




FY2019 IR presentation

May 20, 2020



Mitsubishi UFJ Financial Group, Inc.



- ✓ Good morning. I assumed the office of Group CEO this past April. My name is Kamezawa. Thank you very much for joining us for this MUFG briefing out of your busy schedules.
- ✓ This is the first results briefing for both myself, as well as for Mr. Yonehana, the Group CFO. We would have very much liked to see you face to face, but unfortunately, because of the prevailing situation, we decided to hold this briefing in a conference call format.
- ✓ Please look at the material entitled "FY 2019 IR presentation."
- ✓ Please go to page 3.

Disclaimer

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Definitions of figures used in this document

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

Key messages

FY19 result and FY20 target

- FY19 result : ¥528.1bn in net profit. Behind the target mainly due to one-time amortization of goodwill
- FY20 target : **¥550bn** in net profit under certain assumptions. Credit cost forecast is ¥450bn

Management principles as CEO

- Response to COVID-19 : Accomplish MUFG's **social responsibility** by providing financial services
- Strategic emphasis : **Prioritize 3 strategies**, considering the impact of COVID-19 and our challenges

Major existing initiatives

- Progress : Accelerate **shift of sales channel, cost control and RWA*¹ control**

Capital policy

- Capital level : Maintain sufficient capital level even with the future RWA*¹ accumulation
- Shareholder returns : DPS for FY19 is ¥25 (up ¥3 YoY). **DPS for FY20 (forecast) is ¥25, same as FY19**

*1 Risk-Weighted Asset

- ✓ These are the key messages that I want to deliver to you.
- ✓ First, the results.
- ✓ Fiscal year 2019 net profit regrettably is behind the target announced last year due mostly to one-time amortization of goodwill of our overseas investments.
- ✓ The fiscal year 2020 target is set at 550 billion yen after making certain assumptions for the business environment, which I will talk about later on.
- ✓ Second is my management principles as CEO.
- ✓ First, in responding to COVID-19, we will do our best in fulfilling our social mission, which is provision of financial services, including financing and settlement. In order to thoroughly meet financing demand, we would like to maintain a sufficient level of capital.
- ✓ Next, strategic emphasis. Given that COVID-19 is likely to accelerate changes and trends in the society, I will talk about our priority strategies.
- ✓ Number three, our major existing initiatives.
- ✓ Shift of sales channel, cost control, and risk-weighted asset control are important in terms of securing our resilience, and we would like to accelerate them further.
- ✓ Number four, capital policy.
- ✓ The fiscal year 2019 dividend is in line with our dividend forecast announced one year ago at 25 yen, up 3 yen year on year.
- ✓ The fiscal year 2020 dividend forecast is the same level as fiscal year 2019 at 25 yen.
- ✓ Please go to page 6.

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FY19 financial results

FY19 financial results

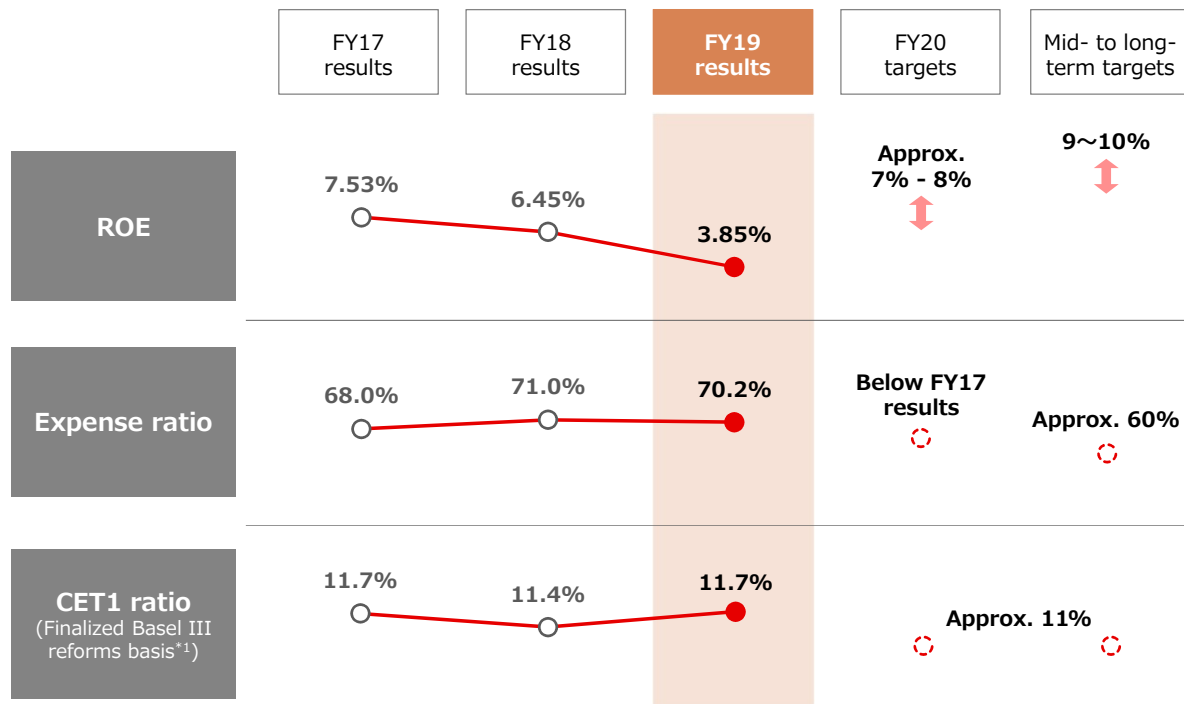
– Net profits were ¥528.1bn, mainly due to net extraordinary losses resulting from one-time amortization of goodwill of overseas consolidated subsidiaries

Consolidated (¥bn)	FY18	FY19			
	Results	Initial targets	Results	YoY	vs. initial targets
1 Gross profits before credit cost for trust accounts	3,725.7	–	3,986.3	260.5	–
2 G&A expenses	2,647.1	–	2,801.8	154.7	–
3 Net operating profits before credit costs for trust accounts and provision for general allowance for credit losses	1,078.5	1,080.0	1,184.4	105.8	104.4
4 Total credit costs	(5.8)	(230.0)	(222.9)	(217.1)	7.0
5 Ordinary profits	1,348.0	1,280.0	1,235.7	(112.2)	(44.2)
6 Profits attributable to owners of parent	872.6	900.0	528.1	(344.5)	(371.8)

- ✓ I will explain about fiscal year 2019 financial results.
- ✓ Line 1, gross profits. They are up 260.5 billion yen year on year at 3,986.3 billion yen. There are three major factors. One is increases in global markets-related revenue. Second is consolidation of Bank Danamon. Third is consolidation of an Australian asset management company, First Sentier Investors, or FSI, pushing up gross profits year on year.
- ✓ Line 2, G&A expenses. They are also up year on year, led mostly by the consolidation of the two entities I mentioned. They are up by 154.7 billion yen.
- ✓ As a result, net operating profits increased by 105.8 billion yen to 1,184.4 billion yen.
- ✓ Ever since the introduction of the negative interest rate policy by the Bank of Japan, net operating profits have been in a declining trend, but this time they turned upward for the first time in five years.
- ✓ Items below net operating profits, there was a one-time amortization of goodwill of Bank Danamon and Bank of Ayudhya. Also, until last year, there were large amounts of write-backs of loan loss reserves, but in the absence of such a factor, profits attributable to owners of parent was down 344.5 billion yen year on year at 528.1 billion yen.
- ✓ Please go to page 7.

Financial targets

– Continue to make sustained efforts to achieve the targets, although FY20 outlook for operating environment is uncertain



^{*1} Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis, includes net unrealized gains on AFS securities

- ✓ This page is about financial targets.
- ✓ Fiscal year 2019 ROE was very low at 3.85%. The expense ratio was 70.2%. The CET1 ratio on a finalized Basel III reforms basis was 11.7%.
- ✓ Now, fiscal year 2020 targets appears to be very difficult to achieve. This year is the final year of the current mid-term business plan, as well as the year to develop the next mid-term business plan. In light of the COVID-19 impact, the outlook is quite uncertain, but we would like to make tireless efforts towards achieving our mid- to long-term targets.
- ✓ Next, please go to page 8.

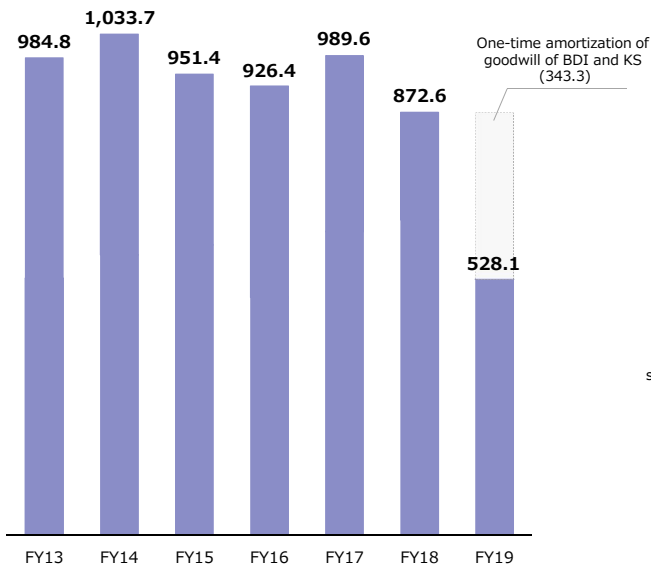
Profits attributable to owners of parent

– Net profits excluding one-time amortization of goodwill were virtually unchanged from FY18

Historical performance

Consolidated

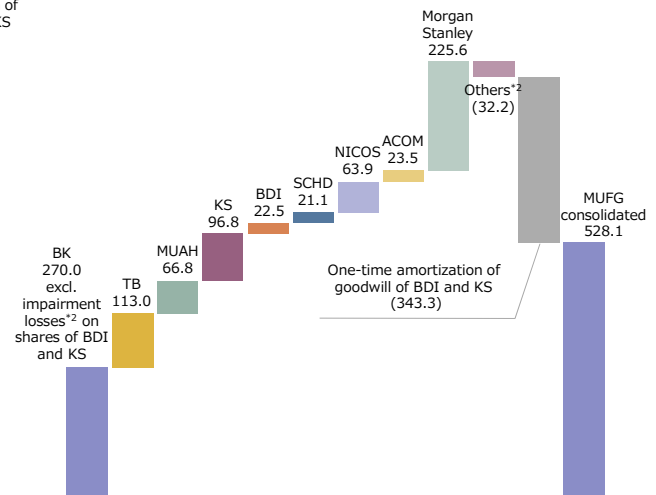
(¥bn)



Contribution from subsidiaries, etc.*1

Consolidated

(¥bn)



*1 The figures reflect the percentage holding in each subsidiary and equity method investee

*2 Impairment losses on shares of BDI and KS are ¥923.0bn. In the consolidated figures, the impairment losses are eliminated

- ✓ This page is about profits attributable to owners of parent.
- ✓ As the bar chart on the left shows, fiscal year 2019 net profits declined sharply, but this is due in large part to a one-time amortization of goodwill.
- ✓ Please look at page 9.

Main reasons of not achieving the FY19 target

– FY19 target was not achieved, due to one-time amortization of goodwill, a volatile stock market movement and the recording of precautionary provisions for credit losses

(¥bn)	Impact amount	
One-time amortization of goodwill*1	(343.3)	Share price at the end of March 2020 declined by more than 50% compared to acquisition cost (Breakdown : BDI 212.8, KS 130.5)
Volatile stock market movement in FY19 Q4*2	(65.0)	Impairment losses on equity holdings Impairment losses on share of equity-method affiliate, Security Bank (21.3, goodwill equivalent)
Provisions for the impact of COVID-19*2	(35.0)	Recorded precautionary provisions for credit losses

*1 No impact on regulatory capital *2 Approx. amount of effect on net profits

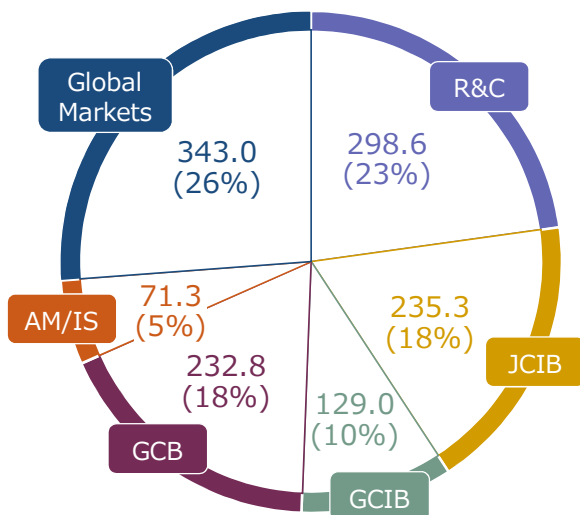
- ✓ As for reasons why targets were not achieved, there are three factors listed here.
- ✓ The first one is the one-time amortization of goodwill. The impact was 343.3 billion yen. The breakdown is as provided in the table.
- ✓ The second one is equity. A sharp drop in the stock market at the end of the fiscal year led to impairment losses on our equity holdings, as well as write-downs of Security Bank shares, a total of about 65 billion yen of losses were booked.
- ✓ The third one, credit costs. These are precautionary credit costs. For industries that are likely to be hardest-hit by COVID-19, we decided to make precautionary provisions.
- ✓ Please go to page 10.

Results by business group (1)

- Net operating profits upturned for the first time in five fiscal years
- Net operating profits in customer segments increased for two consecutive fiscal years

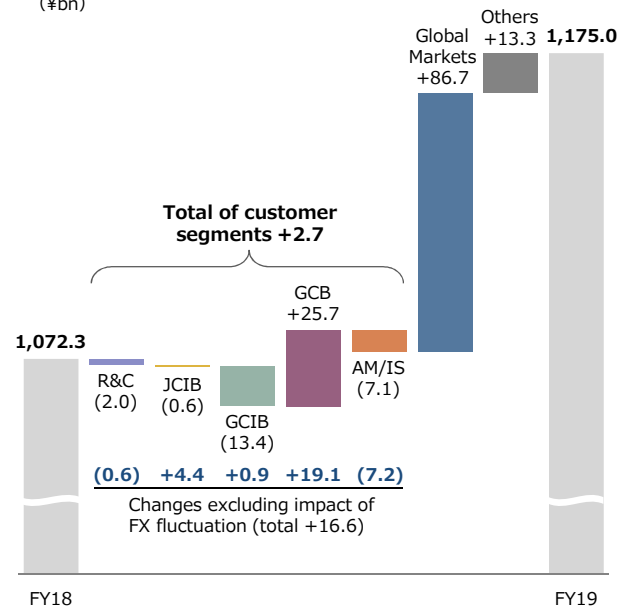
Net operating profits by business group*1 Consolidated

(¥bn)

FY19 ¥1,175.0bn*2

Changes by business group Consolidated

(¥bn)









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

*2 Including profits or losses from others

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- ✓ This page is about net operating profits by business group.
- ✓ As shown in the step chart on the right, profits from customer segments grew for two consecutive periods in a row led by GCB, Global Commercial Banking, that had consolidation of Bank Danamon. But as indicated, net operating profits excluding the foreign exchange impact were positive for both JCIB as well as GCIB.
- ✓ As for the details of the results of each business group, they are shown in the appendix of the material for your reference.
- ✓ Please skip one page and go to page 12.

Results by business group (2)

Consolidated	Business group	Net operating profits (¥bn)			Expense ratio		ROE*1	
		FY18	FY19	Changes	FY18	FY19	FY18	FY19
	Retail & Commercial Banking 	300.7	298.6	(2.0)	80%	80%	1%*2 [1%]	9%*3 [10%]
	Japanese Corporate & Investment Banking 	235.9	235.3	(0.6)	57%	57%	15% [15%]	12% [12%]
	Global Corporate & Investment Banking 	142.3	129.0	(13.4)	63%	66%	10% [10%]	8% [8%]
	Global Commercial Banking 	207.0	232.8	25.7	70%	71%	6% [8%]	(17%)*4 [(14%)]
	Asset Management & Investor Services 	78.4	71.3	(7.1)	61%	71%	8%*5 [10%]	19% [22%]
	Global Markets 	256.3	343.0	86.7	47%	40%	5% [5%]	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 brackets exclude the impacts of investment related accounting factors (amortization of goodwill, etc.)

