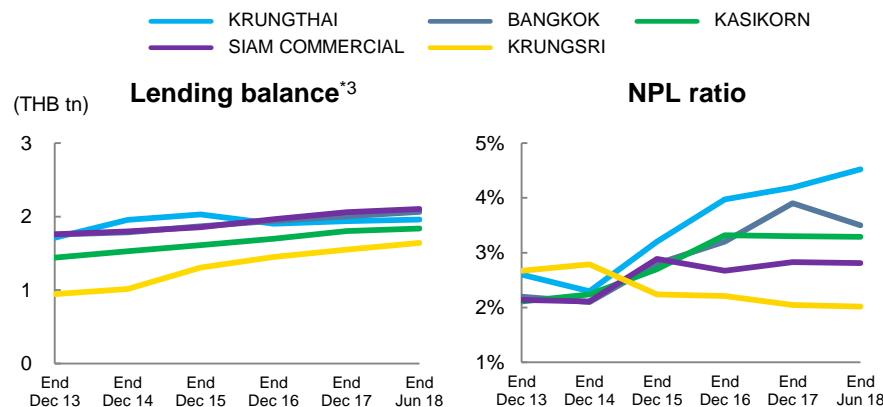
Strategic direction

Segment	Position		Key Strategies
	Current		
JPC / MNC*2	#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

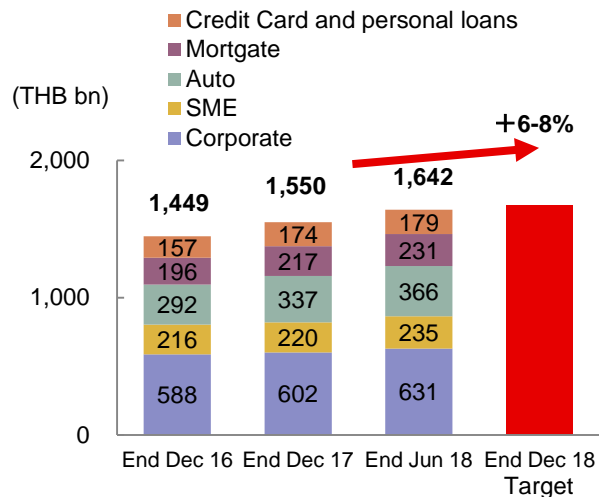
Peer comparison



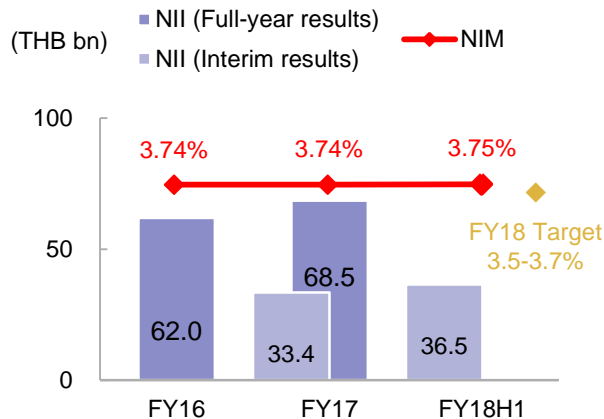
(Source) Bloomberg, Company data

(Reference) Key figures of Krungsri

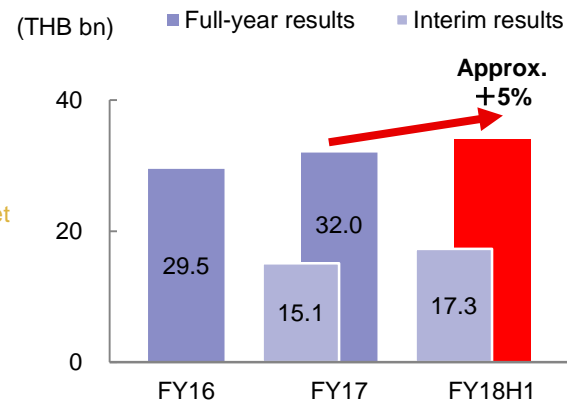
Lending balance



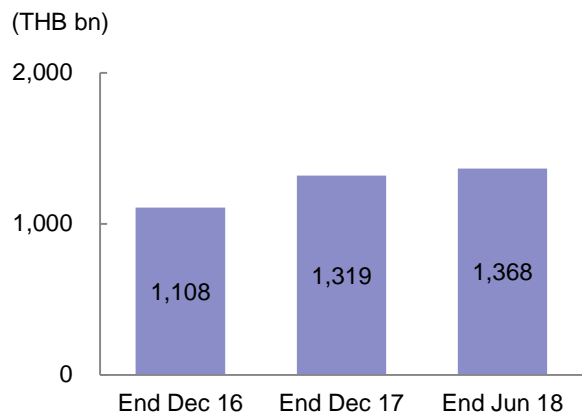
Net interest income



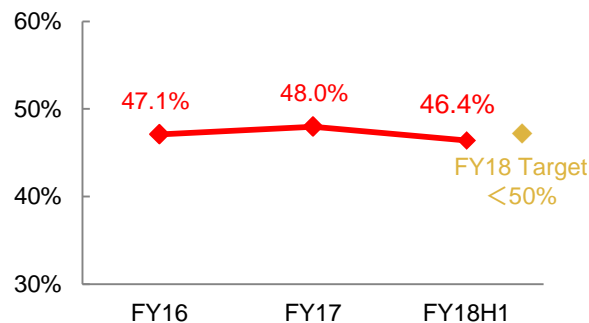
Non-interest income



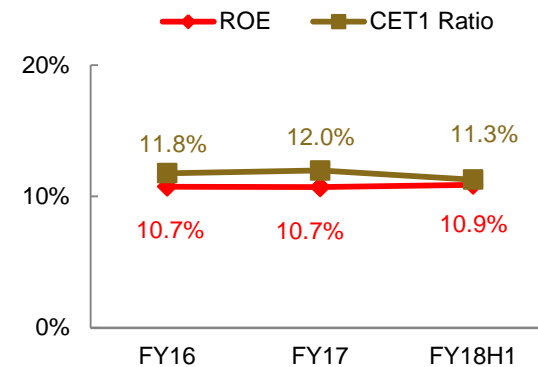
Deposit balance



Cost to income ratio



ROE·CET1 Ratio

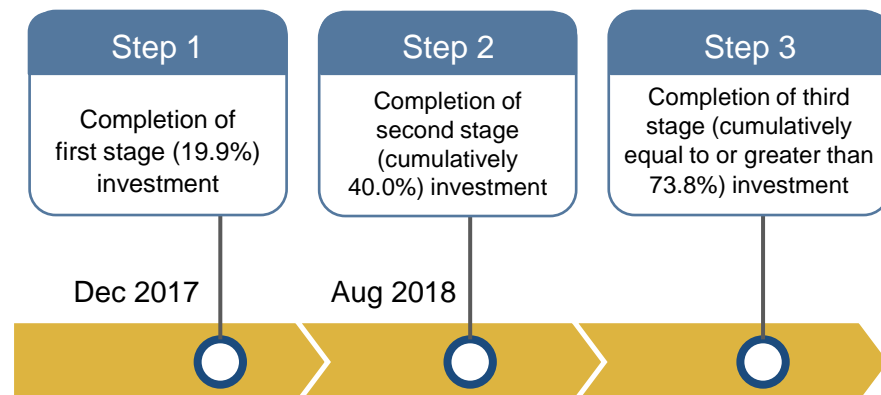


Bank Danamon

Company overview

Establishment	1956 (established as a private bank)
Rating	Moody's: Baa2, Fitch: BBB, Pefindo: AAA
Operating Income / Net Income*1	US\$1,303 mm / US\$282 mm
Total Asset*1	US\$13,157 mm
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

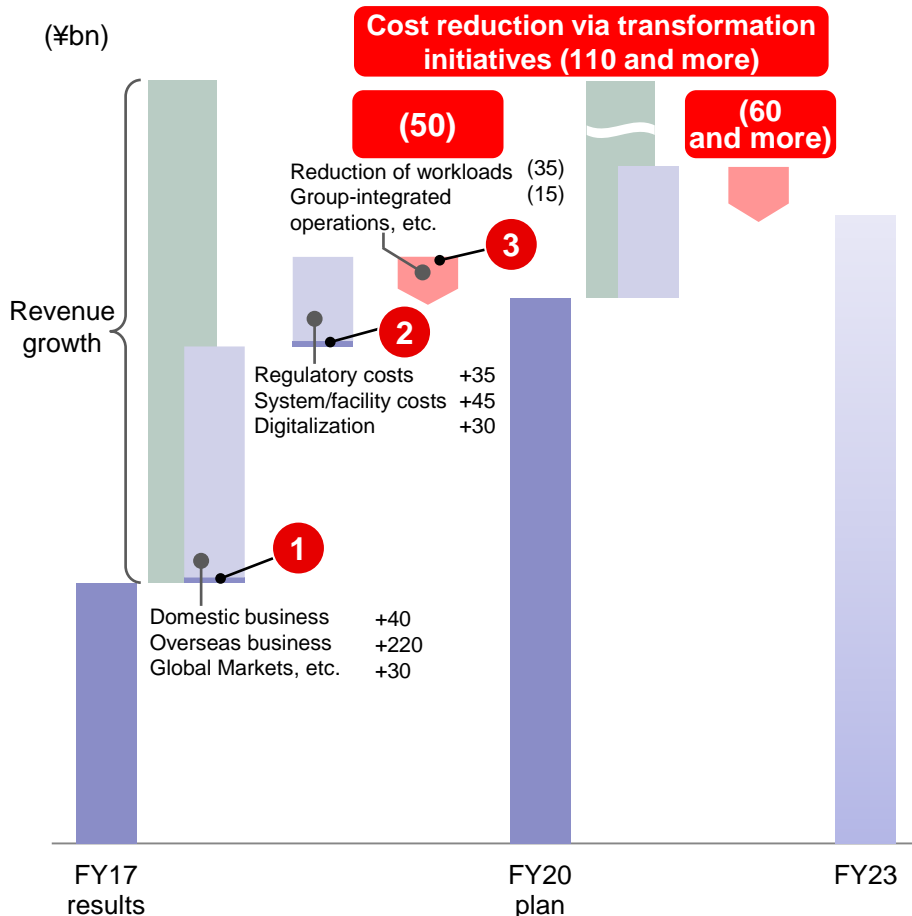
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Expense

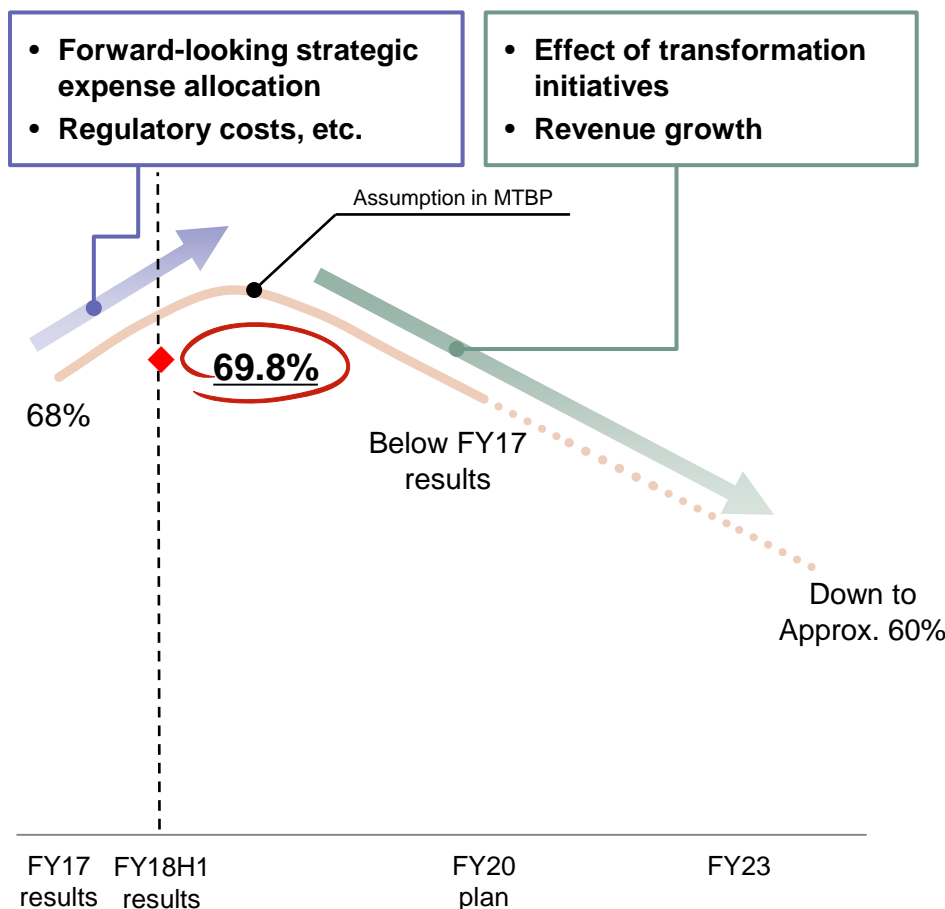
Progress during FY18H1

- Increase of expenses due to a business expansion of GCB and completion of large-size facilities were largely offset by cost reduction mainly for domestic businesses. Expense ratio for FY18H1 was 69.8%, below the assumption in MTBP*1
- Measures for transformation initiatives of cost reduction, such as digital investment and group-integrated operations made a stable progress. Made a smooth start for ¥50 bn cost reduction for the final year of MTBP

Changes in expenses



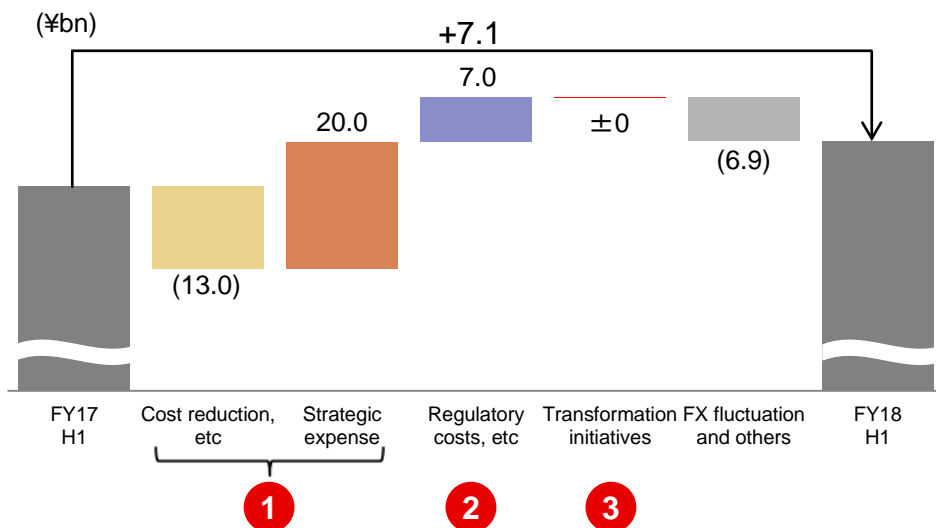
Expense ratio



*1 Medium-Term Business Plan

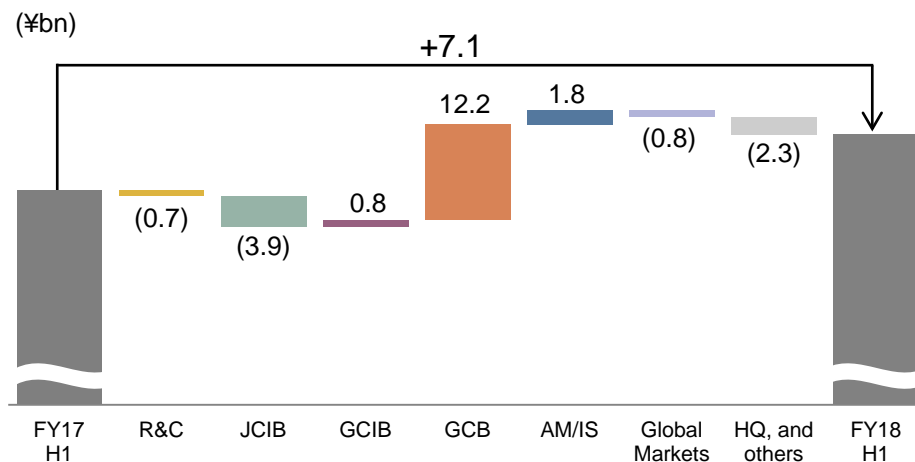
Factors of increase and decrease

By measures



- 1 • Reduced expenses mainly in the domestic customer segment
- Steadily allocated necessary expenses to promote growth strategies
- 2 • Facility-related expenses increased due to the completion of data centers and large buildings in Japan
- 3 • Progressed with measures aimed at securing the positive effects of structural reforms, for example, pursuing digital investment and initiating group-integrated operations

By business group



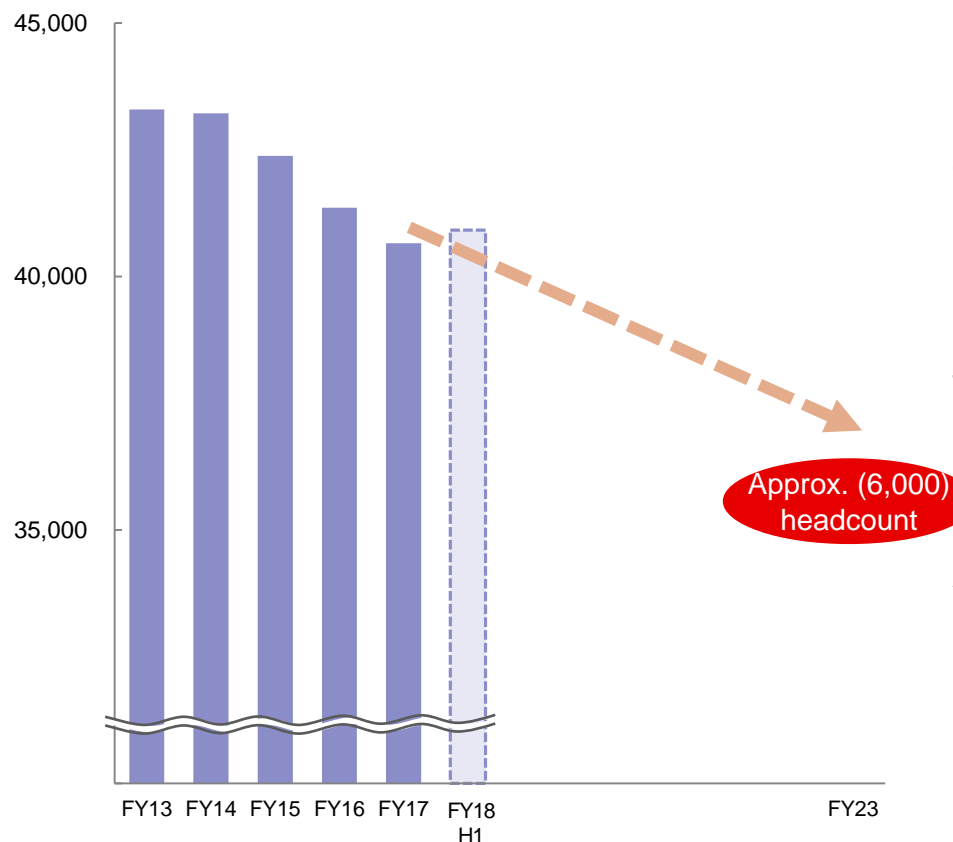
- R&C** **JCIB**
- Offset an increase in expenses associated with consumer finance due to business expansion by reducing other expenses
- GCB**
- Increased personnel expenses due to business expansion
 - Increased system related expenses

Headcount, branches

Forecast of employees headcount

- Reduce 30% of total workloads*¹ (equivalent to the labor of 9,500 personnel) by FY23. Expect a decrease in employee headcount totaling approx. 6,000 compared to FY17 (attrition)
- Despite an increase for FY18H1, expect a decrease at the end of FY18

