Fiscal 2015 Results Presentation

May 23, 2016

Mitsubishi UFJ Financial Group, Inc.

MUFG

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

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

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

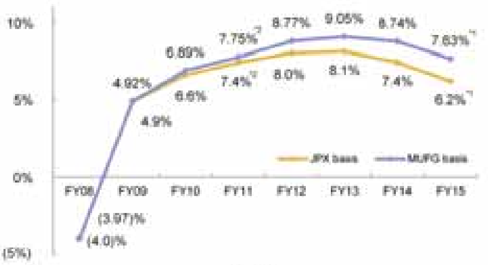
Definitions of figures used in this document

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)

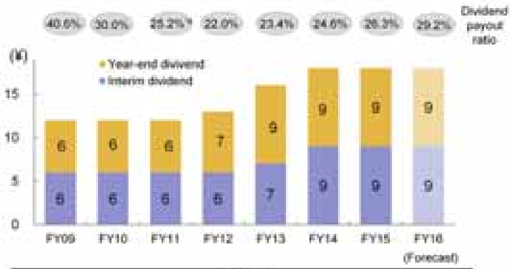
Management index

(Consolidated)

ROE



Dividend per share/Dividend payout ratio



EPS

BPS

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

*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

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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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✓ Please look at the presentation material page five that shows the contents of the presentation. I would briefly cover the some highlights of fiscal 2015 financial results, and then would like to spend more time on our growth strategy and our capital strategy. Please go to page seven.

Outline of FY2015 Results

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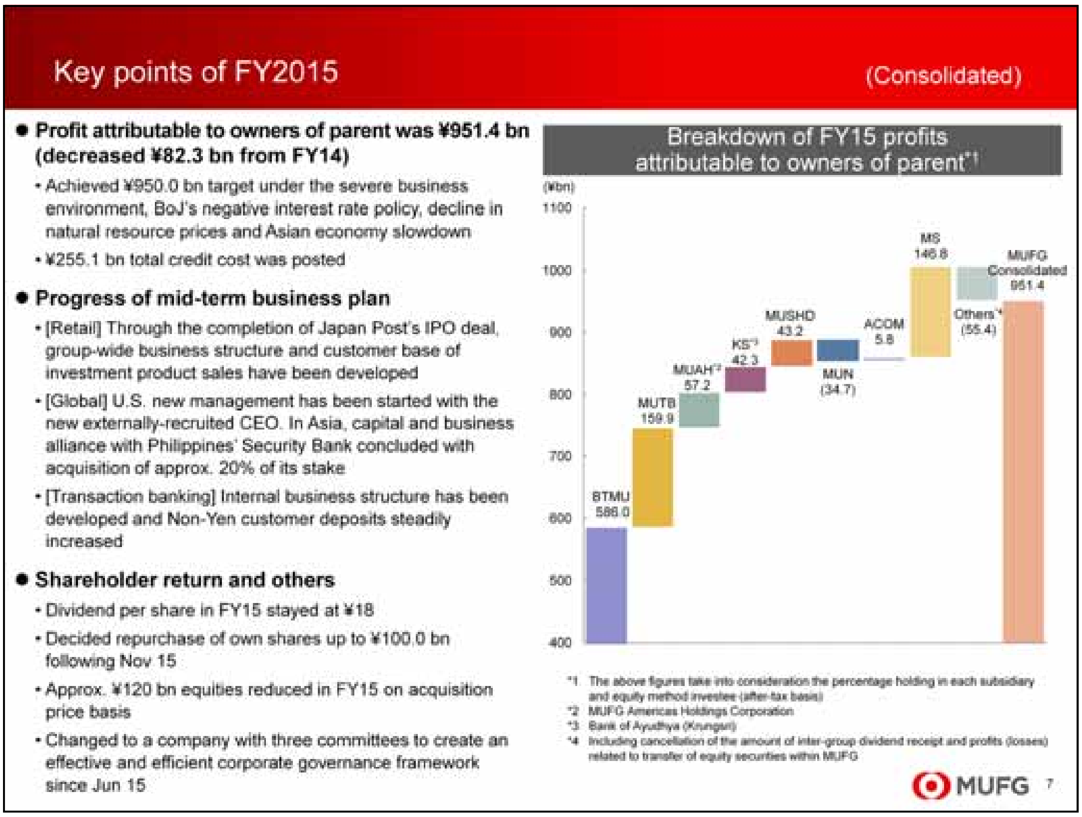

- ✓ There are the key points of fiscal 2015 results. Last year, in addition to low interest rate, deceleration of the Asian economy, unstable market environment, there were specific borrower factors and declining commodity prices leading to higher credit cost.
- ✓ Facing such a tough business environment, profits attributable to owners of parent was 951.4 billion yen down 82.3 billion yen year on year.
- ✓ By subsidiaries and affiliates, Morgan Stanley increased its contribution due to strong results in the first half of the last year, while MU NICOS recoded losses.
- ✓ For shareholder return, dividend per share in 2015 is kept at the same level as last year at the 18 yen.
- ✓ And following on from last November, we will be implementing acquisition of our shares up to 100 billion this May.
- ✓ Strategic equity holdings have been reduced by about 120 billion yen on an acquisition cost basis. please go to page eight.

