

MUFG Investors Day 2015

7 July 2015

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. (“MUFG”) and its group companies (collectively, “the group”). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see other disclosure and public filings made or will be made by MUFG and the other companies comprising the group, including the latest kessantanshin, financial reports, Japanese securities reports and annual reports, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document

In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed

Definitions of figures used in this document

Consolidated	Mitsubishi UFJ Financial Group (consolidated)
Non-consolidated	Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust and Banking Corporation (non-consolidated) (without any adjustments)
Commercial bank consolidated	Bank of Tokyo-Mitsubishi UFJ (consolidated)

Contents

• Introduction	4
• Retail banking business group	7
• Corporate banking business group	18
• Trust assets business group	32
• Global banking business group	39
• Global markets business group	53

Introduction

Expected change over the next 10 years, and vision in 10 years

Expected change over the next 10 years

【Japan】

- ◇ Economy rebounding
- ◇ Globalization of Japanese companies including SME
- ◇ Shift from savings to investment
- ◇ Rise asset inheritance needs stemming from the aging of the population
- ◇ ICT development, spread, and penetration

【Asia】

- ◇ Maintain relatively higher growth. Expand finance needs
- ◇ Expand middle and high-net-worth classes. Local company grow
- ◇ Demand from Japanese companies for local fund procurement, expansion of local supply chains, etc

【United States】

- ◇ Continued growth and maintain position as world's largest economy
- ◇ Leveraging innovation to maintain economic activity, continued population growth
- ◇ No change to overwhelming advantages of scale in various business fields

【Global】

- ◇ Expand cross-border money flow and trade flow
- ◇ Continued global growth of asset management and transaction banking businesses
- ◇ Trend of more-stringent global financial regulations and local regulations and heightened scrutiny and expectations for G-SIFIs

Vision in 10 years

Developing unique benefits of MUFG in terms of products and services

- Pursuing integration of our functions and expertise seamlessly. We will also employ ICT in order to respond more accurately to customer needs across different generations, business cycles, and regions
- While deepening collaboration with Morgan Stanley, we will provide products and services consonance with the times and moreover in advance of the times. These efforts enable MUFG to create unique benefits to win high praise in Japan and around the world

Developing unique benefits of MUFG in terms of regional foundation around the world

- We will develop a unique, global business model as a comprehensive financial group that focuses on commercial banking, which has established platforms in Japan, Asia, and the United States

【Japan】 Build an unshakable position as the No.1

【Asia】 Establish a position as a top-tier foreign financial institution in Asia, our second home market,

【U.S.】 Establish a position as a top-tier foreign financial institution, placed among the top 10 in focus business areas

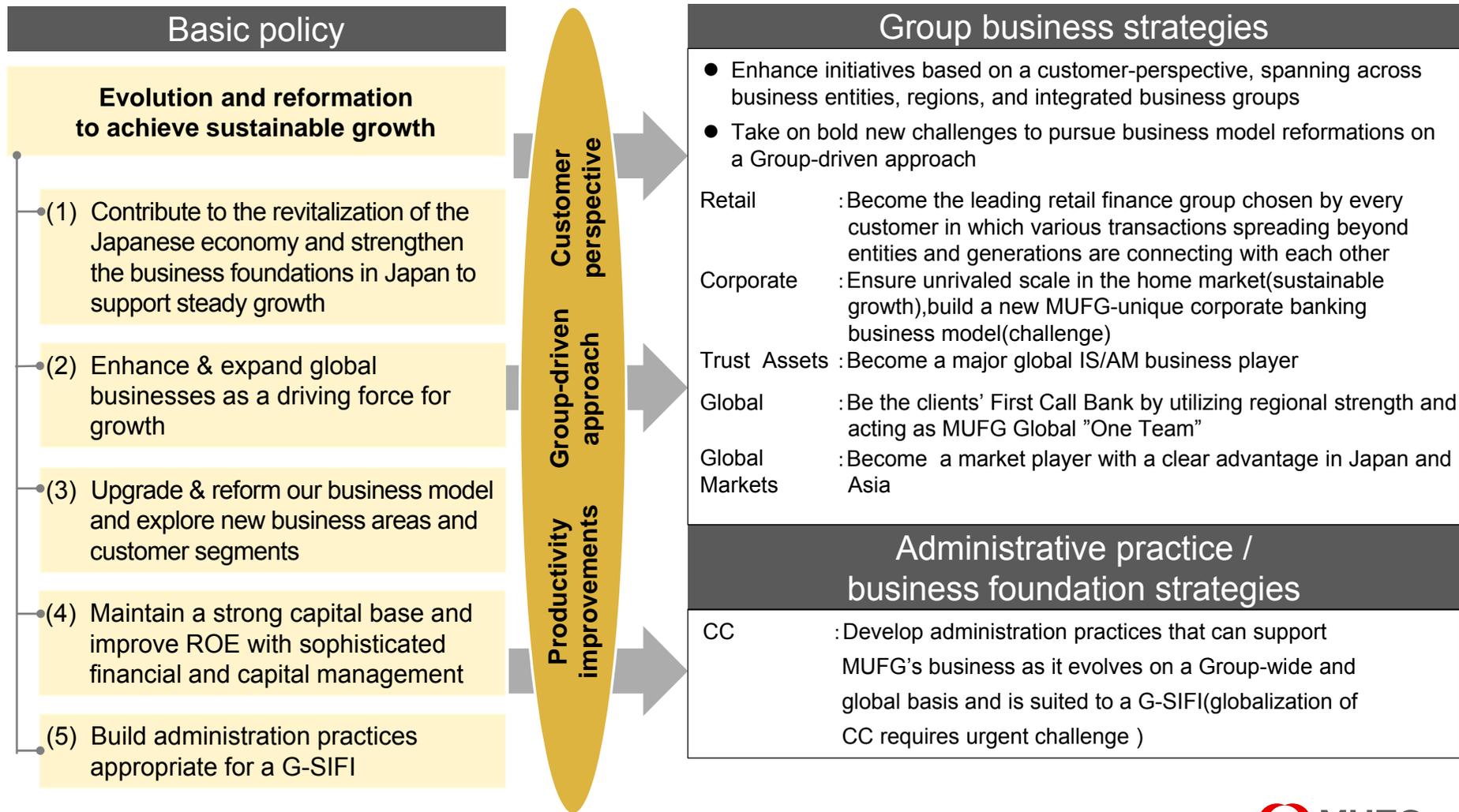
Becoming the best partner to a broad customer base

- Become the best partner to a broad customer base consisting of individuals, business corporations, institutional investors, etc. that is capable of responding to customer needs by creating significant value

Establish a model for sustainable growth that effectively utilizes our strong competitiveness of the fee business and the balance sheet

Basic policy/strategies

<Our vision> “Be the world’s most trusted financial group”

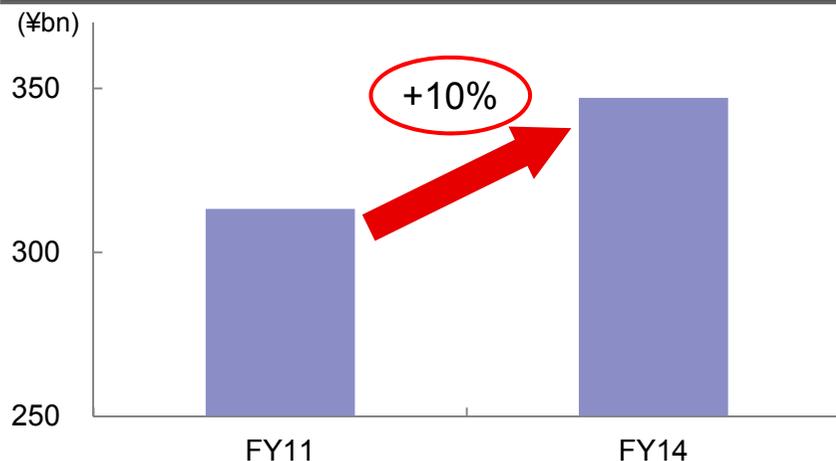


Retail banking business group

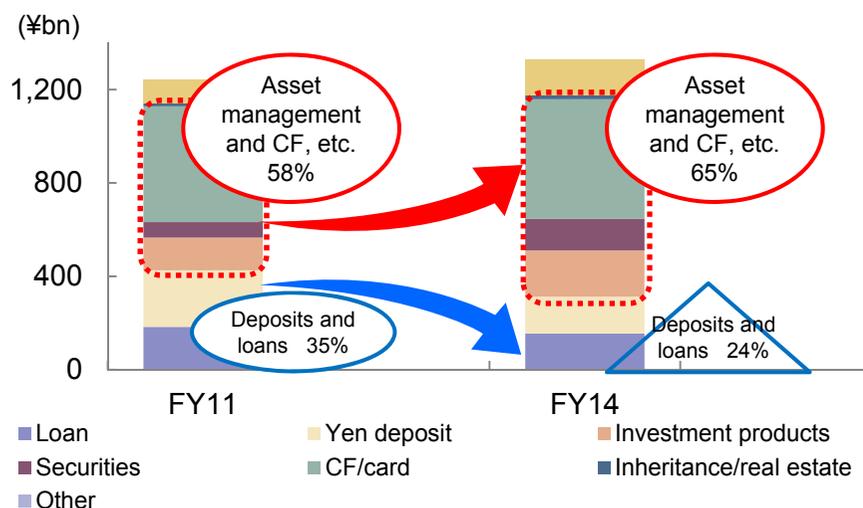
Review

- In the previous mid-term business plan, we realized growth by covering structural decline in gross profit on deposits and loans with asset management and consumer finance(CF)
- Aiming to establish a stable profit base, from FY14 we advanced to strategies focused on a balance between earnings base, business volume, and income

Net operating profits



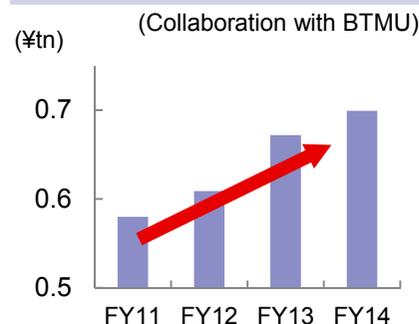
Gross profit composition ratio



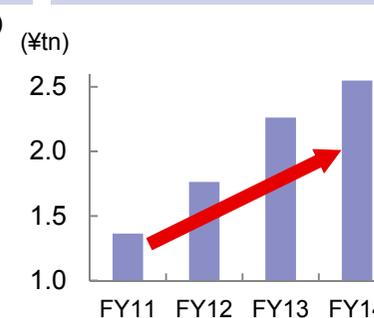
Results^{*1*2}

- Realized steady growth by covering structural decline in gross profit on deposits and loans
- Improved productivity by reformation of business process
- Advanced group collaboration among BTMU, MUSHD and MUTB

Testamentary trusts balance, etc.



Sales by intermediation



Challenges

- Establish a stable profit base for sustainable growth. Flow business become more important
- Advanced to strategies focused on balance between earnings base, business volume, and income from FY14. However the change is still on the way especially in business volume

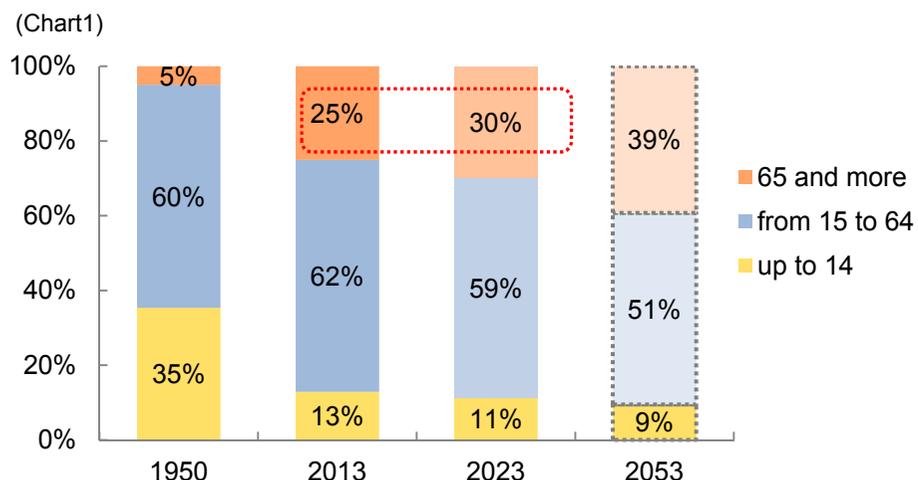
*1 All figures in Retail section are in managerial accounting basis

*2 Financial product intermediation: MUMSS+PB securities

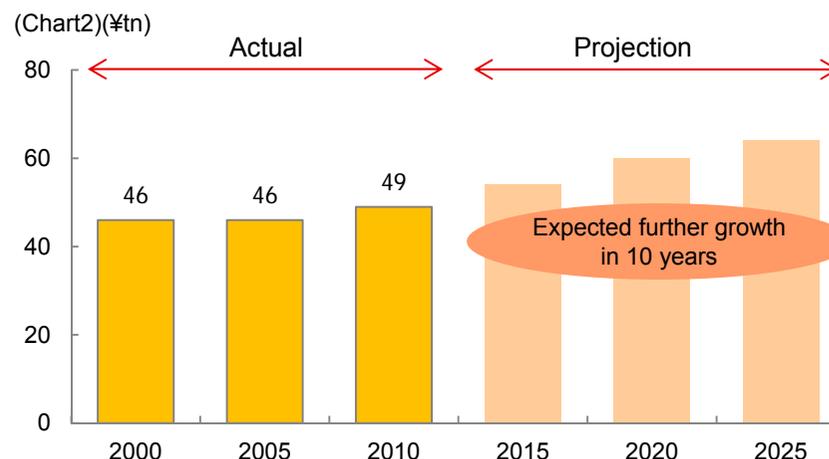
Environmental change coming 10years

- Environment will change dramatically including declining birth rate and aging of the population, polarization of income and assets, advance and spread of ICT
- Expanding retail business opportunity following the revision of the inheritance tax system

Composition of population by age



Amount of asset transfers through inheritance



Major scheduled system revisions

System	Outline
NISA system enhancement	Expand tax exemption allowance (¥1 mn -> ¥1.2 mn /year), NISA for minors (¥0.8 mn /year) (Both from Jan 16)
Unification of financial income tax	Scope of aggregated profit and loss allowed for shares and share investment trusts to be expanded to include certain bonds and bond trusts (Jan 16)
My Number system	Obligation to record Individual Number (My Number) on statutory documentation (Transaction Balance Statements, etc.) (Jan 16)

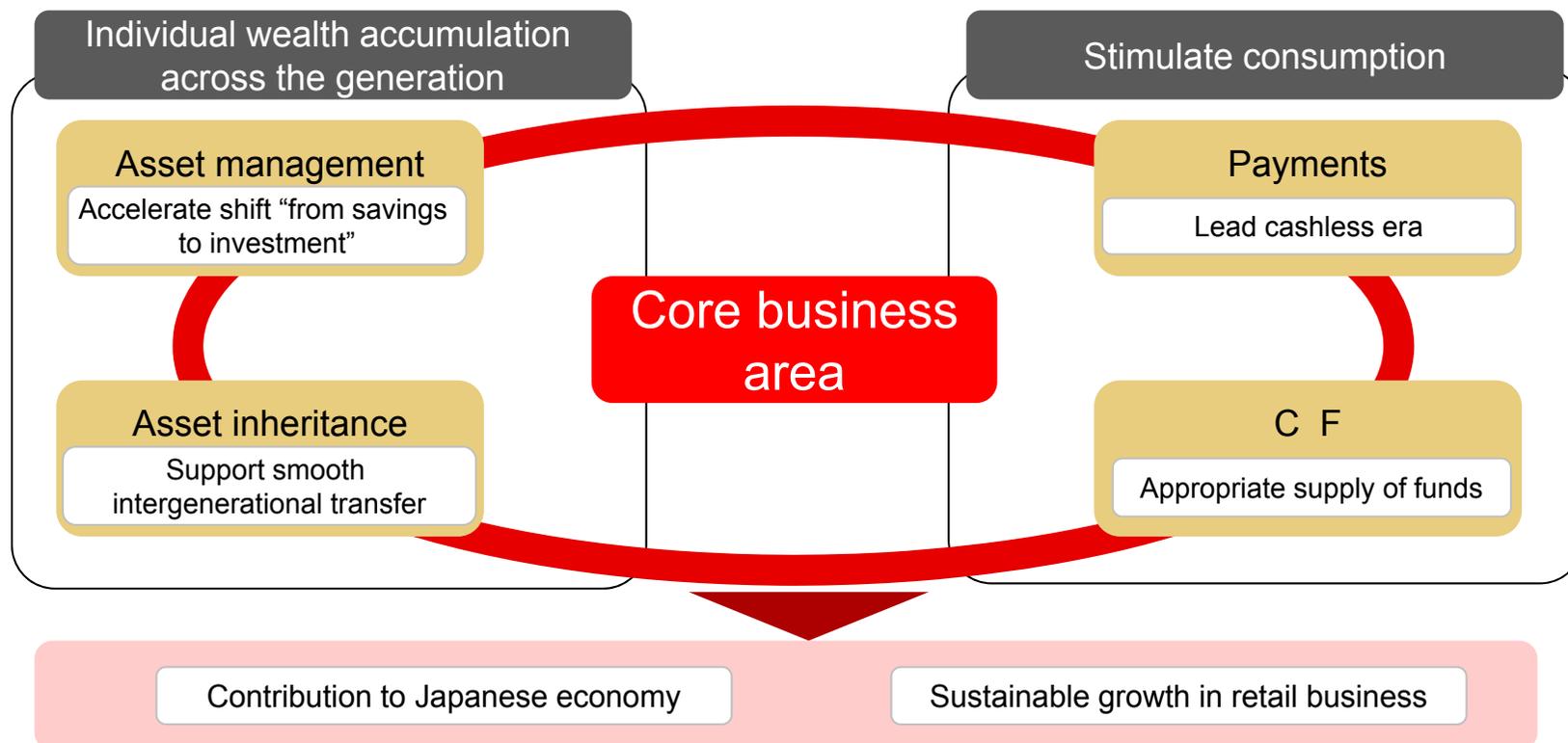
(Source) Chart1: Ministry of Internal Affairs Statistics Bureau Chart2: National Institute of Population and Social Security Research, BCG study

Overview of new mid-term business plan

- In light of the environmental changes, core business strategy going forward will focus on ways to protect clients' assets and ensure smooth succession to the next generation (=asset management and asset inheritance) and ways to contribute to stimulating personal consumption(= settlement and consumer finance)

Vision

The leading retail finance group chosen by every customer in which various transaction spreading beyond entities and generations are connecting with each other

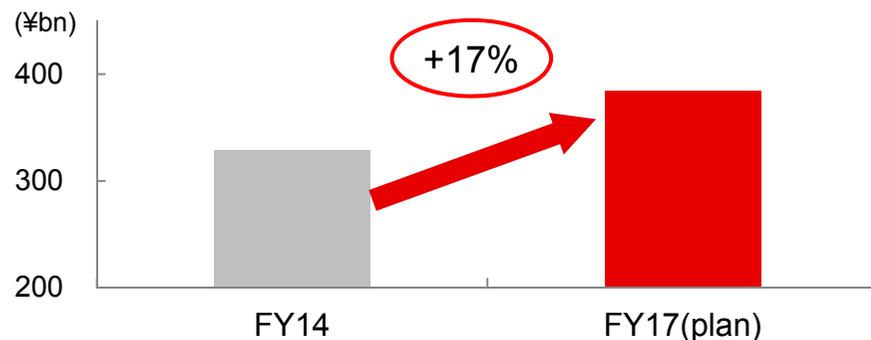


Core business strategy(1)

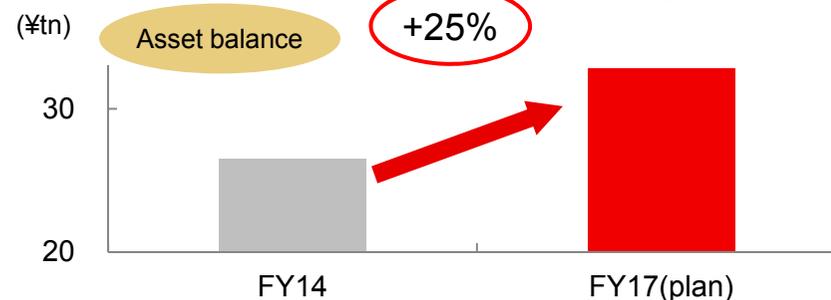
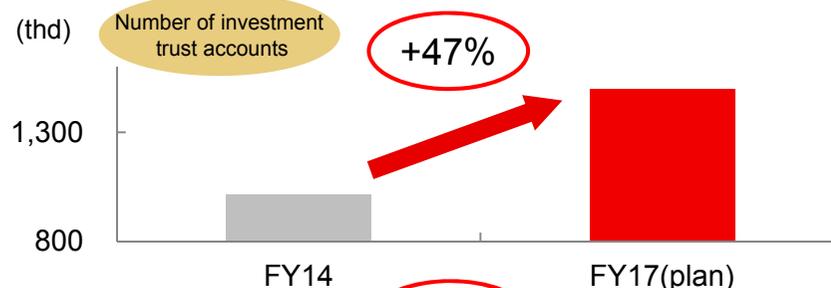
- Asset management(1)

- Accelerate the shift from savings to investment using MUFG's robust client base and asset management business knowhow
- Further strengthen the earnings base(#accounts) and business volume (balance of AuM) to drive sustainable growth

Gross profit(asset management)^{*1*2}



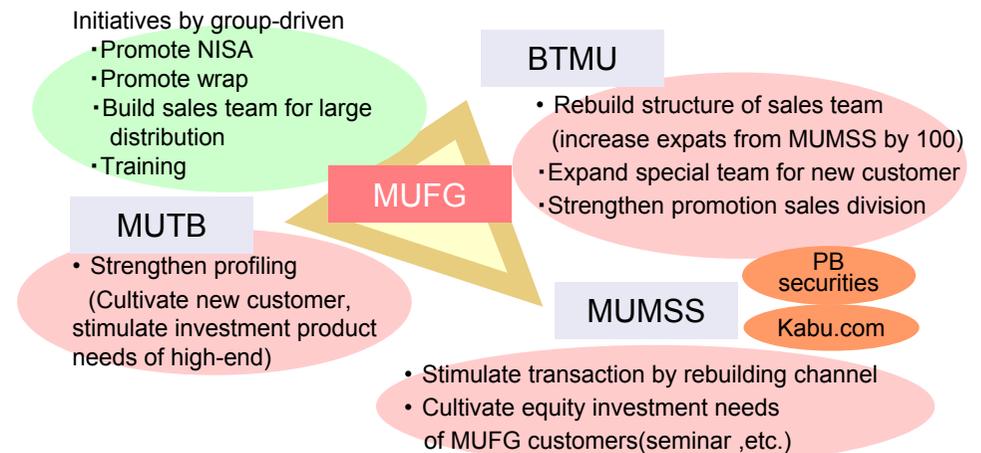
Earnings base and business volume^{*1}



Main strategies

- Rebuild the sales structure responding customer needs(BTMU)
 - In financial products intermediation, reform overlapped sales structure and strengthen sales force
 - In BTMU and MUTB, promote earnings base by expanding products
- Build large-scale distribution structure(BTMU, MUTB)
 - Strengthen the intermediation operating structure for large IPO, PO business from MUMSS
- Flexible operations eyeing various system improvements and expansion
 - Respond to increase of NISA tax exemption, NISA for minors

Initiatives in asset management business



*1 Managerial accounting basis

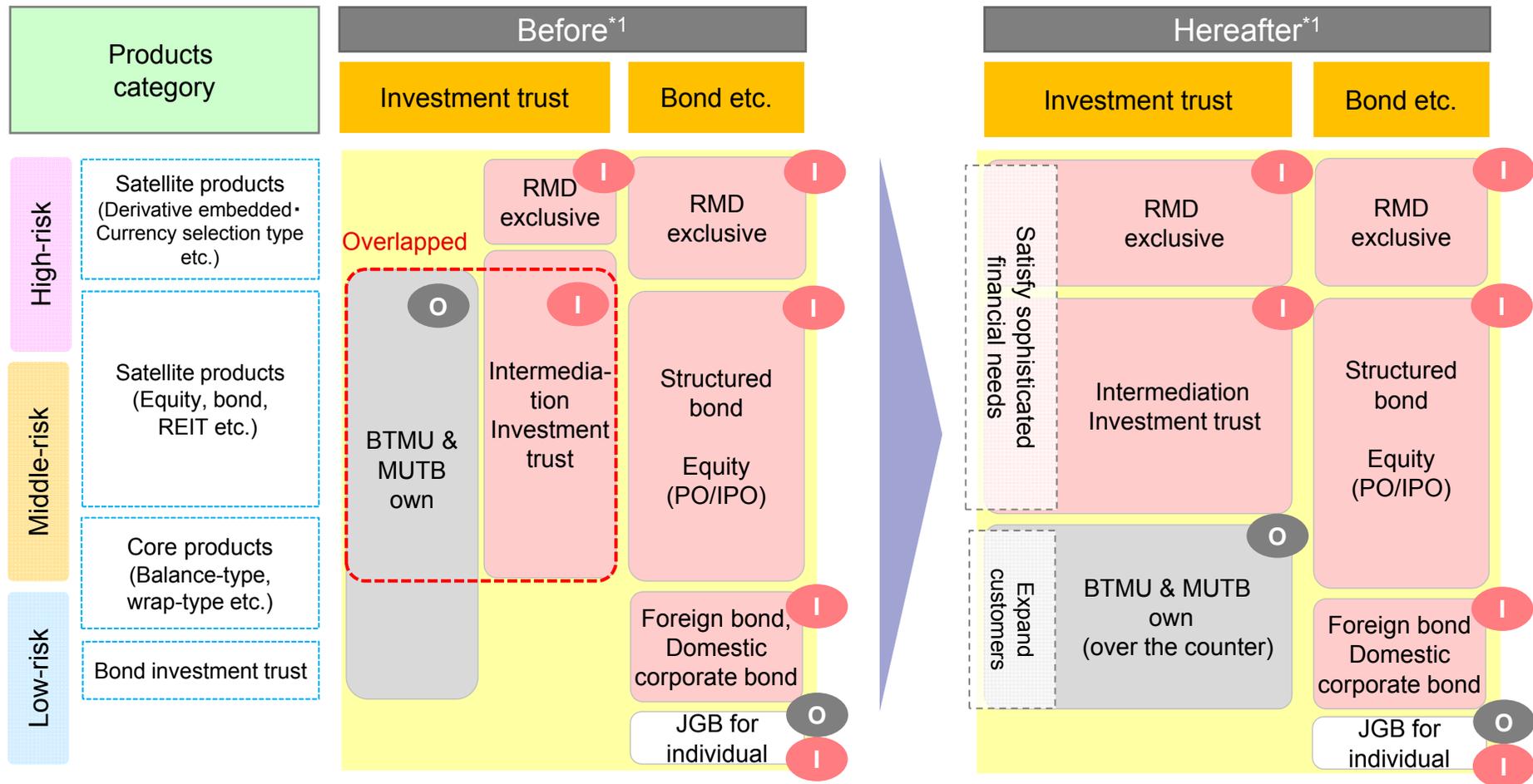
*2 Investment products (exl. foreign currency deposits)
+securities operations (share and bond commissions, etc.)



