



Fiscal 2019 Interim Results

Fixed Income Investors Presentation

January 2020



Disclaimer

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The financial information used in this document was prepared in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), unless otherwise stated. Accounting principles generally accepted 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 January 8, 2020.

Definitions of abbreviations used in this document

the Bank:	MUFG Bank, Ltd.	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 Co., Ltd.	GCIB:	Global Corporate & Investment Banking Business Group
NICOS:	Mitsubishi UFJ NICOS Co., Ltd.	GCB:	Global Commercial Banking Business Group
MUMSS:	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	AM/IS:	Asset Management & Investor Services Business Group
MUAH:	MUFG Americas Holdings Corporation	Global Markets:	Global Markets Business Group
KS:	Bank of Ayudhya Public Company Limited (Krungsri)		
BDI:	PT Bank Danamon Indonesia, Tbk.		
FSI:	First Sentier Investors (Australia) Services Pty Limited (Colonial First State Global Asset Management announced the rebranding in September 2019)		

Definitions of figures used in this document

Consolidated:	Mitsubishi UFJ Financial Group Inc. (consolidated)	the Bank consolidated:	MUFG Bank, Ltd. (consolidated)
Non-consolidated:	Simple sum of MUFG Bank, Ltd. (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)		

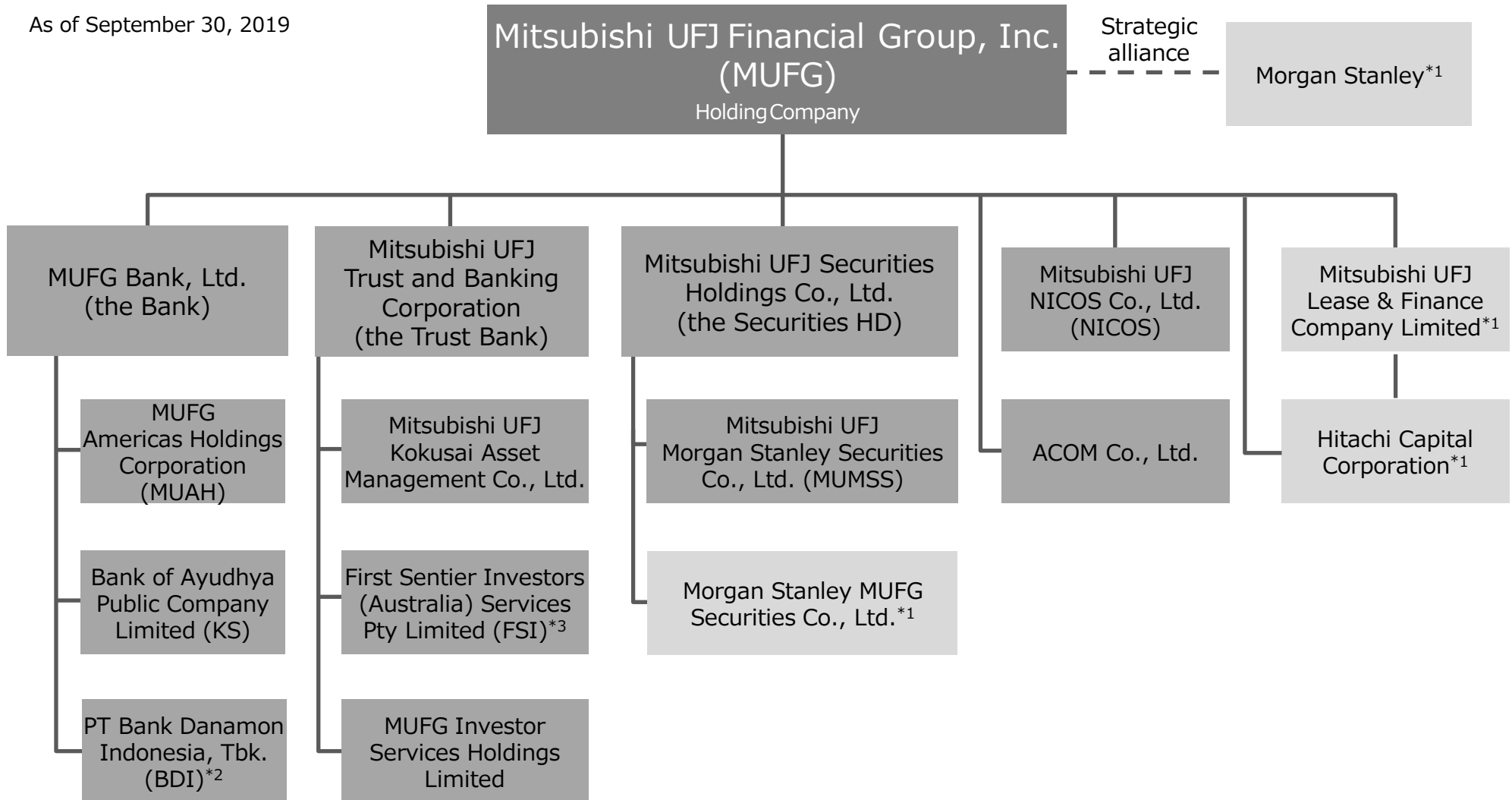
Contents

Section 1	Overview	4
Section 2	Financial results	8
Section 3	Capital raising strategy	18
Appendix	22

Section 1 Overview

Group structure

As of September 30, 2019



*1 Mitsubishi UFJ Lease & Finance, Morgan Stanley, Morgan Stanley MUFG Securities and Hitachi Capital are equity method investees of MUFG as of September 30, 2019

*2 BDI was an equity method investee of MUFG until April 29, 2019 and BDI became a consolidated subsidiary of MUFG on April 29, 2019 after acquisition completed

*3 Acquisition completed and FSI became a consolidated subsidiary of MUFG on August 2, 2019

MUFG at a glance

Financials*1

Consolidated

FY2019 H1

1 Consolidated gross profits (before credit costs for trust accounts)	¥1,973.3bn / US\$18.2bn
2 Profits attributable to owners of parent	¥609.9bn / US\$5.6bn

End Sep 2019

3 Total assets	¥314.4tn / US\$2.9tn
4 Loans (banking + trust accounts)	¥106.5tn / US\$985bn
5 Deposits	¥180.6tn / US\$1,671bn
6 Market capitalization*2	¥7.6tn / US\$70.5bn
7 Consolidated LCR*3	147.8%
8 NPL ratio*4	0.98%

Group network

(As of end September 2019)

Domestic Network:

Approx. 600 locations*7

Overseas Network:

**Approx. 2,100 locations*8
across over 50 countries**

*1 Exchange rate applied is ¥108.09/US\$

*2 As of end of December 2019. Exchange rate applied is ¥108.68/US\$

*3 The ratio is the three-month average of daily LCR for the three months ended September 30, 2019, 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 (banking account)

*5 Calculated on the basis of regulations applied at the end of September 2019

*6 Estimated CET1 ratio reflecting the RWA increase calculated on the basis of the finalized Basel III reforms expected to be applied in 2027

*7 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 a single location.

Total of the Bank, the Trust Bank and the Securities HD

*8 Including 22 locations of PurePoint and 426 locations of Adira Finance

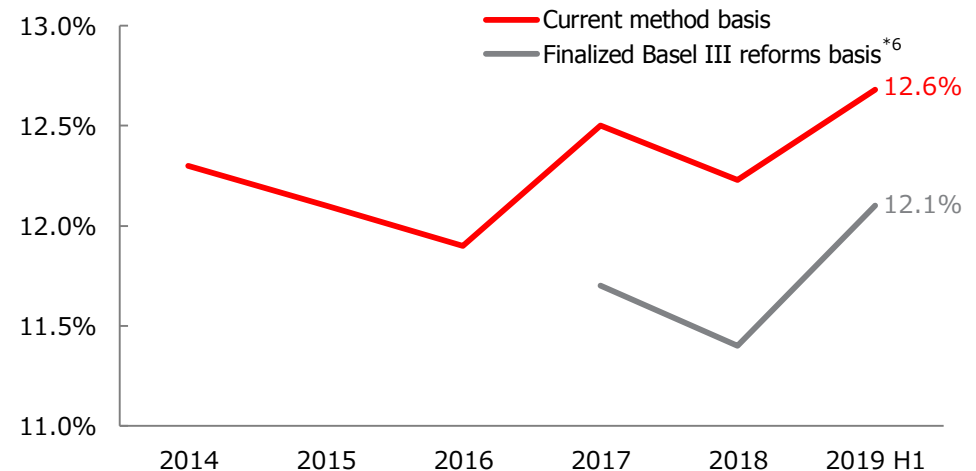
Capital

Consolidated

Common Equity Tier 1 Capital Ratio as of
end September 2019 (financial strength)

12.6%

(current method basis)*5



Ratings (holding company)

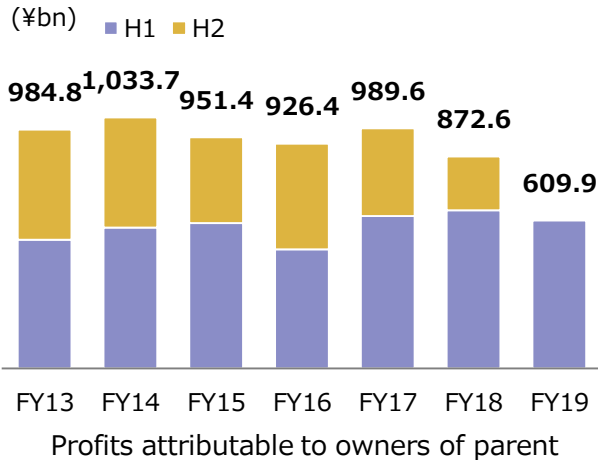
(As of end December 2019)

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

MUFG credit highlight

Stable profit track record

Consolidated



Ample liquidity

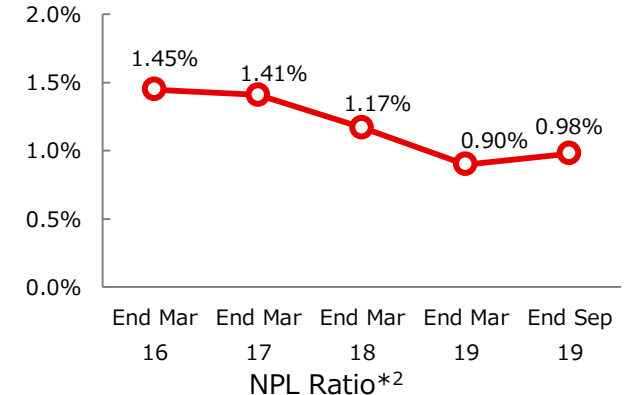
Consolidated

147.8%

Consolidated Liquidity Coverage Ratio*1
(End September 2019)

Sound asset quality

Consolidated



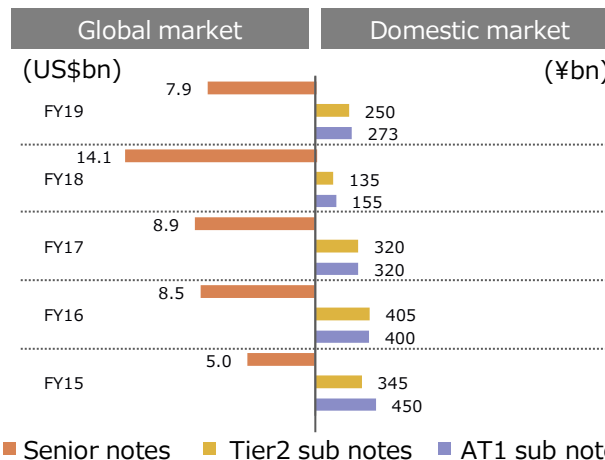
Sufficient capital

Consolidated

12.6%

CET1 capital ratio
(current method basis*3)
(End September 2019)

Issuance track record*4



Credit ratings

A1 / A- / A

Moody's / S&P / Fitch
(End December 2019)

*1 The ratio is the three-month average of daily LCR for the three months ended September 30, 2019, 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 applied at the end of September 2019

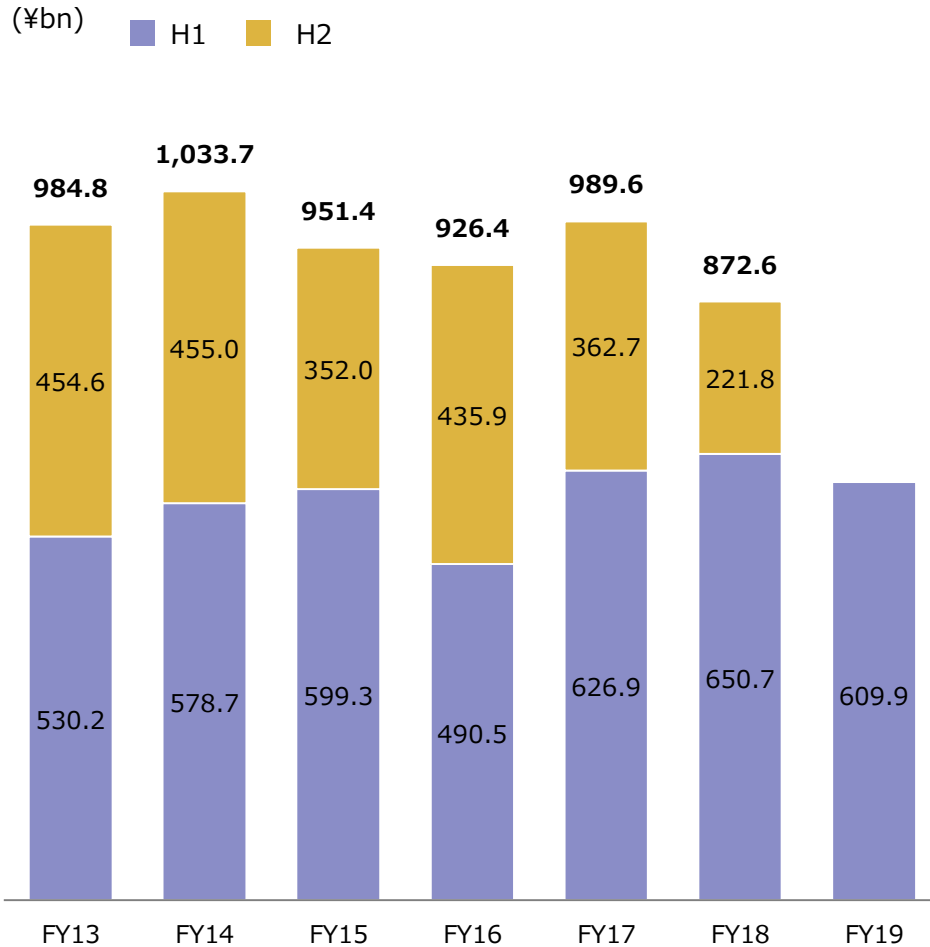
*4 Total of public issuance, as of end December 2019. TLAC-Eligible Senior Debt are converted into US\$ with actual exchange rates as of end December 2019

