

Fiscal 2018 Interim Results

Fixed Income Investors Presentation

December 2018

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The financial information used in this document was prepared in accordance with accounting standards generally accepted in Japan (“Japanese GAAP”), unless otherwise stated. Generally accepted accounting principles in the United States (“U.S. GAAP”) differ in certain important respects. You should consult your own professional advisers for a more complete understanding of the differences between U.S. GAAP and Japanese GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this document.

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This document is as of December 26, 2018.

Definitions of abbreviations used in this document

the Bank:	MUFG Bank	R&C:	Retail & Commercial Banking Business Group
the Trust Bank:	Mitsubishi UFJ Trust & Banking Corporation	JCIB:	Japanese Corporate & Investment Banking Business Group
the Securities HD:	Mitsubishi UFJ Securities Holdings	GCIB:	Global Corporate & Investment Banking Business Group
NICOS:	Mitsubishi UFJ NICOS	GCB:	Global Commercial Banking Business Group
MUAH:	MUFG Americas Holdings Corporation	AM/IS:	Asset Management & Investor Services Business Group
KS:	Bank of Ayudhya (Krungsri)	Global Markets:	Global Markets Business Group

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)

Agenda

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Appendix **23**

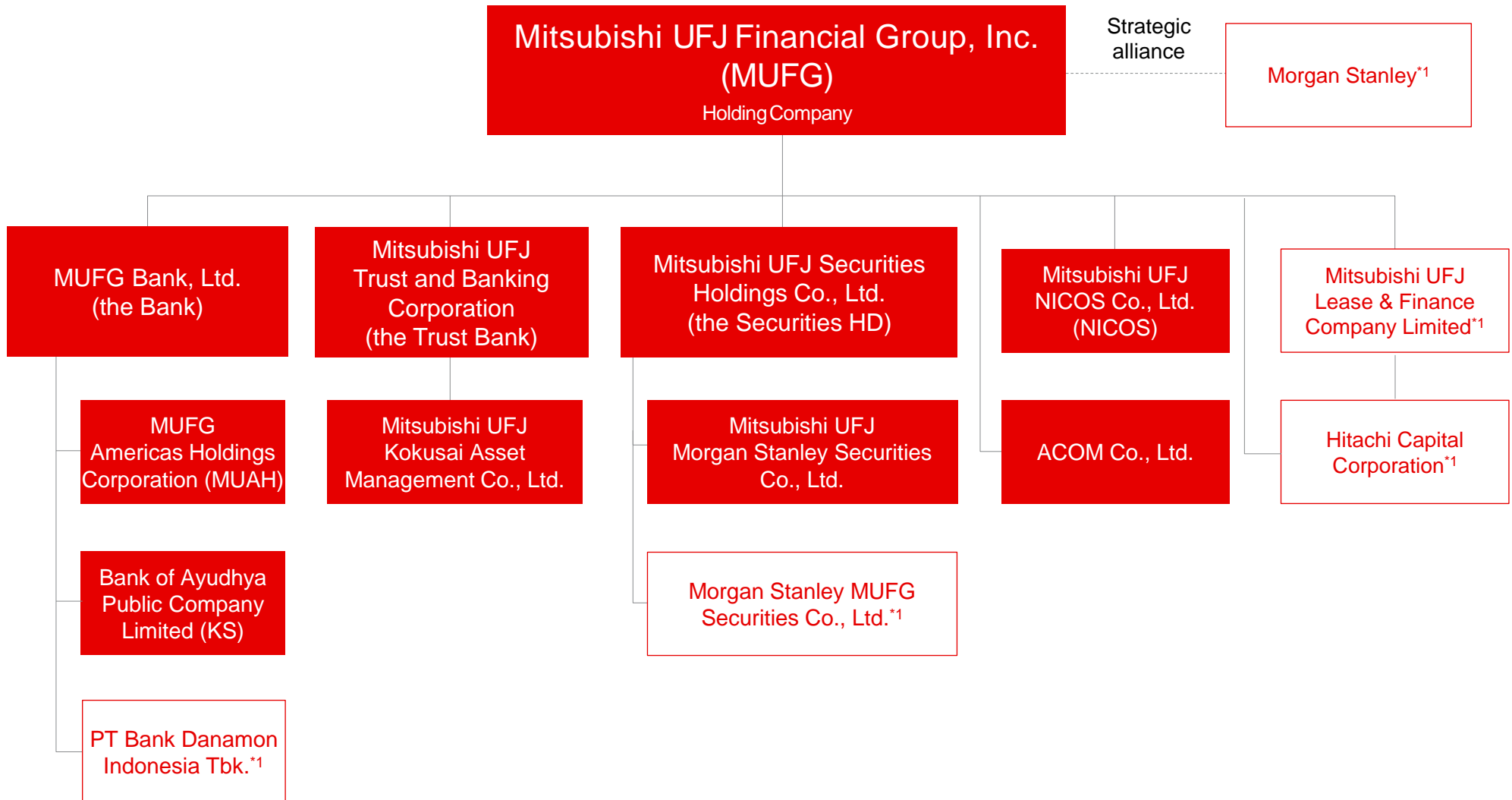
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Group structure



*1 Mitsubishi UFJ Lease & Finance, Morgan Stanley, Morgan Stanley MUFG Securities, Hitachi Capital and PT Bank Danamon Indonesia are equity method affiliates of MUFG

Financials*1

	FY2018 H1
1 Consolidated gross profits (before credit costs for trust accounts)	¥1,882.5bn / US\$16.58bn
2 Profits attributable to owners of parent	¥650.7bn / US\$5.7bn
	End Sep 2018
3 Total assets	¥306.3tn / US\$2.6tn
4 Loans (banking + trust accounts)	¥109.0tn / US\$959.8bn
5 Deposits	¥175.9tn / US\$1,549.5bn
6 Market capitalization*2	¥8.1tn / US\$71.9bn
7 Consolidated LCR*3	138.4%
8 NPL ratio*4	0.89%

*1 Exchange rate applied is ¥113.57/US\$

*2 As of end Nov 2018

*3 The ratio is the three-month average of daily LCR for the three months ended Sep 30, 2018, that is calculated by dividing the balance of High-Quality Liquid Assets by the amount of total net cash flows on a daily basis for the same three months

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

Group network

(As of end Sep 18)

Domestic Network:

Approx. 650 locations*6

Overseas Network:

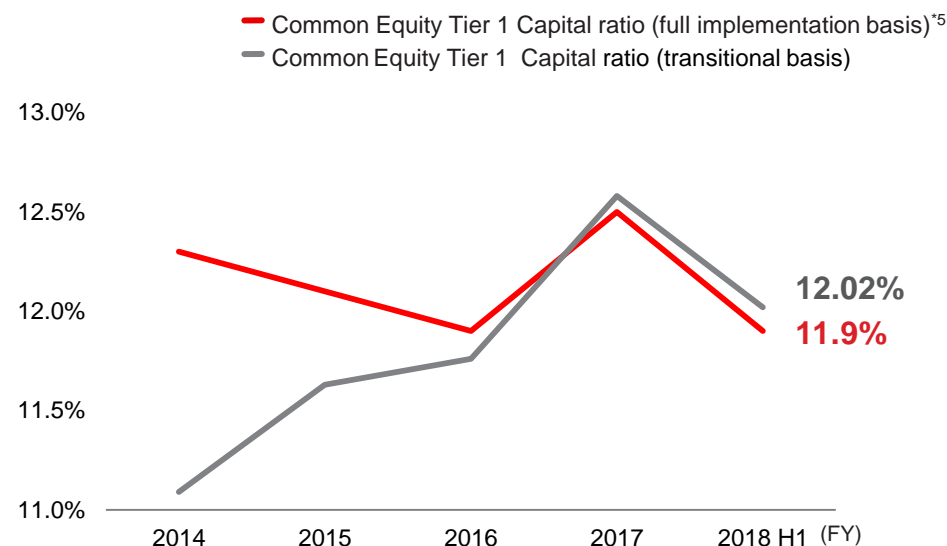
Approx. 1,200 locations across over 50 countries

*6 A facility that houses (i) several branches for retail clients, or (ii) a branch for retail clients and an office for corporate clients, is counted as single location. The number of branches and offices in Japan is approximately 1,100 as of Mar 2018

Capital

Common Equity Tier 1 Capital Ratio as of end Sep 18 (financial strength)

11.9%
(full implementation basis)*5



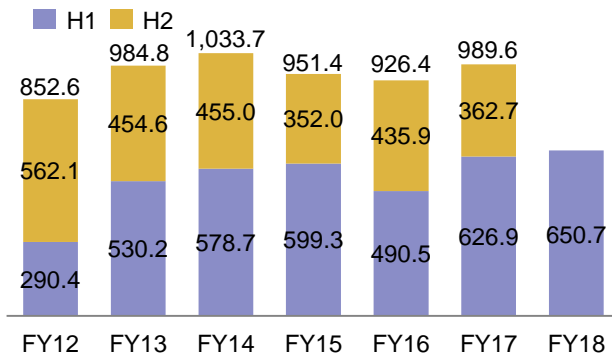
*5 Calculated on the basis of regulations expected to be applied at the end of Mar 2019

Ratings (holding company)

(As of end Nov 18)

	Moody's	S&P	Fitch
Long-term	A1	A-	A
Short-term	P-1	-	F1

Stable profit



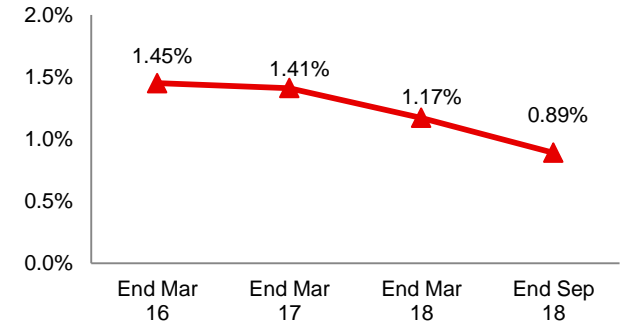
Profits attributable to owners of parent

Ample liquidity

138.4%

Consolidated Liquidity Coverage Ratio*1
(End Sep 2018)

Sound asset quality



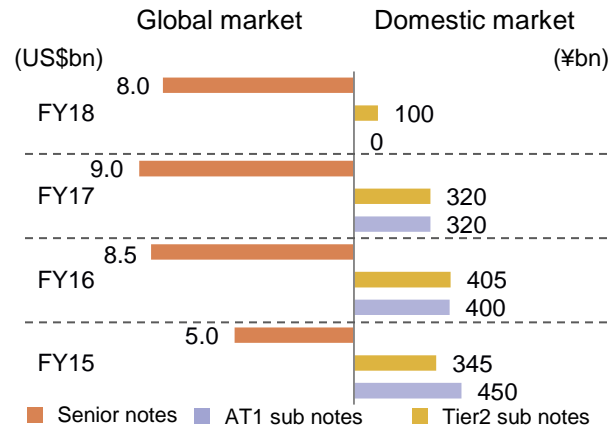
NPL Ratio*2

Sufficient capital

11.9%

CET1 capital ratio (full implementation basis*3)
(End Sep 2018)

Issuance track record*4



Credit ratings

A1 / A- / A

Moody's / S&P / Fitch
(End Nov 2018)

*1 The ratio is the three-month average of daily LCR for the three months ended Sep 30, 2018, that is calculated by dividing the balance of High-Quality Liquid Assets by the amount of total net cash flows on a daily basis for the same three months

*2 Total risk-monitored loans / Total loans and bills discounted (banking accounts as of period end)

*3 Calculated on the basis of regulations expected to be applied at the end of Mar 2019

*4 Total of public issuance, as of end Sep 18 (excluding the amount of buyback (US\$1bn))
TLAC Eligible Senior Debt are converted into US\$ with actual exchange rates as of end Sep 18

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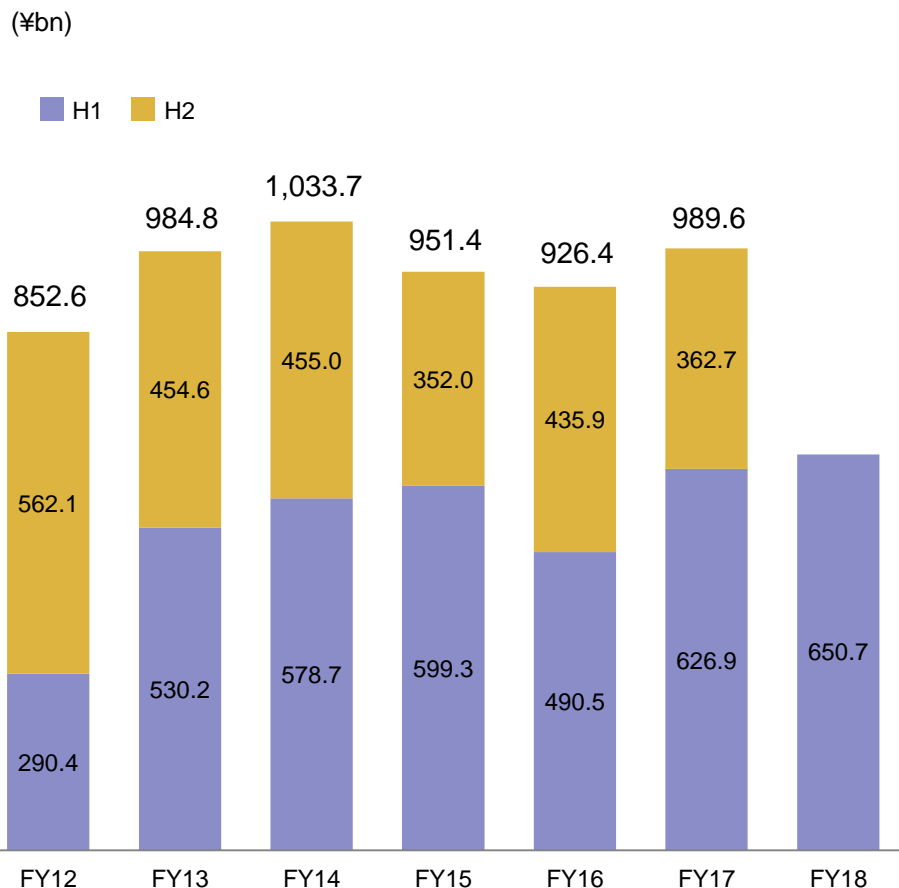
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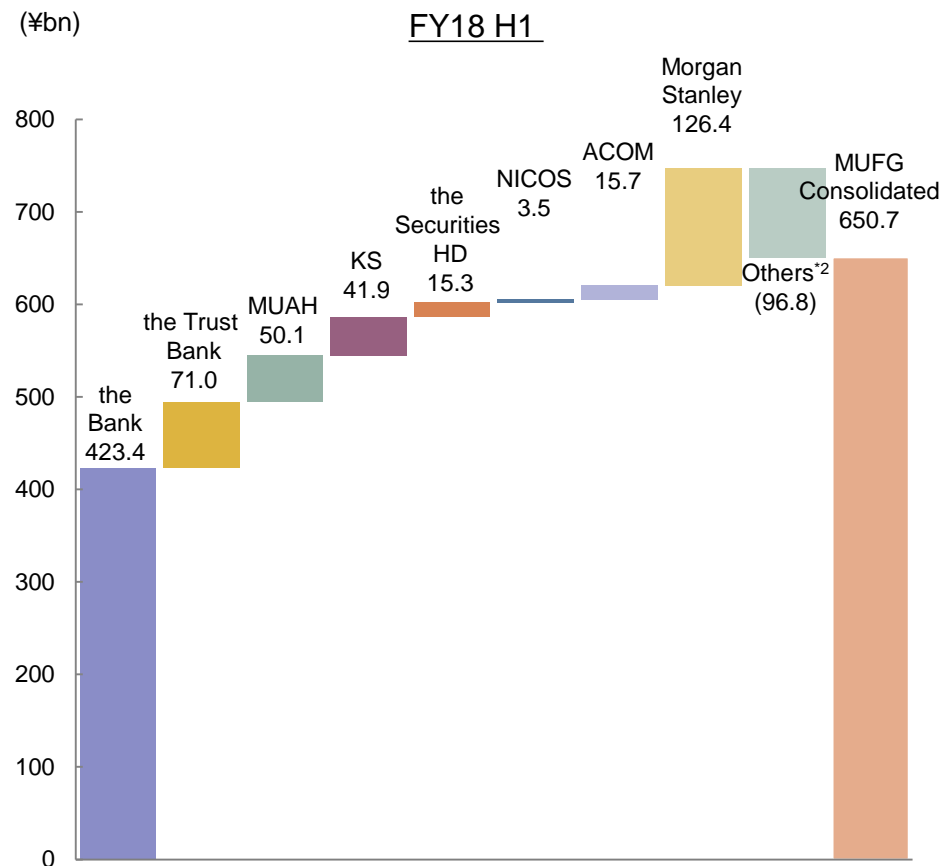
Outline of profits attributable to owners of parent