Core business strategy(1)

- Asset management(2)

- Expand lineup of investment trust in financial products intermediation. Develop sales team which can satisfy customer's sophisticated needs by focusing on products from middle-risk to high-risk. In "BTMU & MUTB own", focus on expanding customers by focusing on products from low-risk to middle risk

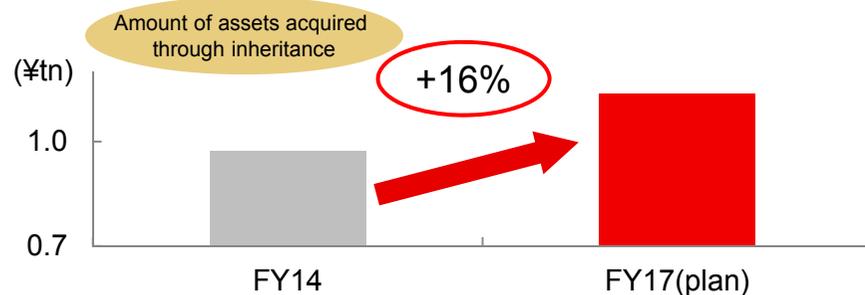
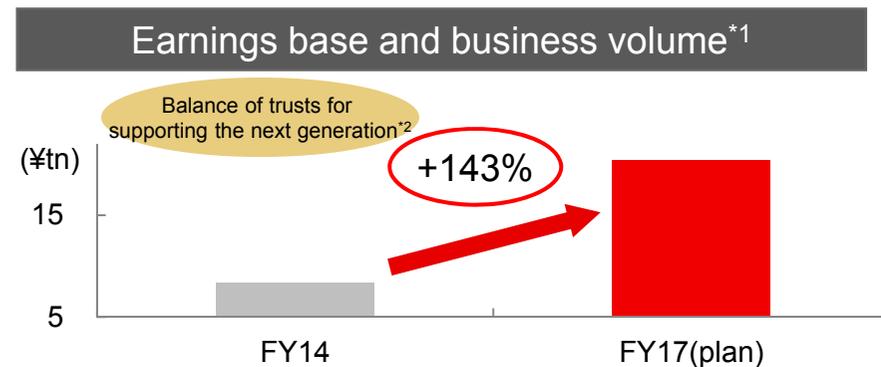
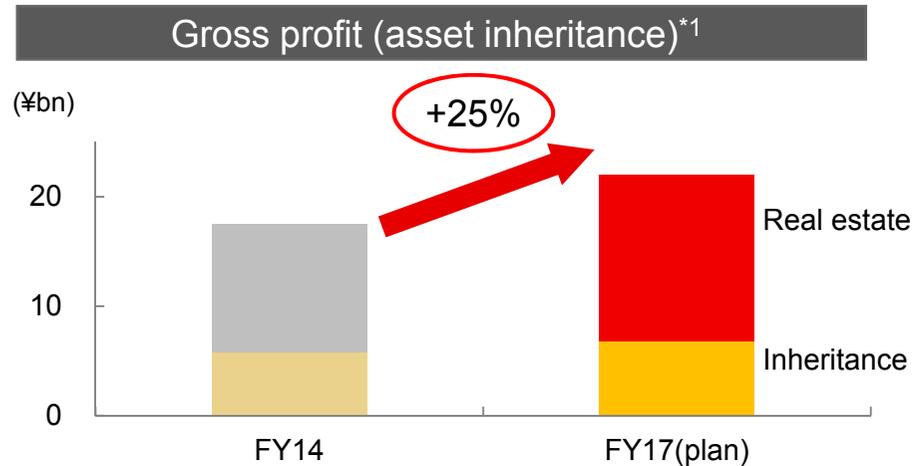


*1 RMD(Retail Money Desk): special team for customer's sophisticated financial needs

Core business strategy(2)

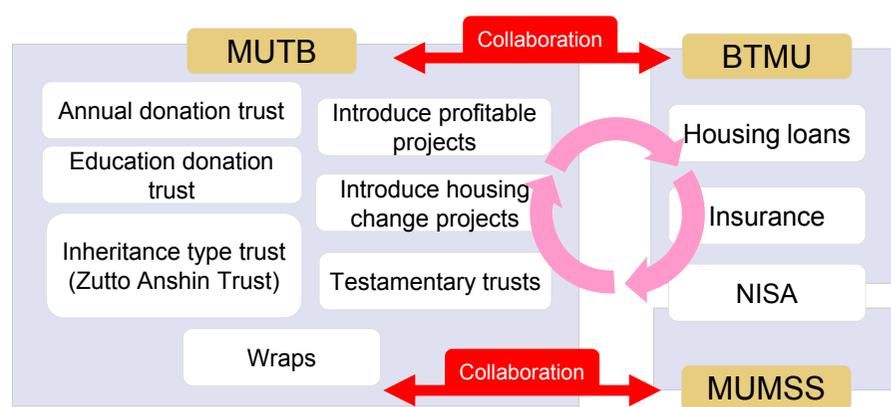
- Asset inheritance

- Contribute clients smooth asset succession using strengths of the industry-leading trust bank, MUTB in MUFG
- Develop total asset marketing approach on a group basis stemming from asset inheritance. Identify and strengthen cross-



- Main strategies**
- Develop competitive products and services
 - Expand trust products for supporting the next generation following the revision of the inheritance tax system
 - Expand wrap business(expand earnings base by small wrap, and capture asset inheritance needs by packaging with asset inheritance products)
 - Promote total asset marketing in group basis
 - Strengthen total asset marketing on a group-wide basis and respond to need of asset inheritance including real estate

Total asset marketing development on a group-wide basis



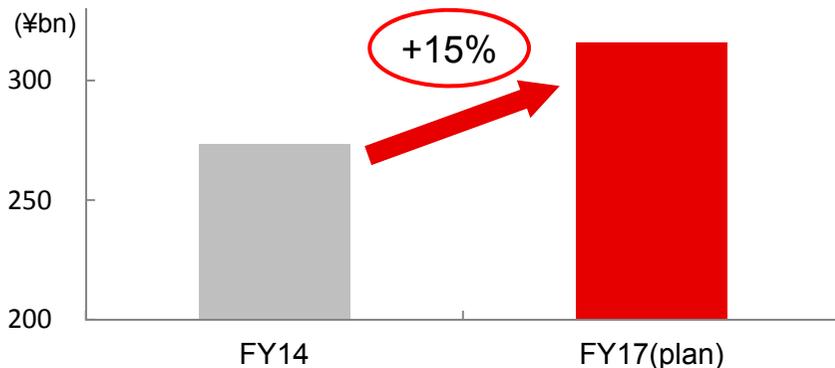
*1 Managerial accounting basis
 *2 Annual donation trust + education donation trust + inheritance type trust (Zutto Anshin Trust)



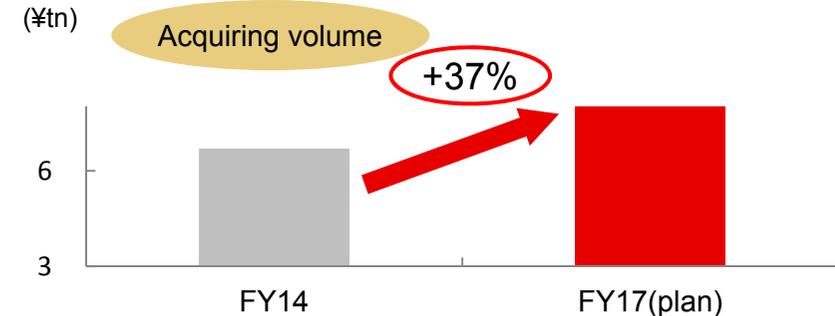
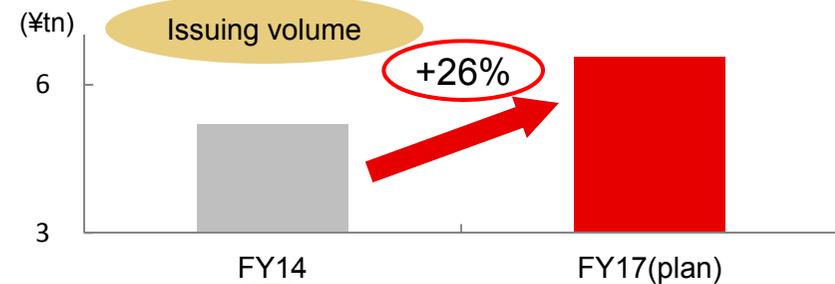
Core business strategy(3) - Settlement

- Expect further cashless settlement and rapid diversification of settlement measures utilizing ICT
- Under severe market condition, leverage advanced ICT, and aim to be a “Trustworthy settlement group leading the cashless era”

Gross profit(card)*1



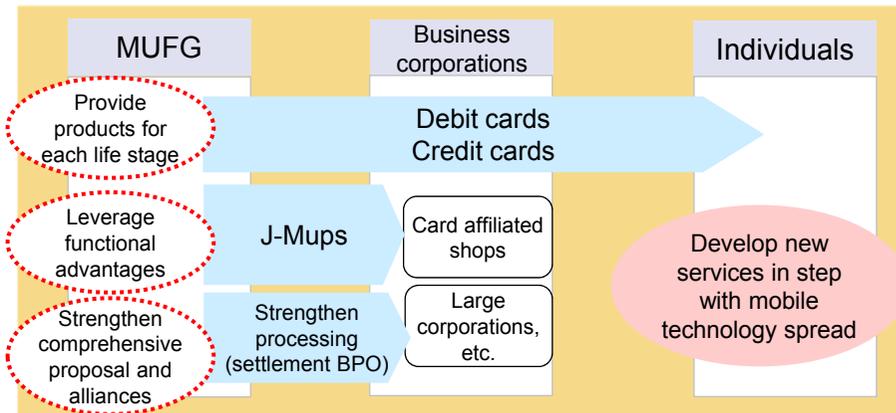
Earnings base and business volume*1



Main strategies

- Further stimulate the client base
 - (Individual) Thorough provision of products for each life stage
 - (Corporate) Develop J-Mups in response to diversification of settlement methods
 - (Large corporations) Strengthen back-office settlement BPO services
- Continue to develop new clients
 - Respond to the spread of mobile services by developing new settlement schemes leveraging advanced ICT

Strategic map of settlement operations

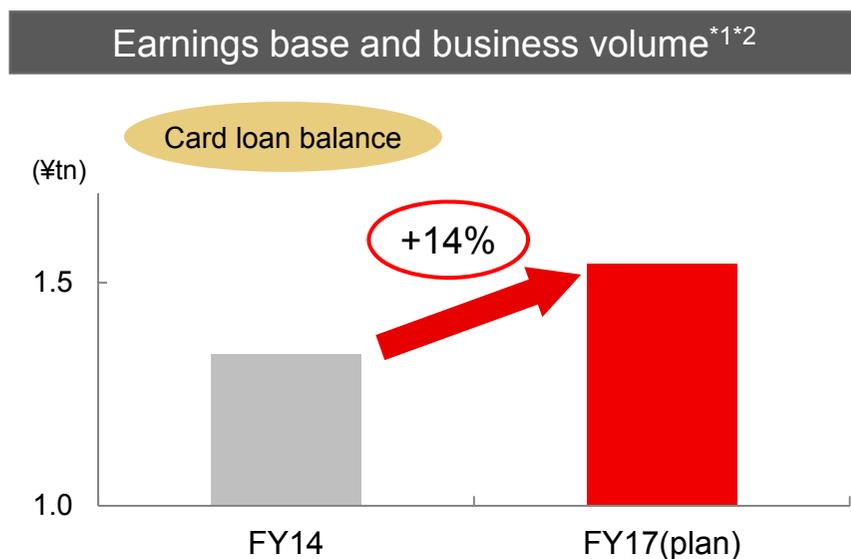
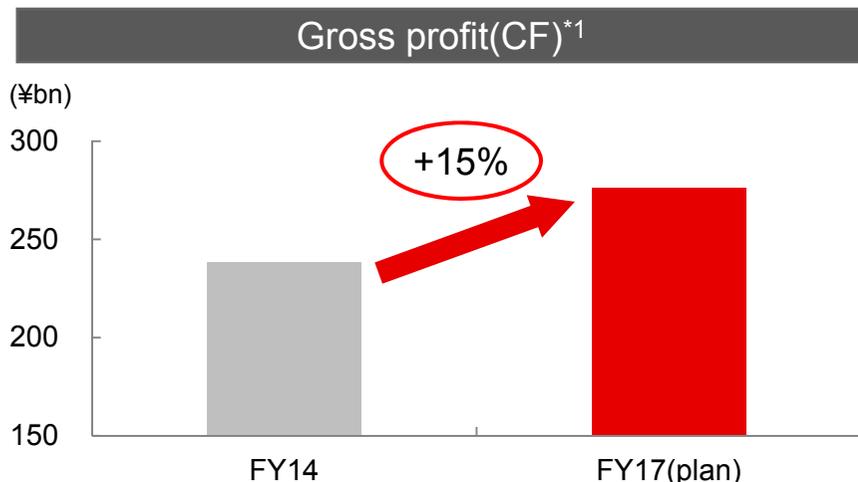


*1 Managerial accounting basis

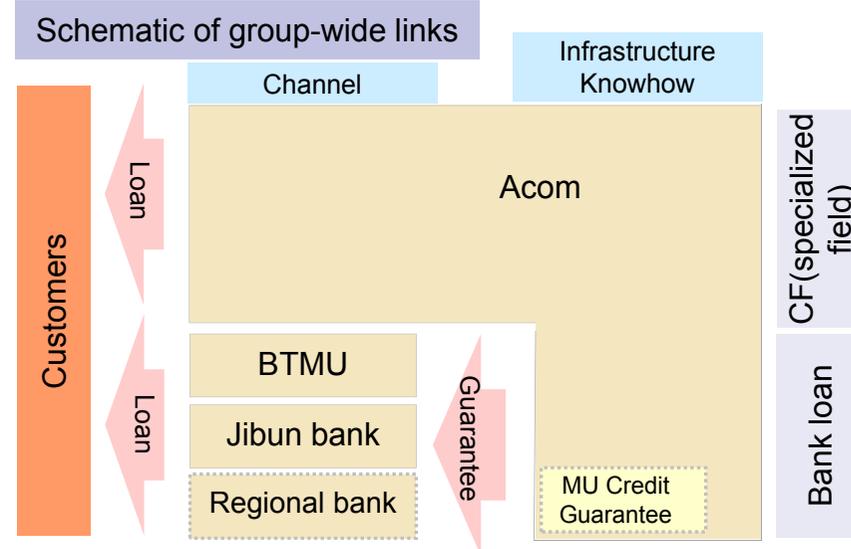
Core business strategy(4)

- Consumer finance

- Expect further growth in CF market. Expand earnings base as a group utilizing marketing knowhow
- Enhance credit assessment model and strengthen back-office processing



- Main strategies**
- Further stimulate the client base
 - Cultivate clients who can borrow more by strengthen customer profiling
 - Strengthen additional lending by flexible increase of lending limit and proposal of competitive interest rate
 - Continue to develop new clients & group collaboration
 - Make good balance among advertising media maximizing cost benefit
 - Enhance service level of automatic contract machine and website
 - Expand guarantee business utilizing BTMU customer base



*1 Managerial accounting basis
 *2 BTMU + MUTB + ACOM

Main strategies other than core strategies

(Key segments)

High-net-worth class

- Develop and bolster professional human resources with high-level specialist knowledge to meet clients' needs for high-level asset management and needs for asset inheritance / business succession
- Expand transactions with business owners stemming from business succession through cooperation with corporate business. Increase assets under management using PB Securities functions, radically strengthen group-wide initiatives, etc. for asset inheritance business

Housing loans

- Revise front-office structure and business processes in order to secure business sustainability under severe business condition. Proceed cost reduction
- Respond flexibly to customer needs through use of the internet channel cooperating with Jibun bank

Channel

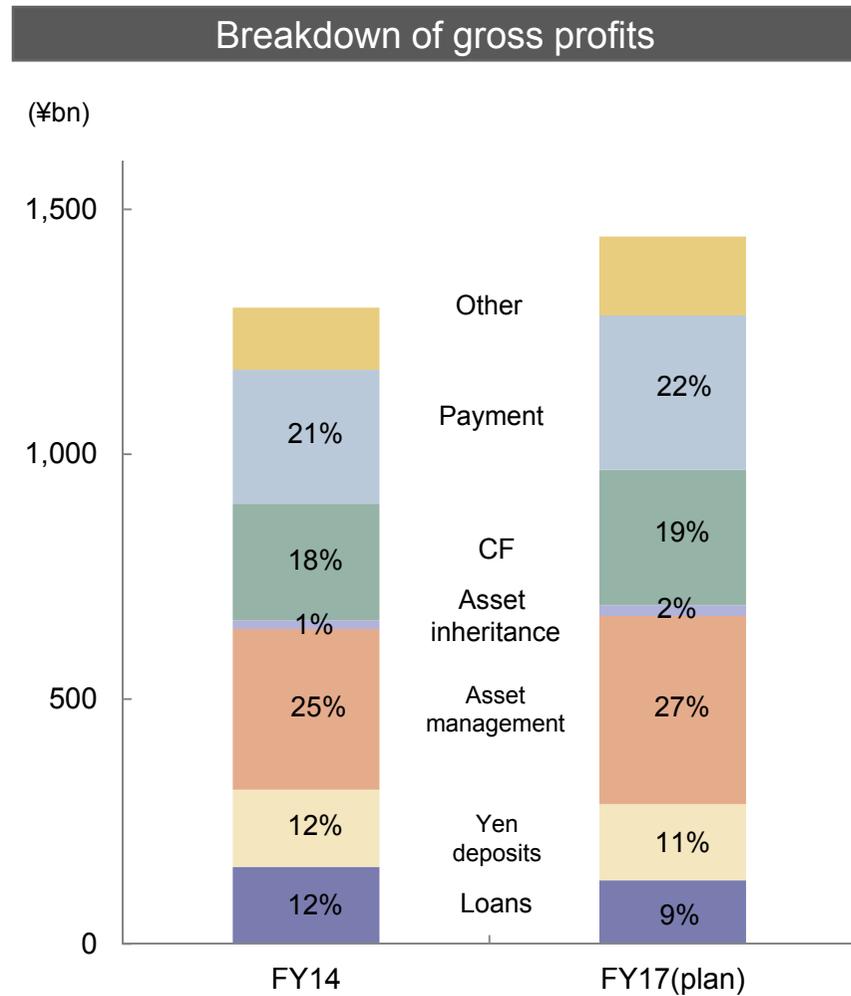
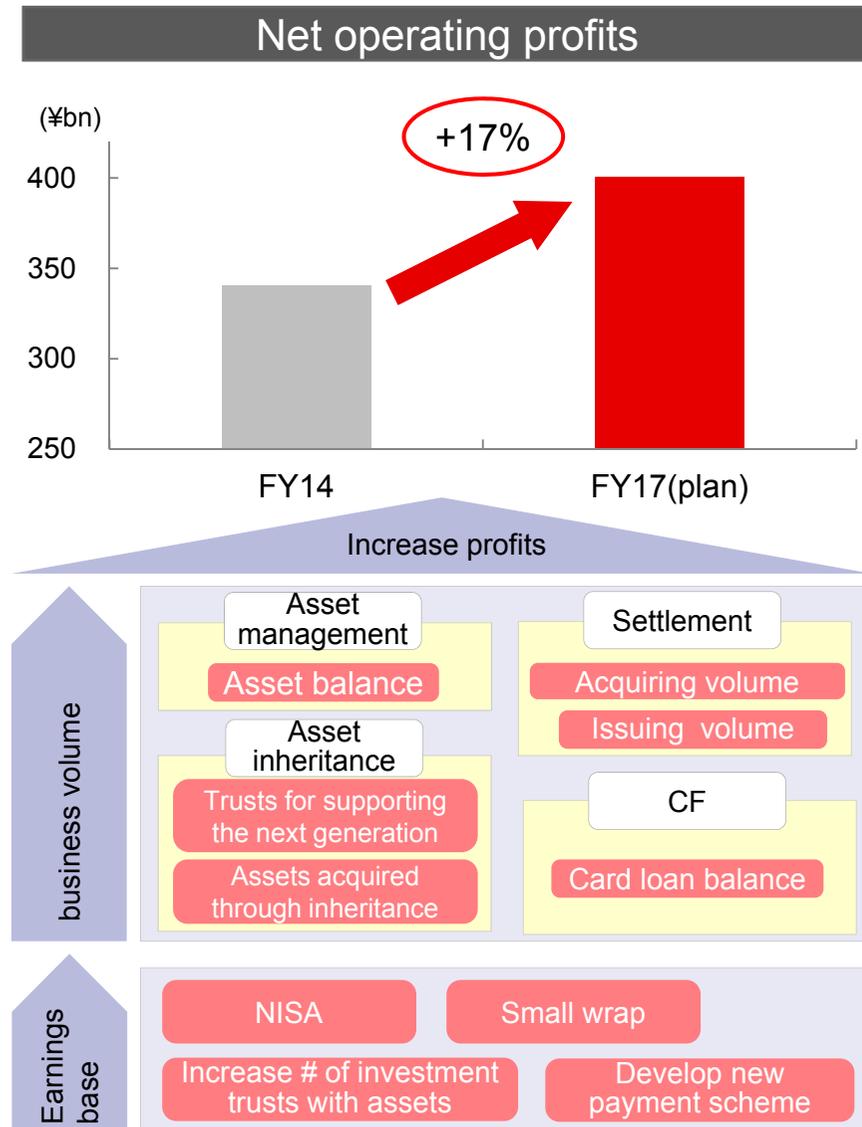
- Examine new highly convenient branch formats using ICT and other means in response to diversification of clients' lifestyles and needs. Continue to examine setting up new staffed branches in areas where high-net-worth class gathers
- Improve productivities by co-sharing the Group's facilities

Initiatives to increase client satisfaction

- Introduce a framework for branch and head office personnel for combining their efforts to continuously examine initiatives to reduce client waiting time and improve service levels
- Aim to establish a virtuous cycle where improved employee satisfaction leads to improved client satisfaction, and ultimately to increased bank earnings

