

# Fiscal 2015 Interim Results Presentation

November 20, 2015

Mitsubishi UFJ Financial Group, Inc.



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.

The financial information used in “Outline of Financial Results” was prepared in accordance with accounting standards generally accepted in Japan, or Japanese GAAP, unless otherwise stated.

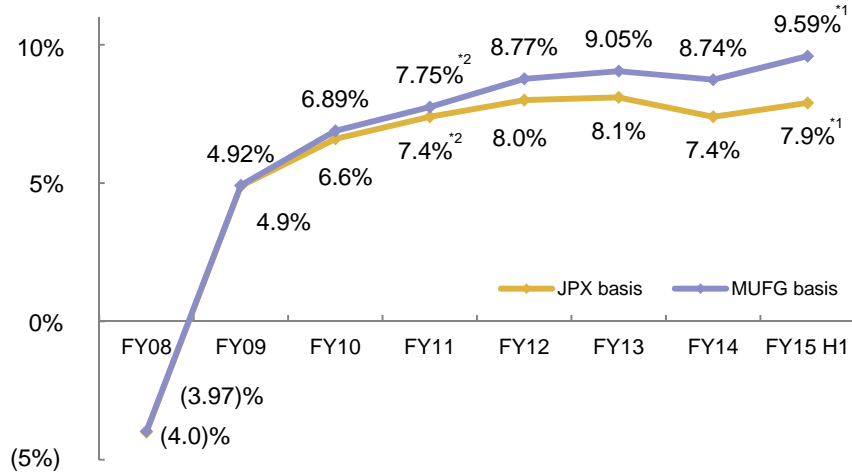
#### Definitions of figures used in this document

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

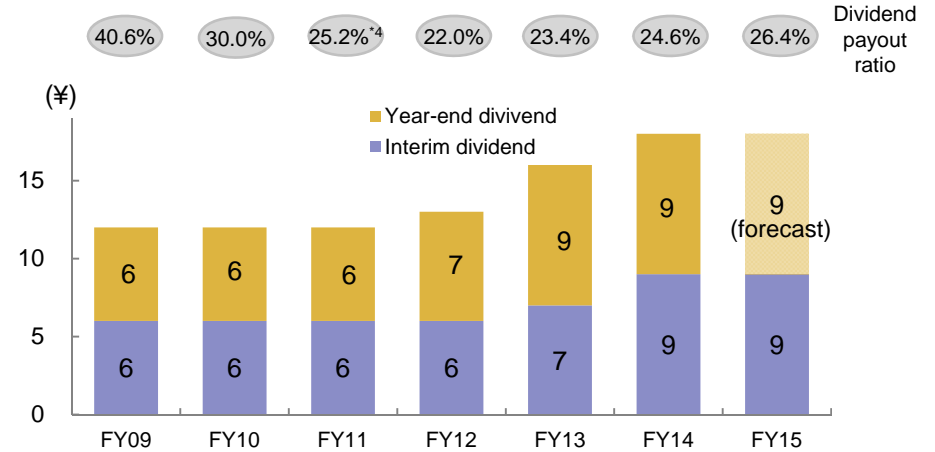
# Management index

(Consolidated)

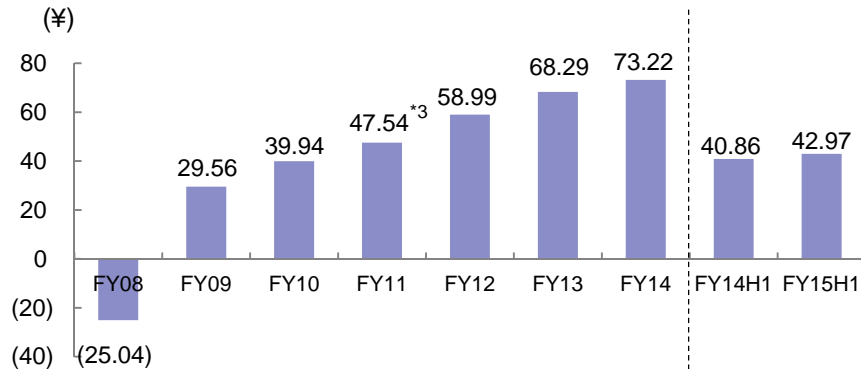
## ROE



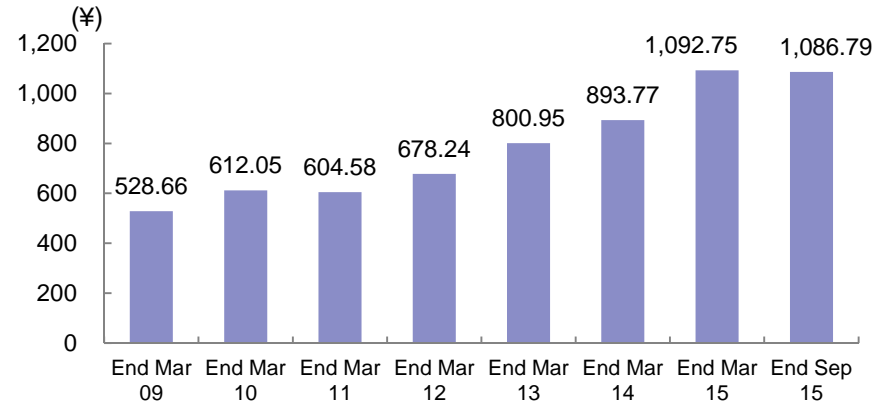
## Dividend per share/Dividend payout ratio



## EPS



## BPS



\*1  $\frac{\text{Profits attributable to owners of parent} \times 2 - \text{Equivalent of annual dividends on nonconvertible preferred stocks}}{\left\{ (\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period} - \text{Number of nonconvertible preferred stocks at the end of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the end of the period}) \right\} \div 2} \times 100$

\*2 11.10%(MUFG basis), 10.6%(JPX basis) before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

\*3 ¥68.09 before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

\*4 17.6% before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

## Financial targets of the current mid-term business plan

- Aim to achieve stable and sustainable income growth through seeking diversified revenue bases especially in customer segment both domestically and overseas, and capital efficiency by improving productivity
- Enhance shareholder value by conducting capital management flexibly taking the balance of (1) enhancement of further shareholder returns, (2) maintenance of a solid capital base and (3) strategic investments for sustainable growth, into consideration

		FY14	FY17 Target	FY15H1
<b>Growth</b>	EPS(¥)	¥73.22	Increase 15% or more from FY14	<b>¥42.97</b>
	ROE	8.74%	Between 8.5-9.0%	<b>9.59%</b>
<b>Profitability</b>	Expense ratio	61.1%	Approx. 60%	<b>61.1%</b>
	CET1 ratio (Full implementation)*1	12.3%	9.5% or above	<b>12.0%</b>
<b>Financial strength</b>				<b>10.0%</b>

(Excluding an impact of net unrealized gains (losses) on available-for-sale securities)

\*1 Calculated on the basis of regulations to be applied at end Mar 19

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# Outline of FY2015 Interim results

# Key points of FY2015H1

(Consolidated)

- **Profit attributable to owners of parent was ¥599.3 bn (increased ¥20.6 bn from FY14H1)**

- Progress rate towards ¥950.0 bn full-year target: 63%
- Major subsidiaries and affiliates contributed to the group consolidated profit, mainly in overseas and securities firms
- ¥31.0 bn total credit costs was posted for H1 with ¥8.6 bn reversal in Q2

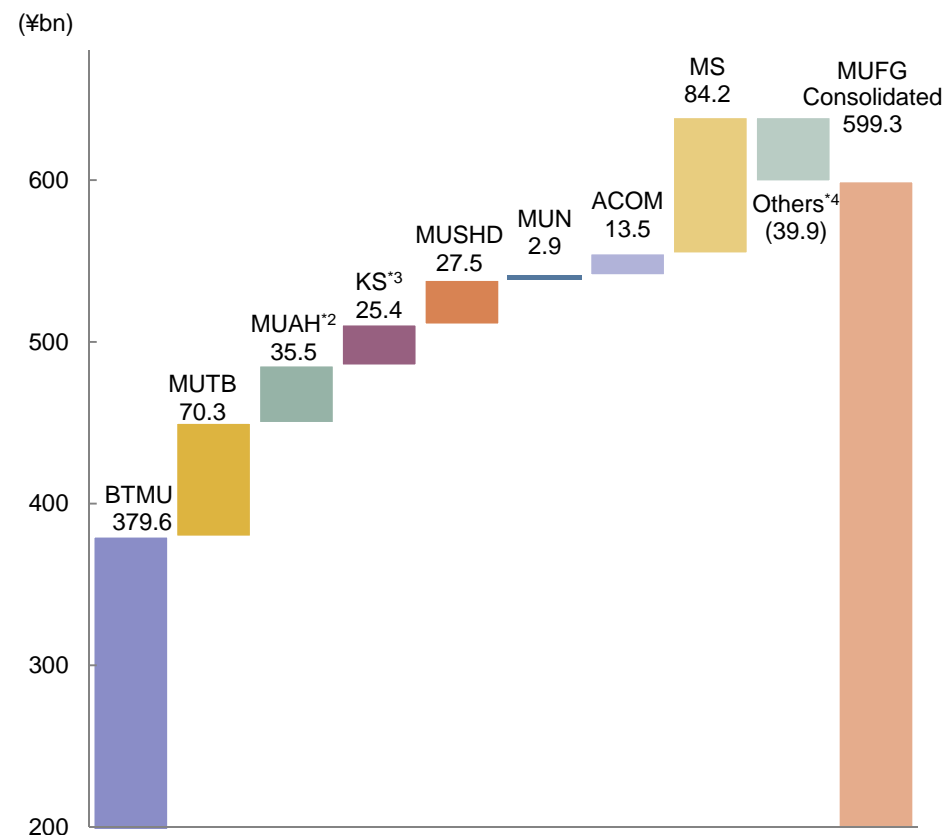
- **Progress of mid-term business plan**

- [Retail] Good performance in investment product sales and consumer finance. Development in the Group-wide business platform has been successful, mainly in investment product distribution system
- [U.S.] New corporate management system has been started with a new externally-recruited CEO. Focusing on further diversification of profit source, a robust governance and productivity improvements
- [Transaction banking] Developed business structure in a strategic and unified manner by enhancing product capabilities and effective use of networks. Non-Yen customer deposits steadily increasing
- [Investor Services/Asset Management] Agreed with UBS to acquire its alternative fund admin business. Keep focusing on expanding our business scale in the global IS market

- **Shareholder return**

- Decided repurchase of own shares up to ¥100.0 bn following May 15

Breakdown of FY15H1 profits attributable to owners of parent\*1



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

\*2 MUFG Americas Holdings Corporation

\*3 Bank of Ayudhya (Krungsri)

\*4 Including cancellation of the amount of inter-group dividend receipt and profits (losses) related to transfer of equity securities within MUFG

# Income statement summary

(Consolidated)

## ● Net business profits

- Gross profits progressed compared to FY14H1 mainly due to an increase in interest income from overseas loans, fee income from global banking and investment product sales to domestic customers. Profits from sales and trading business also contributed to the profit growth
- G&A expenses increased compared to FY14H1 mainly due to an increase in overseas business cost, although the increase would be resolved if excluding the impact of FX conversion rate change
- As a result, net business profits grew to ¥820.2 bn, up ¥42.8 bn from FY14H1

## ● Total credit costs

- ¥31.0 bn total credit costs was posted primarily due to increased provision for specific allowance for credit losses. ¥22.5 bn reversal in non-consolidated basis (BTMU+MUTB)

## ● Net gains (losses) on equity securities

- Increased with more gains on sales of equity securities

## ● Profits (losses) from investments in affiliates

- Increased mainly due to MS performed well

## ● Profits attributable to owners of parent

- Grew to ¥599.3 bn, up ¥20.6 bn from FY14H1

## ● EPS

- ¥42.97, up ¥2.11 from FY14H1

	(¥bn)	FY14	FY15H1	YoY
1	Gross profits (before credit costs for trust accounts)	4,229.0	2,109.1	96.2
2	Net interest income	2,181.6	1,076.3	40.5
3	Trust fees + Net fees and commissions	1,420.0	700.1	38.8
4	Net trading profits + Net other business profits	627.3	332.6	16.8
5	Net gains (losses) on debt securities	115.1	82.1	(7.1)
6	G&A expenses	2,584.1	1,288.9	53.4
7	Net business profits	1,644.9	820.2	42.8
8	Total credit costs <sup>*1</sup>	(161.6)	(31.0)	(72.1)
9	Net gains (losses) on equity securities	93.1	40.9	18.0
10	Net gains (losses) on sales of equity securities	97.9	49.0	23.5
11	Losses on write-down of equity securities	(4.8)	(8.1)	(5.4)
12	Profits (losses) from investments in affiliates	159.6	144.6	40.7
13	Other non-recurring gains (losses)	(23.0)	(4.9)	(9.4)
14	Ordinary profits	1,713.0	969.9	20.0
15	Net extraordinary gains (losses)	(98.2)	(43.1)	25.8
16	Total of income taxes-current and income taxes-deferred	(467.7)	(258.9)	(16.4)
17	Profits attributable to owners of parent	1,033.7	599.3	20.6
18	EPS (¥)	73.22	42.97	2.11

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



# Income statement summary supplementary explanation

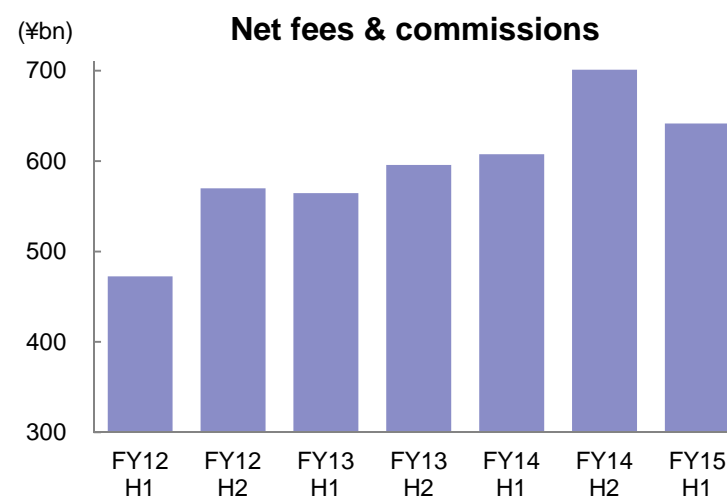
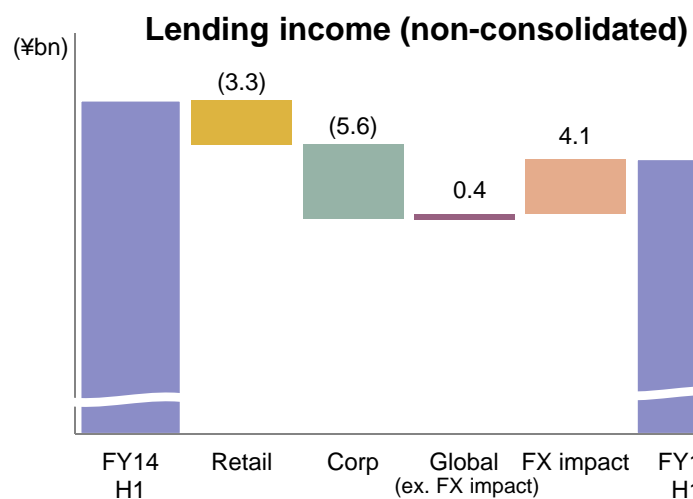
(Consolidated)

## Breakdown of net interest income

	(¥bn)	YoY
1 Total		40.5
2 BTMU & MUTB* <sup>1</sup>		(1.7)
3 Lending income		(4.4)
4 Deposit income		(13.1)
5 Market income & others		18.5
6 Subsidiaries* <sup>1</sup>		42.2
7 MUN + ACOM		3.2
8 MUAH		27.1
9 KS* <sup>2</sup>		31.2

## Breakdown of net fees & commissions

	(¥bn)	YoY
1 Total		33.8
2 BTMU & MUTB* <sup>1</sup>		1.3
3 Investment products sales + financial products intermediation		6.3
4 Investment banking (domestic)* <sup>3</sup>		(6.6)
5 Subsidiaries* <sup>1</sup>		32.5
6 MUSHD* <sup>4</sup>		7.2
7 MUN + ACOM		9.2
8 KS* <sup>2</sup>		8.1



\*1 Breakdown figures of [BTMU & MUTB] and [Subsidiaries] are in managerial accounting basis

\*2 Impact from integration with the former BTMU Bangkok branch included

\*3 Structured finance, syndicated loan, derivative, etc.

\*4 Impact contained from consolidation of kabu.com Securities Co., Ltd

# Outline of results by business segment

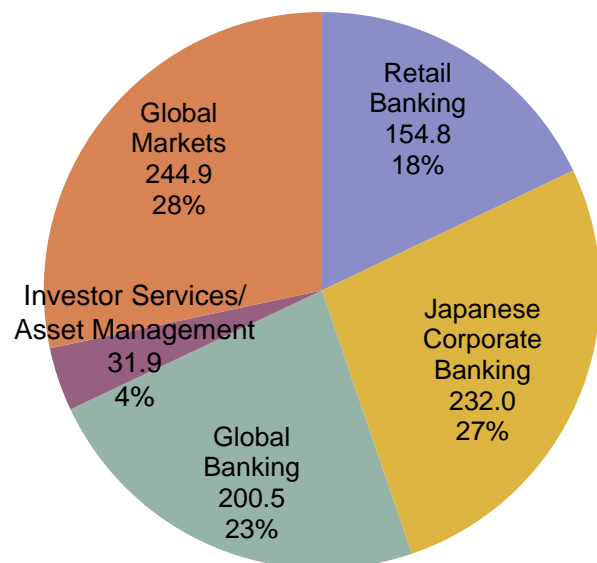
(Consolidated)

- Net operating profit in customer segments increased ¥31.6 bn from FY14H1
- Global banking segment accounts for 36% of total customer segments

## Net operating profits by segment<sup>\*1</sup>

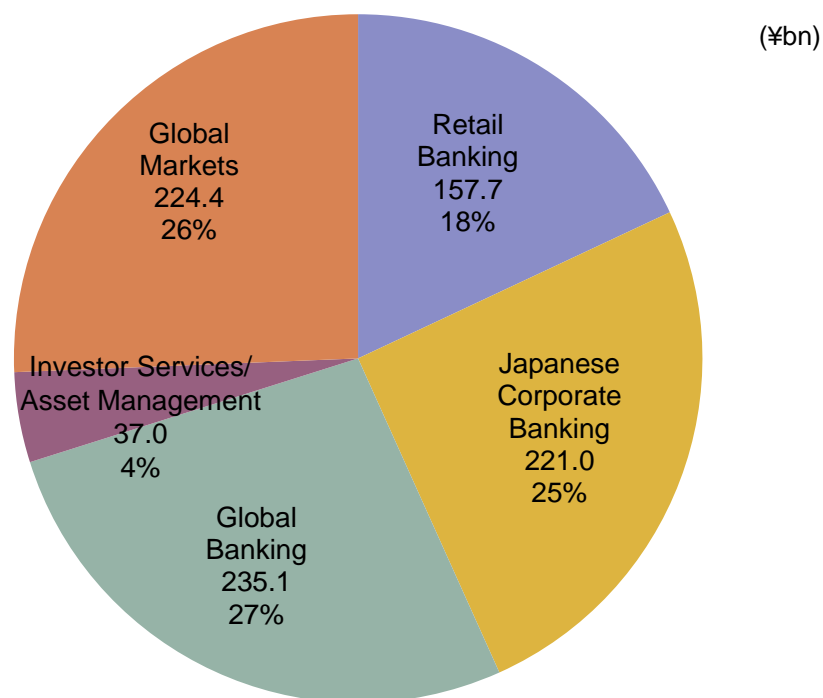
### FY14H1 ¥780.3 bn<sup>\*2</sup>

Global banking segment accounted for 32% of total customer segments



### FY15H1 ¥813.4 bn<sup>\*2</sup>

Global banking segment accounts for 36% of total customer segments



\*1 All figures are in actual exchange rate and managerial accounting basis. Global Banking contains KS

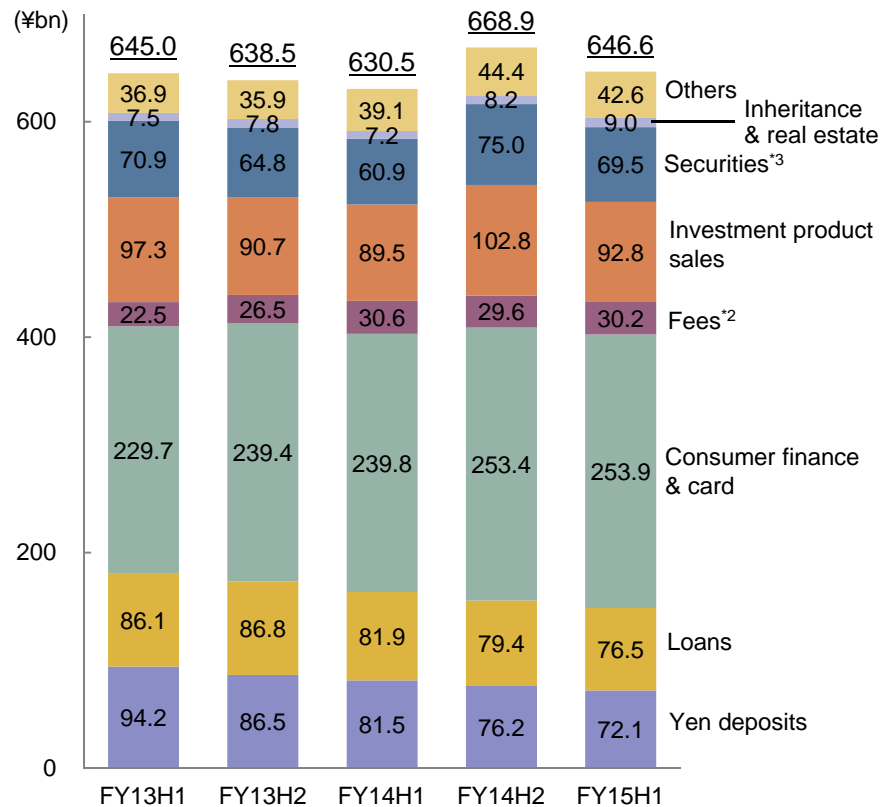
\*2 Including profits or loss from others

# Historical outlook in Retail Banking

(Consolidated)

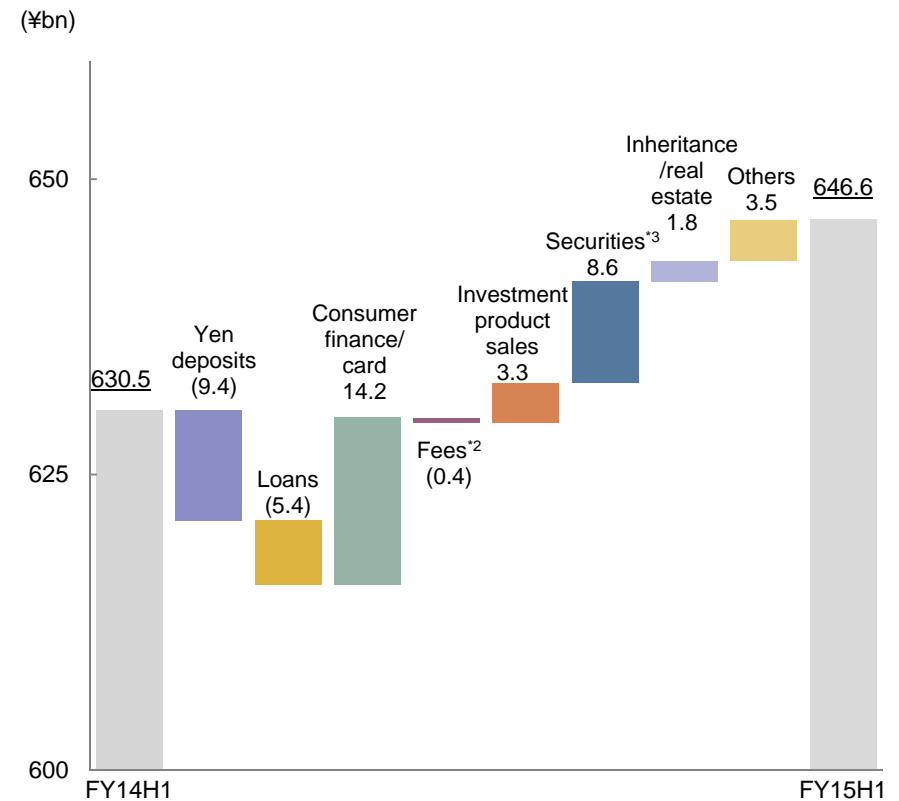
- Investment product sales progressed by capturing customers' investment needs together with the development of the Group-wide distribution network. Consumer finance businesses also increased on the back of invigorated private spending
- Profits from loans and yen deposits declined

Gross profits\*1



\*1 All figures are in actual exchange rate and managerial accounting basis

Change in gross profits\*1



\*2 Transfer, ATM, etc.

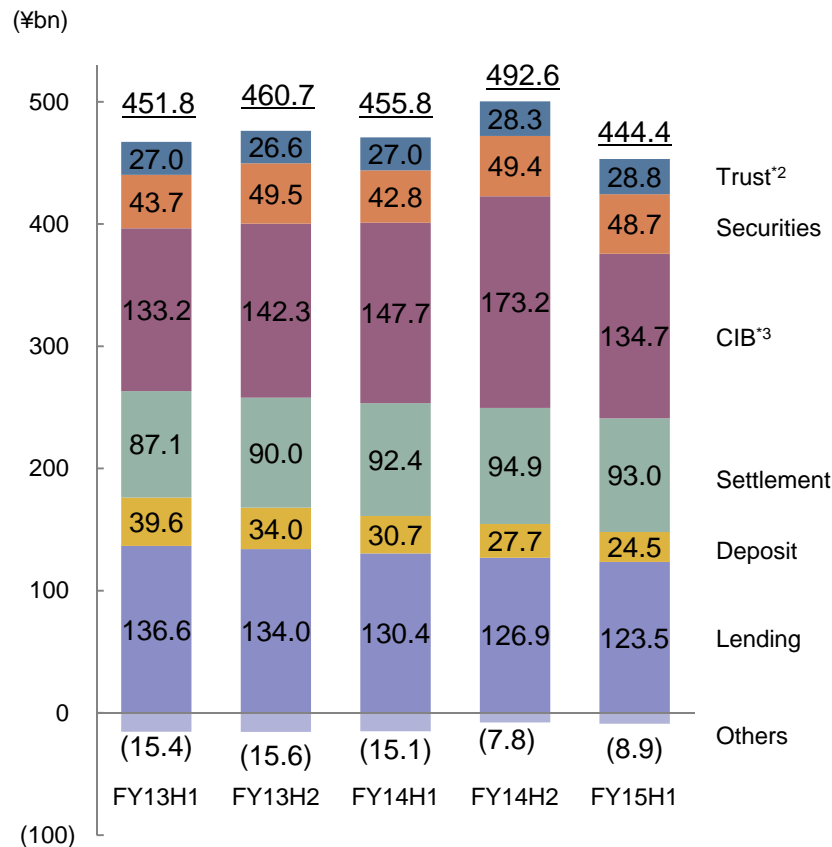
\*3 Fees from stock/bond sales, etc.

