




Fiscal 2017 Results Presentation

May 18, 2018



Mitsubishi UFJ Financial Group, Inc.



- ✓ I am Hirano. Thank you for taking time to attend the Fiscal 2017 Results Presentation.
- ✓ Please find the table of contents on page 4.

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. ("MUFG") and its group companies (collectively, "the group"). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see other disclosure and public filings made or will be made by MUFG and the other companies comprising the group, including the latest kessantanshin, financial reports, Japanese securities reports, Integrated reports and annual reports, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document.

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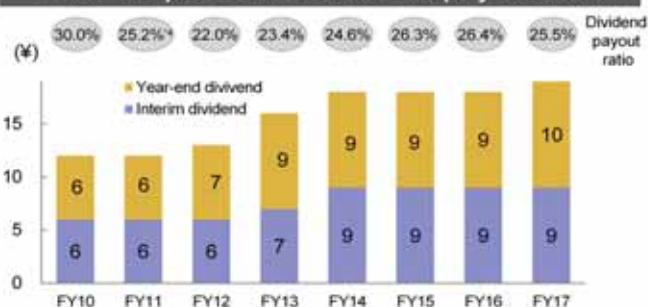
Definitions of figures used in this document

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 (BK)	: MUFG Bank
the Bank Consolidated	: MUFG Bank (consolidated)
the Trust Bank (TB)	: Mitsubishi UFJ Trust & Banking Corporation
the Securities HD (SCHD)	: Mitsubishi UFJ Securities Holdings

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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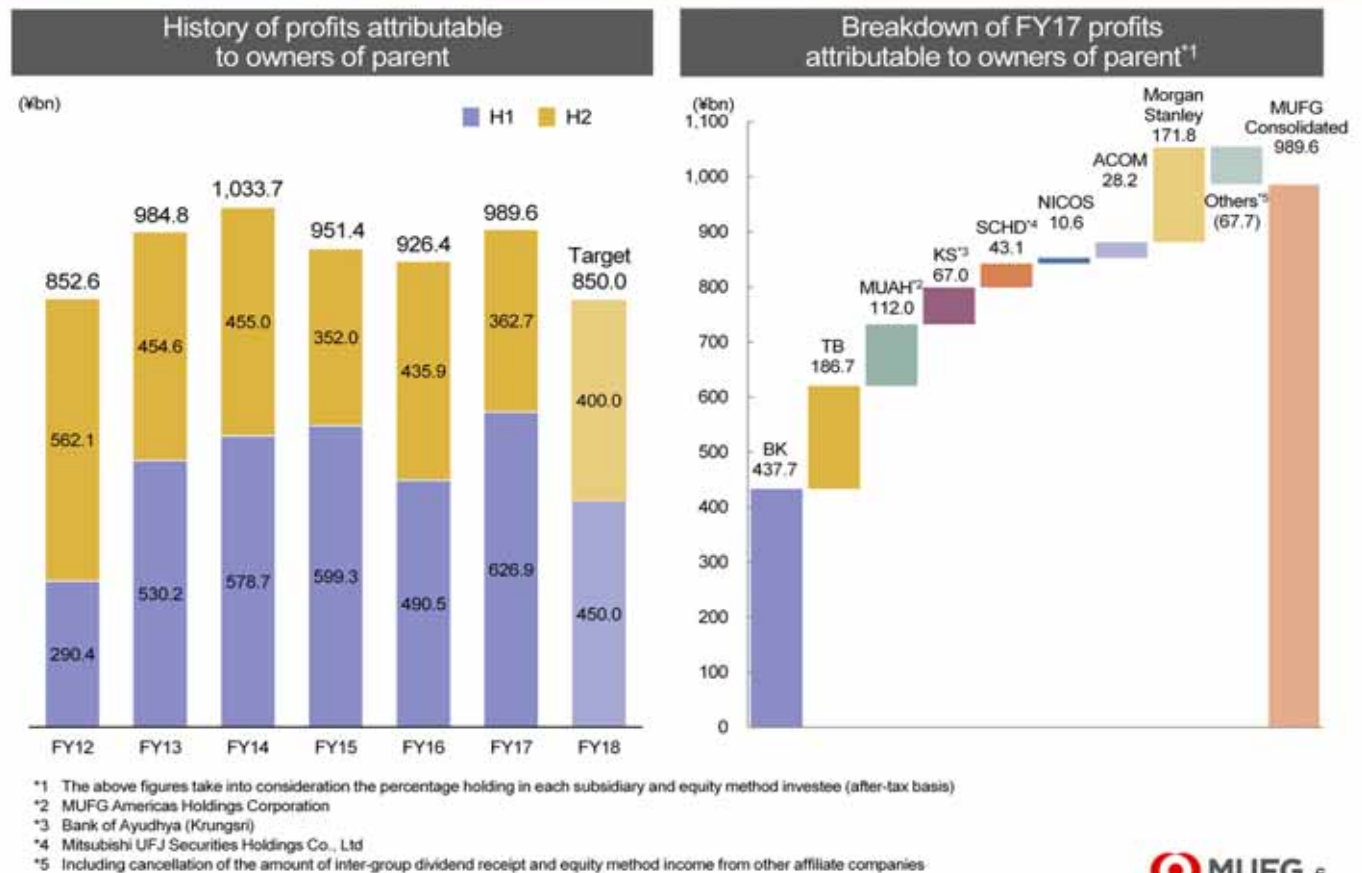
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- ✓ The outline of the results was explained by Mr. Tokunari, CFO in the net conference the other day, so I will just highlight the outline of the results in the first half of the material, and focus mostly on the new medium-term business plan.
- ✓ Please turn to page 6.

Outline of FY2017 Results

Outline of FY2017 results

(Consolidated)



- ✓ Profit for fiscal 2017 was 989.6 billion yen, up 63.2 billion year on year, and exceeded the full year target of 950 billion yen. Morgan Stanley showed robust performance, and all other major subsidiaries and affiliates contributed to the profit, as shown on the right.
- ✓ Please turn to next page.

Income statement summary

(Consolidated)

● Net operating profits

- Gross profits decreased. Net interest income decreased mainly due to a decrease in net interest income from domestic loans and deposits as well as from bond portfolios, and net gains on debt securities decreased, while net interest income from overseas loans and deposits remained steadily
- G&A expenses for overseas business increased
- Net operating profits decreased by ¥185.4bn from FY16 to ¥1,232.8bn

● Total credit costs^{*1}

- Total credit costs decreased on a consolidated basis, mainly due to net reversal on a non-consolidated basis

● Net gains (losses) on equity securities

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

● Profits attributable to owners of parent

- As a result, profits attributable to owners of parent increased by ¥63.2bn from FY16 to ¥989.6bn

(¥bn)	FY16	FY17	YoY
1 Gross profits (Before credit costs for trust accounts)	4,011.8	3,854.2	(157.5)
2 Net interest income	2,024.4	1,906.8	(117.6)
3 Trust fees + Net fees and commissions	1,450.5	1,449.7	(0.8)
4 Net trading profits + Net other operating profits	536.7	497.6	(39.1)
5 Net gains (losses) on debt securities	56.8	6.7	(50.1)
6 G&A expenses	2,593.5	2,621.4	27.8
7 Net operating profits	1,418.2	1,232.8	(185.4)
8 Total credit costs ^{*1}	(155.3)	(46.1)	109.2
9 Net gains (losses) on equity securities	124.9	133.1	8.2
10 Net gains (losses) on sales of equity securities	127.4	140.1	12.6
11 Losses on write-down of equity securities	(2.5)	(7.0)	(4.4)
12 Profits (losses) from investments in affiliates	244.4	242.8	(1.5)
13 Other non-recurring gains (losses)	(271.4)	(100.3)	171.1
14 Ordinary profits	1,360.7	1,462.4	101.6
15 Net extraordinary gains (losses)	(57.5)	(53.0)	4.4
16 Total of income taxes-current and income taxes-deferred	(342.1)	(313.4)	28.7
17 Profits attributable to owners of parent	926.4	989.6	63.2
18 EPS (¥)	68.28	74.55	6.27

^{*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



- ✓ This is the income statement summary.
- ✓ Line 1. Gross profits were down 157.5 billion from the previous year at 3,854.2 billion yen due to a prolonged low-interest rate environment and resulting decline in domestic net interest income.
- ✓ Line 6, G&A expenses increased 27.8 billion year on year, mainly due to increases in overseas regulatory expenses and personnel cost.
- ✓ As a result, line 7, net operating profits were 1,232.8 billion yen, a decline of 185.4 billion from the previous year.
- ✓ Below the net operating profits, there were declines as a result of one-time expenses due to structural reform, but thanks to improvement in credit costs, sustained high level of equity-method profits from Morgan Stanley, and net extraordinary gains on share exchange from the merger of Aberdeen Asset Management and Standard Life, as shown on line 17, profits were 989.6 billion yen.
- ✓ Please turn to page 10.

Balance sheets summary

(Consolidated)

● Loans (Banking + Trust accounts)

- Decreased housing loans as well as loans to government and governmental institutions

● Investment securities

- Decreased from the end of March 2017 mainly due to a decrease in Japanese government bonds and foreign bonds, while domestic equity securities increased because of the rise of stock prices

● Deposits

- Increased mainly due to an increase in individual deposits as well as overseas deposits

● Net unrealized gains on available-for-sale securities

- Net unrealized gains on available-for-sale securities increased mainly due to an increase in those of domestic equity securities

	(¥bn)	End Mar 17	End Mar 18	Change from End Mar 17
1 Total assets		303,297.4	306,937.4	3,639.9
2 Loans (Banking + Trust accounts)		109,209.4	108,397.7	(811.7)
3 Loans (Banking accounts)		109,005.2	108,090.9	(914.2)
4 Housing loans ^{*1}		15,720.2	15,453.9	(266.3)
5 Domestic corporate loans ^{**2}		44,297.4	44,458.0	160.5
6 Overseas loans ^{*3}		43,418.6	42,949.3	(469.3)
7 Investment securities (Banking accounts)		59,438.8	59,266.1	(172.7)
8 Domestic equity securities		5,980.9	6,378.5	397.6
9 Japanese government bonds		25,111.5	23,551.3	(1,560.1)
10 Foreign bonds		19,129.8	18,569.3	(560.4)
11 Total liabilities		286,639.0	289,642.3	3,003.3
12 Deposits		170,730.2	177,312.3	6,582.0
13 Individuals ^{*4} (Domestic branches)		73,093.3	75,302.5	2,209.2
14 Corporations and others ^{*4}		61,050.3	63,134.6	2,084.3
15 Overseas and others ^{*4}		20,696.5	21,722.6	1,026.0
16 Total net assets		16,658.3	17,295.0	636.6
17 Net unrealized gains (losses) on available-for-sale securities		3,139.0	3,517.4	378.3

*1 Non-consolidated + trust accounts

*2 Excluding loans to government and governmental institution

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

*4 Non-consolidated

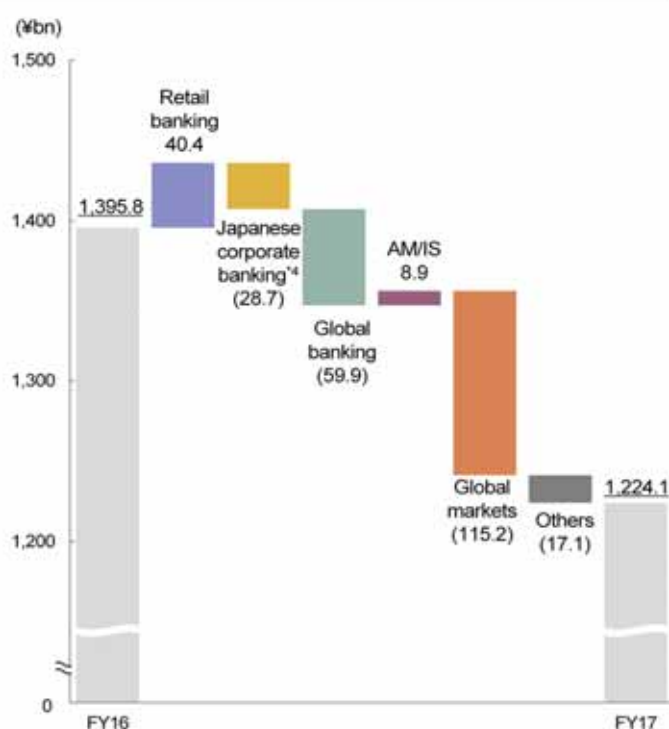
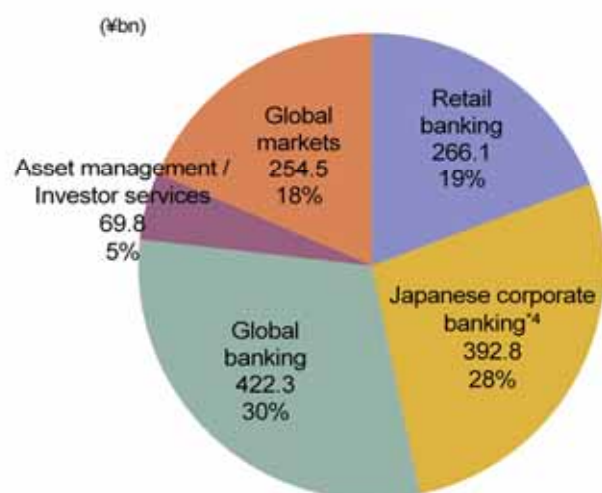
Outline of results by business segment

(Consolidated)

Net operating profits by segment^{*1}

FY17 ¥1,224.1bn^{*2}

Global banking segment accounted for 37% of total customer segments^{*3}



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

^{*2} Including profits or losses from others

^{*3} Net operating profit of Global banking / net operating profit of all customer segments

^{*4} Excluding overseas business with Japanese corporates

MUFG ⁹

● Loan balance ¥108.3 tn^{*1} (decreased by ¥0.8 tn from Mar 17)

<Breakdown of Change>

- Housing Loan (¥0.2 tn)
- Domestic Corporate^{*2} +¥0.1 tn
Excl. Impact of foreign exchange fluctuation +¥0.5 tn
- Government (¥0.4 tn)
- Overseas^{*3} (¥0.4 tn)
Excl. Impact of foreign exchange fluctuation +¥0.0 tn

*1 Sum of banking and trust accounts

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

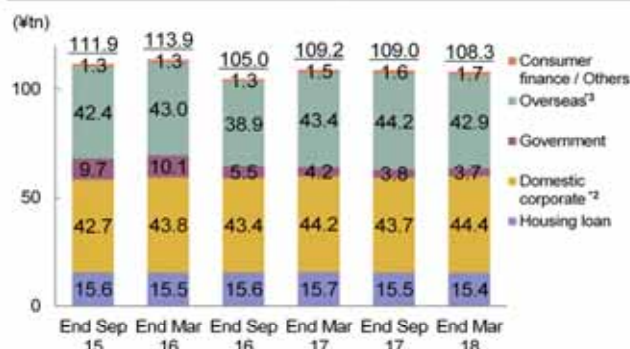
*3 Loans booked in overseas branches, MUAB, Krungsri, the Bank (China), the Bank (Malaysia) and the Bank (Europe)

● Deposit balance ¥177.3 tn (increased by ¥6.5 tn from Mar 17)

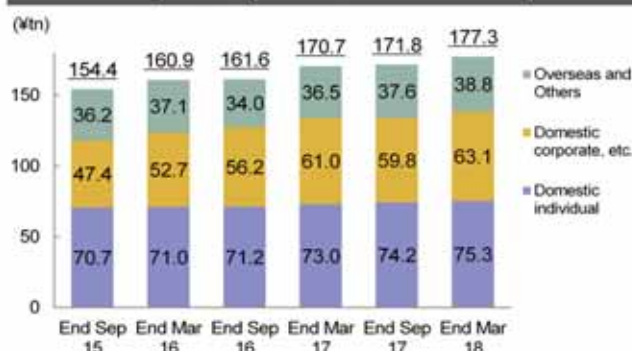
<Breakdown of Change>

- Domestic Individual +¥2.2 tn
- Domestic Corporate, etc. +¥2.0 tn
- Overseas and Others +¥2.2 tn
Excl. Impact of foreign exchange fluctuation +¥2.3 tn

Loans (Period end balance)^{*1}

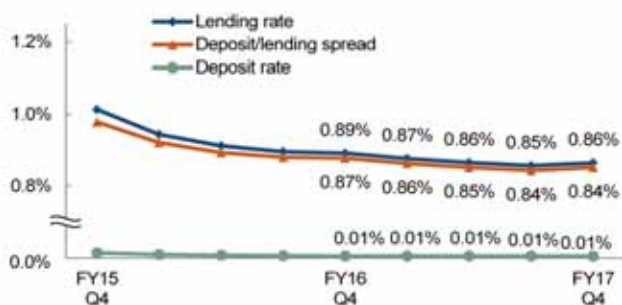


Deposits (Period end balance)

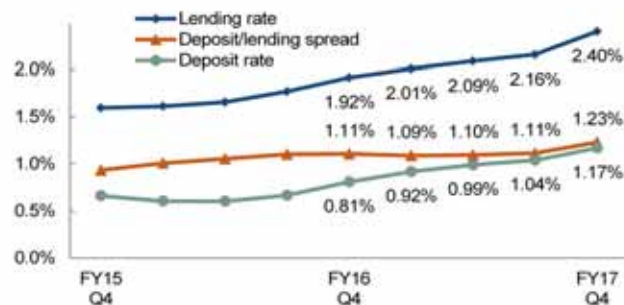


- ✓ This page shows loans and deposits.
- ✓ With respect to loans, overseas loans registered a slight increase, excluding the foreign exchange fluctuation impact.
- ✓ Deposits rose 6.5 trillion from the end of last fiscal year. In particular, overseas deposits increased 2.3 trillion on a real basis, excluding foreign exchange impact, showing greater growth than that of overseas loans, and I am pleased to see this.
- ✓ Please turn to page 11.

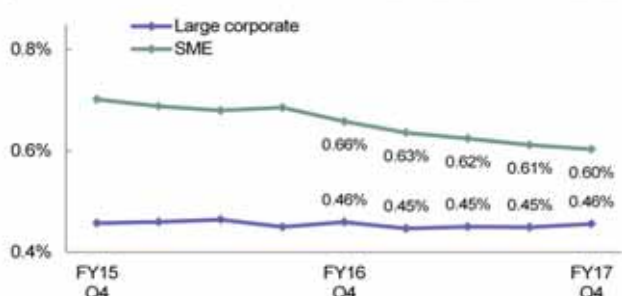
Changes in domestic deposit/lending rate^{*1*2}



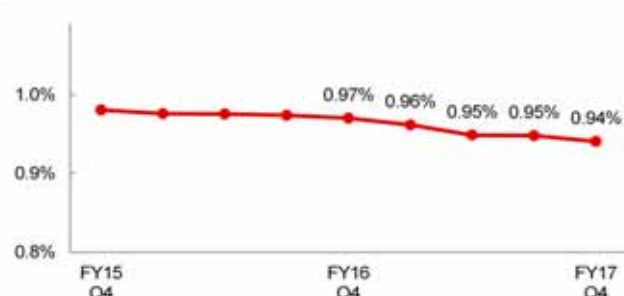
Changes in overseas deposit/lending rate^{*1}



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

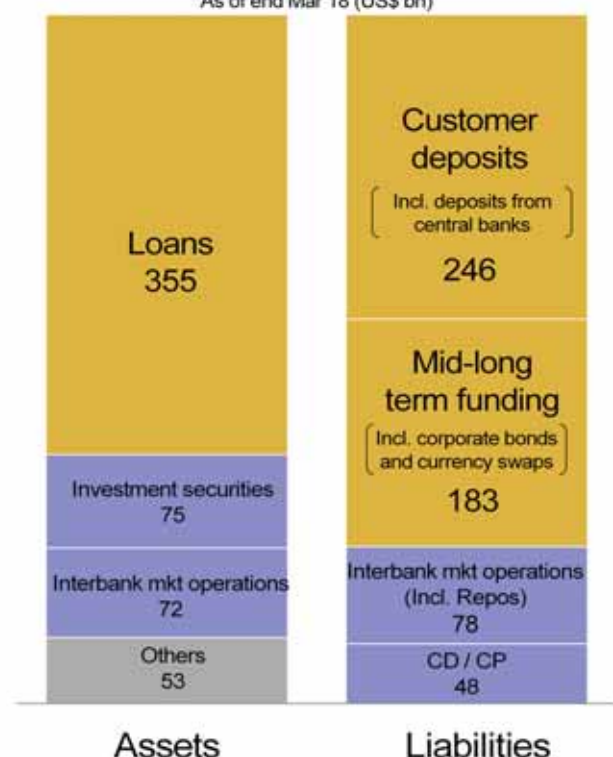
- ✓ This page shows lending spread.
- ✓ Changes in the domestic deposit / lending rate declined 3 basis points for the full year, as the low-interest rate environment continued. There continues to be a slack in funding supply and demand, in particular, lending spread to SMEs continued to decline.
- ✓ Overseas corporate lending spread is more or less unchanged.
- ✓ Please turn to page 13.