Plan of net operating profits

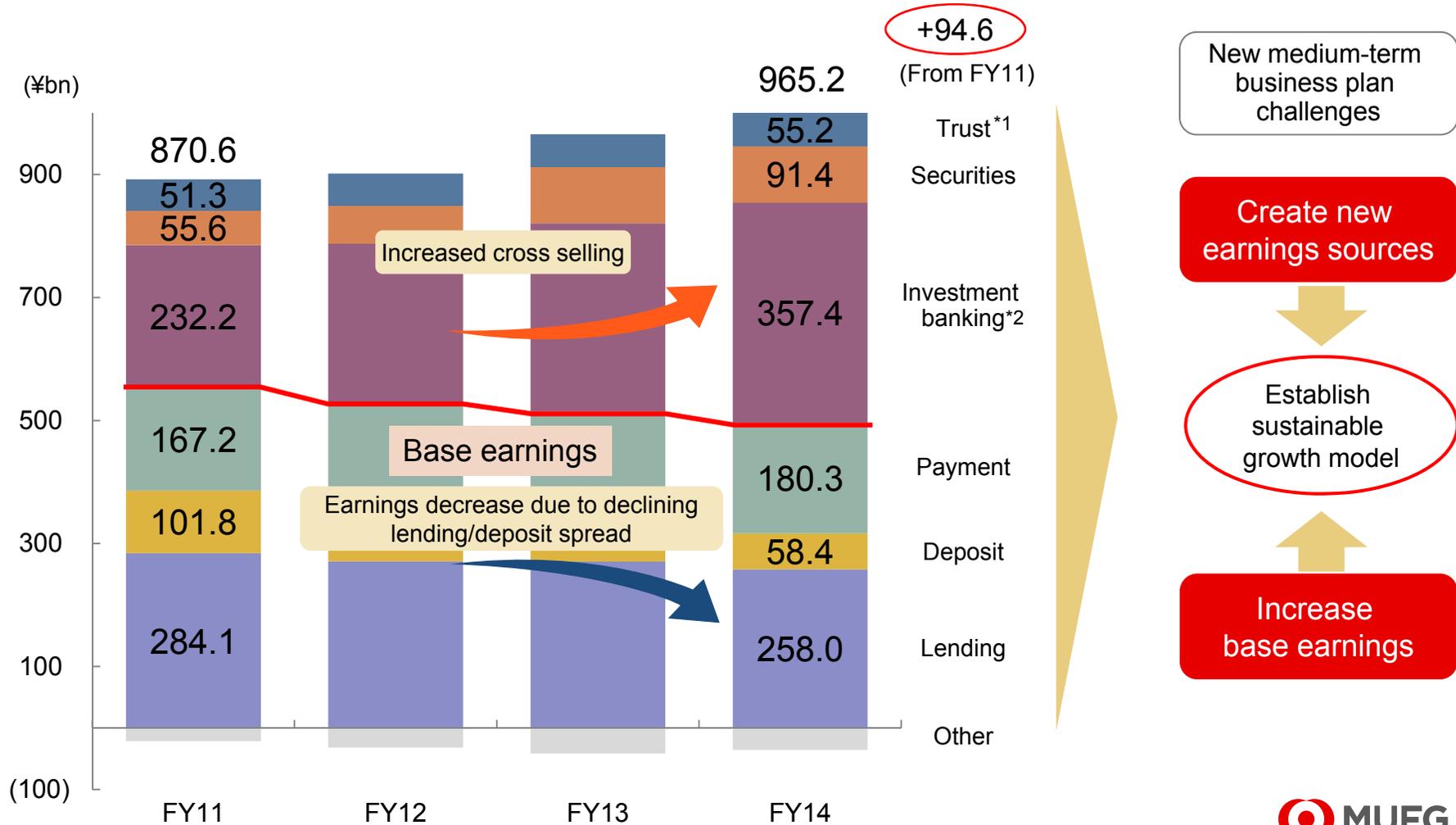
- Plan to exceed the previous mid-term plan with consolidated net operating profit growth of 17% by establishing a virtuous cycle from earnings base -> business volume -> income



Corporate banking business group

Review

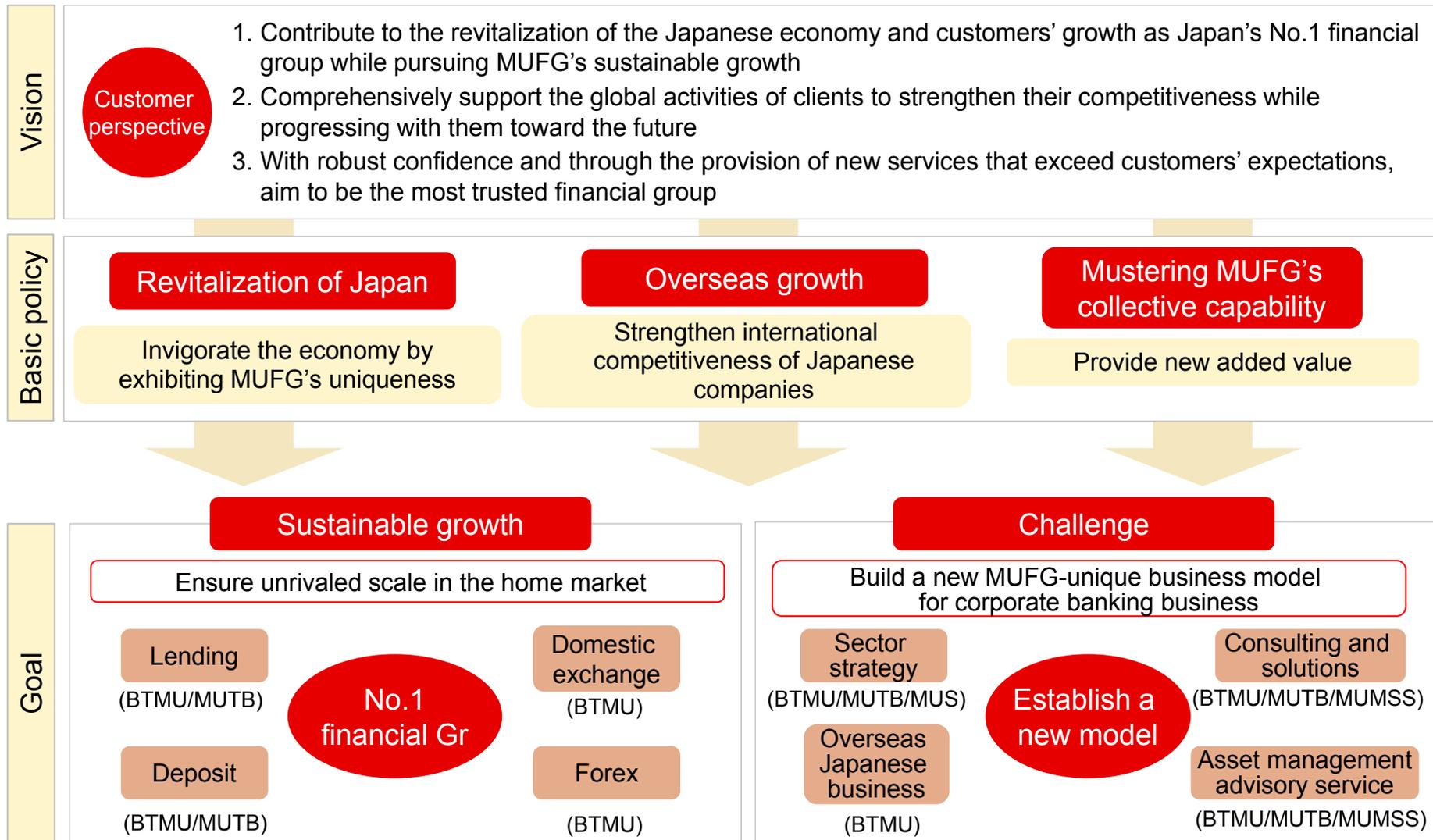
- With lending/deposit spread declining, base earnings were on a downward trend. Gross profit reversed on increased cross selling
- “Increasing base earnings” and “creating new earnings sources” are new medium-term business plan challenges for the establishment of a sustainable growth model



Actual exchange rate basis

*1 Real estate brokerage, transfer agency business, etc. *2 Structured finance, syndicated loan, derivatives, etc.

Overview of new mid-term business plan

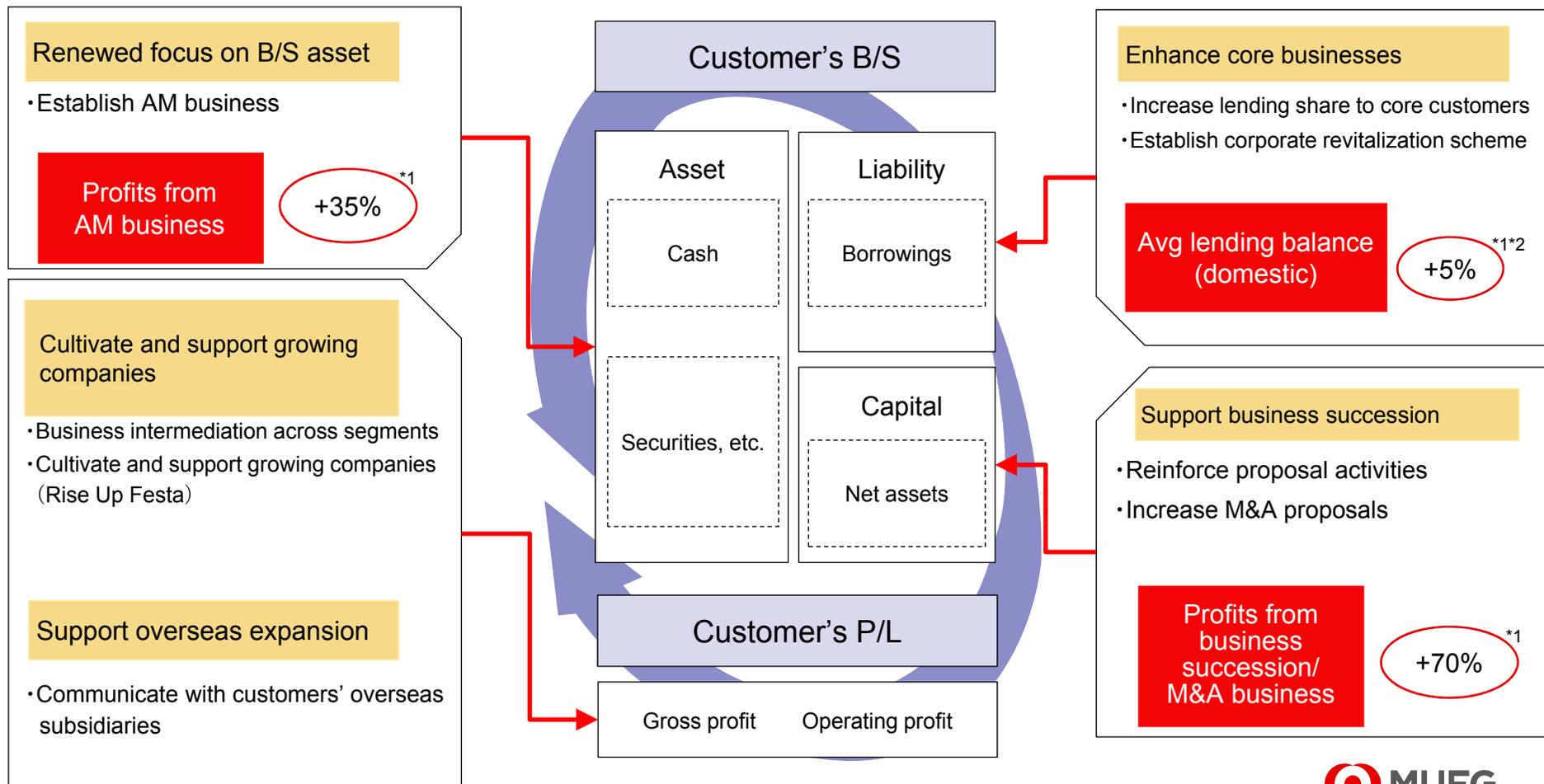


Business strategy for the SME segment

- Overview

- Enhance core businesses (lending, deposits, and exchange), considering they are sources of competitiveness for the commercial banking model
- Expand the scope of business, utilizing MUFG's various functions and expertise

Contribute to customers' growth by responding to the needs not only on their liability but also on asset, capital, and gross profit, etc.



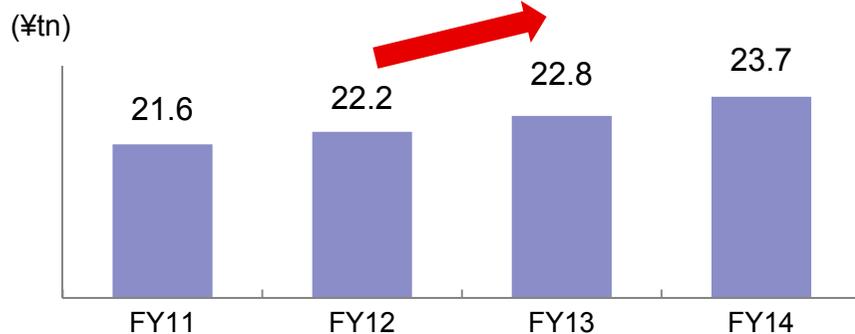
*1 All figures on a managerial accounting basis. Increase ratio of FY17 (plan) from FY14

*2 In BTMU branches or offices for SME

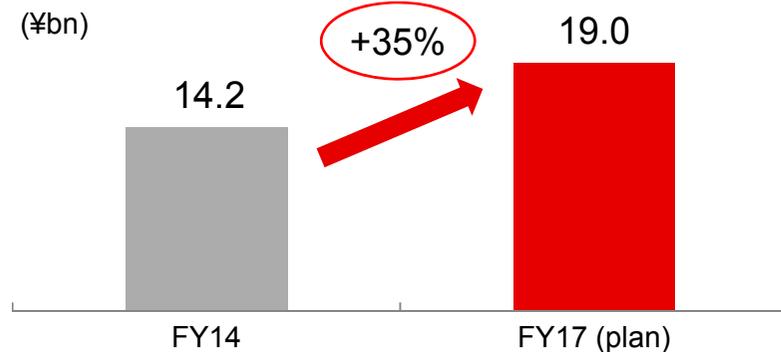
Business strategy for the SME segment - AM business

- Establish new fee-based business responding to an increase of customers without loans and an increase in the diversity of financial needs on their asset side
- Create system for unified promotion at MUFG and emphasize the perspective of customers in providing solutions focusing on management challenges on their asset side

Deposit balance

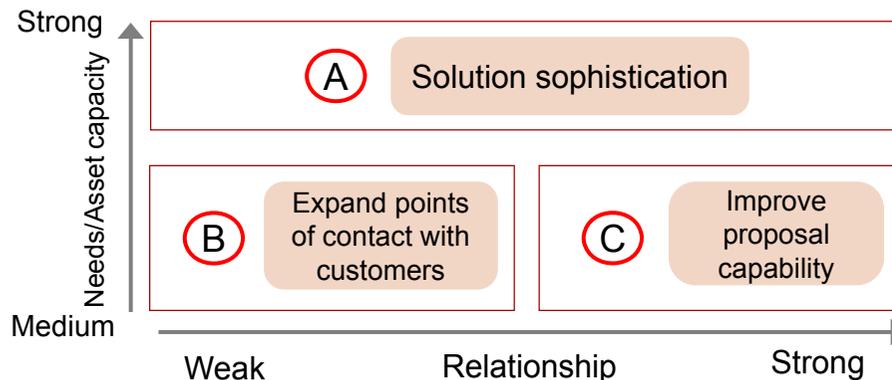
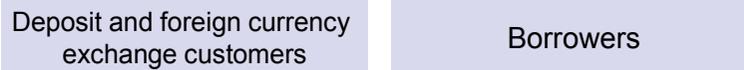


Profits from AM business*1



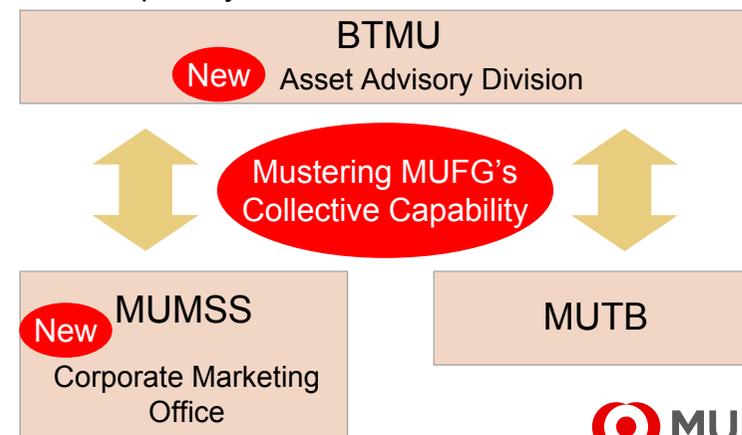
Promotion policy

The key is to strengthen solution proposal capability and increase contact with deposit and foreign currency exchange customers



Promotion system

Change promotion system to help sales and strengthen solution capability



*1 managerial accounting basis

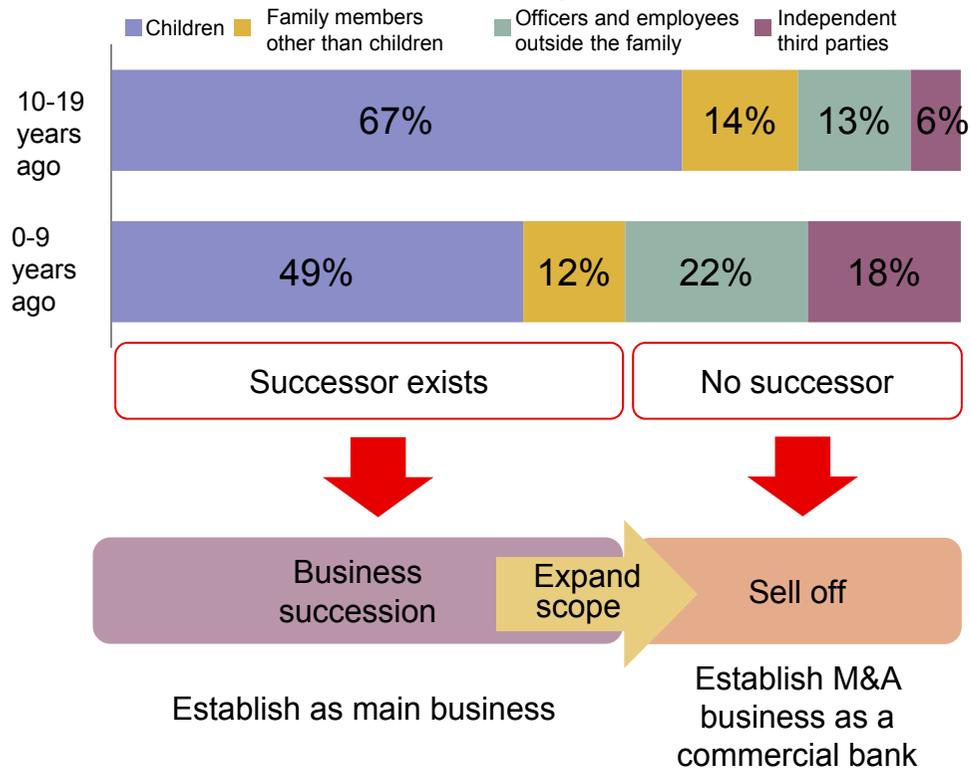
Business strategy for the SME segment - Support business succession

- Capture the increase in business succession to non-family members. As a leading bank, respond to the customers' needs to continue business
- Improve business sell off proposals to customers with no successor and expand business area starting from business succession and establish M&A business as a commercial bank

Change in business succession environment/Direction of business expansion

Aging and successor difficulties are further advancing and support for business succession outside the family is a primary challenge

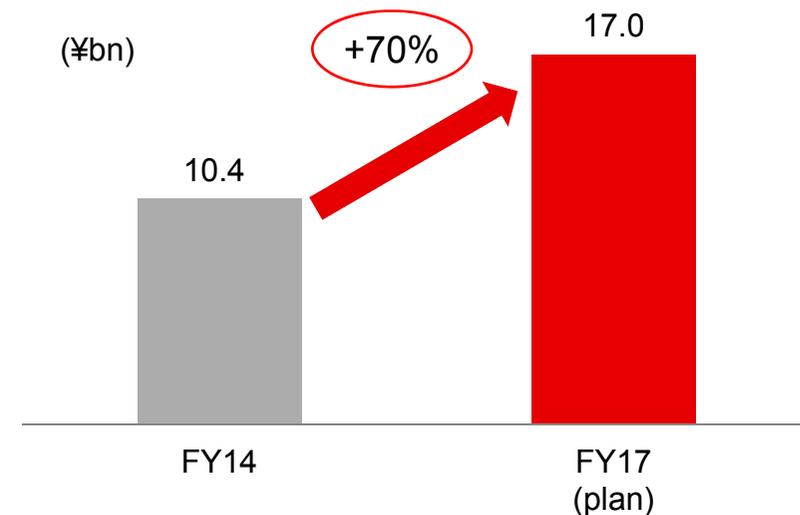
<Relationship between current manager and predecessor*1>



Initiatives

- ① Confirm successor exists surely
- ② Cultivate M&A needs through a proposal of business succession
- ③ Strengthen owner's investment products needs following selling business off
- ④ Strengthen M&A promotion system

Profits from business succession/M&A*2



*1 [Source] The Small and Medium Enterprise Agency: Interim Report of the Study Group for Business Revitalization Centered on Business Succession (Jul 2014)

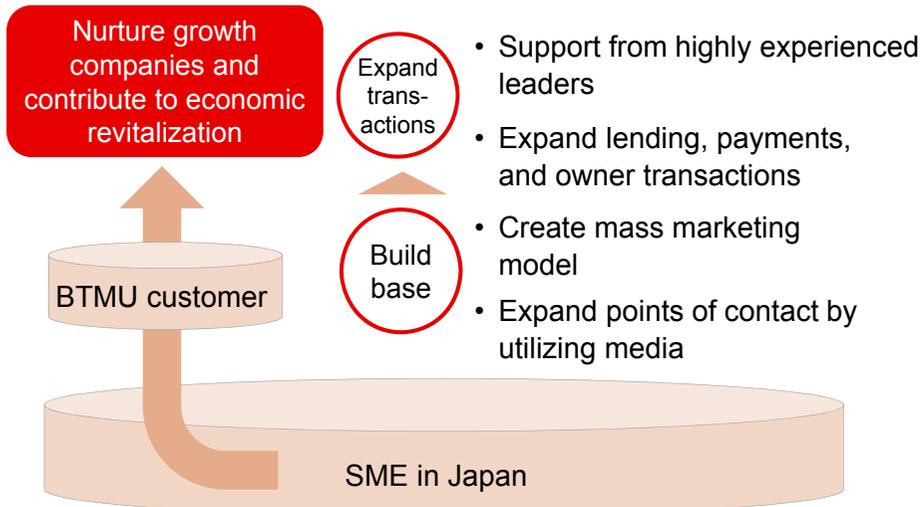
*2 Managerial accounting basis

Business strategy for the SME segment

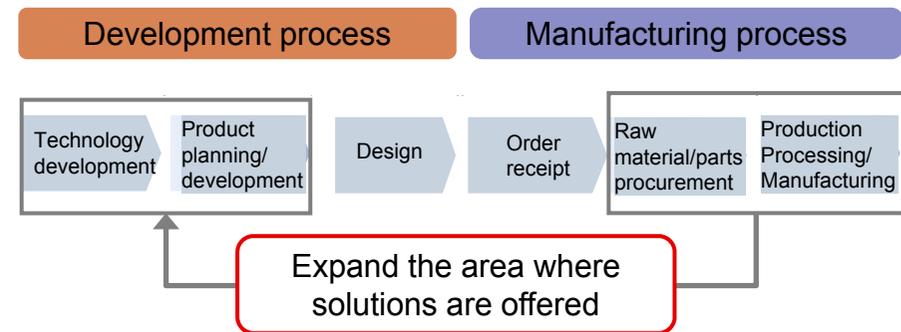
- Initiatives to nurture and support growth companies (1)

- Build a new business model for SME segment, utilizing mass marketing and new support system
- Build a new business matching platform by utilizing high-quality customer base. Enhance our service to support customer's development and growth

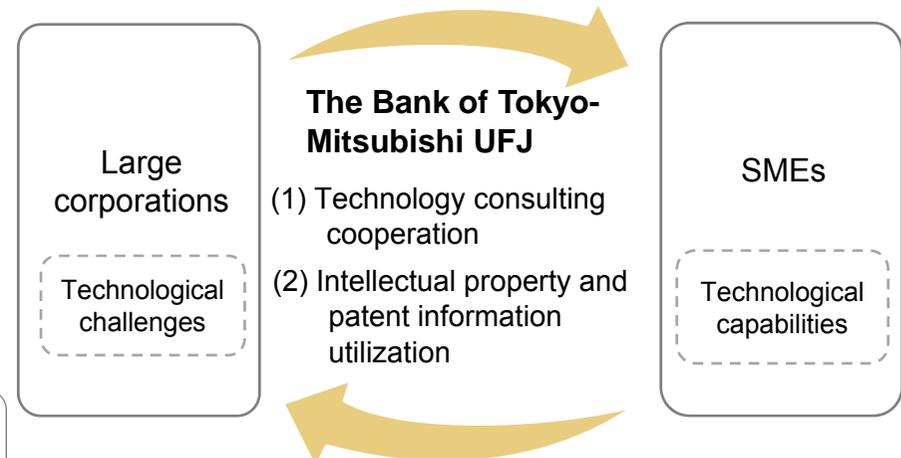
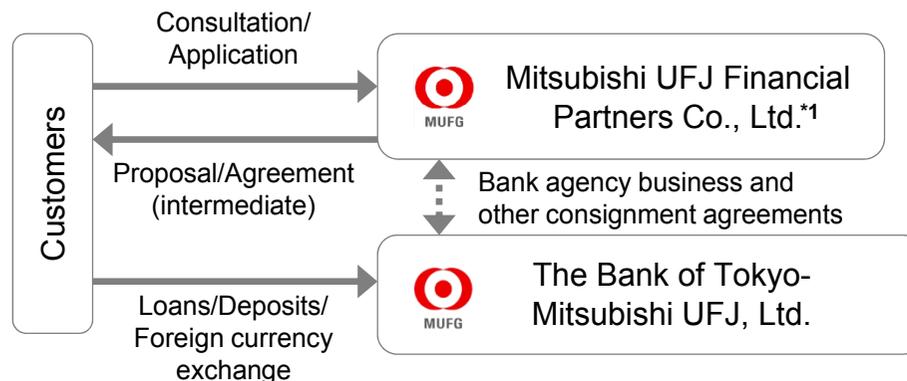
Expand the SME base



