

Editorial Overview

We, Mitsubishi UFJ Financial Group, or MUFG, have compiled our integrated report, MUFG Report 2017, in order to explain our efforts to create sustained value to our investors and other stakeholders. Referencing the framework provided by the International Integrated Reporting Council (IIRC),* this report introduces our business model through the opening section (“Who We Are”), and explains the methods we have used to create sustainable value through “Corporate Value Initiatives,” “Important Issues Concerning Value Creation—How MUFG Addresses ESG Issues” and “The Foundations of Corporate Value.” Further details on our CSR activities are available on our website.

* A private sector foundation established in 2010 by companies, investors, accounting organizations and administrative agencies to develop an international framework for corporate reporting.

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Disclaimer

This report contains forward-looking statements in regard to expectations, forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. (“MUFG”) and its subsidiaries and affiliates (collectively, “the Group”). These forward-looking statements are based on information currently available to the Group and are stated in this document on the basis of the outlook at the time that this document was produced. In producing these forward-looking statements certain assumptions (premises) have been utilized, which are subjective and may prove to be incorrect. Should any underlying assumption provide to be incorrect, actual results in the future may vary materially from some of the forward-looking statements in this document. The Group has no obligation or intent to update any forward-looking statements contained in this document. In addition, information on companies and other entities outside the Group that is included in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the Group and cannot be guaranteed. All figures contained in this report are calculated according to generally accepted accounting principles in Japan, unless otherwise noted.

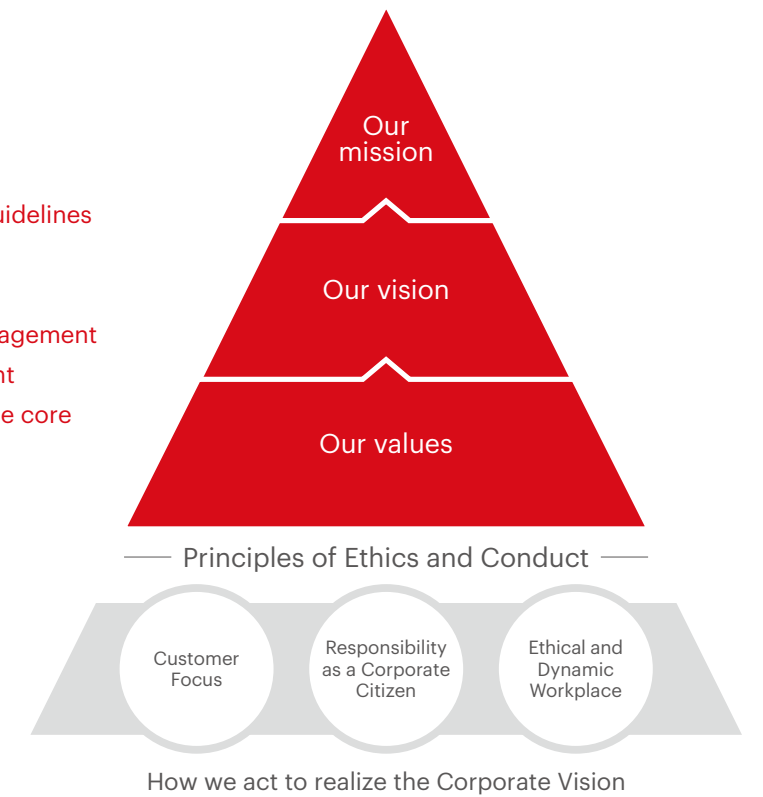
Who We Are

Corporate Vision

The corporate vision serves as the basic policy in conducting our business activities, and provides guidelines for all group activities.

The corporate vision also is the foundation for management decisions, including the formulation of management strategies and management plans, and serves as the core value for all employees.

MUFG has established Principles of Ethics and Conduct based on its Corporate Vision. These principles provide standards for all MUFG employees to guide their decisions and actions, thereby leading them to realize the Corporate Vision.



Our mission

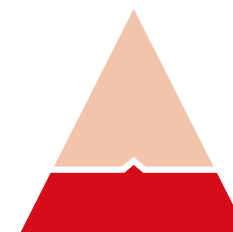
To be a foundation of strength, committed to meeting the needs of our customers, serving society, and fostering shared and sustainable growth for a better world.