Section 2 Financial results

Outline of profits attributable to owners of parent

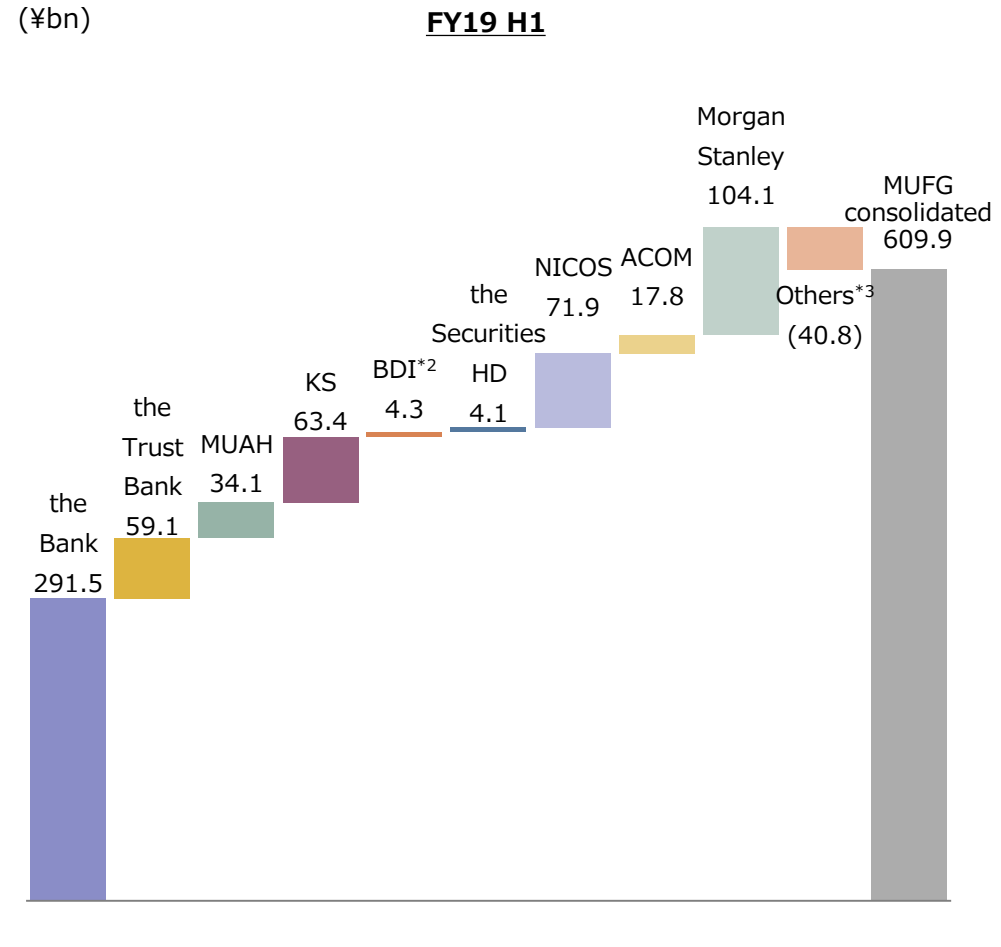
History of profits attributable to owners of parent

Consolidated



Breakdown of profits attributable to owners of parent*1

Consolidated



*1 The below figures take into consideration the percentage holding in each subsidiary and equity method investee (on an after-tax basis). The Bank and the Trust Bank data exclude profits relating to their respective subsidiaries

*2 Quarterly results after consolidation (April-June)

*3 Including cancellation of the amount of inter-group dividends and equity method income from other affiliate companies

Income statement summary

Income statement

Consolidated

(¥bn)

	FY18 H1	FY19 H1	YoY
1 Gross profits (before credit costs for trust accounts)	1,882.5	1,973.3	90.7
2 Net interest income	970.2	934.1	(36.1)
3 Trust fees + Net fees and commissions	696.7	684.6	(12.1)
4 Net trading profits + Net other operating profits	215.5	354.5	139.0
5 Net gains (losses) on debt securities	(1.6)	179.5	181.1
6 G&A expenses	1,314.4	1,342.0	27.5
7 Net operating profits	568.1	631.3	63.1
8 Total credit costs*¹ (reversal)	(117.9)	18.0	136.0
9 Net gains (losses) on equity securities	85.1	17.7	(67.4)
10 Net gains (losses) on sales of equity securities	86.6	48.6	(37.9)
11 Losses on write-down of equity securities	(1.4)	(30.9)	(29.4)
12 Profits (losses) from investments in affiliates	163.7	149.6	(14.1)
13 Other non-recurring gains (losses)	(49.1)	14.7	63.8
14 Ordinary profits	885.9	795.2	(90.6)
15 Net extraordinary gains (losses)	(17.1)	(9.1)	7.9
16 Total of income taxes-current and income taxes-deferred	(165.3)	(126.7)	38.5
17 Profits attributable to owners of parent	650.7	609.9	(40.8)
18 EPS (¥)	49.65	47.20	(2.46)

*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

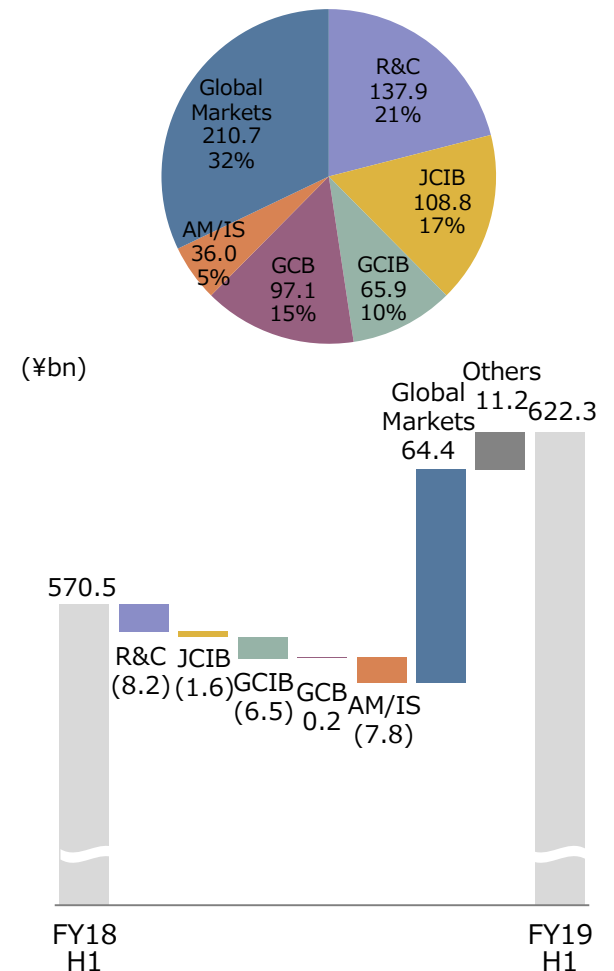
*3 Including profits or losses from others

Net operating profits by business segment*²

Consolidated

(¥bn)

FY19 H1 ¥622.3bn*³

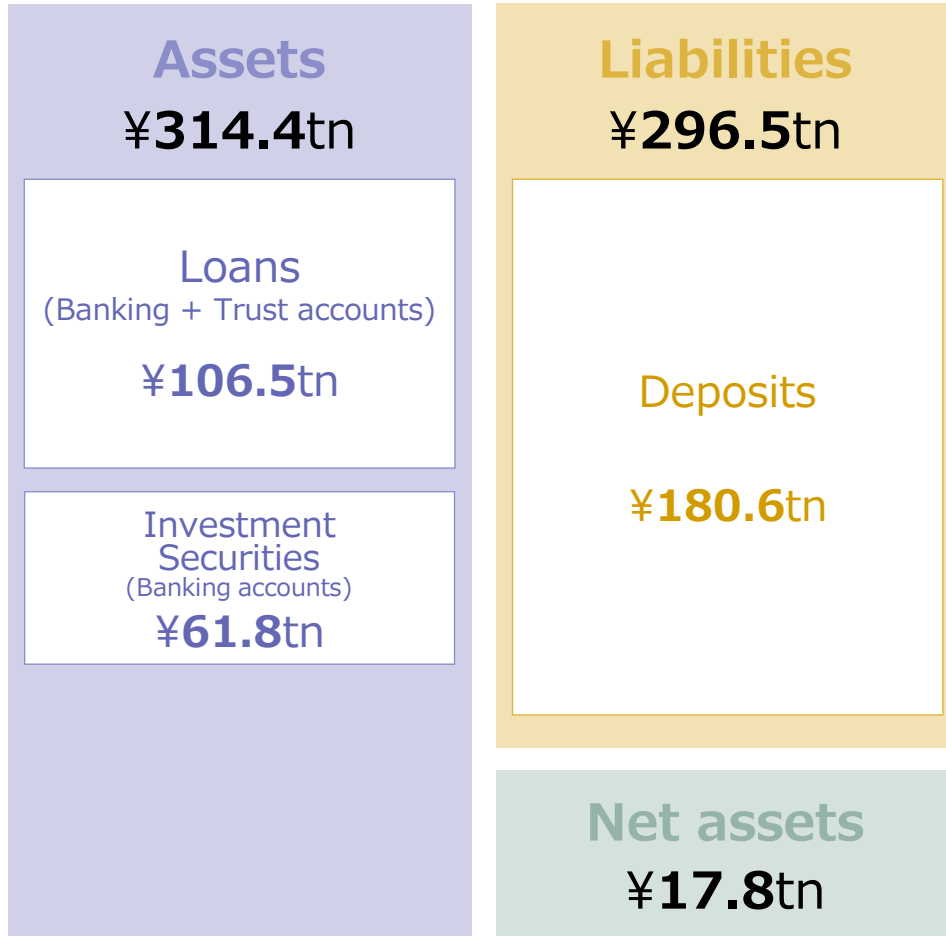


Balance sheet summary

Condensed balance sheet

Consolidated

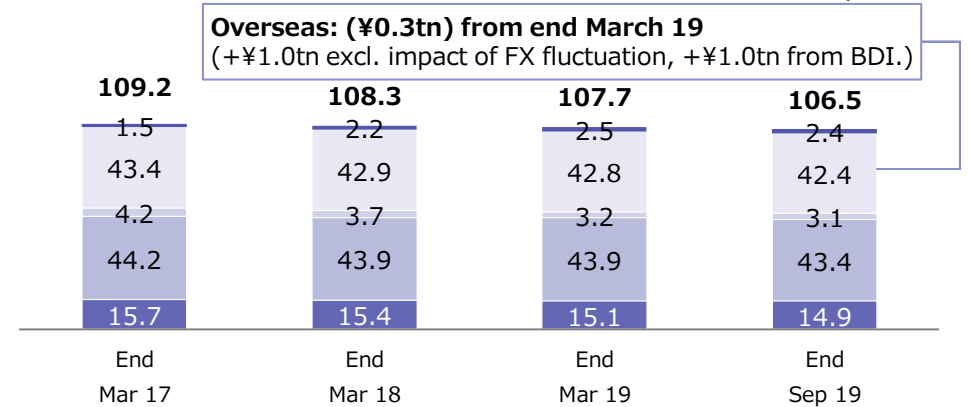
As of end September 19



Loans (Period end balance) *1

Consolidated

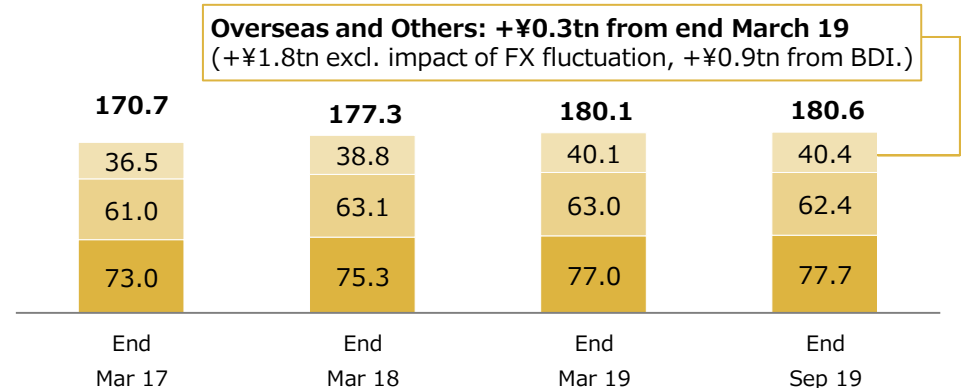
(¥tn) ■ Housing loan *2 ■ Domestic corporate *2*3 ■ Government ■ Overseas *4
■ Consumer finance / Others



Deposits (Period end balance)

Consolidated

(¥tn) ■ Domestic individual *5 ■ Domestic corporate, etc. *5 ■ Overseas and Others



*1 Sum of banking and trust accounts

*2 Non-consolidated + trust accounts

*3 Excluding loans to government and governmental institutions, and including foreign currency-denominated loans (Excluding impact of FX fluctuation: (¥0.3tn) from the end of March 2019)

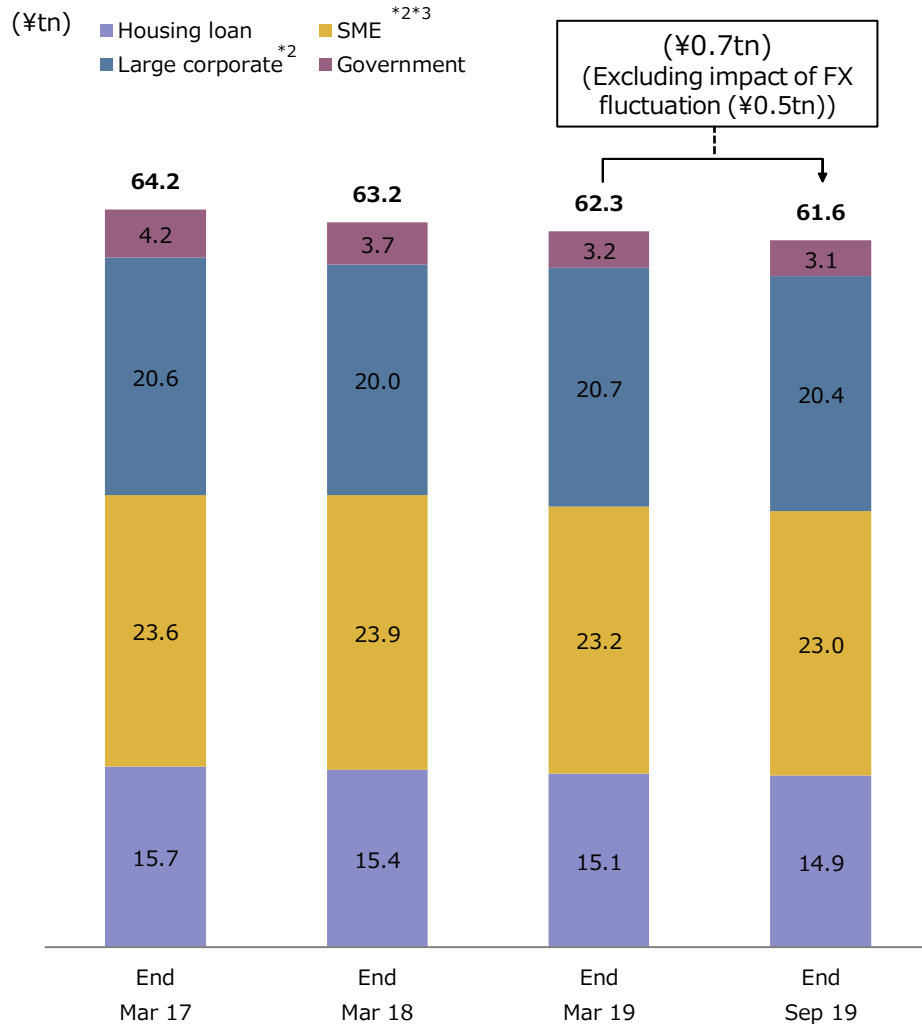
*4 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe)