Enhance business matching



Support from Mitsubishi UFJ Financial Partners

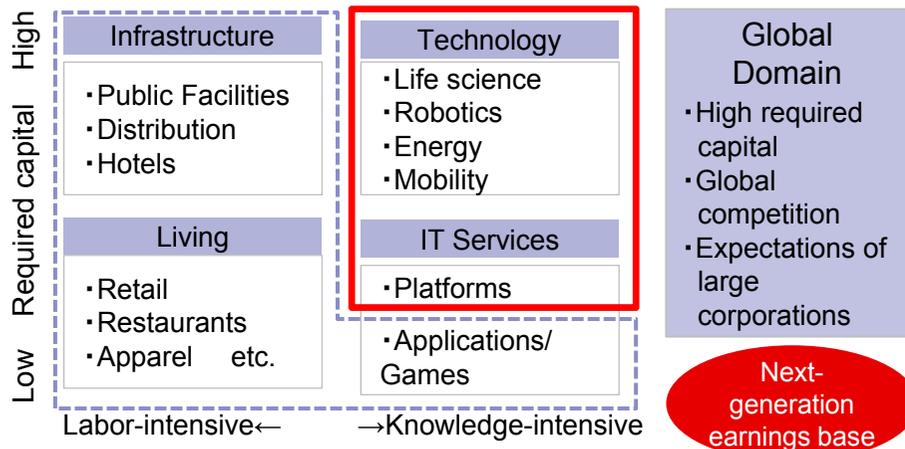


Business strategy for the SME segment

- Initiatives to nurture and support growth companies (2)

- Nurturing of next-generation key industries is an essential activity as a megabank amid the continuing rapid change of the industrial structure
- With the Industrial Design Office playing a central role, utilize external knowledge and develop MUFG unique initiatives

Key areas for nurturing growth companies



Initiatives to find growth companies (Rise Up Festa)

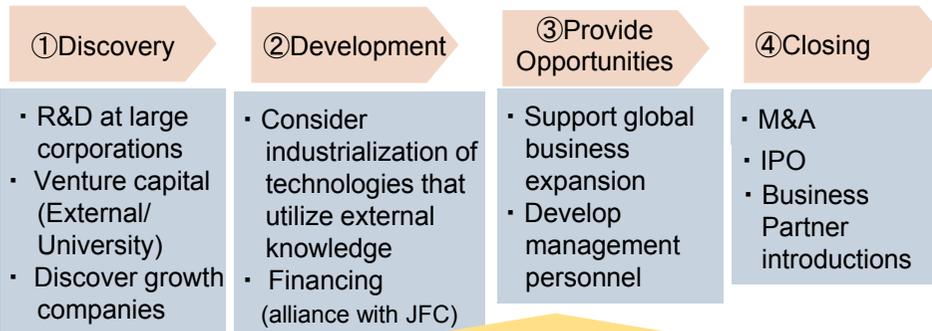


2nd Rise Up Festa recruitment theme

- ① Internet services/Information/Robotics technology
- ② Health care / Biotechnology
- ③ Social business



Initiatives that address the value chains of developing industries



Develop initiative centered on the Industrial Design Office*1 with our long-term vision

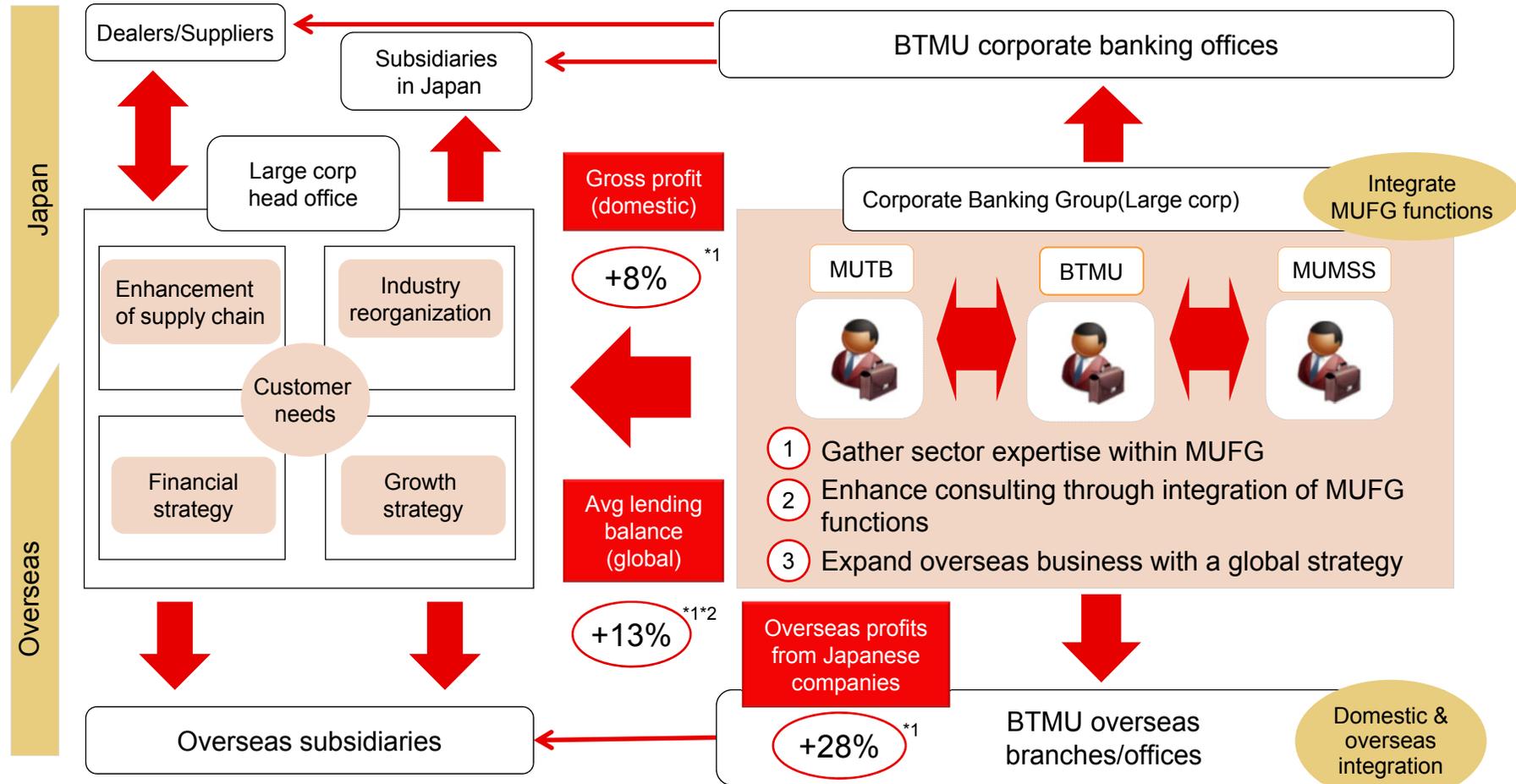
*1 A joint team consisting of BTMU and Mitsubishi UFJ Capital



Reform the global CIB business model

- Large Japanese corporations

- Pursue MUFG's uniqueness and maximize our collective capability by gathering sector expertise and identifying strong points within MUFG
- Respond to customer's sophisticated needs globally. Position sector strategy as a key in our business with large-scale Japanese corporations



*1 All figures on a managerial accounting basis. Increase ratio of FY17 (plan) from FY14

*2 In BTMU branches or offices for large-scale corporations

Reform the global CIB business model

- Enhance solution design capability

- [Securities business] Enhance solution design capability through a collaboration with Morgan Stanley and integration of MUFG functions
- [Project finance] Respond to evermore sophisticated customer needs and focus on growing business area

MUMSS: Major securities business transactions

(Apr 14 - Mar 15)

- Asahi Kasei's acquisition of Polypore and associated partial divestiture to 3M
 - Asahi Kasei announced approx. US\$2.2 bn cross-border acquisition (pre-closing)
 - MUMSS appointed as Asahi Kasei's financial adviser
- Global IPO by Recruit Holdings
 - MSMS acted as JGC and MUMSS/MS acted as Joint Bookrunner for both the domestic and international tranches for the approx. ¥213.8 bn IPO for Recruit Holdings
- Global IPO by Skylark
 - MS acted as JGC and MUMSS/MS acted as Joint Bookrunner for both the domestic and international tranches for the approx. ¥75.3 bn initial public offering for Skylark

MUMSS: M&A advisory (cross-border deals)

(Apr 14 - Mar 15)

Rank	FA	#	Amount (¥bn)	Share (%)
1	Mizuho Financial	45	2,965.9	28.9
2	MUMSS	34	2,689.6	26.2
3	Nomura	38	2,447.6	23.8
4	Goldman Sachs	16	1,949.8	19.0
5	Bank of America Merrill Lynch	10	1,784.4	17.4

Any Japanese involvement announced

(Source) Thomson Reuters

BTMU: Project finance

(Jan - Dec 14)

Rank	Mandated Arrangers	Origination Volumes (US\$ mn)	#	Rank Jan-Dec 13
1	MUFG	16,227	139	1
2	SMBC	13,451	112	4
3	Mizuho Financial	9,848	80	5
4	BNP Paribas	9,003	73	18
5	Credit Agricole	8,054	80	7

(Source) Project Finance International

BTMU: Strategies to strengthen project finance

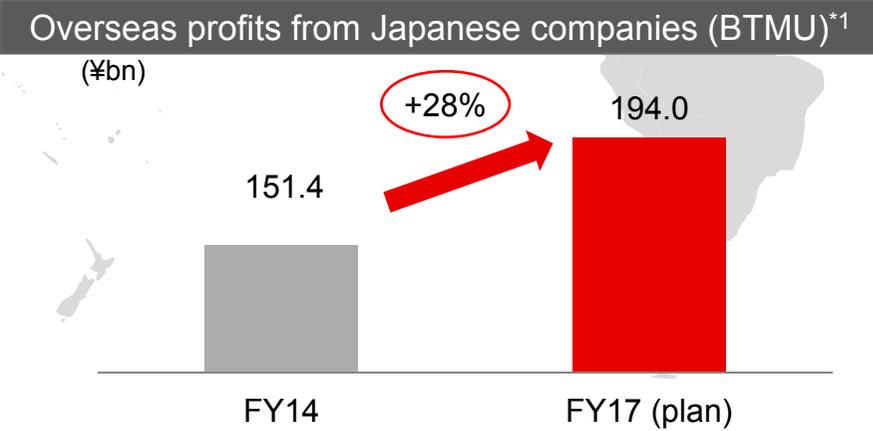
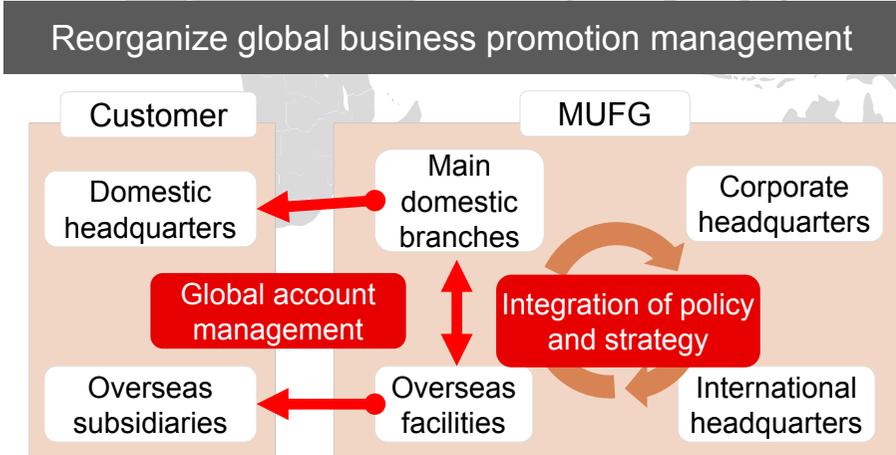
- Global approach: strengthening our platform in power and infrastructure sector
- Global ranking for Jan-Dec 14 was No1 for 3 years in a row
- Domestic approach: enhancing our supports in relation to Japanese companies' project finance related to PFI, renewable energy and thermal IPP, etc. and infrastructure exports to Asia



Segment strategy for large corporations segment

- Expand overseas business

- Expand asset scale and revenue by responding customer's diversifying needs through customer oriented business strategies
- Reorganize global business promotion management in order to capture customer's global activity properly



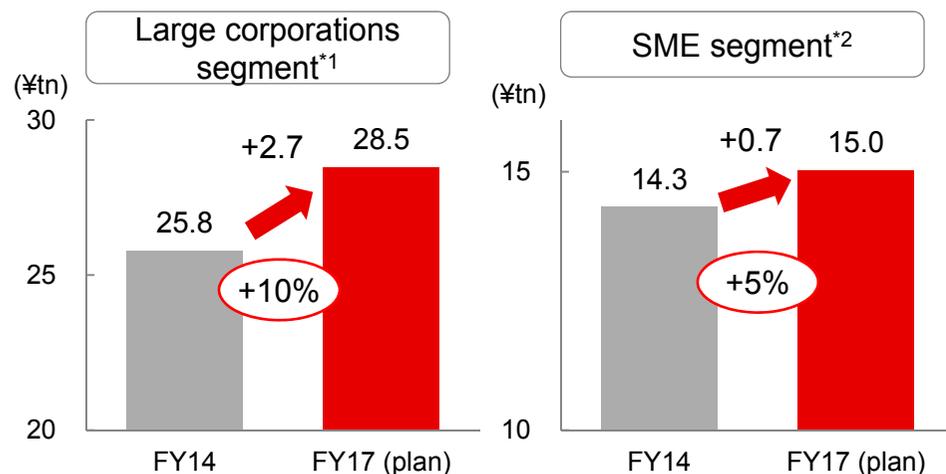
*1 Managerial accounting basis



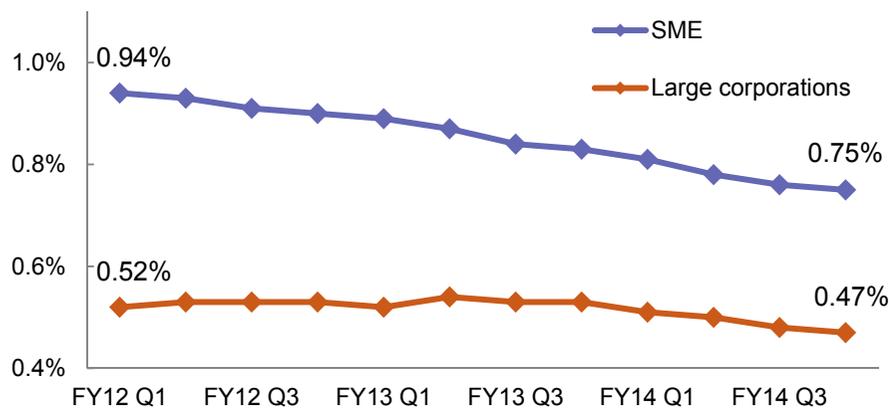
Lending business (domestic)

- Increase lending balance, the source of our competitive strength, with the target of ¥2.7 tn in the large corporations segment and ¥0.7 tn in the SME segment
- Halt loan spread decline by taking greater risks and restructuring to strengthen base earnings

Average lending balance



Lending spread



*1 Average balance of BTMU large corp office and MUTB

*2 Average balance of BTMU SME office

Major initiatives to increase lending

- 1 **Enhance risk-return management**
 - Maintain existing risk-taking initiatives. Establish risk-taking process
 - Strengthen support for corporate revitalization. Provide bold financial support and comprehensive solutions including M&A and recapitalization
- 2 **Restructure to strengthen base earnings**
 - Develop sales activities to sustainably expand base earnings
 - Create financial demand through more activities that contribute to customer business development and growth
- 3 **Loan fund tailored to growth strategies**
 - Set up various type of loan funds totaling ¥200 bn, for example the one to support growing business fields*3, another one to connect to business tie-up with TKC Corporation
 - Respond flexibly to long-term loans, proactively engage with capital investment demand

*3 Specific examples of growing businesses

(1) Medical corporation, nursing care for the elderly, social welfare-related

(2) Resources, environment, energy-related

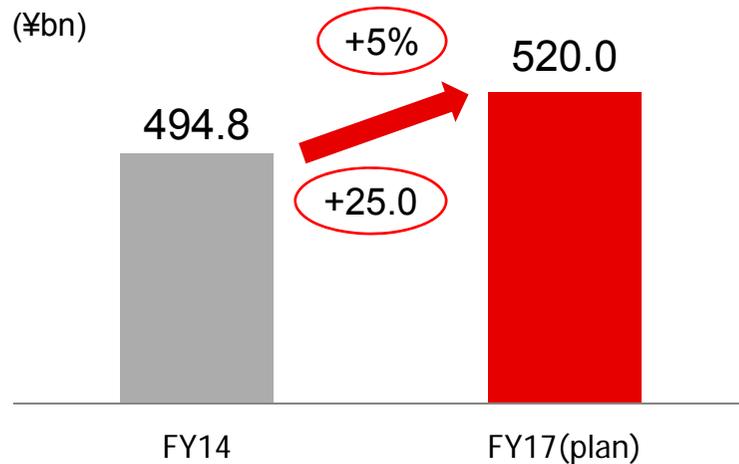
(3) Social lifestyle infrastructure-related



Plan of net operating profits

- Target net operating profits in FY17 is ¥520 bn increasing ¥25 bn or 5% from FY14
- Under severe business environment, pursue gross profit expansion and expense reduction at the same time. Aim to develop solid profit mix

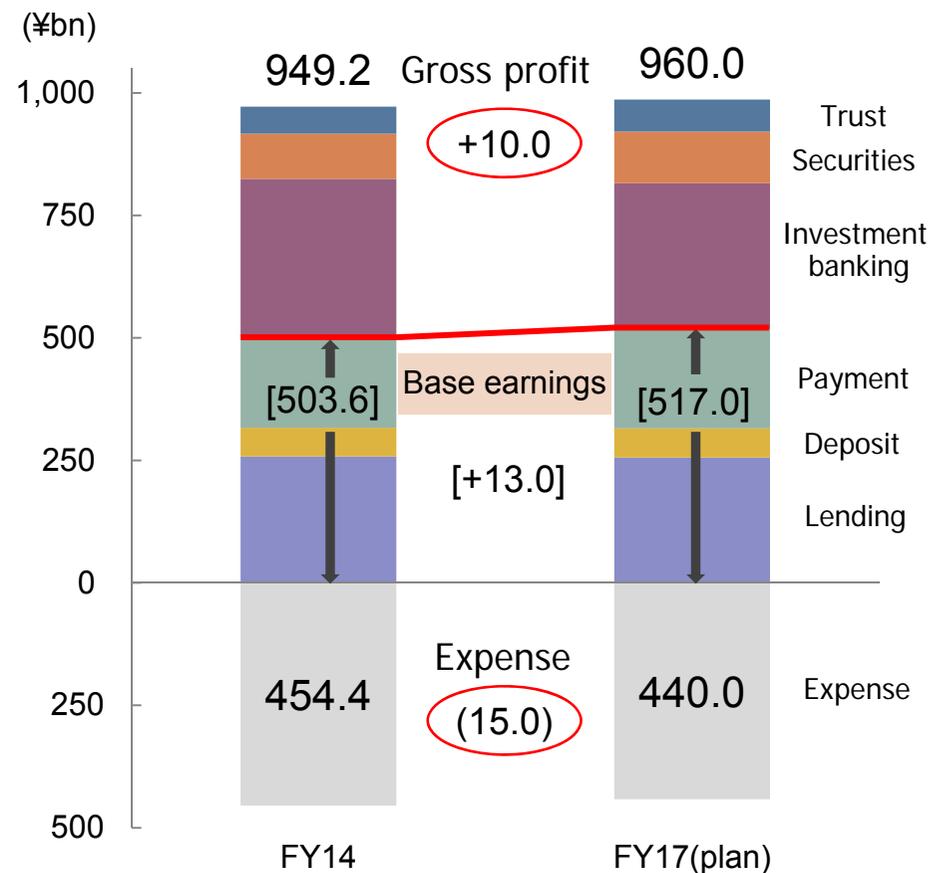
Net operating profit



Base earnings increase

Develop solid profit mix

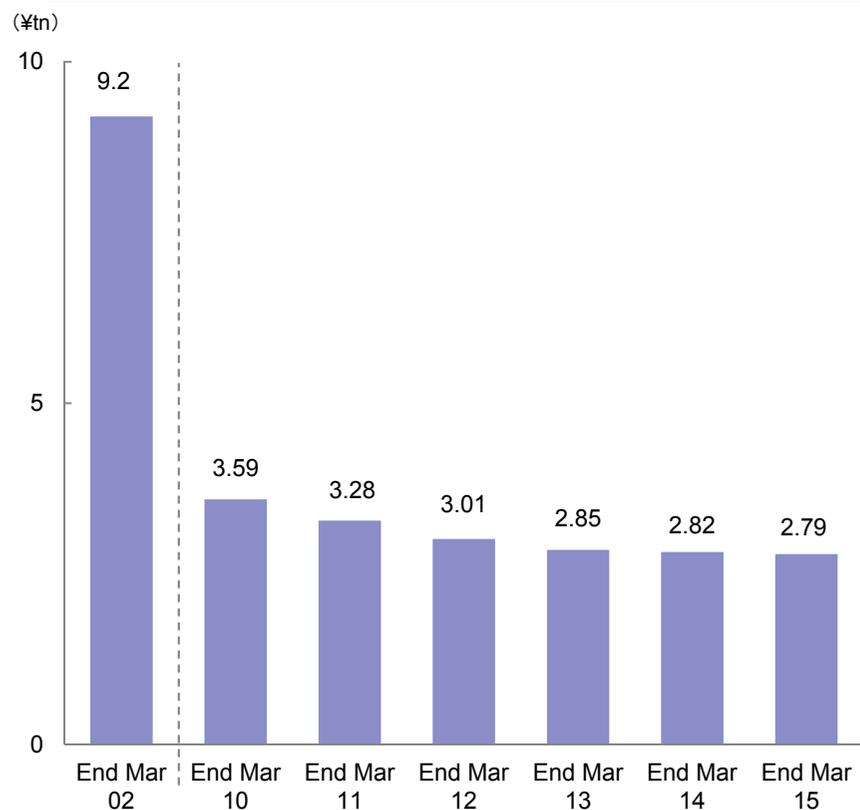
Break down of net operating profit



Reduction of equity holdings

- Our policy is decreasing equity holdings balance considering the risk, efficiency of capital and global financial regulation
- Disclosure of a policy on shareholdings is required under “Principle 1.4 Cross-Shareholdings” of Japan’s Corporate Governance Code, and MUFG plans to state the policy in its corporate governance report in accordance with the revised bylaws of the Tokyo Stock Exchange in this month

Reduction of equity holdings^{*1}



*1 Acquisition price of domestic equity securities in the category of “other securities” with market value (consolidated)

Correspondence to CGC Principle 1.4^{*2}

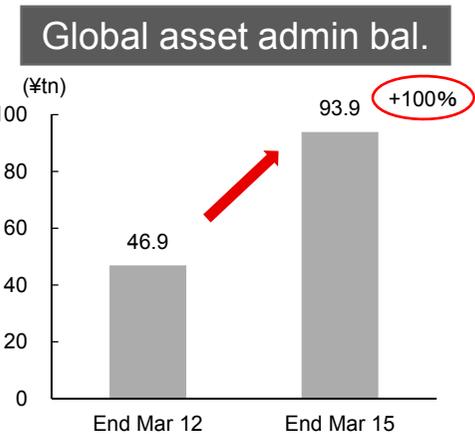
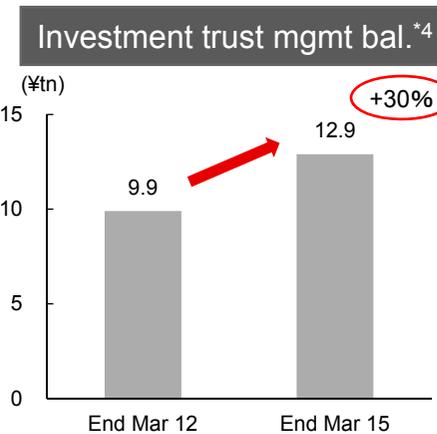
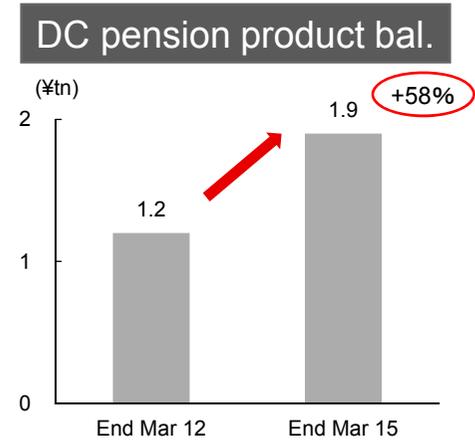
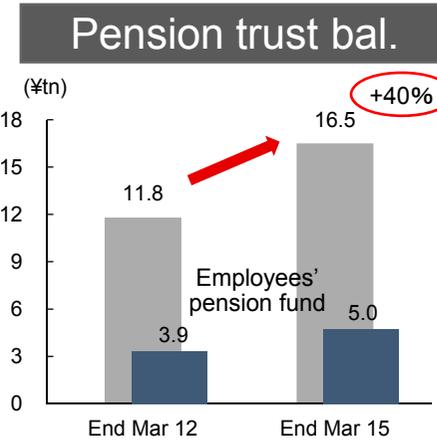
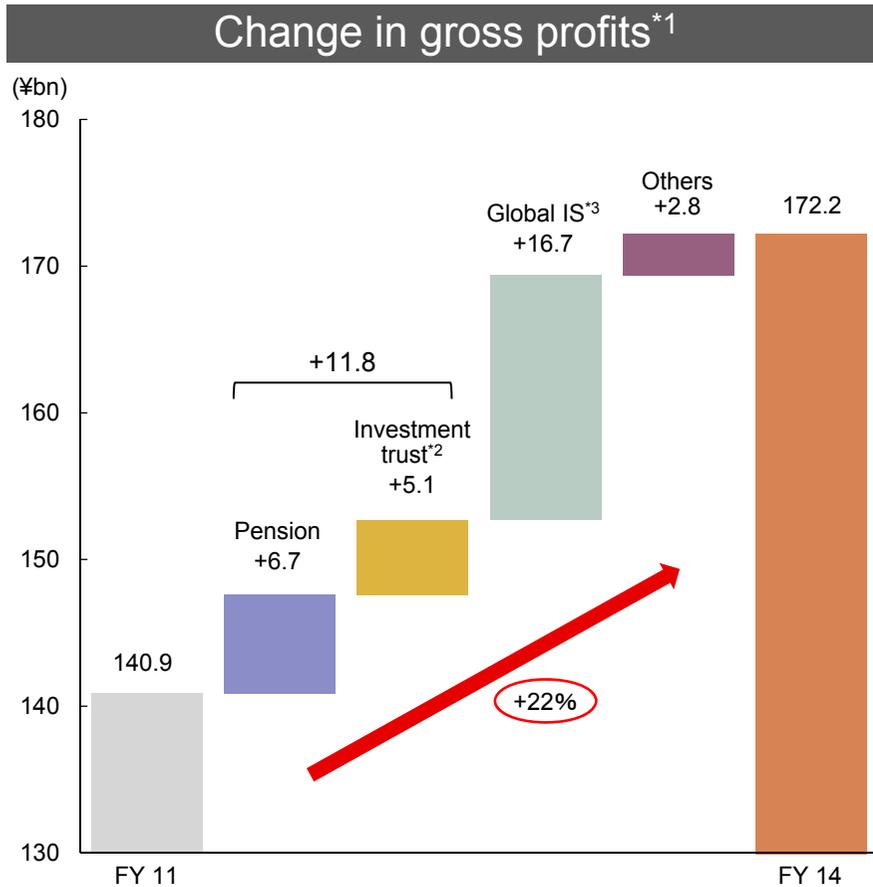
- Shareholding’s policy – MUFG plans to state a policy regarding its shareholding of listed stocks
- Method for verifying economic rationale and other considerations
 - MUFG will verify the medium- to long-term economic rationale and outlook for its shareholdings in light of the risk-return and other tradeoffs with major cross-shareholding counterparties, keeping ROE target in mind
- Standards for exercising voting rights
 - MUFG will formulate and disclose standards that ensure a proper response regarding the exercise of voting rights to cross-shareholding stocks