# Historical outlook in Japanese Corporate Banking

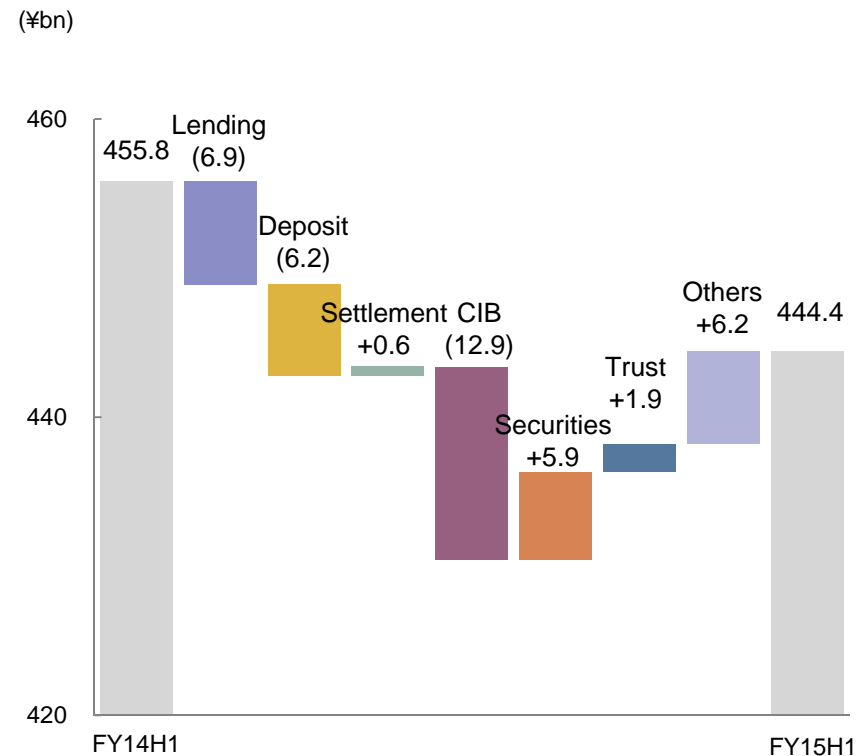
(Consolidated)

- Gross profits declined from FY14H1, when a healthy figure was reported from a large corporate transaction. Business reform, as a measure to strengthen our sustainable earning capability, has been implemented, which also lowered gross profits mainly in CIB business as predicted

### Gross profits\*1



### Change in gross profits\*1



\*1 All figures are in actual exchange rate and managerial accounting basis

\*2 Real estate brokerage, transfer agency business, etc.

\*3 Structured finance, syndicated loan, derivatives, etc.

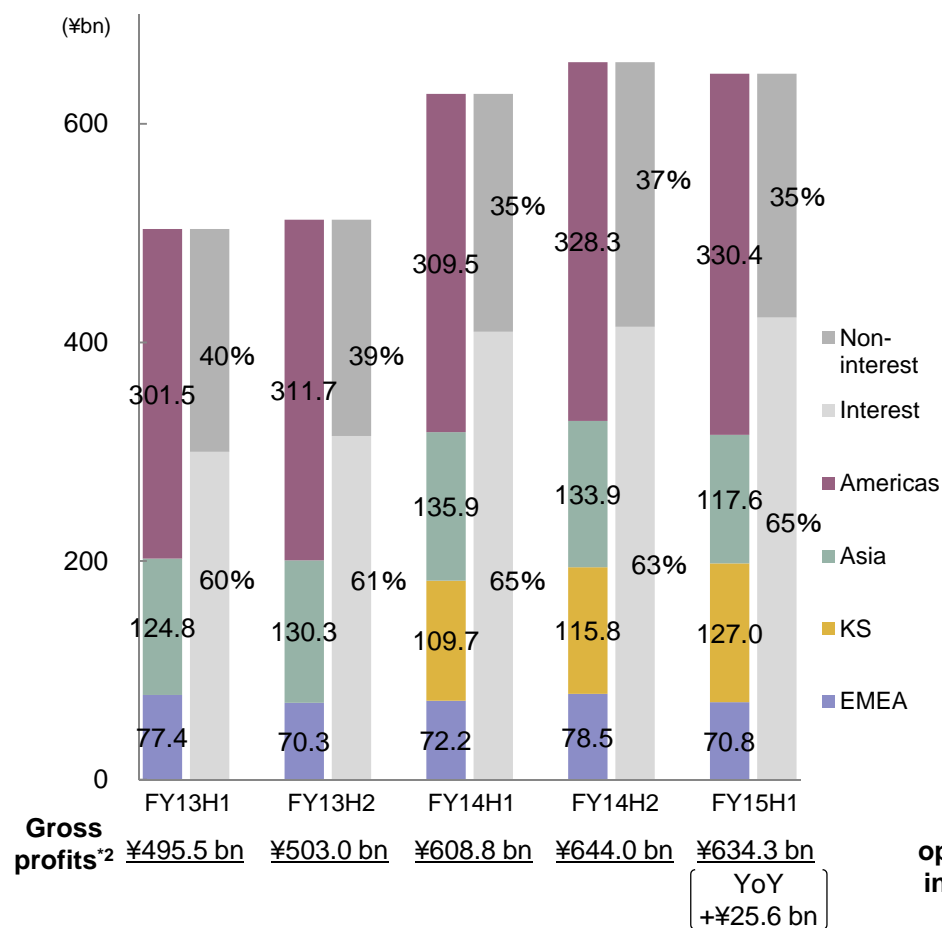
# Historical outlook in Global Banking (1)

## - Gross profits & operating income by region

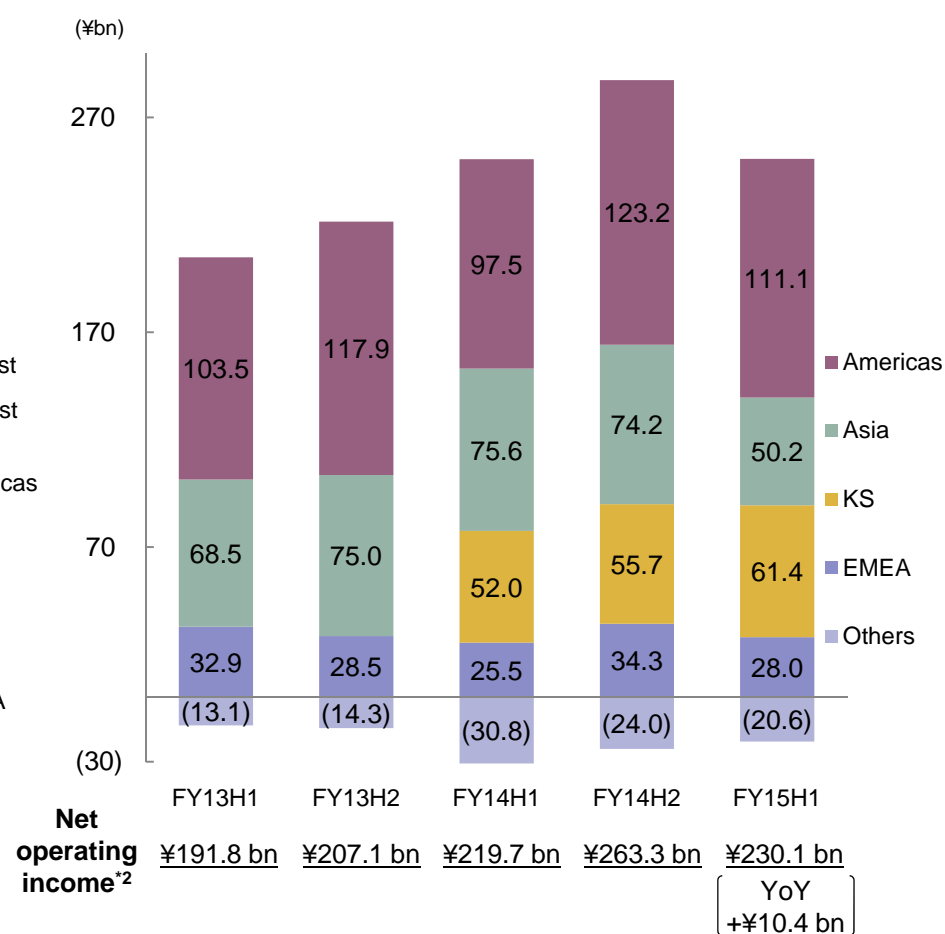
(Consolidated)

- Both gross profits and operating income increased year on year. Growth in Americas covered the decrease in Asia

Gross profits by region\*1



Operating income by region\*1



\*1 Local currency basis. Each break down is before elimination of duplication, and excludes other gross profits. BTMU Bangkok branch was integrated into KS in Jan 15. Gross profits and net operating income of the branch for FY14H1 was ¥12.6 bn and ¥8.7 bn respectively

\*2 After adjustment of duplication between regions

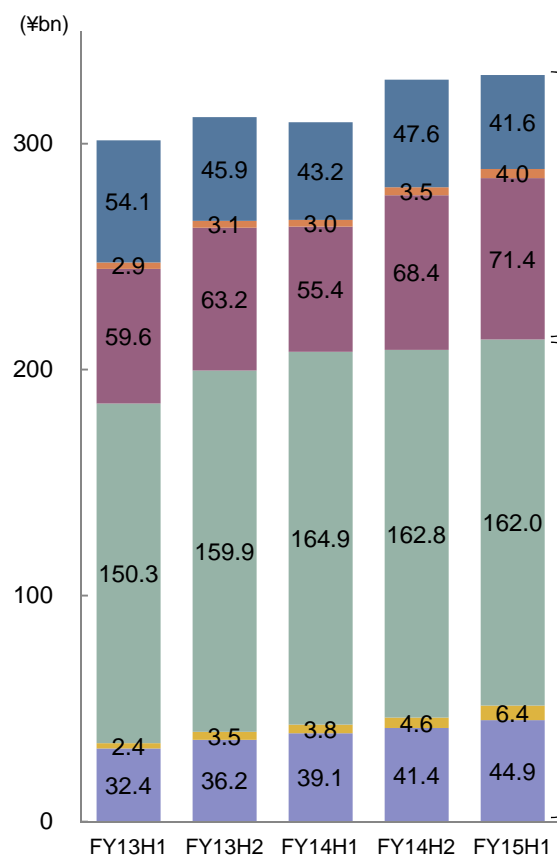
# Historical outlook in Global Banking (2)

## - Breakdown of gross profits

(Consolidated)

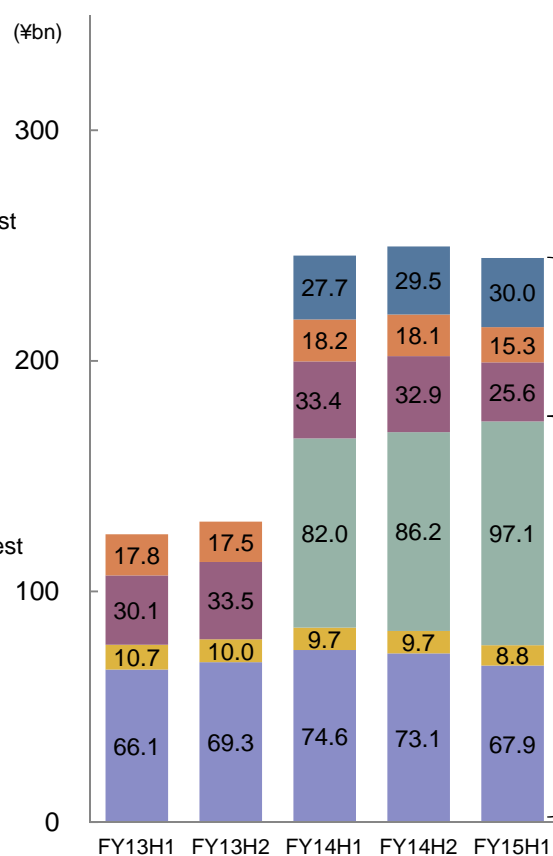
### Americas\*1

- Non-interest (MUAH)
- Forex
- Fees&derivatives
- Interest (MUAH)
- Deposits
- Loans



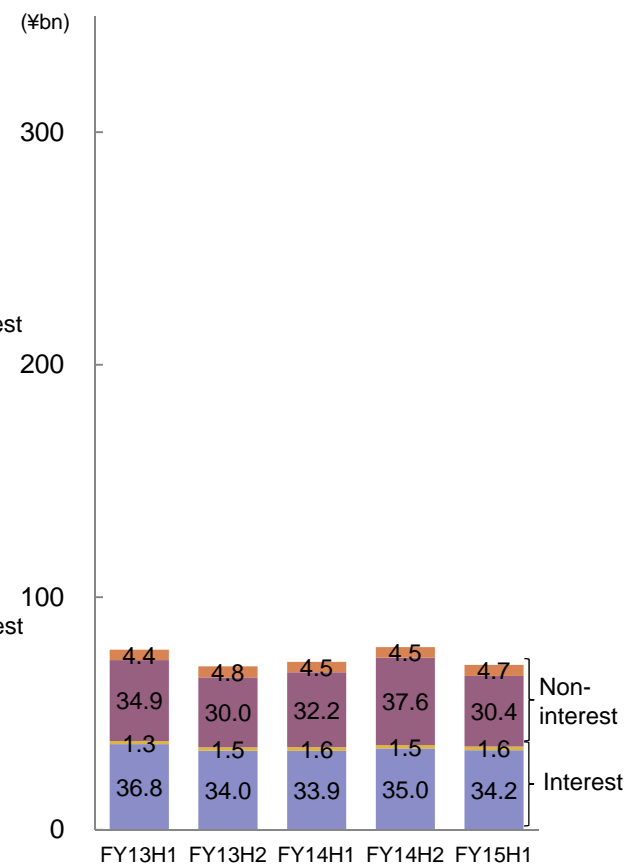
### Asia\*1

- Non-interest (KS)
- Forex
- Fees&derivatives
- Interest (KS)
- Deposits
- Loans



### EMEA\*1

- Loans
- Deposits
- Fees&derivatives
- Forex



\*1 Local currency basis. Each break down is before elimination of duplication and excludes other gross profits

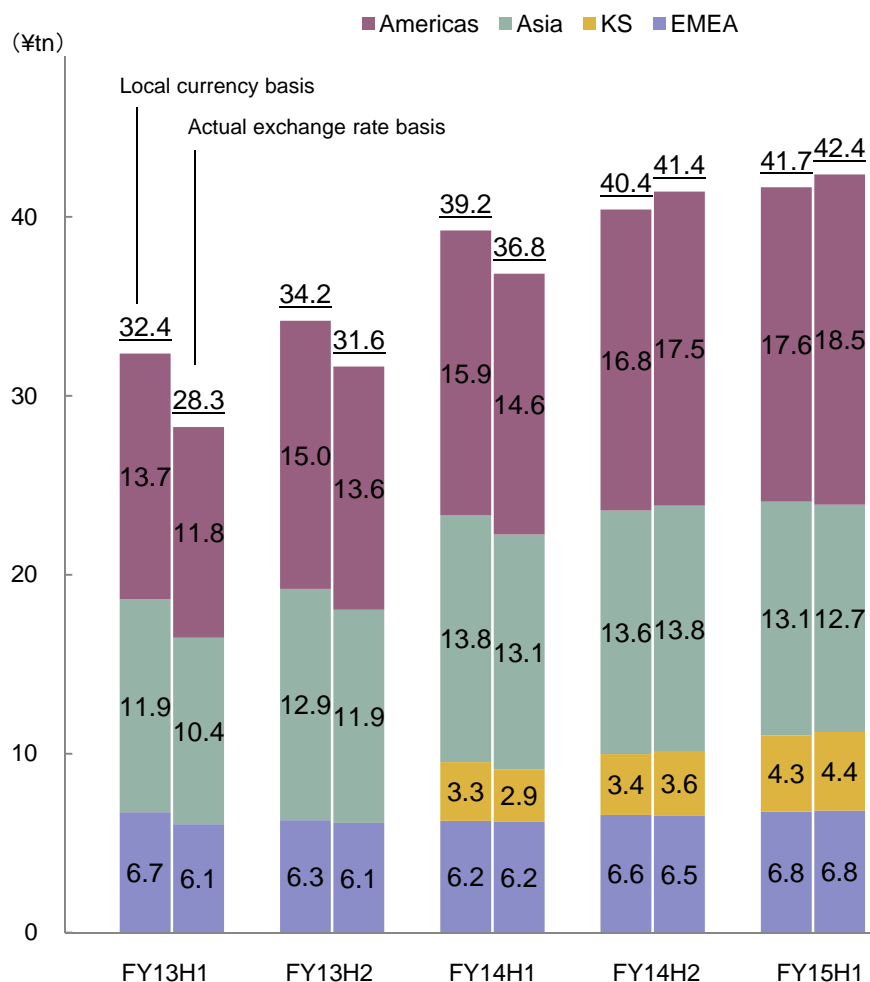
# Historical outlook in Global Banking (3)

## - Loans and deposits by region

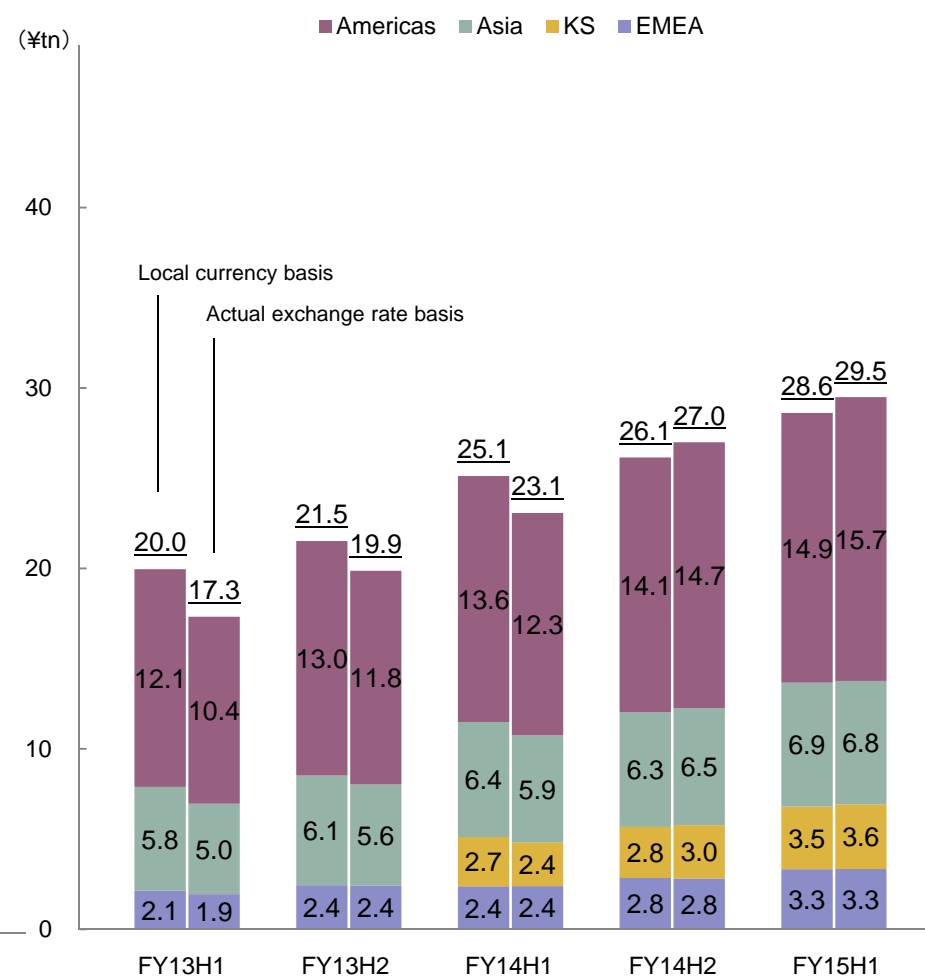
(Consolidated)

- Loan balance and deposit balance showed consistent growth

Average loan balance by region



Average deposit balance by region

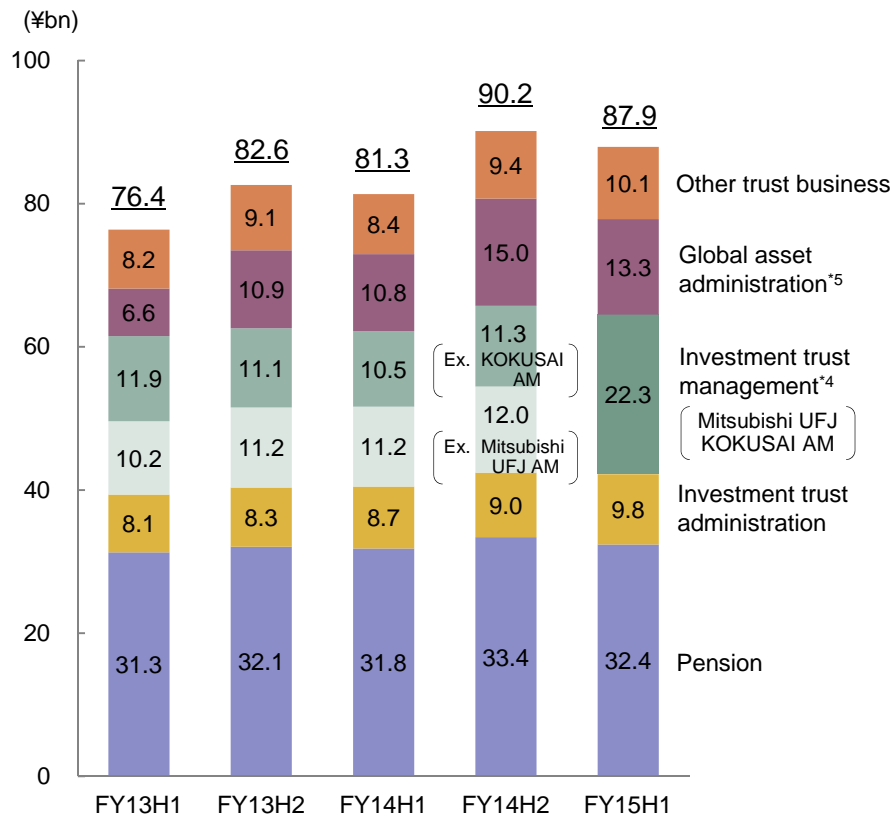


# Historical outlook in Investor Services/Asset Management

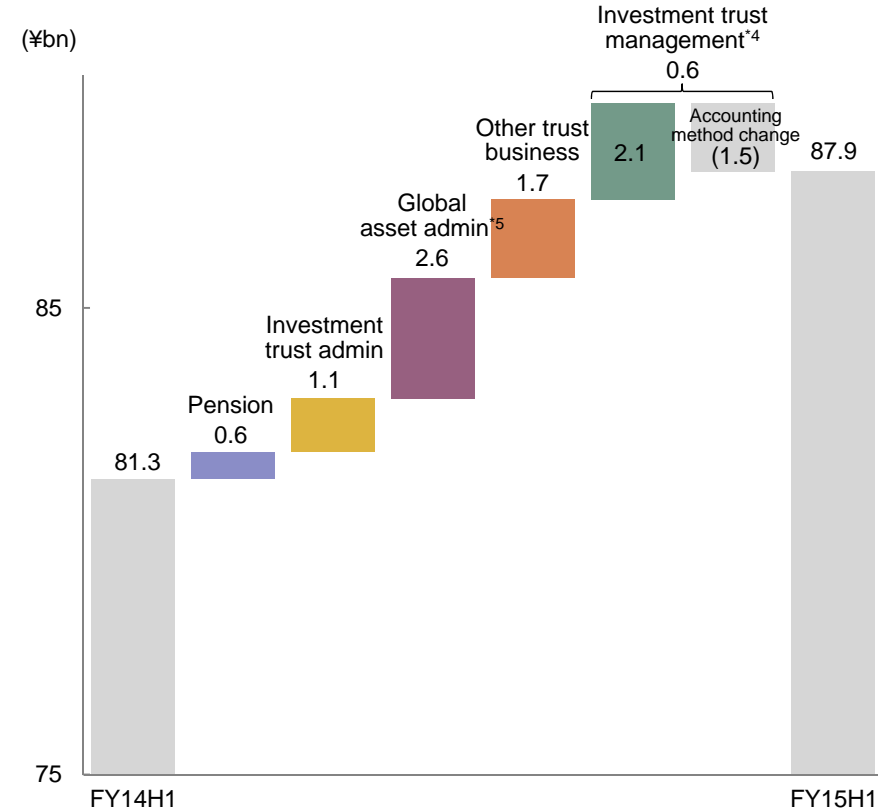
(Consolidated)

- Gross profits progressed to ¥87.9 bn, up ¥6.6 bn from FY14H1
- Pension business still reported a profit growth from FY14H1 in spite of a shrink of domestic employees' pension fund market. Expansion of AuM<sup>\*1</sup> and AuA<sup>\*2</sup> led to a steady profit increase in investment trust management and administration

### Consolidated gross profits<sup>\*3</sup>



### Change in gross profits<sup>\*3</sup>



\*1 Asset under management

\*2 Asset under administration

\*3 Profits of the Master Trust Bank of Japan, Ltd (MTBJ) are split into each business sections. All figures are in actual exchange rate and managerial accounting basis

\*4 Investment trust management profits for FY15H1 was the sum of the figures of before and after a merger of Mitsubishi UFJ KOKUSAI AM.

Accounting method for commissioned research cost has been unified to subtract it from gross profit instead of posting it as an expense.

Impact of this change to the gross profit for FY15H1 was ¥1.5 bn decrease

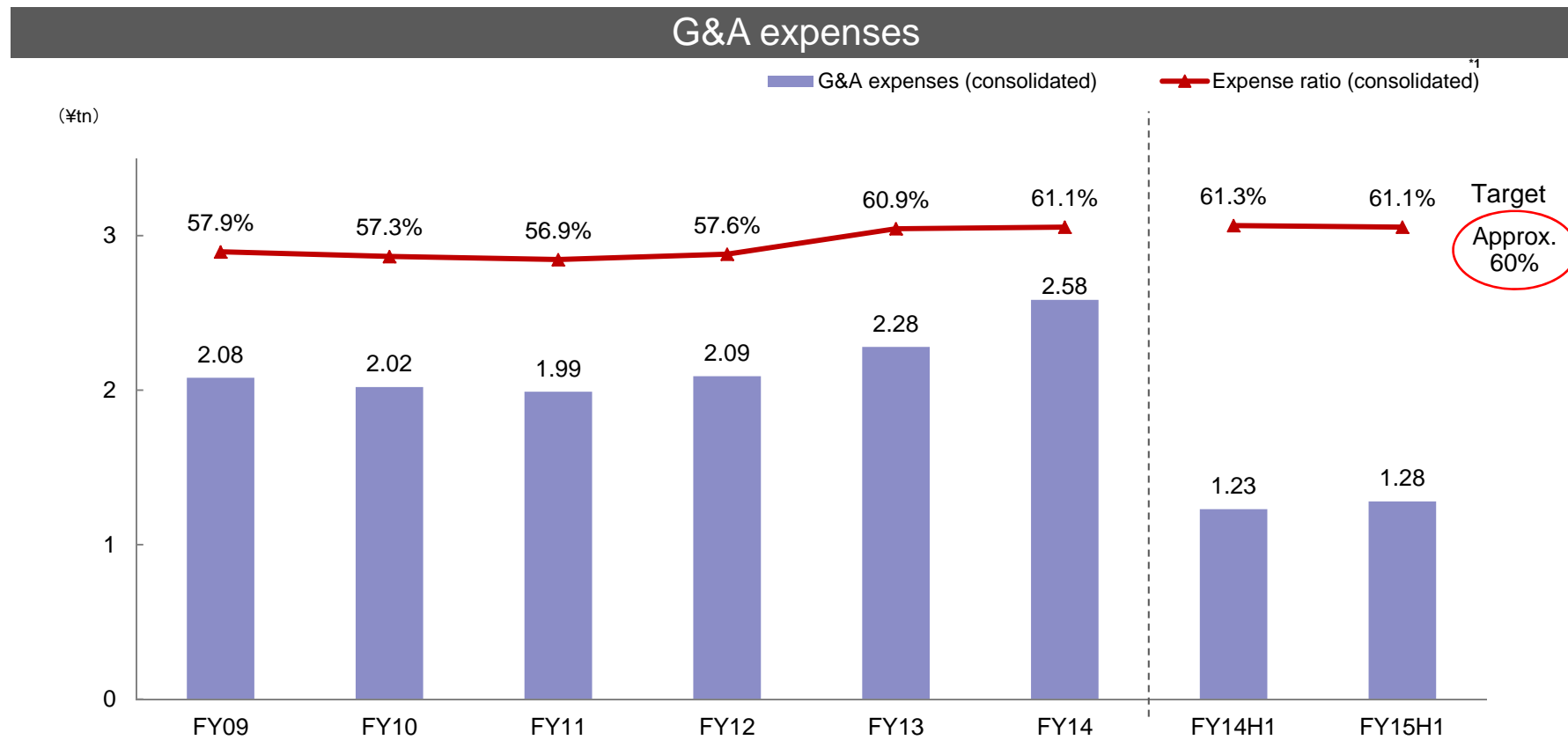
\*5 Services provided under the MUFG Investor Services brand, custody and fund administration services, etc.