(Consolidated)

History of profits attributable to owners of parent



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



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

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

Income statement summary

(Consolidated)

Income statement

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

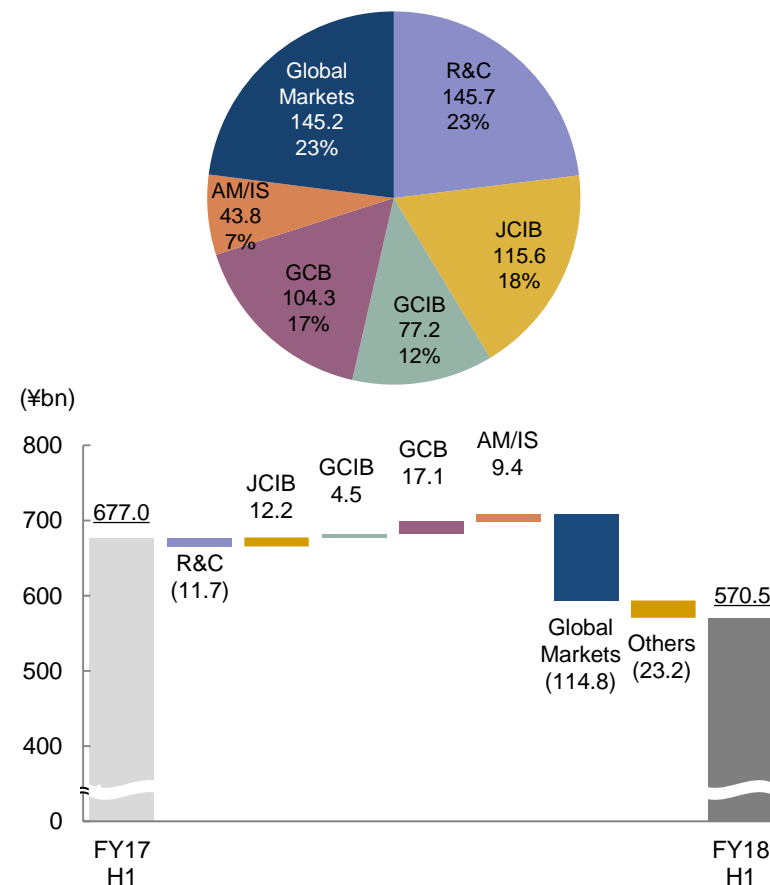
*1 Credit costs for trust accounts + Provision for general allowance for credit losses + Credit costs (included in non-recurring gains/losses) + Reversal of allowance for credit losses + Reversal of reserve for contingent losses included in credit costs + Gains on loans written-off

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

*3 Including profits or losses from others

Net operating profits by business segment^{*2}

(¥bn) FY18 H1 ¥570.5bn^{*3}



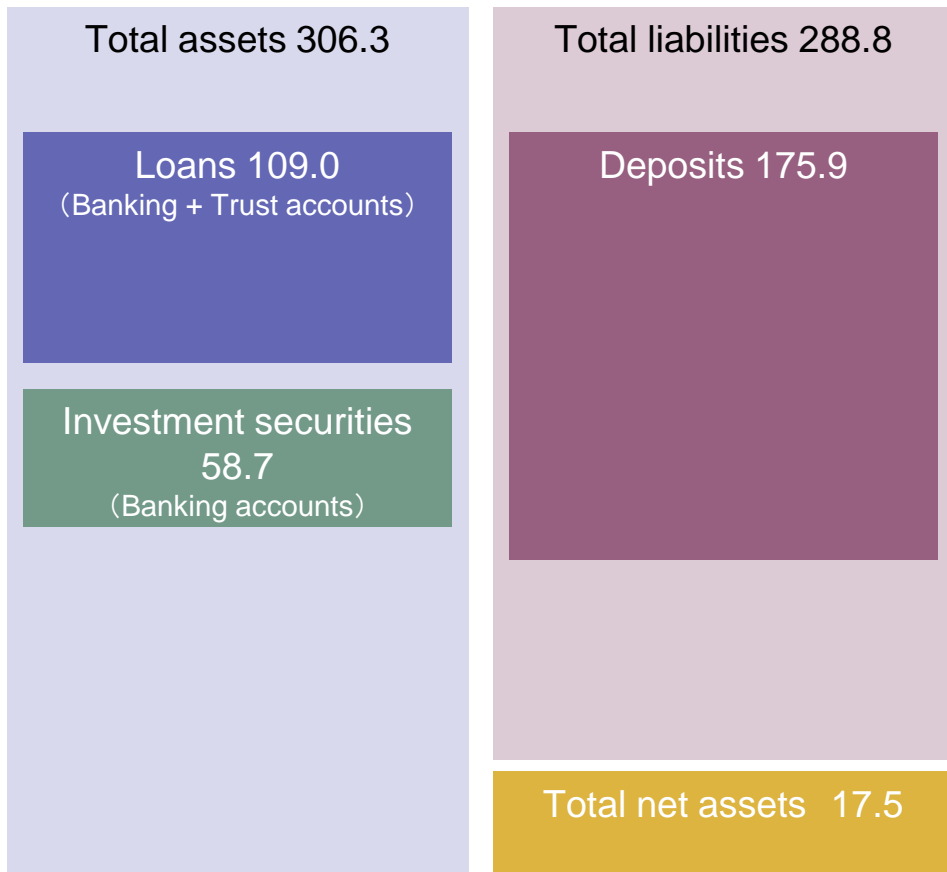
Balance sheet summary

(Consolidated)

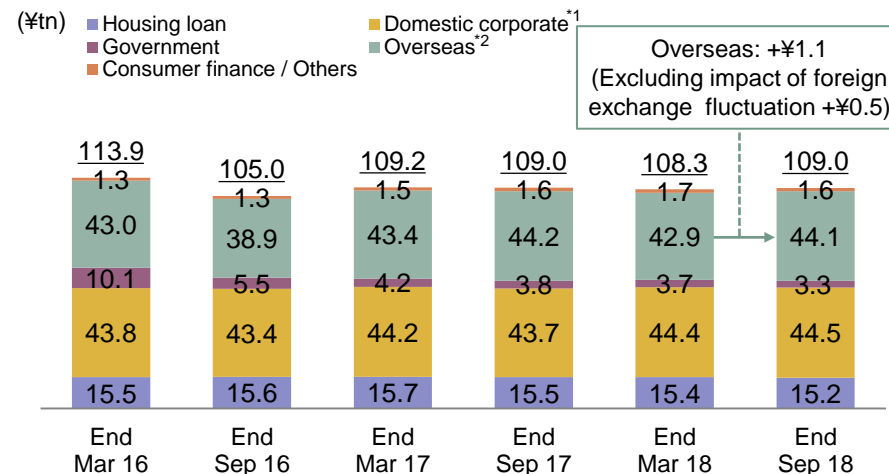
Condensed balance sheet

(As of end Sep 18)

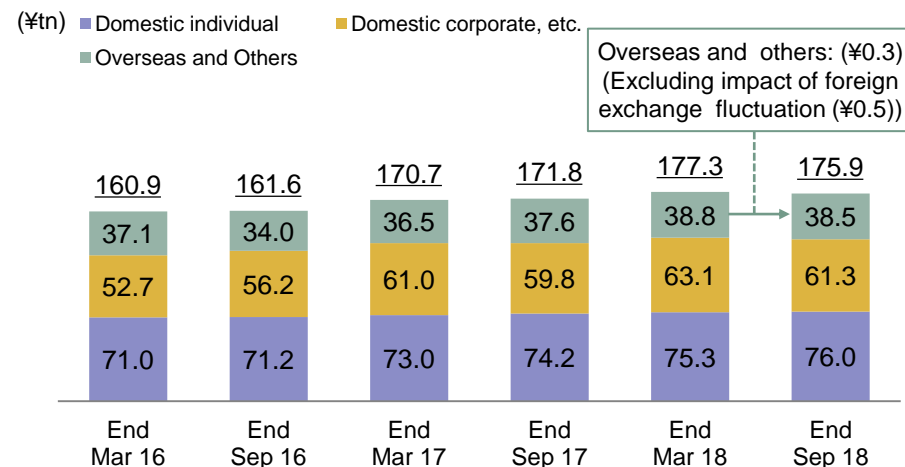
(¥tn)



Loans (Period end balance)



Deposits (Period end balance)



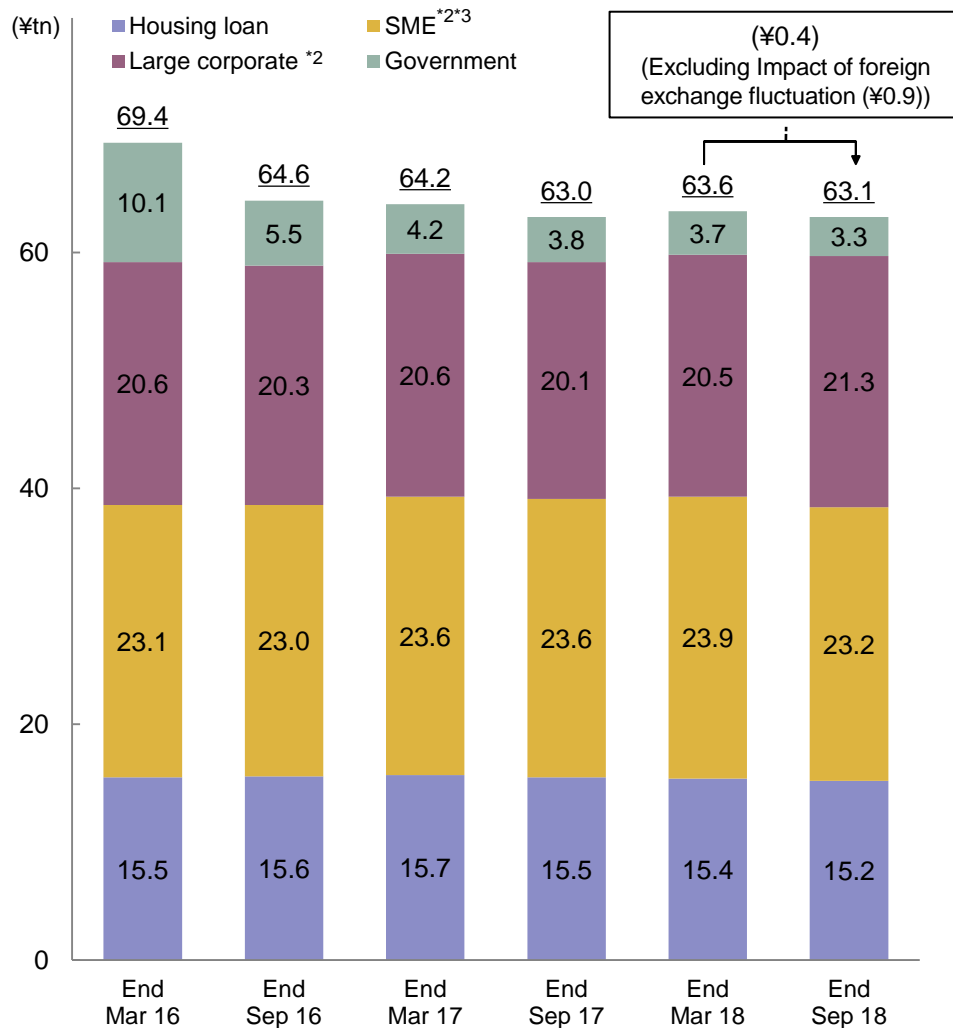
*1 Excluding loans to government and governmental institutions and including foreign currency denominated loans (Excluding impact of foreign exchange fluctuation: (¥0.3tn) from Mar 18)

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

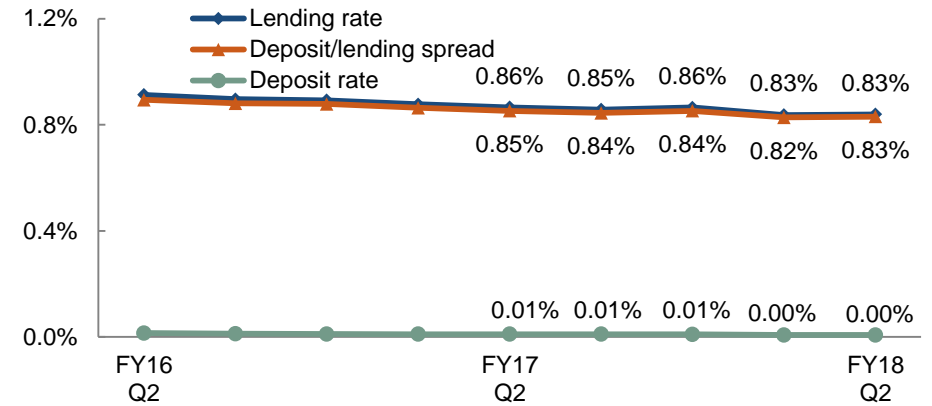
Domestic loans

(Consolidated / Non-consolidated)

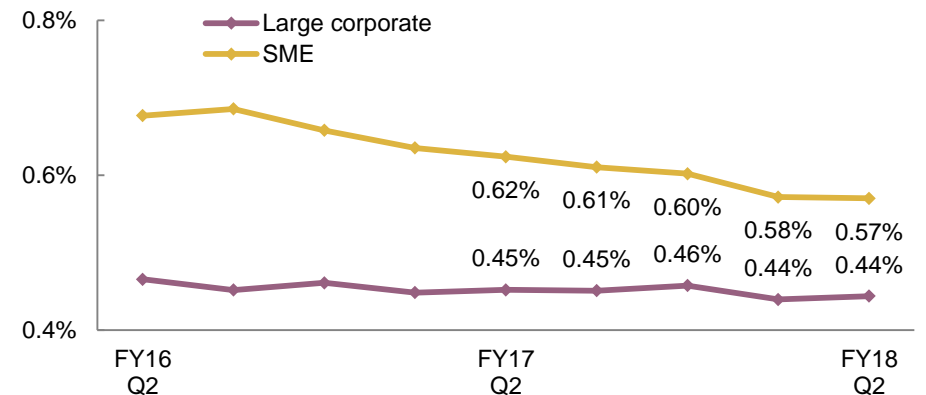
Loan balance (Period end balance)*1



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



Domestic corporate lending spread*4*5*6

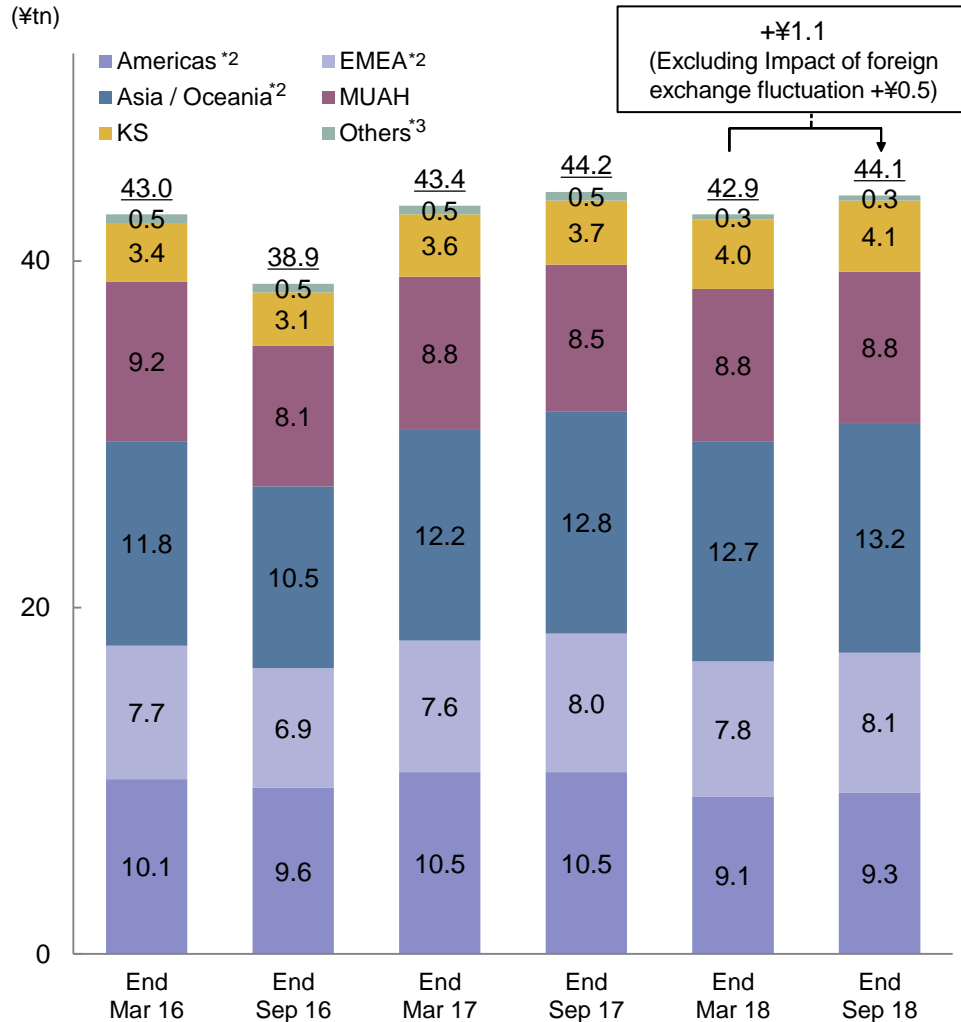


*1 Consolidated. Sum of banking and trust accounts. Managerial accounting basis *2 Including non-JPY loans
 *3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)
 *4 Managerial accounting basis *5 Non-consolidated *6 Excluding lending to government etc.

