

Fiscal 2018 Interim Results Presentation

November 16, 2018

Mitsubishi UFJ Financial Group, Inc.



- ✓ This is Hirano speaking.
- ✓ Thank you for taking time out of your busy schedules to come to the MUFG Fiscal 2018 Interim Results Presentation.
- ✓ As for the earnings results, Mr. Tokunari, our CFO, gave a presentation during the net conference the other day. On my part, I would like to keep the earnings results part simple so that I can spend more time on how much progress we are making in implementing the Medium-Term Business Plan (MTBP).
- ✓ Please go to page 8.

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.

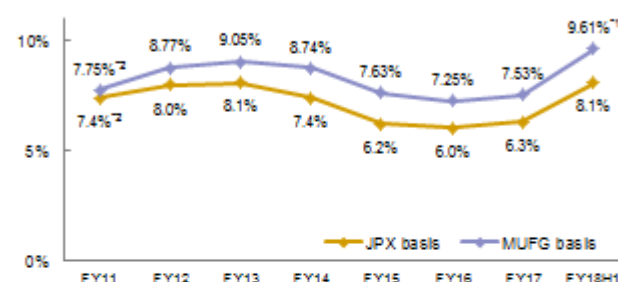
In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed.

The financial information used in this document was prepared in accordance with Japanese GAAP (which includes Japanese managerial accounting standards), unless otherwise stated. Japanese GAAP and U.S. GAAP, differ in certain important respects. You should consult your own professional advisers for a more complete understanding of the differences between U.S. GAAP and Japanese GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this document. This document is being released by MUFG outside of the United States and is not targeted at persons located in the United States.

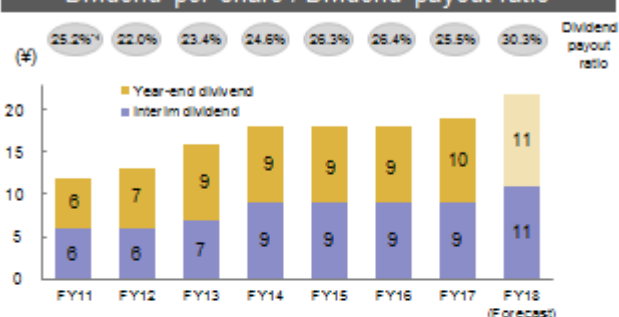
Definitions of figures used in this document

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

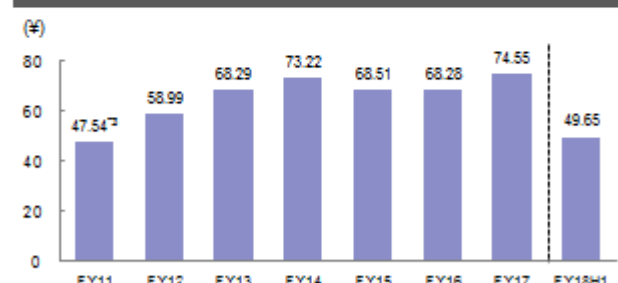
ROE



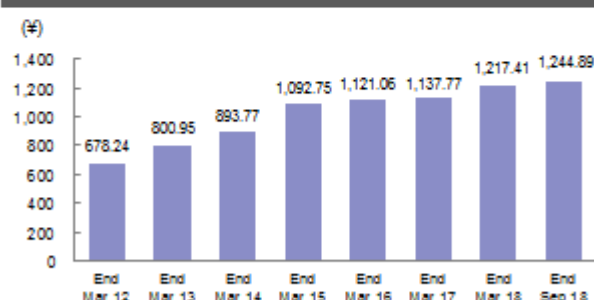
Dividend per share / Dividend payout ratio



EPS



BPS



Interim profits attributable to owners of parent x 2

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

^{*2} 11.10%(MUFG basis), 10.6%(JPX basis) before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

^{*3} ¥68.09 before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

^{*4} 17.6% before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

Financial targets

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

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

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

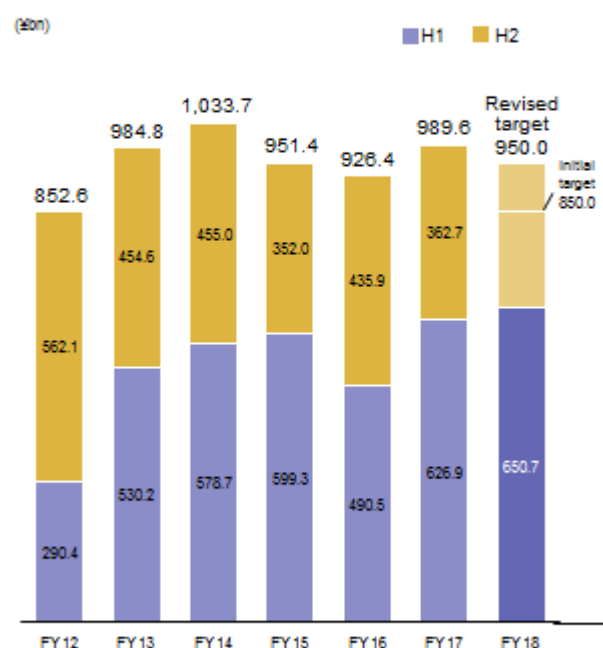
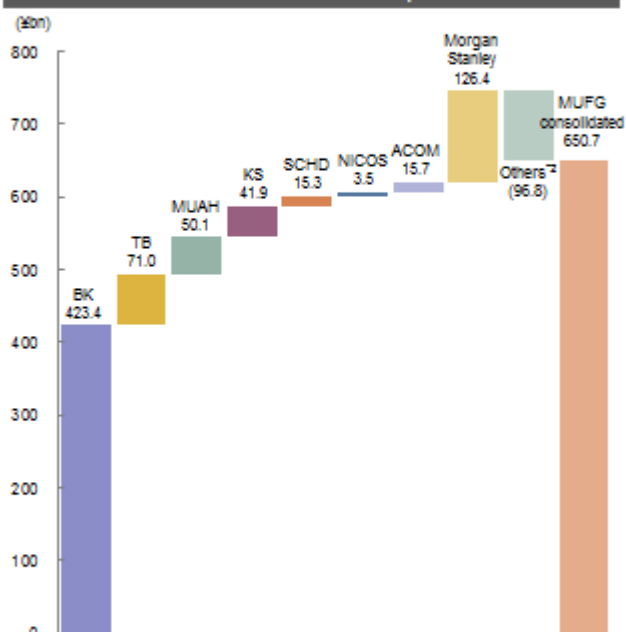
Consolidated (¥bn)	Results			Targets		
	FY17		FY18	FY18		
	Interim	Full year	Interim	Interim	Full year (revised targets)	Changes from initial targets
Net operating profits						
1 before credit costs for trust accounts and provision for general allowance for credit losses	700.7	1,232.8	568.1	500.0	1,050.0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

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Outline of FY2018 Interim Results

History of profits attributable to owners of parent

Breakdown of FY18 interim profits attributable to owners of parent^{*1}

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

^{*2} Including cancellation of the amount of inter-group dividend receipt and equity method income from other affiliate companies

- ✓ Fiscal 2018 interim results for profits attributable to owners of parent was 650.7 billion yen, up 23.8 billion year on year. This is 76 percent of the full-year profit target of 850 billion yen.
- ✓ Based on the first-half results, the full year target was revised upwards by 100 billion, from 850 billion to 950 billion yen.
- ✓ Please turn to page 9, income statement summary.

Income statement summary

(Consolidated)

● Gross profits

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

● G&A expenses and Expense ratio

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

● Total credit costs^{*1}

- The credit costs were net reversal of ¥117.9 bn

● Profits attributable to owners of parent

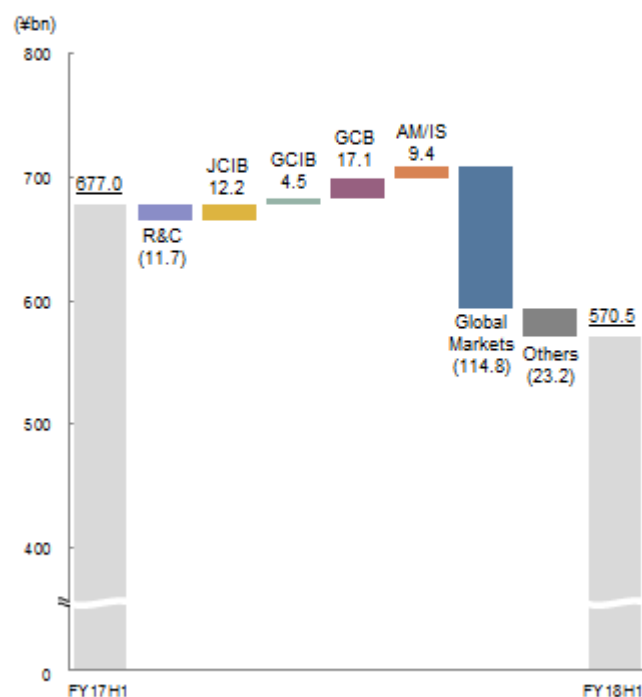
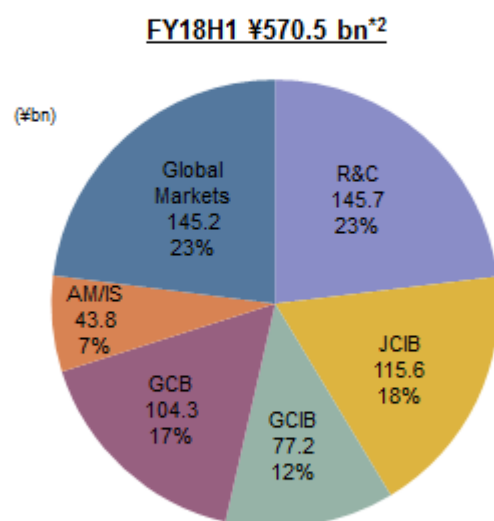
- Profits attributable to owners of parent increased ¥23.8 bn. In addition to the improvement in total credit costs, net gains on equity securities as well as profits from investments in Morgan Stanley increased

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

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



- ✓ Gross profits on line 1 were down 125.5 billion yen at 1,882.5 billion yen. Almost all of the decline is market-related, as shown on line 4.
- ✓ G&A expenses on line 6 are contained in domestic operations but slightly increased year on year in overseas due to the expansion of business and increases in regulatory costs.
- ✓ As a result, net operating profits on line 7 were 568.1 billion yen, a decline of 132.6 billion yen from the same period of the previous year.
- ✓ Below net operating profits, (1) there was a reversal of credit costs, (2) net gains on equity securities sold after the review of strategic investments, and (3) increased profits from investments in Morgan Stanley. Profits attributable to owners of parent were 650.7 billion yen, 23.8 billion yen higher year on year.
- ✓ Please go to page 11.

Net operating profits by business segment^{*1}

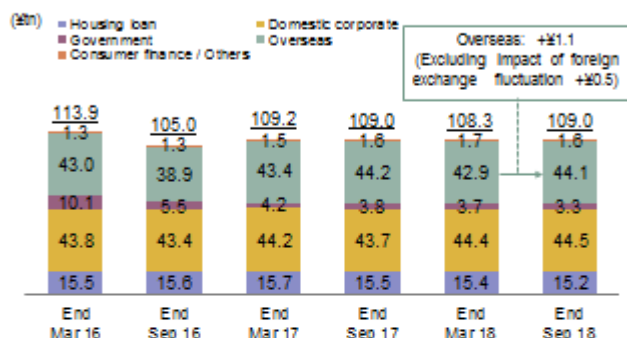
^{*1} All figures are in actual exchange rate and managerial accounting basis
^{*2} Including profits or losses from others

Balance sheets summary

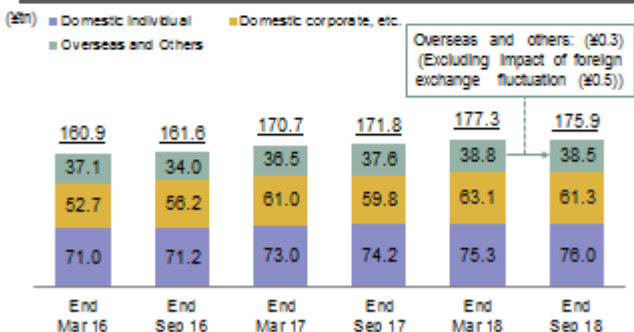
(Consolidated)

(¥bn)	End Mar 18	End Sep 18	Changes
1 Total assets	308,937.4	308,387.6	(549.7)
2 Loans (Banking + Trust accounts)	108,397.7	109,011.7	613.9
3 Loans (Banking accounts)	108,090.9	108,642.7	551.7
4 Housing loans^{*1}	15,453.9	15,225.4	(228.5)
5 Domestic corporate loans^{*1,2}	44,458.0	44,580.3	122.2
6 Overseas loans^{*2}	42,949.3	44,116.5	1,167.1
7 Investment securities (Banking accounts)	59,266.1	58,786.6	(499.5)
8 Domestic equity securities	6,378.5	6,611.6	233.1
9 Japanese government bonds	23,551.3	21,685.0	(1,866.3)
10 Foreign bonds	18,589.3	18,223.8	(365.4)
11 Total liabilities	289,642.3	288,812.1	(830.1)
12 Deposits	177,312.3	175,979.7	(1,332.5)
13 Individuals (Domestic branches)^{*4}	75,302.5	76,087.0	784.4
14 Domestic corporates and others^{*4}	63,134.6	61,351.0	(1,783.6)
15 Overseas and others^{*2}	38,875.0	38,541.7	(333.3)
16 Total net assets	17,295.0	17,575.4	280.3
17 Net unrealized gains (losses) on available-for-sale securities	3,517.4	3,565.5	48.0

Loans (Period end balance)^{*1}



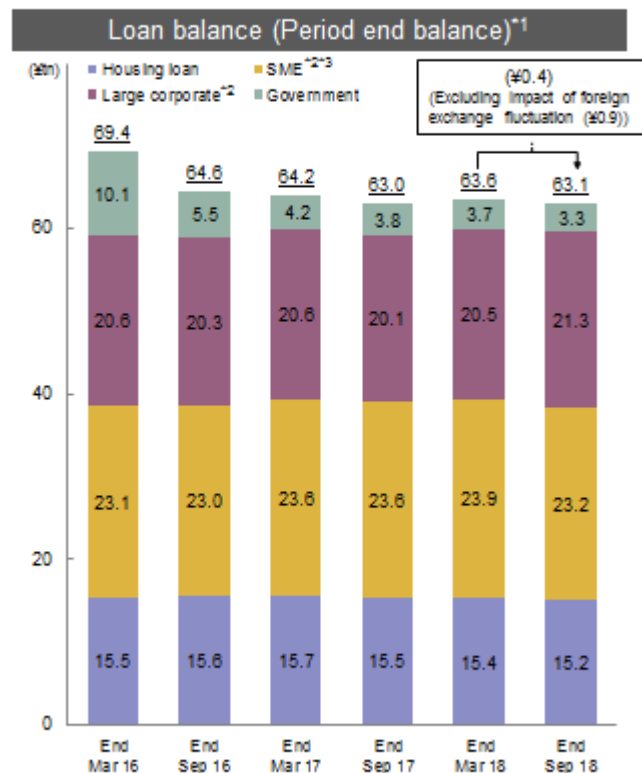
Deposits (Period end balance)



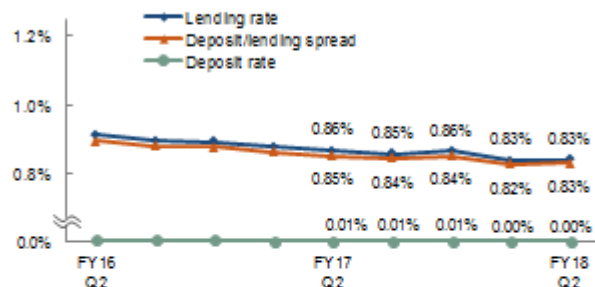
*1 Non-consolidated + trust accounts *2 Excluding loans to government and governmental institutions and including foreign currency denominated loans (Excluding impact of foreign exchange fluctuation: (¥0.3) on from Mar 18)

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

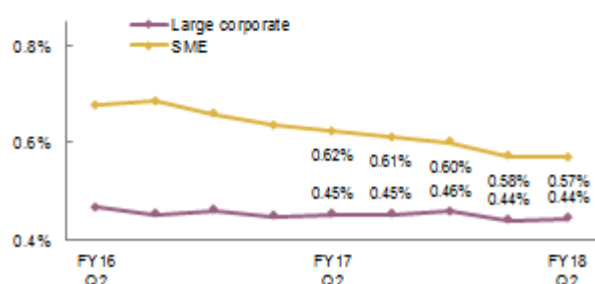
- ✓ As shown in the right graph, loans increased overseas. However, setting aside the domestic deposits for the moment, overseas deposits decreased, which is a challenge, as I will discuss later.
- ✓ Please turn to page 12.



Changes in domestic deposit/lending rate*4*5*6



Domestic corporate lending spread*4*5*6



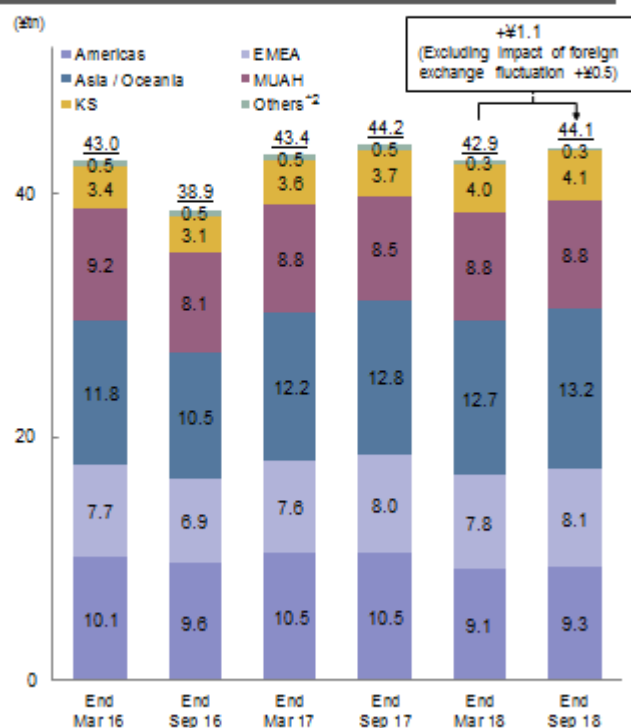
*1 Consolidated. Sum of banking and trust accounts *2 Including non-JPY loans
 *3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)
 *4 Managerial accounting basis *5 Non-consolidated *6 Excluding lending to government etc.

- ✓ This page shows domestic loans.
- ✓ The housing loan and SME loan balance declined, but large corporate loan is showing an increasing trend.
- ✓ The top-right graph shows changes in the domestic deposit / lending rate. In recent quarters there are some slight fluctuations, but as the low-interest-rate environment continues, the funding demand and supply condition remains saturated. Unfortunately, we expect the lending spread to SMEs to continue to move down gradually.
- ✓ Please go to page 13.

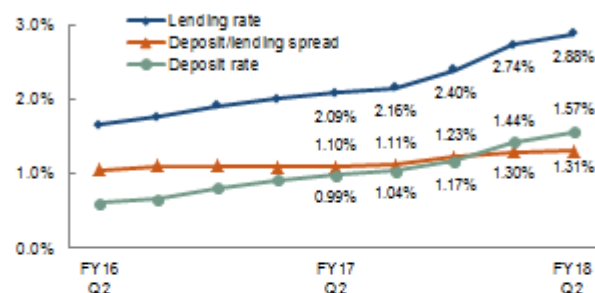
Overseas loans

(Consolidated / Non-consolidated)

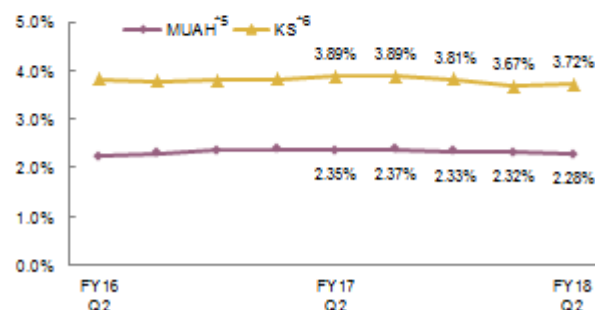
Loan balance (Period end balance)^{*1}



Change in overseas deposit/lending rate^{*3*4}



Net interest margin



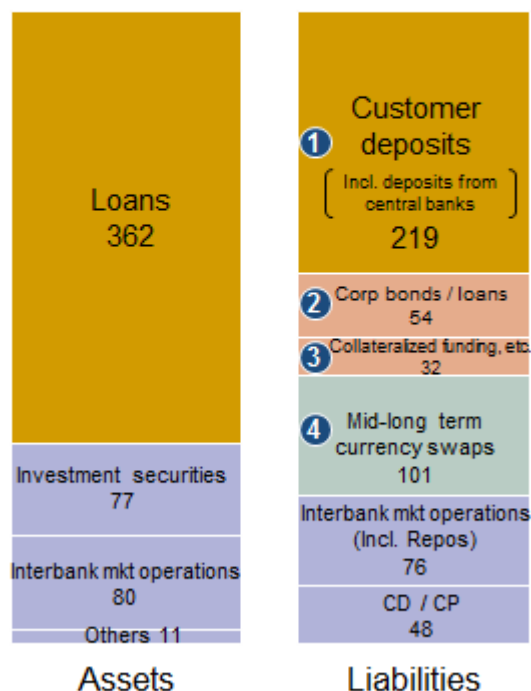
^{*1} Consolidated ^{*2} Loans booked at offshore markets etc. ^{*3} Non-consolidated ^{*4} Managerial accounting basis
^{*5} Financial results as disclosed in MUAAH's 10-K and 10-Q reports based on U.S. GAAP
^{*6} Financial results as disclosed in Krungsri's financial reports based on Thai GAAP

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- ✓ This page shows overseas loans.
- ✓ The balance increased, in particular, mortgage loans in the United States and auto loans in Thailand.
- ✓ The spread between lending and deposit rates improved on a non-consolidated basis, mainly due to improved demand from Japanese corporate customers and a rise in interest rates.
- ✓ Please go to page 14.

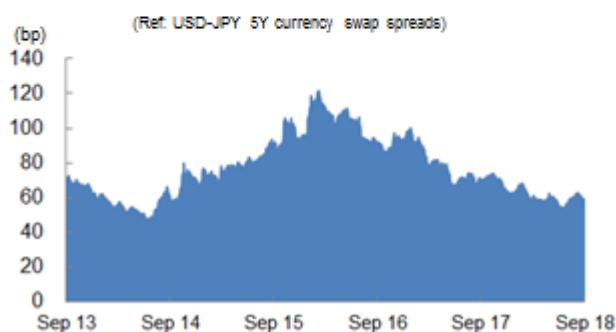
Non-JPY balance sheet (the Bank managerial basis excl. MUAH, KS)

As of end Sep 18 (US\$bn)



Non-JPY funding in stable and efficient manner

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



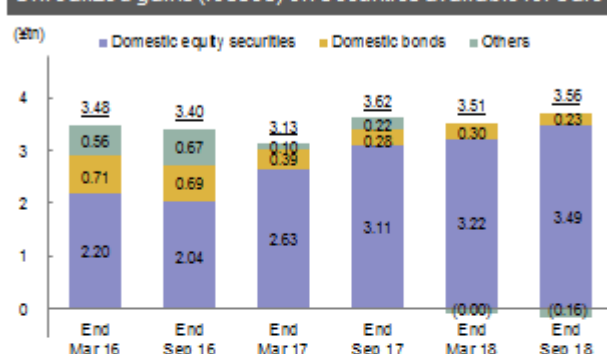
*1 Repurchase agreement in which denominated currency is different in cash transaction and collateral security

- ✓ This page shows non-JPY assets and funding.
- ✓ As I mentioned earlier, non-Japanese yen deposits from customers decreased slightly in the first half, but as shown in the left chart, they cover 60 to 70 percent of non-Japanese yen loans.
- ✓ As shown in the right side of the chart, under customer deposits, we have increased foreign currency-denominated corporate bonds and collateralized funding, such as cross-currency repos backed by JGB collateral. Average duration of corporate bonds is around 7 years.
- ✓ With diversification of funding source, as indicated here, (1) customer deposits, (2) corporate bonds, and (3) collateralized funding cover 85 percent of non-Japanese yen loans.
- ✓ The remaining 15 percent is covered by currency swaps. Despite the recent trend of rising dollar funding costs, the increase is moderate, since the duration of currency swaps is mostly medium to long term.
- ✓ Please go to page 15.

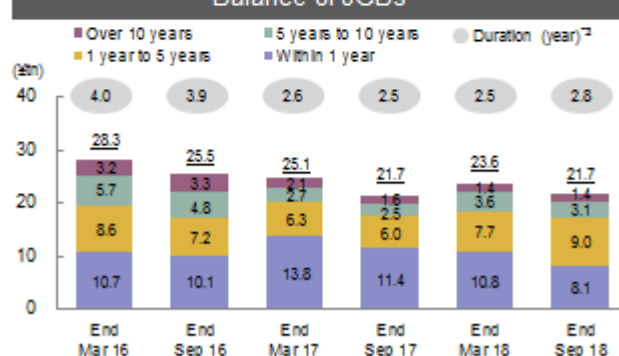
Securities available for sale with fair value*1

(¥bn)	Balance		Unrealized gains (losses)	
	End Sep 18	Changes from End Mar 18	End Sep 18	Changes from End Mar 18
1 Total	54,472.9	(924.4)	3,585.5	48.0
2 Domestic equity securities	5,779.0	238.0	3,497.8	277.7
3 Domestic bonds	25,507.8	(1,472.7)	230.3	(75.1)
4 Japanese government bonds	20,584.2	(1,886.2)	199.7	(59.2)
5 Others	23,185.9	310.3	(162.7)	(154.4)
6 Foreign equity securities	156.8	(177.7)	1.4	(34.5)
7 Foreign bonds	17,003.5	(444.8)	(275.7)	(136.8)
8 Others	8,025.6	932.8	111.5	16.7

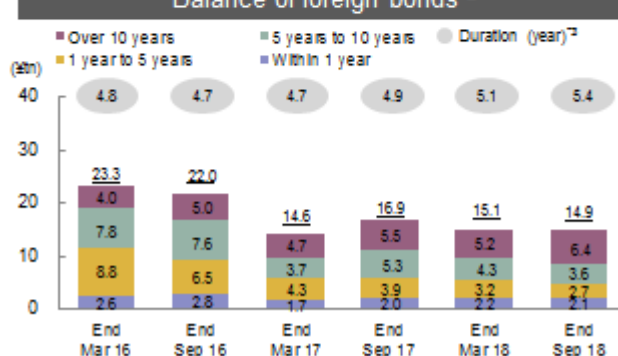
Unrealized gains (losses) on securities available for sale*1



Balance of JGBs*2



Balance of foreign bonds*2



*1 Consolidated

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

*3 Securities available for sale. Non-consolidated

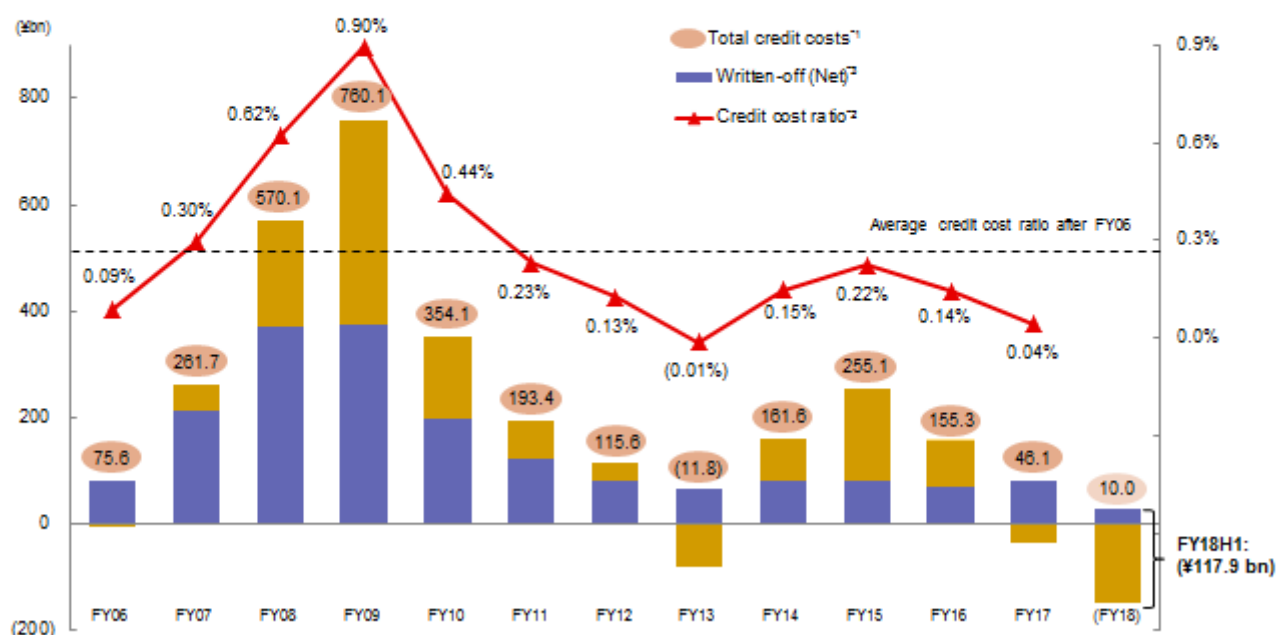
- ✓ Please refer to the top-left chart.
- ✓ With the rise in interest rates in the United States, unrealized losses of foreign bonds on line 7 rose to 275.7 billion yen.
- ✓ However they are more than offset by the unrealized gains of JGB on line 4 and others under Others on line 8. Furthermore, our currency policy is to manage yen and non-Japanese yen together and to manage rates, equities, and credits in a combined portfolio. Thus, it is not appropriate to discuss foreign bonds in isolation from others, but it goes without saying that this requires close attention.
- ✓ Please turn to page 16.

Asset quality – Historical credit costs

(Consolidated)

- Credit costs for FY18H1 were net reversal of ¥117.9 bn
- Total credit costs forecast for FY18 has been lowered to ¥10.0 bn from ¥120.0 bn

Total credit costs*¹ / Credit cost ratio*²



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

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

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

MUFG 16

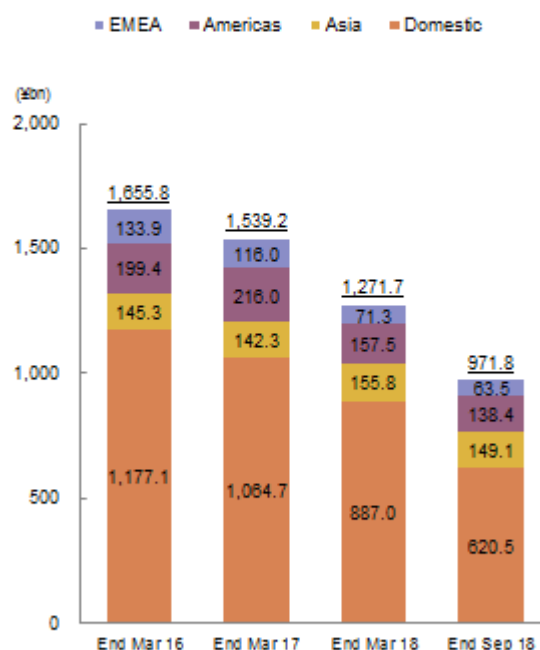
- ✓ This page shows credit costs.
- ✓ In the first half, mainly because of rating upgrades of specific obligors, there was a net reversal of 117.9 billion yen in credit costs, resulting in the lowering of the total credit cost forecast for fiscal 2018 from 120 billion yen to 10 billion yen.
- ✓ Please go to page 19.

Asset quality

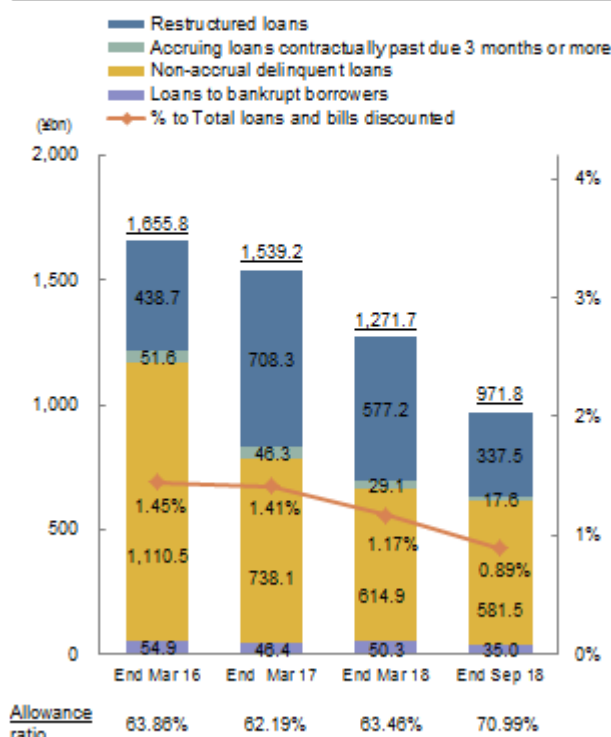
– Non-performing loans*1

(Consolidated)

Risk-monitored loans by region*2



Risk-monitored loans / ratio*3 / allowance ratio*4



*1 Risk-monitored loans based on Banking Act. Excluding direct write-off

*2 Based on the locations of debtors

*3 Total risk-monitored loans / total loans and bills discounted

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

● Common Equity Tier 1 ratio

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

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

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

● Leverage ratio

- Transitional basis 5.05%

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

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

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

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

Results by Business Group

- ✓ I would now like to discuss results by business group.
- ✓ Please go to page 20.

Results by business group

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

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

- ✓ This is the summary, including the expense ratio and ROE of each business group.
- ✓ In a nutshell, net operating profits from Global Markets and Retail & Commercial banking business groups declined but rose for four other business groups.
- ✓ Please go to page 21.

Retail & Commercial Banking

FY18H1 results^{*1}

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

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

Loans / Deposits

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

KPI

	FY17H1	FY18H1	YoY
Investment assets (¥tn)	40.5	42.3	1.8
Volume of card shopping ^{*3} (¥tn)	2.8	2.9	0.1
Balance of consumer loans ^{*3} (¥tn)	1.5	1.5	0.1
No. of entrusted testamentary trust	1,796	1,746	(50)
Pipeline related to corporate ownership succession ^{*4} (¥bn)	526.0	528.7	2.7

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

^{*2} Excluding consumer loans ^{*3} Excluding non-JPY mid- to long-term funding costs ^{*4} For NIOS cardmembers

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

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

- ✓ First, this page shows Retail & Commercial Banking, which does business for domestic retail and SME customers.
- ✓ Card settlement and consumer finance business grew. In addition, with the rising rates in the United States, deposit interest income grew due to an increase in non-Japanese yen deposit margin.
- ✓ On the other hand, investment product sales were sluggish due to the market deterioration. This is a challenge which I will come back to later.
- ✓ Please go to page 22.

Japanese Corporate & Investment Banking

FY18H1 results^{*1}

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

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

Loans / Deposits

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

KPI

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

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

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

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



- ✓ This page shows Japanese Corporate & Investment Banking.
- ✓ Securities-related income, such as M&A advisory and foreign settlement / forex income, were strong.
- ✓ In addition, loan interest income increased, mainly due to an improvement of the non-Japanese yen lending spread. In short, pricing renegotiations since last year were effective. Deposit interest income grew due to an increase in non-Japanese yen deposit volume and non-Japanese yen deposit margin increase.
- ✓ Please go to page 23.

Global Corporate & Investment Banking

FY18H1 results^{*1}

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

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

Loans / Deposits

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

KPI

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

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

^{*4} Distribution amount = Arrangement amount - Final hold amount (Syndicated loan, Project Finance, Securitization, Aviation Finance, etc.)

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

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

- ✓ This page shows Global Corporate & Investment Banking (GCIB).
- ✓ For non-Japanese large corporate customers, led mainly by Asia and Oceania that captured event finance opportunities, and the Americas that saw closing of multiple large transactions, GCIB profits increased.
- ✓ Loan tenor shortening helped reduce non-Japanese yen mid- to long-term funding costs, which also helped push up profits.
- ✓ On the other hand, improvement of the balance between non-Japanese yen deposits and loans remains a challenge. Both the asset and funding side will be enhanced, including by increasing the non-Japanese yen deposit balance with appropriate incentives and by strengthening origination and distribution business that minimizes the final-take amount of loans. I will come back to this point again later.
- ✓ Please go to page 24.

FY18H1 results*1

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

• MUAH:

Gross profits grew due to an increase in interest income from loan growth, favorable interest rate environment on loans and deposits, as well as an increase in fees in Retail / Wealth. Measures will be taken to change asset composition and improve yield (See page 41)

• KS:

Interest income increased mainly due to robust loan growth
Non-interest income increased from retail & consumer businesses

Loans / Deposits

(¥1n)		FY17H1	FY18H1	YoY
MUAH*2	Ave. loan balance	6.6	7.2	0.6
	Ave. deposit balance	8.4	8.3	(0.1)
	NIM*4	2.84%	2.76%	(0.08ppt)
KS*3	Ave. loan balance	4.6	5.1	0.4
	Ave. deposit balance	3.6	4.4	0.8
	NIM*5	3.82%	3.75%	(0.07ppt)

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

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

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

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

- ✓ This page shows Global Commercial Banking.
- ✓ MUAH saw an increase in the mortgage loan balance and had a strong non-interest income performance in consumer finance and wealth management related business.
- ✓ Krungsri – or Bank of Ayudhya – is performing well with increasing the auto loan and corporate loan balance. Interest income and fees related to retail and consumer business are driving the growth.
- ✓ Please go to page 25.

Asset Management & Investor Services

FY18H1 results*1

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

Strategic Acquisition of CFSGAM⁶

Through this transaction with CBA⁷, the Trust Bank will acquire 100% of the shares in nine major subsidiaries of CFSGAM Group from CFSGAM Holding Company, a wholly owned subsidiary of CBA
(Share sale deed was signed on Oct 31, 2018)

⇒see page 71-72 for details

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

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

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

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

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

- ✓ This page shows Asset Management & Investor Services.
- ✓ This group is reporting a substantial increase in profits.
- ✓ For overseas investor services, mainly non-Japanese yen deposit and fund finance led the growth in profits. In the domestic market, thanks to the introduction of new products, sales of investment products targeting domestic corporate investors performed well. Both IS and AM showed strong results.
- ✓ Please go to page 26.

FY18H1 results^{*1}

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

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

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

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

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

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

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

- ✓ This page shows Global Markets.
- ✓ There was a significant decline in profits due to the fall of gains on JGB sales in comparison to the previous year.
- ✓ This is in line with our initial projection, but in anticipation of the future, there has been improvement or rebalancing of the foreign bond portfolio. Losses on sales of foreign bond were booked. As a result, the results fell short of the plan.
- ✓ Please go to page 27.

Eleven Transformation Initiatives

- ✓ I would now like to discuss the progress in Eleven Transformation Initiatives.
- ✓ Please go to page 30.

Key strategies^{*1}

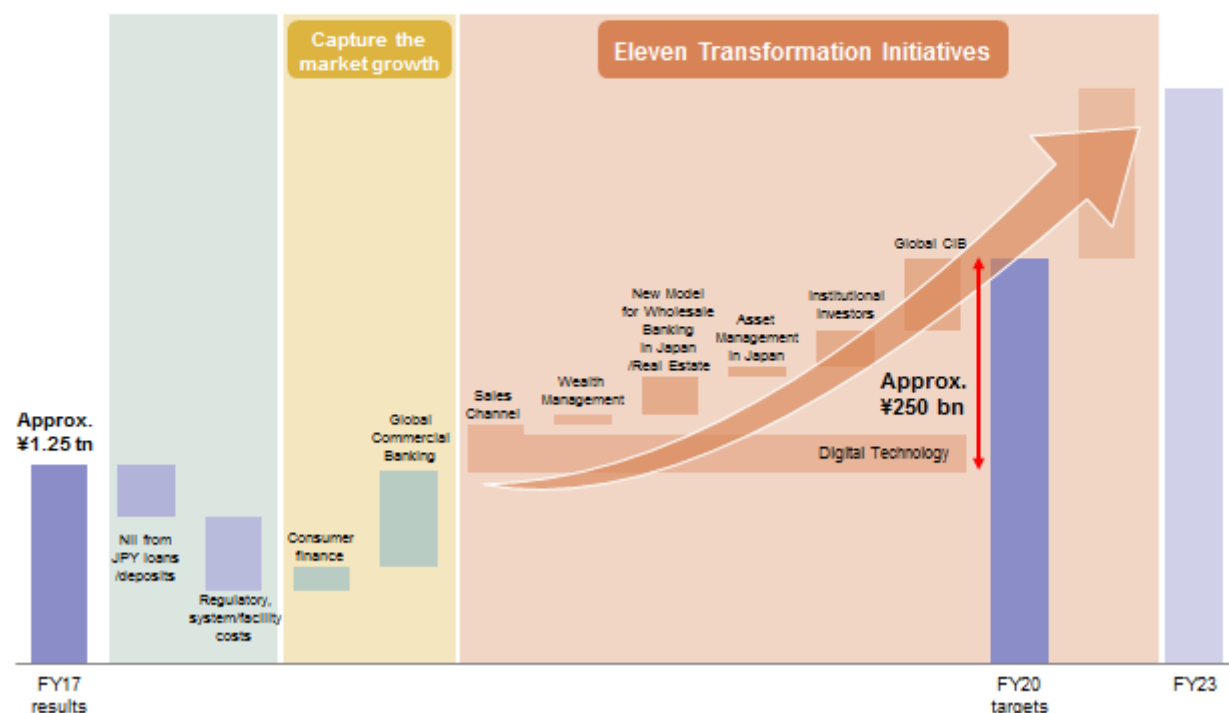
- "Eleven Transformation Initiatives" have been outlined in the new medium-term business plan as specific initiatives to achieve the MUFG Re-Imagining Strategy
- MUFG promotes the initiatives with a joint collaboration by entities, business groups and corporate center



^{*1} Reshown from page 26, Fiscal 2017 Results Presentation

Plan of net operating profits*1

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



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

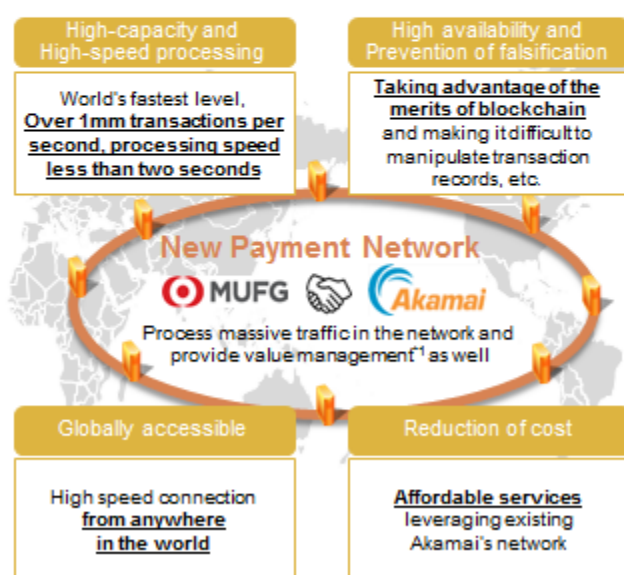
Develop a new payment platform in collaboration with Akamai Technologies, Inc. (USA)

Overview

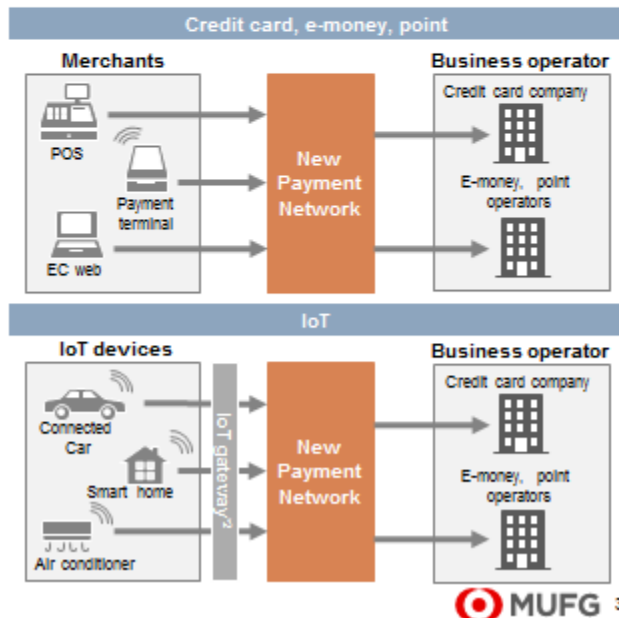
- Jointly developing a payment platform based on advanced blockchain technology to realize high-speed, high-capacity transaction processing to meet the needs of the IoT era

General use case

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



¹ Management and credit/debit of credit limit and account balance for business operators
² Analyze and transform various data of IoT devices and transmit payment data



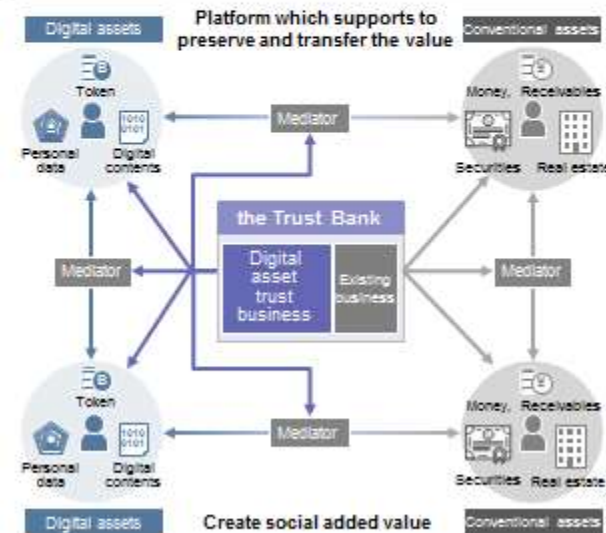
- ✓ I would like to begin with "Digital Technology".
- ✓ We have started a collaboration with Akamai Technologies, Inc. (USA) to develop a payment platform based on advanced blockchain technology in anticipation of increased traffic in the coming IoT era.
- ✓ Please go to page 31.

(1) Digital Technology

Digital asset trust business

Overview

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



*1 Proof of Concept *2 Excluding group companies

Information trust platform "DPRIME" (provisional name)

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

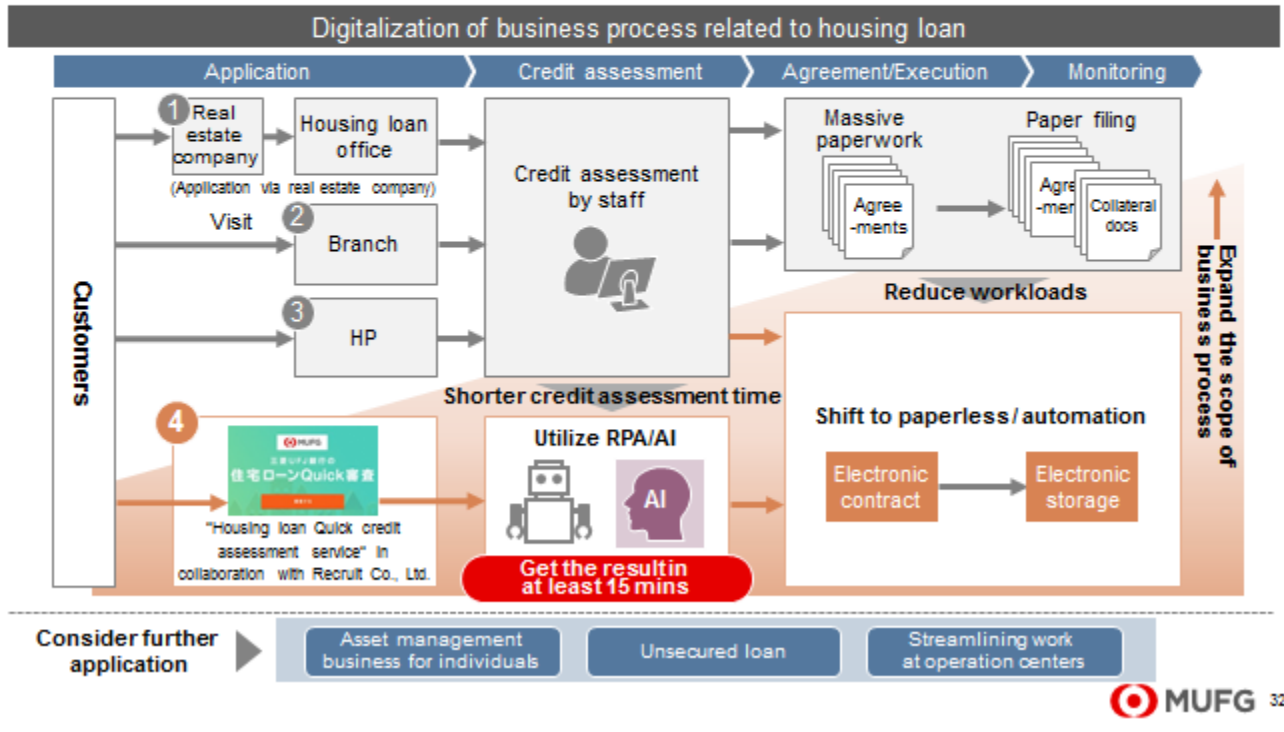


MUFG 31

- ✓ This page shows "Digital asset trust business". The plan is to start offering services in fiscal 2019. With ten supporting companies, PoC with 1,000 individuals started.
- ✓ These are efforts to address the imminent cashless society and digital society. We will develop new business models.
- ✓ Please go to page 32.