Non-JPY assets and funding

(the Bank consolidated)

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

As of end Mar 18 (US\$ bn)



Non-JPY funding in stable and efficient manner

- Customer deposits now cover 60-70% of non-JPY loans. To further increase deposits, we will enhance product development and sales capabilities
- With mid-long term funding through corporate bond issuances and currency swaps, all non-JPY loans are fully funded
 - Corp bonds are mainly issued from HoldCo (MUFG) to ensure stable funding and TLAC requirement (see pages 71 – 72 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)

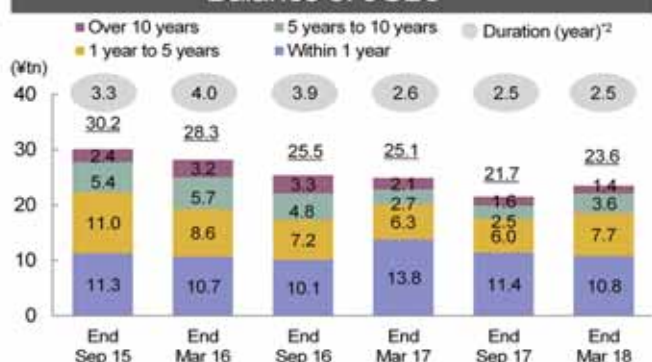
Securities Available for Sale with fair Value

(¥bn)		Balance		Unrealized Gains (Losses)	
		End Mar 18	Change from End Mar 17	End Mar 18	Change from End Mar 17
1	Total	55,397.3	584.1	3,517.4	378.3
2	Domestic Equity securities	5,541.0	376.3	3,220.1	585.0
3	Domestic Bonds	26,980.6	(708.2)	305.5	(93.6)
4	Japanese Government Bonds	22,450.5	(1,560.0)	259.0	(91.9)
5	Others	22,875.6	916.0	(8.3)	(113.0)
6	Foreign Equity Securities	334.5	151.7	35.9	(13.9)
7	Foreign Bonds	17,448.3	(468.9)	(139.0)	(130.6)
8	Others	5,092.7	1,233.2	94.8	31.4

Unrealized Gains (Losses) on Securities Available for Sale

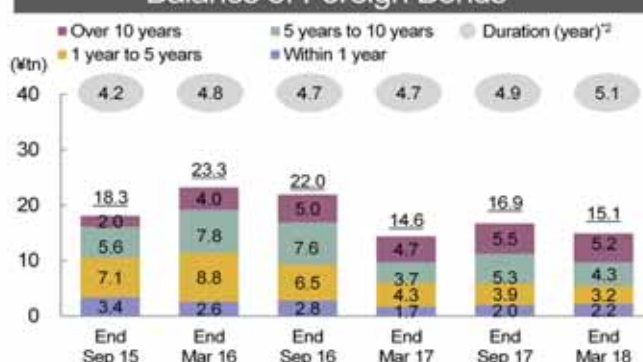


Balance of JGBs*¹



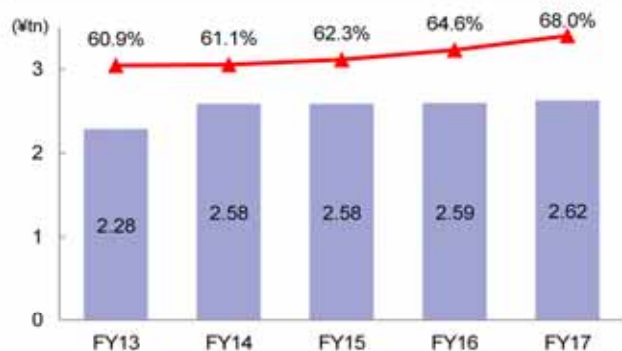
*¹ Securities available for sale and securities being held to maturity. Non-consolidated
 *² Securities available for sale. Non-consolidated

Balance of Foreign Bonds*¹



- ✓ This page shows investment securities.
- ✓ Please refer to the top-left table. Unrealized gains for domestic bonds and foreign bonds both declined, but the domestic equity market held steady. As a result, unrealized gains on securities available for sale of 3,500 billion was maintained.
- ✓ Please turn to page 14.

G&A expenses / expense ratio*1



Expenses in major group companies

		FY17	YoY	Expense ratio
BK + TB combined	(¥bn)	1,313.2	(28.7)	64.6%
MUAH (US GAAP)*2	(US\$mm)	3,984	202	76.4%
KS (Thai GAAP)	(THBmm)	48,210	5,130	48.0%
SCHD*3 consolidated	(¥bn)	302.6	(12.5)	82.7%
NICOS*4	(¥bn)	256.0	3.2	89.7%
ACOM*4	(¥bn)	92.4	2.9	36.8%

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

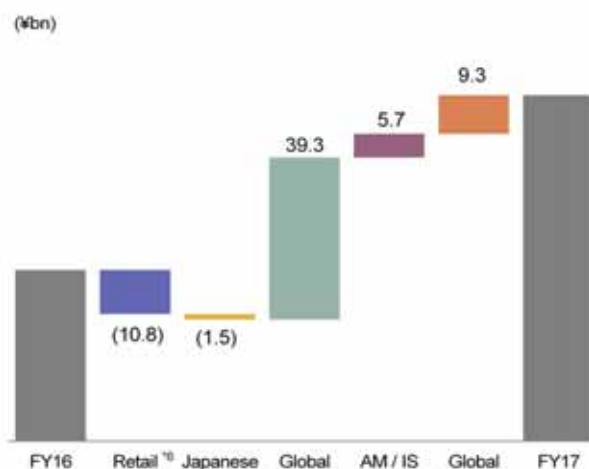
*2 Includes expense associated with employees providing support services to the Bank

*3 Mitsubishi UFJ Securities Holdings Co., Ltd.

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

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

Changes in expenses by business segment*5



<Major reasons of changes by business segment>

Retail: Reduced personnel and non-personnel expense

Global Banking: Increased overseas regulatory cost and personnel expense

AM / IS: Acquisition of fund administration subsidiaries

Global Markets: Increase system cost for regulatory compliance and performance-related expense

✓ Page 14 shows expenses.

✓ In Japan, expenses decreased from the previous year on a net basis, as both personnel and non-personnel expenses were reduced, which was good. However, the overseas expense increased because of higher regulatory cost and rising personnel expenses due to base salary increase and increase in headcount. As a result, overall expense ratio deteriorated to 68%.

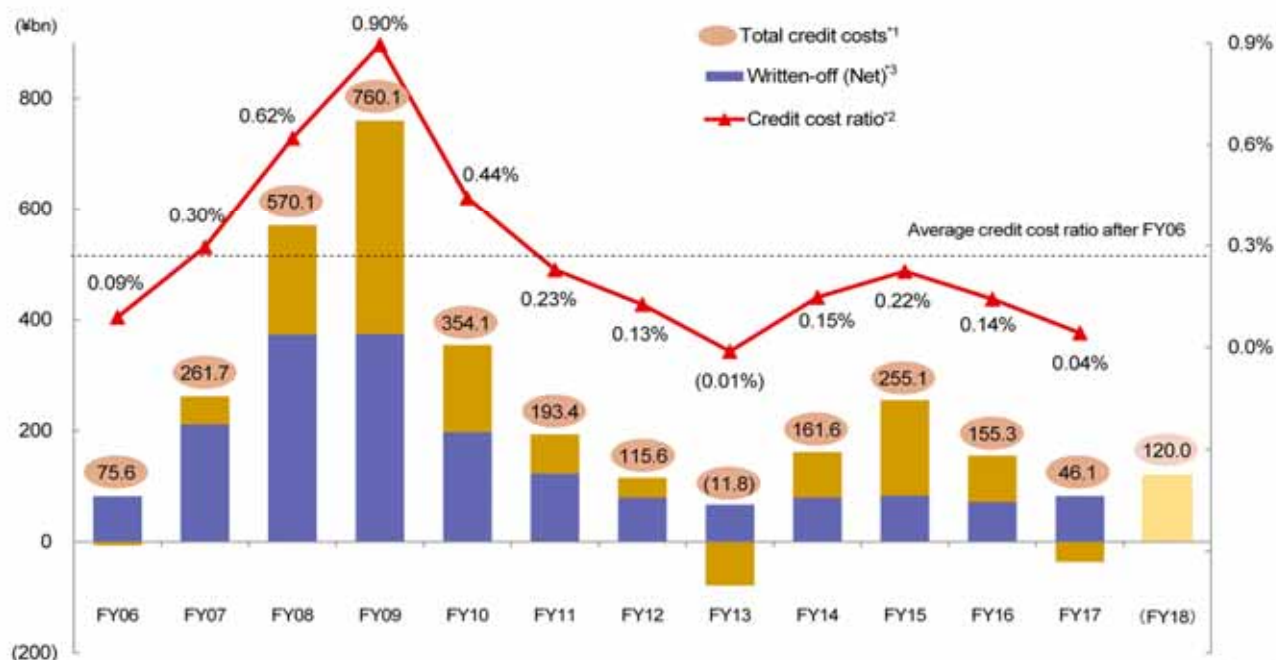
✓ Please turn to page 15.

Asset quality – Historical credit costs

(Consolidated)

- Credit costs for FY17 were ¥46.1 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

MUFG 15

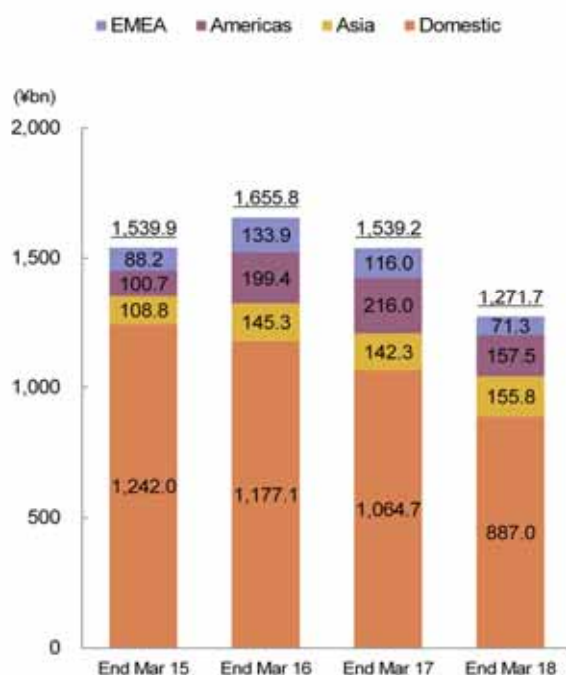
- ✓ Credit costs for the year were 46.1 billion yen. Mainly as a result of reversal of bad loan provisions, there was an improvement of 109.2 billion yen year on year.
- ✓ Please turn to page 18.

Asset quality

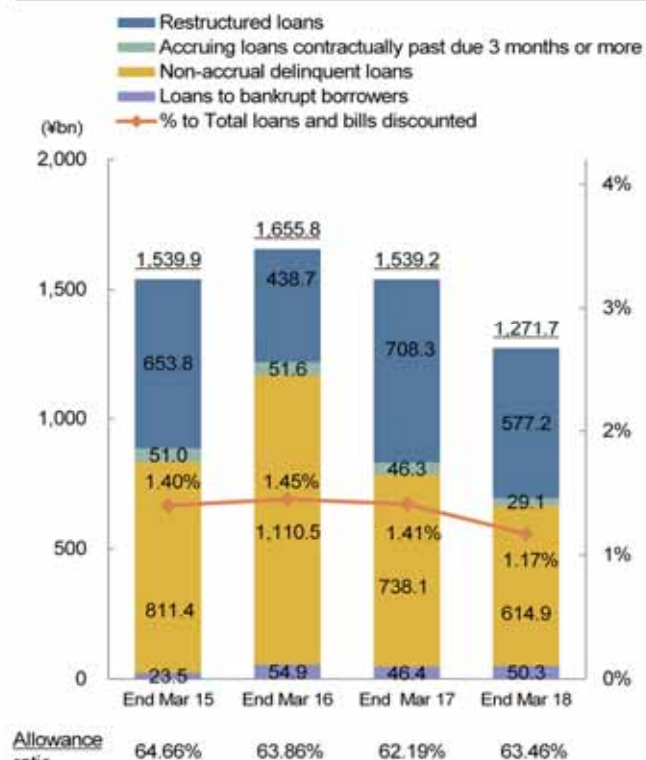
– Non-performing loans*¹

(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} : 12.5%
- Excluding impact of net unrealized gains (losses) on available-for-sale-securities : 10.1%
- Finalized Basel III reforms basis^{*2} : 11.7%

● Risk weighted assets (Down ¥0.5 tn from Mar 17)

- Credit risk : (¥7.0 tn)
- Market risk : +¥0.5 tn
- Operational risk : +¥0.5 tn
- Floor adjustment^{*3} : +¥5.4 tn

● Leverage ratio

- Transitional basis : 5.01%

	(¥bn)	End Mar 17	End Mar 18	Change from end Mar 17
1	Common Equity Tier 1 capital ratio	11.76%	12.58%	0.82ppt
2	Tier 1 capital ratio	13.36%	14.32%	0.95ppt
3	Total capital ratio	15.85%	16.56%	0.70ppt
4	Common Equity Tier 1 capital	13,413.8	14,284.9	871.0
5	Retained earnings	9,278.5	10,064.6	786.1
6	Other comprehensive income	2,369.1	3,143.8	774.7
7	Regulatory adjustments	(1,363.2)	(1,786.1)	(422.8)
8	Additional Tier 1 capital	1,818.6	1,966.8	148.1
9	Preferred securities and subordinated debt	1,650.2	1,822.1	171.9
10	Foreign currency translation adjustments	111.6	-	(111.6)
11	Tier 1 capital	15,232.4	16,251.7	1,019.2
12	Tier 2 capital	2,843.6	2,543.7	(299.9)
13	Subordinated debt	2,132.6	2,165.0	32.4
14	Amounts equivalent to 45% of unrealized gains on available-for-sale securities	277.8	-	(277.8)
15	Total capital (Tier 1+Tier 2)	18,076.1	18,795.4	719.3
16	Risk weighted assets	113,986.3	113,463.6	(522.7)
17	Credit risk	96,906.3	89,823.1	(7,083.2)
18	Market risk	2,135.7	2,714.5	578.7
19	Operational risk	6,734.5	7,236.0	501.4
20	Floor adjustment	8,209.7	13,689.9	5,480.2

*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

- ✓ The financial target for this fiscal year is shown. Target profit is 850 billion yen, taking into account a decline in domestic loans and deposit profits, a decline in both domestic and overseas ALM or banking profits, and an increase in digital-related cost and regulatory cost.
- ✓ Please turn to page 19.

New Medium-term Business Plan

- ✓ I would now like to discuss the new medium-term business plan.
- ✓ Please turn to page 20.

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



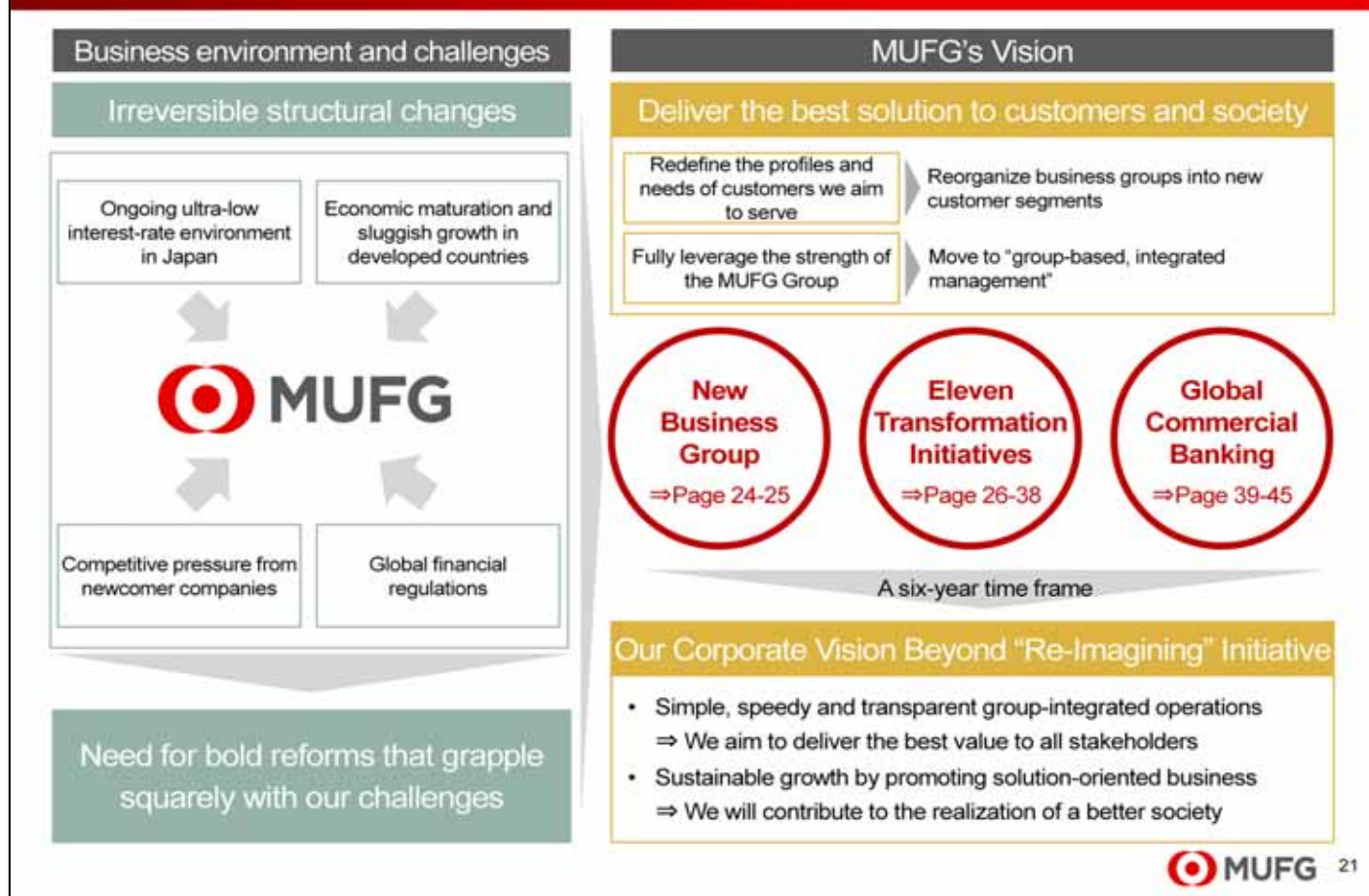
^{*1} Calculated on the basis of regulations to be applied at end Mar 19

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

MUFG 20

- ✓ I would like to begin by reviewing the last medium-term business plan.
- ✓ We had some key achievements, for example, establishment of foundations for commercial banking in Southeast Asia with what we call our partnership banks, but fell short of achieving financial targets, such as ROE and expense ratio, except for the financial strength indicator, the CET1 ratio.
- ✓ While it is certainly true that we encountered strong headwinds, including the implementation of negative-interest-rate policy by Bank of Japan, slowdown in Chinese and Asian economies, and sharp fall of commodity prices, we feel that we should have done a better job of quickly responding to these changes in the environment.
- ✓ Please move on to page 21.