# Expenses

(Consolidated)

- Consolidated expense ratio for FY15H1 was 61.1%, almost the same level as that for FY14H1. Expense amount increased from a year ago, mainly due to an increase in overseas, which however would be resolved if the impact of FX conversion rate change is excluded
- Aiming to achieve approx. 60% target of mid-term business plan, keep controlled cost management and continue initiatives for productivity improvements



\*1 Expense ratio = G&A expenses/gross profits (before credit costs for trust accounts)

# Balance sheets summary

(Consolidated)

## ● Loans

- Increased from end Mar 15 due to increases in domestic corporate loans and overseas loans

## ● Investment securities

- Lowered from end Mar 15 due to decreases in domestic equity securities, on the back of market price decline, JGB and foreign bonds

## ● Deposits

- Increased from end Mar 15 mainly due to increases in domestic individual deposits and overseas deposits

## ● Net unrealized gains on securities available for sale

- Lowered from end Mar 15 mainly due to decreases in unrealized gains on domestic equity securities and foreign bonds

	End Mar 15	End Sep 15	Change from end Mar 15
(¥bn)			
1 Total assets	286,149.7	289,165.0	3,015.2
2 Loans (banking + trust accounts)	109,480.7	111,963.0	2,482.3
3 Loans (banking accounts)	[109,368.3]	[111,837.8]	[2,469.4]
4 Housing loans <sup>*1</sup>	15,879.1	15,685.1	(193.9)
5 Domestic corporate loans <sup>*1,2</sup>	42,456.7	42,705.7	248.9
6 Overseas loans <sup>*3</sup>	41,701.7	42,473.0	771.3
7 Investment securities (banking accounts)	73,538.1	66,699.1	(6,839.0)
8 Domestic equity securities	6,323.6	5,920.1	(403.5)
9 Japanese government bonds	35,210.6	30,215.4	(4,995.2)
10 Foreign bonds	23,571.5	22,737.3	(834.2)
11 Total liabilities	268,862.2	272,045.1	3,182.8
12 Deposits	153,357.4	154,490.5	1,133.1
13 Individuals (domestic branches)	70,415.1	70,735.8	320.7
14 Corporations and others	47,449.1	47,489.2	40.1
15 Overseas and others	35,493.0	36,265.3	772.3
16 Total net assets	17,287.5	17,119.9	(167.6)
17 Net unrealized gains (losses) on securities available for sale	4,133.2	3,094.0	(1,039.1)

\*1 Non-consolidated + trust accounts

\*2 Excluding lending to government

\*3 Loans booked in overseas branches, MUAH, KS, BTMU (China), BTMU (Holland), BTMU (Canada) and BTMU (Malaysia)

# Loans/Deposits

(Consolidated)

## ● Loan balance ¥111.9 tn (Increased by ¥2.4 tn from Mar 15)

<Breakdown of change>

- Housing loan (¥0.1 tn)
- Domestic corporate\*<sup>1</sup> +¥0.2 tn  
Of which large corporate +¥0.7 tn
- Government\*<sup>2</sup> +¥1.8 tn
- Overseas\*<sup>3</sup> +¥0.7 tn  
Excl. impact of FX conversion rate change +¥1.0 tn

\*1 Excluding lending to government

\*2 Government and governmental institutions

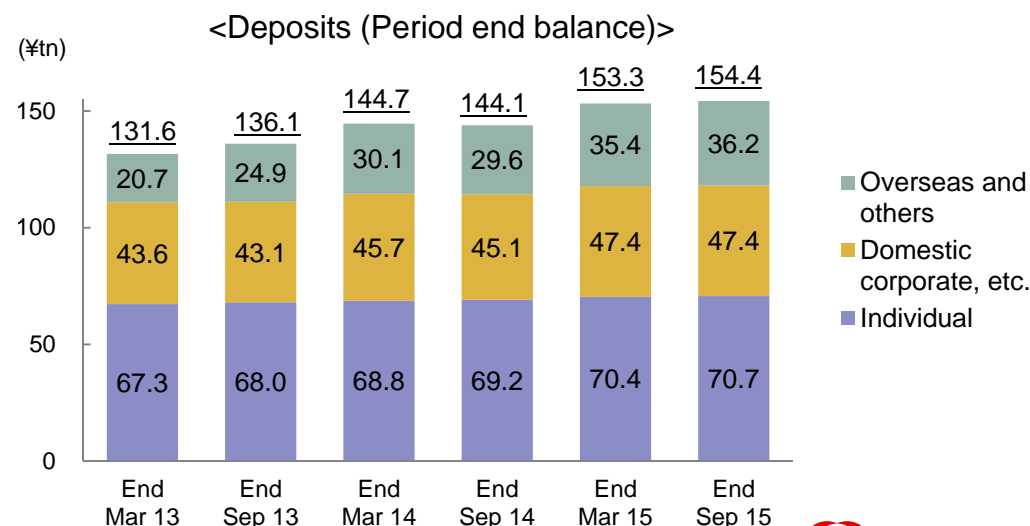
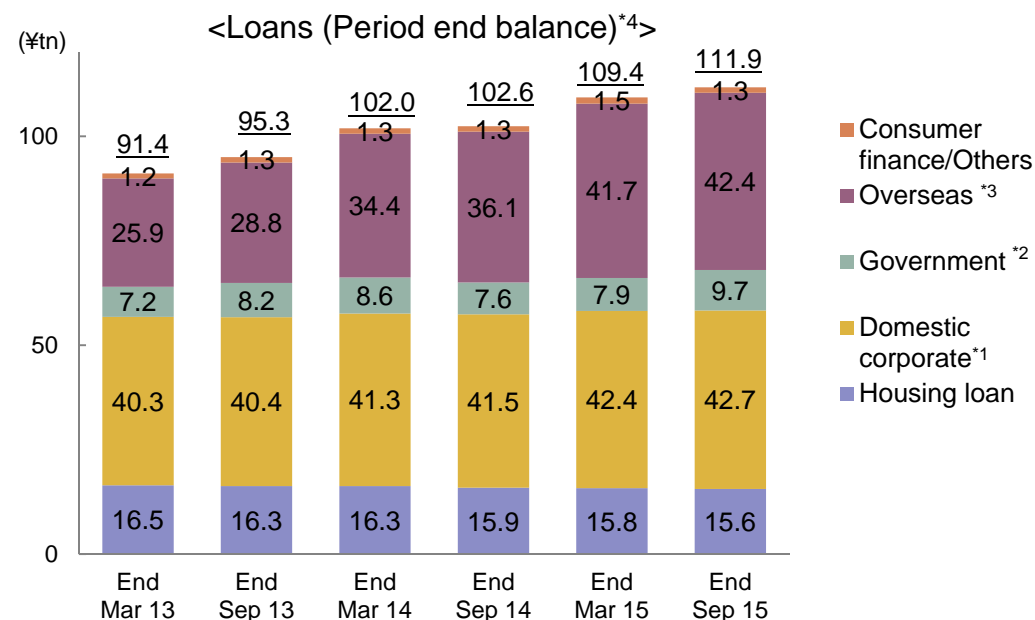
\*3 Loans booked in overseas branches, MUAH, KS, BTMU (China), BTMU (Holland), BTMU (Canada) and BTMU (Malaysia)

\*4 Sum of banking and trust accounts

## ● Deposit balance ¥154.4 tn (Increased by ¥1.1 tn from Mar 15)

<Breakdown of change>

- Retail +¥0.3 tn
- Domestic corporate, etc. +¥0.0 tn
- Overseas and others +¥0.7 tn  
Excl. impact of FX conversion rate change +¥0.7 tn

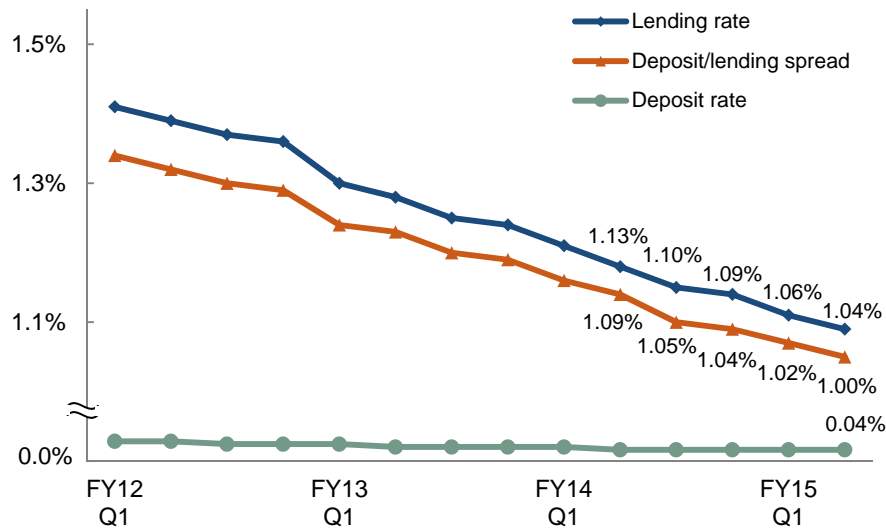


# Domestic deposit/lending rates

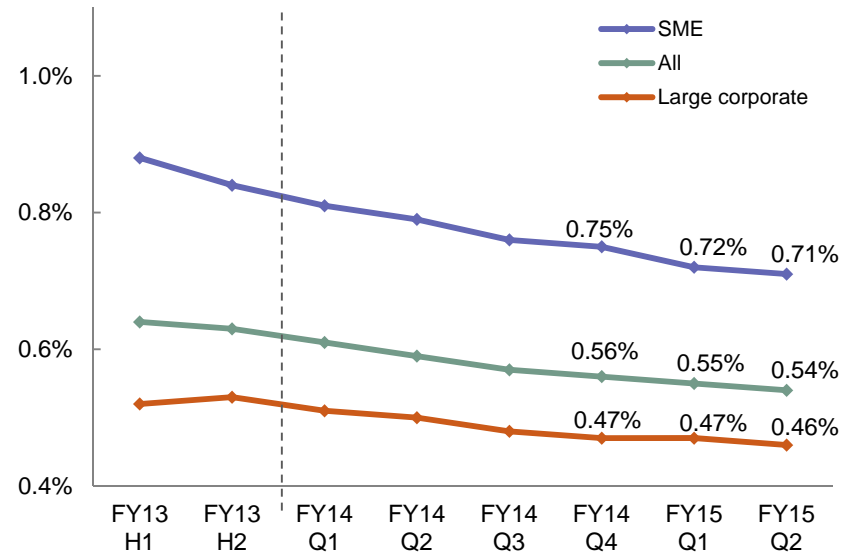
(Non-consolidated)

- Domestic deposit/lending spread in FY15Q2 excluding lending to government declined by 2bp from previous quarter due to lowered lending rate following a decrease of market interest rate

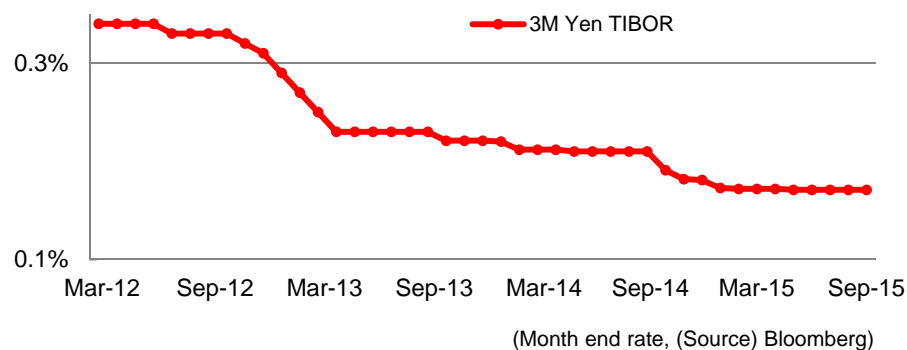
Changes in domestic deposit/lending rates  
(Excl. lending to government)



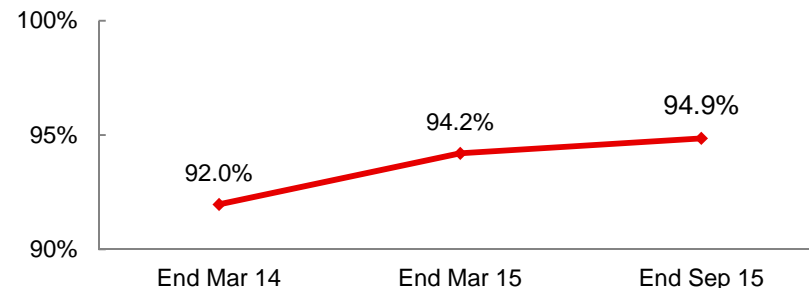
(Reference) Domestic corporate lending spread\*1  
(Excl. lending to government)



(Reference) Market interest rates



(Reference) Normal ratio of domestic corporate lending exposure\*1

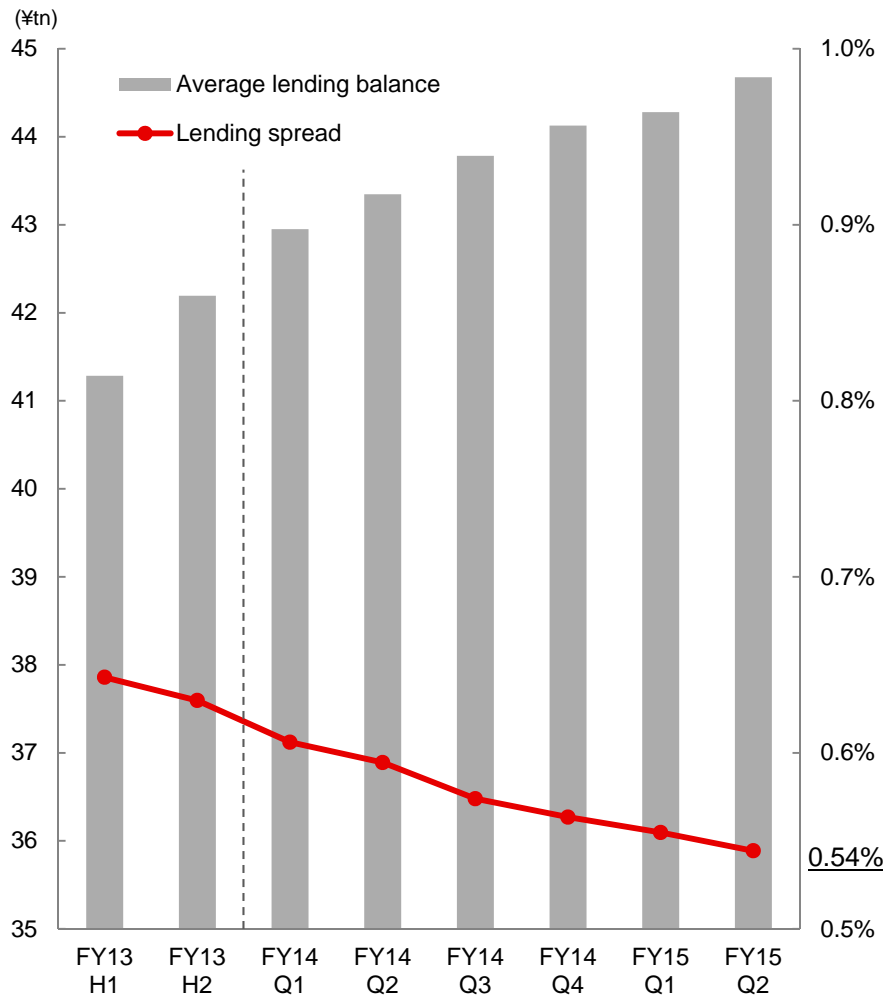


\*1 Managerial accounting basis

# Domestic and overseas lending

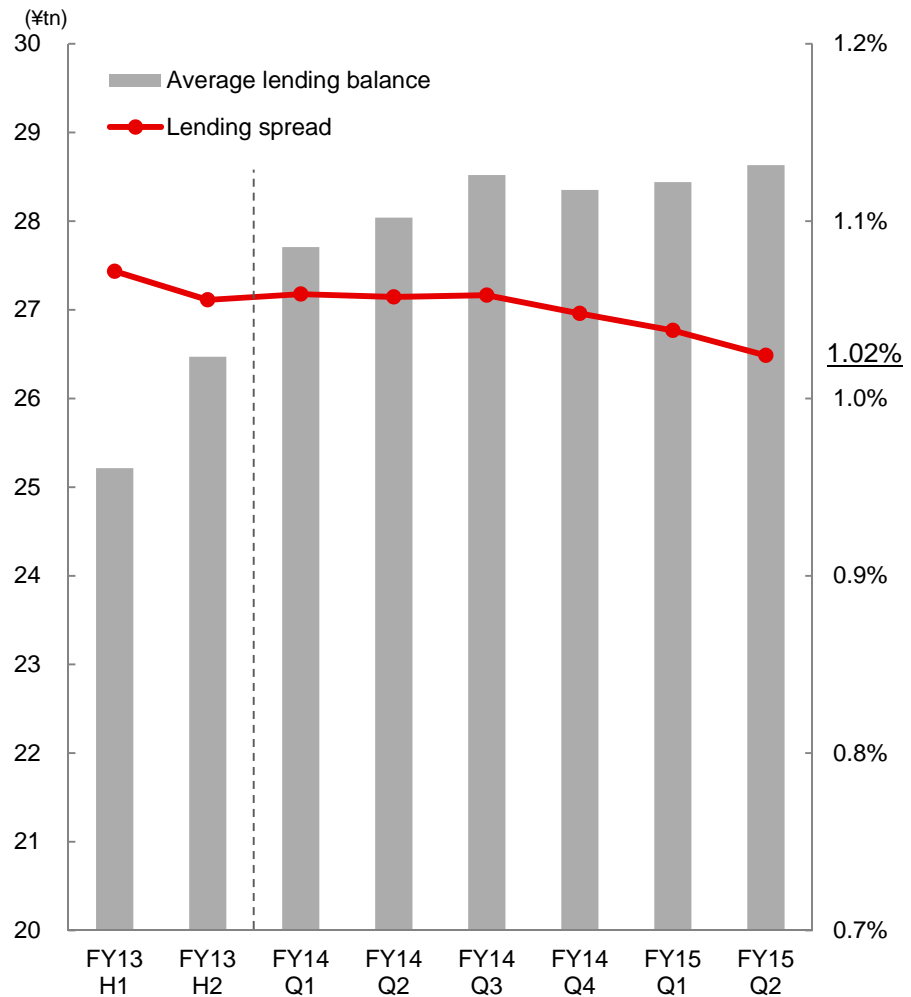
(Consolidated excl. MUAH, KS)

### Domestic corporate lending/spread\*1



\*1 Excl. lending to government, managerial accounting basis

### Overseas corporate lending/spread\*2 (Excl. MUAH, KS)

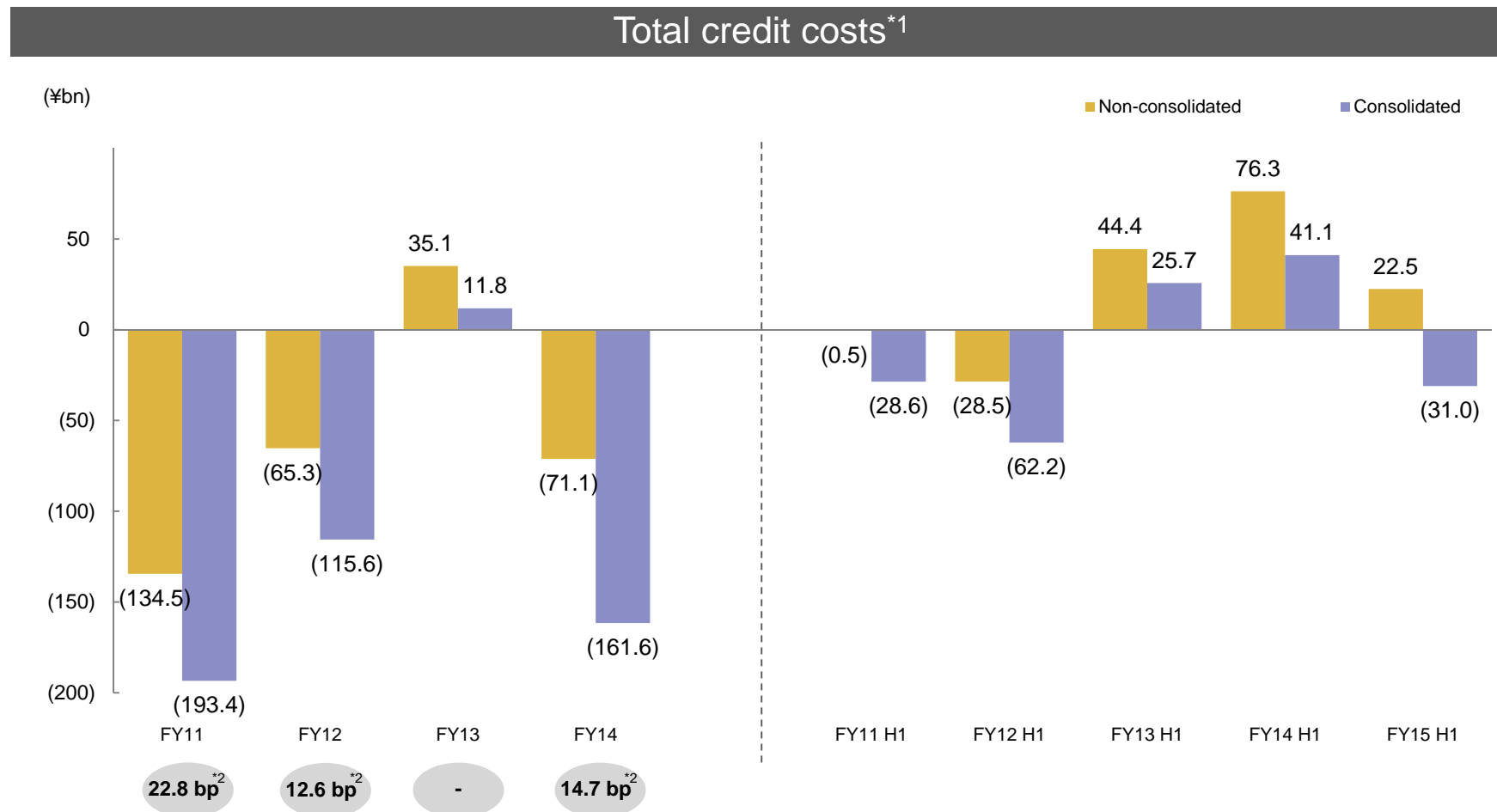


\*2 Local currency basis, managerial accounting basis

# Loan assets - Total credit costs

(Consolidated/Non-consolidated)

- ¥31.0 bn total credit costs posted on consolidated basis (¥22.5 bn reversal on non-consolidated basis)



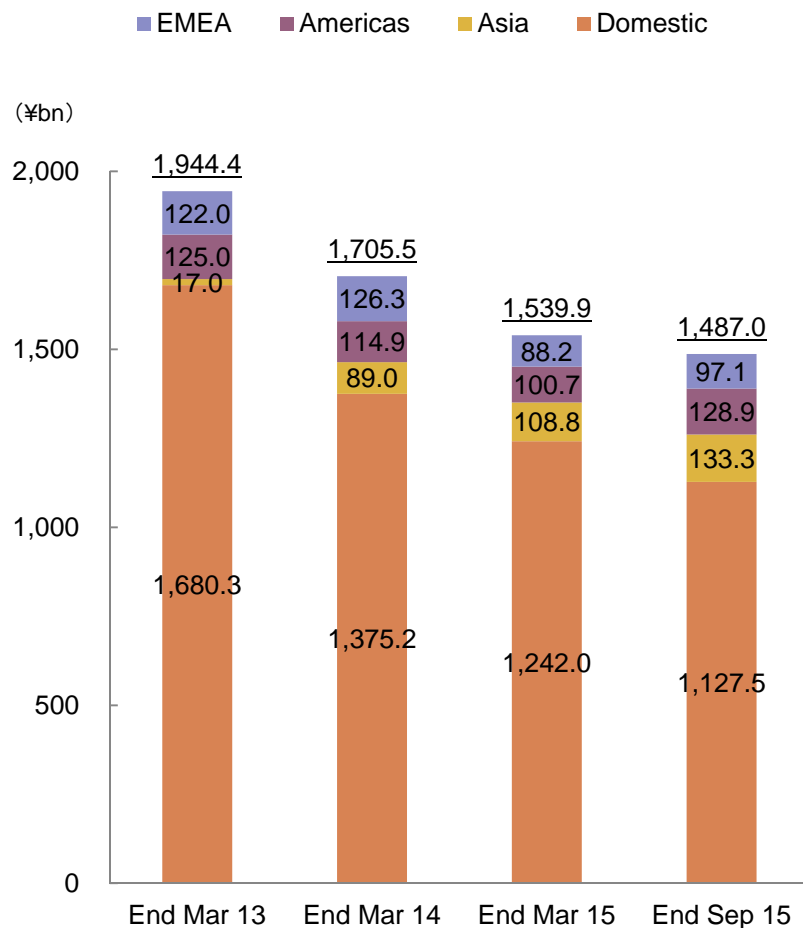
\*1 Figures included gains on loans written-off (Negative figure represents costs)

\*2 Consolidated: Total credit cost/lending balance (banking + trust accounts)

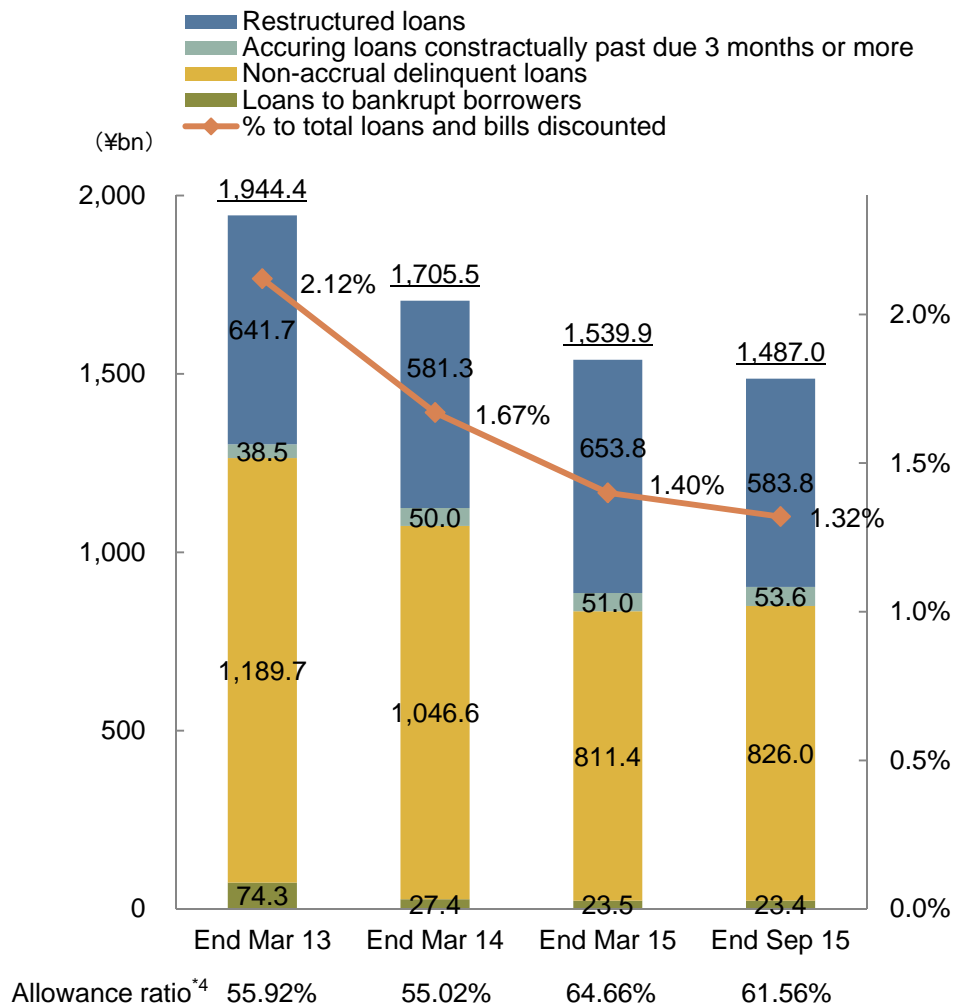
# Loan assets - Risk-monitored loans\*1

(Consolidated)

