


Bank of America Merrill Lynch Japan Conference 2016



September, 2016

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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.

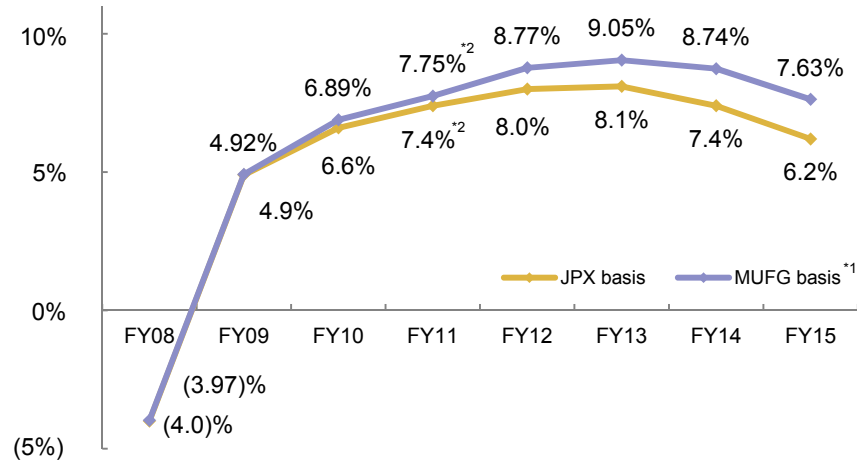
Definitions of figures used in this document

| | |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| 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) |

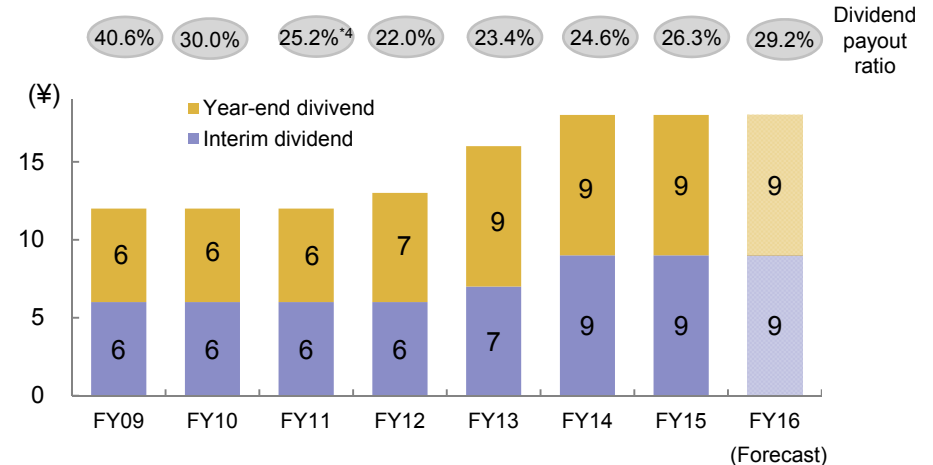
Management index

(Consolidated)

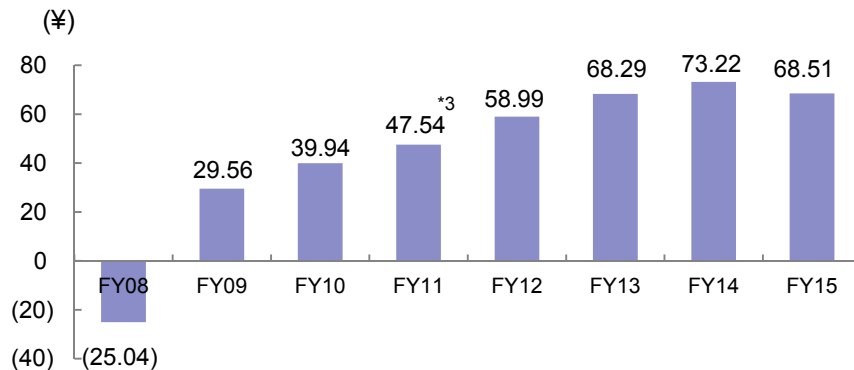
ROE



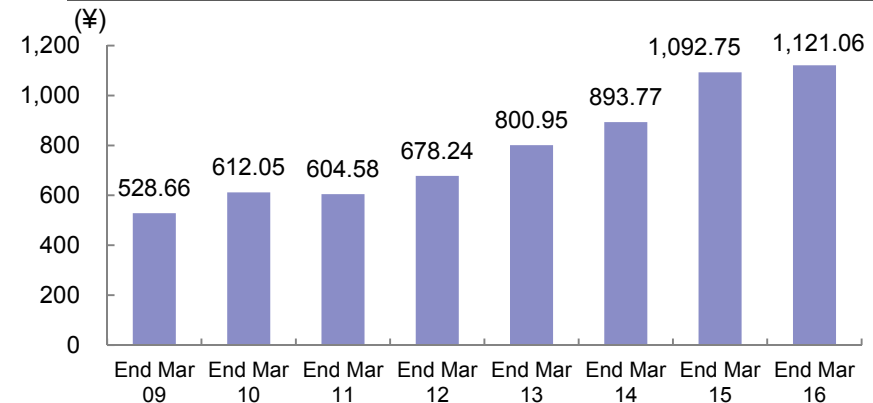
Dividend per share/Dividend payout ratio



EPS



BPS



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

^{*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 | FY15 |
|---------------------------|-----------------------------------------------------------------------------------------|--------|--------------------------------|--------|
| Growth | EPS(¥) | ¥73.22 | Increase 15% or more from FY14 | ¥68.51 |
| Profitability | ROE | 8.74% | Between 8.5-9.0% | 7.63% |
| | Expense ratio | 61.1% | Approx. 60% | 62.3% |
| Financial strength | CET1 ratio (Full implementation)*1 | 12.2% | 9.5% or above | 12.1% |
| | (Excluding an impact of net unrealized gains (losses) on available-for-sale securities) | | | 9.9% |

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

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Outline of FY2016 Q1 Results

Key points of FY2016 Q1

(Consolidated)

● Profit attributable to owners of parent was ¥188.9 bn (decreased ¥88.8 bn from FY15 Q1)

- Progress rate was 22.2% of ¥850.0 bn target
- ¥55.5 bn total credit cost was posted
- Steady growth in overseas loans and non-JPY deposits
- Fees and commissions income increased without JPY appreciation from FY15 Q1 due to favorable performance of corporate fee income business although investment product sales struggled

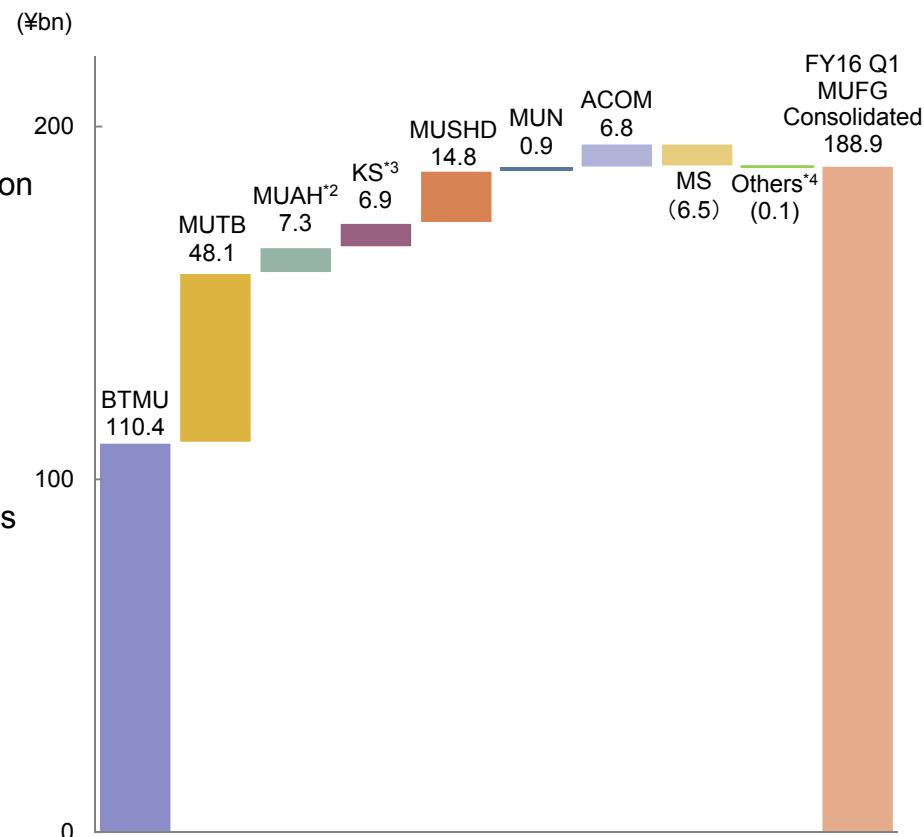
● Progress of mid-term business plan

- Agreed to execute strategic capital and business alliance with Hitachi Capital
- Concluded a share purchase agreement to acquire 100% of the issued shares of U.S. fund admin company, Rydex Fund Services
- Established U.S. Intermediate Holding Company to comply with U.S. financial regulations
- Ongoing integration of BTMU and MUS dealing rooms

● Shareholder return and others

- Repurchased ¥100.0 bn own share
- FY 15 dividend was ¥18 per common stock
FY 16 dividend forecast is also ¥18 per common stock
- Introduced a performance-based stock compensation plan for executives
- Approx. ¥30.0 bn equities holdings reduced following ¥120.0 bn reduction in FY15

Breakdown of FY16 Q1 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 equity method income from other affiliate companies

Income statement summary

(Consolidated)

● Net business profits

- Gross profits decreased mainly due to a decrease in net interest income from domestic loan and deposit, reflecting lower interest rates in domestic market, and a decrease in fee income from sale of investment products. Although fee and net interest incomes in overseas were stable, the translated JPY value decreased due to the appreciation of JPY against the other currencies
- G&A expenses decreased mainly due to the appreciation of JPY against the other currencies
- Net business profits decreased by ¥62.5 bn from FY15 Q1 to ¥354.2 bn

● Total credit costs*1

- Total credit costs recorded ¥55.5 bn mainly due to a decrease in reversal of allowance for doubtful account, and an increase in allowance for credit losses

● Net gains (losses) on equity securities

- Net gains on equity securities decreased mainly due to a decrease in net gains on sales of equity securities, and an increase in losses on write-down of equity securities

● Profits (losses) from investments in affiliates

- Profits from investments in affiliates decreased mainly due to lower profits of Morgan Stanley

● Profits attributable to owners of parent

- As a result, profits attributable to owners of parent decreased by ¥88.8 bn from FY15 Q1 to ¥188.9 bn

| | (¥bn) | FY15 | FY16 Q1 | YoY |
|----|-----------------------------------------------------------|---------|---------|---------|
| 1 | Gross profits (before credit costs for trust accounts) | 4,143.2 | 997.6 | (72.3) |
| 2 | Net interest income | 2,113.5 | 502.0 | (43.2) |
| 3 | Trust fees + Net fees and commissions | 1,437.6 | 327.9 | (5.1) |
| 4 | Net trading profits + Net other operating profits | 592.0 | 167.5 | (23.9) |
| 5 | Net gains (losses) on debt securities | 132.9 | 72.4 | (6.9) |
| 6 | G&A expenses | 2,585.2 | 643.3 | (9.7) |
| 7 | Net business profits | 1,557.9 | 354.2 | (62.5) |
| 8 | Total credit costs*1 | (255.1) | (55.5) | (15.8) |
| 9 | Net gains (losses) on equity securities | 88.3 | 1.7 | (29.9) |
| 10 | Net gains (losses) on sales of equity securities | 113.6 | 18.1 | (19.7) |
| 11 | Losses on write-down of equity securities | (25.3) | (16.4) | (10.1) |
| 12 | Profits (losses) from investments in affiliates | 230.4 | 61.1 | (24.5) |
| 13 | Other non-recurring gains (losses) | (82.0) | (20.7) | (11.2) |
| 14 | Ordinary profits | 1,539.4 | 340.8 | (144.2) |
| 15 | Net extraordinary gains (losses) | (40.7) | (54.9) | (18.0) |
| 16 | Total of income taxes-current and income taxes-deferred | (460.2) | (60.7) | 74.9 |
| 17 | Profits attributable to owners of parent | 951.4 | 188.9 | (88.8) |
| 18 | EPS (¥) | 68.51 | 13.77 | (6.09) |

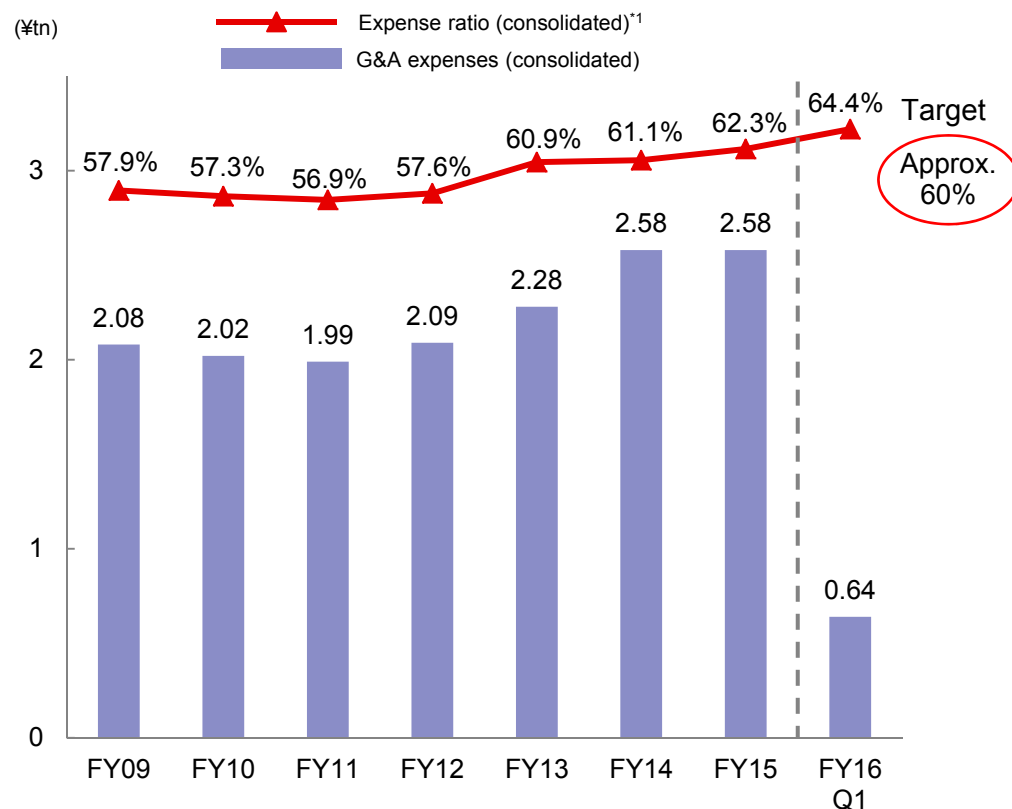
*1 Credit costs for trust accounts + Provision for general allowance for credit losses
+ Credit costs (included in non-recurring gains/losses) + Reversal of allowance for credit losses
+ Reversal of reserve for contingent losses included in credit costs + Gains on loans written-off

Expenses

(Consolidated)

- Consolidated expense ratio for FY16 Q1 was 64.4%, up 3.4ppts from FY15 Q1 principally due to declined gross profits. Total expense amount stayed around previous year's level, although overseas cost excluding JPY appreciation impact continued increasing mainly on the back of increasing compliance cost
- Aiming to achieve approx. 60% target of mid-term business plan, proceed efficient use of the group's management resources and cost control initiatives in order to achieve a steady profit even under the tough operational environment

G&A expenses



Cost control initiatives

Undertaking strategies and action plans steadily to seek productivity improvements and better marginal expense ratio

- Towards the more efficient cost structure in the Americas business, hundreds of productivity improving initiatives are in progress, e.g. integrating duplicated internal functions of MUB and BTMU, deploying self-service branches and reducing outsourcing costs
- Reorganization of BTMU continental European network by transferring its branches and offices gradually under the MUFG Bank (Europe) N.V.*2 for further effective business management
- Sales & Trading business by BTMU and MUS in an integrated manner
- Co-sharing the group's facilities and efficient use of the system and operational infrastructure
- Effective and optimized overall staff deployment for productivity improvements

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

*2 BTMU's 100% owned subsidiary in Holland, formerly named Bank of Tokyo-Mitsubishi UFJ (Holland) N.V.

Expenses

- Human resources planning

- Solid cost reduction by optimal stuff allocation
- Anticipating approx. 3,500 reduction of BTMU's core officers toward Mar 25

Mar 15; 16,700



Mar 25; 13,200 (3,500 reduction)



Note: Simulation based on present data

Balance sheets summary

(Consolidated)

● Loans

- Decreased from end Mar 16 mainly due to a decrease in loans to governmental institutions, in addition to a decrease in the translated JPY value of overseas loans because of the appreciation of JPY against the other currencies

● Investment securities

- Decreased from end Mar 16 mainly due to decreases in Japanese government bonds and foreign bonds

● Deposits

- Almost unchanged. Domestic deposit balance increased, while deposit balance in overseas and others decreased mainly due to the appreciation of JPY against the other currencies

● Non performing loans (“NPLs”)

- NPL ratio increased mainly due to a decrease of total exposure

● Net unrealized gains on available-for-sale securities

- Decreased from end Mar 16 mainly due to a decrease in unrealized gains of domestic equity securities, reflecting a plunge of equity market in FY16 Q1

| | (¥bn) | End Mar 16 | End Jun 16 | Change from end Mar 16 |
|----|----------------------------------------------------------------|------------|------------|------------------------|
| 1 | Total assets | 298,302.8 | 298,193.9 | (108.9) |
| 2 | Loans (banking + trust accounts) | 113,906.8 | 108,609.4 | (5,297.4) |
| 3 | Loans (banking accounts) | 113,756.3 | 108,447.9 | (5,308.3) |
| 4 | Housing loans* ¹ | 15,570.7 | 15,543.3 | (27.4) |
| 5 | Domestic corporate loans* ^{1*2} | 43,804.4 | 43,009.3 | (795.1) |
| 6 | Overseas loans* ³ | 43,045.4 | 40,598.7 | (2,446.7) |
| 7 | Investment securities (banking accounts) | 69,993.8 | 65,528.1 | (4,465.7) |
| 8 | Domestic equity securities | 5,573.5 | 5,170.8 | (402.6) |
| 9 | Japanese government bonds | 28,357.1 | 26,852.5 | (1,504.5) |
| 10 | Foreign bonds | 27,883.7 | 25,676.2 | (2,207.5) |
| 11 | Total liabilities | 280,916.1 | 281,095.6 | 179.5 |
| 12 | Deposits | 160,965.0 | 160,886.5 | (78.4) |
| 13 | Individuals (domestic branches) | 71,068.6 | 71,652.0 | 583.3 |
| 14 | Corporations and others | 52,782.3 | 53,998.6 | 1,216.3 |
| 15 | Overseas and others | 37,114.1 | 35,235.9 | (1,878.2) |
| 16 | Total net assets | 17,386.7 | 17,098.3 | (288.4) |
| 17 | Net unrealized gains (losses) on securities available for sale | 3,485.2 | 3,439.0 | (46.2) |

*1 Non-consolidated + trust accounts

*2 Excluding lending to government and governmental institution

*3 Loans booked in overseas branches, MUAH, KS, BTMU (China), BTMU (Malaysia) and MUFG Bank (Europe)

Loans/Deposits

(Consolidated)

● Loan balance ¥108.6 tn (decreased by ¥5.2 tn from Mar 16)

<Breakdown of change>

- Housing loan (¥0.0 tn)
- Domestic corporate^{*1} (¥0.7 tn)
Of which large corporate (¥0.1 tn)
- Government^{*2} (¥2.1 tn)
- Overseas^{*3} (¥2.4 tn)
Excl. impact of FX conversion rate change +¥1.2 tn

*1 Excluding lending to government and governmental institution

*2 Government and governmental institutions

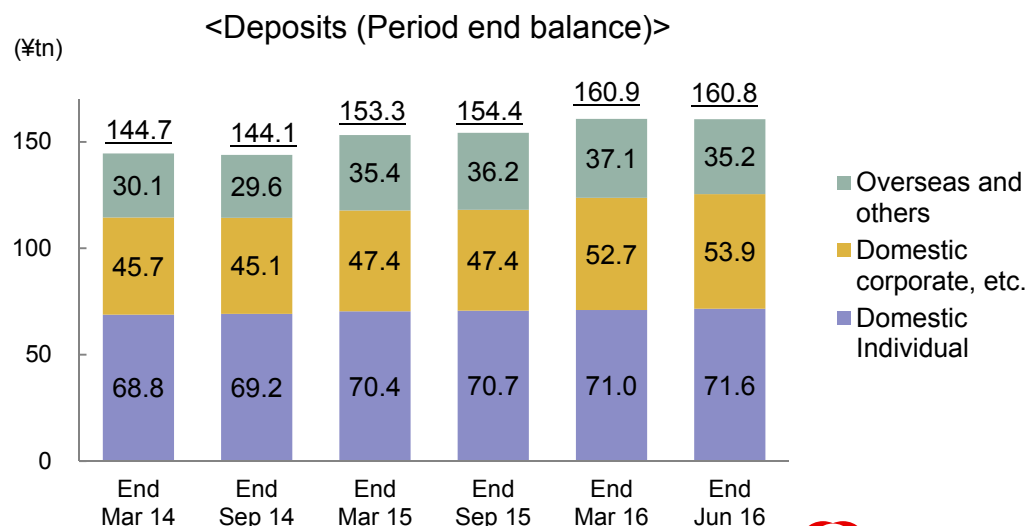
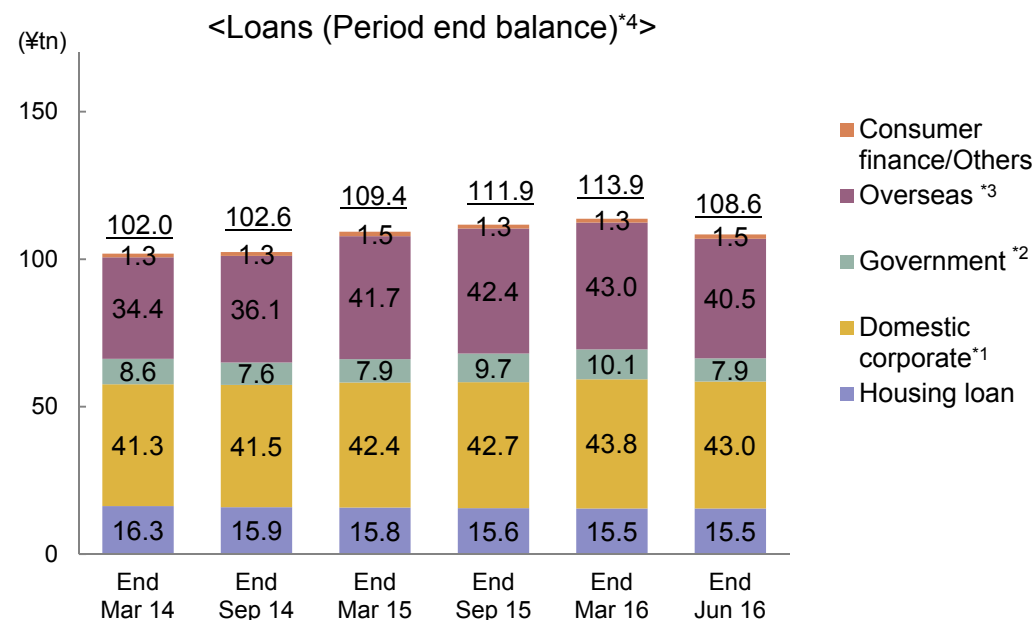
*3 Loans booked in overseas branches, MUAH, KS, BTMU (China), BTMU (Malaysia) and MUFG Bank (Europe)

*4 Sum of banking and trust accounts

● Deposit balance ¥160.8 tn (decreased by ¥0.0 tn from Mar 16)

<Breakdown of change>

- Domestic Individual +¥0.5 tn
- Domestic corporate, etc. +¥1.2 tn
- Overseas and others (¥1.8 tn)
Excl. impact of FX conversion rate change +¥1.5 tn

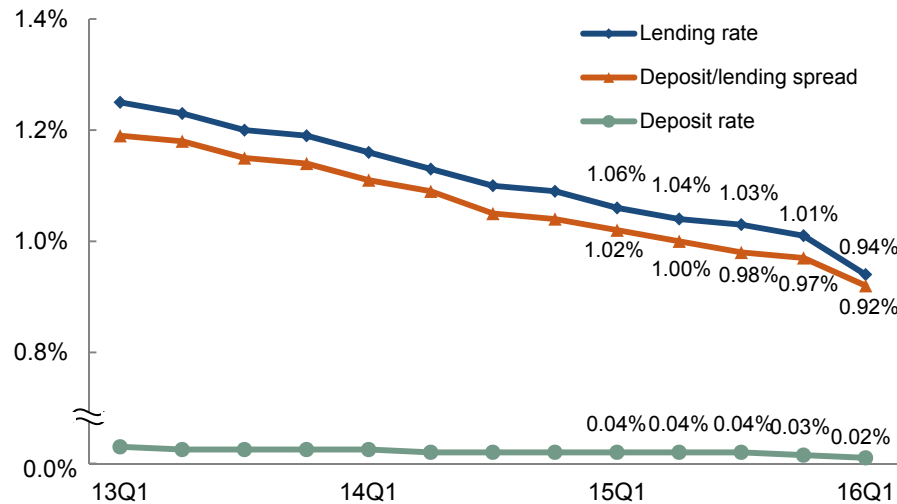


Domestic deposit/lending rates

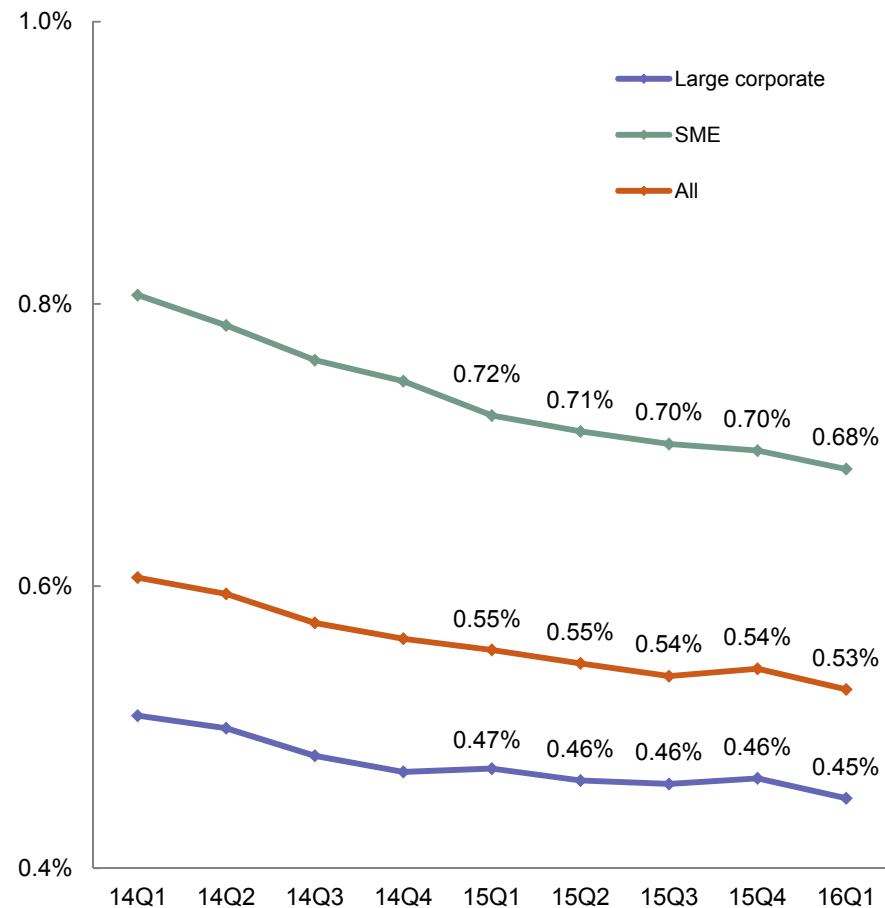
(Non-consolidated)

- Domestic deposit/lending spread excluding loans to government in FY16 Q1 decreased by 0.05 percentage points from FY15 Q4 mainly due to a decline in lending rates, reflecting lower market interest rates

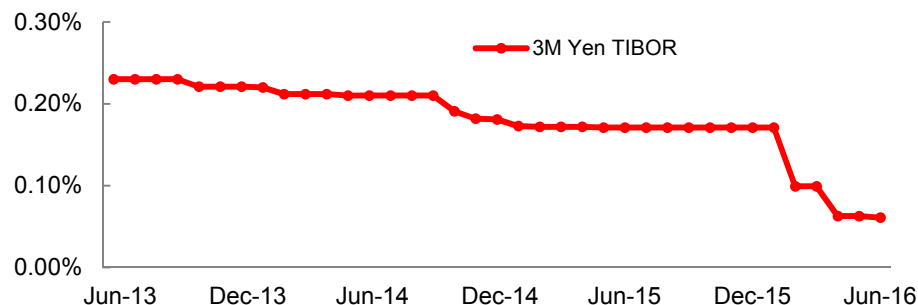
Changes in domestic deposit/lending rates
(Excl. lending to government)