*2 Please refer to MUFG corporate governance policy (posted on 15th May). MUFG plans to state the detail in its corporate governance report in July

Trust assets business group

Review

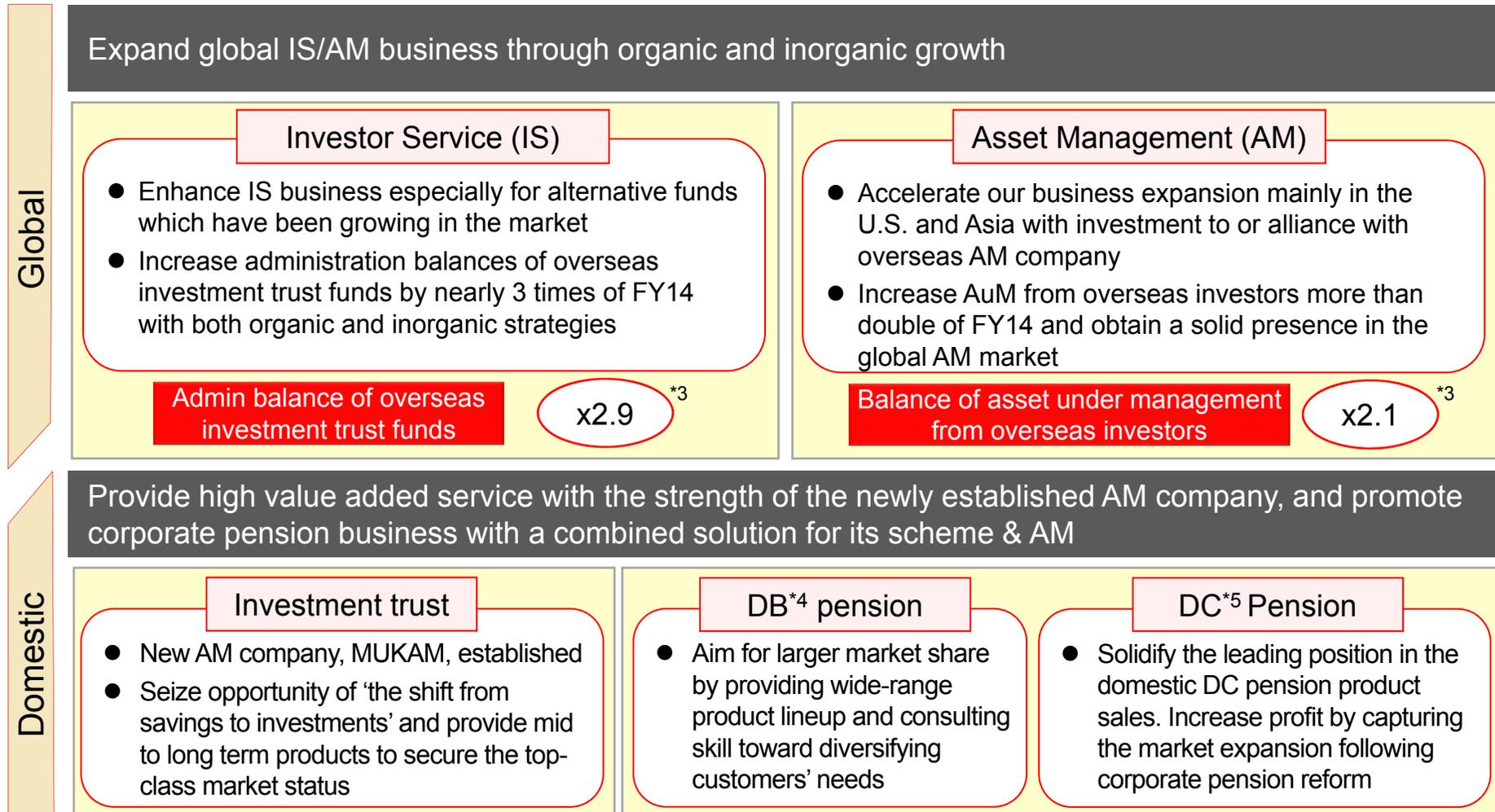
- Gross profits progressed by ¥31.3 bn, or 22%, in the last 3 years' business plan, mainly due to increased asset under management in pension, investment trust and global asset admin businesses
- For further growth in the current 3 years' business plan, respond appropriately to the structural changes in the Japanese market and incorporate the growth of overseas market



*1 All figures are in actual exchange rate and managerial accounting basis
 *2 Investment trust management + Investment trust administration
 *3 Services provided under the MUFG Investor Services brand, custody and fund administration services, etc.

Overview of new mid-term business plan

- Expanding global IS*1/AM*2 business with both organic and inorganic strategies while maintaining the Group's strong domestic customer base



*1 IS: Investors Services *2 AM: Asset Management *3 Target balance as at end Mar 18 based on actual balance as at end Mar 15
 *4 DB: Defined benefit *5 DC: Defined contribution

Business strategy for global IS

Initiatives so far

- Scale expansion especially in growing alternative fund admin business area with a series of acquisitions
 - MFS, Sep 13 (AuA: US\$94 bn)
 - Meridian, May 14 (AuA: US\$11 bn)

Acquisition of UBS Global Asset Management's alternative fund services business

- Reached an agreement to acquire UBS alternative fund services (UBS AFS) on 19th Jun, expecting to have its 100% stake through Mitsubishi UFJ Fund Services (MFS) [Aims of acquisition]
 - Rise in market presence by increase in asset admin bal. (Up to #7 from #15)
 - Ensure MUFG's global network
 - Obtain banking business related bundle services

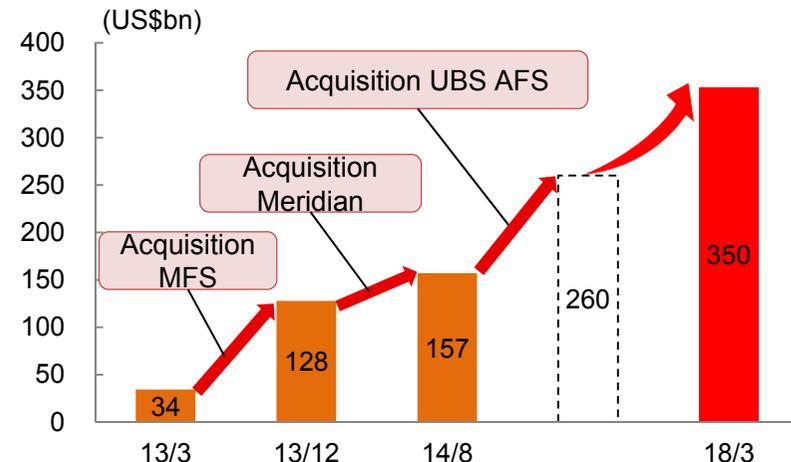
Rank		Asset under Admin (US\$bn)
1	State Street	902
2	Citco	768
3	BNY Mellon	622
4	SS&C GlobeOp	510
5	Citi	382
6	Northern Trust	302
	UBS/MFS/MUGC	260
7	Hedgeserv	240
8	Morgan Stanley	228
9	SEI	204
10	JP Morgan	184
11	Credit Suisse	153
12	UBS Fund Services	138
15	MFS/MUGC	122

(As of end Oct 14)

Initiatives in this mid term business plan

- Provide clients with 'One-stop' asset management services under MUFG Investor Services brand
 - Enhancement in business function and service standard following acquisitions
- Bring synergies both in profit/cost following acquisitions
- More competitiveness and further scale expansion through continuous inorganic strategy

Admin balance of overseas investment trust fund



Business strategy for global AM

Inorganic strategy

Initiatives so far		Affiliates with stake holding	Products
<ul style="list-style-type: none"> Obtain profit from asset expansion of each affiliates Increase collaboration with affiliates <ul style="list-style-type: none"> Provide institutional/retail investors with the products of each affiliates' specialty 		 (¥59 tn/17%)	Bond (Global, Emerging, Asia), Equity, Real estate, etc.
		 (¥15 tn/15%)	Bond (Australia, Global), Equity, Infrastructure, Real estate
		 (¥3 tn/33%)	Bond (China), Equity

Aberdeen	Global/emerging equity, etc.
AMP	Aus asset/infrastructure, etc.

(Latest AuM / Capital contribution ratio)

Initiatives in this mid term business plan

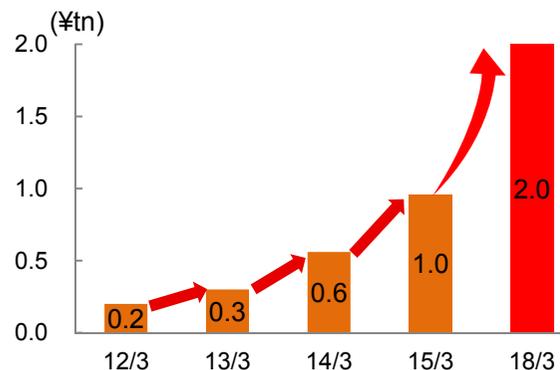
- Consider new investments mainly focusing on North America and Asia leveraging our successful investment experiences

Organic strategy

- Expand AuM by accelerating sales and products strategy based on each area's market character

Products	<ul style="list-style-type: none"> Enlarge independent asset management area
Sales channels	<ul style="list-style-type: none"> Expand sales coverage based on MUFG's global network Promotion leveraging local distribution network of AM companies

Balance of AuM from overseas investors



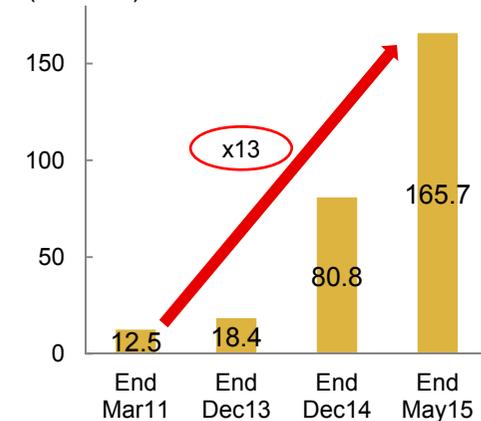
Recent topic

~AuM growth in SWS MU fund mgmt~

- Rapid growth than market average (latest AuM ranking #21, up from #43 (when initial investment made))
- Healthy distribution of its quants fund, which is technically supported by MUTB in its investment management (#1 in annual performance)

[SWS MU Fund mgmt AuM]

(RMB bn)



(Initial investment)



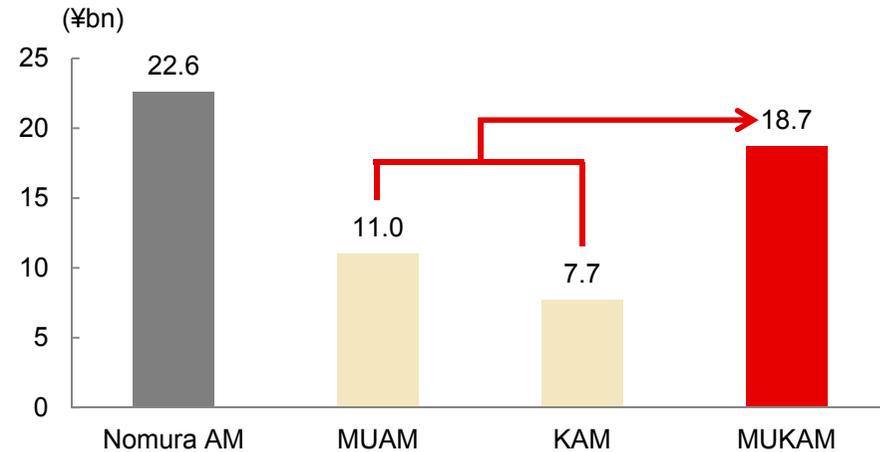
Business strategy for investment trust management

- **Mitsubishi UFJ KOKUSAI Asset Management established following the merger of Mitsubishi UFJ Asset Management and KOKUSAI Asset Management on 1st July 15**

Aims of the merger

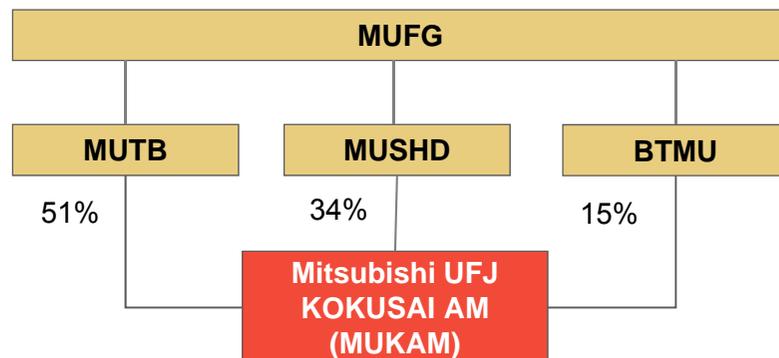
Products and Services	<ul style="list-style-type: none"> • Wider product range and enhanced customer service by collective experiences and skills of merger companies • Top level of award winning product count, including Morningstar
Sales channels	<ul style="list-style-type: none"> • Expansion of sales channels leveraging distribution network of each merger company
Productivity	<ul style="list-style-type: none"> • Improved productivity by business synergies and resource reallocation to strategic fields

Operating profit comparison FY14



Capital structure

- Consolidate and enhance the company's management systems with MUTB-centered group initiatives



Ranking for publicly-offered equity investment trusts management balance (end Mar 15)

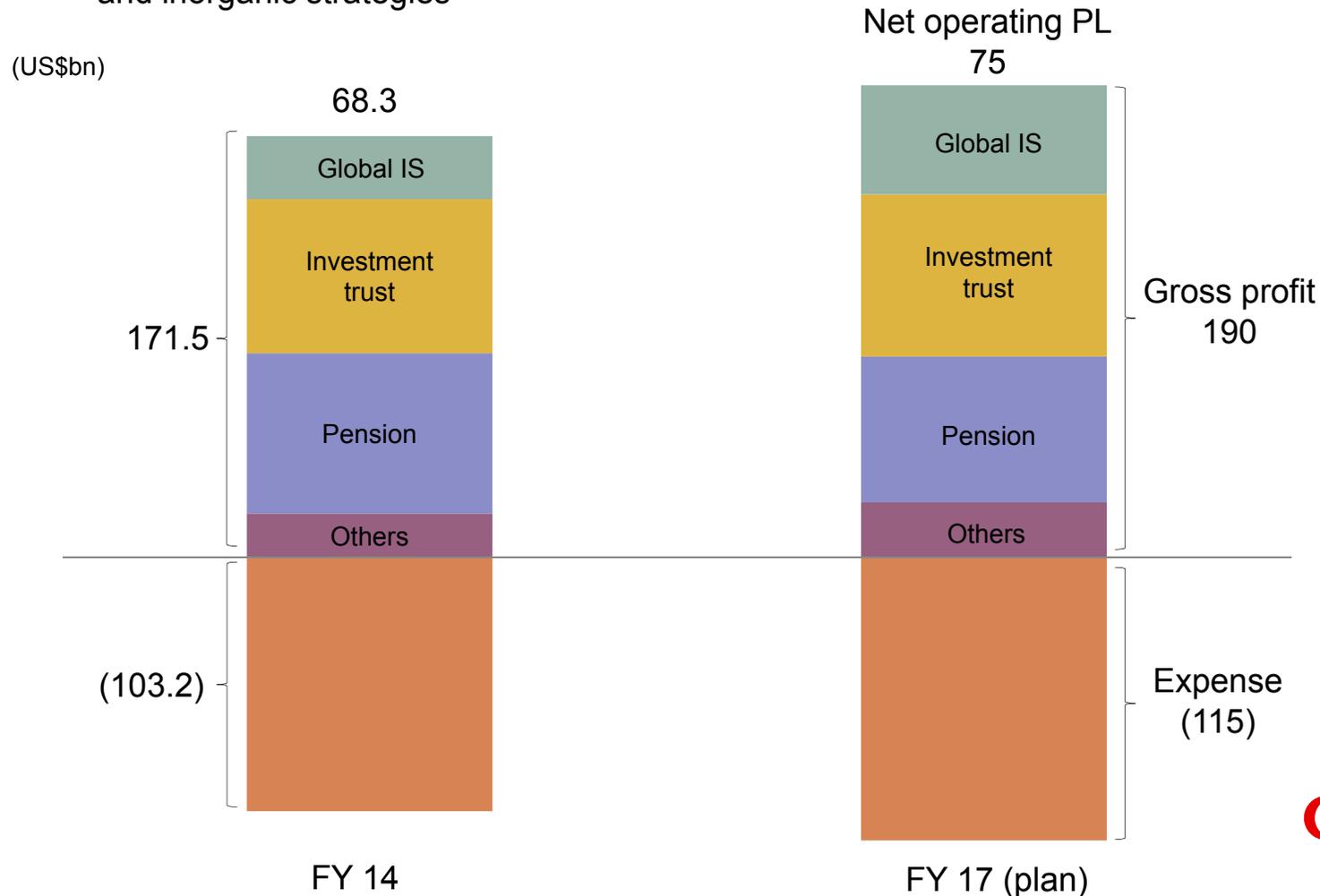
Rank	Company name	AuM balance (¥tn)
1	Nomura Asset Management	16.1
2	Daiwa Asset Management	11.0
-	MUKAM	8.8
3	Nikko Asset Management	7.8
4	MUAM	5.6
7	KAM	3.2

(Source) The Investment Trust Association, Japan



Operating PL plan

- Respond appropriately to the structural change in the domestic market, and expand overseas business profit
 - Expand investor business and retail business capability from the Group oriented aspect.
- [Domestic] Strengthen growing investment trust business area
 [Overseas] Largely increase profit to lead the growth in group's trust asset business area with both organic and inorganic strategies



Global banking business group

Review

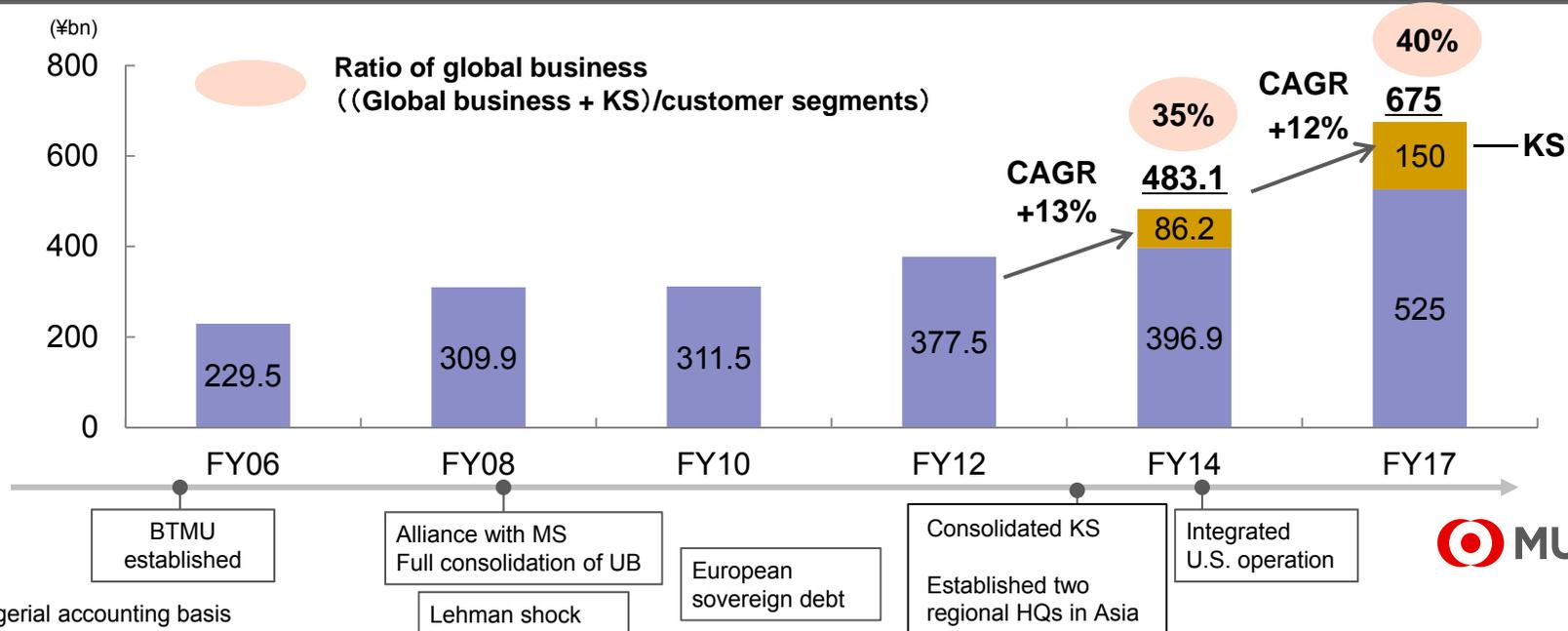
Review of our global business

- FY09-11 MTBP :
Increased presence after Lehman shock
 - FY12-14 MTBP :
 - Aimed to lay the foundation for sustainable growth. Keywords were Cross-, Frontier, and Diversity
 - Built “strong business pillars” across the globe through Americas business integration and acquisition of KS
 - Enhancement in risk management and compliance framework
- Developed platform for further revenue growth

Significance of FY15-17 MTBP

- With the foundation we have laid out, the current Medium-Term Business Plan (MTBP) will be an important term for solidifying sustainable growth of our global business.
- Large corporate business: Reform the B/S-dependent business model through stronger cross-sell
 - Commercial banking business (incl. SME and retail): diversification of revenue stream and development of a balanced global portfolio
 - Global HR: Increased roles and responsibilities born by locally-hired talents in managing and running our global business

Trend of Net Operating Profit*1



*1 Managerial accounting basis

Summary of current conditions and challenges

Analysis of the current situation

Internal environment

- Expected to remain as the growth driver of MUFG
- Business environment:
 - B/S and loan income dependent revenue structure
 - Established collaboration framework among group entities (bank, securities and trust bank)
 - Increased proportion of retail/SME business (40% to 50%)
- Accomplishment in Infrastructure:
 - Completion of consolidation of KS and Bangkok Branch (Jan 15)
 - Completion of consolidation of Americas operations (Jul 14)

External environment

- Macro economy
 - Slowdown of emerging countries' growth. Continued low Eurozone economic growth. Concerns for geopolitical risks and commodity price trends
- Regulations
 - Regulatory compliance resulting in limitation on/changes in operational flows and cost increase
 - Implementation of several international financial regulations
- Competition
 - US/European banks' return to market
 - Increased competition with local banks as well as other Japanese banks especially in Asia region

Challenges for FY15-17 MTBP

<Customer perspective>

- Utilize MUFG's strength in global network as well as enhance product lineup and customer service
- Develop a global customer coverage structure and strengthen trade finance service offerings / capabilities
- Through further understanding of customers' business and industry, increase risk appetite, expand customer platform and create new areas of strengths

<Group-driven approach>

- Further development of "business pillars" around the world for diversified revenues sources
- Global operations need to be managed in a globally unified framework that bridges regions, business units, and entities

<Productivity improvements>

- Improve productivity by enhancement of cross-selling (RORA improvement) and by cost control (expense ratio)
- B/S management is also an important task given potential constraints in foreign currency liquidity

- **Execution of growth strategies**
- **Maintain interest in non-organic growth opportunities**

⇒ The internal & external environment in the current MTBP period will be tougher than that of the prior MTBP