Risk-monitored loans by geographic area\*2



Risk-monitored loans/ratio\*3/allowance ratio\*4



\*1 Risk-monitored loans based on Banking Act. Excluding direct write-off

\*2 Based on the locations of debtors

\*3 Total risk-monitored loans/total loans and bills discounted

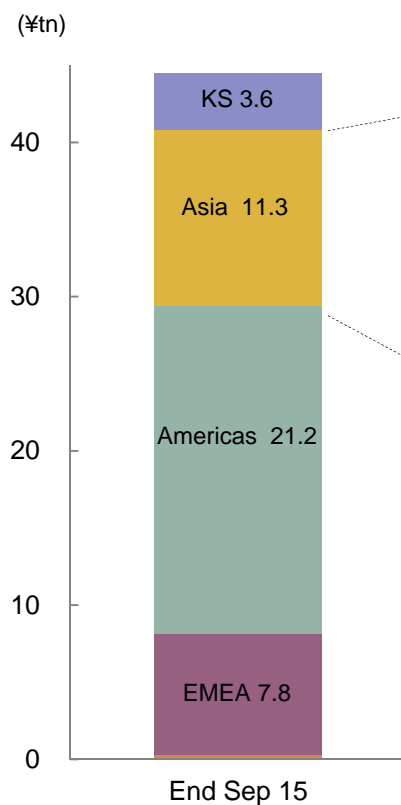
\*4 Allowance for credit losses/total risk-monitored loans

# Loan assets - Asian lending (1)

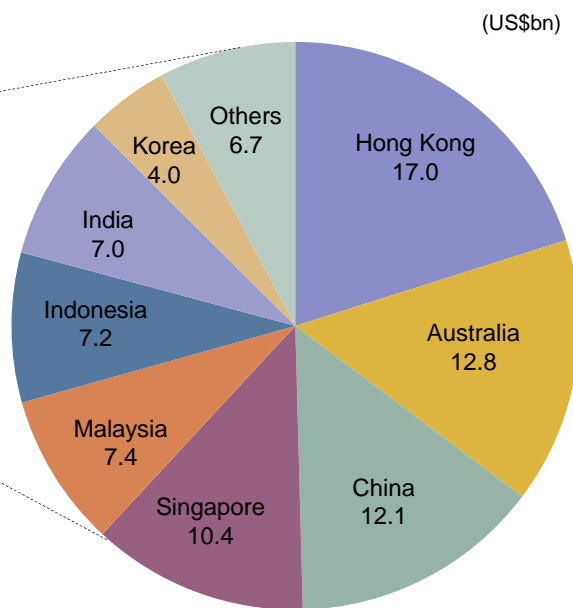
(Consolidated)

- Out of ¥44.4 tn overseas lending\*<sup>1</sup>, ¥21.2 tn to Americas, ¥11.3 tn to Asia, ¥7.8 tn to EMEA and ¥3.6 tn by KS
- Normal ratios of non-Japanese lending of each Asian country are high with a sound credit management

Overseas lending by region\*<sup>1</sup>



Asian lending by country\*<sup>2</sup>



Conservative credit management

- Established separate credit supervisory systems by Japanese/non-Japanese client, product and region and execute sophisticated credit management reflecting the differences of character among the clients and markets
- Hold a regular credit committee to share sector knowledge and information across the globe
- Keep healthy management through strict symptom monitoring and stress test

	Hong Kong	Australia	China	Singapore	Malaysia	Indonesia	India	Korea
For non-Japanese* <sup>3</sup>	83.5%	54.3%	38.3%	71.2%	67.2%	53.8%	90.6%	70.2%
Of which Normal ratio* <sup>4</sup>	99.7%	100.0%	100.0%	94.5%	95.6%	99.4%	98.7%	100.0%

\*<sup>1</sup> Total of BTMU, MUTB, MUAH, KS, BTMU(China), BTMU(Holland), BTMU(Canada), BTMU(Malaysia) aggregated by borrower's location

\*<sup>2</sup> BTMU consolidated basis excluding KS. Largest 11 countries in lending balance within Asia aggregated by borrower's location

\*<sup>3</sup> Excluding for Financial institutions

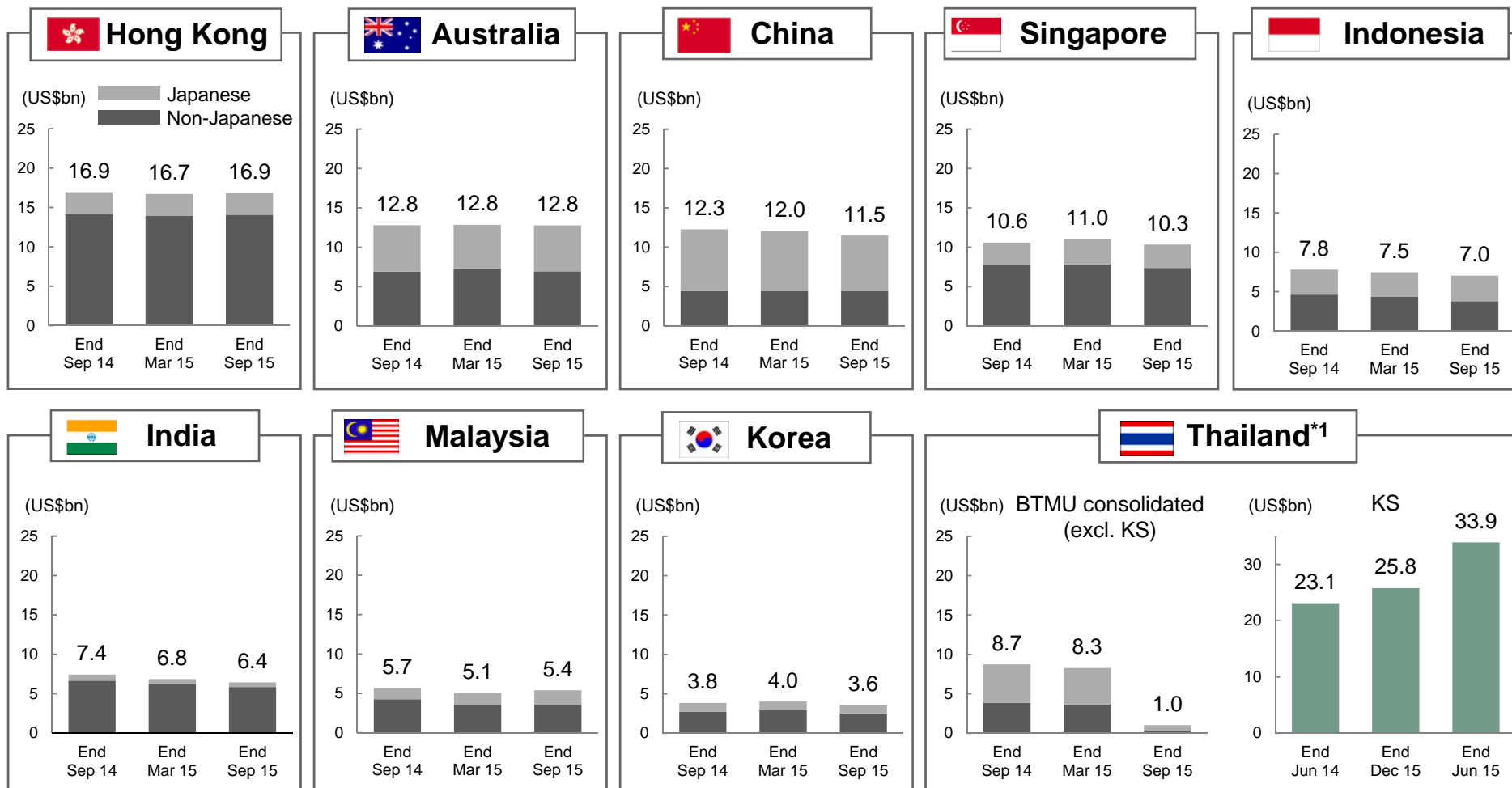
\*<sup>4</sup> Excluding loans booked in some minor foreign finance affiliate companies



# Loan assets - Asian lending (2)

(Commercial bank consolidated)

- Adopting strategy to the characteristics of each market



(Note) Aggregated by the nationality of each borrower for internal management purpose (excl. Financial institution)

\*1 Exposure data of the former BTMU Bangkok branch are included in BTMU consolidated chart up to end Mar 15, and in KS chart from end Jun 15

# Loan assets

## - Credit exposure to energy sector and Russia

(Consolidated)

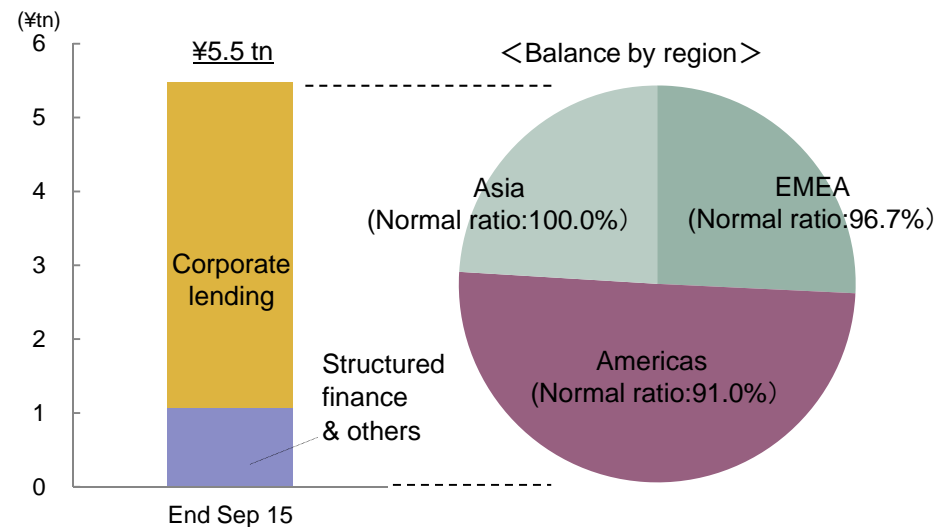
- Monitor market prices and execute stress test for energy sector regularly
- Out of total credit exposure to energy sector as of end Sep 15, ¥5.5 tn (Normal Ratio:94.7%) was to oil & gas companies and projects engaged in exploration, field development and production
- Credit exposure to Russia lowered to US\$2.7 bn as of end Sep 15

### Credit exposure to energy sector

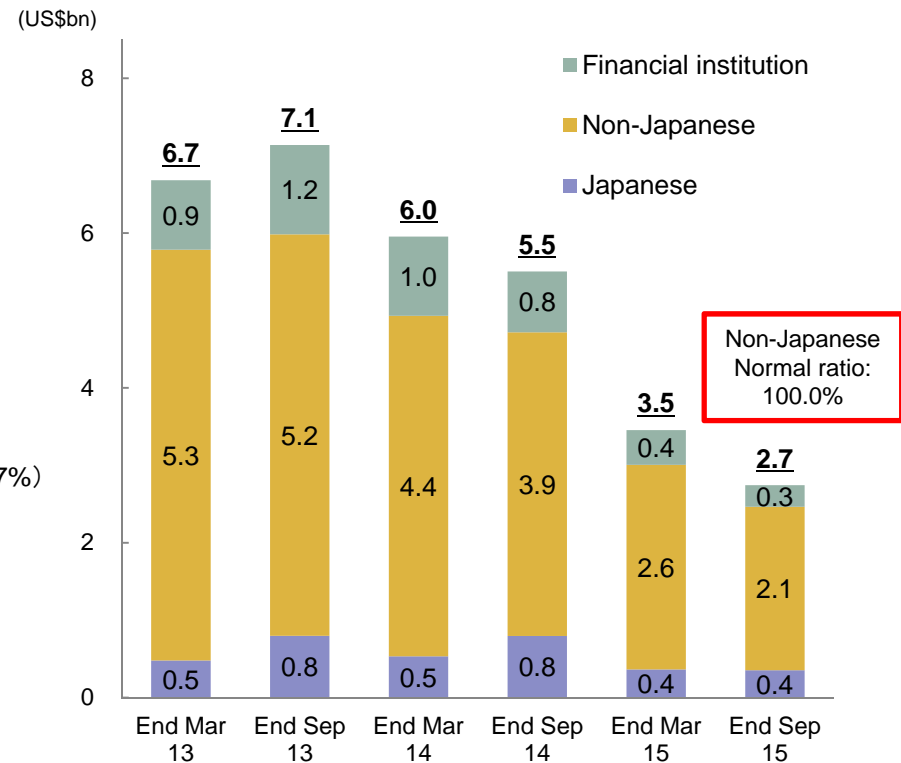
Credit exposure to oil & gas companies and projects engaged in exploration, field development and production



**¥5.5 tn as of end Sep 15**  
(Normal ratio:94.7%)



### Credit exposure to Russia\*1



\*1 Aggregated by the nationality of each borrower for internal management purpose

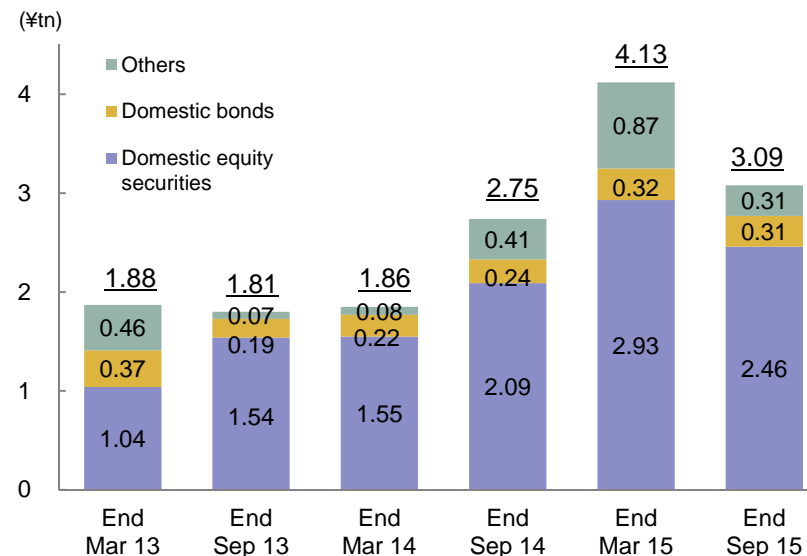
# Investment securities

(Consolidated/Non-consolidated)

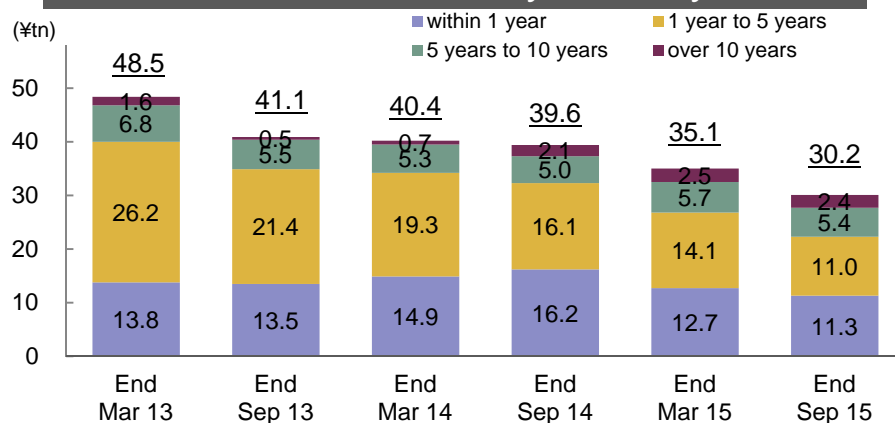
## Securities available for sale with fair value

	Balance		Unrealized gains (losses)	
	End Sep 15	Change from End Mar 15	End Sep 15	Change from End Mar 15
1 Total	62,203.6	(7,132.6)	3,094.0	(1,039.1)
2 Domestic equity securities	5,217.9	(503.4)	2,460.4	(469.6)
3 Domestic bonds	31,514.4	(5,005.7)	316.8	(9.4)
4 Japanese government bonds	29,114.2	(4,970.1)	266.2	(7.2)
5 Others	25,471.1	(1,623.4)	316.7	(560.0)
6 Foreign equity securities	133.7	(57.6)	2.1	(56.2)
7 Foreign bonds	21,505.0	(1,059.9)	306.5	(290.7)
8 Others	3,832.4	(505.8)	8.0	(212.9)

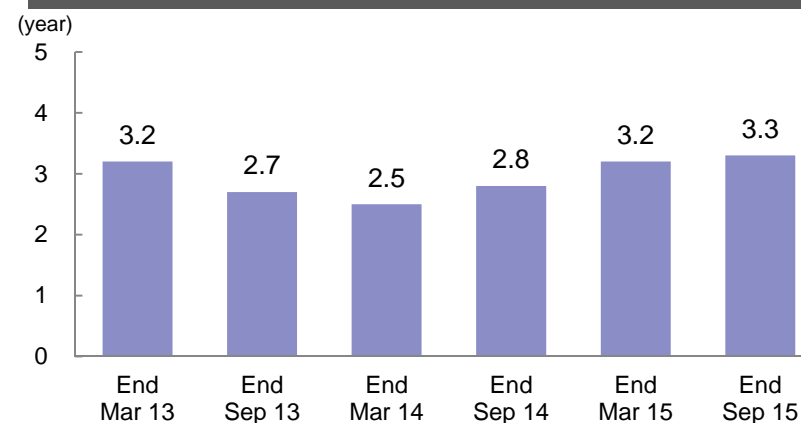
## Unrealized gains (losses) on securities available for sale



## Balance of JGBs by maturity\*1



## JGB Duration\*2



\*1 Securities available for sale and securities being held to maturity. Non-consolidated

\*2 Securities available for sale. Non-consolidated

# Capital

(Consolidated)

## ● Common Equity Tier1 ratio

- Full implementation basis<sup>\*1</sup> : 12.0%
- Excluding impact of net unrealized gains (losses) on securities available for sale : 10.0%

\*1 Calculated on the basis of regulations to apply at end Mar 19

## ● Risk weighted asset (Down¥0.3 tn from Mar15)

- Credit risk asset : (¥3.0 tn)  
Decreased mainly due to improved internal credit rating of our clients
- Transitional floor : +¥3.1 tn  
The gap between the risk weighted asset amount calculations following Basel I and Basel III widened

## ● Leverage ratio

- Transitional basis : 4.67%

		End Mar 15	End Sep 15	Change
(¥bn)				
1	Common Equity Tier1 ratio	11.09%	11.23%	0.13%
2	Tier1 ratio	12.58%	12.73%	0.15%
3	Total capital ratio	15.62%	15.69%	0.06%
4	Common Equity Tier1 capital	12,466.6	12,571.9	105.3
5	Capital and stock surplus	3,569.9	3,567.8	(2.0)
6	Retained earnings	7,860.4	8,358.0	497.6
7	Accumulated other comprehensive income	1,595.7	1,356.2	(239.4)
8	Additional Tier1 capital	1,663.7	1,682.2	18.5
9	Eligible Tier1 capital instruments subject to transitional arrangements included in AT1	1,160.2	1,160.2	-
10	Qualifying Tier1 capital instruments	100.0	100.0	-
11	Foreign currency translation adjustments	570.9	588.4	17.5
12	Tier1 capital	14,130.3	14,254.1	123.8
13	Tier2 capital	3,421.9	3,308.6	(113.2)
14	Eligible Tier2 capital instruments subject to transitional arrangements included in Tier2	1,854.9	1,838.1	(16.8)
15	Qualifying Tier2 capital instruments	90.0	272.2	182.2
16	Amounts equivalent to 45% of unrealized gains on other securities	1,108.5	838.3	(270.1)
17	Total capital (Tier1+Tier2)	17,552.3	17,562.8	10.5
18	Risk weighted asset	112,315.2	111,925.3	(389.9)
19	Credit risk	98,292.2	95,274.0	(3,018.2)
20	Market risk	2,511.7	1,989.1	(522.5)
21	Operational risk	6,644.6	6,635.4	(9.2)
22	Transitional floor	4,866.6	8,026.6	3,160.0

# Financial results of Mitsubishi UFJ Securities Holdings (MUSHD)

- Both net operating revenue and net income in FY15H1 increased compared to FY14H1, with more commission received and better performance of trading income, primarily due to further collaboration with BTMU and a healthy customer sales of investment trusts and structured bonds, together with a business recovery of overseas entities, although the overall business growth slowed down on the back of volatile market after August

## Results of MUSHD

(¥bn)		FY14	FY15H1	YoY
1	Net operating revenue*1	435.7	245.3	50.7
2	Commission received	231.8	126.9	19.9
3	To consignees	38.8	25.6	7.8
4	Underwriting, etc.	47.2	31.3	10.5
5	Offering, etc.	60.1	32.2	3.8
6	Other fees received	85.6	37.6	(2.4)
7	Net trading income	177.9	97.9	21.2
8	Stocks	43.0	26.2	4.3
9	Bonds, other	134.8	71.7	16.8
10	G&A expenses	345.0	191.2	28.3
11	Transaction expenses	109.3	65.2	16.4
12	Operating income	90.6	54.1	22.3
13	Non-operating income	24.2	12.6	1.7
14	Equity in earnings of affiliates	15.1	8.1	2.4
15	Ordinary income	114.9	66.8	24.1
16	Net income	84.1	42.2	8.6
17	Profits attributable to owners of parent	50.9	27.5	4.0

## Results of MUMSS\*2

(¥bn)		FY14	FY15H1	YoY
1	Net operating revenue*1	342.2	176.5	25.3
2	G&A expenses	235.4	129.0	18.3
3	Operating income	106.7	47.4	6.9
4	Ordinary income	107.4	47.8	6.5
5	Profits attributable to owners of parent	74.7	31.1	(1.1)

## Net operating revenue of domestic securities firms

Rank	Security firm(s)	Amount (¥bn)
1	Nomura Securities	364.3
2	<b>MUMSS*2 (incl. MUMSPB) + MSMS + kabu.com</b>	<b>234.1*3</b>
3	Daiwa Securities	190.6
4	SMBC Nikko Securities	156.7
5	Mizuho Securities	147.3

(Source: Company disclosure)

\*1 Operating revenue minus financial expenses

\*2 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (MUMSS) with Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. (MUMSPB) consolidated

\*3 Simple total of MUMSS\*2, Morgan Stanley MUFG Securities Co., Ltd. (MSMS) and kabu.com Securities Co., Ltd

MSMS is one of the securities joint ventures between MUFG and Morgan Stanley in Japan and is an associated company of MUSHD accounted for by using the equity-method

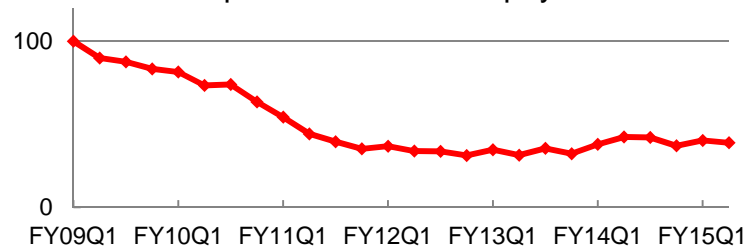
# Financial results of MUN/ACOM

- MUN: Revenue from card shopping business overwhelmed a decrease in card cashing business
- ACOM: Guaranteed receivables increased steadily. Unsecured consumer loans also grew

## Results of MUN

(¥bn)	FY14	FY15H1	YoY	FY15 (plan)
1 Operating revenue	266.0	131.0	1.0	271.4
2 Card shopping	178.9	89.9	2.8	-
3 Card cashing	32.1	14.3	(2.3)	-
4 Finance	8.2	3.3	(0.9)	-
5 Operating expenses	248.7	127.0	0.8	255.9
6 G&A expenses	240.7	122.7	0.8	244.5
7 Credit related costs	7.9	4.3	0.0	11.4
8 Repayment expenses	-	-	-	-
9 Operating income	17.2	3.9	0.2	15.5
10 Ordinary income	18.0	4.0	0.1	16.0
11 Profits attributable to owners of parent	14.6	3.5	(1.2)	15.5
12 Interest repayment*1	17.7	9.9	1.1	

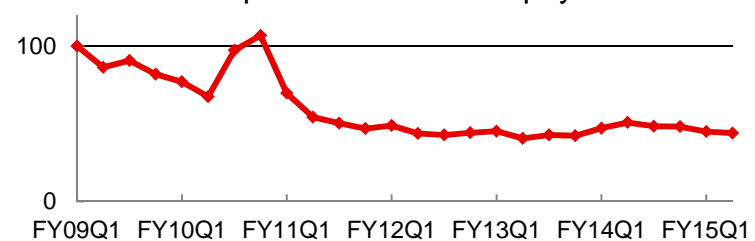
<Requests for interest repayment\*4>



## Results of ACOM

(¥bn)	FY14	FY15H1	YoY	FY15 (plan)
1 Operating revenue	219.2	118.4	11.6	230.0
2 Operating expenses	205.2	81.4	4.9	172.4
3 G&A expenses	82.0	43.6	3.4	90.7
4 Provision for bad debts	53.8	28.6	2.1	62.7
5 Provision for loss on interest repayment	49.8	-	-	-
6 Operating income	14.0	36.9	6.6	57.6
7 Profits attributable to owners of parent	12.8	33.8	5.7	51.0
8 Guaranteed receivables (Non-consolidated)	861.2	9,262	117.8	963.2
9 Unsecured consumer loans (Non-consolidated)	736.4	7,503	23.6	767.2
10 Share of loans*2	32.4%	32.5%*3	0.7%	
11 Interest repayment*1	71.3	327	(1.0)	

<Requests for interest repayment\*4>



\*1 Including waiver of repayment

\*2 Share of the receivables outstanding(exclude housing loans) (non-consolidated) in consumer finance industry

\*3 As of end Jun 15 (Source) Japan Financial Services Association

\*4 Requests for interest repayment in FY09Q1 = 100

# Financial results of Morgan Stanley and major collaborations

- Morgan Stanley posted strong first half, though profit declined in 3Q due to weak market environment
- By fully leveraging its client base, MUFG intends to deepen the alliance relationship and explore new areas for collaboration with MS

## Results of Morgan Stanley

(US\$m)	FY14	FY15		
		1Q	2Q	3Q
Net revenue	34,275	9,907	9,743	7,767
Net revenue (Excl.DVA)	33,624	9,782	9,561	7,332
Non-interest expenses	30,684	7,052	7,016	6,293
Income from continuing operations before taxes	3,591	2,855	2,727	1,474
Income from continuing operations before taxes (Excl.DVA)*1	2,940	2,730	2,545	1,039
Net income applicable to MS	3,467	2,394	1,807	1,018
Earnings applicable to MS common Shareholders	3,152	2,314	1,665	939

\*1 Calculated by MUFG based on Morgan Stanley public data

M&A advisory (cross-border deals)		(Apr 15 – Sep 15)		
Rank	FA	#	Amount (¥bn)	Share (%)
1	Goldman Sachs	8	2,965.2	56.9
2	<b>MUMSS</b>	<b>15</b>	<b>2,157.6</b>	<b>41.4</b>
3	Evercore Partners	5	1,746.1	33.5
4	Credit Suisse	2	1,067.2	20.5
5	Rothschild	3	814.1	15.6

Any Japanese involvement announced

(Source) Thomson Reuters

## Major domestic collaborations

- Global equity offering and domestic CB issuance by Sony
  - MS/MUMSS acted as JGC and Joint Bookrunner for both of the domestic and international tranches for approx. ¥314.7 bn global equity offering. MUMSS acted as Joint Bookrunner for approx. ¥120.0 bn domestic CB issuance
- Acquisition of Polypore by Asahi Kasei and sale of Polypore's Separations Media Segment to 3M
  - MUMSS acted as sole FA for Asahi Kasei in its approx. \$2.2 bn acquisition of Polypore and sale of Polypore's Separations Media Segment to 3M. This transaction was the first case of concurrent acquisition and sale for Japanese corporation