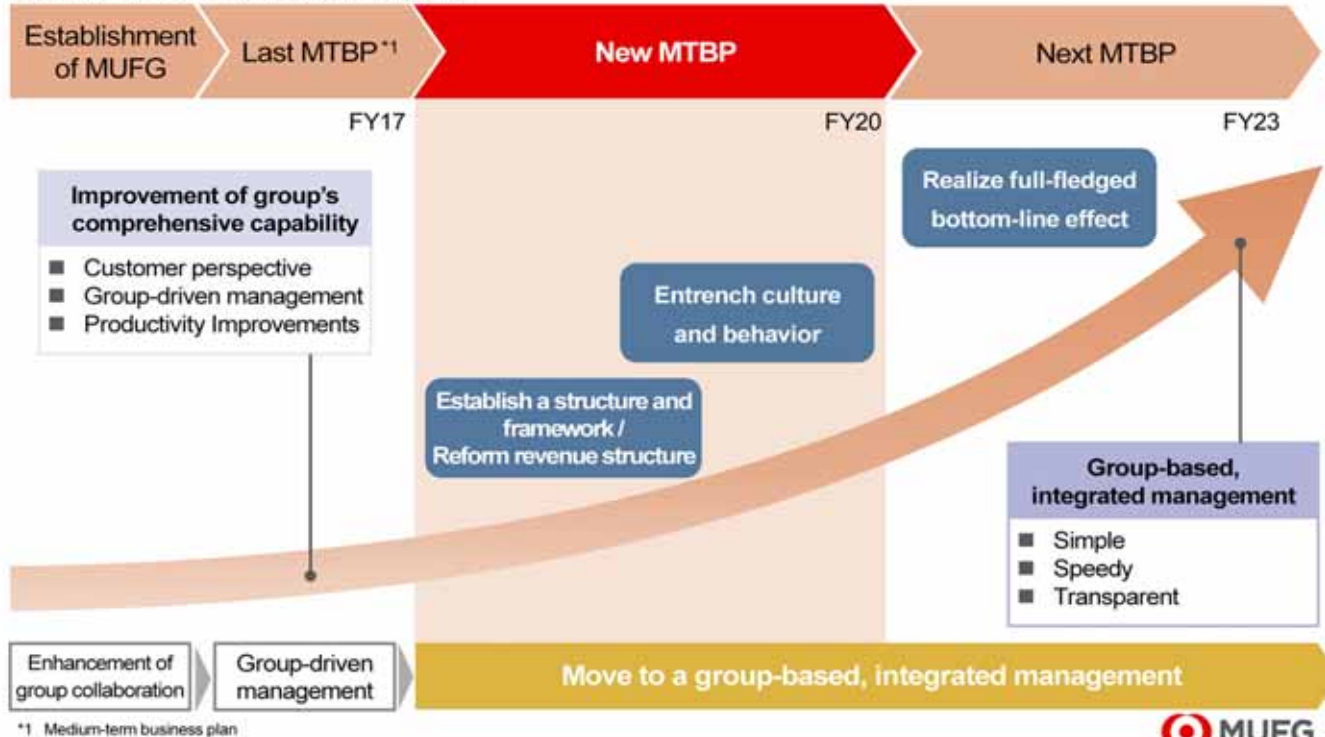
Business environment and challenges / MUFG's Vision



- ✓ Going forward, we believe that the low-interest-rate environment will inevitably be prolonged. With the conventional commercial banking business model centering around deposits and loans, we cannot expect to achieve growth, at least here in the domestic market.
- ✓ Furthermore, big techs and digital players, as exemplified by Google and Amazon, are changing at a speed and scale unimaginable before, and the general trend of digitalization is about to significantly change society and industry, including our financial sector.
- ✓ In order to respond to this structural change flexibly and speedily, and to make sure that we will be securely back on track for growth, the MUFG Re-Imagining Strategy, announced in May last year, was fleshed out and a new midterm business plan was developed.
- ✓ Under the new midterm plan, through simple, speedy, and transparent group-integrated operations, we will strive to deliver the best value to all stakeholders.
- ✓ To achieve this, we will be making a major shift from group-based collaboration in the past to group-based integrated management.
- ✓ Through functional reorganization, each entity's mission and roles are more clarified. The functions of each entity will be further strengthened and will be mobilized across the group dynamically.
- ✓ Please turn to page 22.

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)



- ✓ The three years under the new medium-term business plan are positioned as the period of business transformation to ensure sustainable growth in the years ahead. We will intensively allocate managerial resources. After three years, we would like to realize a tangible sense of success, and by the end of the next midterm plan, in six years, we would like to establish a new growth model for MUFG's domestic and overseas operations.
- ✓ Please turn to page 23.

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

- ✓ This page shows financial targets. Targets for the final year of the medium-term business plan, fiscal 2020, as well as mid- to long-term targets, are determined.
- ✓ To be more specific, the targets in the final year of the midterm plan in three years is 7 to 8% of ROE and improved expense ratio from the actual of 68% in fiscal 2017. In conjunction with what is achieved through the MUFG Re-Imagining Strategy, over the medium to long term, target ROE is 9 to 10% and the target expense ratio is around 60%.
- ✓ The target CET1 ratio is 11% based on Basel III reforms finalized in December last year to retain adequate and sound capital as a G-SIB.
- ✓ Please turn to page 24.

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



- ✓ MUFG plans to implement a reorganization on July 1 this year to achieve the medium-term business plan, specifically to offer optimum solutions to customers.
- ✓ There will be a business group in each of the four quadrants of a matrix based on Japanese or non-Japanese and retail & SMEs or large corporates, serving as an interface with customers.
- ✓ There will be two additional business groups, Asset Management & Investor Services, and Global Markets, which are functional business groups, to make it six business groups. Global Banking will be abolished.
- ✓ Please turn to page 25.

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

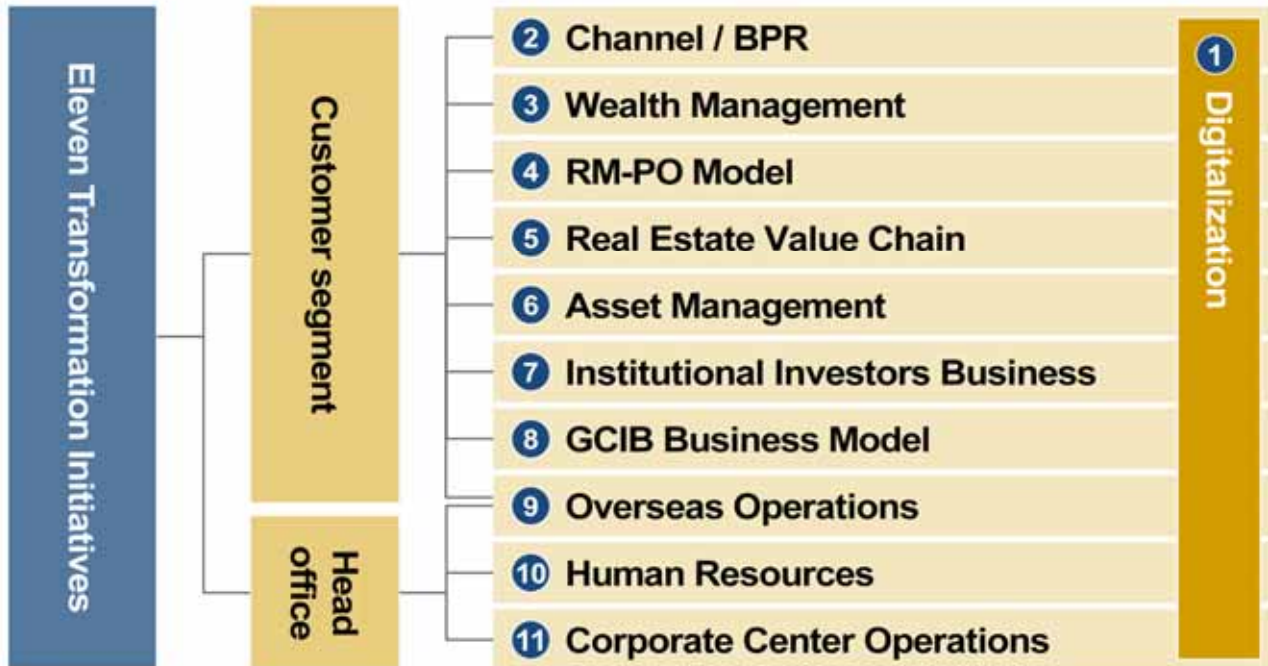
Figures in parentheses exclude the impacts of investment related accounting factors (amortization of goodwill, etc.)

Note: FY17 results are provisional numbers

- ✓ This page shows target net operating profits, expense ratio, and ROE for each business group. All groups plan to achieve growth in profit three years from now.
- ✓ Please turn to page 26.

Key Strategies

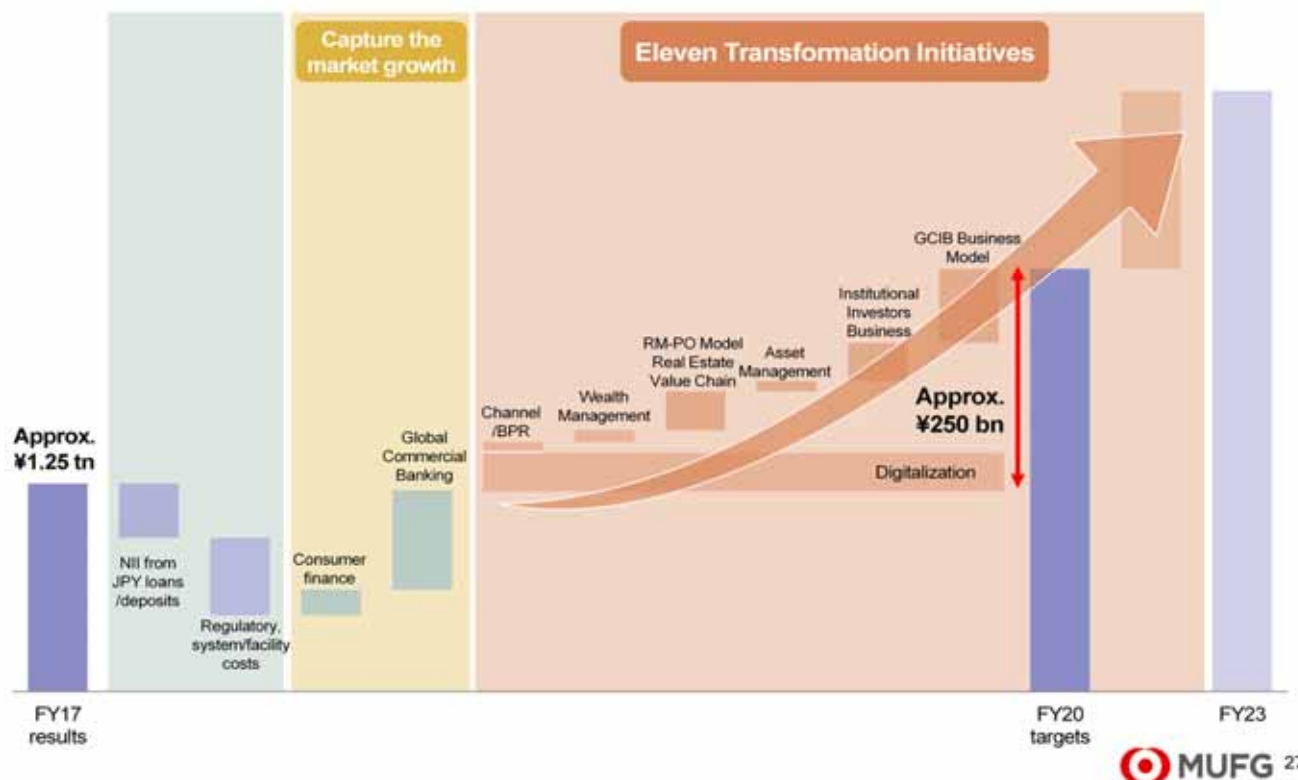
- "Eleven Transformation Initiatives" have been outlined in the new medium-term business plan as specific initiatives to achieve the MUFG Re-Imagining Strategy
- MUFG promotes the initiatives with a joint collaboration by entities, business groups and corporate center



- ✓ This page shows Eleven Transformation Initiatives outlined in the medium-term business plan.
- ✓ Firstly, these initiatives all have a large growth potential. Secondly, they are expected to enable MUFG to demonstrate its capabilities. And thirdly, it will be a main MUFG business, or a support function of a main business.
- ✓ Please turn to page 27.

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



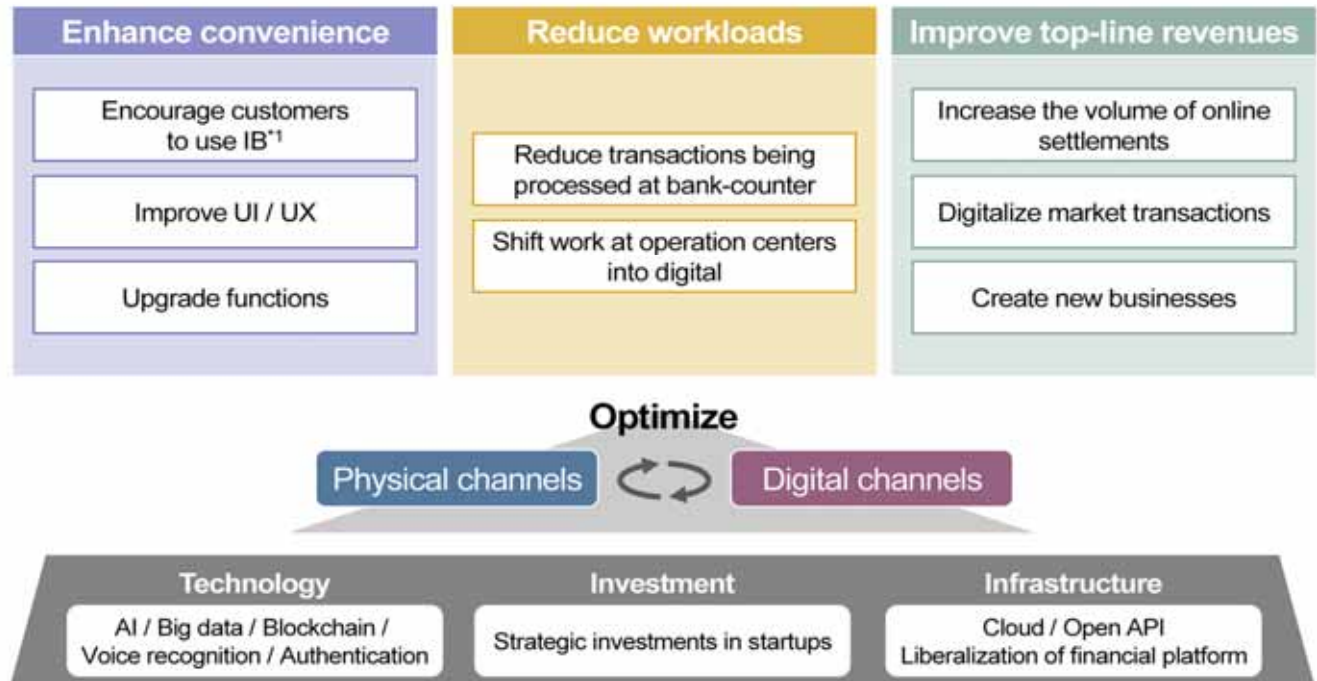
- ✓ I would now like to discuss the net operating profits under the new midterm business plan.
- ✓ During the three years under the new midterm business plan, it is expected that NII from Japanese yen loans and deposits will decline due to the persistent low-interest-rate environment. Furthermore, expenses are expected to rise due to regulatory costs and investment of resources necessary for structural reforms.
- ✓ These declines in profits will be offset by growth in Global Commercial Banking, including at MUFG Union Bank in the US, Bank of Ayudhya in Thailand and Bank Danamon of Indonesia in which MUFG made an equity investment recently. In addition, by steadily implementing Eleven Transformation Initiatives, we expect to achieve an additional 250 billion in net operating profits.
- ✓ Please turn to page 28.

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

- ✓ Starting on page 28, I would like to discuss the Eleven Transformation Initiatives.
- ✓ First, about Digitalization and Channel / BPR.
- ✓ Digitalization is a critical part of our transformation goals. A diverse range of convenient transaction channels will be offered to enable customers to make the optimal channel selection. At the same time, we plan to achieve substantial and bold improvement in productivity by reducing the workloads.
- ✓ Through an increase in online transactions and creation of new businesses, the top line is to be enhanced too.
- ✓ Please turn to page 29.

Eleven Transformation Initiatives

(1) Digitalization (2) Channel / BPR

R&C

GCB

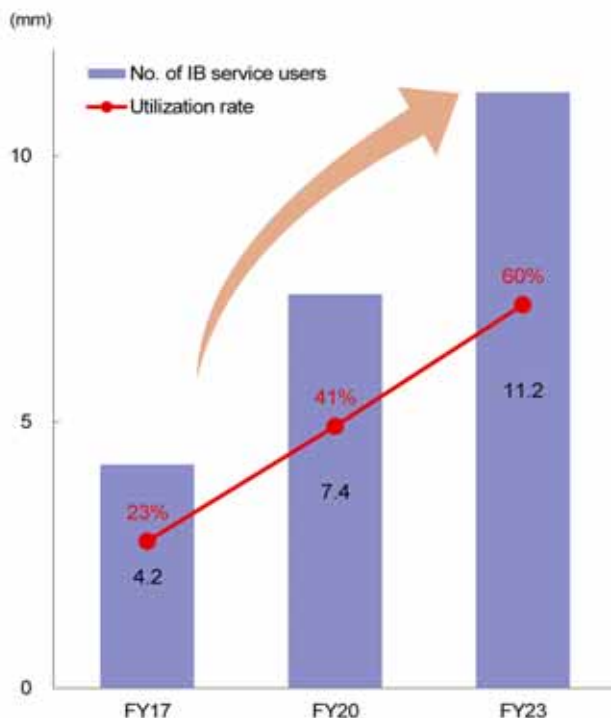
AM/IS

JCIB

GCIB

Global Markets

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		
Biometric authorization (fingerprint/face)		From FY18H2 onward
Access to past transaction history* ⁴		

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		

MUFG 29

- ✓ Functions such as biometric authentication and access to the past ten years of transaction history will be made possible on the app to improve UI / UX at an accelerated pace.
- ✓ In addition to the new account opening function already available on the app, functions such as change of address will be enabled to offer more location-free services.
- ✓ With these improvements and functional enhancements of UI / UX we plan to treble the number of transactions and number of customers using Mitsubishi UFJ DIRECT, our internet banking service for retail customers.
- ✓ Please turn to page 30.