Income statement summary (Consolidated)

● Net business profits

- Gross profits decreased slightly compared to FY14 mainly due to decrease in interest income including forex impact against increase in fee income from both domestic and overseas
- G&A expenses remained almost flat
- As a result, net business profits decreased to ¥1,577.9 bn, down ¥87.0 bn from FY14

● Total credit costs

- Total credit cost was ¥255.1 bn, an increase of ¥93.5 bn from previous year mainly due to increased allowance for natural resources rerated lending

● Net gains (losses) on equity securities

- Decreased to ¥88.3 bn with loss on write-down of equity securities while gains on sales of equity securities increased ¥15.7 bn

● Profits (losses) from investments in affiliates

- Increased mainly due to recovery of MS's performance

● Profits attributable to owners of parent

- Decreased to ¥951.4 bn, down ¥82.3 bn from FY14

● EPS

- ¥68.51, down ¥4.70 from FY14

	(¥bn)	FY14	FY15	YoY
1	Gross profits (before credit costs for trust accounts)	4,229.0	4,143.2	(85.8)
2	Net interest income	2,181.6	2,113.5	(68.0)
3	Trust fees + Net fees and commissions	1,420.0	1,437.6	17.5
4	Net trading profits + Net other business profits	627.3	592.0	(35.3)
5	Net gains (losses) on debt securities	115.1	132.9	17.7
6	G&A expenses	2,584.1	2,585.2	1.1
7	Net business profits	1,644.9	1,557.9	(87.0)
8	Total credit costs*1	(161.6)	(255.1)	(93.5)
9	Net gains (losses) on equity securities	93.1	88.3	(4.8)
10	Net gains (losses) on sales of equity securities	97.9	113.6	15.7
11	Losses on write-down of equity securities	(4.8)	(25.3)	(20.5)
12	Profits (losses) from investments in affiliates	159.6	230.4	70.7
13	Other non-recurring gains (losses)	(23.0)	(82.0)	(58.9)
14	Ordinary profits	1,713.0	1,539.4	(173.5)
15	Net extraordinary gains (losses)	(98.2)	(40.7)	57.5
16	Total of income taxes-current and income taxes-deferred	(467.7)	(460.2)	7.5
17	Profits attributable to owners of parent	1,033.7	951.4	(82.3)
18	EPS (¥)	73.22	68.51	(4.70)

*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

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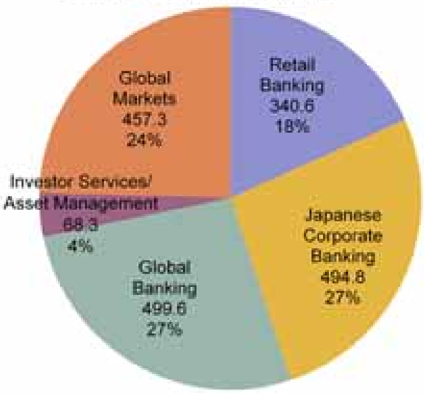
- ✓ Let me discuss a P/L in some more detail. Look at a chart on the right.
- ✓ Line 1, gross profits. With long low interest rate environment and the strengthening of the yen, profits from loans and deposits declined for domestic and overseas with the stagnation of the market in the second half of the last year. Retail investment products business were slow. As a result, gross profits were down 85.8 billion at 4 trillion 143.2 billion.
- ✓ Line 6, G&A expenses, there were foreign exchange factors and the number was almost flat year on year at 2 trillion 585.2 billion. There were additional expenses associated with overseas regulatory responses but we were trying to keep our expenses down.
- ✓ As a result, our net business profits in line 7 were down 87 billion year on year at one trillion 557.9 billion.
- ✓ Line 8, total credit costs were 255.1 billion. In addition to the domestic large specific borrower issue, credit cost were higher due to natural resources and energy related factors.
- ✓ Line 9, net gains on equity securities were 88.3 billion. The number includes 94 billion or so of gains of sales of strategic equity holdings. On the other hand, some stocks incurred impairment losses and there were write down of 25.3 billion.
- ✓ Line 13, other non-recurring gains and losses, it was 82 billion of losses mainly caused by interest repayment expenses at ACOM and NICOS. Please go to page 16.