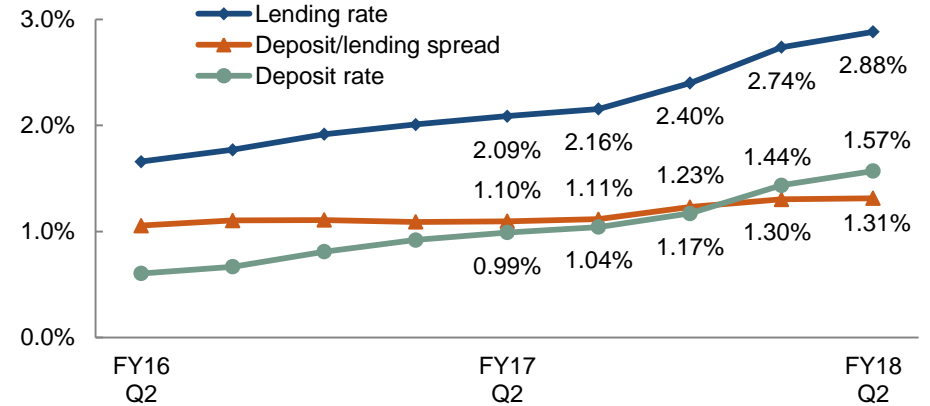
Overseas loans

(Consolidated / Non-consolidated)

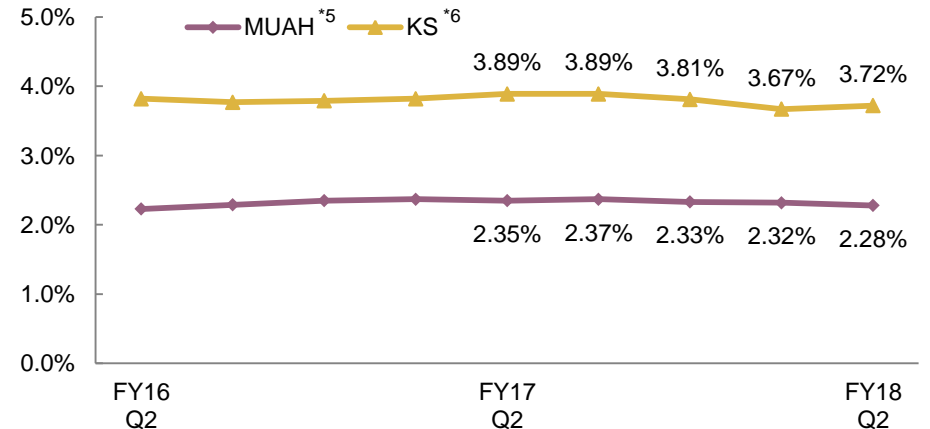
Loan balance (Period end balance)*1



Change in overseas deposit/lending rate*4



Net interest margin

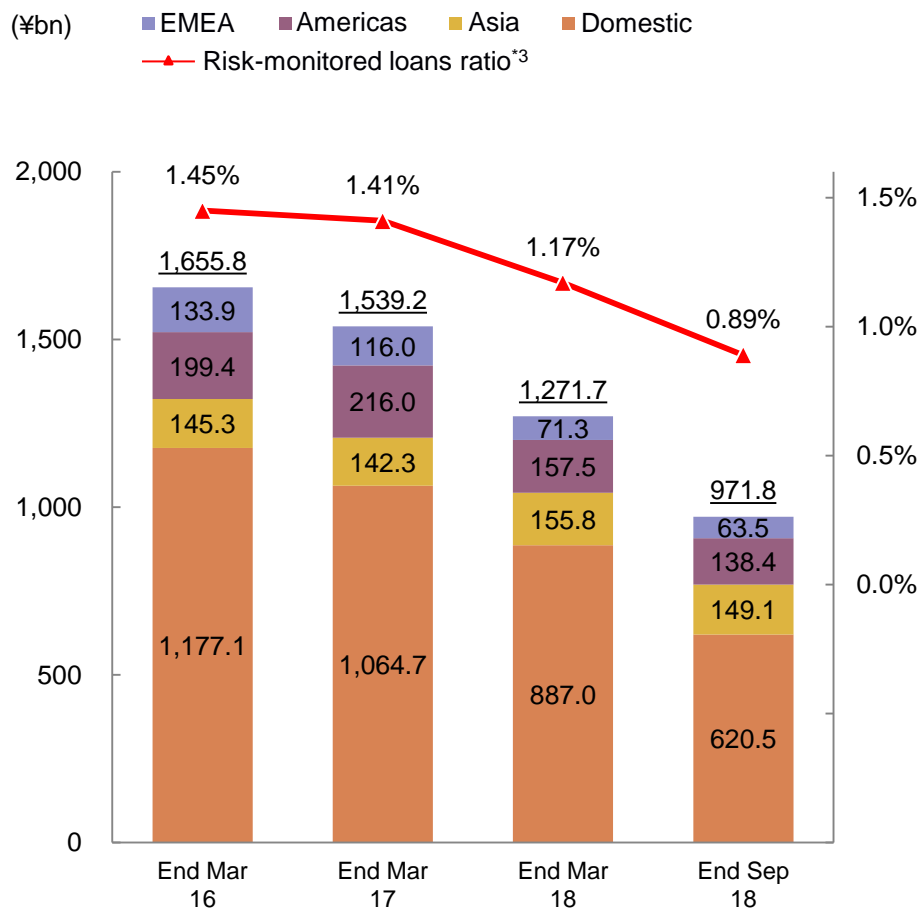


*1 Consolidated. Managerial accounting basis *2 Based on location of bookings *3 Offshore loans booked in Japanese branches *4 Non-consolidated. Managerial accounting basis

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

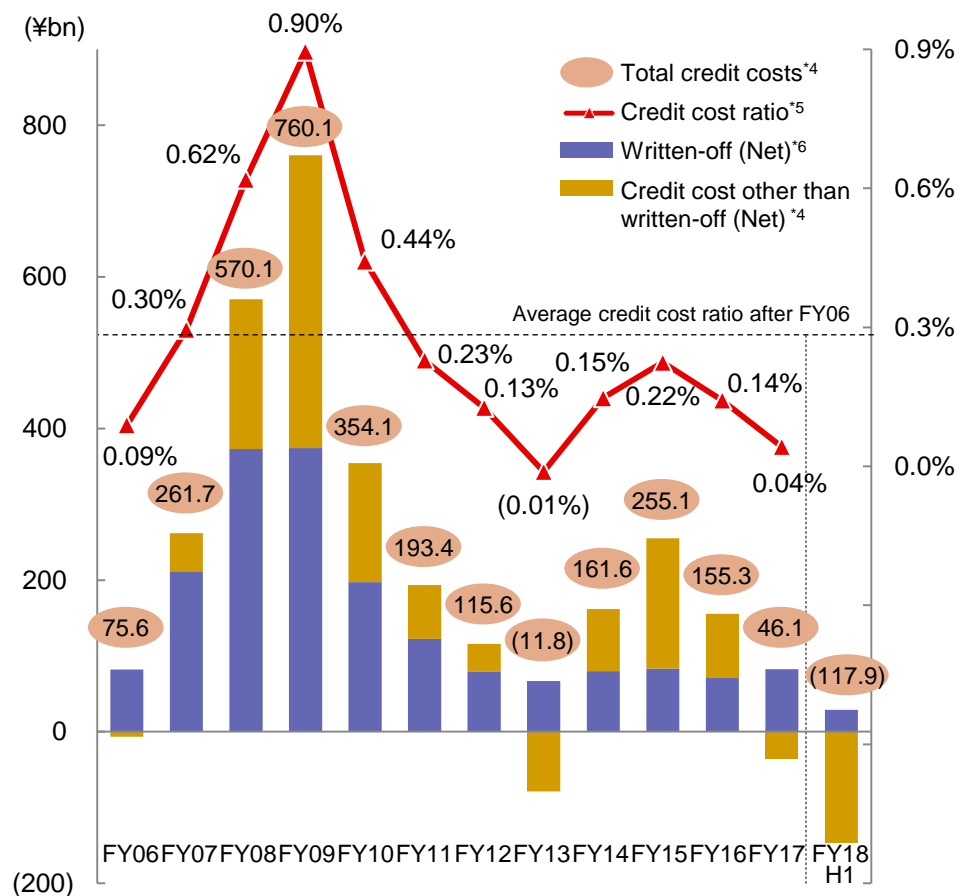
*6 Financial results as disclosed in KS's financial reports based on Thai GAAP

Risk-monitored loans*1 by region*2



*1 Risk-monitored loans based on Japanese Banking Act. Excludes direct write-off
 *2 Based on the locations of debtors
 *3 Total risk-monitored loans / Total loans and bills discounted (banking accounts as of period end)

Total credit costs*4 / credit cost ratio*5



*4 Consolidated. Including gains from write-off. Negative figure represents profits
 *5 Total credit costs / loan balance as of end of each fiscal year
 *6 Net amount of write-off gains and write-offs

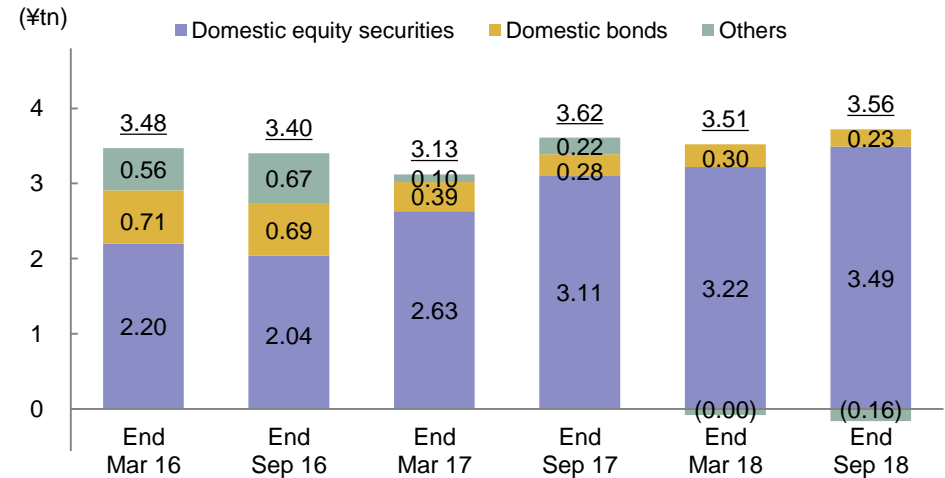
Investment securities

(Consolidated / Non-consolidated)

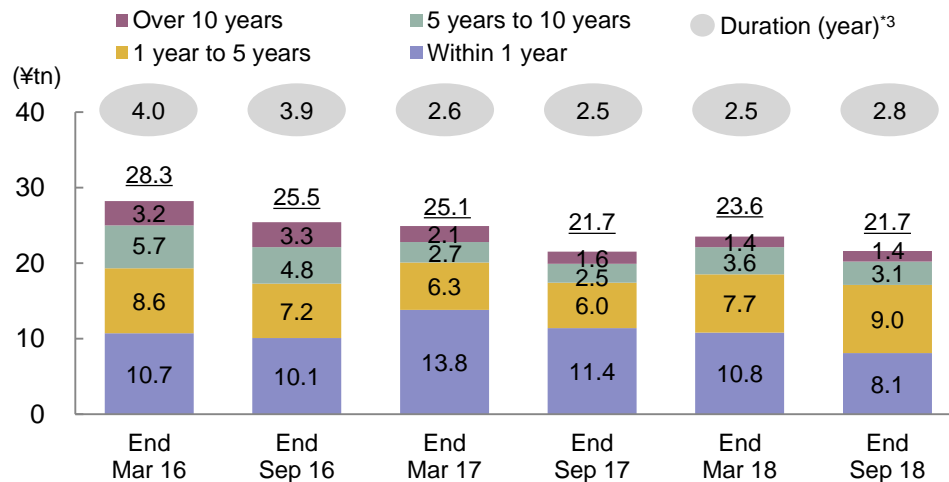
Securities available for sale with fair value*1

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

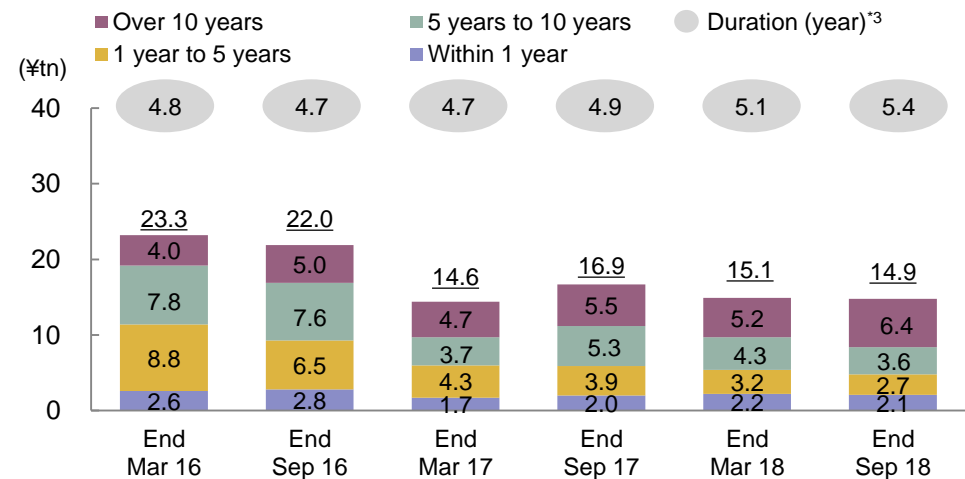
Unrealized gains (losses) on securities available for sale*1