(1) Digital Technology

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



- ✓ With digital technology, concrete measures are being implemented to reduce the 30 percent of total workloads.
- ✓ For example, in the housing loan business, the Trust Bank stopped accepting new housing loan applications in March, and the business was integrated under one platform. At the same time, the reform of entire business processes is under way, starting from the initial loan application to the final loan execution and monitoring / management of outstanding loans.
- ✓ We are already tying-up with the housing information site "SUUMO" run by Recruit Co., Ltd. and realizing reduction of the time taken for preliminary credit assessment with utilizing RPA and AI. At the same time, we will capture new customer flows as well as implement paperless and automation processes for middle- and back-office operations.
- ✓ Going forward, in other areas, such as asset management business for individuals and unsecured loans, we would like to implement similar BPR measures and streamline work at the operation centers to achieve reduction in workloads.
- ✓ Please go to page 33.

(2) Sales Channel

Improve UI / UX



Smartphone app for individual account

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

Upgrade functions



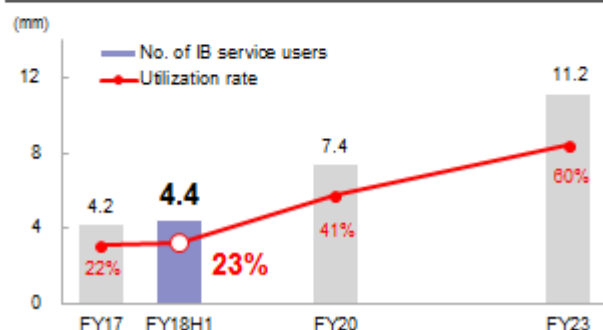
Smartphone app for new account opening



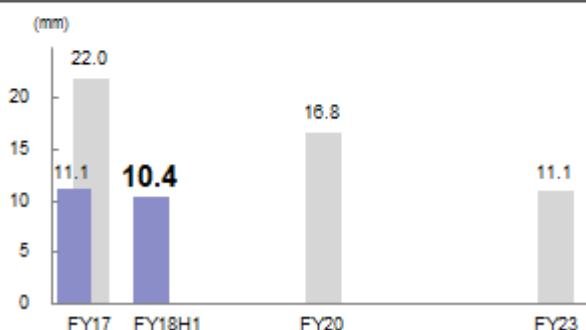
Smartphone app for various bank services

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

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



KPI No. of transactions at bank-counter



^{*1} Part of the transactions of time-deposit, foreign currency deposits and mutual funds ^{*2} Pay-easy: Services of the Japan multi-payment Network Promotion Council that allow us to pay tax bills etc. via smartphone or ATMs ^{*3} Past transactions up to 10 years ^{*4} Mitsubishi UFJ DIRECT: Internet banking for individual customers ^{*5} IB service users = users who log-in IB at least once in 6 months out of all active accounts (excl. accounts used for direct debit only) ^{*6} Utilization rate = IB service users / active accounts

- ✓ This page shows initiatives for “Sales Channel”.
- ✓ First, in the virtual world, to improve customer convenience and to reduce the cumbersome process of having to visit the branch and have passbooks recorded, we are improving smartphone applications. In the first half, card replacement applications and replacement for lost card applications were released. In the second half, we plan to release applications for biometric authentication and for viewing of transaction history of the past ten years.
- ✓ Through such improvements in UI/UX and enhanced functionality, we will encourage customers to migrate to online banking and reduce volume of operations at the branch.
- ✓ Starting from this page, major KPIs in each initiative will be shown. The target for fiscal 2020 and for fiscal 2023 and the current pace of progress are shown in gray and blue bars. We have received much feedback about the importance of making progress visible since it is a long-term turnaround plan. Therefore, semiannually we will keep track of these KPIs.
- ✓ Please go to page 34.

(2) Sales Channel

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

Introducing MUFG NEXT

MUFG NEXT New EXperience Together

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



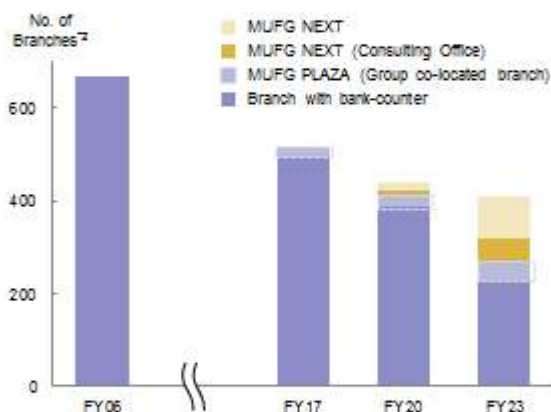
Concierge helps how to use LINKS and supports transactions



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

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

Transforming customers' channels



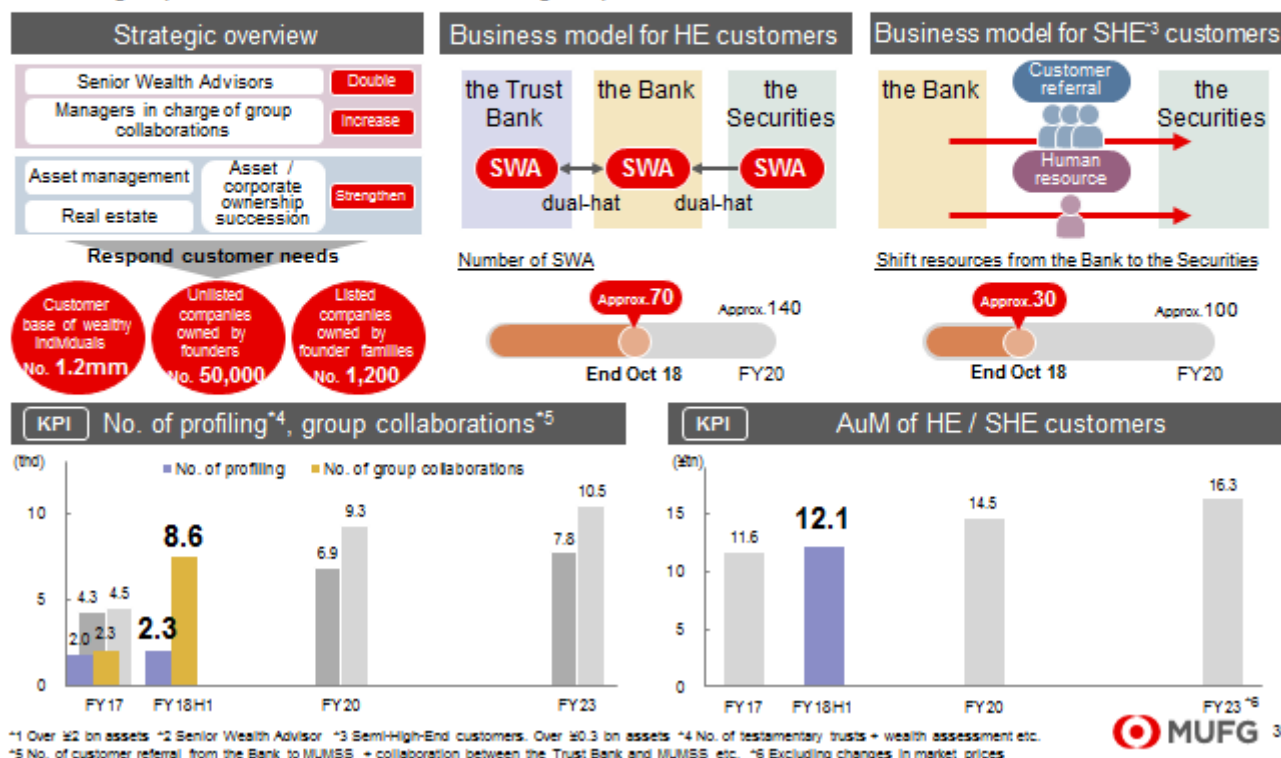
Support restructuring Group's branch property

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

- ✓ This page is about physical channels.
- ✓ Next January, the first MUFG NEXT, a new type of branch making full use of digital technology, will open in front of Gakugei-daigaku Station.
- ✓ In October this year, with Mitsubishi Estate Co., Ltd., "MUMEC Visionary Design, Ltd." was established.
- ✓ This is a company that will make use of human resources and the know-how of Mitsubishi Estate Co., Ltd. to offer solutions on branch relocation and replacements to MUFG. The company will fulfill the role of supporting to put forward the transformation of MUFG's customer channels.
- ✓ Please go to page 35.

(3) Wealth Management

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



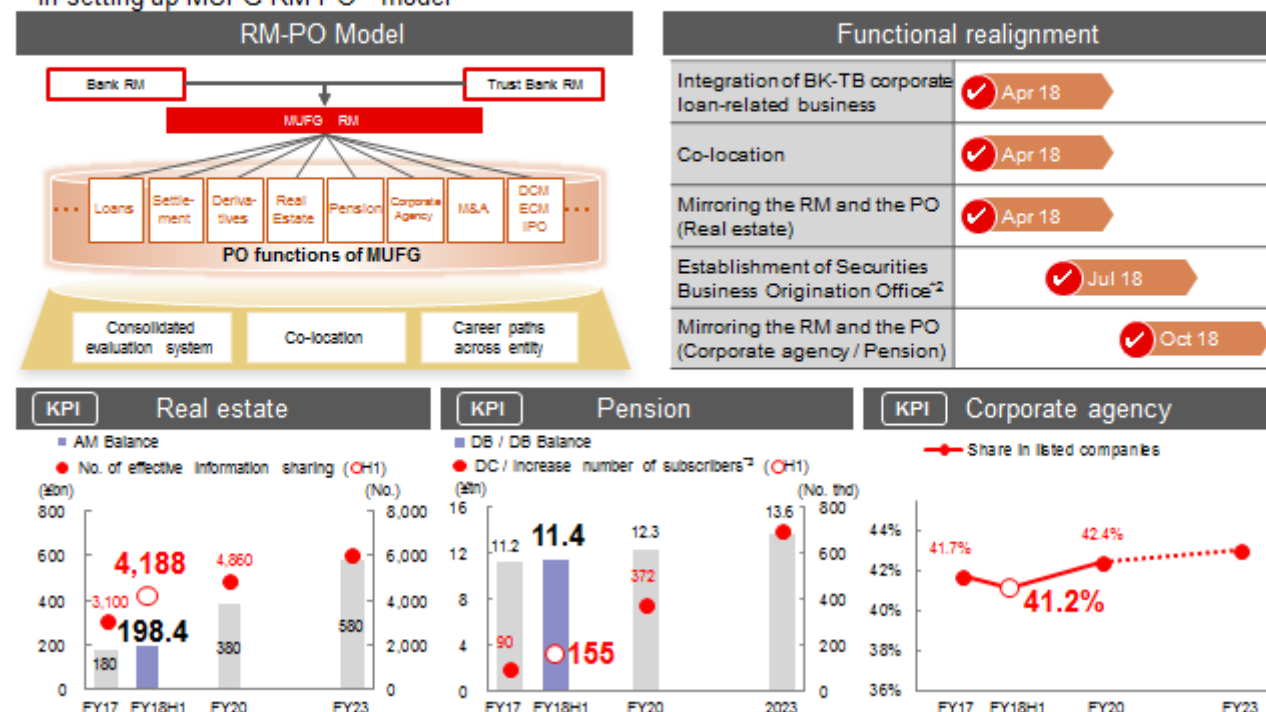
- ✓ This page shows “Wealth Management”.
- ✓ As the bottom-left graph shows, the number of group collaborations from the Bank, the Trust Bank, to the Securities is increasing significantly, while the growth of AuM of High-End and Semi-High-End customers is behind the plan.
- ✓ The transformation from an investment product sales model to asset management and advisory model requires developing a platform.
- ✓ We will steadily build a business platform by increasing and developing Senior Wealth Advisors who can give sophisticated cross-advice for a wide range of needs, starting from business/asset succession to asset management and inheritance. We will also shift some personnel from the Bank to the Securities and introduce steadily a gatekeeper function for product selection and a sophisticated support system.
- ✓ Please go to page 36.

(4) New Model for Wholesale Banking in Japan

(5) Real Estate

R&C	GCB	AM/IS
JCIB	GCIB	Global Markets

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



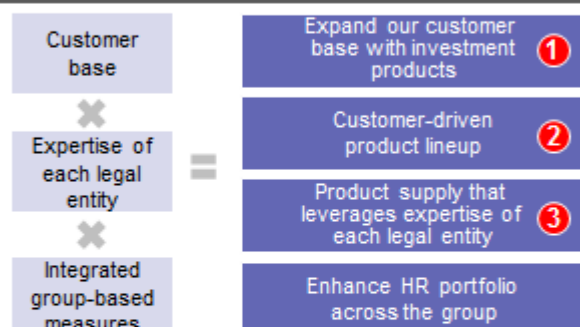
^{*1} RM: Relationship Manager, PO: Product Office, which plans, develops and provides products and services ^{*2} The Bank/MUMSS dual-hat organization that supports RMs to create new securities businesses, such as debt and equity underwriting ^{*3} Net increase of subscribers from 2017

- ✓ This page is about “New Model for Wholesale Banking in Japan” and “Real Estate”.
- ✓ In April, the corporate lending business of the Bank and the Trust Bank were integrated. The Corporate Banking Groups of the Bank and the Trust Bank have been integrated and reorganized by industry sector. The dis-synergy, such as lending share adjustment, was very limited, and it was a smooth start.
- ✓ Along with the newly-integrated Corporate Banking Groups, the reorganization of product offices, namely real estate, pension, and corporate agency, was completed in October. RM, relationship managers, and PO, product offices, are now poised to cover customers in an integrated manner.
- ✓ Collaboration in the business areas such as real estate and pensions is clearly improving, making the RM-PO model unique to MUFG more visible, as targeted in the current MTBP.
- ✓ Please go to page37.

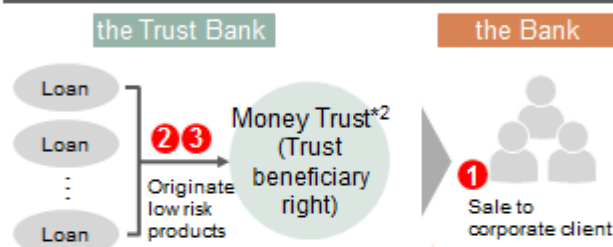
(6) Asset Management in Japan

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

Asset management business model unique to MUFG

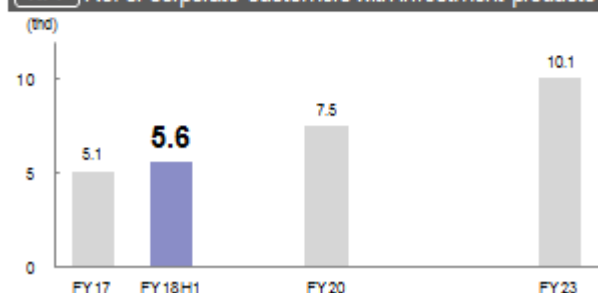


Expansion of customer base (corporate customers)

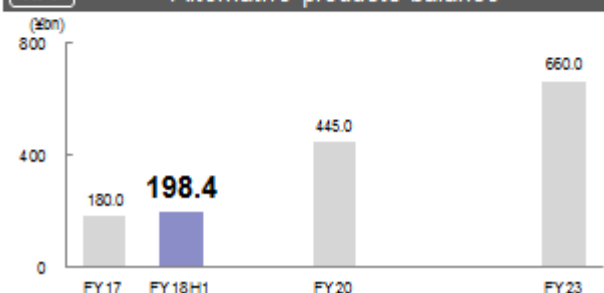


Sales amount **¥420 bn** (FY18H1)

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



KPI Alternative products balance^{*4}



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

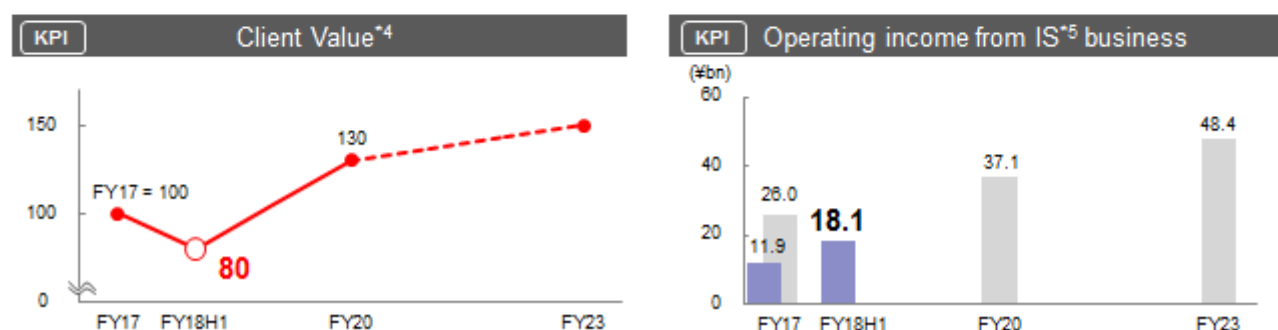
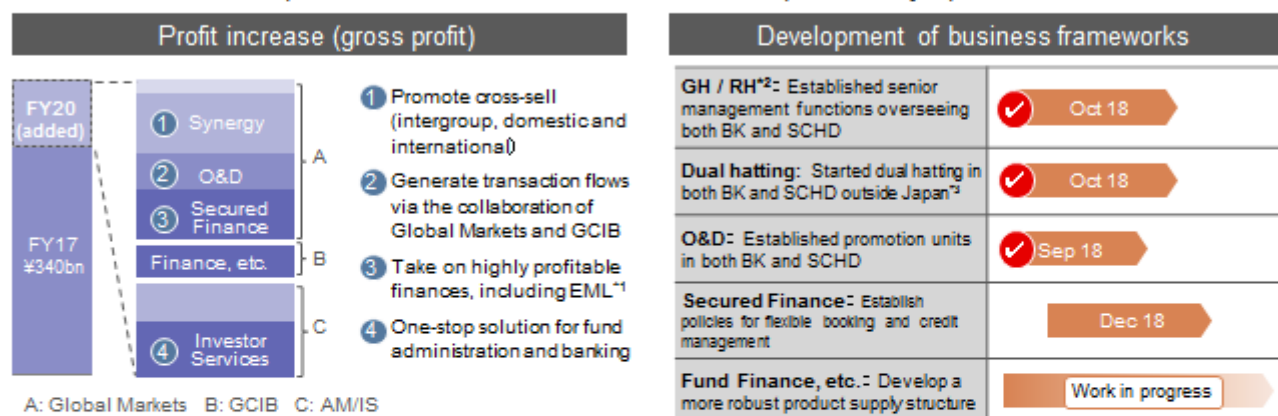
^{*2} Joint-management specified money trust (investment product backed by corporate loans etc.)

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

- ✓ This is about "Asset Management in Japan".
- ✓ The trust-type credit investment product that we have developed to meet the needs of corporate customers in the low-interest rate environment posted an accumulated sales amount of 420 billion yen and has become a big-hit product.
- ✓ This product is a joint management specified money trust. It is a low-risk product and originated by putting together trust-beneficiary rights, such as corporate loans.
- ✓ We will continue to expand our customer bases with investment products by accumulating successes like this one.
- ✓ Please go to page 38.

(7) Institutional Investors

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



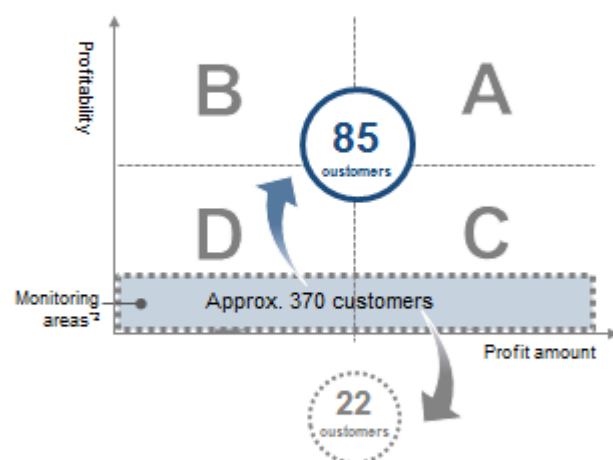
^{*1} Equity margin lending (financing secured by collateral stocks) ^{*2} GH: Global head, RH: Regional head ^{*3} Excluding some regions and countries
^{*4} Quasi sales & trading profits in Institutional Investors business. Indexation using figure in FY17 as 100 (annualized) ^{*5} Investor Services

- ✓ This is about “Institutional Investors”.
- ✓ As of October 1, as part of our effort to reinforce the sales and trading business, we set up a single global head position overseeing businesses, both in Japan and overseas. At the same time, a total of 430 employees started their dual roles in the Bank and the Securities, in the Americas, EMEA, and Asia & Oceania. This is an embodiment of our global One Team concept, and MUFG as a whole promotes cross-selling to institutional investors.
- ✓ We are also working on policies for booking and credit management in order to challenge new businesses, such as equity margin lending.
- ✓ Competition in this area is so intense that there should be an infrastructure to satisfy customer needs. In the first half, the market condition was bad, and we made our start with losses. We will build an optimal business model to exercise our strength by bringing the business scope more into focus.
- ✓ Investor services, another focus area, is shown in the bottom-right of the page. As I mentioned earlier, global businesses inorganically built over the past years are beginning to be up and running, increasing profit significantly.
- ✓ Please go to page 39.

(8) Global CIB

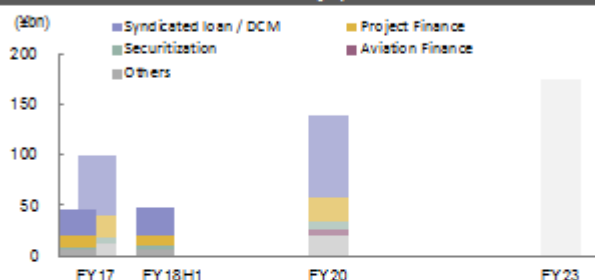
- Accelerate distribution-driven O&D via One MUFG approach and enhance product capabilities, aiming to shift from a loan-centric business model
- Reduced the number of low-profitability customers by approx. 30% during FY18H1

Global portfolio recycle

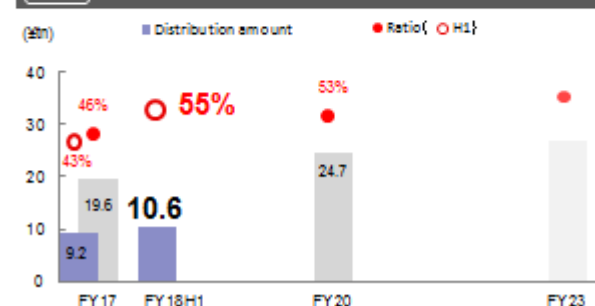


KPI	Item	FY18H1 (against FY17)	FY20 (against FY17)
	Reduce low-profitability customers ²	(29%)	(25%)

Fee income by product^{*1}



KPI Distribution amount / the ratio^{*4*5}



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

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

^{*4} Distribution amount = Arrangement amount - Final hold amount (Syndicated loan, Project Finance, Securitization, Aviation Finance, etc.)

+ Securities' arrangement amount of DCM, ABS, etc.

Distribution ratio = Distribution amount / Total amount of loans to global corporate customers ^{*5} FY18H1 Distribution ratio is provisional numbers

- ✓ This is about "Global CIB".
- ✓ As mentioned earlier, aiming to shift from a loan-centric business model, we are working on enhancing product capabilities, O&D, and replacement of low-profitability assets with high-profitability assets. It is a shift from a volume focus to a ROE focus approach. Although it will come with a temporary decrease in earnings, we must follow it through.
- ✓ Please move on to page 48.

Global Commercial Banking

MUFG Americas Holdings Corporation (MUAH)

Financial results of MUAH^{*1,2}

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

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

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

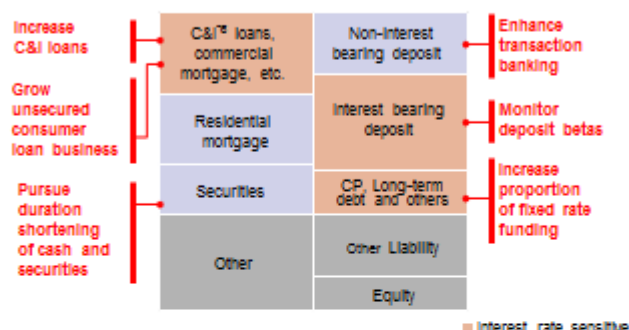
*2 Figures have been revised to include the results of the transferred IHC entities, such as MUFG Securities Americas, applicable to FY16

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

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

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

Asset mix for a more efficient balance sheet

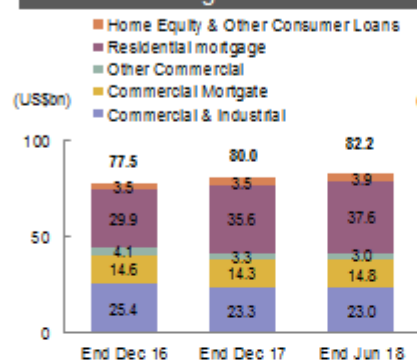


Initiatives to improve efficiency of Americas

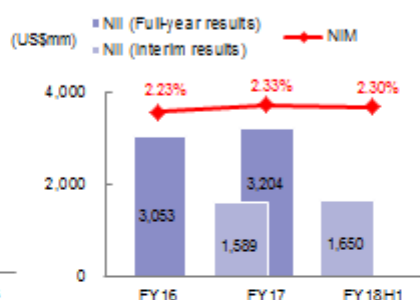
- Streamline operations and improve productivity through the use of cloud service and establishment of agile development team among others
- Improve mid-long term productivity via the core banking transformation and the revisit of operation process
- Redistribute part of workforce to a lower cost location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

(Reference) Key figures*1 of MUAH

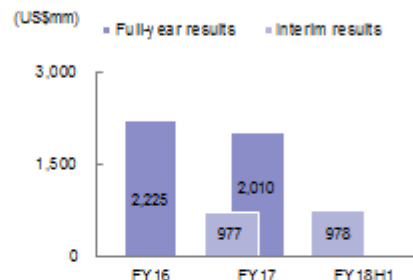
Lending balance



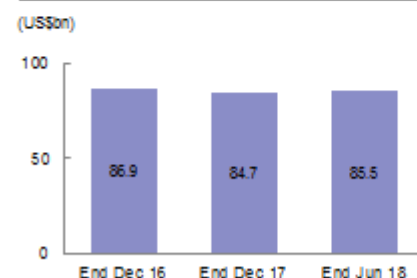
Net interest income



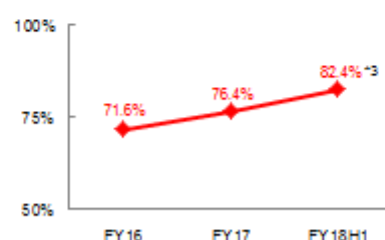
Non-interest income



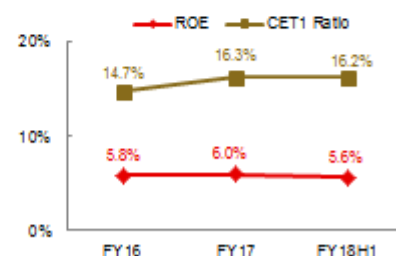
Deposit balance



Cost to income ratio*2



ROE / CET1 Ratio*4



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

*2 Efficiency ratio

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

*4 U.S. Basel III standardized approach, fully phased-in

MUAH is working on capital optimization and recently paid a US\$500 mm dividend in 2017

Financial results^{*1}

<P/L> (THB mm)	FY17H1	FY18H1	YoY
1 Net interest income	33,421	36,510	3,089
2 Net fees and services income	9,307	10,506	1,199
3 Non-interest and non fees income	5,791	6,787	996
4 Total income	48,519	53,803	5,284
5 Other operating expenses	23,287	24,977	1,690
6 Employee expenses	12,054	12,995	941
7 Pre-provision operating profit	25,232	28,826	3,594
8 Impairment loss of loans and debt securities	10,682	13,087	2,405
9 Net profit attribute to owners of the bank	11,516	12,488	972
10 NIM	3.82%	3.75%	(0.07ppt)

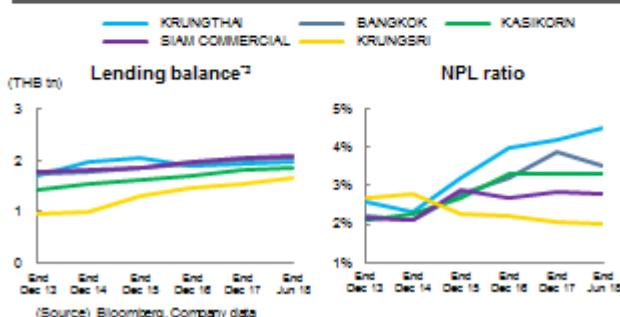
<BS> (THB mm)	End Dec 17	End Jun 18	Change
11 Loans	1,619,358	1,719,576	100,218
12 Deposit	1,319,229	1,367,531	48,302
13 Total equity	225,987	234,563	8,576
14 Total asset	2,088,772	2,100,941	12,169
15 NPL ratio	2.05%	2.02%	(0.03ppt)
16 NPL coverage ratio	148.4%	161.7%	13.3ppt

Strategic direction

Segment	Position	Key Strategies
	Current	
JPC / MNC ^{*2}	#1	Promote deposit & investment banking business
Thai Corp	#5	Explore new market / enhance fee business
SME	#5	Focus on working capital solution, and grow non-interest income and CASA ^{*4}
Retail	#5	Improve Krungsri brand consideration and advisory capability
Consumer Finance	#1	Maintain and enhance #1 position

Accelerate digital / Improve productivity	Maintain high asset quality
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Peer comparison



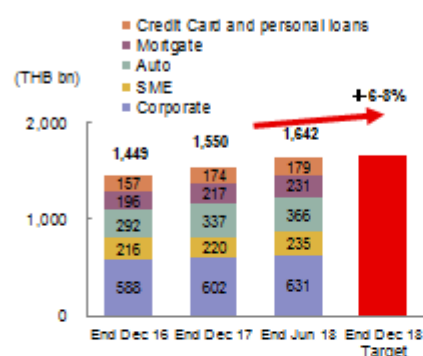
^{*1} Financial results as disclosed in Krungsri's financial report based on Thai GAAP ^{*2} Multinational Corporation

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

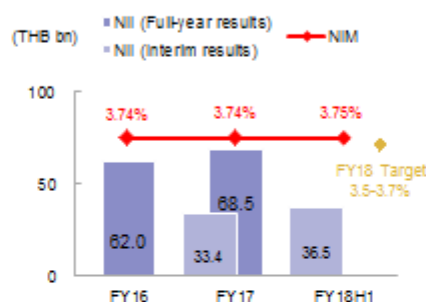
^{*4} Current Account and Savings Account

(Reference) Key figures of Krungsri

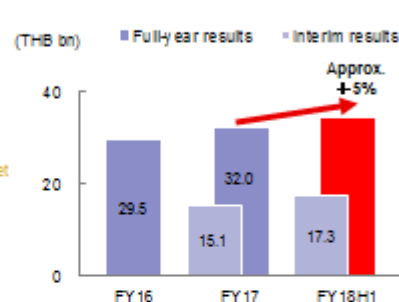
Lending balance



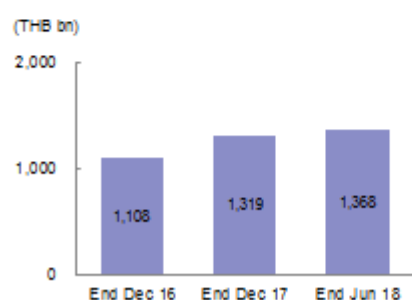
Net interest income



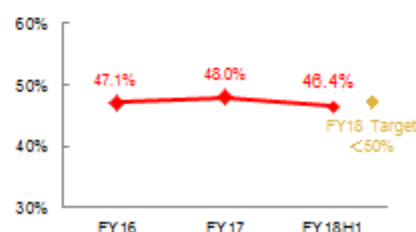
Non-interest income



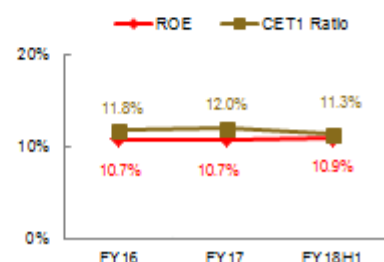
Deposit balance



Cost to income ratio



ROE·CET1 Ratio



Company overview		Transaction schedule		
Establishment	1956 (established as a private bank)		Step 1 Completion of first stage (19.9%) investment Dec 2017	Step 2 Completion of second stage (cumulatively 40.0%) investment Aug 2018
Rating	Moody's: Baa2, Fitch: BBB, Pefindo: AAA			
Operating Income / Net Income ^{*1}	US\$1,303 mm / US\$282 mm			
Total Asset ^{*1}	US\$13,157 mm			
Branches ^{*2}	Consolidated base: More than 1,600 Stand-alone base: 992			
Employees ^{*2}	Consolidated base : 36,410 Stand-alone base : 16,811			

Accelerating the growth strategy by utilizing the synergies with MUFG



Features and initiatives of Bank Danamon

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



Strengths of MUFG

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

Contribute to the Indonesia's economy

Expansion of the presence in Indonesia

Enhance MUFG's Global Commercial Banking business

Provide unparalleled comprehensive financial services

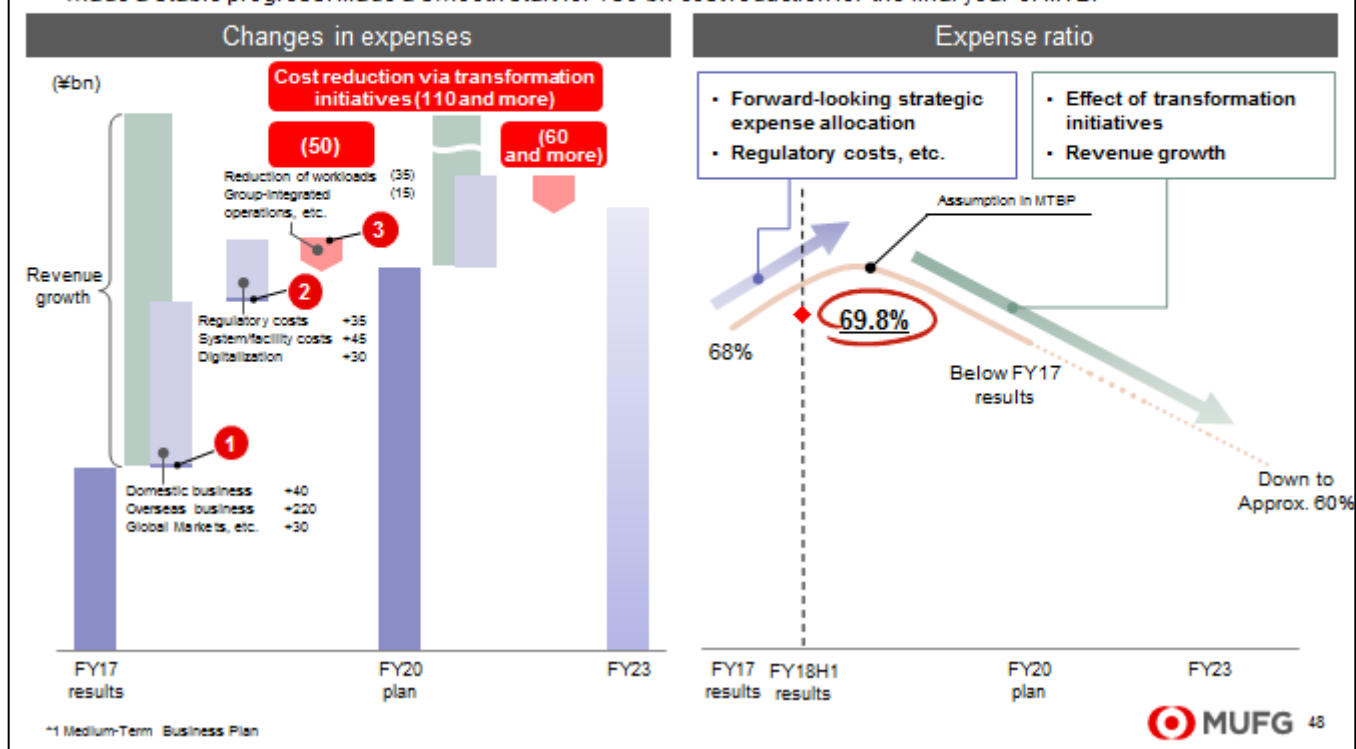
^{*1} End of Dec 2017. 1US\$=13,548IDR ^{*2} End of Dec 2017. The number of branches on stand-alone base excludes those of Adira Finance and etc.

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Expense

Progress during FY18H1

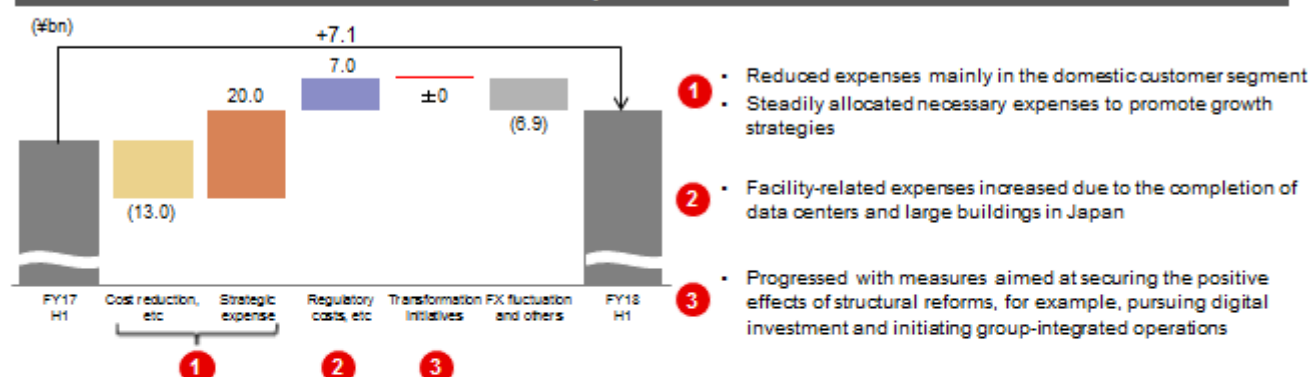
- Increase of expenses due to a business expansion of GCB and completion of large-size facilities were largely offset by cost reduction mainly for domestic businesses. Expense ratio for FY18H1 was 69.8%, below the assumption in MTBP^{*1}
- Measures for transformation initiatives of cost reduction, such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



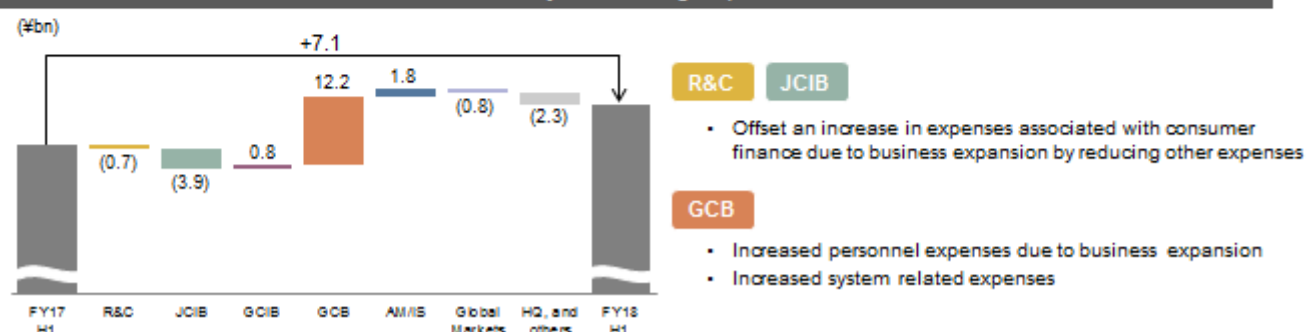
- ✓ From this page on, I will touch upon expenses, a big challenge for us.
- ✓ First, I will explain about progress made over the first half of the year.
- ✓ Please look at the right-hand-side graph. The thin solid line is the forecast of the expense ratio announced in May.
- ✓ Mainly due to forward-looking strategic expense allocation and regulatory costs, the ratio is forecasted to aggravate on the first and second years of the MTBP. The first half actual ratio was 69.8 percent, which is better than the original assumption, owing to a better-than-expected top line and reduced expense level.
- ✓ Please go to page 49.

Factors of increase and decrease

By measures



By business group



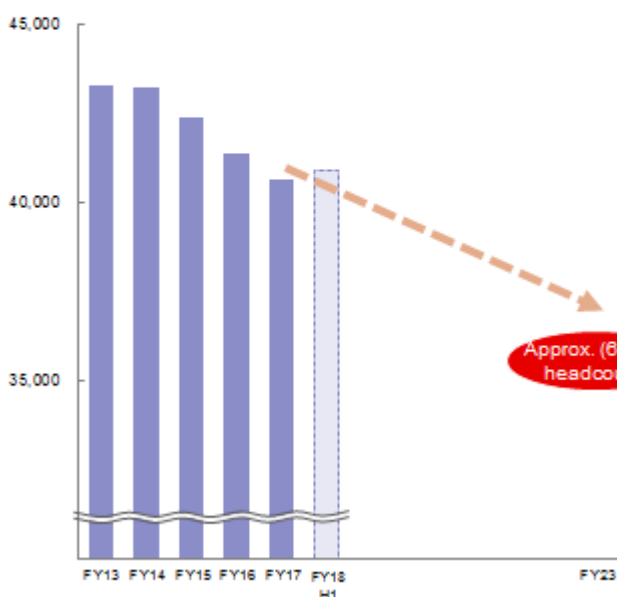
- ✓ I will explain by measures.
- ✓ First, point 1. For business as usual, BAU, we reduced expenses in the first half, mainly in the domestic customer segment. We also allocated strategic expenses of about 20 billion yen for the growth of gross profits.
- ✓ Point 2. Facility-related expenses, including temporary ones, increased due to the reconstruction of a flagship building, as well as the completion of data centers for BCP (business continuity plan) in Kansai area, but these expenses are of course within the plan.
- ✓ Point 3. We are seeing progress with measures, such as digital investment and group integrated operations, making all-in-all a good start to achieve savings of 50 billion yen in the final year of the MTBP. That said, financial impacts are yet to be seen.
- ✓ By business group, the Global Commercial Banking, which is expanding its business, is showing a big increase in expenses, while the Retail & Commercial Banking and Japanese Corporate & Investment Banking are reducing their expenses as planned or more than planned.
- ✓ Please go to page 50.

Headcount, branches

Forecast of employees headcount

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

(Headcount)^{*2}



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

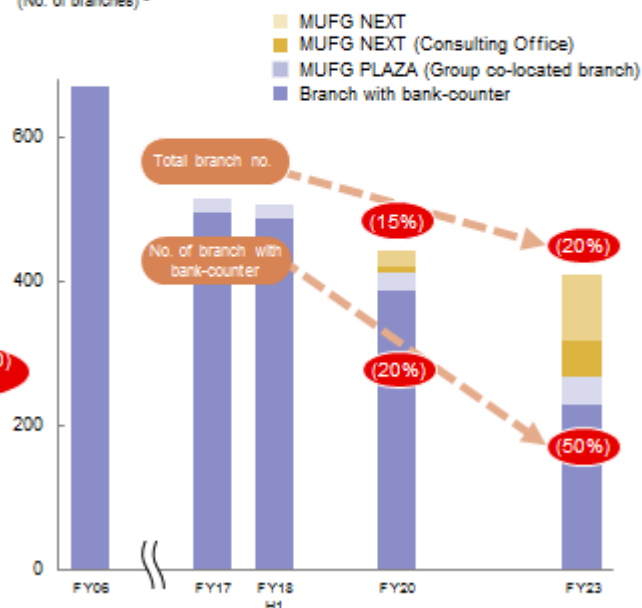
^{*2} The figure includes MUFG Bank's domestic bank staff, part-time and contract staff as well as temporary staff but excludes overseas staff hired locally. The figure also includes employees of other companies seconded to MUFG Bank but excludes employees temporarily transferred to other companies

^{*3} MUFG Bank non-consolidated basis

Forecast of number of branches

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

(No. of branches)^{*3}



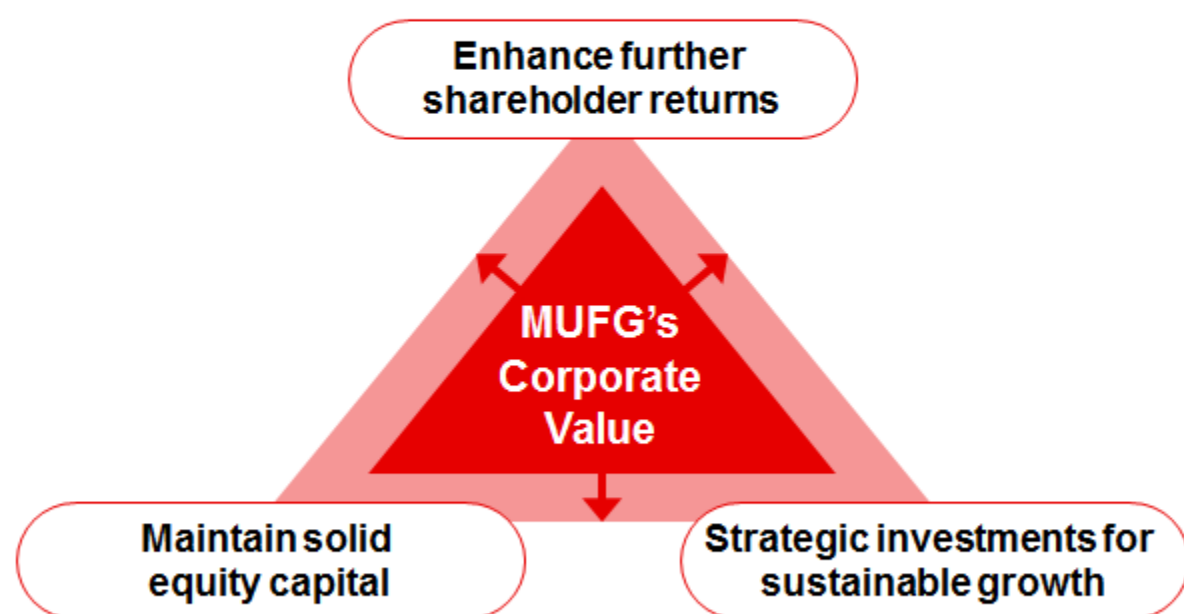
MUFG 50

- ✓ This is about headcount and branches.
- ✓ The Bank will reduce its headcounts by about 6,000 by FY2023 as the employees hired during mass recruitment era retire and the number of new hires is contained.
- ✓ Due to the increase in new hires in April, the number of personnel increased temporarily as of the end of September, but toward the end of the fiscal year, it will decrease as planned.
- ✓ With respect to branches, reduction in the number of branches with bank-counter and the branch consolidation are being executed as planned. In the first half, seven branches were consolidated, and in the second half, consolidation of four branches has been announced as of November 16, with more to come.
- ✓ Please go to page 53.

Capital Policy

Capital policy

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



Basic policies for shareholder returns

Basic policies for shareholder returns

MUFG continuously seeks to improve shareholder returns, focusing on dividends in the pursuit of an optimal balance with solid equity capital and strategic investment for growth

Dividends

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

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

Share Repurchase

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

➡ Consider (1) Performance progress / forecast and capital situation,
(2) Strategic investment opportunities (3) Market environment including share price

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

Share Cancellation

In principle, MUFG plans to hold a maximum of **approximately 5% of the total number of issued shares**, and cancel shares that exceed this amount

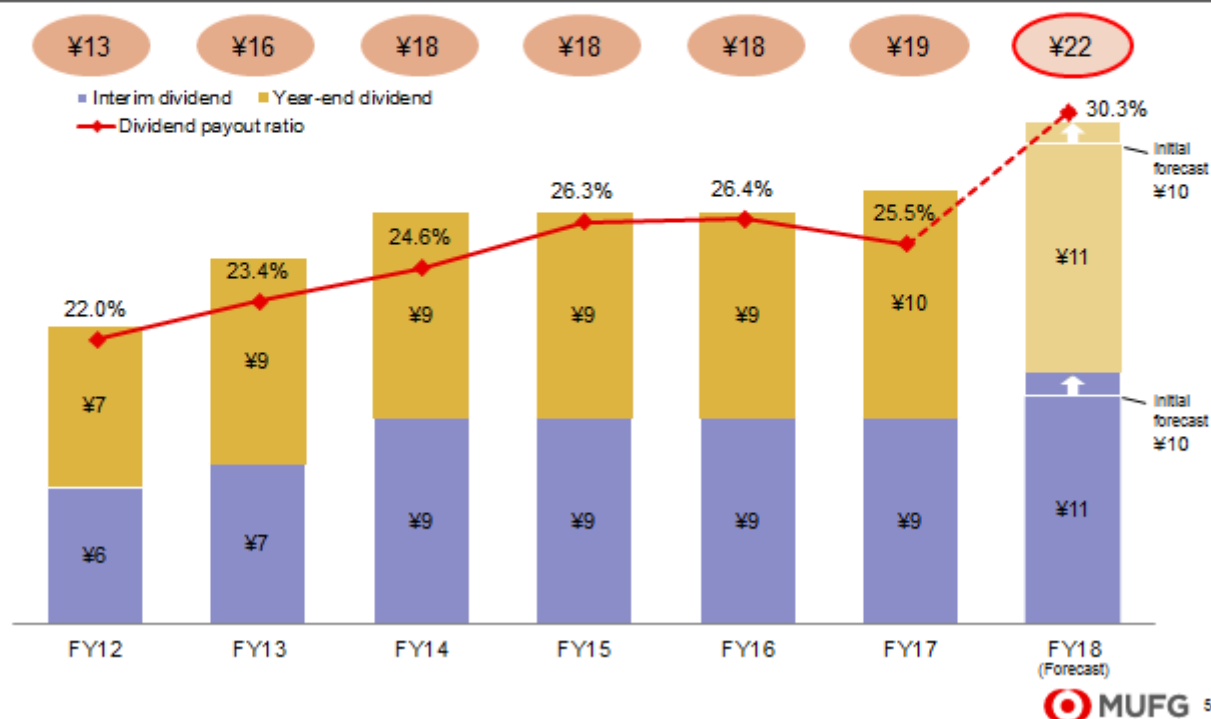


- ✓ I will touch upon capital policy.
- ✓ Here we review again our basic policies for shareholder returns.
- ✓ First, positioning the dividend as the basis of shareholder returns, MUFG aims for a stable and sustainable increase in dividends per share to achieve a 40-percent dividend payout ratio by the end of FY2023.
- ✓ Second, as to share repurchase, MUFG plans to flexibly repurchase its own shares as part of its shareholder return strategies in order to improve capital efficiency, and there are three criteria to make a decision: (1) performance progress / forecast and capital situation; (2) strategic investment opportunities; and (3) market environment including share price.
- ✓ And finally, in addition to complying with capital regulations, MUFG executes these shareholder return enhancement measures, while confirming if its capital level remains stable, as required to secure a single "A" or higher credit rating.
- ✓ Please go to page 54.

Dividend forecast

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

Results and forecasts of dividend per common stock



- ✓ We have decided our shareholder returns this time based on policies not to accumulate capital more than necessary and to manage capital tightly while maintaining financial soundness.
- ✓ First, dividends.
- ✓ The interim dividend is 11 yen, up 1 yen from the forecast at the beginning of the fiscal year. Combined with a year-end dividend of 11 yen, the fiscal year 2018 dividends are forecast to be 22 yen per share.
- ✓ As a result, the dividend payout ratio will be 30.3 percent, even on the assumption of an upwardly-revised full year net profit target of 950 billion yen.
- ✓ Please go to page 55.

Outline of repurchase and cancellation of own shares

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

	FY14	FY15	FY16	FY17	FY18H1	FY18H2
Type of shares repurchased	Ordinary shares of MUFG	Ordinary shares of MUFG	Ordinary shares of MUFG	Ordinary shares of MUFG	Ordinary shares of MUFG	Ordinary shares of MUFG
Aggregate amount of repurchase price	Approx. ¥100.0 bn	Approx. ¥200.0 bn (Approx. ¥100.0 bn each on two occasions)	Approx. ¥200.0 bn (Approx. ¥100.0 bn each on two occasions)	Approx. ¥200.0 bn (Approx. ¥100.0 bn each on two occasions)	Approx. ¥50.0 bn	Up to ¥100.0 bn
Aggregate number of shares repurchased	Approx. 148.59 mm shares	Approx. 232.85 mm shares	Approx. 332.85 mm shares	Approx. 268.81 mm shares (All of the shares have been cancelled)	Approx. 72.42 mm shares (All of the shares have been cancelled)	Up to 200 mm shares (All of the shares to be cancelled)

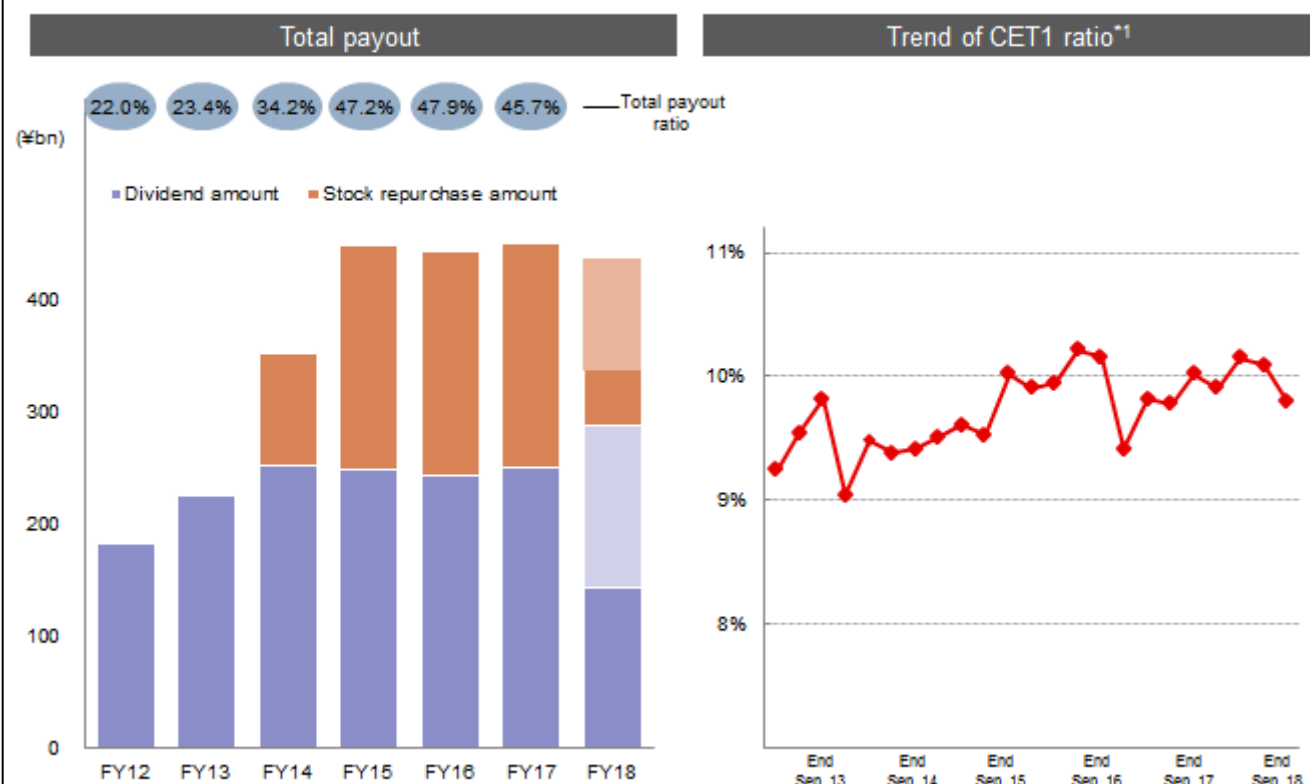
(Ref) As of October 31, 2018

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

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

- ✓ As shown on this page, we will repurchase our own shares up to 100 billion yen.
- ✓ All the repurchased shares will be cancelled in accordance with the existing policy.
- ✓ Please go to page 58.

(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



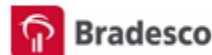
Particular cases

- 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 bn



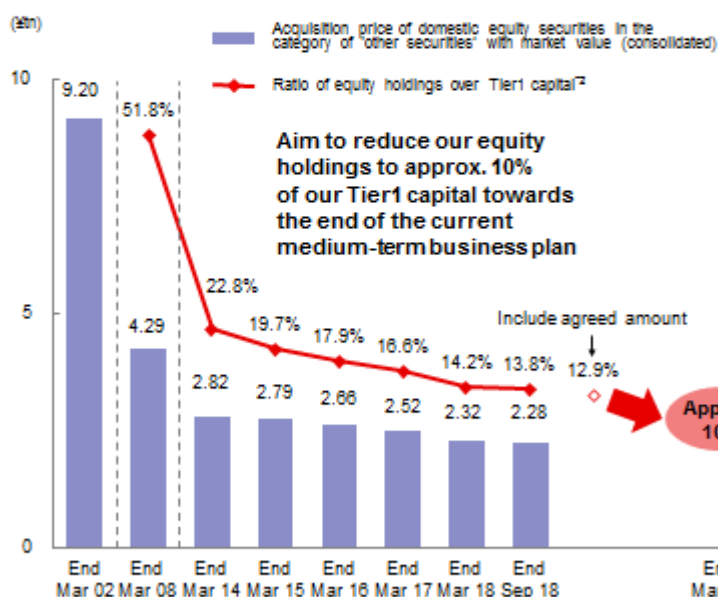
Number of shares sold	41,718,620 ordinary shares (equivalent to 1.25% stake)
Date of sale	April 6, 2018
Sale price	Approx. ¥45 bn

Further considering optimization of strategic investment

Reduction of equity holdings

- Accelerate reduction of equity holdings considering the risk, capital efficiency and international financial regulations
- Approx. ¥43 bn*1 equities were sold in FY18H1

Reduction of equity holdings



Ref. Approx. selling amount of equity holdings

	Selling amount	Acquisition cost basis	Net gains (losses)
FY15	¥211 bn	¥117 bn	¥94 bn
FY16	¥267 bn	¥149 bn	¥118 bn
FY17	¥318 bn	¥201 bn	¥117 bn
FY18 H1	¥85 bn	¥43 bn	¥42 bn
Total	¥881 bn	¥510 bn	¥371 bn
Agreed amount	-	¥150 bn	-

*1 Sum of the Bank and the Trust Bank

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

- ✓ This page is about equity holdings.
- ✓ As shown in the table on the right-hand side, in the first half of FY2018, we reduced equity holdings by 43 billion yen on an acquisition cost basis, booking 42 billion yen of net gains.
- ✓ From this time, we disclose an agreed amount to sell.
- ✓ As of the end of September, it stands at 150 billion yen. Including this amount, the ratio of equity holdings over Tier1 capital goes down to 12.9 percent.
- ✓ In the first half, the reduction of equity holdings slightly slowed down. But going forward, we will accelerate the process of the reduction, as well as the accumulation of the agreed amount.
- ✓ Please go to page 65.

Environment, Social and Governance

MUFG's approach

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

Directions

Opportunities

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

Risk Management

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

Disclosure

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

Major initiatives from FY18

Specifying priority E/S issues that MUFG must address

P.61



Formulating group-wide E/S policies and procedures

P.61

MUFG
Environmental
Policy Statement

MUFG
Human Rights
Policy Statement

MUFG
Environmental and
Social Policy
Framework

Strengthening corporate governance structure

P.62-64

Reduced the total
number of directors
Board with a majority
of outside directors

Review of the
Senior Advisors
System

Review of the
compensation
policy for individual
officers, etc.

Major initiatives (FY18 -)

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

Major E/S issues-based business initiatives

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

Formulating E/S policies and procedures²

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 Framework³

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

*1 Japan Infrastructure Initiative

*2 https://www.mufg.jp/english/vcms_if/news/pressrelease-20180515-005-e.pdf

*3 Applied to the Bank, the Trust Bank and the Securities HD

R : R&C, J : JCIB, G : GCB, GCB : GCB, A : AMIS, M : Global Markets

Strengthening oversight function by outside directors

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

Outside directors

(As of Sep 30, 2018)

Name		Current position and responsibilities at the Company	Other Public Co. boards (9)	Expertise				
				Business Admin.	Finance	Accounting	Law	
1 Hiroshi Kawakami	Reelected Independent	Outside director Nominating, Compensation, Audit	1	●	-	-	-	
2 Yuko Kawamoto	Reelected Independent	Outside director Nominating, Compensation, Risk (Chair)	0	-	●	-	-	
3 Haruka Matsuyama	Reelected Independent	Outside director Nominating, Compensation (Chair)	3	-	-	-	●	
4 Toby S. Myerson	Reelected Independent	Outside director Risk	0	-	-	-	●	
5 Tsutomu Okuda	Reelected Independent	Outside director Nominating (Chair), Compensation	0	●	-	-	-	
6 Yasushi Shingai	Newly elected Independent	Outside director Audit, Risk	1	●	-	●	-	
7 Tarisa Watanagase	Reelected Independent	Outside director Risk	1	-	●	-	-	
8 Akira Yamate	Reelected Independent	Outside director Audit (Chair)	1	-	-	●	-	

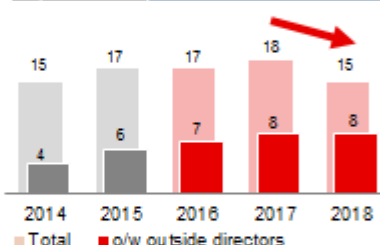
Nominating: Nominating and Governance Committee member
Compensation: Compensation Committee member

Audit: Audit Committee member
Risk: Risk Committee member

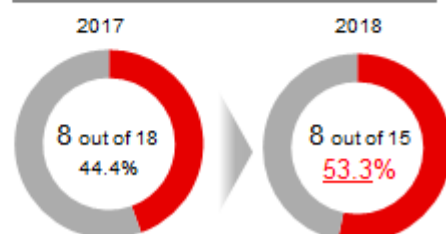
Board structure

Number of the Board members

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



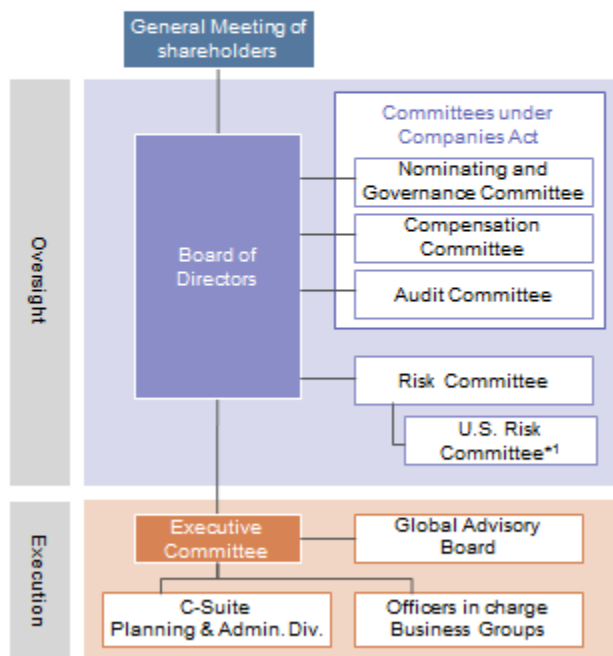
Ratio: Independent outside directors



Corporate governance structure

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

MUFG governance structure



Chairpersons of committees under the Board of Directors*2

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

Review of MUFG's Senior Advisors System

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

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

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

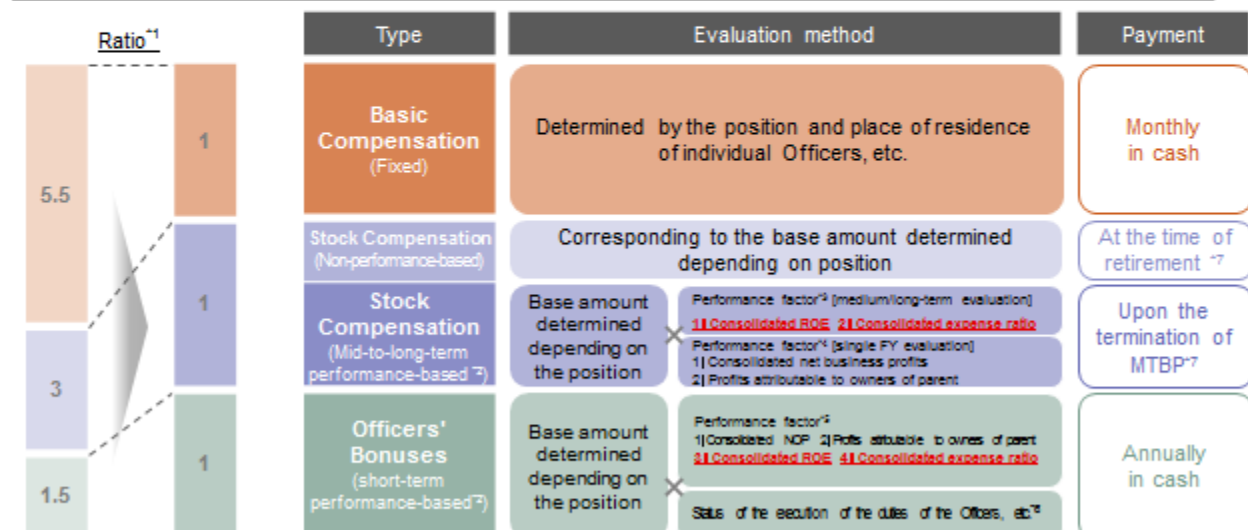
*2 As of Sep 30, 2018 *3 As of Sep 30, 2018

Compensation policy for individual officers, etc.

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

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

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



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

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

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

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

*7 Subject to claw-back clause, etc.

Appendix

- ✓ Lastly, in August, we raised our stake in Bank Danamon to 40 percent and are currently working on a project to obtain its majority stake.
- ✓ Also, at the end of October, MUFG agreed with Commonwealth Bank, the largest financial group in Australia, for the acquisition of their asset-management company, Colonial First State Global Asset Management.
- ✓ This deal is not about a simple expansion of the asset management business; rather, it is the first step to shift from minority investment to majority investment in the AM business as well, following the suit of investors service of the Business Group. In that sense, I believe it is an important move for the Re-Imagining Strategy.
- ✓ As I explained, activities for transformation are beginning in all the business areas, both inside and outside Japan.
- ✓ It is also true, however, that there are initiatives which are yet to be up and running and areas where some issues are already emerging. We are resolved to execute our plan in a decisive and speedy manner based on an accurate grasp of a current situation.
- ✓ To be the world's most trusted financial group, MUFG will rise to the current difficult situation. We would like to ask for continuous support and understanding from investors and rating agencies.
- ✓ Thank you.

1. Plan by business group

2. Consumer finance

3. Global Commercial Banking (GCB)

4. Strategic Acquisition of Colonial First State Global Asset Management

5. TLAC requirement

Appendix 1: Plan by business group*1

Business group	Net operating profits (¥bn)			Expense ratio		ROE*2	
	FY17 results	FY20 targets	Change	FY17 results	FY20 targets	FY17 results	FY20 targets
Retail & Commercial Banking R&C	350	350	+0 (+0%)	78%	79%	9% (9%)	9% (9%)
Japanese Corporate & Investment Banking JCIB	220	260	+40 (+20%)	58%	54%	10% (10%)	10% (11%)
Global Corporate & Investment Banking GCIB	120	200	+80 (+65%)	67%	58%	7% (7%)	8% (8%)
Global Commercial Banking GCB	190	320	+130 (+65%)	70%	66%	6% (8%)	8% (10%)
Asset Management & Investor Services AM/IS	70	80	+10 (+15%)	63%	63%	21% (23%)	19% (20%)
Global Markets Global Markets	390	490	+100 (+25%)	36%	35%	7% (7%)	9% (9%)

*1 Reshown from page 25, Fiscal 2017 Results Presentation

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

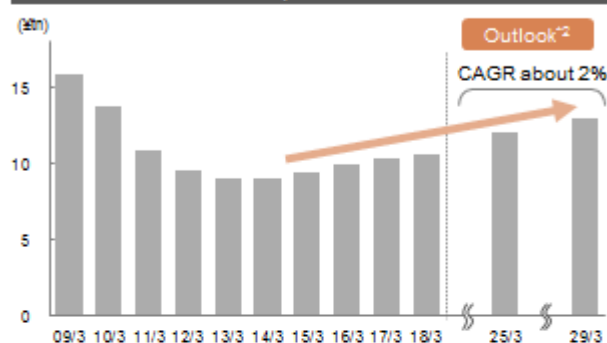
Calculated excluding mid- to long-term foreign currency funding costs

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

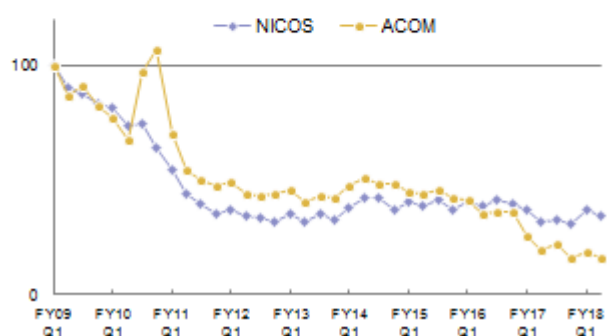
Note: FY17 results are provisional numbers

Appendix 2: Consumer finance

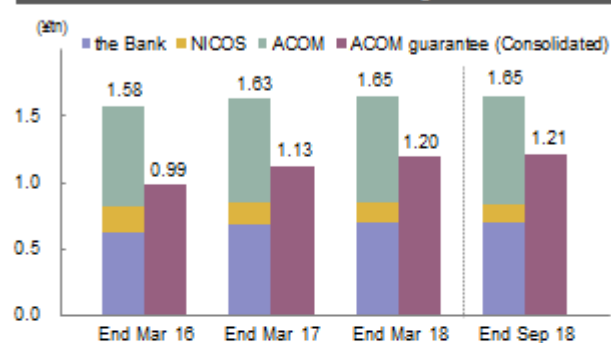
Estimate of domestic personal card loan market*1



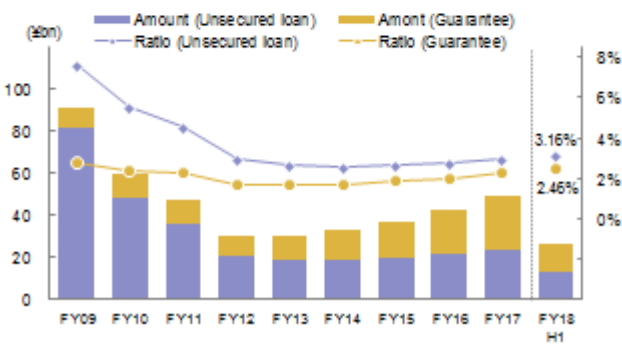
No. of requests for interest repayment*4



Balance of unsecured loan, guarantee*3



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



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

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

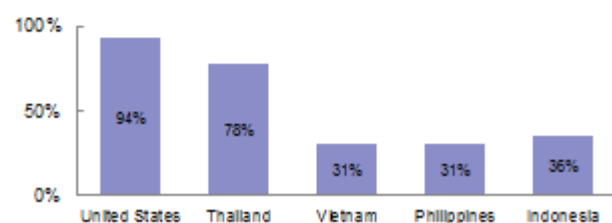
Appendix 3: Global Commercial Banking (GCB)^{*1}

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

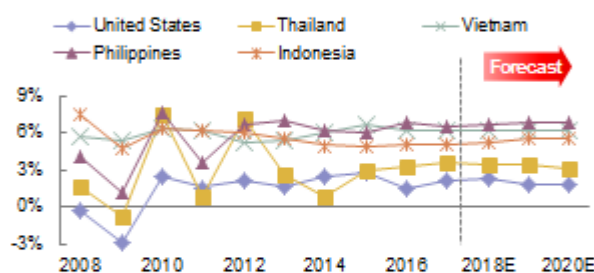
Population and GDP

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

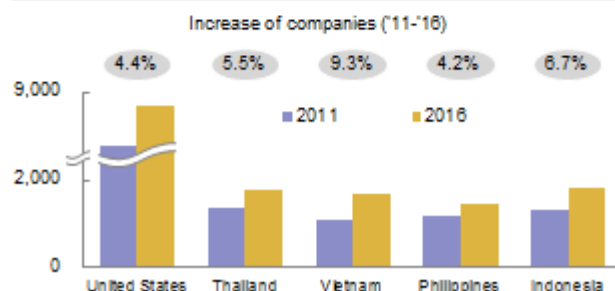
Bank account penetration^{*2}



Growth of real GDP



Japanese companies' market entry (by country)








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

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

Appendix 3: Global Commercial Banking (GCB)*1

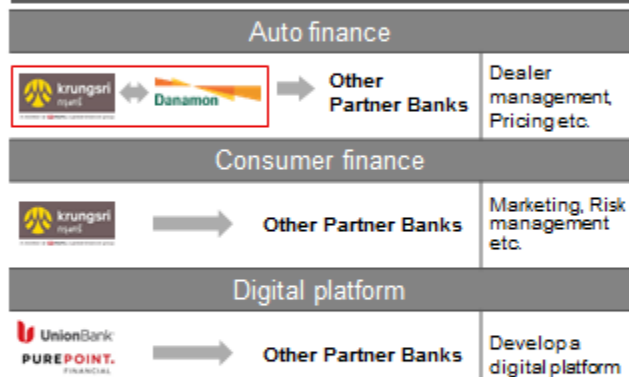
- Evolve from "Investing" to "Managing". Establish a new business group after due consideration to the scale and growth potential of retail and local corporate/SME banking business in ASEAN and the US
- Ensure that best practices are shared among all partner banks and MUFG, thereby mutually enhancing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

Partner Banks			
Partner Bank		Voting right*2	Ranking*3
United States	 UnionBank	100%	#13
Thailand	 krungsri	76.8%	#5
Vietnam	 VietinBank	19.7%	#2
Philippines	 SECURITY BANK	20.0%	#5
Indonesia	 Danamon	40.0%	#5

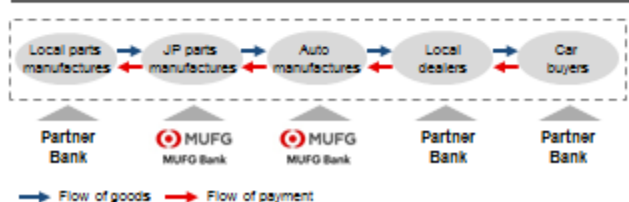
Initiatives for value enhancement

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

Sharing of best practices (example)



Create synergy (example) Supply chain finance for auto industry



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

*1 Reshown from page 40, Fiscal 2017 Results Presentation

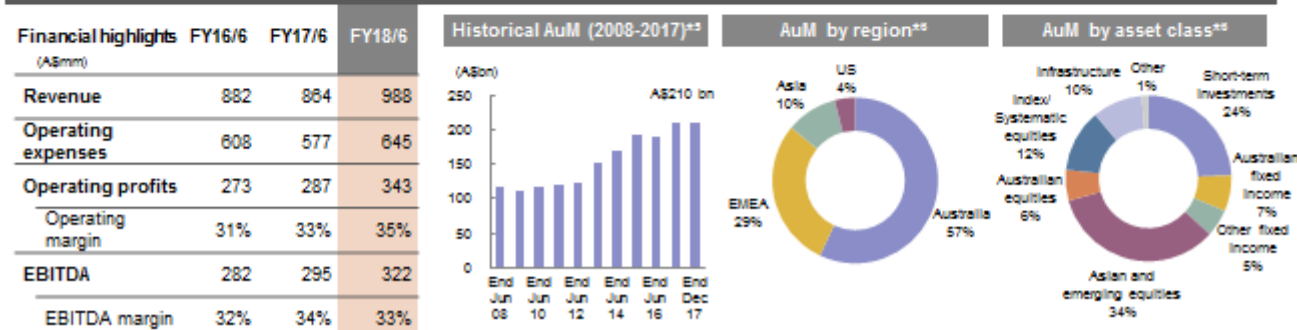
*2 End of Sep 2018 *3 Each Partner Bank's total assets + loan outstanding of MUFG Bank's branches in the countries. Ranking among D-SIBs for Thailand (End of Dec 2017)

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

Transaction overview

Outline	<ul style="list-style-type: none"> Through this transaction with CBA¹, the Trust Bank will acquire 100% of the shares in nine major subsidiaries of CFSGAM² Group from CFSGAM Holding Company, a wholly owned subsidiary of CBA. As a result of this acquisition, the target entities will become wholly-owned subsidiaries³ of MUFG. 	<pre> graph TD MUFG -- 100% --> TrustBank[the Trust Bank] TrustBank -- "Acquisition of 100% stake" --> CFSGAM[CFSGAM Holding Company] CFSGAM -- 100% --> TargetSubs[Target Major Subsidiaries] </pre>
Acquisition value	<ul style="list-style-type: none"> Total acquisition value: approx. A\$4.0 bn (approx. ¥328.0 bn⁴) Valued at 12.4x the EBITDA (actual) of CFSGAM Group for FY18/6 Fully financed from MUFG's own funds, without any dilutive financing 	
Schedule	<ul style="list-style-type: none"> End of Oct 2018 : Signing of share sale deed Mid-2019 : Closing of the transaction (subject to approvals from relevant authorities and fulfillment of terms and conditions) 	

Overview of CFSGAM



¹ Commonwealth Bank of Australia ² Colonial First State Global Asset Management ³ Including holding through an intermediate holding company
⁴ A\$1= 882 ⁵ End of June for each year, apart from the most recent figure (Dec 2017) ⁶ End of Dec 2017

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

Upgrading AM business



Strategic rationale of CFSGAM acquisition



Contribution to MUFG's gross profits

End Mar 2018

After CFSGAM acquisition



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

Domestic One-Brand



Mitsubishi UFJ Trust and Banking
Mitsubishi UFJ Kokusai Asset Management
Mitsubishi UFJ Asset Management (UK) Ltd.
MU Investments

Overseas Multi-Boutique



Wide range of support from MUFG



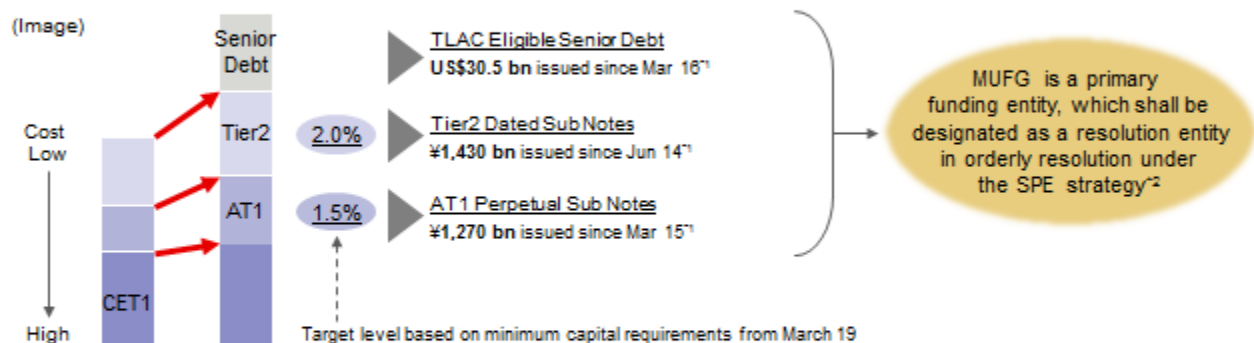
*1 Mitsubishi UFJ Trust Investment Technology Institute, a quasi-specialized technology institute in Japan

Appendix 5: TLAC requirement

– The best capital mix

- Capital management with utilization of AT1 / Tier2 and controlling CET1 at necessary and sufficient level. Aiming for the right balance between capital efficiency and capital adequacy in qualitative and quantitative aspects

Best capital mix among CET1, AT1 and Tier2



Ref. estimated TLAC ratio^{*3}

As of end Sep 18	17.4%
------------------	-------

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

TLAC Ratio = Total capital ratio (15.82%) – Capital conservation buffer (2.5%) – G-SIB surcharge (1.5%) – Counter-cyclical buffer (0.02%) + Credible ex-ante commitments (2.5%) + TLAC eligible debt (2.22%) ± Other adjustments, etc.

Ref. minimum TLAC requirement

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

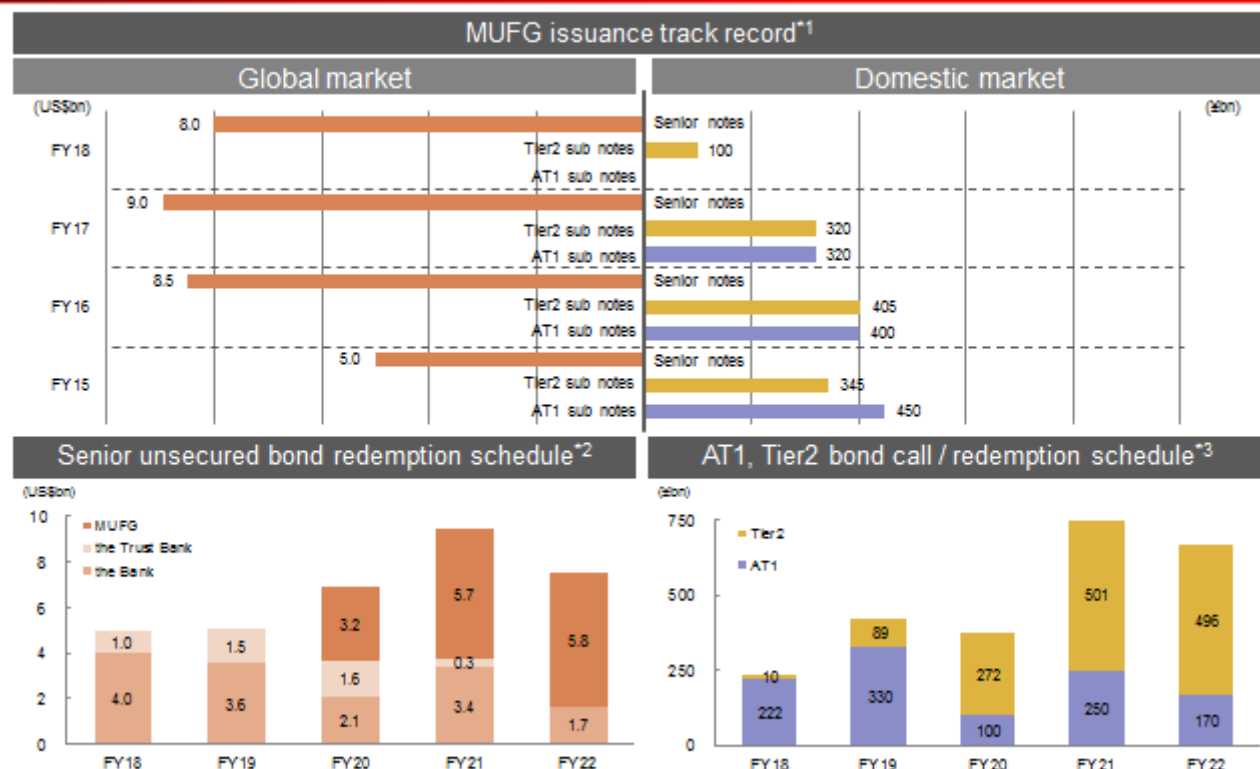
^{*1} Accumulated amount of issuance of benchmark-size notes as of end Sep 18 (excluding the amount of buyback). TLAC Eligible Senior Debt are converted into US\$ with actual exchange rates as of end Sep 18

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

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

Appendix 5: TLAC requirement

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



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

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

^{*3} Annual figures assuming that all callable notes are to be redeemed on its first callable date. AT1 and Tier2 contain Basel II Tier1 preferred securities and Basel II Tier2 sub notes issued by the Bank and the Trust Bank respectively