Outline of results by business segment (Consolidated)

Net operating profits by segment[*1]

FY14 ¥1,663.4 bn[*2]

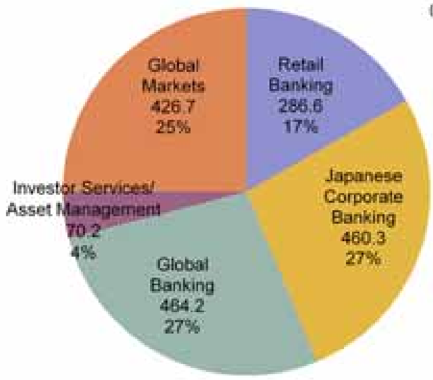
Global banking segment accounted for 36% of total customer segments



FY15 ¥1,551.0 bn[*2]

Global banking segment accounts for 36% of total customer segments

(¥bn)



*1 All figures are in actual exchange rate and managerial accounting basis
*2 Including profits or loss from others

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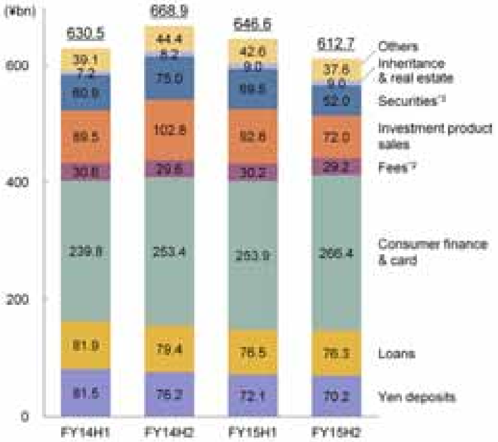
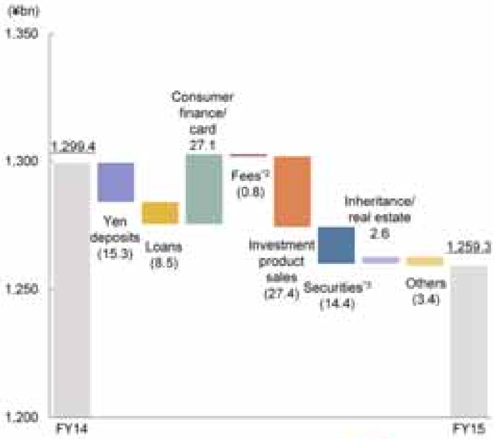
Historical outlook in Retail Banking (Consolidated)

- 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

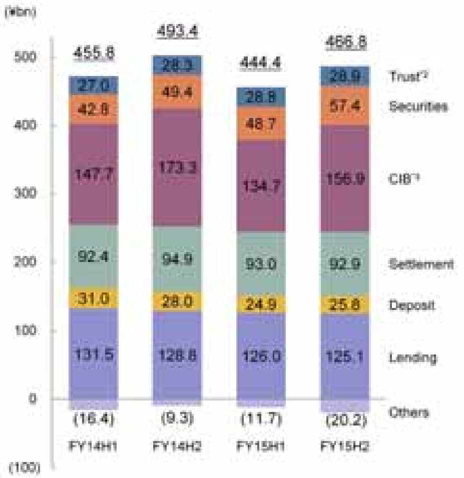


*1 All figures are in actual exchange rate and managerial accounting basis
*2 Transfer, ATM, etc.
*3 Fees from stock/bond sales, etc.

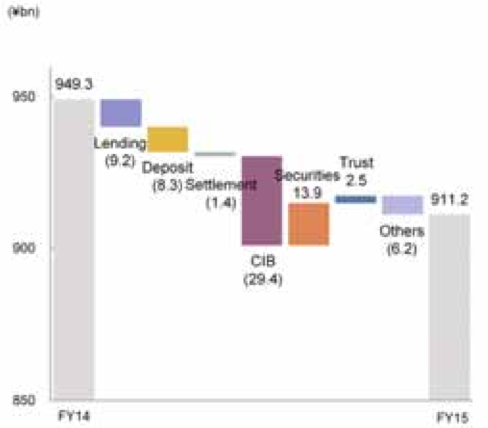
Historical outlook in Japanese Corporate Banking (Consolidated)

- 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

Gross profits[*1]



Change in gross profits[*1]



*1 All figures are in actual exchange rate and managerial accounting basis
*2 Real estate brokerage, transfer agency business, etc.
*3 Structured finance, syndicated loan, derivatives, etc.