Equity underwriting		(Apr 15 – Sep 15)		
Rank	Bookrunner	#	Amount (¥bn)	Share (%)
1	Nomura	65	933.1	36.6
2	SMBC Nikko	91	373.4	14.6
3	<b>MUMSS</b>	<b>52</b>	<b>356.8</b>	<b>14.0</b>
4	Daiwa	62	340.2	13.3
5	Mizuho	80	295.0	11.6

(Source) Thomson Reuters

# FY2015 financial target

- FY15 consolidated target of profits attributable to owners of parent unchanged at ¥950.0 bn

(¥bn)		<Financial target, etc.>		<Results>		
		FY15		FY14		FY15
[Consolidated]		Full year	Change from original number stated at the beginning of FY	Interim	Full year	Interim
1	Total credit costs	(120.0)	+10.0	41.1	(161.6)	(31.0)
2	Ordinary profits	1,580.0	+20.0	949.8	1,713.0	969.9
3	Profits attributable to owners of parent	950.0	-	578.7	1,033.7	599.3
(BTMU : for reference)						
4	Net business profits	840.0	+75.0	490.6	931.4	480.4
5	Total credit costs	0.0	-	66.9	(70.7)	21.2
6	Ordinary profits	870.0	+100.0	547.2	902.6	538.3
7	Net income	610.0	+80.0	354.4	571.7	379.6
(MUTB : for reference)						
8	Net business profits	185.0	+10.0	88.9	190.4	95.6
9	Total credit costs	(5.0)	+5.0	9.3	(0.4)	1.3
10	Ordinary profits	185.0	+15.0	110.1	210.0	99.5
11	Net income	140.0	+25.0	73.3	140.7	70.3



# Growth strategy

# Mid-term business plan - Group business strategy

## FY15H1 review : Fine start

### 1. Support wealth accumulation and stimulation of consumption for individuals

Investment product sales was healthy and the development in the Group-wide product distribution platform has been successful. Consumer finance business was also in a good condition

### 2. Contribute to growth of SMEs

Well performance in business owners transactions and AM business. Continue our efforts to cultivate and support growing companies

### 3. Reform global CIB business model

JPN corporates: Strengthen sector approach and gather sector expertise within MUFG

Non-JPN corporates: US CIB business has been strong, though struggling in Asia

### 4. Evolve sales and trading operations

Well performance in domestic sales and trading business by capturing higher customers' needs on the back of volatile market

### 5. Develop global asset management and investor services operations

Asset under management and administration of investment trusts steadily increased. Established MUKAM and agreed with UBS to acquire its alternative fund admin business

### 6. Further reinforce transaction banking operations

Developed business structure in a strategic and unified manner. Non-Yen customer deposits steadily increased

### 7. Strengthen commercial banking platforms in Asia and the United States

KS: Business synergies appear following an integration with BTMU Bangkok

U.S.: New corporate management system has been started with a new externally-recruited CEO

## FY15H2 : Challenge recognition

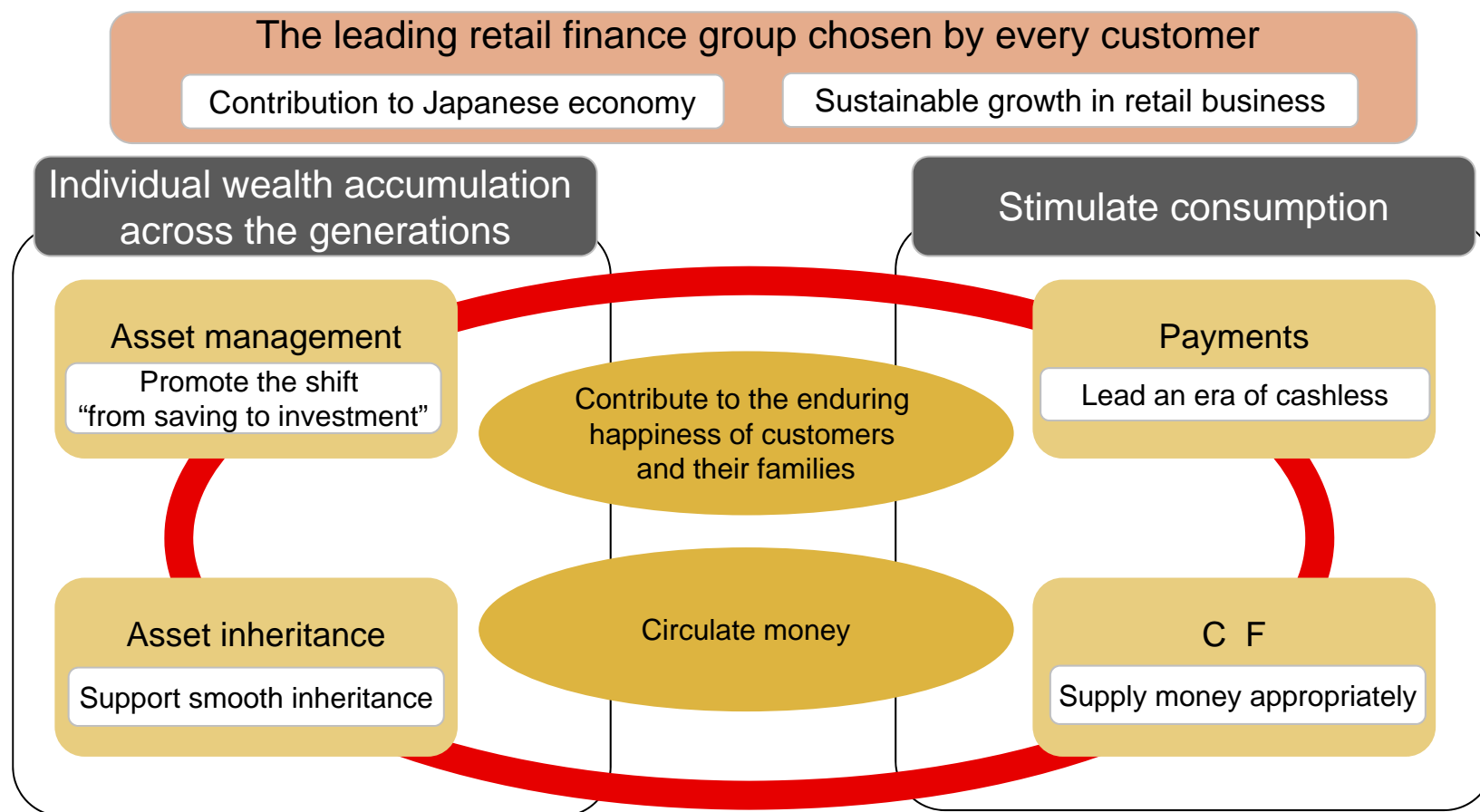
### • Pursuing sustainable growth and productivity improvements to achieve mid-term business plan

- ✓ Review / appropriate response to our risk appetite based on domestic and global environmental changes
- ✓ Expansion of earning base and scale of our customer business capturing their asset management needs
- ✓ Progress our challenge to reform the traditional B/S-dependent business model in overseas

# 1. Support wealth accumulation and stimulation of consumption for individuals

## - Outline of strategies

- In accordance with declining birth rate and aging population, diversifying payments method and increasing consumer finance(CF) needs, position asset management and inheritance, payments and CF as core business
- Become the leading retail finance group chosen by every customer in which various transactions spreading beyond entities and generations are connecting with each other

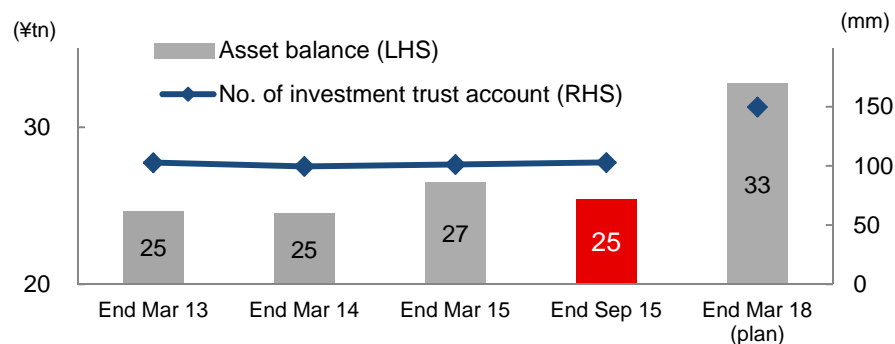


# 1. Support wealth accumulation and stimulation of consumption for individuals

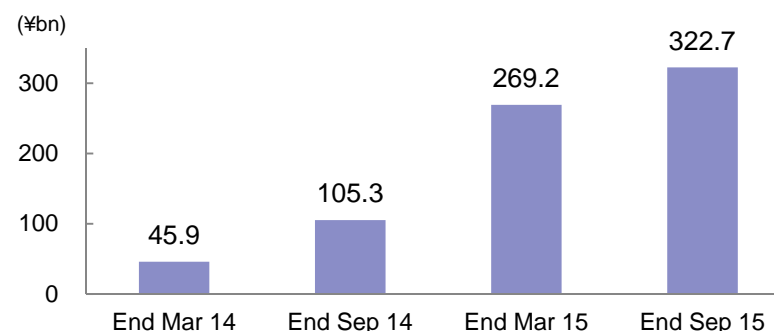
## - Asset management

- Accelerate the shift “from savings to investment” and stick to accumulate assets under management that will be necessary for sustainable growth by fully leveraging MUFG’s robust customer base and business know-how
- Promote NISA, considering it as a trigger of expanding customer base for investment products business

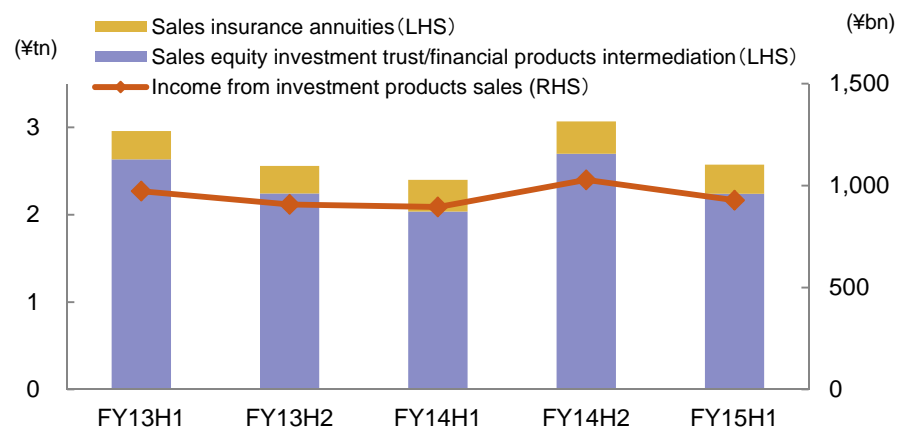
Asset balance\*1/number of investment trust account\*2



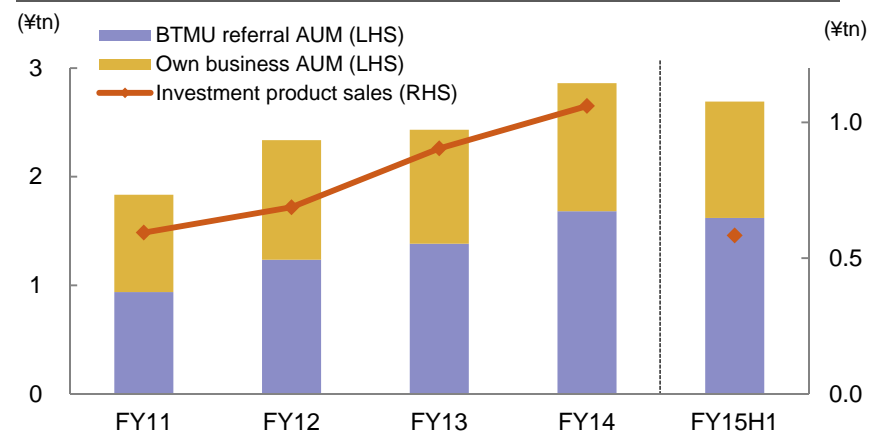
Asset balance of NISA accounts\*1



Investment products sales/income\*1\*3



MUMS PB Securities AUM and Investment product sales\*1



\*1 Managerial accounting base

\*2 Excl. investment trust account without balance

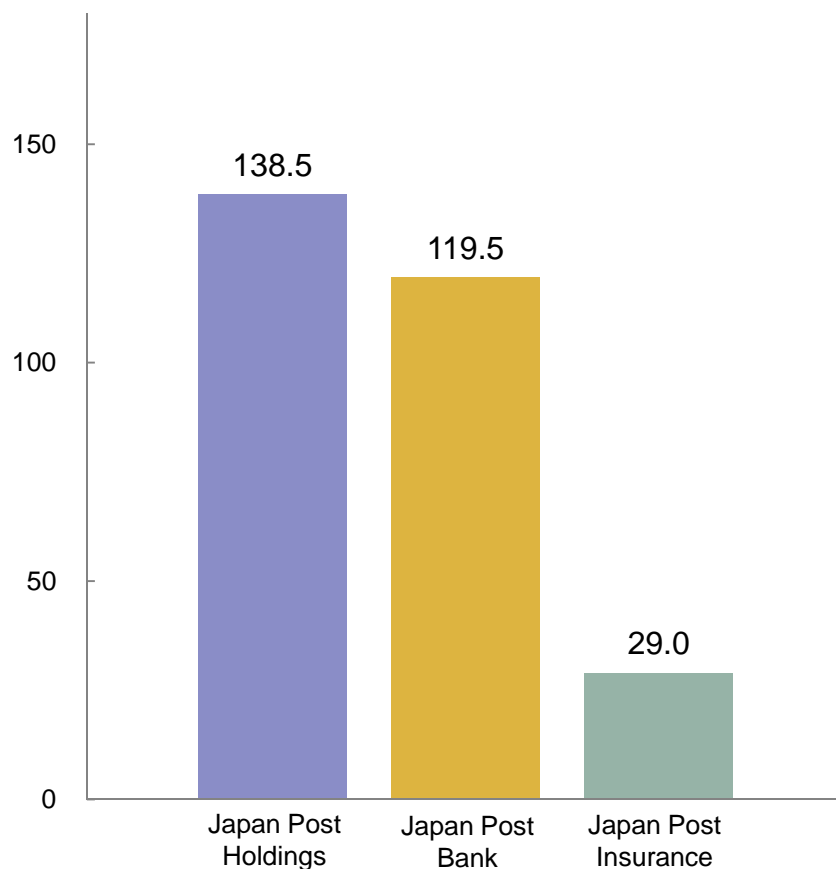
\*3 BTMU+MUTB+MUMSS(excl. PB Securities)

# 1. Support wealth accumulation and stimulation of consumption for individuals - Asset management / underwriting of Japan Post's IPO

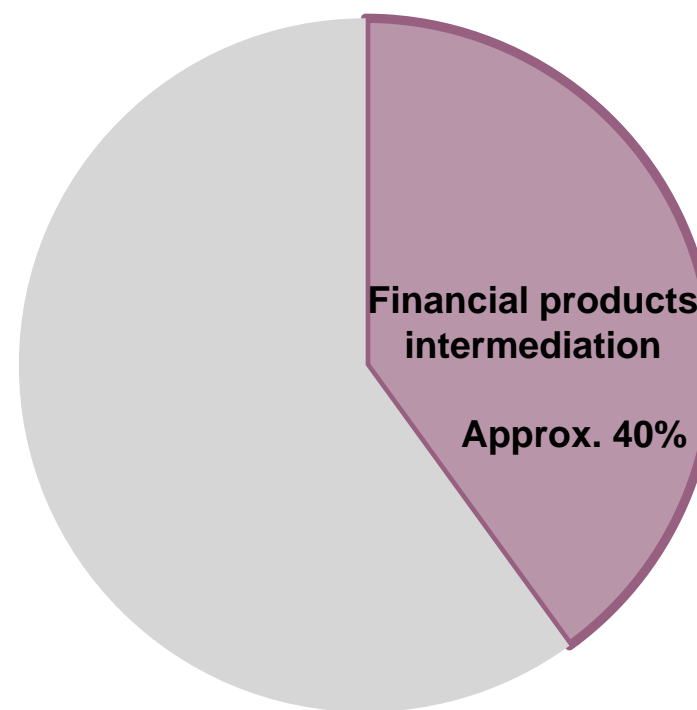
- Development of the Group-wide large product distribution platform, sales and order acceptance, has been successful utilizing financial products intermediation
- In Japan Post's and its 2 subsidiaries' IPO deal, total ¥287.0 bn underwriting accomplished by MUFG, in which approx. 40% was through financial products intermediation

Underwriting result of Japan Post's IPO

(¥bn)



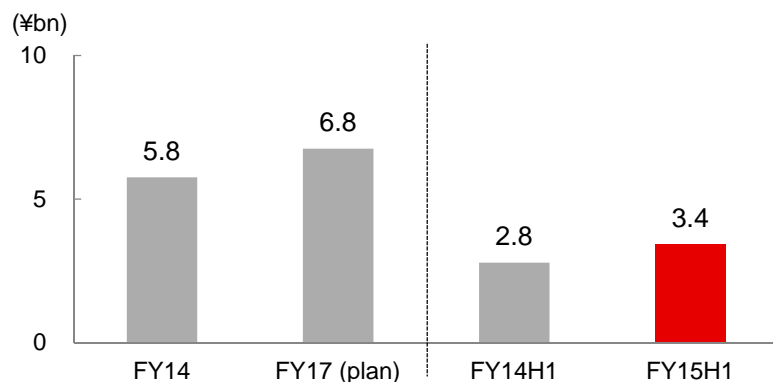
Underwriting channel (3 JP companies total)



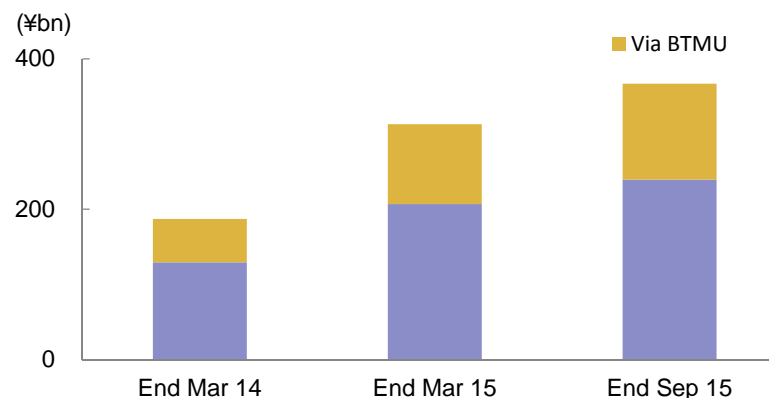
# 1. Support wealth accumulation and stimulation of consumption for individuals - Asset inheritance

- Contribute smooth inheritance and expand business through the Group wide approach, responding to increasing needs stemming from the aging population and the revision of the inheritance tax system

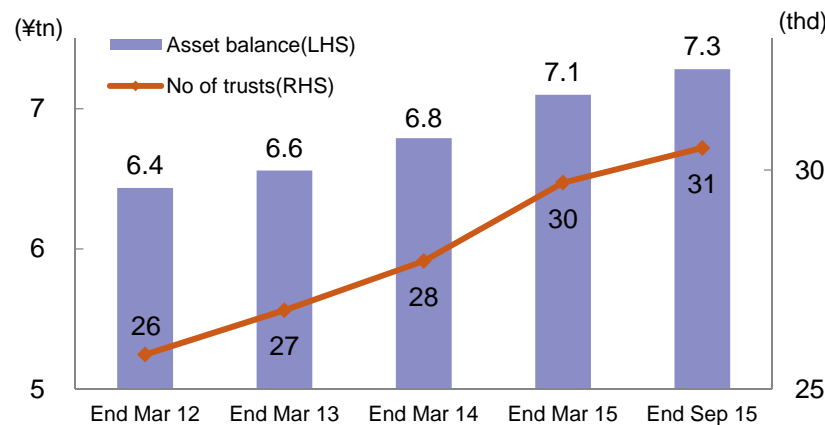
Profit in inheritance business\*1



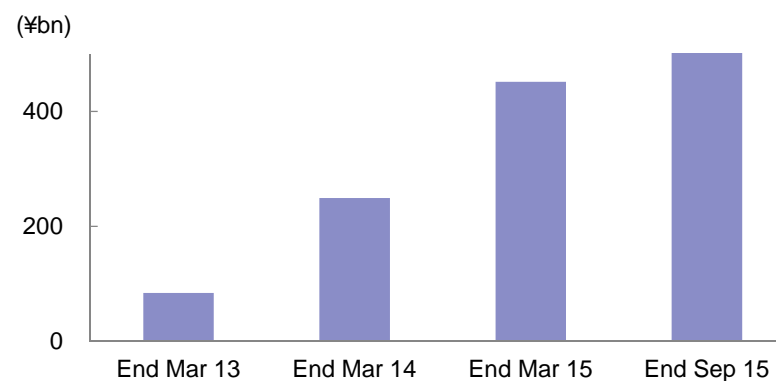
Education donation trusts balance\*1



Testamentary trusts balance\*1



Inheritance type trust balance\*1  
(Zutto Anshin Trust)



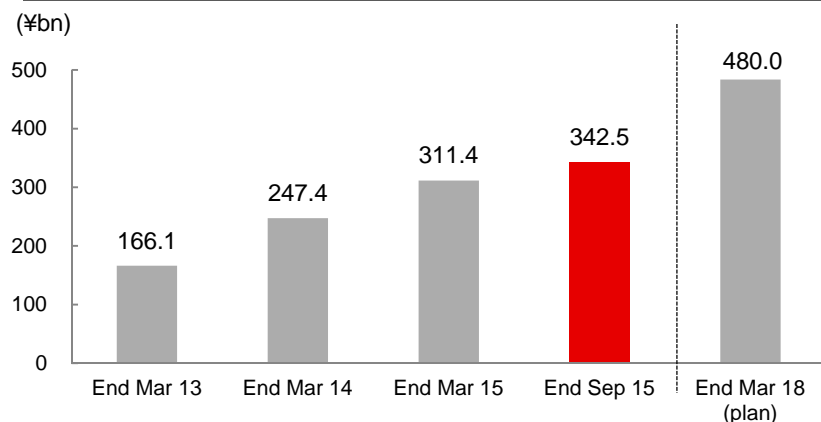
\*1 Managerial accounting base

# 1. Support wealth accumulation and stimulation of consumption for individuals

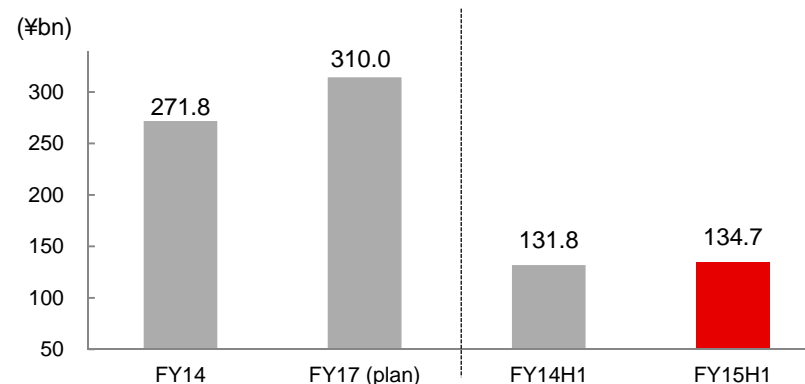
## - Consumer finance/payments

- Acquire new CF customers by calling upon the accumulated market knowledge
- Promote cardholder acquisition initiatives mainly targeting employees of corporate customers and students. The market volume of credit card is expected to expand going forward

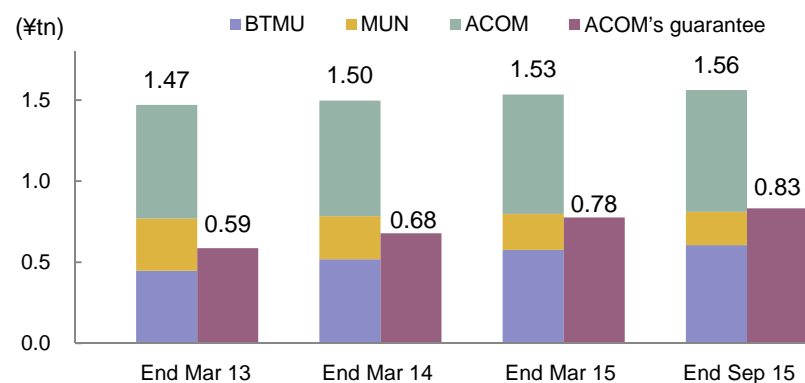
Balance of BANQUIC(BTMU) \*1



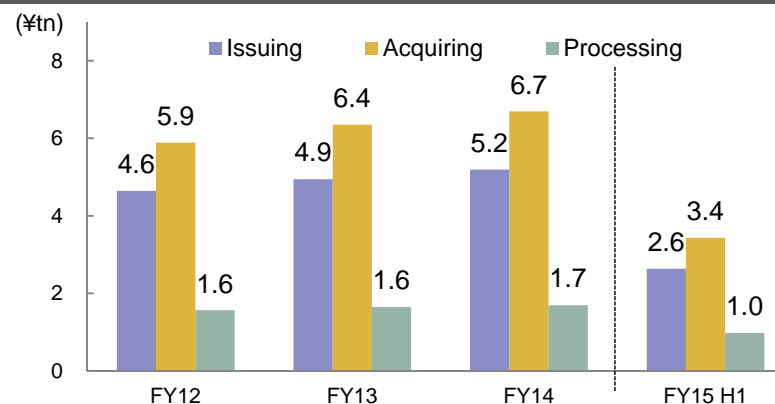
Profits in card business(MUFG) \*1



Balance of unsecured loan, guarantee \*1



MUN volume \*1

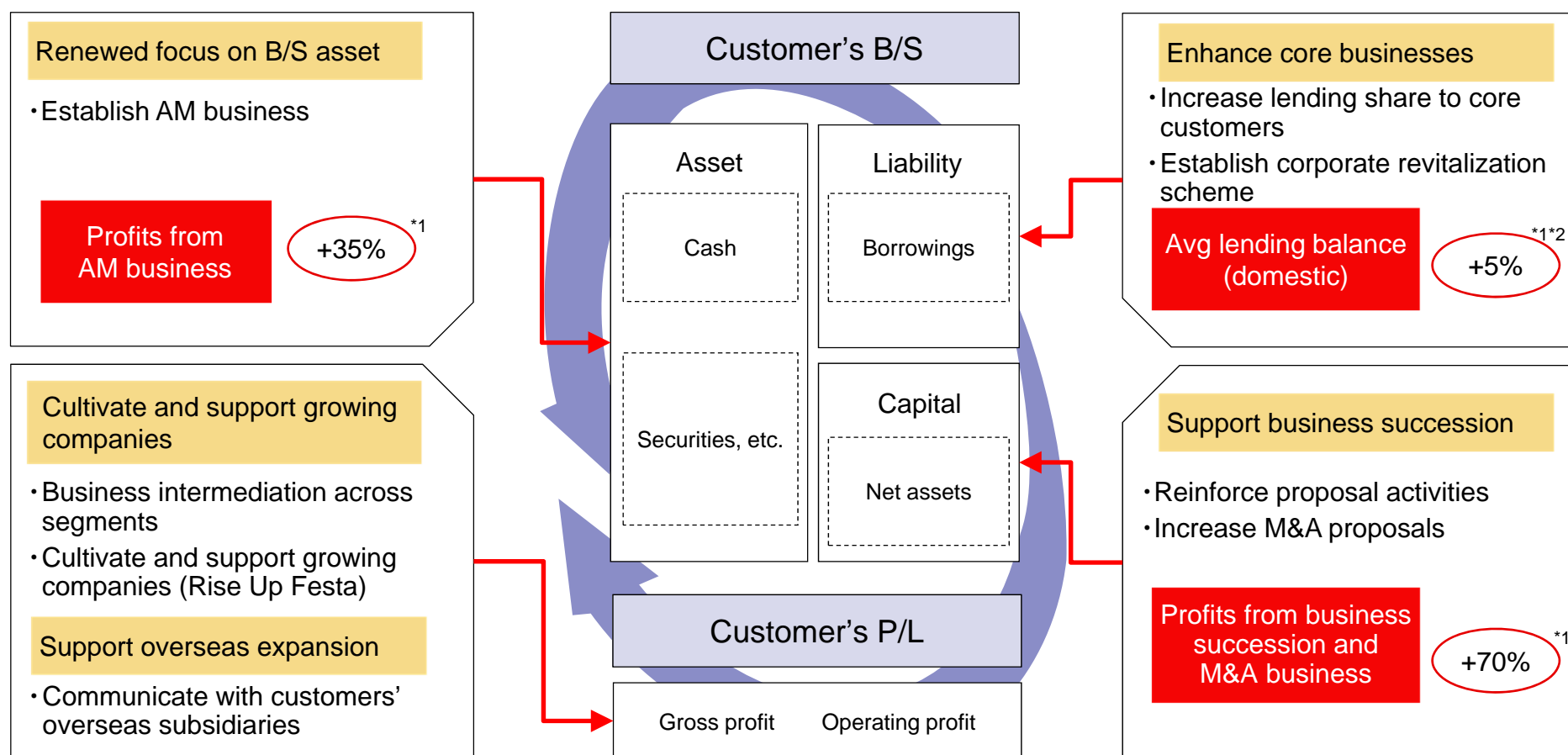


\*1 Managerial accounting base

## 2. Contribute to growth of SMEs - 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 (results)

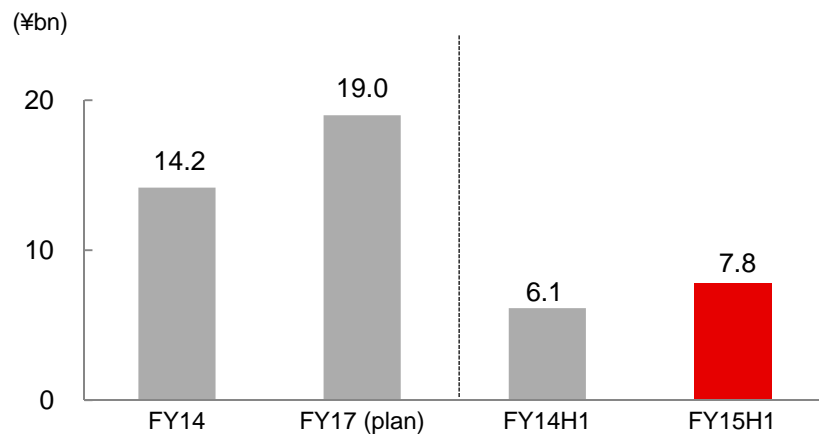
\*2 In BTMU branches or offices for SMEs