Overview of new medium-term business plan

Strategic theme	
Business strategies	<ul style="list-style-type: none"> • Reform global CIB business - Global corporate (P.43) • Global investment banking strategy - Products, Securities, and MS Alliance (P.44-45) • Enhancement of transaction banking business (P.46) • Global expansion of commercial banking business through strategic Investments – Krungsri and MUFG Union Bank (P.47-48) • Regional strategy (P.51) • Non-organic strategy (P.51)
Productivity improvements	<ul style="list-style-type: none"> • Initiatives (P.49) <ol style="list-style-type: none"> 1) Reduce base cost 2) More efficient control of resource input 3) Maintain a flexible cost structure
Strengthen management platform	<ul style="list-style-type: none"> • Strengthen business platform (P.50) • Reforming organization/structure (P.50) <ul style="list-style-type: none"> • Establishment of Transaction Banking Group and Financial Solution Group

Target

By leveraging strong pillars that exist around the world (Multi-pillar), better deliver solutions to our clients, acting as one MUFG Global team and going beyond boundaries of region, units, and entities: become our clients' "First Call Bank"

Concept
<p style="text-align: center;">Multi-pillar (Management utilizing global pillars)</p> <ul style="list-style-type: none"> • With the acquisition of Krungsri and the integration of the Americas, global business now stronger with more diverse clients, markets, and products • Move away from Tokyo-centric operation and leverage / build stronger and diverse business "pillars" around the world
<p style="text-align: center;">One Team (Strengthen as MUFG Global team)</p> <ul style="list-style-type: none"> • While leveraging multiple "pillars", act as one MUFG Global team, going beyond the boundaries of regions, units, and entities • Under integrated management and operation platform, promote businesses and provide best-in-class solutions to our clients

Reform of global CIB business

- Global corporate

- Through diversification of revenue streams and higher profitability, reform the B/S dependent business model to achieve sustainable growth

Vision

- Diversify revenue source/clients, establish O&D model to expand non-interest profits and to improve RORA
- Globally aligned client coverage to provide consistent services to clients

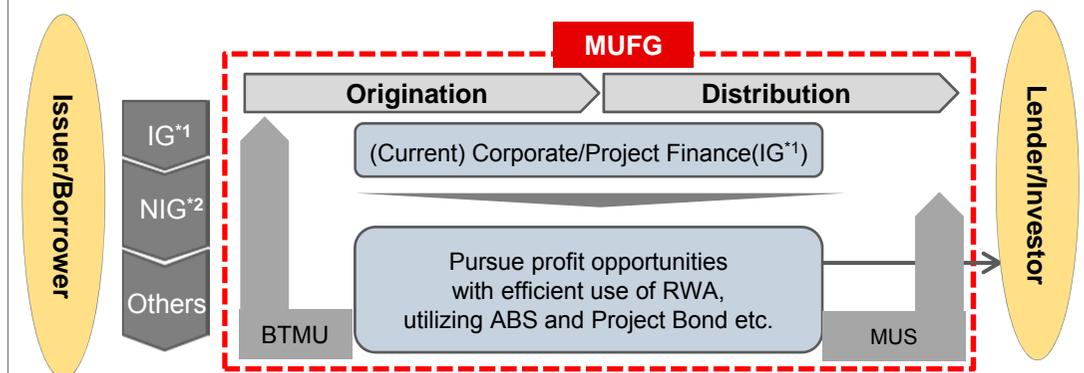
Basic policy

- Thorough promotion of cross-selling
Improve account plans and bank / securities product capabilities
- Higher profitability by increasing capabilities to take risks
Sector approach and re-building credit review & research functions
- Develop an MUFG-driven O&D model
Improve capital efficiency through collaboration between bank and securities

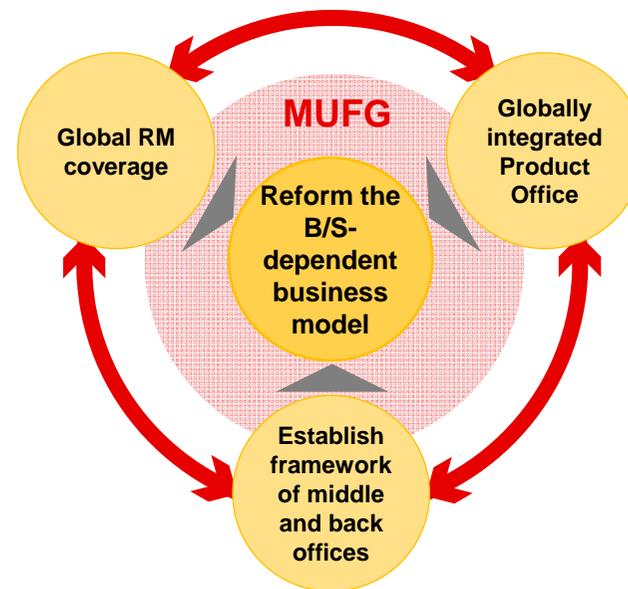
Outline of strategy

- Global RM coverage for Global Corporates
Alignment with bank/securities products, and with Japanese corporate coverage
- Promote globally-integrated PO operations and primary/secondary O&D collaboration
Transform Product Office divisions into “Financial Solutions Group”

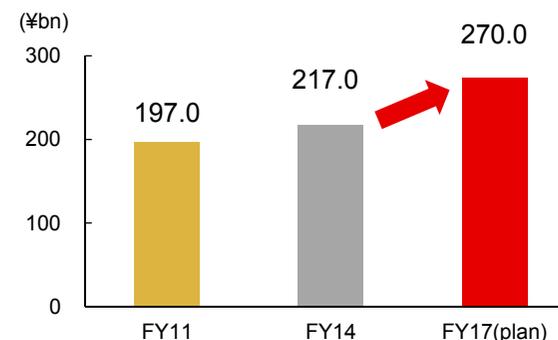
Challenge to O&D business model



*1 Investment Grade *2 Non-Investment Grade



Non-interest profits (Non-Japanese)^{*3}



*3 Internal management basis including fees, FX and derivatives



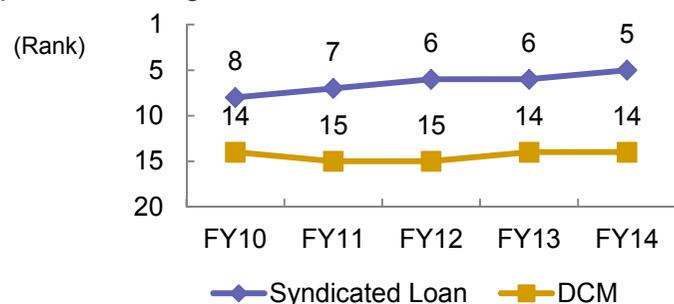
Global investment banking strategy

- Performance of products/securities business

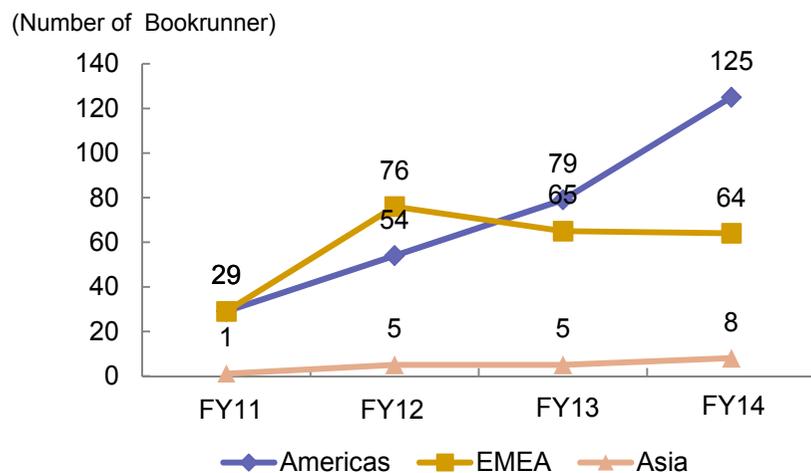
- Expand debt related business (Syndicated loan, DCM and etc.) through an integrated approach between BTMU and MUS

MUFG League Table of Syndicated Loan and DCM in the Americas (IG*1 client)

As a debt solution provider, MUFG demonstrates high presence in both DCM and Syndicated loan in the Americas, the largest capital market region.



Number of MUS Bookrunner



Project Finance League Table of 2014(Americas)

		(Thomson Reuters, US\$m)	
MLA*2		Total amount	Share
1	MUFG	7,812	8.4%
2	SMFG	5,049	5.4%
3	Mizuho FG	4,477	4.8%
4	ING	3,318	3.6%
5	Citibank	3,197	3.4%

Project Bond League Table of 2014(Americas)

Promote bank/securities integrated O&D business model within MUFG business

		(Dealogic, US\$m)	
Bookrunner		Total amount	Share
1	Citibank	2,087	9.8%
2	Scotiabank	2,075	9.8%
3	JP Morgan	2,028	9.5%
4	RBC Capital	1,786	8.4%
5	MUFG	1,537	7.2%



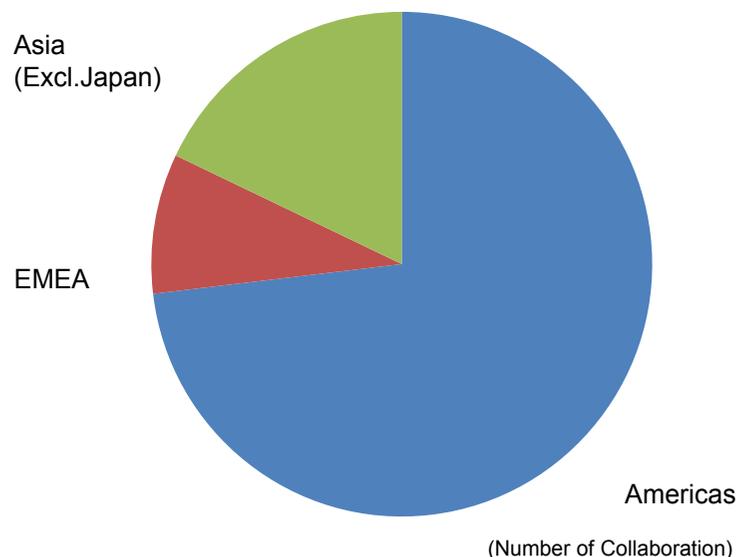
*1 IG : Investment Grade *2 MLA : Mandated Lead Arranger

Global investment banking strategy

- Global alliance with Morgan Stanley

- Further enhance collaboration with Morgan Stanley in Investment Banking, including event financing transactions

Collaborative activity with Morgan Stanley by region



There have been several hundred collaborative transactions with Morgan Stanley across the globe (ex-Japan) in the last 3 years ended Dec 14

Lending collaboration in the Americas

The LMJV^(*) offers MUFG and MS clients a world-class lending platform. Since the LMJV's inception, MUFG and MS have jointly provided commitments for numerous transactions.

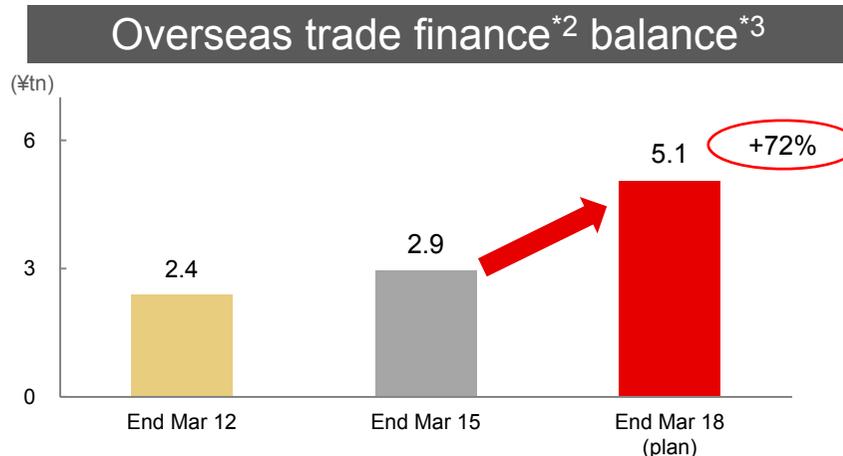
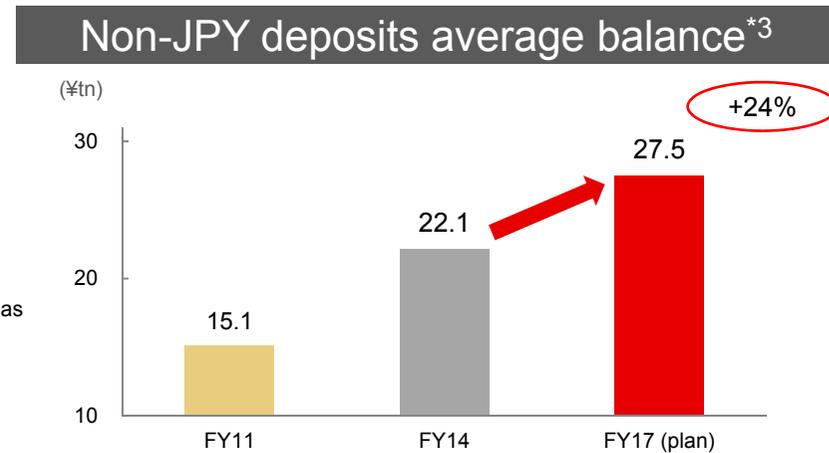
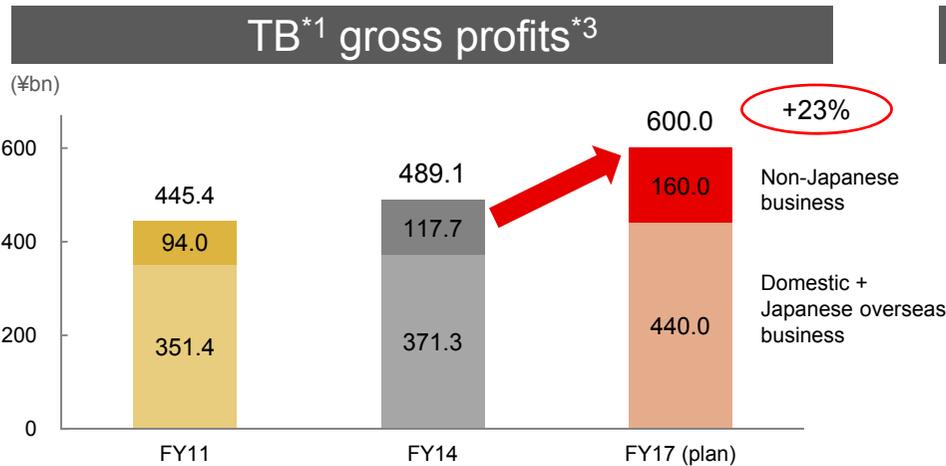
Collaboration cases

- (Americas) On March 4, 2015, AbbVie Inc. announced its acquisition of Pharmacyclics Inc. for US\$20 bn. MUFG jointly committed with MS in financing AbbVie's bid for Pharmacyclics. Morgan Stanley advised AbbVie on the transaction. MUFG and MS jointly underwrote 100% of the bridge loan.
- (Asia) Reliance Industries' US\$1 bn bond issuance in Dec 14. MS and MUFG worked together to successfully lead a US\$1 bn bond issuance for Reliance Industries.

(*) Loan Marketing Joint Venture (LMJV) : Joint venture established in June 2009 for promoting lending and capital markets services in the Americas

Enhancement of transaction banking business

- [Platform] Establish TB^{*1} Group in head office and increase the number of locally hired staff to better support global TB business expansion
- [Function] Completed developing systems and infrastructure capabilities that matches U.S./European competitors. Further improvements for better practical usage
- [Overseas] Strengthen global trade finance^{*2} and product offerings to capture deposit. Expansion of global business by centralization around TB person in charge



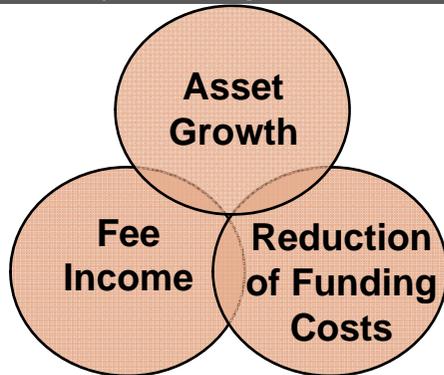
*1 TB: Transaction banking *2 Trade finance: Import-export related finance and commercial credit, supply-chain finance, bond transaction, etc.

*3 Figures are on managerial accounting basis and local currency basis (\$/¥=115)

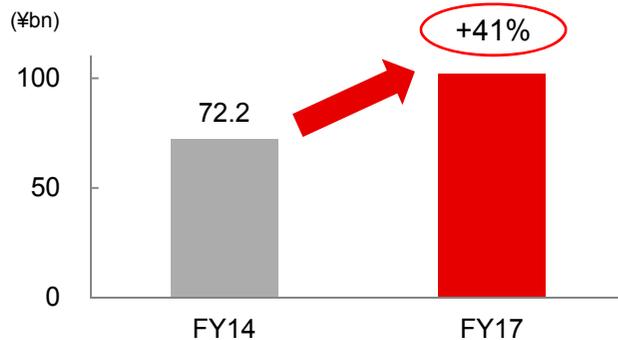
Globalization of commercial banking business through strategic investments - Krungsri's strategy

- Implement synergies of MUFG/KS(priority area: supply chain finance, transaction banking, investment banking, business-matching, company employee business, etc.). Build comprehensive commercial bank
- Increase core banking relationships with Thai companies. Expand customer platform by increasing branches (+100) and ATM(+2,000)
- Promote “asset growth”, “fee income” and “reduction of funding costs”
- Be a top tier financial group in Thailand

Key strategic themes

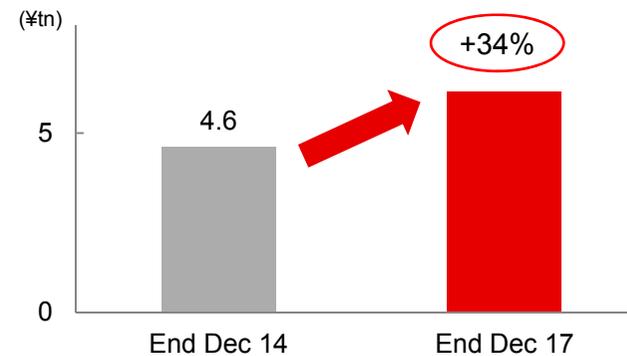


Gross fee income^{*1}

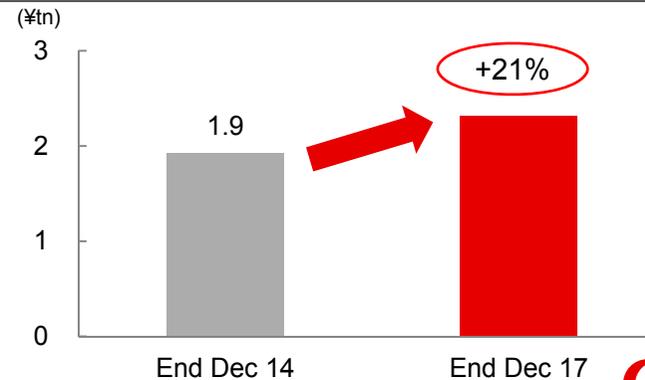


*1 THB=¥3.70. FY14 is KS+BTMU Bangkok branch

Lending balance^{*1}



CASA balance^{*1}



Globalization of commercial banking business through strategic investments

- MUFG Union Bank's strategy

Strategy and Vision

- Contribute to MUFG's growth through autonomous corporate management
- Address enhancement of deposit base and build a robust governance on MUFG group basis and a business foundation that is capable of sustainable growth

Vision

- Become a hybrid U.S. bank with unique strengths in global business development
- Construct a solid business foundation with high productivity

Basic policy

- Pursue growth with profitability / realize high ROIC through productivity improvement
- Build a solid operating foundation through One Bank model in the Americas and exert results of integration

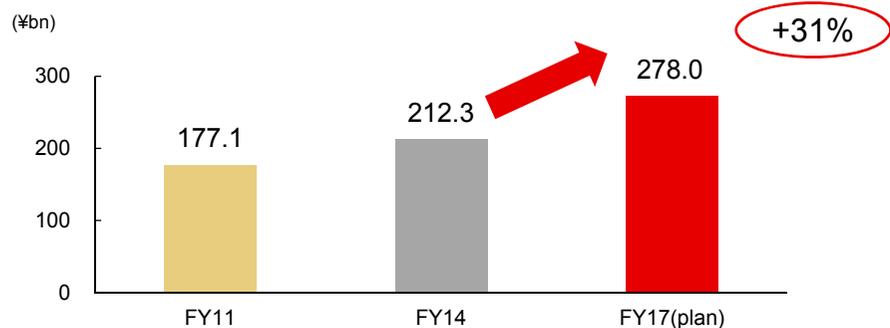
In 10 years

- Top 10 bank in the U.S. with super-regional and MUFG's global and investment bank function
- Ensure top 10 market share in specific core markets, segments and products, and be the No.1 U.S. solutions provider of clients' global needs

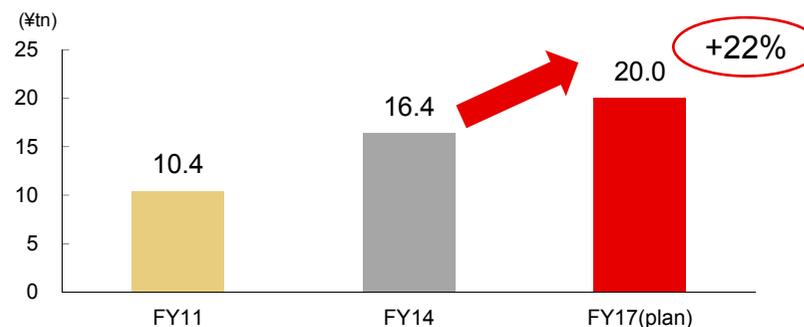
Outline of strategy

- Diversify revenue sources and increase fee income ratio through cross-selling initiative and M&A
- Boost funding capability by developing new sales channels (online banking / branch-light) outside California area
- Operate as One Bank to build more-efficient, productive organization
- Build a strong MUFG-based governance structure by responding to Prudential Standards

Net operating profit (Americas) *1



Lending balance (Americas) *1

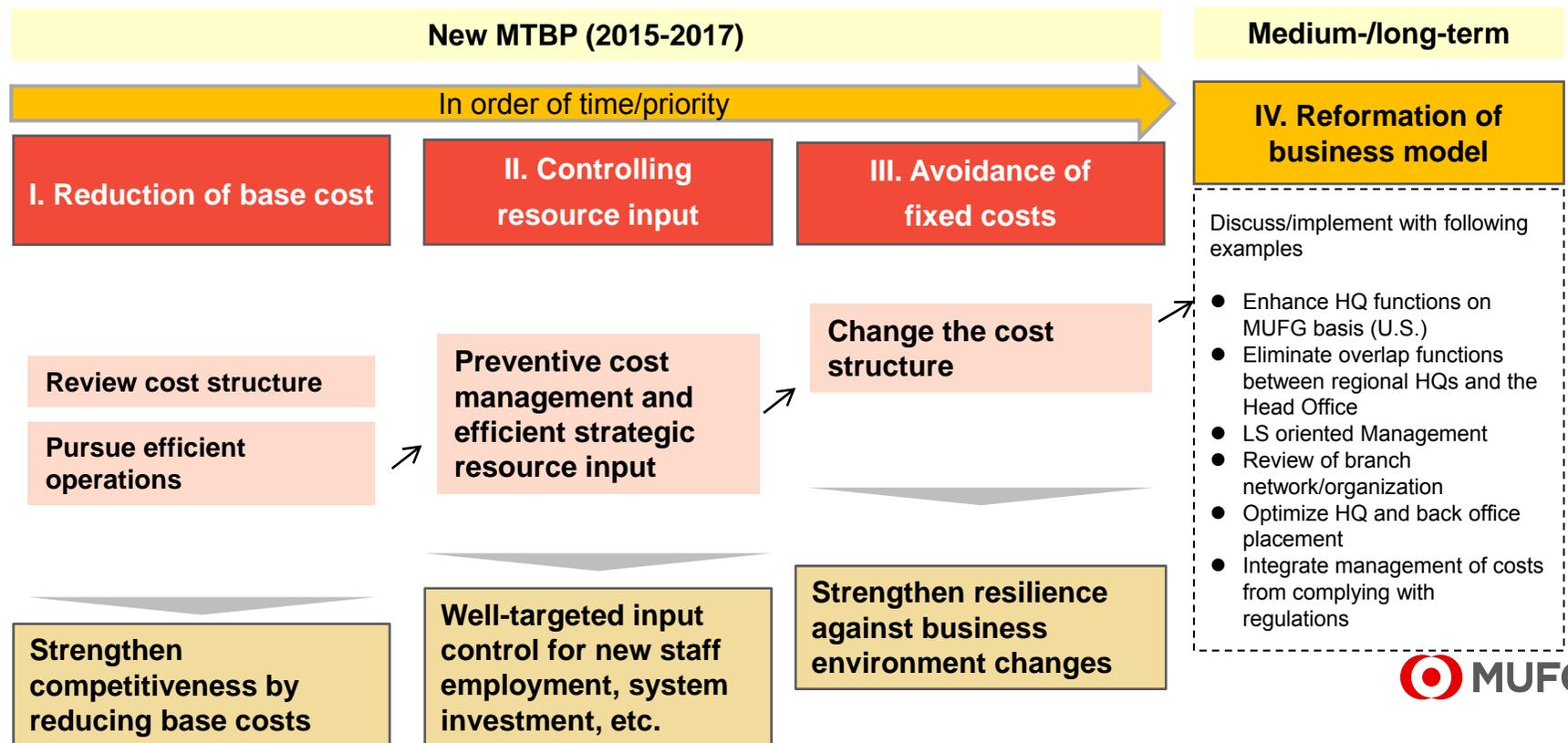


*1 Commercial Bank Consolidated

Productivity improvements

- Build a solid and flexible business foundation that support the long-term sustainable growth against increasing geopolitical risks / uncertainties
- Along with maximizing investment output, improve productivity through cost control against rising costs from global inflation and financial regulation
 - 1) Reduce the base costs by eliminating and controlling inefficient costs in each region
 - 2) More efficient control of resource input (HR / systems)
 - 3) Establishing framework that allows for autonomous/agile cost management in compensation and facility costs