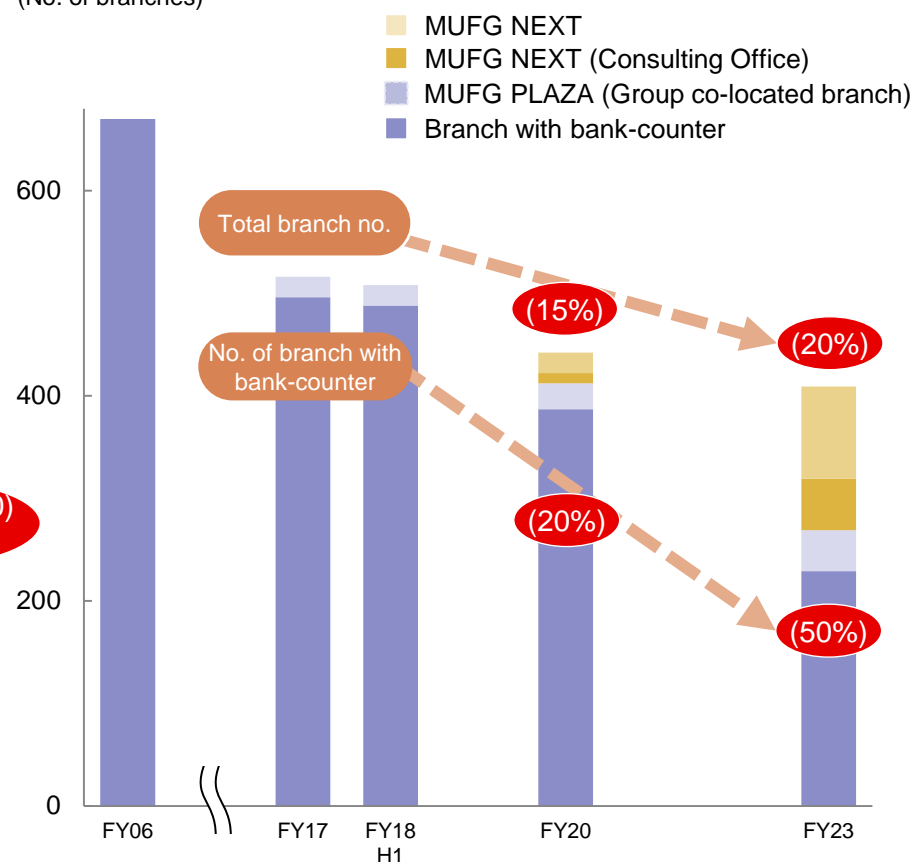
(Headcount)*²



Forecast of number of branches

- By FY23, no. of branches with bank-counter will halve while total branch no. will decrease by approx. 20% via transforming to “MUFG NEXT” and “MUFG PLAZA”
- Executed consolidation of seven branches during FY18H1

(No. of branches)*³



*1 Including MUFG Bank's subsidiaries engaged in operations

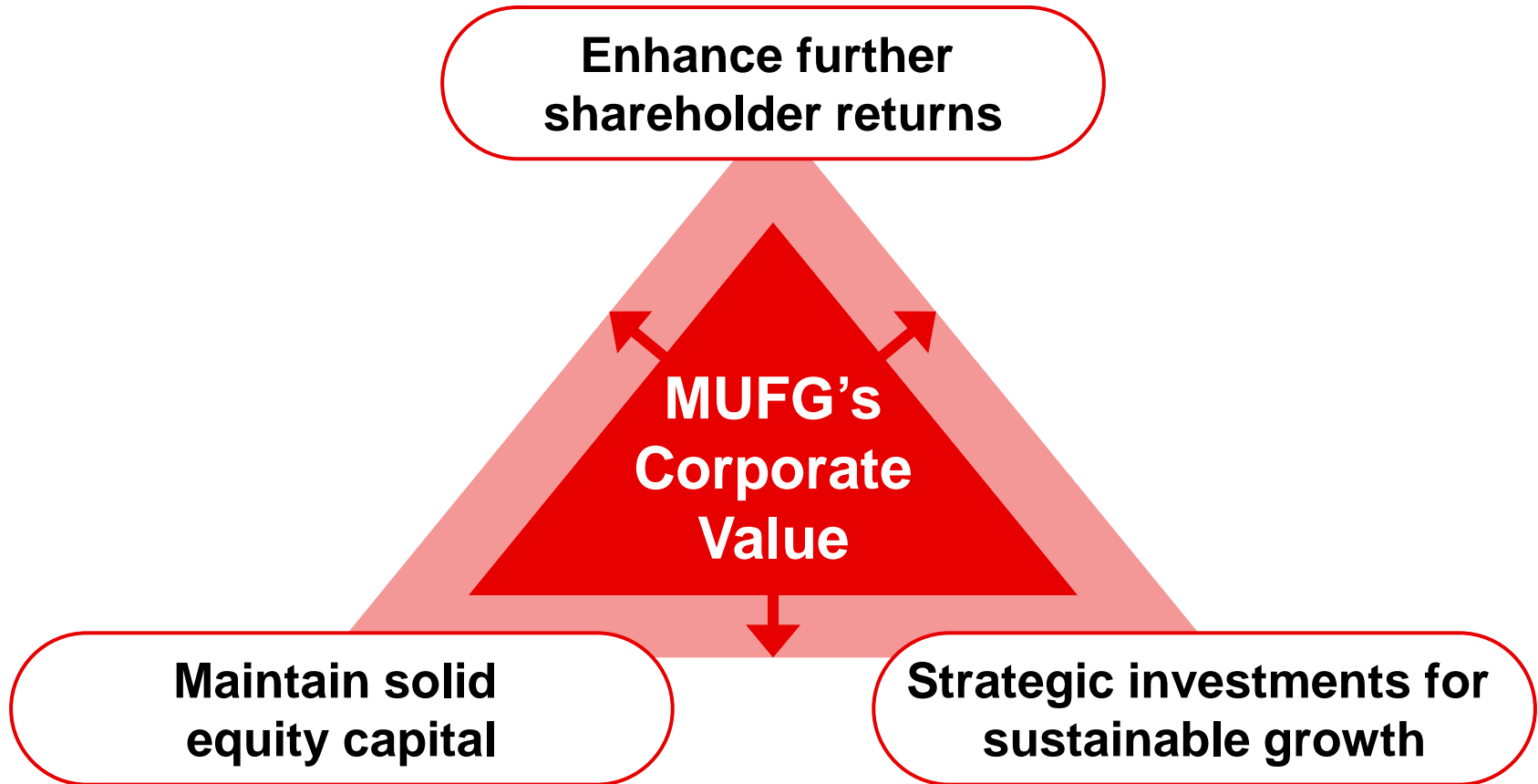
*2 The figure includes MUFG Bank's domestic bank staff, part-time and contract staff as well as temporary staff but excludes overseas staff hired locally. The figure also includes employees of other companies seconded to MUFG Bank but excludes employees temporarily transferred to other companies

*3 MUFG Bank non-consolidated basis

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

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

MUFG aims for a **stable and sustainable increase** in dividends per share through profit growth, **with a dividend payout ratio target of 40%**



Target a dividend payout ratio of 40% by the end of FY2023

Share Repurchase

MUFG plans to **flexibly repurchase** its own shares, as part of its shareholder return strategies, in order to improve capital efficiency



Consider (1) Performance progress / forecast and capital situation,

(2) Strategic investment opportunities (3) Market environment including share price



Confirm if MUFG's capital level remains stable as required to secure "A" or higher credit rating

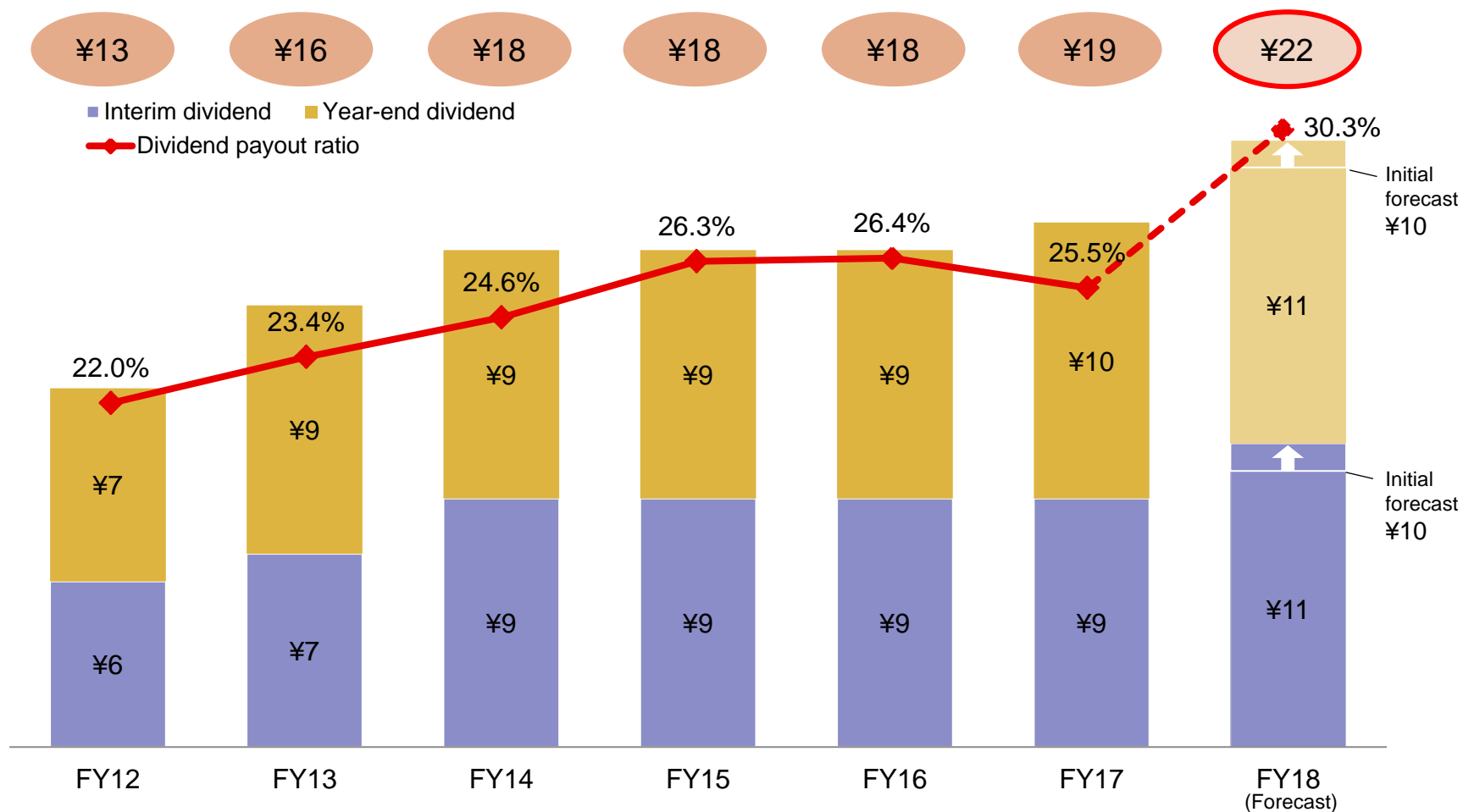
Share Cancellation

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

- Revised the interim dividend and year-end dividend forecast , making an increase of ¥1 respectively
- FY18 dividends are forecasted to be ¥22 per share, a ¥3 increase from the actual result for FY17