*2 ROE excluding the impact of impairment losses on fixed assets of NICOS is 6%

*3 ROE excluding the impact of one-time effects of corporate tax refund is 6%

*4 ROE excluding the impact of one-time amortization of goodwill and impairment loss is 5%

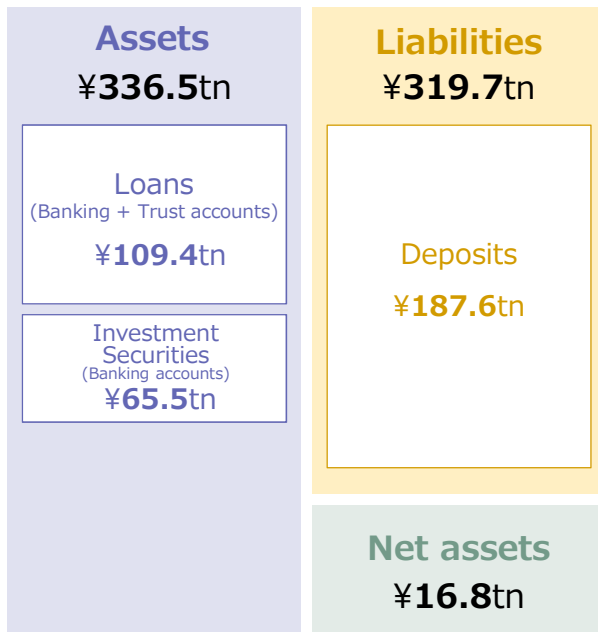
*5 ROE excluding the impact of losses on sales of Standard Life Aberdeen shares is 18%

Balance sheet summary

Balance sheet summary

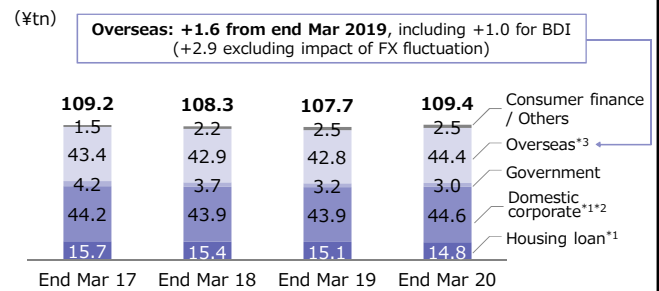
Consolidated

As of end Mar 2020



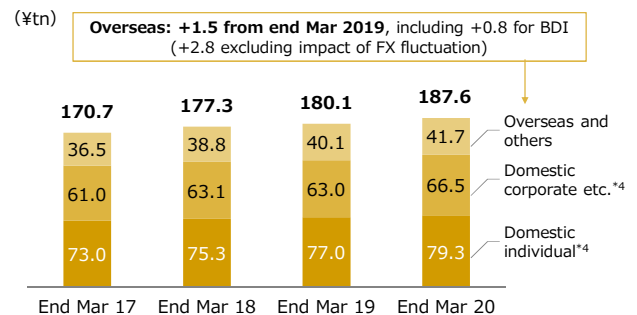
Loans (period end balance)

Consolidated



Deposits (period end balance)

Consolidated



*1 Non-consolidated + trust accounts *2 Excluding loans to government and governmental institutions and including foreign currency denominated loans (Excluding impact of FX fluctuation: +¥0.7tn from end Mar 2020)

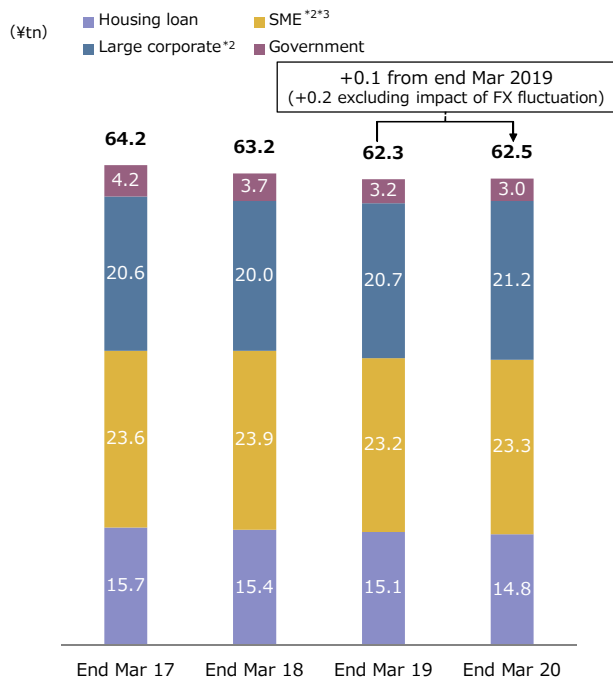
*3 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe) *4 Non-consolidated

- ✓ This page is about balance sheet.
- ✓ As the blue bar graph on the right shows, loan balance increased towards March end due in part to financing support amidst COVID-19.
- ✓ The yellow bar graph in the lower right-hand corner shows deposit balance. Domestic corporates and individuals, and overseas deposits are all maintaining growth trends.
- ✓ Please go to page 13.

Domestic loans

Loan balance (period end balance)*1

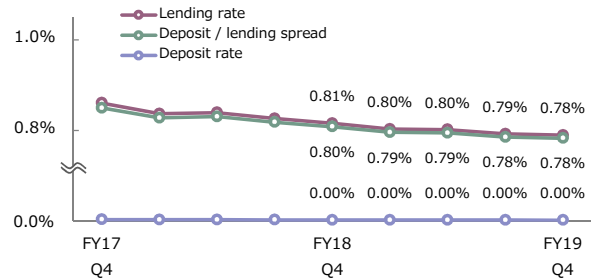
Consolidated



*1 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 Excluding lending to government etc.
 *6 Figures for FY19Q2 were corrected

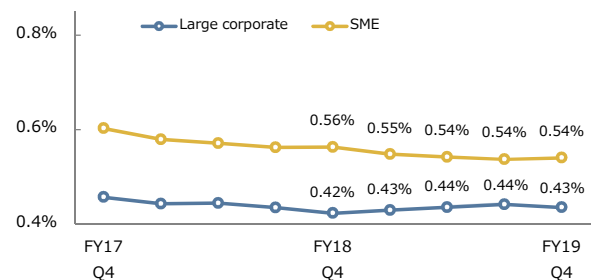
Deposit / lending rate*4*5

Non-consolidated



Corporate lending spread*2*4*5*6

Non-consolidated

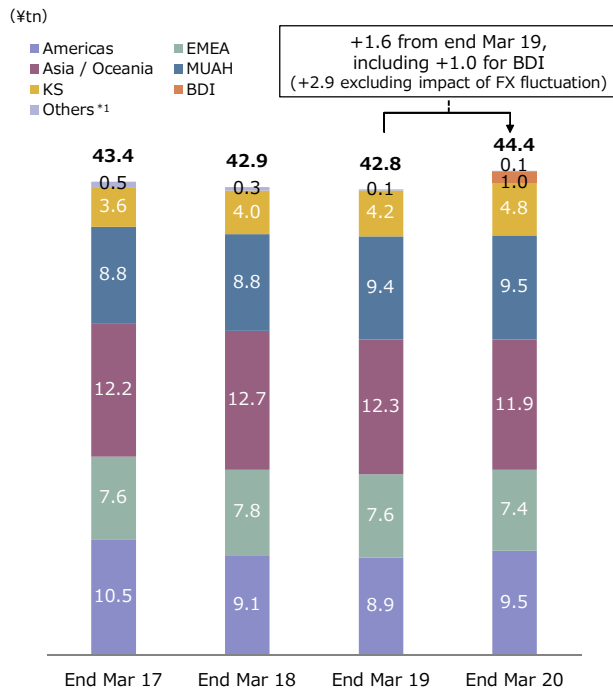


- ✓ This page is about domestic loans.
- ✓ The line graph in the upper right-hand corner, the deposit/lending spread continues to shrink, albeit moderately, as the low interest rate environment continues.
- ✓ Please go to page 14.

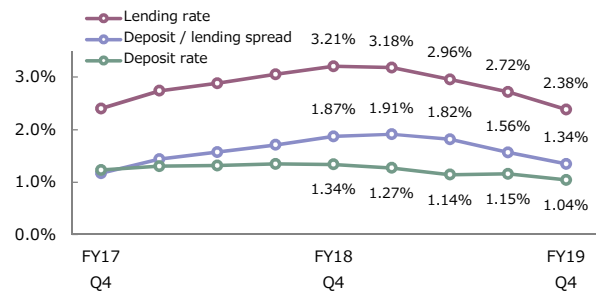
Overseas loans

Loan balance (period end balance)

Consolidated

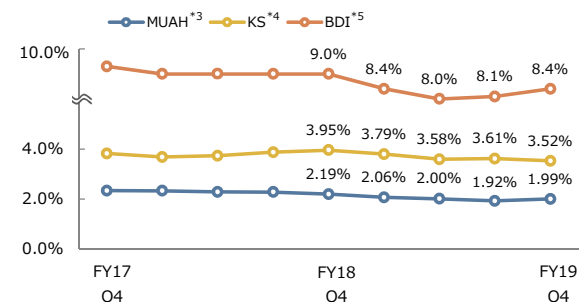
Change in deposit / lending rate*²

Non-consolidated



Net interest margin

MUAH / KS / BDI



*1 Loans booked at offshore markets etc. *2 Managerial accounting basis *3 Financial results as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP

*4 Financial results as disclosed in KS's financial reports based on Thai GAAP

*5 Financial results as disclosed in BDI's financial reports based on Indonesia GAAP

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- ✓ This page is about overseas loans.
- ✓ The bar graph on the left, the loan balance itself is up due to the consolidation of Bank Danamon, but even without that element it was higher year on year.
- ✓ The line graph in the upper right shows the deposit/lending spread on a non-consolidated basis. In response to the lowering of rates in the US, the spread became tighter.
- ✓ The line graph in the lower right shows the net interest margin at partner banks.
- ✓ The top one in orange is Bank Danamon. It is up due to growth in low interest rate deposits.
- ✓ The middle line in yellow is Bank of Ayudhya. Because of a rate cut by the central bank, it is down slightly.
- ✓ The bottom line in blue is MUAH in the US. We have been working to replace the portfolio with higher-yielding assets to improve net interest margin. It is gradually producing results and the margin is rising slightly.
- ✓ Please go to page 15.

Investment securities (1)

AFS securities*¹ with fair value

Consolidated

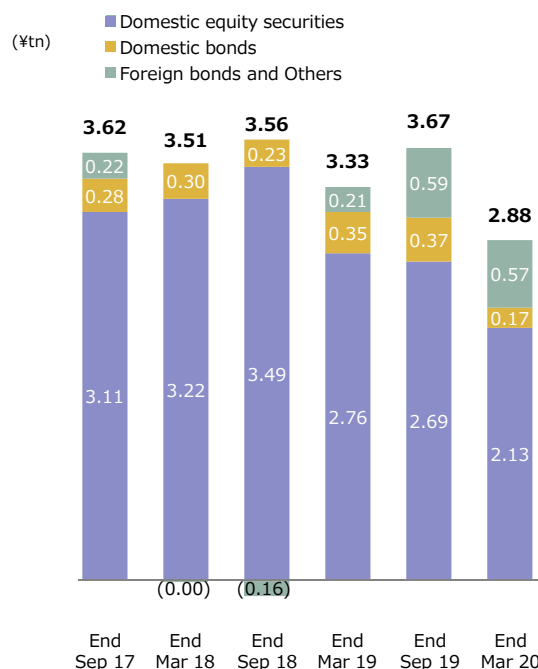
(\$bn)

	Balance		Unrealized gains (losses)	
	End Mar 20	Changes from end Mar 19	End Mar 20	Changes from end Mar 19
1 Total	62,151.1	1,572.5	2,888.6	(447.0)
2 Domestic equity securities	4,141.3	(812.0)	2,139.9	(624.3)
3 Domestic bonds	27,473.1	211.9	171.3	(186.1)
4 Japanese government bonds (JGB)	20,643.0	(899.2)	123.9	(155.0)
5 Foreign bonds	24,502.4	2,969.5	738.1	564.4
6 Others	6,034.2	(796.8)	(160.8)	(201.0)

*1 Available for sale securities

Unrealized gains / losses on AFS securities*¹

Consolidated



- ✓ This page is about investment securities. Please look at the table on the left.
- ✓ Line 1, the left column is the balance and the right column is unrealized gains. The total balance was up by about 1.6 trillion yen, mainly due to an increase in foreign bonds in line 5.
- ✓ For unrealized gains or losses, line 2, domestic equity securities declined by 620 billion yen due to a drop in the stock market. On the other hand, line 5, foreign bonds, increased by about 560 billion yen. So together with domestic bonds in line 3, unrealized gains of bonds as a whole, were in excess of 900 billion.
- ✓ Please go to page 17.

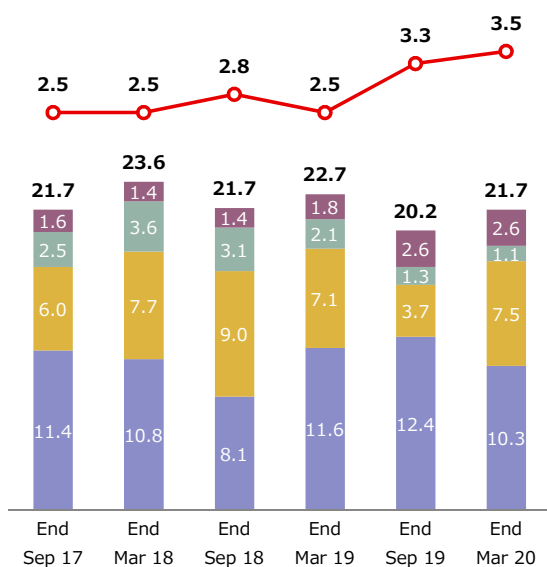
Investment securities (2)

JGB balance*1 and duration

Non-consolidated

(¥tn)

Over 10 years 5 years to 10 years
1 year to 5 years Within 1 year
Average duration (year)*2



*1 Available for sale securities and securities being held to maturity

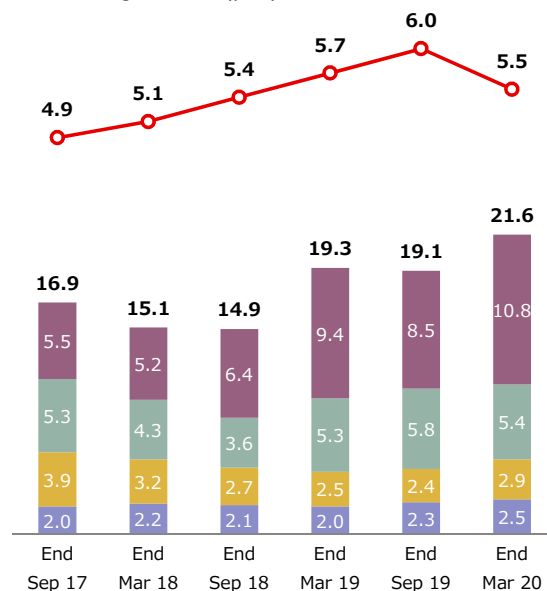
*2 Available for sale securities

Foreign bond balance*1 and duration

Non-consolidated

(¥tn)

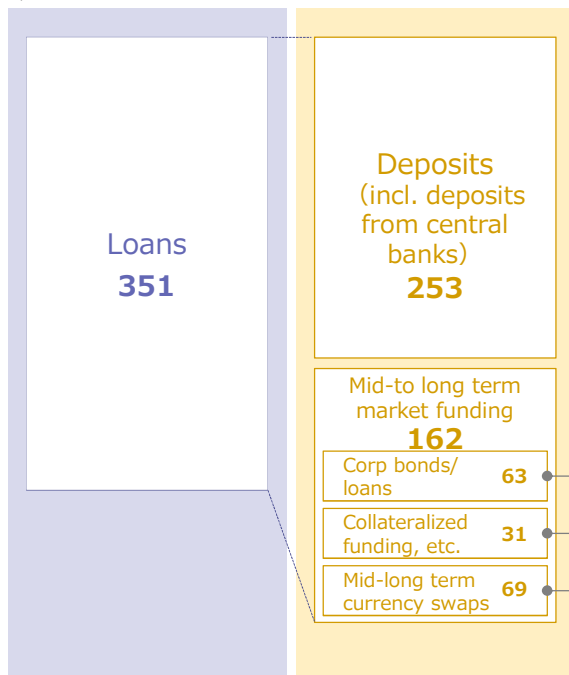
Over 10 years 5 years to 10 years
1 year to 5 years Within 1 year
Average duration (year)*2



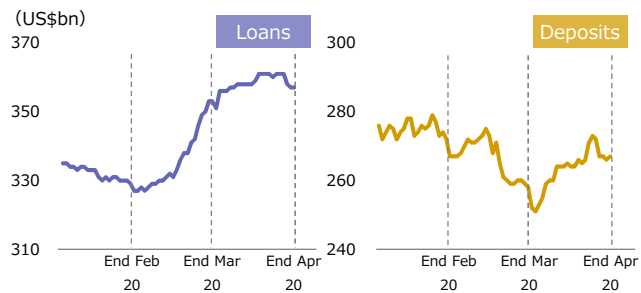
Non-JPY liquidity*1

– Non-JPY loans are stably funded by deposits and mid- to long-term market funding

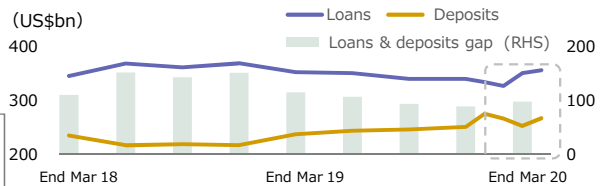
(US\$bn) As of end Mar 2020



Loan and deposit balance over FYE (daily)



Historical loan and deposit balance



TLAC eligible senior debt etc.
Cross-currency repos*2 (utilizing JGB) etc.
Currency swaps are transacted mainly in mid-term durations

Avg. tenor approx. **7 yrs**
Major tenor approx. **3-5 yrs**

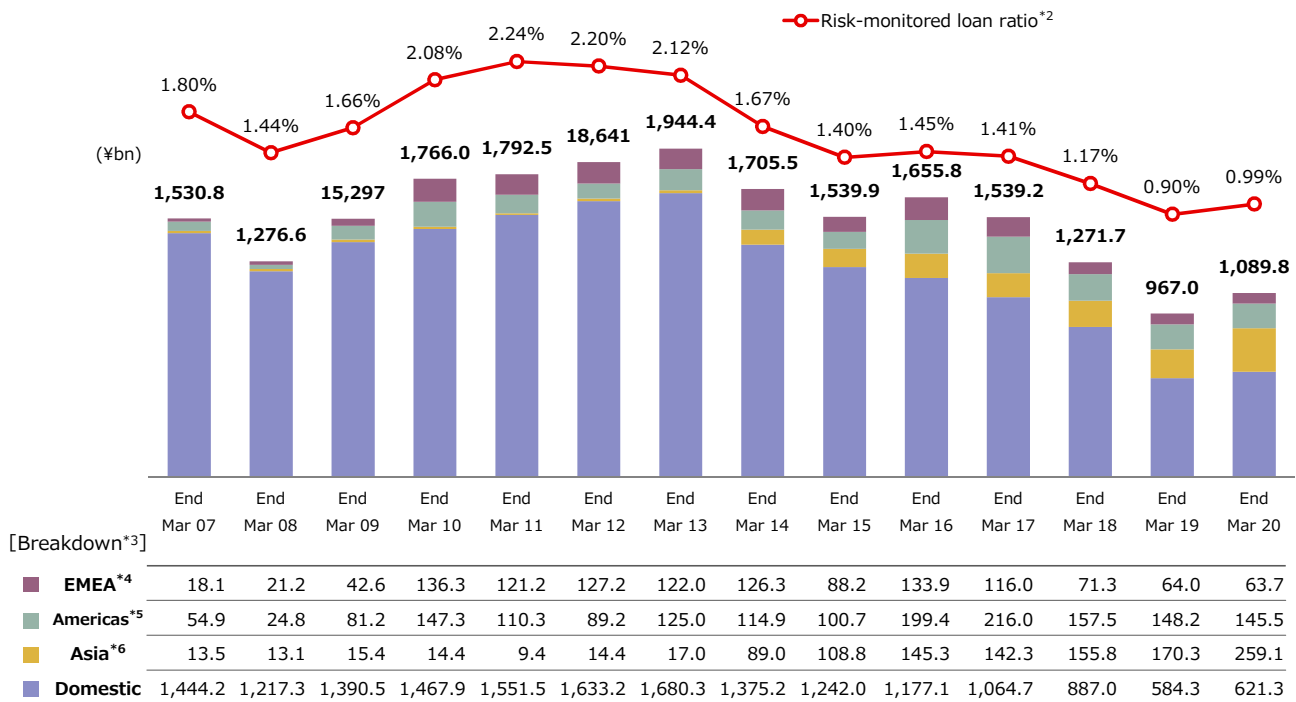
*1 The Bank consolidated excl. MUAH, KS and BDI. Managerial basis

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

- ✓ This page is about non-Japanese yen liquidity.
- ✓ On the left, as the balance sheet shows, the loans are being funded by stable customer deposits, as well as mid- to long-term market funding. So we have stable funding.
- ✓ Please look at the line graph in the upper right. This is a loan and deposit balance over fiscal year end. The blue line on the left is loans. It increased due to usage of commitment lines at the fiscal year end, but currently it is stable and the curve is flat.
- ✓ The yellow line on the right is deposits. Here again, it declined temporarily towards fiscal year end, but now it is turning upward.
- ✓ The loan/deposit gap is in a narrowing trend, so overall, there are no major concerns in our non-Japanese yen liquidity.
- ✓ Please go to page 18.