Our vision

Be the world’s most trusted financial group

1. Work together to exceed the expectations of our customers
2. Provide reliable and constant support to our customers
3. Expand and strengthen our global presence



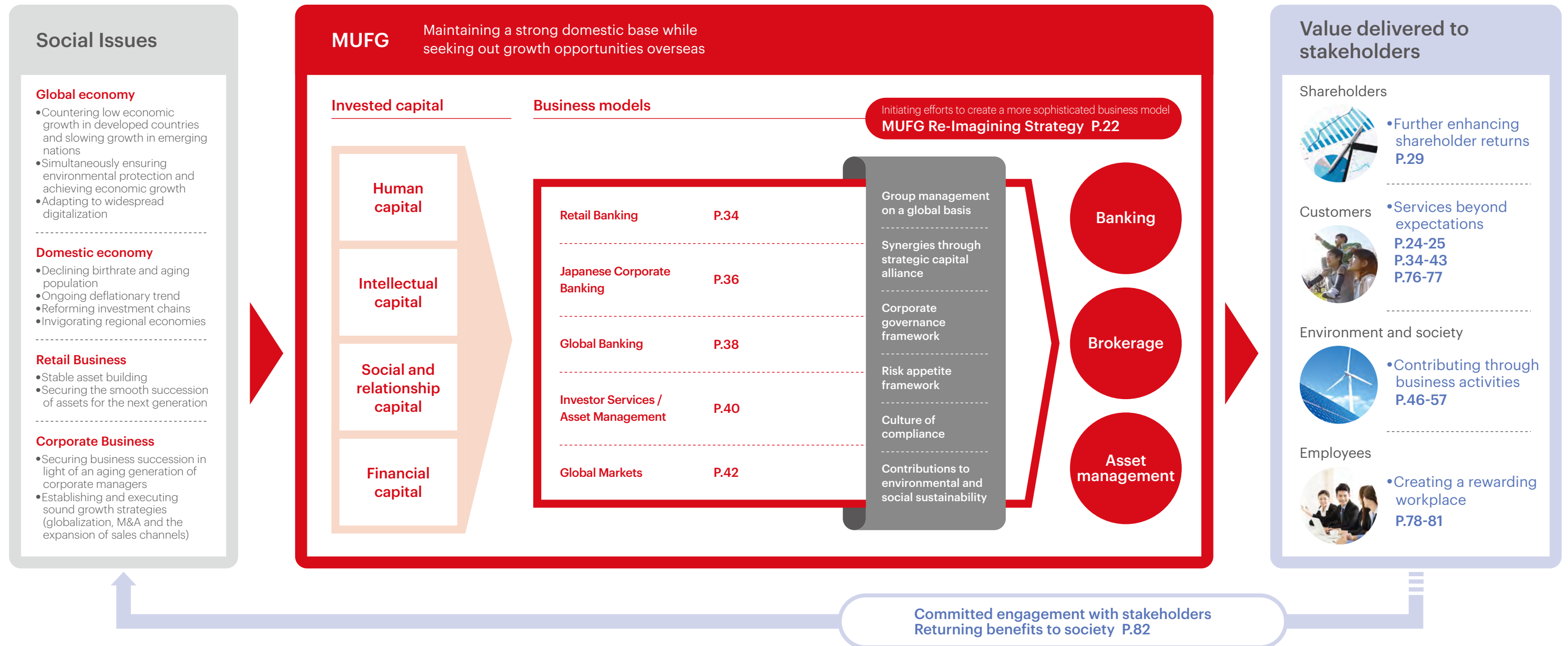
Our values

1. Integrity and Responsibility
2. Professionalism and Teamwork
3. Challenge Ourselves to Grow

Details on our corporate vision are available on our website. <http://www.mufg.jp/english/profile/philosophy>

MUFG Value Creation Process

Enhancing Corporate Value by Providing Solutions that Address Social Issues



Invested capital

Human capital

- 150,000 domestic and overseas employees with diverse backgrounds
- Wealth of human resources boasting professional skills
- Strong sense of loyalty

Intellectual capital

- Insight into various business sectors around the world
- Expertise in commercial banking businesses in Japan and elsewhere in Asia as well as the United States
- The utilization of external inputs via open innovation

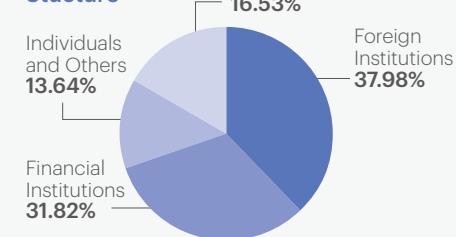
Social and relationship capital

- Extensive customer base (40 million individual accounts and 400,000 corporate customers in Japan)
- Global network (1,100 domestic bases and approximately 1,200 overseas bases across over 50 countries)