*5 Non-consolidated

Domestic loans

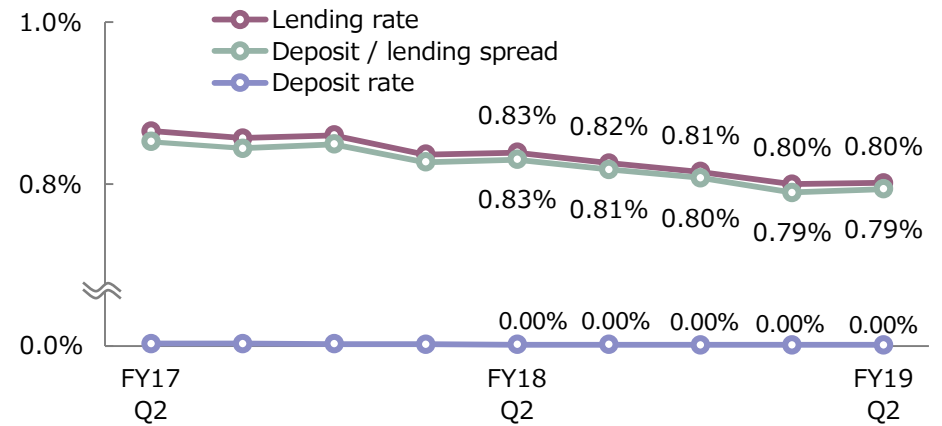
Loan balance (Period end balance)*1

Consolidated



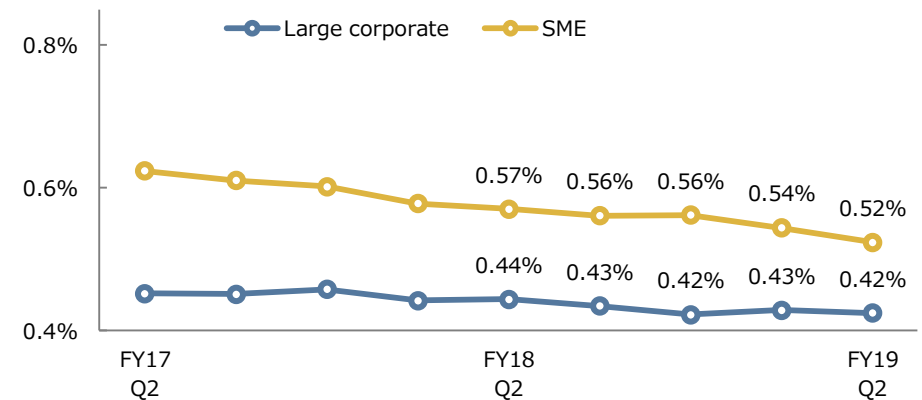
Changes in domestic deposit / lending rate*4*5

Non-consolidated



Domestic corporate lending spread*2*4*5

Non-consolidated



*1 Sum of banking and trust accounts *2 Including non-JPY loans

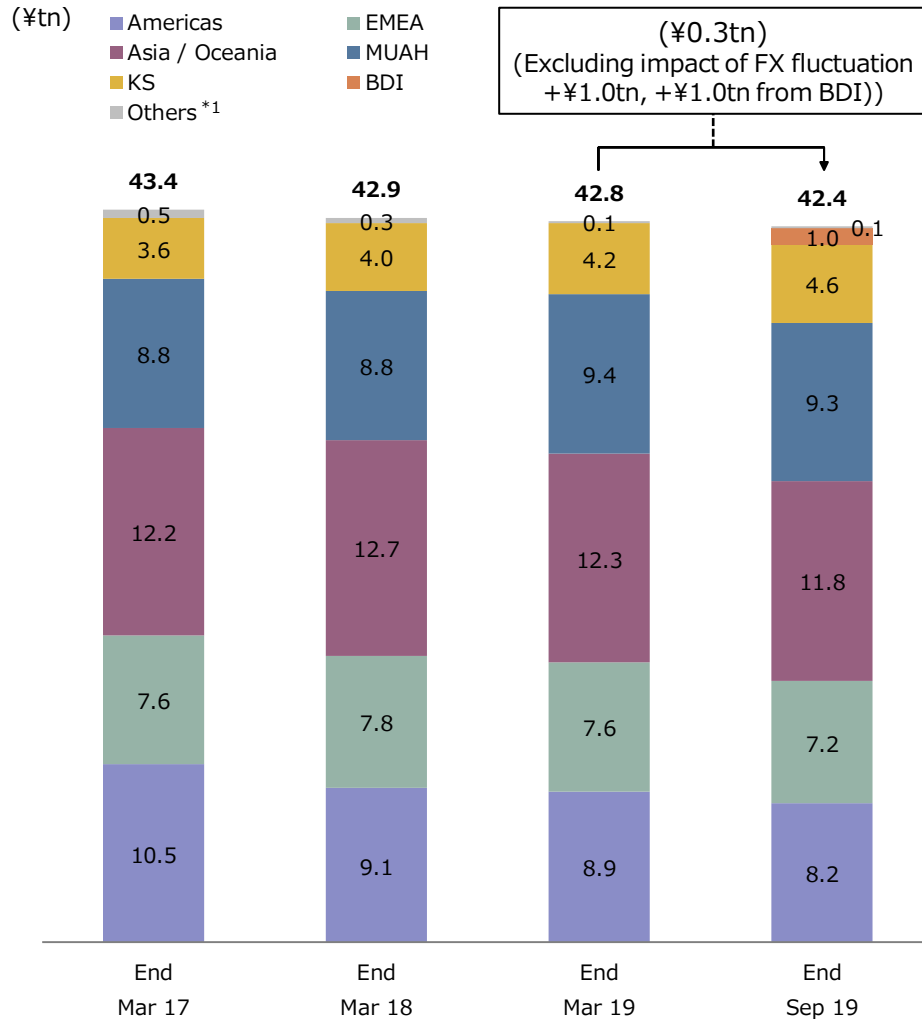
*3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)

*4 Managerial accounting basis *5 Excluding lending to government etc.

Overseas loans

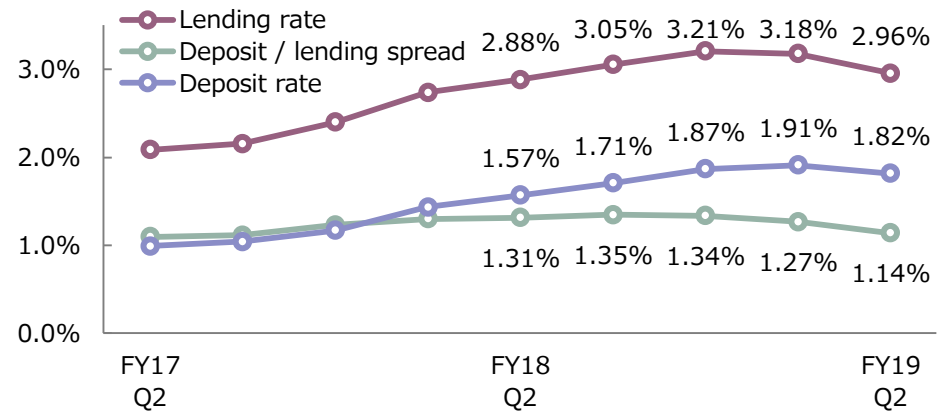
Loan balance (Period end balance)

Consolidated



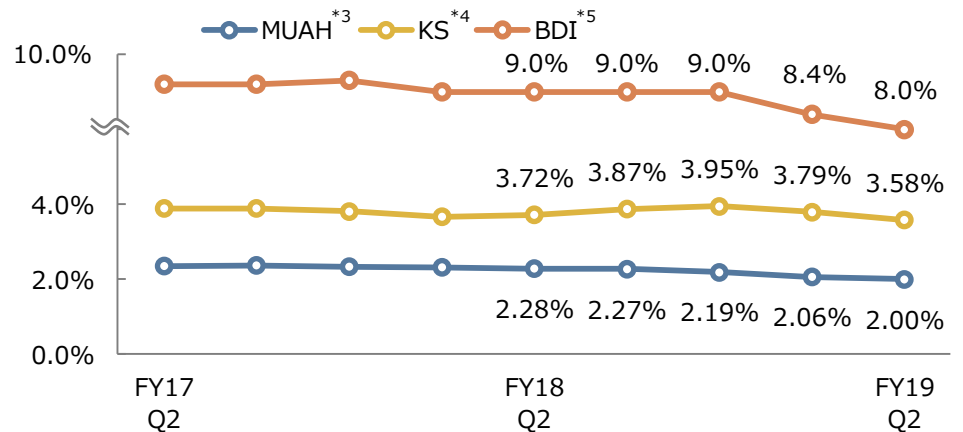
Change in overseas deposit / lending rate*2

Non-consolidated



Net interest margin

MUAH / KS / BDI

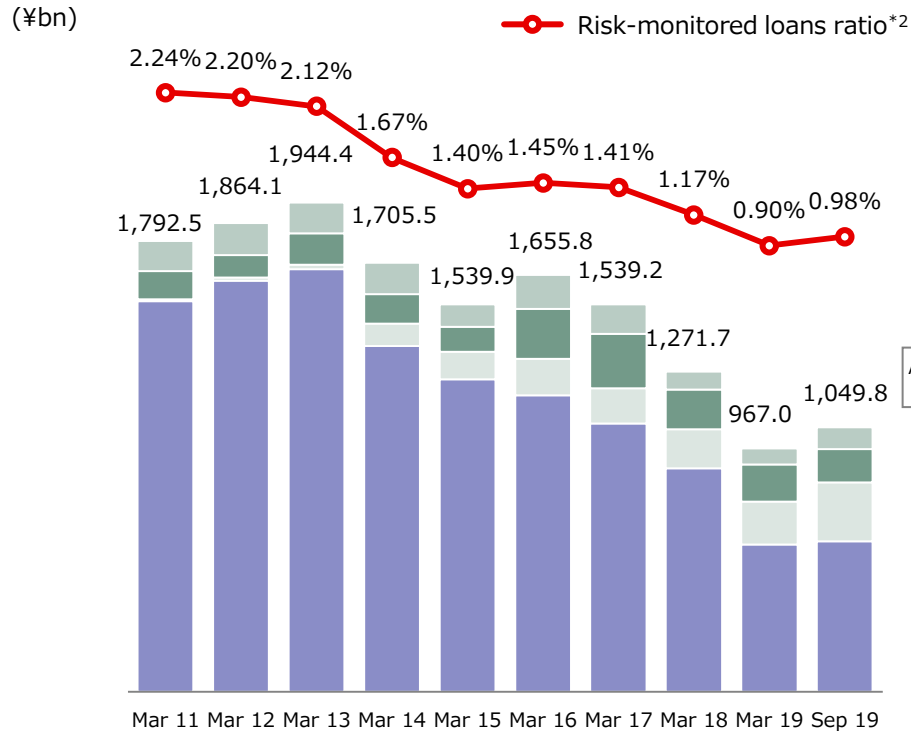


*1 Loans booked at offshore markets etc. *2 Managerial accounting basis
 *3 Financial data as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP
 *4 Financial data as disclosed in KS's financial reports based on Thai GAAP
 *5 Financial data as disclosed in BDI's financial reports based on Indonesian GAAP

Loan assets

Balance of risk-monitored loans*1

Consolidated



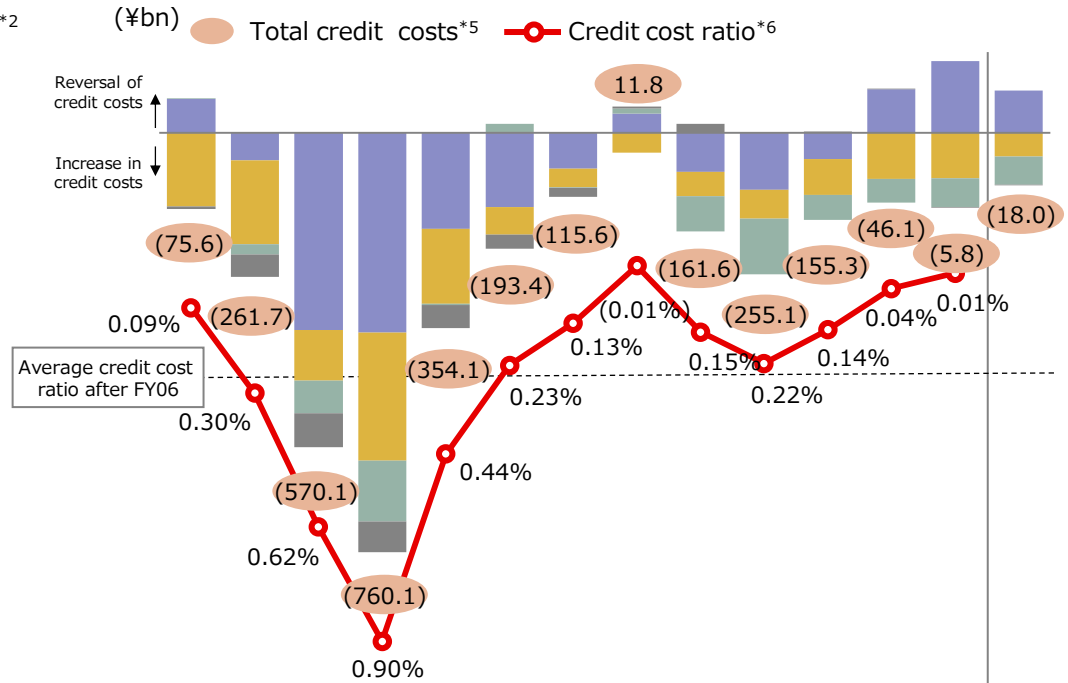
[Breakdown]

	Mar 11	Mar 12	Mar 13	Mar 14	Mar 15	Mar 16	Mar 17	Mar 18	Mar 19	Sep 19
EMEA*3	121.2	127.2	122.0	126.3	88.2	133.9	116.0	71.3	64.0	85.7
Americas*3	110.3	89.2	125.0	114.9	100.7	199.4	216.0	157.5	148.2	132.3
Asia*4	9.4	14.4	17.0	89.0	108.8	145.3	142.3	155.8	170.3	233.3
Domestic	1,551.5	1,633.2	1,680.3	1,375.2	1,242.0	1,177.1	1,064.7	887.0	584.3	598.3