Balance of JGBs*2



Balance of foreign bonds*2

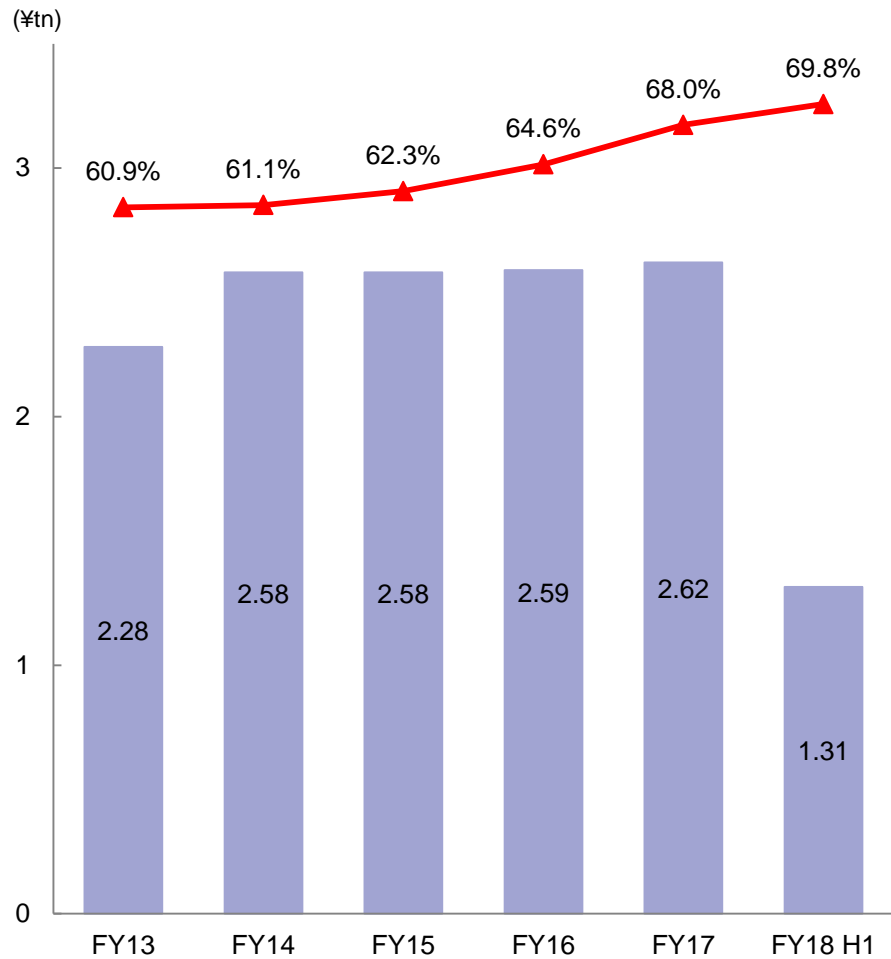


*1 Consolidated

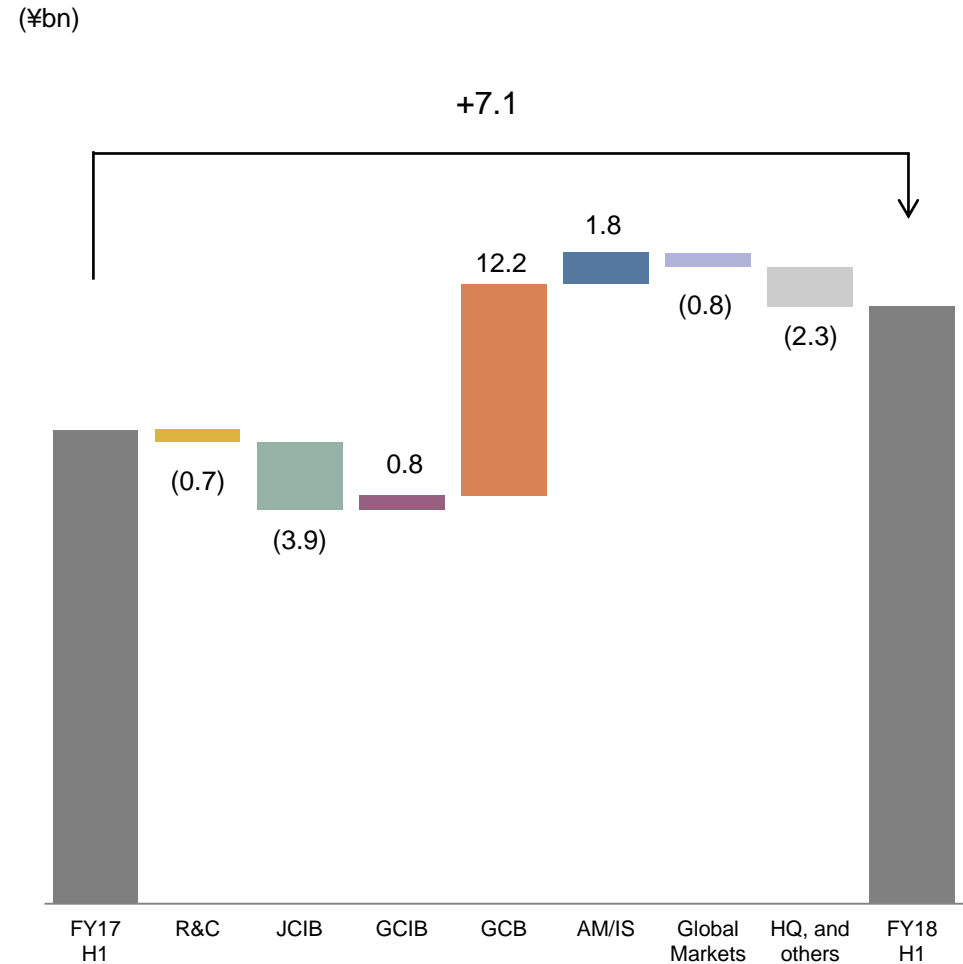
*2 Securities available for sale and securities being held to maturity. Non-consolidated

*3 Securities available for sale. Non-consolidated

G&A expenses / expense ratio ^{*1}



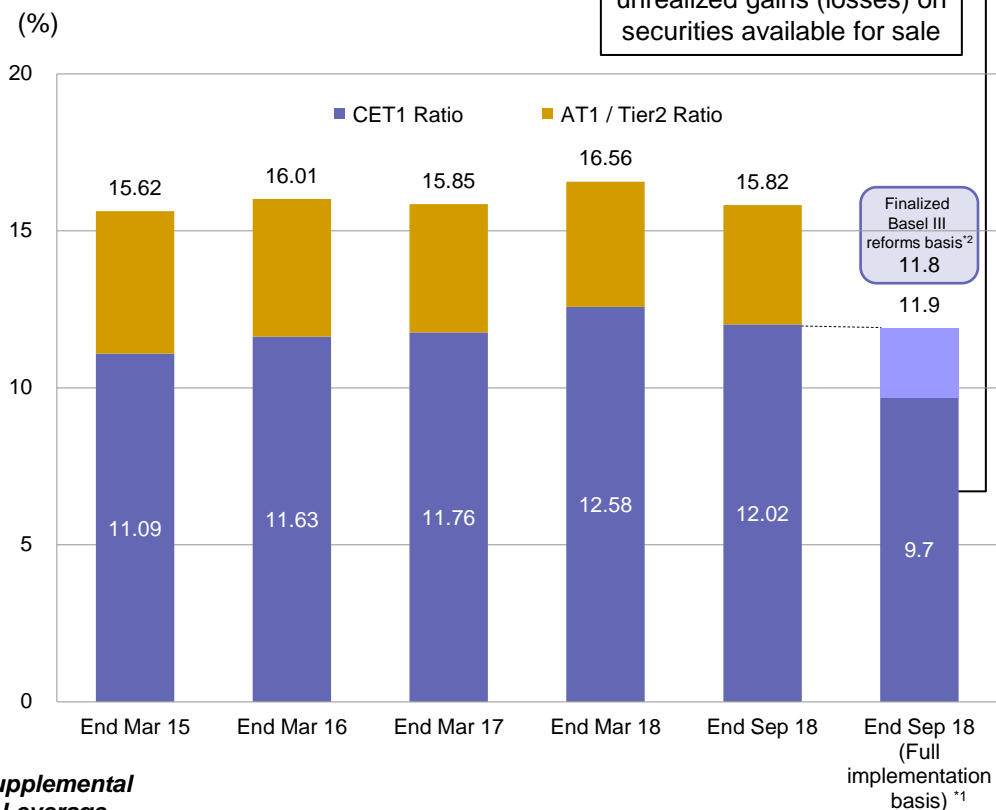
Increase and decrease by business group



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

CET1 / Total capital ratio

(Consolidated, Transitional Basis)



Supplemental Leverage Ratio

4.72%

4.79%

4.81%

5.01%

5.05%

*1 Calculated on the basis of regulations expected to be applied at the end of Mar 2019

*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

Capital summary

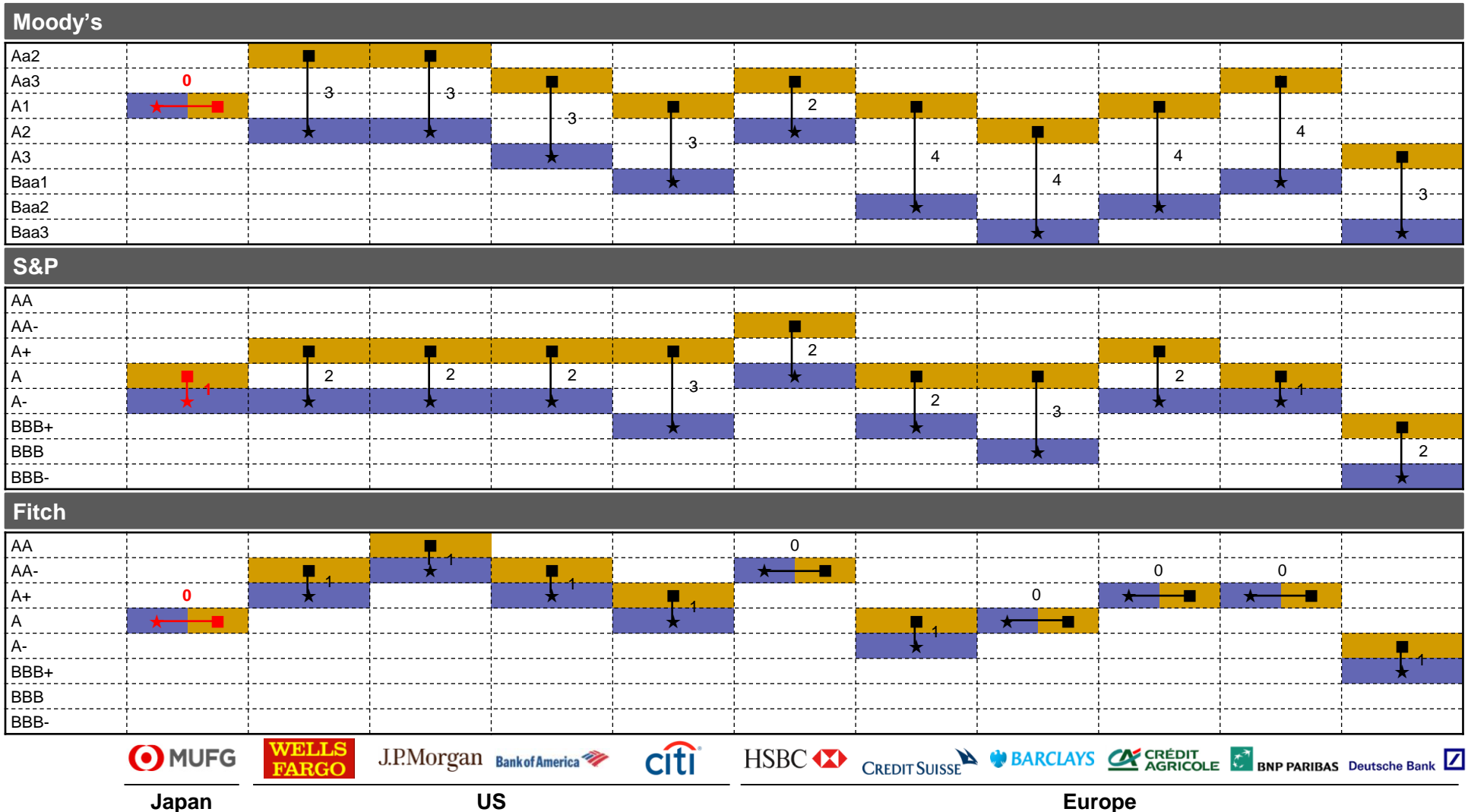
(¥bn)	End Mar 18	End Sep 18	Change
1 Common Equity Tier 1 capital ratio	12.58%	12.02%	(0.56ppt)
2 Tier 1 capital ratio	14.32%	13.67%	(0.64ppt)
3 Total capital ratio	16.56%	15.82%	(0.73ppt)
4 Common Equity Tier 1 capital	14,284.9	14,446.1	161.2
5 Retained earnings	10,064.6	10,581.9	517.2
6 Other comprehensive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

Global financial institutions' senior bonds ratings

As of November 30

■ HD / Non-preferred senior

■ Operating bank / Preferred senior



*1 For CA, BNP and DB, there is a single issuing entity, issuing both Preferred and Non-preferred senior bonds rather than separate HD and Operating bank issuing senior bonds, respectively

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The best capital mix

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

Best capital mix among CET1, AT1 and Tier2



Ref. estimated TLAC ratio*3

As of end Sep 18	17.4%
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(Note) TLAC ratio estimation is calculated as follows, which is based on our total capital ratio as of end Sep18

$$\text{TLAC Ratio} = \text{Total capital ratio (15.82\%)} - \text{Capital conservation buffer (2.5\%)} - \text{G-SIB surcharge (1.5\%)} - \text{Counter-cyclical buffer (0.02\%)} + \text{Credible ex-ante commitments (2.5\%)} + \text{TLAC eligible debt (2.90\%)} \pm \text{Other adjustments, etc.}$$

Ref. minimum TLAC requirement*4

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

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

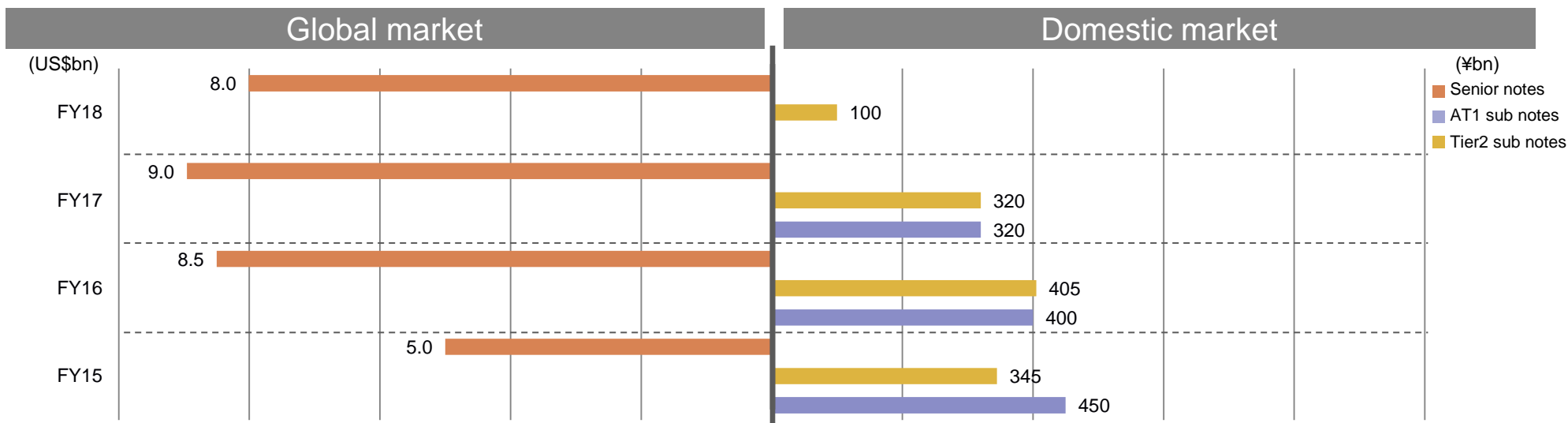
*2 Single Point of Entry strategy: to resolve a financial group at the level of its ultimate parent, rather than the operating companies at subsidiary level in financial difficulty by the single national financial authority

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

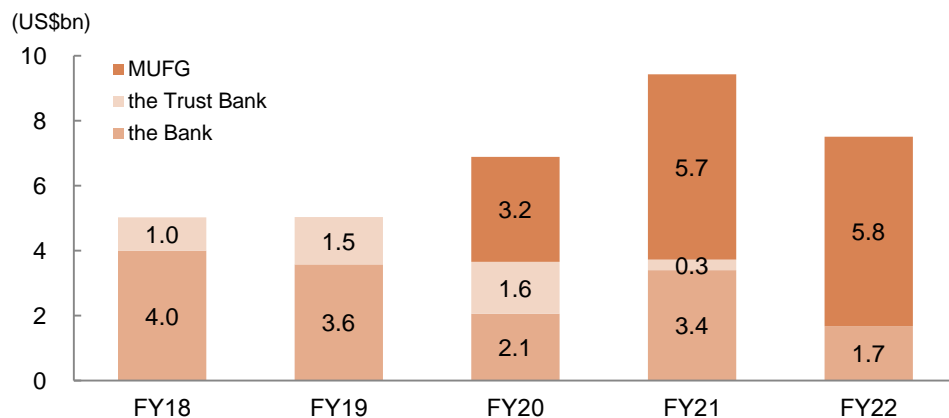
*4 Based on Japan FSA's approach but that TLAC requirements are yet to be adopted in detail by JFSA