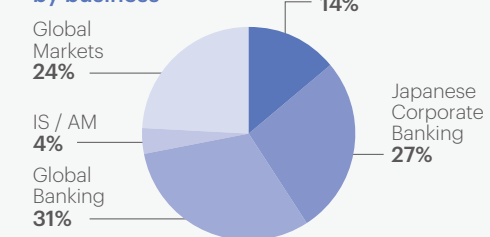
Financial capital

- Solid balance sheet
- Diversified profit structure
- Stable procurement bases at home and abroad

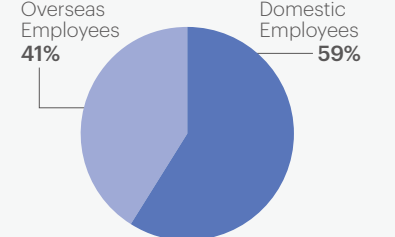
Shareholder Structure*1*2



Net Operating Profits by business*1



Group Employees*1



*1 As of March 31, 2017
 *2 Excluding own shares and fractional shares
 *3 Net operating profit of Global Banking / net operating profit of total customer segments

History of MUFG

Among MUFG's precursors, the oldest dates back approximately 360 years. Over this long span of time, our commitment to addressing customer needs has remained unchanged, weathering the course of mergers prompted by recurring periods of social change and economic adversity, including worldwide recessions, Japan's rapid growth period, the rise and fall of bubble economies and, most recently, the Global Financial Crisis.

We have nurtured our commitment despite the circumstances and are determined to move forward to achieve mutual and sustainable growth with our customers. Moreover, we aspire to contribute to the sound development not only of Japan but of countries around the world and we aim to be part of the bedrock of society.

With all employees sharing this commitment and aspiration, MUFG steadfastly pursues its mission.

Konoike Exchange Bureau opened in Osaka (1656)
(One of the precursors of Sanwa Bank)



Source: Konoike Limited Partnership Company

Mitsubishi Exchange House established by Yataro Iwasaki (1880)
(One of the precursors of Mitsubishi Bank)



Source: The Mitsubishi Archives

Yokohama Specie Bank established (1880)
(One of the precursors of Bank of Tokyo)



Source: Kanagawa Prefectural Museum of Cultural History

Bank of Tokyo established (1946)
(One of the precursors of Bank of Tokyo-Mitsubishi UFJ)

Toyo Trust and Banking established (1959)
(One of the precursors of Mitsubishi UFJ Trust and Banking)

Mitsubishi Bank established (1919)
(One of the precursors of Bank of Tokyo-Mitsubishi UFJ)

Sanwa Bank established (1933)
(One of the precursors of Bank of Tokyo-Mitsubishi UFJ)

1929 Worldwide recessions

1941 The Pacific War breaks out

Tokai Bank established (1941)
(One of the precursors of Bank of Tokyo-Mitsubishi UFJ)

Mitsubishi Trust established (1927)
(One of the precursors of Mitsubishi UFJ Trust and Banking)
Kawasaki Trust established (1927)
(One of the precursors of Mitsubishi UFJ Trust and Banking)

Yachiyo Securities established (1948)
(One of the precursors of Mitsubishi UFJ Morgan Stanley Securities)

MUFG inaugurated

In August 2004, predecessor companies signed a basic agreement on integration. In October 2005, MUFG was inaugurated via the merger of Mitsubishi Tokyo Financial Group and UFJ Holdings.

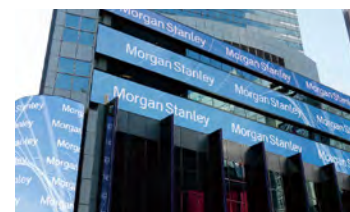
Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Securities inaugurated

Bank of Tokyo-Mitsubishi UFJ inaugurated
Complete repayment of public funds

Mitsubishi UFJ NICOS, Mitsubishi UFJ Lease & Finance inaugurated

Strategic alliance with Morgan Stanley

During the global financial crisis, MUFG invested US\$9 billion in Morgan Stanley (U.S.) as part of its efforts to strengthen investment banking



• UnionBanCal Corporation became a wholly owned subsidiary of MUFG
• ACOM became a consolidated subsidiary of MUFG (JGAAP only)

Mitsubishi UFJ Morgan Stanley Securities, Morgan Stanley MUFG Securities inaugurated