Results and forecasts of dividend per common stock



Outline of repurchase and cancellation of own shares

- Resolved to repurchase own shares up to ¥100 bn and all of the repurchased shares to be cancelled

	FY14	FY15	FY16	FY17	FY18H1	FY18H2
Type of shares repurchased	Ordinary shares of MUFG	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	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	Approx. 268.81 mm shares (All of the shares have been cancelled)	Approx. 72.42 mm shares (All of the shares have been cancelled)	Up to 200 mm shares (All of the shares to be cancelled)

(Ref) As of October 31, 2018

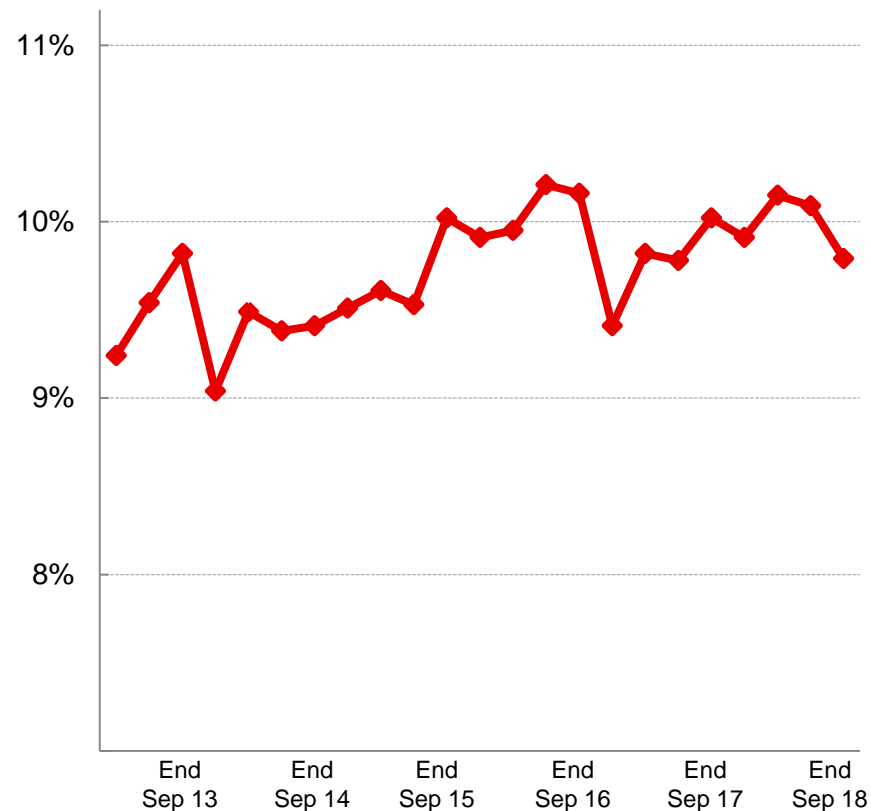
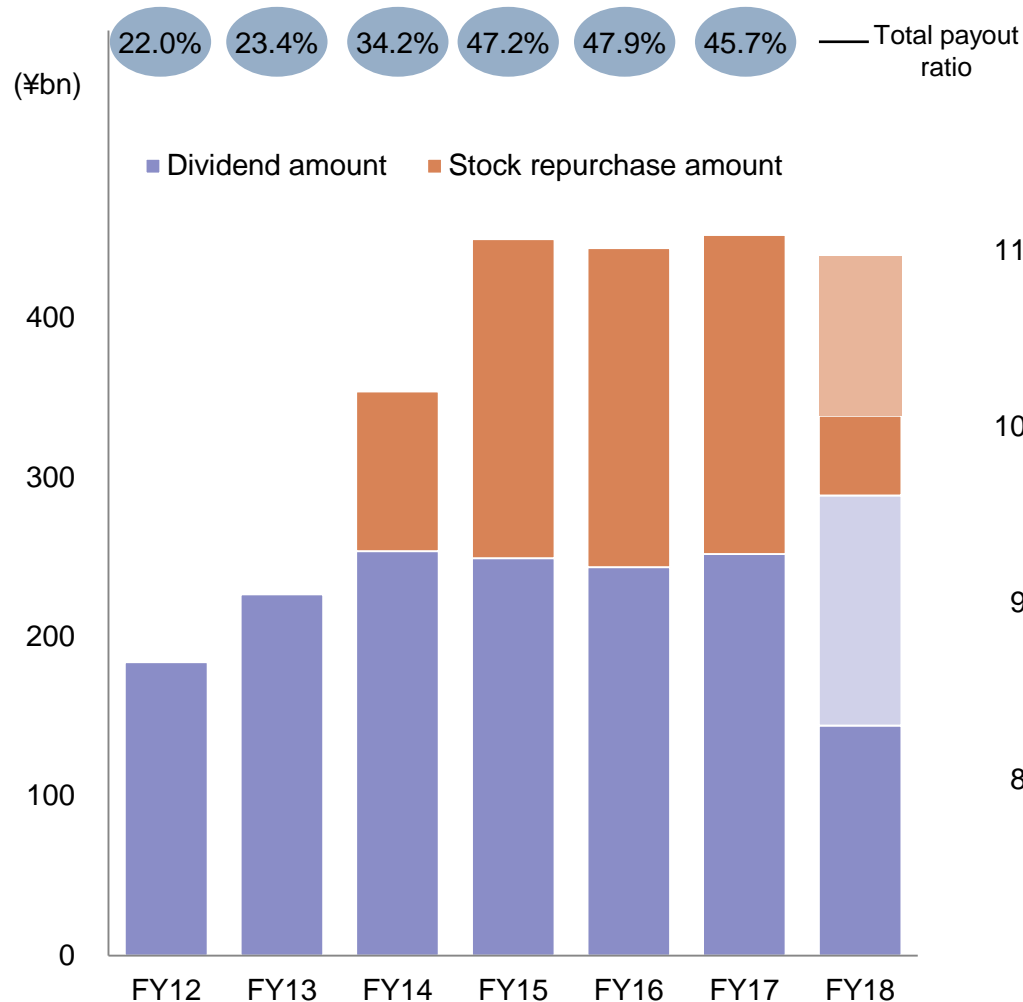
Total number of issued shares (excluding own shares): 13,119,338,443 shares

Number of own shares held by MUFG: 708,268,877 shares

(Reference) Total payout

Total payout

Trend of CET1 ratio*1

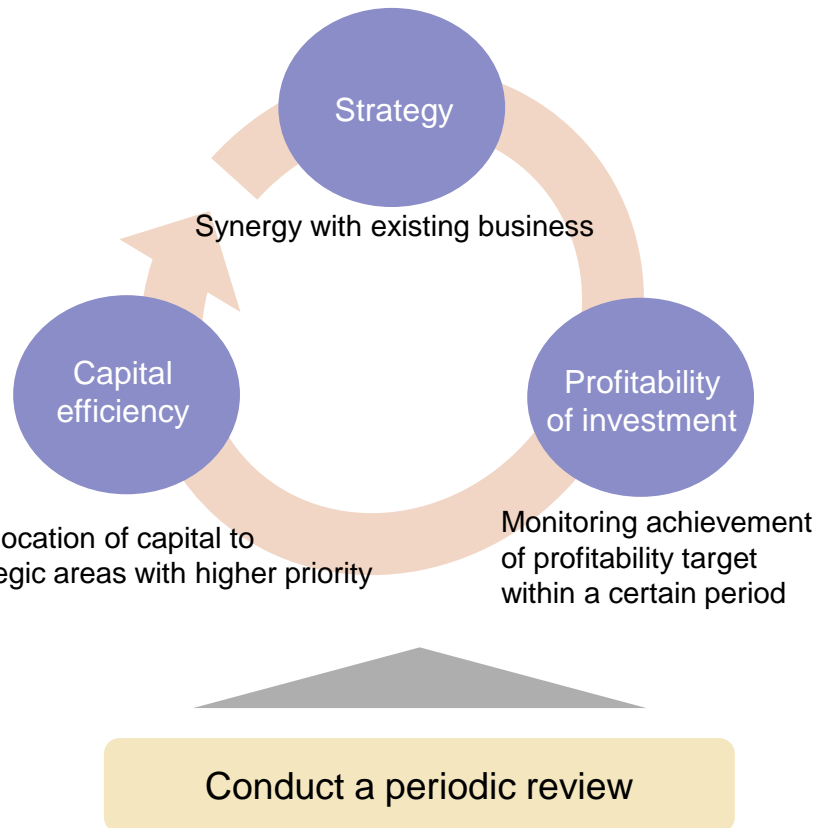


*1 Calculated on the basis of regulations to be applied at end Mar 19. On a basis that excludes unrealized gain