*1 Risk-monitored loans based on Banking Act of Japan. Regions are based on the borrowers' location
 *2 Total risk-monitored loans / Total loans and bills discounted (banking accounts as of period end)
 *3 Figures of EMEA (Europe, Middle East and Other) and Americas before March 2012 were previously disclosed as Other and United States of America, respectively
 *4 The figure for Asia as of September 2019 includes approximately ¥40.0bn from BDI

Total credit costs / Credit cost ratio

Consolidated



[Breakdown]

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19 H1
Non-consolidated	61.5	(50.1)	(357.8)	(361.6)	(174.2)	(134.5)	(65.3)	35.1	(71.1)	(103.7)	(47.9)	79.5	129.8	77.2
CF*7	(133.0)	(152.1)	(91.0)	(232.2)	(135.0)	(50.1)	(33.7)	(35.7)	(44.1)	(51.6)	(64.5)	(83.6)	(81.7)	(42.2)
Overseas*8	0.7	(17.8)	(59.7)	(110.6)	(2.7)	16.1	(0.8)	9.2	(63.2)	(100.8)	(45.0)	(42.7)	(52.3)	(51.3)
Others*9	(4.9)	(41.5)	(61.5)	(55.7)	(42.1)	(24.9)	(15.6)	3.2	16.9	1.0	2.1	0.8	(1.5)	(1.6)

*5 Including gains from write-off
 *6 Total credit costs / loan balance as of period end
 *7 Sum of NICOS and ACOM on a consolidated basis
 *8 Sum of overseas subsidiaries of the Bank and the Trust Bank
 *9 Sum of other subsidiaries and consolidation adjustment

Investment securities

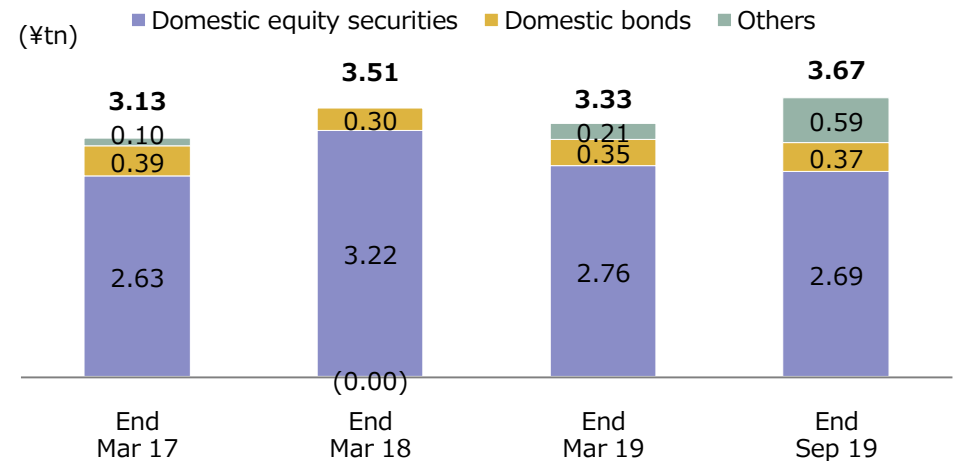
Available-for-sale securities with fair value

Consolidated

1 Total	Balance		Unrealized gains (losses)	
	End Sep 19	Changes from End Mar 19	End Sep 19	Changes from End Mar 19
2 Domestic equity securities	4,811.2	(142.1)	2,699.0	(65.3)
3 Domestic bonds	25,273.8	(1,987.3)	377.8	20.3
4 Japanese government bonds	19,022.4	(2,519.8)	292.8	13.8
5 Others	28,456.2	92.1	596.1	382.3
6 Foreign equity securities	101.5	(13.3)	38.8	(13.7)
7 Foreign bonds	21,624.5	91.6	539.2	365.5
8 Others	6,730.1	13.9	18.0	30.4

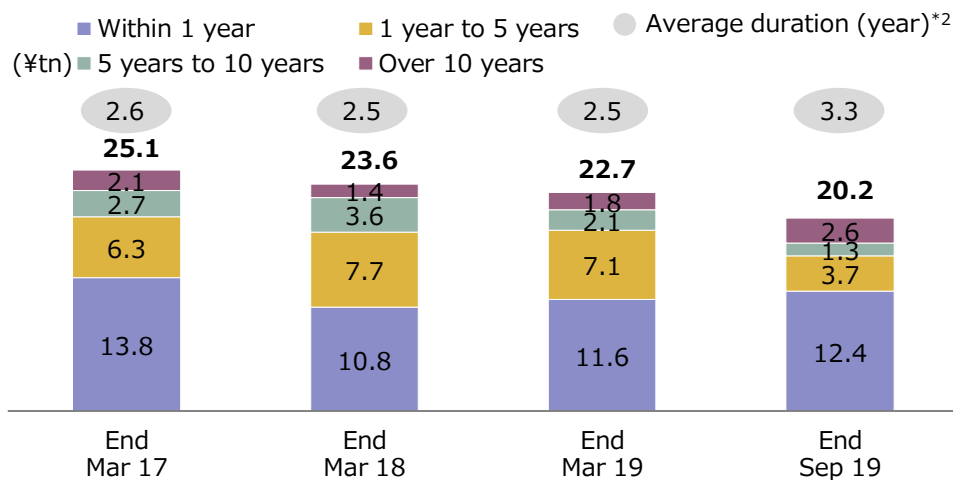
Unrealized gains (losses) on available-for-sale securities

Consolidated



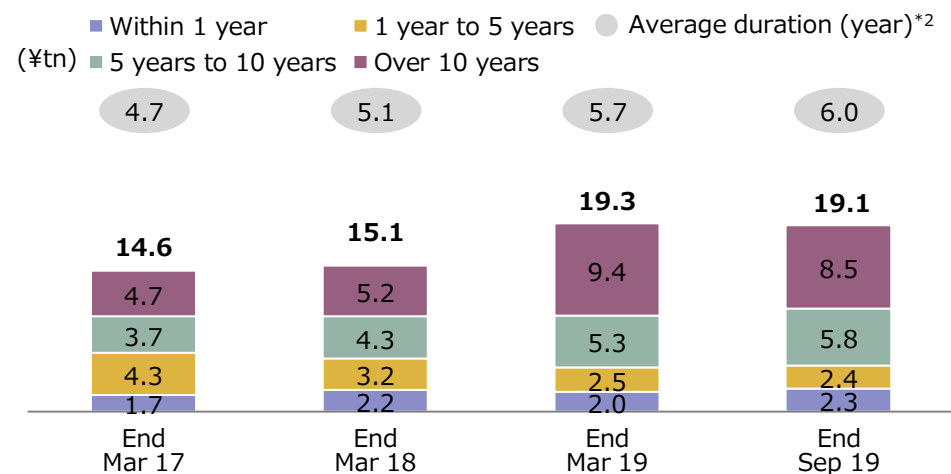
Balance of JGB portfolio and duration*1

Non-consolidated



Balance of foreign bonds and duration*1

Non-consolidated



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

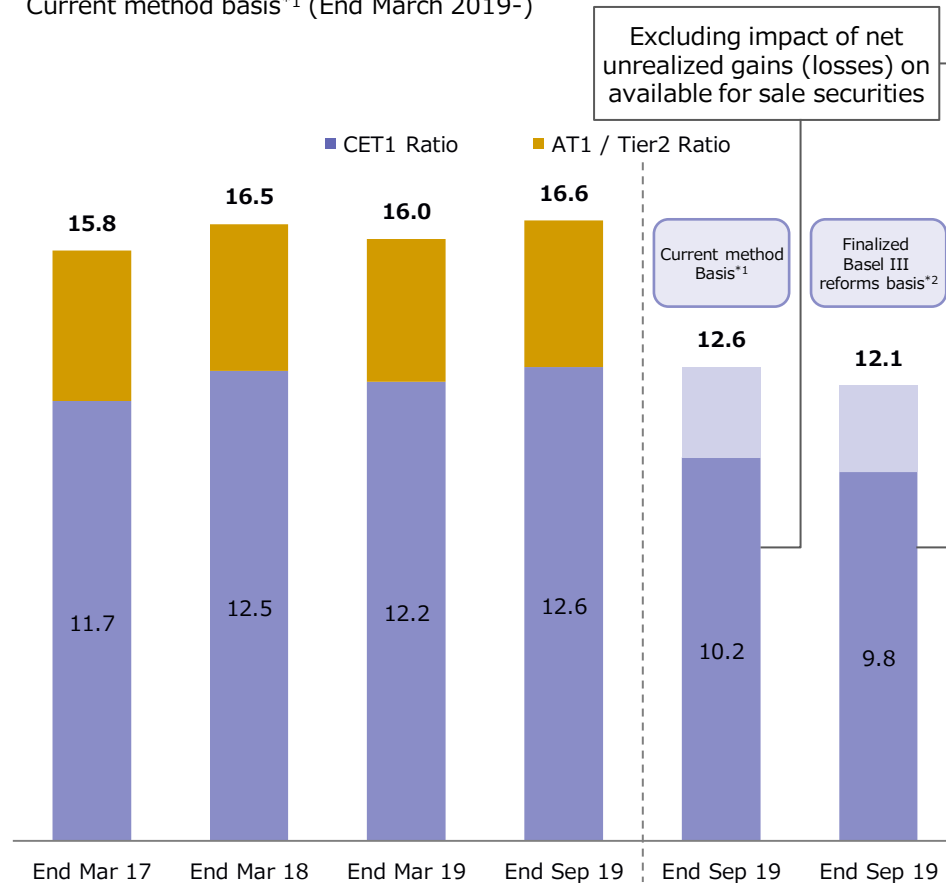
*2 Available for sale securities

Capital

CET1 / Total capital ratio

Consolidated

Transitional basis (-End March 2018)
Current method basis*¹ (End March 2019-)



Leverage Ratio

4.81%

5.01%

4.94%

4.89%

*1 Calculated on the basis of regulations applicable to the respective dates shown

*2 Estimated CET1 ratio reflecting the RWA increase calculated on the basis of the finalized Basel III reforms expected to be applied in 2027

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

Capital summary

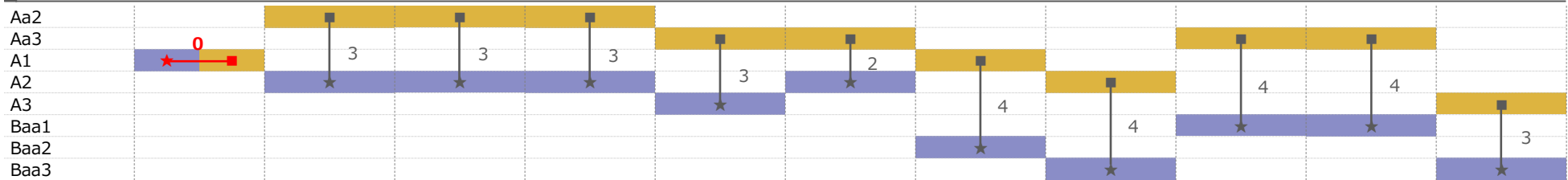
Consolidated

(¥bn)	End Mar 19	End Sep 19	Changes
1 Common Equity Tier 1 capital ratio	12.2%	12.6%	0.4ppt
2 Tier 1 capital ratio	13.9%	14.3%	0.4ppt
3 Total capital ratio	16.0%	16.6%	0.6ppt
4 Leverage ratio	4.9%	4.8%	(0.0ppt)
5 Common Equity Tier 1 capital	14,322.4	14,337.6	15.2
6 Retained earnings	10,640.6	11,113.9	473.2
7 Other comprehensive income	2,879.1	3,028.5	149.4
8 Regulatory adjustments	(1,897.3)	(2,504.6)	(607.3)
9 Additional Tier 1 capital	1,953.8	1,870.7	(83.1)
10 Preferred securities and subordinated debt	1,800.1	1,710.1	(90.0)
11 Tier 1 capital	16,276.3	16,208.4	(67.8)
12 Tier 2 capital	2,493.4	2,613.6	120.1
13 Subordinated debt	2,195.6	2,333.5	137.9
14 Total capital (Tier 1+Tier 2)	18,769.7	18,822.1	52.3
15 Risk weighted assets	117,091.1	113,066.6	(4,024.4)
16 Credit risk	90,843.0	87,504.3	(3,338.7)
17 Market risk	2,920.5	3,012.8	92.3
18 Operational risk	8,107.2	8,166.4	59.1
19 Floor adjustment ^{*3}	15,220.2	14,382.9	(837.2)
20 Total exposures	329,048.6	330,860.8	1,812.1

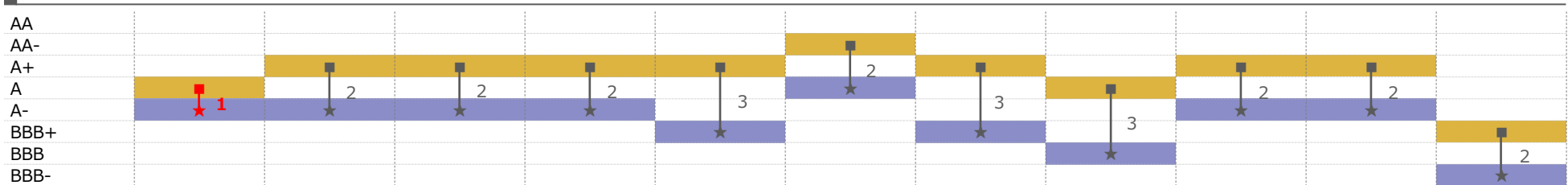
Global financial institutions' senior bonds ratings

As of December 31, 2019 ■ HD / Non-preferred senior ■ Operating bank / Preferred senior

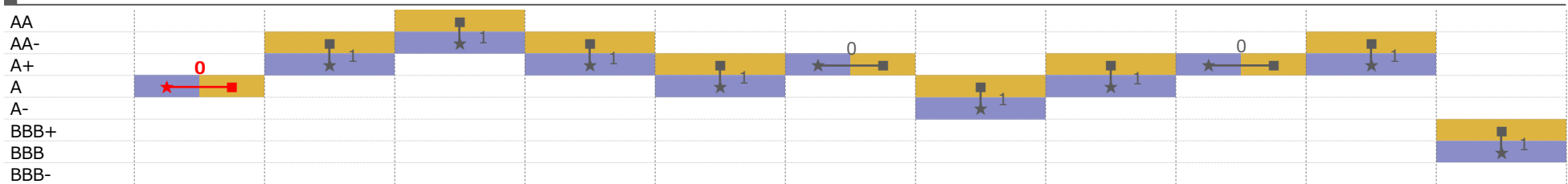
Moody's



S&P



Fitch



Japan

US

Europe

*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

Section 3 Capital raising strategy

Japanese TLAC framework

- The best capital mix and external TLAC ratio

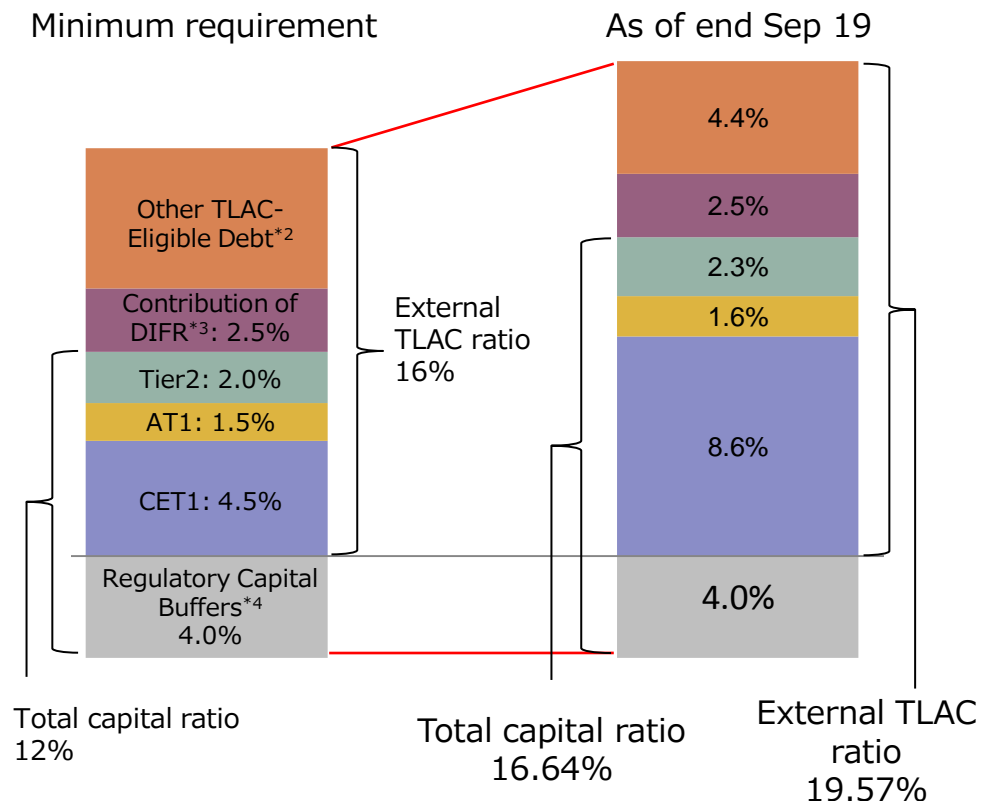
- Aiming for optimal balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
 - Secure necessary and sufficient level of capital with utilization of AT1 / Tier2
 - Maintain sustainable external TLAC ratio for the long term by raising external TLAC-eligible senior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

MUFG's external TLAC ratio and minimum requirement

	As of end Sep 19	Minimum requirement	
		From end Mar 19	From end Mar 22
Risk weighted asset basis	19.57%	16.0%	18.0%
Total exposure basis	8.07%	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.

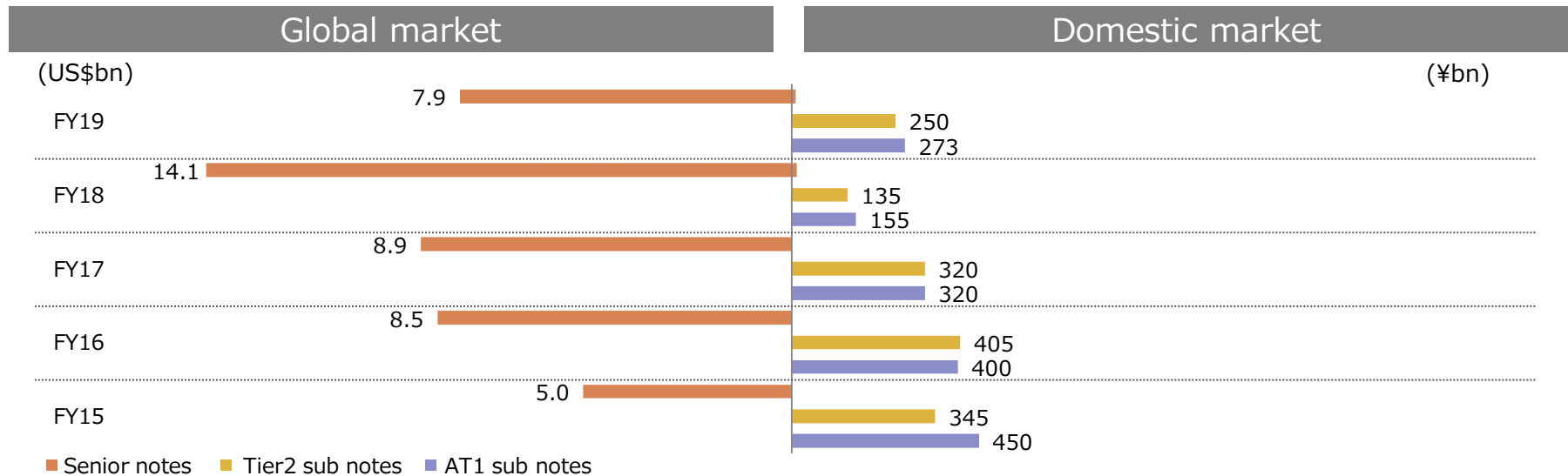
*3 Contribution of Deposit Insurance Fund Reserves : Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution set out in the FSB's TLAC termsheet

(Can include 2.5% and 3.5% of RWAs from end March 2019 to end March 2022 and after end March 2022, respectively, in external TLAC ratio)

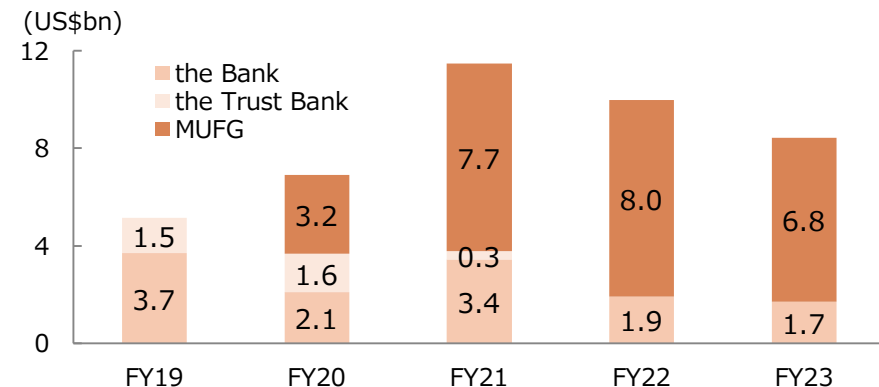
*4 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0.04%

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

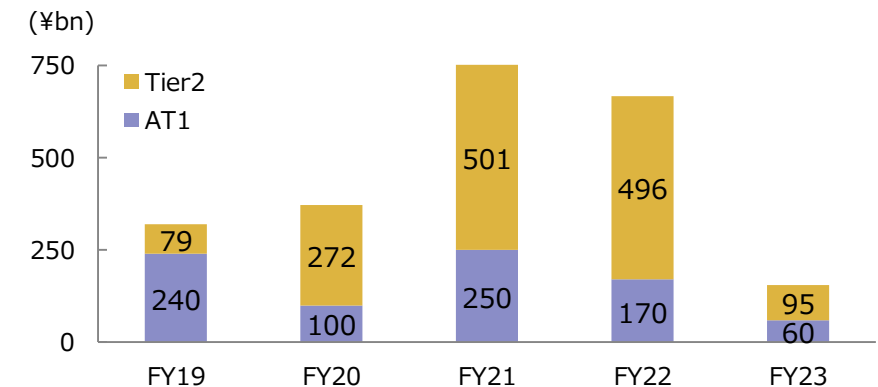
MUFG issuance track record*1



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 December 2019. TLAC-Eligible Senior Debt are converted into US\$ using actual exchange rates as of end December 2019

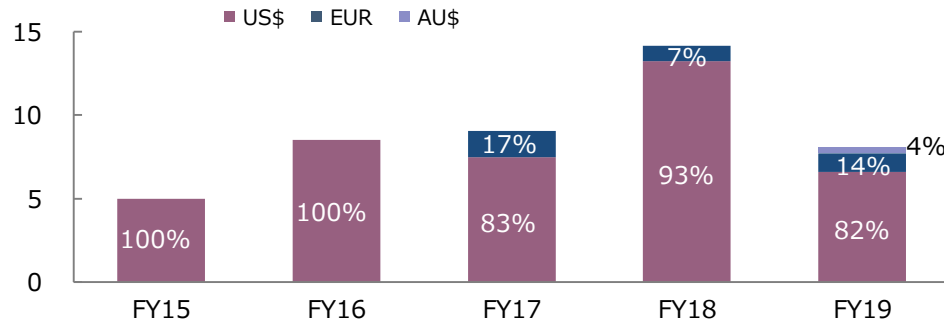
*2 Annual figures assuming that all callable notes are to be redeemed on their respective first callable dates. All figures are converted into US\$ using actual exchange rates as of end December 2019. Excluding structured bonds and notes issued by overseas branches and subsidiaries

*3 Annual figures assuming that all callable notes are to be redeemed on their respective first callable dates. AT1 and Tier2 contain Basel II Tier1 preferred securities and Basel II Tier2 sub notes issued by the Bank and the Trust Bank (including their overseas special purpose companies), respectively

MUFG TLAC-eligible senior debt issuance summary

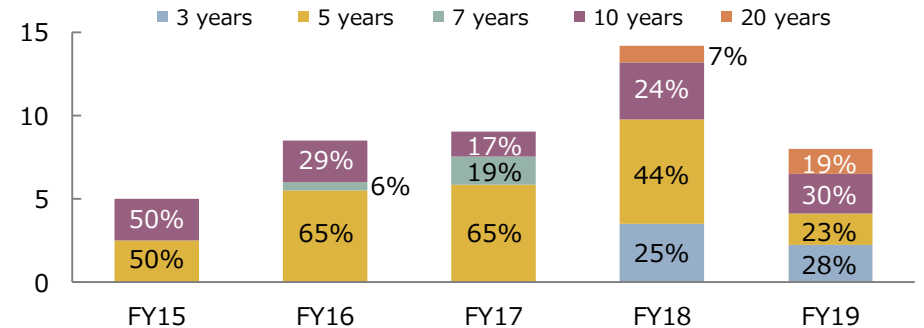
By currency*1*2

(US\$bn equi.)

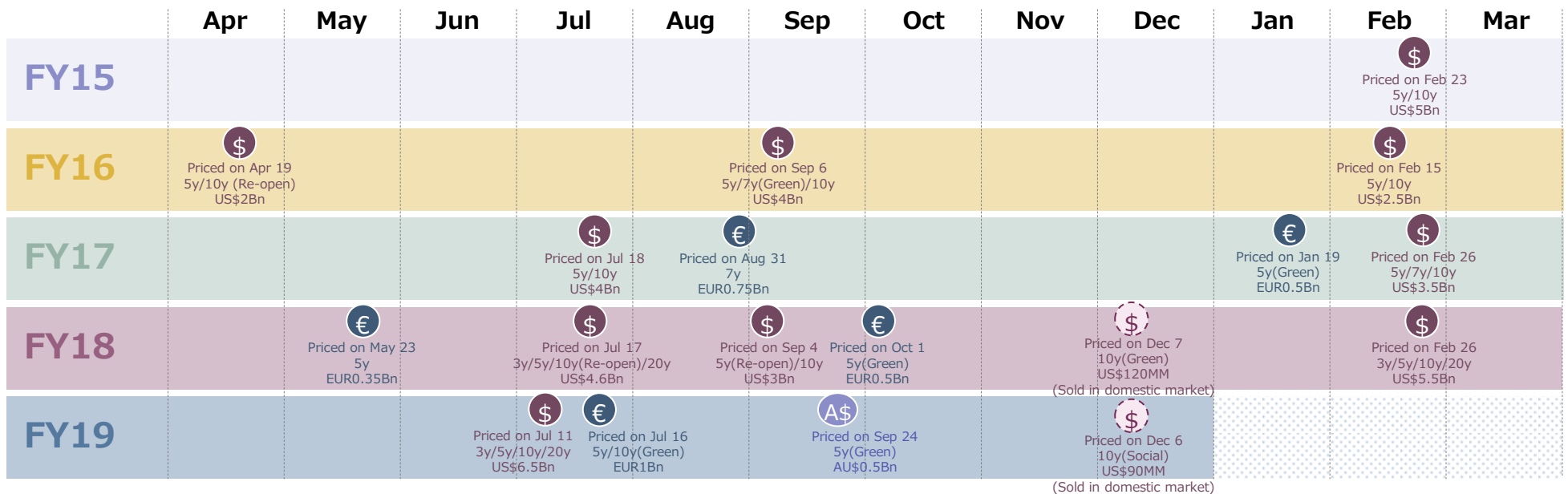


By term*1*2*3

(US\$bn equi.)



Past issuance calendar



*1 Total of public issuance (excluding the amount of buyback (US\$1bn)), as of end December 2019

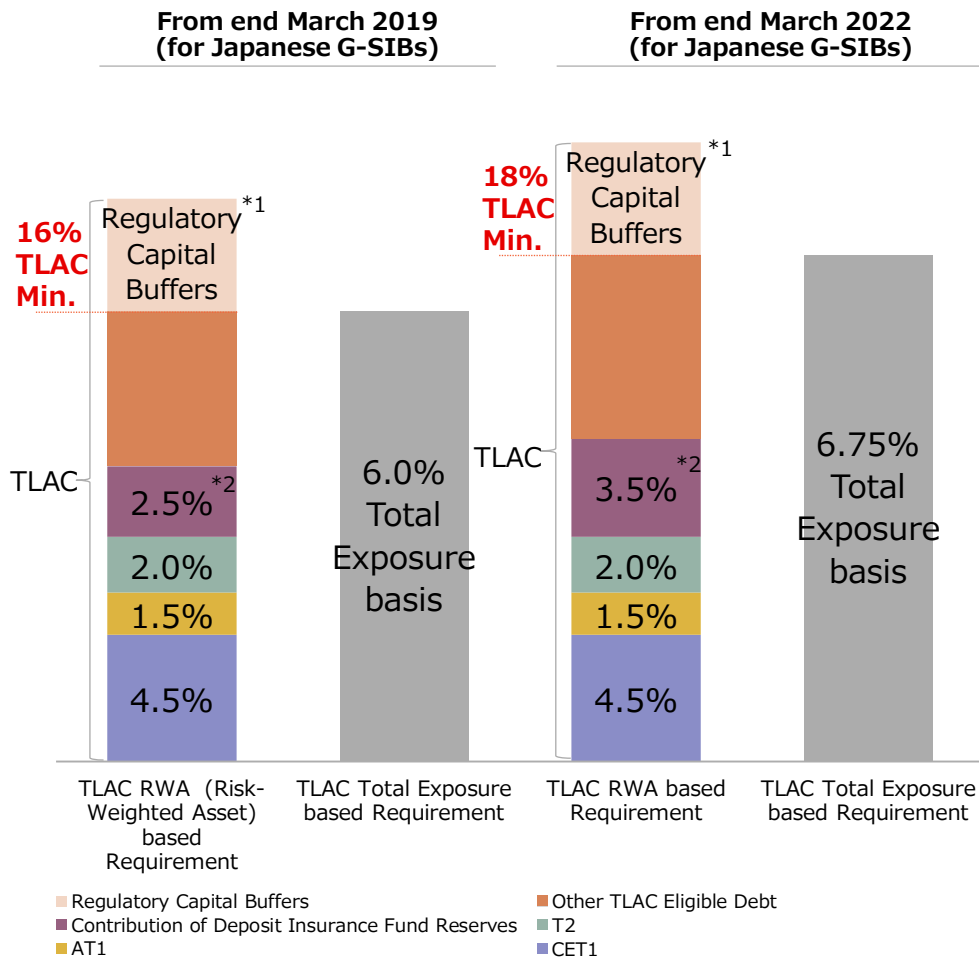
*2 Exchange rates: As of end of each FY (for FY19: end December 2019)