MUFG Corporate Vision renewed

Ensured the reputation for trustworthiness that MUFG enjoys among customers, which is backed by a longstanding track record and is maintained and passed on, underscoring the commitment of each employee

• MUFG Corporate Governance Policies established
• Moved to a "company with three committees" structure

Shifted from a "company with a board of corporate auditors" structure to a "company with three-committees" structure, with the aim of establishing a more transparent and effective governance framework

The MUFG Basic Policy for Fiduciary Duties established

The formulation of common guidelines for the Group to enforce its customer-first policy



April 2018 (scheduled)

• Integrate the corporate loan-related business of Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking
• Rename the commercial bank as "MUFG Bank"

MUFG Re-Imagining Strategy announced

Aiming to achieve sustainable growth and contribute to the betterment of society by developing solutions-oriented business

Conversion of Bank of Ayudhya (Krungsri), a major commercial bank in Thailand, into a subsidiary

Initiated full-scale comprehensive financial services in ASEAN as a key growth strategy initiative



Capital and operational alliance with Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank), a national bank in Vietnam



Capital and business alliance with Security Bank Corporation in the Philippines

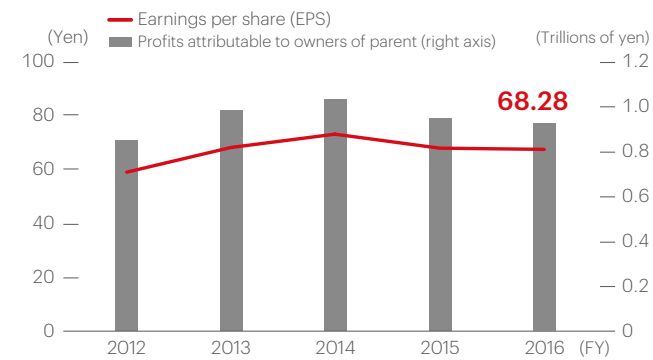
The Bank of Tokyo-Mitsubishi UFJ reached an agreement with Security Bank, a key commercial bank in the Philippines, to form a capital and business alliance, with the bank acquiring a 20% equity stake in Security Bank



Financial Highlights

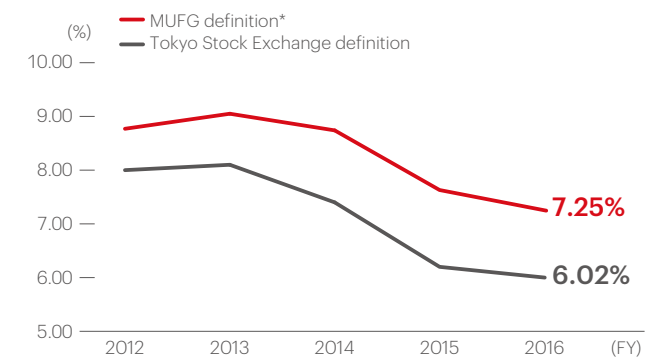
Key Financial Performance Indicators

EPS (growth) **¥68.28**



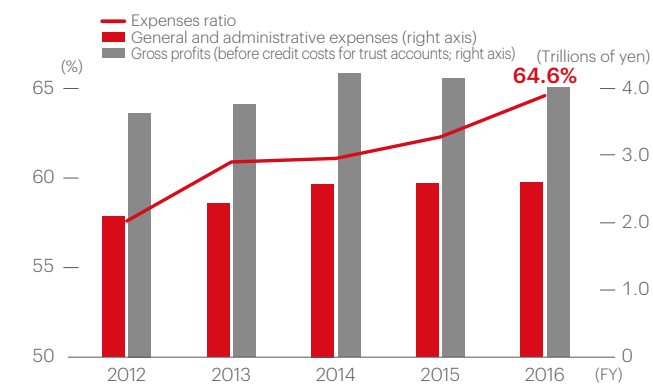
Despite the execution of share repurchases, the EPS decreased due to a fall in profits attributable to owners of parent.

ROE (profitability) **7.25%**



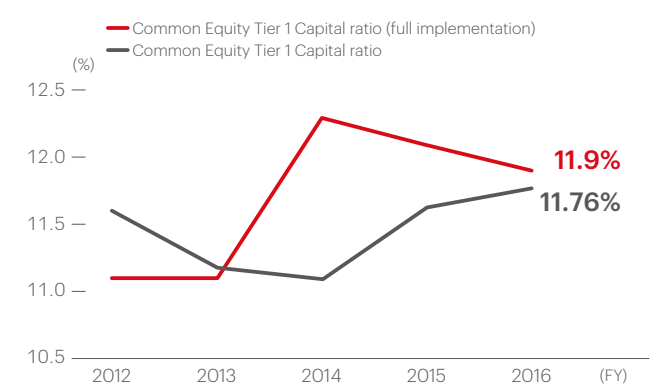
The ROE decreased due mainly to a prolonged trend toward low interest rates on a global basis.