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 bn



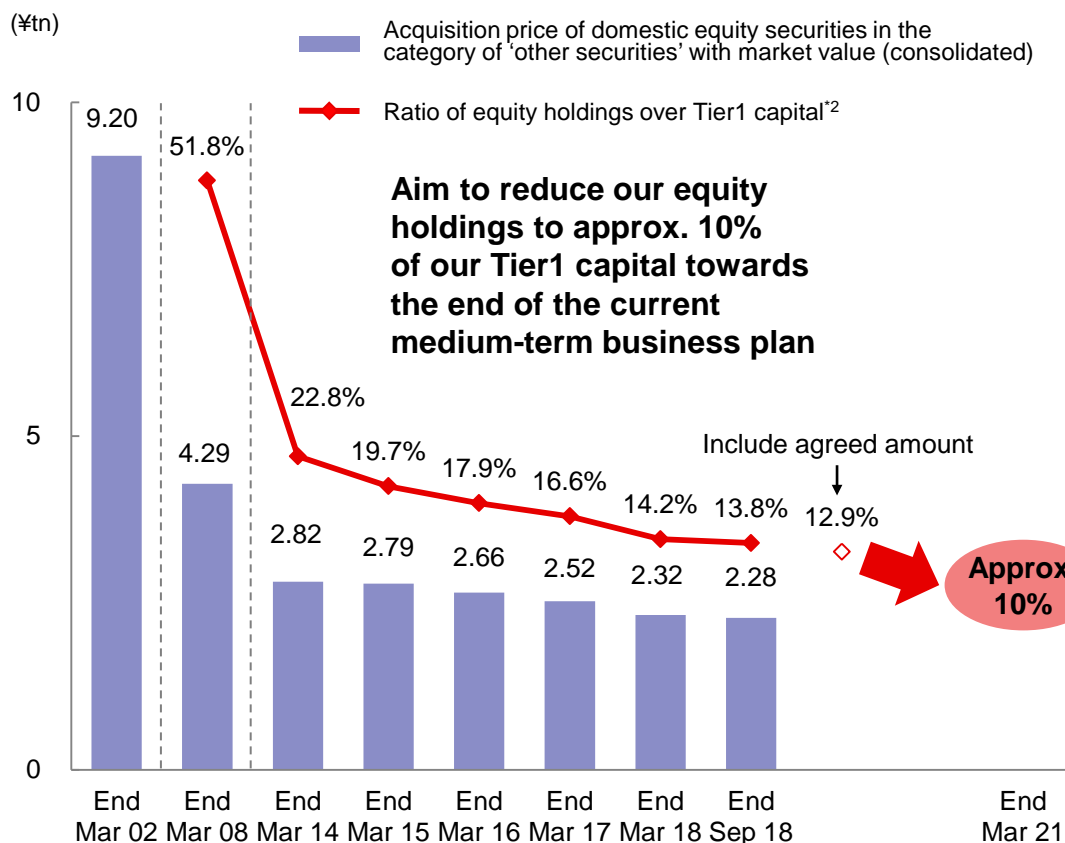
Number of shares sold	41,718,620 ordinary shares (equivalent to 1.25% stake)
Date of sale	April 6, 2018
Sale price	Approx. ¥45 bn

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. ¥43 bn*¹ equities were sold in FY18H1

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 H1	¥85 bn	¥43 bn	¥42 bn
Total	¥881 bn	¥510 bn	¥371 bn
Agreed amount	-	¥150 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

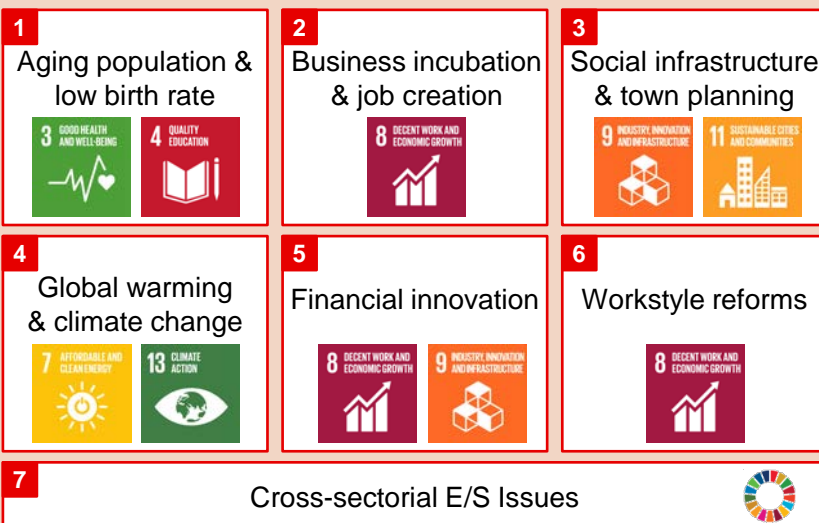
Disclosure

- 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.61



• Formulating group-wide E/S policies and procedures

P.61

MUFG
Environmental
Policy Statement

MUFG
Human Rights
Policy Statement

MUFG
Environmental and
Social Policy
Framework

• Strengthening corporate governance structure

P.62-64

Reduced the total
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 Jul 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 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^{*1}/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) 	R J G G A M
6 Workstyle reforms	<ul style="list-style-type: none"> Improve productivity through flexible work styles 	R J G G A M
7 Cross-sectorial E/S issues	<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

Formulating E/S policies and procedures^{*2}

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^{*3}

- Identify "Prohibited Transactions" and "Restricted Transactions" (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} Japan Infrastructure Initiative

^{*2} https://www.mufig.jp/english/vcms_if/news/pressrelease-20180515-005-e.pdf

^{*3} Applied to the Bank, the Trust Bank and the Securities HD

Strengthening oversight function by outside directors

- Reduced the total 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 Sep 30, 2018)

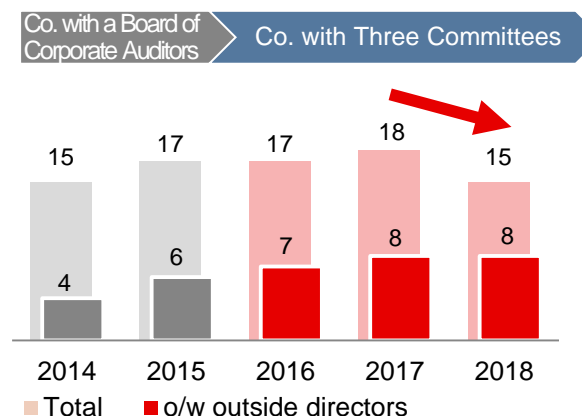
	Name		Current position and responsibilities at the Company	Other Public Co. Boards (#)	Expertise				
					Admin.	Business	Finance	Accounting	Law
1	Hiroshi Kawakami	Reelected Independent	Outside director Nominating, Compensation, Audit	1	●	-	-	-	-
2	Yuko Kawamoto	Reelected Independent	Outside director 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

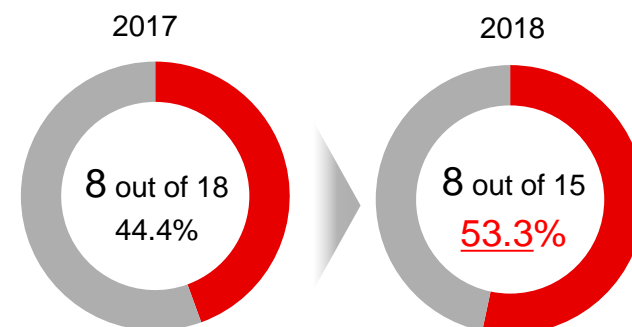
Audit: Audit Committee member
Risk: Risk Committee member

Board structure

Number of the Board members



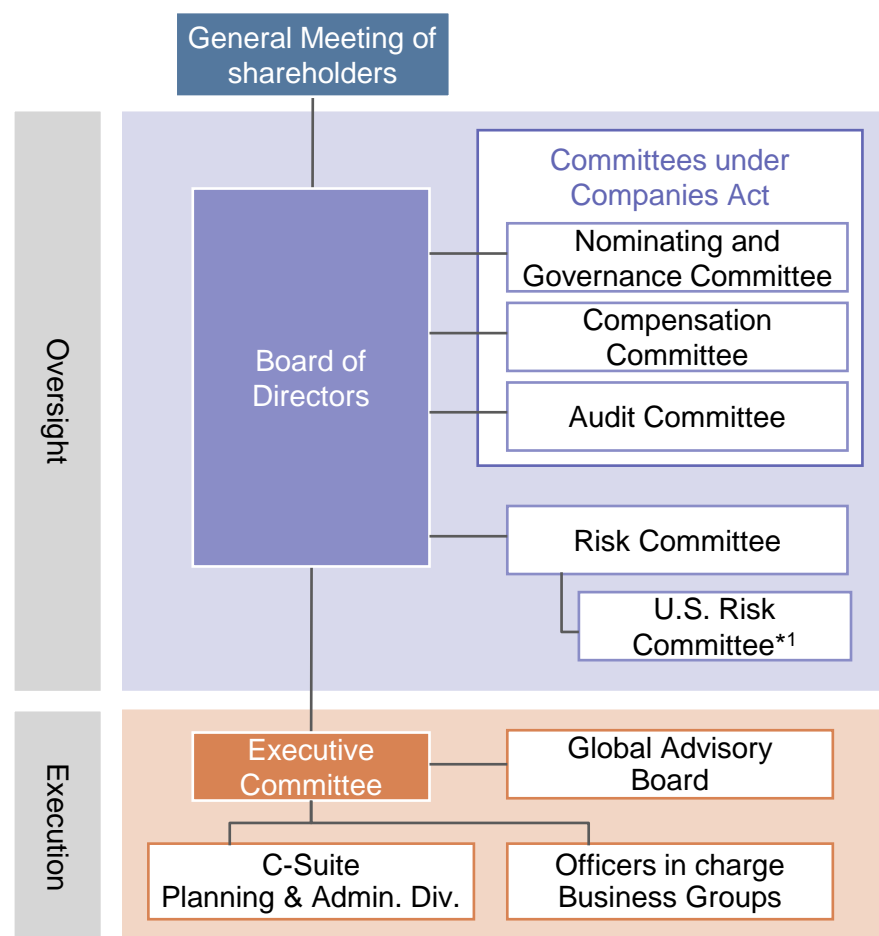
Ratio: Independent outside directors



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 Jul 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