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



(Reference) Market interest rates



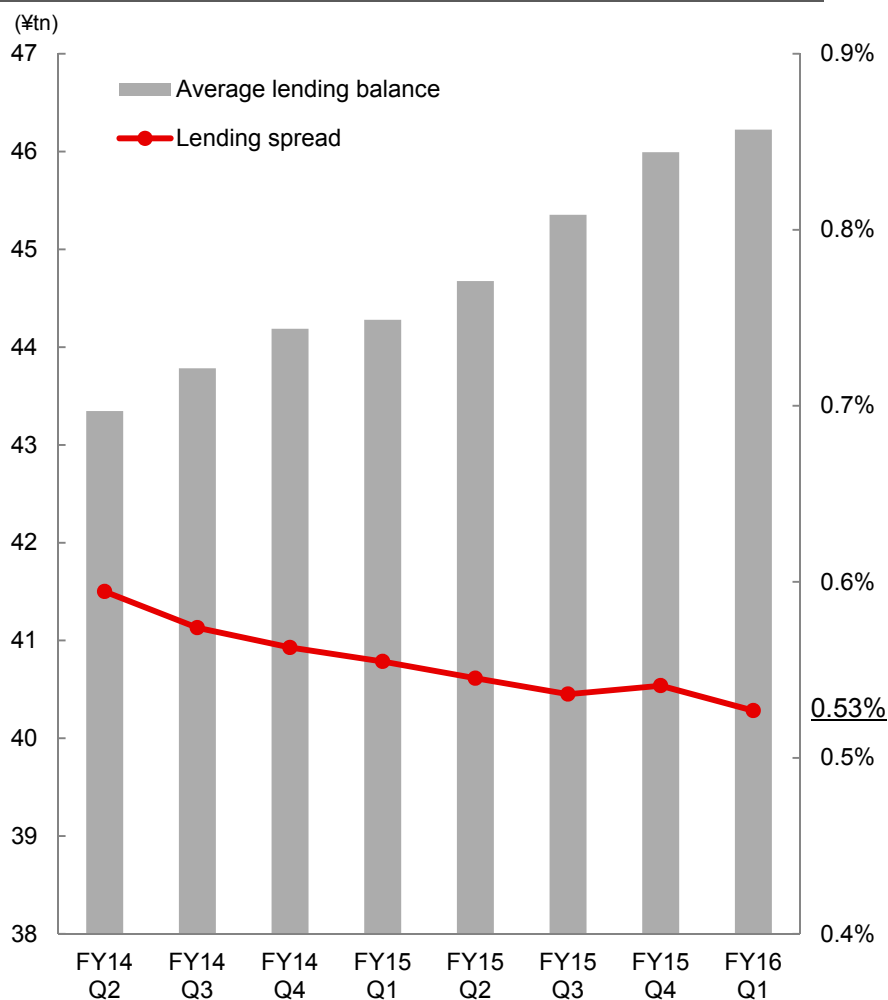
(Month end rate, (Source) Bloomberg)

*1 Managerial accounting basis

Domestic and overseas lending

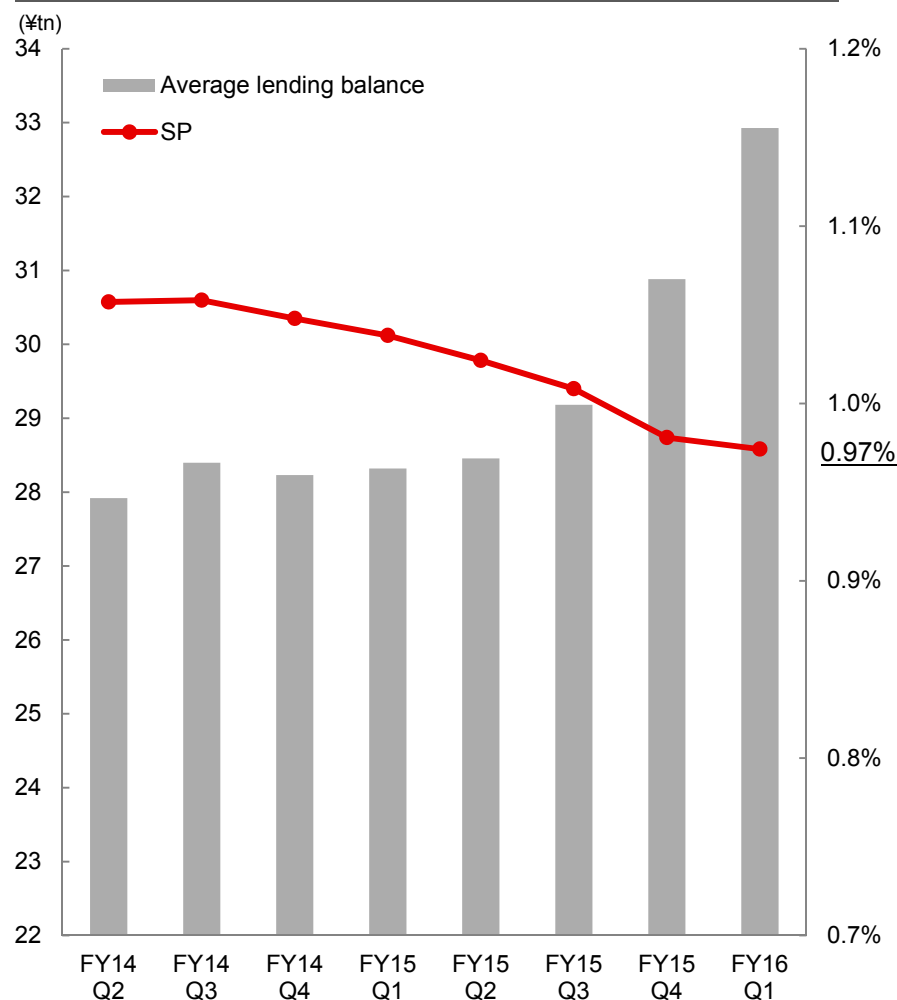
(Consolidated excl. MUAH, KS)

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

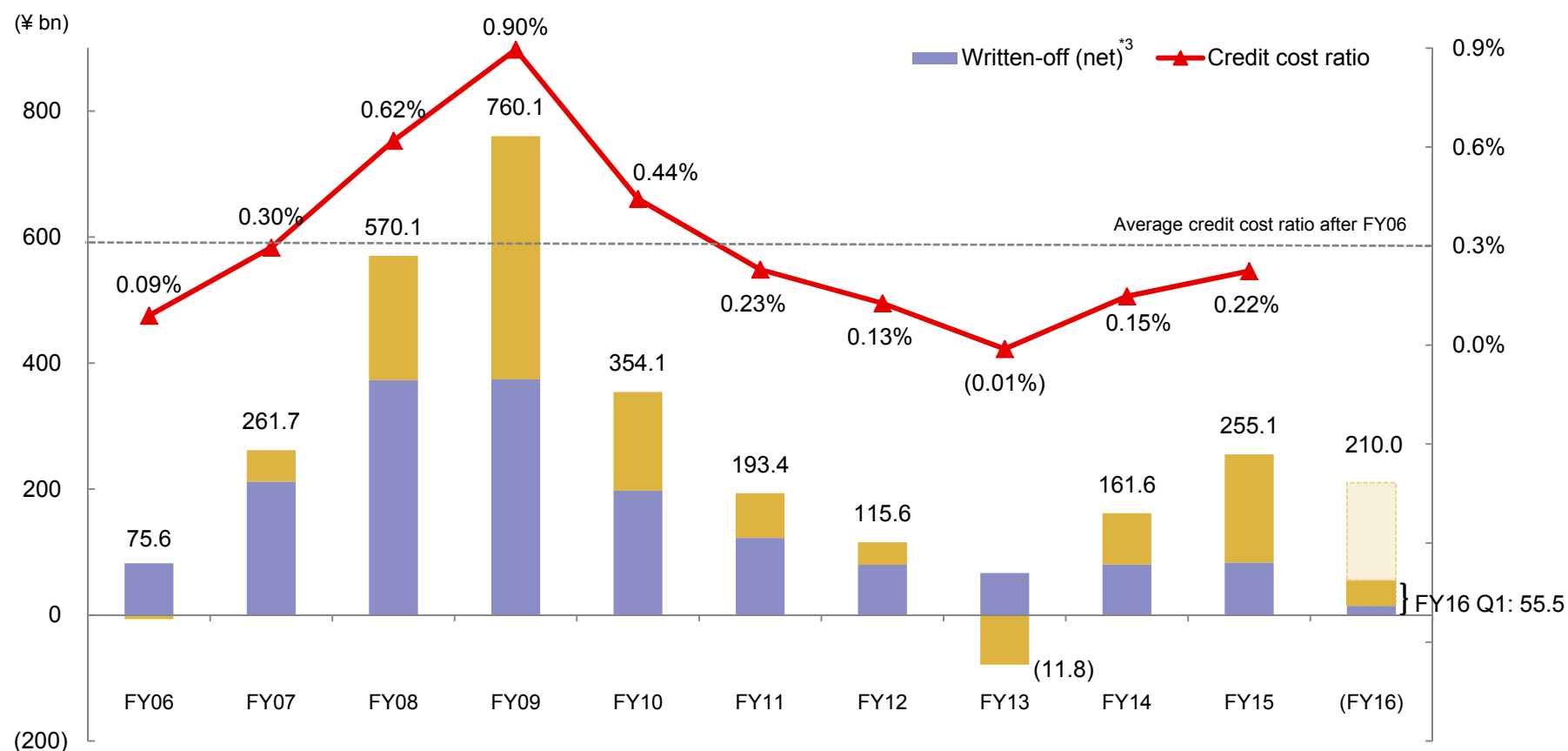
Asset quality

- Historical credit costs

(Consolidated)

- Credit cost ratio (credit cost to loan balance) peaked in FY09 at 0.90% right after Lehman Brothers collapse. Average credit cost ratio after FY06 is around 0.3%
- Credit costs for FY16Q1 was ¥55.5 bn, of which approx. ¥38 bn was attributed to energy and natural resources sector

Total credit costs^{*1} / Credit cost ratio^{*2}



*1 Consolidated. Including gains from write-off. Negative figure represents profits

*2 Total credit costs/ loan balance as of end of each fiscal year

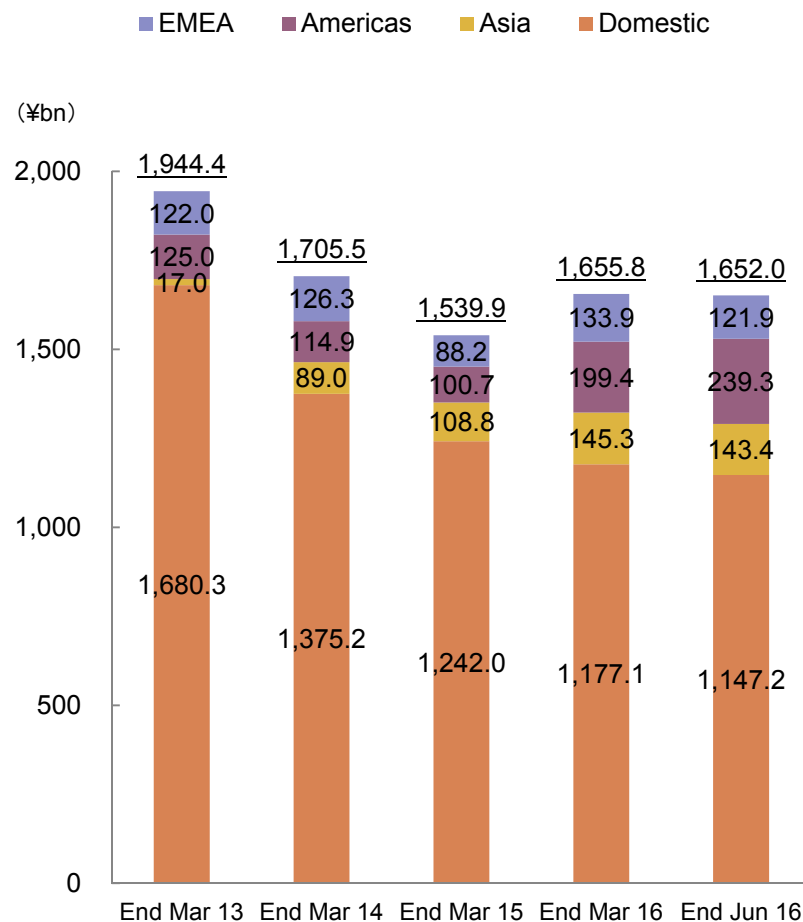
*3 Net amount of write-off gains and write-offs

Asset quality

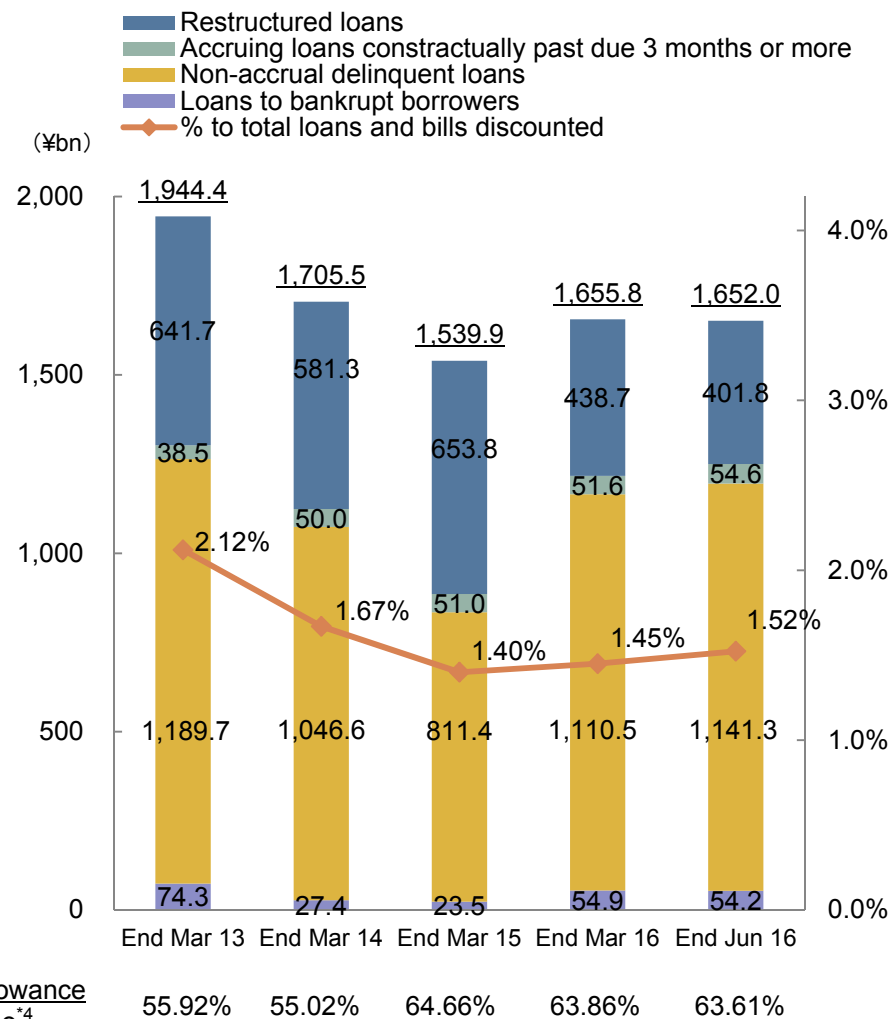
- Non-performing loans*1

(Consolidated)

Risk-monitored loans by region*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

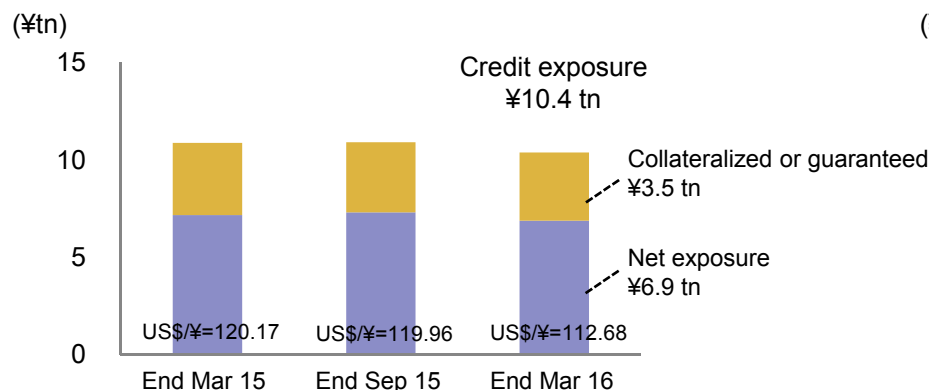
Energy and mining portfolio

- Overview

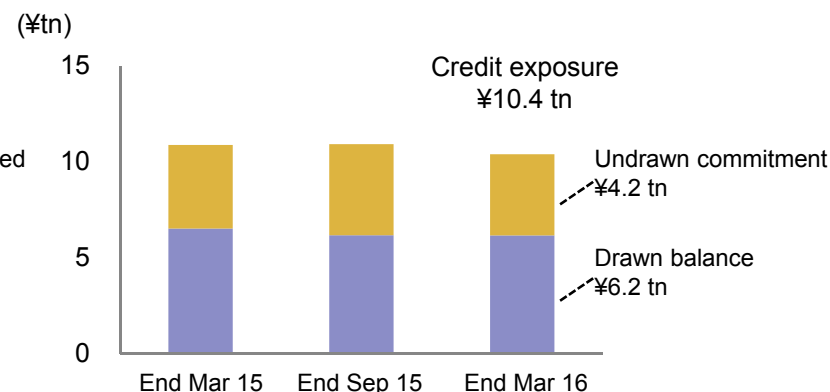
(Consolidated)

- As of end Mar 16, total credit exposure in the energy related sector*¹ was ¥10.4 tn. Net exposure, deducting collateral and guarantee (e.g. ECA), was ¥6.9 tn. Credit exposure toward companies or projects involved with exploration, development and production of oil and gas (“Integrated” and “Upstream”) was ¥4.7 tn
- Credit exposure in Americas was ¥3.8 tn or approx. 37% of overall energy related exposure, which includes ¥0.5 tn of Reserve Based Lending (“RBL”) in MUAH (RBL: Loan collateralized by the value of oil and gas reserves)

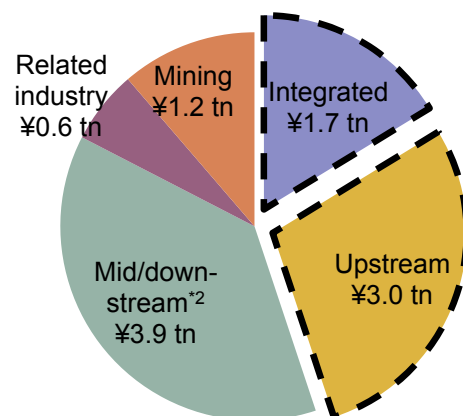
Credit exposure, collateral and guarantee



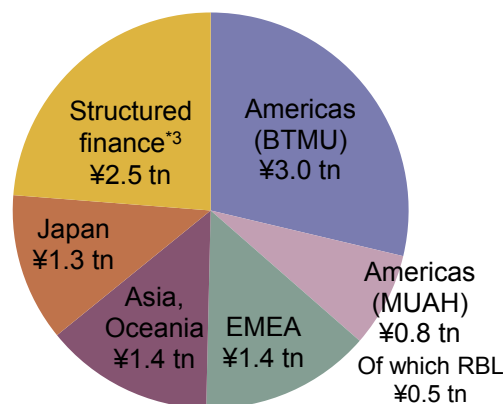
Credit exposure and undrawn commitment



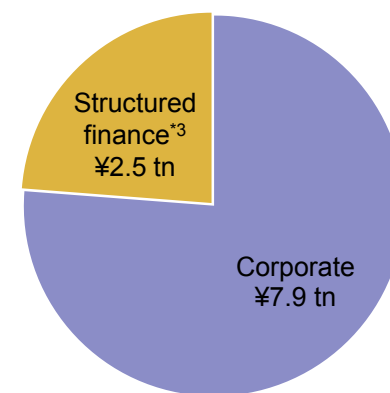
Breakdown by Sector



Breakdown by Region



Breakdown by Structure



*1 Including undrawn commitment and excluding market exposure

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

*2 Storage, transportation, refining, sales and others

*3 Project finance and trade finance

Energy and mining portfolio

- Credit quality (1)

(Consolidated)

Credit exposure and non-performing loans*1 by sector and region

- Credit deterioration has been observed principally in the upstream part of oil & gas related exposure, and in terms of regions, mostly in the Americas

As of end Mar 16

| | | | | | | | | (¥ bn) |
|--------------------------------------------|-------------------|-------|--------------------|--------------------|------|--------------|-------|-----------------------|
| | | Total | Americas (BTMU) | Americas (MUAH) | EMEA | Asia/Oceania | Japan | Structured finance |
| Integrated | | | | | | | | |
| 1 | Credit exposure | 1,690 | 523 | 0 | 542 | 626 | 0 | 0 |
| 2 | Loans outstanding | 1,011 | 274 | 0 | 246 | 491 | 0 | 0 |
| 3 | NPLs*1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Upstream | | | | | | | | |
| 4 | Credit exposure | 2,984 | 637 | 683 | 201 | 192 | 138 | 1,133 |
| 5 | Loans outstanding | 1,591 | 97 | 347 | 34 | 136 | 121 | 855 |
| 6 | NPLs*1 | 99 | A 15 | 62 | 0 | 0 | 0 | B 22 |
| Mid/downstream and related industry | | | | | | | | |
| 7 | Credit exposure | 4,555 | 1,353 | 120 | 331 | 437 | 1,118 | 1,195 |
| 8 | Loans outstanding | 2,271 | 258 | 30 | 106 | 380 | 657 | 840 |
| 9 | NPLs*1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| Mining | | | | | | | | |
| 10 | Credit exposure | 1,175 | 478 | 0 | 373 | 180 | 0 | 143 |
| 11 | Loans outstanding | 613 | 283 | 0 | 123 | 95 | 0 | 113 |
| 12 | NPLs*1 | 20 | 0 | 0 | 0 | C 15 | 0 | D 6 |

*1 Subject to the relevant criteria applying to each subsidiary. For example, risk-monitored loans based on Japanese Banking Act
 Note: All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary

Energy and mining portfolio - Credit quality (2)

(Consolidated)

Credit exposure, collateral and allowance in the sectors and regions with higher NPL^{*1} ratio

- Total NPL amount is approx. ¥120 bn, of which 90% are covered with collateral, guarantee or allowance

| | | Upstream | | | Mining | | |
|---|------------------------------------------------|-------------------|-----------------|----------------------|----------------|----------------------|--------------------------------------|
| | | A Americas (BTMU) | Americas (MUAH) | B Structured finance | C Asia/Oceania | D Structured finance | |
| 1 | Credit exposure (1) | 637 | 683 | 1,133 | 180 | 143 | |
| 2 | Collateralized or guaranteed (2) | 121 | 540 | 408 | 44 | 46 | |
| 3 | Uncollateralized or unguaranteed (3) = (1)-(2) | 517 | 144 | 725 | 136 | 98 | |
| 4 | NPLs ^{*1} (4) | 15 | 62 | 22 | 15 | 6 | Total NPLs ^{*1} 120 |
| 5 | Collateralized or guaranteed (5) | 0 | 42 | 19 | 0 | 0 | |
| 6 | Allowance (6) | 8 | 20 | 3 | 11 | 3 | Total NPLs ^{*1} (net) 14 |
| 7 | NPLs ^{*1} (net) (7) = (4)-(5)-(6) | 7 | 0 | 0 | 4 | 3 | |

RBL (Reserve Based Lending) held by MUAH

- Most of the MUAH's loans to oil & gas companies involved in exploration, development and production are RBLs where loans are collateralized by the value of such companies' reserves. Borrower locations are US and Canada
- RBL, being collateralized by the reserves whose values are regularly re-evaluated in light of the oil/gas price, is exposed to the volatility in such collateral value
- MUAH has an established track record in RBL lending business, with over 30 years of experience. The engineers with long term experience in the multinational oil & gas major firms conduct the evaluation of collateral reserves based on their professional expertise

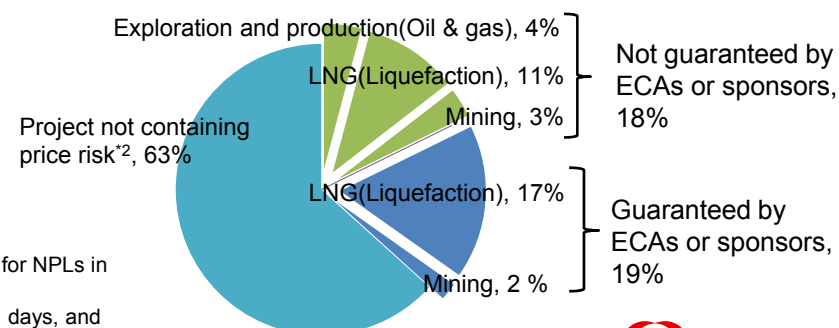
*1 NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria.

*2 Projects whose revenues are determined based on the oil/gas process volume or facility operational days, and hence are not exposed to the commodity price risk(e.g., LNG ship).

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

Project Finance Portfolio Analysis

- MUFG's project finance credit exposure in natural resource sector is ¥2.4 tn, of which 37% contains commodity price risk
- However, the percentage of credit exposures which contains commodity price risk but is not guaranteed by ECAs or sponsors is limited to only 18%



Energy and mining portfolio

- Credit quality (3)

(Consolidated)

Analysis based on IRBA*1

- Over 60% of total exposures is graded 1-5, which is equivalent to investment grade based on PD

(¥ bn)

| | Category of borrowers | Internal rating grade | As of end Mar 15 | | As of end Mar 16 | |
|---|----------------------------------|-----------------------|------------------|------------|------------------|------------|
| | | | Exposure | % to total | Exposure | % to total |
| 1 | Normal | 1-3 | 5,528 | 51% | 4,612 | 44% |
| 2 | | 4-5 | 2,404 | 22% | 1,889 | 18% |
| 3 | | 6-7 | 1,706 | 16% | 2,129 | 21% |
| 4 | | 8-9 | 1,031 | 9% | 973 | 9% |
| 5 | Requiring caution | 10-11 | 210 | 2% | 679 | 7% |
| 6 | Potentially bankrupt to Bankrupt | 12-15 | 3 | 0% | 122 | 1% |
| 7 | Total | | 10,882 | 100% | 10,403 | 100% |

Over 60% of total exposure is equivalent to investment grade

Of which ¥4.2 tn is undrawn commitment and its 72% is equivalent to investment grade

*1 Internal rating based approach

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

(Reference) Corporate credit exposure

(Consolidated)

Corporate credit exposure analysis based on IRBA*1

- The following table provides global EAD*2 portfolio by internal rating
- Over 70% of total exposure is categorized in grade 1-5, which is equivalent to investment grade based on PD

As of end Mar 16

(¥ bn)

| | Category of borrowers | Internal rating grade | EAD*2 | % to total EAD | PD (weighted average) | LGD (weighted average) |
|---|----------------------------------|-----------------------|--------|----------------|--------------------------|---------------------------|
| 1 | Normal | 1-3 | 48,609 | 49% | 0.07% | 36.02% |
| 2 | | 4-5 | 23,597 | 24% | 0.15% | 33.27% |
| 3 | | 6-7 | 10,597 | 11% | 0.56% | 29.56% |
| 4 | | 8-9 | 11,348 | 12% | 2.02% | 27.94% |
| 5 | Requiring caution | 10-11 | 3,145 | 3% | 9.51% | 22.71% |
| 6 | Potentially bankrupt to Bankrupt | 12-15 | 1,396 | 1% | 100.00% | 37.71% |
| 7 | Total | | 98,692 | 100% | 2.08% | 33.34% |

70% of total EAD
is equivalent to
investment grade

*1 Internal rating based approach

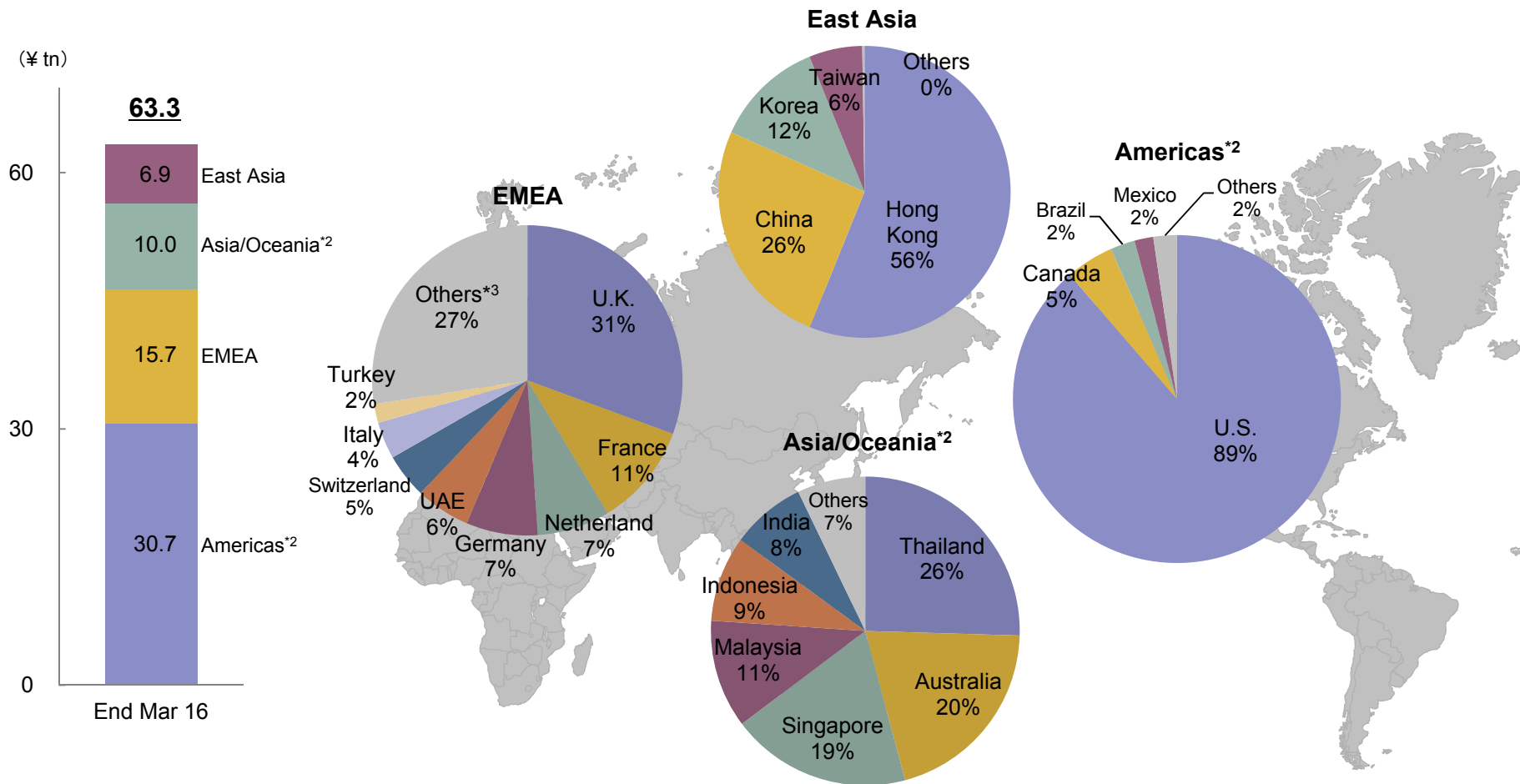
*2 Exposure at default. Including market risk and exposure to project finance. Not including exposures to governmental organization nor exposure held by MUAH and KS