Expenses Ratio (profitability) **64.6%**



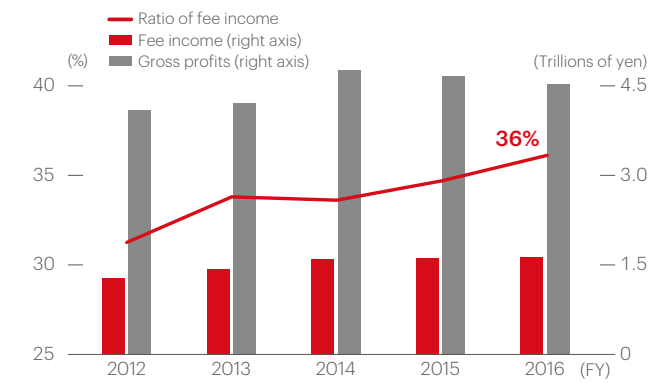
Although general and administrative expenses stayed virtually unchanged thanks to cost control initiatives, the expenses ratio increased due to a decline in gross profits reflecting decreases in domestic interest income and gains on debt securities.

Common Equity Tier 1 Capital Ratio (financial strength) **11.9%**



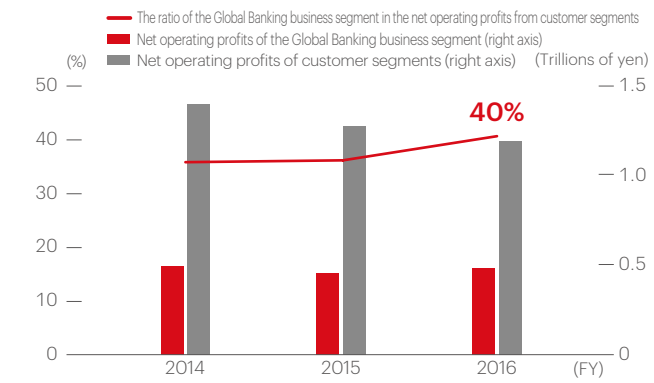
The Common Equity Tier 1 Capital ratio remained above the level required by financial regulations.

Ratio of Fee Income **36%**



The ratio of fee income to gross profits grew in step with an increase in fee income due to rises in fees from domestic investment banking business and fees and commissions from overseas operations, as well as a decline in gross profits.

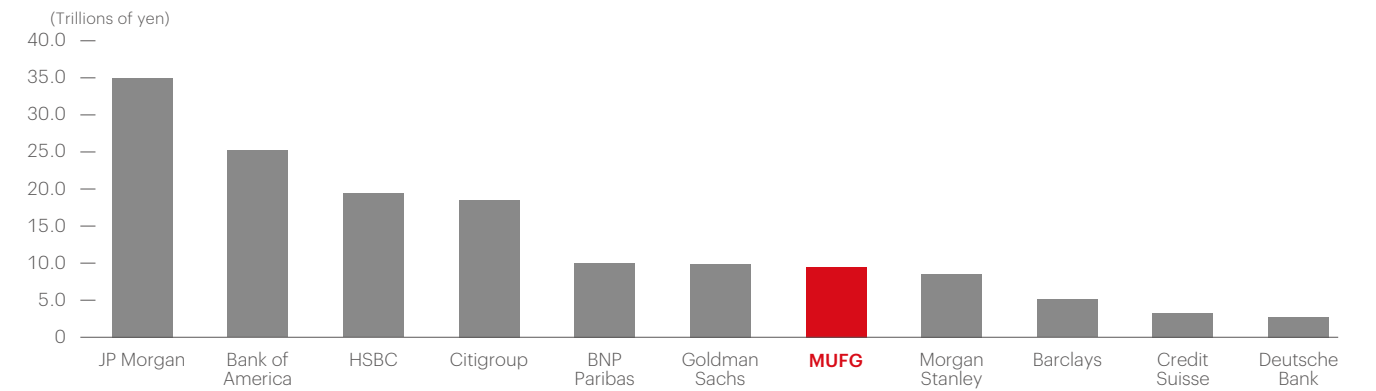
Ratio of the Global Banking Business Segment in the Net Operating Profits from Customer Segments **40%**



The Global Banking Business segment generated more than 40% of net operating profits from customer segments thanks to the success of steady efforts aimed at expanding revenues from deposits, loans and fees and commissions in overseas operations, countering shrinking revenues from domestic operations.

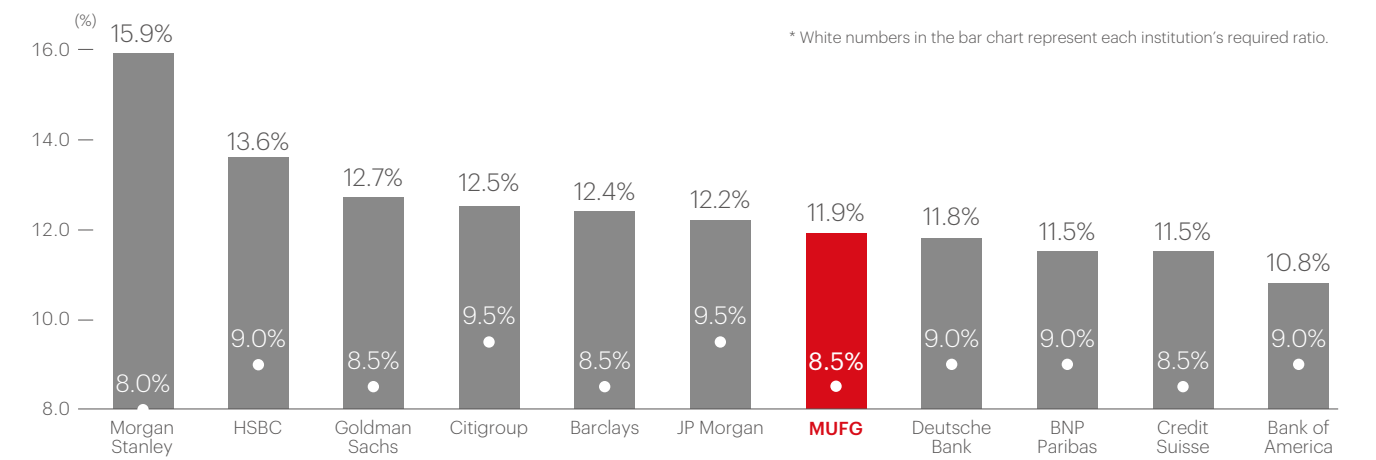
Financial Position Compared with Global Peers (G-SIBs)

Market Capitalization



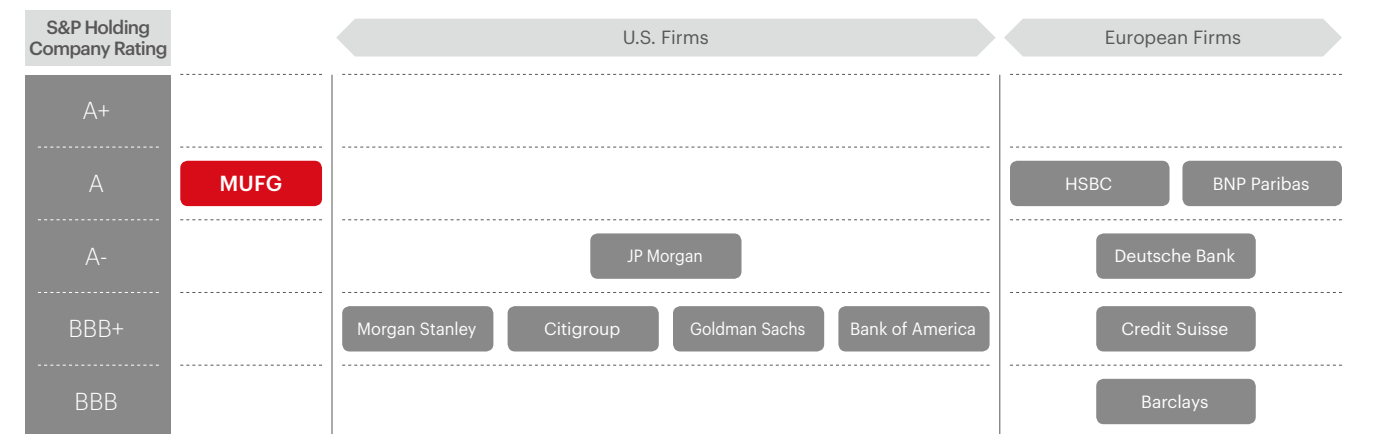
(Exchange rate: ¥112.19 to one U.S. dollar; as of March 31, 2017; source: Bloomberg)

Common Equity Tier 1 Capital Ratio (full implementation)



(Rates as of December 31, 2016, excluding the rate for MUFG as of March 31, 2017; based on data disclosed by each firm)

Credit Ratings



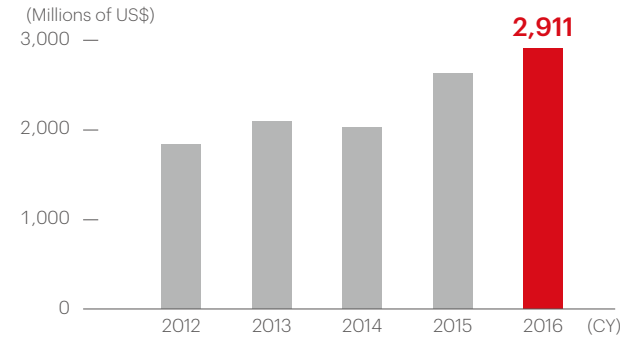
(Rating of issuers of long-term foreign currency denominated debt as of June 30, 2017; source: Bloomberg)

ESG Highlights

Environment

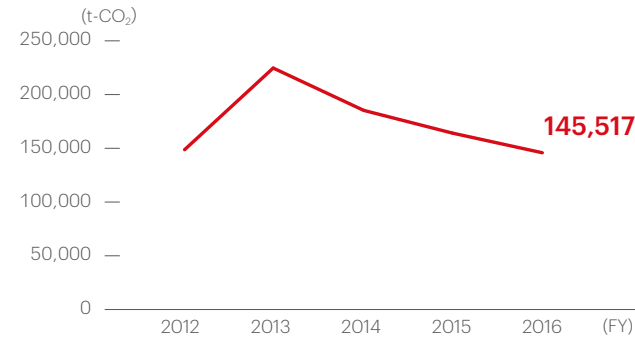
Renewable energy sector:
The value of project finance
arrangements handled by MUFG

US\$2,911 Million
(No.1 ranking)



Source: Bloomberg New Energy Finance

Carbon Dioxide (CO₂) Emissions* **145,517t**

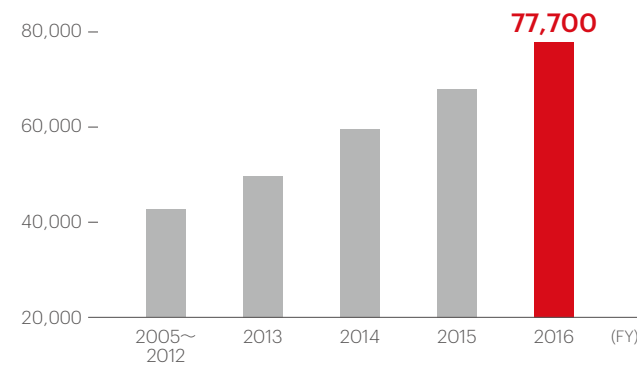


* Total of MUFG and the Bank of Tokyo-Mitsubishi UFJ (Japan)

Society

Number of business
matches made*

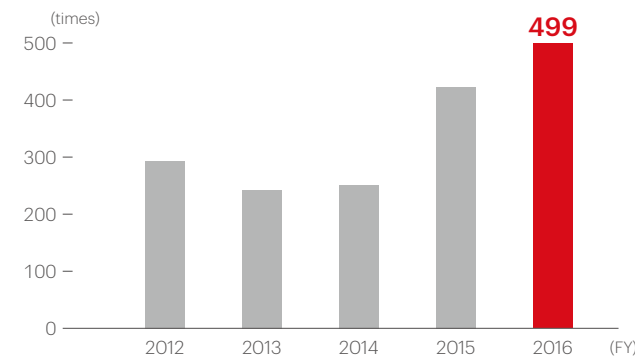
**cumulative
Approx. 77,700**



* The Number of business talks at large-scale business matching conference in Japan

Number of occasions in which
MUFG staff provided students
with economic and financial education*