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

Appendix

Japanese TLAC framework summary

TLAC minimum requirement



Japanese resolution system's features

- Contribution of Deposit Insurance Fund Reserves^{*2}
- Multiple treatments prior to loss absorption point, even after Point of Non-Viability ("PONV")
- Multiple precedents of prompt corrective action and pre-emptive capital infusion^{*3}

Requirements for external TLAC-Eligible Debt (excerpt)

- The Holding Company is a resolution entity in Japan ("Domestic Resolution Entity") designated by the FSA
- External TLAC-eligible debt is issued by the Holding Company as the Domestic Resolution Entity

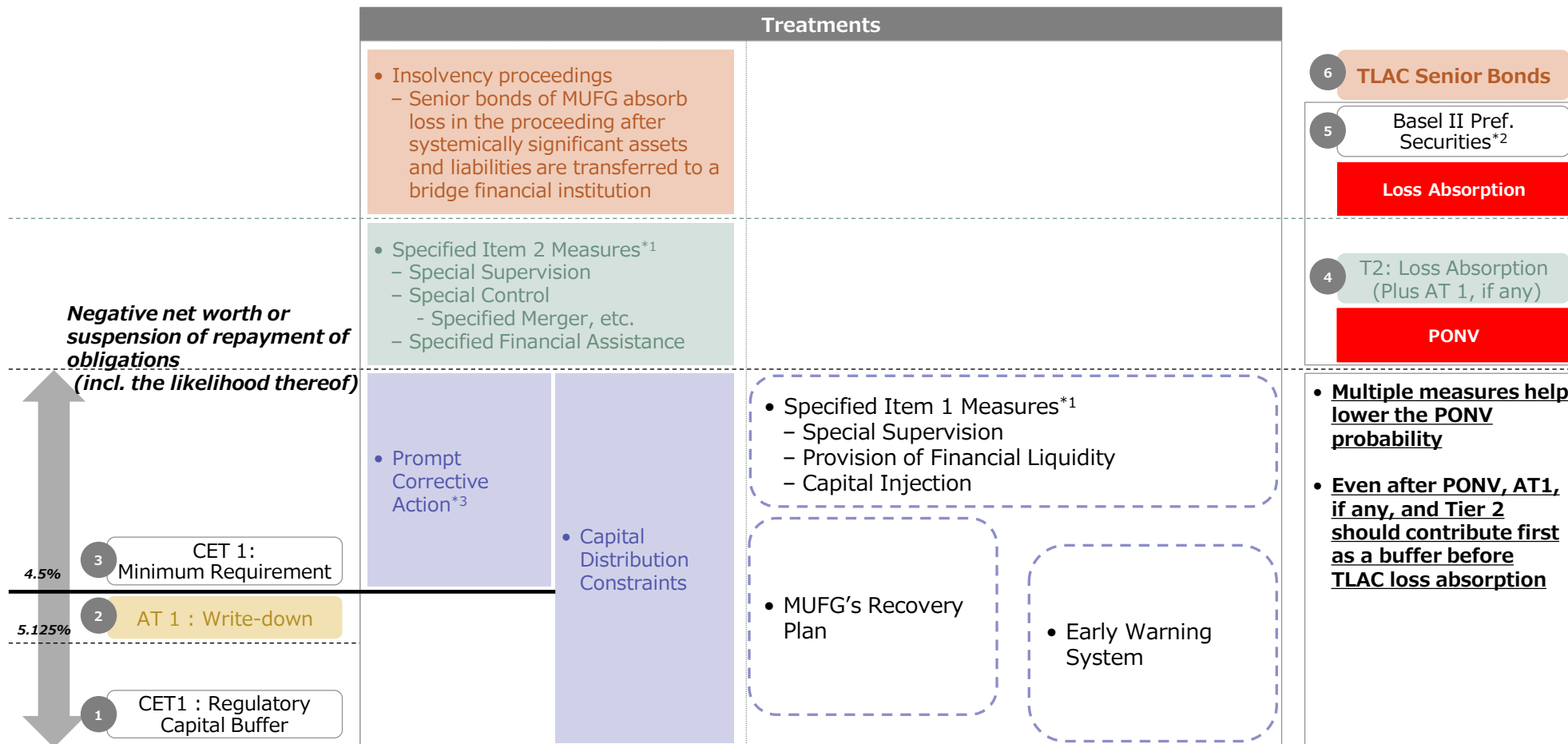
*1 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, Counter-cyclical Buffer: ranging from 0% to 2.5% to be calculated as the weighted average of the buffers deployed across all the jurisdictions to which MUFG has credit exposures will be imposed

*2 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

*3 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

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 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 economic conditions and the financial institution's 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

*3 In case TLAC ratio falls below minimum requirement, Business Improvement Order may be issued

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

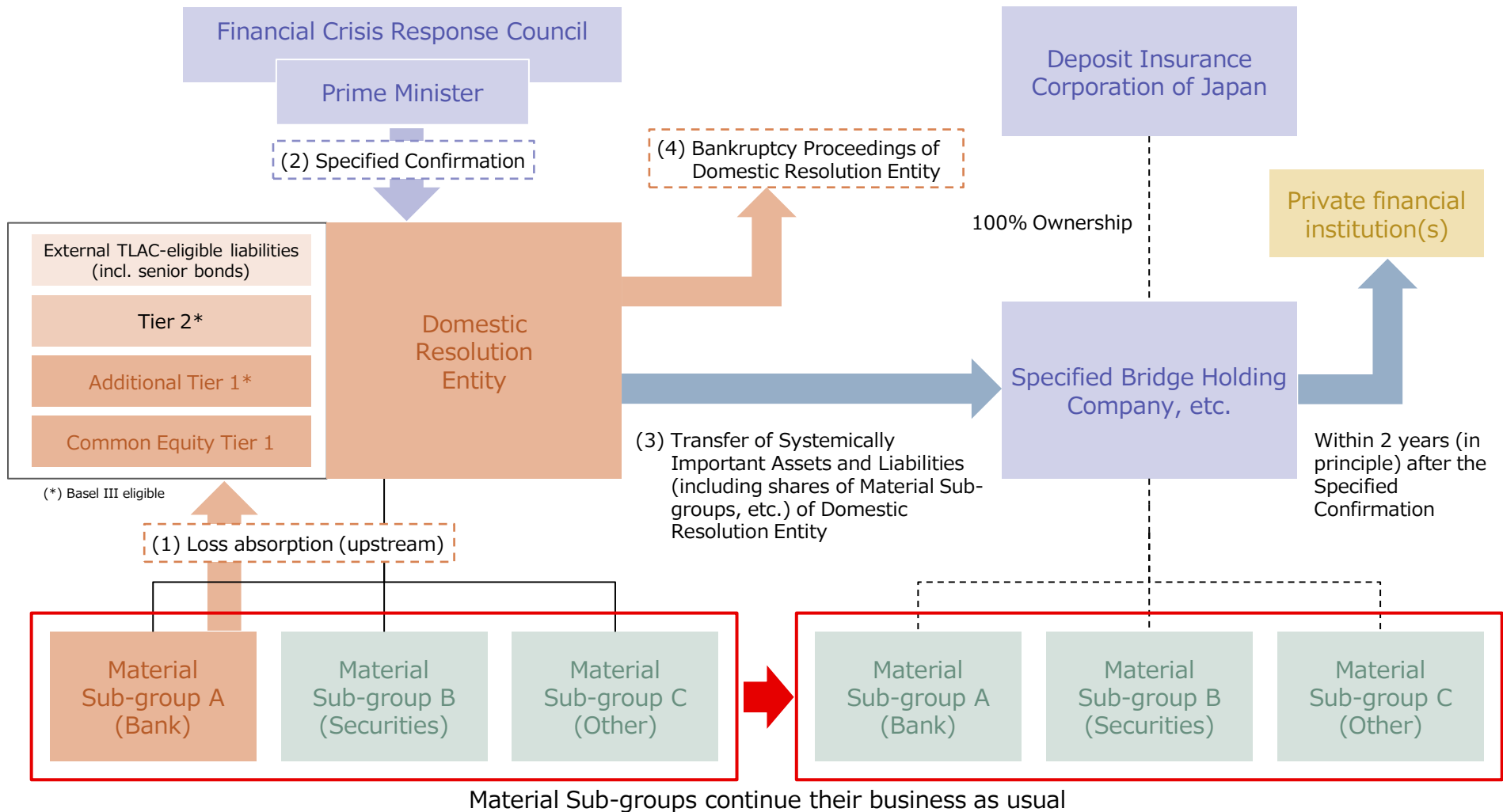
		Applicable rules	Bank	Date	Amount (¥bn)	Description
Public Sector Support	-	Article 102, Paragraph 1, Item 1 of the Deposit Insurance Act	Resona Bank	Jun 2003	296	Public funds infusion in common shares—government ownership of 50.1%
				Jun 2003	1,663	Public funds infusion in convertible preferred shares
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

Japanese TLAC framework

- A model of procedures of orderly resolution under the SPE strategy for Covered SIBs*1

- The below is based on a possible model of Covered SIBs resolution under the SPE approach*2 as stated in the FSA's explanatory paper outlining its approach to introduction of the TLAC framework in Japan



*1 Covered SIBs : (i) Japanese G-SIBs and (ii) a domestic systemically important bank ("Japanese D-SIB") that is deemed to be in particular need for a cross-border resolution arrangement and of particular systemic significance to the Japanese financial system if it fails

*2 Single Point of Entry approach : 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

Japanese TLAC framework

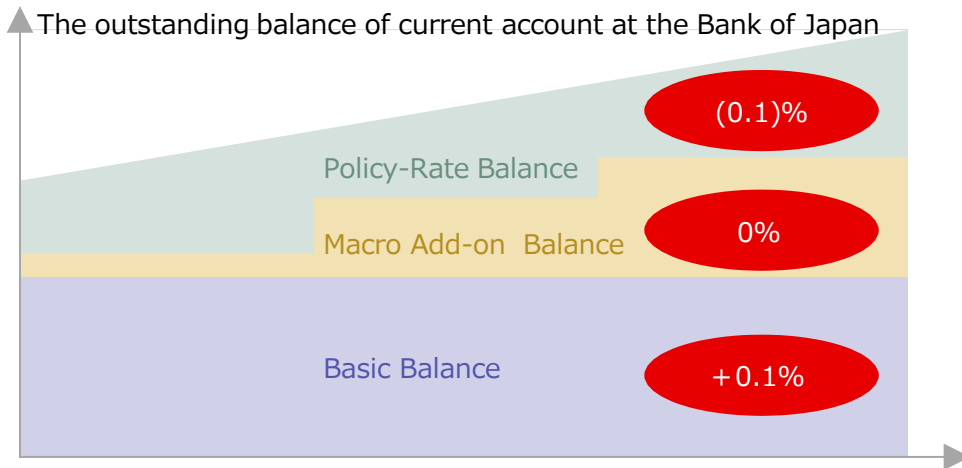
- Requirements for external TLAC-Eligible Debt (Summary)

- Relevant obligations must be issued by a holding company designated as the Domestic Resolution Entity by the FSA;
 - There is no requirement for contractual loss absorption provisions as Japanese law provides for statutory loss absorption through bankruptcy proceedings
- Relevant obligations must be paid-in, unsecured and have a tenor of at least one year;
- Relevant obligations must not be subject to set-off or netting rights at the time of a PONV;
- Relevant obligations must not be redeemable by the holder prior to maturity, other than when redeemed at the option of the holder no less than one year after issuance;
- Relevant obligations must not be redeemable prior to maturity, other than when redeemed at the option of the issuer, in general, no less than one year after issuance, and with the FSA's prior confirmation;
- Relevant obligations must be subordinated (including by way of structural subordination only where the amount of excluded liabilities of the issuer ranking pari passu or junior to the issuer's unsecured senior liabilities does not exceed 5% of the issuer's external TLAC)

Economic environment in Japan

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

QQE with a Negative Interest Rate (January 2016)



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

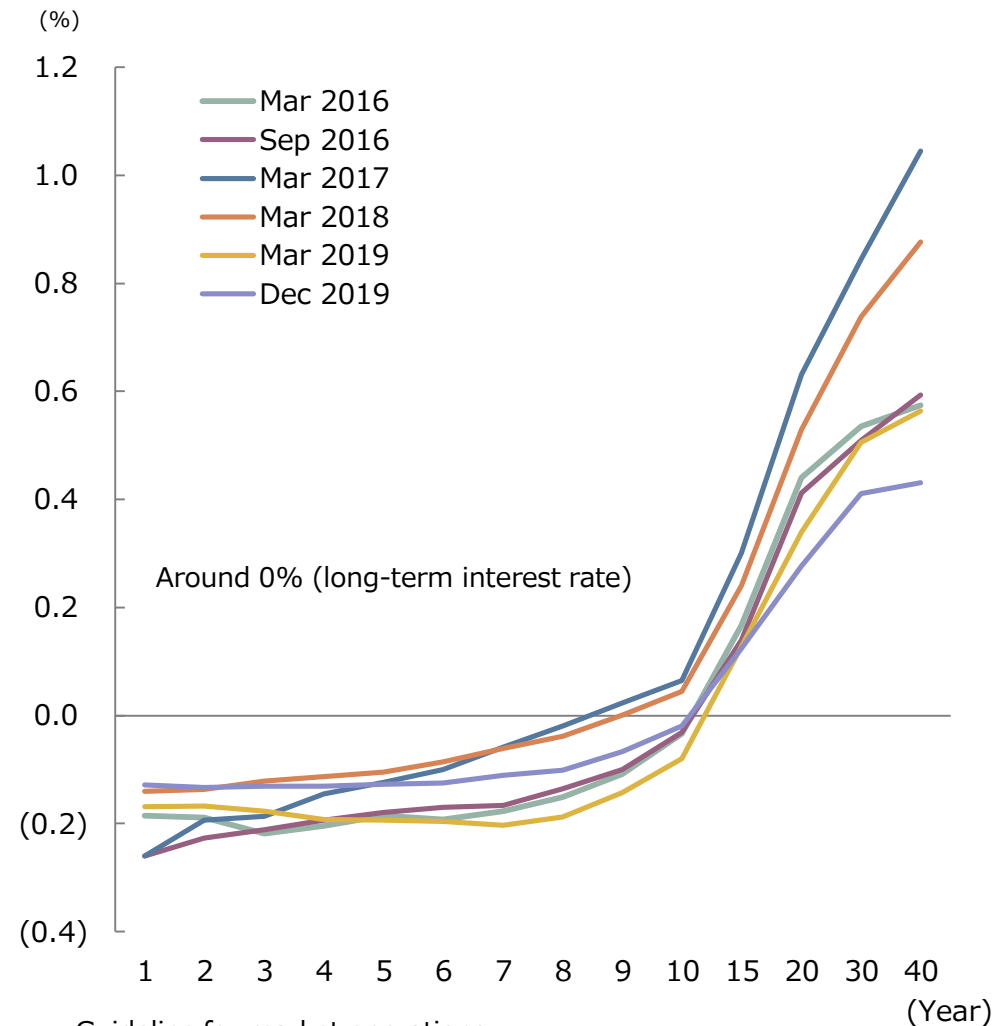
(Source) The Bank of Japan

Introducing forward guidance for policy rates (July 2018 and October 2019)