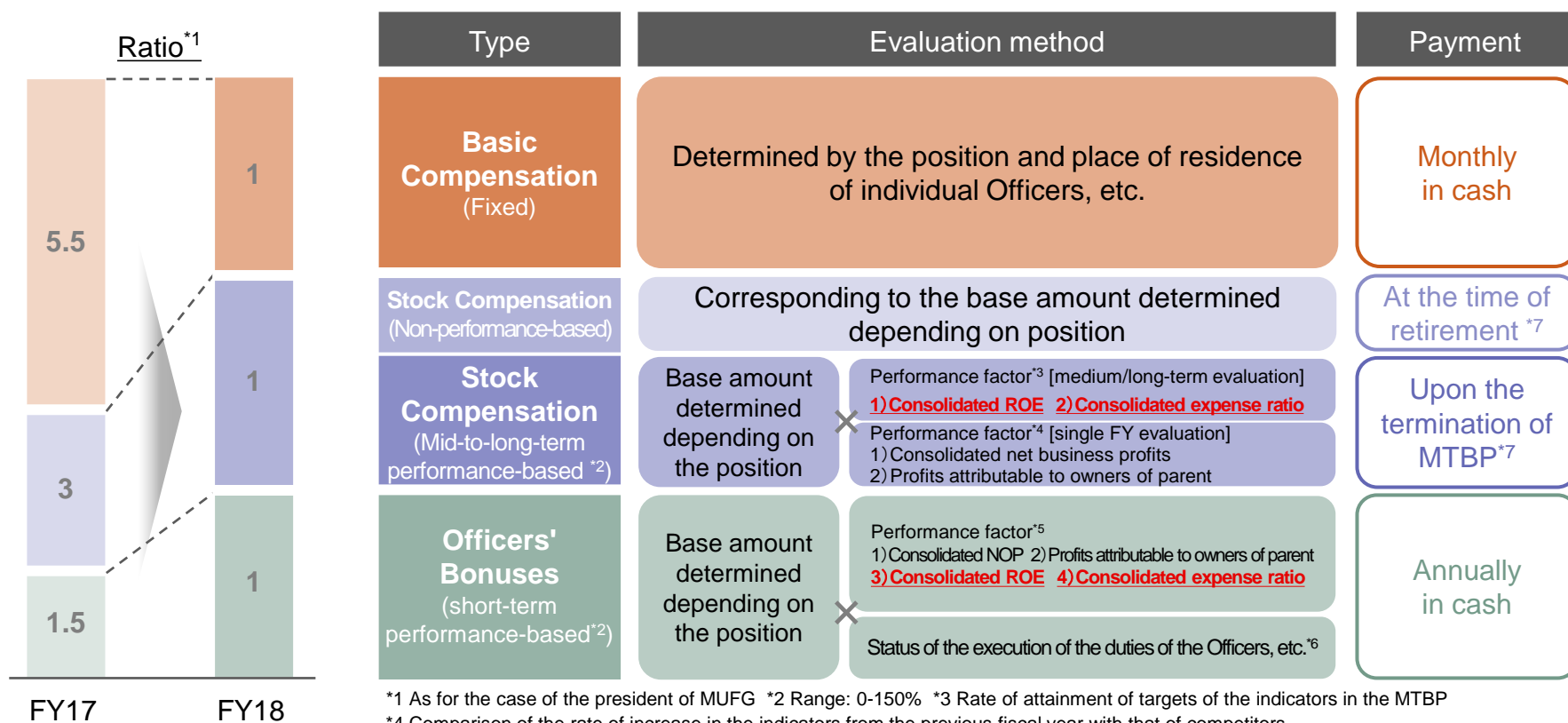
*2 As of Sep 30, 2018 *3 As of Sep 30, 2018

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

1. Plan by business group

2. Consumer finance

3. Global Commercial Banking (GCB)

4. Strategic Acquisition of Colonial First State Global Asset Management

5. TLAC requirement

Appendix 1: Plan by business group*1

Business group		Net operating profits (¥bn)			Expense ratio		ROE*2	
		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 Re-shown from page 25, Fiscal 2017 Results Presentation

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

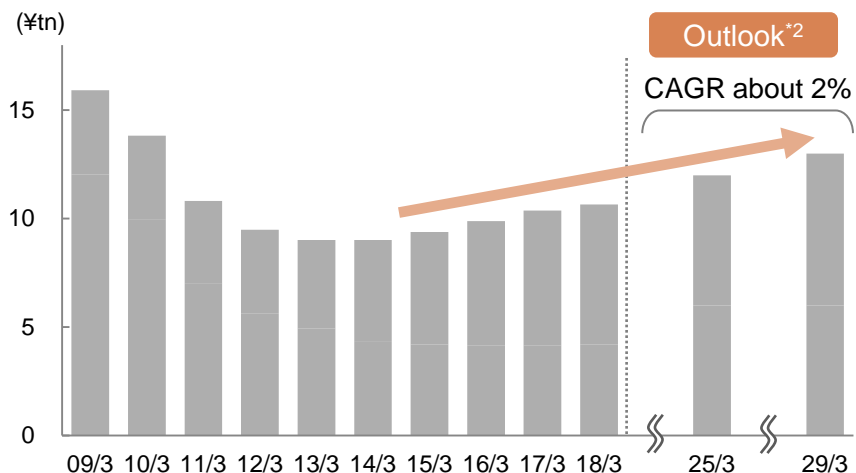
Calculated excluding mid- to long-term foreign currency funding costs

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

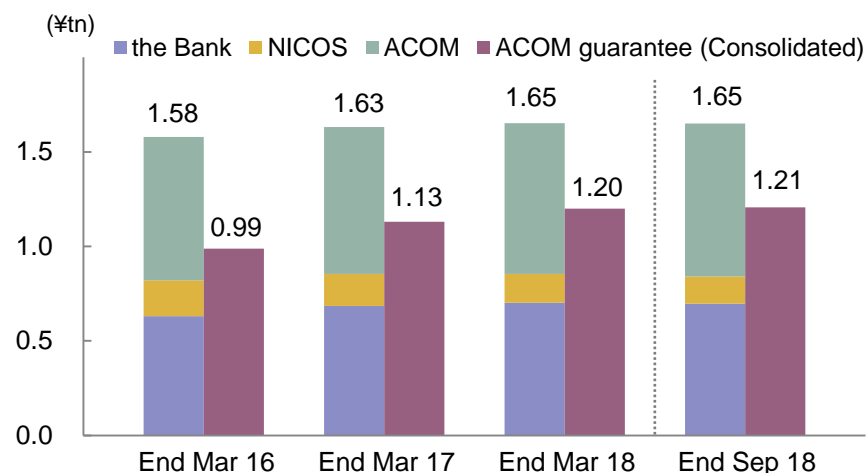
Note: FY17 results are provisional numbers

Appendix 2: Consumer finance

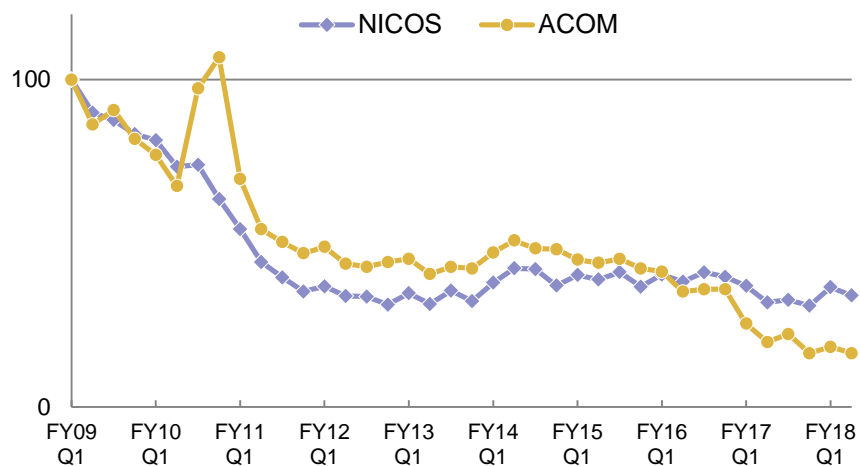
Estimate of domestic personal card loan market*1



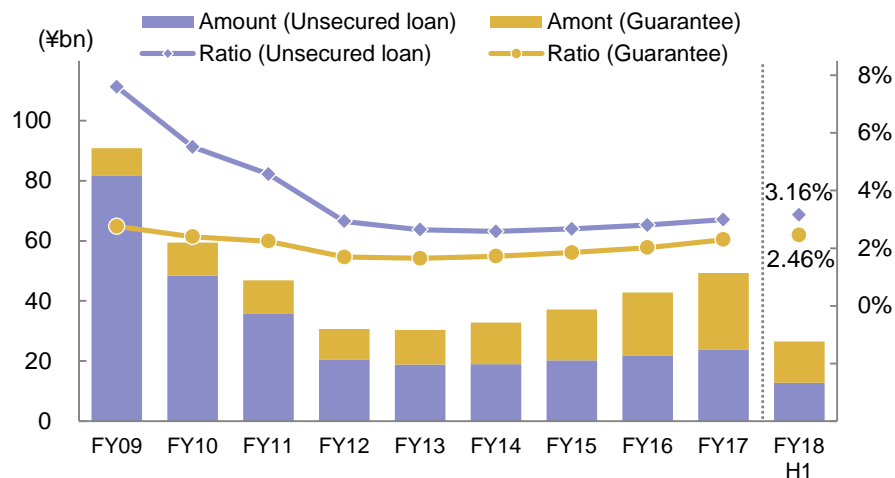
Balance of unsecured loan, guarantee*3



No. of requests for interest repayment*4



(Ref.) ACOM's amount and ratio of bad debt expenses*5



*1 Total of receivables outstanding (including loan on deeds) in statistics by Japan Financial Services Association and the volume of personal card loans provided by domestic banks and credit unions in statistics by Bank of Japan *2 Estimated figure *3 Managerial accounting basis

*4 Requests for interest repayment in FY09Q1 = 100 *5 ACOM non-consolidate basis

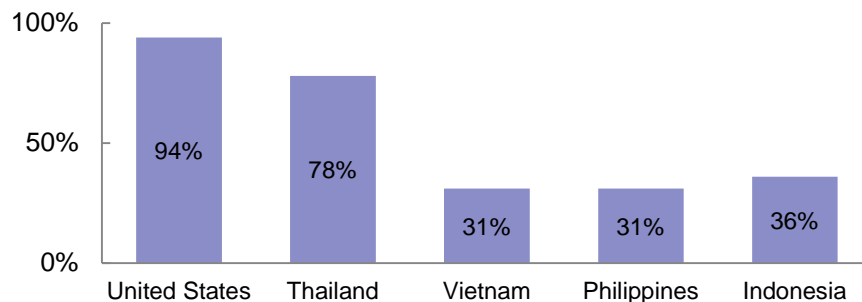
Appendix 3: Global Commercial Banking (GCB)*1