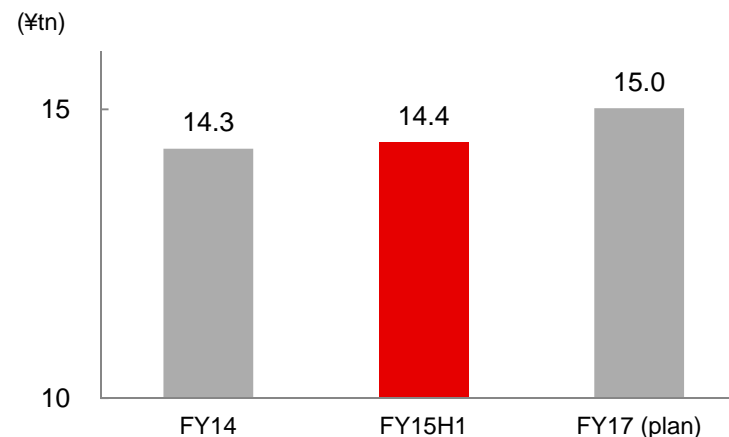
## 2. Contribute to growth of SMEs

- AM business, Support business succession (M&A) and growing companies

Profits from AM business\*1



Average lending balance (domestic)\*2



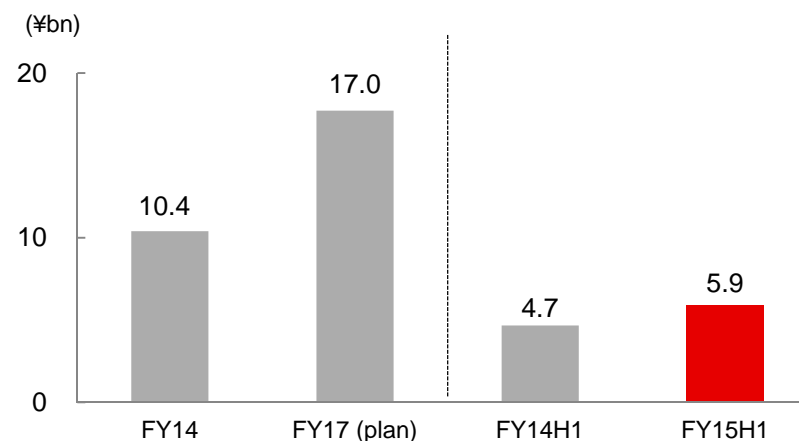
Initiatives to find growth companies (Rise Up Festa)



3rd Rise Up Festa recruitment theme

- ① Biotechnology, Life science
- ② Robot, Advanced technology
- ③ Information, internet service
- ④ Social business

Profits from inheritance / M&A related business (BTMU)\*1

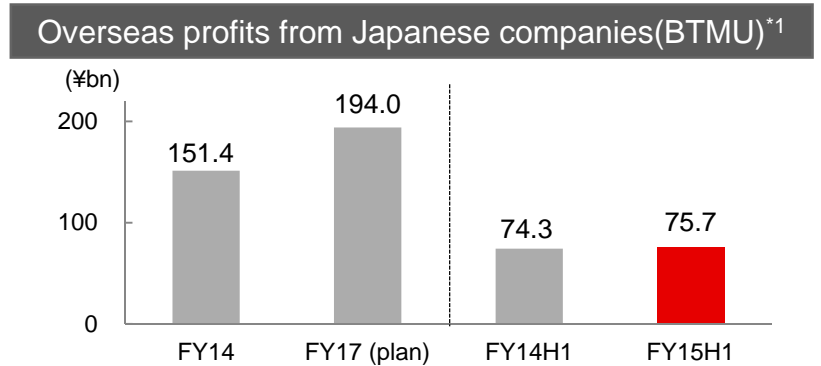
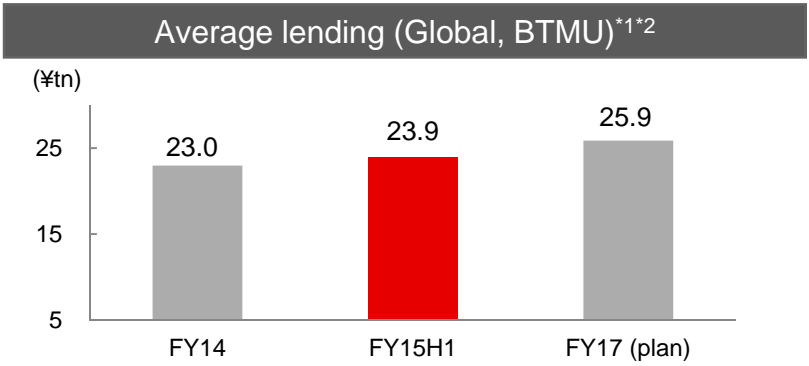
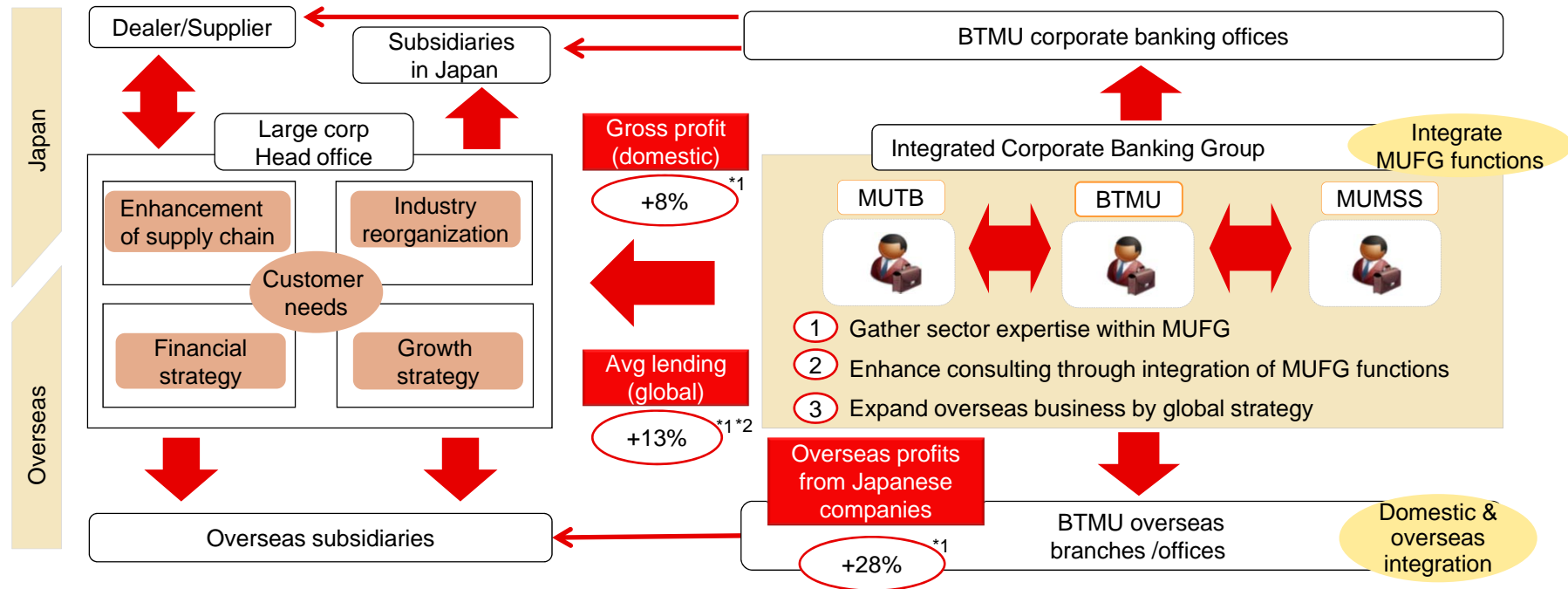


\*1 All figures on a managerial accounting basis

\*2 In BTMU domestic branches or offices for SMEs

# 3. Reform global CIB business model - Japanese large corporation

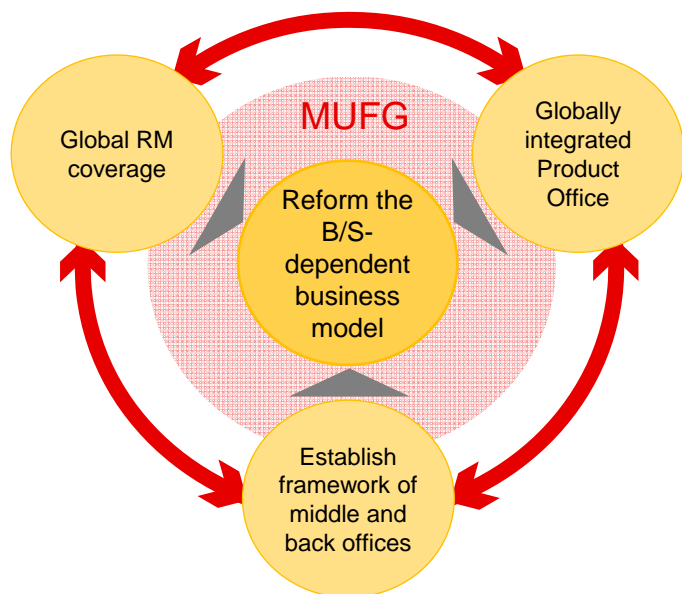
- Pursue MUFG's uniqueness and maximizing group capabilities by gathering sector expertise and strong points within MUFG
- Respond to customer's sophisticated needs globally. Position sector strategy as a key in our business with Japanese large corporation



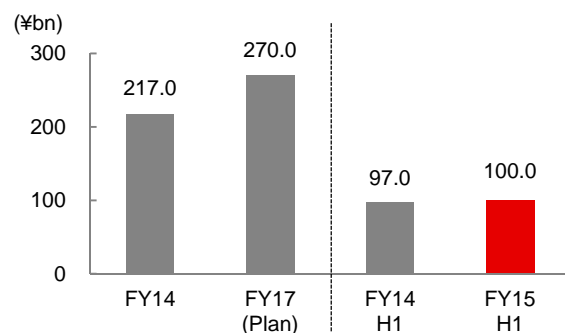
\*1 All figures are in managerial accounting basis and do not contain KS figure. Increase ratio of FY17 (plan) from FY14 (results)  
 \*2 In BTMU branches or offices for large corporate business in global basis

### 3. Reform global CIB business model - Global corporation

- Diversify revenue sources/clients, establish O&D model to expand non-interest profit and to improve RORA
- Globally aligned client coverage to provide consistent services to clients on an MUFG wide basis



Non-interest profits (Non-Japanese) \*1

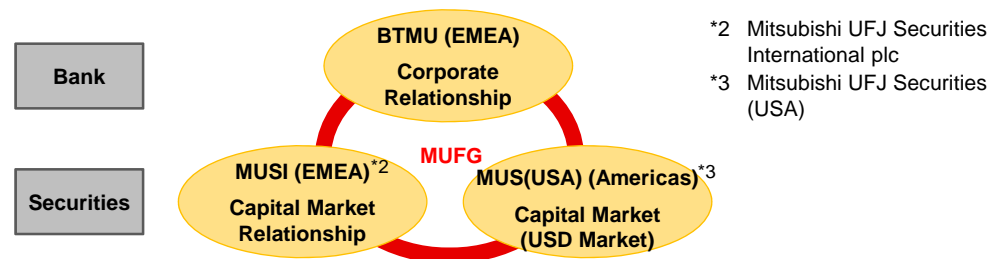


\*1 Internal management basis. including fees, FX and derivatives

Engage in large financing transaction through bank and securities integration

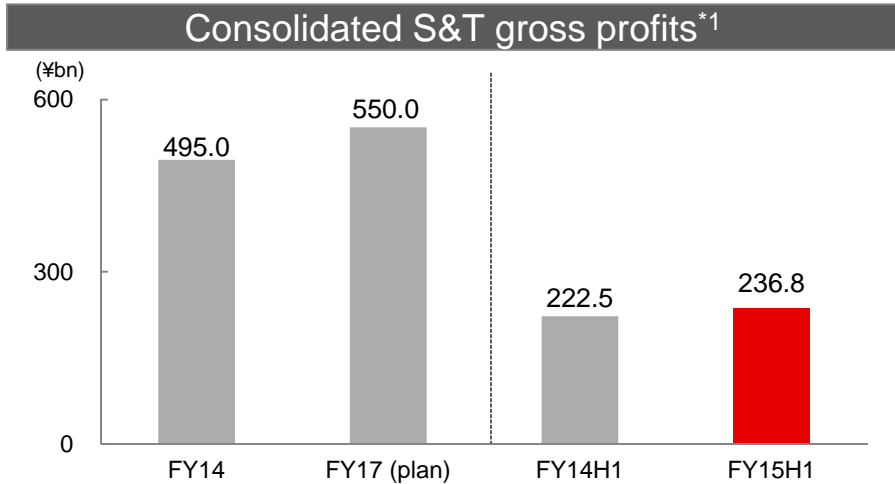
**Bond issuance by EDF S.A., France's largest power company (FY2015):**  
 MUFG supported EDF in issuing its largest senior USD bond transaction to date by fully integrating MUFG's bank and securities businesses (BTMU, MUSI<sup>\*2</sup>, MUS(USA)<sup>\*3</sup>).  
 MUFG was one of two active bookrunners on all tranches and also a single Billing and Delivery agent on the whole transaction

Issuer	EDF S.A. (Electricite de France)
Pricing Date	October 7th, 2015
Total Size	\$4,750mm (5-/10-/20-/30-/40-year tranches)
Active Leads	MUFG / Bank of America Merrill Lynch ( <b>All tranches</b> ) Citi / Credit Agricole / JP Morgan / Mizuho (5s, 10s) Barclays / Goldman Sachs / RBC (20s, 30s, 40s)
Bill and Deliver	MUFG



# 4. Evolve sales and trading operations

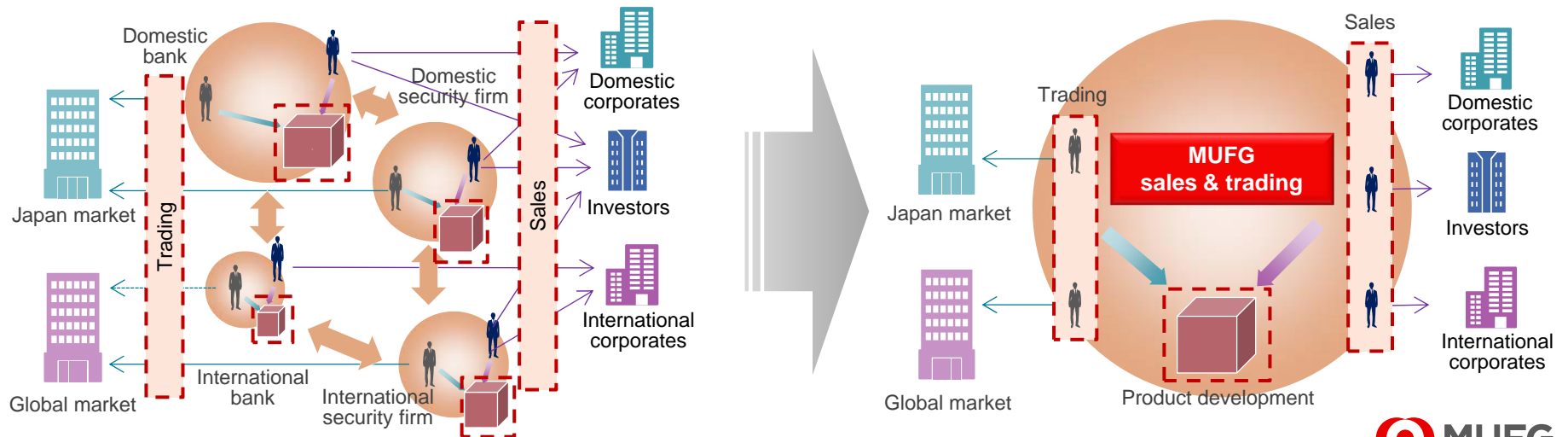
- S&T profits in FY15H1 increased from FY14H1 by capturing customers' needs on the back of volatile market and by appropriate position management
- Promote business by BTMU and MUS in an integrated manner to provide customers with higher quality services



**Customer support structure**

MUFG sales & trading	
Better Solution (Sales)	One-stop solution offering through unifying a sales desk for customer
Better Price (Trading)	Better pricing through improved productivity and consolidating the risk position
Better Product Lineup (Product offering)	Providing wide-range of products leveraging MUFG global network

**Sales and Trading business by BTMU and MUS in an integrated manner**



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

## 5. Develop global asset management and investor services operations - Global IS

### Initiatives so far

Scale expansion especially in growing alternative fund admin business area with a series of acquisitions

Sep 13	Acquired Butterfield Fulcrum Group (MFS: Mitsubishi UFJ Fund Services)	AuA*1 \$94 bn
May 14	Acquired Meridian	AuA*1 \$11 bn
Jun 15	Agreed with UBS to acquire its AFS (alternative fund services) business	AuA*1 \$138 bn

### Acquisition of UBS AFS

Jun 15, MUFG agreed to acquire its AFS business from UBS with 100% stake in its equity through MFS

<Intensions of acquisition>

- Improve market presence with AuA\*1 expansion (expected to be ranked at #7 from current #14)
- Extension of global business network
- Obtain banking business related bundle services

### AuA\*1 table

Rank		AuA*1 in US\$bn
1	State Street	928
2	SS&C GlobeOp + Citi	906
3	Citco	809
4	BNY Mellon	635
5	Northern Trust	323
6	Hedgeserv	273
	<b>UBS/MFS/MUGC</b>	<b>268</b>
7	Morgan Stanley	241
8	BNP Paribas	239
9	SEI	213
10	JP Morgan	145
11	UBS	138
14	MFS/MUGC	130

(As of end Apr 15)




### Initiatives in future

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

\*1 Asset under administration

## 5. Develop global asset management and investor services operations - Global AM, domestic investment trust management

### Global AM

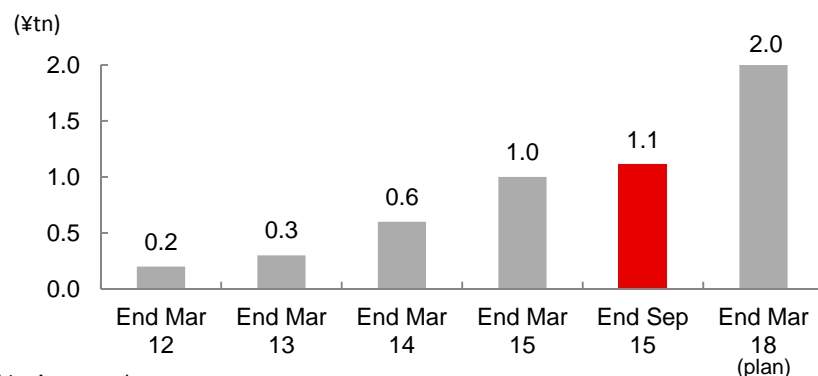
Affiliates with stake holding	AuM <sup>*1</sup> Capital ratio	Products
	¥59 tn 17%	Equity/Bond (Global, Emerging, Asia), Real estate, etc.
	¥15 tn 15%	Equity/Bond (Australia, Global), Infrastructure, Real estate
	¥3 tn 33%	Equity/Bond (China)

(As of end Jun 15)

### Initiatives in future

- Consider new non-organic investments focusing on North America and Asia
- Accelerate sales and products strategy based on the market character of each area

### Balance of AuM<sup>\*1</sup> from overseas investors (MUTB)



\*1 Asset under management

\*2 Figures are the sum of before and after a merger of Mitsubishi UFJ KOKUSAI AM (Sum of ex. MUAM and ex. KAM)

\*3 Excluding ETFs

\*4 Total amount of [eMAXIS series] products offered by MUKAM

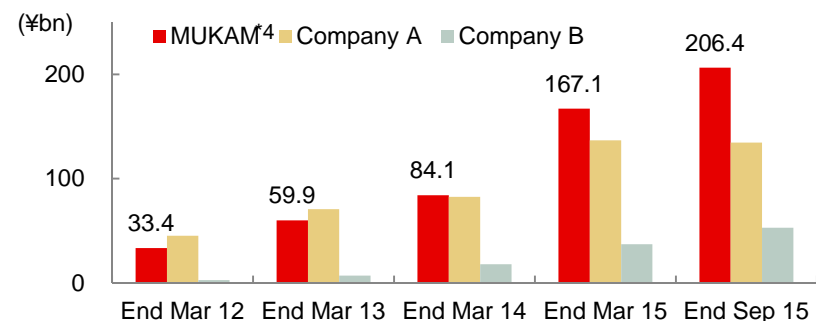
### Financial results of MUKAM

(¥bn)	FY15H1 <sup>*2</sup>	Change from FY14H1
1 Operating revenue	49.0	3.3
2 Operating expenses	38.9	2.2
3 Operating income	10.0	1.0
4 Net income	7.7	1.6

### Market share of publicly-offered equity investment trusts management balance<sup>\*3</sup>

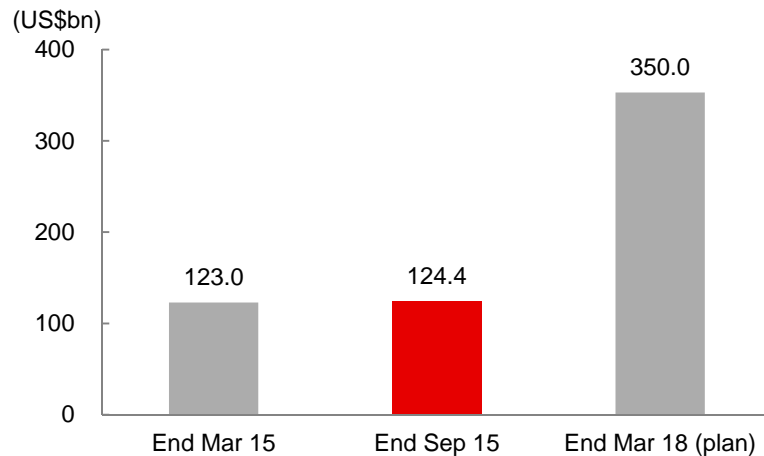
Rank	AM company name	End Sep 15	Change from end Mar 15
1	Nomura Asset Management	14.8%	0.1%
2	Daiwa Asset Management	12.4%	(0.2%)
3	<b>MUKAM</b>	<b>11.6%</b>	0.0%
4	Nikko Asset Management	7.4%	(0.3%)

### AuM balance of index fund products aimed at online investors

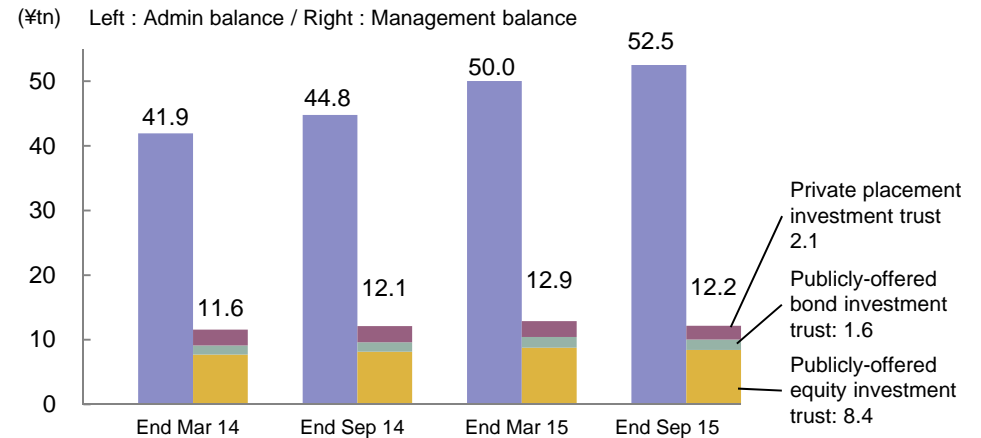


# 5. Develop global asset management and investor services operations

### Admin balance of overseas investment trust fund

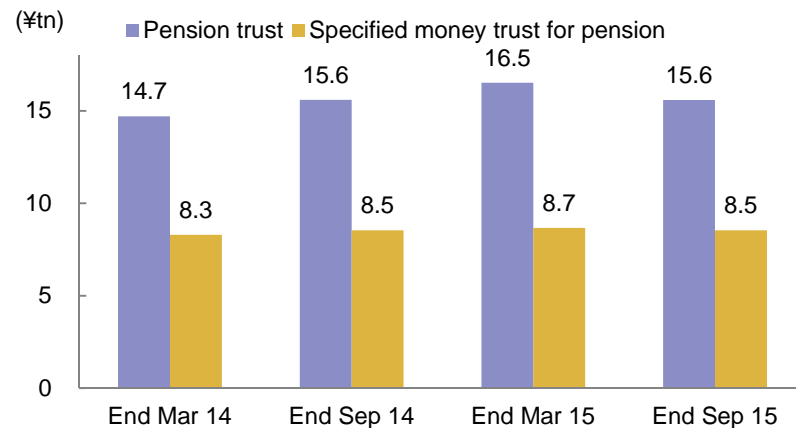


### Investment trust management\*1 and admin balance (domestic)

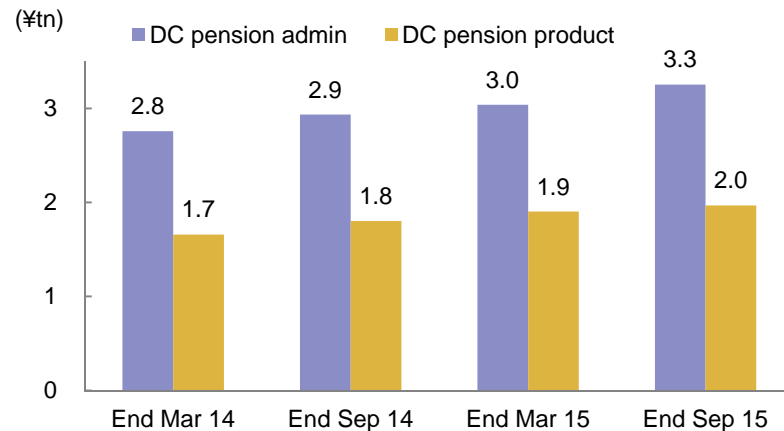


\*1 Management balance is a sum of MUAM and KAM

### Pension balance

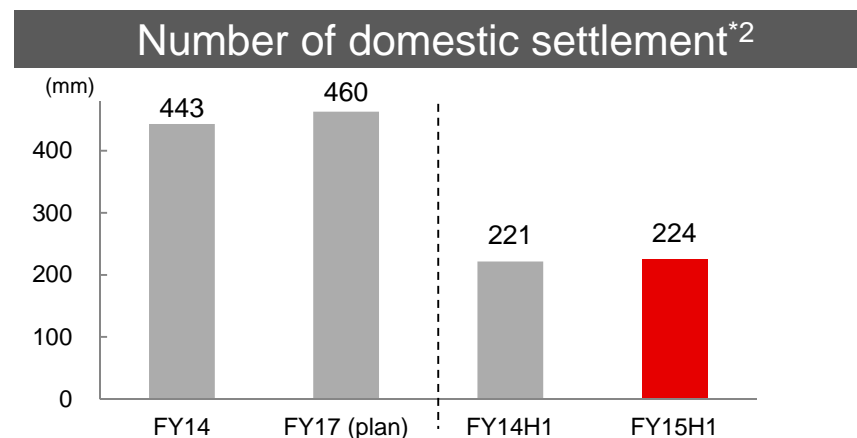
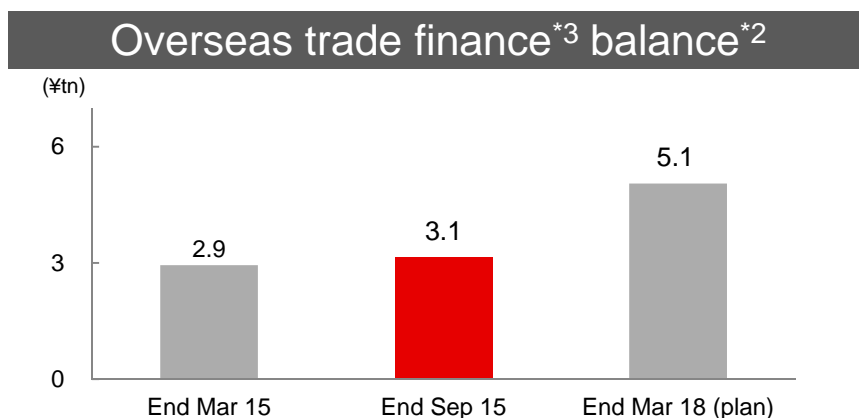
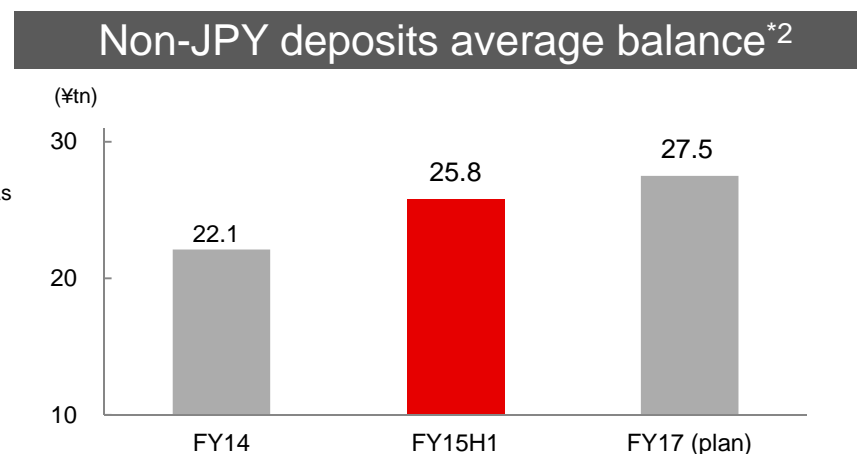
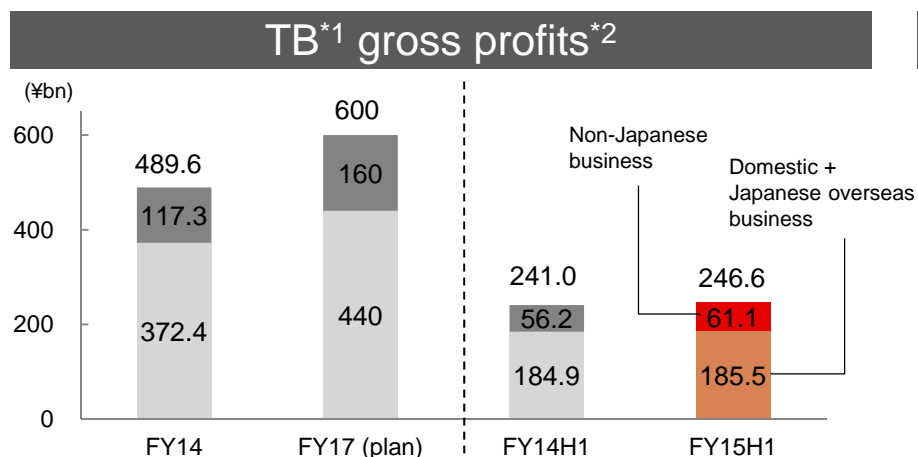


### DC pension product and admin asset balance



## 6. Further reinforce transaction banking operations

- Capture more sizeable trade flows in a strategic and unified manner by enhancing product capabilities and effective use of networks
- Appoint seasoned bankers as regional sales head with stellar track record and extensive experience working with international banks
- Launch new brand “COMSUITE”, MUFG’s comprehensive solutions with easy access and reliable quality for global TB\*1



\*1 TB: Transaction banking

\*2 Figures are on managerial accounting basis and local currency basis (\$/¥=115)

\*3 Trade finance: Import-export related finance and commercial credit, supply-chain finance, bond transaction, etc.



## 7. Strengthen commercial banking platforms in Asia and the United States - Krungsri strategy

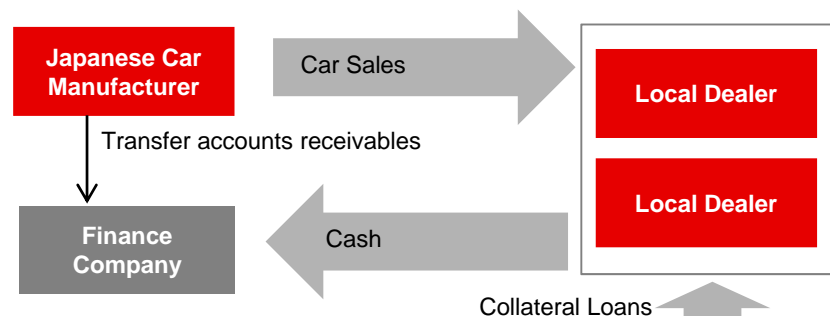
- Aiming for top tier financial group in Thailand through maximizing synergies of MUFG/KS, especially in supply chain finance, transaction banking, investment banking, business-matching, cross-sell of retail products, etc.
- Steady progresses are shown in delivering supply chain finance, arranging for long term debenture, etc.

Mid-term business plan					
Core Strategies	Major Initiatives		End Dec 14 <sup>*1</sup>	End Dec 17 (Plan)	End Sep 15/Q1-3 FY15 <sup>*1</sup>
Grow asset ⇒ Case 1	Supply chain finance, Consumer finance, Housing Loan, Business matching	Lending balance	¥4.6 tn	+34%	¥4.6 tn
Increase fee income ⇒ Case 2, 3	Transaction banking, FX, Cross-sell investment banking products, Investment banking	Gross fee income	¥72.2bn	+41%	¥62.0 bn (+¥10.3 bn (YoY))
Reduce cost of funds (Increase CASA balance) ⇒ Case 3	Become the first core bank for Thai corporate clients. Expand networks. Approach to clients' employees accounts and provide cross-sell retails banking services	CASA balance	¥1.9 tn	+21%	¥2.0 tn

\*1 Calculated at THB=¥3.70

The figures as of end Dec 14 are the sum of KS&BTMU Bangkok Branch

### Case 1: Supply chain finance



#### Key Point

Utilizing BTMU's long-term relationship with the Japanese car manufacture, KS obtained prime loans business opportunities collateralized with inventory vehicle



### Case 2: Arranging for debenture issuance

- Lead arranger for THB1 bn long term debenture issuance by major German car manufacture
- Joint-lead arranger for THB2 bn long term debenture issuance by leasing arm of major Japanese car manufacture

### Case 3: Obtaining payroll accounts

- Successfully acquiring pay roll accounts through business activities with Japanese corporate  
E.g.: Automobile, Electronics, Non-life insurance
- Promoting cross-sell retail banking services such as credit card and personal loans

## 7. Strengthen commercial banking platforms in Asia and the United States - Financial result of Krungsri

- MUFG holds 76.88% stake in KS with the integration of KS and BTMU Bangkok branch in Jan 15
- KS maintains leadership position in consumer finance business
- KS continues to post consistent result. NPLs stood at 2.44% of total loans, with strong reserve position

(THB mn)*1	FY14	FY15	
		Q1-Q3	YoY/Change from end of Dec 14
Interest income	74,609	61,261	5,697
Interest expense	26,665	19,549	(435)
<b>Net interest income</b>	<b>47,944</b>	<b>41,712</b>	<b>6,132</b>
Fees and service income	19,191	16,759	2,787
Fees and service expense	4,421	3,953	786
<b>Net fees and service income</b>	<b>14,770</b>	<b>12,806</b>	<b>2,001</b>
Non-interest and non-fees income	8,046	6,668	1,193
Other operating expense	34,300	28,663	3,322
Pre provision operating profit	36,460	32,523	6,004
Impairment loss of loan and debt securities	18,106	15,310	2,083
<b>Net profit</b>	<b>14,323</b>	<b>13,702</b>	<b>3,344</b>
Loans	1,057,636	1,284,584	226,948
Deposits	837,556	1,012,541	174,985
NIM	4.32%	4.24%	
Cost to income ratio	48.47%	46.85%	
L/Deposit +debentures+B/E	106%	113%	
NPLs ratio	2.79%	2.44%	
Loan loss coverage	133%	139%	
ROE	11.2%	11.4%	

\*1 Calculated according to Thai GAAP. THB1=3.29JPY as of end Sep 15

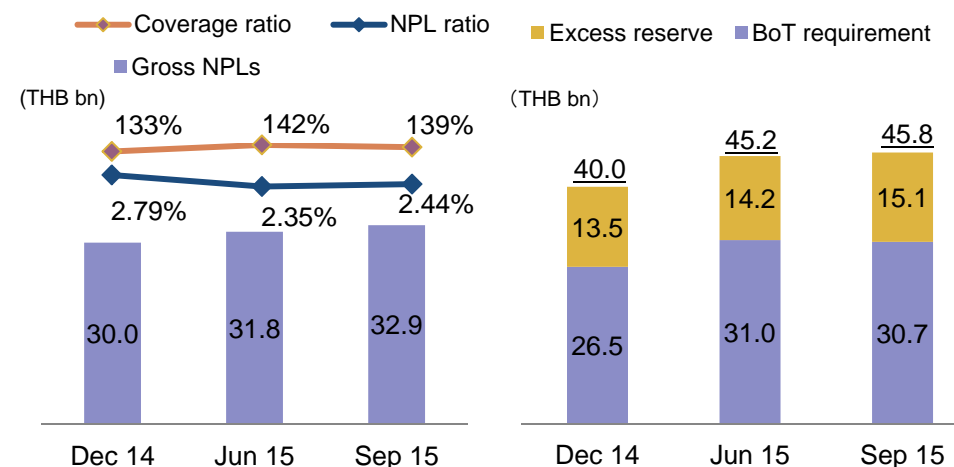
### Leadership position (as of end Aug 15)

As of end Aug 15		Rank	Share
Consumer	Personal loan	1	27%
	Credit card	1	15%
	Auto	2	20%
SME		5	6%
Large corporate		4	10%

### International rating

S&P	Moody's	Fitch
BBB+	Baa1	A-

### Asset quality



## 7. Strengthen commercial banking platforms in Asia and the United States - Americas business strategy

- New management structure has been implemented with a new CEO in May 15
- Vision for the U.S. - Top 10 U.S. bank with a hybrid bank offering both regional and wholesale global service capabilities

### Key strategies for mid-term business plan

- New management structure ⇒ Case 1
- Respond to U.S. Prudential regulations ⇒ Case 2
- Diversify revenue streams by strengthening fee and commission business ⇒ Case 3
- Ensure solid liquidity platform for sustainable growth ⇒ Case 3
- Higher efficiency and productivity: overcome costs from regulations ⇒ Case 4

(JPY)*	FY14	FY17(plan)	FY15H1
Operating income	212.3 bn	278.0 bn	103.9 bn (YOY10.5 bn)
Lending balance	16.4 tn	20.0 tn	17.6 tn

※BTMU consolidated, calculated at planning rate JPY115/USD

### Case 1. New leader



Stephen Cummings  
(U.S. CEO)

- Stephen Cummings was appointed as CEO for the United States (U.S. CEO) and as Managing Executive Officer of BTMU. With his long-term experience in corporate and investment banking business in the U.S., Americas business will diversify revenue resource and strengthen fee and commission business
- 11 out of 15 Policy Making Officers are hired in the U.S. (as of end Sep 15)

### Case 2. U.S. Prudential regulations

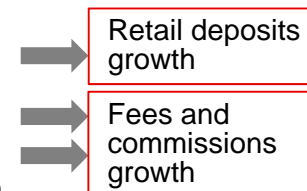
- Establishment of Internal holdings company is required under the U.S. Prudential regulations. MUAH will establish ownership of U.S. subsidiaries of MUSHD and MUTB, etc. by Jul 16

### Case 3. Enhancing commercial banking

#### Major initiatives

- Deploy low-cost branch, launch U.S.-wide online direct bank \*
- Expand credit card business\*
- Focus on cross-sell

\* to be launched during current mid-term business plan



### Case 4. Higher efficiency & productivity

#### Example

- Organization restructuring
- Review on outsourcing expenses and commissions
- Review on administrative process
- Utilizing outsourcing

#### Restructure of Commercial Banking

Commercial banking business (SME and part of CIB business) was reorganized into other business areas as below:

- **Regional Banking:** Covers retail & SME customers. Create a highly coordinated regional commercial banking platform in western footprint
- **U.S. Wholesale Banking:** Covers mid & large corp. with sector centric approach. Pursue cross-sell with competitive products
- **Investment Banking & Markets:** Strengthen products relating to investment banking and markets

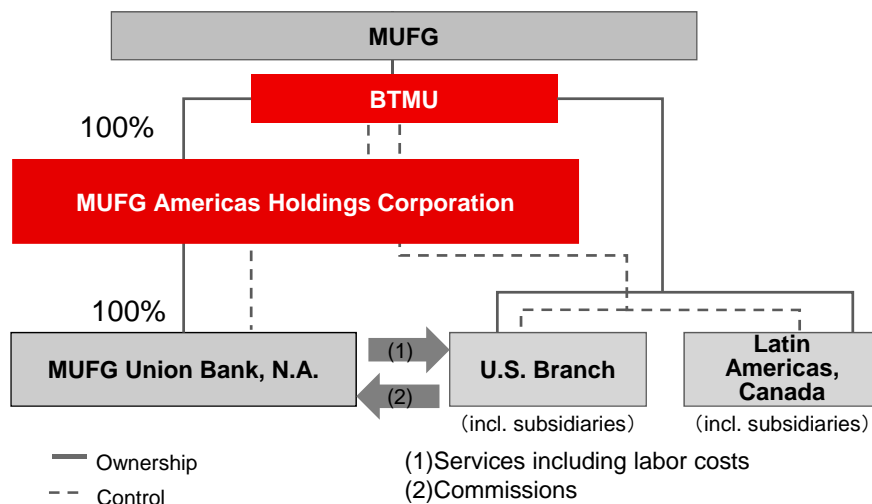
## 7. Strengthen commercial banking platforms in Asia and the United States - Financial result of Americas business

- Consolidated net operating income of Americas (BTMU) for FY15H1 was ¥103.9 bn, an increase of ¥10.5 bn year on year
- MUAH posted lower operating income for Q1-3 vs previous year due to lower net interest income and higher regulatory expense. NPL ratios stayed low at 0.55%

### Consolidated results of Americas (BTMU)<sup>\*1</sup>

(¥ bn)	FY14	FY15	
		H1	YoY
Gross profits	605.2	311.0	17.5
Interest income	416.7	213.3	5.5
Non-interest income	205.8	105.2	10.8
<b>Operating income</b>	<b>212.3</b>	<b>103.9</b>	<b>10.5</b>
Lending balance	16.4 tn	17.6 tn	1.7 tn
Deposit balance	13.9 tn	14.9 tn	1.3 tn

### Structure of Americas (BTMU) business



### Results of MUAH<sup>\*2</sup>

(U.S.\$ mm)	FY14	FY15	
		Q1-3	YoY
Net interest income-(1)	2,862	2,107	(46)
Interest income	3,270	2,415	(47)
Interest expense	408	308	(1)
Total non-interest income-(2)	1,123	1,117	346
Service charges on deposit account	203	147	(6)
Credit facility fees	203	87	(2)
Merchant banking fees	124	62	(27)
Fees from affiliates <sup>*3</sup>	319	543	392
<b>Total revenue-(1)+(2)</b>	<b>3,985</b>	<b>3,224</b>	<b>300</b>
Non-interest expense <sup>*4</sup>	2,921	2,547	521
<b>Operating income</b>	<b>1,064</b>	<b>667</b>	<b>(221)</b>
Provision (negative figures stand for reversal)	(16)	36	7
<b>Net income attribute to MUAH</b>	<b>825</b>	<b>504</b>	<b>(159)</b>
Lending balance	76,804	76,641	2,006
Deposits balance	86,004	82,693	337
NIM	2.93%	2.77%	(0.2points)
NPL ratio <sup>*5</sup>	0.49%	0.55%	0.1points
NPL Coverage ratio	143%	130.6%	(0.8points)

\*1 Local currency basis. Managerial account basis. MUAH H1 (Jan-Jun 15) results are consolidated to BTMU Americas H1.

\*2 From financial statements, U.S. GAAP.

\*3 Fees from affiliates represents income resulting from the business integration effective July 1, 14.

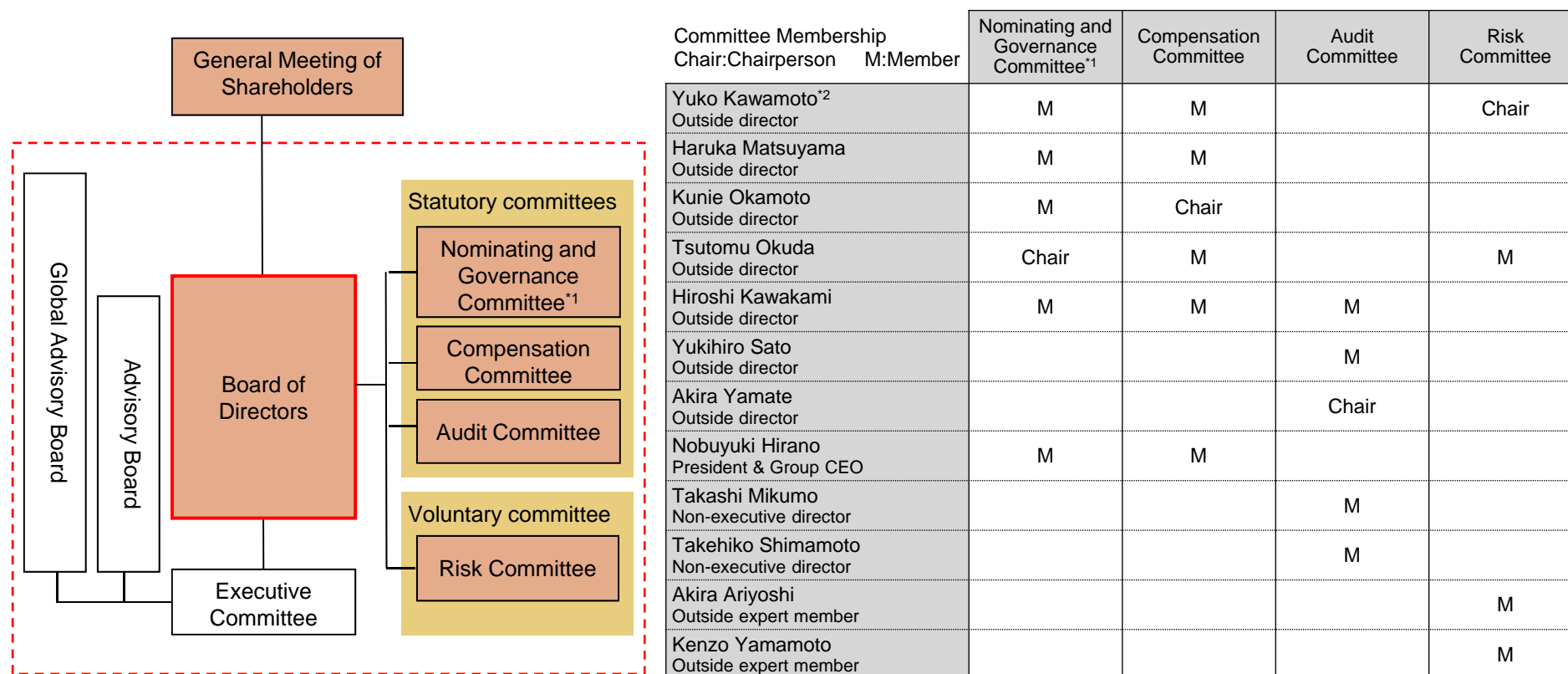
\*4 Non-interest expense includes expense associated with employees providing support services to BTMU.

\*5 Excluding FDIC covered loans

## Corporate governance, Capital policy and Equity holdings

# Enhancement of corporate governance

- Changed from a company with a board of corporate auditors to a company with three statutory committees in Jun 15
- 9 directors are non-executives, including 7 outside directors, out of the total 17 board members
- Under Board of Directors, 3 statutory committees are organized (Nominating and Governance Committee<sup>\*1</sup>, Compensation Committee, Audit Committee) and 1 voluntary committee (Risk Committee), where all 4 of those are chaired by outside directors

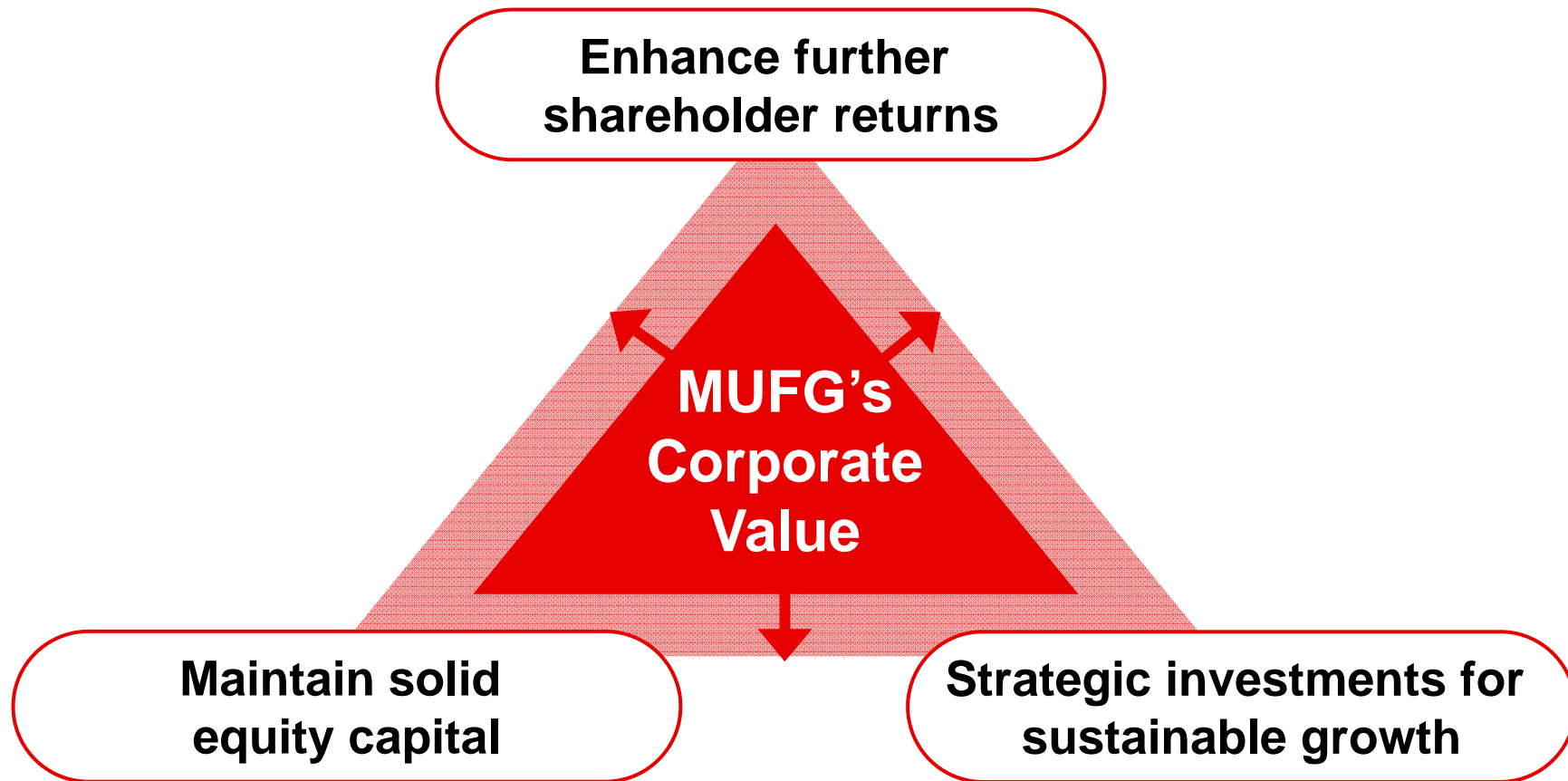


<sup>\*1</sup> Nominating and Governance Committee is a "Nominating Committee" as provided in the Companies Act.

<sup>\*2</sup> As Ms. Yuko Kawamoto previously worked for the Bank of Tokyo (currently the Bank of Tokyo-Mitsubishi UFJ), she does not fulfill the requirements of outside director under Japan's Companies Act. However, during the more than 25 years that have passed since her employment at Bank of Tokyo she has gained a wealth of experience and discernment as a business consultant and university professor, and we therefore believe that her independence from MUFG is equivalent to that of an outside director. Moreover, as a result of revisions to Japan's Companies Act, following the conclusion of the Jun 16 General Meeting of Shareholders Ms. Kawamoto will meet the requirements of outside director.