Major initiatives for productivity improvements



Strengthen management platform

- [Business platform] Enhance system, risk management and global HR platform to solidify sustainable growth
- [Organization/Structure] Reforming organization/structure for global client coverage and new product lineups

Strengthen business platform

<Global Human Resource (HR) >

- Execute global HR initiatives as one group
- Business framework driven by Locally-hired talents (LS)
 - Appointed 6 new executive officers of LS in May 15 (one as managing executive officer)
 - Total number of executive officers of LS is 7

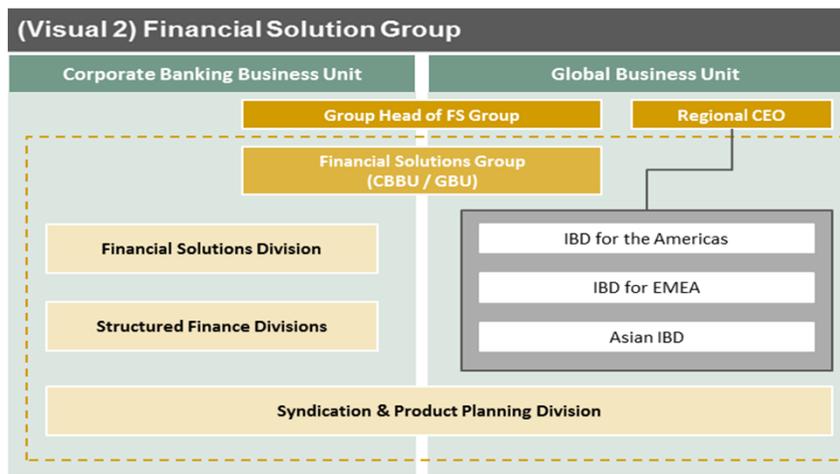
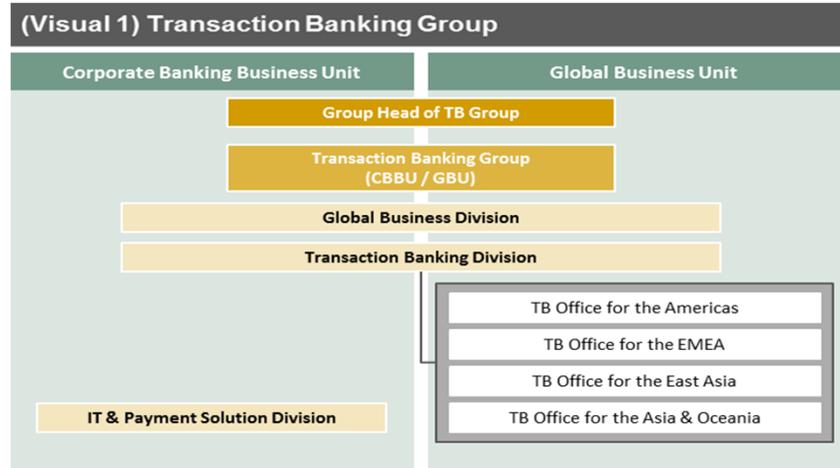
Reforming organization/structure

<Create new product groups>

- Transaction Banking Group(Visual1)
 - Promote stronger global transaction banking coordination across MUFG groups
 - Improve productivity by integrated trade finance function
- Financial Solution Group(Visual2)
 - Promote bank/securities integrated O&D business model

<Introduce global large corporate client coverage>

- Established 2 new positions: Deputy CEO in charge of Global Corporates and “Head of Global Corporate”



Outline of regional strategy

- [Regional strategy] Enhance business model by utilizing each regional character towards for varied clients needs, competitions and business products
- [Non-organic strategy] Pursue new business opportunity and strengthen profit growth by non-organic strategy. Focus on Asian platform, widen product and deposit base in U.S. and EMEA

<East Asia>

- Capture China's growth
- Business Expansion in Greater China

<Asia & Oceania>

- Fortify Japanese client business framework
- Enhance Non-Japanese client business model
- Strengthen TB

<Krungsri>

- Pursue synergy with MUFG
- Solidify platform of commercial bank

<Americas>

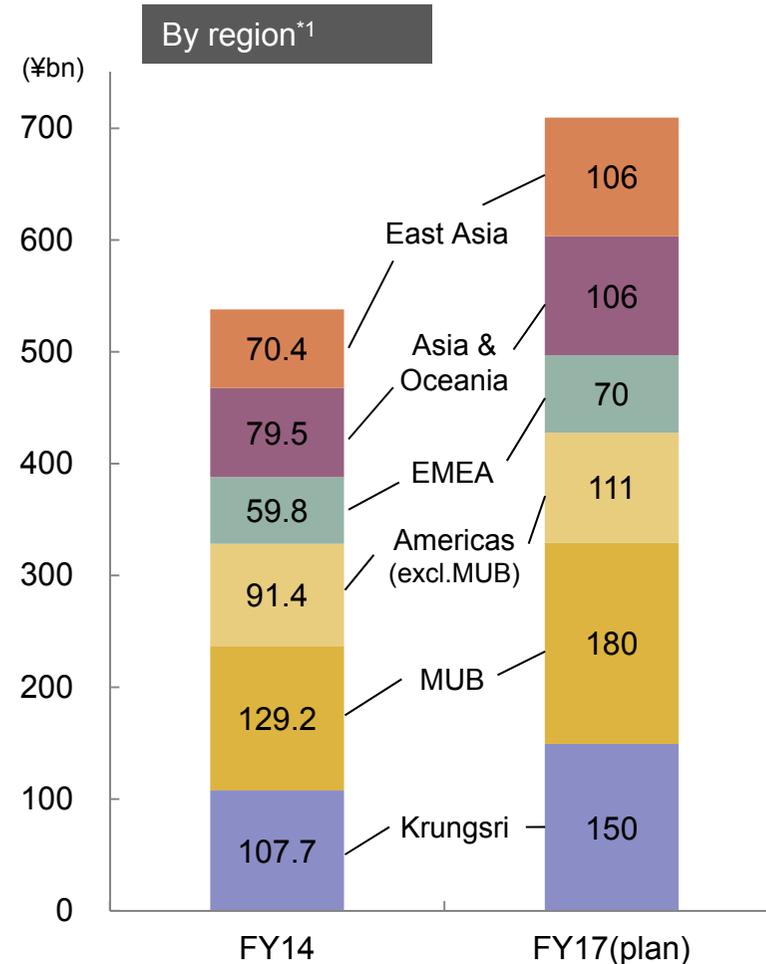
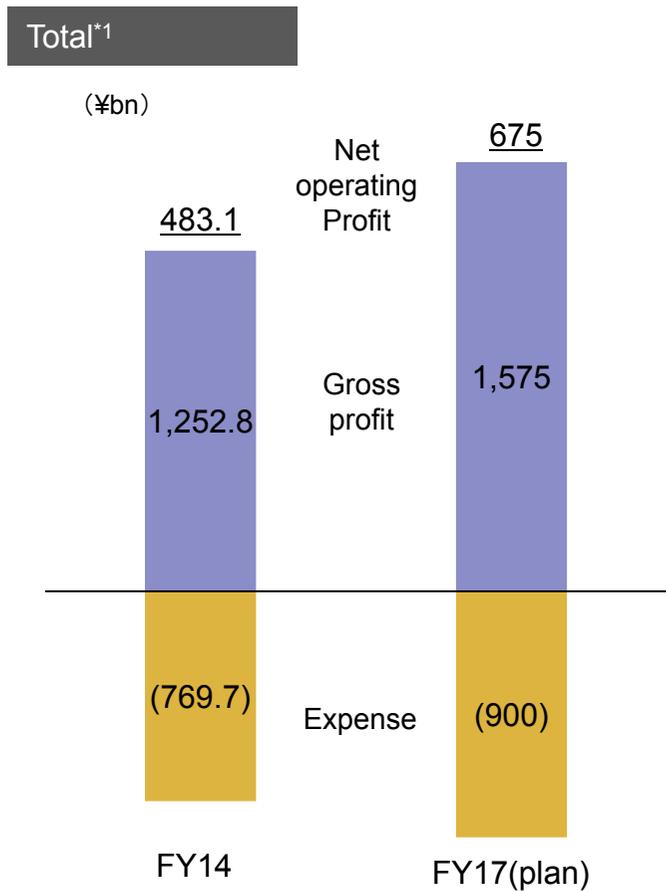
- Strengthen retail and corporate banking; provide new product / cross-sell for diversification of revenue
- Realize benefits of integration in the U.S.
- Establish strong governance platform
- Expand client platform and enhance products in Latin Americas and Canada

<EMEA>

- Reinforce Global Corporate (non-Japanese) business
- Strengthen structured finance business
- Strengthen MUFG Capital Market (DCM and derivatives)

Operating profits plan

- Net operating profit of Global Business in FY17 will be 40% of total MUFG. CAGR in this 3years' term will be above 10%
- Achieve challenging plan with strength and platform of each region. Realize sustainable growth by strengthening cross-sell utilizing transaction banking function, improving profitability through commercial banking initiatives, and managing costs / assets efficiency

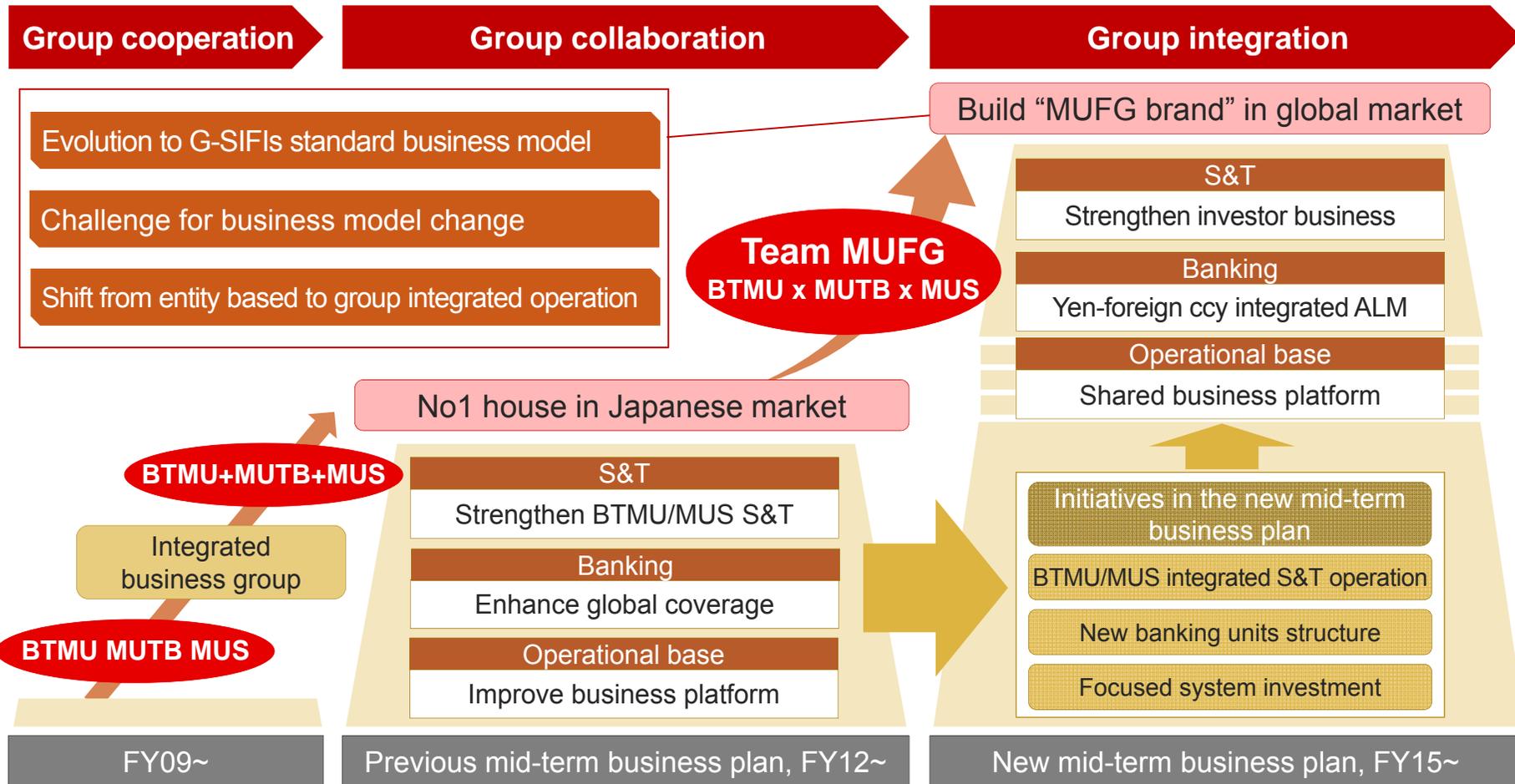


*1 All figures are in managerial account basis

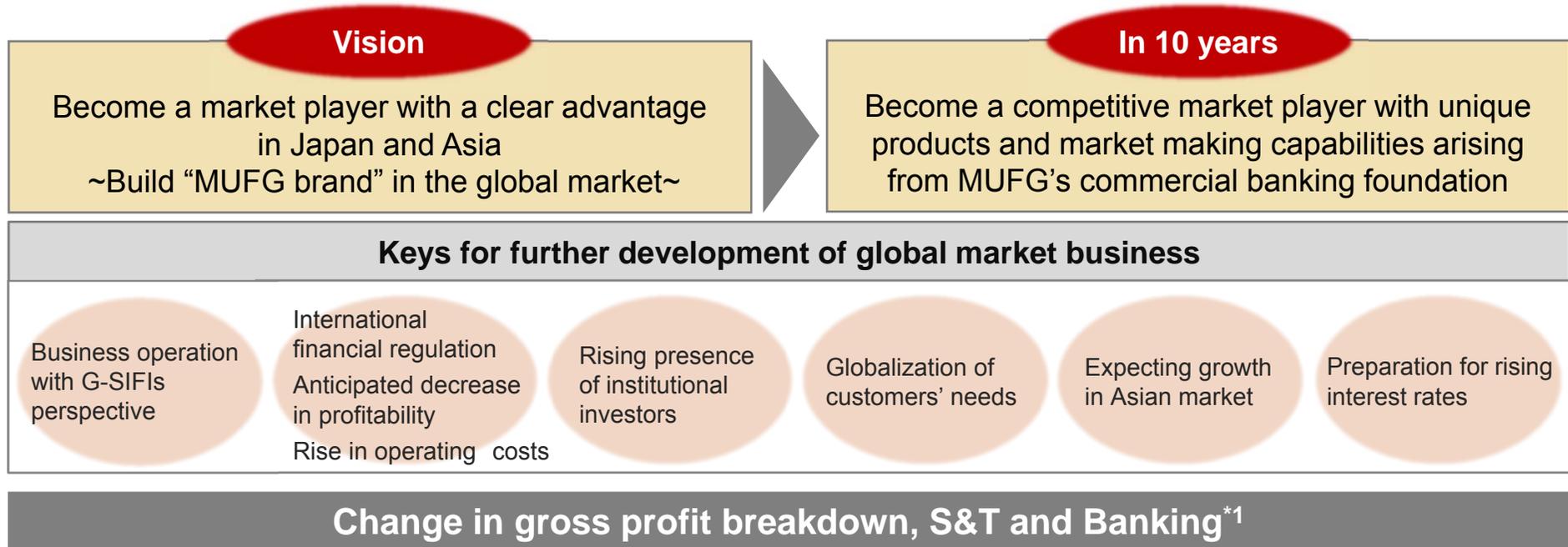
Global markets business group

Review and evolution of global markets business group

- Year 2012: Establishment of global markets business group,
Year 2014: Development to integrated global market business group by BTMU, MUTB and MUS
- In the new 3 years' mid-term plan, challenge for business model change from a G-SIFIs perspective as Team MUFG shifting to the group integrated operation



Review / Overview of new mid-term business plan (1)

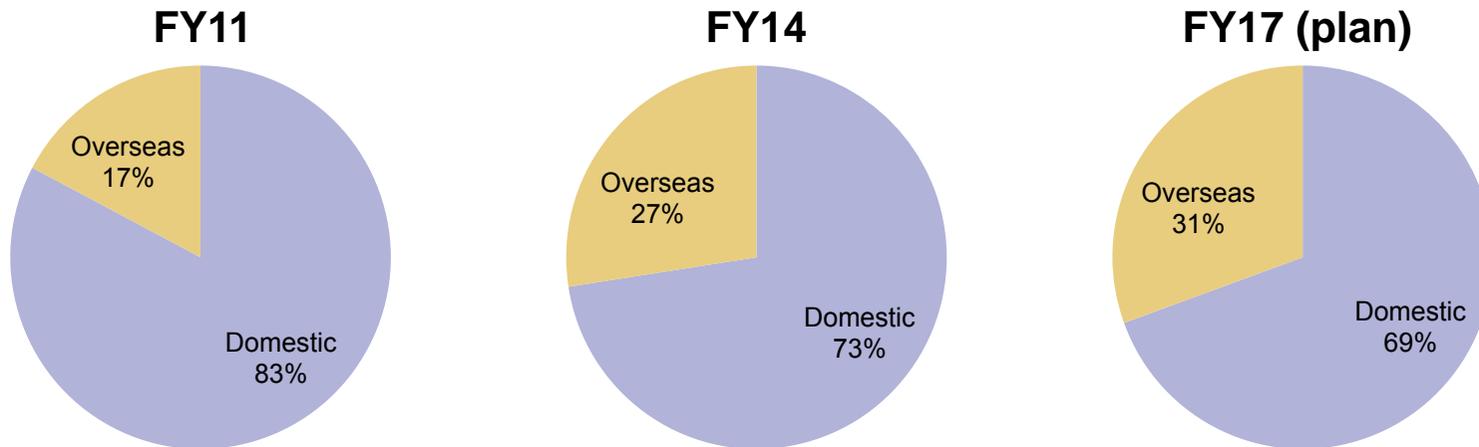


*1 All figures are in group consolidated managerial basis.

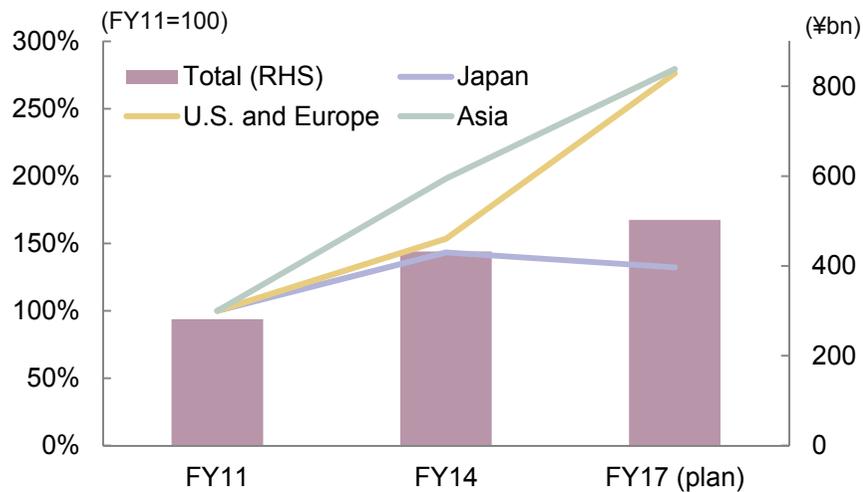
FY11 and FY14 charts are based on actual figures (actual FX rates), and FY17 chart is based on planned and approximate numbers (FX rates in business plan)

Review / Overview of new mid-term business plan (2)

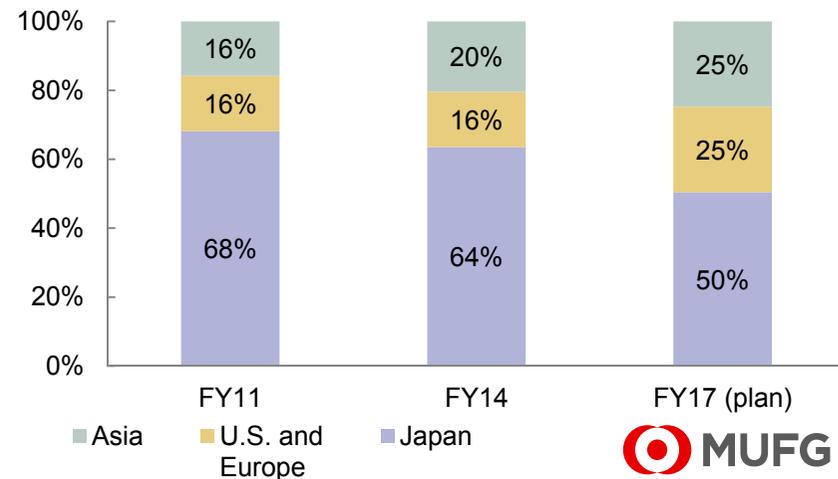
Change in gross profit breakdown, domestic and overseas*1



Change in S&T profit growth rate by region*1



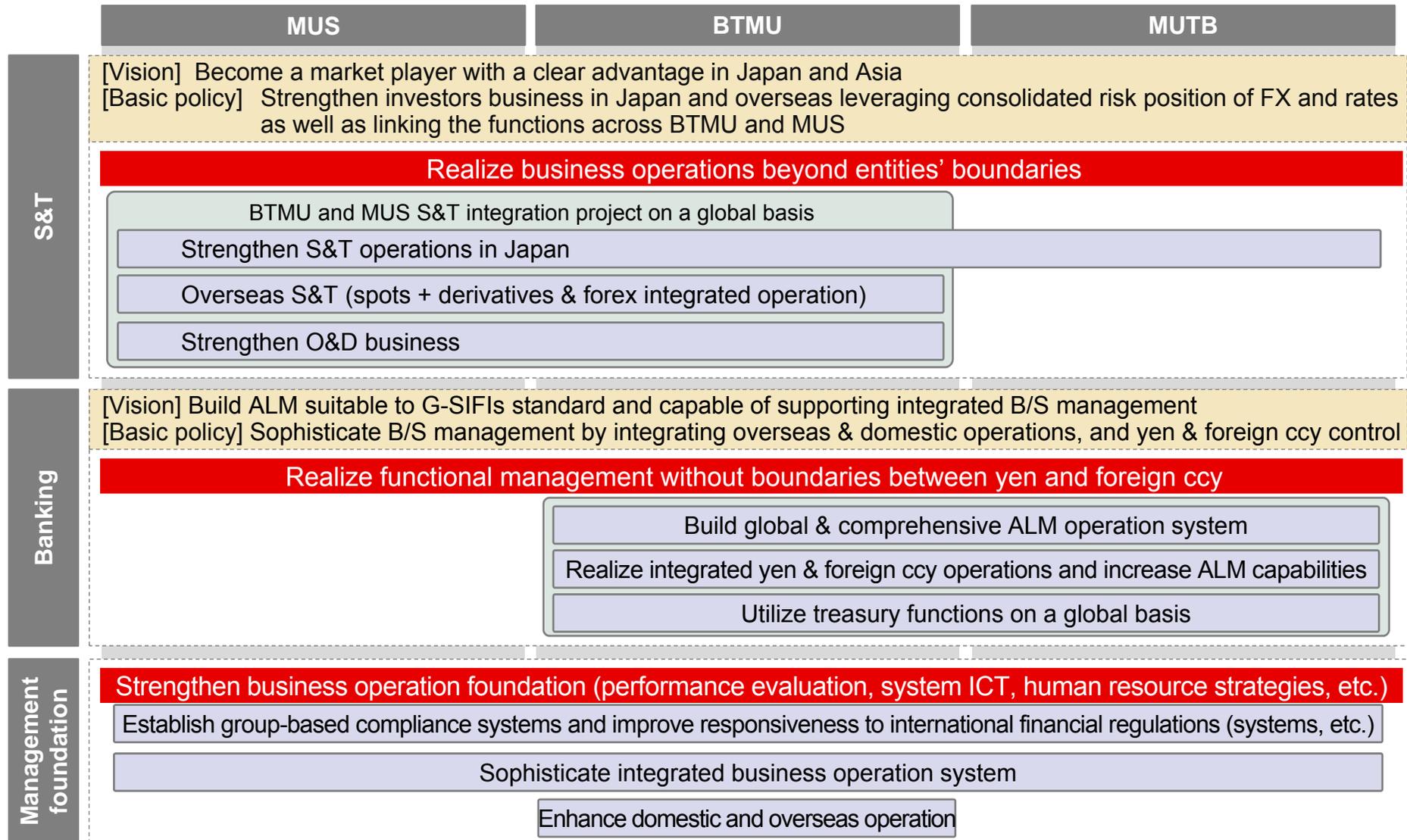
Change in S&T profit contribution by region*1



*1 All figures are in group consolidated managerial basis.

FY11 and FY14 charts are based on actual figures (actual FX rates), and FY17 chart is based on planned and approximate numbers (FX rates in business plan)

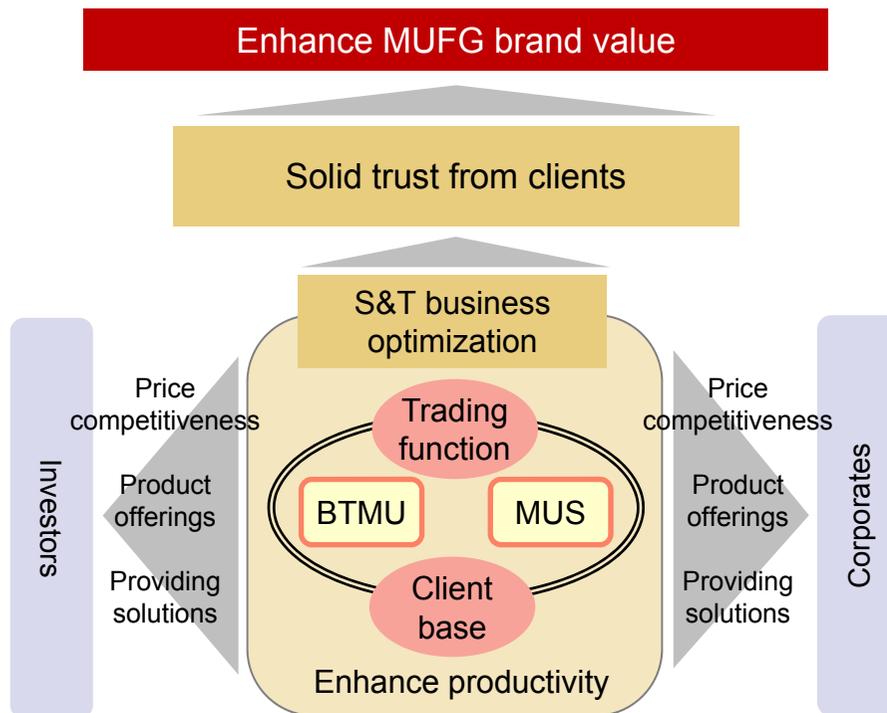
Overview of new mid-term business plan (3)



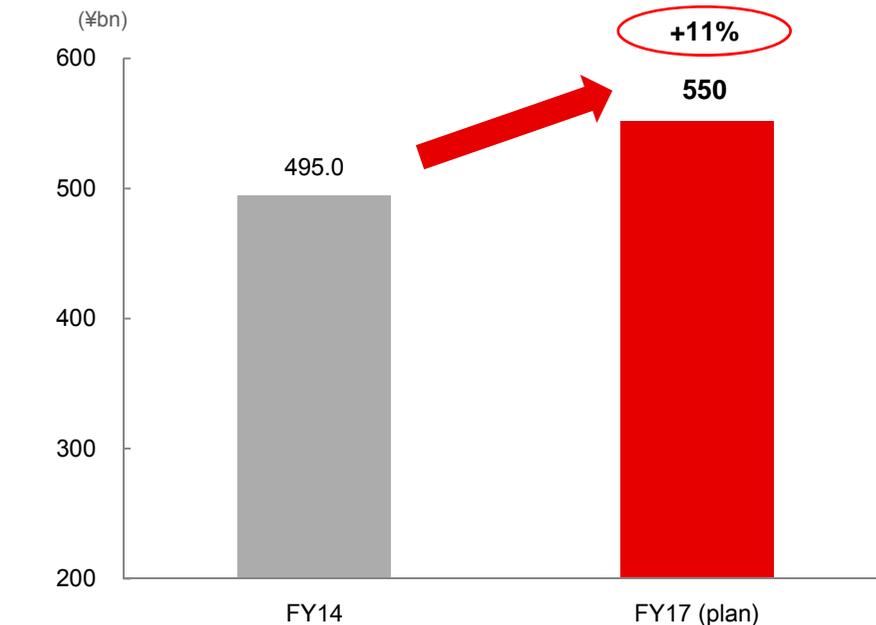
Focused business strategy - Evolve sales and trading operations

- Aim to develop / implement an optimal business formation for Sales & Trading (S&T) business by mid FY16 that leverages the strength of BTMU and MUS
- Aim to enhance three key areas, 1) price competitiveness, 2) product offerings and 3) providing solutions, through consolidating the risk position of FX and rates as well as linking the function across BTMU and MUS
- Aim to enhance “MUFG” brand value and gain higher client recognition in the global markets. This is achieved by satisfying variety of needs of and winning solid trust from institutional investors and corporate clients

Strategy outline



Consolidated S&T gross profit*1

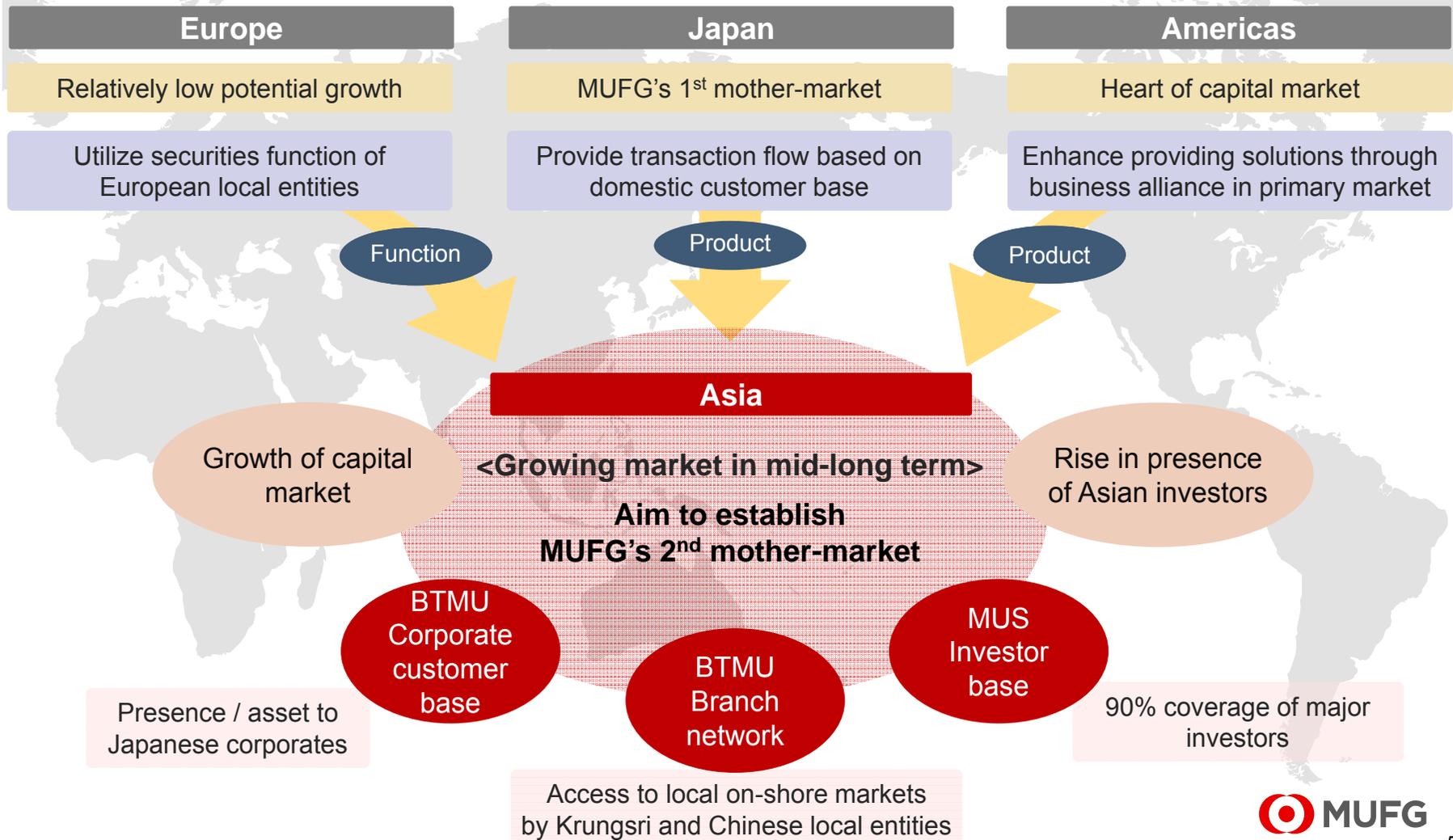


*1 Sum of S&T business related gross profit in all business units of BTMU, MUSHD and MUTB
 Figures are based on FX rates in business plan (\$/¥=115, etc.)

Focused business strategy - Evolve sales and trading operations

Enhance group's investor business

- Aim to establish MUFG's 2nd mother-market in Asia, the growing market in mid-long term
- Expand the group's investor business through utilizing MUFG's global function and advantage

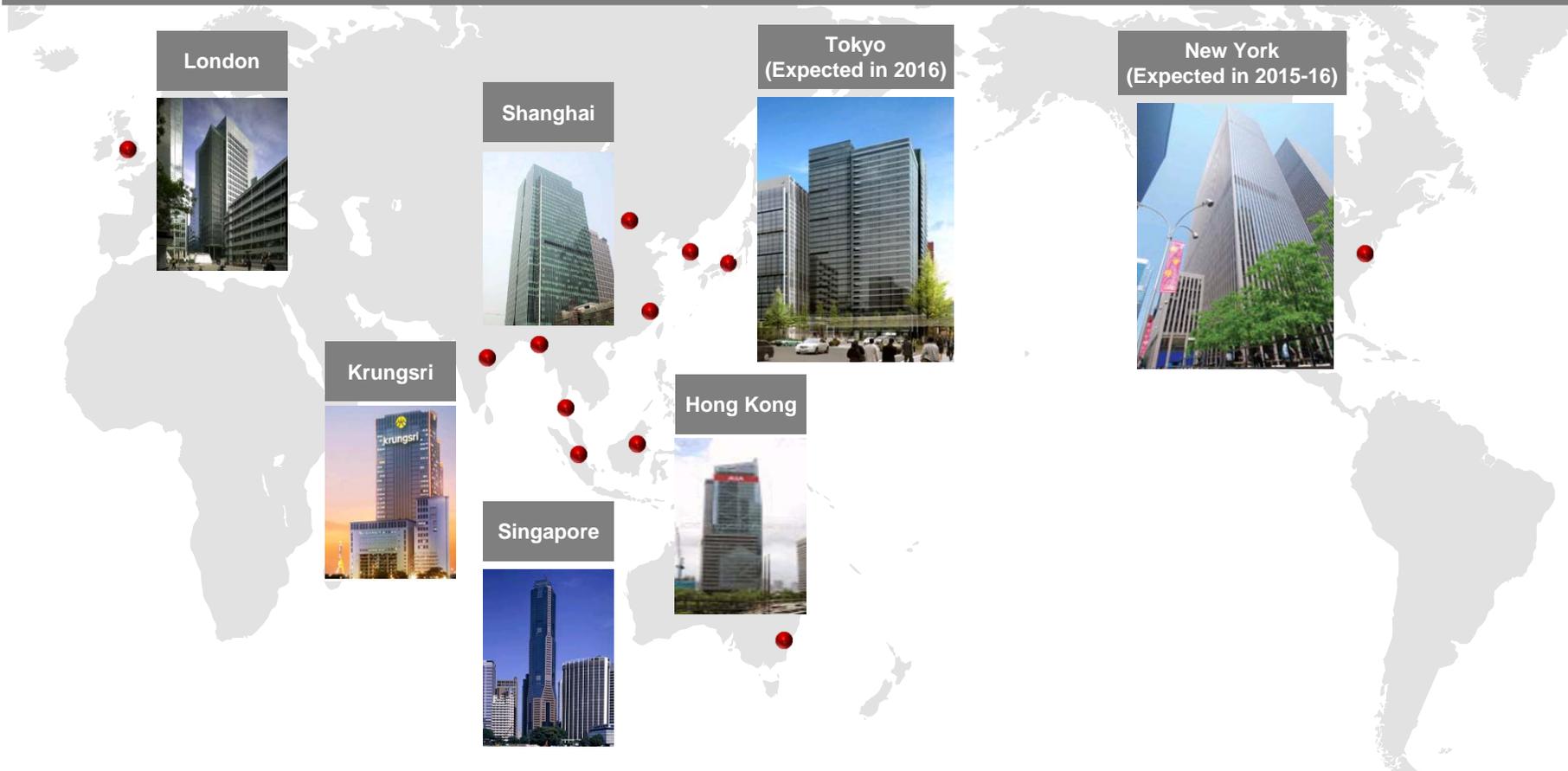


Focused business strategy - Evolve sales and trading operations

BTMU and MUS S&T global network

- S&T business expansion over MUFG's global network
- Integrate BTMU and MUS trading business locations in Japan and Americas towards implementation of optimal S&T business formation of 2 entities by 2016

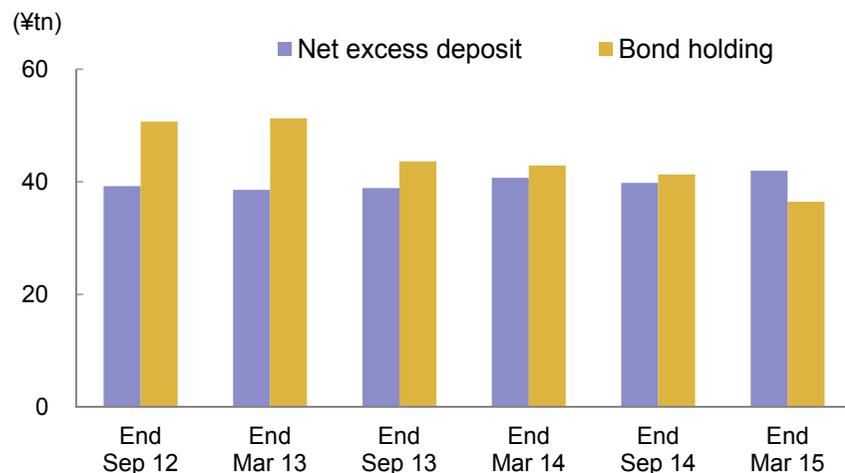
MUFG global network



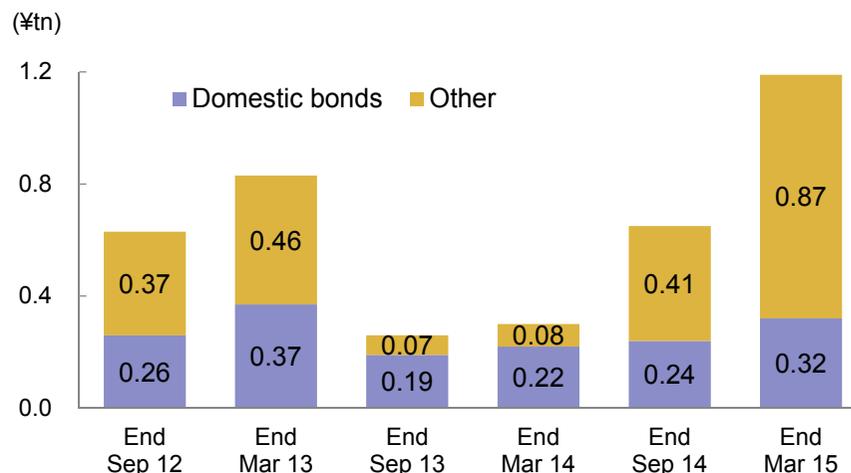
● Branch network of global markets business group (BTMU, MUTB and MUS)

Focused business strategy - Evolve banking operations

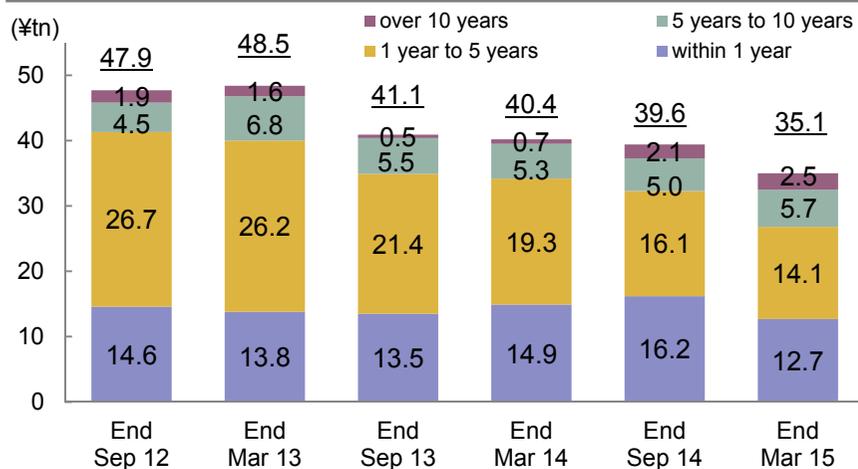
Excess deposit and domestic bond investment*1



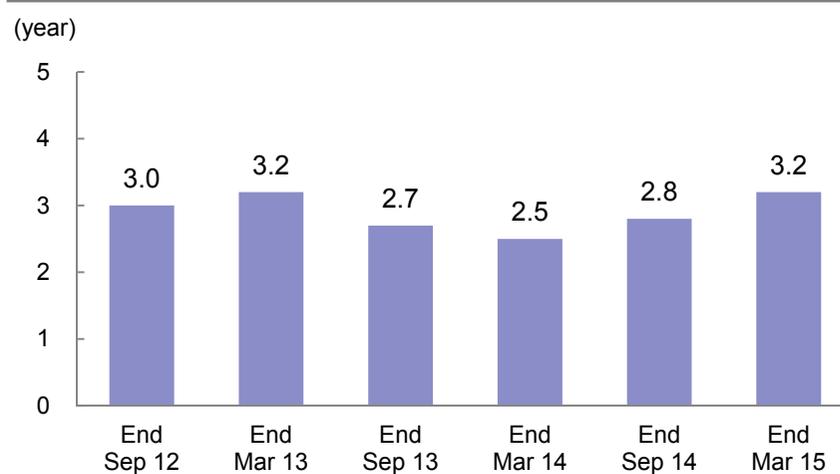
Unrealized gains on securities available for sale*3



Balance of JGBs by maturity*2



JGB Duration*1



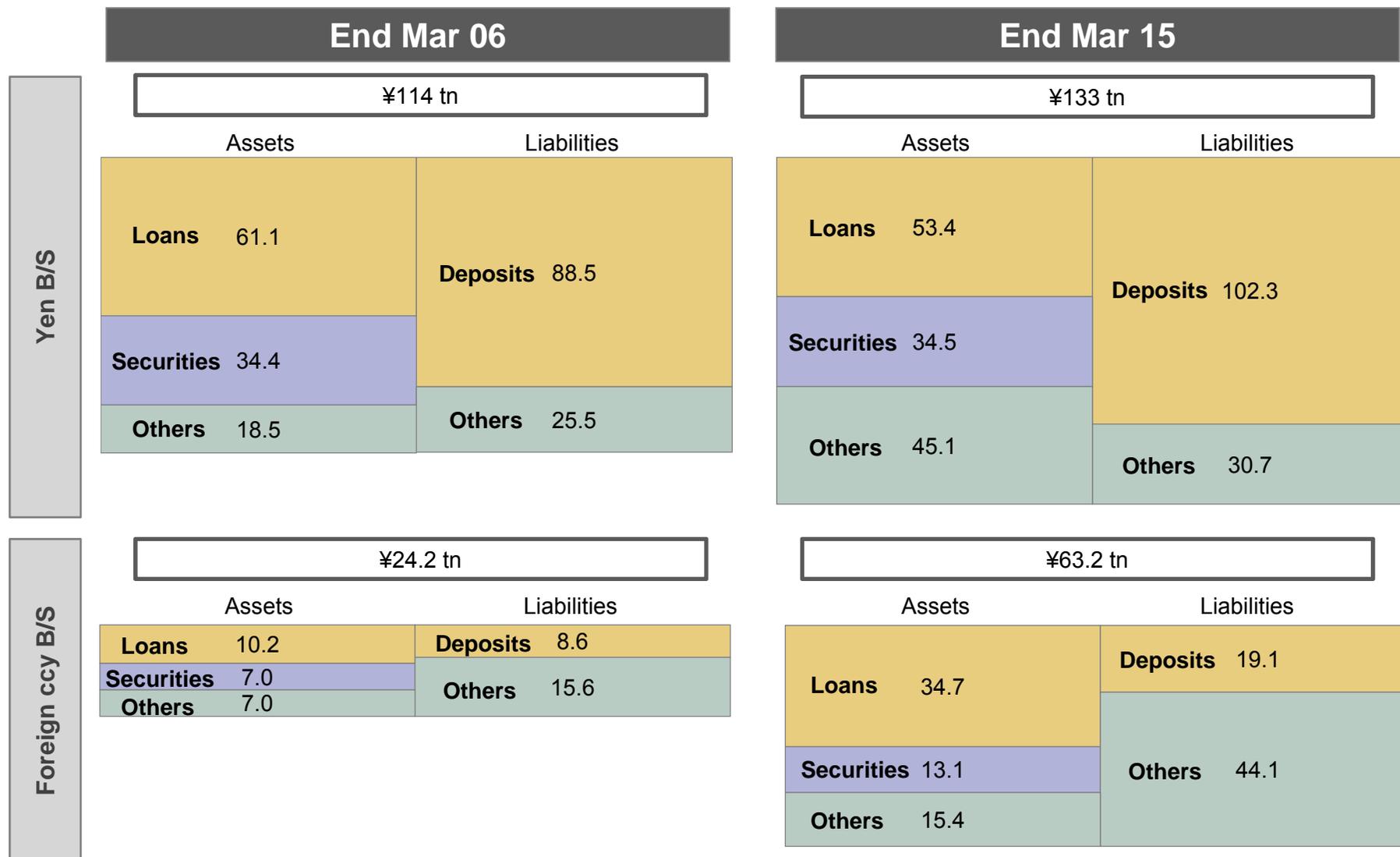
*1 Non-consolidated. Securities available for sale

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

*3 MUFG consolidated. Excluding domestic equity securities

Focused business strategy - Evolve banking operations

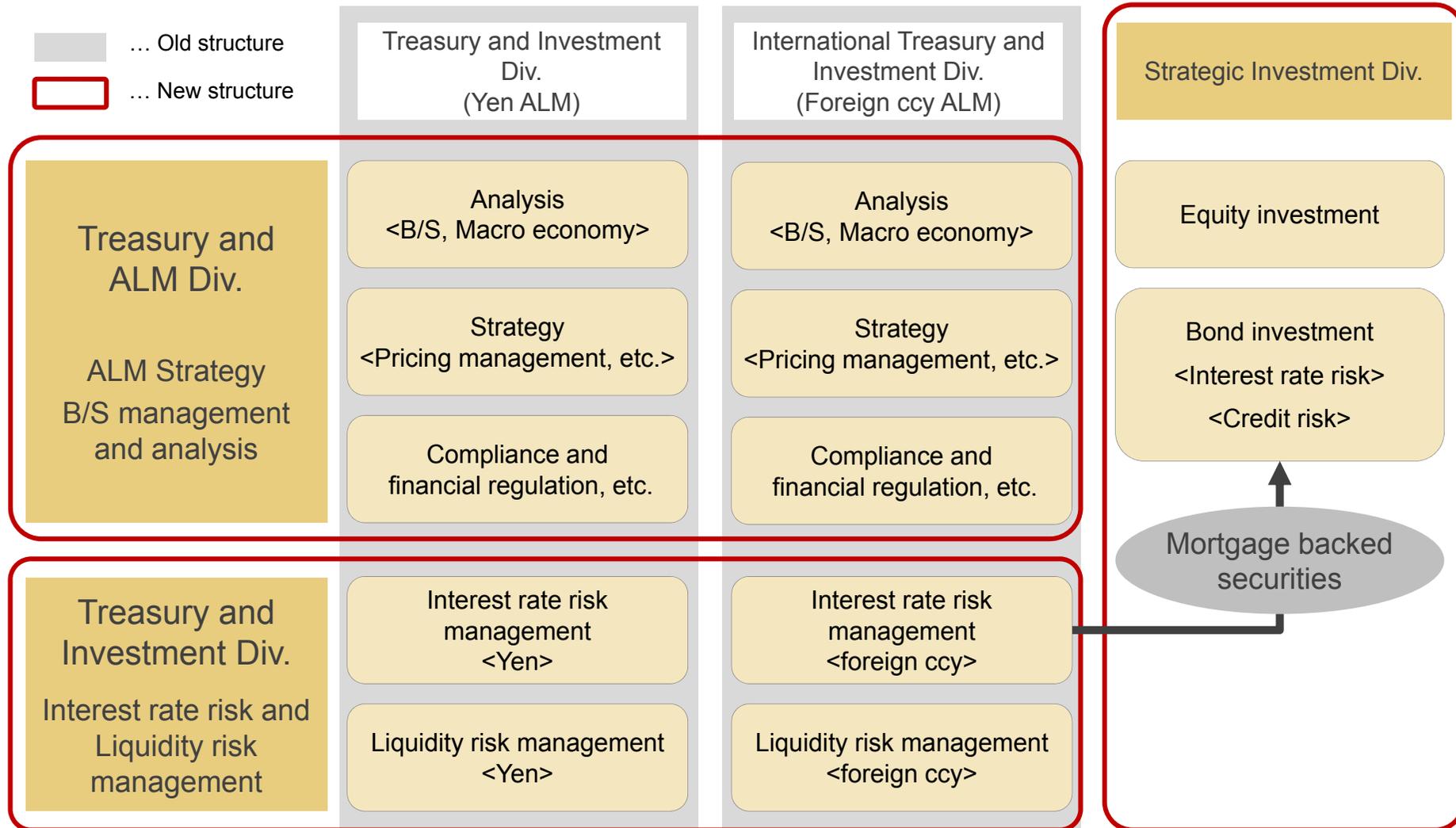
Change in B/S structure



* BTMU non-consolidated

Focused business strategy - Evolve banking operations

Change in business unit structure



Operating PL plan

- Target of net operating profit for FY17 is approx. ¥385 bn, looking to develop integrated S&T business operation between BTMU and MUS, and extend S&T business base, despite of a decrease in gross profit of banking business on the back of rising interest rates