Risk-monitored loans*¹

– The balance and ratio slightly increased mainly due to consolidation of BDI, still in low level



*¹ Risk-monitored loans based on Banking Act *² Total risk-monitored loans / total loans and bills discounted (banking accounts as of period end)

*³ Based on the locations of debtors

*⁴ End Mar 2007 – End Mar 2012 includes parts of other regions

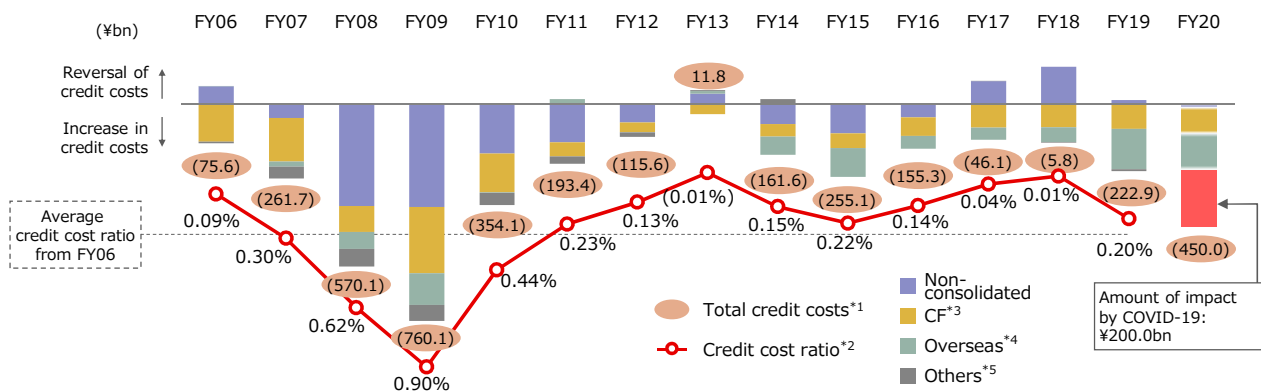
*⁵ End Mar 2007 – End Mar 2012 includes only US

*⁶ The figure of Asia as of end Mar 2020 includes approximately ¥43.0bn for BDI

- ✓ This page is about risk-monitored loans.
- ✓ As the graph indicates, because of the consolidation of Bank Danamon, the total amount, as well as the ratio, are slightly going up, but still, they are kept at a low level. The balance is about two-thirds of the level at the time of the global financial crisis at the far left. For domestic, it is less than half.
- ✓ Please go to page 19.

Credit costs

– Credit costs for FY19 were ¥222.9bn. Total credit costs forecast for FY20 is ¥450.0bn



Breakdown of FY20 credit costs of ¥450.0bn

Ordinary credit costs	¥250.0bn	• Almost same level as FY19 result
Amount of impact by COVID-19	¥200.0bn	• Include the impact corresponding to relevant business model of each entity (Recorded the precautionary provision of ¥50.0bn in FY19)

Difference of the portfolio from the global financial crisis

Domestic	<ul style="list-style-type: none"> • The Bank: Stricter credit control for real estate and micro business loan • CF: Enforcement of lending restrictions by law. Recorded provision for loss caused by requests for interest repayment*⁶
Overseas	<ul style="list-style-type: none"> • Increase in loan balance for non-Japanese corporates • Added new portfolio in Asia by consolidation of KS and BDI

Next page

*1 Including gains from write-off *2 Total credit costs / loan balance as of end of each fiscal year *3 Sum of NICOS and ACOM on a consolidated basis
*4 Sum of overseas subsidiaries of the Bank and the Trust Bank *5 Sum of other subsidiaries and consolidation adjustment
*6 From FY10, accounting item has changed from credit costs to reserve for contingent losses

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- ✓ This page is about credit costs.
- ✓ Please look at the far right, the second bar from the right.
- ✓ This is fiscal year 2019. The amount is 222.9 billion yen. And for the credit costs for fiscal year 2020, the red block represents the COVID-19 impact, and 200 billion yen is the amount being estimated. The total is 450 billion yen. I would say that there is roughly an even split between domestic and overseas.
- ✓ At the bottom of the slide, we are showing the difference from the time of the global financial crisis.
- ✓ A big difference from the time of the global financial crisis is, for domestic, for the real estate business, the quality of our portfolio has been greatly improved. And as for micro business loans, the so-called model credit screening business, this has been greatly reduced and the balance is now less than one-tenth. Also, in consumer finance, enforcement of lending restrictions by law has been introduced, and loss from interest repayment requests have already been covered by provisions, so this is another major difference.
- ✓ On the other hand, overseas, these are investee companies in our Asia strategy, and including their portfolio, the loan balance is higher. Overall, we are not projecting to book credit costs similar to the levels of the global financial crisis.
- ✓ Please go to page 20.

Specific credit portfolio

Energy and mining*1

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Credit exposure*2	¥7.9tn
% of total exposure*3 vs. Mar 2016	Approx. 7% Down 2ppt from approx. 9%
Exposure to upstream sub-sector*4	¥2.3tn




Air transportation (incl. aircraft finance)*1

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Credit exposure*2	¥1.8tn
% of total exposure*3	Approx. 1.6%
% of exposure with collateral and guarantee	Approx. 78%
Aircraft collaterals	Consist mostly of models with high liquidity

Partner banks

Page 52 to 55

	MUAB 	KS 	BDI 
Loan amount*5	¥9.7tn*6 (Approx. 9%*9)	¥6.2tn*7 (Approx. 6%*9)	¥0.9tn*8 (Approx. 1%*9)
NPL ratio*5	0.36%	2.22%	3.40%
Credit costs*10	¥51.1bn*11	¥31.7bn*12	¥7.6bn*13

*1 All figures on managerial accounting basis, aggregating internal management figures of each subsidiary *2 Including undrawn commitment and excluding market exposure *3 The Bank consolidated (excl. KS, BDI) and the Trust Bank. Including undrawn commitment and excluding market exposure
 *4 Exploration, development and production of oil and gas *5 Figures of each partner bank at FY20Q1 *6 US\$89,786mm *7 THB1,869,963mm
 *8 IDR147,028bn *9 % of MUFG total loan amount (the Bank consolidated, the Trust Bank, NICOS, ACOM) *10 Amount of each partner bank at FY20Q1, based on relevant accounting standard. For reference, MUFG will include partner banks credit costs (including the CECL impact) approximately ¥90.0bn in FY20Q1
 *11 USD470mm *12 THB9,510mm *13 IDR1,148bn
 (Note) Exchange applied for the calculation for *5 and *10 is as follows. US\$1=¥108.83, THB1=¥3.34, IDR1=¥0.0067

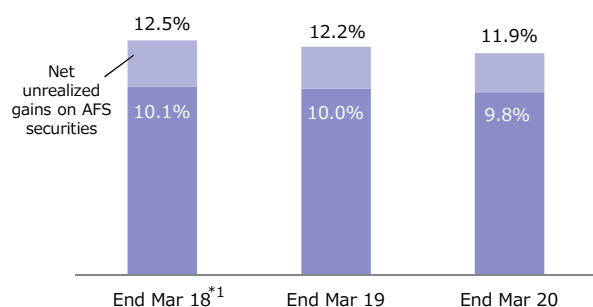
- ✓ This page is about specific credit portfolio.
- ✓ First, the upper left-hand corner, energy and mining. Currently, the exposure has been reduced to 7.9 trillion yen. Four years ago, the balance was 10.4 trillion yen, and the quality of the portfolio has been improved.
- ✓ The upper right-hand corner, air transportation related. In November of last year, we acquired assets from DVB Bank so the total exposure is up, but in aircraft finance, most of the transactions are with collateral and guarantees. But the biggest risk is the value of that collateral going down, so we want to stay vigilant.
- ✓ The bottom of the page, partner banks' balances. January to March, the first quarter numbers, are shown here. Line 2, the NPL ratio, generally, they maintain a favorable position against their local peer banks.
- ✓ The introduction of CECL, or Current Expected Credit Loss, started from this period. The total credit costs comes to 90 billion yen. This is a method to estimate credit costs with future expected losses, and is reflected in this fiscal year's credit cost forecasts.
- ✓ Please go to page 21.

Capital

– CET1 ratio is expected to remain at sufficient level even in light of future RWA accumulation

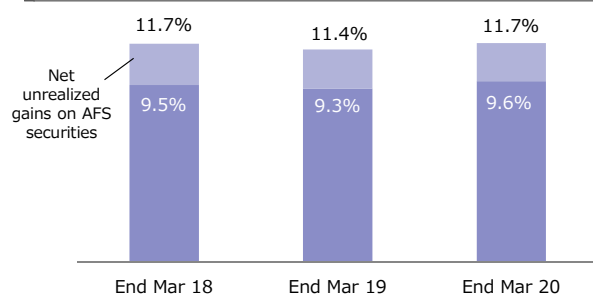
CET1 ratio

Consolidated



CET1 ratio (Finalized Basel III reforms basis^{*2})

Consolidated



^{*1} Estimated CET1 ratio calculated on the basis of current regulations applied

^{*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

FY19 results

Consolidated

	(¥bn)	End Mar 19	End Mar 20	Changes
1	Common Equity Tier 1 capital	14,322.4	13,708.3	(614.0)
2	Additional Tier 1 capital	1,953.8	1,914.9	(38.9)
3	Tier 1 capital	16,276.3	15,623.3	(652.9)
4	Tier 2 capital	2,493.4	2,656.2	162.7
5	Total capital (Tier 1+Tier 2)	18,769.7	18,279.5	(490.2)
6	Risk-weighted assets	117,091.1	115,135.6	(1,955.5)
7	Credit risk	90,843.0	88,791.7	(2,051.3)
8	Market risk	2,920.5	3,150.7	230.1
9	Operational risk	8,107.2	8,269.2	162.0
10	Floor adjustment ^{*3}	15,220.2	14,923.8	(296.3)
11	Total exposures	329,048.6	353,117.5	24,068.8
12	Leverage ratio	4.94%	4.42%	(0.52ppt)

- ✓ This page is about capital.
- ✓ In providing support to our customers with financing and with the impact of downgrades, our risk-weighted assets may go up, but we believe that we can maintain a sufficient level of capital.
- ✓ Please go to page 22.

FY20 targets

- The COVID-19 pandemic is expected to have a further impact on our business as economic and corporate activity deteriorates and the financial market remains volatile. Although it is difficult to make forecast at present, we set FY20 targets based on the economic outlook with certain assumptions (assumptions are described on the next page).
- If actual timing of containment of the virus and the degree of the impact on the real economy are different from our assumptions, FY20 targets may be revised or differ from the actual results significantly.

	Consolidated (¥bn)	FY19 results	FY20 targets	Estimated impact of COVID-19*1	Major impact that may arise or be anticipated by the COVID-19 pandemic
1	Net operating profits before credit costs for trust accounts and provision for general allowance for credit losses	1,184.4	1,050.0	(300.0)	Decline in foreign currency interest income Decline in new investments and business transactions Decrease in assets under custody or management Decreased investor appetite for investment Restrictions on our business activities
2	Total credit costs	(222.9)	(450.0)	(200.0)	Worsening business performance of borrowers
3	Ordinary profits	1,235.7	850.0	(600.0)	Decrease in equity earnings in equity method investees and decline in other non-recurring gains (losses) etc.
4	Profits attributable to owners of parent	528.1	550.0	(420.0)*2	

*1 Comparison with targets assuming no COVID-19 pandemic

*2 Calculated by using approximate tax rate of 30%

- ✓ This page is about fiscal year 2020 targets.
- ✓ With this COVID-19, it is very difficult to make projections, but by making certain assumptions, we set our profit target at 550 billion yen.
- ✓ Let me explain about the impact. Line 1, net operating profits. The negative impact is about 300 billion yen. This is due to lower rates, stock market declines, the so-called market changes, also due to a slowdown in economic activity and a resultant decline in the amount of business. We are estimating a 50/50 split between them.
- ✓ The items below net operating profits, we are also looking at a negative impact of 300 billion yen, of which credit cost impact is projected to be 200 billion yen.
- ✓ As a result, the impact on profits attributable to owners of parent is a negative 420 billion yen.
- ✓ In these times of uncertainty, if there arises a need to revise our targets, we intend to promptly make an announcement.
- ✓ Please go to page 23.

Assumption for FY20 targets

– While the depth and longevity of the COVID-19 impact on the real economy are still uncertain, FY20 targets are set based on economic environment outlook with some assumptions

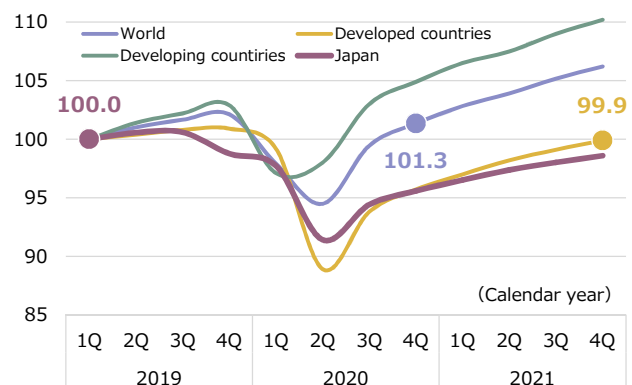
Business environment

Governments around the world have launched emergency monetary and financial policies aimed at assisting businesses with their fundraising efforts and supporting household income during the crisis. Meanwhile, financial institutions have been able to maintain soundness compared with global financial crisis caused by a liquidity crunch. As a result, they are in a position to provide businesses with finance support. At the moment, although strict public health measures currently in place to prevent the spread of the virus are expected to be relaxed in some regions, there is a sense of uncertainty as to whether or not economies will be able to smoothly regain their previous vitality. Therefore, it is believed that the normalization of economic activities will take some time in such regions as mainly developed countries.

Set FY20 targets based on the economic environment outlook reflecting four assumptions below

- 1 Depth of decline**
Assume economic activity decreases by about 5 to 10% compared to the annual average for 2019
- 2 Longevity of deterioration**
Assume deterioration of economic activity will be most extreme in Apr-Jun 2020 and recovery will start from Jul-Sep 2020
- 3 Recovery pattern**
Assume a U-shaped recovery will materialize, but at slower pace than recovery after global financial crisis
- 4 Timing of recovery**
Assume overall world economy will recover to 2019 level at the end of 2020, developed countries' economy will recover to 2019 level at the end of 2021

[GDP outlook*1 (Jan-Mar 2019=100)]



*1 Made by MUFG referring to, among other things, the baseline scenario of the IMF World Economic Outlook released in Apr 2020

MUFG 23

- ✓ This page is about the assumptions we used for the targets.
- ✓ At this point in time, it is difficult to make projections, but we used the IMF's World Economic Outlook baseline scenario announced in April as a reference.
- ✓ There are four points, as shown in the lower left-hand corner: depth of decline, longevity of deterioration, recovery pattern, and timing of recovery.
- ✓ Uncertainties remain, so we will be conscious of downside risk and we will continue to be alert in managing our business.
- ✓ Please go to page 24.

Management principles as CEO

- ✓ Next, I would like to briefly explain about the management principles as CEO.
- ✓ Please go to page 25.

Our “Social Mission” vs. COVID-19

- As the infection spreads widely to the real economy, we believe that it is our responsibility and social mission **to continue supporting our customers and society through financial services**
- Putting **top priority on ensuring the safety of all of our stakeholders and maintaining stable financial services**, we will satisfy the various financial needs from our customers swiftly, appropriately and flexibly

Ensure the safety of
all our stakeholders

Maintain stable
financial services

Extend swift,
appropriate and
flexible finance
support

Approx. 180,000 employees strive to maintain operations
domestically and in more than 50 countries abroad

- ✓ As the impact of COVID-19 is at large, we are reconfirming our responsibility to continue supporting our customers and society through financial services, placing top priority on ensuring the safety of all of our stakeholders and maintaining stable financial services.
- ✓ As stated on the bottom of this page, 180,000 employees of over 50 countries around the world are conducting business operations with originality and inventiveness.
- ✓ Through these responses, I myself am once again feeling the weight of our societal responsibilities.
- ✓ Please go to page 26.