- 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

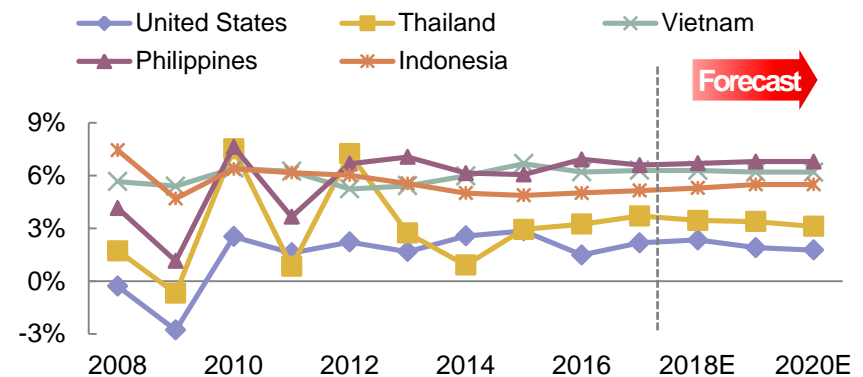
Population and GDP

	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

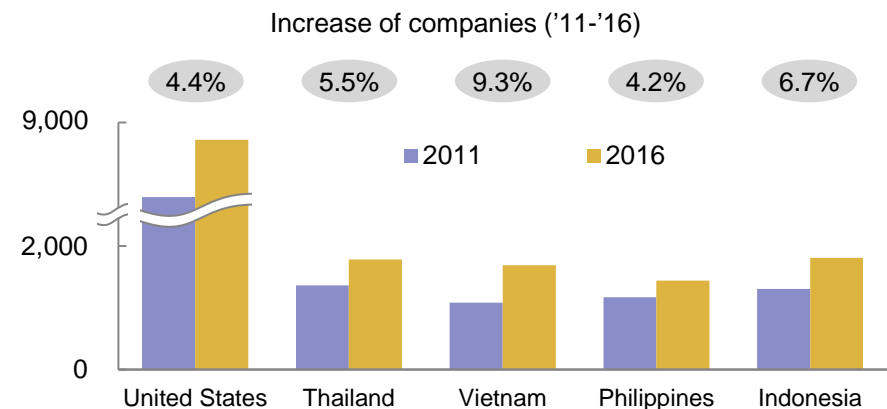
Bank account penetration*2



Growth of real GDP



Japanese companies' market entry (by country)








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

*1 Re-shown from page 39, Fiscal 2017 Results Presentation *2 World Bank data: Share with an account in 2014

Appendix 3: Global Commercial Banking (GCB)*1

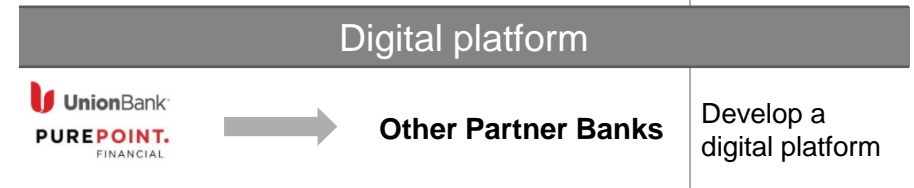
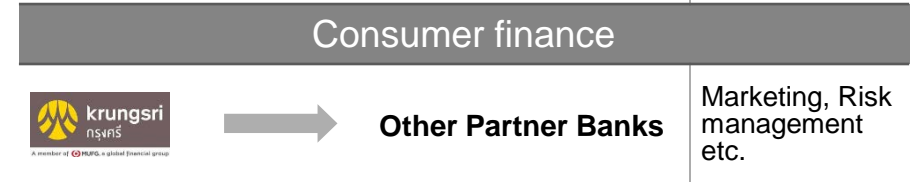
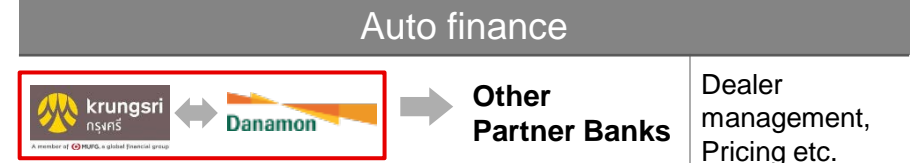
- Evolve from “Investing” to “Managing”. Establish a new business group after due consideration to the scale and growth potential of retail and local corporate/SME banking business in ASEAN and the US
- Ensure that best practices are shared among all partner banks and MUFG, thereby mutually enhancing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

Partner Banks			
Partner Bank		Voting right*2	Ranking*3
United States		100%	#13
Thailand	 <small>A member of MUFG, a global financial group</small>	76.8%	#5
Vietnam		19.7%	#2
Philippines		20.0%	#5
Indonesia		40.0%	#5

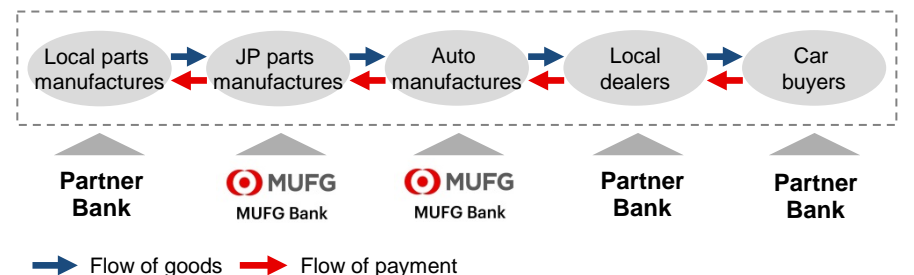
Initiatives for value enhancement

- 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 Re-shown from page 40, Fiscal 2017 Results Presentation

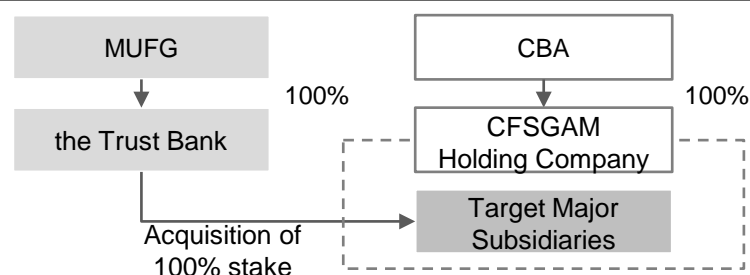
*2 End of Sep 2018 *3 Each Partner Bank's total assets + loan outstanding of MUFG Bank's branches in the countries. Ranking among D-SIBs for Thailand (End of Dec 2017)

Appendix 4 : Strategic acquisition of Colonial First State Global Asset Management

Transaction overview

Outline

- Through this transaction with CBA^{*1}, the Trust Bank will acquire 100% of the shares in nine major subsidiaries of CFSGAM^{*2} Group from CFSGAM Holding Company, a wholly owned subsidiary of CBA
- As a result of this acquisition, the target entities will become wholly-owned subsidiaries^{*3} of MUFG



Acquisition value

- Total acquisition value: approx. A\$4.0 bn (approx. ¥328.0 bn^{*4})
 - Valued at 12.4x the EBITDA (actual) of CFSGAM Group for FY18/6
 - Fully financed from MUFG's own funds, without any dilutive financing

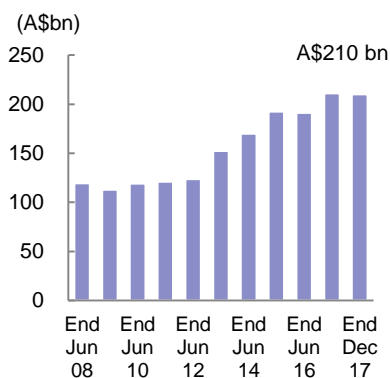
Schedule

- End of Oct 2018 : Signing of share sale deed
- Mid-2019 : Closing of the transaction (subject to approvals from relevant authorities and fulfillment of terms and conditions)

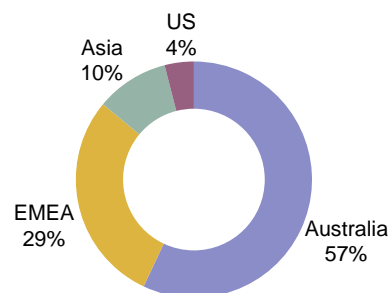
Overview of CFSGAM

Financial highlights (A\$mm)	FY16/6	FY17/6	FY18/6
Revenue	882	864	988
Operating expenses	608	577	645
Operating profits	273	287	343
Operating margin	31%	33%	35%
EBITDA	282	295	322
EBITDA margin	32%	34%	33%

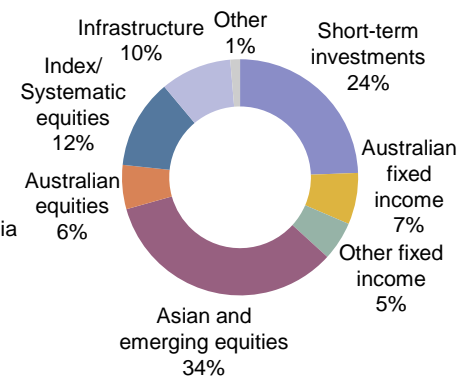
Historical AuM (2008-2017)^{*5}



AuM by region^{*6}



AuM by asset class^{*6}

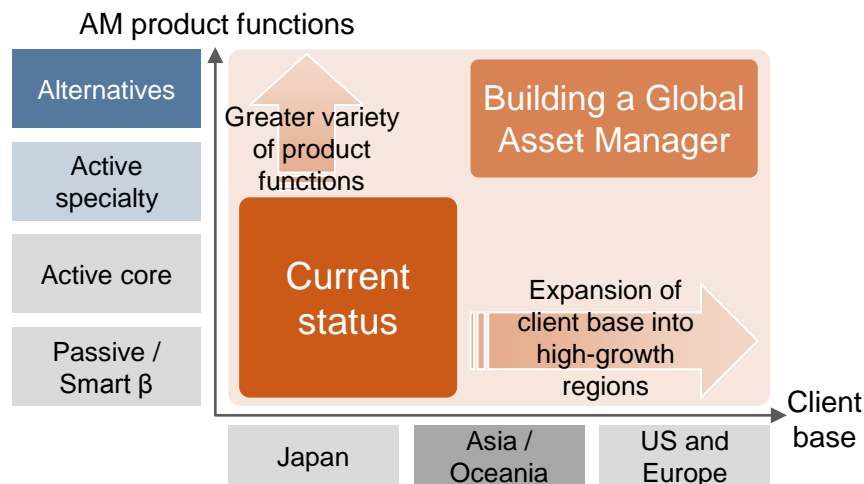


^{*1} Commonwealth Bank of Australia ^{*2} Colonial First State Global Asset Management ^{*3} Including holding through an intermediate holding company