Eleven Transformation Initiatives

(1) Digitalization (2) Channel / BPR

R&C

GCB

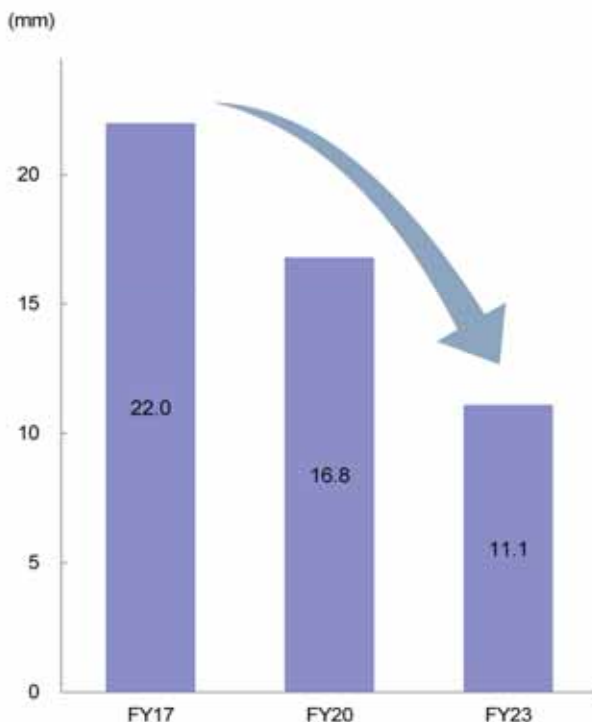
AM/IS

JCIB

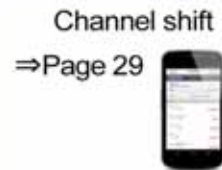
GCIB

Global Markets

No. of transactions at bank-counters



Initiatives to reduce transactions at bank counters



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

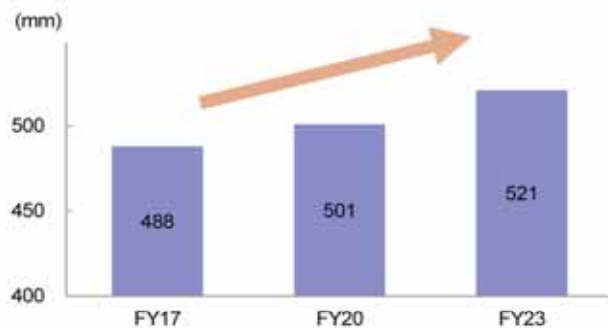
MUFG 30

- ✓ On the other hand, as shown on page 30, we plan to halve the number of transactions at bank counters. Please refer to the top-right chart.
- ✓ First, there will be a shift to the DIRECT, as mentioned earlier, which is a shift to online transactions. Secondly, real channels will continue to evolve through integration and diversification of branches. Thirdly, new ATM called STM that can handle tax payment and utility bill payment will be installed in all branches to reduce the number of transactions at high-counter. Fourthly, terminals called LINKS that can handle consultations related to mortgages and inheritance will be placed in all branches to reduce number of low-counter transactions. Fifthly, Foreign exchange related and loan related operations will be concentrated to a center.
- ✓ With increased use of digital technology, work at operation centers will also be streamlined.
- ✓ Please turn to page 31.

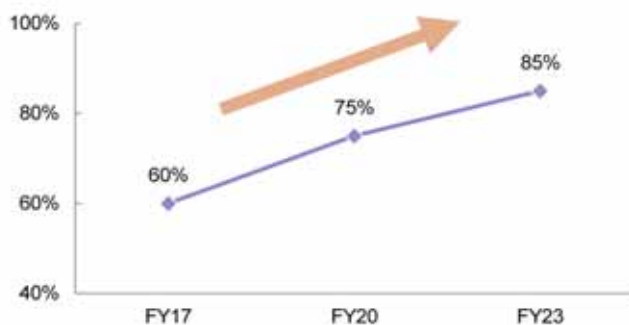
Eleven Transformation Initiatives (1) Digitalization (2) Channel / BPR

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

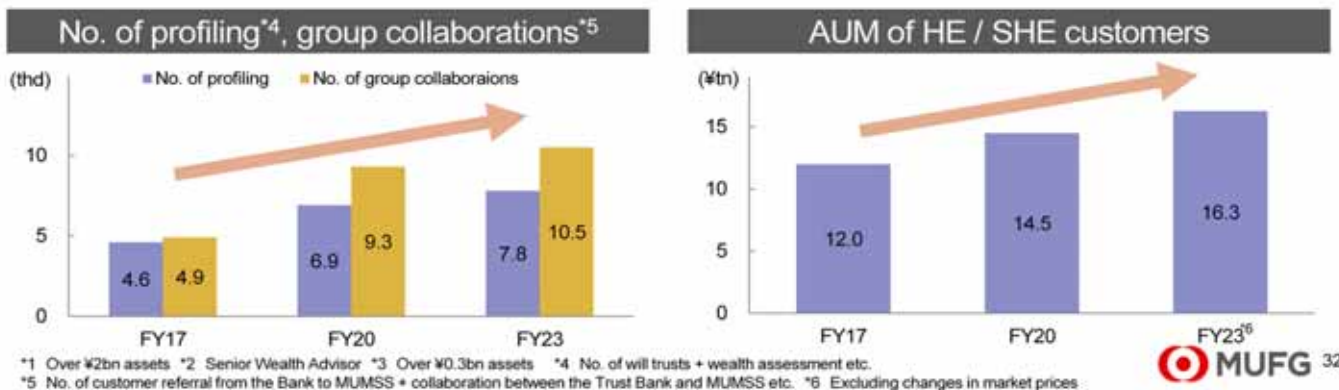
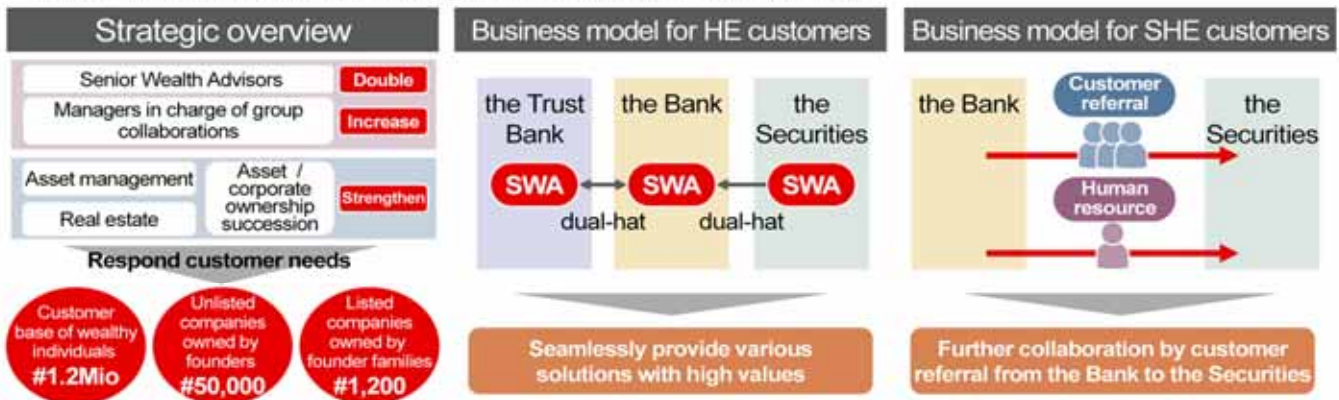


- ✓ As regards top-line measures, corporate settlement revenue will be enhanced by revamping online banking for corporate customers. Digitalization of market transactions will be advanced to increase trading profit.
- ✓ At MUFG AI Studio, or M-AIS, which was newly established within Japan Digital Design, our unique AI model will be developed, researched, and implemented, while utilizing outside expertise as well.
- ✓ With respect to MUFG Coin, an internal pilot is ongoing toward commercialization. At the same time, efforts are made to increase the use cases. In addition, in the payment area, we have great expectations about the use of blockchain technology.
- ✓ Please turn to page 32.

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



- ✓ Page 32 is about Wealth Management.
- ✓ With an integrated approach between corporate and retail and an integrated approach encompassing the Bank, the Trust bank, and the Securities, a stable revenue structure will be rebuilt.
- ✓ Towards the high-end customer segment, professionals from the Bank, the Trust bank, and the Securities will come together to seamlessly provide various solutions with high values. In this way, we will establish a wealth management business model unique to MUFG.
- ✓ Please turn to page 33.

Eleven transformation initiatives

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

R&C

GCB

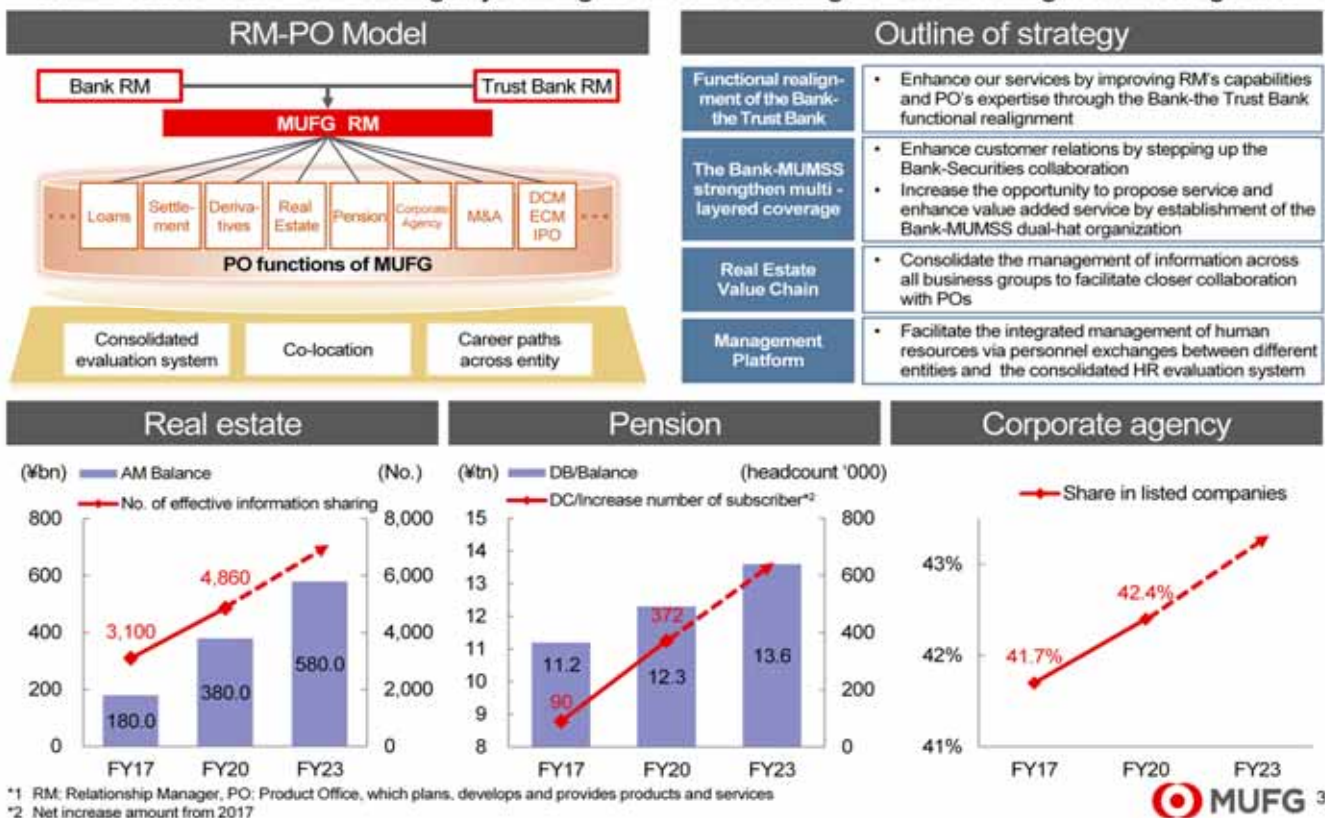
AM/IS

JCIB

GCIB

Global Markets

- 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



- ✓ The new team was born as a result of functional realignment of the group including corporate lending business integration between the Bank and the Trust Bank. MUFG RM will itemize customers' business issues. Meanwhile, PO, or product office, will extend its expertise, providing optimized solutions for customer
- ✓ In April, real estate, pension, and corporate agency product offices of the Trust Bank were relocated to this building on a floor adjacent to corporate RMs and are now closely collaborating with RMs. The evaluation system has changed, which is important, to an MUFG consolidated profit-based system to enable entity product-neutral cross-selling.
- ✓ In real estate business, the strength of having the Trust Bank within the group is leveraged to the maximum extent. Not only mere brokering but various business opportunities available on the value chain will have continuous involvement of the group in an integrated manner to maximize profit.
- ✓ Please move on to page 34.

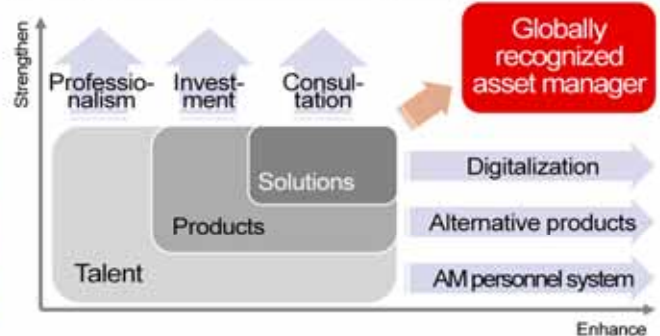
Eleven Transformation Initiatives (6) Asset Management

- 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

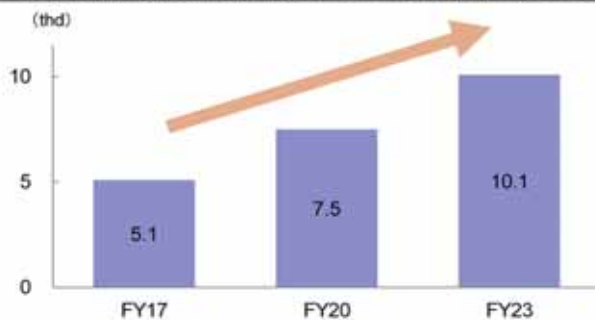
Asset management business model unique to MUFG



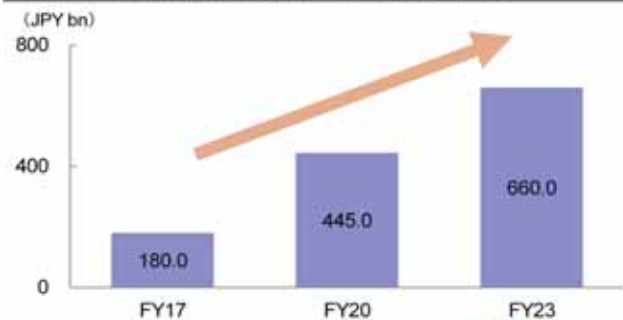
Upgrading asset management business



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

- ✓ This is Asset Management.
- ✓ First, we will enhance products. We will newly establish an Investment Products Planning Division in the holding company to develop competitive products and expand the lineup, and we will develop the human resources supporting this. We will actively promote digitalization, such as the use of AI.
- ✓ Second, in the area of distribution, we will thoroughly use the customer base and relations held by MUFG. At the same time, we will further strengthen cooperation on customer needs from the sales side to the product development side.
- ✓ Please turn to page 35.

Eleven Transformation Initiatives

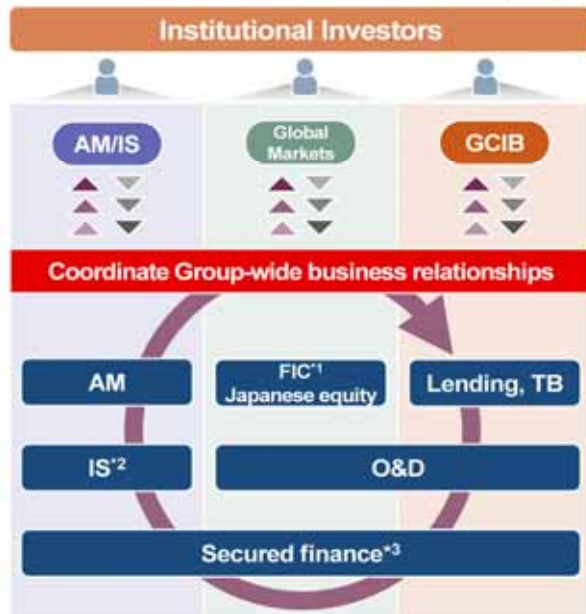
(7) Institutional Investors Business



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

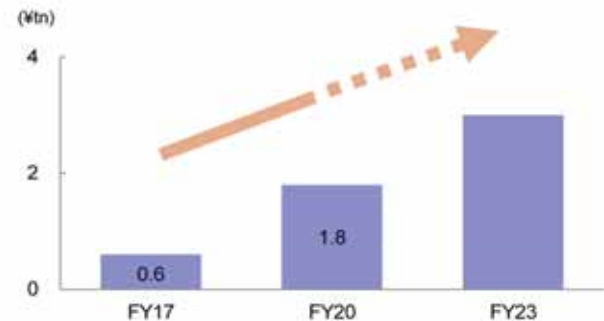
Overview

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

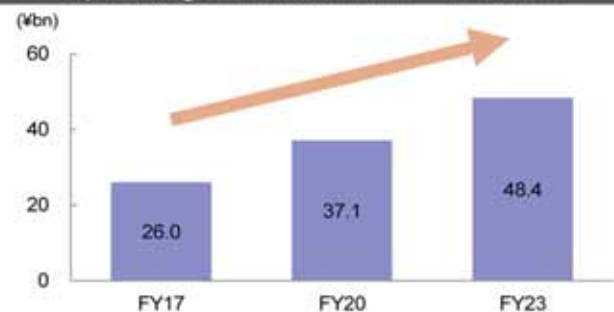


*1 Fixed income, currency *2 Investor Services *3 Collateralized finance
*4 Amount of domestic and foreign securitized products / structured notes sold mainly in Japan

Sales of structured products for domestic institutional investors*4



Operating income from IS*2 business

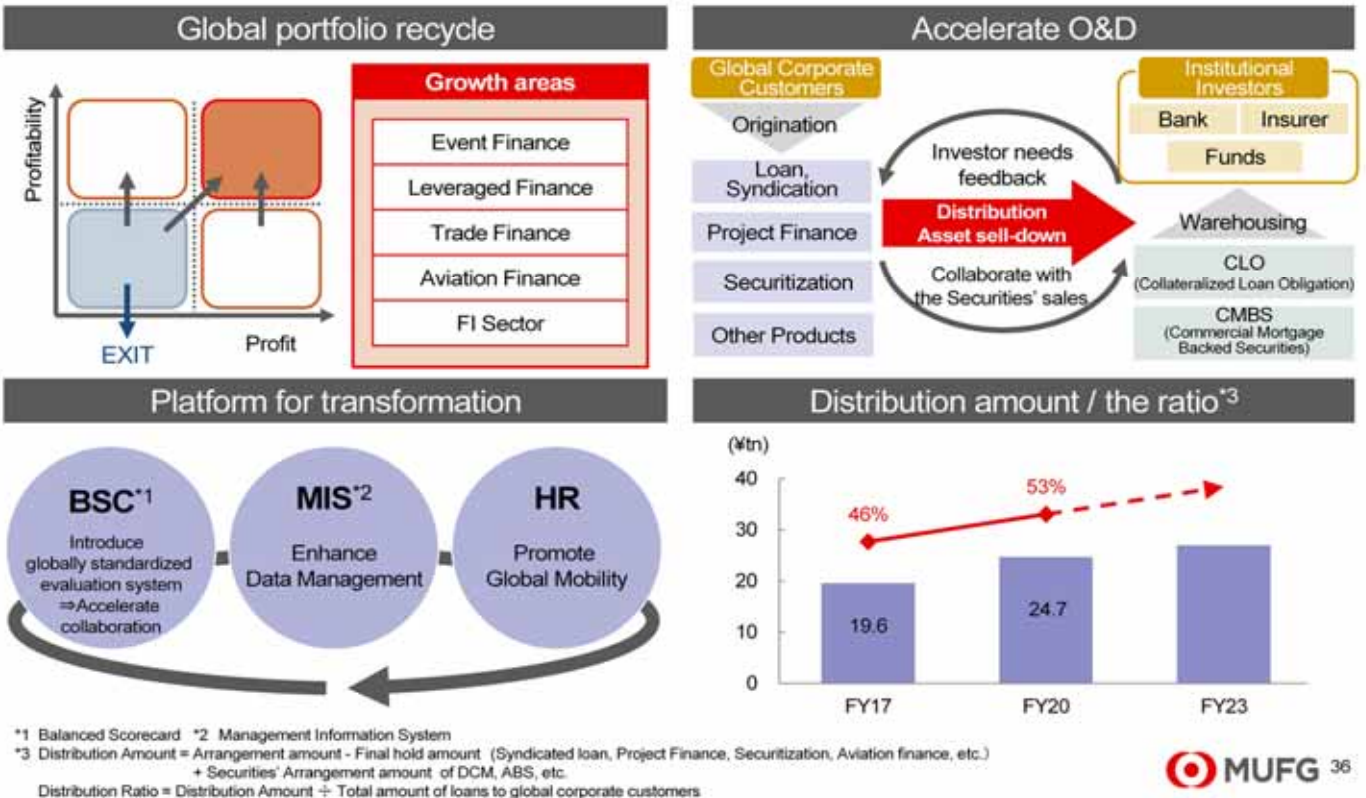


- ✓ This page is about Institutional Investors Business.
- ✓ The institutional investors segment will be repositioned as the fourth customer segment next to retail, Japanese corporates, and global corporates.
- ✓ Product, service, and customer relations were fragmented between the Bank, the Trust Bank and the Securities, and among business groups, but this will be integrated under MUFG to make maximum use to promote group-wide referral and cross-sell.
- ✓ Please turn to page 36.