Our response to COVID-19

– Our rapid response includes the steps taken below. As a financial group, our social mission is the top priority

Branch management	Dispatch of 1,000+ personnel* ¹ from Head Office to domestic branches and back-office centers. No halt or contraction in the Bank/the Trust Bank domestic operations; financial infrastructure preserved
Finance support	<ul style="list-style-type: none"> No. of consultations with large, medium & small corporates : Approx. 10,000*² No. / amount of newly booked loans : Approx. 3,000 / ¥2.5tn*³
Digitalization/ non- face-to-face transactions	<div>Indiv</div> No. of IB* ⁴ service users : Approx. 3 times * ⁵ <div>Corp</div> No. of Biz LENDING* ⁶ applications : Approx. 3 times * ⁷
Social contributions	<ul style="list-style-type: none"> Donation to Japanese Red Cross Society (¥500mm) / Support for the continuation of students' daily life & school and cultural activities (¥2bn) Healthcare industry support for research, development and manufacture of therapeutic drugs and vaccines, etc. (establishing a ¥10bn investment fund)
Working remotely	Japan: approx. 50%, U.S/Europe: approx. 80-90%, Asia: expanding on a region-by-region basis

*¹ Includes future plans *² Number of new loans and amendments from Mar 10 to May 8, 2020. Based on the reports from the Bank's domestic branches and online application

*³ Event counts/amounts conducted between Mar 10 and May 8, 2020. (includes commitment line limits). Based on the reports from the Bank's domestic branches

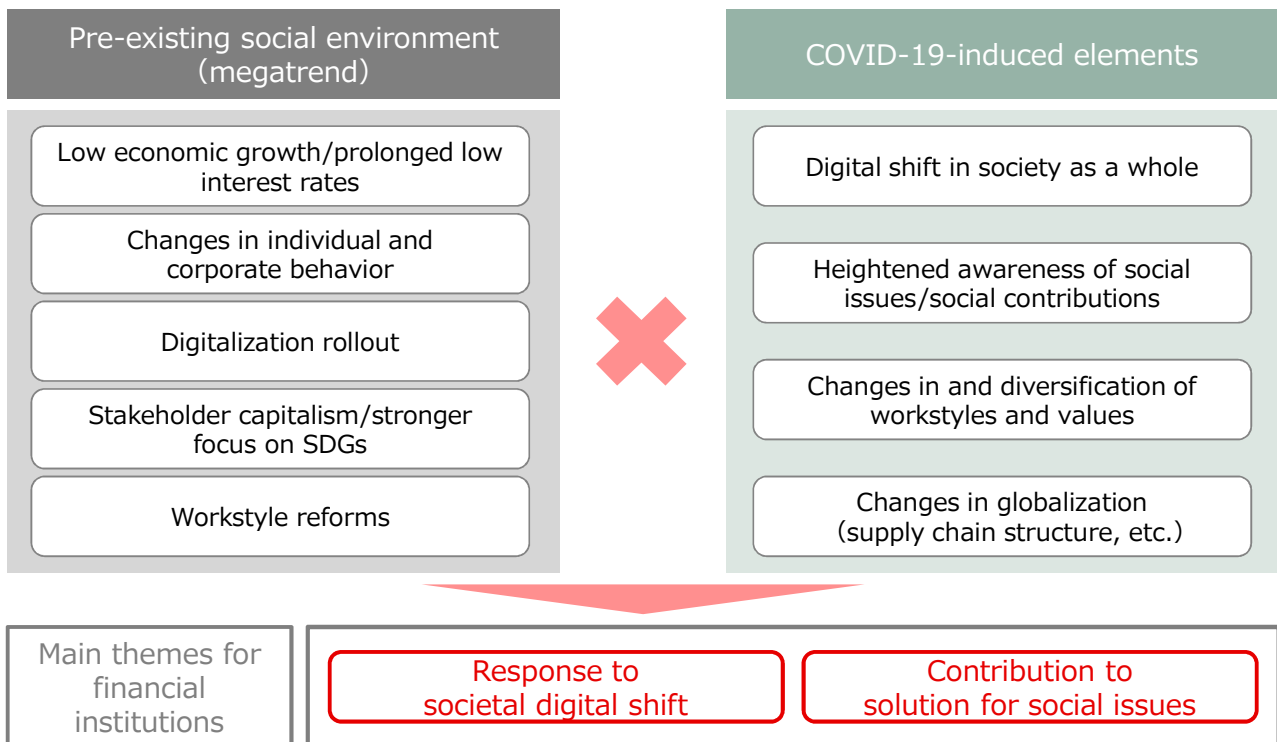
*⁴ Mitsubishi UFJ DIRECT: Internet banking for individual customers *⁵ Prior month comparisons between Mar 2019 and Mar 2020

*⁶ MUFG Biz: lending services via internet banking for corporate customers *⁷ Comparison between Nov 2019 and Mar 2020

- ✓ As you can see, we have been rapidly responding with the measures you see here.
- ✓ With regards to branch management, we dispatched over 1,000 personnel from Head Office to support the branches; therefore, all of the domestic branches of both the Bank and the Trust Bank did not have to put a stop to their operations. Secondly, COVID-19-related loan consultations have exceeded 10,000 cases and we promptly provided approximately 2.5 trillion yen of loans.
- ✓ As for digitalization and non-face-to-face transactions, there was a rapid increase in non-face-to-face customer channels and employees working remotely progressed at once.
- ✓ With regards to social contribution, we place importance on this; therefore, we are providing donations, support, and others to medical institutions, students, and cultural activities.
- ✓ These are the areas which as CEO worked on as priority matters; however, from the next page onward, I would like to briefly explain the management policy moving forward.
- ✓ Please go to page 27.

Changes in social trends

– Megatrends will accelerate sharply due to COVID-19 response



- ✓ First, I will explain our view on the world in an organized way.
- ✓ As shown on the left-hand side, the social structure has been largely changing even before the COVID-19 pandemic, and we recognize that whatever in here, such as low interest rates, digitalization, stakeholder capitalism, as well as workstyle reforms, have accelerated as we responded to COVID-19.
- ✓ As previously explained, non-face-to-face services or remote working has penetrated into our society at a faster speed than ever before and has been diversifying the way we work as well as our values. With regards to the “S,” social issues, in ESG, awareness towards contributing to society has heightened to a level that has never occurred.
- ✓ In the midst of such large changes occurring in the society, various things are expected from us financial institutions. However, if I may summarize this in a simple way, the important themes are response to societal digital shift and contribution to a solution for social issues, as stated on the bottom.
- ✓ Please go to page 28.

Societal structural changes and expectation of MUFG

– Actively respond to changes assuming irreversible influence on social structure including public values and customer behavior

Response to societal digital shift

Digital shift offers an opportunity for the company to change its core state

Innovation of MUFG as a whole, including customer interface, employee workstyle, etc.

Direction of digital shift

Custom-ers	<ul style="list-style-type: none"> Expanding non face-to-face functions and usage Smart transaction flow via digitalization of processes
Empl-oyees	<ul style="list-style-type: none"> Remote work, etc./maintaining a comfortable work environment Plans for replacing personnel seals/physical authentication means
Mgmt style	<ul style="list-style-type: none"> Digitalization as a premise for operational shift from former paper-and large building-centered commuting

Contribution to solution for social issues

Acceleration of social issue embracement, contribution to sustainable social growth

Combining social issue resolution with MUFG's strategy; tackling MUFG's sustainable growth

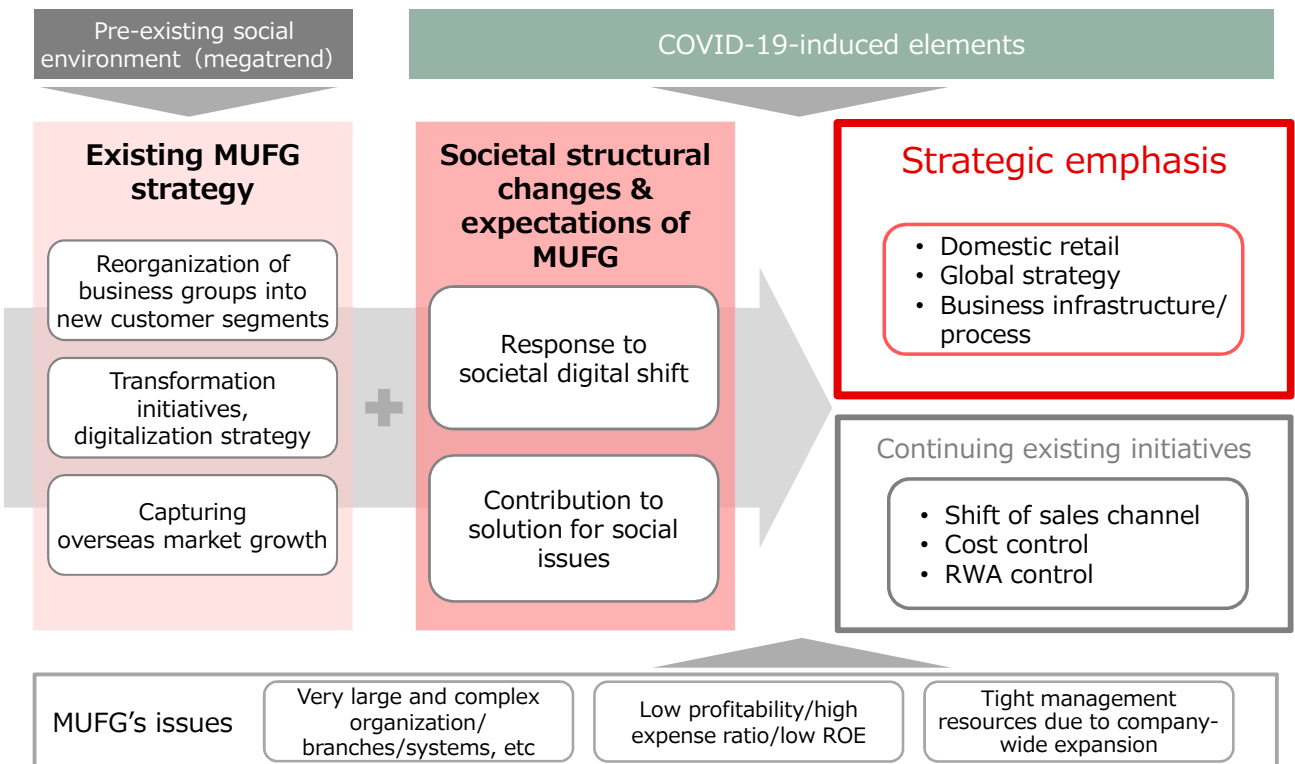
Direction of sustainability management

Social	<ul style="list-style-type: none"> Elevating focus on healthcare & education, etc. and responding to specific social areas
Environ-ment	<ul style="list-style-type: none"> Accelerating company action to address/financially support combating climate change as a global threat
Govern-ance	<ul style="list-style-type: none"> Strengthening corporate governance system on a group-wide, cross-regional basis, raising governance to an even higher level

- ✓ I would like to elaborate on the two which I just mentioned.
- ✓ The left-hand side shows the societal digital shift. We consider this as a major change that will be irreversible and accelerate even more due to the COVID-19 pandemic. As stated on the left, we believe that innovation is required for MUFG's whole operation, such as responses to non-face-to-face, paperless, no personal seals, as well as physically going to the offices.
- ✓ As for the right-hand side, solutions for social issues, key points are stated here. We are working on combining solving social issues with MUFG's strategy. However, it is important to further combine the two. Moreover, although this overlaps with digitalization, as a company that takes responsibility of the social infrastructure, it is important to synchronize our growth with the overall structural changes or contribution changes occurring in the Japanese society, through our efforts, such as authentication and no personal seal.
- ✓ Please go to page 29.

The total strategic picture

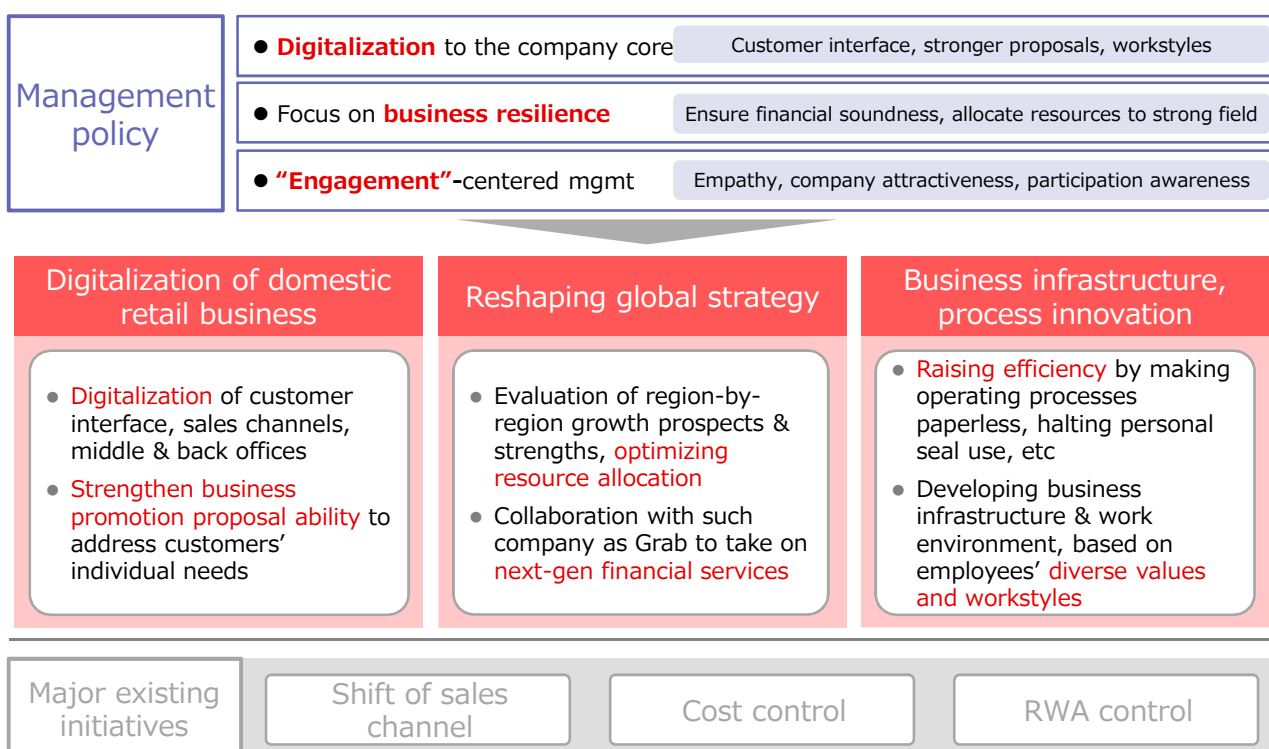
– Prioritize strategy, based on COVID-19 trends & company issues



- ✓ This is the total strategic picture. The assumptions here are the matters that were just mentioned; however, to begin with, we have been carrying out the existing strategies that reflected the conventional megatrend or social environment, such as reorganization of business groups, as well as digitalization and overseas. To this, the large wave of changes occurring in the society, as mentioned previously, and themes for financial institutions were added. And issues you see on the bottom side that we've faced have occurred; therefore, we would like to proceed in working on the strategic emphasis and continue implementing existing initiatives.
- ✓ Please go to page 30.

Strategic emphasis

– New company management policy leads the following strategic emphases



- ✓ I will briefly explain the management policy that will move forward the strategic emphasis, as well as connect the social structure changes to our growth opportunity. There are three key words that are written in red at the top, namely: digitalization, business resilience, and engagement.
- ✓ The first means to digitalize the company core. We do think that the balance with the offline world will be very much necessary. However, it is the first to be stated responding to society's shift towards digitalization.
- ✓ Second is a focus on business resilience. This is something that was reconfirmed once again during the current crisis. We would like to be trusted under any circumstances. We will secure soundness as a financial institution and strategically allocate our management resources to areas where we hold our strength.
- ✓ Lastly is engagement-centered management. In the midst of companies and individual employees being required to largely change, we would like to place importance on empathy towards the direction of transformation. We would like to create an attractive company where there is empathy amongst employees, organization, and customers, as well as with society, and where everyone can feel that they are participating.
- ✓ These are the management policies, and I would like to place importance on policies that are practical and specific. Therefore, the three-strategic emphasis represents initiatives that are based on the policy that I would like to consider as priority and proceed in a hands-on manner.
- ✓ First of all, digitalization of domestic retail business. Through digitalization of customer interface, as well as middle and back office and smartification, our goal is to lower the break-even point of domestic retail business, which consists of a large portion of our overall businesses.
- ✓ The second is reshaping global strategy. This is related to the second management point of resilience. Being impacted by the recent COVID-19 pandemic, we will identify the growth potential and strength of each region and optimize the allocation of management resources. Moreover, in Asia we will put efforts into taking on the challenge of providing next-generation financial services through our collaboration with Grab.
- ✓ The third is business infrastructure, process innovation. We will proceed in improving the efficiency through changing the administrative processes to become paperless and halting personal seal use, and further move forward in developing an environment and platform which reflects the diverse values and work style of our employees.
- ✓ At the bottom of the slide, three of the major existing initiatives are listed: shift of sales channel relates to the digitalization, and cost control, and risk-weighted assets relates to resilience. Therefore, we will continue to work on them as our major focus initiatives.
- ✓ Up to here were my management principles as CEO. Please go to page 32.

Major existing initiatives

Continuing major existing initiatives




























Shift of sales channel	<p>[FY19 results] Steady progress in shifting to non face-to-face channels</p> <p>[FY20 onward] Continue to diversify customer interface and improve productivity</p>	... P.33
Cost control	<p>[FY19 results] Expense ratio of 70.2%, improved by 0.7ppt from FY18</p> <p>[FY20 onward] Further curb expenses by reviewing work procedures and processes</p>	... P.35
RWA control	<p>[FY19 results] Reduced RWA by approx. ¥9tn^{*1}</p> <p>[FY20 onward] Satisfy both finance support for customers and preservation of our financial soundness successfully</p>	... P.37

^{*1} Finalized Basel III reforms basis

- ✓ Here, I will explain about the existing initiatives that I explained before.
- ✓ Please go to page 33.

Promote shift of sales channel (1)

– Steady progress in sales channel shift by expanding digital and non face-to-face channels

	Transaction volume (FY19)	Branch 		ATM, STM ^{*1} etc. ^{*2} 		IB ^{*3} , App 	
		FY18	FY19	FY18	FY19	FY18	FY19
Fund transfer	Approx. 93 mm	2% 	2% 	58% 	55% 	40% 	44% 
Pay tax and utility bills	Approx. 17 mm	13% 	8% 	22% 	23% 	65% 	69% 
Change of address	Approx. 1.9 mm	57% 	51% 	26% 	23% 	16% 	26% 
Replacement of unusable cards	Approx. 520 thd	81% 	71% 	11% 	7% 	9% 	22% 

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

^{*2} Including transactions via TV, telephone and mail

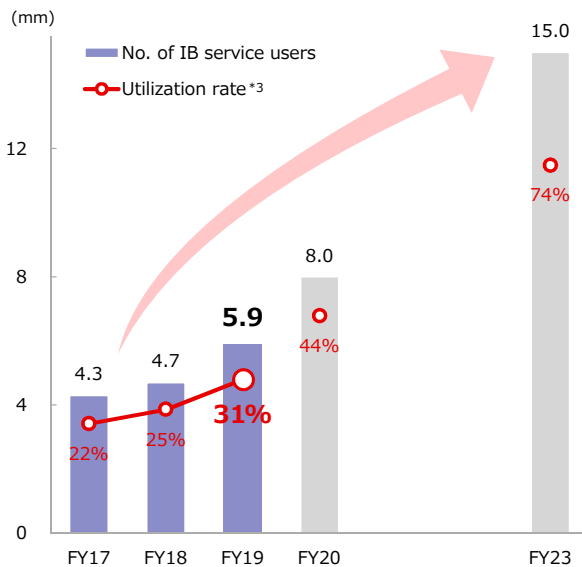
^{*3} Mitsubishi UFJ DIRECT: Internet banking for individual customers

- ✓ As for expanding the function of smartphone apps and others, which we have been focusing on lately, please look at the far-right column.
- ✓ You can see the progress of the efforts put into online functions that were mentioned at the beginning. Especially, second from the bottom on this chart, change of address, and at the very bottom, replacement of unusable cards, the shift has largely increased. Thus, I feel that a major large shift is starting to occur.
- ✓ Please go to page 34.