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

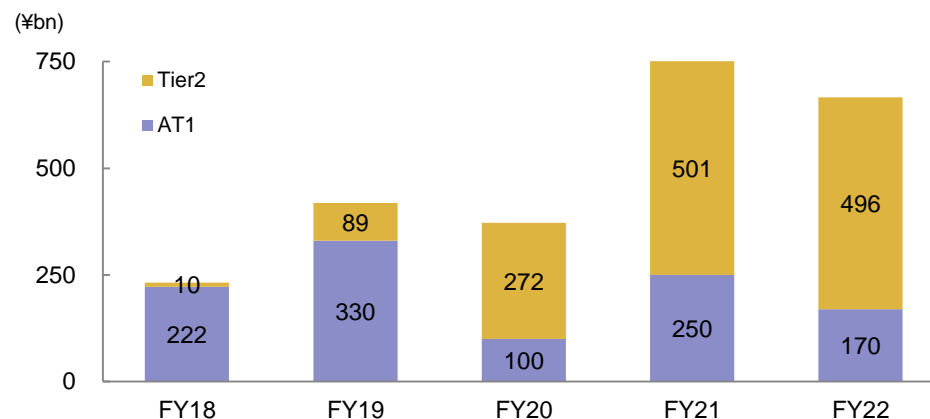
MUFG issuance track record*1



Senior unsecured bond redemption schedule*2



AT1, Tier2 bond call / redemption schedule*3



*1 Total of public issuance (excluding the amount of buyback (US\$1bn)), as of end Sep 18. TLAC Eligible Senior Debt are converted into US\$ using actual exchange rates as of end Sep 18

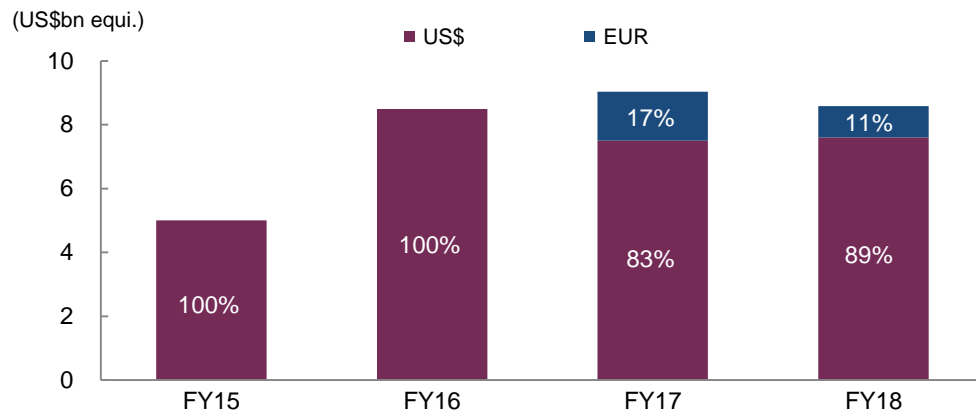
*2 Annual figures assuming that all callable notes are to be redeemed on its first callable date. All figures are converted into US\$ using actual exchange rates as of end Sep 18. Excluding structured bond and notes issued by overseas branches and subsidiaries

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

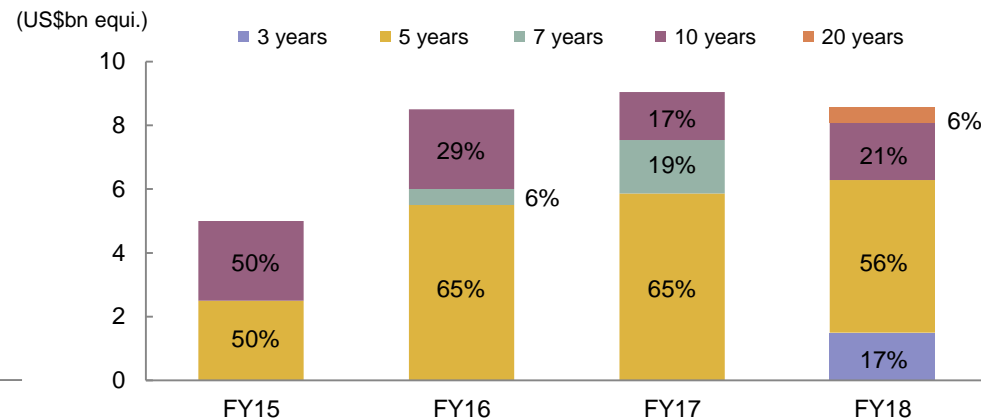
TLAC eligible senior debt issuance summary

MUFG TLAC eligible senior debt issuance summary*1

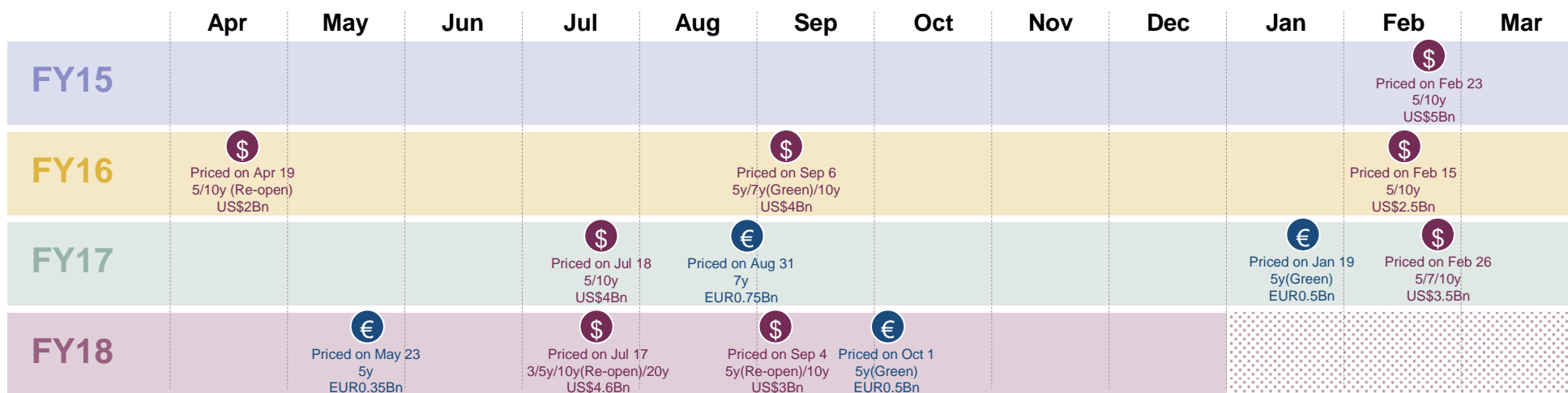
By currency*2



By term*2*3



Past issuance calendar



*1 As of end Nov 18 (excluding the amount of buyback (US\$1bn))

*2 Exchange rates: As of end of each FY (for FY18: end Sep 2018)

*3 Re-opening bonds are combined into the original bonds' terms

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Japanese TLAC framework

- Japan FSA's approach to introduce the TLAC framework

Japan FSA's approach

TLAC Minimum Requirements

- Requirement from Mar 2019 (for Japanese G-SIBs)
 - 16% of RWAs (Risk-Weighted Assets) and 6.0% of Leverage Ratio denominator^{*1}
- Requirement from Mar 2022 (for Japanese G-SIBs)
 - 18% of RWAs and 6.75% Leverage Ratio denominator^{*1}
- CET1 G-SIB surcharge (1%-3.5%), capital conservation buffer (2.5%) and counter cyclical buffer (0-2.5%) are excluded

Other TLAC Eligible

- Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a Covered SIB in resolution
- FSA will allow Covered SIBs to count the following amounts
 - 2.5% of RWAs from Mar 2019 (for Japanese G-SIBs)
 - 3.5% of RWAs from Mar 2022 (for Japanese G-SIBs)

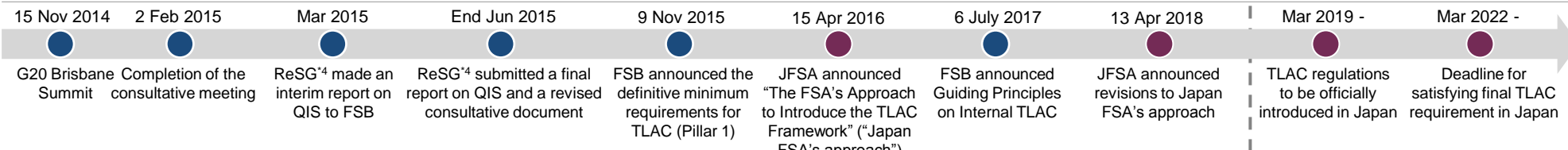
Requirements for TLAC Eligible Debt

- Issued by the resolution entity
 - Based on the SPE approach, Holding Company is the resolution entity in Japan
 - As there is a statutory mechanism in Japan, the FSA regards that debt instruments issued by the Domestic Resolution Entity should not be required to contain a contractual trigger for loss absorption to be qualified as TLAC eligible debt
- Paid-in, Unsecured and has maturity of at least 1 year
- Not be subject to set off or netting rights
- Not be redeemable by the holder prior to maturity
- Redemption is prohibited prior to maturity without supervisory approval
- Subordinated (Including senior unsecured bonds of Hold Co. that does not have any excluded liabilities on its balance sheet)

Internal TLAC Requirements

- Each material sub-group must maintain internal TLAC of 75% ~ 90% of the external minimum TLAC requirement that would apply to the material sub-group if it were a resolution group
- The FSA will designate Covered SIBs' domestic subsidiaries or sub-groups as material sub-groups based on certain conditions, considering the criterion for material sub-groups stipulated in the TLAC term sheet

Schedule of TLAC Introduction

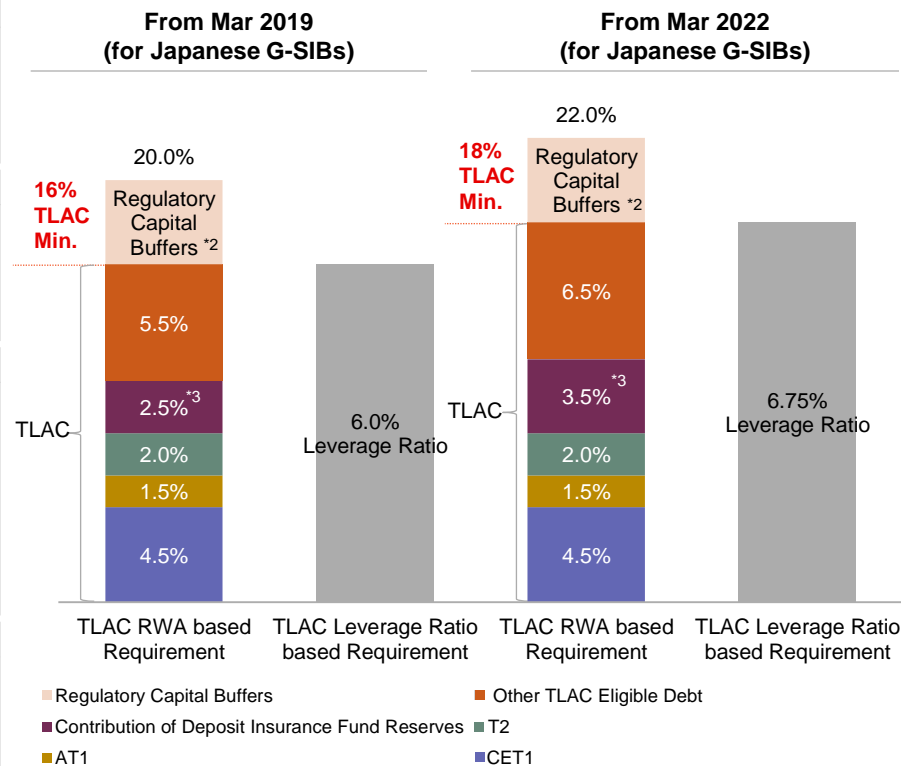


*1 TLAC / Total Leveraged Exposure

*2 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, Counter-cyclical Buffer: ranging from 0% to 2.5% to be calculated as the weighted average of the buffers deployed across all the jurisdictions to which MUFG has credit exposures will be imposed

*3 Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution

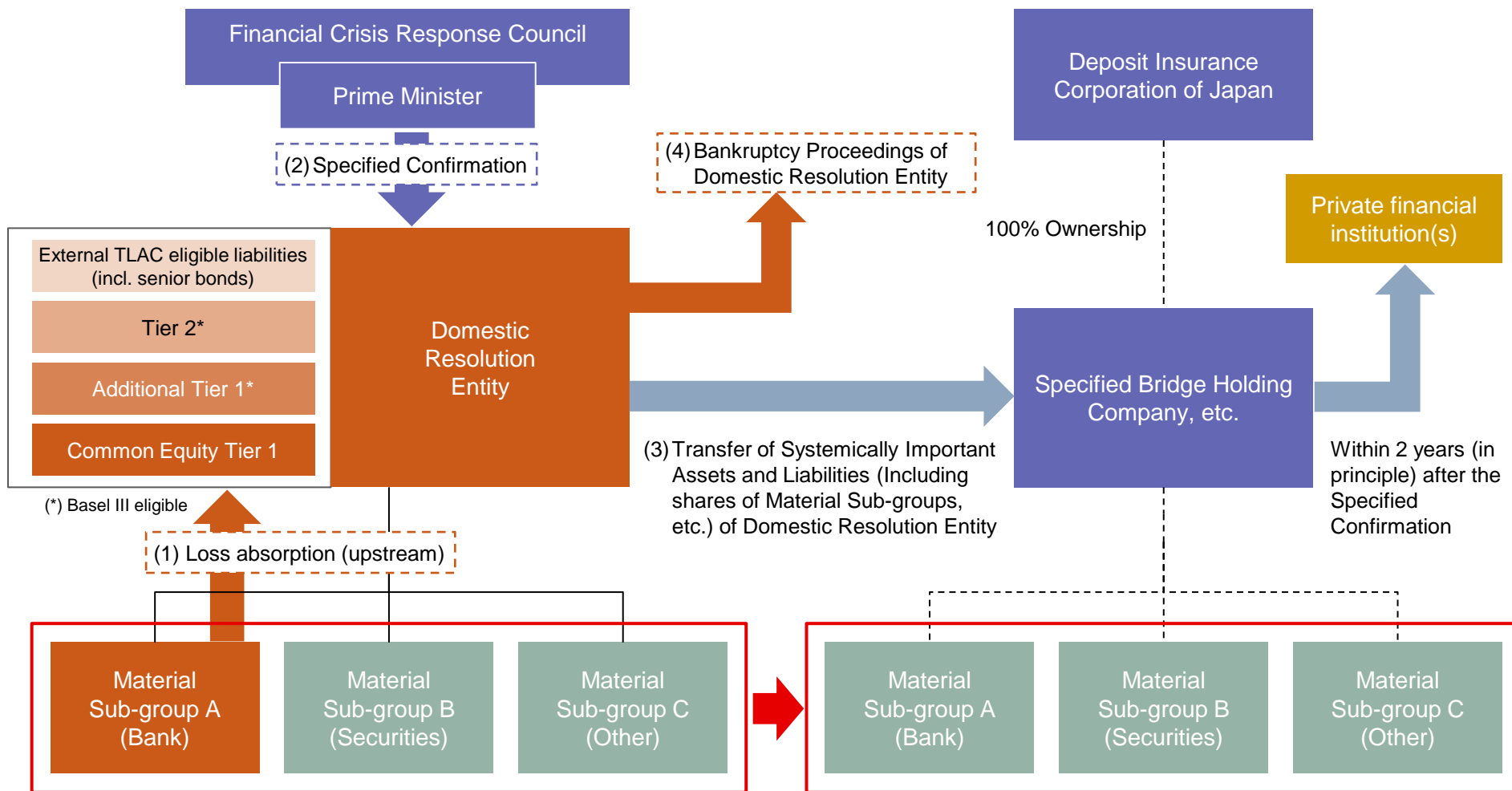
*4 Steering Group on Resolution



Japanese TLAC framework

- A model of procedures of orderly resolution under the SPE strategy for Covered SIBs