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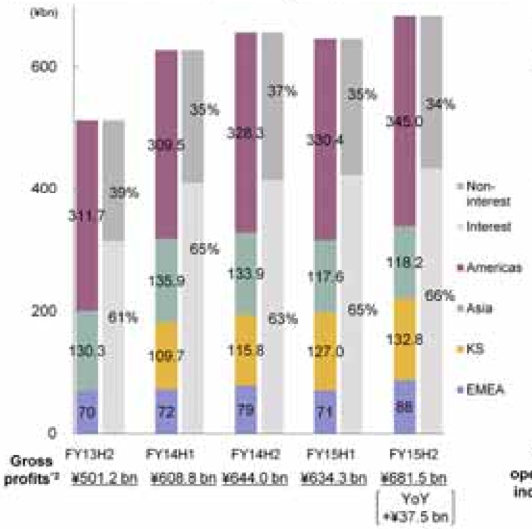
Historical outlook in Global Banking (1)
- Gross profits & operating income by region

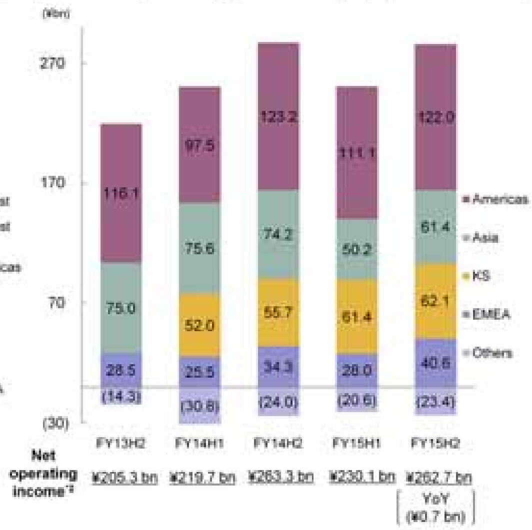
(Consolidated)

- Gross profits for FH15 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



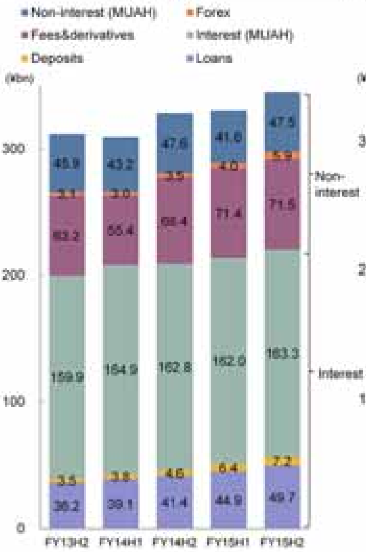
*1 Local currency basis. Each break down is before elimination of duplication, and excludes other gross profits. BTMU Bangkok branch was integrated into KS in Jan 15. Gross profits and net operating income of the branch for FY14H1 was ¥12.6 bn and ¥8.7 bn respectively

*2 After adjustment of duplication between regions

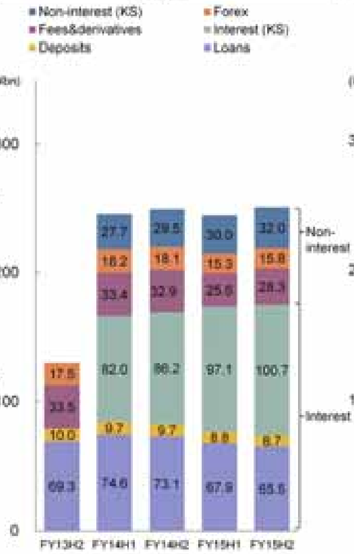
Historical outlook in Global Banking (2)
- Breakdown of gross profits

(Consolidated)