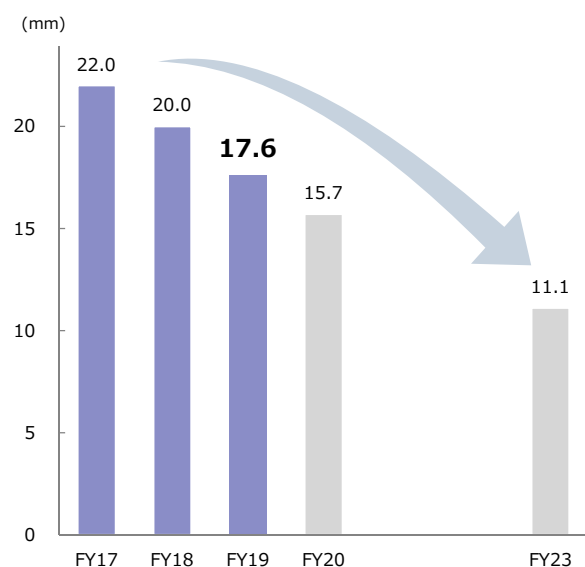
Promote shift of sales channel (2)

– No. of transactions at bank-counter declined due to the shift to non face-to-face channels

No. of IB*¹ service users*²



No. of transactions at bank-counter



*¹ Mitsubishi UFJ DIRECT: Internet banking for individual customers

*² Users who log-in IB at least once in 6 months out of all active accounts (excl. accounts used for direct debit only)

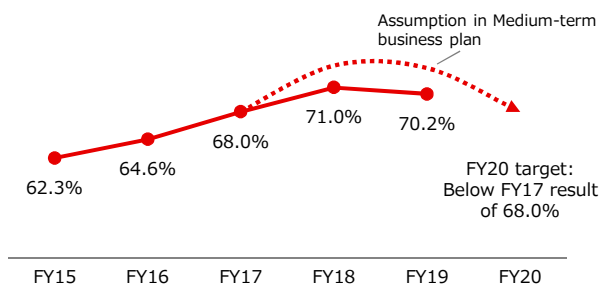
*³ Utilization rate = IB service users / active accounts (excl. accounts used for direct debit only)

- ✓ Due to the non-face-to-face sales channel evolving, no. of transactions at bank-counter is steadily decreasing, and users of Mitsubishi UFJ Direct is increasing.
- ✓ Please go to page 35.

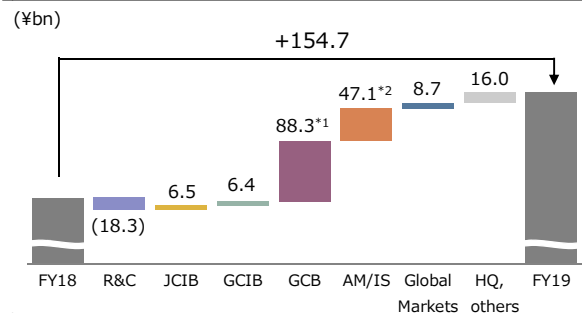
Cost control

- FY19 expense increased mainly due to the consolidation of BDI and FSI
- FY19 expense ratio slightly improved to 70.2% by 0.7ppt from FY18

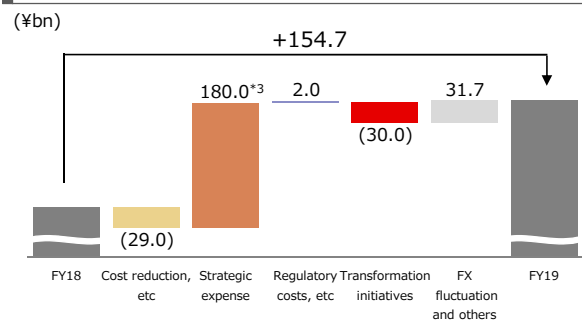
Expense ratio



By business group



By measures



FY20 management policy

Aim at further curbing expenses by selecting the necessary investments and reviewing work procedures and processes, looking ahead to post COVID-19

*1 Including the impact of the consolidation of BDI (approx. ¥83.0bn)

*2 Including the impact of the consolidation of FSI (approx. ¥41.0bn)

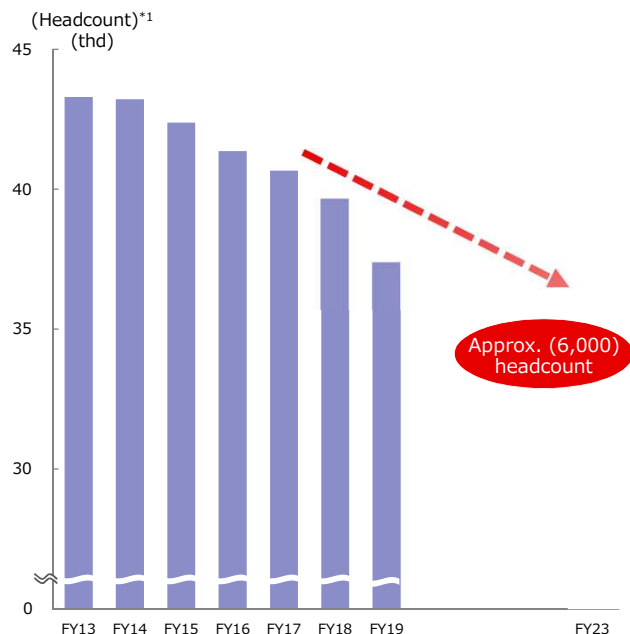
*3 Including the impact of the consolidation of BDI and FSI

- ✓ This page is about cost control.
- ✓ The top-left line graph shows the expense ratio of fiscal year 2019.
- ✓ The dotted line shows the assumption that was announced two years ago.
- ✓ As you can see, the recent expense ratio is below our assumption due to an increase in gross profit, and efforts are put into keeping down the expenses in Japan and overseas. However, we are aware that further curbing of expenses is necessary.
- ✓ Looking at this by business group, due to the consolidation of Bank Danamon and FSI, the two business groups, namely, Global Commercial Banking, and our Asset Management & Investor Services, show a large increase. However, on the other hand, domestic Retail & Commercial Banking is progressing and curbing expenses.
- ✓ The management policy for fiscal year 2020 will foresee post-COVID-19 and select necessary investments while reexamining how the business operations and profits should be, as well as further reduce expenses.
- ✓ Please go to page 36.

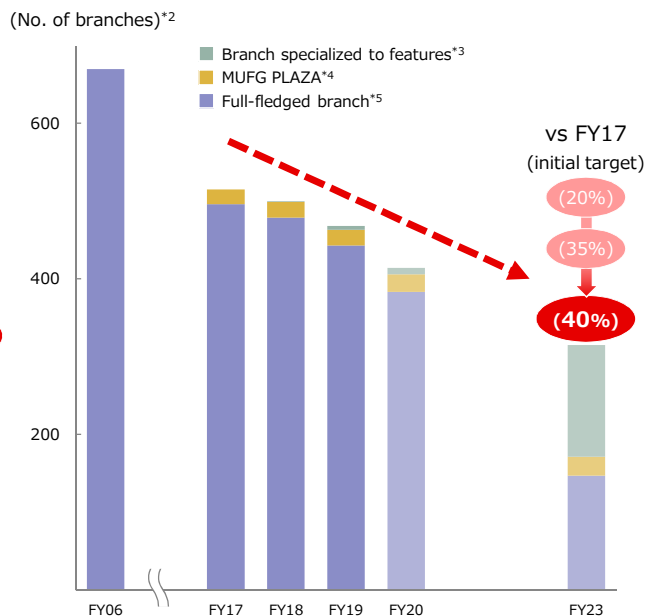
Cost control (headcount, branches)

- Expect a decrease in employee headcount totaling approx. 6,000 (attrition) and the reduction of no. of branches by 40%, compared to FY17

Forecast of employees headcount



Forecast of number of branches



*1 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

*2 MUFG Bank non-consolidated basis *3 MUFG NEXT and consulting office *4 Group co-located branch

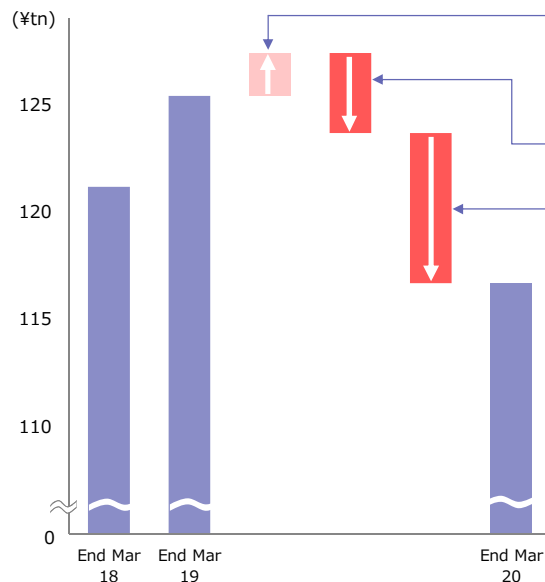
*5 A branch that handles all services including consulting service at bank counter by clerk

- ✓ This page shows the domestic headcount and branches.
- ✓ As I have been explaining from before, this is progressing as expected due to placing control on the hiring number and retirement of employees that were hired during the mass hiring period.
- ✓ With regards to branches, review of the network has progressed, and the reduction plan until fiscal year 2023 has increased to 40% from the original plan of 35%.
- ✓ Please go to page 37.

RWA control

– Reduced RWA by approx. ¥9tn by business groups' efforts in addition to upgrading risk measurement method

RWA (Finalized Basel III reforms basis*1)



Factors of increase and decrease

Inorganic growth

Consolidation of BDI
Acquisition of aviation finance business

Business groups

Reduction of equity holdings
- Sold ¥733.0bn*2
Reduction of low profitable asset
- Reduced ¥2.5tn*3
Financial supports in response to COVID-19, etc.

Upgrade risk measurement method

Decrease of RWA by ¥7tn*4

FY20 management policy

Satisfy both of finance support for customers and preservation of our financial soundness

- Thoroughly monitor RWA including the impact of downgrading
- Examine additional RWA reduction measures

*1 Estimated RWA on the finalized Basel III reforms basis *2 Cumulative amount since FY15. Acquisition cost basis *3 Cumulative amount since FY17

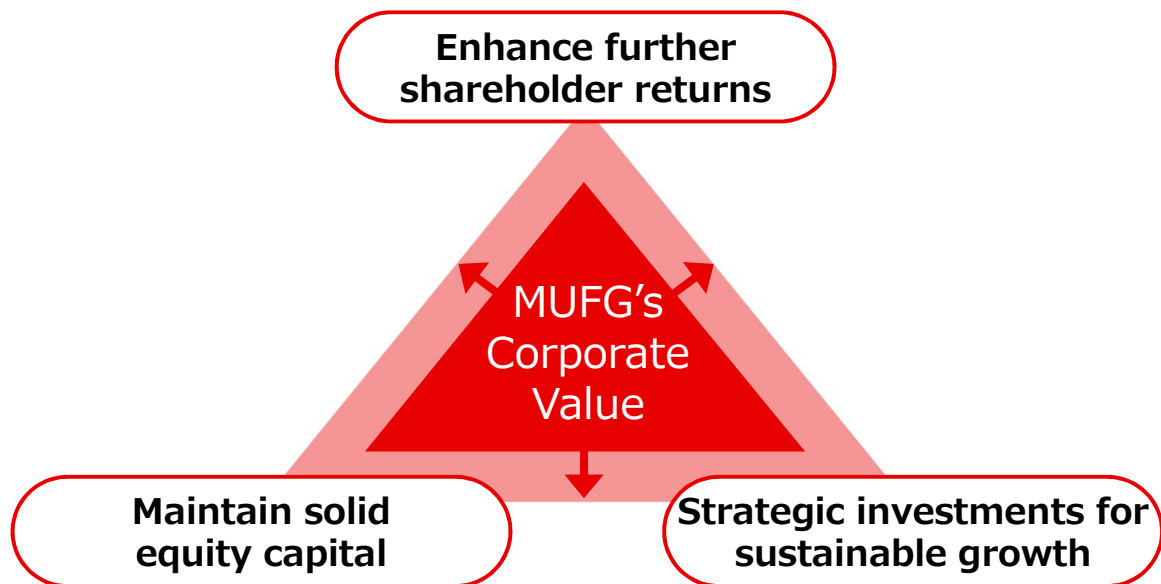
*4 Reduction amount of estimated RWA on finalized Basel III reforms basis through upgrading risk measurement method

- ✓ This page is about risk-weighted asset control.
- ✓ Please look at the left side chart.
- ✓ Due to the consistent efforts by business groups and the sales front, reduction of low profitability assets and equity holdings is progressing.
- ✓ We are also working on the update of risk measurement methods, and we were able to achieve an overall reduction of approximately 9 trillion yen.
- ✓ The management policy for fiscal year 2020 is providing support to our customers, which is recently the utmost priority, and maintaining soundness through risk-weight asset control.
- ✓ Please go to page 39.

Capital policy

Basic policy (“Capital Triangle”)

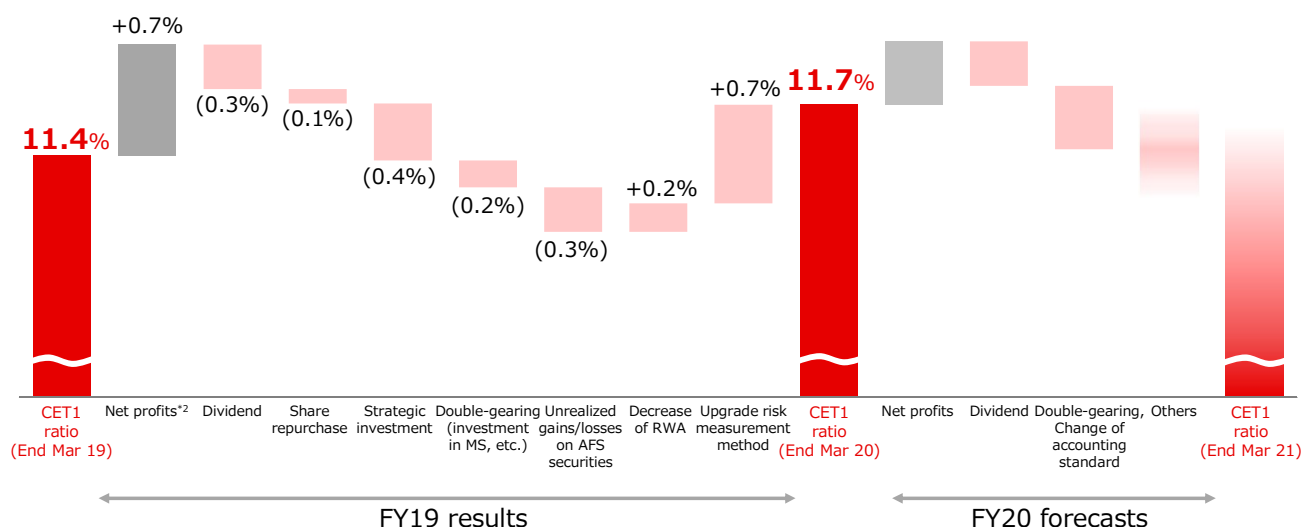
– Implement well-balanced capital management



- ✓ From page 39 is regarding capital policy.
- ✓ The basic policy of the “Capital Triangle” has not changed, even when I assumed the position of CEO.
- ✓ Please go to page 40.

Capital allocation

Capital allocation results and forecast (Finalized Basel III reforms basis^{*1}. Includes net unrealized gains on AFS securities)



^{*1} Estimated RWA reflecting the result of calculation on the finalized Basel III reforms basis
^{*2} Excludes the impact of one-time amortization of goodwill

MUFG 40

- ✓ This shows the actuals of capital allocation of fiscal year 2019 and the fiscal year 2020 outlook.
- ✓ Here, we are showing the increase and decrease of finalized Basel III reforms basis CET1 ratio.
- ✓ In fiscal year 2019, we utilized our capital for two large strategic investments, namely, Bank Danamon and FSI. We were able to have control on risk-weighted assets; therefore, we generated an increase in our capital due to the risk-weighted assets reduction effect through the upgrade of our risk measurement methods.
- ✓ As a result, the finalized Basel III reforms basis CET1 ratio was 11.7% and we were able to improve it by about 30 basis points.
- ✓ Fiscal year 2020 will use some of the capital due to the impact of the release of special treatment of Morgan Stanley's investment.
- ✓ In addition, there is a possibility that risk-weighted assets will increase due to the increase of loans as part of supporting funding needs for responding to COVID-19, as well as the impact of downgrades and others. However, we will continue to conduct an efficient risk-weighted assets operation and maintain capital soundness.
- ✓ Please go to page 42.