## Capital policy

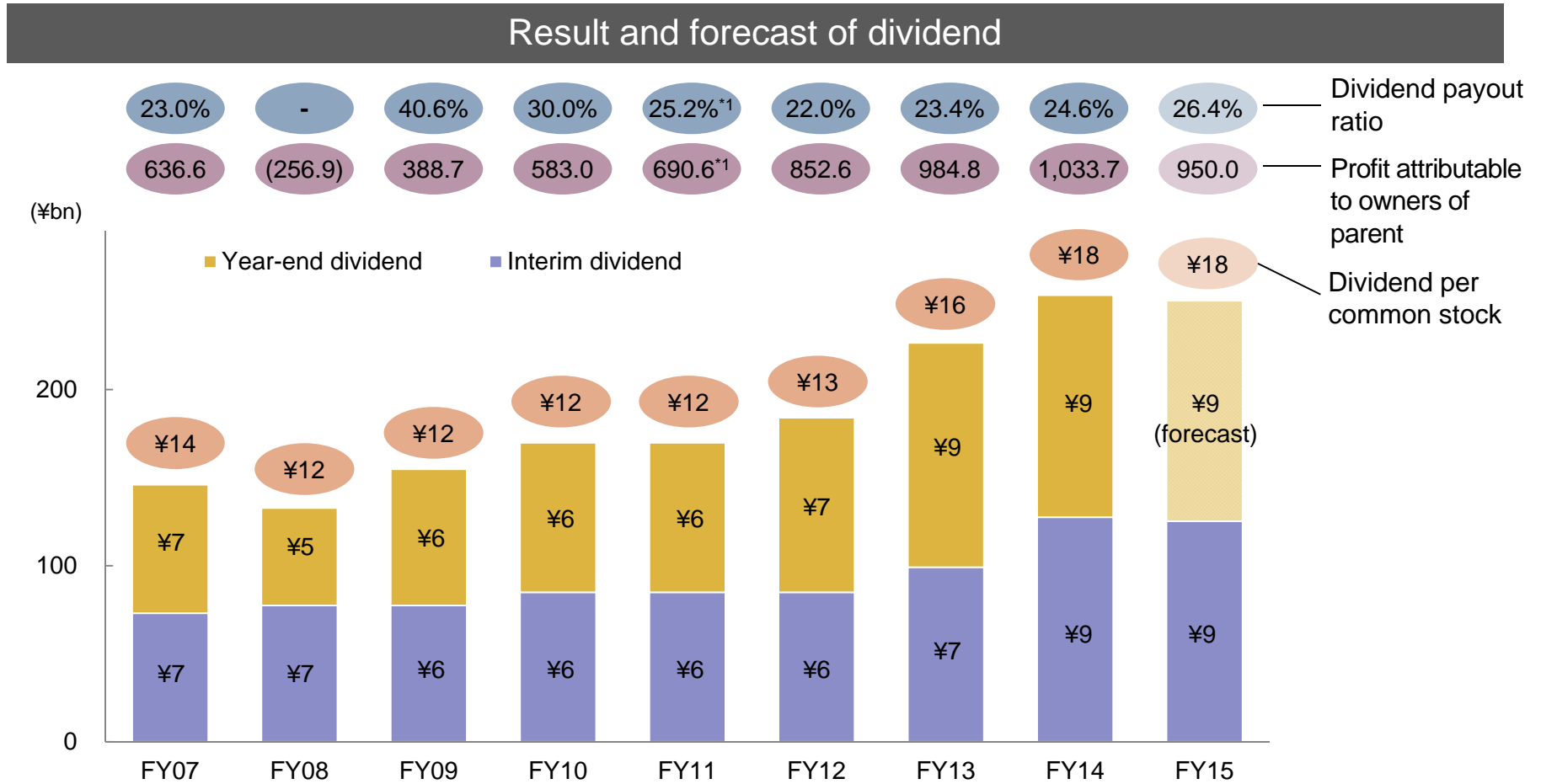
- Enhance further shareholder returns and make strategic investment for sustainable growth while maintaining solid equity capital



# Dividend forecast

(Consolidated)

- Plan to pay interim-dividend of ¥9.00 per common stock, and keep our dividend forecast of ¥18.00 per common stock for FY15



\*1 FY11 figures do not include one-time effect of negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley



# Repurchase of own shares

(Consolidated)

- Resolved to repurchase own shares in order to enhance shareholder returns, improve capital efficiency and conduct capital management flexibly

## Outline of repurchase of own share

Type of shares to be repurchased	Ordinary shares of MUFG
Aggregate amount of repurchase price	Up to ¥100.0 bn
Aggregate number of shares to be repurchased	Up to 140 mm shares (Equivalent to 1.01% of the total number of issued shares (excluding own shares))
Repurchase period	From Nov 16, 2015 to Dec 31, 2015

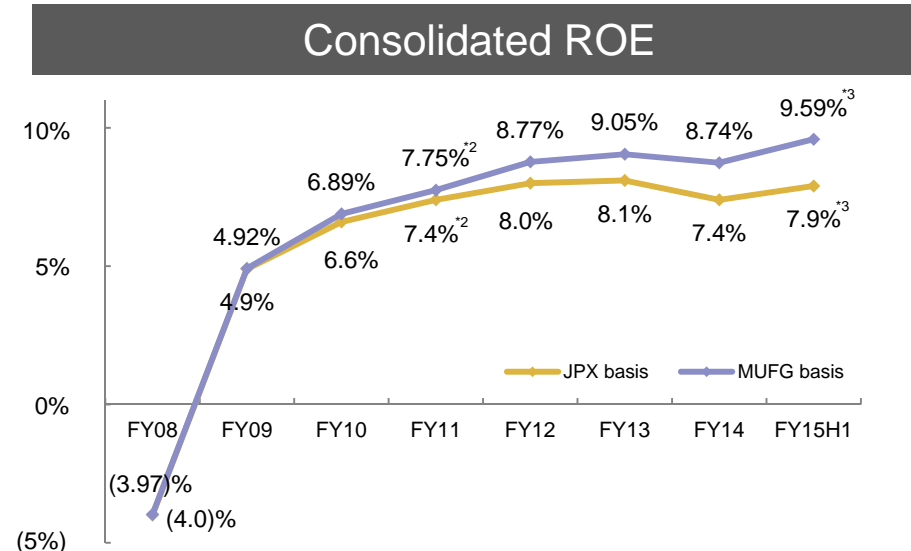
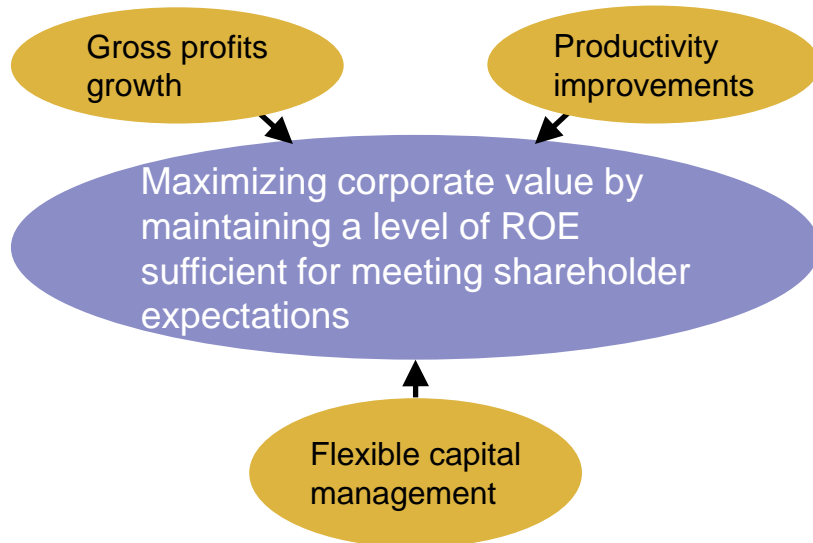
(Reference) Own shares held by MUFG as of Oct 31, 2015

Total number of issued shares (excluding own shares) : 13,912,491,774 shares

Number of own shares : 256,362,046 shares

## Approach to use of capital

- Management that stresses on capital efficiency
  - Increase ROE
  - Awareness to the uncertainty and volatility of global economy and financial markets, and reform of global financial regulation
  - Reduction the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- CET1 ratio\*1 was 10.0% as of end Sep 15, excluding an impact of net unrealized gains (losses) on available-for-sale securities
- Consider share buybacks, taking into account the capital necessary for future growth
- In terms of strategic investment, keep highly qualified investment criteria



\*1 Full implementation basis. Calculated on the basis of regulations to apply at end Mar 19

\*2 11.10%(MUFG basis), 10.6%(JPX basis) before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

\*3 
$$\frac{\text{Profits attributable to owners of parent} \times 2 - \text{Equivalent of annual dividends on nonconvertible preferred stocks}}{\{(\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period} - \text{Number of nonconvertible preferred stocks at the end of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the end of the period})\}} \div 2} \times 100$$

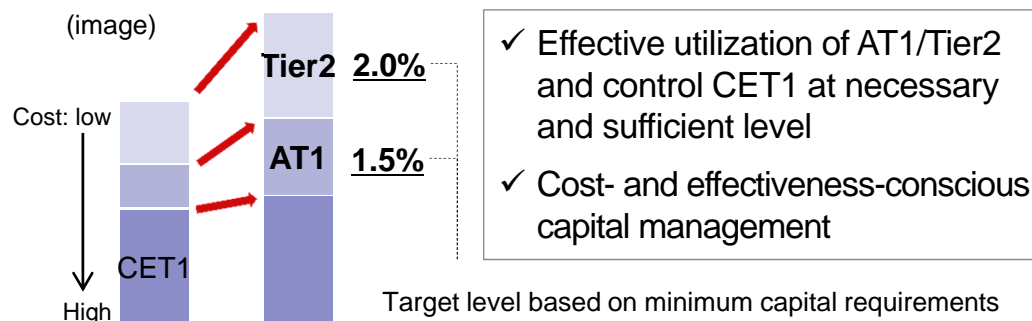
# Capital management

- Aiming for capital efficiency and capital adequacy in qualitative and quantitative aspects
- Pursue the best capital mix with AT1 and Tier2 funding and improve our capital quality by reduction of equity holdings

Capital efficiency & Capital adequacy in qualitative and quantitative aspects

Capital efficiency & Capital adequacy in qualitative and quantitative aspects

## (1) Best capital mix among CET1, AT1, Tier2



## (2) Reduction of equity holdings

- ✓ Our basic policy is reducing the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- ✓ Examination of economic rationale for holding with overall business RORA and reduction target setting (details on the following page)

### MUFG Basel 3 eligible AT1 Perpetual Subordinated notes

	Issued	Amount	Tenor	Coupon
#1 Private	May 15	¥100.0 bn	Perpetual	2.70% until Jul 20, 6M¥Libor+2.40% thereafter
#2 Public	Oct 15	¥150.0 bn	Perpetual	2.50% until Jan 26, 6M¥Libor+2.00% thereafter

### MUFG Basel 3 eligible Tier2 Subordinated notes

Issued amount: ¥235.0 bn after an initial issuance on Jun 14 (all domestic)

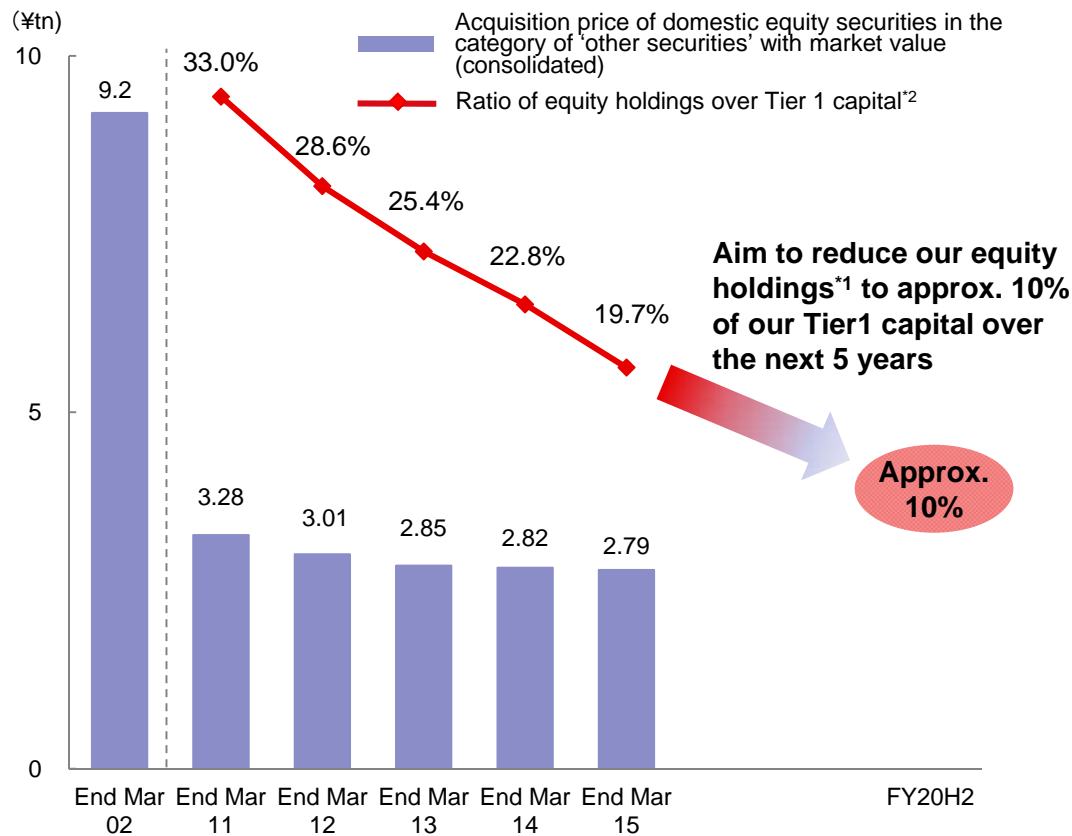
### (Reference) Minimum capital requirements

	Mar 15	Mar 16	Mar 17	Mar 18	Mar 19~
Total capital	8.0%	9.0%	10.0%	11.0%	12.0%
Tier1	6.0%	7.0%	8.0%	9.0%	10.0%
CET1	4.5%	5.5%	6.5%	7.5%	8.5%

# Reduction of equity holdings

- Our basic policy is reducing the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- Aim to reduce our equity holdings\*1 to approximately 10% of our Tier1 capital over the next 5 years

## Reduction of equity holdings



\*1 For strategic purpose, at acquisition costs

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

\*3 The total market value of the relevant equities that have been the subject of the examination as of Mar 31, 2015, was approx. ¥3.8 tn (acquisition costs: approx. ¥1.9 tn), which covers approx. 70% of the total market value of listed equities held by the Group banks for the purpose of strategic investment

## Rationale examined for equity holdings

From MUFG Corporate Governance Report submitted Jul 15

### <Results of the examination at board meeting\*3>

#### • Significance:

The significance of our equity holding has been confirmed meeting a genuine objective of increasing the mid- to long-term economic profits of MUFG

#### • Economic rationale:

As per our equity holdings within the scope of examination, the total amount of overall business RORA of the relevant clients has exceeded the target value. On a company by company basis, the target value has been exceeded for approx. 80% of the relevant clients

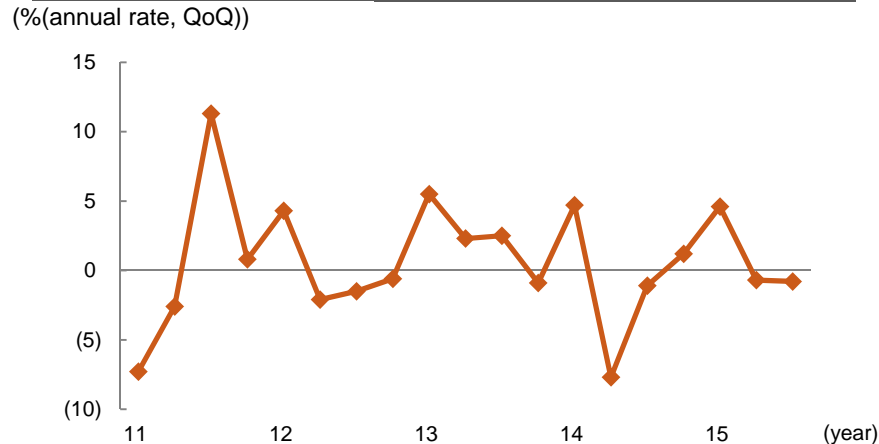
### <Basic policy>

- Even where there is sufficient rationale, we may sell those equity holdings in accordance with our basic policy of reducing, taking into account, among other things, the market environment and our business and financial strategy.

# Appendix

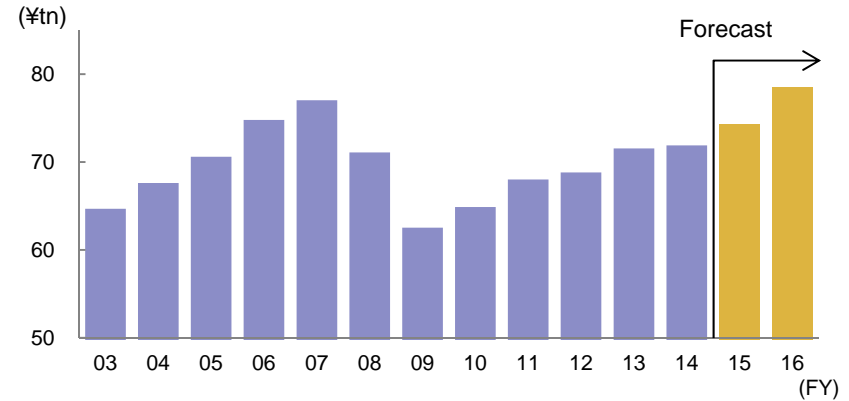
# Appendix: Economic environment in Japan

## Growth rate of real GDP



(Source) Compiled by BTMU Economic research office from Cabinet Office data

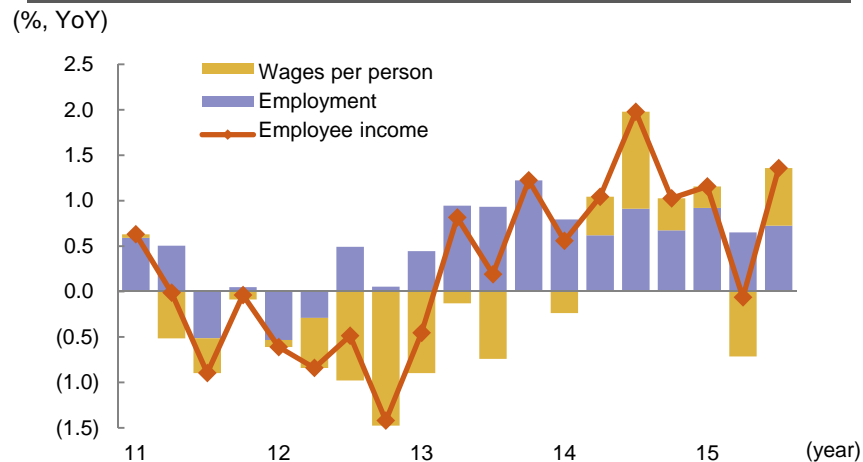
## CAPEX (real GDP base\*1, forecast)



\*1 Based on 2005 prices

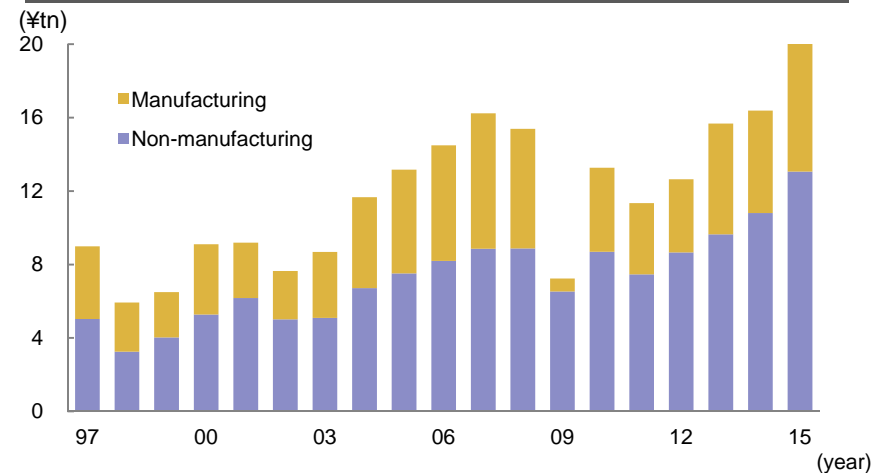
(Source) Compiled by BTMU Economic Research Office from Cabinet Office data

## Employee income



(Source) Compiled by BTMU Economic Research Office based on MIC and MHLW data

## Ordinary profits of non-financial (Apr-Jun)



(Source) Compiled by BTMU Economic Research Office based on MOF data

# Appendix: Project finance

(BTMU consolidated)

- MUFG stays at #2 position in global ranking of origination volume in Jan-Sep 15
- Remaining at competitive position in each region, #1 in Americas and EMEA, #3 in Asia Pacific
- Involved in 4 out of total 5 large originations observed in global basis\*1
- Maintain leading status by obtaining major domestic and global projects mainly in power or infrastructure

## Global presence

Global project finance league table (Jan-Sep 15)

Rank	Mandated Arrangers	Origination volumes (US\$ bn)	No. of deals	Rank Jan-Sep 14
1	Bank of Taiwan	12.05	1	186
<b>2</b>	<b>MUFG</b>	<b>11.40</b>	<b>90</b>	<b>2</b>
3	State Bank of India	9.07	20	15
4	SMFG	8.70	68	1
5	Mizuho	6.48	55	4

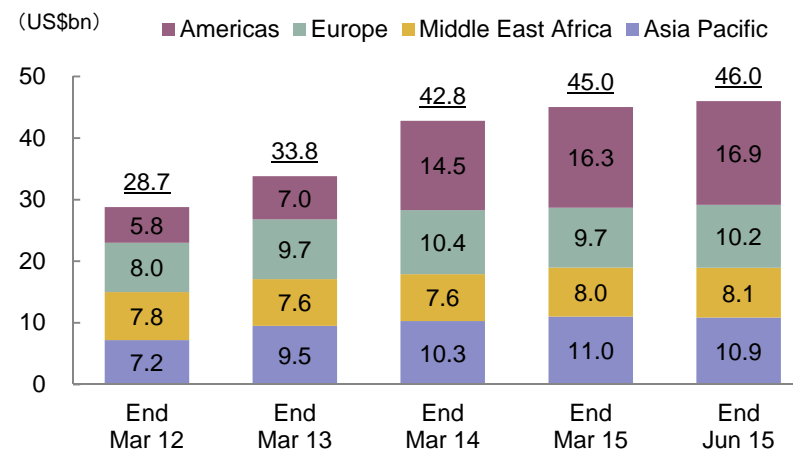
<By region>	Jan-Sep 14		→	Jan-Sep 15	
	Rank	Share		Rank	Share
Americas	1	7.8%	→	1	6.1%
EMEA	7	3.3%	→	1	4.0%
Asia Pacific	7	5.1%	→	3	8.3%

(Source) Thomson Reuters

## Strategies to strengthen the business

- Domestic approach: enhancing our business with Japanese companies' project finance related to PFI, renewable energy and thermal IPP, etc. and infrastructure exports to Asia
- Global approach: strengthening our business reach to new markets including Turkey and India

## Project finance loan portfolio\*2



\*1 The rest 1 large originations is Taiwan High Speed Rail related refinance transaction which is underwritten solely by Bank of Taiwan

\*2 BTMU consolidated, excl. KS. MUAH included in Americas from end Mar 14 onwards

# Appendix: Non-JPY debt issue

(BTMU, MUTB, MUAH)

## List of recent major issues (after Oct 14)

<BTMU>

Issued	Issuer	Term	Issue amount	Coupon	Remarks
Mar 15	BTMU, Ltd.	3Y	US\$1,000 mm	1.700%	Global bond
Mar 15	BTMU, Ltd.	3Y	US\$500 mm	\$3ML+0.55%	Global bond
Mar 15	BTMU, Ltd.	5Y	US\$1,500 mm	2.300%	Global bond
Mar 15	BTMU, Ltd.	7Y	EUR750 mm	0.875%	Global bond
Mar 15	BTMU, Ltd. Sydney Br.	4Y	AU\$600 mm	3MBBSW+0.97%	Transferable CD
Mar 15	BTMU, Ltd. Sydney Br.	4Y	AU\$150 mm	3.25%	Transferable CD
Apr 15	BTMU Brasil S/A	2Y	BRL30 mm	105.5% × CDI <sup>*1</sup>	Issued in Brazil
Jun 15	BTMU, Ltd.	2Y	RMB350 mm	3.640%	Off-shore RMB bond
Sep 15	BTMU, Ltd.	3Y	US\$500 mm	2.150%	Global bond
Sep 15	BTMU, Ltd.	3Y	US\$500 mm	\$3ML+1.02%	Global bond
Sep 15	BTMU, Ltd.	5Y	US\$1,000 mm	2.750%	Global bond

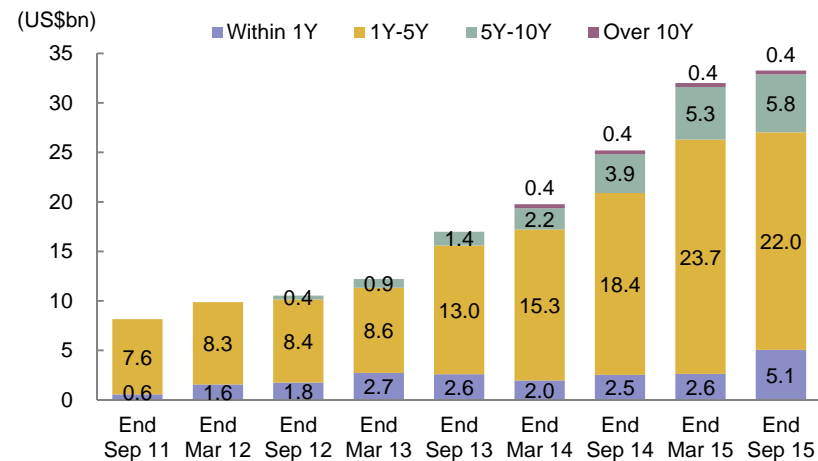
<MUTB>

Issued	Issuer	Term	Issue amount	Coupon	Remarks
Oct 14	MUTB	3Y	US\$750 mm	1.600%	Global bond
Oct 14	MUTB	5Y	US\$750 mm	2.450%	Global bond
Oct 15	MUTB	5Y	US\$1,250 mm	2.650%	Global bond

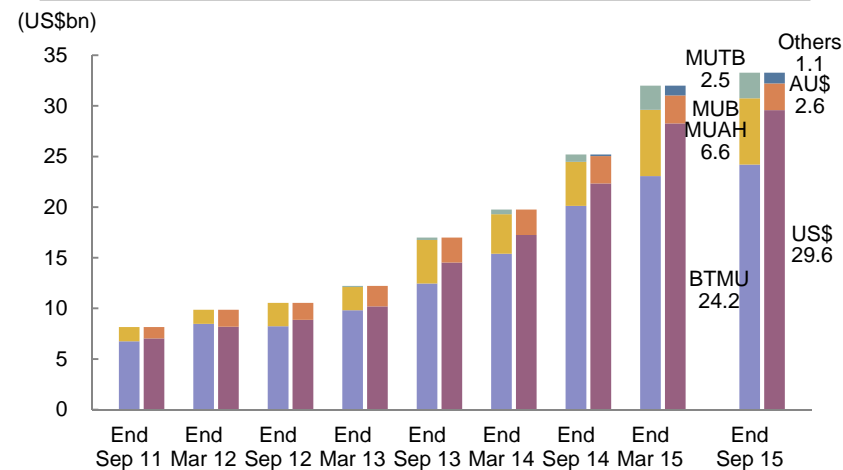
<MUFG Americas Holdings (MUAH) / MUFG Union Bank (MUB)>

Issued	Issuer	Term	Issue amount	Coupon	Remarks
Feb 15	MUAH	3Y	US\$450 mm	1.625%	
Feb 15	MUAH	3Y	US\$250 mm	\$3ML+0.57%	
Feb 15	MUAH	5Y	US\$1,000 mm	2.250%	
Feb 15	MUAH	10Y	US\$500 mm	3.000%	

## Issue balance by duration<sup>\*2</sup>



## Issue balance by currency/entity



\*1 CDI: Brazilian interbank non-collateral overnight rate

\*2 For callable bonds, duration is calculated up to the first callable date