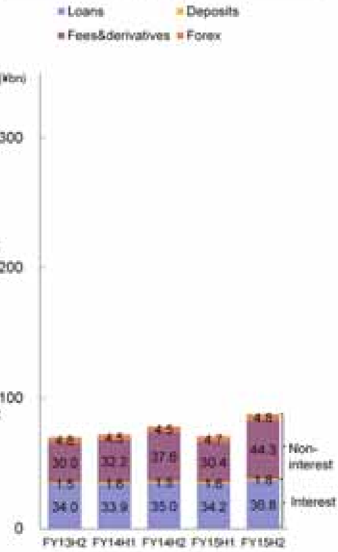
Americas*1



Asia*1



EMEA*1



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

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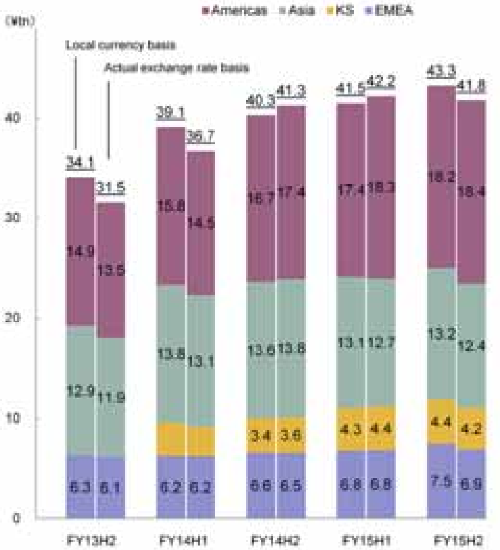
Historical outlook in Global Banking (3)
- Loans and deposits by region

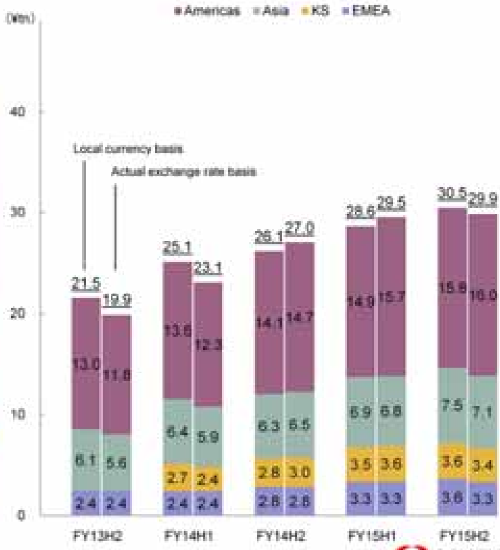
(Consolidated)

・Loan balance and deposit balance showed consistent growth

Average loan balance by region



Average deposit balance by region



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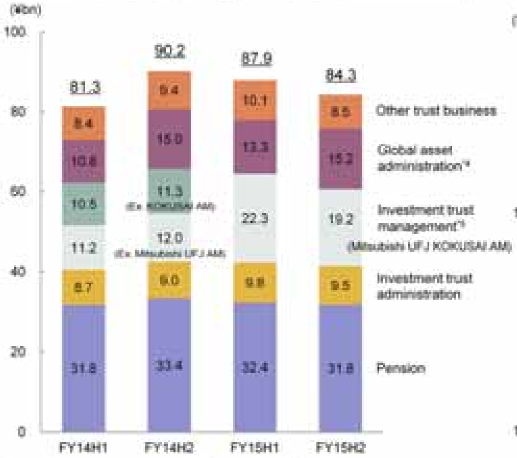
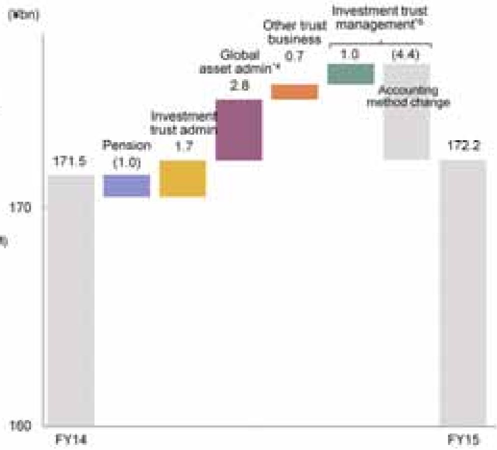
Historical outlook in Investor Services/Asset Management (Consolidated)

- 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

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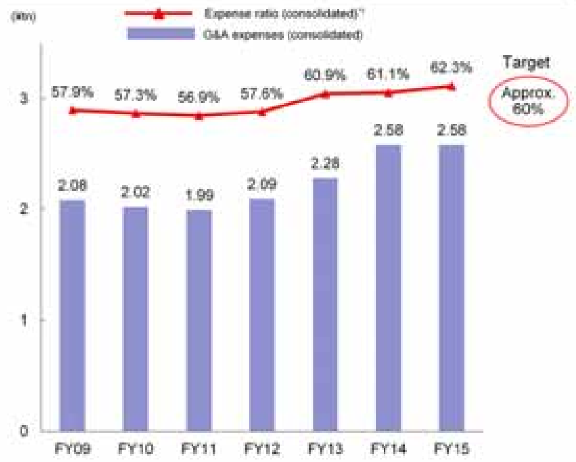
Expenses (Consolidated)

- Consolidated expense ratio for FY15 was 62.3%, up 1.2ppts from FY14 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



*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.

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

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- ