



Fiscal 2020 Interim Results

Fixed Income Investors Presentation

December 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 December 4, 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		

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)		

Note regarding financial information: Accounting Standard Board of Japan (“ASBJ”) Statement No. 30, “Accounting Standard for Fair Value Measurement,” and ASBJ Guidance No. 31, “Implementation Guidance on Accounting Standard for Fair Value Measurement,” have been applied since the end of the previous fiscal year. Accordingly, the financial information for the six months ended September 30, 2019 reflects the retroactive application of the new accounting standard, etc.

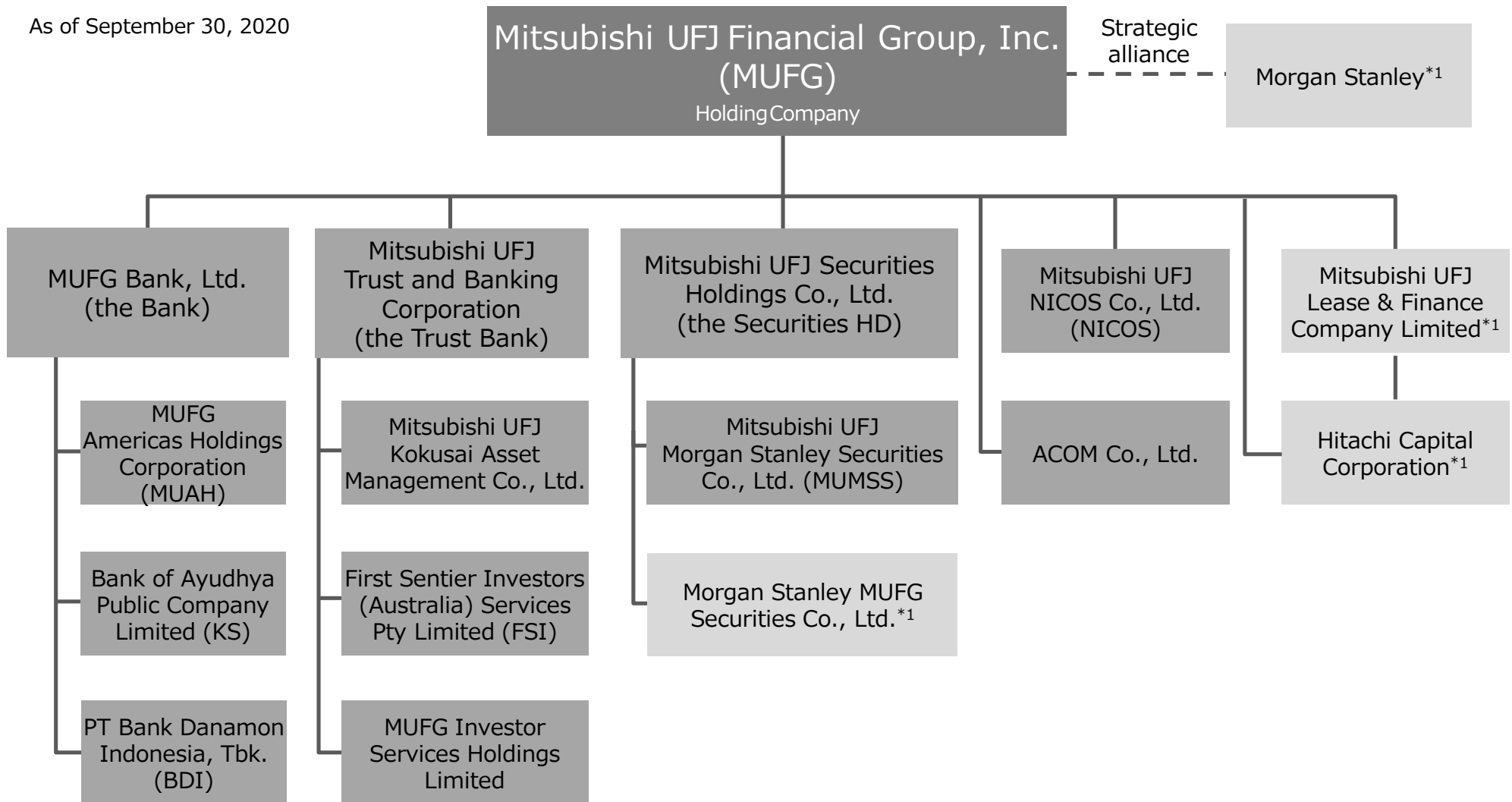
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Section 1 Overview

Group structure

As of September 30, 2020



*1 Mitsubishi UFJ Lease & Finance, Morgan Stanley, Morgan Stanley MUFG Securities and Hitachi Capital are equity method investees of MUFG as of September 30, 2020

MUFG at a glance

Financials*1

Consolidated

FY2020 H1

1 Consolidated gross profits (before credit costs for trust accounts)	¥2,093.0bn / US\$19.8bn
2 Profits attributable to owners of parent	¥400.8bn / US\$3.8bn

End Sep 2020

3 Total assets	¥348.4tn / US\$3.3tn
4 Loans (banking + trust accounts)	¥108.7tn / US\$1,031bn
5 Deposits	¥201.7tn / US\$1,912bn
6 Market capitalization*2	¥5.7tn / US\$55.2bn
7 Consolidated LCR*3	160.8%
8 NPL ratio*4	1.15%

Group network

(As of end September 2020)

Domestic Network:

Approx. 600 locations*7

Overseas Network:

**Approx. 2,000 locations*8
across over 50 countries**

*1 Exchange rate applied is ¥105.47/US\$

*2 As of end of November 2020. Exchange rate applied is ¥104.35/US\$

*3 The ratio is the three-month average of daily LCR for the three months ended September 30, 2020, 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

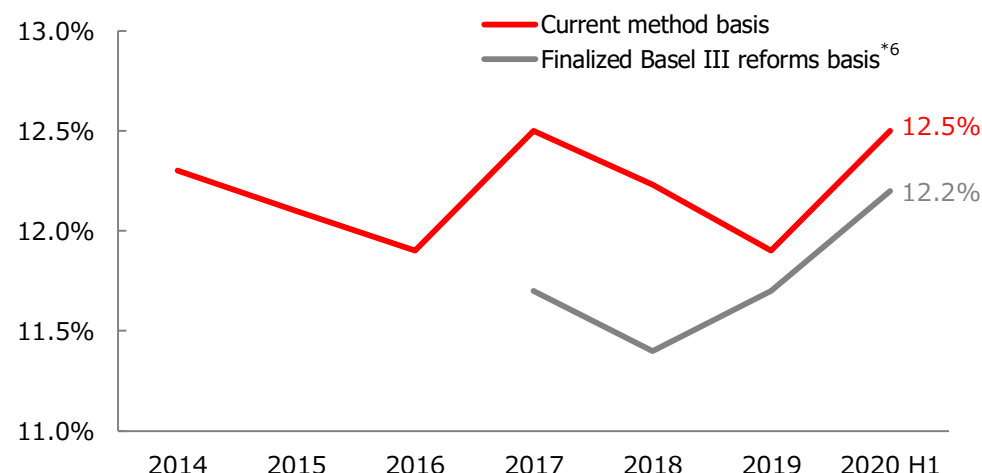
*4 Total risk-monitored loans / total loans and bills discounted (banking accounts as of period end)

*5 Calculated on the basis of regulations applied at the end of September 2020

*6 Estimated CET1 ratio reflecting the RWA increase calculated on the basis of the finalized Basel III reforms expected to be applied in 2028, according to the announcement by the

Capital

Consolidated

Common Equity Tier 1 Capital Ratio as of
end September 2020 (financial strength)
12.5%
(current method basis)*5


Ratings (holding company)

(As of end November 2020)

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

Financial Services Agency of Japan on March 30, 2020, following the press release published by the Group of Central Bank Governors and Heads of Supervision to the effect that the transitional periods for the Basel III finalization framework has been extended by one year to 1 January 2028

*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

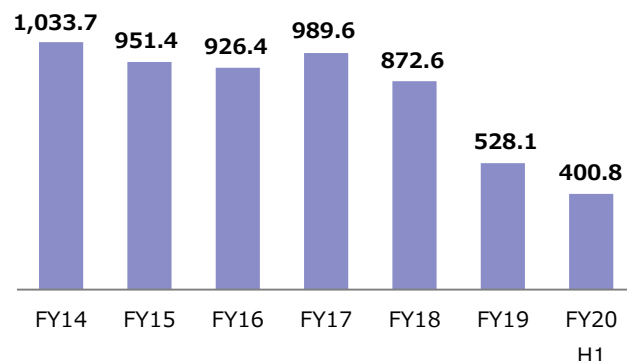
*8 Including 410 locations of Adira Finance, a subsidiary of BDI

MUFG credit highlight

Profit track record

Consolidated

(¥bn)



Profits attributable to owners of parent

Ample liquidity

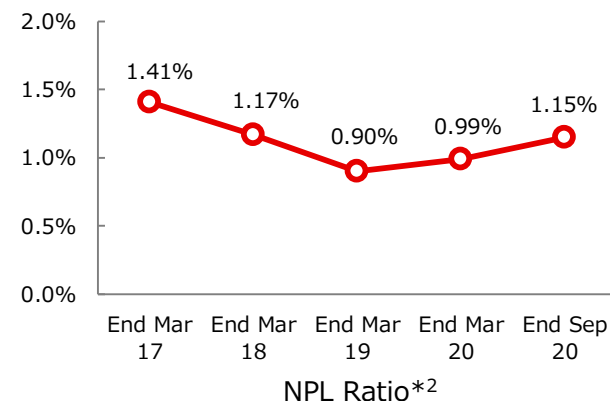
Consolidated

160.8%

Consolidated Liquidity Coverage Ratio*1
(End September 2020)

Sound asset quality

Consolidated



NPL Ratio*2

Sufficient capital

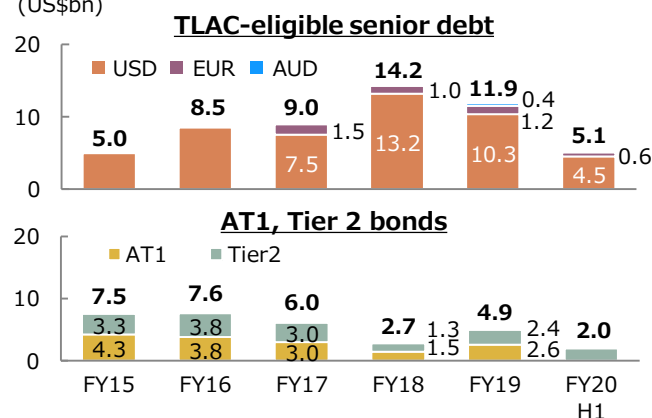
Consolidated

12.5%

CET1 capital ratio
(current method basis*3)
(End September 2020)

Issuance track record*4

(US\$bn)



Credit ratings

A1 / A- / A-

Moody's / S&P / Fitch
(End November 2020)

*1 The ratio is the three-month average of daily LCR for the three months ended September 30, 2020, 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 2020

*4 Total of public issuance (excluding the amount of buyback (US\$ 2.6bn)), as of end September 2020. All figures are converted into US\$ using actual exchange rates as of end September 2020

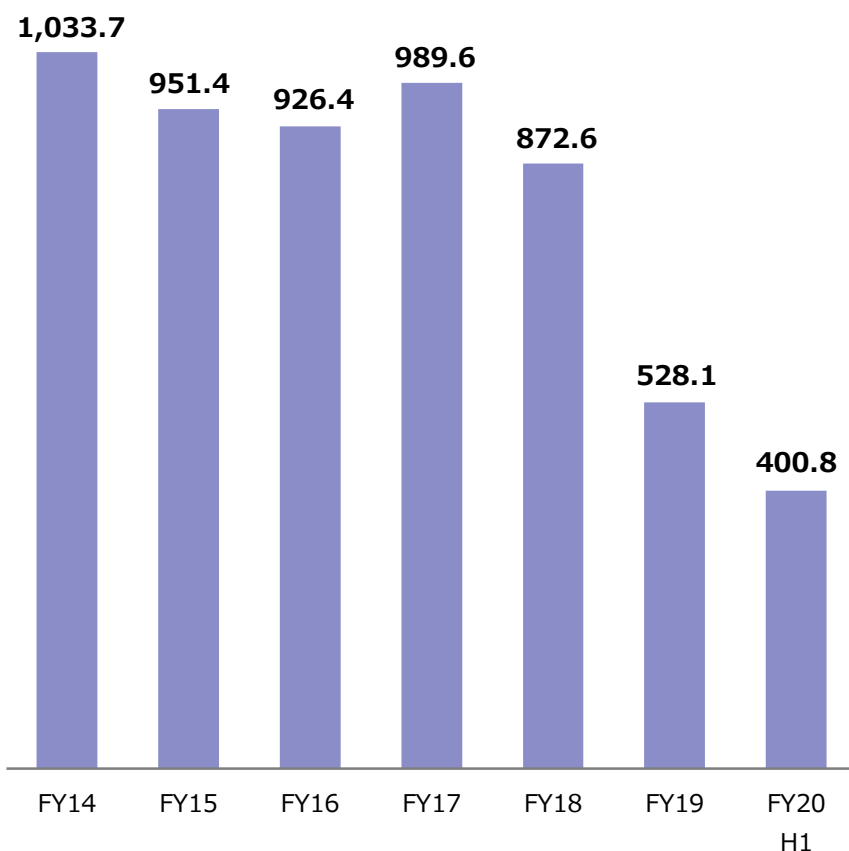
Section 2 Financial results

Outline of profits attributable to owners of parent

History of profits attributable to owners of parent

Consolidated

(¥bn)

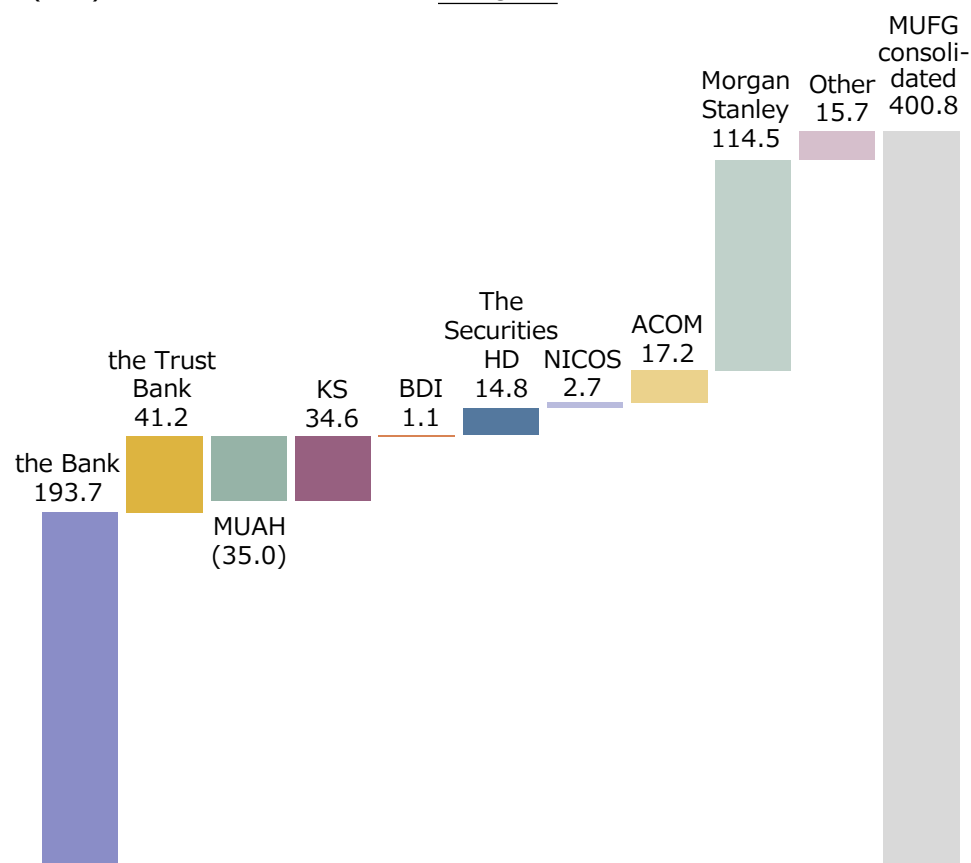


Breakdown of profits attributable to owners of parent*1

Consolidated

(¥bn)

FY20 H1



*1 The figures reflect the profit attributable to the group's percentage holding in each subsidiary and equity method investee

Income statement summary

Income statement

Consolidated

(¥bn)	FY19 H1 ^{*1}	FY20 H1	YoY
1 Gross profits (before credit costs for trust accounts)	1,969.1	2,093.0	123.8
2 Net interest income	934.1	966.5	32.4
3 Trust fees + Net fees and commissions	684.6	690.4	5.7
4 Net trading profits + Net other operating profits	350.3	436.0	85.6
5 Net gains (losses) on debt securities	179.5	201.9	22.4
6 G&A expenses	1,342.0	1,352.5	10.5
7 Net operating profits	627.1	740.4	113.3
8 Total credit costs^{*2}	(18.0)	(258.4)	(240.3)
9 Net gains (losses) on equity securities	17.7	24.2	6.5
10 Net gains (losses) on sales of equity securities	48.6	39.7	(8.8)
11 Losses on write-down of equity securities	(30.9)	(15.5)	15.4
12 Profits (losses) from investments in affiliates	149.6	153.1	3.5
13 Other non-recurring gains (losses)	14.7	(69.2)	(83.9)
14 Ordinary profits	791.0	590.2	(200.8)
15 Net extraordinary gains (losses)	(9.1)	(17.6)	(8.4)
16 Total of income taxes-current and income taxes-deferred	(125.5)	(132.3)	(6.8)
17 Profits attributable to owners of parent	606.9	400.8	(206.1)
18 EPS (¥)	46.96	31.21	(15.75)

*1 ASBJ Statement No. 30, "Accounting Standard for Fair Value Measurement," and ASBJ Guidance No. 31, "Implementation Guidance on Accounting Standard for Fair Value Measurement," have been retroactively applied

*2 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

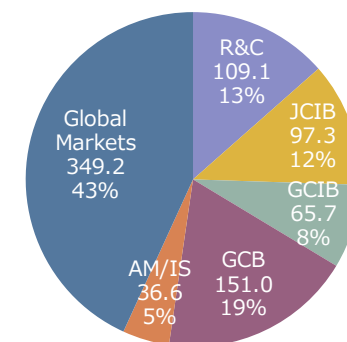
*3 On a managerial accounting basis. ASBJ Statement No. 30 and Guidance No. 31 have been retroactively applied on FY19 H1 figures.