Note: All figures are preliminary and on managerial accounting basis

(Reference) Overseas corporate credit exposure

(Consolidated)

Credit exposure*1 to overseas corporate by region



*1 Including exposure in project finance. Excluding market risk exposure. Exchange rate applied is ¥112.68/US\$

*2 Americas and Asia/Oceania include MUAH's exposure and KS's exposure as of end Mar 16 respectively

*3 Others are comprised of over 50 countries to which MUFG held less than 2% exposure of its regional total

Note: All figures are on managerial accounting basis

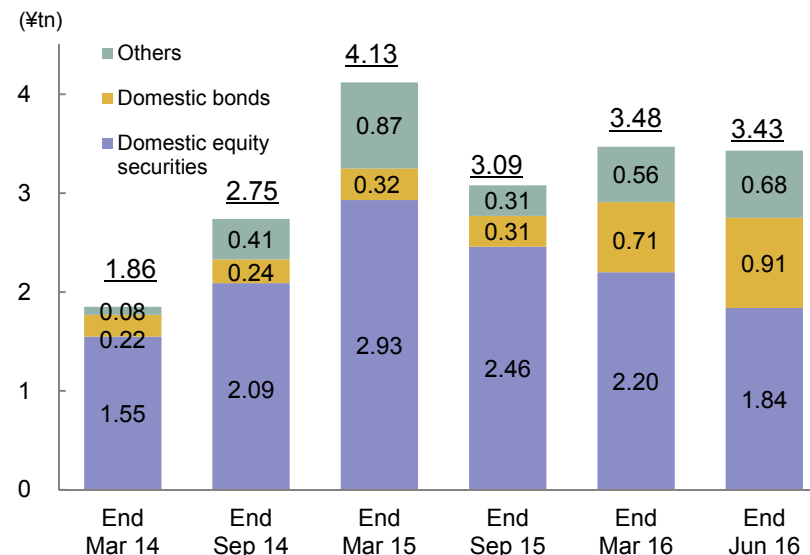
Investment securities

(Consolidated/Non-consolidated)

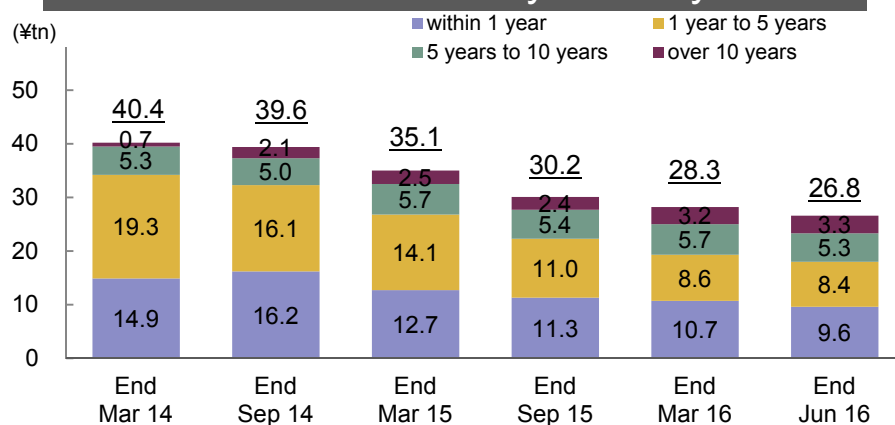
Securities available for sale with fair value

| | | Balance | | Unrealized gains (losses) | |
|-------|----------------------------|------------|------------------------|---------------------------|------------------------|
| | | End Jun 16 | Change from End Mar 16 | End Jun 16 | Change from End Mar 16 |
| (¥bn) | | | | | |
| 1 | Total | 61,114.6 | (4,403.8) | 3,439.0 | (46.2) |
| 2 | Domestic equity securities | 4,472.7 | (400.4) | 1,848.7 | (356.6) |
| 3 | Domestic bonds | 29,140.6 | (1,181.8) | 910.0 | 191.7 |
| 4 | Japanese government bonds | 25,751.4 | (1,504.5) | 807.8 | 175.9 |
| 5 | Others | 27,501.2 | (2,821.5) | 680.2 | 118.5 |
| 6 | Foreign equity securities | 138.2 | (10.7) | 11.4 | (12.3) |
| 7 | Foreign bonds | 24,473.4 | (2,176.9) | 669.9 | 159.0 |
| 8 | Others | 2,889.4 | (633.7) | (1.2) | (28.0) |

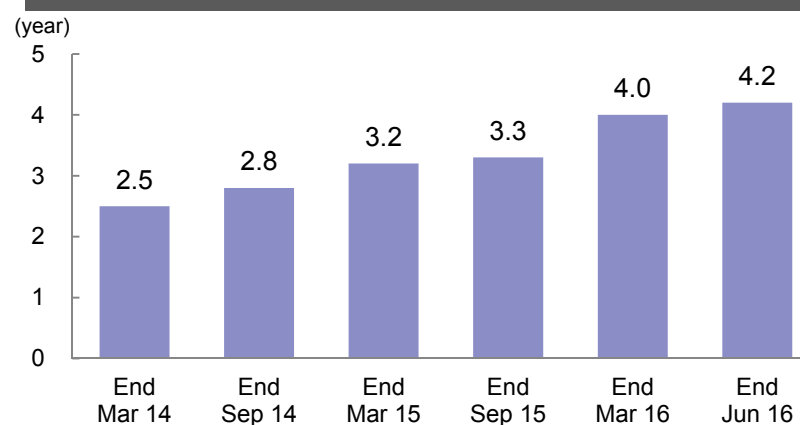
Unrealized gains (losses) on securities available for sale



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^{*1} : 12.5%
- Excluding impact of net unrealized gains (losses) on securities available for sale : 10.2%

● Risk weighted asset (Down ¥5.7 tn from Mar 16)

- Risk weighted asset decreased due to a decrease in transitional floor, in addition to a decrease in credit risk because of the appreciation of JPY

● Leverage ratio

- Transitional basis : 4.79%

| | | End Mar 16 | End Jun 16 | Change |
|-------|-------------------------------------------------------------------------------------------|------------|------------|-----------|
| (¥bn) | | | | |
| 1 | Common Equity Tier1 ratio | 11.63% | 12.12% | 0.48% |
| 2 | Tier1 ratio | 13.24% | 13.69% | 0.45% |
| 3 | Total capital ratio | 16.01% | 16.63% | 0.62% |
| 4 | Common Equity Tier1 capital | 13,039.8 | 12,901.4 | (138.3) |
| 5 | Retained earnings | 8,587.5 | 8,665.2 | 77.6 |
| 6 | Accumulated other comprehensive income | 2,161.2 | 2,020.1 | (141.1) |
| 7 | Regulatory Adjustment (Goodwill, etc.) | (1,100.4) | (1,188.7) | (88.2) |
| 8 | Additional Tier1 capital | 1,799.4 | 1,676.0 | (123.3) |
| 9 | Eligible Tier1 capital instruments subject to transitional arrangements included in AT1 | 994.5 | 994.5 | - |
| 10 | Qualifying Tier1 capital instruments | 550.0 | 550.0 | - |
| 11 | Foreign currency translation adjustments | 316.5 | 183.5 | (132.9) |
| 12 | Tier1 capital | 14,839.2 | 14,577.5 | (261.7) |
| 13 | Tier2 capital | 3,102.5 | 3,128.7 | 26.2 |
| 14 | Eligible Tier2 capital instruments subject to transitional arrangements included in Tier2 | 1,589.9 | 1,589.9 | - |
| 15 | Qualifying Tier2 capital instruments | 470.6 | 505.0 | 34.4 |
| 16 | Amounts equivalent to 45% of unrealized gains on other securities | 633.8 | 631.3 | (2.4) |
| 17 | Total capital (Tier1+Tier2) | 17,941.8 | 17,706.2 | (235.5) |
| 18 | Risk weighted asset | 112,064.3 | 106,441.8 | (5,622.5) |
| 19 | Credit risk | 95,372.3 | 91,575.3 | (3,797.0) |
| 20 | Market risk | 2,198.7 | 2,669.6 | 470.9 |
| 21 | Operational risk | 6,581.1 | 6,598.8 | 17.6 |
| 22 | Transitional floor | 7,912.1 | 5,597.9 | (2,314.1) |

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

Financial results of Mitsubishi UFJ Securities Holdings (MUSHD)

- Commission received and net trading income decreased in FY16 Q1 compared to the same period of last FY. Business performance was recovering in overseas, but sluggish in domestic due to lower customer flow on the back of JPY appreciation. Decline in net income was limited thanks to increased profits from equity in earnings of affiliates

Results of MUSHD

| (¥bn) | | FY15 | FY16Q1 | YoY |
|-------|------------------------------------------|-------|--------|--------|
| 1 | Net operating revenue* ¹ | 437.7 | 87.5 | (50.2) |
| 2 | Commission received | 226.1 | 39.6 | (29.4) |
| 3 | To consignees | 46.6 | 8.8 | (4.6) |
| 4 | Underwriting, etc. | 54.1 | 10.1 | (5.3) |
| 5 | Offering, etc. | 49.7 | 7.6 | (10.4) |
| 6 | Other fees received | 75.5 | 13.0 | (8.9) |
| 7 | Net trading income | 178.7 | 42.5 | (16.8) |
| 8 | Stocks | 37.5 | (14.1) | (31.1) |
| 9 | Bonds, other | 141.1 | 56.6 | 14.2 |
| 10 | G&A expenses | 357.0 | 78.4 | (24.8) |
| 11 | Transaction expenses | 122.5 | 23.1 | (13.2) |
| 12 | Operating income | 80.6 | 9.1 | (25.4) |
| 13 | Non-operating income | 27.1 | 12.4 | 6.6 |
| 14 | Equity in earnings of affiliates | 19.5 | 9.8 | 6.2 |
| 15 | Ordinary income | 107.8 | 21.5 | (18.7) |
| 16 | Net income | 70.6 | 19.4 | (6.1) |
| 17 | Profits attributable to owners of parent | 43.2 | 14.8 | (2.8) |

Results of MUMSS*²

| (¥bn) | | FY15 | FY16Q1 | YoY |
|-------|------------------------------------------|-------|--------|--------|
| 1 | Net operating revenue* ¹ | 331.4 | 61.8 | (37.6) |
| 2 | G&A expenses | 252.4 | 56.2 | (11.7) |
| 3 | Operating income | 79.0 | 5.6 | (25.9) |
| 4 | Ordinary income | 80.1 | 5.8 | (25.7) |
| 5 | Profits attributable to owners of parent | 51.8 | 3.5 | (17.2) |

Net operating revenue of domestic securities firms

| Rank | Security firm(s) | Amount (¥bn) |
|------|------------------------------------------------------------|--------------------------|
| 1 | Nomura Securities | 145.0 |
| 2 | MUMSS*² (incl. MUMSPB) + MSMS + kabu.com | 93.0*³ |
| 3 | Daiwa Securities | 76.3 |
| 4 | Mizuho Securities | 71.5 |
| 5 | SMBC Nikko Securities | 70.5 |

(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

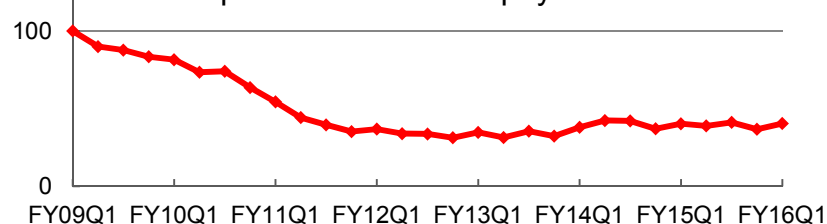
Financial results of MUN/ACOM

- MUN: Though Q1 operating revenue increased from the same period of last FY, profits attributable to owners of parent decreased mainly due to an increase in G&A expenses, mostly for business infrastructure investment and system integration expense
- ACOM: Guaranteed receivables business and unsecured consumer loans business grew steadily

Results of MUN

| (¥bn) | | FY15 | FY16Q1 | YoY |
|-------|------------------------------------------|--------|--------|-------|
| 1 | Operating revenue | 270.1 | 67.3 | 1.3 |
| 2 | Card shopping | 183.1 | 46.1 | 0.9 |
| 3 | Card cashing | 27.7 | 6.4 | (0.9) |
| 4 | Finance | 6.4 | 1.4 | (0.3) |
| 5 | Operating expenses | 288.3 | 66.4 | 2.1 |
| 6 | G&A expenses | 246.7 | 63.1 | 1.6 |
| 7 | Credit related costs | 10.6 | 3.3 | 0.4 |
| 8 | Repayment expenses | 30.9 | - | - |
| 9 | Operating income | (18.1) | 0.8 | (0.7) |
| 10 | Ordinary income | (17.4) | 0.9 | (0.7) |
| 11 | Profits attributable to owners of parent | (40.9) | 1.0 | (0.5) |
| 12 | Interest repayment*1 | 20.0 | 4.9 | 0.2 |

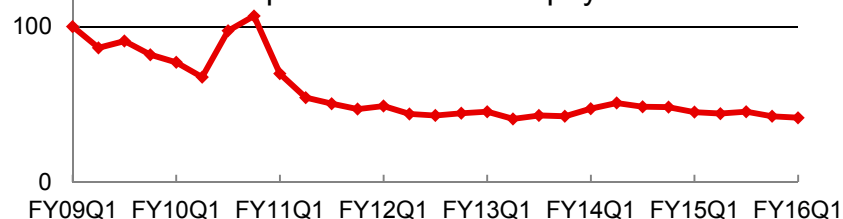
<Requests for interest repayment*3>



Results of ACOM

| (¥bn) | | FY15 | FY16Q1 | YoY |
|-------|---------------------------------------------|-------|---------|-------|
| 1 | Operating revenue | 237.6 | 59.8 | 1.2 |
| 2 | Operating expenses | 222.1 | 41.3 | 1.3 |
| 3 | G&A expenses | 88.1 | 21.6 | (0.1) |
| 4 | Provision for bad debts | 60.0 | 15.9 | 2.5 |
| 5 | Provision for loss on interest repayment | 56.6 | 0 | 0 |
| 6 | Operating income | 15.5 | 18.4 | (0.1) |
| 7 | Profits attributable to owners of parent | 14.5 | 17.2 | 0.2 |
| 8 | Guaranteed receivables | 987.5 | 1,021.9 | 131.8 |
| 9 | Unsecured consumer loans (Non-consolidated) | 758.2 | 766.1 | 22.7 |
| 10 | Share of loans*2 | 32.6% | - | - |
| 11 | Interest repayment*1 | 69.2 | 17.8 | 2.0 |

<Requests for interest repayment*3>



*1 Including waiver of repayment

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

*3 Requests for interest repayment in FY09Q1 = 100

Financial results of Morgan Stanley and major collaborations

- Morgan Stanley's FY16H1 net income declined from FY15H1 which was a historical high in recent years. MS continues to control expenses
- To provide exceptional products and services to its clients, MUFG intends to explore new areas for collaboration with MS to further deepen the alliance

Results of Morgan Stanley

| (US\$mm) | | FY15 | FY16 | |
|----------|------------------------------------------------|--------|--------|-------------------|
| | | | H1 | YoY ^{*2} |
| 1 | Net revenue ^{*1} | 35,155 | 16,701 | (2,642) |
| 2 | Non-interest expenses | 26,660 | 12,480 | (1,588) |
| 3 | Income from continuing operations before taxes | 8,495 | 4,221 | (1,054) |
| 4 | Net income applicable to MS | 6,127 | 2,716 | (1,286) |
| 5 | Earnings applicable to MS common Shareholders | 5,671 | 2,481 | (1,299) |
| 6 | ROE ^{*2} | 8.5% | 7.2% | (4.1ppt) |

*1 Includes DVA impact of +US\$618mm for FY15

*2 Excludes DVA impact for FY15H1 numbers to calculate YoY

| M&A advisory (cross-border deals) | | | (Apr 15 – Mar 16) | |
|-----------------------------------|---------------|-----------|-------------------|-------------|
| Rank | FA | # | Amount (¥bn) | Share (%) |
| 1 | MUMSS | 38 | 5,616.7 | 44.9 |
| 2 | Goldman Sachs | 13 | 3,609.7 | 28.9 |
| 3 | Rothschild | 9 | 3,245.1 | 25.9 |
| 4 | Citi | 9 | 3,225.8 | 25.8 |
| 5 | SMFG | 20 | 3,095.4 | 24.7 |

Any Japanese involvement announced

(Source) Thomson Reuters

Major domestic collaborations

- Three concurrent IPOs of Japan Post Group companies
 - MUMSS acted as JGC and MUMSS/MS acted as Joint Bookrunner for approx. ¥1.4trillion global IPO of three Japan Post group companies
- 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 StanCorp Financial Group by Meiji Yasuda Life Insurance
 - MUMSS acted as sole FA for Meiji Yasuda in its approx. \$5.0 bn cash acquisition of StanCorp

| Equity underwriting | | | (Apr 15 – Mar 16) | |
|---------------------|--------------|-----------|-------------------|-------------|
| Rank | Bookrunner | # | Amount (¥bn) | Share (%) |
| 1 | Nomura | 121 | 1,677.7 | 32.7 |
| 2 | MUMSS | 90 | 799.9 | 15.6 |
| 3 | Mizuho | 159 | 742.9 | 14.5 |
| 4 | SMBC Nikko | 176 | 679.6 | 13.2 |
| 5 | Daiwa | 118 | 517.4 | 10.1 |

(Source) Thomson Reuters

FY2016 financial target

- FY16 consolidated target of profits attributable to owners of parent is at ¥850.0 bn

(¥bn)

<Financial target, etc.>

<Results>

[MUFG Consolidated]

| | | FY16 | |
|---|------------------------------------------|---------|-----------|
| | | Interim | Full year |
| 1 | Total credit costs | (110.0) | (210.0) |
| 2 | Ordinary profits | 610.0 | 1,320.0 |
| 3 | Profits attributable to owners of parent | 360.0 | 850.0 |

| | | FY15 | |
|--|--|---------|-----------|
| | | Interim | Full year |
| | | (31.0) | (255.1) |
| | | 969.9 | 1,539.4 |
| | | 599.3 | 951.4 |

(BTMU : for reference)

| | | | |
|---|----------------------|--------|--------|
| 4 | Net business profits | 320.0 | 670.0 |
| 5 | Total credit costs | (20.0) | (40.0) |
| 6 | Ordinary profits | 290.0 | 600.0 |
| 7 | Net income | 210.0 | 430.0 |

| | | | |
|--|--|-------|---------|
| | | 480.4 | 888.1 |
| | | 21.2 | (103.4) |
| | | 538.3 | 863.7 |
| | | 379.6 | 586.0 |

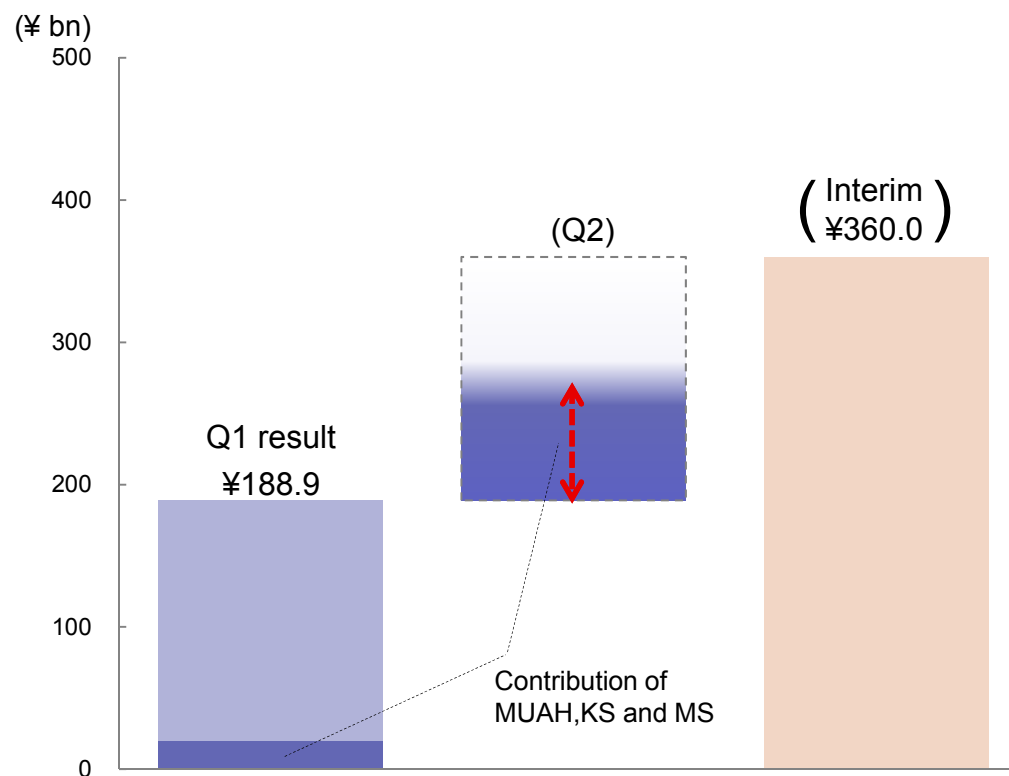
(MUTB : for reference)

| | | | |
|----|----------------------|-------|--------|
| 8 | Net business profits | 80.0 | 170.0 |
| 9 | Total credit costs | (5.0) | (10.0) |
| 10 | Ordinary profits | 75.0 | 165.0 |
| 11 | Net income | 55.0 | 120.0 |

| | | | |
|--|--|------|-------|
| | | 95.6 | 193.0 |
| | | 1.3 | (0.2) |
| | | 99.5 | 206.5 |
| | | 70.3 | 159.9 |

Progress toward FY16 profit target

- ¥360 bn is a profit guidance level at an interim point towards ¥850 bn of MUFG's full-year net profit target (profits attributable to owners of parent)
- MUAH, KS and MS posted solid profits for their Q2 (Apr-Jun 16), assuming a certain level of contribution to MUFG group consolidated profit



Notes) All figures are calculated on the basis of estimation and managerial accounting.
Q2 (Apr-Jun 16) of MUAH, KS, and MS results are consolidated to MUFG Q2 (Jul-Sep 16).
Including cancellation of the amount of inter-group dividend receipts and equity method income from other affiliate companies

Growth strategy

Key initiatives for FY16 following changes in the business environment

Changes in the business environment

| | |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Topline profit | <ul style="list-style-type: none"> ✓ Negative interest rate policy, market downturn ✓ Asian economic slowdown, natural resource price decline ✓ Lower commercial and money flow |
| Operational cost | <ul style="list-style-type: none"> ✓ Increasing global compliance cost |
| Credit cost | <ul style="list-style-type: none"> ✓ Increased credit risk in overseas lending and energy sector ✓ Move in credit cycle |
| US\$ funding cost | <ul style="list-style-type: none"> ✓ Rise in market volatility |

(Ref. Market assumptions*1 in FY16)

| | | FY16 plan (2 nd yr of MTBP) | Mid-term business plan |
|--------------------------|---------|-------------------------------------------|---------------------------|
| Policy rate | Japan*2 | (0.1%) | 0.1% |
| | U.S. | 0.69% | 1.25% |
| 10yr gov't yield | Japan | 0.26% | 0.9% |
| | U.S. | 2.54% | 3.1% |
| US\$/¥ FX rate outlook*3 | | 110 | 115 |

WTI price assumed in FY16 credit cost plan : Approx. US\$35

Key Initiatives for FY16

Accelerated basic policy and strategies of the mid-term business plan
~Customer perspective, Group-driven approach, Productivity improvements~

- Strengthen evolution and reformation to achieve sustainable growth for MUFG
 - ✓ Continue our steady progress toward “Be the world’s most trusted financial group” by strengthening our initiatives in our mid-term business plan, while responding proactively to changes in the business environment
- Undertake strategies and action plans to seek productivity improvements
 - ✓ Maintain our stable profits under challenging business environment by controlling risk weighted assets including reducing our equity securities holdings for strategic purpose, fostering an organization and the human resources and promoting cost efficiency plans
- Expand new business areas and customer segments under the negative interest rate
 - ✓ Expand new business areas and customer segments by facilitating the seamless provision of products and services on a Group-wide and global basis while refining and leveraging the unique benefits of MUFG that competitors cannot imitate

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

*1 Figures for Japan and U.S. are on fiscal and calendar year basis, respectively. Policy rate is avg. of month-end figures for the year and 10yr gov't yield is avg. rate for the whole year

*2 Rate applied to the Policy-Rate Balance

*3 US\$/¥ FX rate used for planning by business segments : 115

BoJ negative interest rate policy

Initiatives facing negative interest rate policy

<Retail banking business>

- Capture the diversified investment needs of customers under the low interest rate market with the wider range of products, enhance the group's product distribution structure and promote shifts from savings to investment
- Promote foreign currency deposits to receive the higher customers' interests in non-JPY investment
- From ALM point of view, capture growing customer needs for housing and apartment loans on the back of lowered rates

<Domestic corporate banking business>

- Provide sophisticated solutions to various business issues of domestic large corporations and SMEs
- Enhance fee incomes by promoting deal-creating business model fully leveraging MUFG's global network and solution capabilities

<Trust assets business>

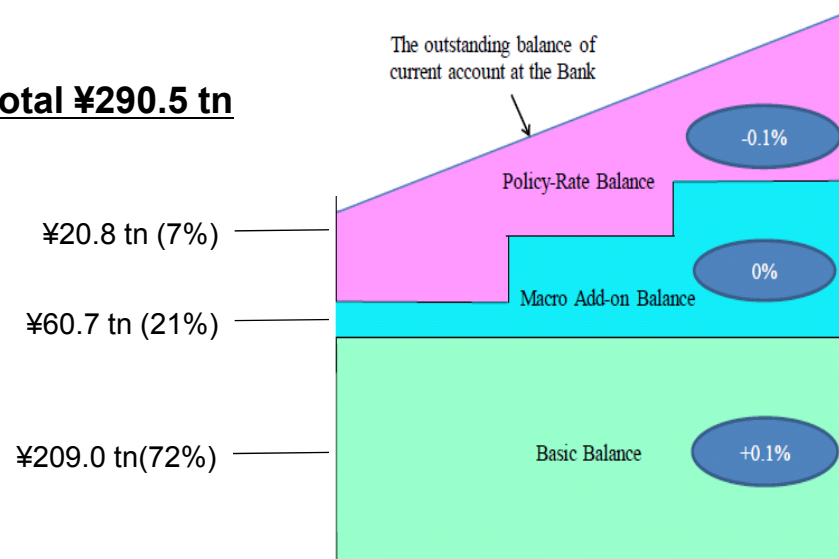
- Proceed sales promotion of JGB substitutional products and alternative investment product to DB pension customers
- Focus on promoting shifts from savings to investment through investment education to DC pension customers
- Promote investment trust product strategies in both active (e.g. REIT) and conservative (e.g. yen-deposit alternative products) ways referring to European market who experienced negative interest rate market before

Large deposits

- Charges may apply mainly to overseas financial institution customers who add more cash balance to their yen account than a certain level of threshold amount
- Promote enhanced profitability management to the corporate customers through monitoring deposit balance movement

Monthly avg. bal. of the total BoJ's current account 16Jul-15Aug

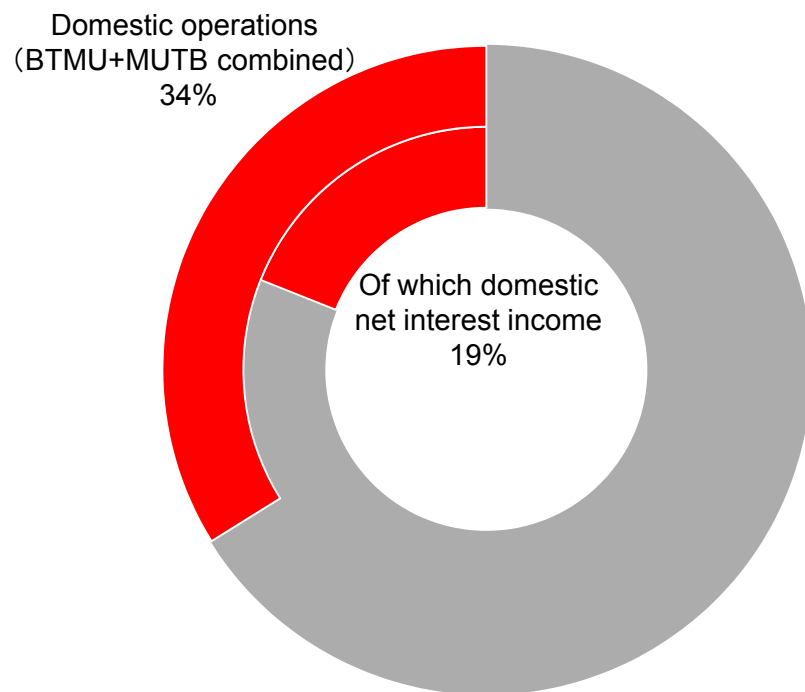
Total ¥290.5 tn



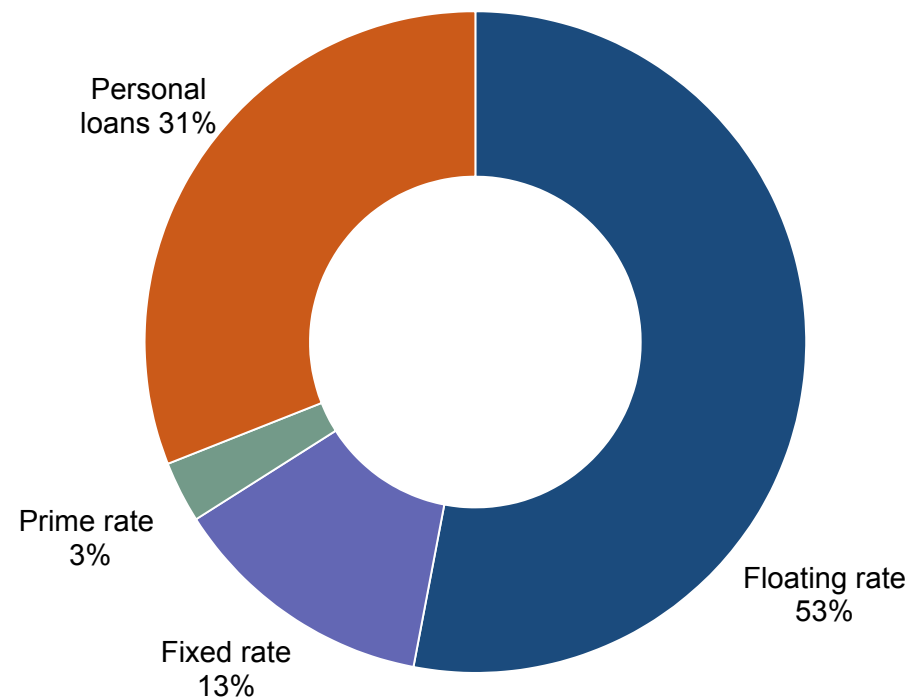
(Reference)

Breakdown of consolidated gross profit and domestic JPY denominated lending

FY15 Consolidated gross profit



(BTMU+MUTB) Domestic JPY denominated lending*1



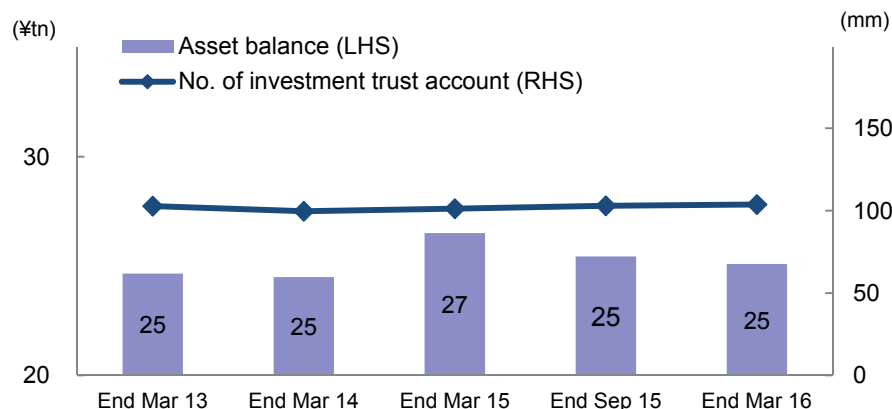
*1 As of end Jun 16

Note: Figures of right graph are on managerial accounting basis.
Excluding lending to government and domestic non-JPY denominated lending, etc.

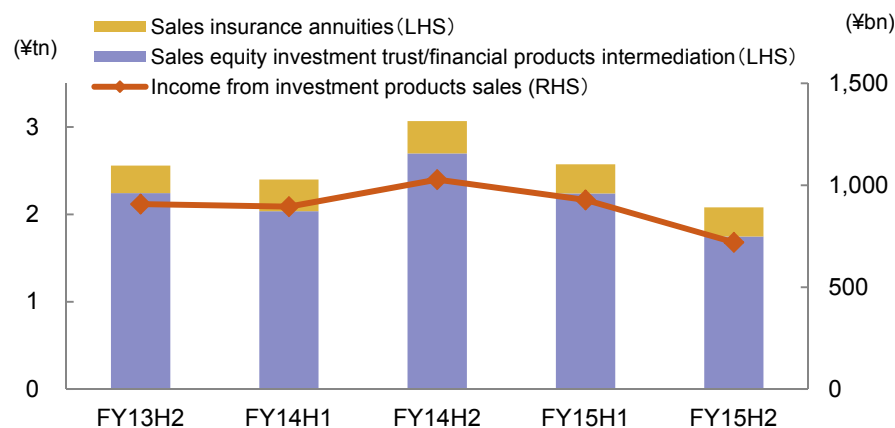
1. Support wealth accumulation and stimulation of consumption for individuals

- Promotion of shifts from savings to investment

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



Investment products sales/income*1*3



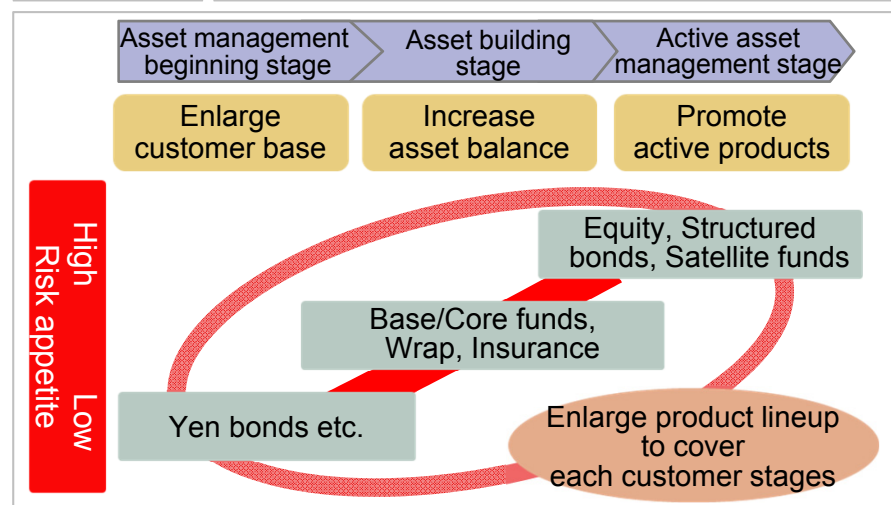
*1 Managerial accounting base

*2 Excl. investment trust account without balance

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

Major initiatives

| | |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enlarge customer base | <ul style="list-style-type: none"> NISA promotion following system reform Enhance the group's product distribution structure - Financial intermediation in primary deals |
| Increase asset balance | <ul style="list-style-type: none"> Portfolio sales on environmental change Promotion of wrap product |
| Promote active product | <ul style="list-style-type: none"> Increased number of secondees to BTMU - Enhance sales structure with seasoned staffs |
| Enhance infrastructure | <ul style="list-style-type: none"> Improve database marketing - Enhance customer database |

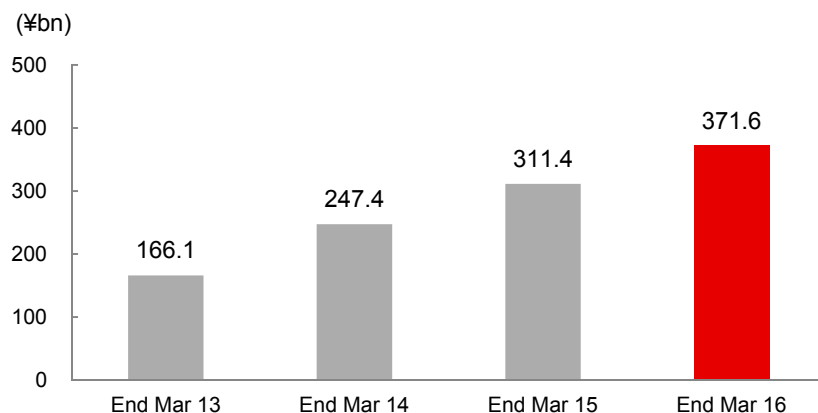


1. Support wealth accumulation and stimulation of consumption for individuals

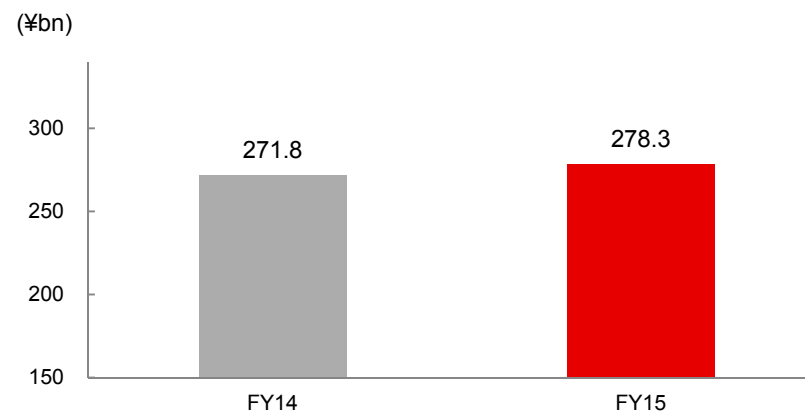
- Consumer finance/payments

- 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

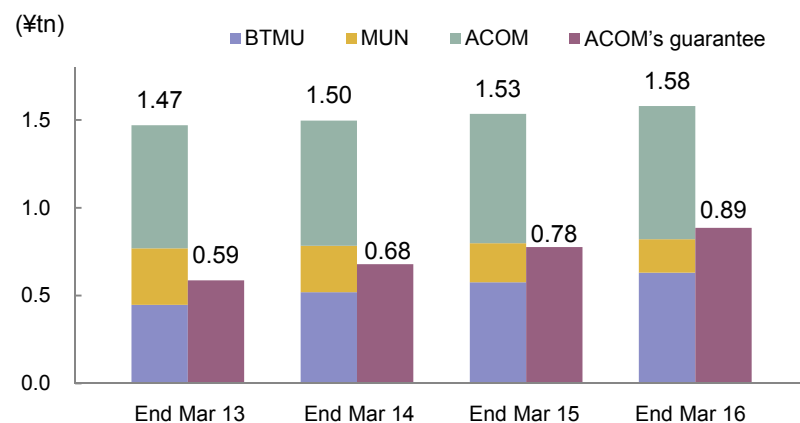
Balance of BANQUIC (BTMU)*¹



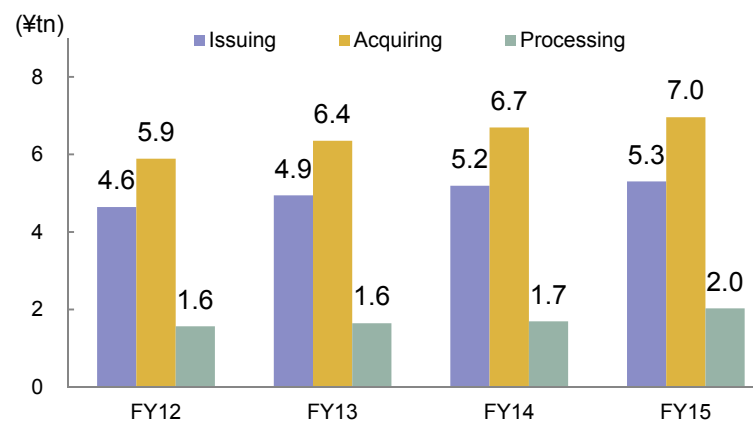
Profits in card business (MUFG)*¹



Balance of unsecured loan, guarantee*¹



MUN volume*¹








*¹ Managerial accounting base

1. Support wealth accumulation and stimulation of consumption for individuals

- Mitsubishi UFJ Nicos - system integration project

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Importance of MUN | MUFG's core subsidiary, leading the growing cashless payment / credit card business |
| MUN's vision / goal | Recognized as a trusted No.1 company in cashless business - pursue to become a top tier company by utilizing MUFG's customer base and enhancing operating efficiency through the system integration |

| MUN business strategy | Outline of system integration project |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Focus on 6 initiatives, providing MUFG group-wide sophisticated solution capability</p> <div> <div>(1)Strategic alliance with top tier partners</div> <div>(2)Collaboration with MUFG・JA Group</div> <div>(3)Promoting cashless business, revitalization of local area</div> <div>(4)Enhancing settlement system infrastructure</div> <div>(5)EC・ICT</div> <div>(6)Expand financing business</div> </div>  | <p>Total capital expenditure is estimated to be ¥150 bn Full integration is scheduled in FY21 Establish efficient and effective business platform to support MUFG's growth strategy</p> <ul style="list-style-type: none"> Enhance the flexibility of system to provide more competitive products/services, and to expand MUN's trustee business Enhance efficient and effective administration, credit exposure management <div>  MUFG Mitsubishi UFJ NICOS Integrated into one system    </div> |

Financial impact

- The system integration will cost antecedently. MUN posts net loss in FY15 mainly due to an increase in tax expenses by decrease of deferred tax assets
- Net profit is expected in FY16

<After integration>

- ¥20 bn positive impact (p.a.) is expected due to cost reduction, etc.
- Also contribute top line profit due to flexible and speedy response to customer needs

| | |
|----------------------------------|--------------------------|
| (1)Reduce maintenance cost, etc. | Approx. ¥20 bn per annum |
| (2)Compress new IT investment | Approx. 50% reduction |

2. Contribute to growth of SMEs

- Enhance core businesses (lending, deposits and exchange) considering they are the sources of competitiveness for the commercial banking model
- Strengthen and expand fee businesses fully leveraging MUFG's group-wide solution capabilities

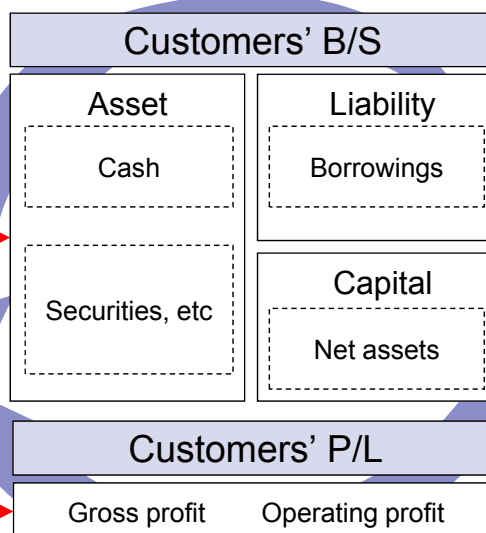
Contribute to customers' growth by responding to the needs not only on their liability but also on asset, capital, and gross profit, etc.

Enhancing solution ability for customers' asset management needs

- Enlarge low-risk product line-up
- Expand customer base by MUFG group-wide solution to varied needs

Cultivate and support growing companies

- Business intermediation across segments
- Cultivate and support growing companies (Rise Up Festa, Support for fostering talented CEOs)
- Industry-academia collaboration through investment in university-originated ventures



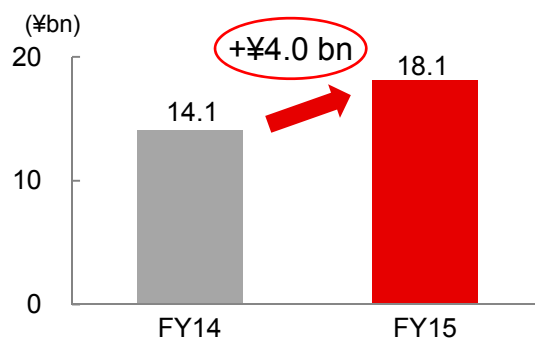
Enhance lending business

- Increase lending share to core customers
- Careful maintenance of customers' funding needs based on business succession
- Enhanced support for SME revitalization

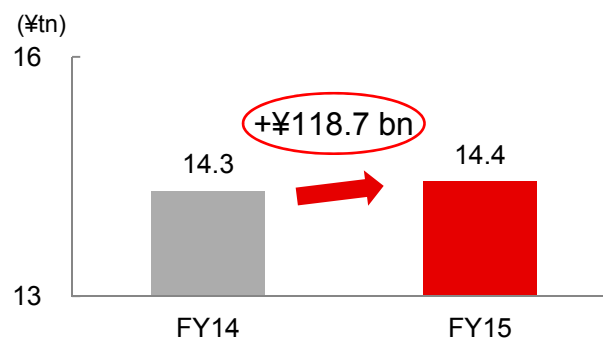
Support business succession

- Improved solution for diversified succession types including those by non-relatives
- Establishment of the fund to invest in business succession deals (Invested in Marunouchi Capital Fund 2)

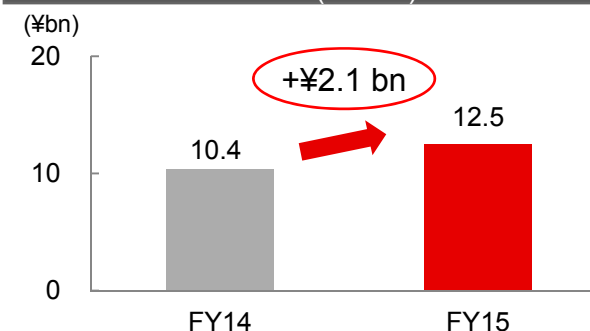
Profits from AM business*1



Average lending balance (domestic)*1*2



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

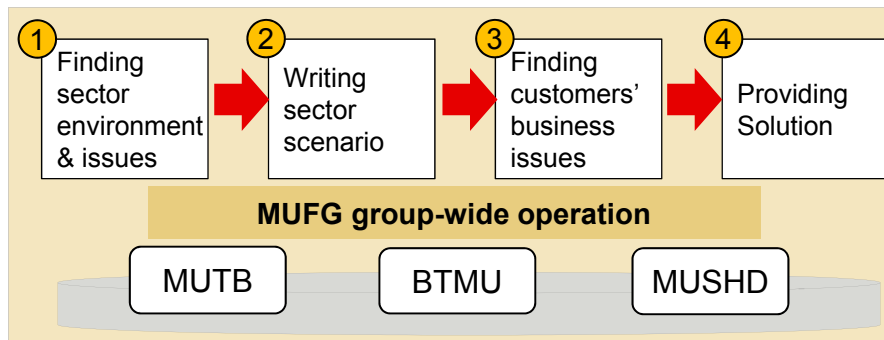


*1 All figures on a managerial accounting basis *2 In BTMU domestic branches or offices for SMEs

3. Reform global CIB business model - Japanese large corporation

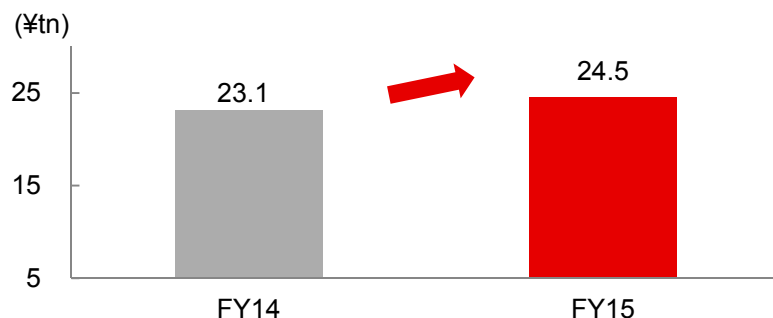
- Respond to customers' sophisticated needs globally positioning sector strategy as a key in our business with large Japanese corporation
- Increase our knowledge and MUFG's group-wide business solution capabilities for diversified operational environment and business issues of each customers from sector to sector

Promote deal-creating business model

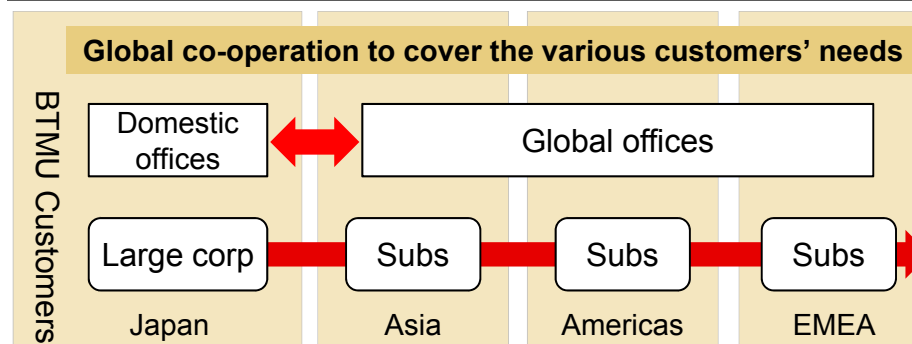


- Providing solutions to customers' management issues by sector approach
(Finding M&A deals to enlarge value-chain, matching customers' global CRE^{*1} supply-demand along with their strategies, etc.)

Average lending (Global, BTMU)^{*2*3}

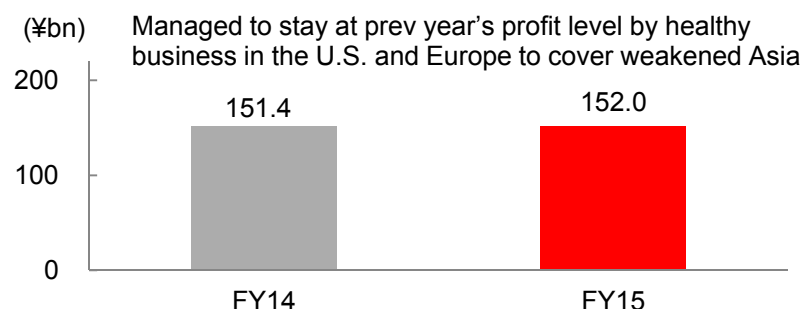


Expand overseas business with global co-operating structure



- Providing solutions to various customers' business issues globally with co-operation by domestic and global offices

Overseas profits from Japanese corporations (BTMU)^{*2}



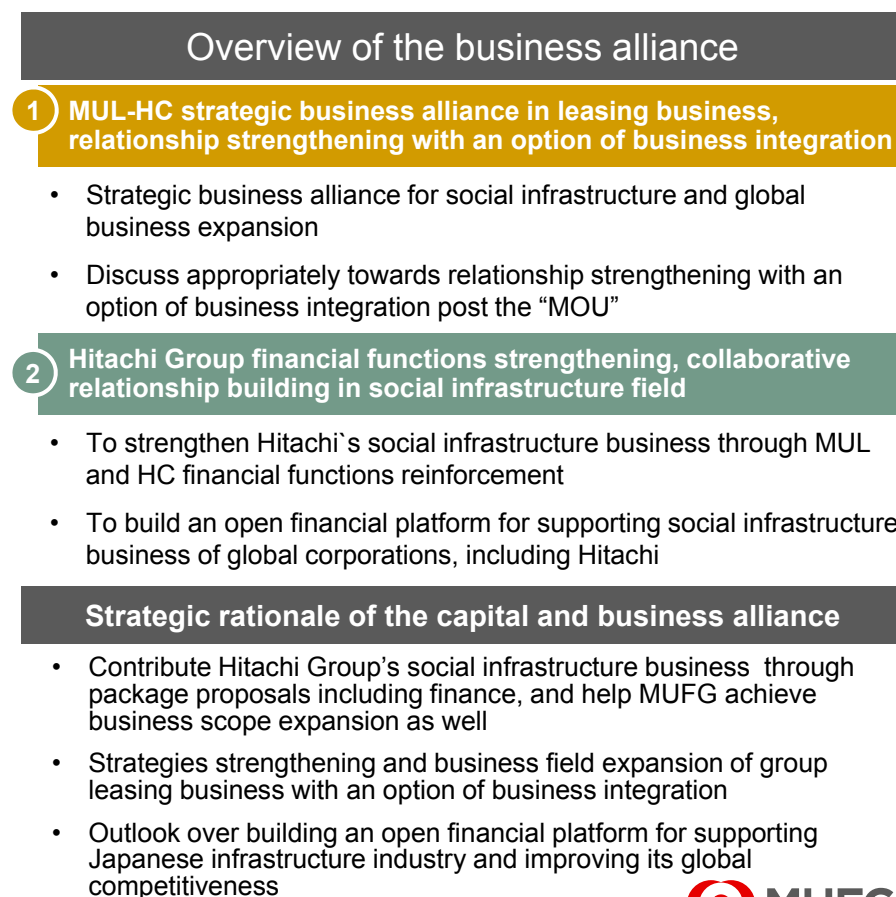
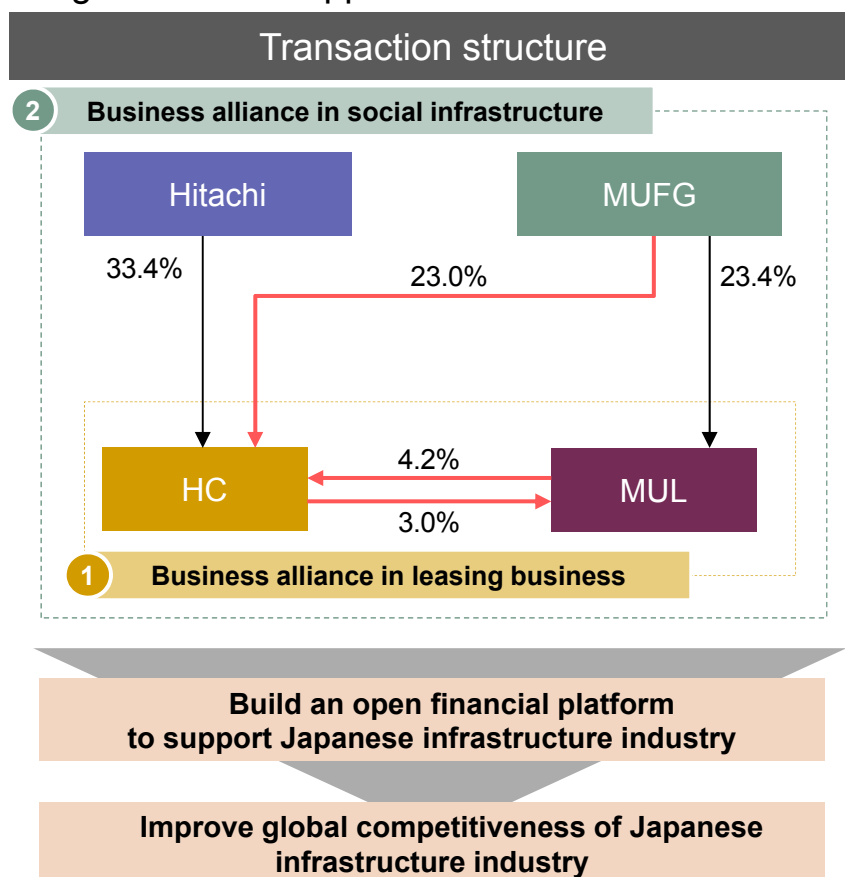
^{*1} Corporate Real Estate ^{*2} All figures are in managerial accounting basis and do not contain KS figure

^{*3} Avg. lending balance to Japanese corporations of BTMU branches or offices for large corporate business in global basis

3. Reform global CIB business model

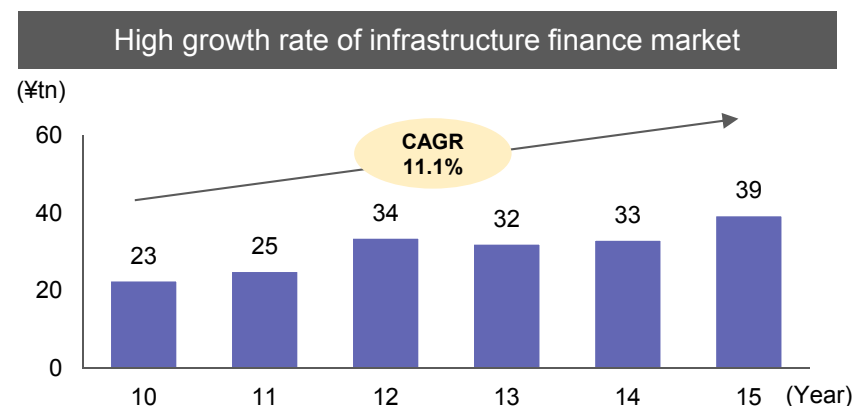
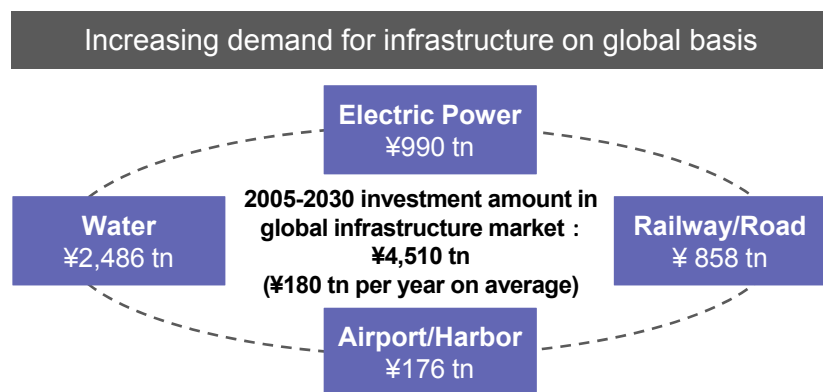
- Strategic capital and business alliance with Hitachi Capital

- Hitachi, MUFG and MUL have reached an agreement that MUFG and MUL will acquire 23.0% and 4.2% of Hitachi Capital(HC)'s outstanding shares (excluding treasury shares) from Hitachi, respectively
- For the purpose of strengthening the financial functions of MUL and HC, the five companies, Hitachi, HC, MUFG, BTMU and MUL have signed a Memorandum of Understanding (the "MOU") regarding business alliance including social infrastructure
- Execution of share transfer is scheduled to take place after Oct 16, upon the fulfillment of the relevant regulations and approval



3. Reform global CIB business model

- Strategic rationale of social infrastructure reinforcement



| Differentiation factor in infrastructure project proposal: providing financing arm as a package ^{*1 *2} ~ Global pioneers~ | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------|----------------------------------------|--------------------------------|-------------------|----------------------------------------|------------------------------|
| | Origination | Equity | Facilities/Leasing | Design/Finance/Construction | O&M ^{*3} | Loan | Distribution |
| Participations | Govt. | Trading company | Manufacturer | General contractors | Trading company | Bank | Security |
| | | Fund | Mfr.-affiliated financial institutions | Engineering | Operating company | Debt fund | Other financial institutions |
| Western major players | | Mfr.-affiliated financial institutions | Manufacturer | Manufacturer | Manufacturer | Mfr.-affiliated financial institutions | |
| Emerging market (e.g. China) | Govt. | State-owned corp. | State-owned corp. | State-owned corp. | State-owned corp. | State-owned corp. | |
| Japan | Non-financials | Trading company | Equipment manufacturer | General contractor/Engineering | Trading company | | |
| | Financials | | Leasing company | | | Bank/Trust banking | Security |

Source: BoozAllen Hamilton (4,500 trillion yen including government investments), Infrastructure Investor

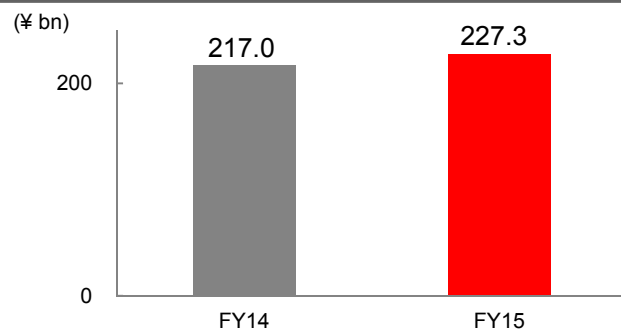
- *1 Mfr. is short for Manufacturer
- *2 Govt. is short for Government
- *3 Operation & maintenance

3. Reform global CIB business model

- Global corporation

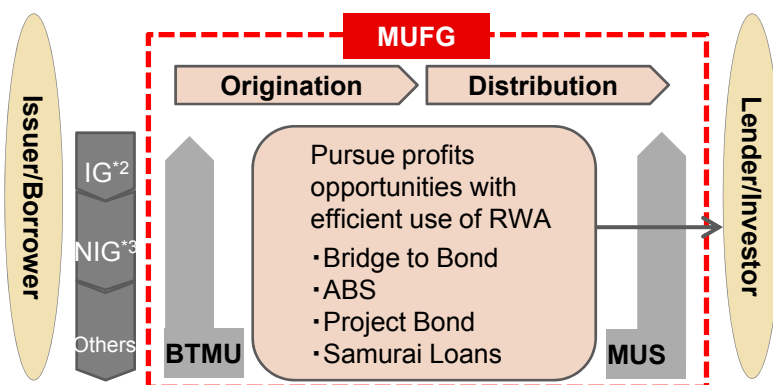
- Steady progress has been shown in reforming global CIB model. Diversified profit resources contributed to an increase in non-interest profits
- Leverage global network for delivering consistent service. Reform internal revenue recognition, organizational structure and credit risk management for promoting inter-group collaboration
- O&D committee has been established under MUFG CEO. In overseas, BTMU and MUS has started integrated operation for delivering best-in-class debt solutions across loan and DCM

Non-interest profits (global corporates)*¹



*1 Managerial account basis. Including fees FX and derivatives.
Excluding KS and MUAH

O&D business model



*2 Investment Grade *3 Non-Investment Grade

Case

● <EMEA>

Acquisition finance for AB InBev

Closely collaborated with MUS, BTMU acted as mandated lead arranger and bookrunner of US\$75 bn credit facility for M&A transaction between AB InBev, the largest brewery, and SABmillar

● <U.S.>

Acquisition finance for CSRA, Inc. (formerly Computer Science Government Service Inc.)

As lead left arranger, MUFG co-underwrote US\$3.5bn financing package for former CSRA in the spin-off from CSC and acquisition of SRA International. In addition, MUFG was also appointed as administrative agent

● <Asia>

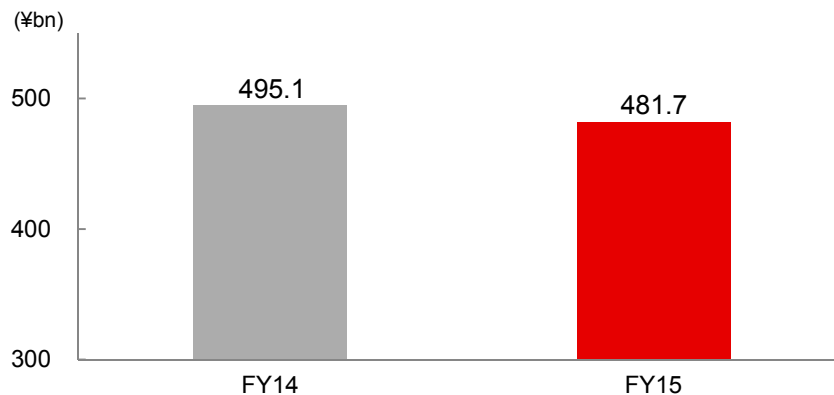
Cross-border “Samurai Loan”

BTMU acted as sole mandated arranger and bookrunner for US\$300 mm Samurai syndicated loan for Taiwanese Co’s Hong Kong subsidiary. With close collaboration across Taipei, Hong Kong and Tokyo, BTMU successfully distributed loans for investors

4. Evolve sales and trading operations

- S&T profit in FY15 slightly decreased from previous year. In overseas, negative impact on customers' trade flow from Asian economic slowdown was almost covered by healthy sales to non-Japanese customers in Americas. In domestic market, the business reform for sustainable future growth has been progressing, where the main profit source was shifting to customers' FX and asset management from funding business area
- S&T business by BTMU-MUS in an integrated manner will start to satisfy the customers' needs with a high-quality service

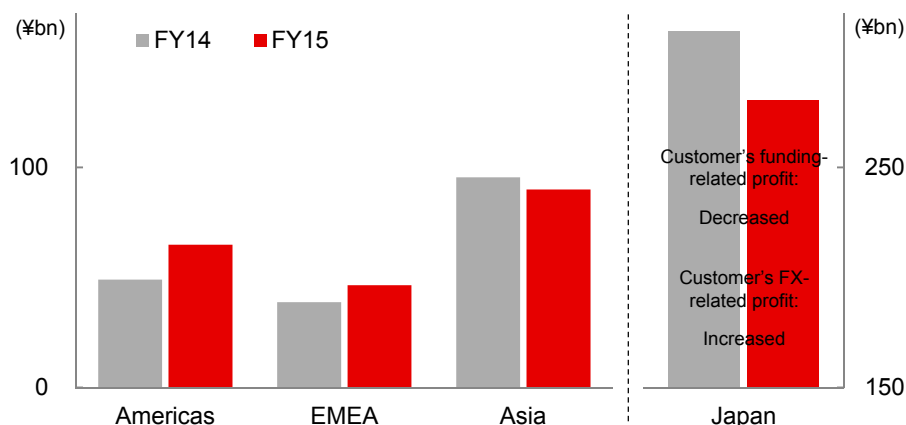
Consolidated S&T gross profits*1



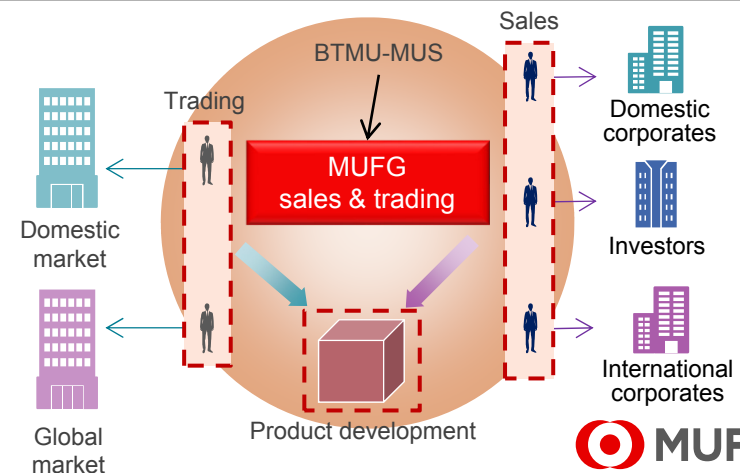
Customer support structure

| MUFG sales & trading | |
|------------------------------------------|-----------------------------------------------------------------------------|
| Better Solution (Sales) | One-stop solution offering through an unified sales desk for customer |
| Better Price (Trading) | Better pricing through improved productivity and consolidated risk position |
| Better Product Lineup (Product offering) | Wider range of products leveraging MUFG global network |

Consolidated S&T gross profits*1 (by region)



S&T business by BTMU-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

Recent acquisitions

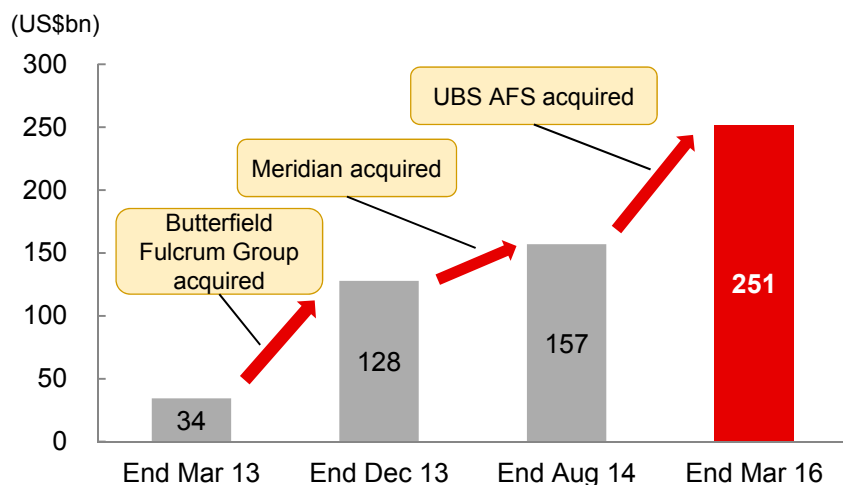
Scale expansion especially in the growing alternative fund admin business area with a series of acquisitions

| | | AuA* ¹ |
|--------|----------------------------------------------------------------------------------|-------------------|
| Sep 13 | Butterfield Fulcrum Group (MFS: Mitsubishi UFJ Fund Services) | \$94 bn |
| May 14 | Meridian | \$11 bn |
| Dec 15 | UBS AFS (Alternative Fund Services) | \$128 bn |
| Apr 16 | Capital Analytics II LLC, hereinafter CA (renamed as MUFG Capital Analytics LLC) | \$116 bn |

Initiatives in future

- Provide clients with 'One-stop' services under MUFG Investor Services brand
 - Enhancement in business function and customer service standard along with acquisitions
- Create synergies in both operation and internal control structure following the merger of MFS and UBS AFS
 - Increase AuA*¹ from major asset managers with unified operational structure on global basis
 - Cost synergies by integrating duplicated internal functions
- Pursue more competitiveness and further scale expansion through continuous non-organic strategy

AuA*¹ balance of overseas investment trust funds



Acquisition of Rydex

Jul 16, MUTB has concluded a share purchase agreement with Guggenheim Partners, LLC to acquire 100% of the issued shares of its U.S. fund admin affiliate company, Rydex Fund Services, LLC

<Intensions of acquisition of Rydex>




- Add the 40Act fund admin function to the existing service line-up of MUFG's Global IS business in the prospective U.S. market
- Increase AuA*¹ from major asset managers also by leveraging MUFG's global business network

*1 Asset under administration

5. Develop global asset management and investor services operations

- Global AM, domestic investment trust management

Global AM

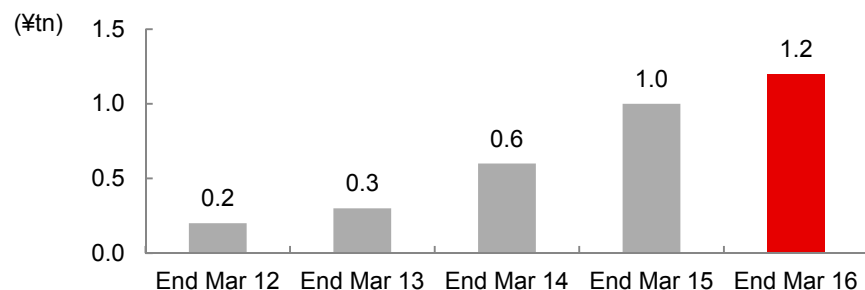
| Affiliates with stake holding | AuM*1 Capital ratio | Products |
|-----------------------------------------------------------------------------------|------------------------|--------------------------------------------------------------|
|  | ¥52 tn 17% | Equity/Bond (Global, Emerging, Asia), Real estate, etc. |
|  | ¥14 tn 15% | Equity/Bond (Australia, Global), Infrastructure, Real estate |
|  | ¥3 tn 33% | Equity/Bond (China) |

(As of end Dec 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
- Focus on selling smart-beta indices jointly developed with STOXX Limited to global asset managers and providing institutional and individual investors with products referring to these indices

Balance of AuM*1 from overseas investors (MUTB)



*1 Asset under management

*2 Q1 figure was the sum of the former MUAM and KAM before merger

*3 Excluding ETFs

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

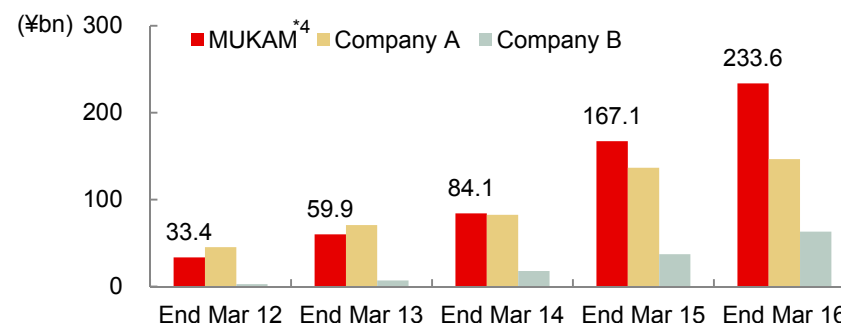
Financial results of MUKAM

| (¥bn) | FY15*2 | FY16 Q1 | Change from FY15 Q1*2 |
|----------------------|--------|---------|-----------------------|
| 1 Operating revenue | 94.6 | 21.6 | (3.1) |
| 2 Operating expenses | 74.7 | 17.0 | (3.0) |
| 3 Operating income | 19.9 | 4.5 | (0.1) |
| 4 Net income | 13.9 | 3.2 | 0.0 |

Market share of publicly-offered equity investment trusts management balance*3

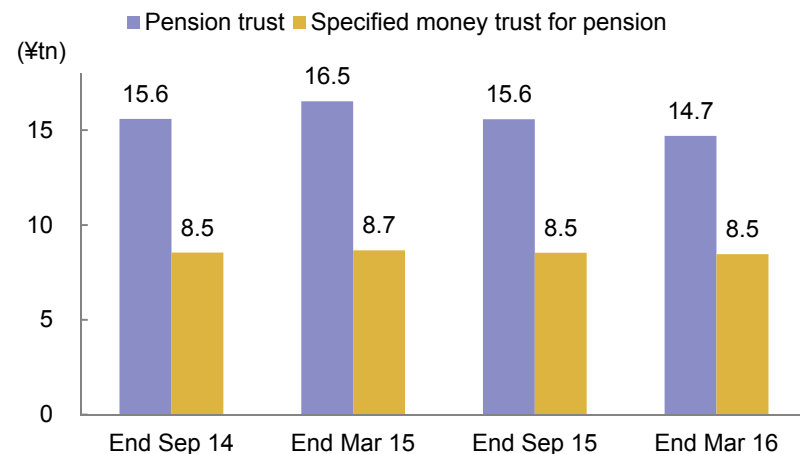
| Rank | AM company name | End Mar 16 | Change from end Mar 15 |
|------|-------------------------|--------------|------------------------|
| 1 | Nomura Asset Management | 14.4% | (0.2ppt) |
| 2 | Daiwa Asset Management | 12.6% | (0.0ppt) |
| 3 | MUKAM | 11.4% | (0.2ppt) |
| 4 | Nikko Asset Management | 7.6% | (0.0ppt) |

AuM balance of index fund products aimed at online investors

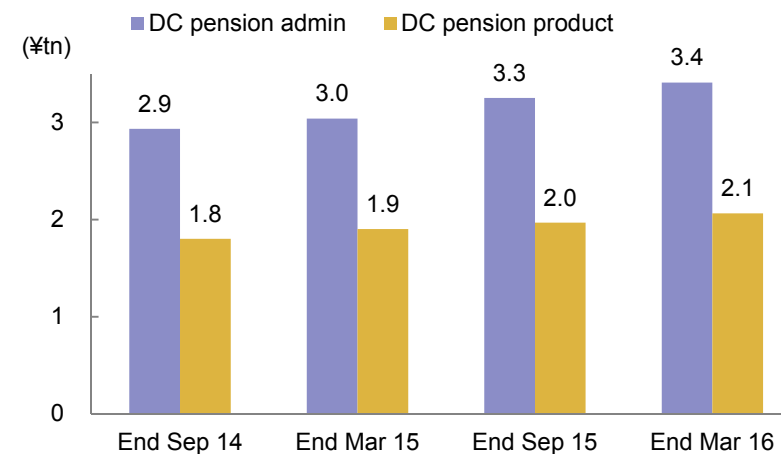


5. Develop global asset management and investor services operations

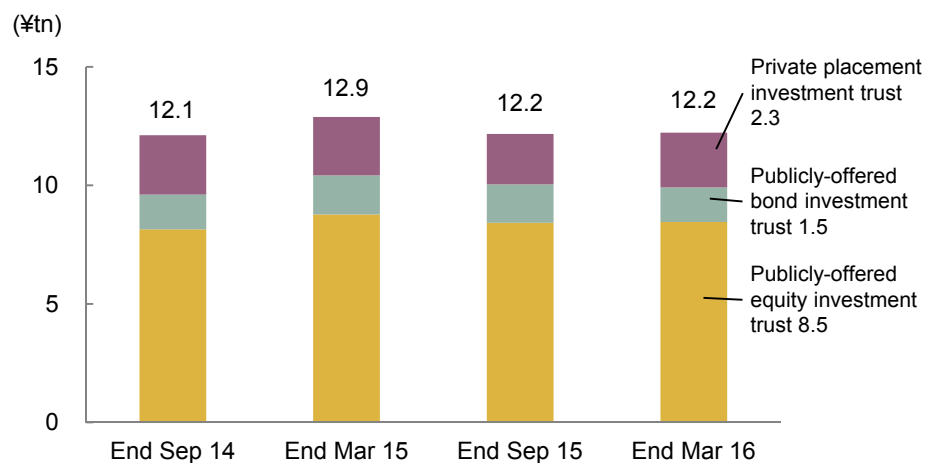
Pension balance



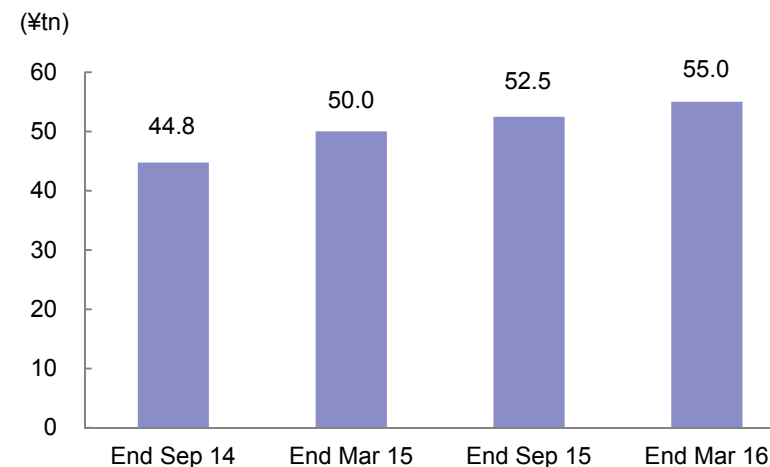
DC pension product and admin asset balance



Investment trust management*1 balance (domestic)



Investment trust admin balance (domestic)

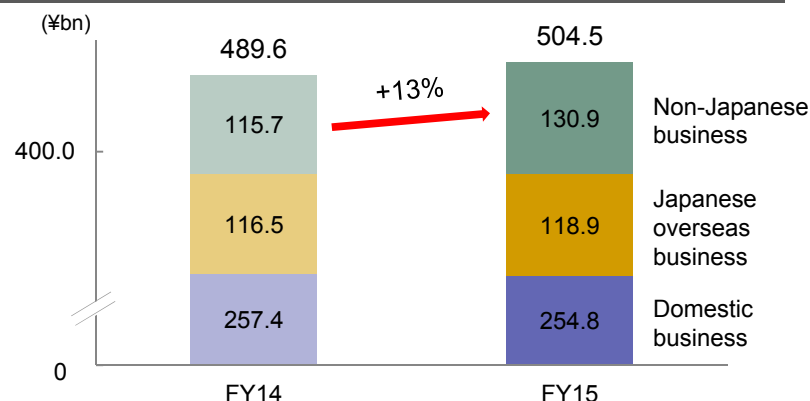


*1 Management balance figures as of end Sep 14 and end Mar 15 are a sum of the former MUAM and KAM before merger

6. Further reinforce transaction banking business

- Gross profit in FY15 showed significant growth from last year, mainly due to an increase in the Americas. Non-Japanese business profit exceeded that of Japanese overseas business
- The increase in non-JPY deposits far exceeded the plan, whereas despite the strong trend in the Americas and EMEA, the original target for overseas trade finance has been revised downward due to the Asian economic slowdown
- The competitiveness of TB products has been enhanced through the COMSUITE brand. BTMU received an award from The Asian Banker and entered the top 10 ranking in the Euromoney Cash Management Survey

Transaction banking (TB) gross profit*1



Increasing competitiveness and market presence

COMSUITE
GLOBAL TRANSACTION BANKING SOLUTIONS

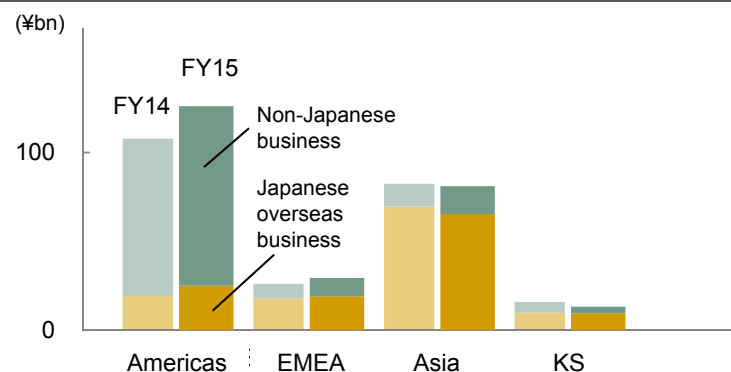


THE ASIAN BANKER
Best Asian International Transaction Bank
in Asia Pacific
TRANSACTION BANKING AWARDS 2016

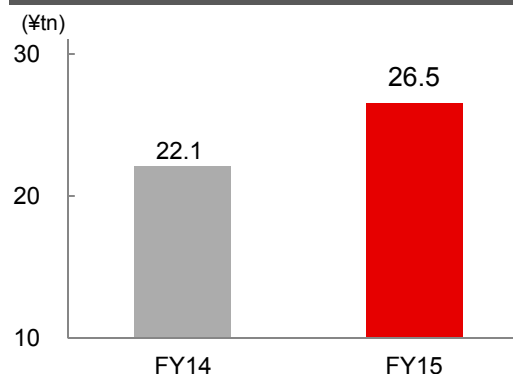
✓ Euromoney Cash Management Survey, Global ranking

| 2013 | 2014 | 2015 |
|------|------|------|
| #20 | #15 | #10 |

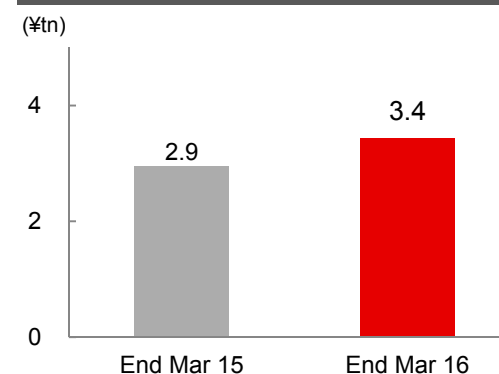
Regional breakdown of overseas TB gross profit*1



Avg. balance of non-JPY deposits*1



Overseas trade finance*2 balance*1



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

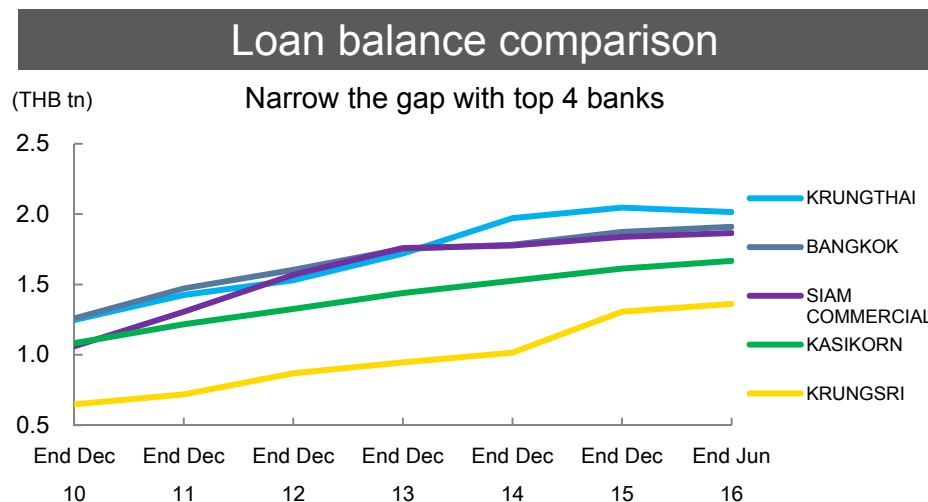
*2 Trade finance: Import/Export LC and documentary collections, Transactions under FI trade credit limits, Open account trade finance, Stand-by LC, Bank guarantee

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

- KS is well-positioned in delivering solid performance from better asset quality management as well as synergies with MUFG/BTMU
- Steady progress in leveraging complementary strength of MUFG/BTMU and Krungsri, particularly cross-border business, supply chain financing, cross sell of retail products

| Mid-term business plan | | | | |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| Core strategies | Major initiatives | (THB bn) | FY14 ^{*1} | FY16 H1 (YoY) |
| Grow asset | Supply chain finance, Consumer finance, Housing Loan, Business matching | Lending balance | 1,245.5 | 1,358.3 |
| Increase non-interest income | Transaction banking, FX, Cross-sell investment banking products, Investment banking | Non-interest income | 22.8 | 14.1 (+1.4) |
| Reduce cost of funds (Increase CASA balance) | 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 | 520.1 | 572.3 |

^{*1} The figures are the sum of KS&BTMU Bangkok Branch



Collaboration with BTMU in finance

- KS and BTMU were mandated as arranger of project finance on power plant construction deal in Myanmar
- Closely collaborated with BTMU London, KS underwrote bond and CAPEX related credit facilities for Thai-subsidiary of European corporate
- KS and BTMU assisted a major Thai beverage company with the acquisition of an equity stake in a major Vietnamese listed food company. BTMU and KS were serving as facility agents, with the former providing bridge finance

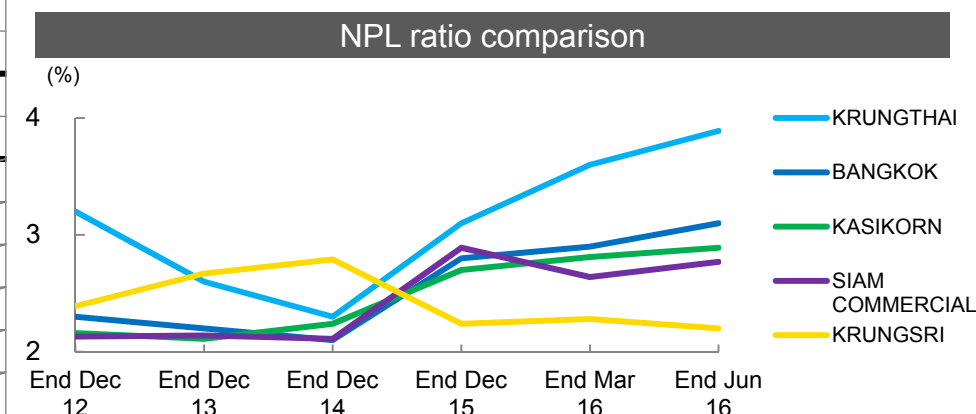
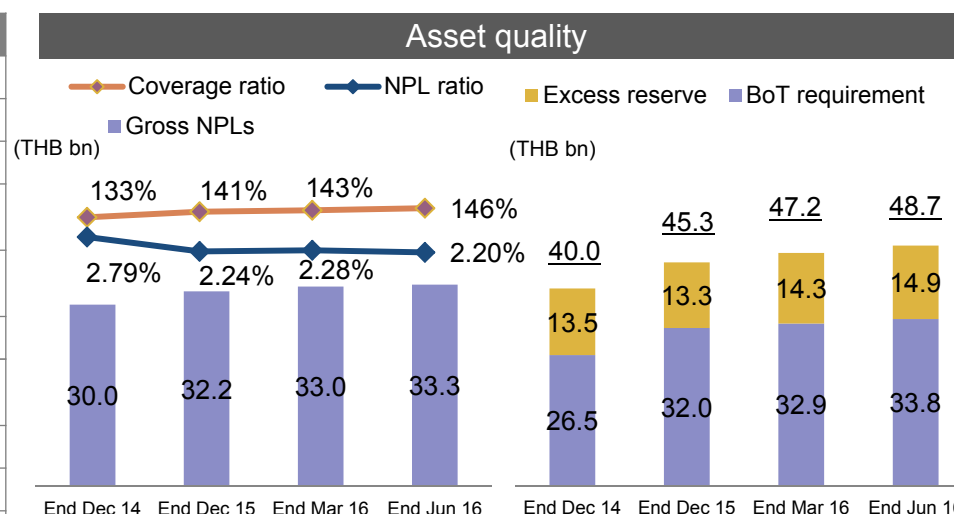
Source: Company Data

* In Jan 15, BTMU Bangkok Branch was integrated to KS with a total loan transfer of THB232.7 bn to Krungsri

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

- KS reported robust result for FY16 H1, attributed to higher net interest income thanks to increasing lending volume and lower borrowing rate lead by policy rate cut. Solid performance in non-interest income, one of KS strategic focuses under the mid-term business plan
- NPL ratio slightly decreased. Conservative credit control maintained lower level compared to peer banks

| (THB mn) | FY15 | FY16 H1 | YoY |
|------------------------------------------------|-----------|-----------|---------|
| 1 Interest income | 81,946 | 41,960 | 783 |
| 2 Interest expense | 25,596 | 11,712 | (1,812) |
| 3 Net interest income | 56,350 | 30,247 | 2,596 |
| 4 Fees and service income | 22,670 | 11,725 | 644 |
| 5 Fees and service expense | 5,440 | 2,873 | 300 |
| 6 Net fees and service income | 17,230 | 8,851 | 343 |
| 7 Non-interest and non-fees income | 9,193 | 5,320 | 1,065 |
| 8 Other operating expense | 38,947 | 20,469 | 1,595 |
| 9 Pre provision operating profit | 43,825 | 23,949 | 2,411 |
| 10 Impairment loss of loan and debt securities | 20,185 | 10,668 | 198 |
| 11 Net profit | 18,852 | 10,554 | 1,767 |
| 12 Loans | 1,303,454 | 1,358,377 | 113,507 |
| 13 Deposits | 1,046,289 | 1,062,102 | 54,788 |
| 14 NIM | 4.15% | 3.78% | |
| 15 Cost to income ratio | 47.05% | 46.1% | |
| 16 L/Deposit +debentures+B/E | 114% | 117% | |
| 17 NPLs ratio | 2.24% | 2.20% | |
| 18 Loan loss coverage | 141% | 146% | |
| 19 ROE | 11.6% | 10.7% | |



Source: Company data

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

- Management system has been enhanced for the vision of becoming U.S. Top 10 bank, with new CEO and CRO appointed. Ownership transfer of U.S. subsidiaries and affiliates completed in Jul 16

Key strategies for mid-term business plan

- Enhance management system ⇒ 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 | FY16 Q1 (YoY) |
|-------------------------|----------|--------------------|
| Operating income | 212.3 bn | 63.6 bn (+14.1 bn) |
| Average lending balance | 16.3 tn | 19.6 tn |

* BTMU consolidated, calculated at planning rate JPY115/US\$

Case 1. Management



Stephen Cummings
(U.S. CEO)

- Stephen Cummings with long-term experience in corporate and IB business was appointed as U.S. CEO and as Managing Executive Officer of BTMU in May 15
- Donna Dellosso with over 30years experiences in risk management was appointed as U.S. CRO in Dec 15
- Operational and technology leaders were unified into CIOO(Chief Information & Operations Officer) to which Christopher Perretta was appointed

Case 2. U.S. Enhanced Prudential Standard

- MUFG designate MUFG Americas Holdings Corporation as its U.S. Intermediate Holding Company (IHC), to which ownership of U.S. subsidiaries under MUTB and MUSHD has been transferred in Jul 16
(See next slide for organizational structure)

Case 3. Enhancing commercial banking

Major initiatives

- Deploy low-cost branch, launch U.S.-wide online direct bank*1
- Expand credit card business
- Focus on cross-sell

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

Retail deposits growth

Fees and commissions growth

Case 4. Higher efficiency & productivity

Restructure of Commercial Banking

Commercial banking business was reorganized into more efficient organization, eliminating duplicated functions. Aim for enhancing fee business

- Regional Banking:** Create a highly coordinated regional commercial banking platform
- U.S. Wholesale Banking:** Promote sector centric approach and pursue cross-sell with competitive products
- Investment Banking & Markets:** Strengthen products

Making Action plan for cost reduction

In addition to conducting present action plan, analyzing the thorough cost structure to make action plan for further cost reduction

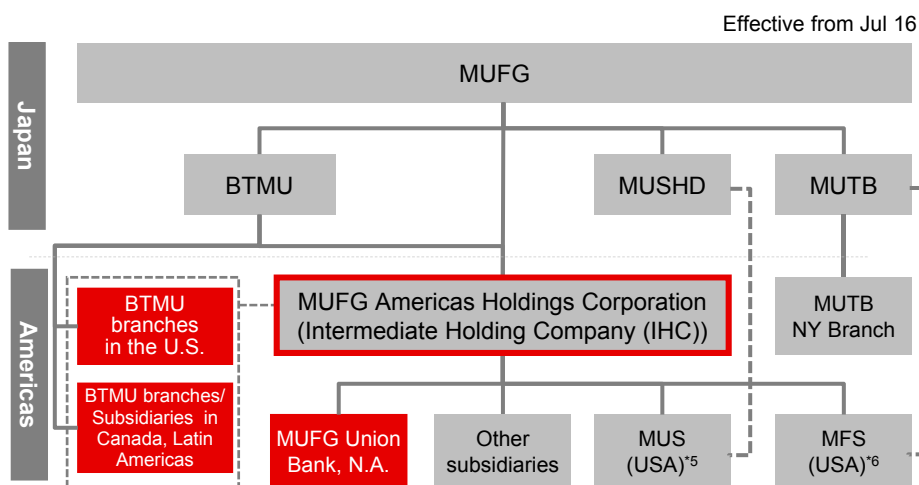
7. Strengthen commercial banking platforms in Asia and the United States - Financial result of Americas business

- Operating income of consolidated Americas (BTMU) for FY16 Q1 was ¥63.6 bn, an increase of ¥14.1 bn from the same period of last FY mainly due to good performance in investment banking business and derivatives. Pursue fee income growth and cost reduction
- MUAH reported an increase in total revenue and net income in H1, with the reversal of provision for credit loss in Q2

Consolidated results of Americas (BTMU)*1

| | | FY16 | |
|--------|-------------------------|---------|---------|
| | | FY15 | YoY |
| | | | Q1 |
| (¥ bn) | | | |
| 1 | Gross profits | 645.1 | 173.3 |
| 2 | Interest income | 433.5 | 113.5 |
| 3 | Non- interest income | 196.3 | 56.2 |
| 4 | Operating income | 224.4 | 63.6 |
| 5 | Average lending balance | 17.8 tn | 19.6 tn |
| 6 | Average deposit balance | 15.4 tn | 16.2 tn |

Organizational structure of Americas operations



*5 MUFG Securities Americas Inc. *6 MUFG Fund Services (USA) LLC

Results of MUAH*2

| | | FY15 | FY16 H1 | YoY |
|-----------|------------------------------------|--------|---------|-----------|
| (US\$ mm) | | | | |
| 1 | Net interest income-(1) | 2,815 | 1,417 | 15 |
| 2 | Interest income | 3,236 | 1,642 | 36 |
| 3 | Interest expense | 421 | 225 | 21 |
| 4 | Total non-interest income-(2) | 1,530 | 861 | 141 |
| 5 | Service charges on deposit account | 196 | 95 | (3) |
| 6 | Credit facility fees | 115 | 55 | (5) |
| 7 | Merchant banking fees | 79 | 37 | (3) |
| 8 | Fees from affiliates*3 | 747 | 439 | 81 |
| 9 | Total revenue-(1)+(2) | 4,345 | 2,278 | 156 |
| 10 | Non-interest expense *4 | 3,438 | 1,686 | (6) |
| 11 | Operating income | 907 | 592 | 162 |
| 12 | Provision | 228 | 125 | 107 |
| 13 | Net income attribute to MUAH | 573 | 354 | 36 |
| 14 | Lending balance | 77,016 | 79,193 | 2,167 |
| 15 | Deposits balance | 83,186 | 83,836 | 724 |
| 16 | NIM | 2.75% | 2.73% | (0.04ppt) |
| 17 | NPL ratio | 0.71% | 0.80% | 0.33ppt |
| 18 | NPL Coverage ratio | 130.5% | 118.2% | (29.7ppt) |

*1 Local currency managerial account basis. MUAH Q1 (Jan-Mar 16) results are consolidated to BTMU Americas Q1 (Apr-Jun 16).

*2 From financial statements, U.S. GAAP

*3 Represents income resulting from the business integration of BTMU & MUB

*4 Includes expense associated with employees providing support services to BTMU

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

- Strategic partnership with Security Bank

- BTMU acquired approximately 20% of Security Bank (a leading universal bank in the Philippines)'s shares and appointed two representatives to its Board of Directors in Apr 16. Security bank has become an equity method affiliate of BTMU
- BTMU/MUFG aim for capturing Philippine's rapid economic growth as well as enhancing their service presence in Philippine/Asia by leveraging the strategic partnership in various business areas including retail banking

Mid-long term target

<Security Bank's mid-long term target>

| (PHP bn) | FY15 | Target (End FY20) |
|-----------------|-------|---------------------------|
| ROE | 15.2% | around 15% (FY19-FY20) |
| Net profits | 7.6 | 22.6 |
| Lending balance | 240 | 981 |
| # of branches | 262 | 500-600 |

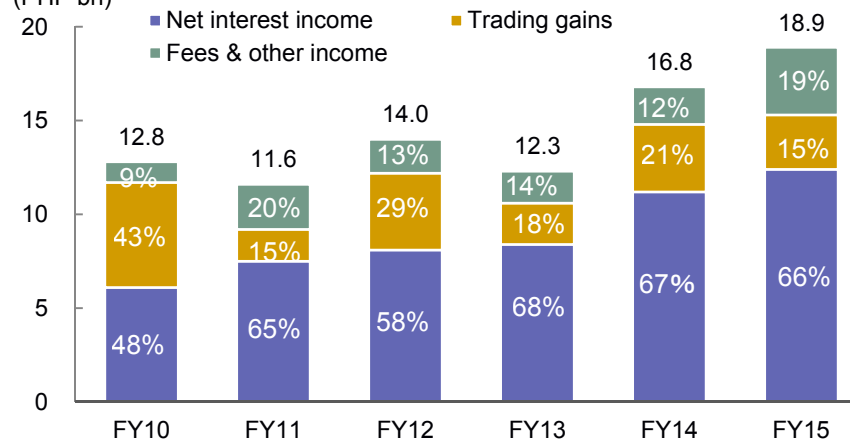
Financial summary

| | (PHP mn) | FY15 | FY16 H1 | YoY |
|---------------------------|----------|--------|---------|-----------|
| PL | | | | |
| 1 Net Interest income | | 12,398 | 7,412 | 1,602 |
| 2 Non-interest income | | 5,910 | 3,372 | (965) |
| 3 Total operating expense | | 10,006 | 5,533 | 405 |
| 4 Net income | | 7,699 | 4,851 | 191 |
| BS | | | | |
| 5 L/D ratio | | 82.96% | 88.95% | 8.37ppt |
| 6 ROE | | 15.17% | 13.64% | (5.19ppt) |
| 7 NPL ratio (Net) | | 0.14% | 0.27% | 0.13ppt |

Financial highlight

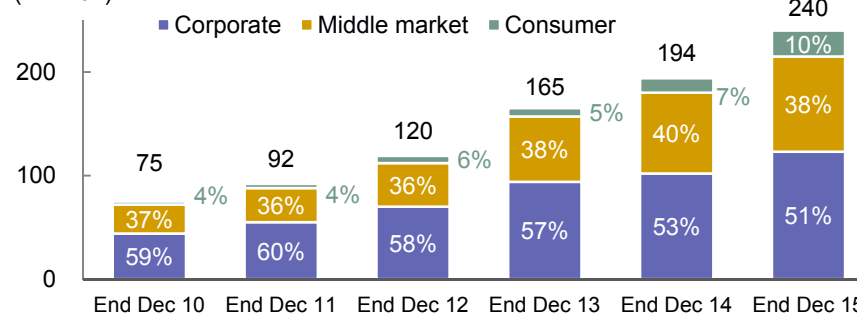
Revenues

(PHP bn)



Loans

(PHP bn)



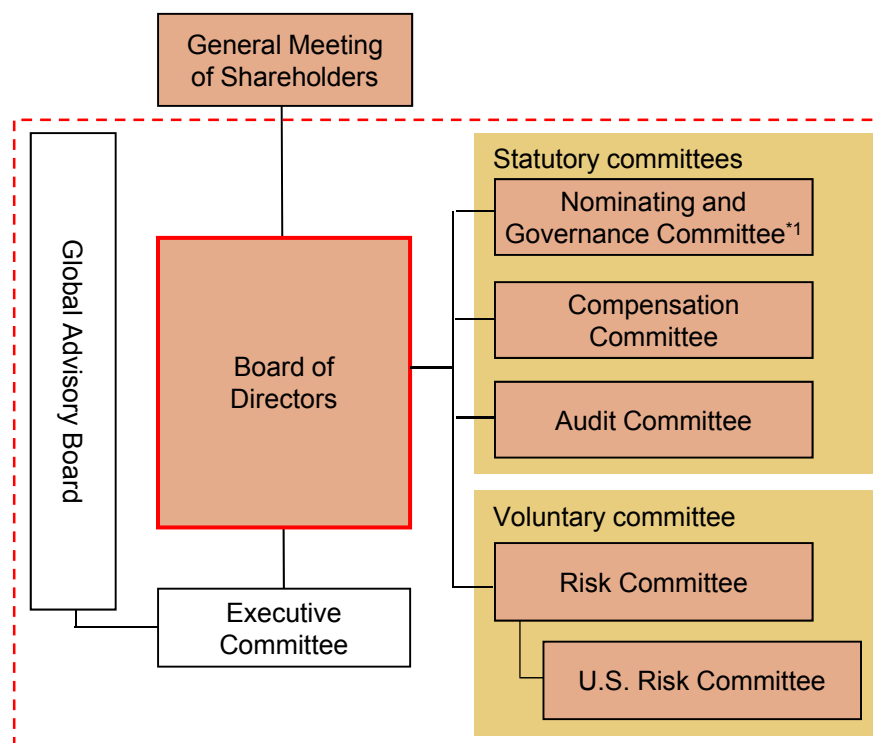
Corporate governance, Capital policy and Equity holdings

Corporate governance

- Enhancement of corporate governance

- 9 directors are non-executives, including 7 outside directors, out of the total 17 board members. All statutory and voluntary committees under the board are chaired by outside directors
- In April, the former 2 advisory bodies to the Executive Committee have been integrated as Global Advisory Board. MUFG senior management benefits from the counsel given by the newly restructured advisory body which consists of 9 members; 3 from Japan, 2 each from Europe, the Americas and Asia
- To enhance MUFG group's U.S. risk governance, U.S. Risk Committee has been established under Risk Committee in May

MUFG Governance structure



Chairpersons of committees under the Board

| | | |
|---------------------------------------------------|------------------|-----------------------|
| Nominating and Governance Committee ^{*1} | Tsutomu Okuda | MUFG outside director |
| Compensation Committee | Kunie Okamoto | MUFG outside director |
| Audit Committee | Akira Yamate | MUFG outside director |
| Risk Committee | Yuko Kawamoto | MUFG outside director |
| U.S. Risk Committee | Christine Garvey | MUAH outside director |

Member of Global Advisory Board

| | |
|------------------------------------|-------------|
| Mr. John C. Dugan | (U.S.) |
| Dr. Victor K. Fung | (Hong Kong) |
| Ambassador John V. Roos | (U.S.) |
| Lord (James) Sassoon | (U.K.) |
| Associate Professor Simon S.C. Tay | (Singapore) |
| Dr. Gertrude Tumpel-Gugerell | (Austria) |
| Mr. Toshio Iwamoto | (Japan) |
| Mr. Toru Nagashima | (Japan) |
| Mr. Akio Mimura | (Japan) |

*1 Nominating and Governance Committee is a "Nominating Committee" as provided for in the Companies Act

Corporate governance

- Corporate governance development

- Putting emphasis on ensuring external oversight, MUFG transitioned to the “company with three committees” governance structure in Jun 15. Aiming to strengthen the oversight function of the Board of Directors by separating the functions between oversight and execution in the holding company
- U.S. Risk Committee has been established under Risk Committee to comply with the U.S. EPS*1 in May 16

Corporate governance development

| | October 2005 Establishment of MUFG | | | June 2013 | June 2014 | June 2015 | May 2016 |
|-----------------------------------------|---------------------------------------------|------------|--------------------------------------------|----------------------------------|-----------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------|
| Governance Structure | Company with a Board of Corporate Auditors | | | | | Company with Three Committees | |
| Outside Directors | 2005 Four | 2006 Three | 2012 Two | Three | Five | Seven | |
| Committees under the Board of Directors | | | | | Governance Committee | Nominating and Governance Committee (statutory Nominating Committee) | |
| | 2005 Nomination Committee | | 2008 Nomination and Compensation Committee | | | | |
| | 2005 Compensation Committee | | | | | Compensation Committee (statutory) | |
| | 2005 Internal Audit and Compliance ommittee | | | | Audit Committee (statutory) | | |
| | | | | Risk Committee | | | |
| Advisory Board | 2005 Advisory Board | | | | | | Integrated into the Global Advisory Board |
| | | | | Global Advisory Board | | | |
| Board of Directors Operations | | | | Evaluation of Board of Directors | | | |
| | | | | | | Independent Outside Directors Meeting/ Appointment of Lead Independent Outside Director | |
| Policy | | | | | | MUFG Corporate Governance Policies | |

*1 Enhanced Prudential Standards

Corporate governance

- Strengthening the function of the Board of Directors

- MUFG takes measures to strengthen the function of the Board of Directors (“the BoD”), such as Independent Outside Directors Meetings and reviewing the agenda of the BoD meetings, leading to more substantial and intensive discussion
- To enhance the function of the BoD, MUFG has introduced a framework to regularly evaluate the BoD’s working practices through implementation of PDCA cycle

Strengthening the function of the BoD

【Independent Outside Directors Meetings】

- BoD meetings are followed by independent outside directors where the operations of the BoD are deliberated.
- Conclusions are reported to the chairman and the president by a Lead Independent Outside Director

【Support for Outside Directors】

- Board Educational Sessions are held to support independent outside directors’ deeper understanding of business and managerial environment of MUFG
- Themes for the sessions (examples in FY15)
1) Strategies for the Americas business, 2) Morgan Stanley, 3) IT systems outline and 4) Krungsri, etc.

【Evaluation framework for the BoD’s operations】



【Review of the agenda】

- Longer time can be allocated to more crucial issues by reviewing and optimizing the agenda discussed at the BoD meetings

| | FY14 ^{*1} | FY15 ^{*2} |
|--------------------------------------------------------------|--------------------|--------------------|
| Number of meetings held | 14 | 7 |
| Number of agenda items | 210 | 86 |
| Average duration of regular Board of Directors meetings | 2.5 hours | 5 hours |
| Volume of pages included in meeting materials (annual total) | Approx. 1,200 | Approx. 300 |

(Example of time table for a regular BoD’s meeting)

| | Topics | Presenter or attendees |
|-------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 10:00 | CEO Report | Group CEO |
| | CSO Report | Group CSO |
| | CFO Report | Group CFO |
| Lunch break | | |
| | CRO Report | Group CRO |
| | Risk Committee Report | Chairperson of Risk Committee |
| | CCO Report | Group CCO |
| | Audit Committee Report | Chairperson of Audit Committee |
| | Nominating and Governance Committee Report | Chairperson of Nominating and Governance Committee |
| | Compensation Committee Report | Chairperson of Compensation Committee |
| Break | | |
| 16:30 | Specific issue (1)-(4) | Officer in charge of the issue |
| | Independent Outside Directors Meeting | All outside directors |
| | Report on the conclusions reached at the aforementioned meeting | Lead Independent Outside Director, Chairman of the Board and President, Group CEO |
| 17:30 | Close (7.5 hours in total) | |

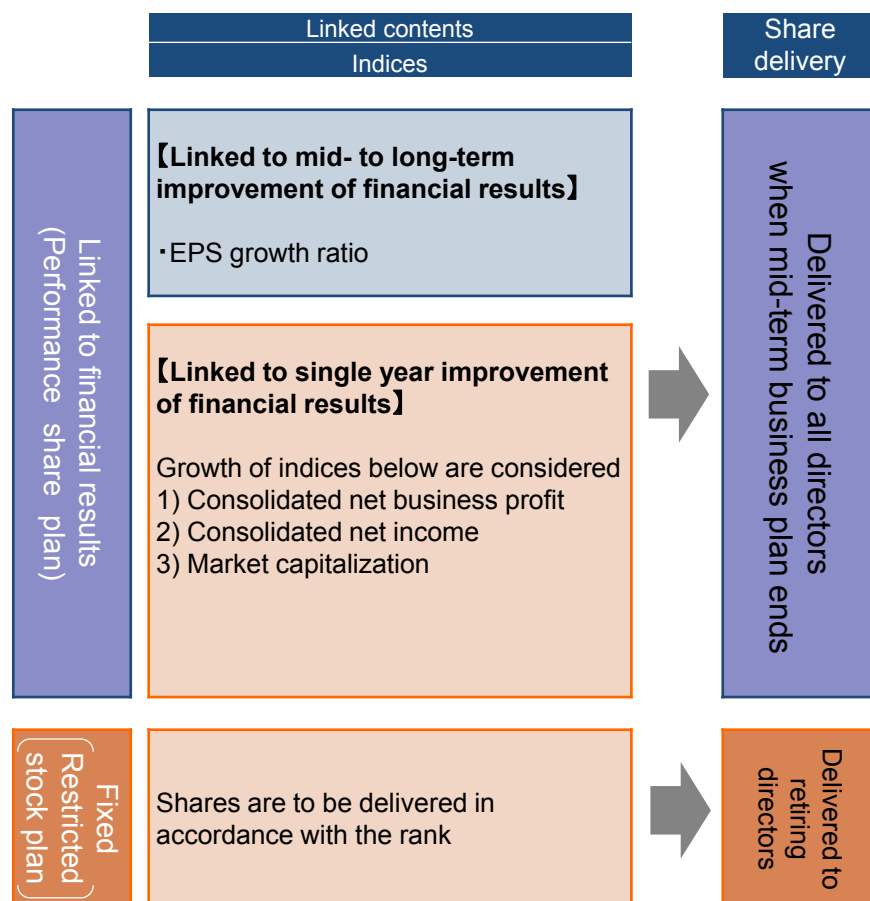
*1 Jun 14 to Mar 15 *2 Jun 15 to Mar 16 (After transition to the “company with three committees” system)

Corporate governance

- Introducing performance-based stock compensation plan for executives

- In July 16, MUFG has introduced a performance-based stock compensation plan, designed based on performance share plans and restricted stock plans in the U.S., in order to incentivize group-wide management that focuses more on the mid- to long-term improvement of financial results and stock price
- Enable sustainable growth and mid- to long-term enhancement of the enterprise value of the MUFG Group

Outline of stock compensation plan



Concept

- Designed based on performance share plans and restricted stock plans in the U.S.
- Corresponding to the principle of Japan's Corporate Governance Code "incentives such that it reflects mid- to long-term business results and potential risks, as well as promotes healthy entrepreneurship"
- MUFG shares, acquired and managed by trustee in advance, are to be delivered in accordance with the rank and the financial achievements (single year and mid- to long-term) of eligible directors
- The way to measure financial achievements is as follows.

【Linked to mid- to long-term improvement of financial results】

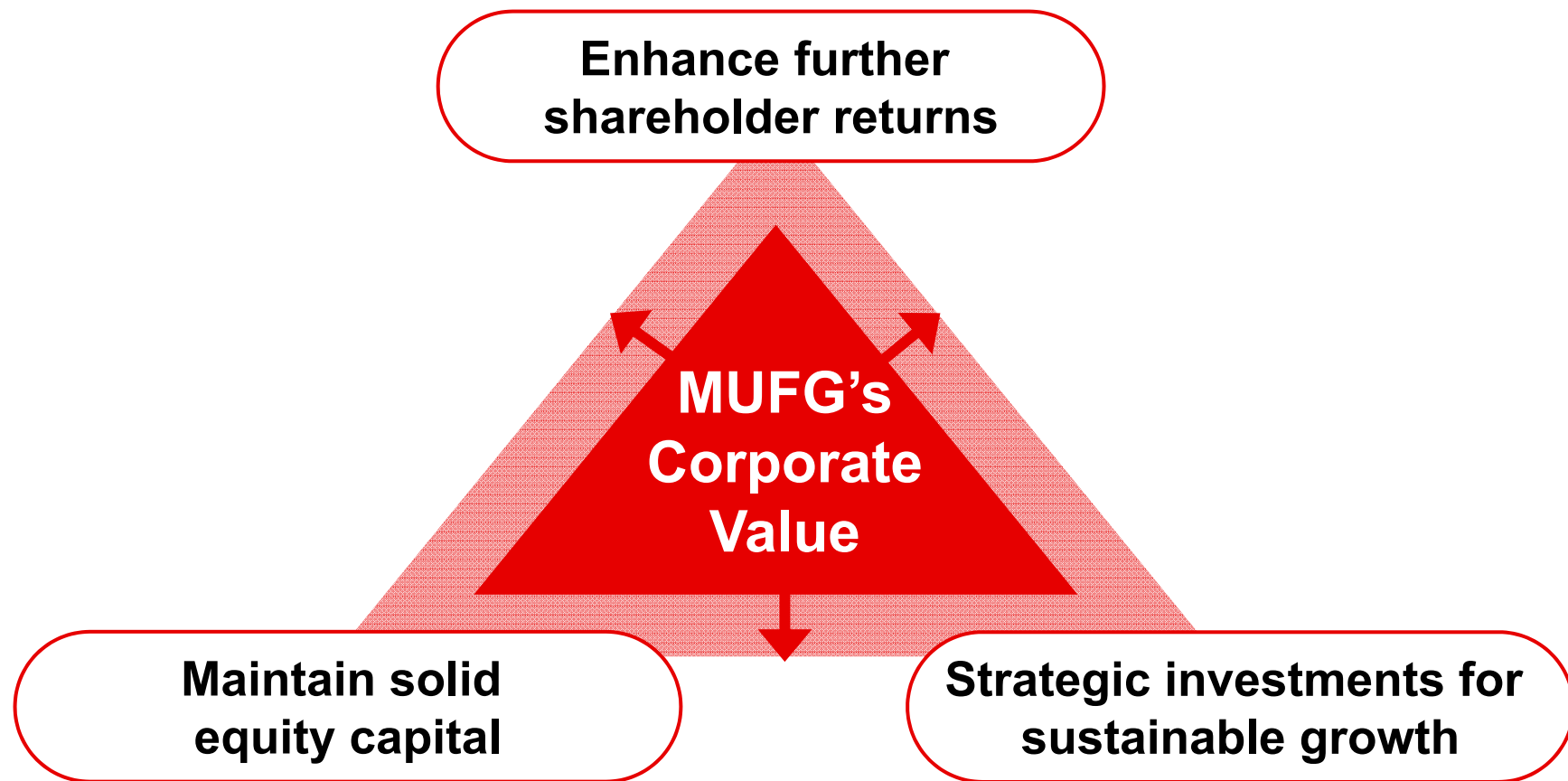
- Measured by **EPS growth ratio**, one of financial targets in MUFG mid-term business plan

【Linked to single year improvement of financial results】

- Measured by 1) **consolidated net business profit**, 2) **consolidated net income** and 3) **market capitalization**
- Considering both market environment and competitors, evaluated by achievement level compared with peer banks

Capital policy

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

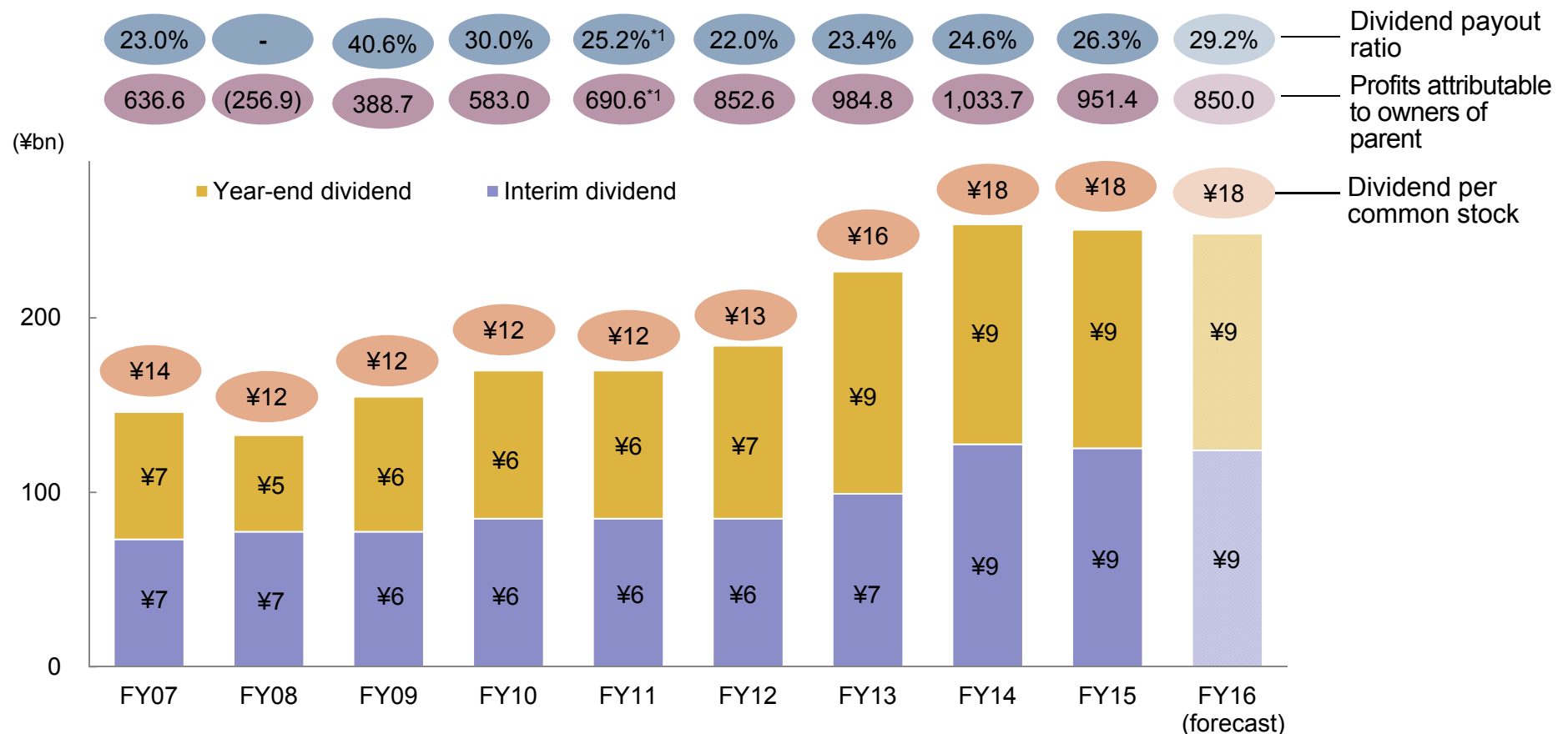


Dividend forecast

(Consolidated)

- MUFG makes it a basic policy to aim for a stable and continuous increase in dividends per share through growth in profits
- FY15 dividend is ¥18 per common stock. FY16 dividend forecast is ¥18 per common stock

Result and forecast of dividend



*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

| | FY14 | FY15 | FY16 |
|----------------------------------------|-----------------------------|-----------------------------------------------|-----------------------------|
| Type of shares repurchased | Ordinary shares of MUFG | Ordinary shares of MUFG | Ordinary shares of MUFG |
| Aggregate amount of repurchase price | Approx. ¥100.0 bn | Approx. ¥200.0 bn | Approx. ¥100.0 bn |
| Aggregate number of shares repurchased | Approx. 148.59 mm shares | Approx. 232.85 mm shares | Approx. 190.61 mm shares |
| Repurchase period (contract basis) | Nov 17 - Dec 18, 2014 | May 18 - Jun 16, 2015 Nov 16 - Dec 8, 2015 | May 17 - Jun 13, 2016 |

(Reference) As of July 31, 2016

Total number of issued shares (excluding own shares) : 13,604,489,944 shares

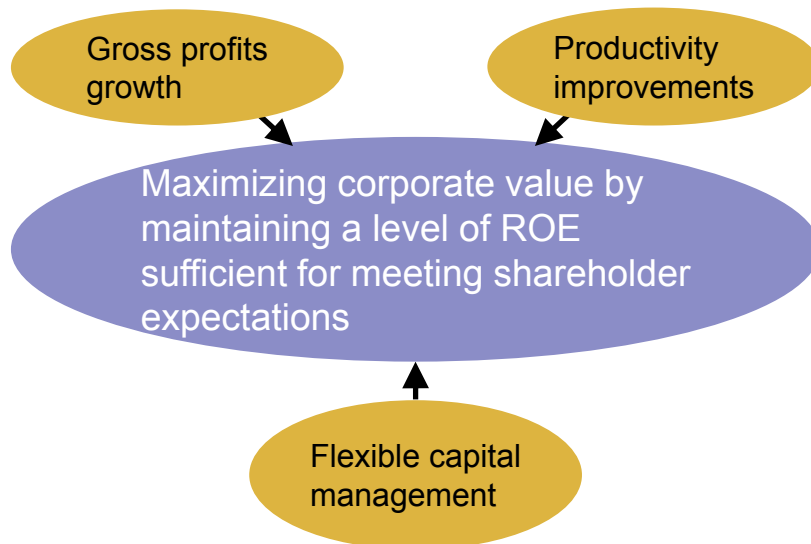
Number of own shares held by MUFG : 564,363,876 shares

Efficient use of capital

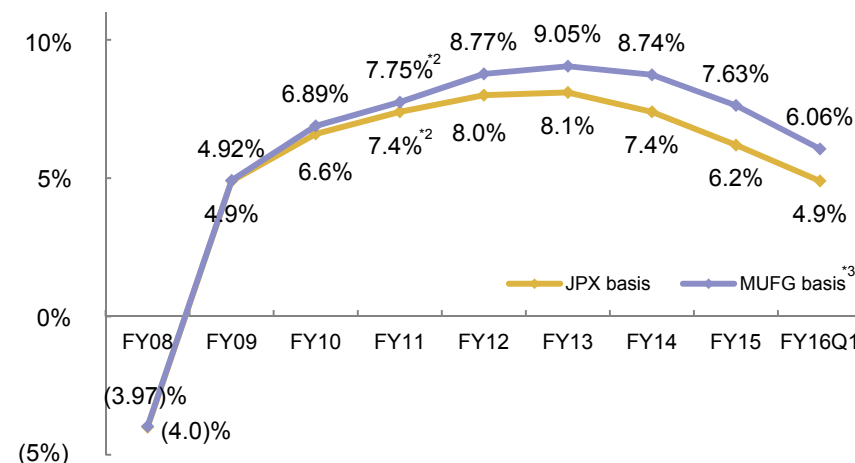
(Consolidated)

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 regulations
 - Reducing the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- CET1 ratio*¹ was 10.2% as of end Jun 16, 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



Consolidated ROE



*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
$$\frac{\{(\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period} - \text{Number of nonconvertible preferred stocks at the end of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the end of the period})\}}{2} \times 100$$

Capital management

- The best capital mix and TLAC compliance

Capital efficiency
&
Capital qualitative and
quantitative adequacy

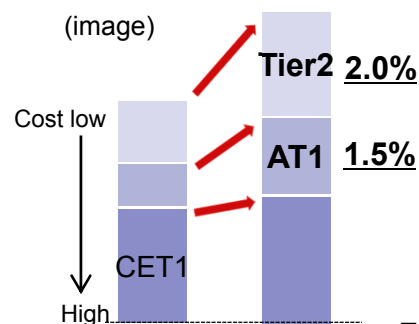
✓ Best capital mix among CET1, AT1 and Tier2

Cost- and effectiveness-conscious capital management with effective utilization of AT1/Tier2 and control CET1 at necessary and sufficient level

✓ Reduction of equity holdings

Reducing the amount of equity holdings considering the risk, capital efficiency and global financial regulations

Best capital mix among CET1, AT1 and Tier2



(Ref. minimum capital requirements)

| | Mar 16 | Mar 17 | Mar 18 | Mar 19~ |
|---------------------|--------|--------|--------|---------|
| Total capital ratio | 9.0% | 10.0% | 11.0% | 12.0% |
| Tier1 ratio | 7.0% | 8.0% | 9.0% | 10.0% |
| CET1 ratio | 5.5% | 6.5% | 7.5% | 8.5% |

Target level based on minimum capital requirements

MUFG Basel III eligible AT1 perpetual sub notes : ¥550 bn issued since Mar 15*1

| | Issued | Amount | Tenor | Coupon |
|----|--------|---------|-------|-----------------------------------------------|
| #1 | Mar 15 | ¥100 bn | Perp | 2.70% until Jul 20, 6M¥Libor+2.40% thereafter |
| #2 | Oct 15 | ¥150 bn | Perp | 2.50% until Jan 26, 6M¥Libor+2.00% thereafter |
| #3 | Mar 16 | ¥300 bn | Perp | 1.94% until Jul 26, 6M¥Libor+1.80% thereafter |

MUFG Basel III eligible Tier2 sub notes (recent issues) : ¥655 bn issued since Jun 14*1

| | Issued | Amount | Tenor | Coupon |
|-----|--------|---------|--------|----------------------------------------------|
| #9 | Mar 16 | ¥200 bn | Jul 26 | 0.35% until Jul 21, 5Y¥Swap+0.45% thereafter |
| #10 | Apr 16 | ¥35 bn | Apr 26 | 0.535% |
| #11 | Jul 16 | ¥106 bn | Jul 26 | 0.366% |
| #12 | Jul 16 | ¥114 bn | Jul 26 | 0.30% until Jul 21, 5Y¥Swap+0.48% thereafter |

Topic: TLAC compliance

Group's primary funding entity will be shifting from operating subsidiaries to MUFG, the ultimate parent, which shall be designated as a resolution entity in orderly resolution under the SPE strategy*2

(image)

Senior Debt

Since Mar 16, MUFG has issued its senior notes to comply with TLAC requirement

Issuances of SEC registered notes

| Issued | Ccy / Amount | Notes |
|--------|--------------|----------------------------------|
| Mar 16 | US\$5.0 bn | |
| Apr 16 | US\$2.0 bn | Re-opening |
| Sep 16 | US\$4.0 bn | Announced on 6 th Sep |

(Ref. Estimated TLAC ratio*3)

| As of end Jun 16 | 15.8% |
|------------------|-------|
|------------------|-------|

Estimated above TLAC ratio by following calculation, which is based on our total capital ratio as of end Jun 16
 TLAC ratio (15.8%)=Total capital ratio(16.6%)-Capital conservation buffer(2.5%)
 -G-SIB surcharge(1.5%)+Contribution of Deposit Insurance Fund Reserve(2.5%)
 +TLAC eligible debt(0.7%)

*1 Accumulated amount as of end Aug 16

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

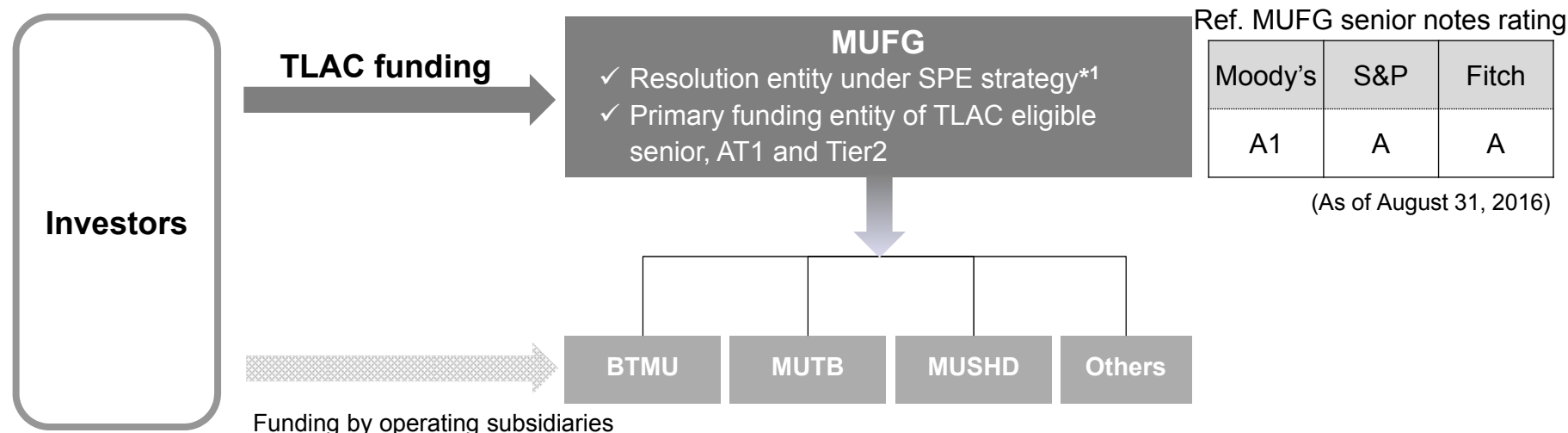
*3 Figure contains 2.5% portion of RWA, which is expected to be counted as TLAC after Mar 19 based on the prospect that the relevant authorities agree that the Japanese Deposit Insurance Fund Reserves satisfy as credible ex-ante commitments specified in TLAC Term Sheet. This will add another 1.0% of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

Capital management

- TLAC compliance (resolution entity under the TLAC framework)

- Assuming that an orderly resolution under the SPE strategy^{*1} would apply to MUFG group, MUFG, the ultimate parent, is expected to be designated as the resolution entity and requires funding through TLAC eligible debts
- Proceed money funded by MUFG is downstreamed to its Material Sub-groups, operating subsidiaries
- Operating subsidiaries are expected to continue funding by themselves only under the limited conditions in terms of maturities, currencies and structures

Group's primary funding entity will be shifting to MUFG, which shall be designated as a resolution entity in orderly resolution under the SPE strategy^{*1}



- ✓ Unsecured bonds (JPY, US\$, Euro): Possibilities of funding in TLAC ineligible tenors^{*2}
- ✓ Unsecured bonds (Other than above): Possibilities of funding in local currencies
- ✓ Structured bonds / Collateralized bonds, etc.: Funding by operating subsidiaries

^{*1} Single Point of Entry strategy: to resolve a financial group at the level of its ultimate parent, rather than the operating companies at subsidiary level in financial difficulty by the single national financial authority

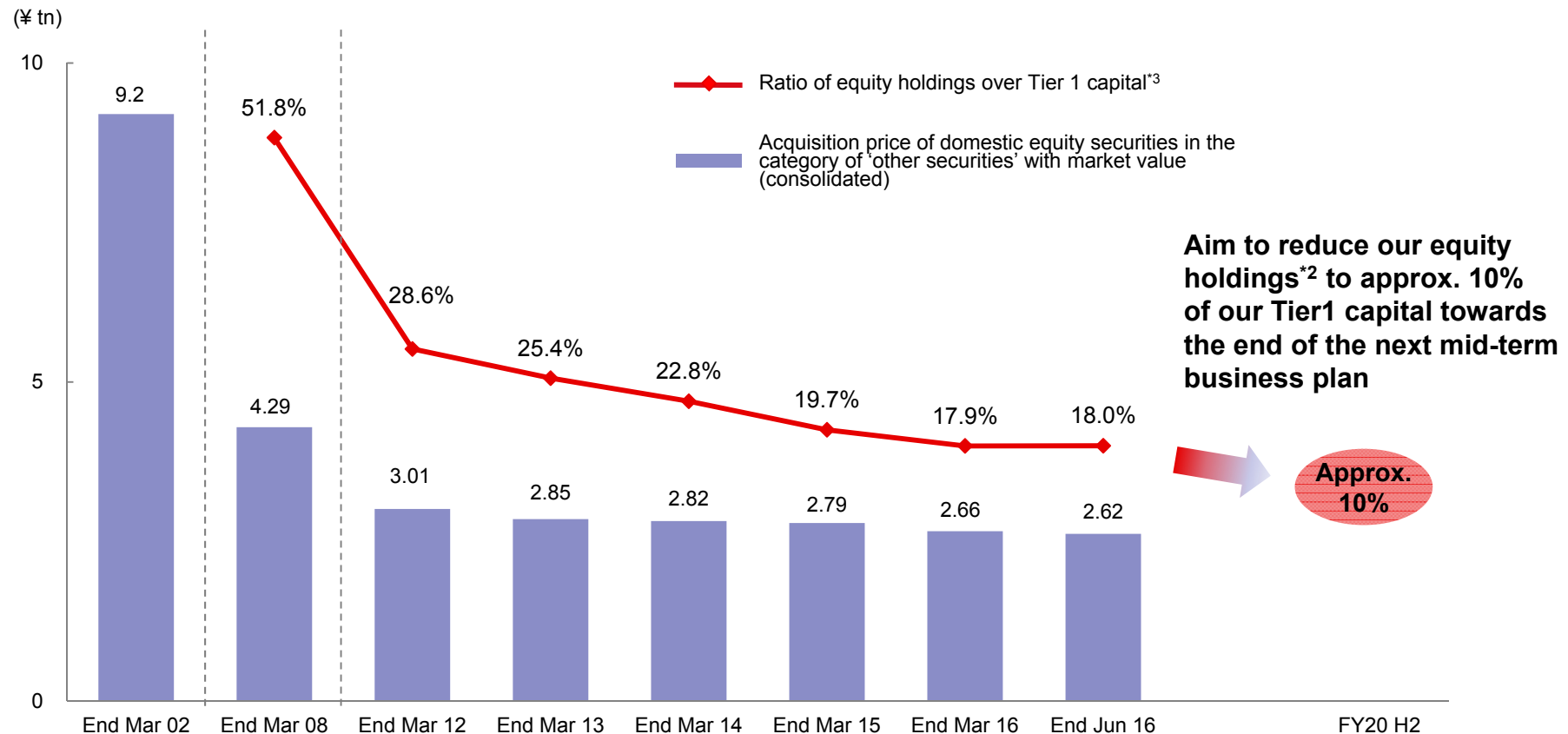
^{*2} Tenors remaining less than 1 year to its maturity after TLAC regulation becomes effective

Capital management

- Reduction of equity holdings

- Our basic policy is reducing the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- Approx. ¥30 bn equities reduced in Q1^{*1}. The ratio of our equity holdings^{*2} over our Tier1 capital was 18.0%. Keep on our original aim to reduce the ratio to approximately 10% towards the end of the next mid-term business plan

Reduction of equity holdings



*1 Sum of BTMU and MUTB

*2 For strategic purpose, at acquisition costs

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

Appendix

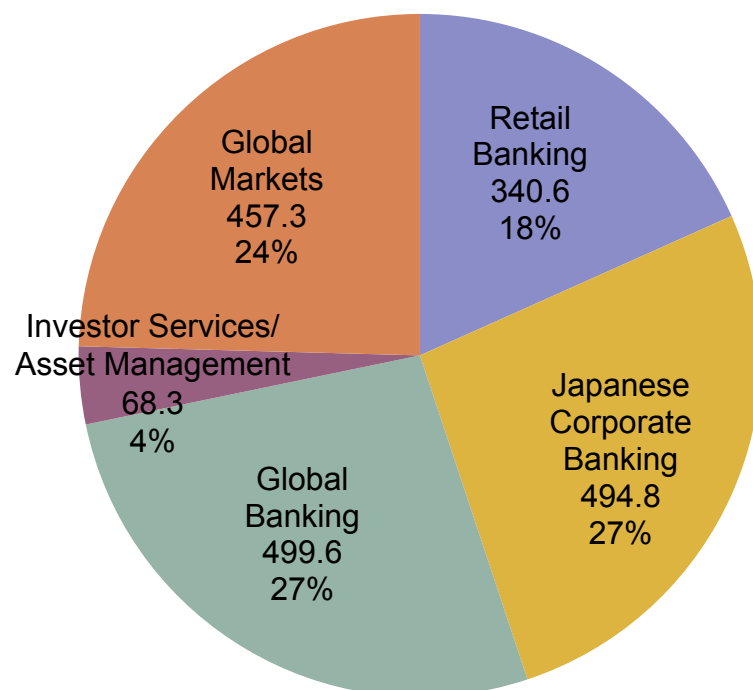
Appendix: Outline of results by business segment

(Consolidated)

Net operating profits by segment^{*1}

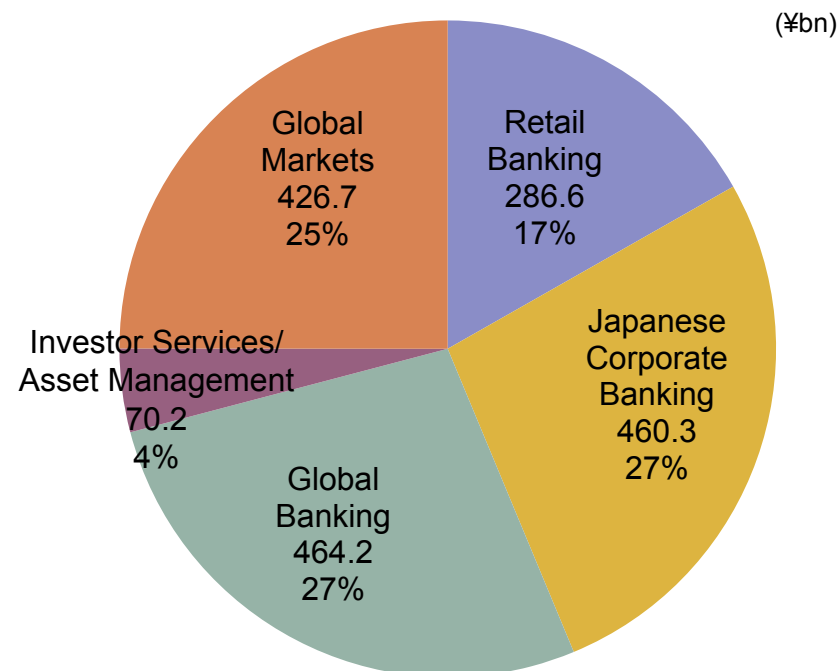
FY14 ¥1,663.4 bn^{*2}

Global banking segment accounted for 36% of total customer segments



FY15 ¥1,551.0 bn^{*2}

Global banking segment accounts for 36% of total customer segments



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

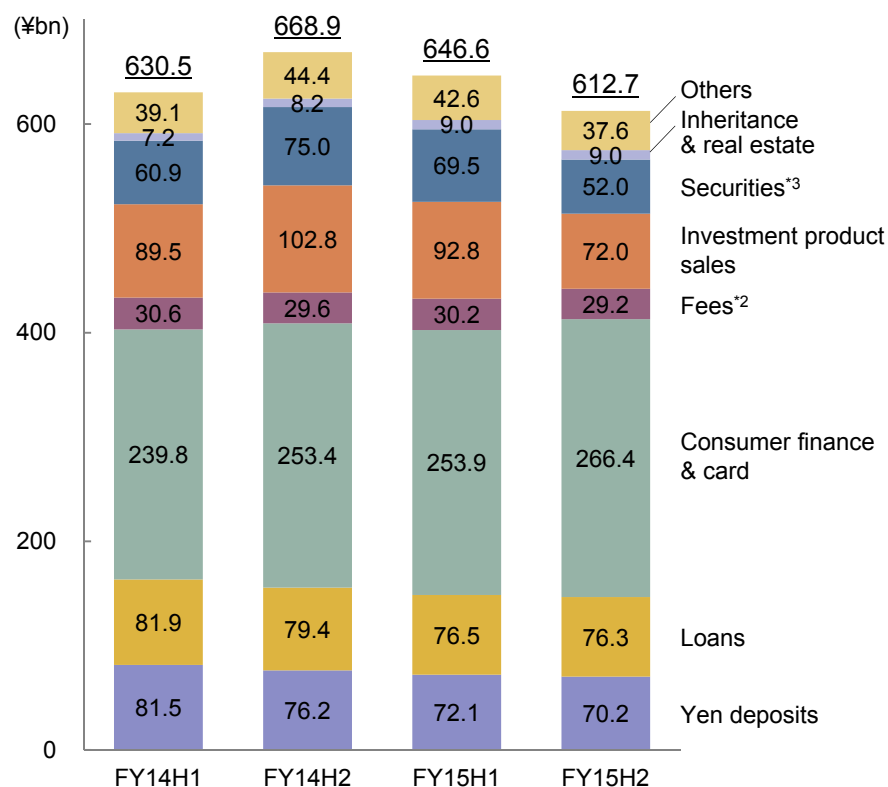
*2 Including profits or loss from others

Appendix: Historical outlook in Retail Banking

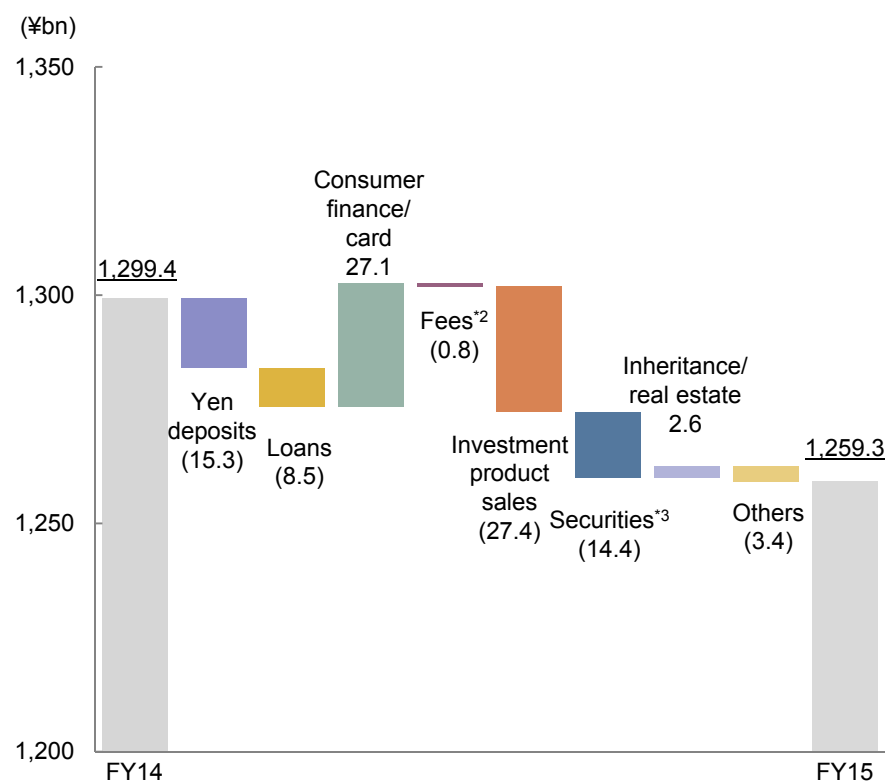
(Consolidated)

- Consumer finance business profit increased on the back of invigorated private spending
- Investment product sales struggled, especially in investment trusts and equities, facing volatile market on the back of global economic unsteadiness, despite of successful gains of new customer base and more incoming money flow through Japan Post's and its 2 subsidiaries' IPO deals
- Profits from loans and yen deposits continued decreasing primarily due to market rate decline following fiercer market competition as well as BoJ's negative interest rate policy

Gross profits*¹



Change in gross profits*¹



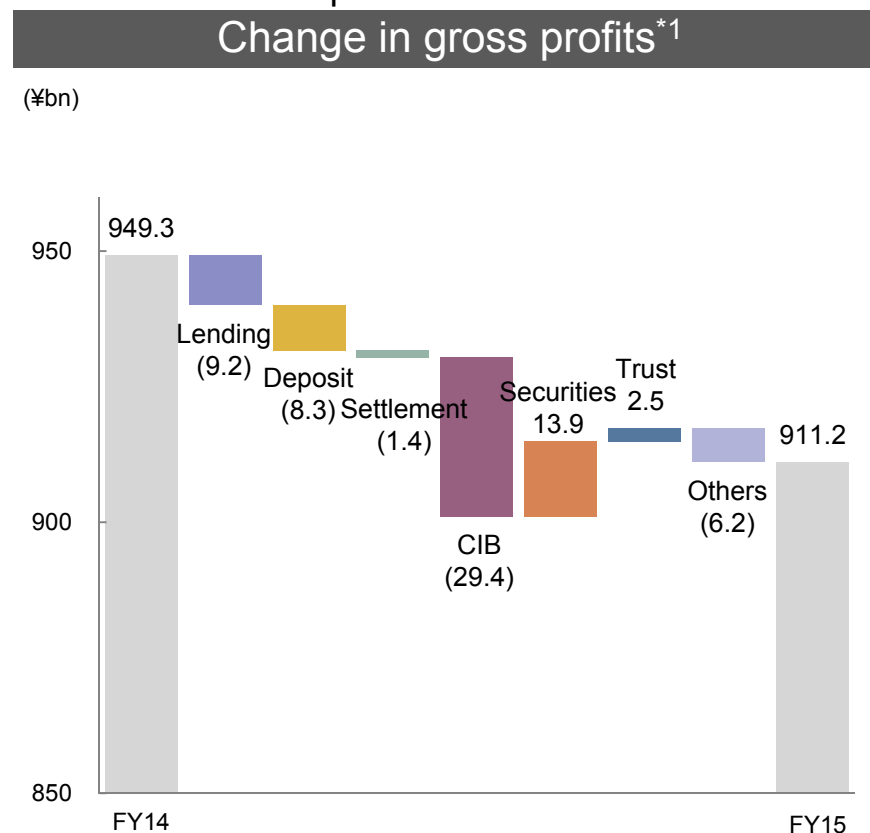
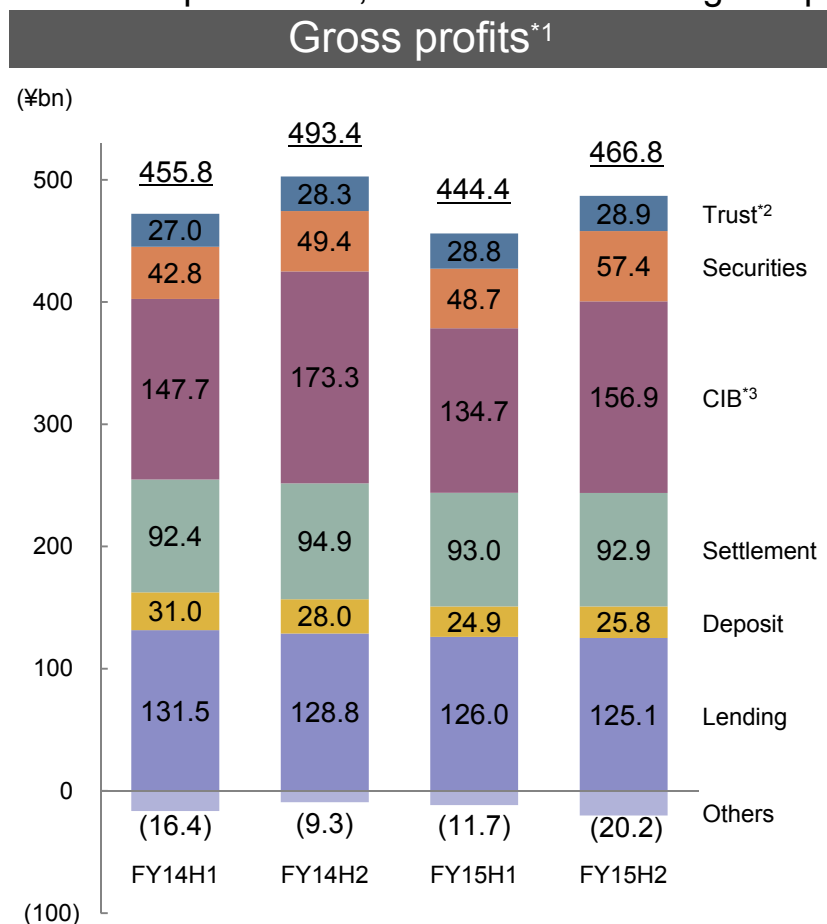
*1 All figures are in actual exchange rate and managerial accounting basis

*2 Transfer, ATM, etc.

*3 Fees from stock/bond sales, etc.

Appendix: Historical outlook in Japanese Corporate Banking (Consolidated)

- Securities business profit progressed thanks to large IPO deals
- Gross profits of CIB business in FY15 was declined from that in previous year, where a large corporate M&A deal had much contributed. Business reform, as a measure to strengthen our sustainable earning capability, has been implemented, which also lowered gross profits in CIB business as predicted



*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.

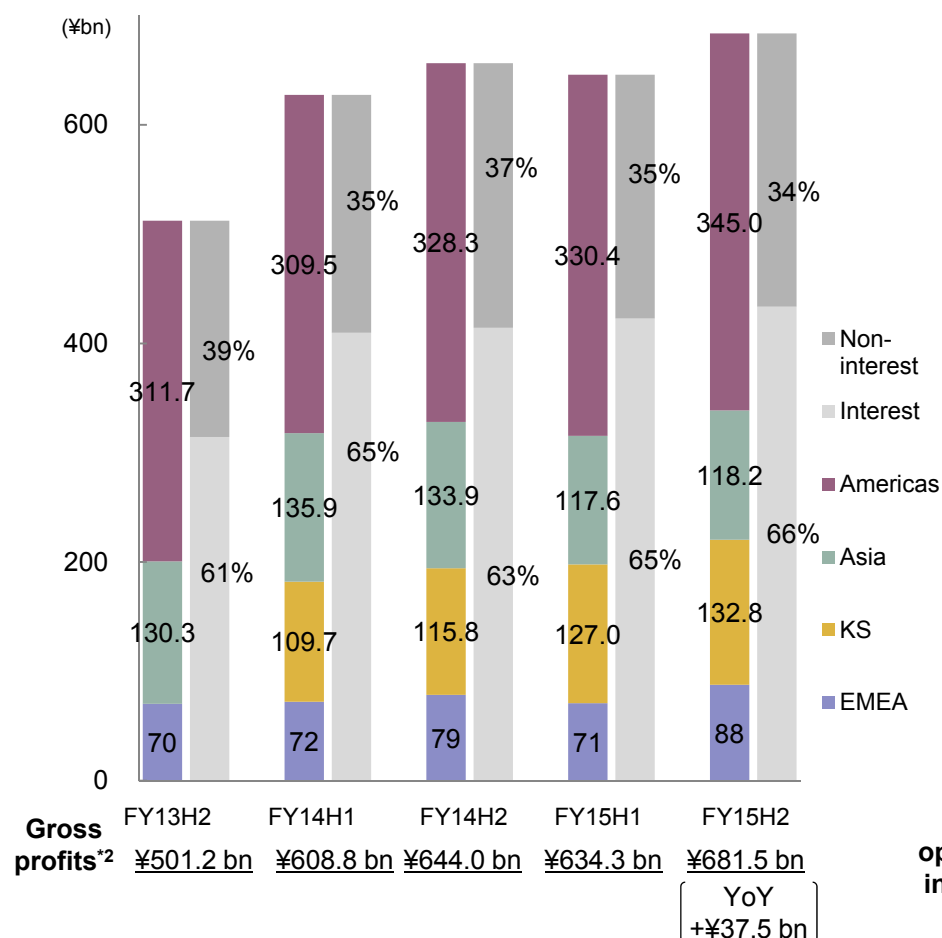
Appendix: Historical outlook in Global Banking (1)

- Gross profits & operating income by region

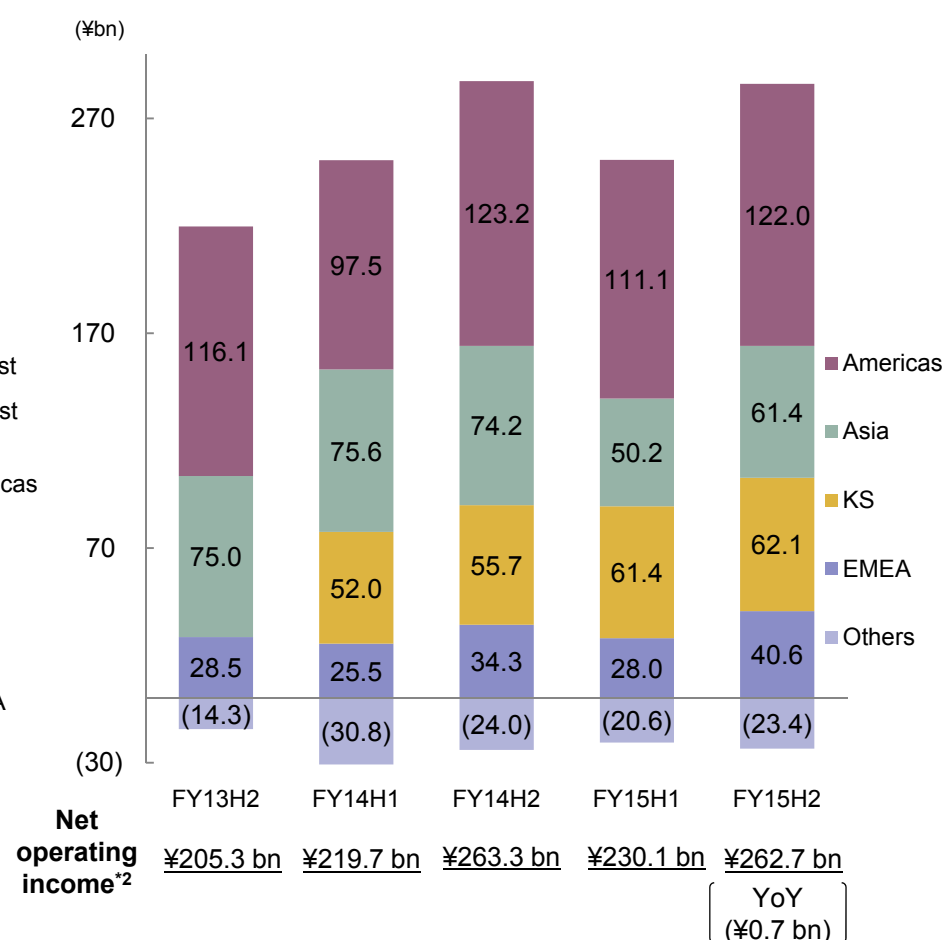
(Consolidated)

- Gross profits for FY15 H2 increased from FY14 H2. Increase in Americas and KS covered decrease in Asia
- Operating income for FY15 H2 slightly decreased from FY14 H2

Gross profits by region*1



Operating income by region*1



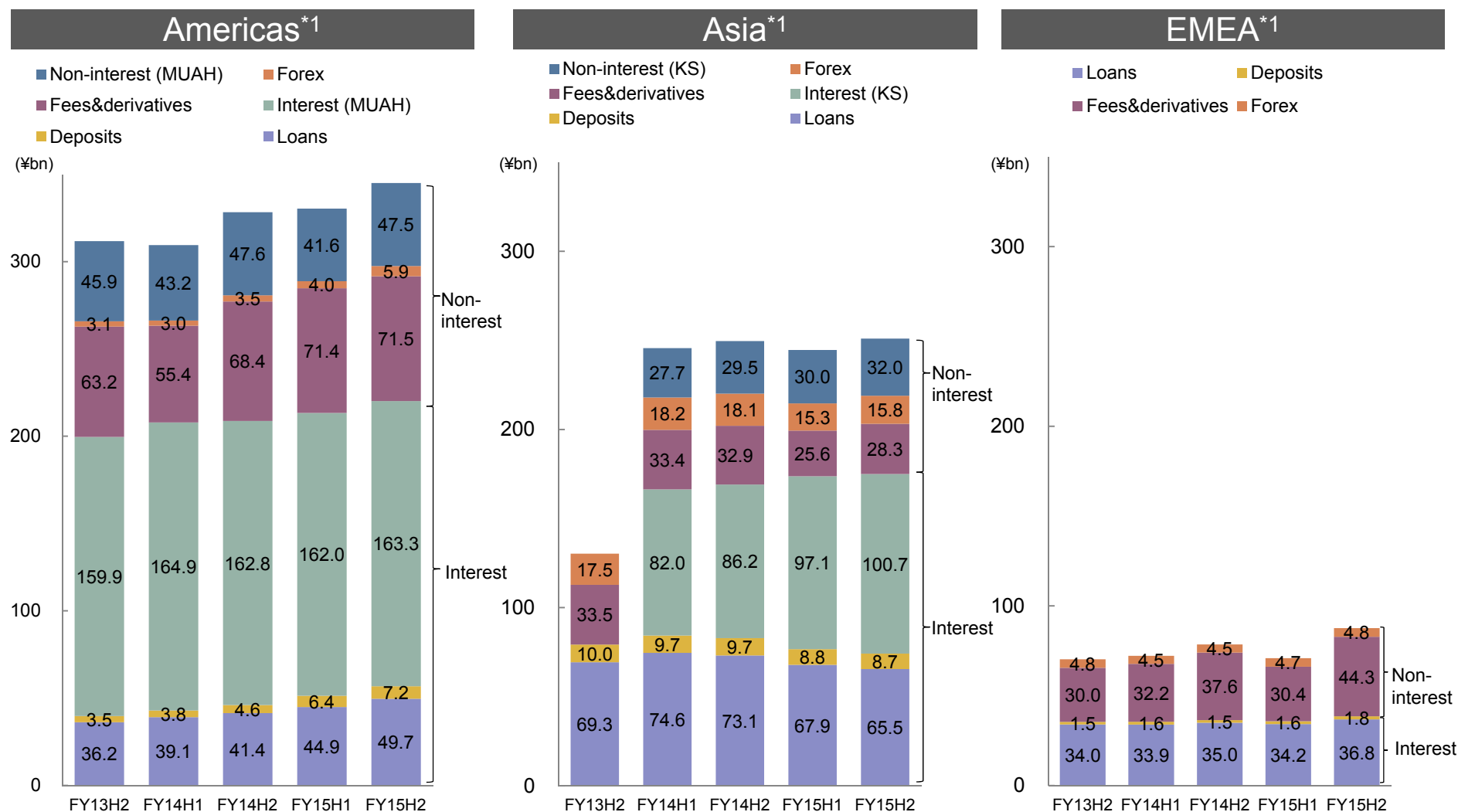
*1 Local currency basis. Each break down is before elimination of duplication, and excludes other gross profits. BTMU Bangkok branch was integrated into KS in Jan 15. Gross profits and net operating income of the branch for FY14H1 was ¥12.6 bn and ¥8.7 bn respectively

*2 After adjustment of duplication between regions

Appendix: Historical outlook in Global Banking (2)

- Breakdown of gross profits

(Consolidated)



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

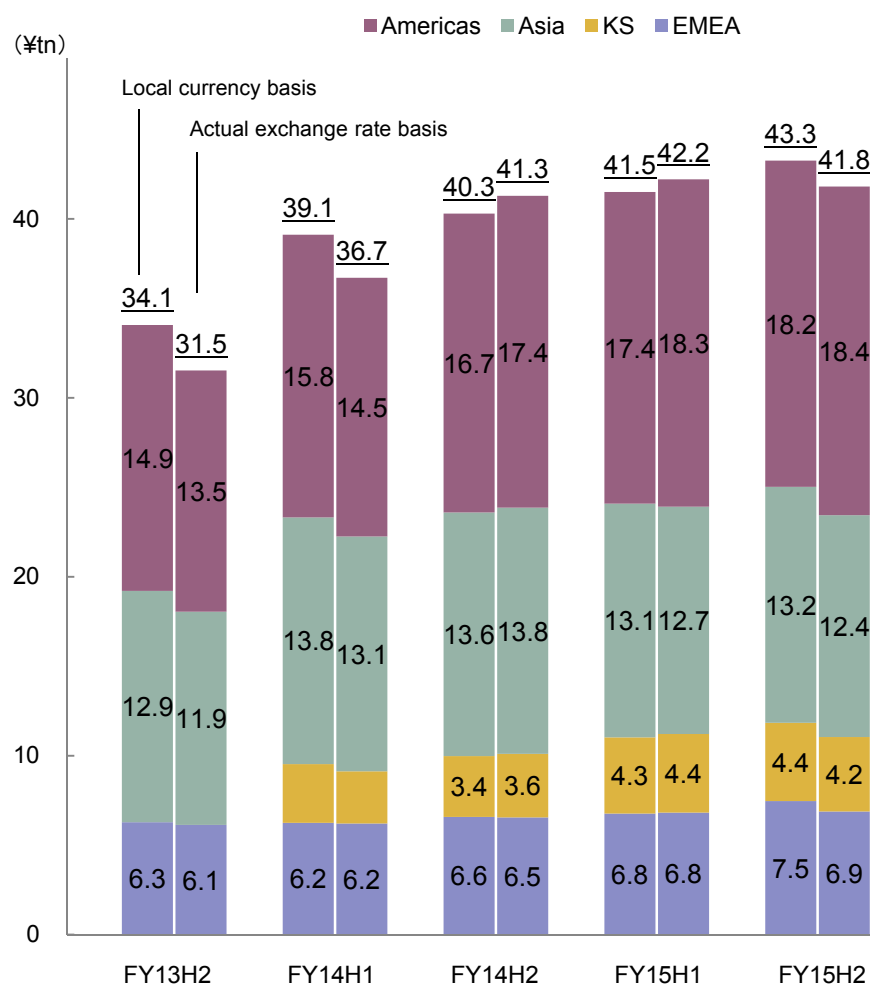
Appendix: Historical outlook in Global Banking (3)

- Loans and deposits by region

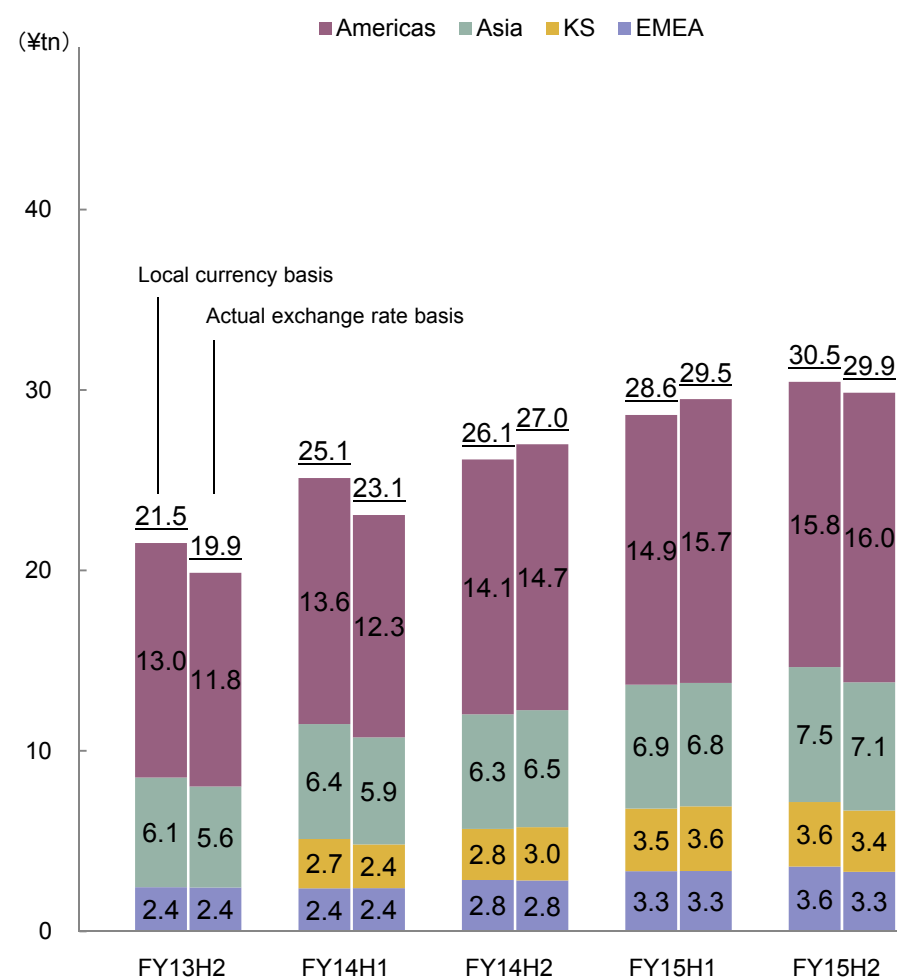
(Consolidated)

- Loan balance and deposit balance showed consistent growth

Average loan balance by region



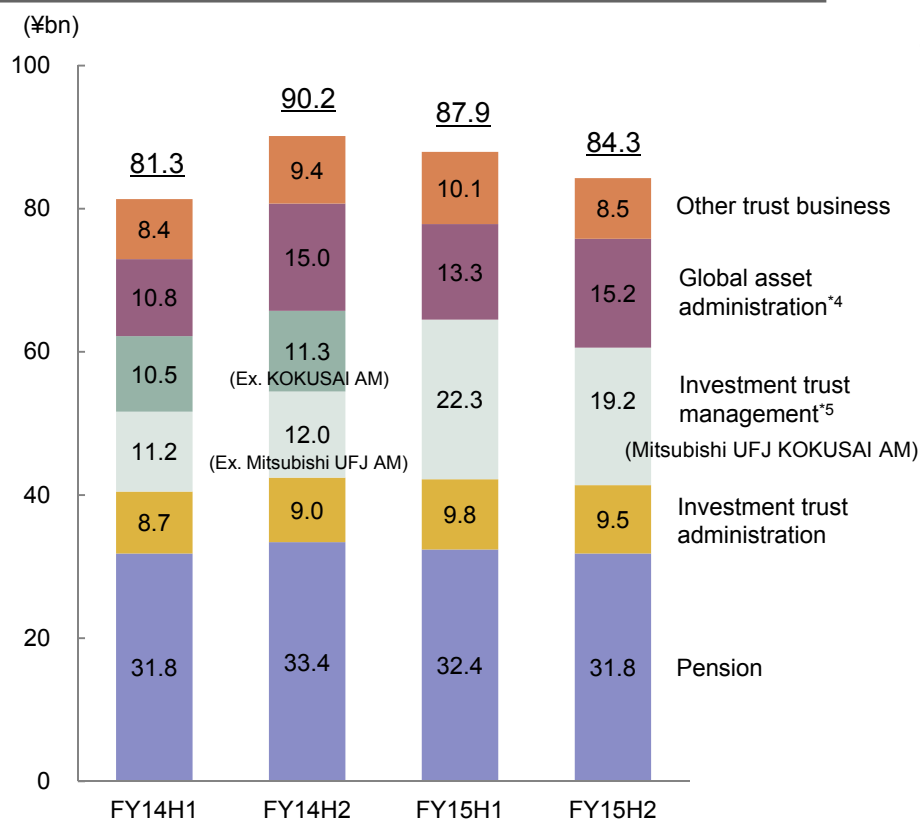
Average deposit balance by region



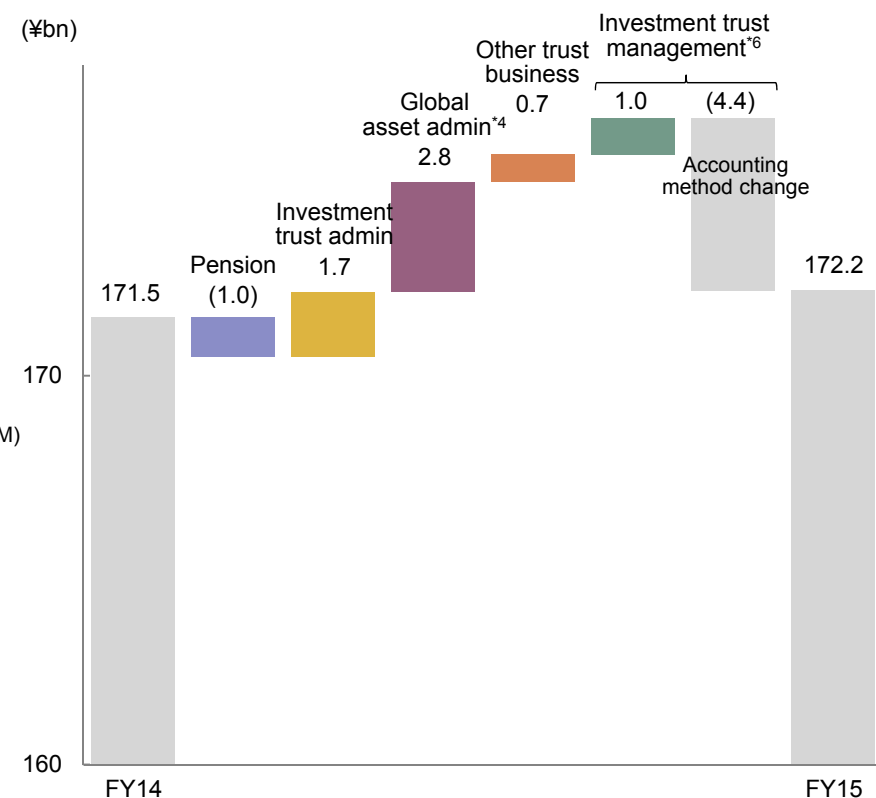
Appendix: Historical outlook in Investor Services/Asset Management (Consolidated)

- FY15 gross profits slightly increased to ¥172.2 bn, up ¥0.7 bn from FY14
- Steady growth in AuM^{*1} and AuA^{*2} of investment trust admin and global IS/AM business compensated a downward impacts, mainly a shrink of domestic employees' pension fund market

Consolidated gross profits^{*3}



Change in gross profits^{*3}



*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 on actual exchange rate and managerial accounting basis

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

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

*6 Following the 2 AM companies merger, accounting method of commissioned research cost has been unified to subtract it from gross profit instead of posting it as an expense. Gross profits of investment trust management business in FY15 progressed up ¥1.0 bn from FY14, excluding impacts from this accounting method change

Appendix: ICT Strategy

- To enhance the competitiveness in FinTech, established Innovation Lab, which contributes open innovation
- In FY16, seek for innovation for productivity enhancement and improving customer satisfaction

Enhancement of ICT Strategy

MUFG FinTech Accelerator Program

- Aim to select and incubate venture companies with blue-chip technologies and ideas
- Hosted by BTMU, MURC*¹, MUCAP*² & MRI*³, allied with Plug and Play Tech Center in Silicon Valley
- Final presentation will be held in Aug 2016 where 5 venture companies participated in 1st period of the program will show their achievement
 - MUFG will seek for opportunities of collaboration with participants

FinTech Challenge 2016 (Hackathon)

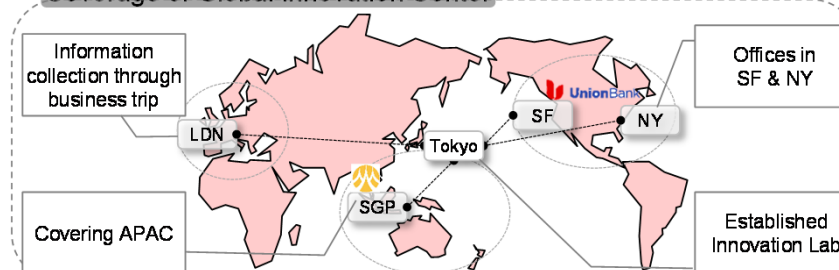
- Hosted Hackathon in Mar 2016
 - Confirmed practical availability for realization of OPEN API



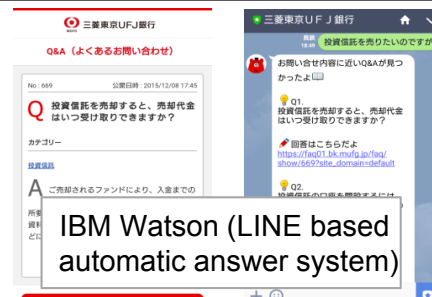
Global Innovation Center

- Established “Tokyo Innovation Lab”
- Opened office in US East Coast and in Singapore, in addition to US West Coast
- Strong tie-up with US venture companies
 - Invested to Sozo Ventures-TrueBridge Fund II, L.P.

Coverage of Global Innovation Center



FY15 New products and services

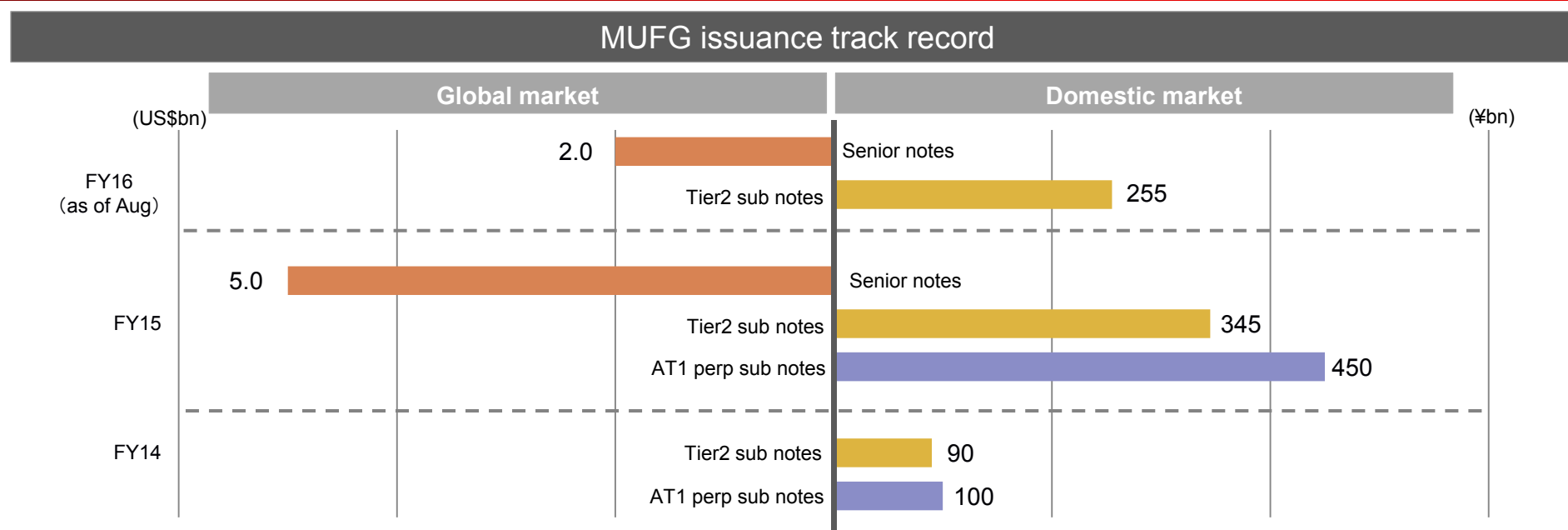


*1 Mitsubishi UFJ Research & Consulting

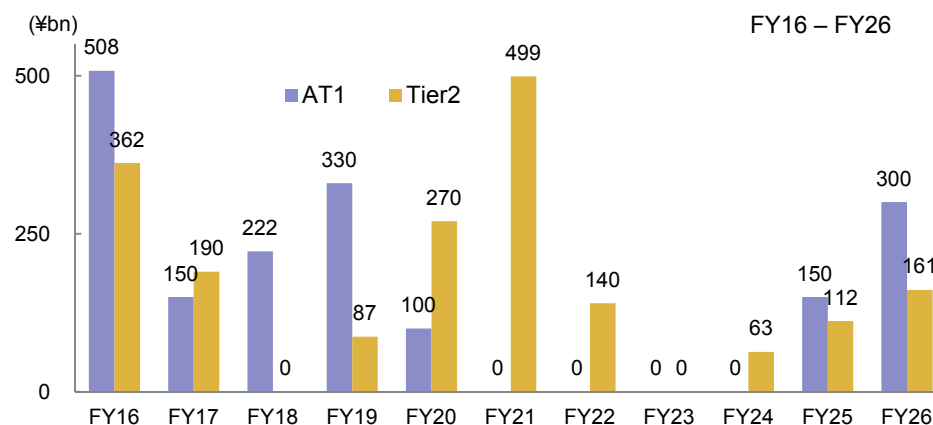
*2 Mitsubishi UFJ Capital

*3 Mitsubishi Research Institute

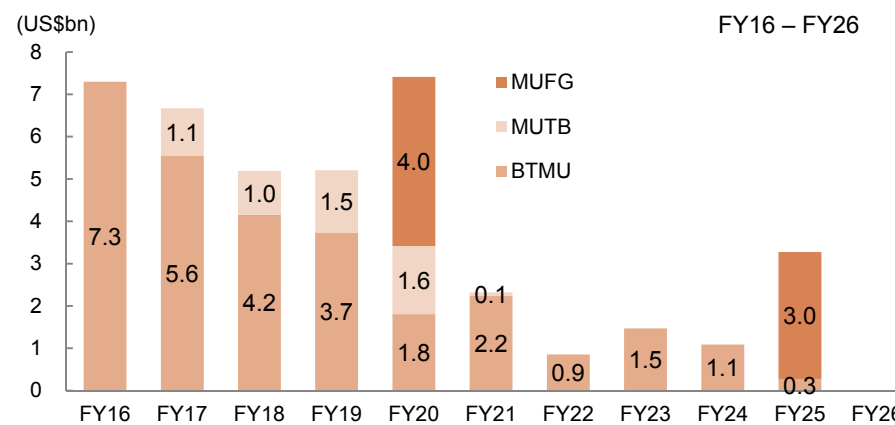
Appendix: MUFG issuance track record in both domestic and global markets and redemption schedule



MUFG/BTMU/MUTB AT1, Tier2 call/redemption schedule*1



MUFG/BTMU/MUTB senior unsecured bond redemption schedule*2



*1 Figures are as of end Mar 16 assuming that all callable notes are to be redeemed on its first callable date. AT1 and Tier2 contain Basel II Tier1 preferred securities and Basel II Tier2 sub notes respectively

*2 Figures all converted into US\$ with active market rates as of end Mar 16