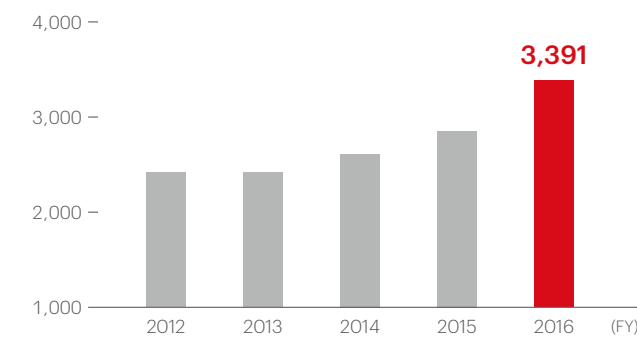
499times



* On-demand school lectures and workplace experience programs conducted by staff at the Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM

Number of employees
on childcare leave*

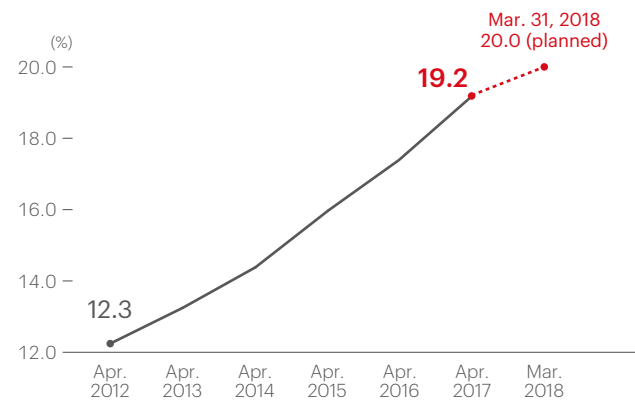
3,391



* Total for the Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities and Mitsubishi UFJ NICOS

Ratio of female managers
in the entire managerial positions*

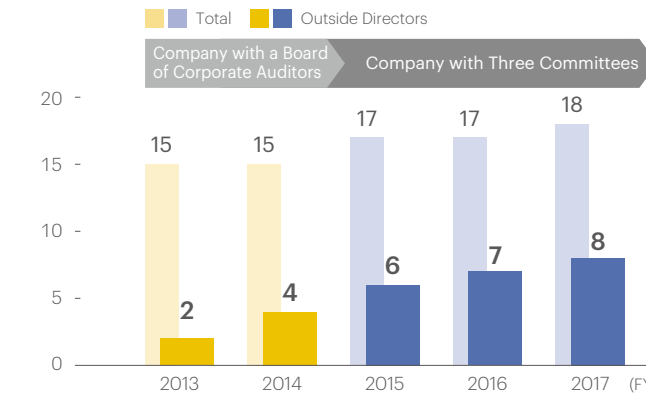
19.2%



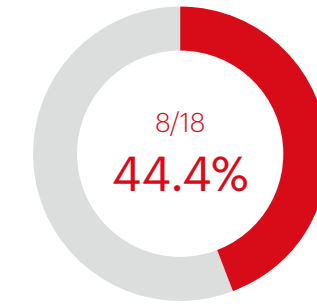
* Total of the Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities

Governance

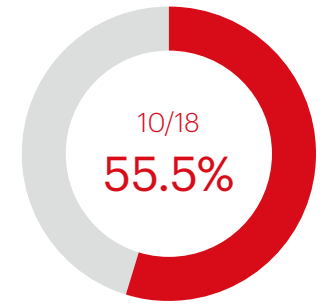
Number of members of the Board of Directors



Proportion of Independent
Outside Directors



Proportion of
Non-executive Directors



External Recognition

ESG-related indices

MUFG stock has been designated
by some prominent ESG-related
indices in Japan and overseas (as of
May 31, 2017).



Capital Eye Best Deals of 2016
Winning a Special Award in the
foreign bond category

MUFG was selected as a winner of a
Special Award under the Capital Eye
Best Deals of 2016 award program
(foreign bond category) for the
September 2016 issuance of a
TLAC-eligible Green Bond—the
world's first bond of this kind.



The 2017 Competitive IT Strategy
Company Stock Selection

MUFG was selected by Japan's
Ministry of Economy, Trade and
Industry and the Tokyo Stock
Exchange as an attractive company
due to its aggressive utilization of IT
in its management activities and
engagement in strategic IT
investments and other initiatives.



Bloomberg Financial Services
Gender-Equality Index

MUFG was chosen by the index as a
company attractive due to its
creation of a workplace environment
that embraces gender equality
along with efforts to maintain timely
information disclosure, solid
cumulative track record and
progressive policies in this area.



Certified Health and Productivity
Management Organization
(Major Corporation Category)

MUFG was selected as a Certified
Health and Productivity Management
Organization (major corporation
category) in February 2017 by the
Ministry of Economy, Trade and
Industry for its outstanding track record
in the practice of health management.