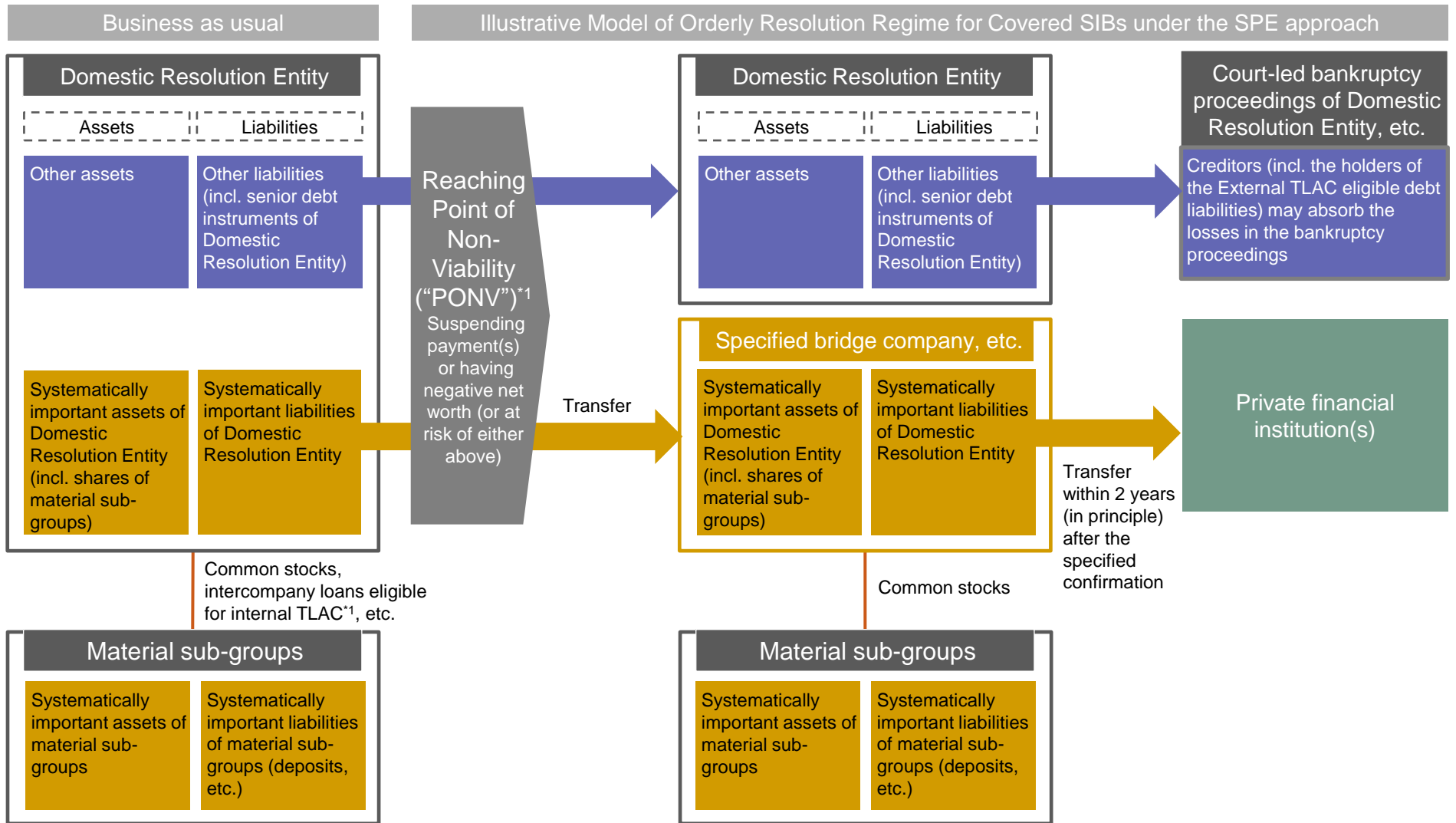
- The below is based on a possible model of Covered SIBs resolution under the SPE approach as stated in Japan FSA's approach



Material Sub-groups continue their business as usual

Japanese TLAC framework

- Orderly resolution regime in Japan as stated in Japan FSA's approach



^{*1} According to Japan FSA's approach, losses incurred at the material sub-groups would be absorbed by the Domestic Resolution Entity through internal TLAC with certain involvement of the authority, and thereafter, PONV will be deemed to have been reached when the Prime Minister of Japan, following deliberation by Japan's Financial Response Crisis Council pursuant to the Deposit Insurance Act of Japan ("DIA"), confirms (nintei) that "specified Item 2 measures (tokutei dai nigo sochi)," which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the DIA, as then in effect, need to be applied to a financial institution under circumstances where its liabilities exceed or are likely to exceed its assets, or it has suspended or is likely to suspend payment of its obligations

Japanese TLAC framework

- Creditor hierarchy

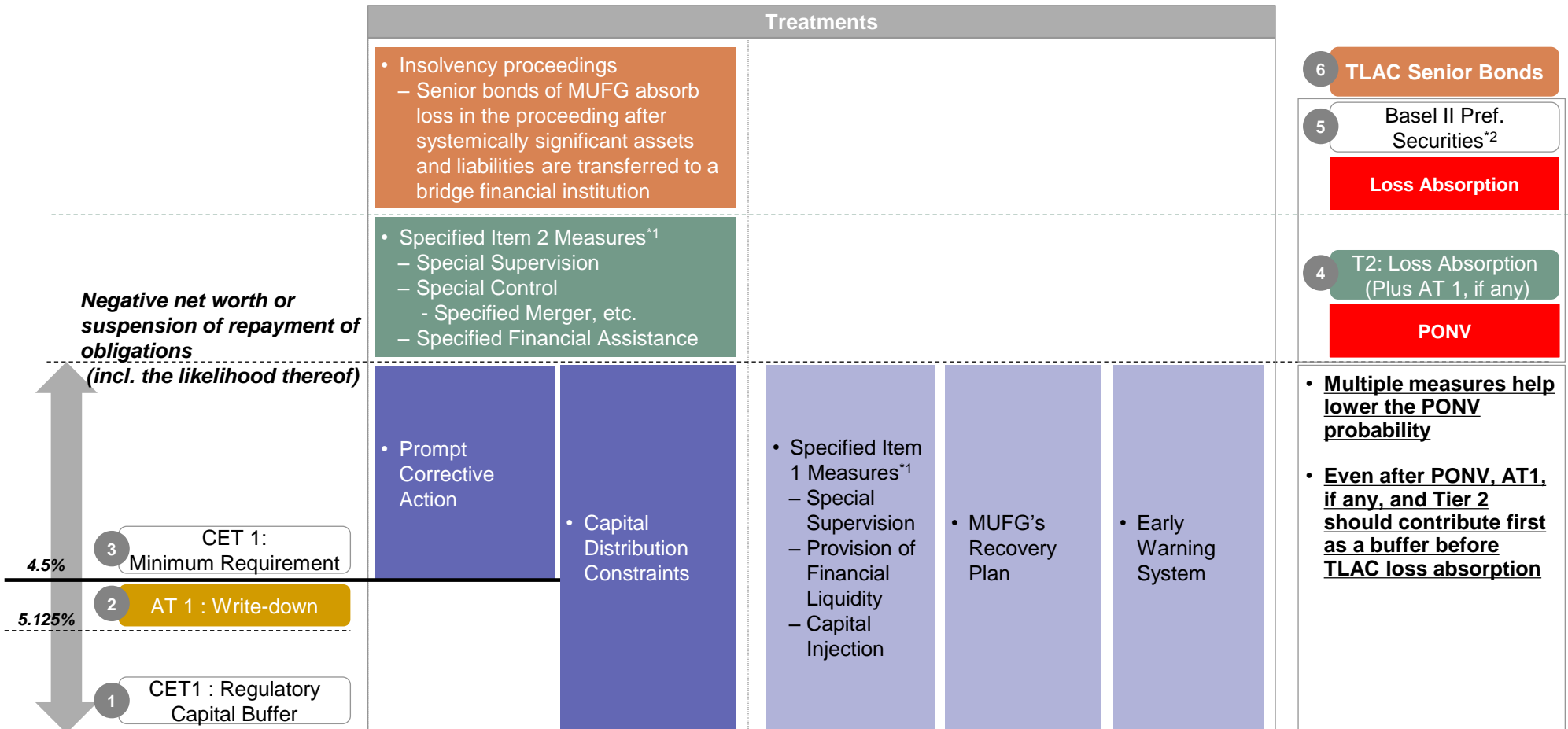
MUFG consolidated (Resolution Entity)

Creditor Hierarchy	Subordination to TLAC Senior	Write-down Event / Loss Absorption
TLAC Senior Debt		Commencement of proceedings under the Civil Rehabilitation Act / the Corporate Reorganization Act / the Bankruptcy Act, etc.
Basel III Tier 2	✓	Viability Event: Deemed to have occurred when the Japanese Prime Minister has made specified confirmation (<i>Tokutei Ninte</i>) (as defined in Article 126-2, Paragraph 1 of the DIA) that the measures provided for in Article 126-2, Paragraph 1, Item 2 of the DIA need to be applied to MUFG (Situation where MUFG is determined to be in condition of negative net worth or suspension of repayment of obligations (incl. the likelihood thereof))
Additional Tier 1	✓	
Common Equity Tier 1	✓	Write-down Event: CET1 Ratio < 5.125%

Japanese TLAC framework

- Japanese resolution system's advantage - Multiple treatments prior to loss absorption point

- In addition to the existence of capital subordinated to TLAC senior bonds, there are multiple measures that can contribute to ensure the remoteness to Point of Non-Viability (“PONV”), although these are dependent on the premise of MUFG’s self-efforts such as pre-determined recoveries, etc.
- At PONV, there is Tier 2 that is subordinated to TLAC senior bonds



*1 Implementation of Specified Item1 and 2 measures will depend on the economic conditions and the financial institutions' soundness. Also, specified item 1 measures may not necessarily be applied even before specified item 2 measures

*2 MUFG Basel II Tier1 will be effectively subordinated to MUFG TLAC senior bonds upon occurrence of liquidation or bankruptcy of MUFG

Japanese TLAC framework

- Precedents of Capital Infusions in Japan

- The Japanese government has historically had multiple precedents of prompt corrective action and pre-emptive capital infusion^{*1}

Major Public Sector Support and Resolutions

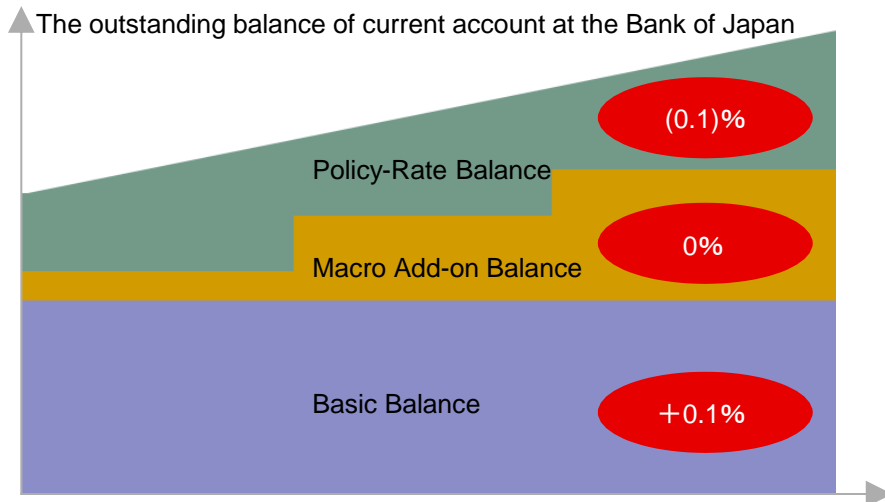
		Applicable rules	Bank	Date	Amount (#bn)	Description
Public Sector Support	-	Article 102, Paragraph 1, Item 1 of the Deposit Insurance Act	Resona Bank	Jun. 2003	296	Public funds infusion in common shares—government ownership of 50.1%
				Jun. 2003	1,663	Public funds infusion in convertible preferred shares
Pre-emptive capital infusion	Act on Special Measures for Strengthening Financial Functions		Howa Bank	Mar. 2014	16	Public funds infusion in convertible preferred shares
			Kirayaka Bank (Jimoto Holdings)	Dec. 2012	30	Public funds infusion in convertible preferred shares
			Tohoku Bank	Sep. 2012	10	Public funds infusion in convertible preferred shares
			77 Bank	Dec. 2011	20	Public funds infusion in subordinated loans
			Tsukuba Bank	Sep. 2011	35	Public funds infusion in convertible preferred shares
			Sendai bank (Jimoto Holdings)	Sep. 2011	30	Public funds infusion in convertible preferred shares
			Miyazaki Taiyo Bank	Mar. 2010	13	Public funds infusion in convertible preferred shares
			Hokuto Bank (Fidea Holdings)	Mar. 2010	10	Public funds infusion in convertible preferred shares
			Kochi Bank	Dec. 2009	15	Public funds infusion in convertible preferred shares
			Towa Bank	Dec. 2009	35	Public funds infusion in convertible preferred shares
			Daisan Bank	Sep. 2009	30	Public funds infusion in convertible preferred shares
			Kirayaka Bank (Jimoto Holdings)	Sep. 2009	20	Public funds infusion in convertible preferred shares
			Michinoku Bank	Sep. 2009	20	Public funds infusion in convertible preferred shares
			Minaminihon Bank	Mar. 2009	15	Public funds infusion in convertible preferred shares
			Fukuho Bank	Mar. 2009	6	Public funds infusion in convertible preferred shares
			Hokuyo Bank	Mar. 2009	100	Public funds infusion in convertible preferred shares
Howa Bank	Dec. 2006	9	Public funds infusion in convertible preferred shares			
Kiyo Holdings (Kiyo Bank)	Nov. 2006	31.5	Public funds infusion in convertible preferred shares			
Resolution	Negative net worth or failed	Article 74 of the Deposit Insurance Act	Incubator Bank of Japan	Sep. 2010	N.A.	First resolution in which deposit payoff rule was actually invoked
	Negative net worth or failed	Article 102, Paragraph 1, Item 2 of the Deposit Insurance Act	N.A.			
	Negative net worth and failed	Article 102, Paragraph 1, Item 3 of the Deposit Insurance Act	Ashikaga Bank	Nov. 2003	N.A.	DIC acquired all shares of the bank
	—	Act on Emergency Measures for the Revitalization of the Financial Functions	Nippon Credit Bank Long-term Credit Bank	Dec. 1998 Dec. 1998	3.6tn 3.2tn	Purchases the shares, unsuitable assets using special financial assistance, compensation for losses and purchase of shares, capital injection etc.

*1 It is uncertain which measure is to be taken in a given case, and ordinary resolution measures may be applied without implementing any pre-emptive capital infusion

Economic environment in Japan

- BoJ's quantitative and qualitative monetary easing (QQE)

QQE with a Negative Interest Rate (Jan 2016)



- Three-tier system:
 - Apply a positive interest rate, a zero interest rate, or a negative interest rate to three tiers

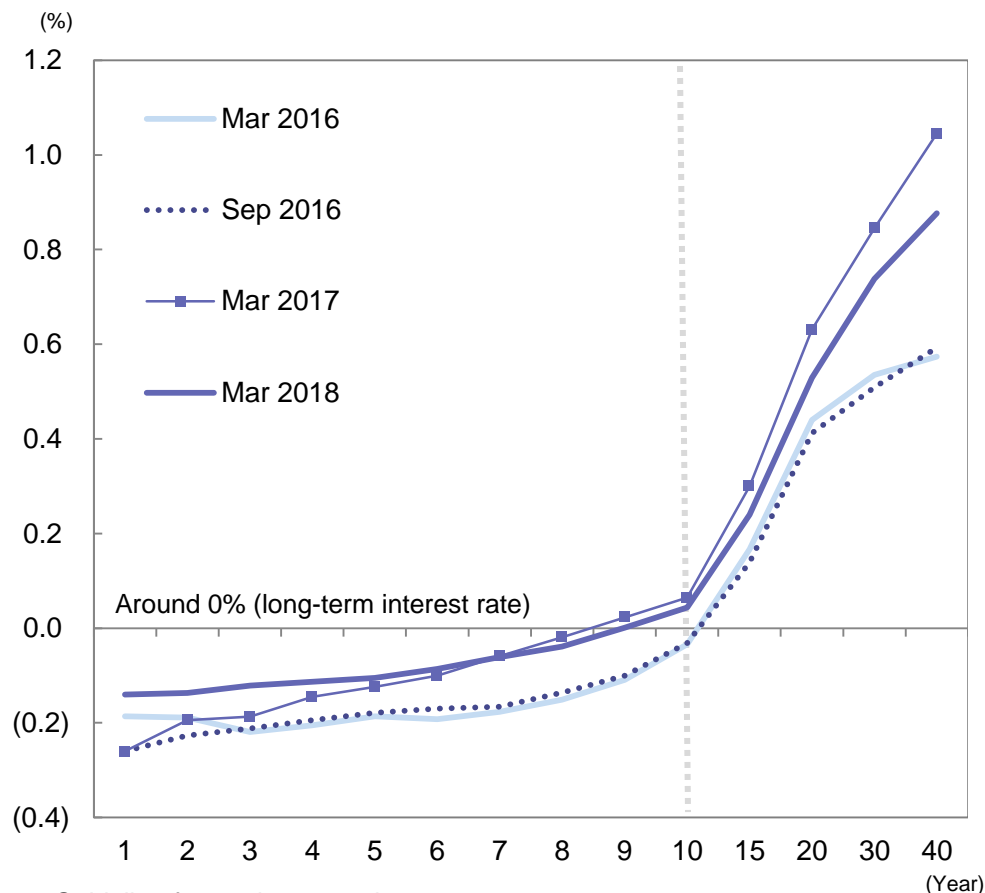
Source: The Bank of Japan

Introducing forward guidance for policy rates (July 2018)

- Forward guidance for policy rates
 - The Bank of Japan would maintain the current extremely low levels of short- and long-term interest rates for an extended period of time
- Yield curve control
 - While maintaining the minus 0.1% target for Policy-Rate Balances and an around 0% target for 10-year Japanese government bond yields, the Bank of Japan stated that yields may move upward and downward to some extent

Source: The Bank of Japan

QQE with Yield Curve Control (Sep 2016)



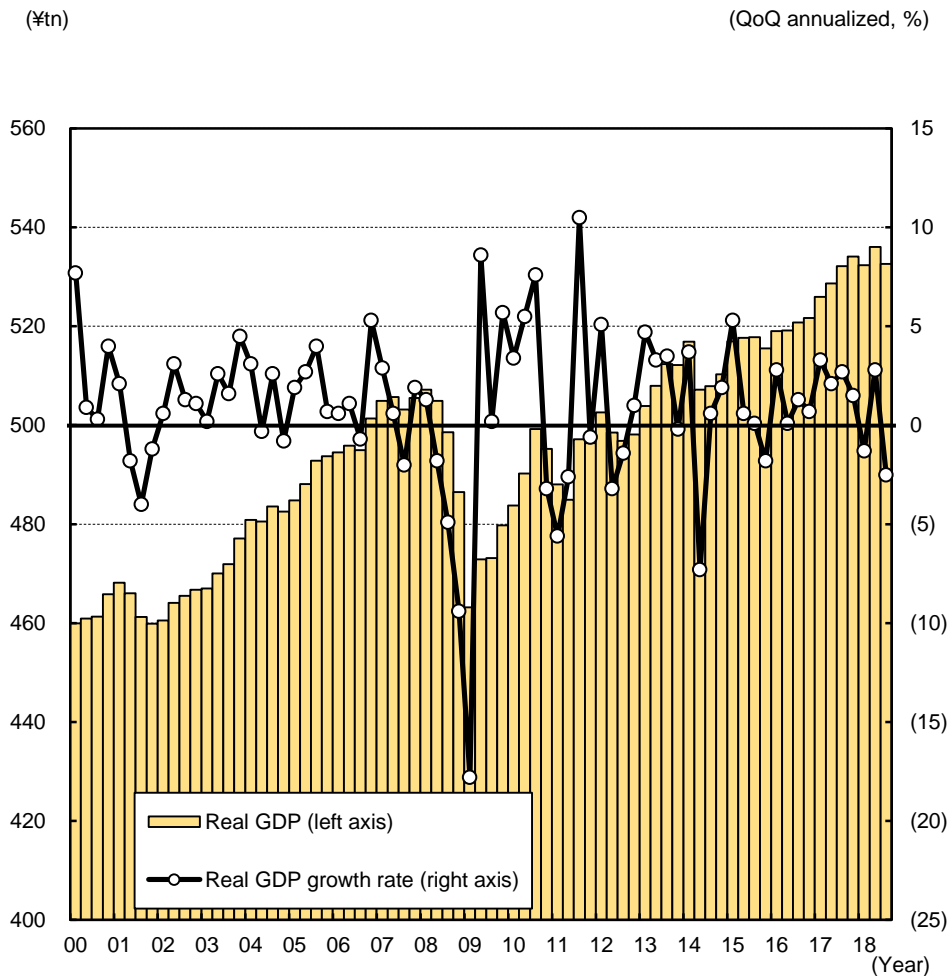
- Guideline for market operations:
 - Remain around zero percent (10-year JGB yields)

Source: Bloomberg

Economic environment in Japan

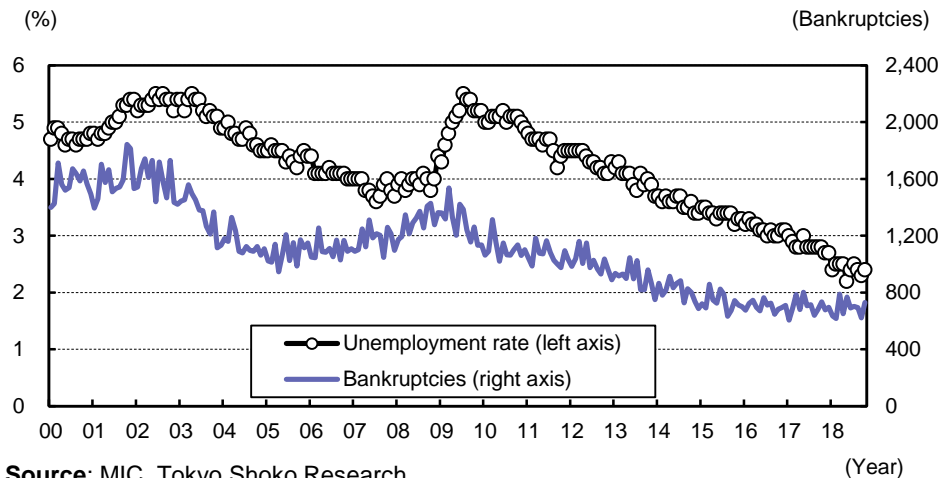
- Economic environment in Japan (1)

Real GDP



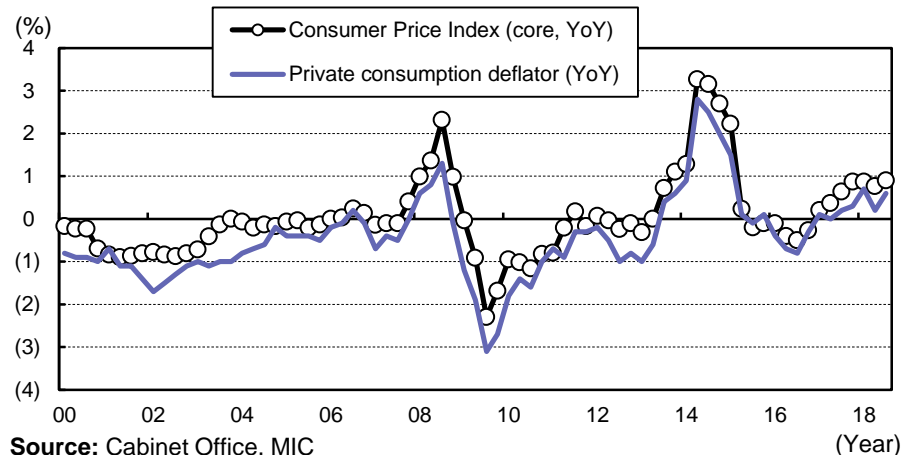
Source: Cabinet Office

Unemployment rate and corporate bankruptcies



Source: MIC, Tokyo Shoko Research

Customer prices and private consumption deflator



Source: Cabinet Office, MIC

Economic environment in Japan

- Economic environment in Japan (2)

Equity



Source: Bloomberg

FX

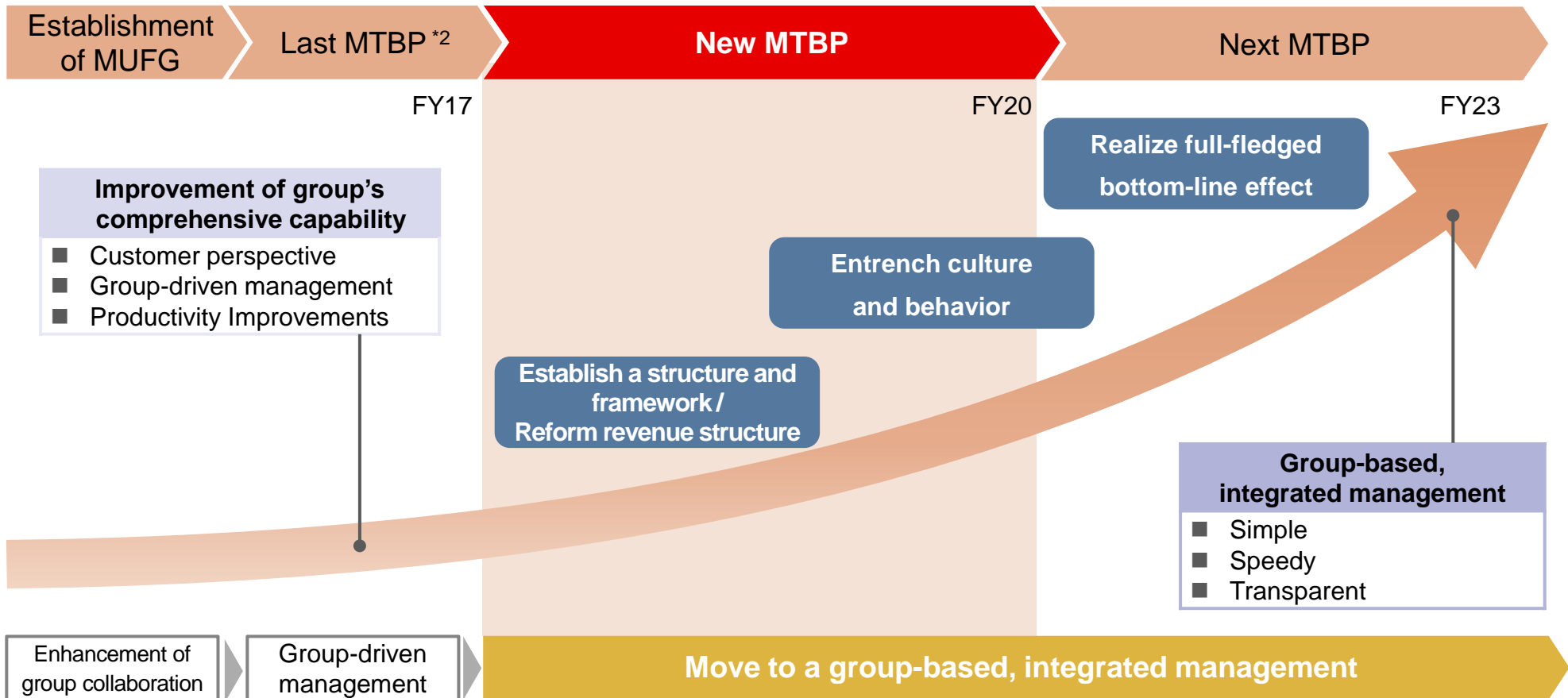


Source: Bloomberg

Medium-Term Business Plan (FY2018-FY2020)

- MUFG's Vision

- We aim to deliver the best value to all stakeholders through simple, speedy and transparent*¹ group-integrated operations. Also, we will contribute to the realization of sustainable growth and a better society by promoting solution-oriented business
- Aim to establish a new growth model for MUFG's domestic and overseas operations within six years (the end of the next medium-term business plan)



*1 Transparent: universal, barrier-free open personnel communications between legal entities, and between company branches and the Head Office, regardless of title and position. It also implies an understanding of MUFG corporate vision

*2 Medium-term business plan

Medium-Term Business Plan (FY2018-FY2020)

- Key Strategies

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



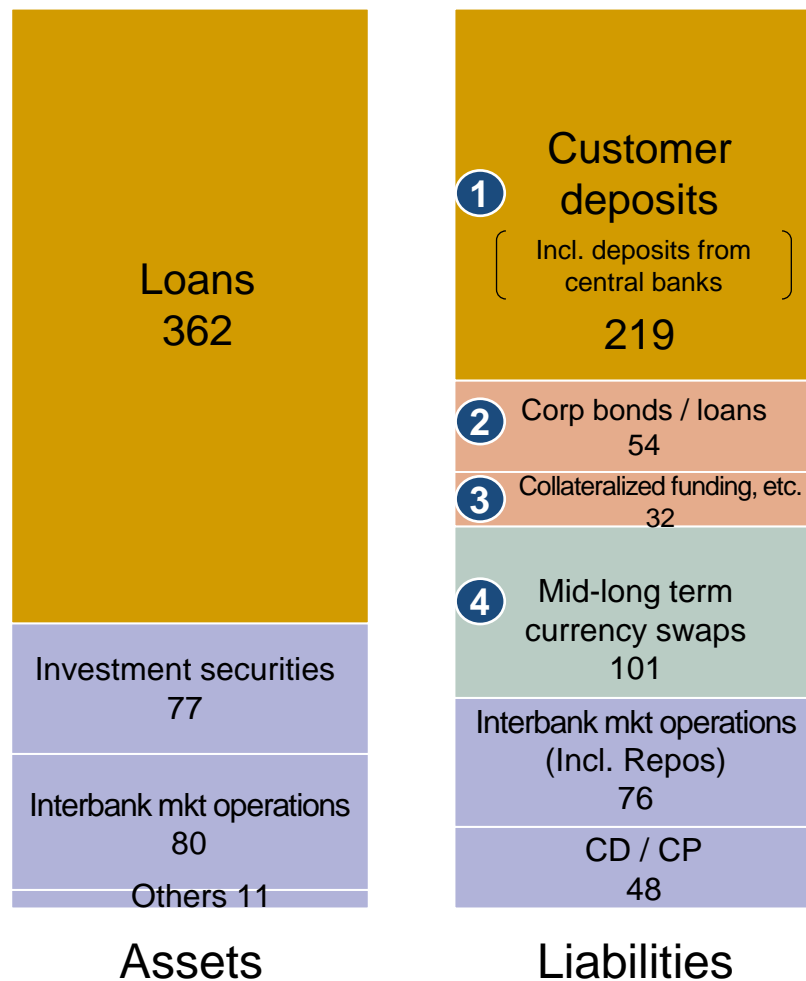
Supplementary Materials

- Non-JPY assets and funding

(the Bank consolidated excluding MUAH and KS)

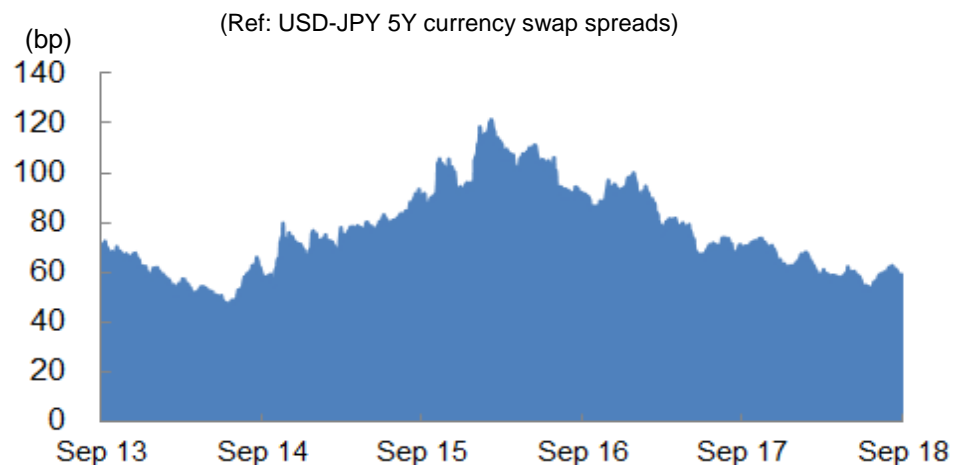
Non-JPY balance sheet (managerial accounting basis)

As of end Sep 18 (US\$bn)



Non-JPY funding in stable and efficient manner

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



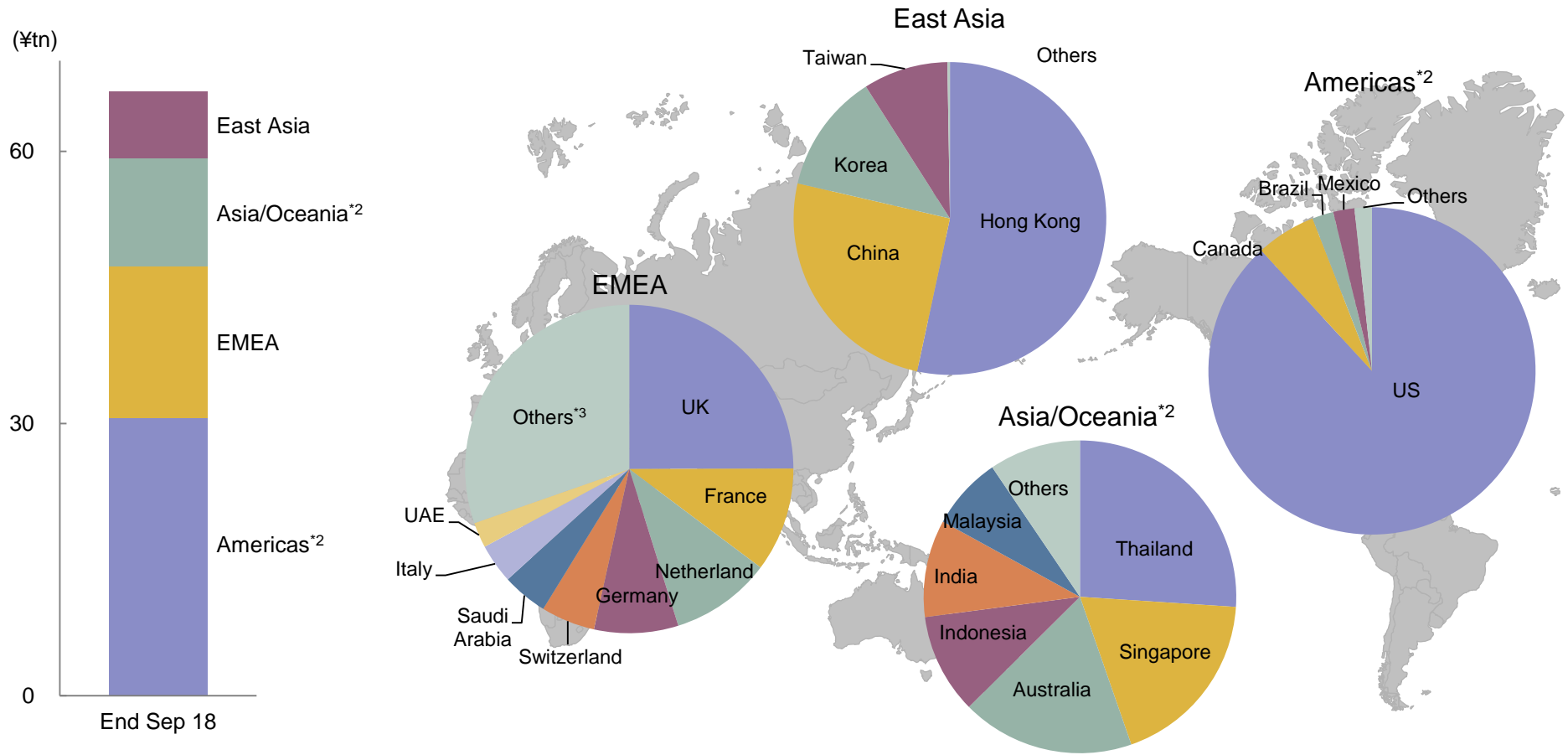
*1 Repurchase agreement in which denominated currency is different in cash transaction and collateral security

Supplementary Materials

- Overseas corporate credit exposure

(Consolidated)

Credit exposure*1 to overseas corporate by region



*1 Based on borrower's location. Including undrawn commitment, exposure in project finance etc. Excluding market risk exposure, inter-bank transactions and exposures to government agencies and central banks. Exchange rate applied is ¥ 113.57/US\$

*2 Americas and Asia/Oceania include MUAH's exposure and KS's exposure as of end Sep 18 of its regional total respectively

*3 Others in EMEA are comprised of approximately 60 countries to which MUFG held less than 2.5% exposure

(Note) All figures are on managerial accounting basis

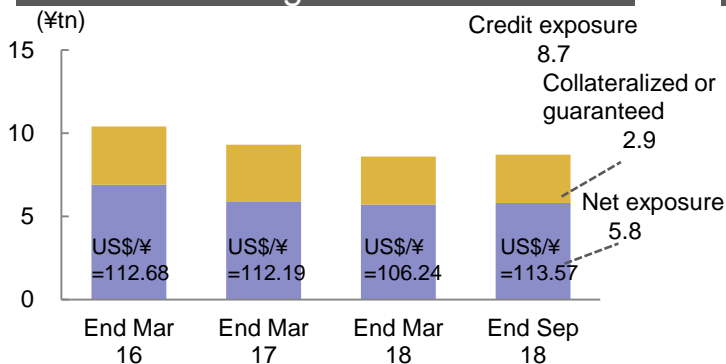
Supplementary Materials

- Asset quality - Energy and mining portfolio

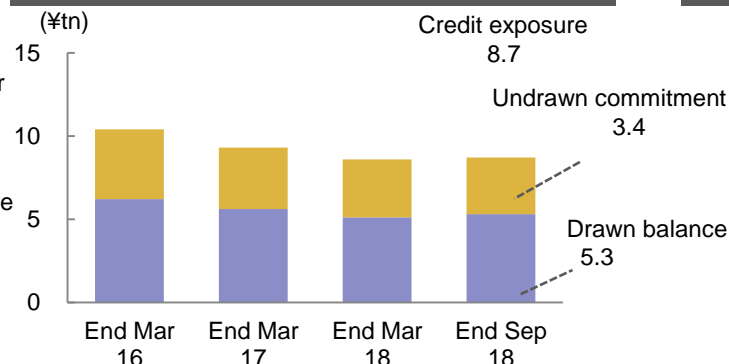
(Consolidated)

- Total credit exposure*¹ in the energy related sector decreased to ¥8.7 tn. Net exposure was ¥5.8 tn
- NPLs*² were ¥78.1 bn. About 80% were covered by collateral, guarantee or allowance. Net NPLs were ¥12.7 bn

Credit exposure, collateral and guarantee



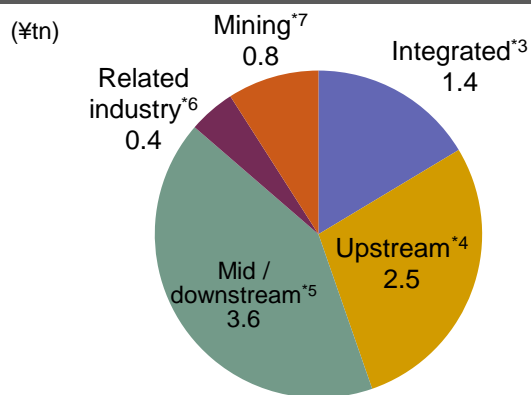
Credit exposure and undrawn commitment



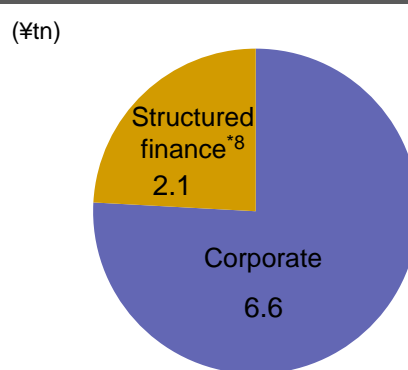
NPLs, collateral and allowance

(¥bn)	End Sep 18
NPLs* ²	78.1
Collateralized or guaranteed	46.5
Allowance	18.9
NPLs*² (net)	12.7

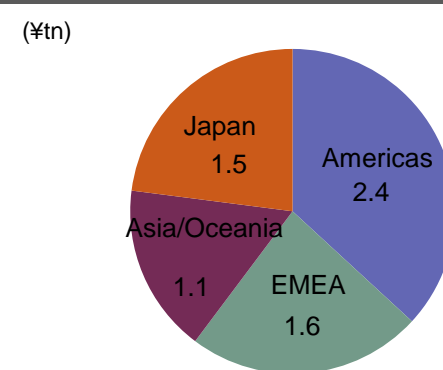
Breakdown by sector



Breakdown by structure



Breakdown by region (corporate)



*1 Including undrawn commitment and excluding market exposure

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

*3 Integrated business from upstream to downstream

*4 Exploration, development and production of oil and gas

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

*5 Storage, transportation, refinement, retail

*6 Sales of mining machine to companies among upstream industry

*7 Mineral other than oil and gas

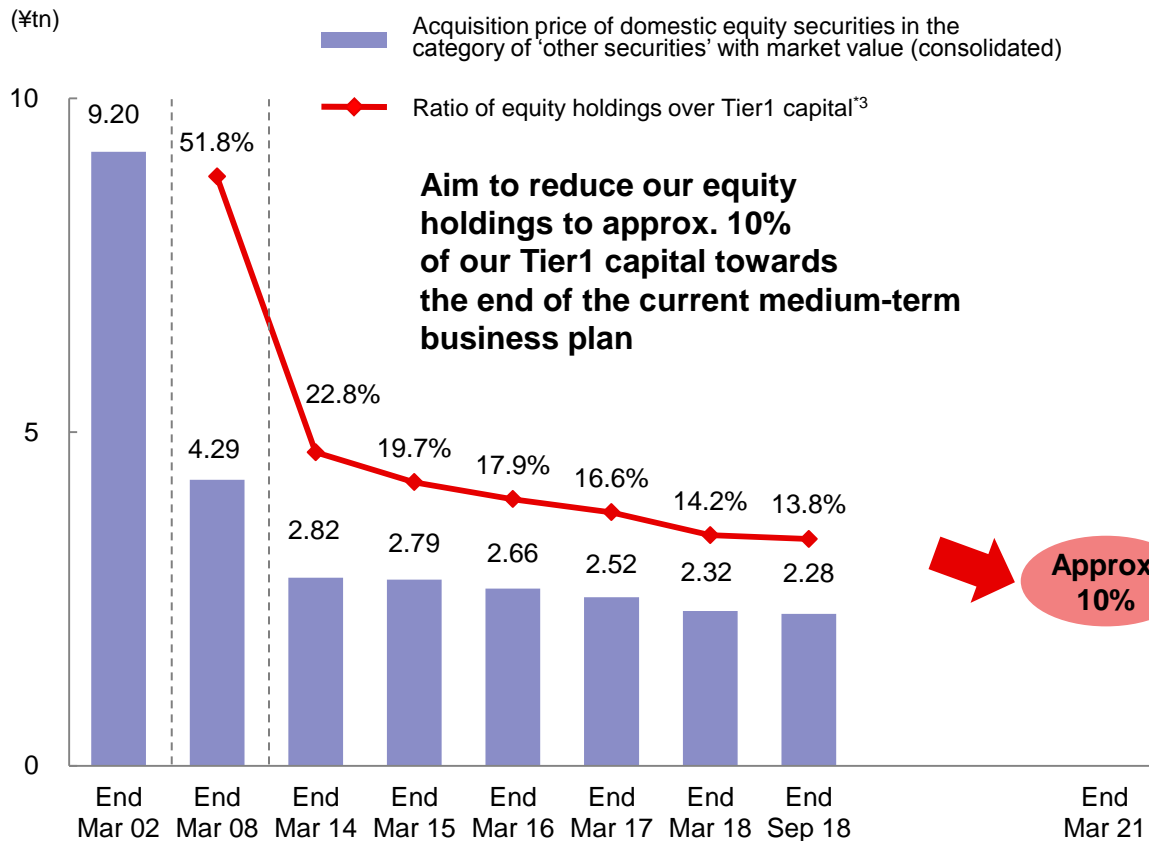
*8 Project finance and trade finance

Supplementary Materials

- Reduction of equity holdings

- Aim to accelerate reduction of equity holdings considering the risk, capital efficiency and international financial regulations
- Approx. ¥43 bn^{*1*2} of equities were sold in FY18H1

Reduction of equity holdings



Ref. Approx. selling amount of equity holdings^{*1}

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

*1 Sum of the Bank and the Trust Bank *2 Acquisition cost basis

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

US GAAP consolidated financials

- Balance sheet

Balance sheet

	(¥mm)
Assets	End Mar 18
Cash and due from banks	32,648,387
Interest-earning deposits in other banks	43,209,662
Call loans, funds sold, and receivables under resale agreements	6,622,281
Receivables under securities borrowing transactions	9,268,756
Trading account assets	35,186,689
Investment securities	43,654,249
Net loans	116,271,771
Premises and equipment	1,013,588
Accrued interest	324,624
Customers' acceptance liability	183,084
Intangible assets—net	1,011,119
Goodwill	441,334
Deferred tax assets	68,704
Other assets	10,666,064
Total assets	300,570,312

	(¥mm)
Liabilities and shareholders' equity	End Mar 18
Total Deposits	195,674,593
Call money, funds purchased, and payables under repurchase agreements	20,587,137
Payables under securities lending transactions	8,170,218
Due to trust account and Other short-term borrowings	10,267,282
Trading account liabilities	12,222,331
Obligations to return securities received as collateral	3,176,962
Bank acceptances outstanding	183,084
Accrued interest	165,921
Long-term debt	27,069,556
Other liabilities	7,407,413
Total liabilities	284,924,497
Capital stock	2,090,270
Capital surplus	5,740,165
Retained earnings	5,185,304
Accumulated other comprehensive income, net of taxes	2,477,315
Treasury stock, at cost	(522,872)
Noncontrolling interests	675,633
Total equity	15,645,815
Total liabilities and shareholders' equity	300,570,312

US GAAP consolidated financials

- Statement of operation

Statement of operation

(¥mm)

Statement of Operations Data	Fiscal year ended Mar 18
Interest income	3,259,016
Interest expense	1,028,755
Net interest income	2,230,261
Provision for (reversal of) credit losses	(240,847)
Net interest income after provision for (reversal of) credit losses	2,471,108
Non-interest income	1,935,091
Non-interest expense	2,744,380
Income (loss) before income tax expense	1,661,819
Income tax expense (benefit)	407,823
Net income before attribution of noncontrolling interests	1,253,996
Net income (loss) attributable to noncontrolling Interests	25,836
Net income attributable to Mitsubishi UFJ Financial Group	1,228,160

(¥)

Earnings (loss) per share	Fiscal year ended Mar 18
Basic earnings	
Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group	92.40
Diluted earnings	
Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group	92.10

US GAAP consolidated financials

- Reverse reconciliation from US GAAP to Japanese GAAP

Reverse reconciliation of shareholders' equity and net income

	End Mar 18 (¥mm)
Total equity in accordance with U.S. GAAP	15,645,815
Differences arising from different accounting for:	
1 Investment securities	123,240
2 Loans	(9,963)
3 Allowance for credit losses	65,433
4 Fixed assets	424,376
5 Pension liability	(9,717)
6 Derivative financial instruments and hedging activities	243,861
7 Compensated absences	44,949
8 Long-term debt	(9,621)
9 Consolidation	672,397
10 Goodwill	185,940
11 Intangible assets	(38,893)
12 Investments in equity method investees	557,711
13 Others	(421,208)
Deferred income tax effects of the above adjustments, when applicable	(179,283)
Net assets in accordance with Japanese GAAP	17,295,037

	Fiscal year ended Mar 18 (¥mm)
Net Income before attribution of noncontrolling interests in accordance with U.S. GAAP	1,253,996
Differences arising from different accounting for:	
1 Investment securities	57,273
2 Loans	(28,284)
3 Allowance for credit losses	(360,500)
4 Fixed assets	(14,986)
5 Pension liability	(49,752)
6 Derivative financial instruments and hedging activities	94,893
7 Compensated absences	3,211
8 Long-term debt	(482)
9 Consolidation	40,055
10 Goodwill	(17,604)
11 Intangible assets	5,778
12 Investments in equity method investees	(18,451)
13 Others	36,407
Deferred income tax effects of the above adjustments, when applicable	94,386
Net Income before attribution of noncontrolling interests in accordance with Japanese GAAP	1,095,940