Eleven Transformation Initiatives (8)GCIB Business Model

R&C	GCB	AM/IS
JCIB	GCIB	Global Markets

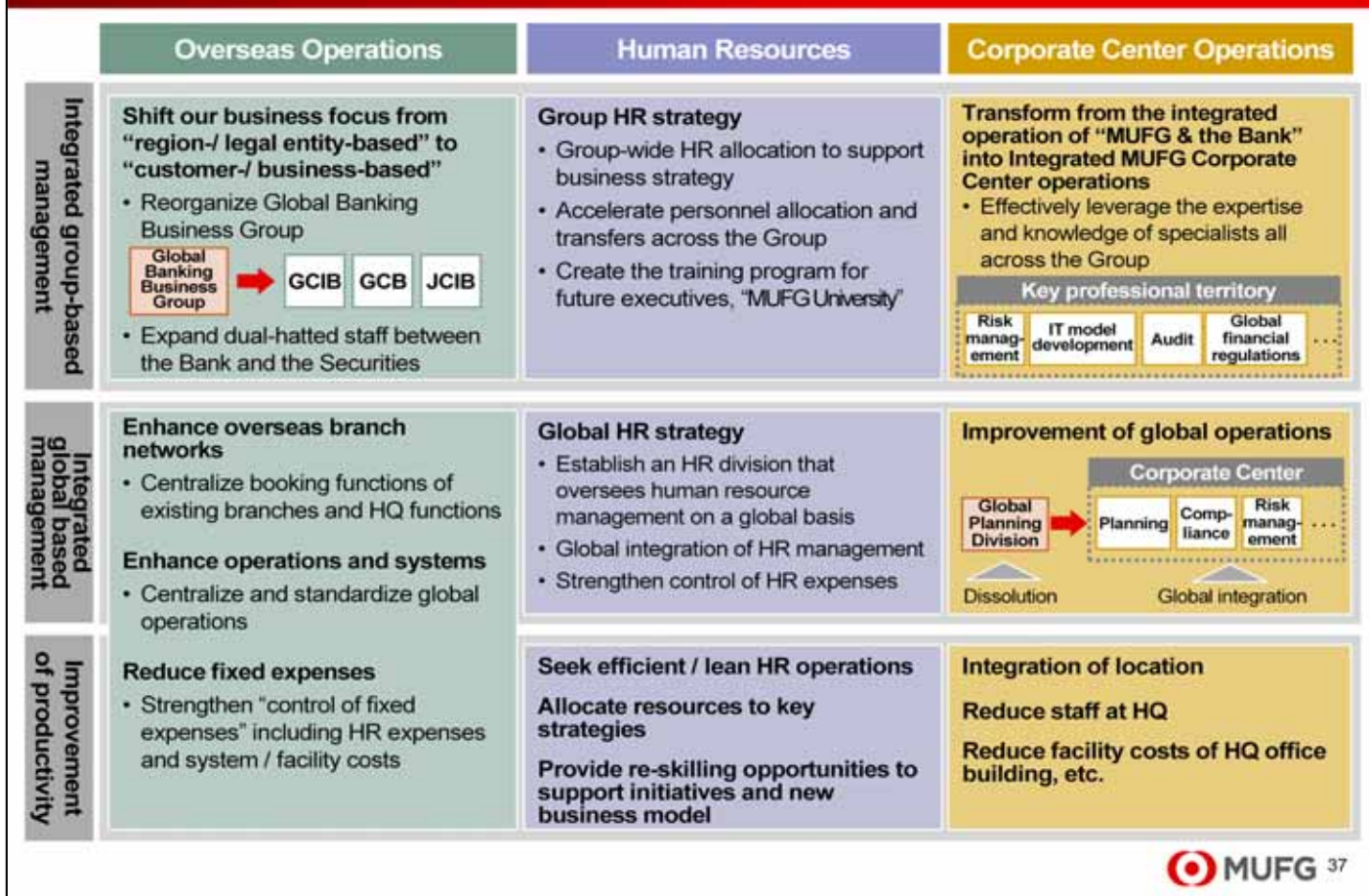
- Improve return through 3R (Repricing, Reduction, Restructuring) and recycle loan assets, etc. globally by placing greater emphasis on growth areas
- Shift value to "quality" over "quantity" by accelerating investor-driven O&D through One MUFG approach



- ✓ This page is GCIB Business Model. This area used to drive the overseas business, but with strengthened global regulations on capital and liquidity and higher foreign currency funding costs, it is necessary to quickly change the business model centered on building lending.
- ✓ In addition to portfolio recycling by selling low-profitability lending and also new risk-taking in the growth areas, as you can see on the material, we will shift value from quantity to quality by accelerating O&D, and improve the deal profitability.
- ✓ Please turn to page 37.

Eleven Transformation Initiatives

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

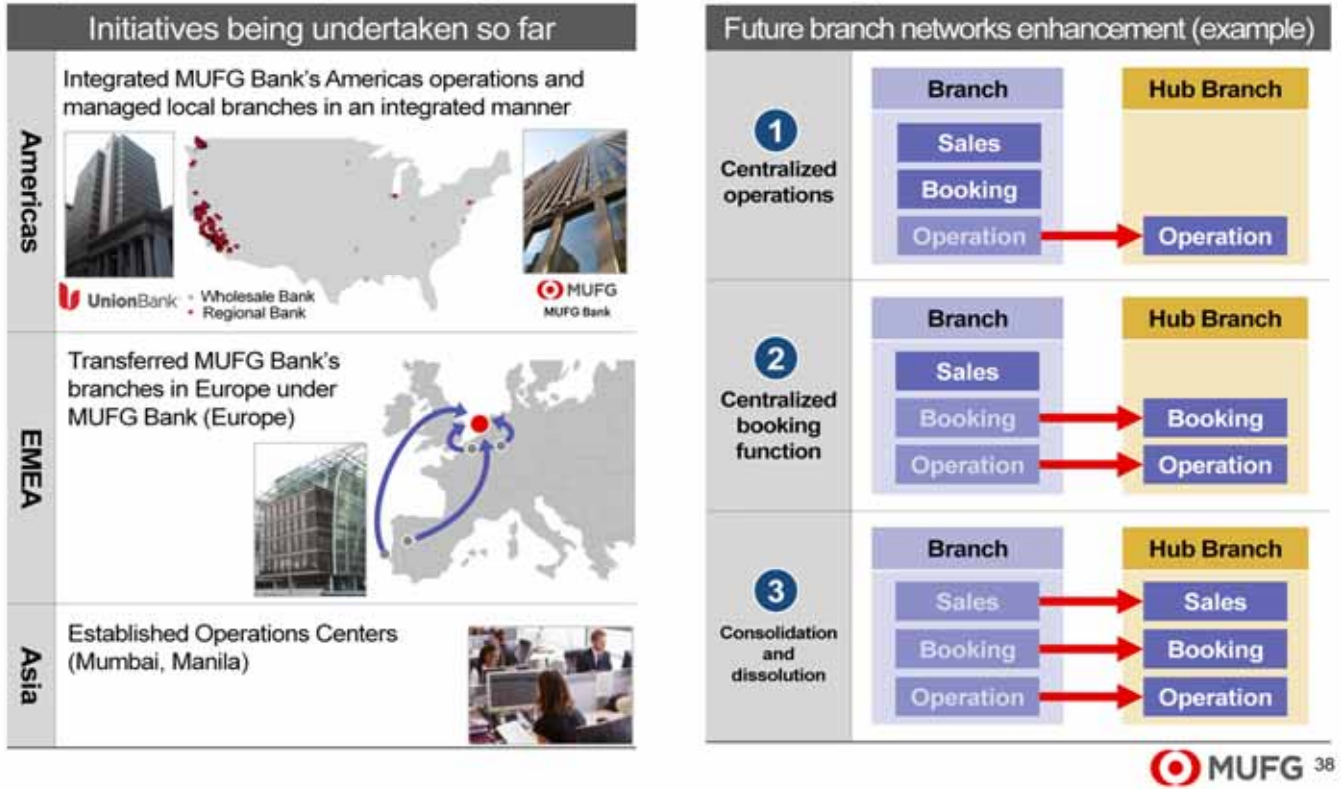


- ✓ On the left, Overseas Operations.
- ✓ The global banking business group will be shifted from a region- and legal entity-based operation to a customer- and business-based operation. The overseas branch network will be optimized, operations and systems will be enhanced, and fixed expenses will be reduced.
- ✓ Next, in the middle, Human Resources.
- ✓ Business strategy and human resources strategy are two sides of the same coin. It is essential for transformation to transfer personnel among entities and to raise the skill level of employees.
- ✓ To do so, it is necessary to enhance the capacity and skill as professionals. Also, having consistency among the group companies, we will review the company's HR system to have the right person in the right place in the group and have a job posting system within the group.
- ✓ We will newly establish "MUFG University" to develop future group executives.
- ✓ Lastly, Corporate Center Operations.
- ✓ The corporate center function will be transformed into integrated MUFG corporate center operations to make effective use of management resources and realize low-cost operations.
- ✓ Please turn to page 38.

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



- ✓ This is the actual image of the overseas branch network enhancement and optimization that I mentioned earlier.
- ✓ As you can see on the left, in the Americas, EMEA, and Asia, we took approaches to optimize branches and operations. And with the new medium-term business plan, in accordance with the features of each branch, as you can see on the right-hand side, sales, booking and/or operations will be shifted to hub branches and operation center.
- ✓ For example, recently, in Manila, a global operations center was established, and also, we made a press release of the operation transfer of Singapore, Sydney, Oakland, and Taipei branches, which is under number one, "Centralized operations".
- ✓ Also, we made a press release on changing the status of the Santiago branch, Buenos Aires branch, and Karachi branch to a representative office, which is under number two, "Centralized booking function".
- ✓ We will optimize the operation of overseas branches and control the cost of system, operations and compliance to establish a sustainable overseas branch networks.
- ✓ Please turn to page 39.

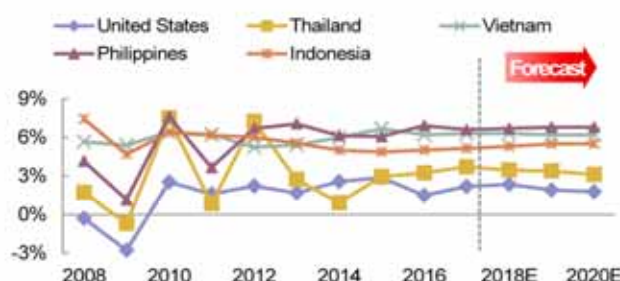
Global Commercial Banking (GCB)

- 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

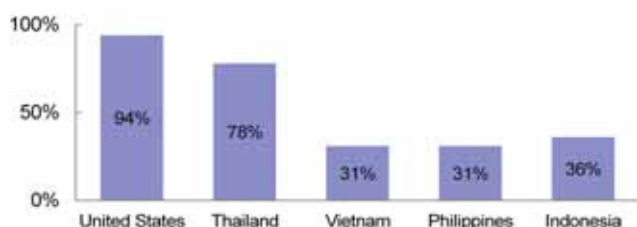
Population and GDP

	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

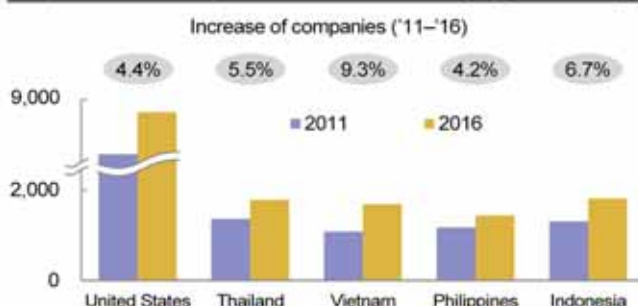
Growth of real GDP



Bank account penetration^{*1}



Japanese companies' market entry (by country)



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

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

MUFG 39

- ✓ Now I'd like to talk about the new business group, Global Commercial Banking. This is not included in Eleven Transformation Initiatives.
- ✓ We have been focusing on the world's largest market, the United States, and rapidly-growing ASEAN to deploy retail business and commercial banking business to local companies under a strategy of capturing the economic growth of these countries.
- ✓ Last fiscal year, total assets on a consolidated basis were about 12 trillion yen, and net operating profits about 200 billion yen. This has become a big business portfolio, so we will raise the value through positioning as a business group.
- ✓ This is constituted with the consolidated MUFG Union Bank of the United States, Bank of Ayudhya of Thailand, and in addition to that, VietinBank of Vietnam, Security Bank of the Philippines, and Bank Danamon of Indonesia in which we started investment last year.
- ✓ On the left, as you can see, the five countries have a large population and GDP. As you can see in the top right, high economic growth continues. As you can see on the bottom-left, bank service penetration is low, so I'm looking forward to future potential.
- ✓ Please turn to page 40.

Global Commercial Banking (GCB)

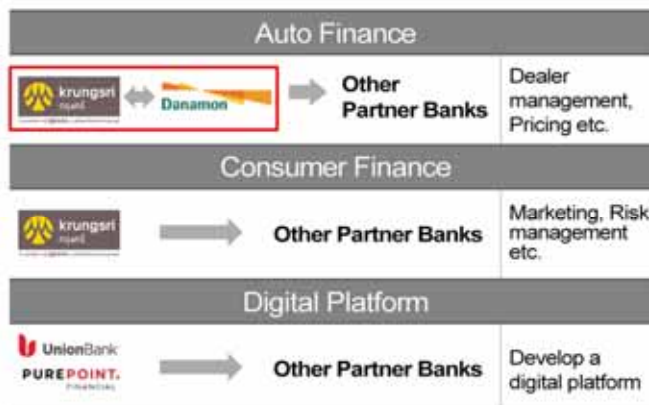
- Evolve from "Investing" to "Managing". Establish a new business group after due consideration to the scale and growth potential of retail and local corporate/SME banking business in ASEAN and the US
- Ensure that best practices are shared among all partner banks and MUFG, thereby mutually enhancing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

Partner Banks			
Partner Bank		Voting right ^{*1}	Ranking ^{*2}
United States	 UnionBank	100%	#13
Thailand	 krungsri	76.8%	#5
Vietnam	 VietinBank	19.7%	#2
Philippines	 SECURITY BANK	20.0%	#5
Indonesia	 Danamon	19.9%	#5

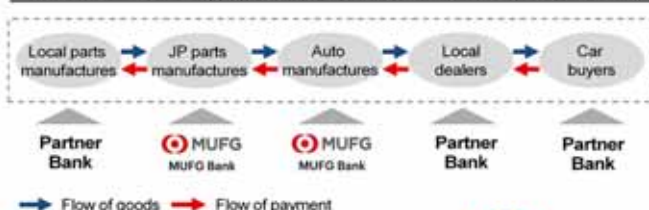
Initiatives for value enhancement

- 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)

- ✓ These five partner banks are all near the middle to top ranking position, so we can look forward to growth in their respective countries.
- ✓ We will enhance value through sharing best practice, pursuing synergy, and enhancing internal control.
- ✓ Please turn to page 46.

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}

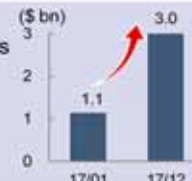

<P/L> (US\$ mm)	FY16	FY17	
			YoY
1 Net Interest Income	3,053	3,204	151
2 Total non-interest income	2,225	2,010	▲215
3 Trading account activities	105	▲5	▲110
4 Investment banking and syndication fees	312	369	57
5 Fees from affiliates ³	957	866	▲91
6 Total revenue	5,278	5,214	▲64
7 Non-interest expenses 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

*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

Key initiatives of Regional Bank

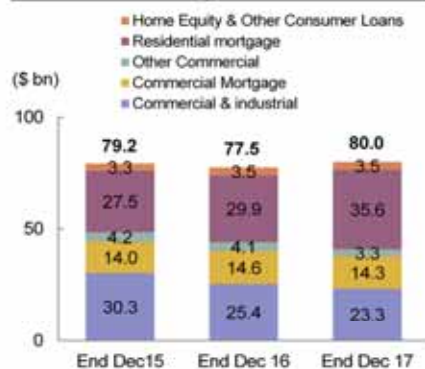
PurePoint Direct Banking	<ul style="list-style-type: none"> Scale USD deposit balance (\$ bn) Launched 22 financial centers 
Unsecured Consumer loans	<ul style="list-style-type: none"> Leverage Union Bank and PurePoint brands to grow business using financial center footprints 
Mortgage Servicing Rights (MSR)	<ul style="list-style-type: none"> Enhance non-interest income from servicing business by MSR purchases

Initiatives to improve efficiency of Americas

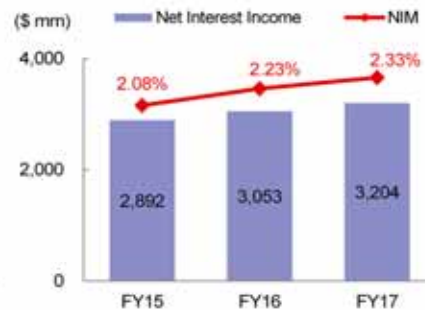
Resource & location strategy	<ul style="list-style-type: none"> Redistribute part of workforce to a lower cost location and strong labor supply (Phoenix, AZ)
IT services Transformation & cost reduction	<ul style="list-style-type: none"> Process re-engineering; Reduction in professional and outside service expenses

Global Commercial Banking (GCB) - (Reference)Key figures of MUAH

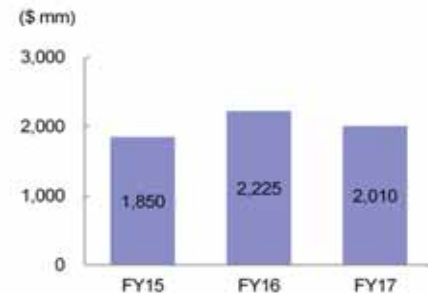
Lending balance



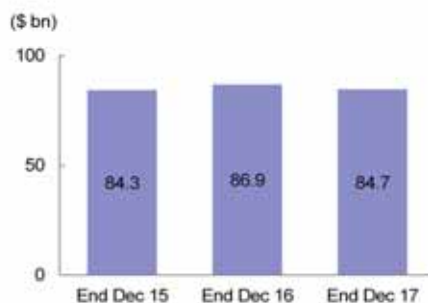
Net interest income



Non-interest income



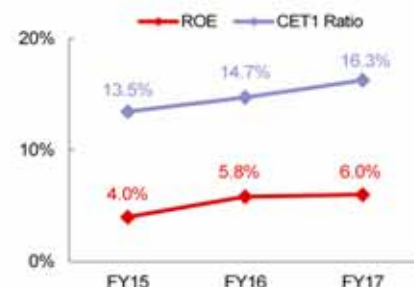
Deposit balance



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

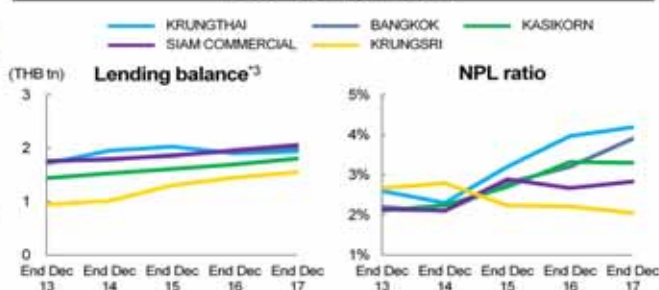
^{*3} Lending balance is sum of loans

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

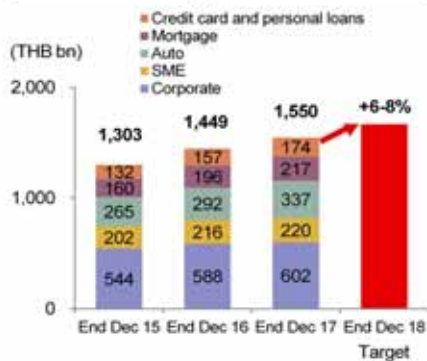


(Source) Bloomberg, Company data

^{*4} Current Account and Savings Account

Global Commercial Banking (GCB) - (Reference) Key figures of Krungsri

Lending balance



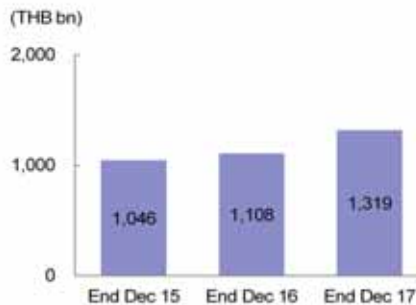
Net interest income



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
Employees ^{*2}	Consolidated base : 36,410 Stand-alone base : 16,811

Transaction schedule

Step 1

Completion of first stage (19.9%) investment

[Dec 2017]

Step 2

Completion of second stage (cumulatively 40.0%) investment

[2018 Q2-3]

Step 3

Completion of third stage (cumulatively equal to or greater than 73.8%) investment

Accelerating the growth strategy by utilizing the synergies with MUFG



Features of Bank Danamon

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



MUFG

Strengths of MUFG

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

Contribute to the Indonesia's economy

Expansion of the presence in Indonesia

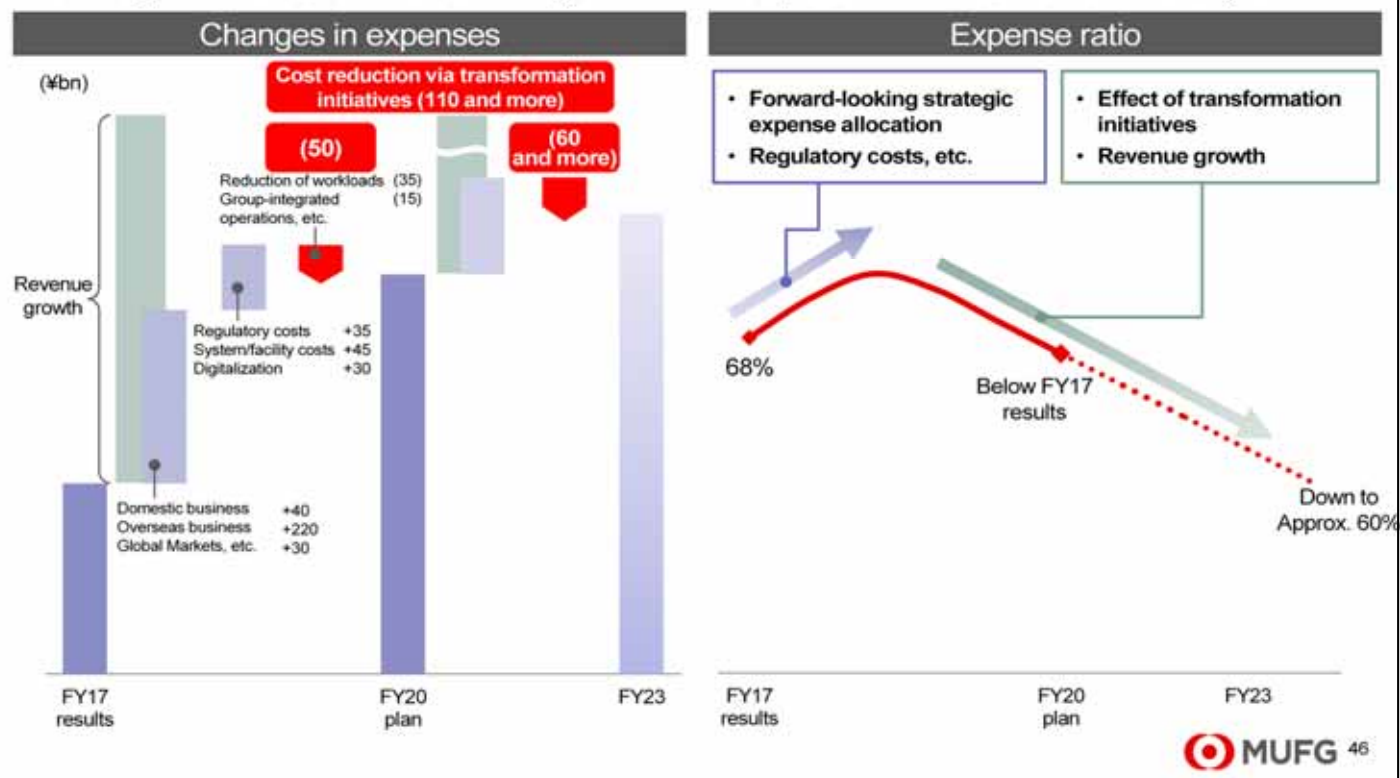
Enhance MUFG's Global Commercial Banking business

Provide unparalleled comprehensive financial services

^{*1} End of Dec 2017. 1USD=13,548IDR ^{*2} End of Dec 2017. The number of Branches includes those of Adira Finance and etc.

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

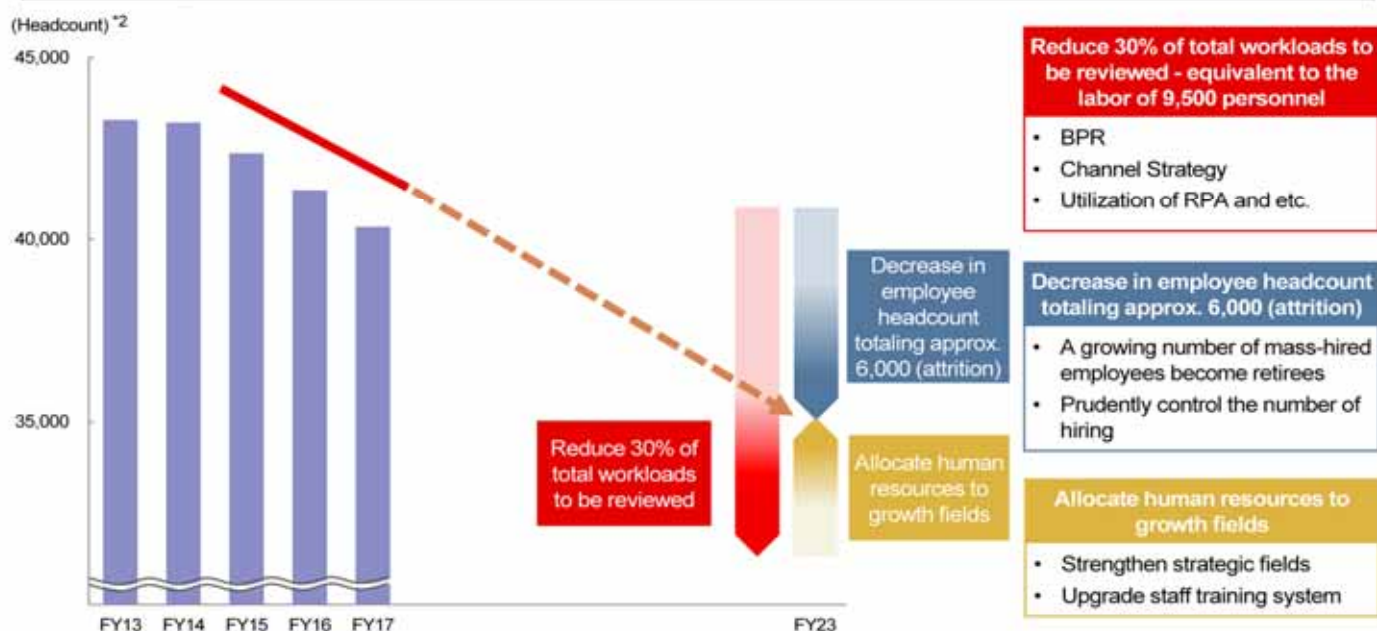


- ✓ This page 46 is our largest issue, expenses.
- ✓ Please look at the graph on the right.
- ✓ With a forward-looking strategic expense allocation and regulatory costs, in the first and second year of the medium-term business plan, unfortunately, the expense ratio will increase.
- ✓ But after that, with the effect of transformation initiatives and growth of gross profit of global commercial banking business, the expense ratio will improve, and in the medium to long term, the target is 60%.
- ✓ Cost reduction through transformation, as you can see on the left, is expected to be more than 110 billion yen for the six years, but this is not sufficient. Further cost reduction is necessary.
- ✓ Please move to page 47.

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)



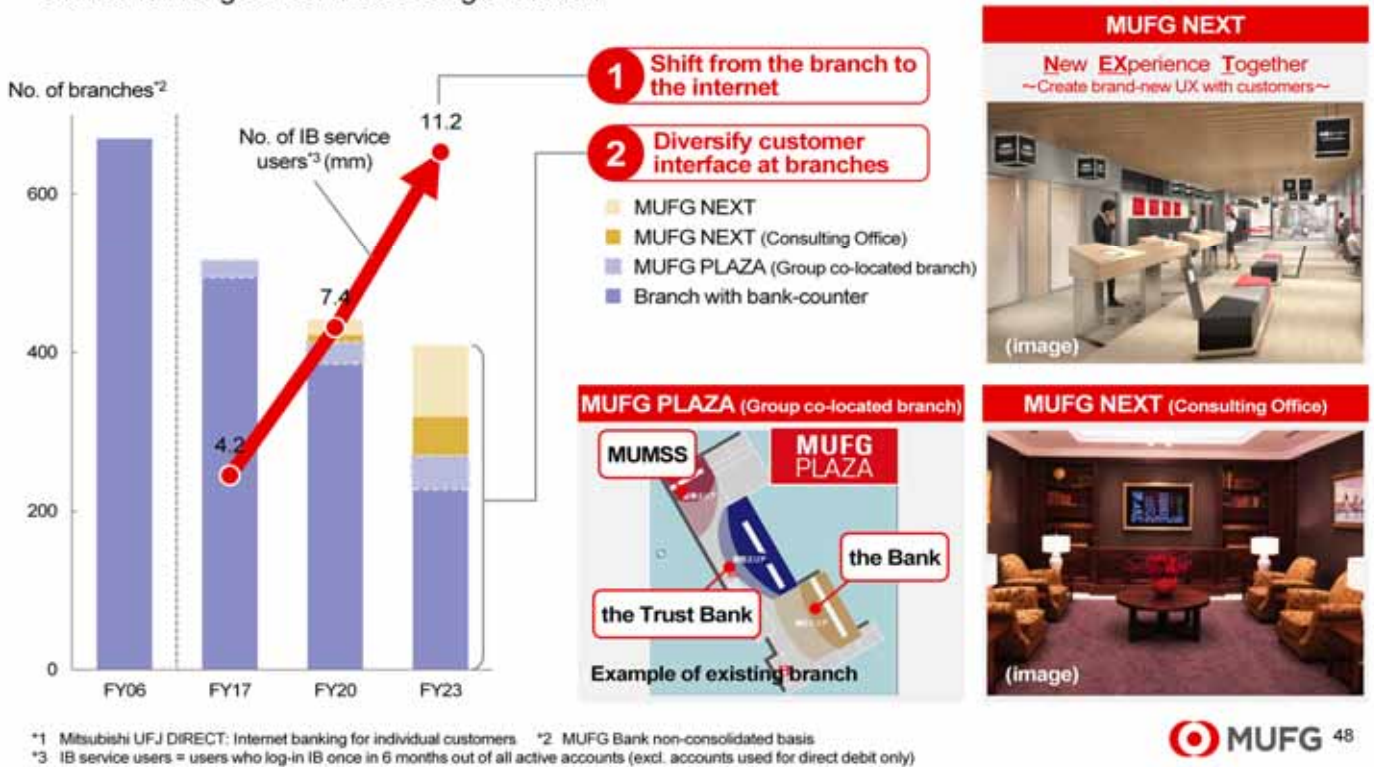
^{*1} Including MUFG Bank's subsidiaries engaged in operations

^{*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

- ✓ At the Bank, with retirement of employees hired during the mass hiring period and control of new hiring, we expect a headcount decrease of about 6,000 people.
- ✓ At the same time, the personnel and time generated through reduction in workloads will be used to strengthen contact with customers and allocated to the growth fields.
- ✓ Training system will be improved, and we will provide opportunities to reskill. Human resources working in routine work could be transferred to more creative and high value-added work. This will be the driving force of the MUFG Re-Imagining Strategy.
- ✓ Please turn to page 48.

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



- ✓ This page is channel transformation.
- ✓ As I mentioned, by enhancing the operability and function of internet transactions, we will shift from a branch to an internet channel.
- ✓ For physical channels, in addition to integration of some branches, number one, the MUFG NEXT, which stands for New EXperience Together, providing new customer experience, and number two, Consulting Office specialized on consultation, and number three, group co-located branch, MUFG PLAZA, will lead to major changes in the channel.
- ✓ Please turn to page 51.

(Reference) Assumption of economic environment

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

Eco- nomy	Japan	• Modest economic recovery will continue, supported by robust corporate earnings and cyclical recovery in production
	US/ Europe	• The upward trend will continue on the back of improving employment, despite political and policy risks
	Asia	• 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		• 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

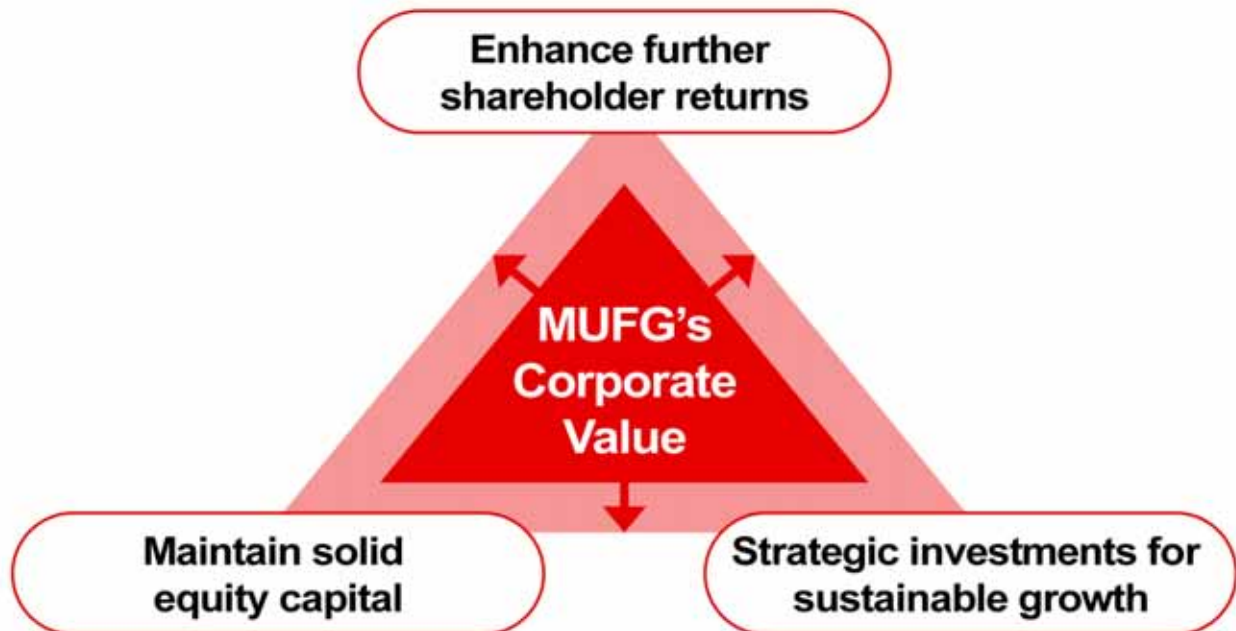
^{*3} Policy interest rate: end of the period basis. 10yr government bonds: average of the period basis

^{*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



- ✓ This page shows capital policy.
- ✓ The concept of a capital triangle that you are familiar with will not change under the new medium-term business plan, but as shown on page 52, we newly decided a basic policies for shareholder returns.

Basic policies for shareholder returns

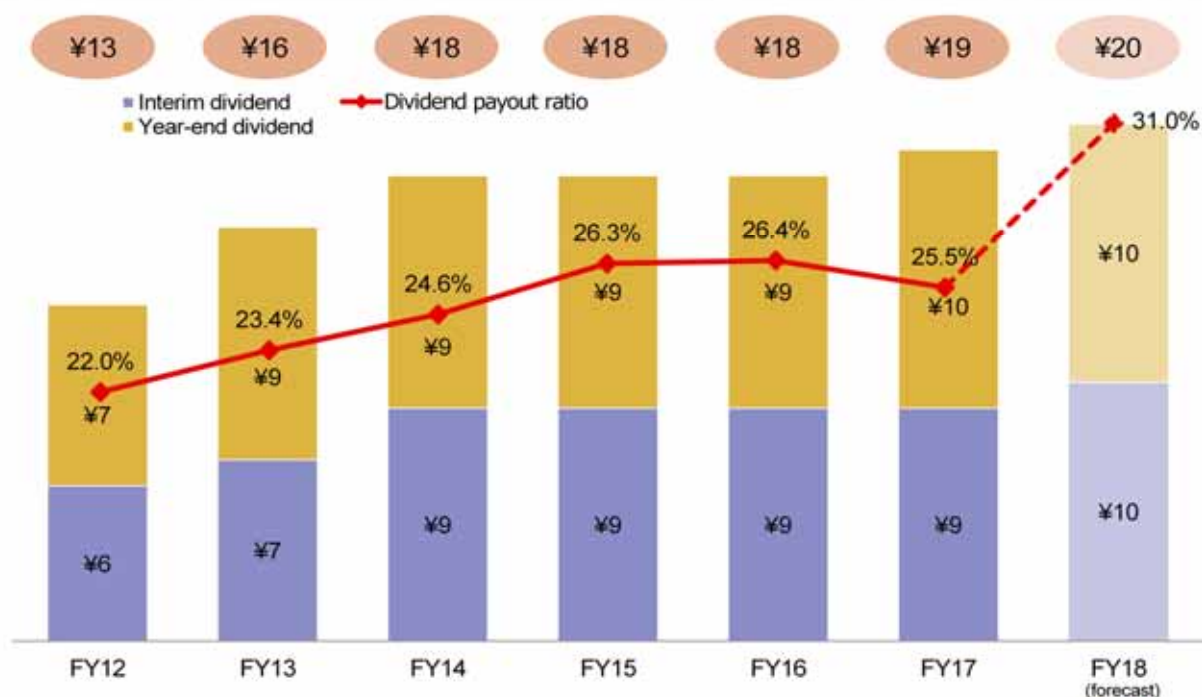
Basic policies for shareholder returns		<ul style="list-style-type: none">● MUFG continuously seeks to improve shareholder returns, focusing on dividends in the pursuit of an optimal balance with solid equity capital and strategic investment for growth
	Dividends	<ul style="list-style-type: none">● MUFG 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

- ✓ First, for dividends, we will aim for a stable and sustainable increase in dividends per share through profit growth, with a dividend payout ratio target of 40%.
- ✓ Second, for share repurchase we plan to flexibly repurchase our own shares, as part of our shareholder return strategies, in order to improve capital efficiency.
- ✓ Please move to page 53.

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



- ✓ The year-end dividend will be increased by 1 yen from the initial forecast to 10 yen. Together with the interim dividend of 9 yen, the fiscal year 2017 annual dividend will be 19 yen.
- ✓ In fiscal year 2018, with a tough environment with a forecast of dropping profit, based on the new basic policy for shareholder returns, the dividend forecast for fiscal year 2018 will be 20 yen per year, a one-yen increase from fiscal year 2017.
- ✓ Please turn to page 54.

Outline of repurchase and cancellation of own shares

- Resolved to repurchase own shares up to ¥50bn and all of the repurchased shares to be 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)	Up to ¥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)	Up to 100 mm shares (All of the shares to be cancelled)

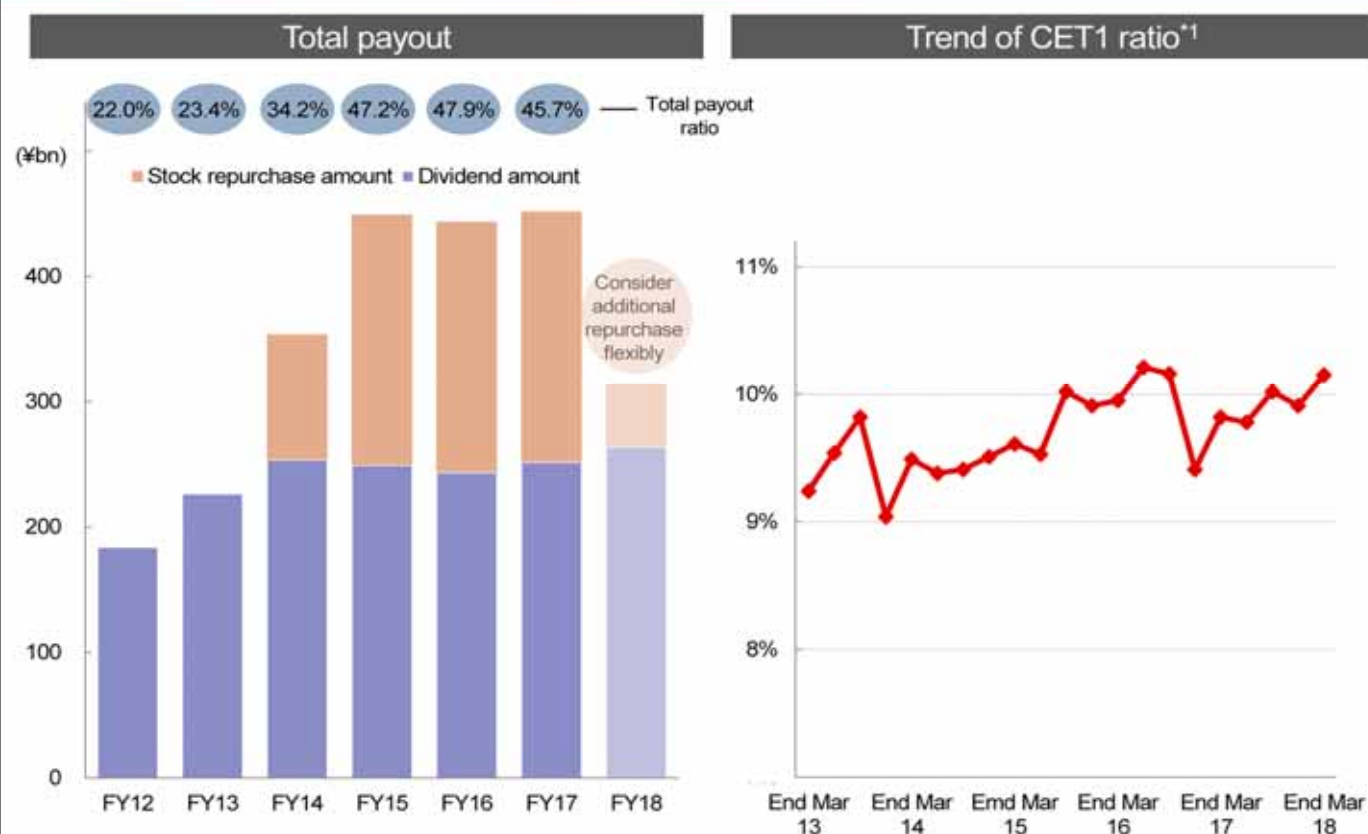
(Ref) As of April 30, 2018

Total number of issued shares (excluding own shares): 13,193,437,723 shares

Number of own shares held by MUFG: 706,590,297 shares

- ✓ As you can see on the page, share repurchase will be 50 billion yen, and all the newly repurchased shares will be cancelled.
- ✓ Please move to page 56.

(For reference) Total payout

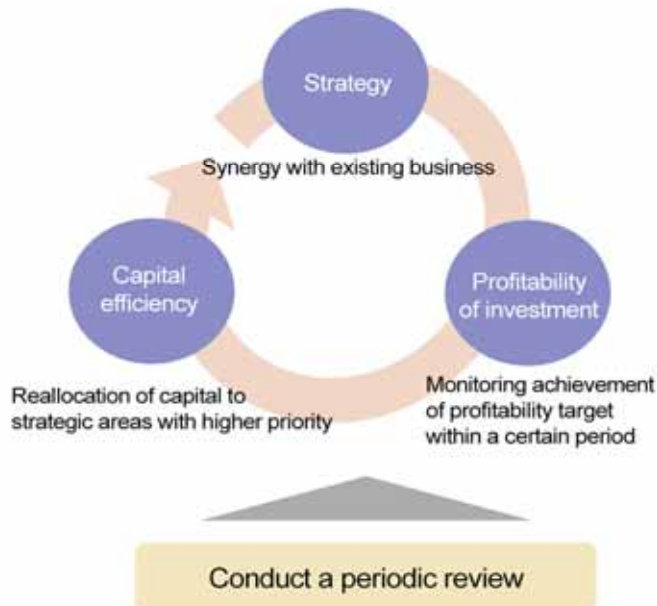


*1 Calculated on the basis of regulations to be applied at end Mar 19. On a basis that excludes unrealized gain

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

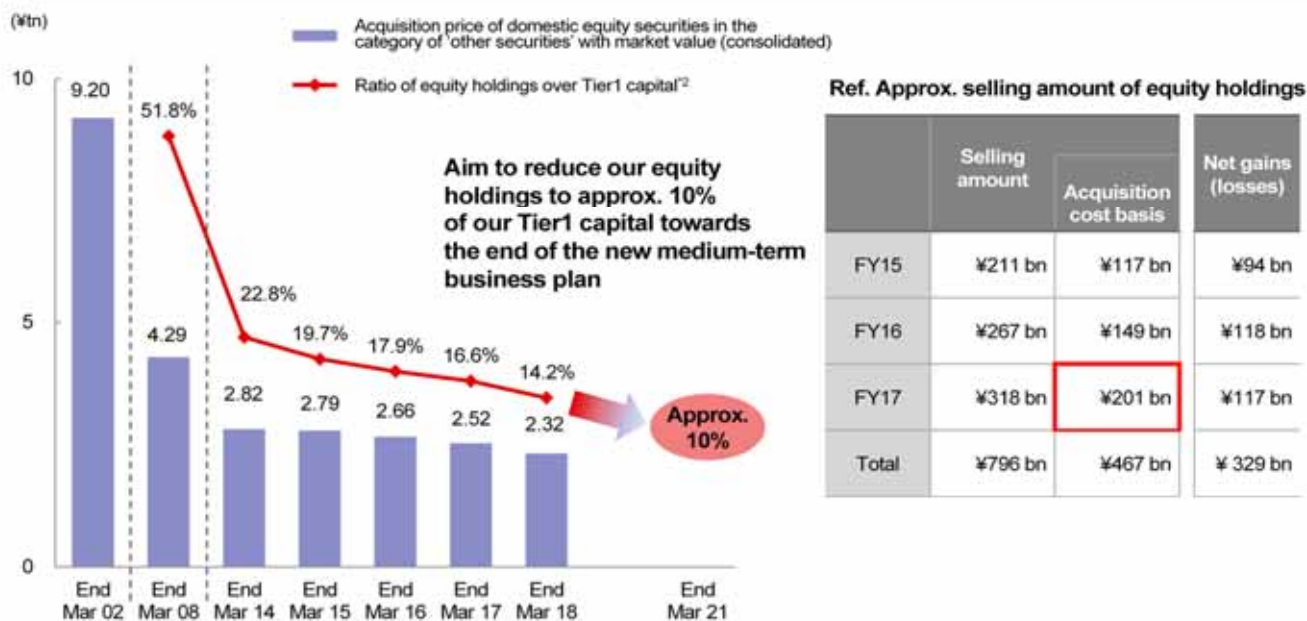
Further considering optimization of strategic investment

- ✓ For strategic investment, we will strongly continue to implement disciplined capital management.
- ✓ In September last year, all the shares of Malaysia CIMB were sold, an amount equivalent of 68 billion yen, and in April this year, half of the shares held at Brazil Bradesco Bank, worth 45 billion yen, were sold.
- ✓ We will continue to optimize strategic investment.
- ✓ Please turn to page 57.

Reduction of equity holdings

- Accelerate reduction of equity holdings considering the risk, capital efficiency and international financial regulations
- Approx. ¥201 bn^{*1} equities were sold in FY17

Reduction of equity holdings



^{*1} Sum of the Bank and the Trust Bank

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

- ✓ This page shows reduction of equity holdings.
- ✓ As you can see on the right-hand side, in fiscal year 2017, on an acquisition cost basis, 201 billion yen was reduced. With that, there was a net gain of 117 billion yen. Going forward, by having good discussions with our counterparts, we will accelerate the reduction of equity holdings.
- ✓ Please turn to page 59.

Environment, Social and Governance

MUFG's approach

Environment

Social

Governance

- 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



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.

- ✓ Lastly, ESG, environment, social, and governance initiatives.
- ✓ Please look at page 60.

Major initiatives (FY18 -)

Environment

Social

Governance

- 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 (Krungthai) ^{*2} Japan Infrastructure Initiative

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

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

MUFG 60

- ✓ We identified seven environment and social issues as priority initiatives of MUFG. Each of these will be included in the strategy of our business groups in promoting their measures.
- ✓ Environment policy and human rights policy and the supporting procedure, the environmental and social policy framework was developed. Operation will start from July.
- ✓ Please turn to page 61.

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 (candidates for AGM in Jun 18)

*1 Planned for June 28, 2018

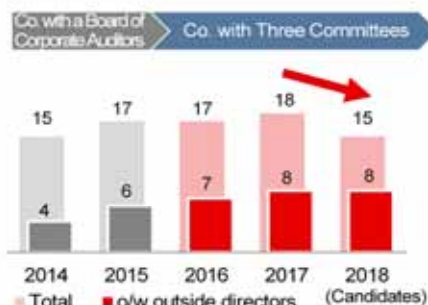
Candidate's Name		Current position and responsibilities at the Company ^{*1}	Other Public Co. Boards (#)	Expertise				
				Business Admin	Finance	Accounting	Law	
1 Hiroshi Kawakami	Reelected Independent	Outside director Nominating, Compensation, Audit	1	●	-	-	-	
2 Yuko Kawamoto	Reelected Independent	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	0	-	-	-	●	
5 Tsutomu Okuda	Reelected Independent	Outside director Nominating (Chair), Compensation, Risk	0	●	-	-	-	
6 Yasushi Shingai	Newly elected Independent	-	1	●	-	●	-	
7 Tarisa Watanagase	Reelected Independent	Outside director	1	-	●	-	-	
8 Akira Yamate	Reelected Independent	Outside director Audit (Chair)	1	-	-	●	-	

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

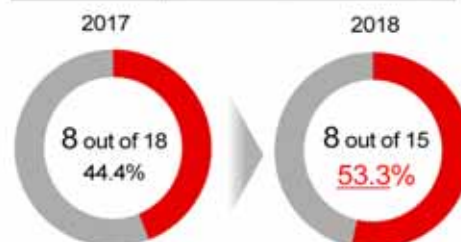
Audit: Audit Committee member
Risk: Risk Committee member

Board structure

Numbers of the Board members



Ratio: Independent outside directors

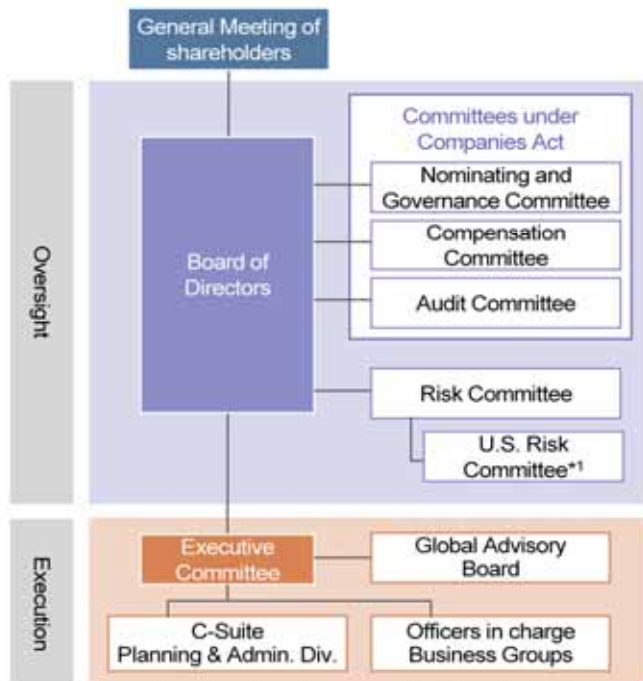


- ✓ Page 61 is on governance transformation.
- ✓ We have been trying to enhance governance by moving into a company with three committees, and last year two foreign directors were appointed. The number of directors will be reduced from 18 to 15, with outside directors being the majority.
- ✓ Please turn to page 62.

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	Christine Garvey	MUFG outside director

Review of MUFG's Senior Advisors System

- The previous Senior Advisors System in subsidiaries will be officially **terminated**
- Implement 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 April 30, 2018 *3 Planned as of July 1, 2018

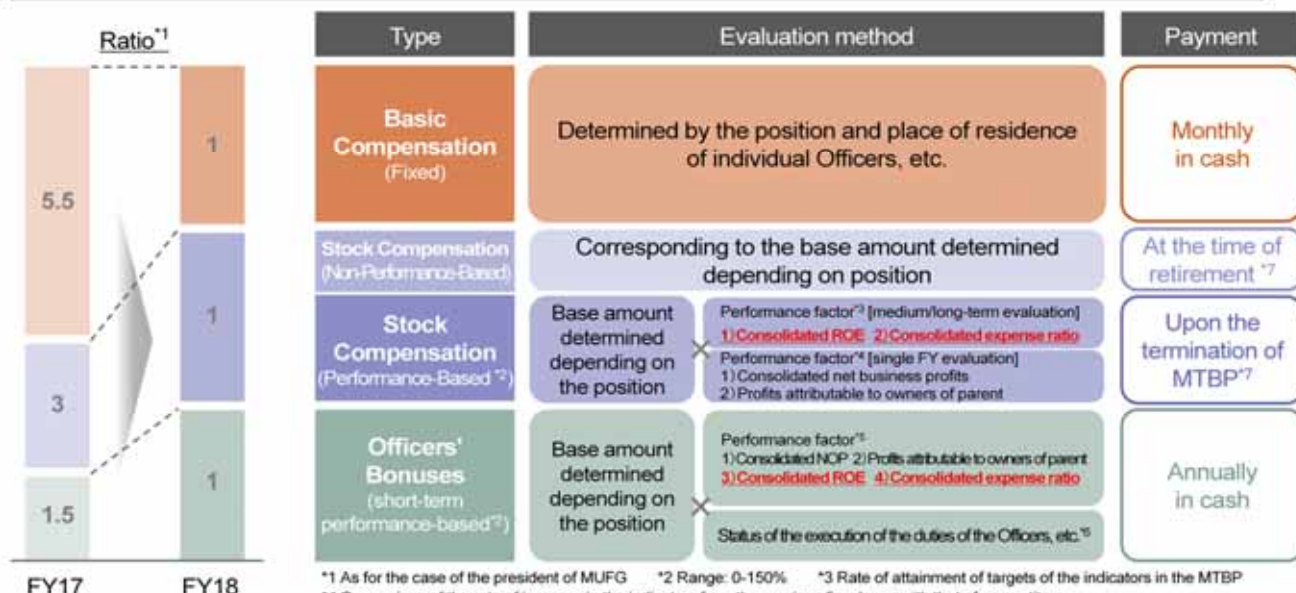
- ✓ As you can see on the bottom-right of the next page, the existing senior advisors system of the Bank, the Trust Bank, and the Securities will be terminated, and we will have a new senior advisors system.
- ✓ Please turn to page 63.

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.

- ✓ We revised the compensation policy for individual officers. ROE and expense ratio will be included in the evaluation of stock compensation and officers' bonuses. Also, the performance-based compensation proportion will be raised to have more harmony with the shareholders' interests.
- ✓ As I have explained, we, MUFG are accumulating steady efforts, such as strengthening governance and reconstructing a sustainable business model through future-oriented transformation, looking squarely at the changes in the business environment, to be the world's most trusted financial group, as indicated in our corporate vision.
- ✓ Going forward, I hope we will be able to continue to have the understanding and support of investors and rating agencies. This concludes my presentation.

Appendix

Appendix: Performance by business segment*1

(Consolidated)

(¥bn)		FY16	FY17	change
Retail banking	Gross profits	1,198.1	1,226.9	28.8
	Expenses	972.3	960.7	(11.6)
	(Expense ratio)	81.2%	78.3%	(2.8ppt)
	Net operating profits	225.7	266.1	40.4
Japanese corporate banking*2	Gross profits	851.9	821.7	(30.2)
	Expenses	430.4	428.9	(1.5)
	(Expense ratio)	50.5%	52.2%	1.7ppt
	Net operating profits	421.5	392.8	(28.7)
Global banking	Gross profits	1,303.2	1,279.6	(23.6)
	Expenses	821.0	857.3	36.3
	(Expense ratio)	63.0%	67.0%	4.0ppt
	Net operating profits	482.2	422.3	(59.9)
Asset management / Investor services	Gross profits	173.1	186.7	13.6
	Expenses	112.2	116.9	4.7
	(Expense ratio)	64.8%	62.6%	(2.2%)
	Net operating profits	60.9	69.8	8.9
Global markets	Gross profits	582.9	477.2	(105.7)
	Expenses	213.2	222.6	9.5
	(Expense ratio)	36.6%	46.7%	10.1ppt
	Net operating profits	369.7	254.5	(115.2)

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

*2 Exclude overseas business with Japanese corporates

Appendix: Financial results of Mitsubishi UFJ Securities Holdings

- Domestic securities companies almost unchanged in revenue due to sluggish fixed-income business under lower market volatility, while strong performance in retail related business. On the other hand, overseas business enjoyed solid results in both primary and secondary business, causing consolidated revenues to increase year on year*1
- Net profits decreased due to a decrease in the earnings of affiliates

Results of Mitsubishi UFJ Securities Holdings

(¥bn)	FY16	FY17	YoY	(Reference*) FY17
1 Net operating revenue ²	379.2	365.8	(13.4)	432.0
2 Commission received	173.2	158.5	(14.7)	
3 Equity brokerage	39.0	42.5	3.4	
4 Underwriting and secondary distribution	36.6	24.6	(12.0)	
5 Sales of investment trusts	35.6	34.7	(0.9)	
6 Other fees received	61.9	56.7	(5.1)	
7 Net trading income	179.1	171.1	(7.9)	
8 Stocks	29.2	39.2	10.0	
9 Bonds and other	149.9	131.8	(18.0)	
10 SG&A expenses	315.1	302.6	(12.5)	353.0
11 Transaction expenses	98.4	93.4	(4.9)	
12 Operating income	64.1	63.2	(0.8)	
13 Non-operating income	35.4	20.9	(14.5)	
14 Equity in earnings of affiliates	29.2	17.3	(11.9)	
15 Ordinary income	99.5	84.2	(15.3)	100.0
16 Profits attributable to owners of parent	49.0	43.1	(5.8)	52.3

Results of MUMSS³

(¥bn)	FY16	FY17	YoY
1 Net operating revenue ²	295.0	293.2	(1.7)
2 SG&A expenses	242.6	245.3	2.7
3 Operating income	52.4	47.8	(4.5)
4 Ordinary income	53.8	49.3	(4.4)
5 Profits attributable to owners of parent	34.4	32.4	(1.9)

Net operating revenue of domestic securities firms (FY17)

Rank	Security firm(s)	Amount (¥bn)
1	Nomura Securities	611.3
2	MUMSS ³ (incl. MUMSPB) + MSMS + kabu.com	403.7 ⁴
3	SMBC Nikko Securities	345.2
4	Daiwa Securities	326.0
5	Mizuho Securities	269.6

(Source: Company disclosure)

*1 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

*2 Operating revenue minus financial expenses

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

*4 Simple total of MUMSS, Morgan Stanley MUFG Securities Co., Ltd. (MSMS) and kabu.com Securities Co., Ltd.

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

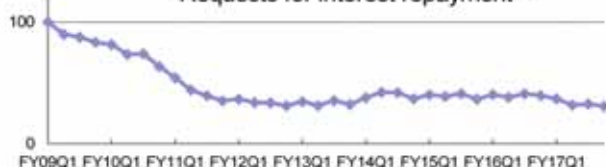
Appendix: Financial results of Mitsubishi UFJ NICOS (NICOS) / ACOM

- NICOS: Operating revenue increased due to an increase in the volume of card shopping. While credit related costs increased, net profits increased due to an increase of deferred tax asset
- ACOM: Operating revenue increased mainly due to good performance of loan and guarantee business. No. of requests for interest repayment decreased by around 40% yoy

Results of NICOS

(¥bn)	FY16	FY17	YoY
1 Operating revenue	275.2	288.8	13.6
2 Card shopping	189.0	199.3	10.3
3 Card cashing	24.5	22.2	(2.2)
4 Loan revenue	5.2	4.4	(0.7)
5 Operating expenses	281.7	284.7	2.9
6 G&A expenses	256.5	259.6	3.1
7 Credit related costs	14.1	25.0	10.9
8 Provision for loss on interest repayment	11.1	-	(11.1)
9 Operating profit	(6.5)	4.1	10.6
10 Ordinary profit	(5.9)	4.6	10.5
11 Profits attributable to owners of parent	(28.1)	14.0	42.1
12 Interest repayment ^{*1}	18.9	15.6	(3.3)

<Requests for interest repayment^{*2}>



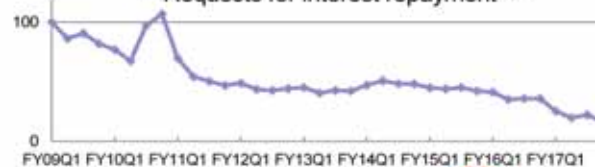
^{*1} Including waiver of repayment ^{*2} Requests for interest repayment in FY09Q1 = 100

^{*3} Share of the receivables outstanding excluding housing loans (non-consolidated) in consumer finance industry ^{*4} As of end Dec 17

Results of ACOM

(¥bn)	FY16	FY17	YoY
1 Operating revenue	245.1	263.4	18.3
2 Operating expenses	315.3	182.5	(132.8)
3 G&A expenses	89.5	92.4	2.9
4 Provision for bad debt	68.5	77.5	9.0
5 Provision for loss on interest repayment	143.7	-	(143.7)
6 Operating profit	(70.1)	80.9	151.1
7 Profits attributable to owners of parents	(72.1)	70.5	142.7
8 Interest repayment ^{*1}	68.8	60.8	(7.9)
	End Mar 17	End Mar 18	Change from end Mar 17
9 Guaranteed receivables	1,129.7	1,199.6	69.8
10 Unsecured consumer loans (Non-consolidated)	777.5	797.2	19.7
11 Share of loans ^{*3}	32.9%	32.7% ^{*4}	(0.2ppt)

<Requests for interest repayment^{*2}>



MUFG 67

Appendix: Financial results of Morgan Stanley and major collaborations

- FY18 Q1 net revenue and net income were a record due to strong results across all businesses
- Leveraging the MUFG-MS alliance, the Joint Venture acted as Bookrunner for both the domestic and international tranches in all of 16 large global IPOs*¹ by Japanese companies since its inception in May 2010

Morgan Stanley Financial results*²

(US\$m)	FY17 Q1	FY18 Q1	YoY
1 Net revenue	9,745	11,077	1,332
2 Non-interest expenses	6,937	7,657	720
3 Income from continuing operations before taxes	2,808	3,420	612
4 Net income applicable to MS	1,930	2,668	738
5 Earnings applicable to MS common Shareholders	1,840	2,575	735
6 ROE	10.7%	14.9%	4.2ppt

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

(Source) Thomson Reuters

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

*2 Based on U.S. GAAP

Major collaborations

- Bain Capital's Tender Offer to ASATSU-DK
 - MUMSS acted as the sole FA to ASATSU-DK in the approx. JPY150 bn TOB by Bain Capital
- 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 128 bn 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 349 bn 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 1.2 bn acquisition, and MUFG acted as sole underwriter for the USD 920 mm bridge facility to support the acquisition

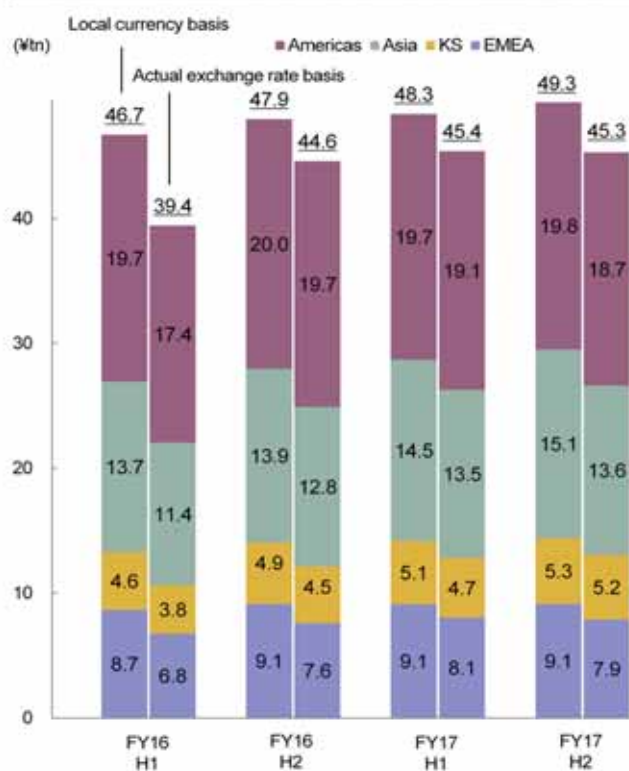
Equity Underwriting		(Apr 17- Mar 18)		
Rank	Bookrunner	# of Deals	AMT (¥ bn)	Share (%)
1	Nomura	115	1,024.7	24.2
2	Daiwa	97	915.3	21.6
3	SMBC Nikko	159	607.0	14.4
4	MUMSS	81	494.7	11.7
5	Mizuho	133	469.4	11.1

(Source) Thomson Reuters

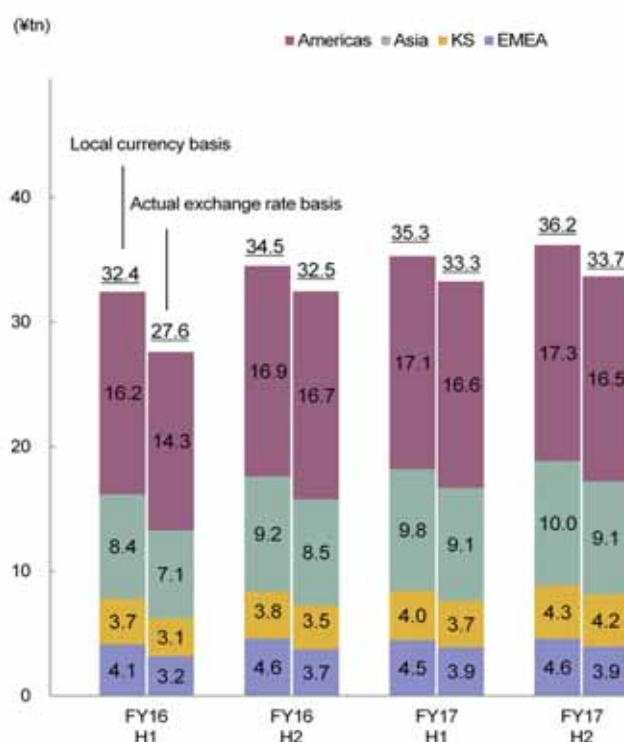
Appendix: Global Loans and deposits by region

(Consolidated)

Average loan balance by region



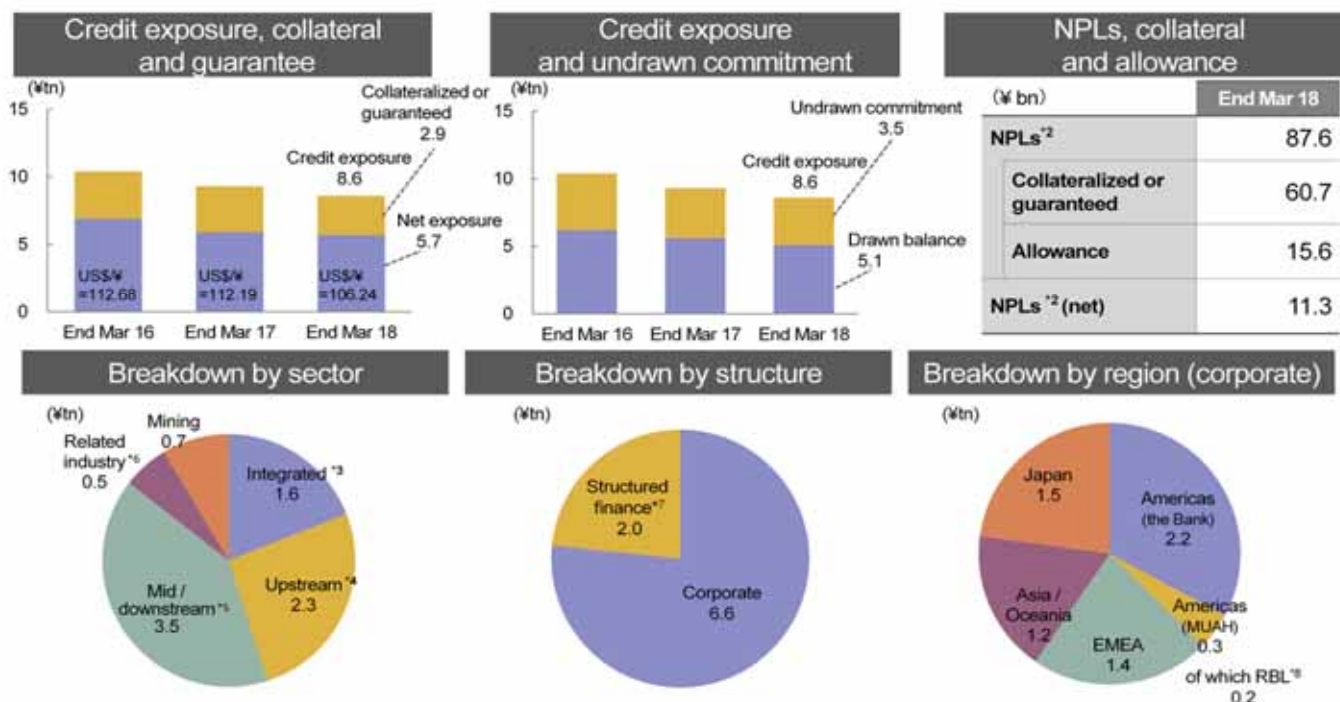
Average deposit balance by region



Asset quality – Energy and mining portfolio

(Consolidated)

- Total credit exposure*¹ in the energy related sector decreased to ¥8.6 tn. Net exposure was ¥5.7 tn
- NPLs*² were ¥87.6 bn. About 90% were covered by collateral, guarantee or allowance. Net NPLs were ¥11.3 bn



*¹ Including undrawn commitment and excluding market exposure

*² NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria

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

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

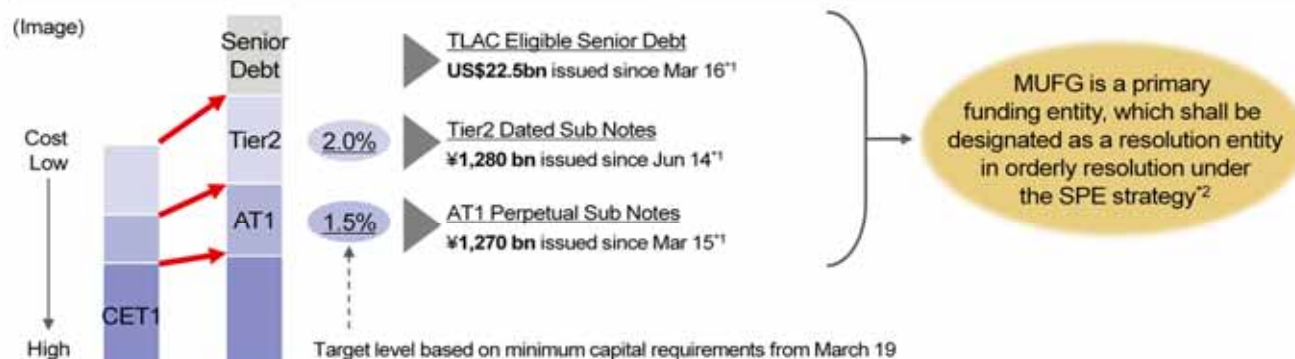
*⁸ Reserve based lending where loans are collateralized by the values of borrower's reserve

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

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 Mar 18 17.3%

(Note) TLAC ratio estimation is calculated as follows, which is based on our total capital ratio as of end Mar 18
 TLAC Ratio = Total capital ratio (16.56%) – Capital conservation buffer (2.5%) – G-SIB surcharge (1.5%) + Credible ex-ante commitments (2.5%) + TLAC eligible debt (2.12%) ± Other adjustments, etc.

Ref. minimum TLAC requirement

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

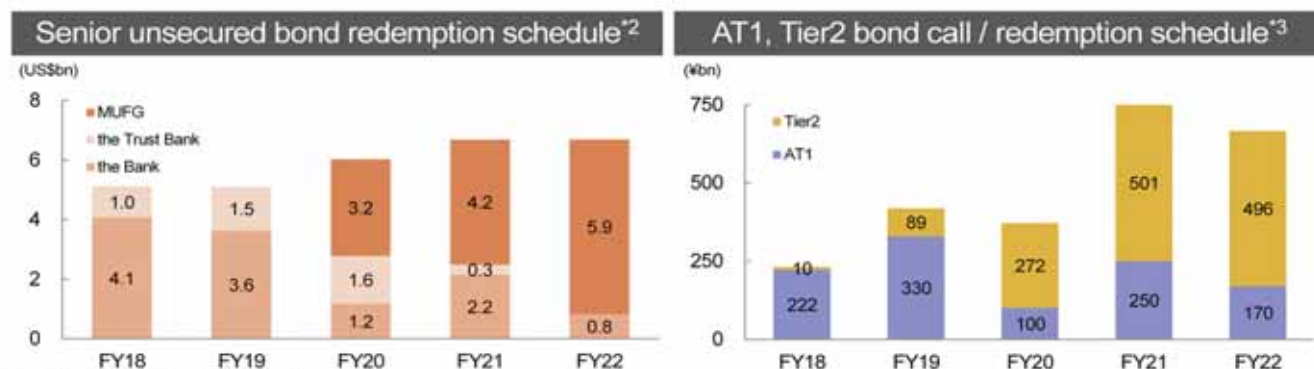
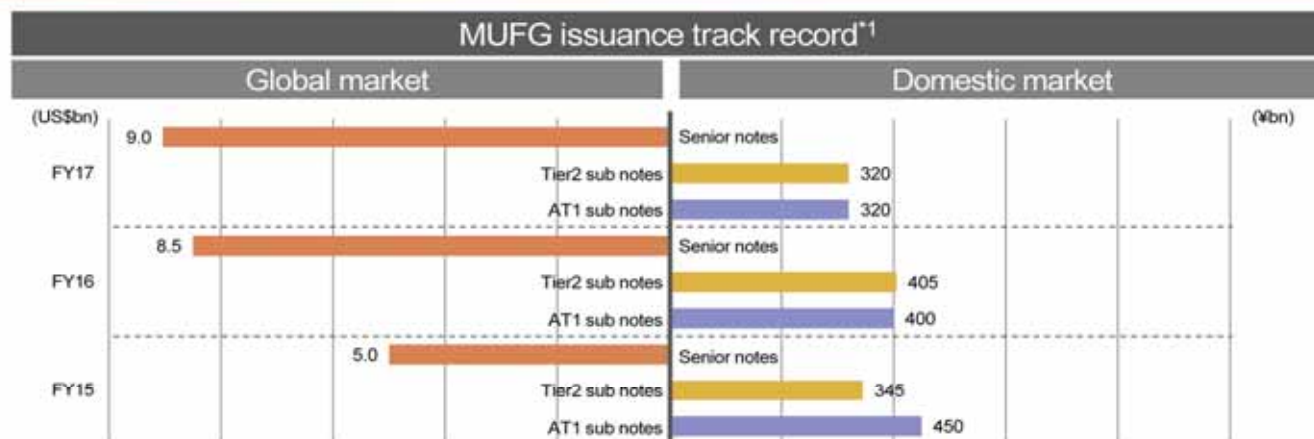
^{*1} Accumulated amount of issuance of benchmark-size notes as of end Mar 18 (excluding the amount of buyback). TLAC Eligible Senior Debt are converted into US\$ with actual exchange rates as of end Mar 18

^{*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



*1 Total of public issuance, as of end Mar 18

*2 Figures are all converted into US\$ with actual exchange rates as of end Mar 18. Excluding structured bond and notes issued by overseas branches and subsidiaries

*3 Figures are as of end Mar 18 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