Basic policies for shareholder returns

– Improve shareholder returns, focusing on dividends

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 FY23

Share Repurchase

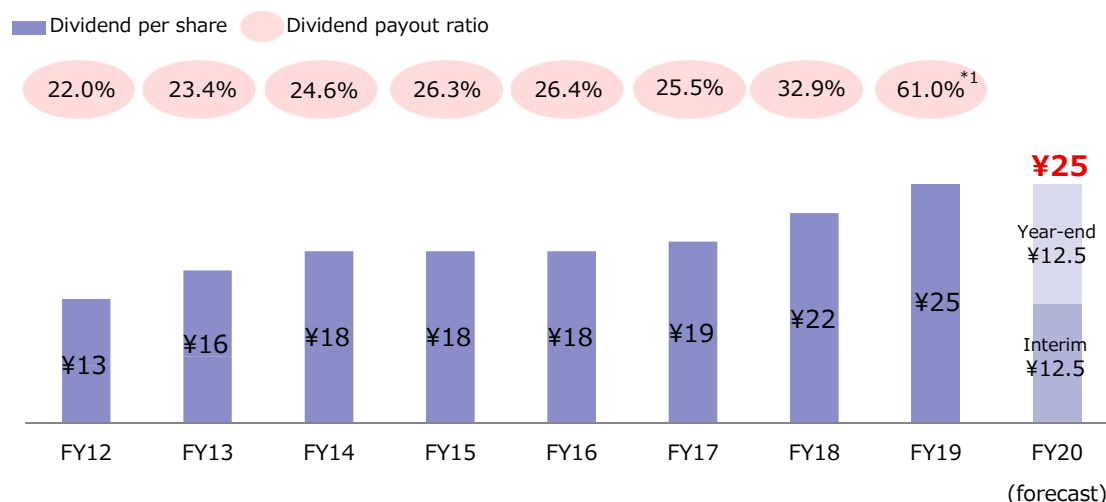
MUFG plans to **flexibly repurchase** its own shares, as part of its shareholder return strategies, in order to improve capital efficiency

➡ 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

Results of shareholder return



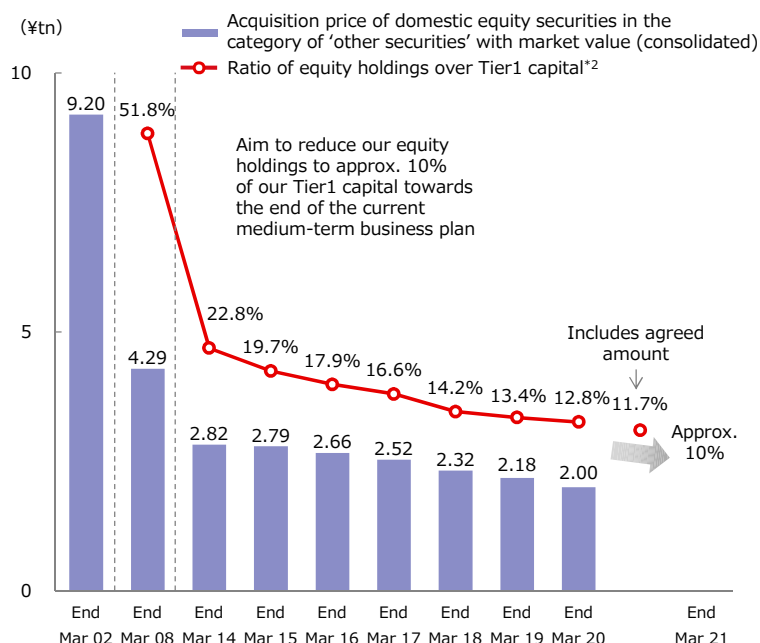
(¥bn)									
Dividend	184.1	226.6	253.7	249.3	243.6	251.8	286.9	322.9	321.8
Share repurchase	-	-	100.0	200.0	200.0	200.0	150.0	50.0	-
Total payout	184.1	226.6	353.7	449.3	443.6	451.8	436.9	372.9	321.8
Net profits	852.6	984.8	1,033.7	951.4	926.4	989.6	872.6	528.1	550.0
Total payout ratio	22.0%	23.4%	34.2%	47.2%	47.9%	45.7%	50.1%	70.5%	-

*1 Dividend payout ratio excluding the impact of one-time amortization of goodwill: 37%

- ✓ This page is about shareholder return.
- ✓ There are no changes in the policy of putting efforts into fulfilling shareholder return basically through dividend, and we'd like to increase the payout ratio up to 40%.
- ✓ The year-end dividend of fiscal year 2019 is 12.5 yen, and as forecasted at the start of the fiscal year, the total annual dividend will be 25 yen, which is a 3-yen increase year on year.
- ✓ The payout ratio for fiscal year 2019 is 61%; however, the actual payout is 37% when you exclude the lump sum amortization of goodwill, which does not impact the regulated capital.
- ✓ Based on the assumption that the performance target is 550 billion yen and from the perspective maintaining stable dividend, the fiscal year 2020 dividend forecast is 25 yen, the same as fiscal year 2019.
- ✓ Furthermore, as for share buybacks we will defer on it this time.
- ✓ For the time being, we will place utmost priority on supporting the funding needs of our customers. However, at the same time, we will thoroughly control our risk-weighted assets and put efforts in securing buffer capital.
- ✓ Please go to page 43.

Reduction of equity holdings^{*1}

Historical performance



Approx. selling amount

(¥bn)	Selling amount	Acquisition cost basis	Net gains (losses)
FY15	211	117	94
FY16	267	149	118
FY17	318	201	117
FY18	242	127	115
FY19	240	139	101
Total	1,278	733	545
Agreed amount	-	163	-

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

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

- ✓ This page is about reduction of equity holdings.
- ✓ As you can see on the right-hand side, fiscal year 2019 made a reduction of 139 billion yen based on acquisition price. In line with this, we have recorded net gains of 101 billion yen.
- ✓ With this, our accumulated selling book value from the start of our selling plan is approximately 733 billion yen. When added with the agreed amount of 163 billion yen, the number becomes approximately 900 billion yen. Therefore, we are expecting to achieve our target of selling in book value an accumulated total of 800 billion yen in five years by fiscal year 2020.
- ✓ We would like to also review setting a new target for end of fiscal year 2020 onwards.

Appendix

- ✓ This ends the explanation; however, if I may say a few words for closing.
- ✓ During my predecessor Mr. Mike's term in office, MUFG has accelerated its domestic business model of unified operation of our banking, trust banking, and security units, as well as completing acquisitions overseas. In addition, large steps forward were made to the next stage, such as realizing the turnaround of our operating net profit for the first time in five years.
- ✓ I believe that my role as a successor has to put efforts into transforming the group decisively without losing track, as well as establishing MUFG to become always needed by society, even during times of rapid changes.
- ✓ We will aim to put our utmost efforts in being always trusted by our customers and society under any circumstances by overcoming unprecedented difficulties. Therefore, we seek further understanding and support from our investors and rating agencies.
- ✓ Thank you. That is all from my side.

Income statement summary

Income statement

Consolidated

(¥bn)	FY18	FY19	YoY
1 Gross profits (before credit costs for trust accounts)	3,725.7	1 3,986.3	260.5
2 Net interest income	1,922.7	1,892.9	(29.8)
3 Trust fees + Net fees and commissions	1,429.3	1,472.0	42.7
4 Net trading profits + Net other operating profits	373.6	621.2	247.6
5 Net gains (losses) on debt securities	29.9	492.9	463.0
6 G&A expenses	2,647.1	2 2,801.8	154.7
7 Net operating profits	1,078.5	1,184.4	105.8
8 Total credit costs ^{*1}	(5.8)	3 (222.9)	(217.1)
9 Net gains (losses) on equity securities	112.6	31.3	(81.2)
10 Net gains (losses) on sales of equity securities	125.9	92.1	(33.8)
11 Losses on write-down of equity securities	(13.3)	(60.8)	(47.4)
12 Profits (losses) from investments in affiliates	284.3	277.2	(7.1)
13 Other non-recurring gains (losses)	(121.7)	(34.2)	87.4
14 Ordinary profits	1,348.0	1,235.7	(112.2)
15 Net extraordinary gains (losses)	(202.7)	(406.3)	(203.6)
16 Total of income taxes-current and income taxes-deferred	(195.5)	(220.8)	(25.3)
17 Profits attributable to owners of parent	872.6	4 528.1	(344.5)
18 EPS (¥)	66.91	40.95	(25.96)

*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

1 Gross profits

- Gross profits increased by ¥260.5bn mainly due to increases in net gains on debt securities and net fees and commissions due to consolidation of BDI and FSI, partially offset by a decrease in net interest income, reflecting a decline in U.S. interest rates

2 G&A expenses / expense ratio

- G&A expenses increased due to increases in expenses for overseas operations because of the expansion of business and expenses for regulatory compliance purposes
- Expense ratio decreased to 70.2% mainly due to an increase in gross profits

3 Total credit costs

- Total credit costs increased by ¥217.1bn to ¥222.9bn due to the lack of reversal of allowance recorded in FY18 as well as the provisions built for some credit in light of the impact of the COVID-19 pandemic

4 Profits attributable to owners of parent

- Profits attributable to owners of parent decreased by ¥344.5bn mainly due to net extraordinary losses resulting from one-time amortization of goodwill as well as decreases in net gains on equity securities

FY19 results*1

(¥bn)	FY18	FY19	YoY
Gross profits	1,566.6	1,550.6	(16.0)
Loan interest income	199.1	190.3	(8.8)
Deposit interest income	156.7	149.3	(7.4)
Domestic and foreign settlement / forex	144.5	144.3	(0.2)
Derivatives, solutions	53.5	58.3	4.9
Real estate, corporate agency and inheritance	51.9	53.8	1.9
Investment product sales	222.2	197.2	(24.9)
Card settlement	310.0	319.0	9.0
Consumer finance	289.8	296.0	6.2
Overseas	45.3	48.2	2.9
Expenses	1,258.8	1,242.7	(16.1)
Expense ratio	80%	80%	(0ppt)
Net operating profits	307.8	307.9	0.1
ROE	1%*2	9%*3	9ppt

Loans / Deposits

(¥tn)	FY18	FY19	YoY
Ave. loan balance*4	32.0	31.4	(0.5)
Lending spread*5	0.75%	0.69%	(0.06ppt)
Ave. deposit balance	115.9	118.3	2.4

KPI

	FY18	FY19	YoY
Investment assets (¥tn)	41.2	40.2	(0.9)
No. of entrusted testamentary trust*6	4,874	4,976	102
Gross profits of cross transactions (¥bn)*7	33.7	37.5	3.8
No. of effective information sharing of real estate	5,630	4,983	(647)
Volume of card shopping (¥tn)*8	5.9	6.0	0.1
Balance of consumer loans (¥tn)*9	1.5	1.5	0.0

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

*2 ROE excluding the impact of impairment losses on fixed assets of NICOS is 6% *3 ROE excluding the impact of one-time effects of corporate tax refund is 6%

*4 Excluding consumer loans *5 Excluding non-JPY mid- to long-term funding costs

*6 Including estate division *7 Revenue from inheritance and real estate transactions and transactions with client's asset administration companies

*8 For NICOS cardmembers *9 Total balance of personal card loans of the Bank, the Trust Bank and ACOM (excl. guarantee)

FY19 results*1

(¥bn)	FY18	FY19	YoY
Gross profits	561.6	578.7	17.1
Loan interest income	95.4	106.0	10.6
Deposit interest income	130.6	131.3	0.8
Domestic and foreign settlement / forex*2	80.4	76.3	(4.1)
Derivatives, solutions*2	80.5	72.8	(7.7)
Real estate, corporate agency	42.4	45.1	2.7
M&A, DCM, ECM*3	47.5	49.8	2.3
Non-interest income from overseas business	71.4	81.1	9.7
Expenses	317.3	329.1	11.8
Expense ratio	57%	57%	0ppt
Net operating profits	244.3	249.6	5.3
ROE	15%	12%	(2ppt)

Loans / Deposits

(¥tn)	FY18	FY19	YoY
Ave. loan balance	39.2	38.5	(0.7)
Lending spread*4	0.49%	0.48%	(0.00ppt)
Ave. non-JPY loan balance*5	18.2	16.7	(1.5)
Non-JPY lending spread*4*5	0.63%	0.64%	0.01ppt
Ave. deposit balance	31.2	32.9	1.8
Ave. non-JPY deposit balance*5	13.6	15.2	1.5

KPI

	FY18	FY19	YoY
Transaction volume*6 (\$bn)	1,138.4	1,159.8	21.4
No. of domestic settlement (mm)	177	180	3
M&A advisory League Table*7	#1	#2	-
DCM league table*7	#2	#1	-
ECM league table*7	#5	#3	-

*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 KS. 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 Refinitiv, etc., M&A advisory only counts Japanese corporates related deals. DCM includes both domestic and foreign bonds

FY19 results*1

(¥bn)	FY18	FY19	YoY
Gross profits	422.4	446.2	23.8
Loan interest income	169.0	177.1	8.0
Deposit interest income	48.0	49.9	1.9
Commission, forex, derivatives	194.9	192.3	(2.5)
DCM, ECM	23.8	18.9	(4.8)
Profits from large global corporates located in Japan, etc.	19.7	19.7	0.1
Joint venture profits with Global Markets*2	20.8	30.6	9.8
Expenses	266.4	282.6	16.1
Expense ratio	63%	63%	0ppt
Net operating profits	156.0	163.7	7.7
ROE	10%	8%	(2ppt)

Loans / Deposits

(¥tn)	FY18	FY19	YoY
Ave. loan balance	24.1	23.8	(0.2)
Lending spread*3	1.06%	1.06%	(0.01ppt)
Ave. deposit balance	10.3	12.6	2.3

KPI

	FY18	FY19	YoY
Distribution amount*4 (¥tn)	22.8	21.4	(1.4)
Distribution ratio*5	59%	48%	(11ppt)
GSB*6 profits (¥bn)	90.1	86.7	(3.4)
ABS league table (US)	#10	#9	-
Wallet share of syndicated loan and DCM (Non-IG*7)	1.19%	1.22%	0.03ppt

*1 Managerial accounting basis. Local currency basis. Gross profits, expenses and net operating profits include profits from large global corporates of KS which belong to GCB, R&C and JICB's large global corporates 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 Including O&D profits through collaboration with Global Markets *3 Excluding non-JPY mid- to long-term funding costs

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

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

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

FY19 results*1

(¥bn)	FY18	FY19	YoY
Gross profits	668.8	770.2	101.4
MUAH*2	353.6	339.6	(14.0)
KS*3	316.4	323.9	7.5
BDI*4	-	114.4	114.4
Expenses	470.0	552.2	82.2
(Expense ratio)	70%	72%	1ppt
MUAH*2	264.0	264.8	0.8
(Expense ratio)	75%	78%	3ppt
KS*3	163.5	167.2	3.7
(Expense ratio)	52%	52%	(0ppt)
BDI*4	-	59.5	59.5
(Expense ratio)	-	52%	-
Net operating profits	198.8	217.9	19.1
MUAH*2	89.5	74.8	(14.7)
KS*3	152.9	156.6	3.8
BDI*4	-	54.9	54.9
ROE	6%	(17%)*5	(23ppt)

Loans / Deposits

(¥tn)	FY18	FY19	YoY
MUAH*2			
Ave. loan balance	7.3	7.8	0.5
Ave. deposit balance	8.2	9.0	0.8
NIM*6	2.74%	2.39%	(0.34ppt)
KS*3			
Ave. loan balance	5.2	5.6	0.4
Ave. deposit balance	4.5	4.9	0.4
NIM*7	3.81%	3.62%	(0.20ppt)
BDI*4			
Ave. loan balance	-	0.9	0.9
Ave. deposit balance	-	0.7	0.7
NIM	-	8.16%	-

*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. BDI entity basis. 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, JCIB, GCIB and Global Markets

*3 After GAAP adjustment. Excluding figures which belong to Global Markets *4 Apr to Dec 2020 results after consolidation

*5 ROE excluding the impact of one-time amortization of goodwill and impairment loss is 5%

*6 Excluding figures which belong to Global Markets *7 KS entity basis

FY19 results*¹

(¥bn)	FY18	FY19	YoY
Gross profits	202.3	246.3	44.0
AM* ²	46.8	81.8	34.9
IS* ³	93.7	102.6	8.8
Pension	61.7	62.0	0.3
Expenses	124.2	175.4	51.2
Expense ratio	61%	71%	10ppt
Net operating profits	78.1	70.9	(7.2)
ROE	8%* ⁴	19%	11ppt

KPI

		FY18	FY19	YoY
AM	Investment products balance of corporate customers (¥tn)	9.4	10.4	1.1
	Alternative products balance (¥bn)* ⁵	261.1	379.0	117.9
IS	Global IS balance (\$bn)	616.6	686.5	69.8
	Balance of domestic investment trust funds (¥tn)	73.8	74.2	0.4
Pension	DB / Balance (¥tn)	11.3	11.0	(0.3)
	DC / Increase number of subscriber (thd)* ⁶	195	308	113

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

*4 ROE excluding the impact of losses on sales of Standard Life Aberdeen shares is 18%

*5 Balance of internally developed low-liquidity investment products, such as real estate-based products *6 Net increase of subscribers from FY17

FY19 results*1

(¥bn)	FY18	FY19	YoY
Gross profits	572.9	637.9	64.9
Customer business	309.9	345.2	35.3
FIC & equity	226.8	265.8	38.9
Corporates	110.2	115.0	4.9
Institutional investors	91.5	126.7	35.2
Asset management	3.1	2.7	(0.4)
JV with GCIB*2	100.7	107.3	6.6
Treasury	272.6	306.9	34.3
Expenses	274.1	285.8	11.7
Expense ratio	48%	45%	(3ppt)
Net operating profits	298.8	352.0	53.2
Customer business	94.6	117.2	22.7
Treasury	218.1	254.4	36.3
ROE	5%	6%	1ppt

KPI

	FY18	FY19	YoY
Derivative revenues from strategic fields*3 (¥bn)	6.8	8.5	1.7
Client value*4	89	101	12pt
Digitalization ratio of FX rate contracts*5	71%	72%	1ppt


*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. Indexation using in FY17 as 100 *5 Internal transactions

Financial results*¹ of MUAH, KS, and BDI

MUAH* ² 	(¥bn)			(US\$mm)		
	FY18	FY19	YoY	FY18	FY19	YoY
Total revenue	608.7	635.2	26.5	5,484	5,798	314
Non-interest expenses	474.7	680.9	206.1	4,277	6,215	1,938
Pre-tax, Pre-provision income	133.9	(45.6)	(179.6)	1,207	(417)	(1,624)
Provision for credit losses	11.7	27.6	15.8	106	252	146
Net income attributable to MUAH	119.1	(80.4)	(199.5)	1,073	(734)	(1,807)

KS* ³ 	(¥bn)			(THB mm)		
	FY18	FY19	YoY	FY18	FY19	YoY
Total income	373.6	441.4	67.7	109,579	121,608	12,029
Operating expenses	176.4	189.3	12.9	51,741	52,169	428
Pre-provision operating profit	197.2	252.0	54.8	57,838	69,439	11,601
Impairment loss of loans and debt securities	89.2	102.3	13.1	26,180	28,203	2,023
Net profit attributable to owners of the bank	84.6	118.8	34.2	24,813	32,749	7,936

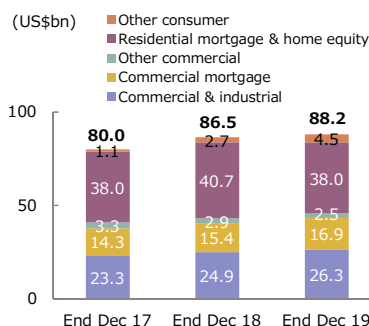
BDI* ⁴ 	(¥bn)			(IDR bn)		
	FY18	FY19	YoY	FY18	FY19	YoY
Total operating income	136.3	143.1	6.7	17,711	18,119	408
Operating expenses	66.5	73.6	7.0	8,647	9,319	672
Pre-provision operating profit	69.7	69.5	(0.2)	9,064	8,800	(264)
Cost of credit	25.1	37.2	12.1	3,267	4,719	1,452
Net profit after tax	30.2	32.1	1.9	3,922	4,073	151

*1 All figures are converted into ¥ with actual exchange rates as of end of each fiscal year. For FY18 is US\$1=¥111.00, THB1=¥3.41, IDR1=¥0.0077. For FY19 is US\$1=¥109.56, THB1=¥3.63, IDR1=¥0.0079 *2 Financial results as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP

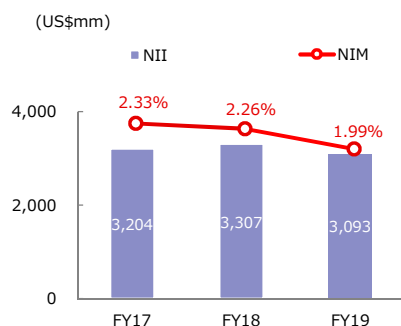
*3 Financial results as disclosed in KS's financial report based on Thai GAAP *4 Financial results as disclosed in BDI's financial report based on Indonesian GAAP