*4 Including profits or losses from others

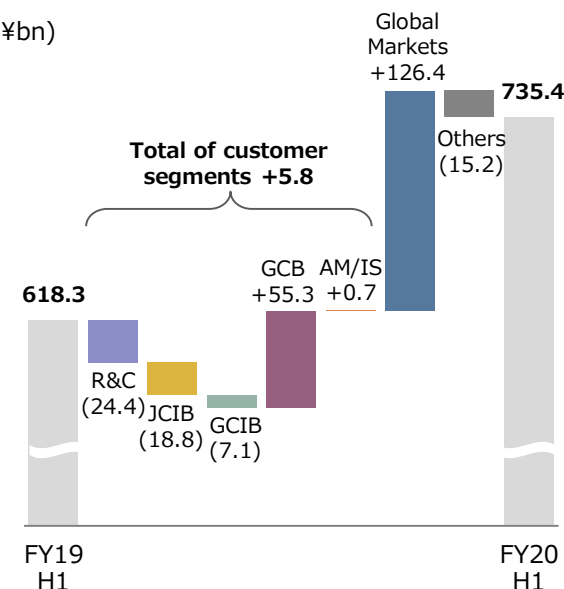
Net operating profits by business segment^{*3}

Consolidated

(¥bn)

FY20 H1 ¥735.4bn^{*4}

(¥bn)

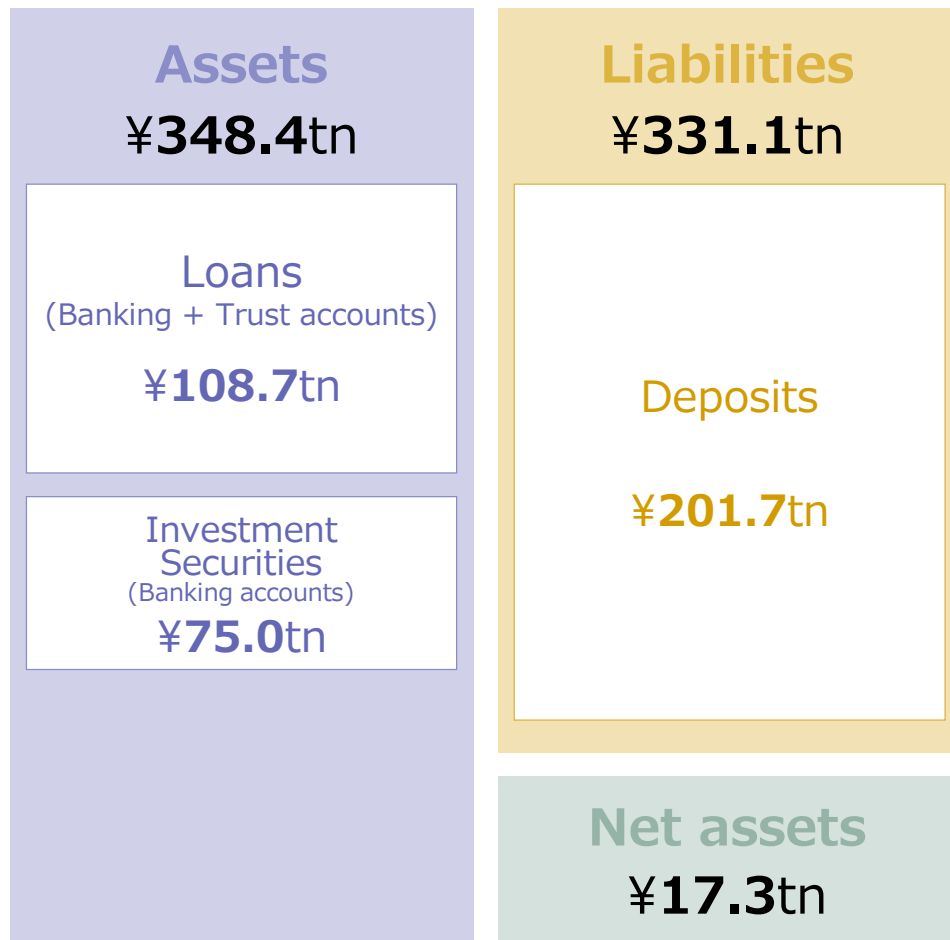


Balance sheet summary

Condensed balance sheet

Consolidated

As of end September 20

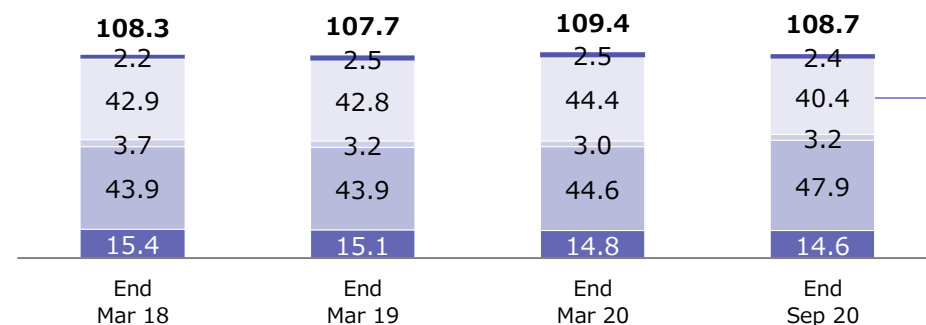


Loans (Period end balance) *1

Consolidated

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

Overseas: (¥3.9tn) from end March 20 ((¥0.3tn) for impact of FX translation)

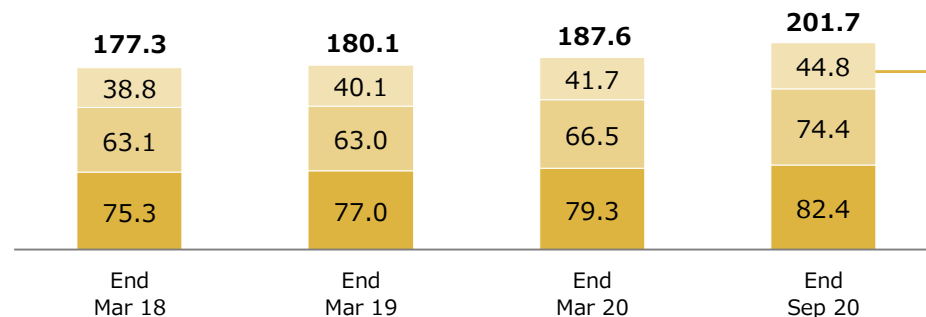


Deposits (Period end balance)

Consolidated

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

Overseas: +¥3.0tn from end March 20 ((¥0.4tn) for impact of FX translation)



*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 translation: +¥3.4tn from the end of March 2020)

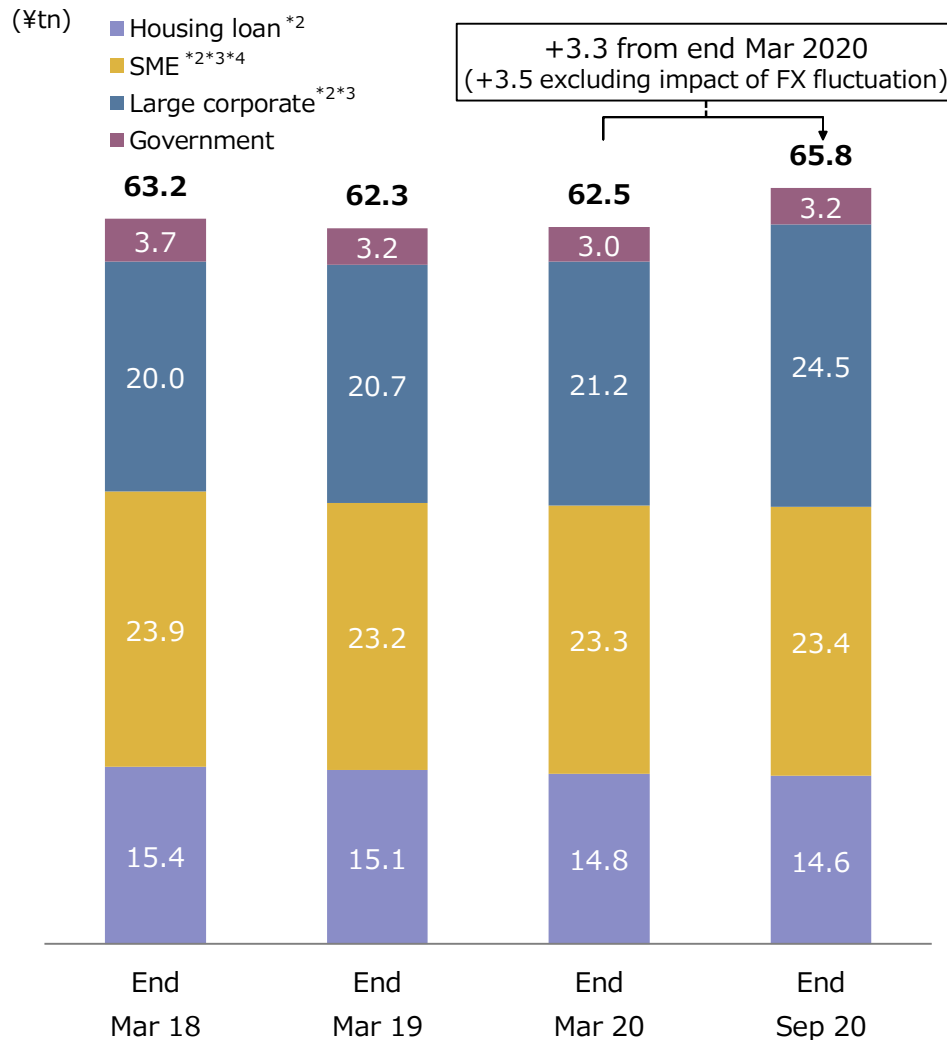
*4 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe)

*5 Non-consolidated

Domestic loans

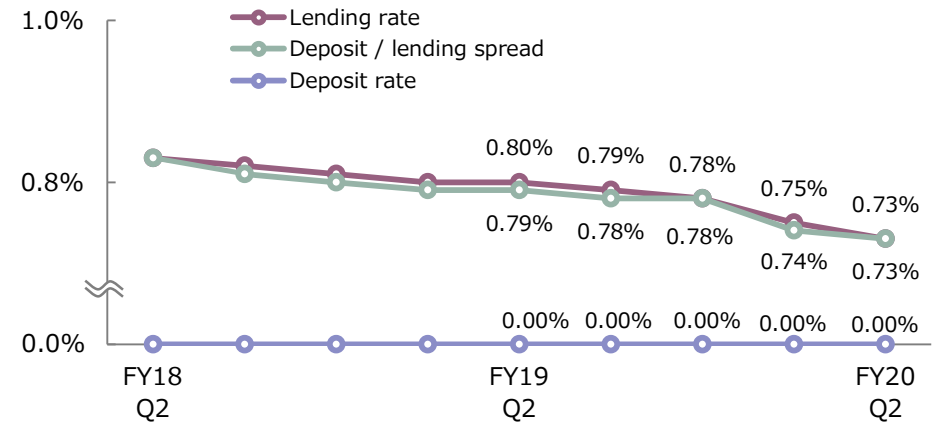
Loan balance (Period end balance)*¹

Consolidated



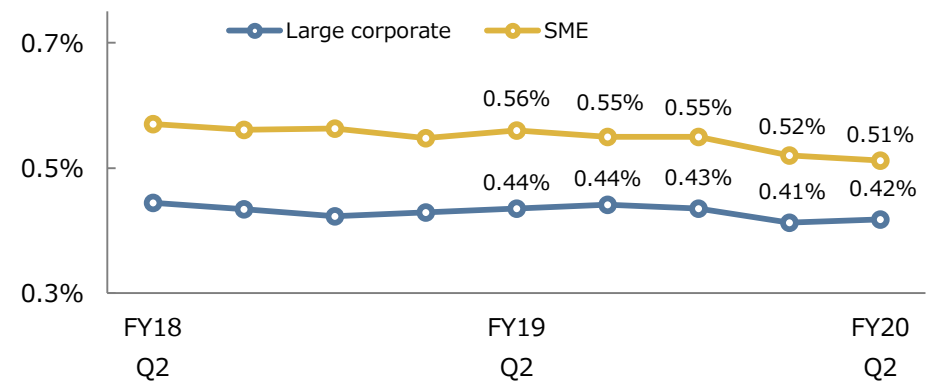
Changes in domestic deposit / lending rate*⁵*⁶

Non-consolidated



Domestic corporate lending spread*³*⁵*⁶

Non-consolidated

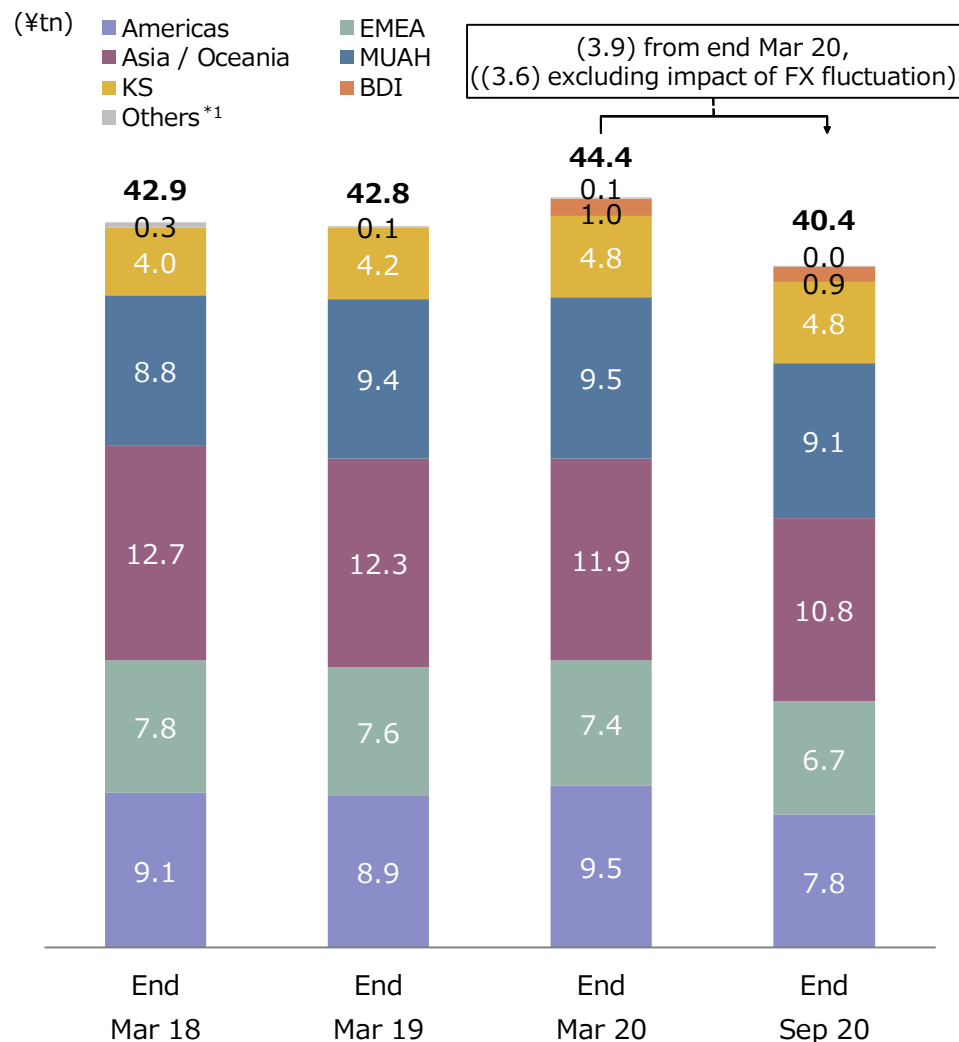


*¹ Sum of banking and trust accounts *² Non-consolidated + trust accounts *³ Including non-JPY loans
 *⁴ Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)
 *⁵ Managerial accounting basis *⁶ Excluding lending to government etc.

Overseas loans

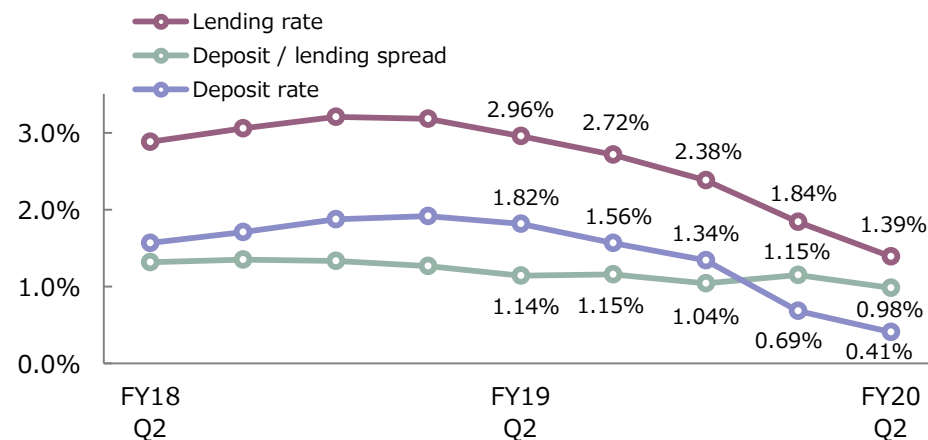
Loan balance (Period end balance)

Consolidated



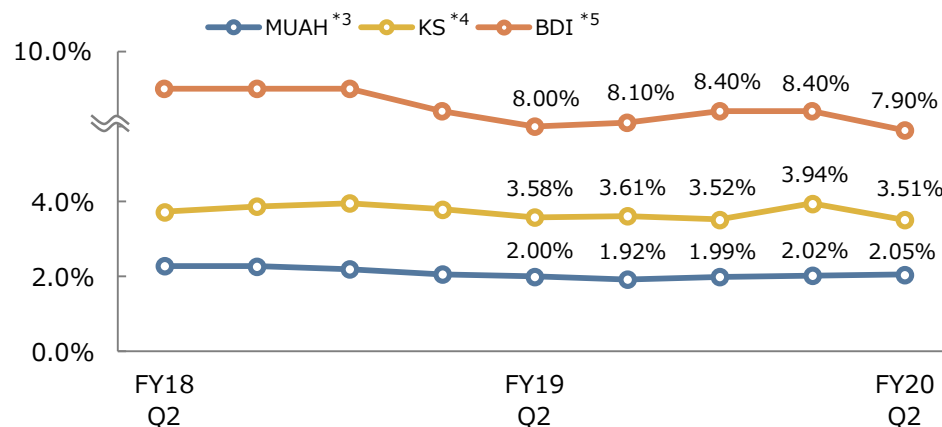
Change in overseas deposit / lending rate*2

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

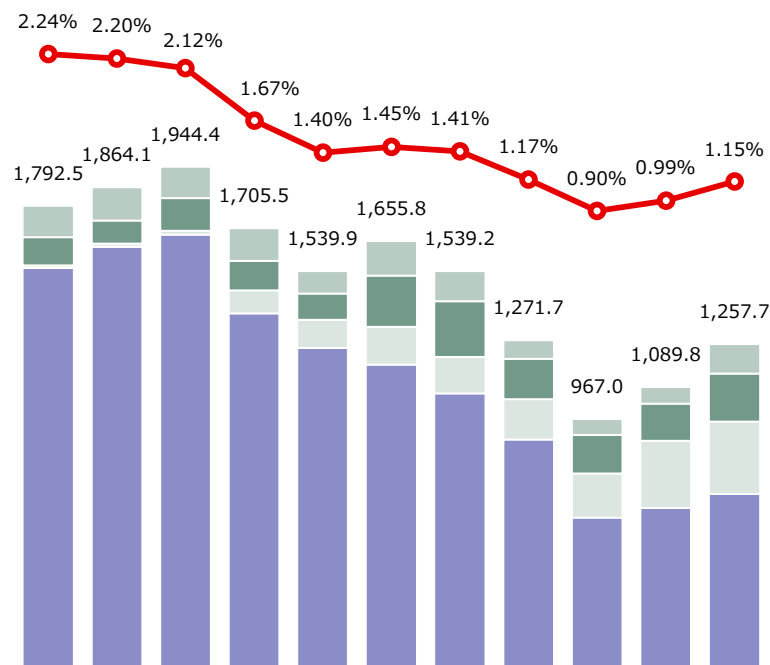
Loan assets

Balance of risk-monitored loans*1

Consolidated

(\$bn)

Risk-monitored loans ratio*2



[Breakdown]

	Mar 11	Mar 12	Mar 13	Mar 14	Mar 15	Mar 16	Mar 17	Mar 18	Mar 19	Mar 20	Sep 20
EMEA*3	121.1	127.2	122.0	126.3	88.2	133.9	116.0	71.3	64.0	63.7	114.4
Americas*3	110.3	89.2	125.0	114.9	100.7	199.4	216.0	157.5	148.2	145.5	188.1
Asia	9.4	14.4	17.0	89.0	108.8	145.3	142.3	155.8	170.3	259.1	279.3
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	621.3	675.8

*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)

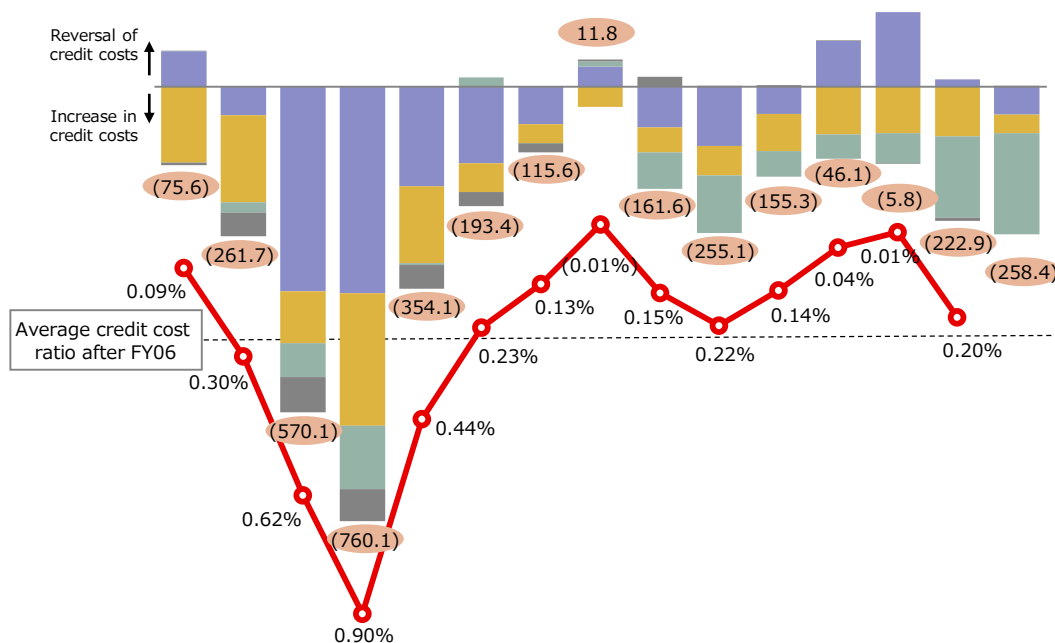
*3 Figures of EMEA (Europe, Middle East and Other) and Americas before March 2012 were previously disclosed as Other and United States of America, respectively

Total credit costs / Credit cost ratio

Consolidated

(\$bn)

Total credit costs*4 Credit cost ratio*5



[Breakdown]

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20 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	12.6	(48.7)
CF*6	(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)	(87.6)	(32.9)
Overseas*7	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)	(141.6)	(177.2)
Others*8	(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)	(6.2)	0.5

*4 Including gains from recovery of loans written off

*5 Total credit costs / loan balance as of period end

*6 Sum of NICOS and ACOM on a consolidated basis

*7 Sum of overseas subsidiaries of the Bank and the Trust Bank

*8 Sum of other subsidiaries and consolidation adjustment

Investment securities

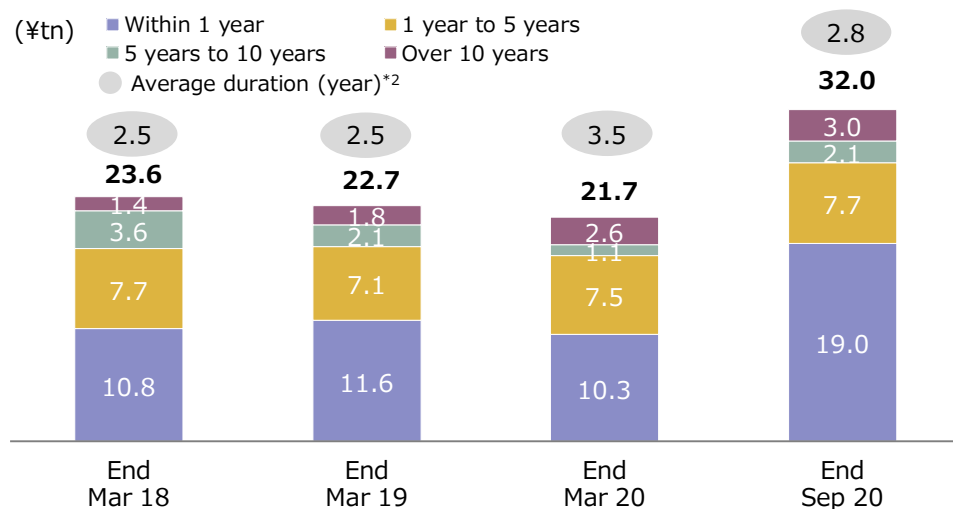
Available-for-sale securities with fair value

Consolidated

(¥bn)		Balance		Unrealized gains (losses)	
		End Sep 20	Changes from End Mar 20	End Sep 20	Changes from End Mar 20
1	Total	71,724.9	9,573.7	3,552.5	663.8
2	Domestic equity securities	4,686.1	544.7	2,747.2	607.2
3	Domestic bonds	38,647.7	11,174.6	182.9	11.5
4	Japanese government bonds	30,936.3	10,293.2	135.2	11.3
5	Others	28,391.0	(2,145.7)	622.3	45.0
6	Foreign equity securities	71.0	(8.4)	6.5	(6.0)
7	Foreign bonds	22,556.0	(1,946.4)	624.8	(113.3)
8	Others	5,763.8	(190.8)	(9.1)	164.4

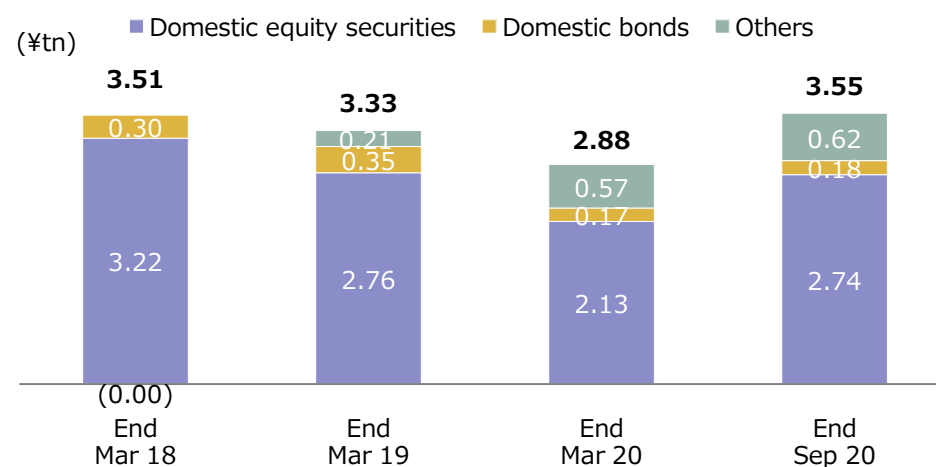
Balance of JGB portfolio and duration*1

Non-consolidated



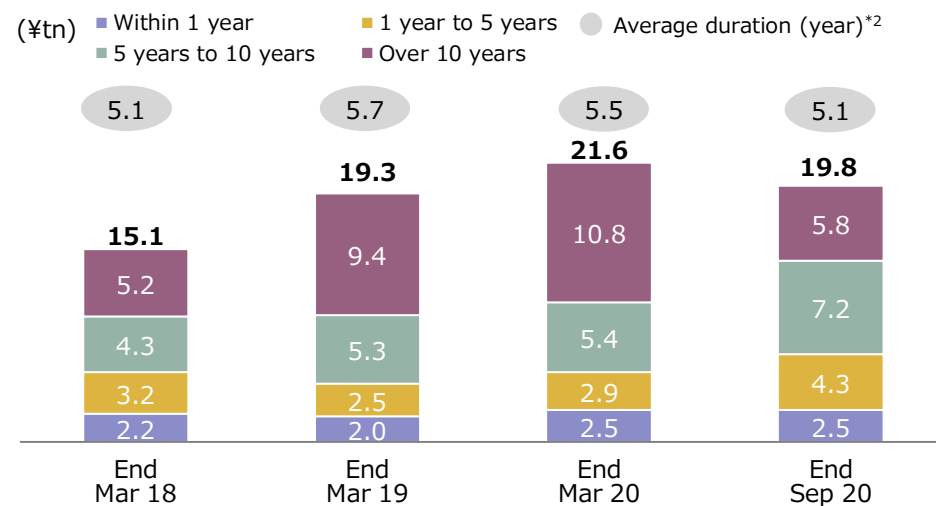
Unrealized gains (losses) on available-for-sale securities

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

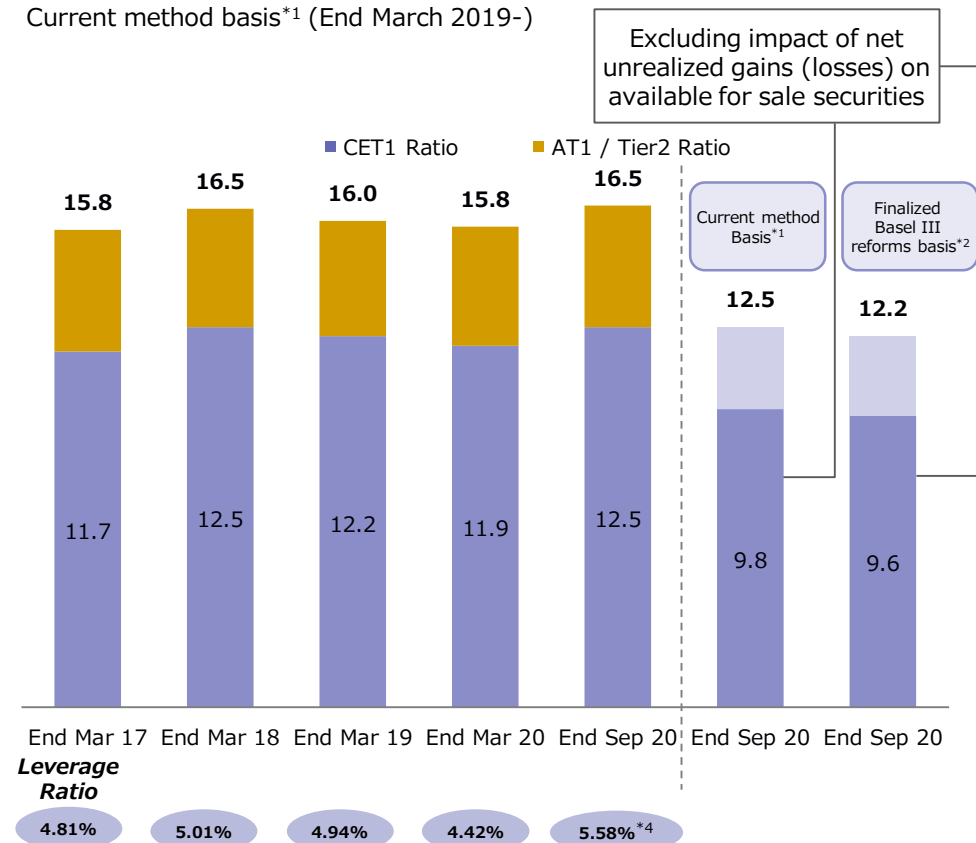
Capital

CET1 / Total capital ratio

Consolidated

Transitional basis (-End March 2018)

Current method basis*1 (End March 2019-)



*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 2028, according to the announcement by the Financial Services Agency of Japan on March 30, 2020, following the press release published by the Group of Central Bank Governors and Heads of Supervision to the effect that the transitional periods for the Basel III finalization framework has been extended by one year to 1 January 2028

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

*4 Based on JFSA notification, deposits with the Bank of Japan is excluded in total exposures as of the end of September 2020

Capital summary

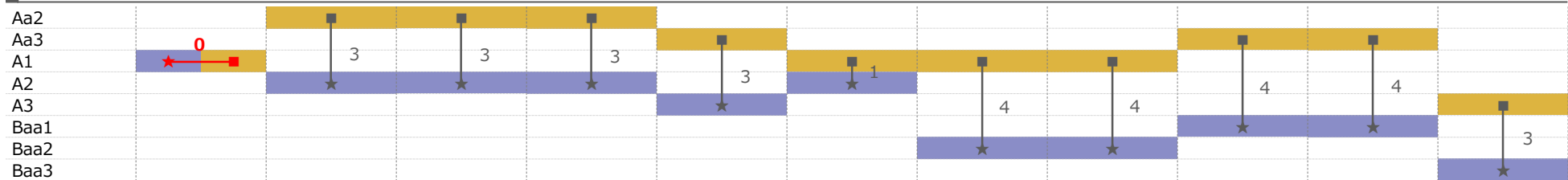
Consolidated

	End Mar 20	End Sep 20	Changes
(¥bn)			
1 Common Equity Tier 1 capital ratio	11.9%	12.5%	0.6ppt
2 Tier 1 capital ratio	13.5%	14.1%	0.5ppt
3 Total capital ratio	15.8%	16.5%	0.6ppt
4 Leverage ratio	4.4%	5.5%	1.1ppt
5 Common Equity Tier 1 capital	13,708.3	14,188.1	479.8
6 Retained earnings	10,855.7	10,982.1	126.3
7 Other comprehensive income	2,518.9	2,858.8	339.9
8 Regulatory adjustments	(2,329.7)	(2,331.3)	(1.6)
9 Additional Tier 1 capital	1,914.9	1,809.8	(105.1)
10 Preferred securities and subordinated debt	1,764.1	1,664.1	(100.0)
11 Tier 1 capital	15,623.3	15,998.0	374.6
12 Tier 2 capital	2,656.2	2,766.3	110.1
13 Subordinated debt	2,303.6	2,339.4	35.7
14 Total capital (Tier 1+Tier 2)	18,279.5	18,764.4	484.8
15 Risk weighted assets	115,135.6	113,312.5	(1,823.0)
16 Credit risk	88,791.7	89,359.0	567.2
17 Market risk	3,150.7	3,460.6	309.8
18 Operational risk	8,269.2	8,163.8	(105.3)
19 Floor adjustment*3	14,923.8	12,328.9	(2,594.8)
20 Total exposures*4	353,117.5	286,573.4	(66,544.0)

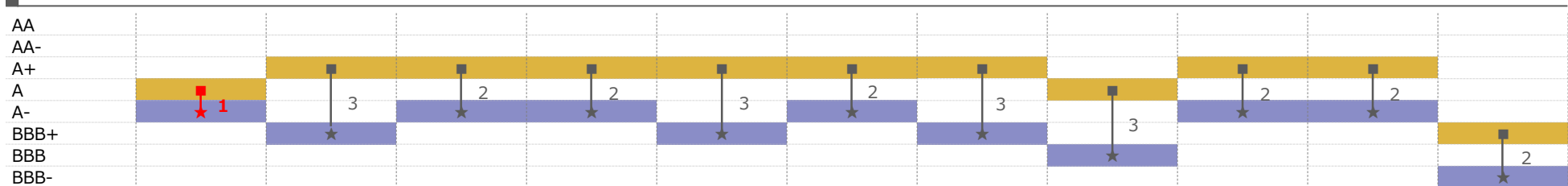
Global financial institutions' senior bonds ratings

As of November 30, 2020 ■ HD / Non-preferred senior ■ Operating bank / Preferred senior

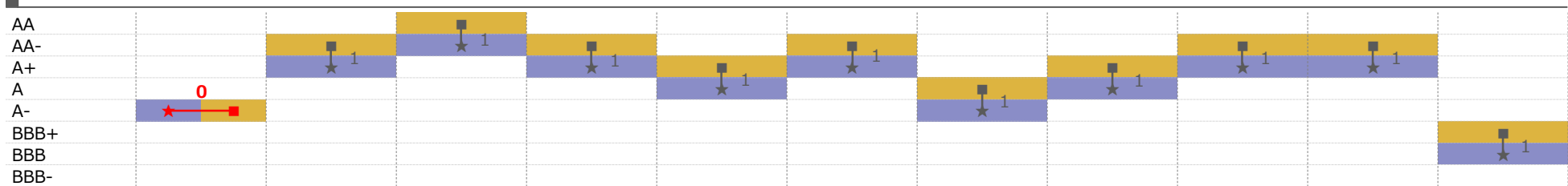
Moody's



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

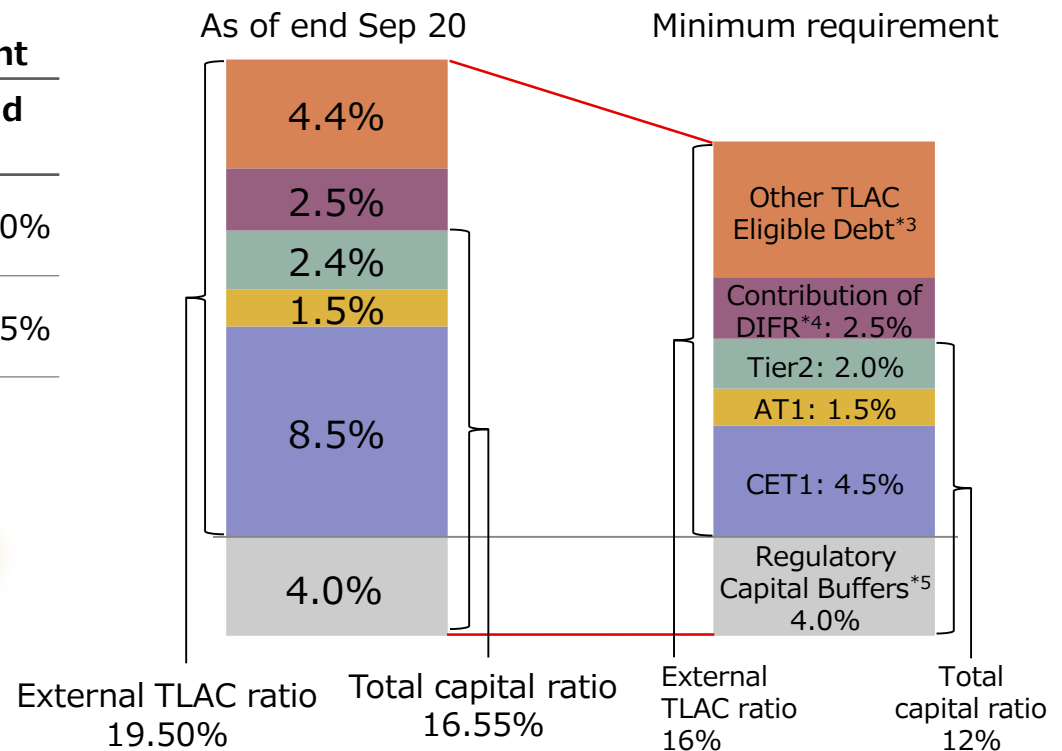
- Aiming for optimal balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
 - Secure necessary and sufficient level of capital with utilization of AT1 / Tier2
 - Maintain sustainable external TLAC ratio for the long term by raising external TLAC-eligible senior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

MUFG's external TLAC ratio and minimum requirement

	As of end Sep 20	Minimum requirement	
		From end Mar 19	From end Mar 22
Risk weighted asset basis	19.50%	16.0%	18.0%
Total exposure basis*¹	9.29%	6.0%	6.75%

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

MUFG's RWA*² based external TLAC ratio



*¹ Based on JFSA notification, deposits with the Bank of Japan are excluded from total exposures as of the end of September 2020.

*² Risk weighted asset

*³ 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.

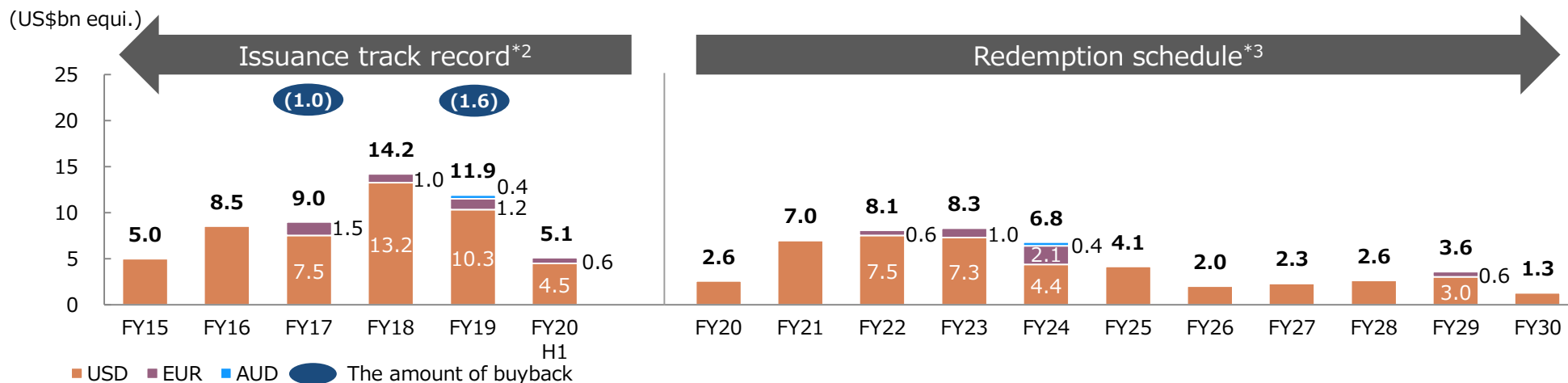
*⁴ Contribution of Deposit Insurance Fund Reserves : Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution set out in the FSB's TLAC termsheet

(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)

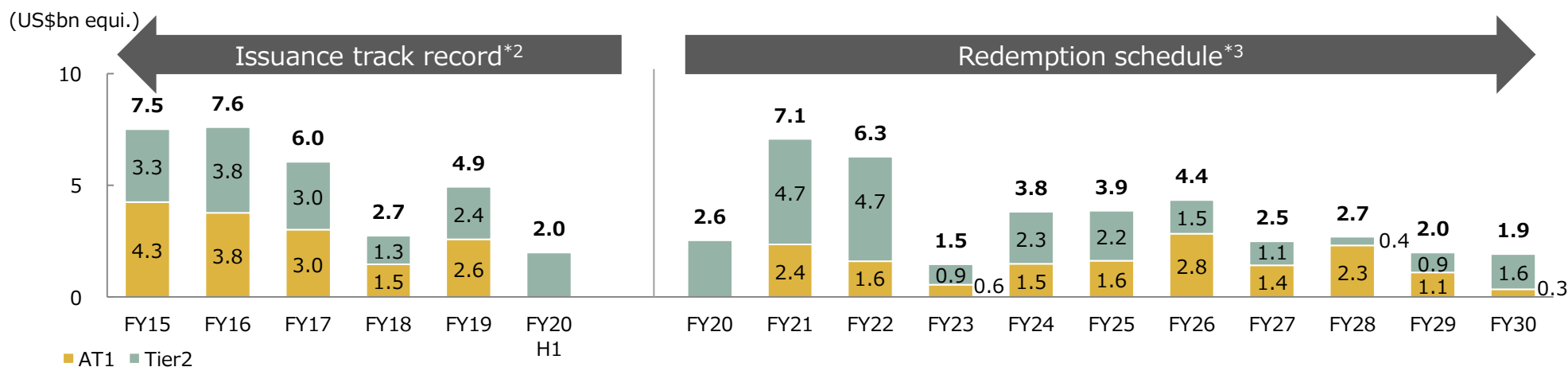
*⁵ CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0%

MUFG issuance track record and redemption schedule

TLAC-eligible senior debt*¹



AT1, Tier2 bond*¹



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

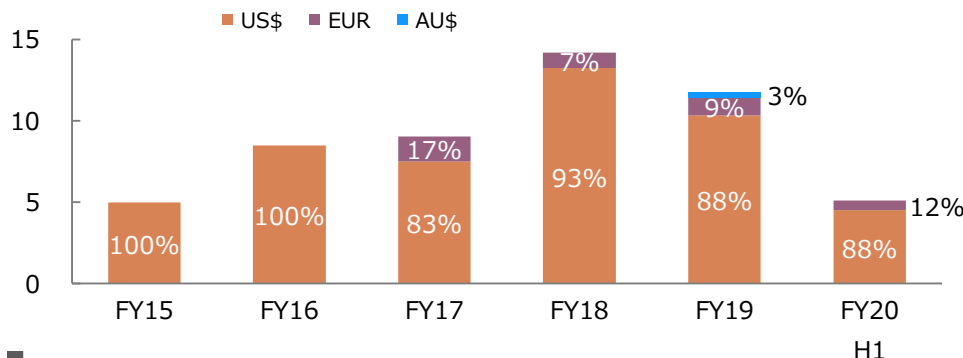
*² Total of public issuance (excluding the amount of buyback), as of end September 2020

*³ Annual figures assuming that all callable notes are to be redeemed on their respective first callable dates, while there is no assurance they will be redeemed on such dates. Tier2 includes Basel II Tier2 sub notes issued by the Bank and the Trust Bank

MUFG TLAC-eligible senior debt issuance summary

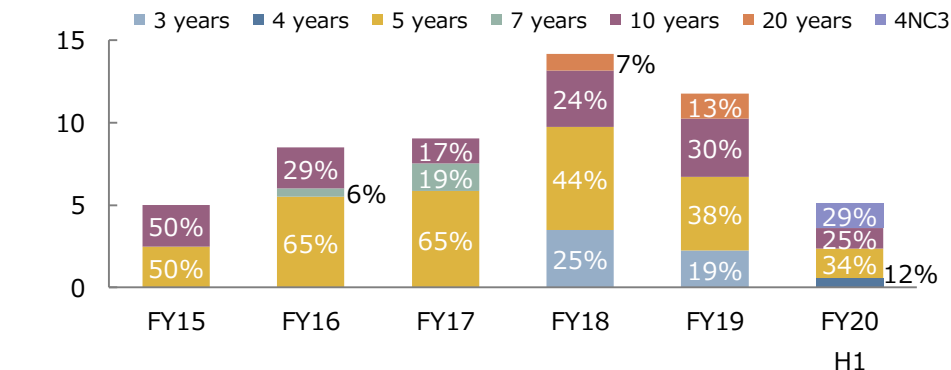
By currency*1*2

(US\$bn equi.)



By term*1*2*3

(US\$bn equi.)



Past issuance calendar

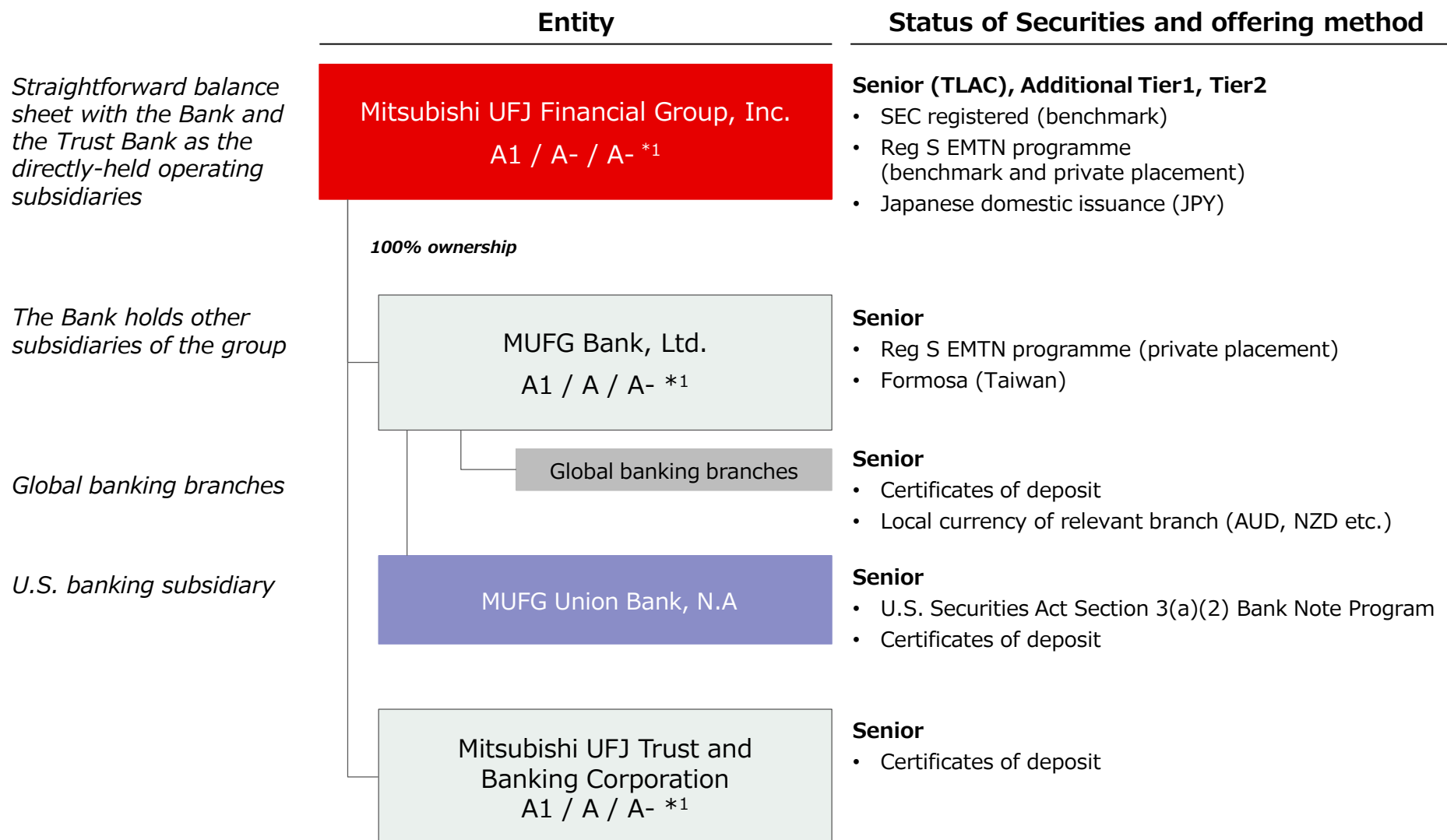
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY15											Priced on Feb 23 5y/10y US\$5Bn	
FY16	Priced on Apr 19 5y/10y (Re-open) US\$2Bn				Priced on Sep 6 5y/7y Green US\$4Bn						Priced on Feb 15 5y/10y US\$2.5Bn	
FY17				Priced on Jul 18 5y/10y US\$4Bn	Priced on Aug 31 7y EUR0.75Bn					Priced on Jan 19 5y Green EUR0.5Bn	Priced on Feb 26 5y/7y/10y US\$3.5Bn	
FY18		Priced on May 23 5y EUR0.35Bn		Priced on Jul 17 3y/5y/10y(Re-open)/20y US\$4.6Bn	Priced on Sep 4 5y(Re-open)/10y US\$3Bn	Priced on Oct 1 5y Green EUR0.5Bn			Priced on Dec 7 10y Green US\$120MM (Sold in domestic market)		Priced on Feb 26 3y/5y/10y/20y US\$5.5Bn	
FY19				Priced on Jul 11 3y/5y/10y/20y US\$6.5Bn	Priced on Jul 16 5y/10y Green EUR1Bn		Priced on Sep 24 5y Green AU\$0.5Bn		Priced on Dec 6 10y Social US\$90MM (Sold in domestic market)		Priced on Feb 18 5y/10y US\$3.75Bn	
FY20			Priced on Jun 11 4y Sustainability EUR0.5Bn	Priced on Jul 11 5y/10y US\$3.0Bn		Priced on Sep 8 4NC3 US\$1.5Bn						

*1 Total of public issuance (excluding the amount of buyback (US\$2.6bn)), as of end September 2020

*2 Exchange rates: As of end of each FY (for FY20: end November 2020)

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

Corporate Structure and Issuing Entities



*1 Credit ratings assigned by Moody's, S&P and Fitch, respectively, as of end November 2020

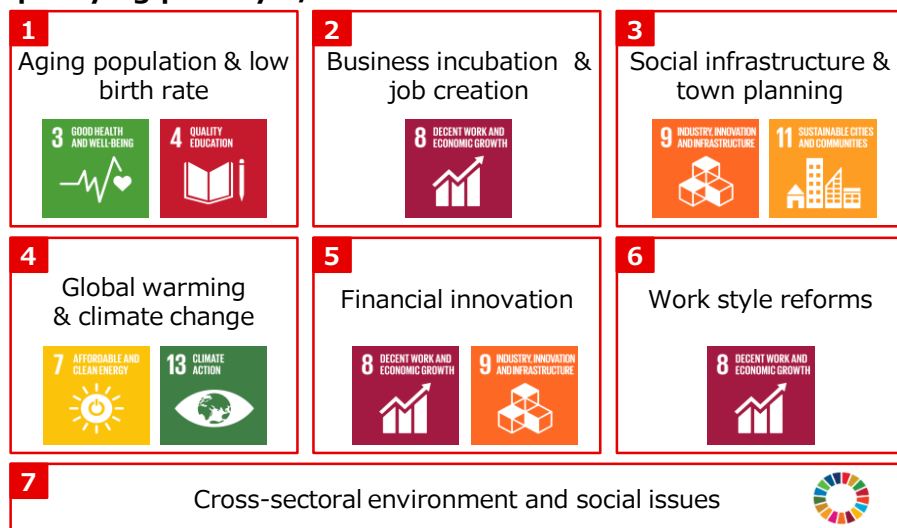
Section 4 MUFG's Approach for ESG

MUFG's Approach for ESG

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

Major Initiatives

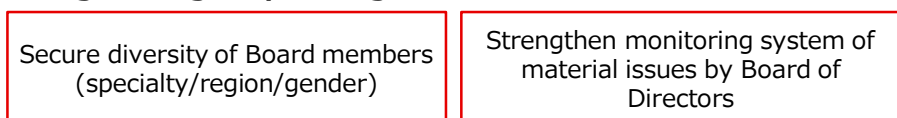
• Specifying priority E/S issues that MUFG seeks to address



• Formulating group-wide E/S policies and procedures



• Strengthening corporate governance structure



Progress in sustainable finance

In May 2019, MUFG set a goal of a cumulative **total of 20 trillion yen** as Sustainable Finance (of this, 8 trillion yen is for the area of environment) target amount **between FY2019 and FY2030** to help build a sustainable society and attain the Sustainable Development Goals (SDGs) through the provision of financial services to its clients.

(¥tn)	FY19	FY20 H1	Total	FY30 goals*1
Environment	2.2	0.6	2.8	8.0
Social	0.9	0.8	1.7	12.0
Others	0.6	0.4	1.0	
Total	3.7	1.8	5.5	20.0

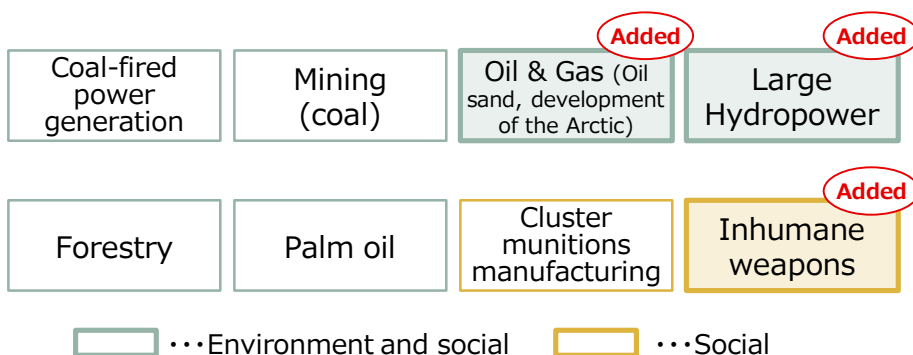
*1 Set goals in FY19

Environment

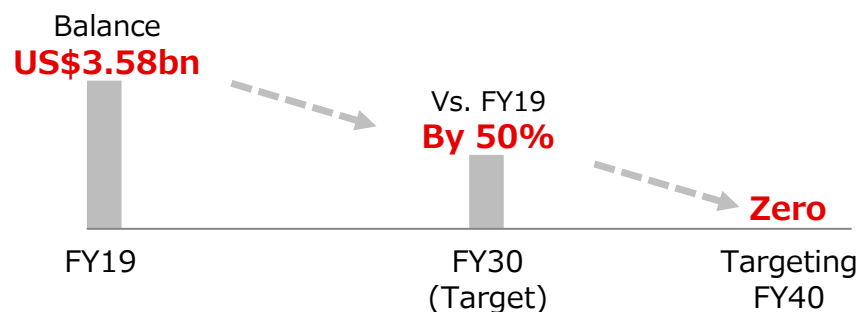
- Step up our response to climate change risks by introducing more stringent financing policies and targets and conducting scenario analysis

Response to environmental risk in finance

Added restricted transactions sectors to MUFG Environmental and Social Policy Framework in May 2020



Announced balance of financing and reduction target*¹ of coal-fired power generation projects in Oct 2020



Scenario analysis (TCFD*² recommendation)

Estimated impact of climate change on our credit portfolio

Climate change risks

Transition risks

Risks associated with transition to decarbonized society

Estimated impact on credit portfolio

- Increase in energy demand
- Decrease in coal ratio
- Increase in carbon price etc.

Credit costs expected for energy and utility sectors
Approx. ¥1bn to ¥9bn/year

Physical risks

Risks associated with physical damage arising from floods and other rain-caused disasters

- Operational suspension periods
- Damage to assets held, etc.

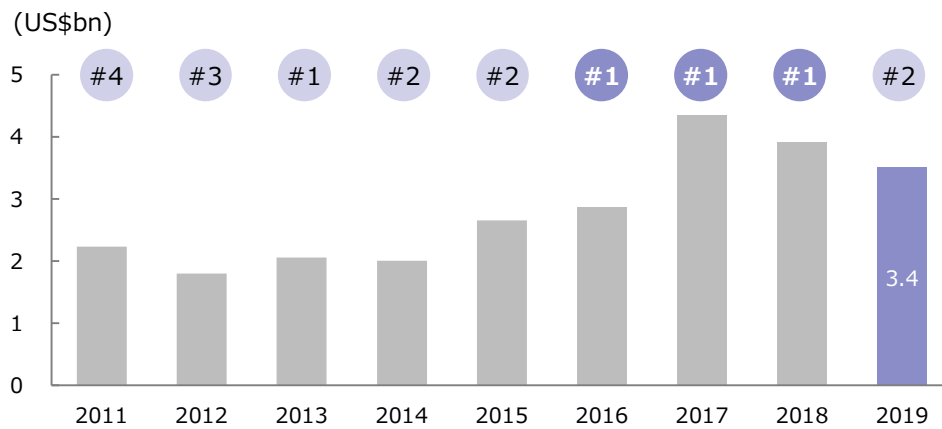
Credit costs expected through FY50
Cumulative total approx. ¥38bn

*1 Excludes projects that are designed to contribute to transition to a decarbonized society according to the MUFG Environmental and Social Policy Framework

*2 Task Force on Climate-related Financial Disclosures

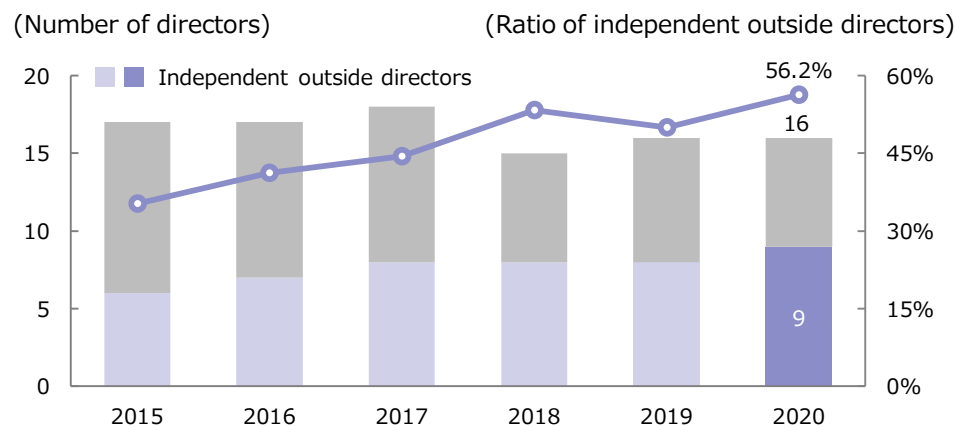
ESG Highlights

MUFG's Ranking as a Financial Arranger*¹

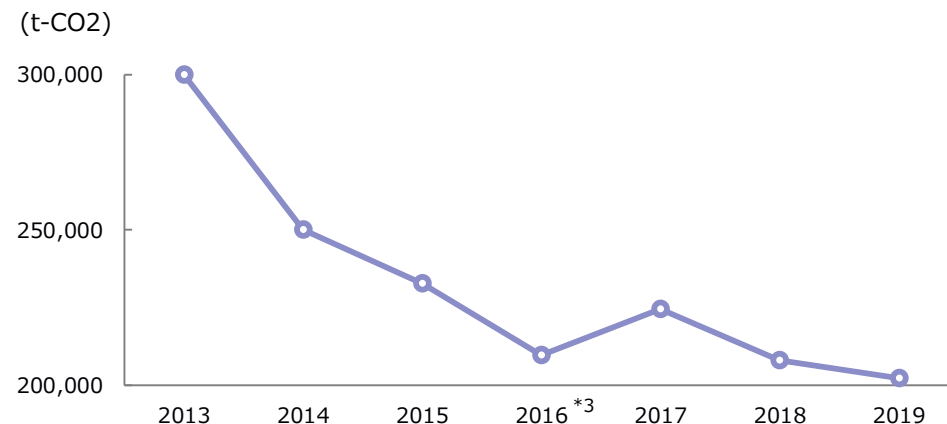


(Source) Bloomberg New Energy Finance Asset Finance/Lead Arrangers League Table

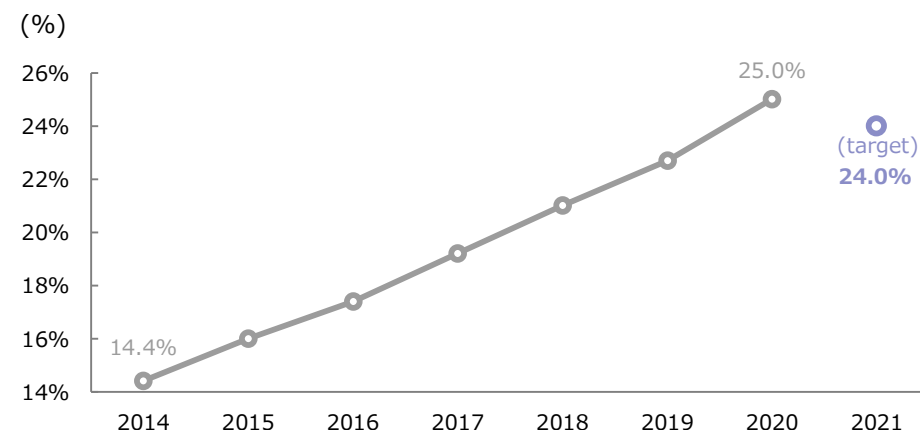
Number and Ratio of Independent Outside Directors*⁴



Carbon Dioxide (CO₂) Emissions*²



Ratio of female staff in managerial positions*^{5*6}



*1 Results of Project Finance, etc. in the renewable energy sector

*2 Total of MUFG, the Bank, the Trust Bank, MUMSS and NICOS

*3 The figure for fiscal 2016 includes the impact of a CO₂ offset scheme employing emission credits. This scheme resulted in a total reduction of 25,500t-CO₂

*4 Under Japanese legal and stock exchange standards

*5 Total of the Bank, the Trust Bank and MUMSS

*6 Generally, individuals with authority to review other employees' work products (*yakutsukisha*)

MUFG's Endorsement of International Sustainability Initiatives

- MUFG has endorsed and is acting as an advocate for major international sustainability initiatives
- MUFG also has been recognized for ESG efforts by external institutions
- MUFG received Japan Green Impact Award, one of the Japan Green Bond Awards by the Japan Ministry of the Environment in March 2019

International Initiatives MUFG Endorses

WE SUPPORT



Founding Signatory of:



PRINCIPLES FOR RESPONSIBLE BANKING



ESG Indices



FTSE4Good

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom Japan

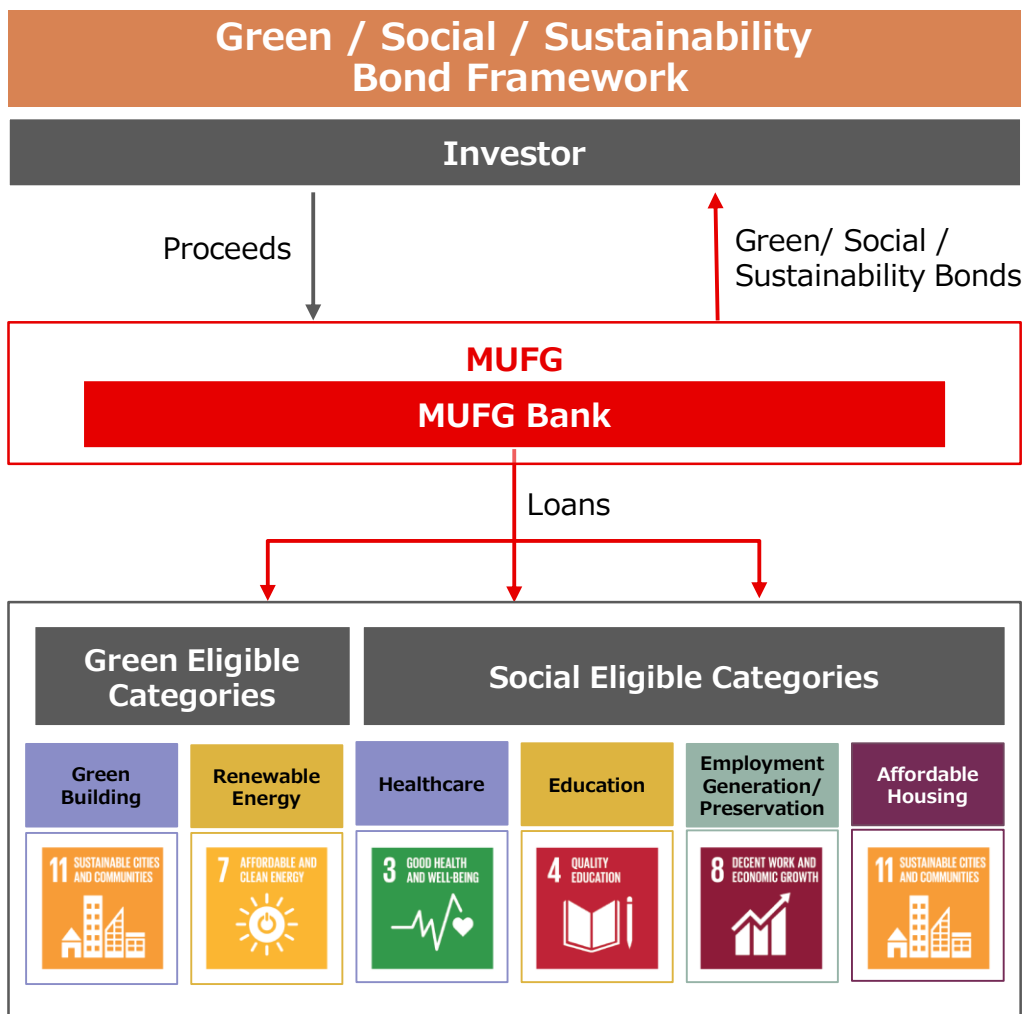
ESG Awards



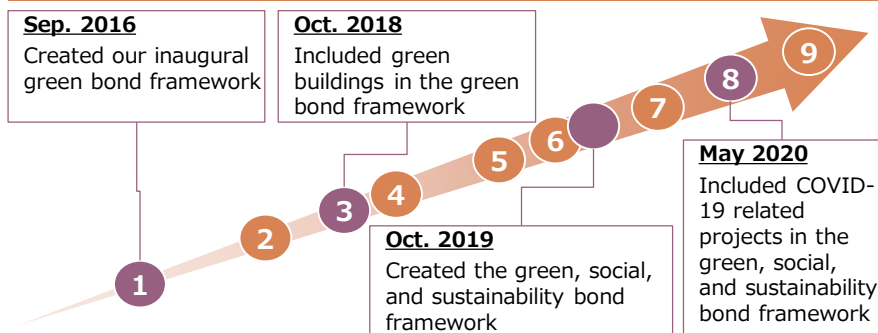
The Japan Green Bond Awards

MUFG Green, Social, Sustainability Bonds

- MUFG revised its “Green, Social, and Sustainability” bond framework in May 2020 and it is the first framework in Japan to channel funds specifically into the fight against COVID-19
- MUFG has a proven track record as a frequent ESG bond issuer



Track Record of Bond Framework Revision



Green Bond Issuance

	Issuance	Currency	Amount	Tenor	Format
1	9/13/16	USD	500mm	7y	SEC
2	1/26/18	EUR	500mm	5y	Reg S
3	10/9/18	EUR	500mm	5y	Reg S
4	12/18/18	USD	120mm	10y	Japan Domestic
5	7/19/19	EUR	500mm	10y	Reg S
6	10/1/19	AUD	500mm	5y	Reg S

Social Bond Issuance

	Issuance	Currency	Amount	Tenor	Format
7	12/12/19	USD	90mm	10y	Japan Domestic

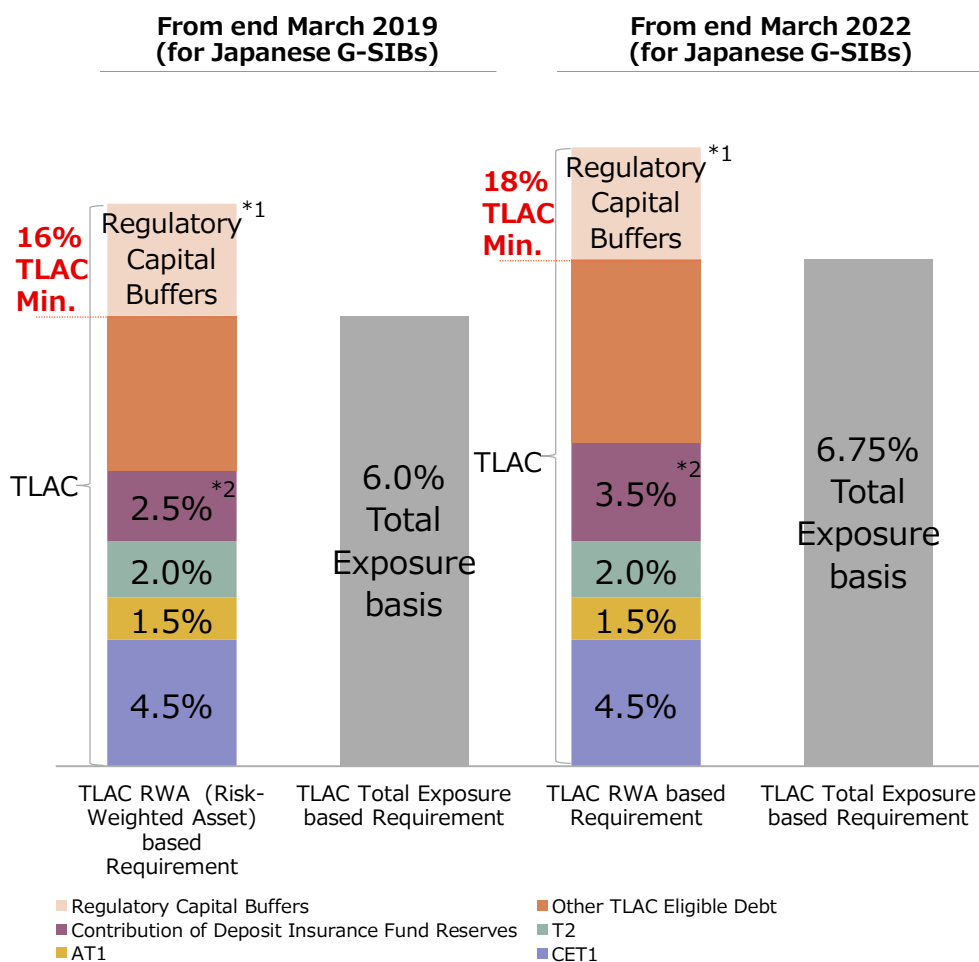
Sustainability Bond Issuance

	Issuance	Currency	Amount	Tenor	Format
8	6/9/20	EUR	500mm	4y	Reg S
9	9/30/20	JPY	54bn	10y	Japan Domestic
9	9/30/20	JPY	96bn	10NC5	Japan Domestic

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

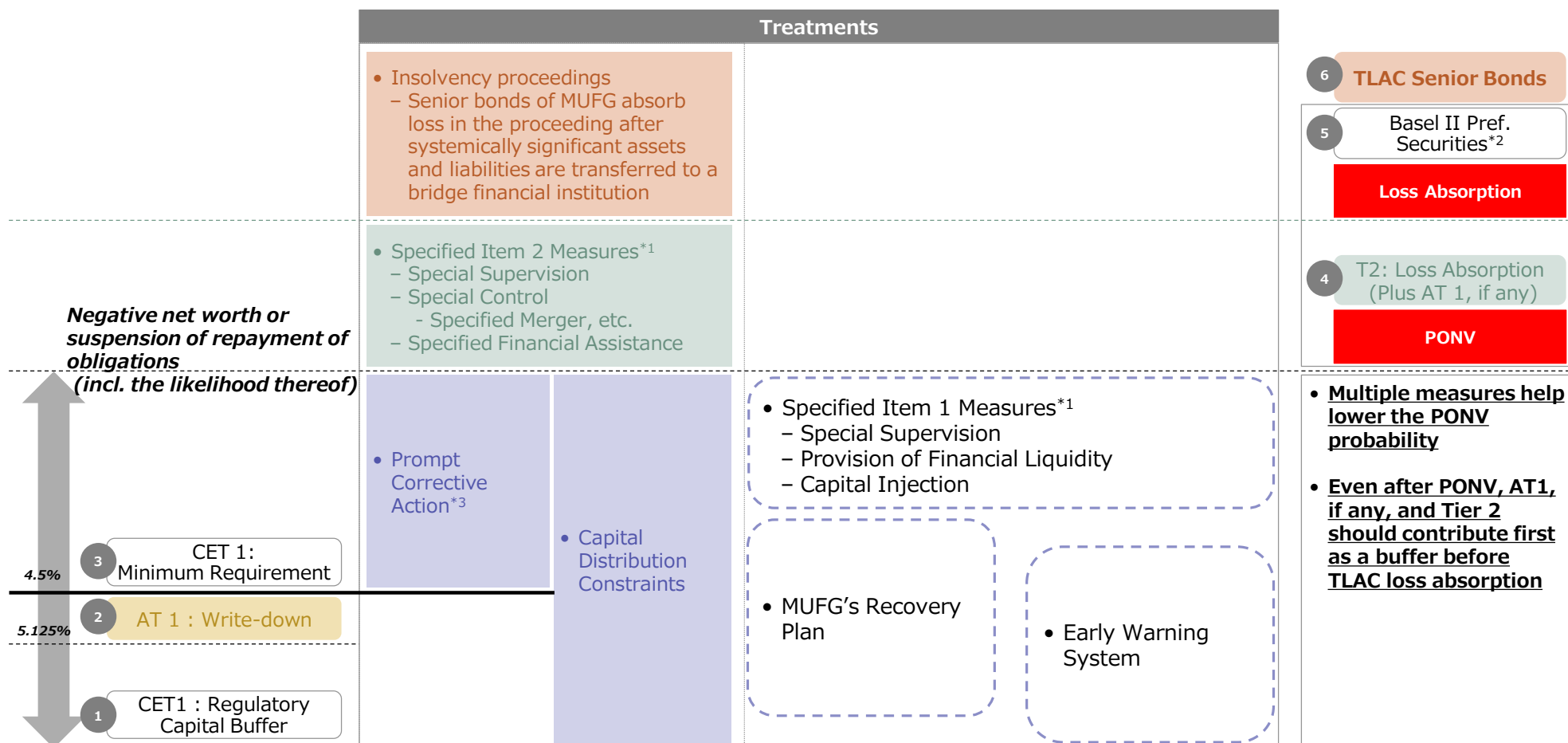
^{*1} CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, Counter-cyclical Buffer: ranging from 0% to 2.5% to be calculated as the weighted average of the buffers deployed across all the jurisdictions to which MUFG has credit exposures will be imposed

^{*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

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

-
- The diagram illustrates the structure and process of the Domestic Resolution Entity (DRE) under the Financial Crisis Response Council, led by the Prime Minister.
- Structure:**
- Financial Crisis Response Council** (led by the **Prime Minister**) oversees the process.
 - The **Domestic Resolution Entity** is the central entity, which is 100% owned by the **Deposit Insurance Corporation of Japan**.
 - The DRE is composed of:
 - External TLAC-eligible liabilities (incl. senior bonds)**
 - Tier 2***
 - Additional Tier 1***
 - Common Equity Tier 1**
 - Material Sub-groups** (A, B, C) are shown, where A is a Bank, B is Securities, and C is Other. They continue their business as usual.
- Process:**
- (1) Loss absorption (upstream):** Material Sub-group A (Bank) provides loss absorption to the DRE.
 - (2) Specified Confirmation:** The DRE confirms the process.
 - (3) Transfer of Systemically Important Assets and Liabilities:** The DRE transfers assets and liabilities (including shares of Material Sub-groups, etc.) to the **Specified Bridge Holding Company, etc.**
 - (4) Bankruptcy Proceedings of Domestic Resolution Entity:** The DRE enters bankruptcy proceedings.
- Timeline:** The process is completed within 2 years (in principle) after the Specified Confirmation.



MUFG 33

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)

Strategy for contribution to solutions to social issues

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

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

Major initiatives for sustainability

Social

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

Further initiatives

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

Environment

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

Governance

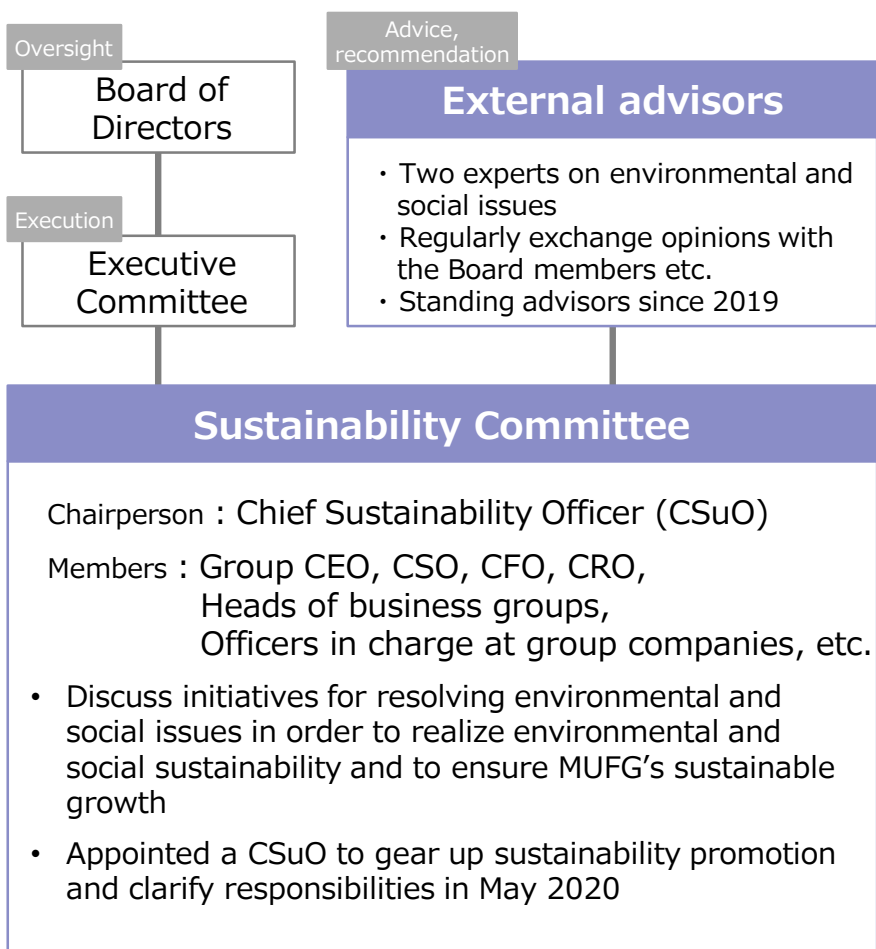
- Secure diversity of Board members (specialty/region/gender)
- Strengthen monitoring system of material issues by Board of Directors
- Strengthen corporate governance structure on a group-wide, cross-regional basis, etc.

Governance

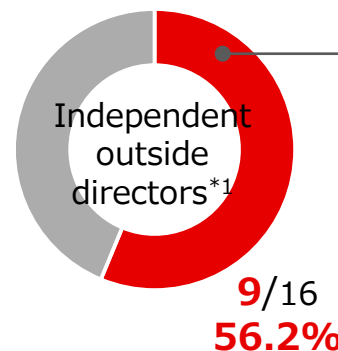
- Measures designed to strengthen sustainability promotion structure to further deepen ESG initiatives

Appointment of CSuO and external advisors

Sustainability Promotion Structure



Well-balanced Board structure



Expertise: no. of persons

- Finance: 3
- Business admin.: 3*
- Law: 2
- Accounting: 2*

*A gross headcount

Females

4/16
25.0%

Foreign nationals

2/16
12.5%

Independent outside director's Name*1	Current position at MUFG and committee-related duties*2
1 Mariko Fujii	Director, Nominating, Compensation, Risk (Chairperson)
2 Keiko Honda	Director
3 Kaoru Kato	Director, Nominating, Compensation, Audit
4 Haruka Matsuyama	Director, Nominating, Compensation (Chairperson)
5 Toby S. Myerson	Director, Risk
6 Hirofumi Nomoto	Director, Nominating, Compensation
7 Yasushi Shingai	Director, Audit, Risk
8 Tarisa Watanagase	Director, Risk
9 Akira Yamate	Director, Audit (Chairperson)

Nominating: Nominating and Governance Committee member

Compensation: Compensation Committee member

Audit: Audit Committee member

Risk: Risk Committee member

*1 Under Japanese legal and stock exchange standards

*2 As of July 2020

Initiatives to counter climate change (TCFD)

 : New initiatives since FY19

Governance

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

Strategy

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

Risk management

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

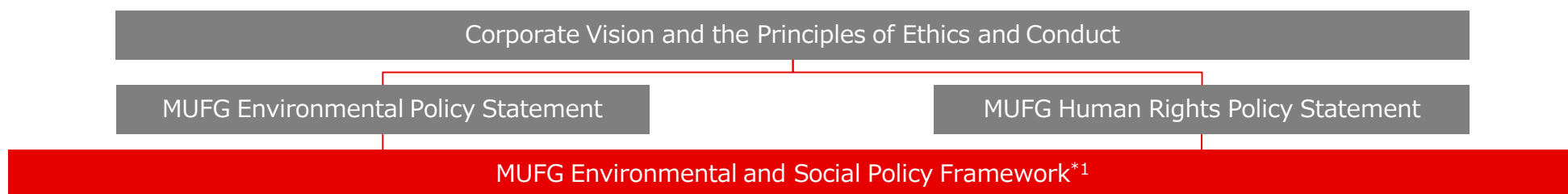
Metrics and targets

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

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

Basic Environmental and Social policies and framework

- Formulated basic policies to contribute to addressing E/S issues through business activities aiming to appropriately identify and manage risks to the environment and society associated with business activities



- Identify “Prohibited Transactions^{*1}” and “Restricted Transactions^{*1}”
- Declare our policy of actively financing renewable energy business, such as solar and wind power generation, to help combat climate change while supporting the adoption of advanced technologies aimed at reducing GHG (Greenhouse Gas) emissions

Prohibited Transactions^{*1}

- (1) Illegal transactions and transactions for illegal purpose, (2) Transactions which violate public order and good morals,
- (3) Transactions that negatively impact wetlands designated under the Ramsar Convention,
- (4) Transactions that negatively impact UNESCO designated World Heritage Sites,
- (5) Transactions violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)^{*2},
- (6) Transactions involving the use of child labor or forced labor

Restricted transactions^{*1}

	Cross-sectoral items	(1) Impact on Indigenous Peoples Communities, (2) Land expropriation leading to involuntary resettlement, (3) Impact on High Conservation Value areas	
	Sector specific items	Coal Fired Power Generation Sector	Mining Sector (Coal)
		Oil and Gas Sector (Oil Sands, Arctic Development)	Large Hydro Power Generation Sector
		Forestry Sector	Palm Oil Sector
		Cluster Munitions Manufacturing Sector (Prohibited)	Inhumane Weapons Sector (Prohibited)

^{*1} Applied to products and services, including the extension of credit and the underwriting of bonds and stocks, for corporate clients of the Bank, the Trust Bank and the Securities HD

^{*2} Taking into consideration country specific considerations

Revision of the MUFG Environmental and Social Policy Framework

Restricted Transactions (Sector Specific Items)

2018

① Coal Fired Power Generation Sector / ② Cluster Munitions Manufacturing Sector

2019

③ Mining Sector (Coal) / ④ Forestry Sector / ⑤ Palm Oil Sector

①' Coal Fired Power Generation Sector **Revised**

- We **will not provide financing** to new coal fired power generation projects.

2020

⑥ Oil and Gas Sector (Oil Sands, Arctic Development)

- a **The extraction of oil sands:** We will assess the state of implementation of environmental and social considerations by our clients (impacts on ecosystems and indigenous communities affected by the developments)
- b **The extraction of new oil and gas in the Arctic Region** ^{*1}: We will assess the state of implementation of environmental and social considerations by our clients (impacts on the ecosystems and indigenous communities in the region)

⑦ Large Hydro Power Generation Sector

- We will assess the state of implementation of environmental and social considerations by our clients (the impacts of dam construction on the ecosystem, local communities, and the living environment and livelihoods of residents ^{*2})

⑧ Inhumane Weapons Sector

- We will not finance the production of inhumane weapons.
(nuclear weapons, biological and chemical weapons, and anti-personnel landmines)

^{*1} North of 66 degrees 33 minutes north latitude

^{*2} New development of a hydroelectric generation dam which exceeds 15 meters in height and can generate over 30MW electricity

MUFG's Green, Social, and Sustainability Bond Framework

Use of Proceeds	<ul style="list-style-type: none">• An amount equivalent to the net proceeds will be allocated to finance / refinance:<ul style="list-style-type: none">– Eligible Green Projects: green building, renewable energy– Eligible Social Projects: healthcare, education, employment generation and preservation, affordable housing• Look back period: 24 months*¹ for Eligible Green Projects and 36 months for Eligible Social Projects
Project Evaluation and Selection	<ul style="list-style-type: none">• Each responsible division of the Bank or MUFG selects Eligible Projects based on the criteria• MUFG's Office of the CFO, Financial Planning Division makes a final decision on the selection
Management of Proceeds	<ul style="list-style-type: none">• Net proceeds managed on a portfolio basis
Reporting	<ul style="list-style-type: none">• Allocation reporting: At least annually until full allocation and in a timely manner in case of material developments<ul style="list-style-type: none">– Assertions by management and a review by Sustainalytics: Until full allocation• Impact reporting: Annually, where feasible, containing impact metrics, reflecting the share of the relevant Eligible Projects financed by the Bank
External Reviewer	<ul style="list-style-type: none">• Sustainalytics

"Sustainalytics believes that MUFG is well positioned to mitigate potential environmental and social risks associated with the projects funded by the green, social, and sustainability bonds"

(Source) Sustainalytics: Second Party Opinion, May 13, 2020

*1 With regards to eligible green building projects, certain certification must be received during the look back period except that DBJ Green Building Certification may be received during 1 year prior to the look back period

Green/Social Project Examples

Green Building Project



Renewable Energy Project



Public Hospital Project



Shinjuku-Eastside-Square

Offshore Wind Power Generation Project in the UK

Ikitelli Hospital Project in Turkey

Key Deal Facts

- The building is categorized as Grade A by CBRE and received a 4 star DBJ Green Building Certification in 2016
- Japan Real Estate Investment Corporation acquired a part of the building on Mar. 30, 2018

Key Deal Facts

- The wind farm is owned by Equinor (formerly Statoil) and constructed around 32 km off the coast of the UK
- Commenced commercial operation in 2017
- The project is expected to have total generation capacity of 402MW

Key Deal Facts

- The construction of Ikitelli Hospital is the fourth Turkish Healthcare Public-Private Partnership (PPP) Programme between MUFG and the Turkish Government
- Construction commenced in Sep. 2017 and completed in May 2020 (Operation started in May 2020)

Summary of Terms

MUFG Financing Commitment

- The Bank arranged JPY12 billion for Japan Real Estate Investment Corporation to acquire a part of "Shinjuku-Eastside-Square" building

Expected Impact

- Amount of CO2 emission reduction is estimated to be approximately 75.1 t-CO2/year (proportionate to the Bank's investment in the building), which is 9.5% less than benchmark amount of CO2 emission

Summary of Terms

MUFG Financing Commitment

- The Bank arranged project financing of up to GBP1.3 billion to finance the offshore wind power generation project in the UK

Expected Impact

- The Bank categorized this project as "Category B" based on the Equator Principles
- It is expected to provide enough electricity to meet the needs of more than 410,000 households a year

Summary of Terms

MUFG Financing Commitment

- The Bank is a leading international bank in the Turkish healthcare PPP Programme and has provided EUR225 million of funds into the four projects

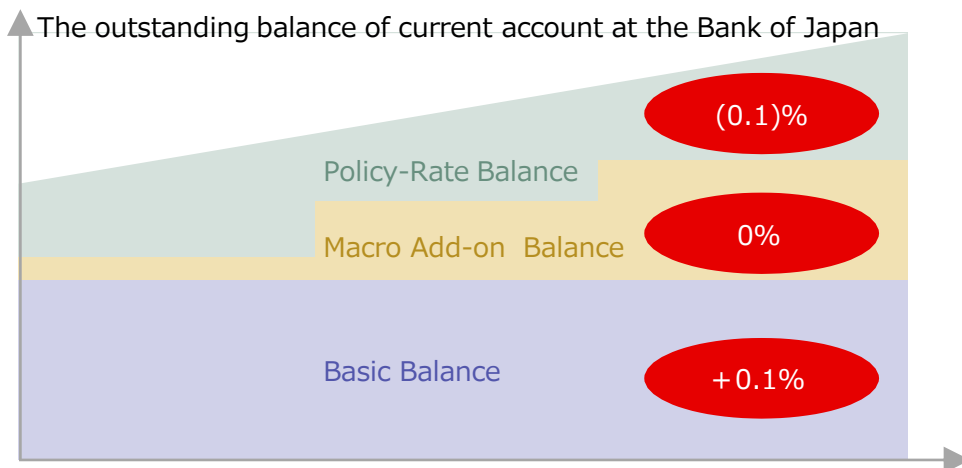
Expected Impact

- The PPP Programme aims to build up to 40 hospitals and deliver up to 40,000 additional public hospital beds across Turkey over a 7 year period

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

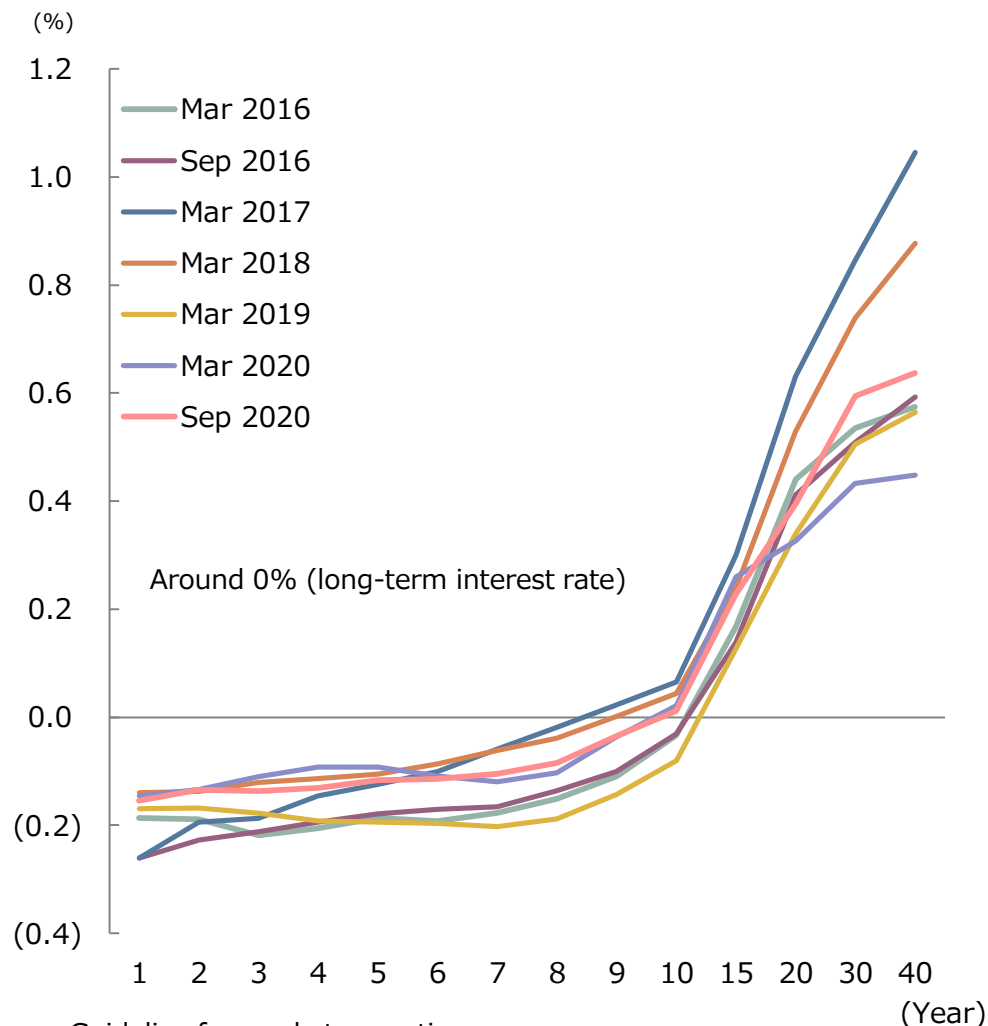
(Source) The Bank of Japan

Introducing forward guidance for policy rates (July 2018, October 2019 and April 2020)

- 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. In April 2020, in response to the impact of the domestic and global spread of the novel coronavirus, the Bank of Japan announced measures to further enhance monetary easing including further active purchases of Japanese government bonds, etc.

(Source) The Bank of Japan

QQE with Yield Curve Control (September 2016)



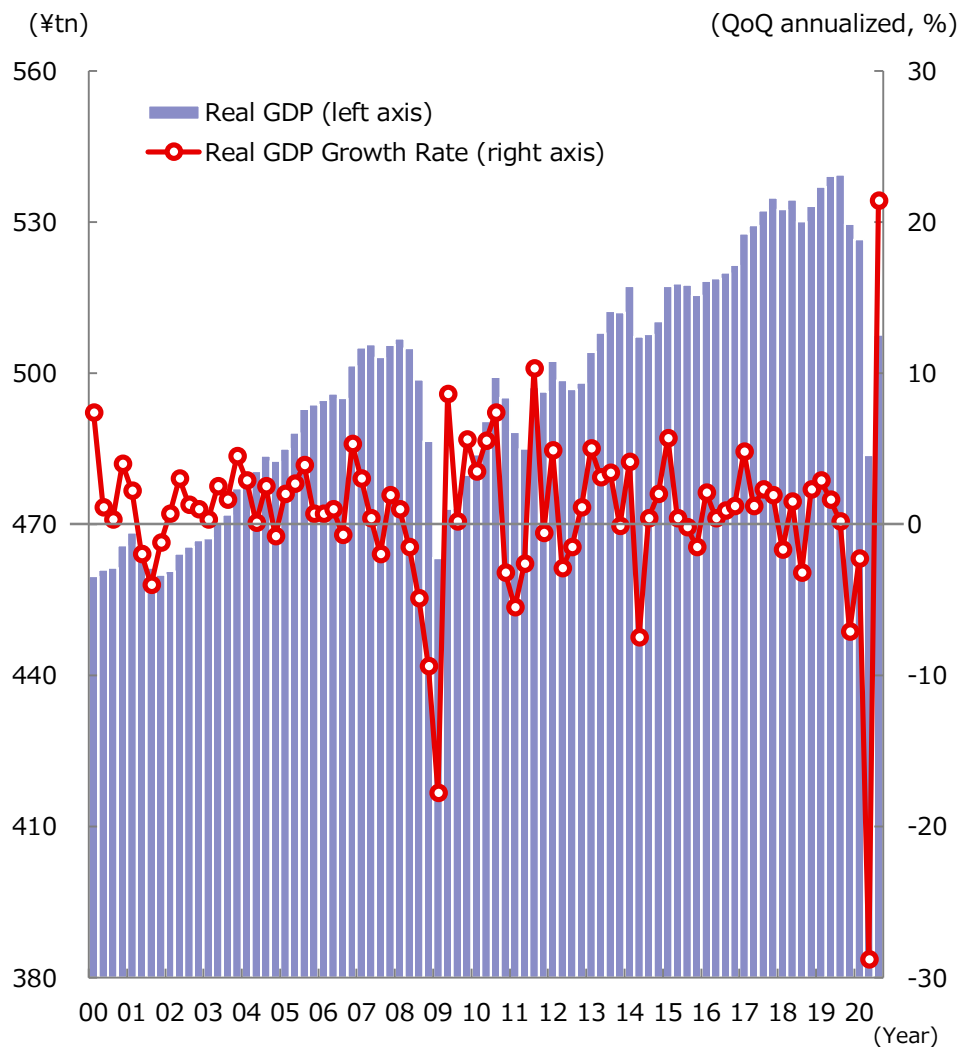
- Guideline for market operations:
 - Remain around zero percent (10-year JGB yields)

(Source) Bloomberg

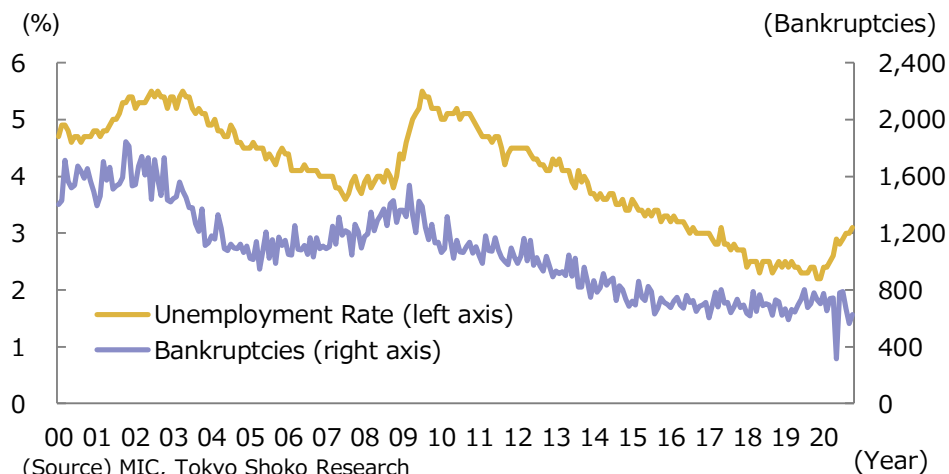
Economic environment in Japan

- Economic environment in Japan (1)

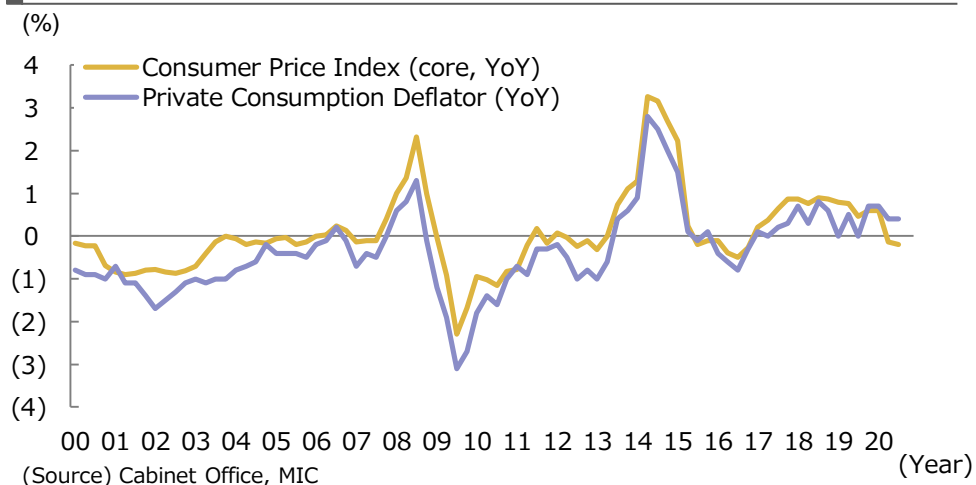
Real GDP*1



Unemployment rate and corporate bankruptcies



Customer prices and private consumption deflator

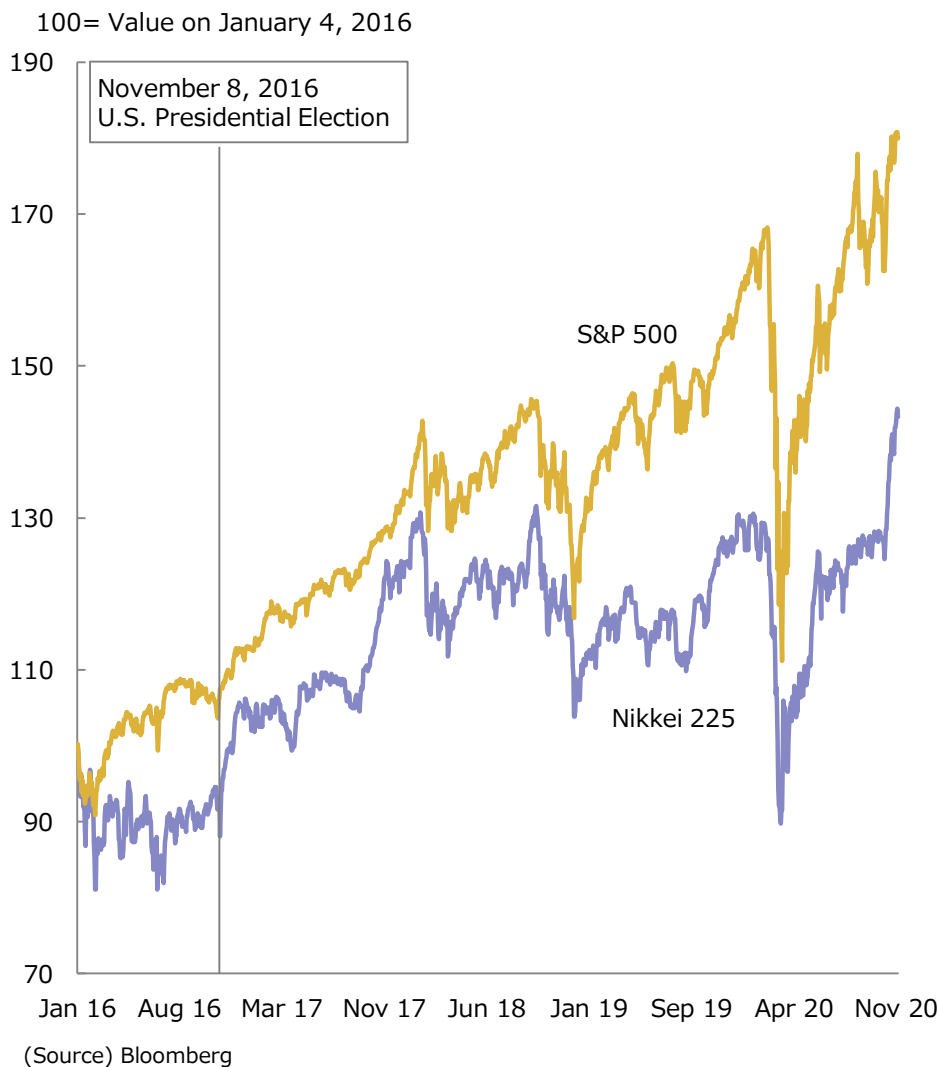


*1 Based on the measurement standard prior to revisions expected to be announced on December 8, 2020

Economic environment in Japan

- Economic environment in Japan (2)

Equity

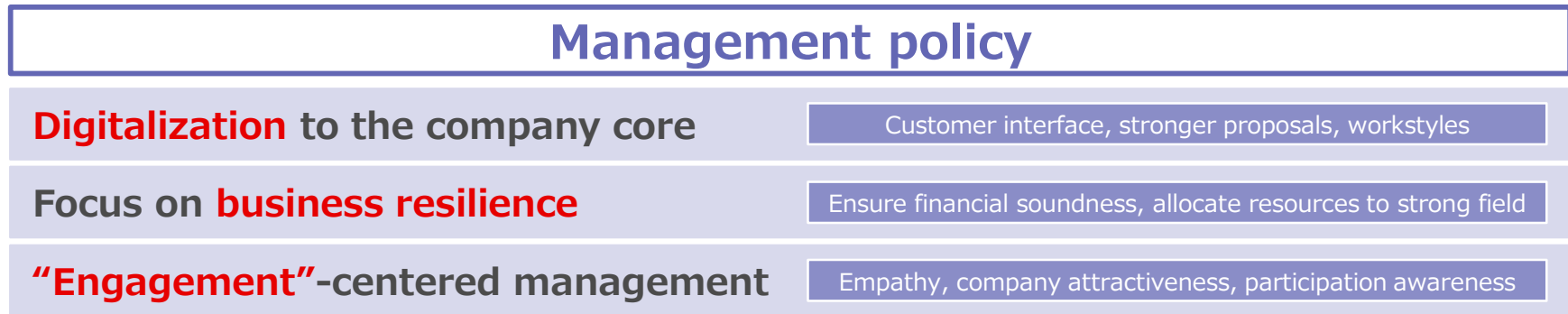


FX



Management policy and strategic emphasis

- New company management policy leads the following strategic emphasis



Strategic emphasis

① Digitalization of domestic retail business

- **Digitalization** of customer interface, sales channels, middle & back offices
- **Strengthen business promotion proposal ability** to address customers' individual needs

② Reshaping global strategy

- Evaluation of region-by-region growth prospects & strengths, **optimizing resource allocation**
- Collaboration with such company as Grab to take on **next-gen financial services**

③ Business infrastructure, process innovation

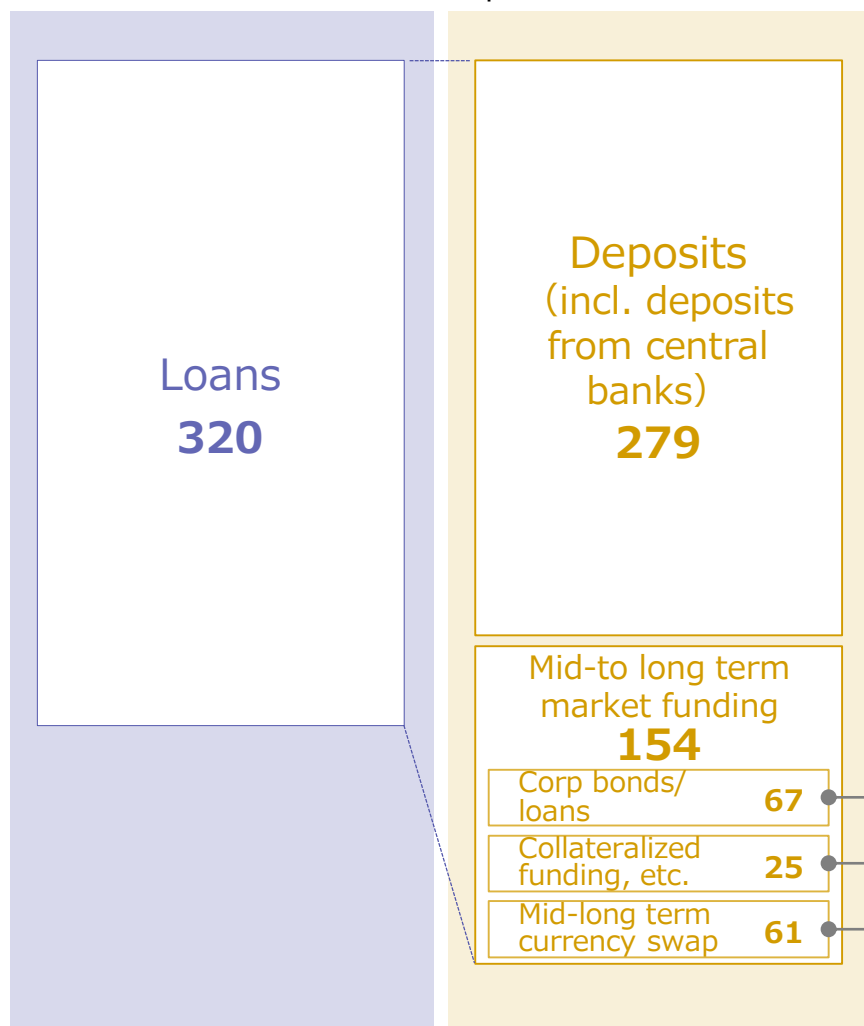
- **Raising efficiency** by making operating processes paperless, halting personal seal use, etc
- Developing business infrastructure & work environment, based on employees' **diverse values and workstyles**

Non-JPY liquidity*1

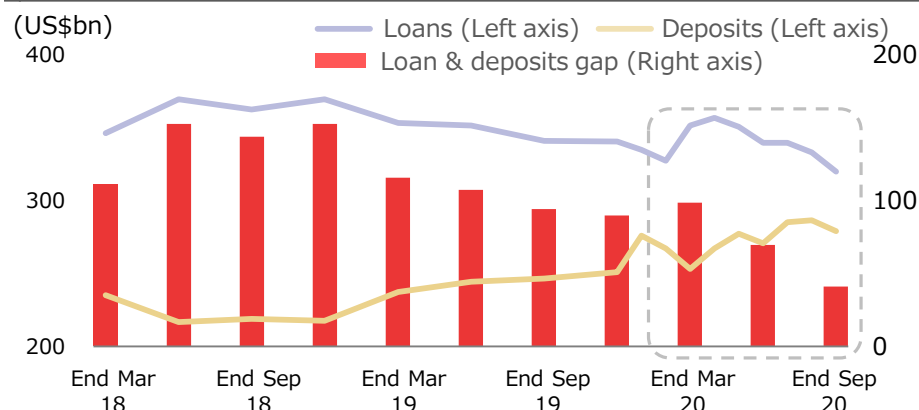
- Non-JPY loans are stably funded by deposits and mid-to long-term funding

(US\$bn)

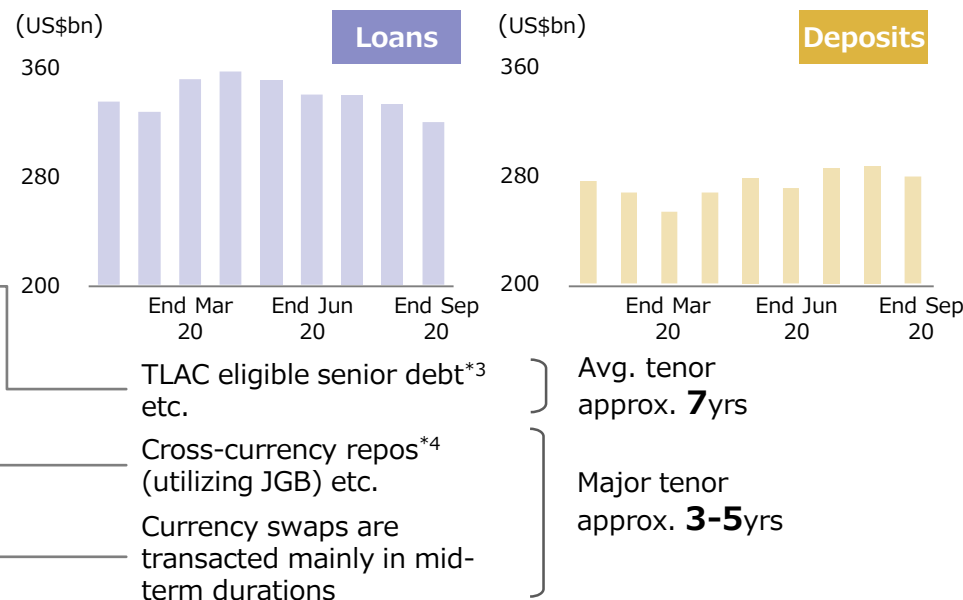
As of end Sep 2020



Historical loan-to-deposit gap*2



Loan and deposit balance since the COVID-19 pandemic*2



*1 The Bank consolidated excl. MUAH, KS and BDI. Managerial accounting basis *2 Managerial accounting basis

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

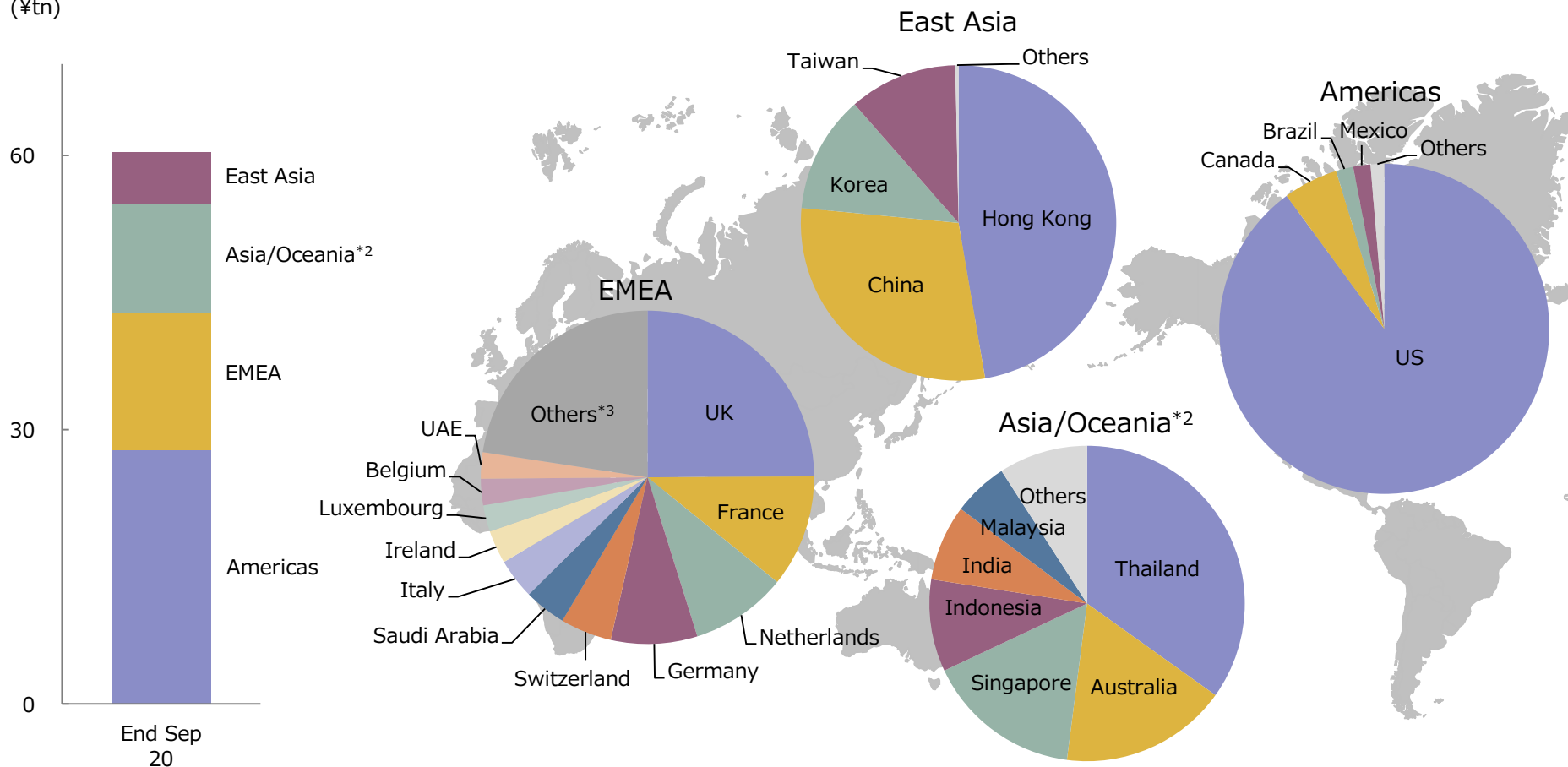
*4 Repurchase agreement in which denominated currency is different in cash transaction and security

Overseas corporate credit exposure

Credit exposure^{*1} to overseas corporate borrowers by region

Consolidated

(¥tn)



*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 ¥ 105.80/US\$

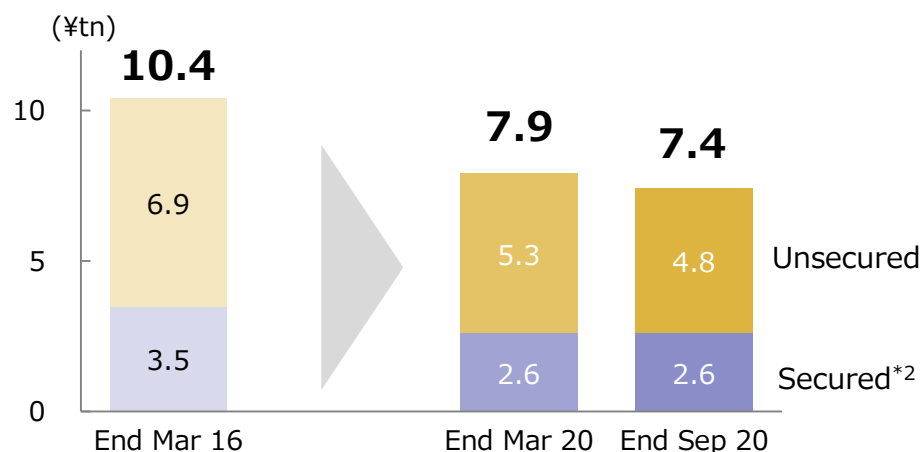
*2 Excludes BDI's exposure

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

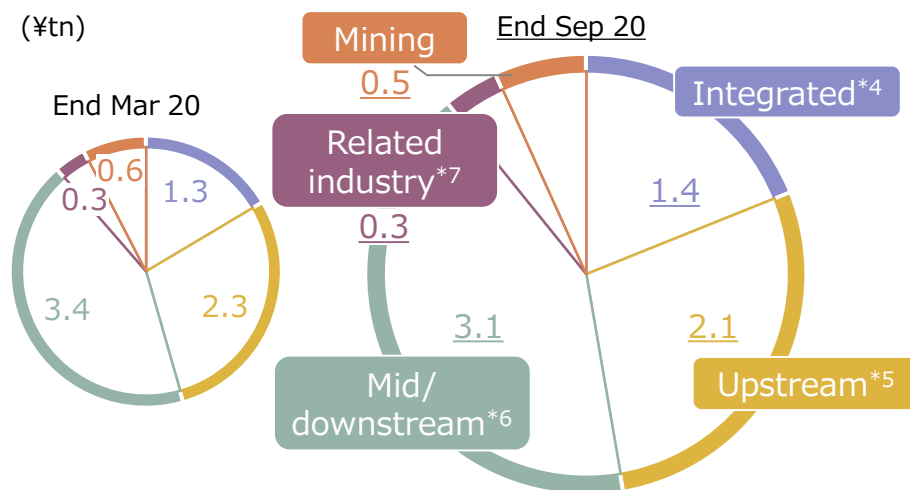
(Note) All figures are on managerial accounting basis

Credit portfolio of energy and mining

Credit exposure*1



Breakdown by sub-sector*1



*1 Including undrawn commitment and excluding market exposure

*2 Collateralized or guaranteed

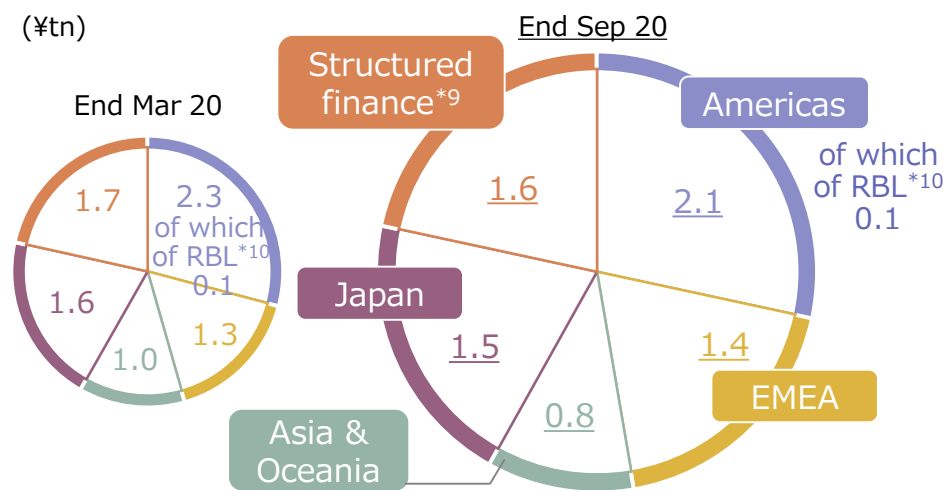
*3 NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria

*4 Integrated business from upstream to downstream

NPLs*3

(¥bn)	End Mar 20	End Sep 20	Changes
NPLs*3	62.1	64.3	2.2
Secured amount	45.4	47.8	2.4
Allowance	8.9	8.8	(0.1)
NPLs*3 (net)	7.8	7.5	(0.3)

Breakdown by region*1*8



*5 Exploration, development and production of oil and gas

*6 Storage, transportation, refinement, retail

*7 Sales of mining machine to companies among upstream industry

*8 Based on borrower's location

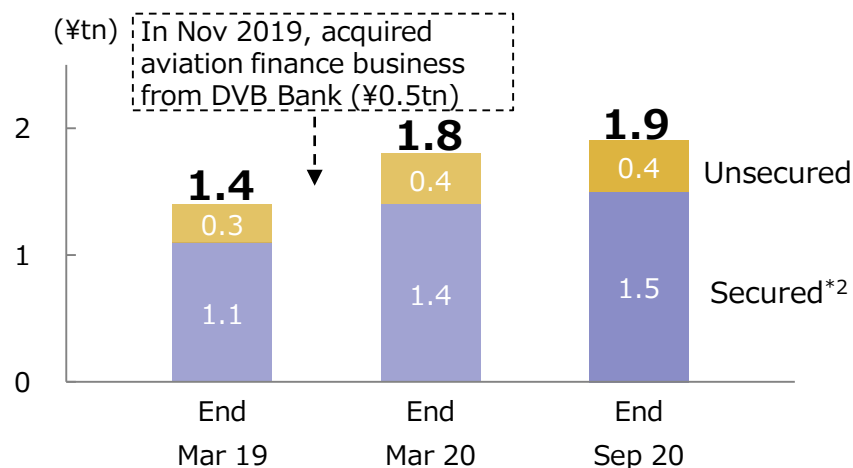
*9 Project finance and trade finance

*10 Reserve based lending

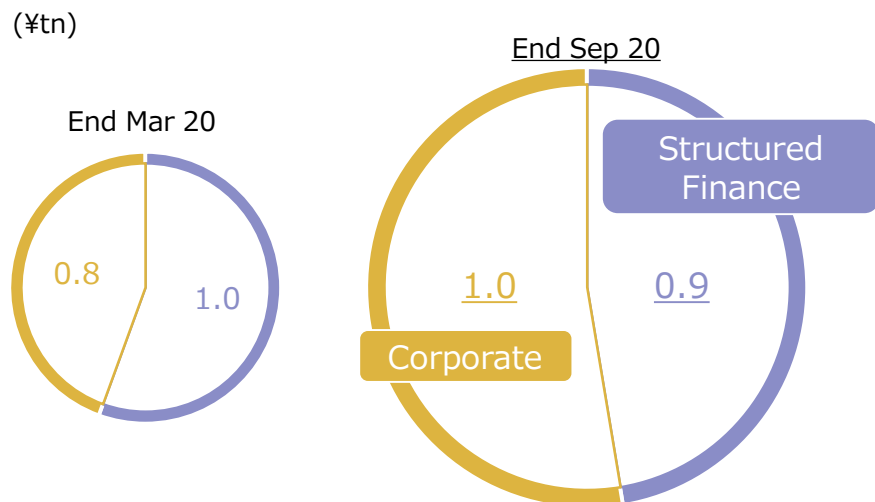
(Note) All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary

Credit portfolio of air transportation (incl. aircraft finance)

Credit exposure*1



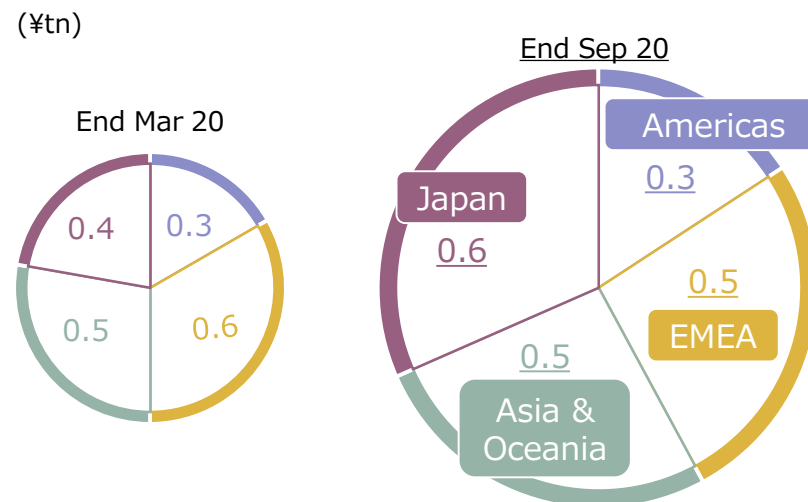
Breakdown by structure*1



NPLs*3

(¥bn)	End Mar 20	End Sep 20	Changes
NPLs*3	22.5	80.4	57.9
Secured amount	19.7	54.1	34.4
Allowance	0.8	15.1	14.3
NPLs*3 (net)	2.0	11.0	9.0

Breakdown by region*1*4



*1 Including undrawn commitment and excluding market exposure

*2 Collateralized or guaranteed

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

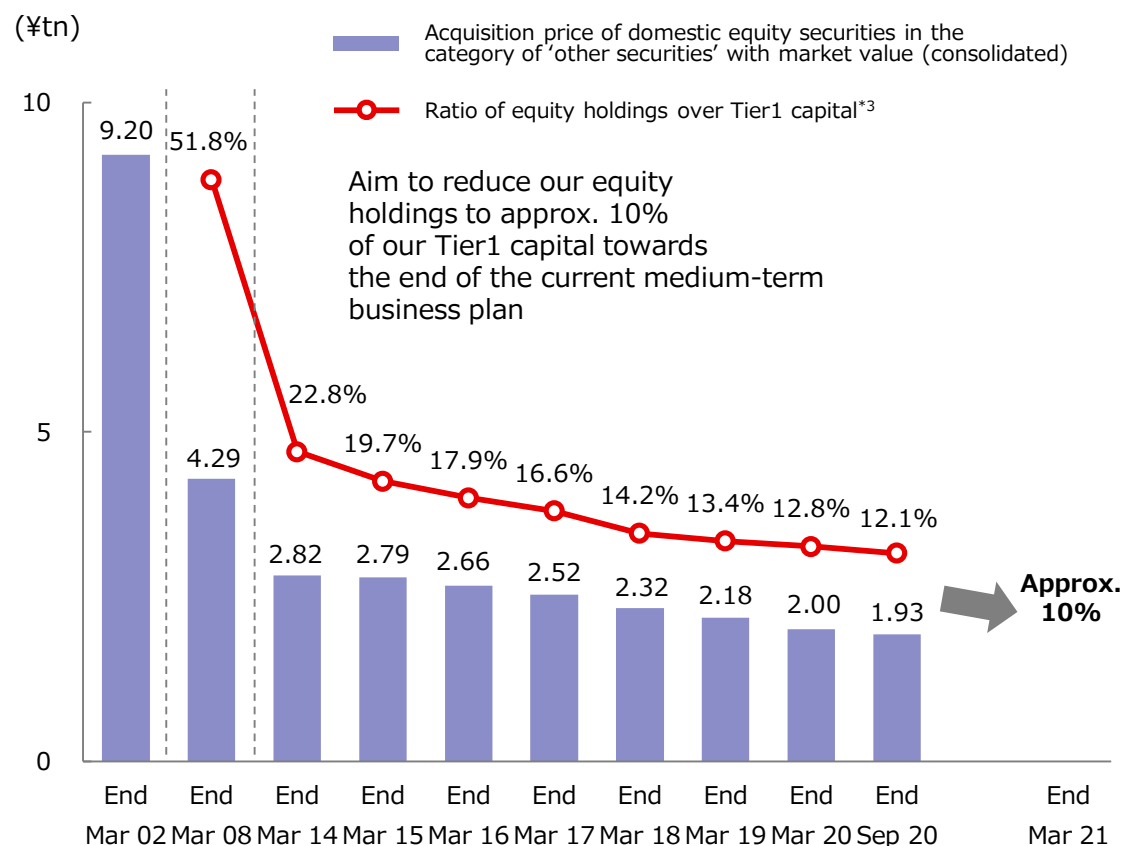
*4 Based on borrower's location

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

Reduction of equity holdings

- Aim to accelerate reduction of equity holdings considering the risk, capital efficiency and international financial regulations
- Approx. ¥50bn^{*1*2} equities were sold in FY20 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	240	139	101
FY 20 H1	96	50	46
Total	1,374	783	591

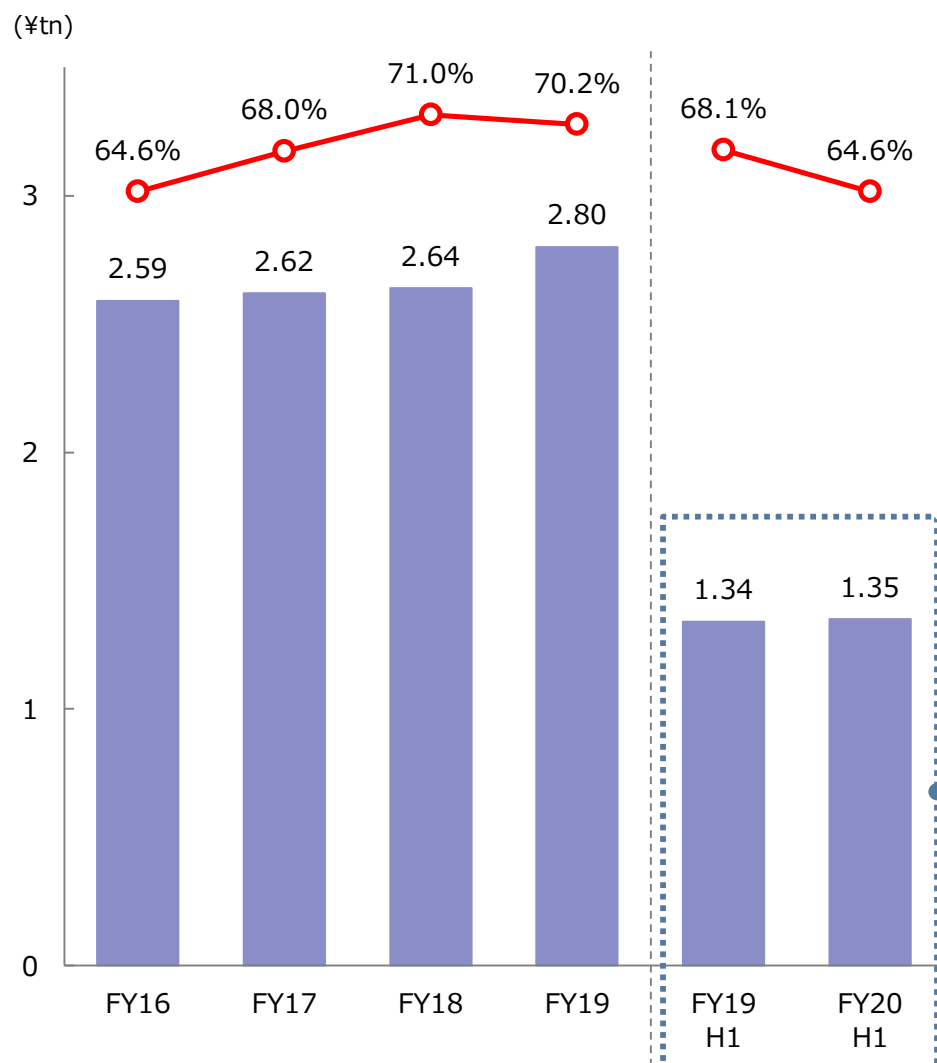
*1 Sum of the Bank and the Trust Bank *2 Acquisition cost basis

*3 Under Basel II basis until end March 12 (consolidated)

Expenses

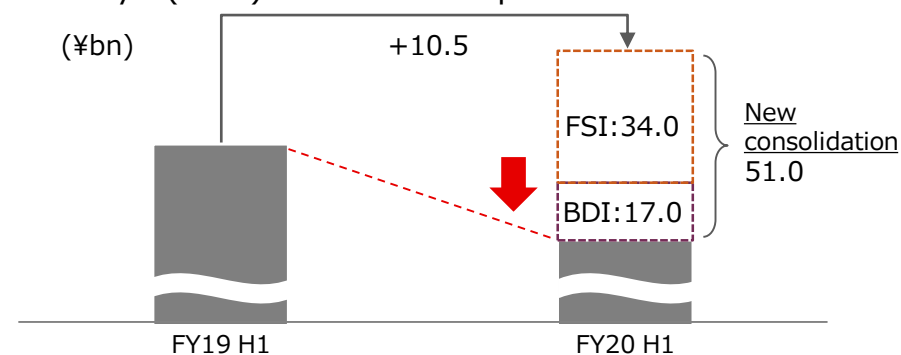
G&A expenses / expense ratio*1

Consolidated

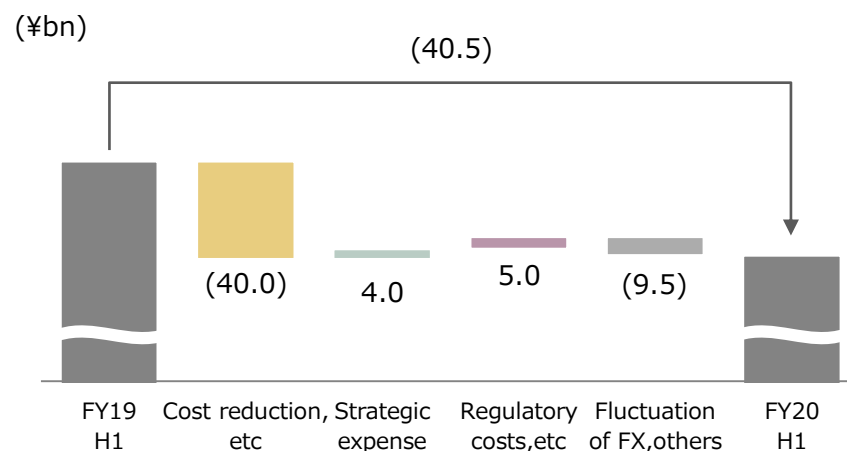


Factors of the change

While increasing by ¥10.5bn YoY, FY20H1 expenses down by ¥(40.5)bn excl. the impact of new consolidation



By measures (excl. the impact of new consolidation)



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

US GAAP consolidated financials - Balance sheet

Balance sheet

(¥mm)

Assets	End Mar 20
Cash and due from banks	33,283,032
Interest-earning deposits in other banks	45,266,680
Call loans, funds sold, and receivables under resale agreements	25,164,476
Receivables under securities borrowing transactions	3,443,959
Trading account assets	47,504,058
Investment securities	43,751,242
Net loans	117,377,199
Premises and equipment	929,529
Accrued interest	308,448
Customers' acceptance liability	167,257
Intangible assets—net	1,239,526
Goodwill	517,626
Deferred tax assets	113,031
Other assets	12,687,220
Total assets	331,753,283

(¥mm)

Liabilities and shareholders' equity	End Mar 20
Total Deposits	203,954,528
Call money, funds purchased, and payables under repurchase agreements	35,518,837
Payables under securities lending transactions	1,016,874
Due to trust account and Other short-term borrowings	19,433,229
Trading account liabilities	14,767,433
Obligations to return securities received as collateral	4,806,171
Bank acceptances outstanding	167,257
Accrued interest	187,096
Long-term debt	27,926,763
Other liabilities	8,230,579
Total liabilities	316,008,767
Capital stock	2,090,270
Capital surplus	5,533,520
Retained earnings	8,319,101
Accumulated other comprehensive income, net of taxes	(420,417)
Treasury stock, at cost	(505,987)
Noncontrolling interests	728,029
Total equity	15,744,516
Total liabilities and shareholders' equity	331,753,283

US GAAP consolidated financials - Statement of operations

Statement of operations

(¥mm)

Statement of Operations Data

Fiscal year ended Mar 20

Interest income	3,927,143
Interest expense	1,684,344
Net interest income	2,242,799
Provision for (reversal of) credit losses	321,713
Net interest income after provision for (reversal of) credit losses	1,921,086
Non-interest income	1,875,695
Non-interest expense	3,363,561
Income (loss) before income tax expense	433,220
Income tax expense (benefit)	114,505
Net income before attribution of noncontrolling interests	318,715
Net income (loss) attributable to noncontrolling Interests	12,760
Net income attributable to Mitsubishi UFJ Financial Group	305,955

(¥)

Earnings (loss) per share

Fiscal year ended Mar 20

Basic earnings	
Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group	23.69
Diluted earnings	
Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group	23.47

US GAAP consolidated financials

- Reverse reconciliation from US GAAP to Japanese GAAP

Reverse reconciliation of shareholders' equity and net income

(¥mm)

End Mar 20

Total equity in accordance with U.S. GAAP	
Differences arising from different accounting for:	15,744,516
1 Investment securities	62,255
2 Loans	(16,108)
3 Allowance for credit losses	232,472
4 Fixed assets	355,834
5 Pension liability	(13,310)
6 Derivative financial instruments and hedging activities	285,810
7 Compensated absences	44,632
8 Long-term debt	(6,476)
9 Consolidation	166,290
10 Goodwill	196,819
11 Intangible assets	(8,881)
12 Investments in equity method investees	656,793
13 Others	(644,441)
Deferred income tax effects of the above adjustments, when applicable	(200,467)
Net assets in accordance with Japanese GAAP	16,855,738

(¥mm)

Fiscal year
ended Mar 20

Net Income before attribution of noncontrolling interests in accordance with U.S. GAAP	
Differences arising from different accounting for:	318,715
1 Investment securities	297,842
2 Loans	(1,848)
3 Allowance for credit losses	79,850
4 Fixed assets	(2,242)
5 Pension liability	35,077
6 Derivative financial instruments and hedging activities	(175,201)
7 Compensated absences	2,333
8 Long-term debt	(1,571)
9 Consolidation	113,623
10 Goodwill	(15,827)
11 Intangible assets	499
12 Investments in equity method investees	(37,634)
13 Others	99,845
Deferred income tax effects of the above adjustments, when applicable	(104,917)
Net Income before attribution of noncontrolling interests in accordance with Japanese GAAP	608,544