^{*4} A\$1= ¥82 ^{*5} End of June for each year, apart from the most recent figure (Dec 2017) ^{*6} End of Dec 2017

Appendix 4 : Strategic acquisition of Colonial First State Global Asset Management

Upgrading AM business



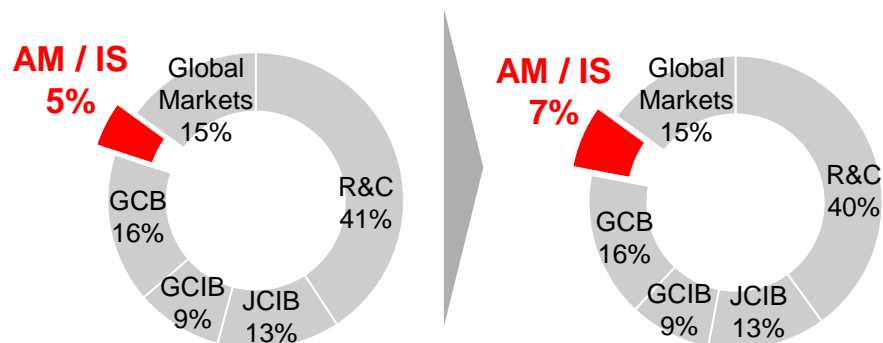
Strategic rationale of CFSGAM acquisition



Contribution to MUFG's gross profits

End Mar 2018

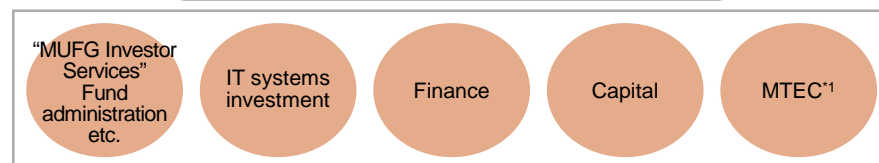
After CFSGAM acquisition



One-Brand in domestic market; Multi-boutique in overseas



Wide range of support from MUFG



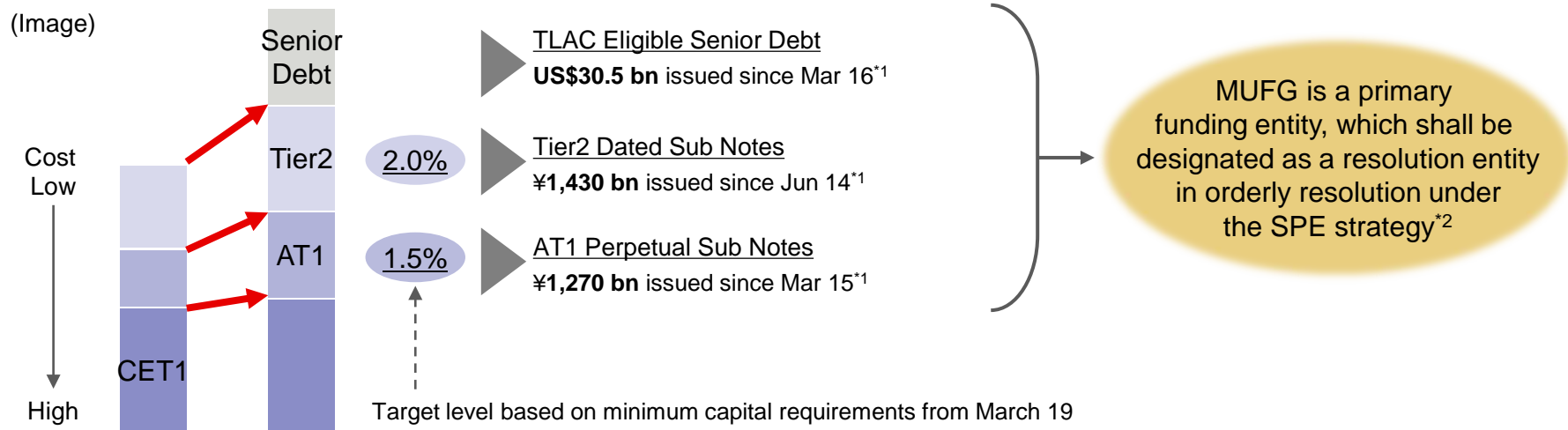
*1 Mitsubishi UFJ Trust Investment TEChnology Institute, a quant-specialized technology institute in Japan

Appendix 5: 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 Sep 18

17.4%

(Note) TLAC ratio estimation is calculated as follows, which is based on our total capital ratio as of end Sep 18

TLAC Ratio = Total capital ratio (15.82%) – Capital conservation buffer (2.5%) – G-SIB surcharge (1.5%) – Counter-cyclical buffer (0.02%) + Credible ex-ante commitments (2.5%) + TLAC eligible debt (2.90%) ± 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 Sep 18 (excluding the amount of buyback). TLAC Eligible Senior Debt are converted into US\$ with actual exchange rates as of end Sep 18

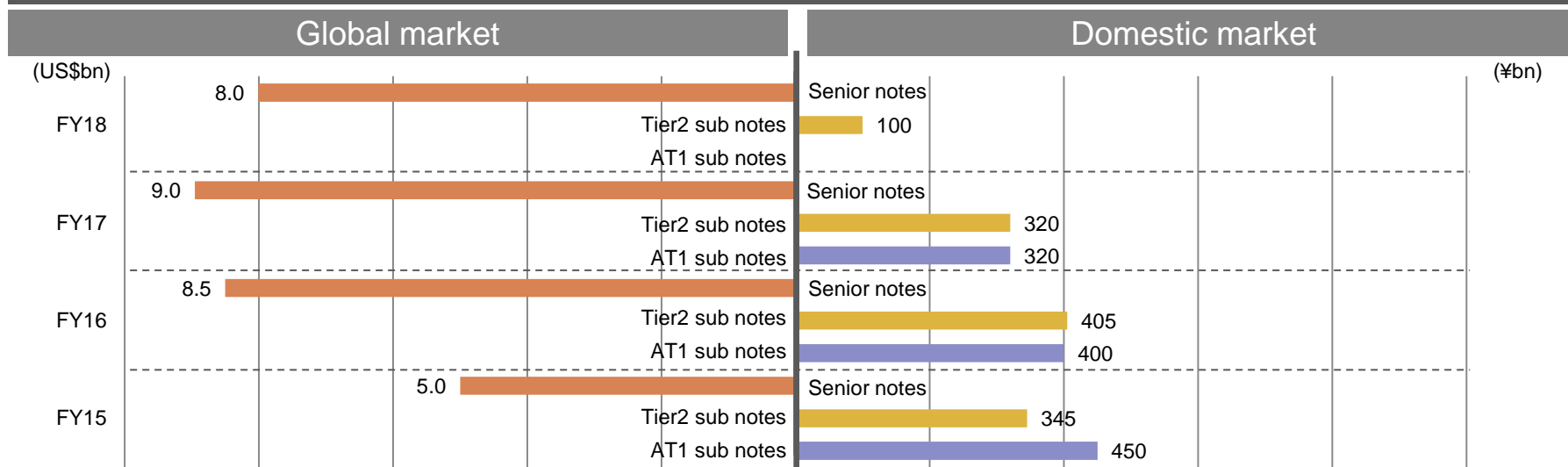
^{*2} Single Point of Entry strategy: to resolve a financial group at the level of its ultimate parent, rather than the operating companies at subsidiary level in financial difficulty by the single national financial authority

^{*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

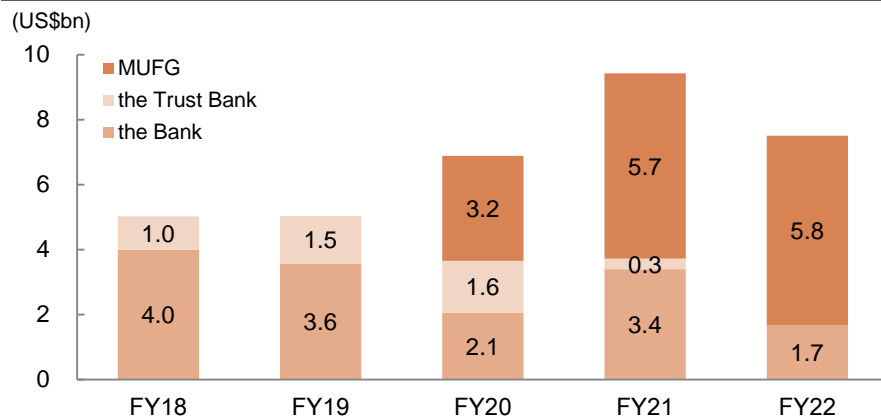
Appendix 5: TLAC requirement

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

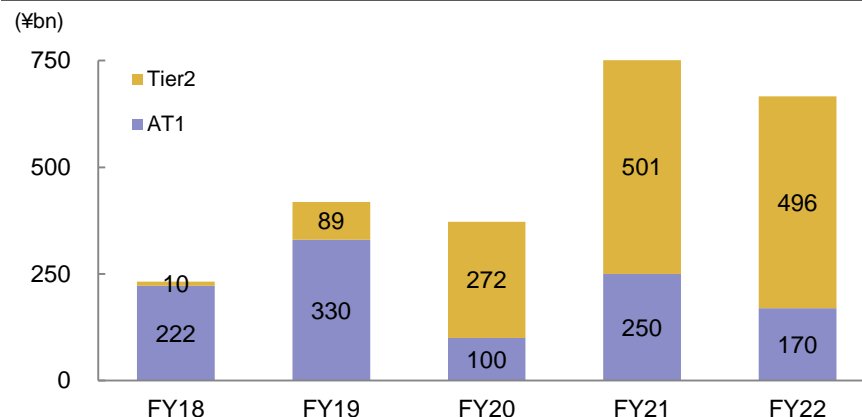
MUFG issuance track record*1



Senior unsecured bond redemption schedule*2



AT1, Tier2 bond call / redemption schedule*3



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