



IR Presentation

February, 2017



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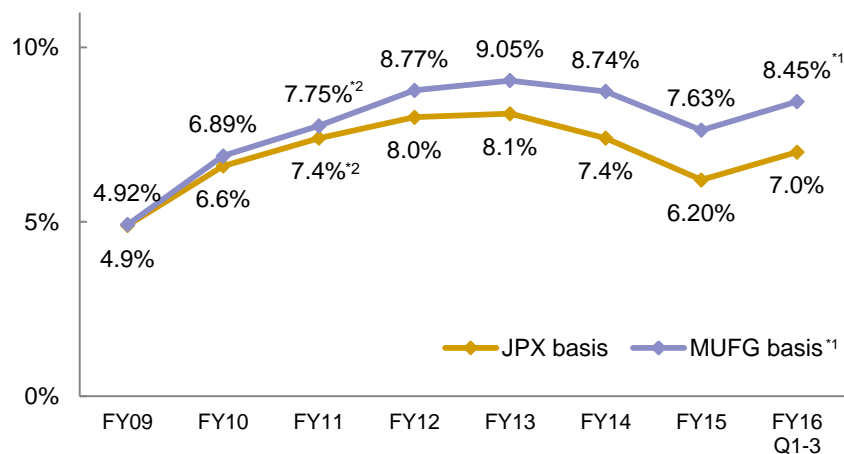
Definitions of figures used in this document

Consolidated	: Mitsubishi UFJ Financial Group (consolidated)
Non-consolidated	: Simple some of Bank of Tokyo-Mitsubishi UFJ (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)
Commercial bank consolidated	: Bank of Tokyo-Mitsubishi UFJ (consolidated)

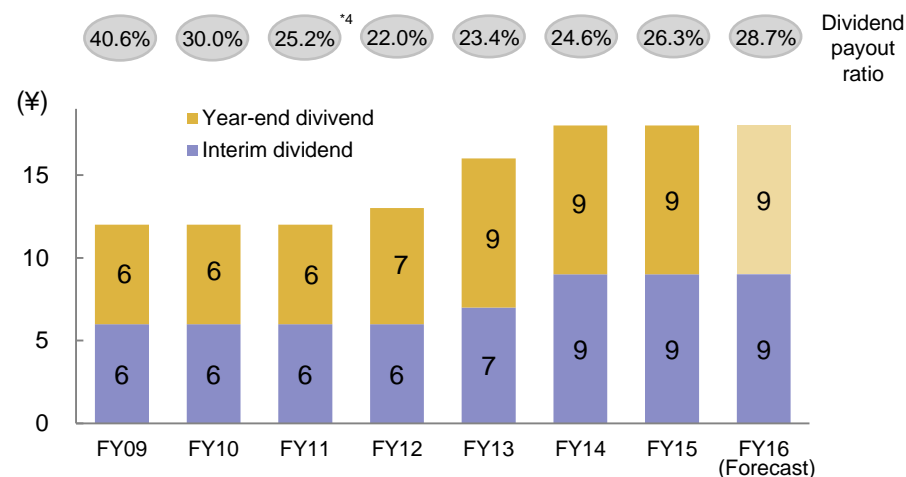
Management index

(Consolidated)

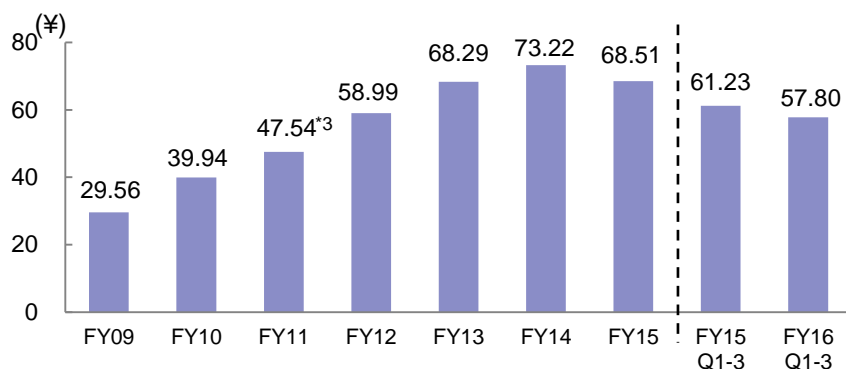
ROE



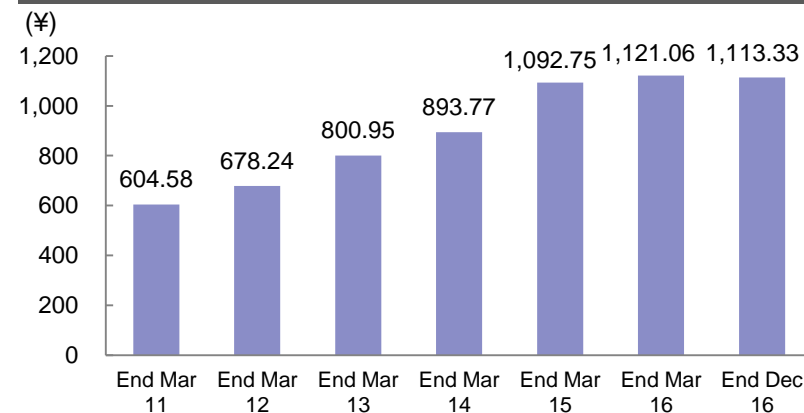
Dividend per share/Dividend payout ratio



EPS



BPS



^{*1} $\frac{\text{Profits attributable to owners of parent} \times 4/3}{\left(\frac{\text{Total shareholders' equity at the beginning of the period} + \text{Foreign currency translation adjustments at the beginning of the period}}{2} + \frac{\text{Total shareholders' equity at the end of the period} + \text{Foreign currency translation adjustments at the end of the period}}{2} \right)} \times 100$

^{*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	FY16Q1-3
Growth	EPS(¥)	¥73.22	Increase 15% or more from FY14	¥57.80
Profitability	ROE	8.74%	Between 8.5-9.0%	8.45%
	Expense ratio	61.1%	Approx. 60%	63.7%
Financial strength	CET1 ratio (Full implementation)*1	12.2%	9.5% or above	11.4%
	(Excluding an impact of net unrealized gains (losses) on available-for-sale securities)			9.4%

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

FY2016 financial target

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

(¥bn)

<Financial target, etc.>

[MUFG Consolidated]

		FY16	
		Interim	Full year
1	Total credit costs	(110.0)	(150.0)
2	Ordinary profits	610.0	1,320.0
3	Profits attributable to owners of parent	360.0	850.0

<Results>

		FY15		FY16
		Interim	Full year	Interim
		(31.0)	(255.1)	(57.6)
		969.9	1,539.4	794.8
		599.3	951.4	490.5

(BTMU : for reference)

4	Net business profits	320.0	700.0
5	Total credit costs	(20.0)	(30.0)
6	Ordinary profits	290.0	670.0
7	Net income	210.0	490.0

	480.4	888.1	417.0
	21.2	(103.4)	(4.7)
	538.3	863.7	410.2
	379.6	586.0	323.0

(MUTB : for reference)

8	Net business profits	80.0	170.0
9	Total credit costs	(5.0)	(5.0)
10	Ordinary profits	75.0	180.0
11	Net income	55.0	130.0

	95.6	193.0	92.7
	1.3	(0.2)	1.7
	99.5	206.5	105.5
	70.3	159.9	75.7

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Outline of FY2016 Q1-3 results

Key points of FY2016 Q1-3

(Consolidated)

● Profits attributable to owners of parent was ¥786.9 bn (decreased ¥65.3 bn from FY15Q1-3)

- Progress rate was 92.5% of ¥850.0 bn target
- ¥50.9 bn total credit cost was posted
- Whereas BTMU and MUTB combined net income was short, subsidiaries such as MUAH*2 and KS*3 were performing

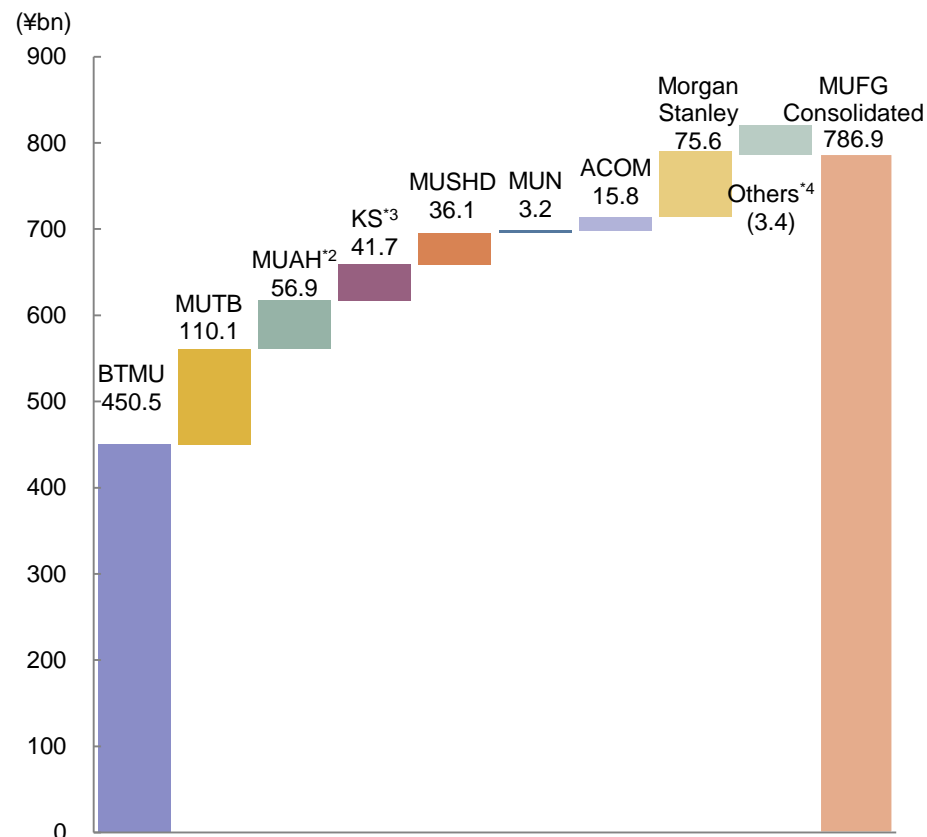
● Progress of major business initiative

- Formed Hitachi Capital as an equity method affiliate of MUFG. Jointly incorporated Japan Infrastructure Initiative Co. Ltd.
- Formed U.S. fund admin company, Rydex Fund Services as wholly owned subsidiary. Integrated sales promotion framework and enhanced operation and system efficiency
- Established MUAH*2 to comply with U.S. financial regulations, further strengthening alignment across the U.S.
- BTMU and MUS dealing rooms integrated globally. One stop services among global basis are fully operational

● Shareholder return and others

- Repurchased own shares approx. ¥200.0 bn (¥100.0 bn on semi-annual basis)
- Approx. ¥118.0 bn equities holdings were sold (acquisition costs basis) (Approx. ¥85.0 bn in FY16H1 and ¥33.0 bn in H2)

Breakdown of FY16Q1-3 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 operating profits

- Gross profits decreased mainly due to decrease in net interest income from domestic loans and deposits, fee income from sales of investment products, and the translated JPY value by the appreciation of JPY against other currencies. Those were partially offset by increases in net interest income from overseas loans and deposits, fee relating to corporate and investment banking business in domestic and overseas and net gains on debt securities
- Expenses decreased mainly due to the JPY appreciation
- Net operating profits recorded ¥1,060.6 bn, down ¥108.3 bn from FY15Q1-3

● Total credit costs*1

- Total credit costs decreased on a consolidated basis, while reporting net reversal on a non-consolidated basis

● Net gains (losses) on equity securities

- Net gains on sales of equity securities increased driven by a progress in sales of equity holdings

● Profits (losses) from investments in affiliates

- Profits from investment in Morgan Stanley decreased, partly due to the JPY appreciation

● Profits attributable to owners of parent

- As a result, profits attributable to owners of parent recorded ¥786.9 bn, down ¥65.3 bn from FY15Q1-3

	(¥bn)	FY15	FY16Q1-3	YoY
1	Gross profits (before credit costs for trust accounts)	4,143.2	2,927.9	(168.6)
2	Net interest income	2,113.5	1,470.2	(125.7)
3	Trust fees + Net fees and commissions	1,437.6	1,007.8	(31.6)
4	Net trading profits + Net other operating profits	592.0	449.8	(11.2)
5	Net gains (losses) on debt securities	132.9	127.6	34.1
6	G&A expenses	2,585.2	1,867.3	(60.2)
7	Depreciation	298.5	228.8	8.8
8	Net operating profits	1,557.9	1,060.6	(108.3)
9	Total credit costs*1	(255.1)	(50.9)	8.1
10	Net gains (losses) on equity securities	88.3	96.1	32.5
11	Net gains (losses) on sales of equity securities	113.6	98.1	25.7
12	Losses on write-down of equity securities	(25.3)	(1.9)	6.8
13	Profits (losses) from investments in affiliates	230.4	171.1	(20.1)
14	Other non-recurring gains (losses)	(82.0)	(64.8)	(40.8)
15	Ordinary profits	1,539.4	1,212.2	(128.6)
16	Net extraordinary gains (losses)	(40.7)	(59.5)	(16.0)
17	Total of income taxes-current and income taxes-deferred	(460.2)	(279.6)	75.1
18	Profits attributable to owners of parent	951.4	786.9	(65.3)
19	EPS (¥)	68.51	57.80	(3.43)

*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

Balance sheets summary

(Consolidated)

● Loans

- Increased from the end of September 2016 mainly due to increases in domestic corporate loans and overseas loans, as well as the depreciation of JPY against other currencies

● Investment securities

- Decreased mainly due to decreases in foreign bonds and Japanese government bonds

● Deposits

- Increased from the end of September 2016 mainly due to increases in domestic individual deposits, as well as overseas and others deposits reflecting the depreciation of JPY against other currencies

● Net unrealized gains on available-for-sale securities

- Net unrealized gains on available-for-sale securities decreased from the end of September 2016 mainly due to decreases in those of foreign bonds and Japanese government bonds, while those of domestic equities increased

	(¥bn)	End Dec 16	Change from end Mar 16	Change from end Sep 16
1	Total assets	302,056.4	3,753.5	8,379.2
2	Loans (Banking + Trust accounts)	109,052.8	(4,854.0)	4,035.0
3	Loans (Banking accounts)	108,862.0	(4,894.3)	4,017.2
	Provision for loan loss	(887.6)	169.9	37.6
4	Housing loans ^{*1}	15,623.0	52.2	(14.8)
5	Domestic corporate loans ^{*1,2}	44,619.0	814.5	1,214.6
6	Overseas loans ^{*3}	42,430.1	615.3	3,434.9
7	Investment securities (Banking accounts)	57,513.5	(12,480.3)	(7,394.8)
8	Domestic equity securities	6,050.1	476.6	724.3
9	Japanese government bonds	21,597.4	(6,759.6)	(3,918.3)
10	Foreign bonds	21,227.1	(6,656.5)	(4,545.6)
11	Total liabilities	285,858.1	4,941.9	8,682.5
12	Deposits	166,429.8	5,464.7	4,804.7
13	Individuals (domestic branches)	73,286.9	2,218.2	2,018.6
14	Corporations and others	56,852.4	4,070.1	560.6
15	Overseas and others	22,711.6	1,649.1	2,055.4
16	Total net assets	16,198.3	(1,188.4)	(303.2)
17	Net unrealized gains (losses) on available-for-sale securities	3,194.5	(290.7)	(214.4)

*1 Non-consolidated + trust accounts

*2 Excluding loans 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 ¥109.0 tn

(Increased by ¥4.0 tn from Sep 16)

<Breakdown of change>

- Housing loan (¥0.0 tn)
- Domestic corporate*¹ +¥1.2 tn
Excl. impact of foreign exchange fluctuation +¥0.2 tn
- Government (¥0.5 tn)
- Overseas*² +¥3.4 tn
Excl. impact of foreign exchange fluctuation +¥0.3 tn

*1 Excluding lending to government and governmental institutions, and including foreign currency denominated loans

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

*3 Sum of banking and trust accounts

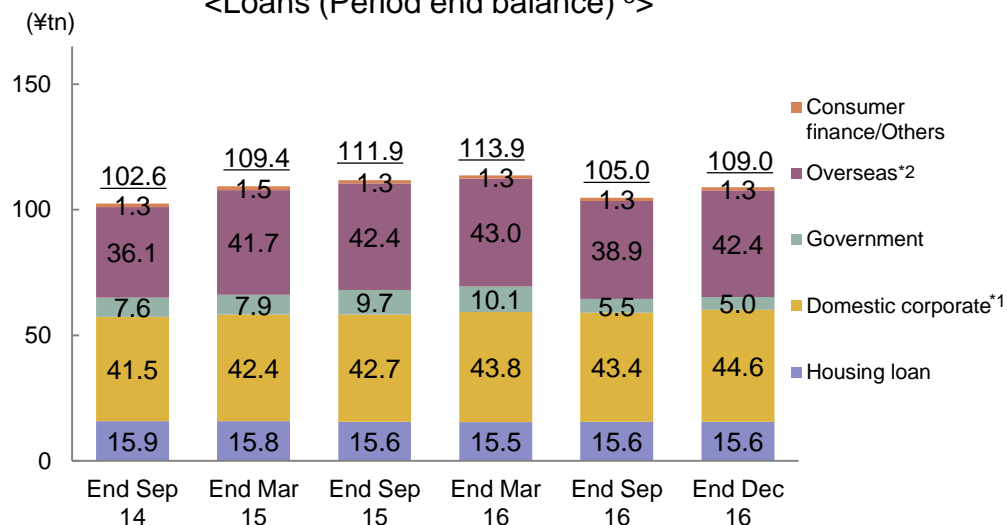
● Deposit balance ¥166.4 tn

(increased by ¥4.8 tn from Sep 16)

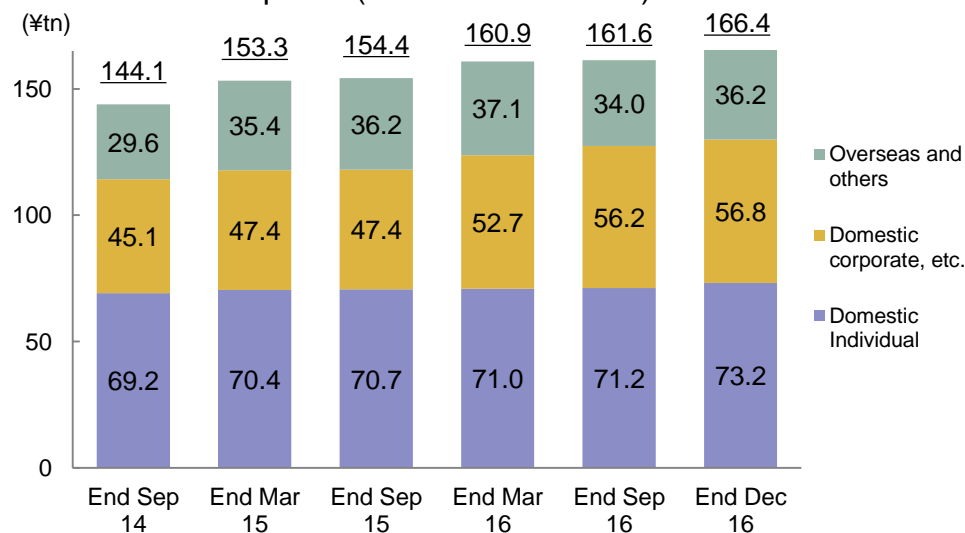
<Breakdown of change>

- Domestic Individual +¥2.0 tn
- Domestic corporate, etc. +¥0.5 tn
- Overseas and others +¥2.2 tn
Excl. impact of foreign exchange fluctuation +¥0.0 tn

<Loans (Period end balance)*³>



<Deposits (Period end balance)>



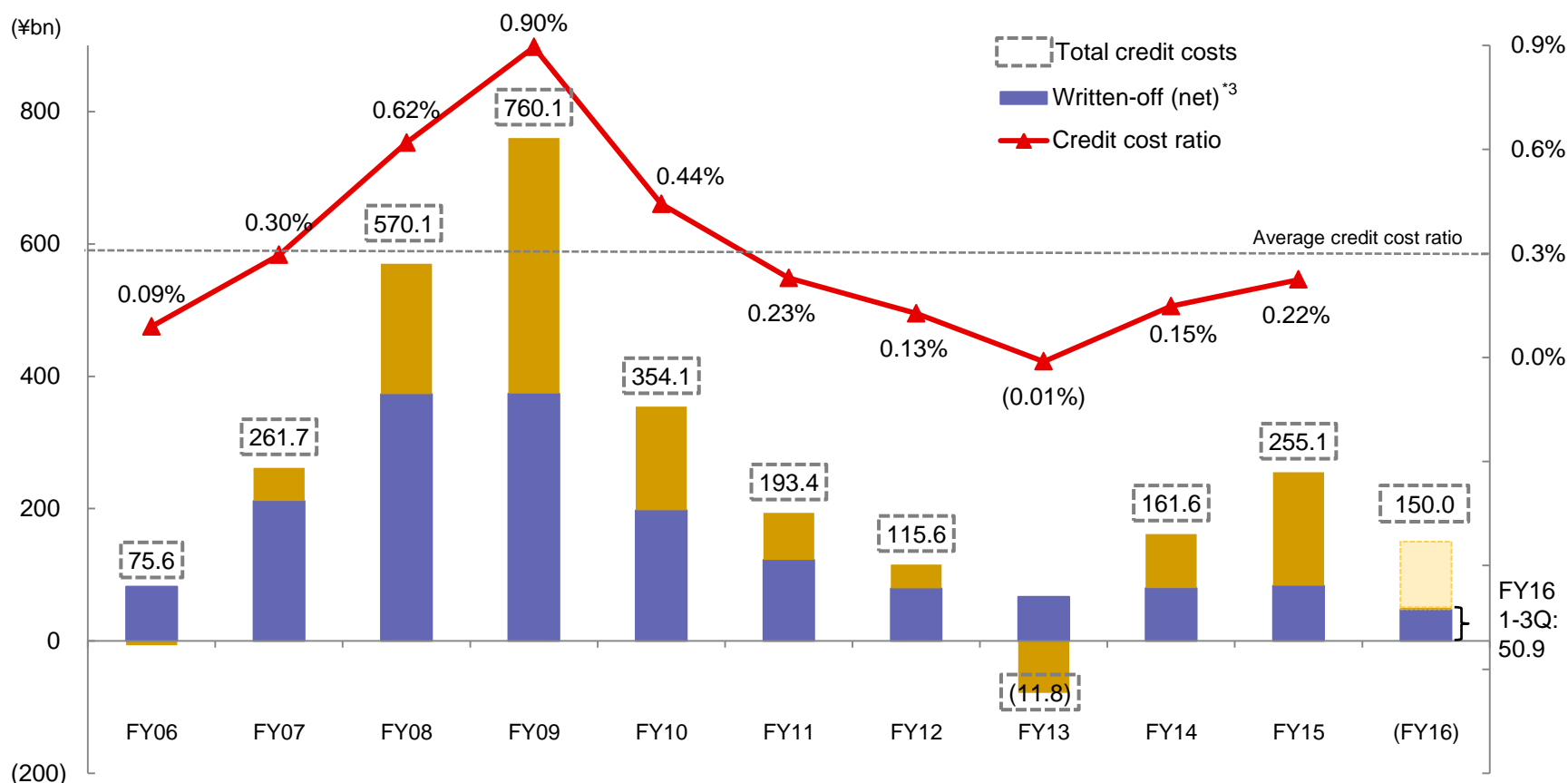
Asset quality

- Historical credit costs

(Consolidated)

- Credit costs for FY16Q1-3 was ¥50.9 bn decreased by ¥ 8.1bn from FY15Q1-3
- Planned total credit costs for FY16: ¥150.0 bn

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

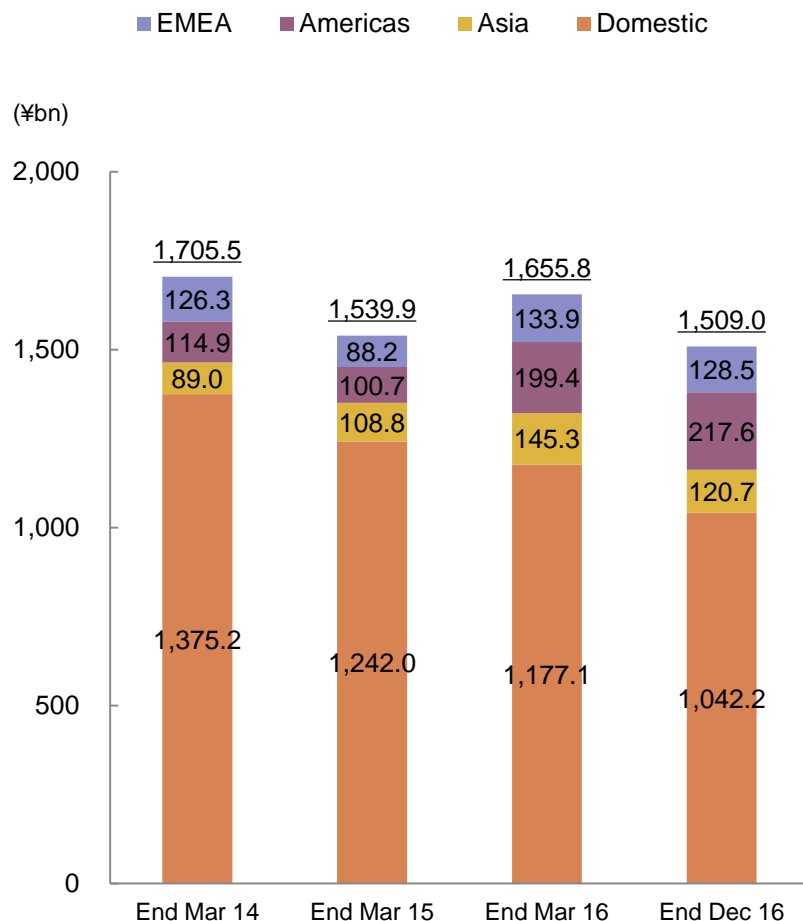
*3 Net amount of write-off gains and write-offs

Asset quality

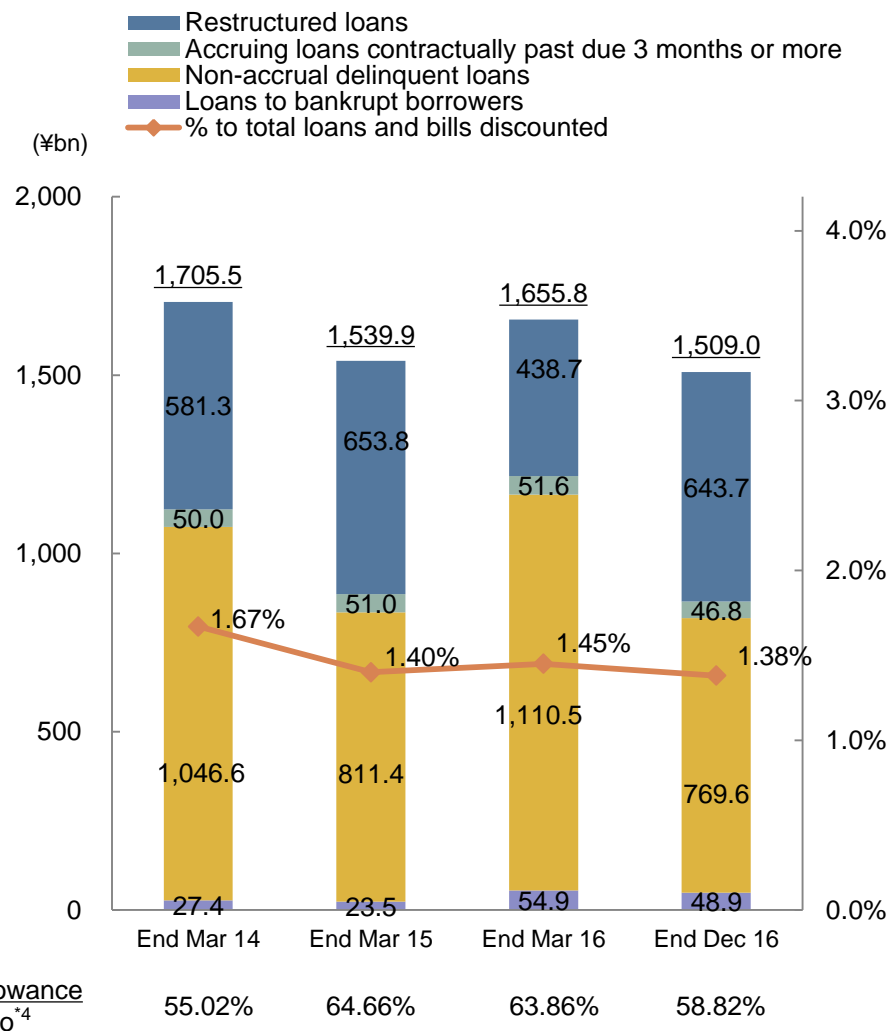
- Non-performing loans*1

(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

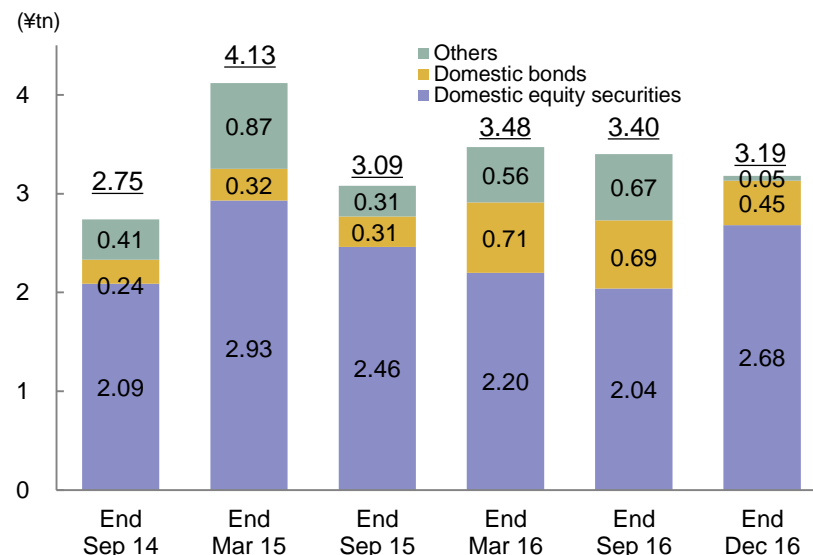
Investment securities

(Consolidated/Non-consolidated)

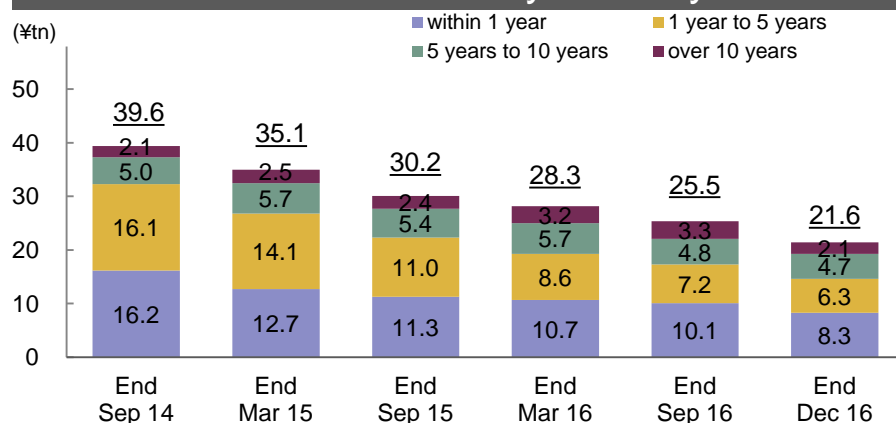
Securities available for sale with fair value

		Balance		Unrealized gains (losses)	
		End Dec 16	Change from End Sep 16	End Dec 16	Change from End Sep 16
(¥bn)					
1	Total	53,241.6	(7,520.0)	3,194.5	(214.4)
2	Domestic equity securities	5,241.6	616.6	2,682.8	640.2
3	Domestic bonds	24,138.7	(3,916.3)	452.9	(242.2)
4	Japanese government bonds	20,496.4	(3,918.3)	399.5	(212.5)
5	Others	23,861.2	(4,220.3)	58.7	(612.5)
6	Foreign equity securities	162.2	17.6	30.2	12.6
7	Foreign bonds	20,169.1	(4,540.5)	(26.3)	(644.0)
8	Others	3,529.9	302.4	54.9	18.8

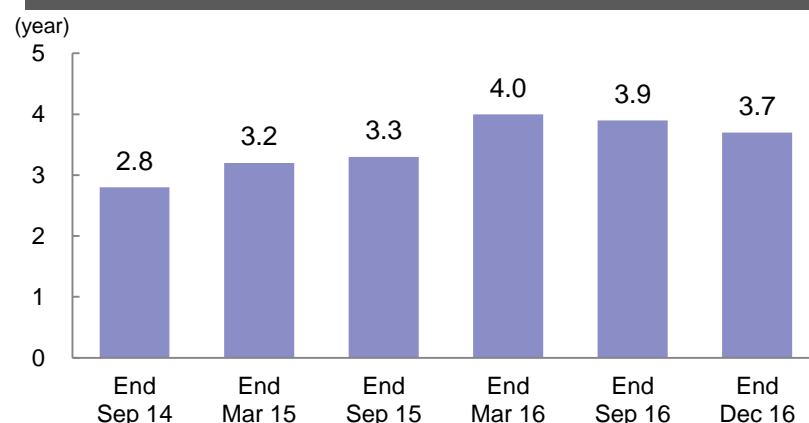
Unrealized gains (losses) on securities available for sale



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

● Common Equity Tier 1 ratio

- Full implementation basis*1 : 11.4%
- Excluding impact of net unrealized gains (losses) on available-for-sale-securities : 9.4%

● Risk weighted asset (Up ¥9.7 tn from Sep 16)

- Floor Adjustments : +¥5.5 tn
- Credit Risk : +¥3.5 tn
- Market Risk : +¥0.7 tn

● Leverage ratio

- Transitional basis : 4.69%

	(¥bn)	End Sep 16	End Dec 16	Change
1	Common Equity Tier 1 capital ratio	12.20%	11.22%	(0.98ppt)
2	Tier 1 capital ratio	13.50%	12.74%	(0.76ppt)
3	Total capital ratio	16.56%	15.46%	(1.10ppt)
4	Common Equity Tier 1 capital	12,839.4	12,906.2	66.8
5	Retained earnings	8,965.0	9,139.0	173.9
6	Other comprehensive income	1,695.6	1,483.4	(212.1)
7	Regulatory adjustments	(1,094.0)	(1,002.6)	91.3
8	Additional Tier 1 capital	1,366.0	1,745.2	379.1
9	Preferred securities and subordinated debt	1,387.5	1,777.9	390.4
10	Foreign currency translation adjustments	3.6	(13.1)	(16.7)
11	Tier 1 capital	14,205.5	14,651.4	445.9
12	Tier 2 capital	3,218.8	3,130.3	(88.4)
13	Subordinated debt	2,197.9	2,169.9	(27.8)
14	Amounts equivalent to 45% of unrealized gains on available-for-sale securities	621.9	568.5	(53.4)
15	Total capital (Tier 1+Tier 2)	17,424.3	17,781.8	357.4
16	Risk weighted assets	105,206.2	114,991.0	9,784.7
17	Credit risk	88,299.2	91,816.3	3,517.0
18	Market risk	1,898.9	2,572.2	673.3
19	Operational risk	6,934.2	6,973.2	39.0
20	Transitional floor	8,073.7	13,629.1	5,555.4

*1 Calculated on the basis of regulations applied at the end of March 2019

Financial results of Mitsubishi UFJ Securities Holdings (MUSHD)

- Revenue decreased from FY15Q1-3 due to the deteriorated performance in domestic subsidiaries and exclusion of MUSA from the scope of consolidation of MUSHD in Q3
- Profits attributable to owners of parent company increased on the back of strong customer flow and appropriate cost control in a wholly owned overseas subsidiaries of MUSHD

Results of MUSHD

(¥bn)		FY15	FY16Q1-3	YoY	(Reference ^{*2}) FY16Q1-3
1	Net operating revenue ^{*1}	437.7	268.0	(69.3)	282.0
2	Commission received	226.1	124.2	(51.9)	
3	To consignees	46.6	29.0	(7.8)	
4	Underwriting, etc.	54.1	28.6	(16.0)	
5	Offering, etc.	49.7	23.6	(18.7)	
6	Other fees received	75.5	42.9	(9.2)	
7	Net trading income	178.7	122.9	(13.3)	
8	Stocks	37.5	0.7	(21.2)	
9	Bonds, other	141.1	122.1	7.9	
10	G&A expenses	357.0	230.5	(40.9)	240.3
11	Transaction expenses	122.5	68.4	(24.4)	
12	Operating income	80.6	37.4	(28.4)	
13	Non-operating income	27.1	29.1	9.9	
14	Equity in earnings of affiliates	19.5	23.5	10.4	
15	Ordinary income	107.8	66.5	(18.4)	70.8
16	Profits attributable to owners of parent	43.2	36.1	1.6	38.6

*1 Operating revenue minus financial expenses

*2 Figures represent the simple aggregation with MUSA's Q3 result

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

*4 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

Results of MUMSS^{*3}

(¥bn)		FY15	FY16Q1-3	YoY
1	Net operating revenue ^{*1}	331.4	203.0	(50.1)
2	G&A expenses	252.4	174.1	(15.2)
3	Operating income	79.0	28.9	(34.8)
4	Ordinary income	80.1	29.9	(34.5)
5	Profits attributable to owners of parent	51.8	18.8	(22.9)

Net operating revenue of domestic securities firms (FY16Q1-3)

Rank	Security firm(s)	Amount (¥bn)
1	Nomura Securities	423.0
2	MUMSS^{*3} (incl. MUMSPB) + MSMS + kabu.com	296.5^{*4}
3	Daiwa Securities	234.4
4	Mizuho Securities	227.9
5	SMBC Nikko Securities	216.8

(Source: Company disclosure)

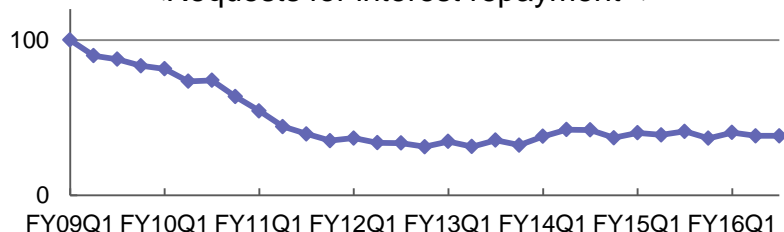
Financial results of MUN/ACOM

- MUN : Although operating revenue increased from the same period of last FY, profits attributable to owners of parent decreased mainly due to increase in G&A expenses for business infrastructure investment and system integration as well as credit related costs
- ACOM : Guaranteed receivables business and unsecured consumer loans business grew steadily. Increased revenue and profit compared with the same period of last FY

Results of MUN

(¥bn)		FY15	FY16 1-3Q	YoY
1	Operating revenue	270.1	203.9	6.0
2	Card shopping	183.1	140.7	4.1
3	Card cashing	27.7	18.7	(2.4)
4	Finance	6.4	4.0	(0.9)
5	Operating expenses	288.3	200.7	9.3
6	G&A expenses	246.7	190.6	6.8
7	Credit related costs	10.6	10.1	2.4
8	Repayment expenses	30.9	-	-
9	Operating income	(18.1)	3.1	(3.3)
10	Ordinary income	(17.4)	3.4	(3.4)
11	Profits attributable to owners of parent	(40.9)	3.8	(2.2)
12	Interest repayment ^{*1}	20.0	14.1	(1.0)

<Requests for interest repayment^{*4}>



*1 Including waiver of repayment

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

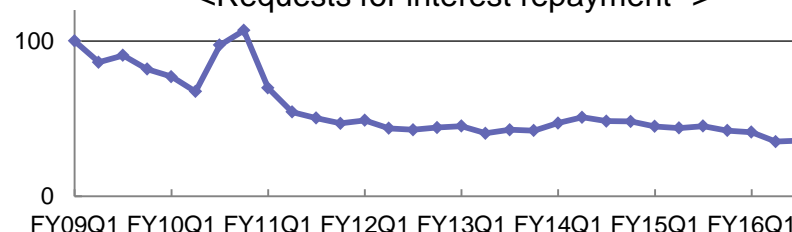
*3 As of end Sep 16

*4 Requests for interest repayment in FY09Q1 = 100

Results of ACOM

(¥bn)		FY15	FY16 1-3Q	YoY
1	Operating revenue	237.6	182.5	4.5
2	Operating expenses	222.1	139.3	2.3
3	G&A expenses	88.1	65.8	0.9
4	Provision for bad debts	60.0	48.8	4.7
5	Provision for loss on interest repayment	56.6	14.4	(0.3)
6	Operating income	15.5	43.1	2.2
7	Profits attributable to owners of parent	14.5	39.6	4.0
8	Guaranteed receivables	987.5	1,088.6	139.6
9	Unsecured consumer loans (Non-consolidated)	758.2	772.4	21.3
10	Share of loans ^{*2}	32.6%	33.0% ^{*3}	0.4ppt
11	Interest repayment ^{*1}	69.2	52.2	3.0

<Requests for interest repayment^{*4}>



Financial results of MUAH/Krungsri

Results of MUAH*¹

<P/L> (US\$mm)		FY15* ⁴	FY16* ⁴	YoY* ⁴
1	Net interest income	2,892	3,053	161
2	Interest income	3,437	3,716	279
3	Interest expense	545	663	118
4	Total non-interest income	1,850	2,225	375
5	Trading account activities	62	105	43
6	Merchant banking fees/ Investment banking and syndication fees	319	312	(7)
7	Fees from affiliates* ²	763	957	194
8	Total revenue	4,742	5,278	536
9	Non-interest expense* ³	3,747	3,782	35
10	Pre-tax, pre-provision income	995	1,496	501
11	Provision for loan losses	227	155	(72)
12	Net income attributable to MUAH	644	990	346
13	NIM	2.08%	2.23%	0.15ppt
<BS> (US\$mm)		End Dec15* ⁴	End Dec 16* ⁴	Change* ⁴
14	Loans	79,257	77,551	(1,706)
15	Deposit	84,300	86,947	2,647
16	Total equity	16,593	17,386	793
17	Total asset	153,070	148,144	(4,926)
18	NPL ratio	0.70 %	0.89 %	0.19ppt
19	NPL coverage ratio	130.86%	92.69%	(38.17ppt)

*1 Financial results as disclosed in MUAH's statutory report based on U.S. GAAP

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

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

*4 Figures have been revised to include the results of the transferred IHC entities, such as MUSA (MUFG Securities Americas)

Results of Krungsri*⁵

<P/L> (THBmm)		FY15	FY16	YoY
1	Net interest income	56,350	61,977	5,627
2	Interest income	81,946	85,925	3,979
3	Interest expense	25,596	23,948	(1,648)
4	Net fees and services income	17,230	18,175	945
5	Fees and services income	22,670	24,142	1,472
6	Fees and services expense	5,440	5,967	527
7	Non-interest and non fees income	9,193	11,335	2,142
8	Other operating expense	38,947	43,080	4,133
9	Pre-provision operating profit	43,826	48,407	4,581
10	Impairment loss of loans and debt securities	20,186	21,314	1,128
11	Net profit attribute to owners of the bank	18,634	21,404	2,770
12	NIM	4.15%	3.74%	(0.41ppt)
<BS> (THBmm)		End Dec15	End Dec 16	Change
13	Loans	1,353,559	1,506,222	152,663
14	Deposit	1,046,290	1,108,288	61,998
15	Total equity	190,748	208,768	18,020
16	Total asset	1,705,517	1,883,188	177,671
17	NPL ratio	2.24%	2.21%	(0.03ppt)
18	NPL coverage ratio	140.6%	143.3%	2.7ppt

*5 Financial results as disclosed in Krungsri's financial report based on Thai GAAP

Financial results of Morgan Stanley and major collaborations

- FY16 income before taxes increased YoY owing to the strong performance in advisory business and sales & trading as well as strict cost control
- Leveraging the MUFG-MS alliance, the joint venture acted as bookrunner for both the domestic and international tranches in all of 13 large-sized global IPOs*¹ of Japanese companies since 2010

Results of Morgan Stanley*²

(US\$mm)		FY15* ³	FY16
1	Net revenue	35,155	34,631
2	Non-interest expenses	26,660	25,783
3	Income from continuing operations before taxes	8,495	8,848
4	Net income applicable to MS	6,127	5,979
5	Earnings applicable to MS common Shareholders	5,671	5,508
6	ROE	8.5%	8.0%

*2 Based on U.S. GAAP

*3 Includes DVA impact for FY15

M&A advisory (Jan 16 – Dec 16)				
Rank	FA	#	Amount (¥bn)	Share (%)
1	Mizuho Financial Group	193	7,496.4	35.9
2	MUMSS	51	6,152.9	29.5
3	Lazard	21	4,839.7	23.2
4	Nomura	128	4,339.2	20.8
5	The Raine Group LLC	2	4,136.1	19.8

Any Japanese involvement announced

(Source) Thomson Reuters

*1 Over ¥50bn, excluding J-REIT deals

Major collaborations

- Acquisition of Joy Global by Komatsu
 - MUMSS acted as FA for Komatsu Ltd. in its approx. \$3.7 bn acquisition of Joy Global
- Acquisition of StanCorp Financial Group by Meiji Yasuda Life Insurance
 - MUMSS acted as sole FA for Meiji Yasuda in its approx. \$5.0 bn acquisition of StanCorp
- Global IPO by Kyushu Railway Company
 - MUMSS acted as Joint Global Coordinator and MUMSS/MS acted as Joint Bookrunner for both the domestic and international tranches in JR Kyushu's approx. ¥416 bn global IPO
- Acquisition of Tumi by Samsonite
 - MS and MUFG acted as Joint Lead Arranger and Joint Bookrunner in Samsonite's acquisition finance of \$2.43 bn

Equity underwriting (Jan 16 – Dec 16)				
Rank	Bookrunner	#	Amount (¥bn)	Share (%)
1	Nomura	96	858.4	31.3
2	Mizuho	123	458.5	16.7
3	SMBC Nikko	145	390.9	14.2
4	MUMSS	67	384.8	14.0
5	Daiwa	86	294.0	10.7

(Source) Thomson Reuters

Respond to current economic environment

Respond to current economic environment

Basic Policy

Respond to changes in business environment multi-directionally

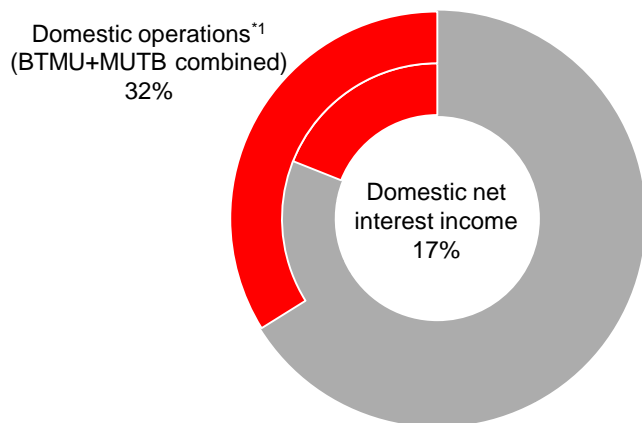
- Accelerated basic policy and strategies of the mid-term business plan ⇒ Page 28~
- Executed measures to respond to negative interest rate environment ⇒ Page 22~23
- Productivity improvement ⇒ Page 24~25
- Steady reduction of equity holdings ⇒ Page 26
- Stable Non-JPY funding ⇒ Page 27

Negative Interest Rate Policy impact

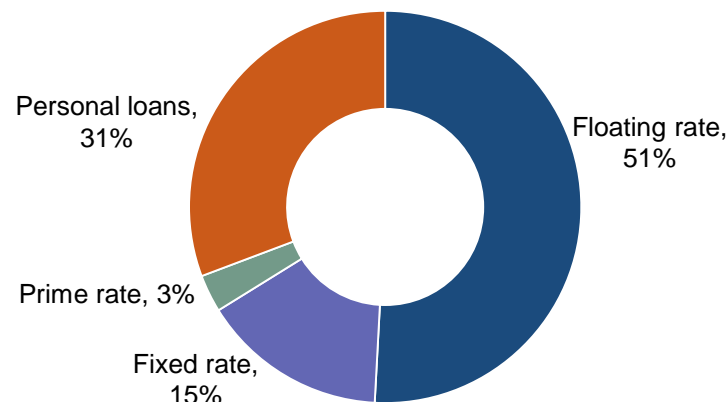
- Domestic deposit/lending rates

- Negative Interest Rate Policy impact for FY16 is in line with our original expectation
- Lending rate in FY16Q3 was decreased by 15 bp from FY15Q3, mainly due to decline in market interest rates

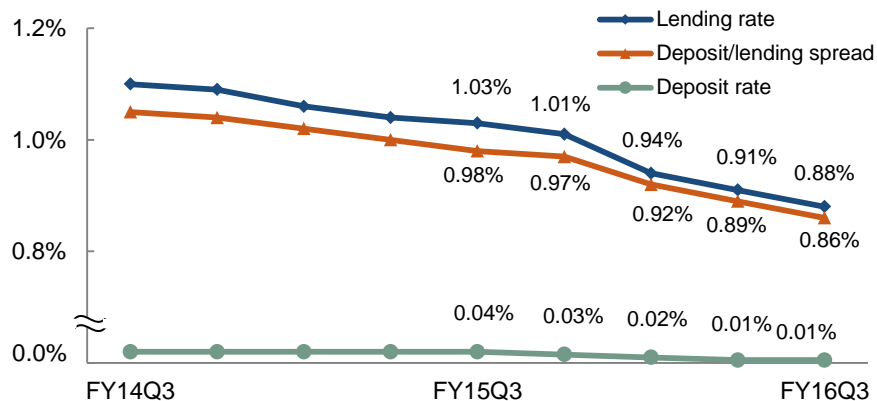
FY16H1 Consolidated gross profit



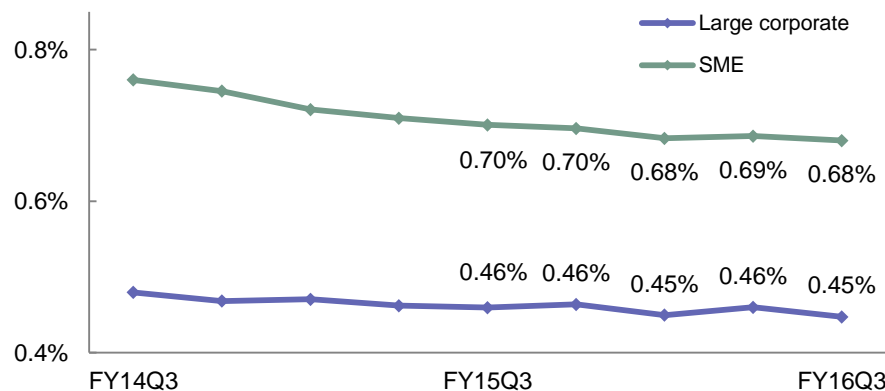
(BTMU+MUTB) Domestic JPY denominated lending*²



Changes in domestic deposit/lending rate*³



Domestic corporate lending spread*³



*1 JPY transactions booked in domestic branches. Exclude Forex

*2 As of end Sep 16. Managerial accounting basis. Excluding lending to government and domestic non-JPY denominated lending, etc.

*3 Managerial accounting basis

Negative Interest Rate Policy Impact

- Measures against the effect

Initiatives to counter the negative interest rate policy

<Retail Banking Business>

- With a wider range of products, enhance the Group's product distribution structure and promote shifts from savings to stable asset building. Promote foreign currency deposits
- From ALM point of view, capture growing customer loan demands like housing loans

<Domestic corporate banking business>

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

<Trust Assets business>

- DB Pension Customers
Promote sales of JGB substitutional products, alternative investment products and risk-restrained products
- DC Pension Customers
Focus on promoting shifts from savings to investment trust through investment education
- Asset Management Business
Promote investment trust product strategies, such as fixed income products and balanced products, in response to demand for stable income and asset diversification

Large Deposits

- Charges may apply mainly to overseas financial institution customers' yen account for forex transactions
- Targeting corporate customers, promote enhanced profitability management through the monitoring of deposit balance movements

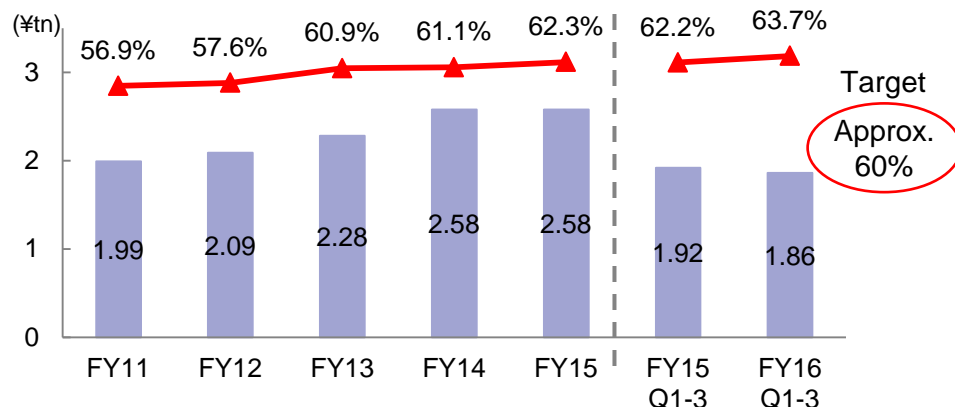
Initiatives for productivity improvements

- Expense

(Consolidated)

- Consolidated expense ratio for FY16Q1-3 was 63.7%, up 1.5ppts from FY15Q1-3
- Despite various cost reduction measures, expenses for Global Banking business unit increased due to rise in regulatory cost, etc.

G&A expenses/Expense ratio



Expenses in major group companies

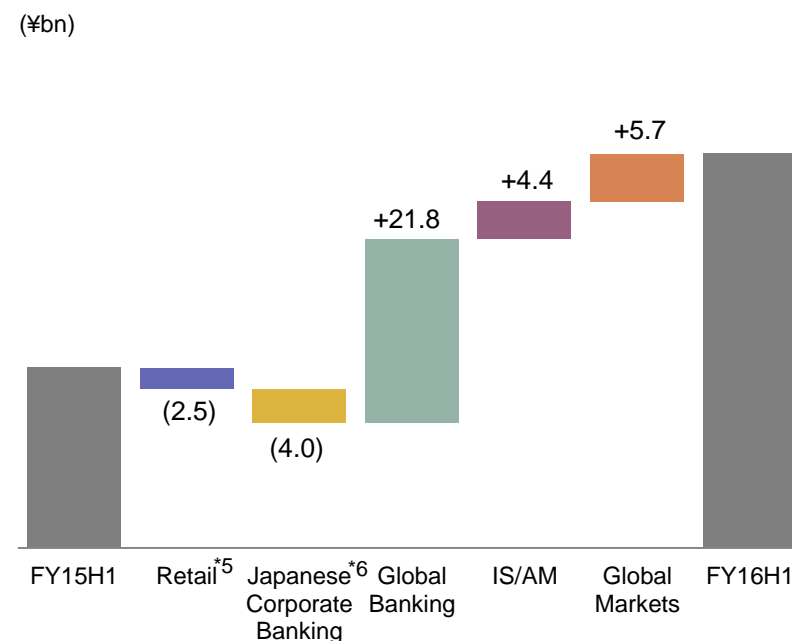
		FY16 Q1-3	YoY	Expense ratio
BTMU+MUTB combined	(¥bn)	1,011.0	15.0	58.9%
MUAH (US GAAP) ^{*2,3}	(US\$mm)	378.2	3.5	71.6%
KS (Thai GAAP) ^{*2}	(THBmm)	4,308.0	413.3	47.1%
MUSHD consolidated	(¥bn)	230.5	(40.9)	80.1%
MUN	(¥bn)	187.8	7.0	93.6%
ACOM	(¥bn)	65.8	0.9	38.2%

*1 Expense ratio = G&A expense/gross profits (before credit cost for trust accounts) *2 FY2016

*3 Includes expense associated with employees providing support services to BTMU *4 Local currency basis

*5 Excl. intergroup intermediation charges *6 Excl. expenses associated with overseas Japanese Corporate Banking business

Changes in expenses by business segment^{*4}



<Major reasons of changes by business segment>

- Global Banking :Increased regulatory cost and expanded business volume
- IS/AM :Increased acquisition cost
- Global Markets :Development cost of S&T business by BTMU-MUS in an integrated manner

Initiatives for productivity improvements

- Initiatives

(Consolidated)

- Execute strategies/initiatives for productivity improvement on global/group basis

Results/Progress(examples)			
Overseas	Americas	Jul 2014-	<ul style="list-style-type: none"> ● Integrated BTMU's U.S. Banking Operations under MUFG Americas Holdings Corp (MUAH) / MUFG Union Bank
		Apr 2016-	<ul style="list-style-type: none"> ● Instituted efficiency programs (organization simplification, resource location strategy, etc.)
	EMEA	Mar 2016-	<ul style="list-style-type: none"> ● Ongoing reorganization of BTMU offices in continental Europe under MUFG Bank (Europe) N.V., BTMU's 100% owned subsidiary in Holland <ul style="list-style-type: none"> • FY16: Belgium office • FY17 (plan): Germany/Spain/Portugal offices
	Asia	Dec 2015-	<ul style="list-style-type: none"> ● Strategic reallocation of Human Resources (Refrain from recruitment/encourage early retirement and the reallocation of resources to strategic field)
		2018 (Plan)	<ul style="list-style-type: none"> ● Centralize operations by setting up an administrative center (Manila)
Domestic	S&T*1	Feb-Aug 2016	<ul style="list-style-type: none"> ● Integrated dealing rooms of BTMU and MUS
		Jul-Nov 2016	<ul style="list-style-type: none"> ● Integration of sales representative, consolidation of position and flow
	MUKAM*2	Jul 2015	<ul style="list-style-type: none"> ● Generated cost synergy effect from merging two asset management subsidiaries

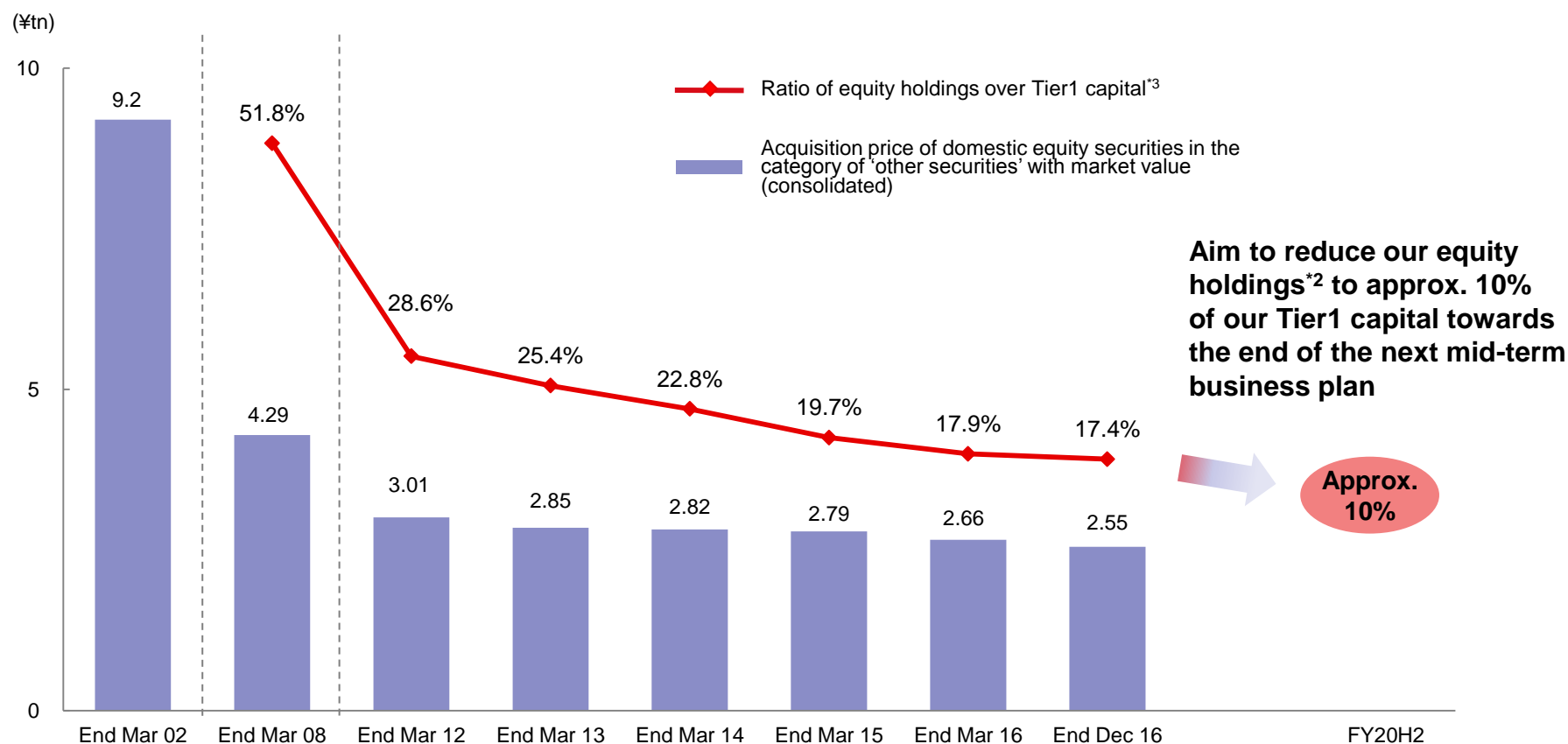


Additional measures for productivity improvement under consideration

Reduction of equity holdings

- Our basic policy is reducing the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- Approx. ¥118.0 bn equities were sold in FY16Q1-3^{*1}, improving the ratio of equity holdings^{*2} over Tier1 capital by 0.5ppt compared to end Mar 16

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)

Non-JPY assets and funding

Non-JPY balance sheet (BTMU managerial basis excl. MUB, KS)

As of end Dec 16 (Unit: US\$bn)

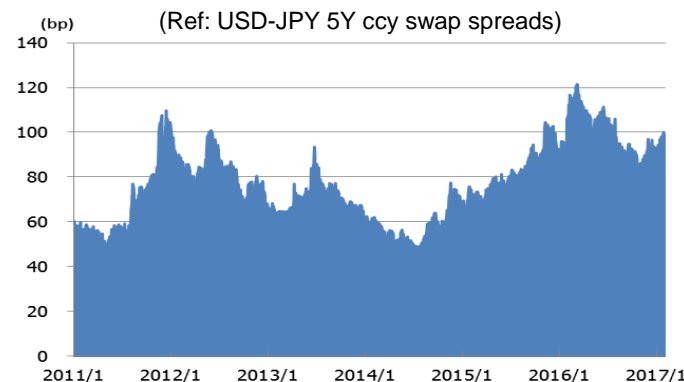
Assets	Loans 337	Customer Deposits (Incl. deposits from central banks) 227
	Investment securities 94	Mid-long term funding (Incl. corporate bonds and currency swaps) 172
	Interbank market operation 56	Interbank market operation (Incl. repos) 82
	Others 43	CD/CP 50

Assets

Liabilities

Non-JPY funding in stable and efficient manner

- Customer deposits now cover approx. 70% of non-JPY loans. To further increase deposits, we will enhance product development and sales capabilities
- With mid-long term funding through corporate bond issuances and currency swaps, all non-JPY loans are fully funded
 - ✓ Corp bonds are mainly issued from HoldCo (MUFG) to ensure stable funding and TLAC compliance (see page 51-52 for details)
 - ✓ Ccy swaps are transacted mainly in medium-term durations



- The SPC for holding non-JPY liquid assets was established as a buffer against the possibility of a severe funding situation due to temporary market stress

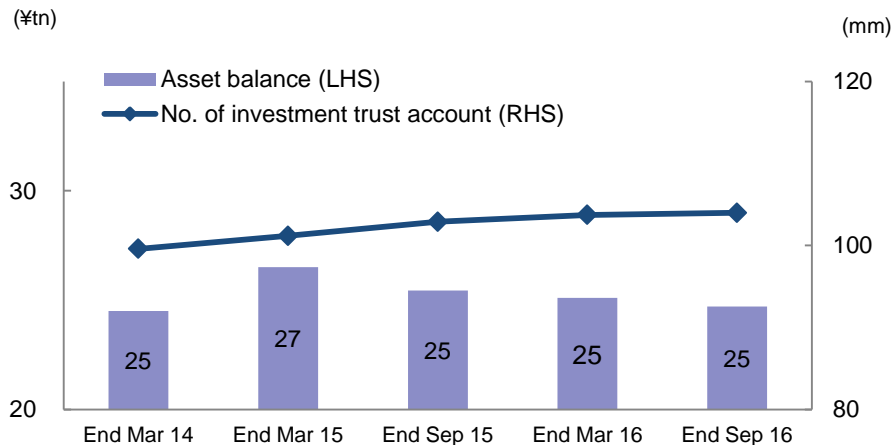
Growth strategy

Support wealth accumulation and stimulation of consumption for individual clients

- Promotion of shifts from savings to stable asset building

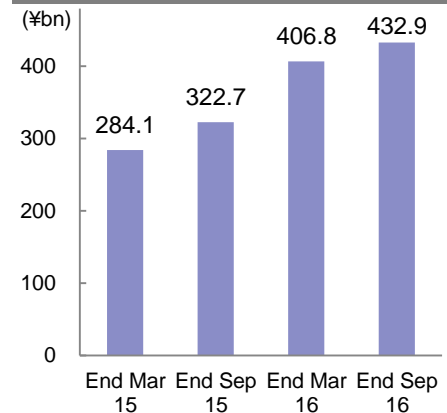
- Steady progress for asset balance increase and customer base expansion, although investment products sales slowed due to unfavorable economic environment

Asset balance/number of investment trust account^{*2}

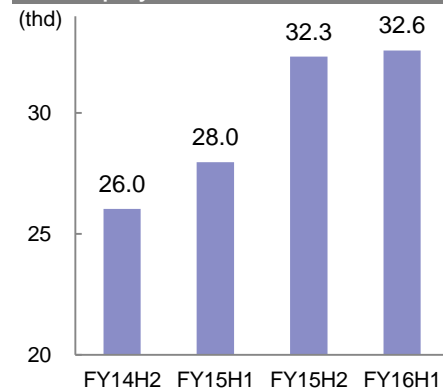


Asset balance increase/Customer base expansion^{*1}

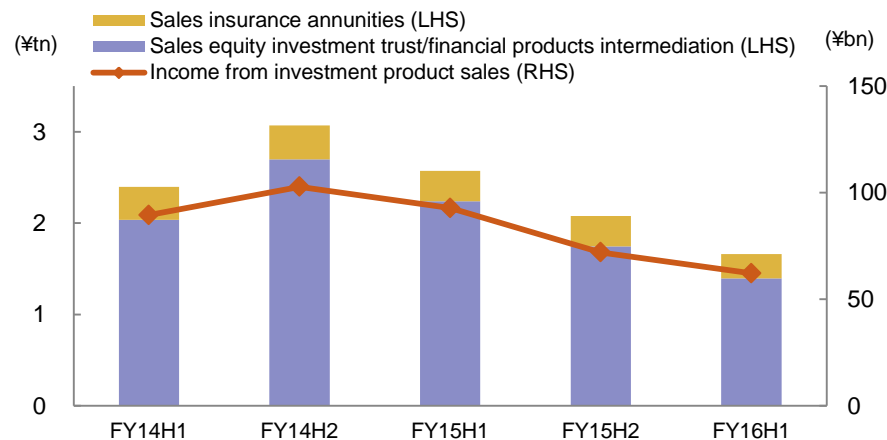
Asset balance of NISA account



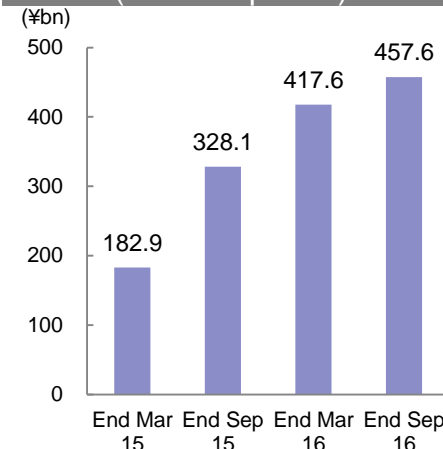
Transaction No. of installment payment insurance



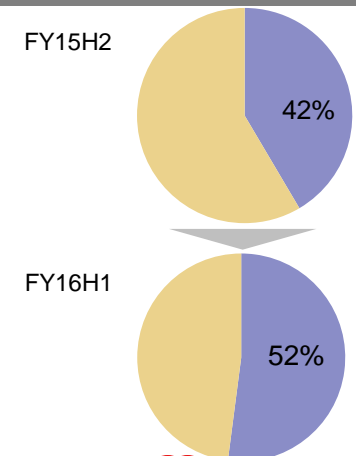
Investment products sales/income^{*1*3}



Wrap product balance (incl. Wrap fund)



New customer ratio^{*4}



^{*1} Managerial Accounting basis ^{*2} Excl. investment trust account without balance ^{*3} BTMU + MUTB MUMSS (excl. PB Securities)

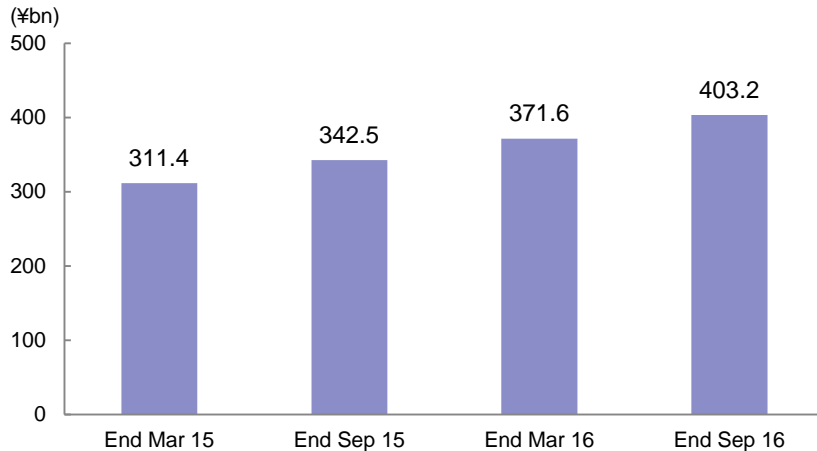
^{*4} Percentage of new customer to total investment products sales

Support wealth accumulation and stimulation of consumption for individual clients

- Consumer finance/payments

- Steady progress for consumer finance and card/payments business

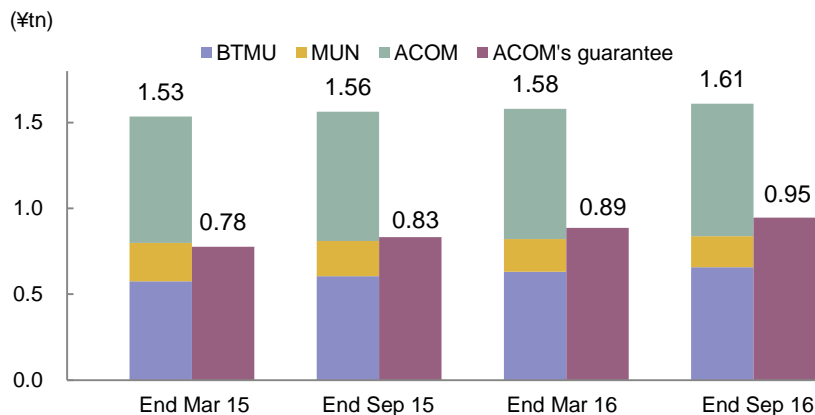
Balance of BANQUIC (BTMU)*¹



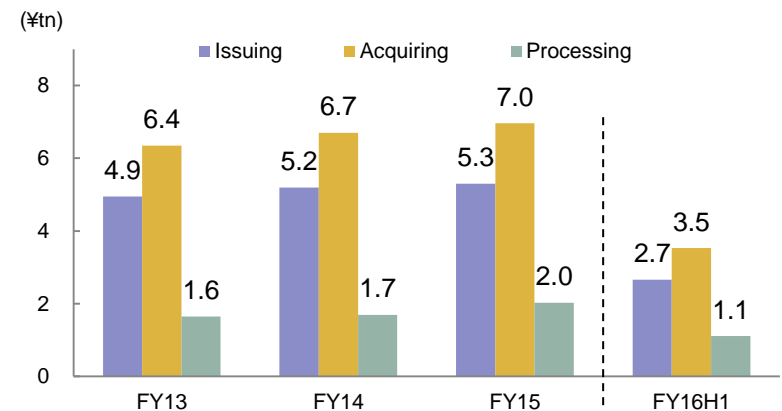
Profits in card business (MUFG)*¹



Balance of unsecured loan, guarantee*¹



MUN volume*¹



*1 Managerial Accounting basis

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

- Develop new products and services
- 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
- Industry-academia collaboration through investment in university-originated ventures

Customers' B/S

Asset

Cash

Securities, etc

Liability

Borrowings

Capital

Net assets

Customers' P/L

Gross profit

Operating profit

Enhance lending business

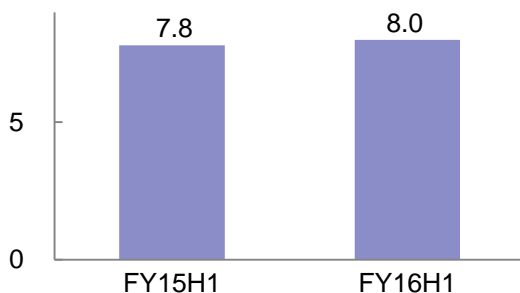
- Increase lending share to core customers
- Careful maintenance of customers' funding needs based on business succession
- Expand customer base

Support business succession

- Improved solution for diversified succession types including those by non-relatives

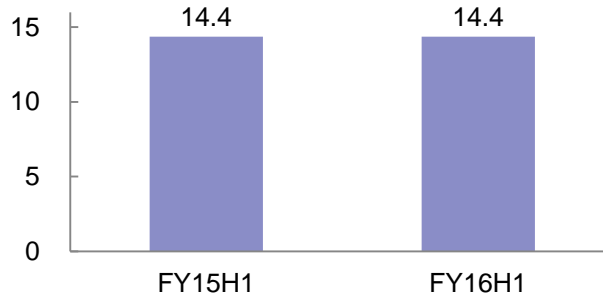
Profits from AM business*1

(¥bn)



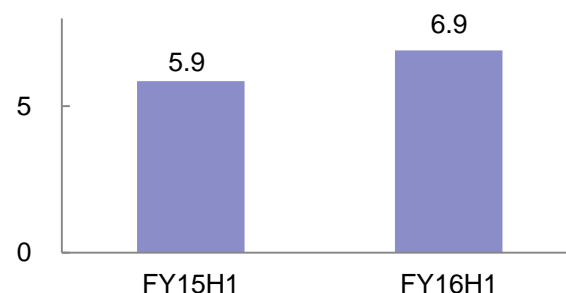
Average lending balance (domestic)*1*2

(¥tn)



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

(¥bn)



*1 All figures on a managerial accounting basis

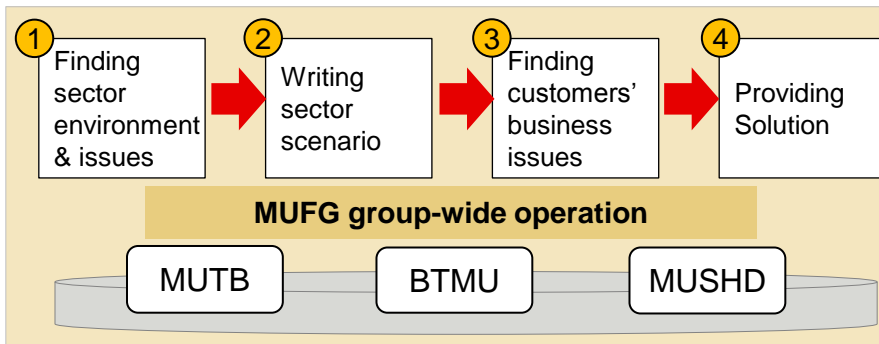
*2 In BTMU domestic branches or offices for SMEs

Reform global CIB business model

- Japanese large corporation

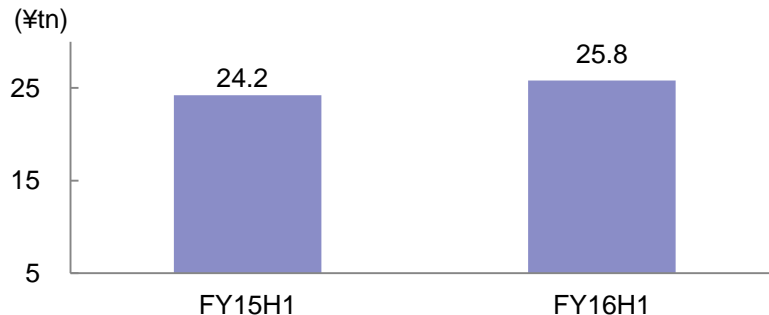
- Respond to customers' sophisticated needs globally positioning sector strategy as a key in our business with large Japanese corporation
- Increase our knowledge and MUFG's group-wide business solution capabilities for diversified operational environment and business issues of each customers from sector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

Promote deal-creating business model

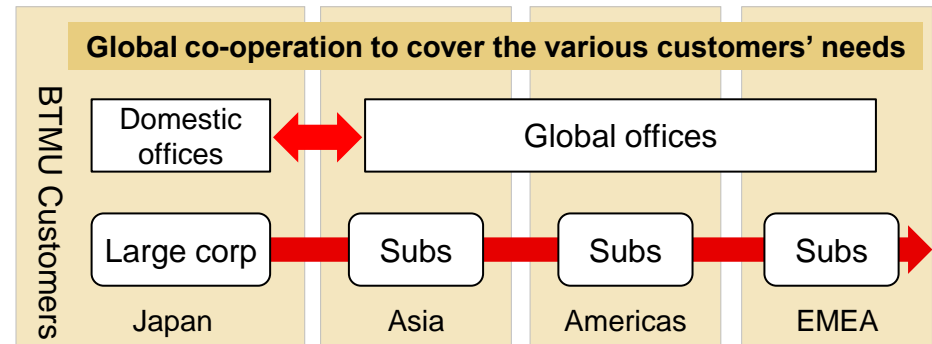


- Providing solutions to customers' management issues by sector approach
 (Finding M&A deals to enlarge value-chain, matching customers' global CRE^{*1} supply-demand along with their strategies, etc.)

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

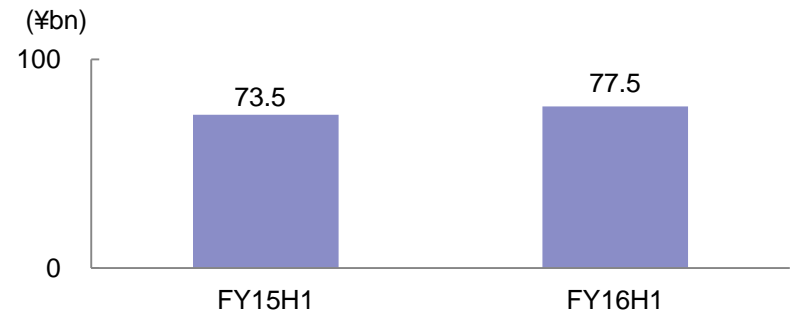


Expand overseas business with global co-operating structure



- 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

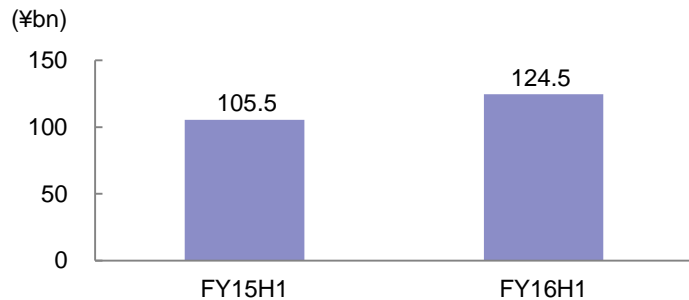
^{*3} Avg. lending balance to Japanese corporations of BTMU branches or offices for large corporate business in global basis

Reform global CIB business model

- Global corporation

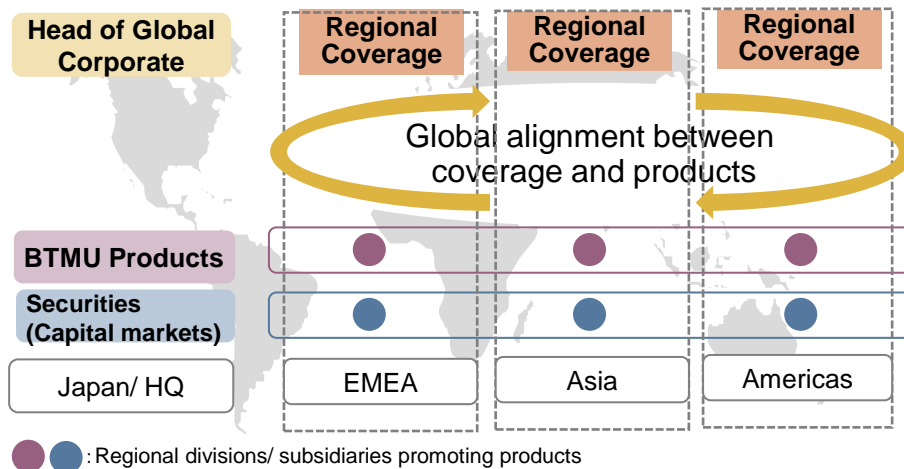
- Continue to reform performance appraisal, organizational structure and credit risk management for promoting inter-group collaboration
- Integrated operation between banking and securities business has started for developing O&D business and improving asset efficiency

Non-interest profits (global corporates)*1



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

Global coverage model

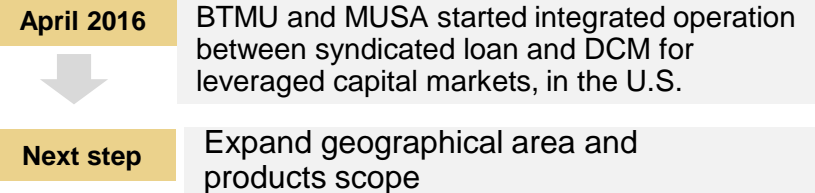


Case

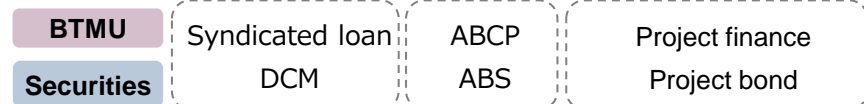
- **Acquisition finance for Dell**
BTMU and MUSA*2 supported \$1.6 bn of the \$43 bn in new debt that Dell raised to acquire EMC (Sep16)
- **Cross border pooling for Vivendi**
BTMU was mandated for pan Asia cross border pooling by Vivendi, the top media company in France (Jul 16)

*2 MUFG Securities Americas

Integrated operation in primary business



Example of possible products for integrated operation



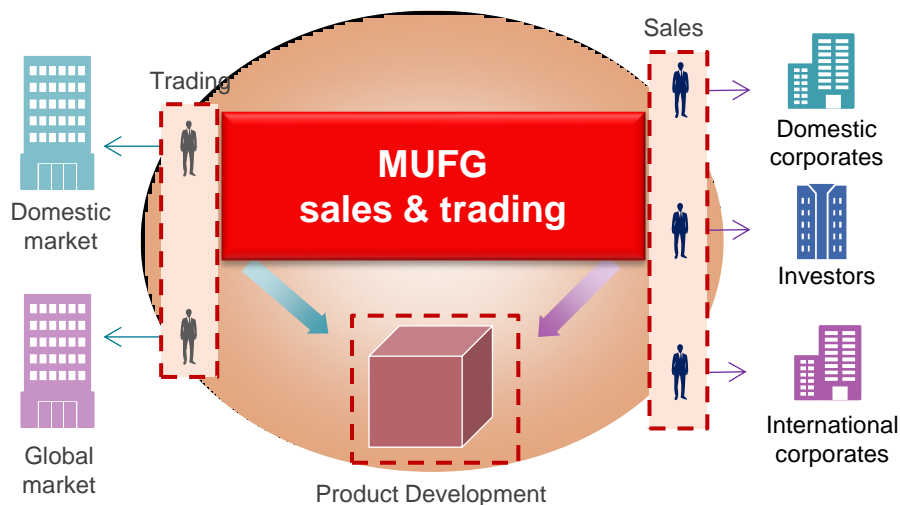
Evolve sales and trading operations

- As for FY16H1, a healthy performance mainly in U.S. has compensated for a profit decrease in the Japanese market
- With regard to the integration of our S&T business, the consolidation of BTMU-MUS units will help move the business toward becoming operational, allowing MUFG to provide customers with a high-quality services in line with its aim to realize enhanced brand value and market penetration

Moving toward operational phase

Provide high-quality services through Cross-Region, Cross-Entity and Cross-Products

- ✓ Better Solution
- ✓ Better Price
- ✓ Better Product Lineup



Implementation phase completed ☒

Integration of dealing rooms

- Introduction of common business framework
- Integration of sales representatives
- Consolidation of position and flow

LDN (Feb 16)

EMEA (Jul 16)

HK (Jul 16)

Asia (Jul 16)

NY (Apr 16)

Americas (Sep 16)

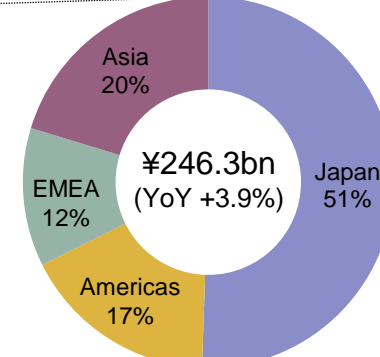
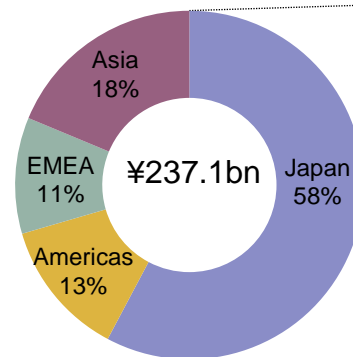
TKY*1 (Aug 16)

Japan (Nov 16)

Consolidated S&T gross profits*2

FY15H1

FY16H1



*1 The dealing room in Tokyo has been merged into same building *2 Consolidated S&T gross profits of BTMU/MUTB/MUSHD. Planned exchange rate basis

Develop global asset management and investor services operations

- Global IS : Provide a full lineup of fund administration services by utilizing the functions gained through non-organic growth
- Global AM : Consider new non-organic investment focused on North America and Asia, and accelerate the indices business collaborating with STOXX Limited




Development of global IS

	Americas	Europe
Alternative funds (HF ^{*1} /PE ^{*2} etc)	【MFS:Mitsubishi UFJ Fund Services】	
	Butterfield Fulcrum Group (Sep 13)	
	Meridian (May 14)	
	UBS AFS ^{*3} (Dec 15)	
	Capital Analytics ^{*4} (Apr 16)	
Investment funds	Rydex ^{*5} (Oct 16)	MIBL ^{*6}


Provide administration services to 40Act (US mutual funds)

The dates in () are time of acquisition

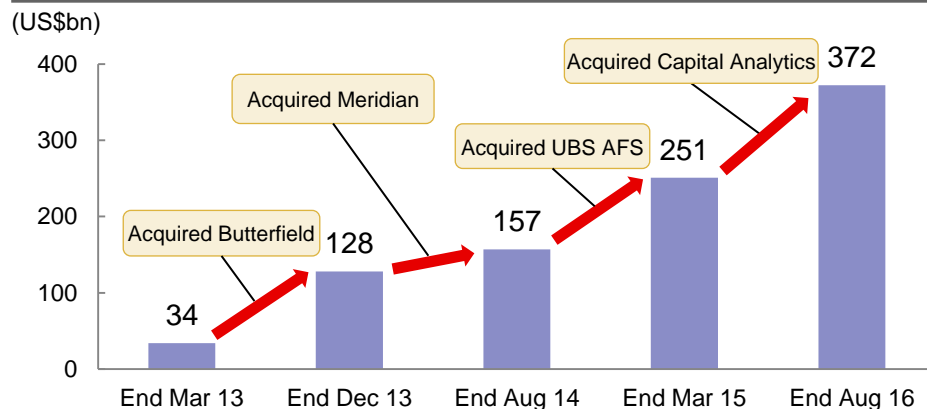
Affiliation and collaboration of Global AM

Affiliates with stake holding	AuM ^{*9} Capital ratio	Products
	¥42 tn 17%	Equity/Bond (Global, Emerging, Asia), Real estate, etc.
	¥12 tn 15%	Equity/Bond (Australia, Global), Infrastructure, Real estate
	¥2 tn 33%	Equity/Bond (China)

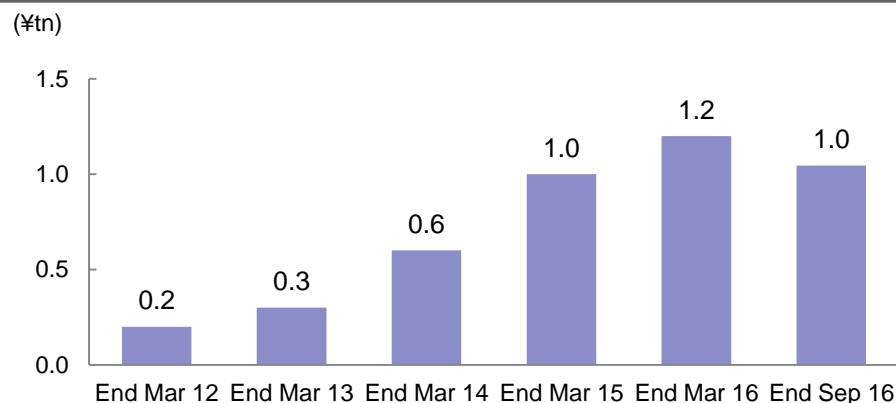
(As of end Sep 16)

Index business collaboration		Jointly develop smart-β indices to enhance investment product sales and provide to asset managers
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Balance of global IS^{*7} (AuA^{*8})



Balance of AuM from overseas investors (MUTB)

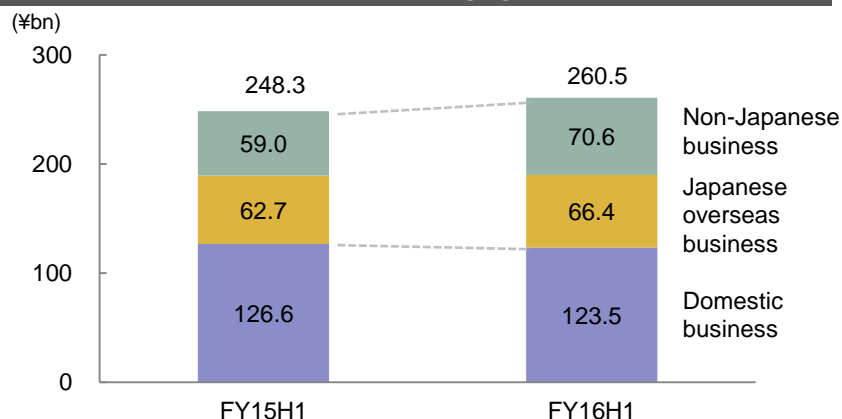


^{*1} Hedge fund ^{*2} Private equity ^{*3} Alternative Fund Services ^{*4} Current MUFG Capital Analytics, LLC ^{*5} Current MUFG Investor Services (US), LLC ^{*6} Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. ^{*7} Sum of HF・PE・Investment Funds (40Act etc) administration ^{*8} Asset under administration ^{*9} Asset under management

Further reinforce transaction banking business

- The competitiveness of transaction banking products has been steadily enhanced through the COMSUITE brand, which has increased our presence in the global market
- The increase in non-JPY deposits far exceeded the initial plan. We are also seeing steady growth in such basic client base indicators as the overseas trade finance balance and domestic settlement numbers

Transaction banking gross profit*1



Increasing competitiveness and market presence

COMSUITE
GLOBAL TRANSACTION BANKING SOLUTIONS



THE ASIAN BANKER®

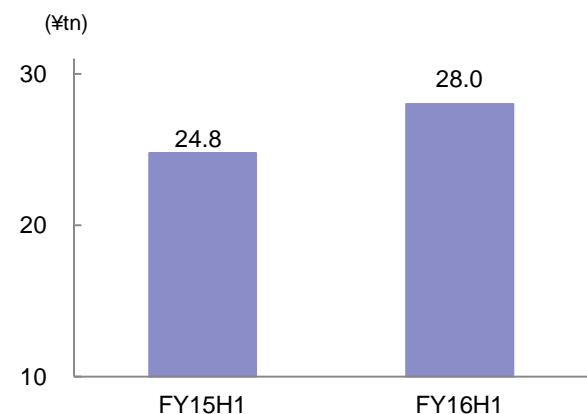
Best Asian International Transaction Bank
in Asia Pacific

TRANSACTION BANKING AWARDS 2016

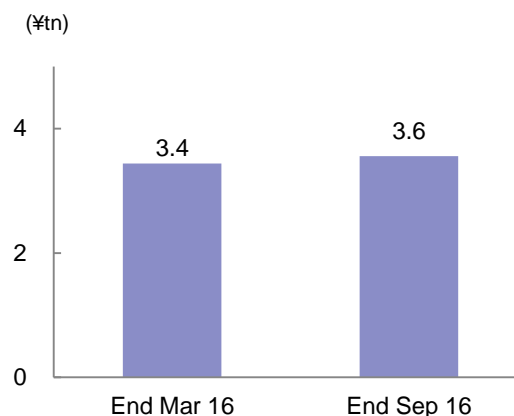
✓ EUROMONEY Cash Management Survey, Global ranking

2013	2014	2015	2016
#20	#15	#10	#7

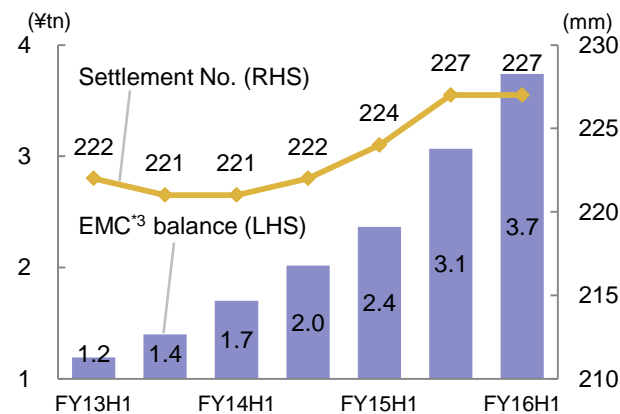
Over-seas Avg. balance of non-JPY deposits*1



Over-seas Overseas trade finance*2 balance*1



Domestic EMC*3 balance • Settlement No*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

*3 EMC : Electronic Monetary Claim

Strengthen commercial banking platforms in Asia and the United States

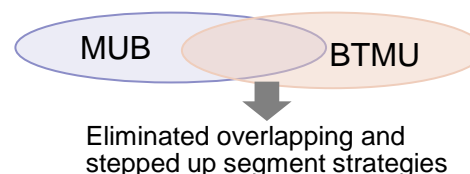
- U.S. business strategy

- Focus on increasing fee income and deposit, diversifying business mix and cost management to improve profitability and generate sustainable growth

Consolidated results of Americas*1

		FY14	FY15	FY16	
				1-3Q	YoY
(¥bn)					
1	Gross profits	603.5	639.5	523.5	53.6
2	Interest income	416.7	433.5	350.0	28.2
3	Non-interest income	179.4	194.9	163.5	22.2
4	Operating income	211.3	219.7	203.1	46.3
5	Average lending balance	16.3 tn	17.8 tn	19.8 tn	2.3 tn
6	Average deposit balance	13.8 tn	15.3 tn	16.3 tn	1.1 tn

Coverage structure



Regional Bank	<ul style="list-style-type: none"> Retail Banking Corp Revenue < \$500MM
Wholesale Bank	<ul style="list-style-type: none"> Corp Revenue > \$500MM

Risk / IT management

Hired experienced management



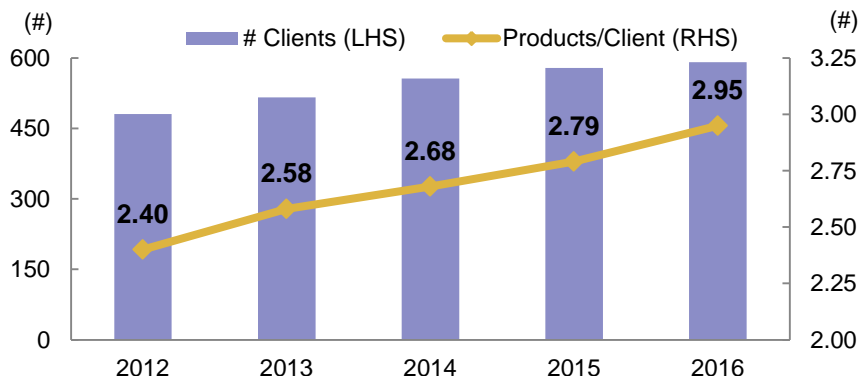
Donna Dellosso
Chief Risk Officer
Former CRO for JPMorgan Chase Bank



Chris Perretta
Chief Information & Operations Officer
Former Global Head of Enterprise Data and Technology for State Street Corporation

Client solutions

Products per client in Wholesale Bank*2

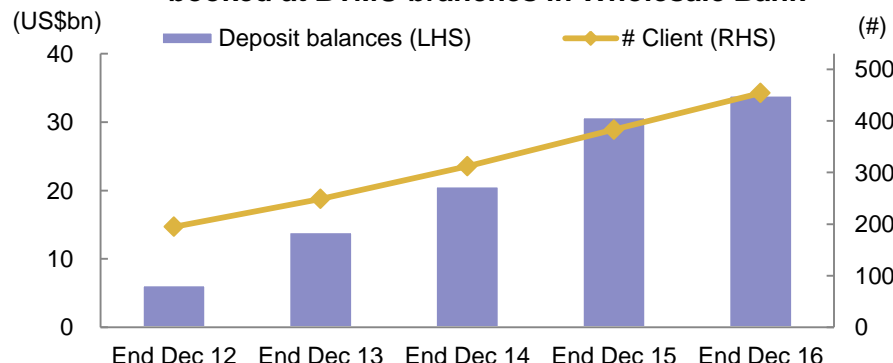


*1 Business operations in the U.S., Canada and Latin America belonging to BTMU consolidated Global Banking Group

*2 U.S. Wholesale Banking clients that have been covered for the entire analysis period. Deposit-Only clients removed

Gathering deposits

MMDA*3 and IOC*4 deposit balance*5 and client count*5 booked at BTMU branches in Wholesale Bank



*3 Money Market Demand Account

*4 Interest on Checking

*5 Managerial accounting basis in accordance with JGAAP

Strengthen commercial banking platforms in Asia and the United States

- Krungsri strategy

- Robust performance with the loan growth of 11.2% and asset quality remained strong at 2.21%
- Continue leveraging MUFG's global capabilities and networks to deliver total financial solutions to customers, including supply chain financing and cross-border financing

Strategic objectives^{*1}

Grow asset, Increase non-interest income, increase CASA balance

(THBbn)	FY14 ^{*2} (End Dec 14 ^{*2})	FY15 (End Dec 15)	FY16(End Dec 16)	
				YoY/Change
Lending balance ^{*3}	1,245.5	1,303.5	1,448.9	145.4 (or 11.2%YTD)
Non-interest income	22.8	26.4	29.5	3.1 (or 11.7%YoY)
CASA balance	520.1	539.0	583.9	44.9 (or 8.3%YTD)

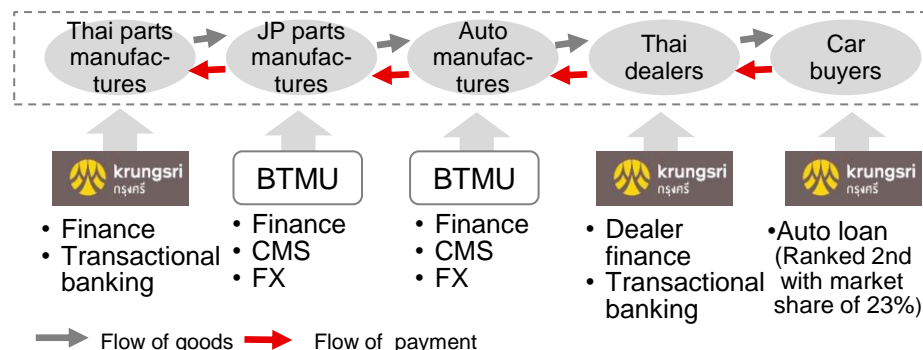
^{*1} All figures are based on Thai GAAP

^{*2} The figures are sum of KS & BTMU Bangkok branch

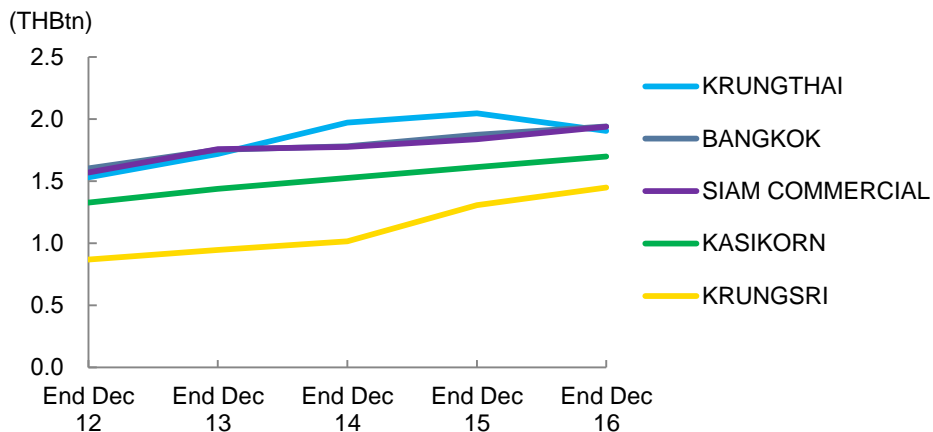
^{*3} Loans to customers net of deferred revenue

Supply chain finance for automobile industry

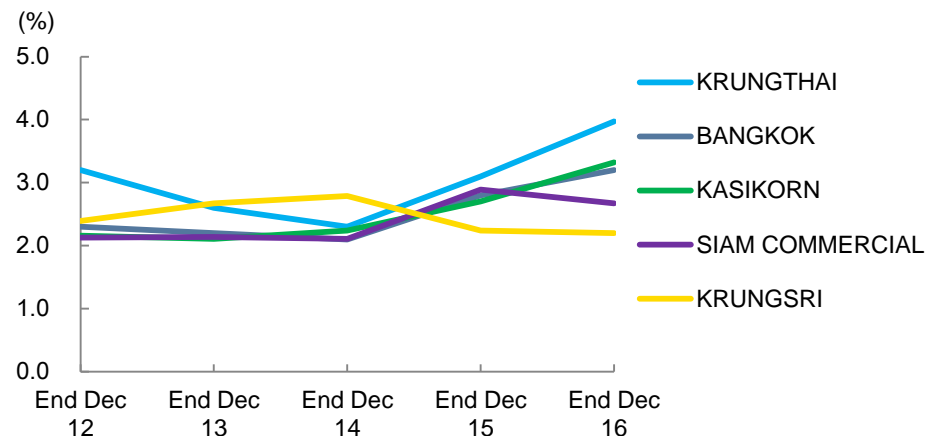
Enhancing our positioning by capturing the business flow of the whole automobile industry



Lending balance comparison



NPL ratio comparison



ICT Strategy

- Key themes for promoting digital innovation

Big Data

- Marketing
- Business development & predictive risk control



Robotics

- Robots at branch (“Nao”)
- Automation of manual labor at domestic and overseas operation centers



AI (Artificial Intelligence)

- IBM’s Watson provides customer inquiry and wealth planning consultation
- Organizational vitalization through behavioral analysis
- AI-driven investment fund for securing absolute return



Blockchain

- Participating in DLG^{*1} (R3)
- Investment in Coinbase
- MUFG coin under consideration
- PoC^{*2} testing for check digitization with Hitachi in Singapore



^{*1} Distributed Ledger Group

^{*2} Proof of Concept

Digital marketing

- Marketing using SNS
- Intersection of mobile banking and marketing (Apps for investment trust beginners and opening investment accounts)



RegTech

- Utilizing ICT for regulatory and compliance operations
- Economic sanction check

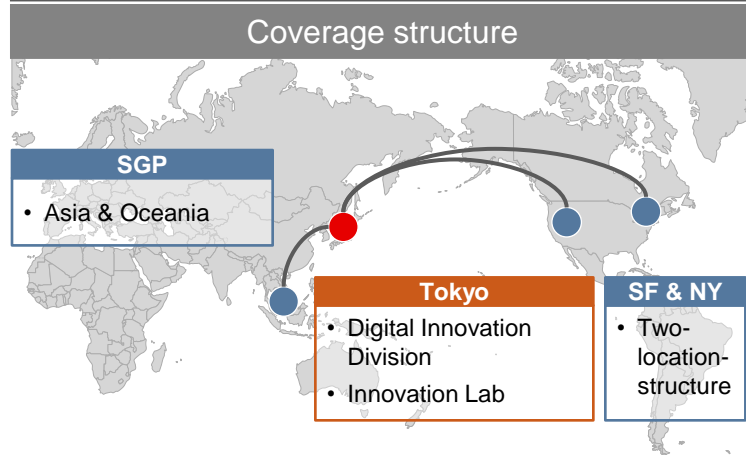


ICT Strategy

- Initiatives to facilitate innovation

- Incorporate new technologies and services by employing open innovation through alliance with FinTech companies

Global innovation



Make society smarter through financial innovation



Innovation Lab
by MUFG



Open Innovation

Open innovation initiatives and results



Partner

Results from collaboration with MUFG



Discussed the development of AI-based assistance tools for managing foreign currency deposits and other trading



Created an AI-based solution that automatically analyzes financial results, with plans calling for distributing analysis reports to individual investors



Operated a virtual coin scheme using the blockchain technology on a trial basis



Developed a dedicated MUFG website for promoting open innovation



Developed and released smartphone apps for assisting in the selection of investment trusts

ICT Strategy

- Ongoing projects in Japan and overseas

- Blockchain is a revolutionary technology that is expected to significantly impact financial services in the near future
- MUFG employs its facilities around the globe to take part in multiple projects aimed at commercializing innovative solutions

Key projects undertaken at facilities around the world

Global

R3

- Participating in DLG (Distributed Ledger Group) lead by R3, with 70+ global financial institutions

Blockchain

Japan

Japan Exchange Group

- Participating in JPX PoC to test security transaction

MUFG

- Planning of new MUFG coin

Blockchain



United States

Coinbase

- Investment in virtual currency exchange (Coinbase)

Chain

- Testing digital promissory note with Chain

Blockchain



Singapore

Hitachi Group

- Testing digital check with Hitachi Group

IBM

- Digitization of system documents with IBM

Blockchain

- Economic sanction check

RegTech

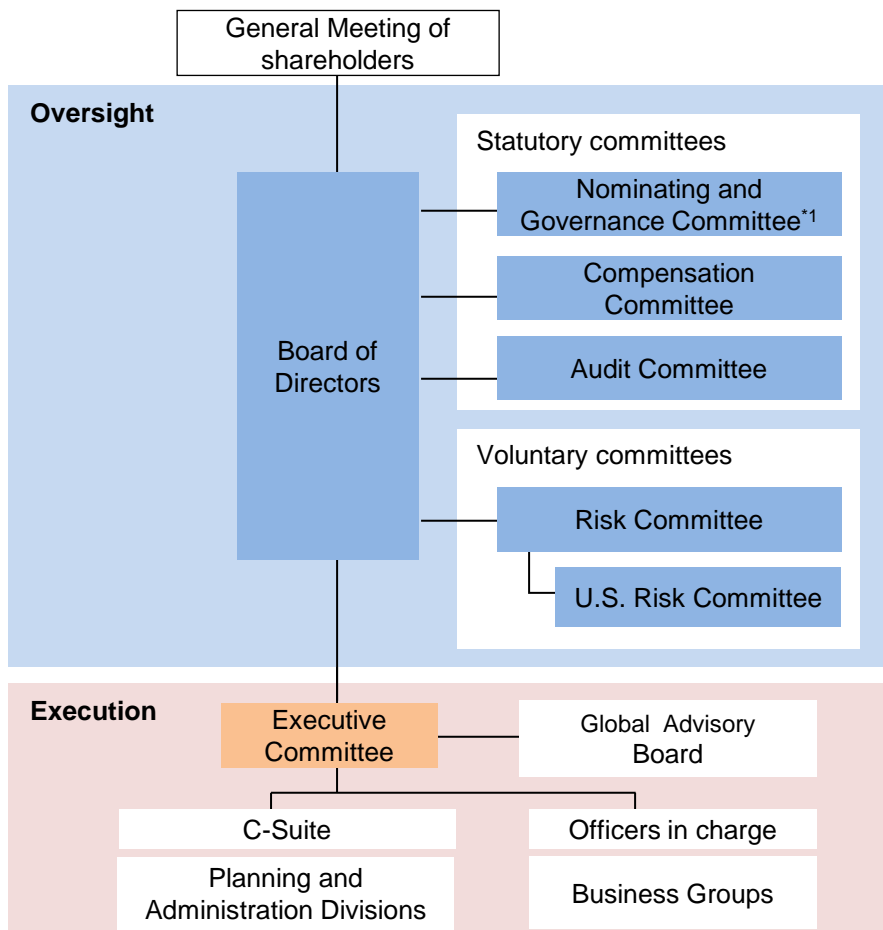
Corporate governance

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

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

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			
							U.S. 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	

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
- Introduced a framework to regularly evaluate the BoD’s working practices

Strengthening the function of the BoD

【Independent Outside Directors Meetings】

- BoD meetings are followed by Independent Outside Directors Meetings attended only by outside directors where the operations of the BoD and committees 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

【Evaluation framework for the BoD’s operations】

Interviews with directors and reporting by external consultants

Deliberation by the Nominating and Governance Committee

Deliberation by the BoD

【Review of the agenda】

- Focus more crucial issues by reviewing / optimizing the agenda

	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)	

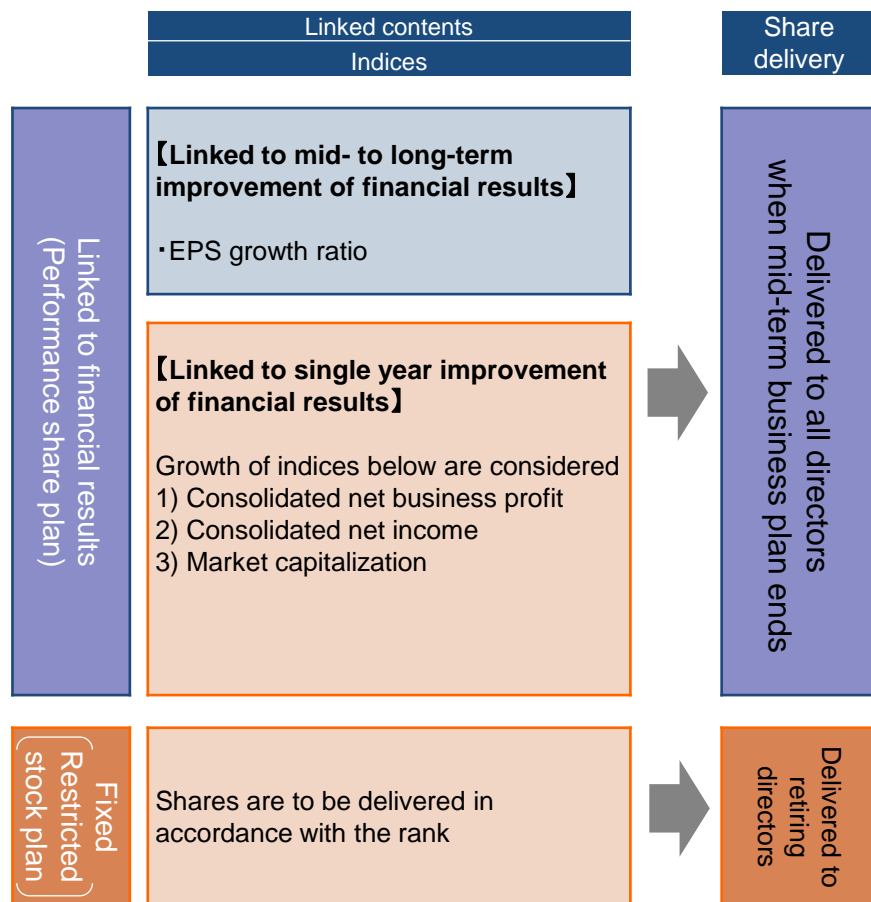
^{*1} Jun 14 to Mar 15 ^{*2} Jun 15 to Mar 16 (After transition to the “company with three committees” system)

Corporate governance

- Performance-based stock compensation plan for executives

- Performance-based stock compensation plan in order to incentivize group-wide management that focuses more on the mid- to long-term improvement of financial results and stock price
- Resolved to transit from existing stock compensation type stock option (issued 9 times so far) to the stock compensation plan using a trust structure

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
- The way to measure financial achievements is as follows

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

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

【Linked to single year improvement of financial results】

- **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

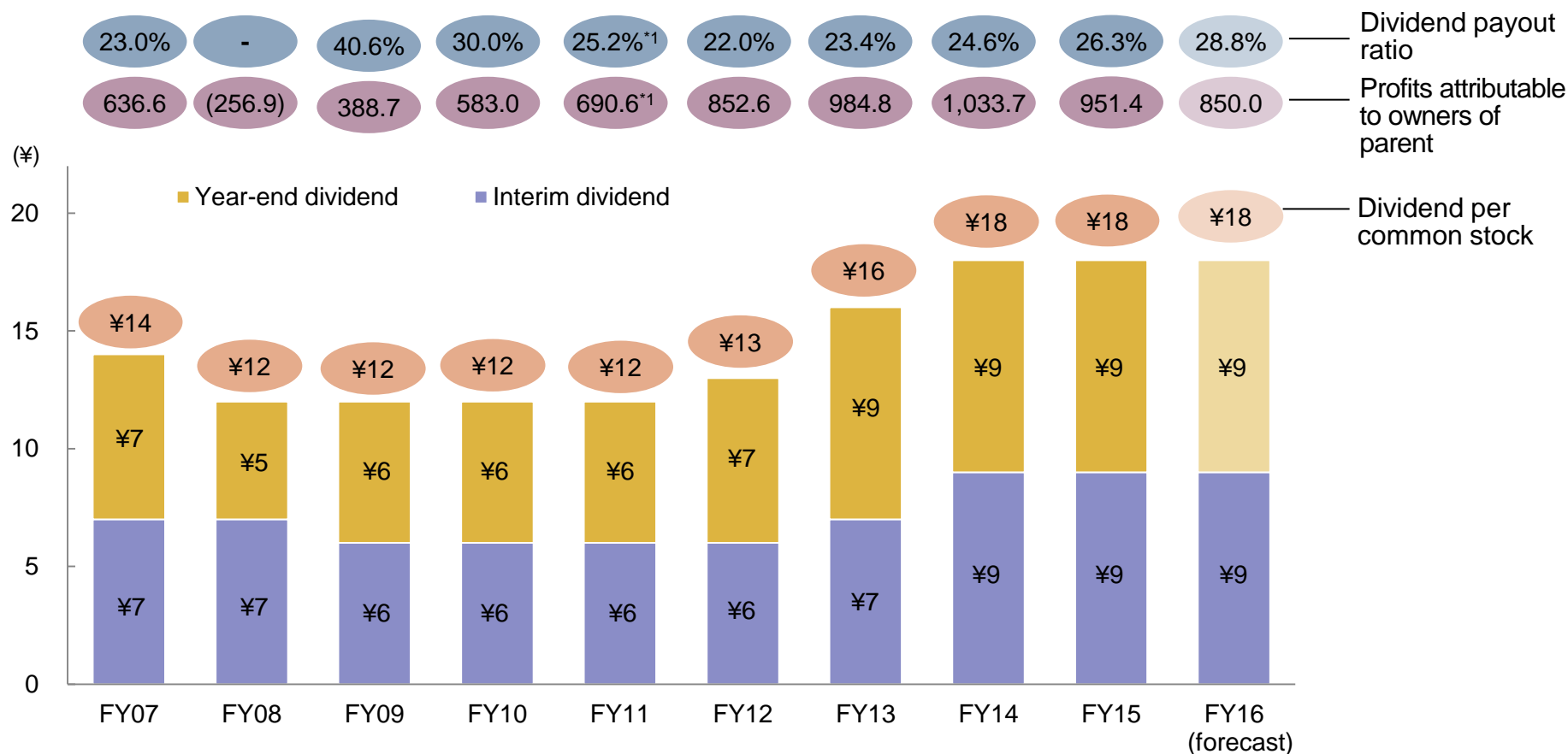
Capital policy

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
- FY16 dividend forecast is ¥18 per common stock

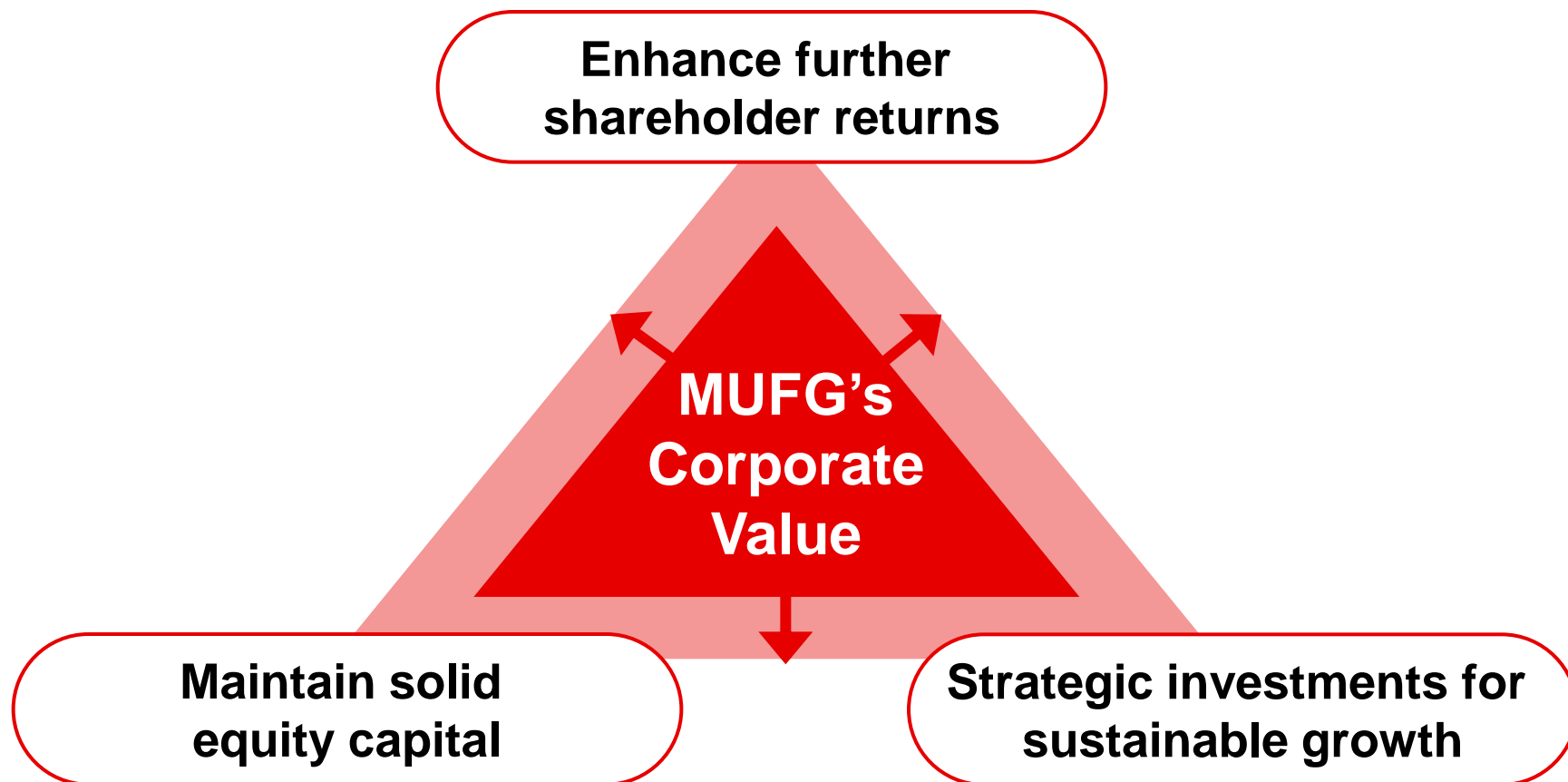
Result and forecast of dividend



*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

Capital policy

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



Repurchase of own shares

(Consolidated)

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

	FY14	FY15	FY16H1	FY16H2
Type of shares repurchased	Ordinary shares of MUFG	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 each on two occasions)	Approx. ¥100.0 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	Approx. 142.24 mm shares

(Reference) As of December 31, 2016

Total number of issued shares (excluding own shares) : 13,462,306,454 shares

Number of own shares held by MUFG : 706,547,366 shares

(Reference)

	FY14	FY15	FY16*1
Total payout ratio	34.2%	47.2%	52.3%

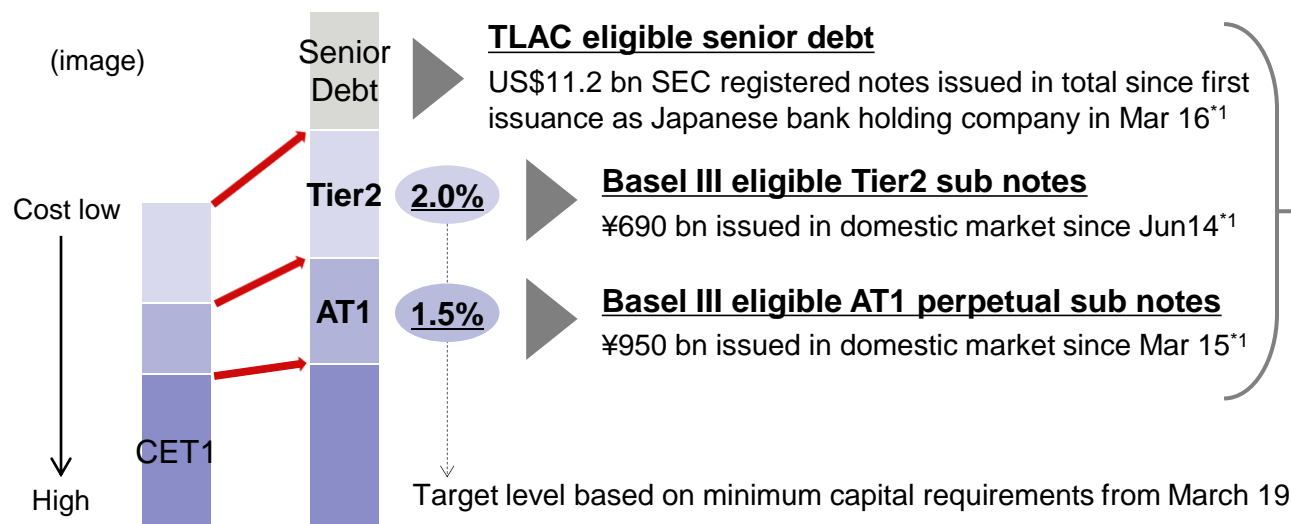
*1 Based on the estimation assuming the denominator to be ¥850 bn, which is our financial target

Capital management

- The best capital mix and TLAC compliance

- Capital management with utilization of AT1 / Tier 2 and controlling CET1 at necessary and sufficient level. Aiming for the right balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
- Reducing the amount of equity holdings considering the risk, capital efficiency and regulations (On page 26)

Best capital mix among CET1, AT1 and Tier2



MUFG is a primary funding entity, which shall be designated as a resolution entity in orderly resolution under the SPE strategy^{*2}

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%

Ref. Estimated TLAC ratio^{*3}

As of end Dec 16	14.8%
------------------	-------

Note) TLAC ratio estimation is calculated as follows, which is based on our total capital ratio as of end Dec 16

TLAC ratio = Total capital ratio(15.4%) - Capital conservation buffer (2.5%) - G-SIB surcharge (1.5%) + Contribution of Deposit Insurance Fund Reserve (2.5%) + TLAC eligible debt (1.1%) - Other adjustments, etc.

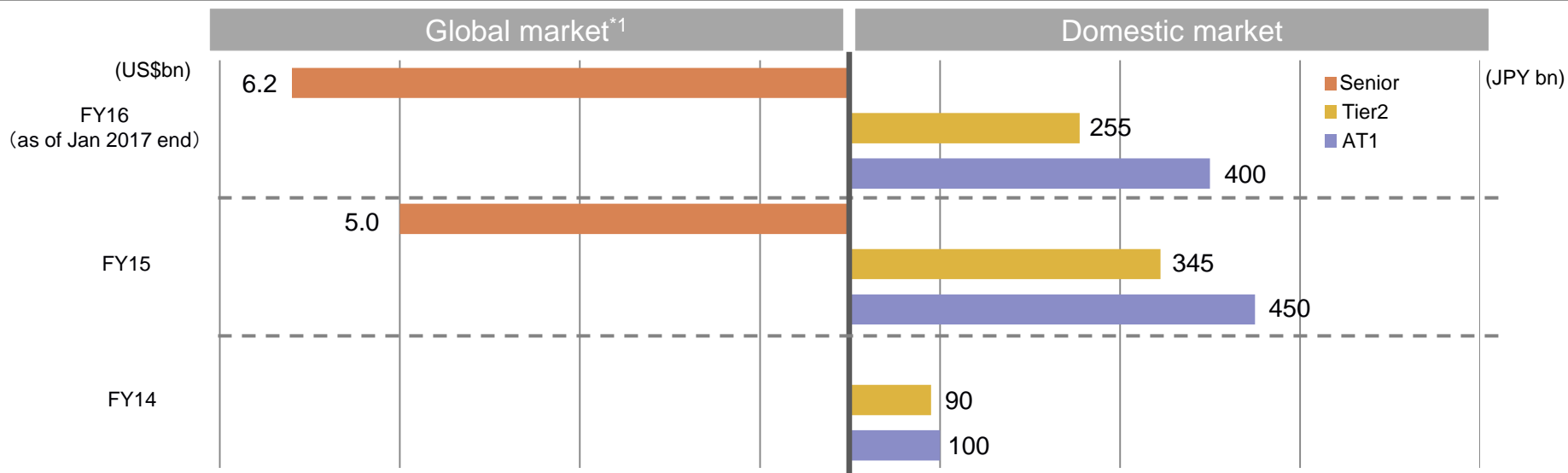
^{*1} Accumulated amount as of end Jan 17

^{*2} Single Point of Entry strategy: Resolution of a financial group at the level of its ultimate parent, rather than the operating companies at the subsidiary level, in financial difficulty, under the single national financial authority

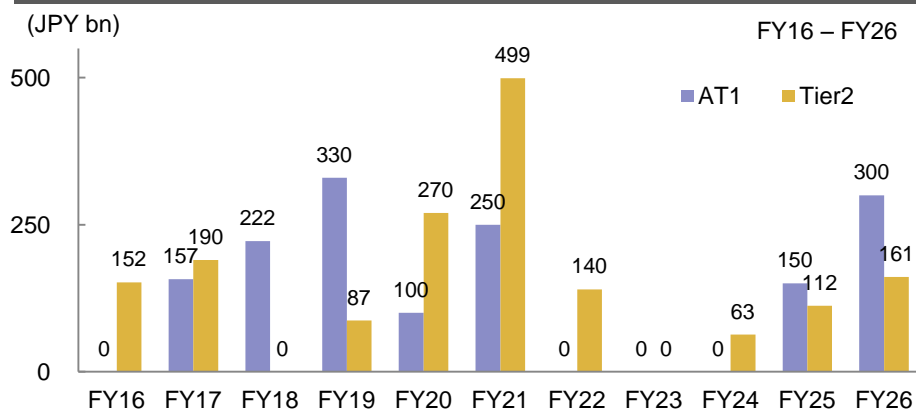
^{*3} Figure contains 2.5% portion of RWA, which is expected to be counted as TLAC after Mar 19 based on the prospect that the relevant authorities agree that the Japanese Deposit Insurance Fund Reserves satisfy as credible ex-ante commitments specified in TLAC Term Sheet. This will add another 1.0% of RWA after Mar 22, which will increase the estimated TLAC ratio by 1.0%. Since TLAC requirements in Japan have not yet been finalized, actual TLAC ratio may be different from our estimation. Exchange rate applied is JPY 116.49/US\$

Issuance track record and redemption schedule

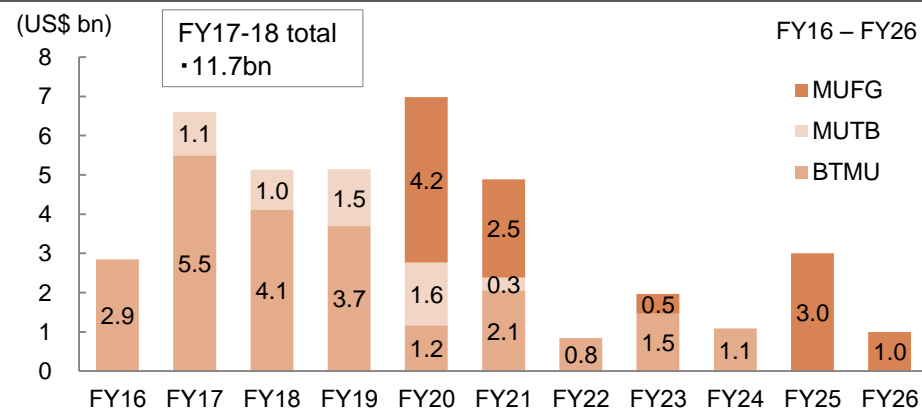
MUFG issuance track record



MUFG/BTMU/MUTB AT1, Tier2 call/redemption schedule*²



MUFG/BTMU/MUTB senior unsecured bond redemption schedule*³



*1 Figures all converted into US\$ with actual exchange rates as of end Dec 16 (EUR 0.94/ US\$)

*2 Figures are as of end Jan 17 assuming that all callable notes are to be redeemed on their respective first callable, while there is no assurance they will be redeemed at those dates. AT1 and Tier2 contain Basel II Tier1 preferred securities and Basel II Tier2 sub notes respectively

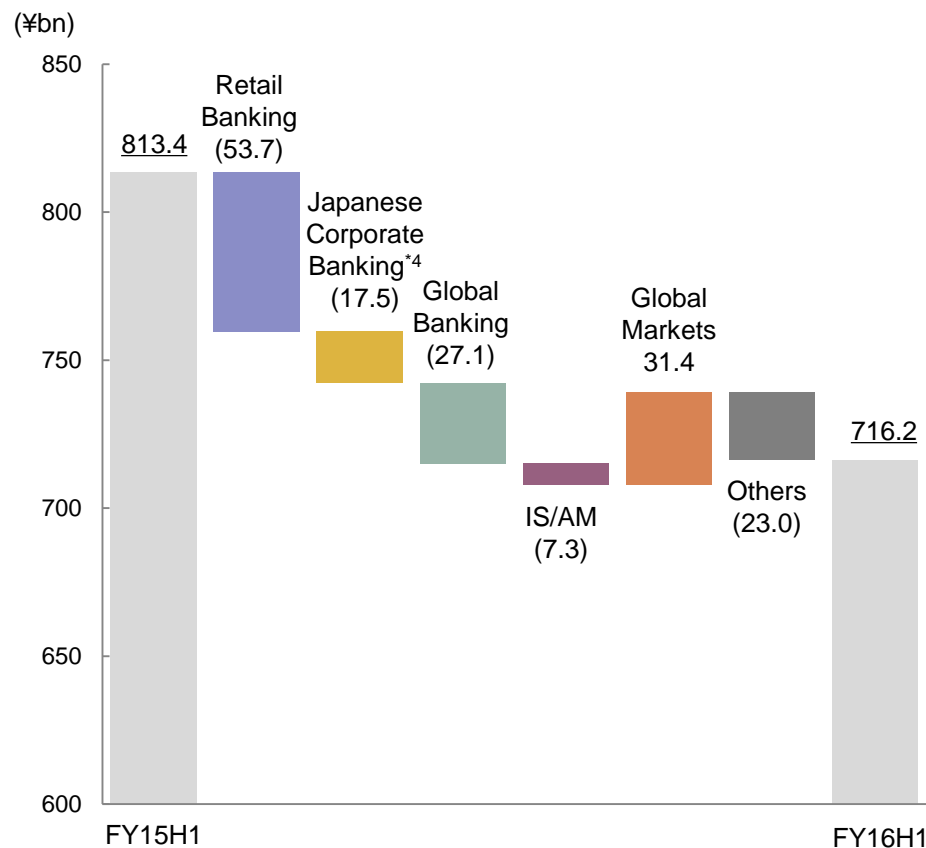
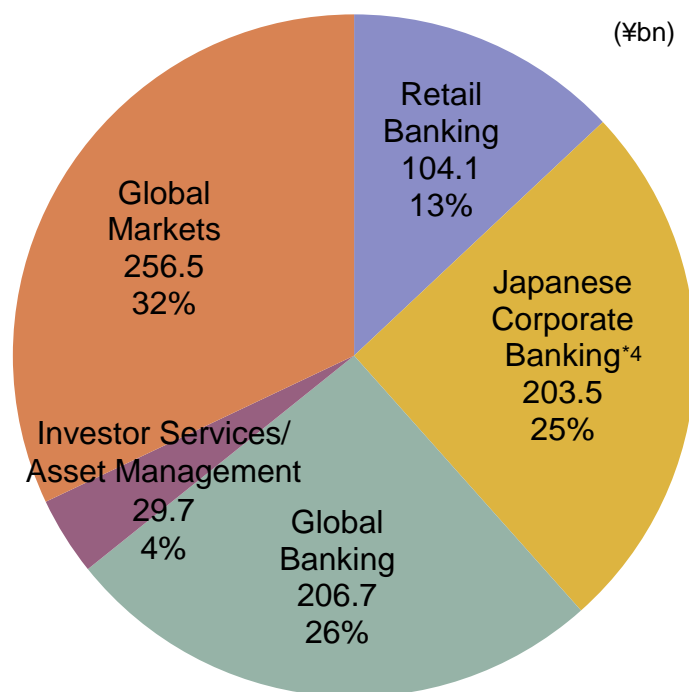
*3 Figures all converted into US\$ with actual exchange rates as of end Dec 16 (JPY 116.49/US\$).
Excludes structured bonds and notes issued by overseas branches and subsidiaries

Appendix

Net operating profits by segment*1

FY16H1 ¥716.2 bn*2

Global banking segment accounted for 38% of total customer segments*3



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

*2 Including profits or losses from others

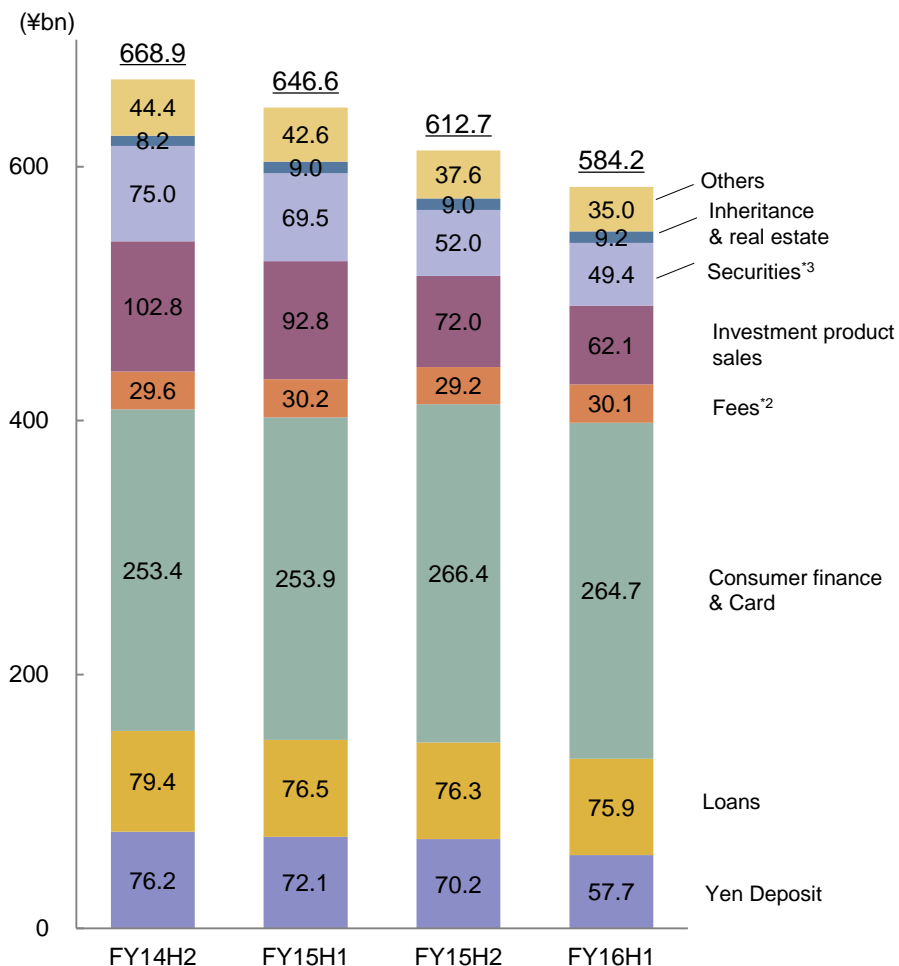
*3 Net operating profit of Global banking / net operating profit of total customer segments

*4 Excluding Japanese corporate transaction outside of Japan

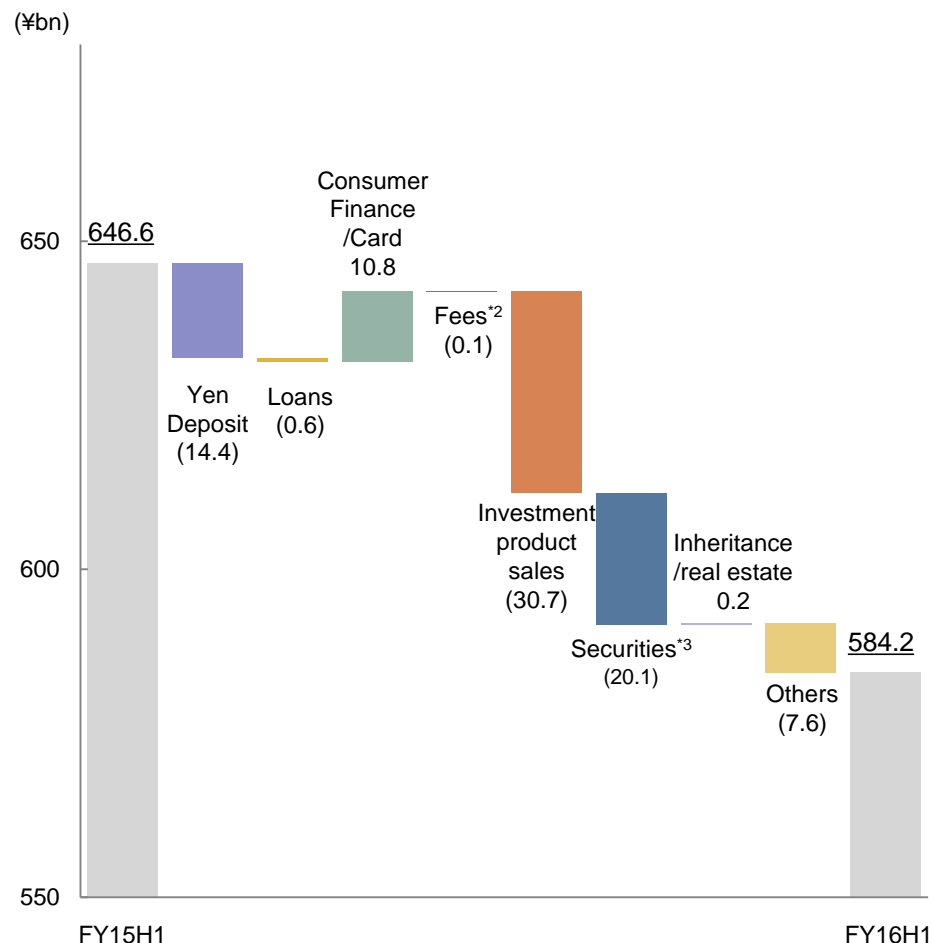
Appendix : Historical outlook in Retail Banking

(Consolidated)

Gross profits*1



Change in gross profits*1



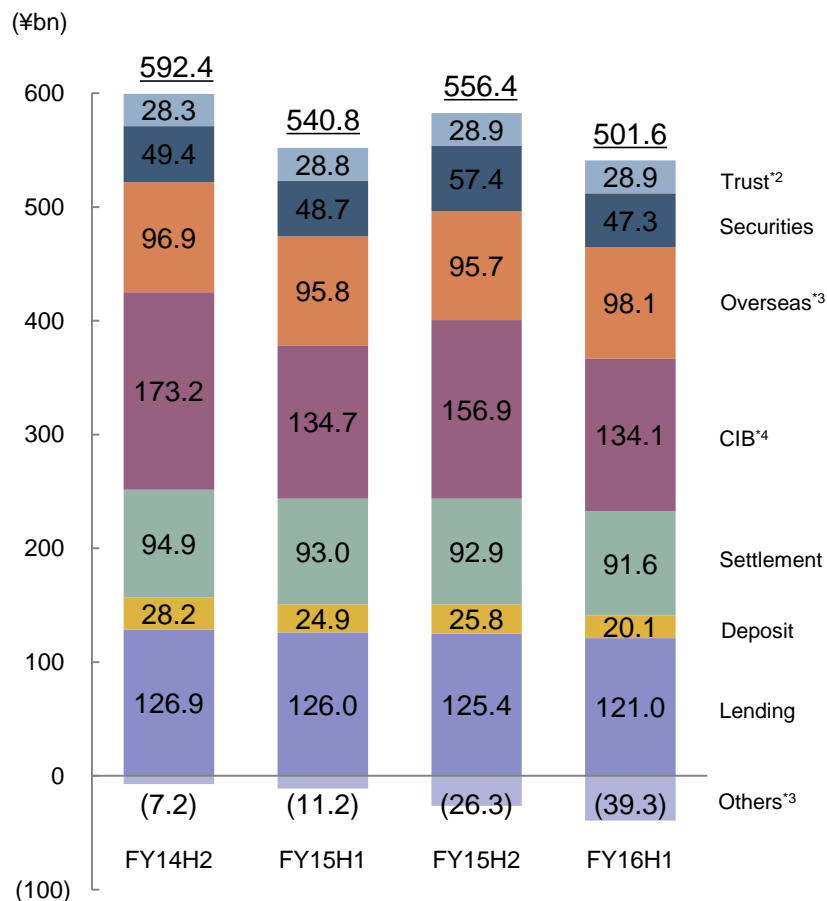
*1 All figures are in actual exchange rate and managerial accounting basis

*2 Transfer, ATM, etc.

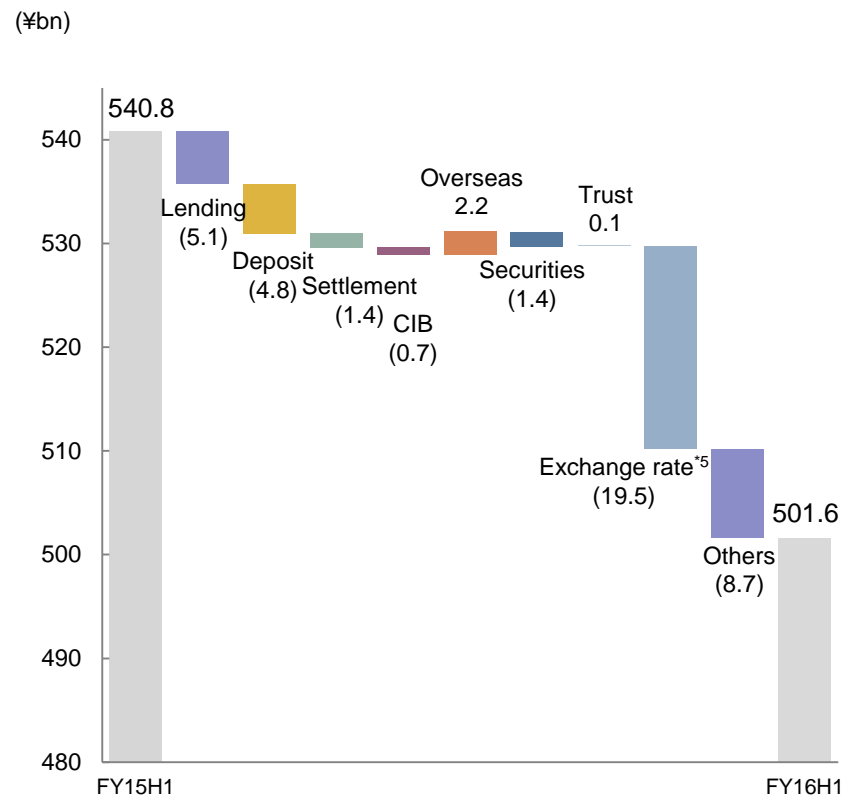
*3 Fees from stock/bond sales, etc.

Appendix : Historical outlook in Japanese Corporate Banking (Consolidated)

Gross profits*1



Change in gross profits*1



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

*2 Real estate brokerage, transfer agency business, etc. *3 Local currency basis. Difference with actual exchange rate is included in "Others"

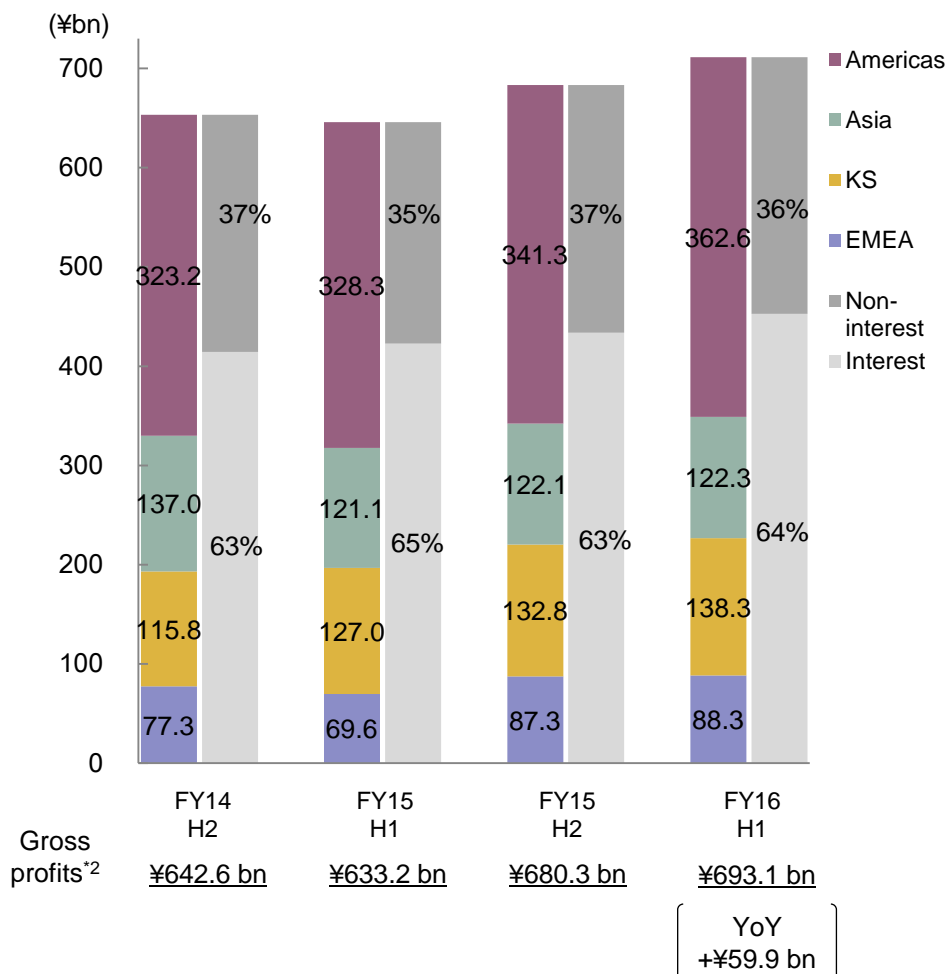
*4 Structured finance, syndicated loan, derivatives, etc. *5 Exchange rate impact caused by overseas business with Japanese corporates

Appendix : Historical outlook in Global Banking

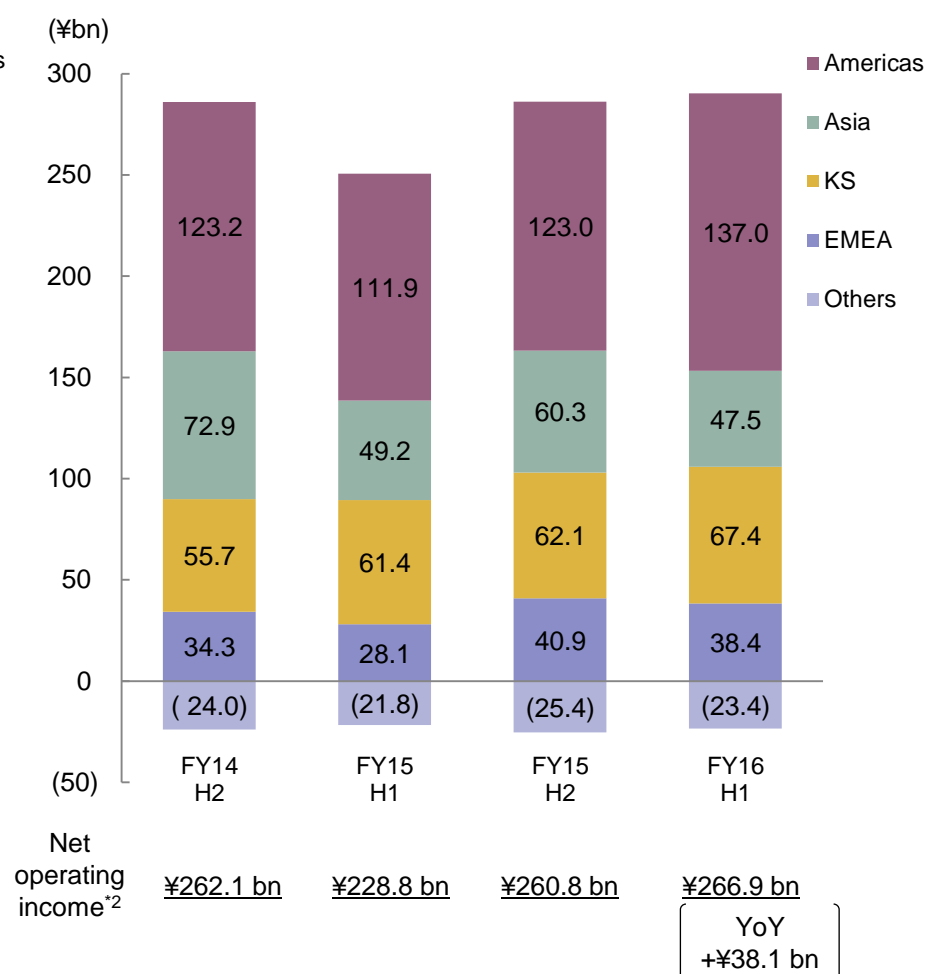
- Gross profits & operating income by region

(Consolidated)

Gross profits by region*1



Operating income by region*1



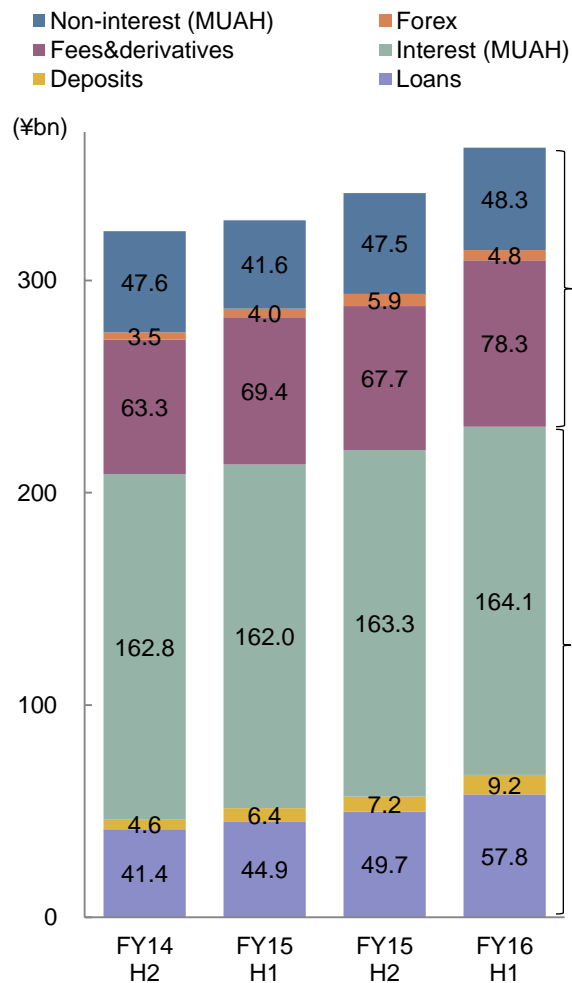
*1 Local currency basis. Each break down is before elimination of duplication, and excludes other gross profits

*2 After adjustment of duplication between regions

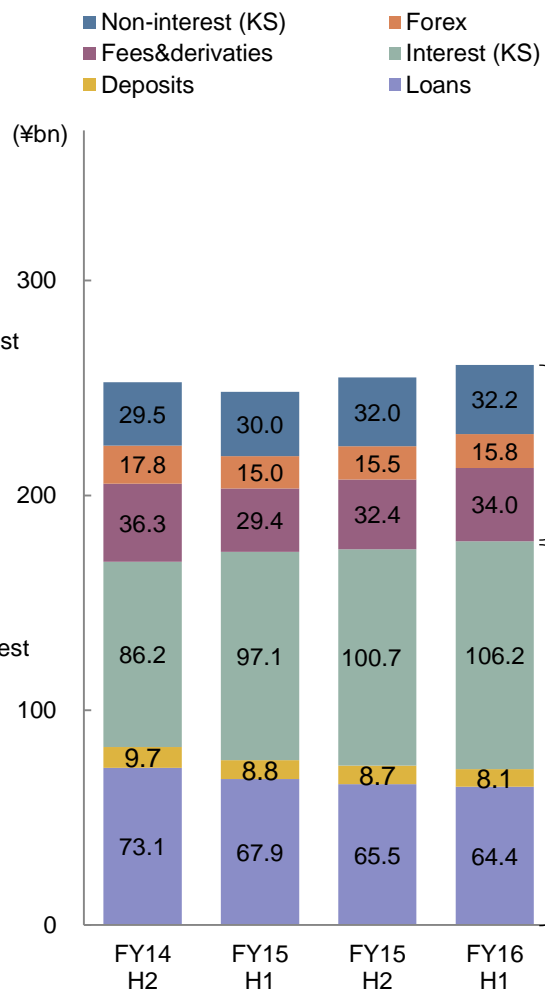
Appendix : Historical outlook in Global Banking - Breakdown of gross profits

(Consolidated)

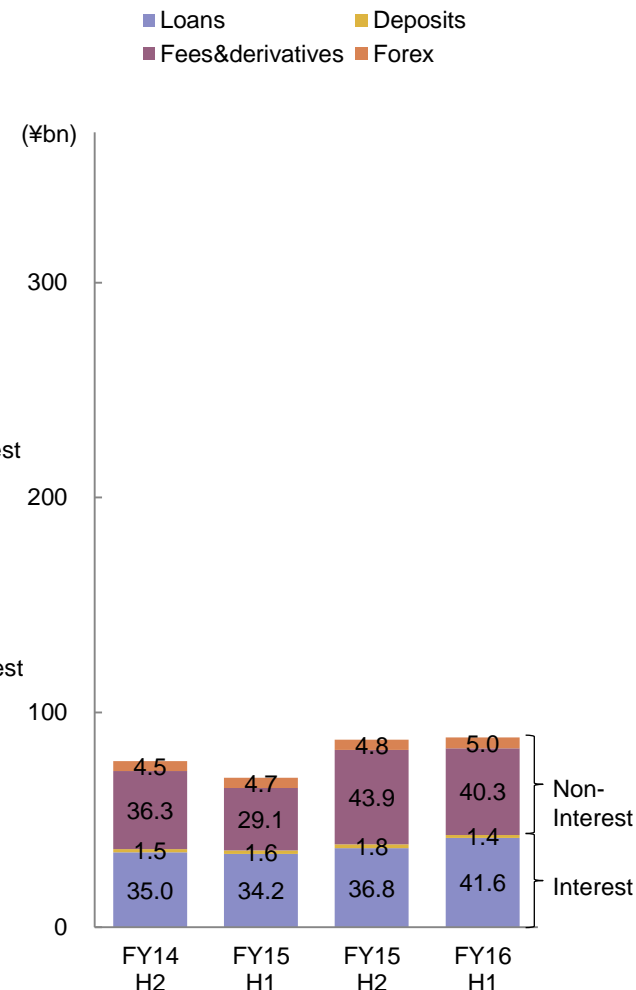
Americas*1



Asia*1



EMEA*1



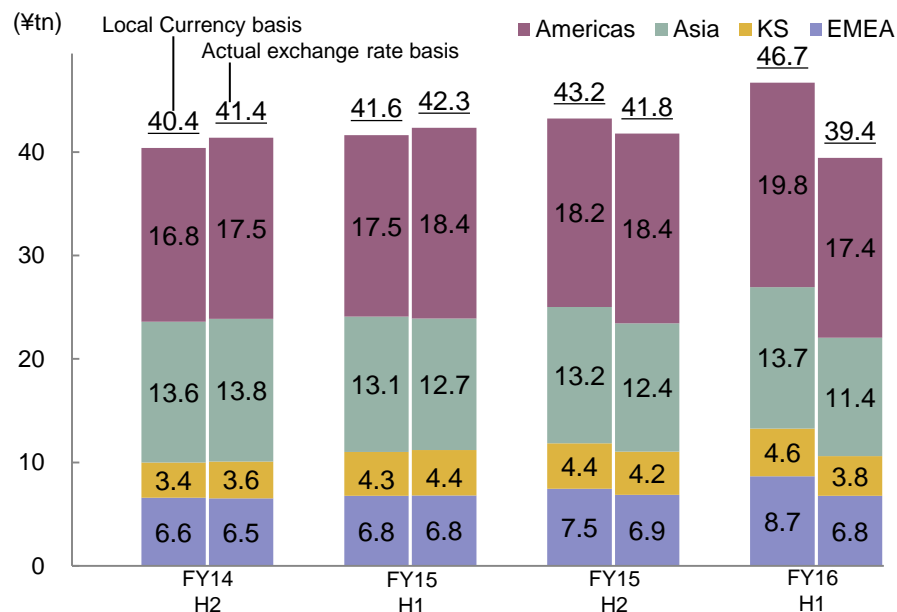
*1 Local currency basis. Each break down is before elimination of duplication and excludes other gross profits

Appendix : Historical outlook in Global Banking

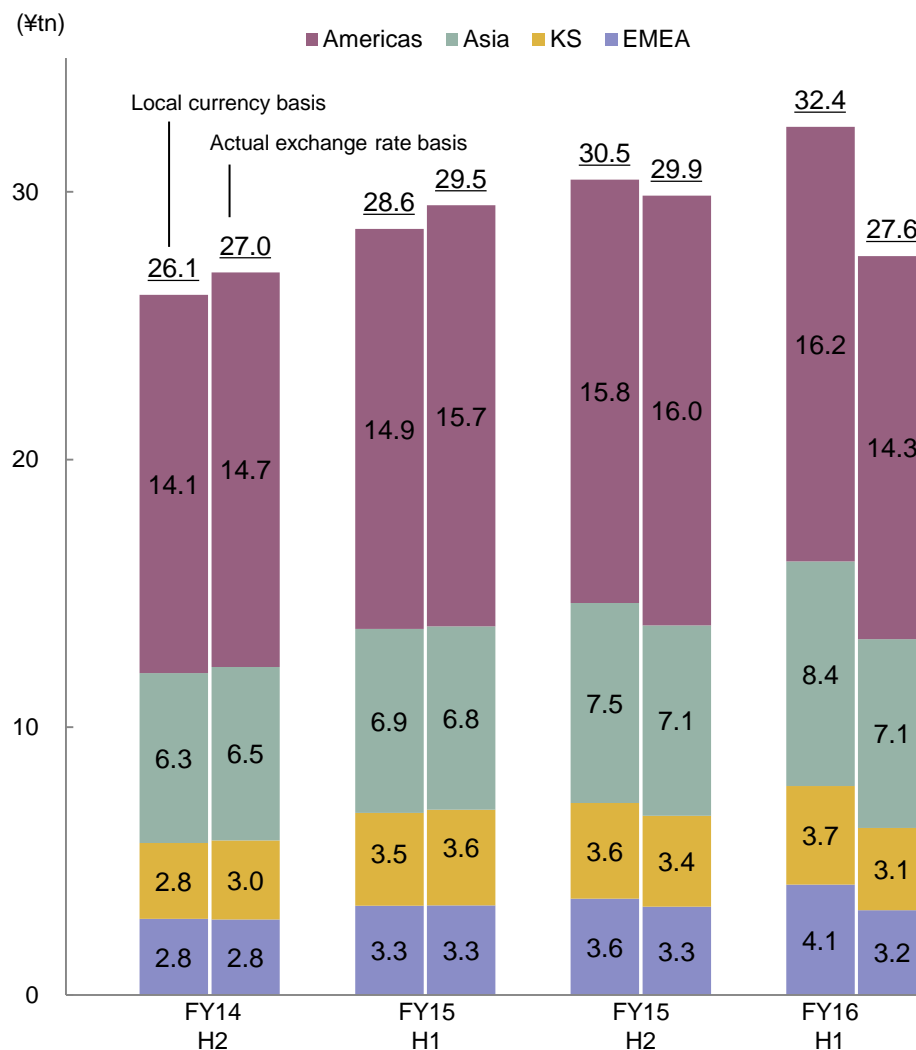
- Loans and deposits by region

(Consolidated)

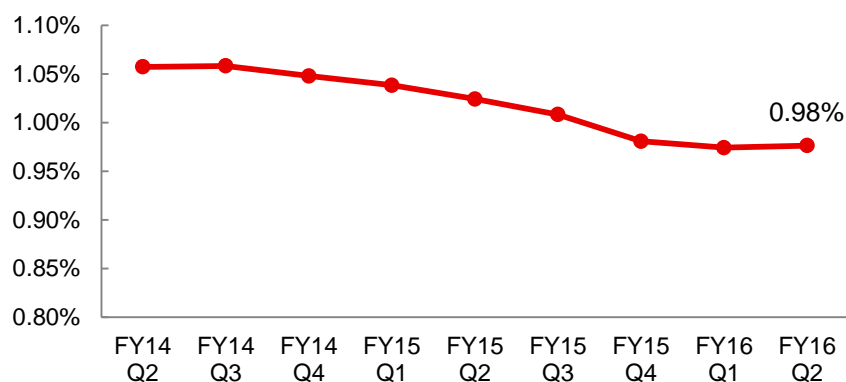
Average loan balance by region



Average deposit balance by region



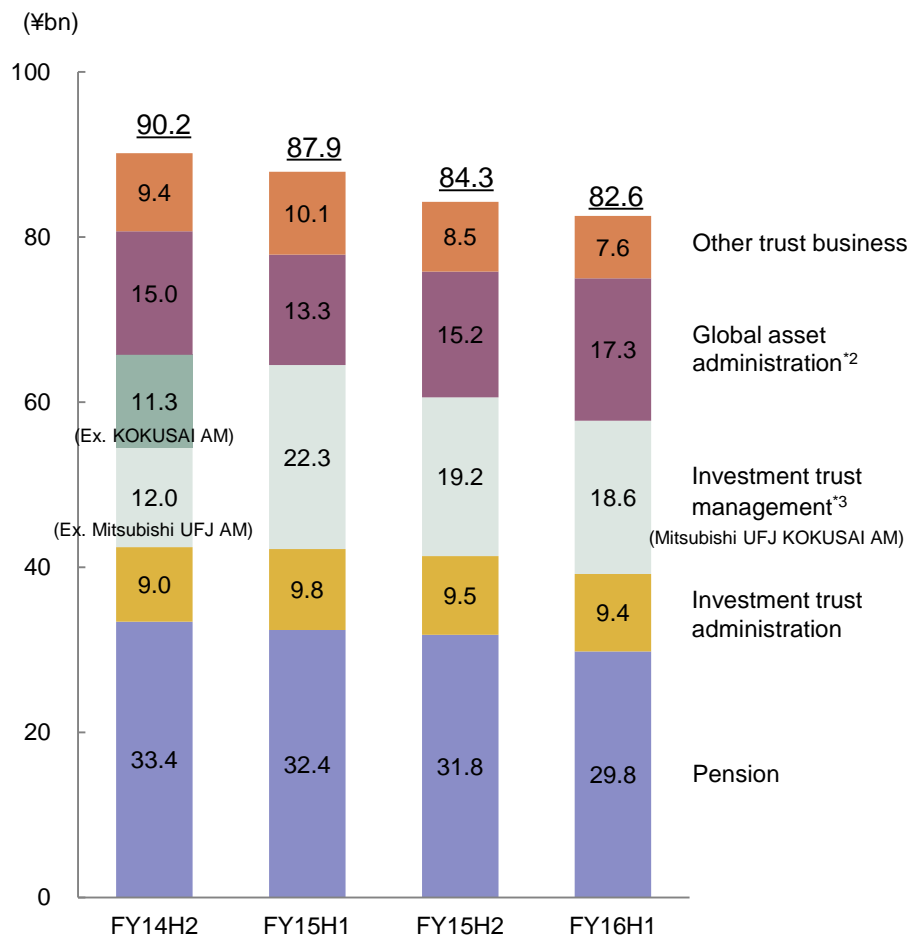
Lending spread (excl. MUAH,KS)



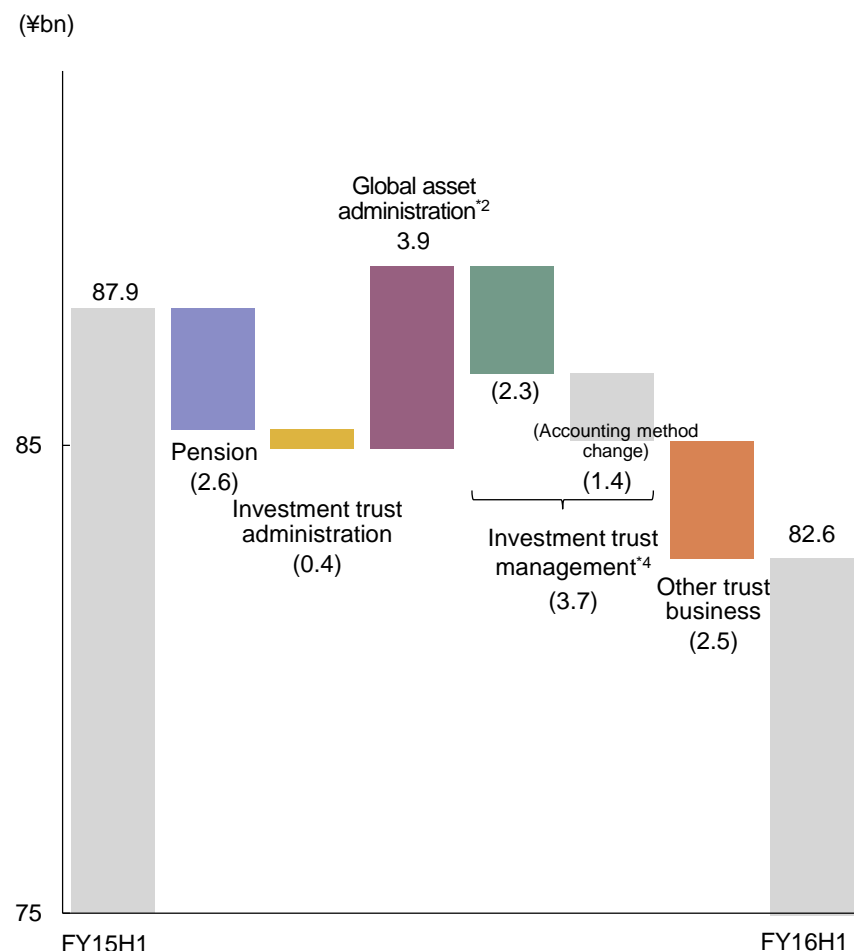
Appendix : Historical outlook in Investor Services/ Asset Management

(Consolidated)

Consolidated gross profits*1



Change in gross profits*1



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

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

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

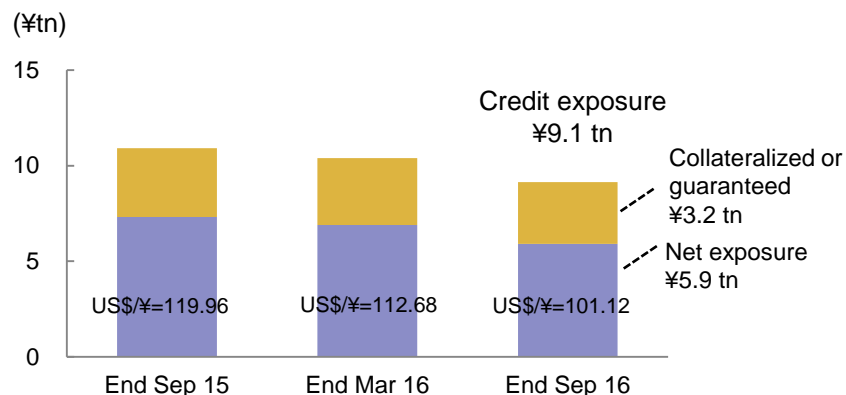
*4 Following the 2 AM companies merger, accounting method of commission research cost has been unified to subtract it from gross profit instead of posting it as an expense. Gross profits of this business in FY16H1 was down ¥2.3bn from FY15H1, excluding impacts from this accounting method change

Appendix : Energy and mining portfolio - Overview

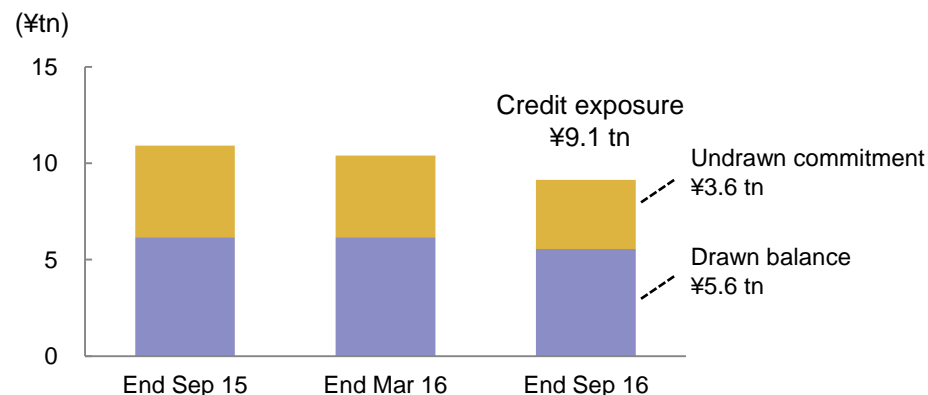
(Consolidated)

- Total credit exposure*1 in the energy related sector decreased to ¥9.1 tn from more than ¥10.0 tn
- Net exposure, deducting collateral and guarantee (e.g. ECA), was ¥5.9 tn

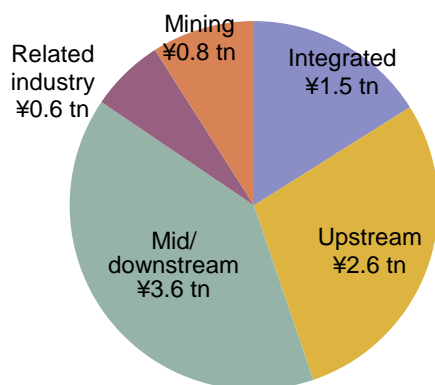
Credit exposure, collateral and guarantee



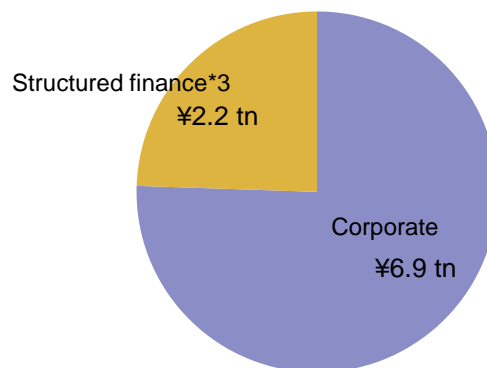
Credit exposure and undrawn commitment



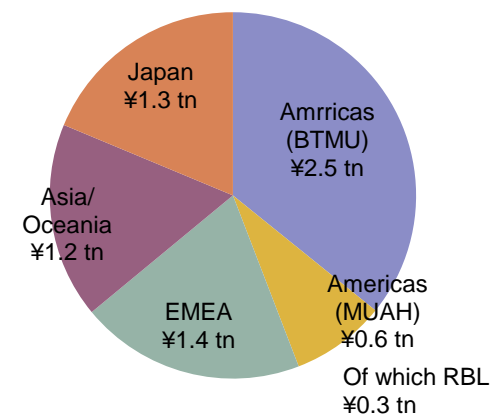
Breakdown by Sector



Breakdown by structure



Breakdown by region (Corporate)



*1 Including undrawn commitment and excluding market exposure *2 Storage, transportation, refining, sales and others
 *3 Project finance and trade finance *4 Reserved based lending where loans are collateralized by the values of borrower's reserve
 Note: All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary

Appendix : Energy and mining portfolio

- Credit quality (1)

(Consolidated)

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

- NPLs was ¥137 bn as of end Sep 16
- NPLs increased in related industry and mining in Americas (BTMU), while decreased in upstream industry in Americas

As of end Sep 16		(¥bn)													
		Total		Americas (BTMU)		Americas (MUAH)		EMEA		Asia/Oceania		Japan		Structured finance	
		Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16	Amount	Change from end Mar 16
1	Total Credit exposure	9,146	(1,258)	2,473	(518)	577	(227)	1,371	(76)	1,193	(241)	1,293	37	2,238	(233)
2	NPLs	137	18	56	41	37	(25)	0	0	13	(2)	1	0	30	2
3	Integrated ^{*2} Credit exposure	1,469	(221)	380	(143)	0	0	644	102	445	(181)	0	0	0	0
4	NPLs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Upstream ^{*3} Credit exposure	2,626	(358)	A 636	(1)	B 465	(218)	127	(74)	183	(9)	122	(16)	C 1,093	(40)
6	NPLs	65	(34)	3	(12)	37	(25)	0	0	0	0	0	0	25	3
7	Mid/downstream ^{*4} Credit exposure	3,631	(288)	913	(105)	86	(14)	105	(17)	341	(25)	1,170	52	1,016	(179)
8	NPLs	1	0	0	0	0	0	0	0	0	0	1	0	0	0
9	Related industry ^{*5} Credit exposure	594	(42)	D 270	(65)	26	5	196	(13)	101	30	0	0	0	0
10	NPLs	10	10	10	10	0	0	0	0	0	0	0	0	0	0
11	Mining Credit exposure	826	(349)	E 274	(204)	0	0	300	(73)	F 123	(57)	0	0	G 129	(14)
12	NPLs	62	42	43	43	0	0	0	0	13	(2)	0	0	5	(1)

*1 Subject to the relevant criteria applying to each subsidiary. For example, risk-monitored loans based on Japanese Banking Act

*2 Integrated business from upstream to downstream

*3 Exploration, development and production of oil and gas

*4 Storage, transportation, refinement, retail

*5 Sales of mining machine to companies among upstream industry

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

Appendix : Energy and mining portfolio - Credit quality (2)

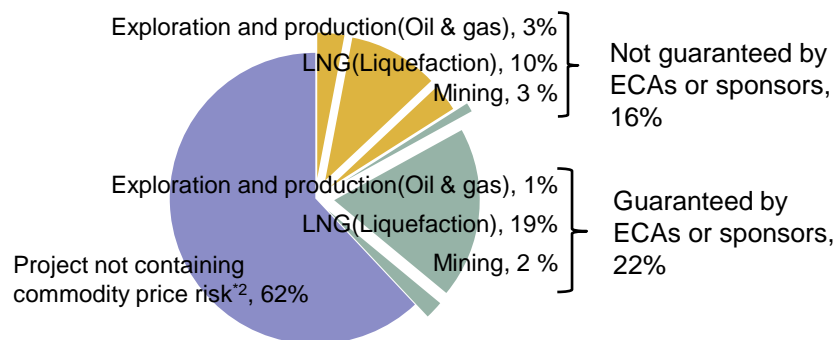
(Consolidated)

NPLs, collateral and allowance in major sectors and regions

- Approx. 90% of NPLs are covered with collateral, guarantee or allowance

As of end Sep 16		Upstream			Related industry	Mining			(¥bn)
		A Americas (BTMU)	B Americas (MUAH)	C Structured finance	D Americas (BTMU)	E Americas (BTMU)	F Asia/Oceania	G Structured finance	
1 Credit exposure	(1)	636	465	1,093	270	274	123	129	Total NPLs*1 (Total from A to G)
2 Collateralized or guaranteed	(2)	140	357	431	53	52	25	55	
3 Uncollateralized or unguaranteed	(3) = (1)-(2)	496	108	662	217	222	98	74	
4 NPLs*1	(4)	3	37	25	10	43	13	5	136
5 Collateralized or guaranteed	(5)	2	34	20	0	16	0	0	Total NPLs*1 (net) (Total from A to G)
6 Allowance	(6)	0	3	4	8	22	10	3	
7 NPLs*1 (net)	(7) = (4)-(5)-(6)	0	0	1	2	5	3	2	

Project Finance Portfolio Analysis



- MUFG's project finance credit exposure in natural resource sector is ¥2.2 tn, of which 38% 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 16%

*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

Appendix : 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 Sep 16 Exposure	% to total
1	Normal	1-3	4,043	44%
2		4-5	1,711	19%
3		6-7	1,528	17%
4		8-9	1,077	12%
5	Requiring caution	10-11	559	6%
6	Potentially bankrupt to Bankrupt	12-15	227	2%
7	Total		9,146	100%

Over 60% of total exposure 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

Appendix : (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 Sep 16

(¥bn)

	Category of borrowers	Internal rating grade	EAD* ²	% to total EAD	PD (weighted average)	LGD (weighted average)
1	Normal	1-3	49,282	50%	0.08%	36.72%
2		4-5	24,547	25%	0.15%	34.30%
3		6-7	10,356	10%	0.56%	30.03%
4		8-9	10,694	11%	2.03%	27.89%
5	Requiring caution	10-11	2,766	3%	9.52%	23.67%
6	Potentially bankrupt to Bankrupt	12-15	1,443	1%	100.00%	34.79%
7	Total		99,088	100%	2.07%	34.07%

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