- Forward guidance for policy rates
 - The Bank of Japan expects short- and long-term interest rates to remain at their present or lower levels as long as it is necessary to pay close attention to the possibility that the momentum toward achieving the price stability target will be lost
- 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 (September 2016)



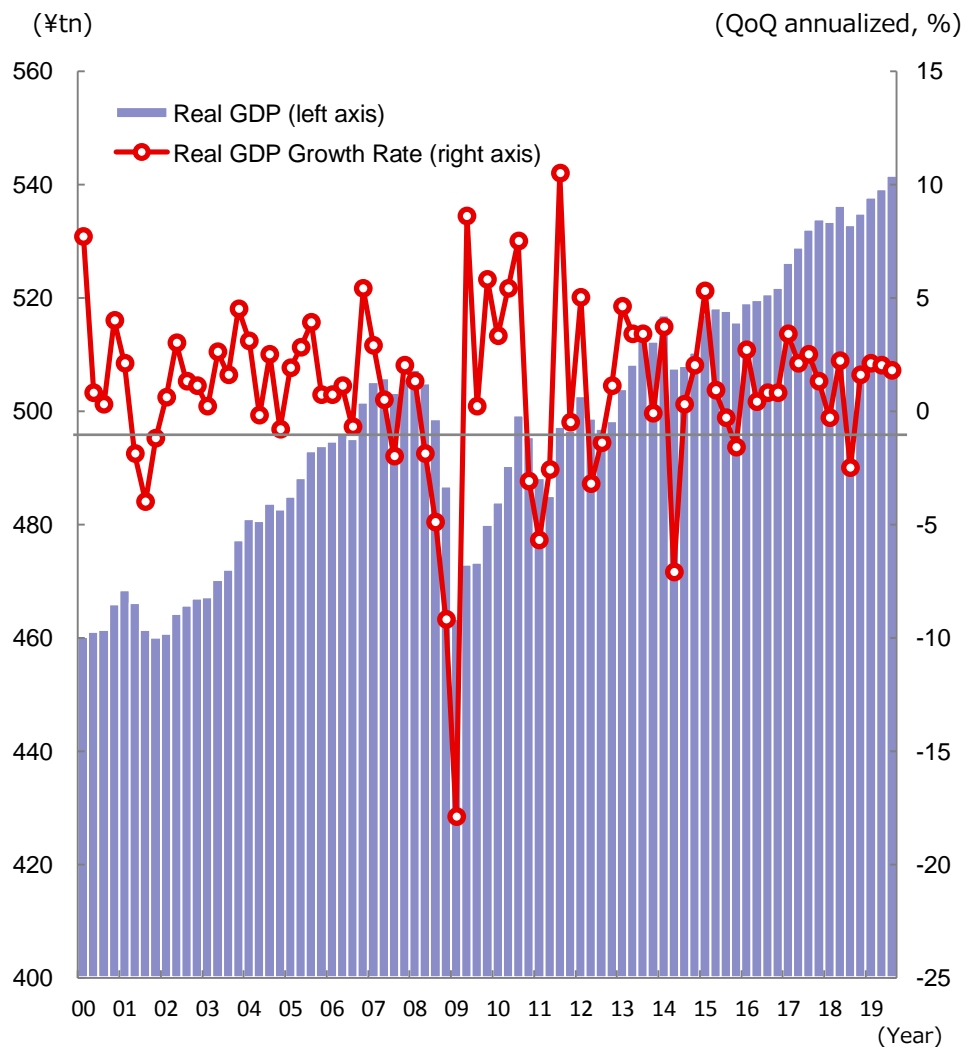
- Guideline for market operations:
 - Remain around zero percent (10-year JGB yields)

(Source) Bloomberg

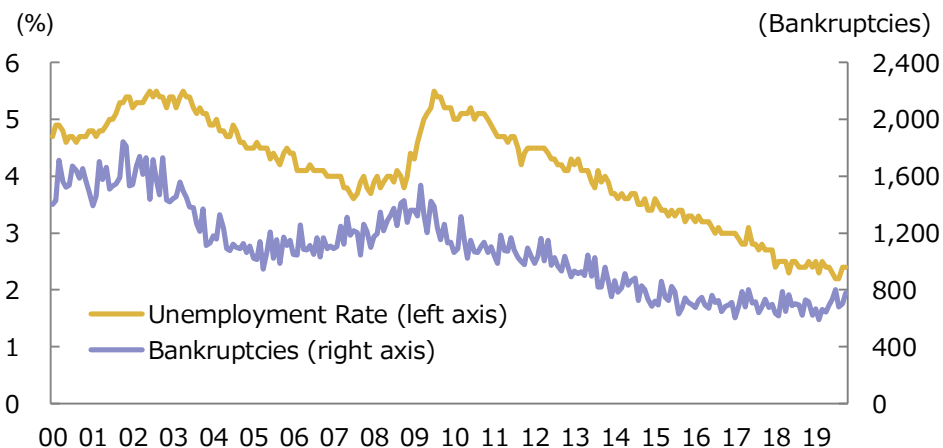
Economic environment in Japan

- Economic environment in Japan (1)

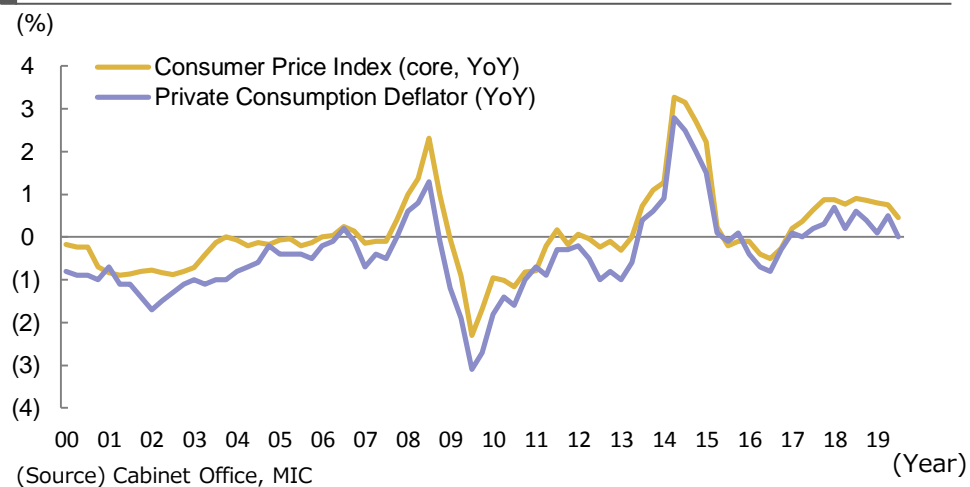
Real GDP



Unemployment rate and corporate bankruptcies



Customer prices and private consumption deflator



Economic environment in Japan

- Economic environment in Japan (2)

Equity

100= Value on January 4, 2016



(Source) Bloomberg

FX

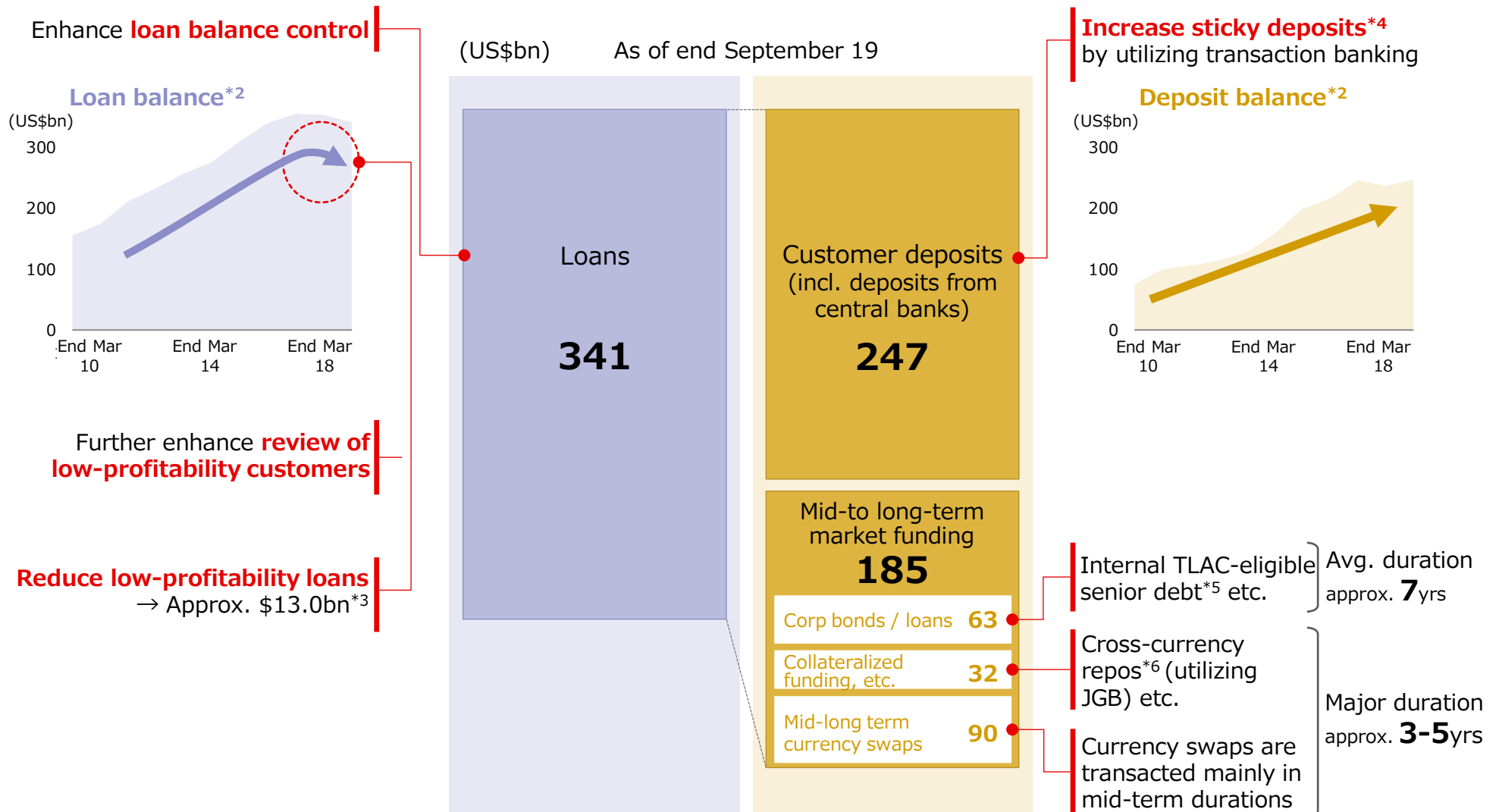
(US\$/¥)



(Source) Bloomberg

Non-JPY loans and funding strategy*1

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



*1 The Bank consolidated excl. MUAH, KS and BDI. Managerial accounting basis *2 Managerial accounting basis *3 Results of FY18. Approx. ¥1.4tn (US\$1=¥110)

*4 Diversified deposits that are considered to remain in the bank during times of stress

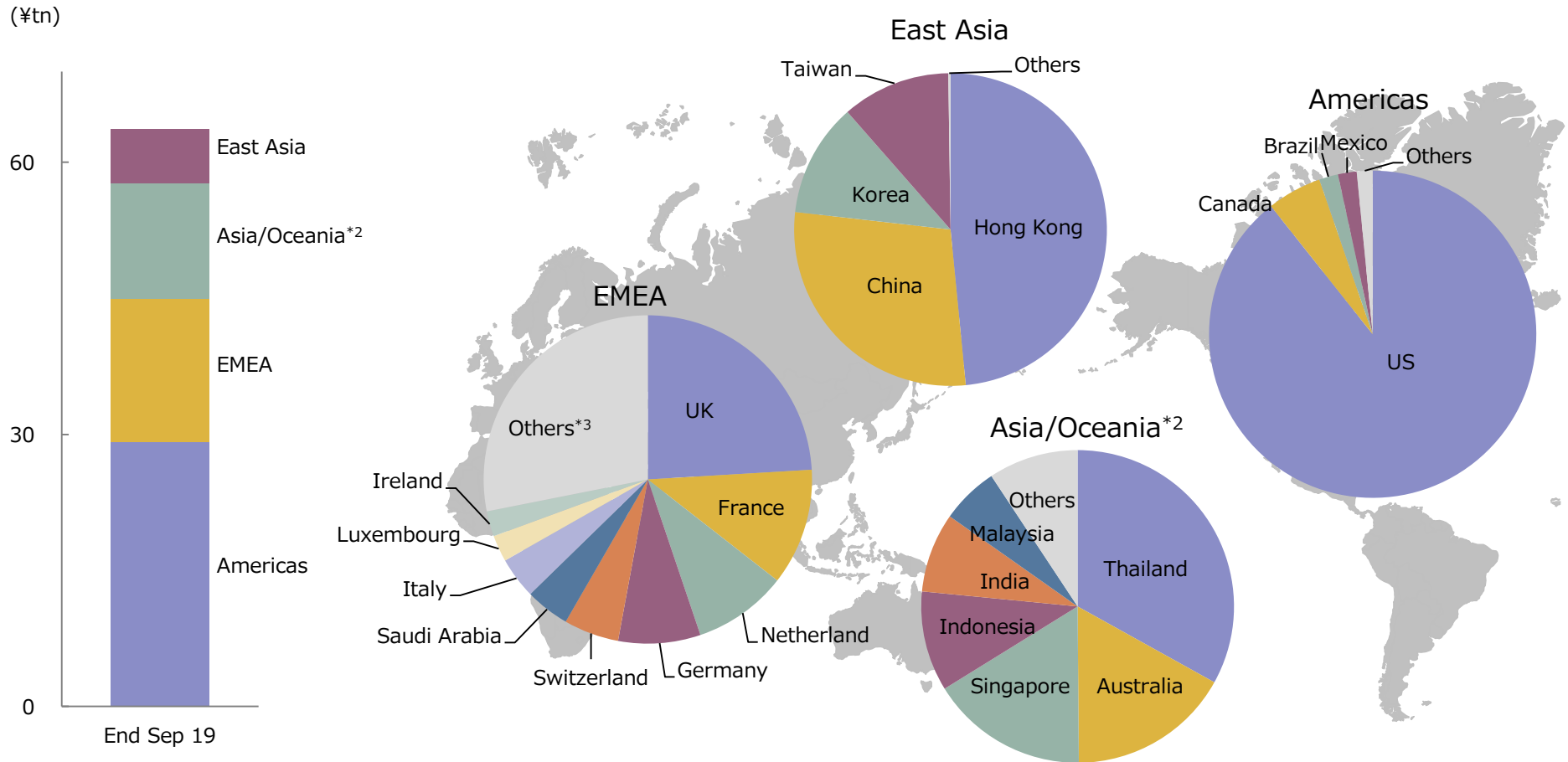
*5 Internal TLAC-eligible inter-group loans from HoldCo (MUFG) using proceeds from issuances of TLAC-eligible senior bonds by MUFG

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

Overseas corporate credit exposure

Credit exposure*1 to overseas corporate borrowers by region

Consolidated



*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 ¥ 107.92/US\$

*2 Excludes BDI's exposure

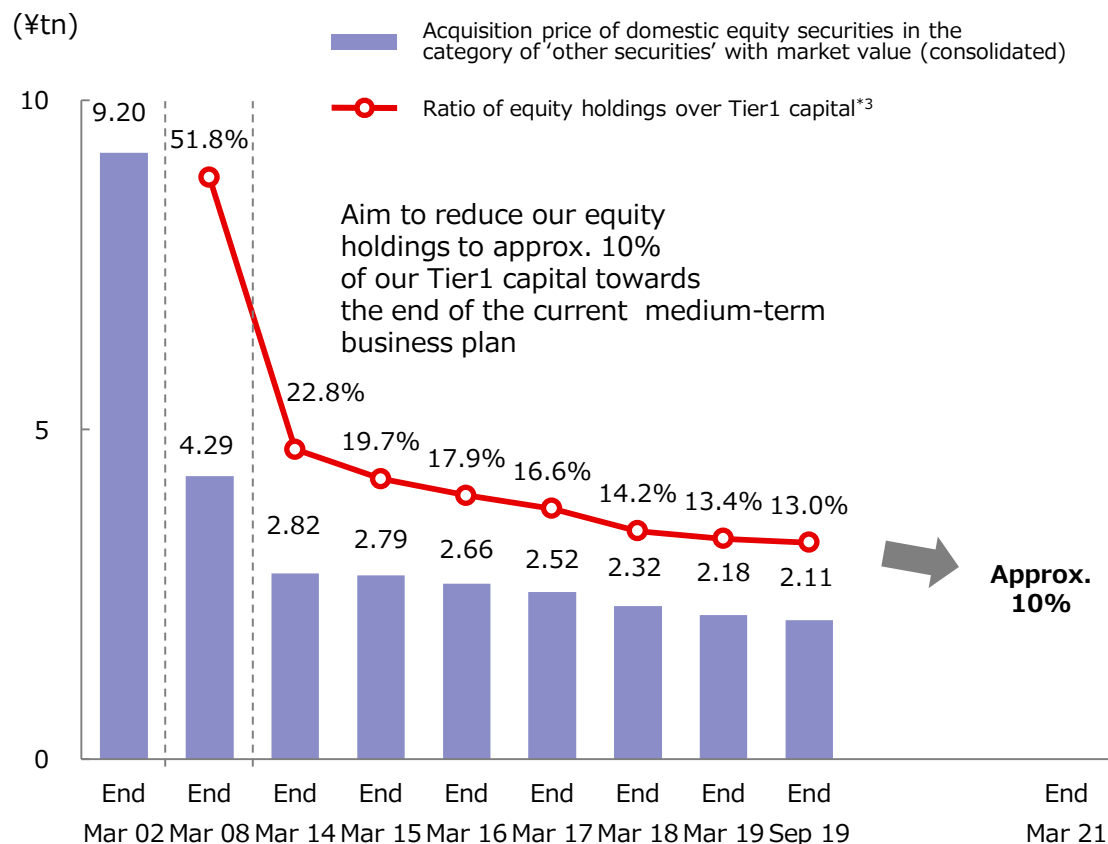
*3 Others in EMEA are comprised of approximately 60 countries to which MUFG held less than 2.5% exposure

(Note) All figures are on managerial accounting basis

Reduction of equity holdings

- Aim to accelerate reduction of equity holdings considering the risk, capital efficiency and international financial regulations
- Approx. ¥52 bn^{*1*2} equities were sold in FY19 H1

Reduction of equity holdings



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

(¥bn)

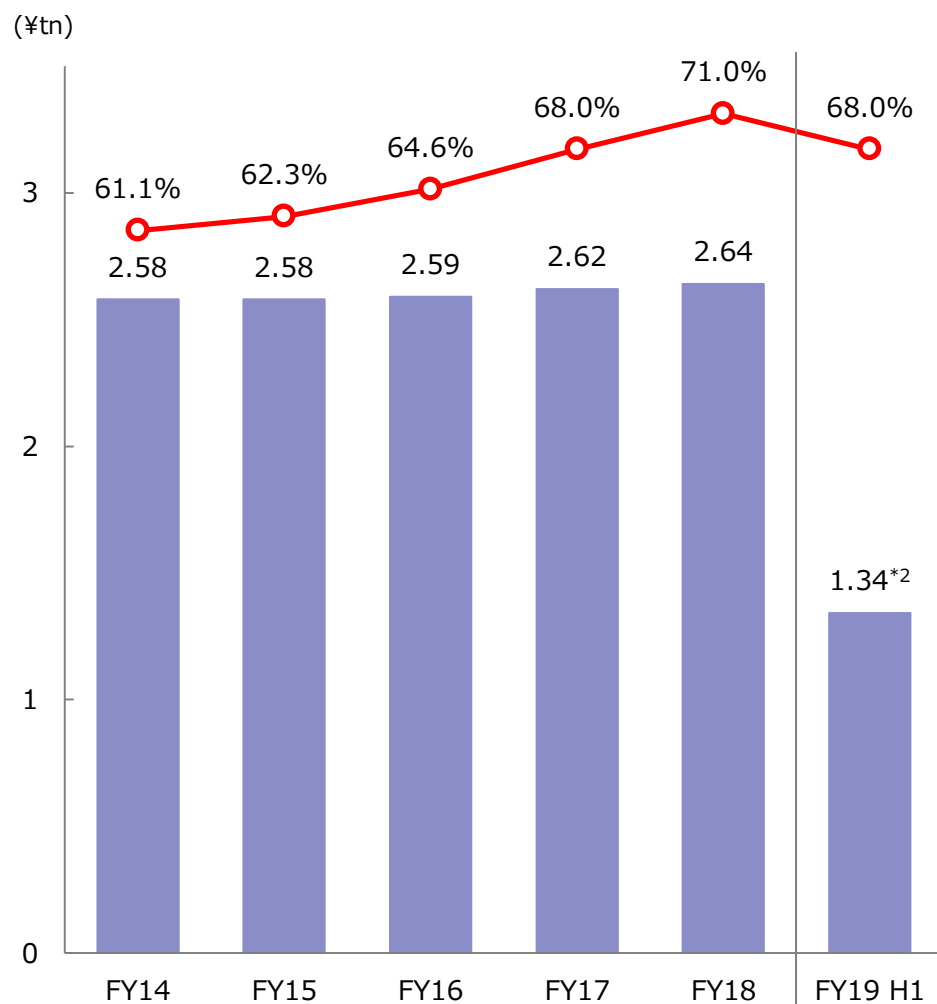
	Selling amount	Acquisition cost basis	Net gains (losses)
FY15	211	117	94
FY16	267	149	118
FY17	318	201	117
FY18	242	127	115
FY19 H1	93	52	41
Total	1,131	646	485

*1 Sum of the Bank and the Trust Bank *2 Acquisition cost basis
*3 Under Basel II basis until end March 12 (consolidated)

Expenses

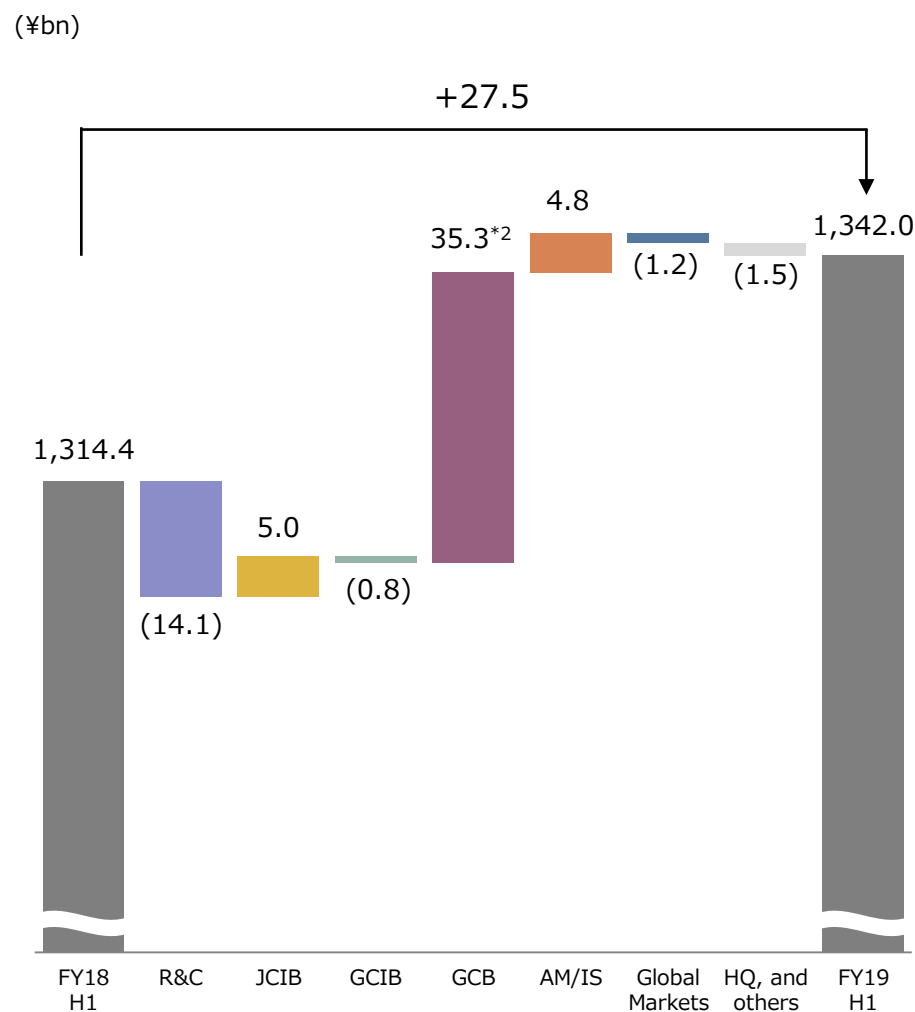
G&A expenses / expense ratio*1

Consolidated



Increase and decrease by business group

Consolidated



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

*2 Including the impact of the consolidation of BDI (approx. ¥25.5bn)

US GAAP consolidated financials - Balance sheet

Balance sheet

(¥mm)

Assets	End Mar 19
Cash and due from banks	33,924,340
Interest-earning deposits in other banks	40,646,920
Call loans, funds sold, and receivables under resale agreements	12,084,735
Receivables under securities borrowing transactions	2,758,573
Trading account assets	40,576,618
Investment securities	44,938,004
Net loans	116,225,757
Premises and equipment	973,600
Accrued interest	359,648
Customers' acceptance liability	247,996
Intangible assets—net	927,196
Goodwill	433,891
Deferred tax assets	89,719
Other assets	11,041,902
Total assets	305,228,899

(¥mm)

Liabilities and shareholders' equity	End Mar 19
Total Deposits	199,280,789
Call money, funds purchased, and payables under repurchase agreements	27,674,952
Payables under securities lending transactions	913,087
Due to trust account and Other short-term borrowings	9,467,025
Trading account liabilities	13,009,492
Obligations to return securities received as collateral	3,087,026
Bank acceptances outstanding	247,996
Accrued interest	214,735
Long-term debt	27,990,543
Other liabilities	7,358,506
Total liabilities	289,244,151
Capital stock	2,090,270
Capital surplus	5,577,186
Retained earnings	8,333,597
Accumulated other comprehensive income, net of taxes	(284,269)
Treasury stock, at cost	(517,236)
Noncontrolling interests	785,200
Total equity	15,984,748
Total liabilities and shareholders' equity	305,228,899

US GAAP consolidated financials - Statement of operations

Statement of operation

(¥mm)

Statement of Operations Data

Fiscal year ended Mar 19

Interest income	3,813,379
Interest expense	1,517,981
Net interest income	2,295,398
Provision for (reversal of) credit losses	34,330
Net interest income after provision for (reversal of) credit losses	2,261,068
Non-interest income	1,595,244
Non-interest expense	2,985,470
Income (loss) before income tax expense	870,842
Income tax expense (benefit)	133,237
Net income before attribution of noncontrolling interests	737,605
Net income (loss) attributable to noncontrolling Interests	18,960
Net income attributable to Mitsubishi UFJ Financial Group	718,645

(¥)

Earnings (loss) per share

Fiscal year ended Mar 19

Basic earnings	
Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group	55.03
Diluted earnings	
Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group	54.74

US GAAP consolidated financials

- Reverse reconciliation from US GAAP to Japanese GAAP

Reverse reconciliation of shareholders' equity and net income

(¥mm)

End Mar 19

Total equity in accordance with U.S. GAAP		
Differences arising from different accounting for:		15,984,748
1	Investment securities	77,262
2	Loans	(11,499)
3	Allowance for credit losses	151,564
4	Fixed assets	391,857
5	Pension liability	(13,524)
6	Derivative financial instruments and hedging activities	233,526
7	Compensated absences	44,066
8	Long-term debt	(271)
9	Consolidation	362,025
10	Goodwill	213,079
11	Intangible assets	(8,940)
12	Investments in equity method investees	616,445
13	Others	(598,176)
Deferred income tax effects of the above adjustments, when applicable		(180,485)
Net assets in accordance with Japanese GAAP		17,261,677

(¥mm)

Fiscal year ended Mar 19

Net Income before attribution of noncontrolling interests in accordance with U.S. GAAP		
Differences arising from different accounting for:		737,605
1	Investment securities	176,130
2	Loans	418
3	Allowance for credit losses	85,365
4	Fixed assets	(30,706)
5	Pension liability	(29,614)
6	Derivative financial instruments and hedging activities	(92,415)
7	Compensated absences	4,669
8	Long-term debt	(3,963)
9	Consolidation	94,392
10	Goodwill	(17,431)
11	Intangible assets	4,670
12	Investments in equity method investees	70,580
13	Others	(404)
Deferred income tax effects of the above adjustments, when applicable		(49,538)
Net Income before attribution of noncontrolling interests in accordance with Japanese GAAP		949,758