Key figures*¹ of MUAH

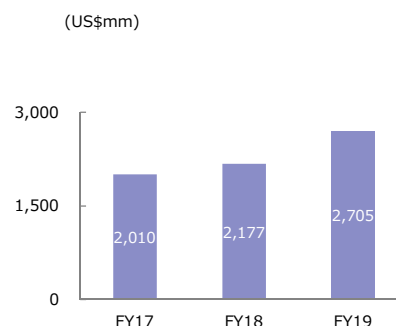
Lending balance*²



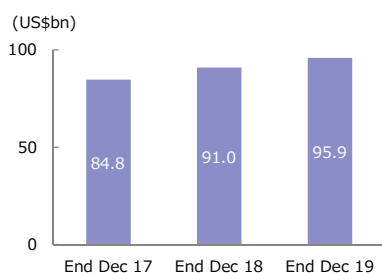
Net interest income



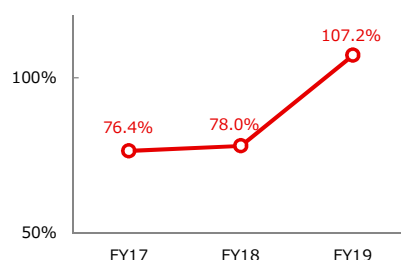
Non-interest income



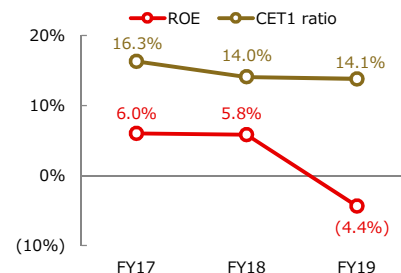
Deposit balance



Cost to income ratio*³ *⁴



ROE / CET1 ratio*⁵



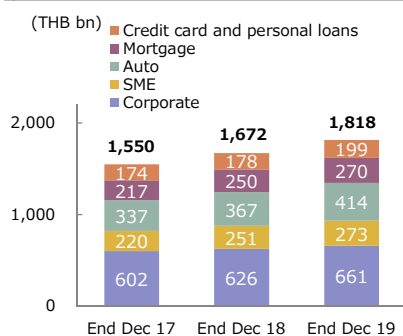
*¹ Financial results as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP *² Loans held for investment based on year-end balances *³ Efficiency ratio

*⁴ The adjusted efficiency ratio is a non-GAAP financial measure. Management believes adjusting the efficiency ratio for the fees and costs 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 noninterest expense for the impact of goodwill impairment and revenue for the impact of the TCJA enhances comparability between periods. Adjusted Efficiency Ratio for FY18 was 72.47% and for FY19 was 74.69%

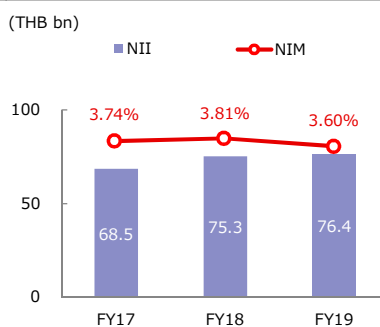
*⁵ U.S. Basel III standardized approach; fully phased-in MUAH is working on capital optimization and paid a US\$500mm dividend in 2017 to MUFG and MUFG Bank, Ltd. And repurchased approximately US\$2.5bn of its outstanding common stock from MUFG and MUFG Bank, Ltd. in 2018

Key figures of KS

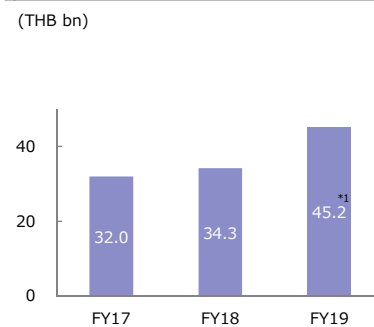
Lending balance



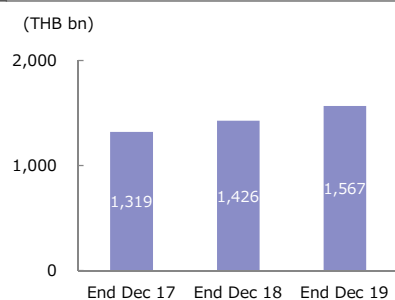
Net interest income



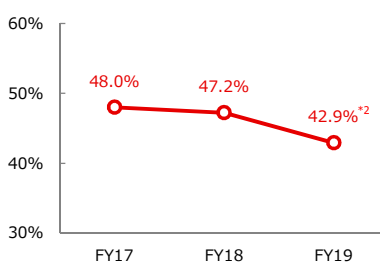
Non-interest income



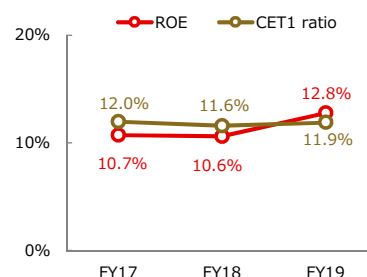
Deposit balance



Cost to income ratio



ROE / CET1 ratio^{*3}



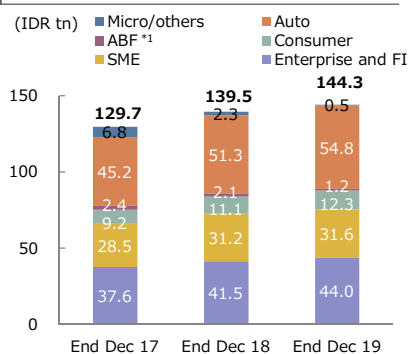
^{*1} Excluding one-time gains on investment from the sales of 50% of shares in Ngern Tid Lor Company Limited (NTL transaction), normalized non-interest income recorded at THB 36.6bn

^{*2} Excluding one-time gains on investment from NTL transaction and provision in accordance to the amended Labor Protection Act, normalized cost to income was recorded at 45.1%

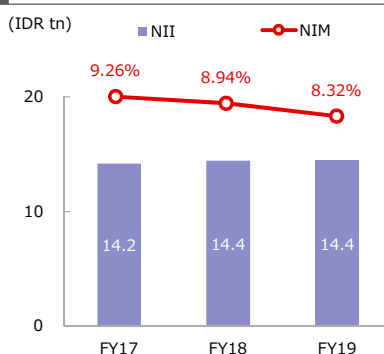
^{*3} Non-consolidated

Key figures of BDI

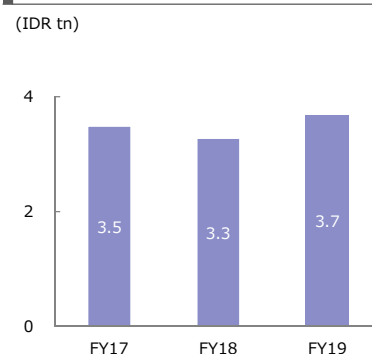
Lending balance



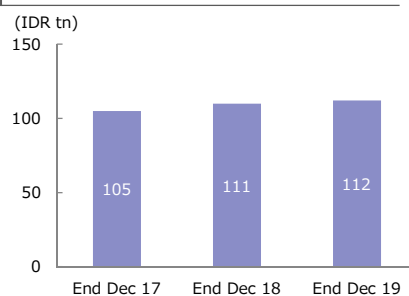
Net interest income



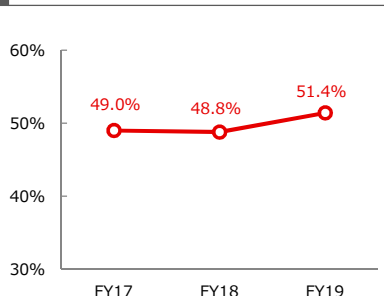
Non-interest income



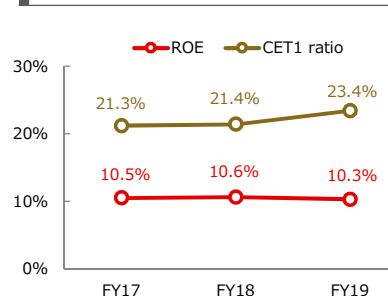
Deposit balance



Cost to income ratio



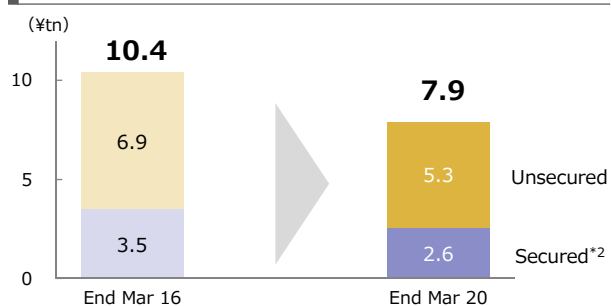
ROE / CET1 ratio



*1 Asset Based Finance

Credit portfolio of energy and mining

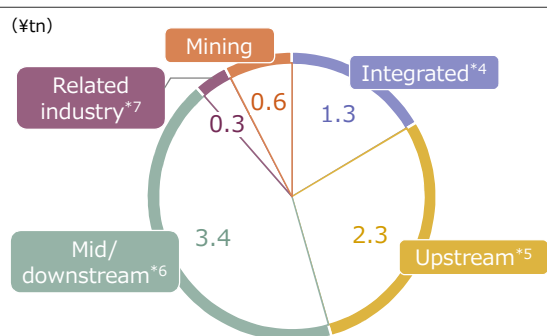
Credit exposure*1



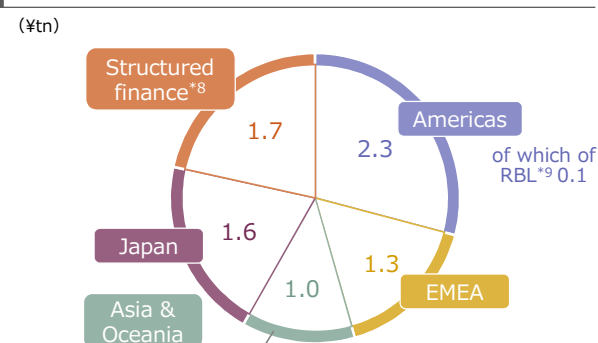
NPLs*3

(¥bn)	End Mar 20
NPLs*3	62.1
Secured amount	45.4
Allowance	8.9
NPLs*3 (net)	7.8

Breakdown by sub-sector*1



Breakdown by region*1



*1 Including undrawn commitment and excluding market exposure

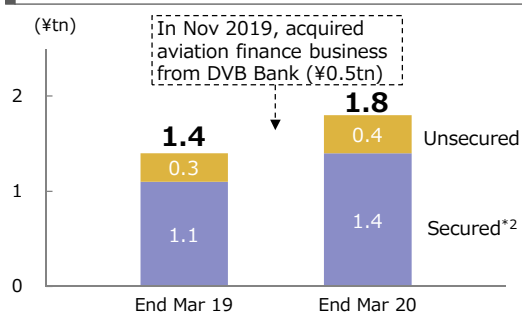
*2 Collateralized or guaranteed *3 NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria *4 Integrated business from upstream to downstream

*5 Exploration, development and production of oil and gas *6 Storage, transportation, refinement, retail *7 Sales of mining machine to companies among upstream industry *8 Project finance and trade finance *9 Reserve based lending

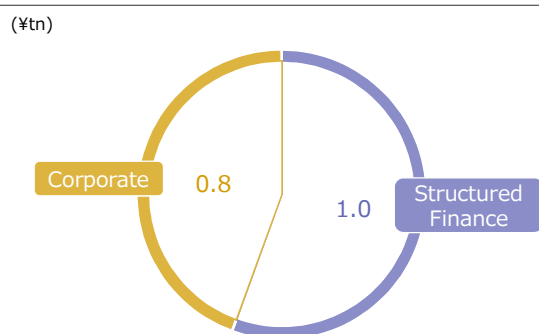
Note: All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary

Credit portfolio of air transportation (incl. aircraft finance)

Credit exposure*1



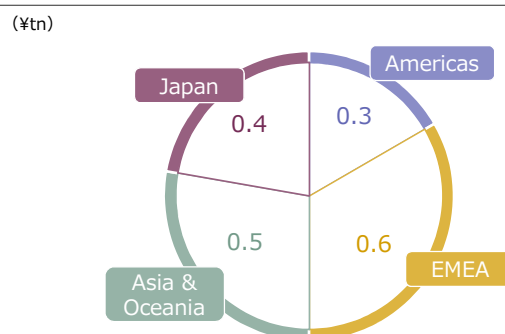
Breakdown by structure*1



NPLs*3

(¥bn)	End Mar 20
NPLs*3	22.5
Secured amount	19.7
Allowance	0.8
NPLs*3 (net)	2.0

Breakdown by region*1



*1 Including undrawn commitment and excluding market exposure

*2 Collateralized or guaranteed *3 NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria

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

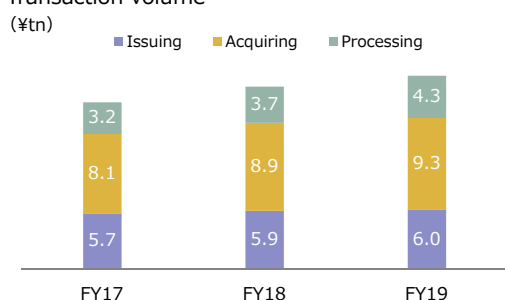
– Solid FY19 results. Decided to formulate a new system integration plan in FY20

FY19 results and transaction volume

FY19 results *1

(¥bn)	FY18	FY19	YoY
Operating revenues	299.4	305.9	6.5
Operating expenses	293.8	290.1	(3.7)
Operating profits	5.6	15.8	10.2
Other profits and losses	(161.1)	(17.4)	143.7
Total of income taxes current and income tax deferred	39.1	65.5	26.4
Profits attributable to owners of parent	(116.4)	63.9	180.3

Transaction volume



*1 Provision for losses on interest repayment is included in other profits and losses

Fundamental revision of system integration plan

Decided to promote the system integration by utilizing the existing system and formulate a new system integration plan in FY20

Items to be considered for formulating the plan

- **Ensure scalability** to respond flexibly to changes in the business environment
- **Emphasize safety and stability** as social infrastructure
- **Control development costs**

Changes from the previous system integration plan

- Decided to use the existing system for the system integration
→ The goal "eliminating management inefficiencies due to 3-system 3-way operations" through the system integration remains unchanged

Efforts in FY20

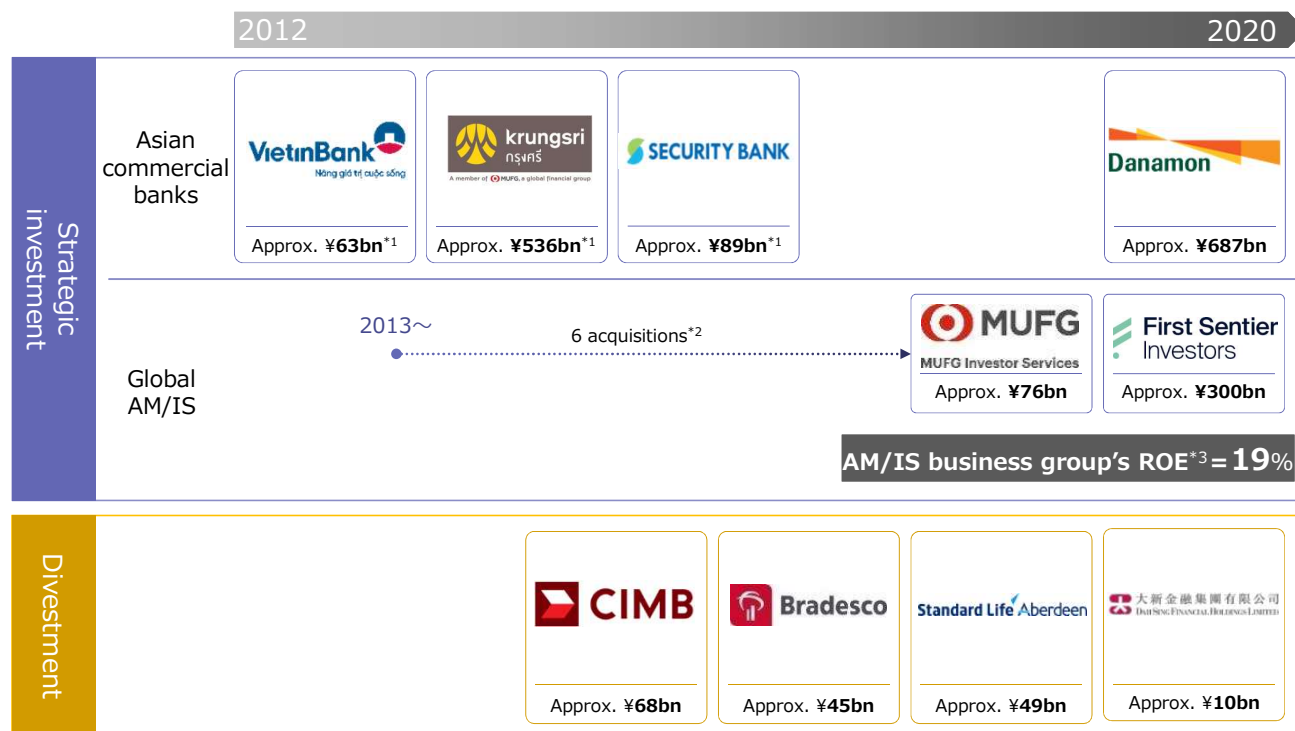
[System integration]

- Promote to materialize and elaborate the system integration plan and formulate a new system integration plan

[Response to COVID-19]

- Maintain safe and secured payment services as social infrastructure
- Respond to customer needs flexibly

History of strategic investment in overseas

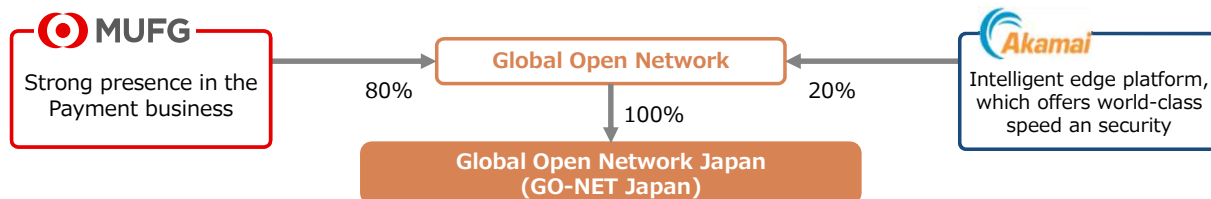


*1 Initial investment amount *2 Butterfield, Meridian, UBS AFS, Capital Analytics, Rydex, Point Nine. Acquire HF administration business from Maitland in 2020 *3 ROE for FY19 (Page 50)

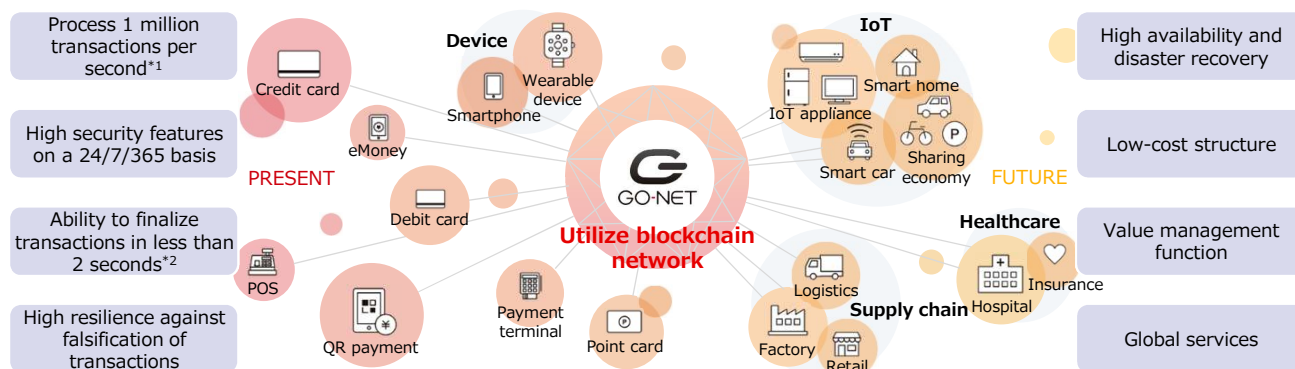
Global Open Network

– Through strategic alliance with Akamai, we aim to provide an open network service in FY20

Established Global Open Network Japan in Apr 2019



Eight features and various areas to be utilized



*1 Verified under realistic business conditions *2 Processing time per transaction is measured end to end from merchant request to final response

Partnership with Grab as “First Choice Bank”

- Jointly develop next generation bespoke financial services by combining Grab’s advanced technologies and data management expertise with MUFG’s financial knowledge and know-how



Eleven Transformation Initiatives*¹

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



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

Eleven Transformation Initiatives (1)

Sales Channel	FY17	FY18	FY19	Changes*1	FY20	FY23
No. of IB*2 service users*3 (mm)	4.3	4.7	5.9	1.2	8.0	15.0
Utilization rate*4	22%	25%	31%	6ppt	44%	74%
No. of transactions at bank-counter (mm)	22.0	20.0	17.6	(2.4)	15.7	11.1
Wealth Management	FY17	FY18	FY19	Changes*1	FY20	FY23
No. of profiling*5(thd)	4.3	5.3	6.5	1.2	7.1	7.8
No. of group collaborations*6 (thd)	4.5	13.4	23.8	10.5	29.0	10.5
AuM of HE*7 / SHE*8 customers (¥tn)	11.6	12.1	11.8	(0.3)	13.4	16.3*9
New Model for Wholesale Banking in Japan	FY17	FY18	FY19	Changes*1	FY20	FY23
DB pension balance (¥tn)	11.2	11.3	11.0	(0.3)	12.3	13.6
DC pension/ Increase no. of subscribers*10 (thd)	90	195	308	113	372	-
Real Estate	FY17	FY18	FY19	Changes*1	FY20	FY23
AM balance (¥bn)	180.0	230.0	312.4	82.5	380.0	580.0
No. of effective information sharing	3,100	7,481	7,154	(327)	4,860	-

*1 Increase / decrease compared to FY18 *2 Mitsubishi UFJ DIRECT: Internet banking for individual customers

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

*4 Utilization rate = IB service users / active accounts *5 No. of testamentary trusts + wealth assessment etc.

*6 No. of customer referral from the Bank to MUMSS + collaboration between the Trust Bank and MUMSS etc. *7 High-End customers. Over ¥2 bn assets

*8 Semi-High-End customers. Over ¥0.3bn assets *9 Excluding changes in market prices *10 Net increase of subscribers from 2017

Eleven Transformation Initiatives (2)

Asset Management in Japan	FY17	FY18	FY19	Changes*1	FY20	FY23
(Corporate) No. of customers*2 (thd)	5.1	5.9	6.6	0.7	6.9	10.1
(Individual / Corporate) Investment assets*3 (¥tn)	45.1	47.6	44.9	(2.7)	49.8	-
Individual investors	24.4	24.2	22.5	(1.7)	25.3	-
Corporate investors	20.7	23.4	22.4	(1.0)	24.5	-
Institutional Investors	FY17	FY18	FY19	Changes*1	FY20	FY23
Client value*4	100	89	101	12pt	106	-
Operating income from IS*5 business (¥bn)	26.0	35.1	40.8	5.7	36.7	48.4
Global CIB	FY17	FY18	FY19	Changes*1	FY20	FY23
Distribution amount*6 (¥tn)	19.6	22.8	21.4	(1.4)	24.7	-
Distribution ratio*7	46%	59%	48%	(11ppt)	53%	-

*1 Increase / decrease compared to FY18

*2 Number of corporate customers with investment products *3 Reflecting changes in market prices

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

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

*7 Distribution ratio = Distribution amount / Total amount of loans to global corporate customers

Contribution to solution for social issues

The spread of COVID-19 has resulted in growing public expectations regarding corporate initiatives that address social issues

Acceleration of social issue embracement, contribution to sustainable social growth
Combining social issue resolution with MUFG's strategy; tackling MUFG's sustainable growth

Major initiatives for sustainability

Social

- Support for development of SMEs' industries
- Public infrastructure finance
- Financial inclusion in Southeast Asia, etc.

Further initiatives

Focus on responding to social issues such as healthcare and education etc. which attract more attention than ever

Environment

- Promotion of renewable energy financing
- Shift to 100% use of renewable energy sources for in-house electricity by FY30
- Enhancement of disclosure of TCFD^{*1}
- Strengthening policy for sectors where finance is prohibited / restricted, etc.

Governance

- Secure diversity of Board members (specialty/region/gender)
- Strengthen monitoring system of material issues by Board of Director
- Strengthen corporate governance structure on a group-wide, cross-regional basis, etc.

Sustainability promotion structure

Board of Directors

Executive Committee

Sustainability Committee

Discuss on group's initiatives for resolution of environmental and social issues

NEW

Chief Sustainability Officer

Person responsible for promoting initiatives for sustainable growth

NEW

External advisors

Utilization of external expertise

^{*1} Task Force on Climate-related Financial Disclosures

Progress in sustainable finance

FY19 results

(¥tn)		FY19 results	FY30 goals ^{*1}
Environment	Arrangement of loans and project finance for renewable energy projects, etc.	0.9	8.0
	Underwriting of green bonds	0.5	
	Others	0.8	
Social	Finance for social infrastructure, energizing of local communities, etc.	0.9	12.0
Others	Fields spanning both environment and social	0.6	
Total		3.7	20.0

Major initiatives

- **Maintain the globally top-level** (2019: \$3.4bn/ranked second in the world^{*2}) on the global private finance lead arrangers league table in the field of renewable energy project financing
- **No.1 green bond underwriter in Japan** (27.4%^{*3}) for domestic public offerings (including denominated in foreign currencies)
- **Issued first social bond** as a Japanese financial institution
- Provide new products and services, such as the **first sustainability linked loan in Japan**

^{*1} Set goals in FY19 ^{*2} Source: Bloomberg New Energy Finance ASSET FINANCE/Lead arrangers LEAGUE TABLE

^{*3} Figures calculated by Mitsubishi UFJ Morgan Stanley Securities on a pro-rata by securities company basis. Based on cumulative underwriting amount from FY16 to FY19

Initiatives to counter climate change (TCFD)

： New initiatives since FY19

Governance

- Environmental and social issues, including climate change are deliberated by the Sustainability Committee under the Executive Committee and are reported to the Board of Directors
- Specific themes associated with climate change are also deliberated by the Risk Management Committees, Investment & Loan Committees and Investment & Credit Committees and are reported to the Executive Committee and the Board of Directors
- **Appointed external advisors** to exchange opinions with the Board members

Strategy

- Provide finance support for the improvement of energy efficiency, the use of alternative energies, and the use of IT technologies etc.
- Set MUFG Environmental and Social Policy Framework to restrict transaction with sectors that contain high environmental risks
- **Conduct scenario analysis**: Limited impact of transition and physical risks on credit portfolios^{*1}

Risk management

- Recognized climate change-related risks as one of the **top risks**
- Conduct enhanced due diligence and management consultation for projects with environmental risk concerns

Metrics and targets

- Measure our own GHG emissions
- Set Sustainable Finance Goals and **monitor the progress**
- Measure the proportion of carbon-related assets in the portfolio
- **Measure CO₂ emissions associated with financing for power generation projects**

^{*1} Results based on the sectors and assumptions currently to be measured. Continuously expand risk and sectors and improve measurement methods

Insights offered by outside directors

- Independent outside directors accounting for the majority of the Board of Director membership
- Diversified director composition from various perspectives such as expertise, regionality and gender

(Planned for June 29, 2020)

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*1 As of end Apr 2020.

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

Audit: Audit Committee member
Risk: Risk Committee member

Compensation policy for individual executives

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

- Prevent excessive risk-taking and raise motivation of Executives, etc., to contribute not only to the short-term but also to the medium- to long-term improvement of financial results, while also further driving measures aimed at taking on the challenges of reform implementation, thereby improving our competitiveness and 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 executives and is designed to ensure high objectivity and transparency in the determination process of compensation for executives

Ratio ^{*1}	Type	Evaluation method <Evaluation weight>	Timing of Payment	Method of payment
1	Annual base salary (Fixed)	<ul style="list-style-type: none"> - Paid based on position - Includes “Director allowance”, “Committee member (chairperson) allowance”, “Overseas representative allowance”, etc. 	Monthly	Cash
1	Stock compensation (Non-performance-based)	Base amount by position	At the time of retirement	Shares 50%
	Stock compensation (Mid-to long-term performance-based ^{*2})	Base amount by position × <ul style="list-style-type: none"> Performance factor^{*3} [medium/long-term evaluation] <50%> <ul style="list-style-type: none"> 1) Consolidated ROE (25%) 2) Consolidated expense ratio (25%) Performance factor^{*4} [single FY evaluation] <50%> <ul style="list-style-type: none"> 1) Consolidated net business profits (25%) 2) Profits attributable to owners of parent (25%) 	Upon the termination of MTBP	Cash 50% *7,8
1	Cash bonus (Short-term performance-based ^{*2})	Base amount by position × <ul style="list-style-type: none"> Performance factor^{*5} (quantitative evaluation) <60%> <ul style="list-style-type: none"> 1) Consolidated NOP (20%) 2) Profits attributable to owners of parent (10%) 3) Consolidated ROE (20%) 4) Consolidated expense ratio (10%) Status of execution of duties of Executives, etc.^{*6} (qualitative evaluation factor) <40%> 	Annually	Cash

*1 As for the case of President and Group CEO 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

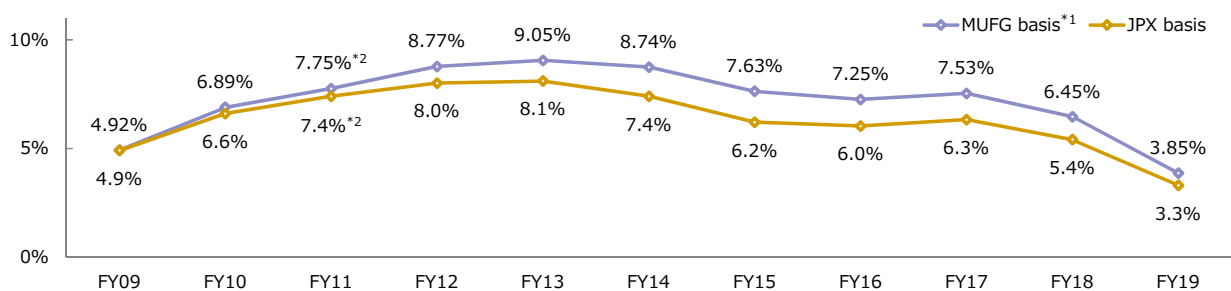
*6 Determined exclusively by independent outside directors at the Compensation Committee for executives *7 Subject to malus and claw-back clause, etc.

*8 Shares acquired during the term of office shall be held continuously until retirement in principle

ROE / EPS

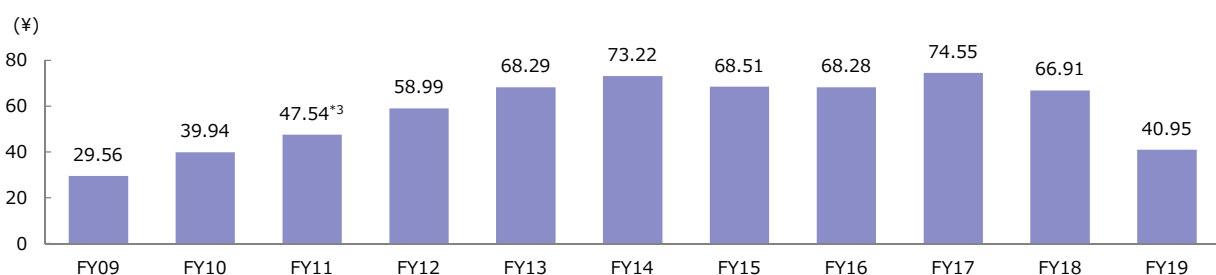
ROE

Consolidated



EPS

Consolidated



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

*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

TLAC requirement – The best capital mix and external TLAC ratio

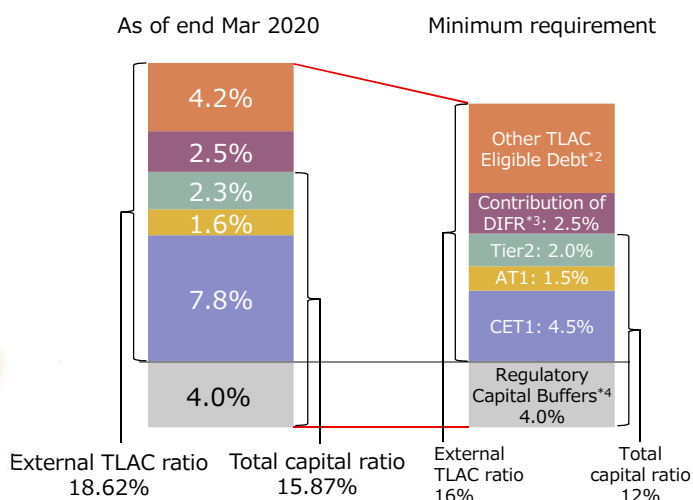
- Aim for optimal balance between capital efficiency and adequacy in qualitative and quantitative aspects
 - Control necessary and sufficient level of capital with utilization of AT1 / Tier2
 - Maintain sustainable external TLAC ratio for the long term by raising external TLAC eligible senior debt

External TLAC ratio

	As of end Mar 20	Minimum requirement	
		From end Mar 19	From end Mar 22
Risk weighted asset basis	18.62%	16.0%	18.0%
Total exposure basis	7.38%	6.0%	6.75%

MUFG is the primary funding entity, which is designated as the resolution entity in Japan by FSA

MUFG's RWA^{*1} based external TLAC ratio



*1 Risk weighted asset

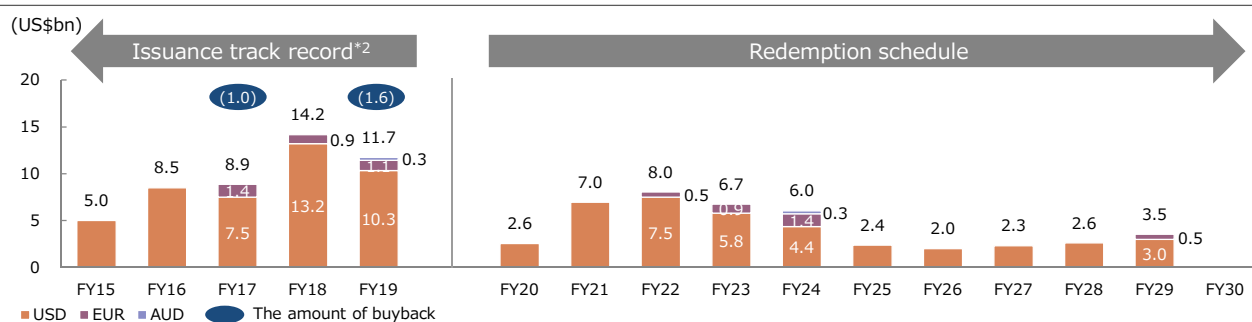
*2 Including adjustment of difference between calculation method of total capital ratio and external TLAC ratio and adjustment of amount of other TLAC eligible liabilities owned by the issuer's group, etc.

*3 Contribution of Deposit Insurance Fund Reserves : Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution set out in the FSB's TLAC termsheet (Can include 2.5% and 3.5% of RWAs from end Mar 2019 to Mar 2022 and after end Mar 2022, respectively, in external TLAC ratio)

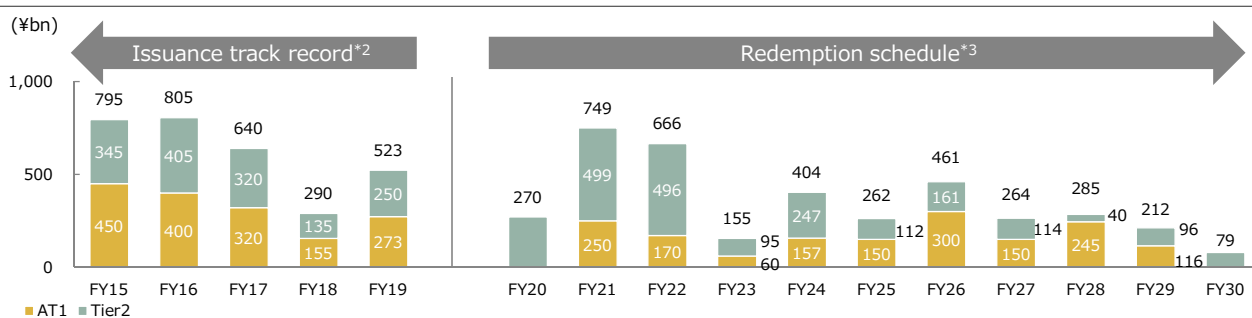
*4 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0.01%

TLAC requirement – Issuance track record & redemption schedule

TLAC-eligible senior debt*1



AT1, Tier2 bond



*1 All figures are converted into US\$ using actual exchange rates as of end Mar 2020

*2 Total of public issuance (excluding the amount of buyback), as of end Mar 2020

*3 Annual figures assuming that all callable notes are to be redeemed on their respective first callable dates. Tier2 contains Basel II Tier2 sub notes issued by the Bank and the Trust Bank (including their overseas special purpose companies), respectively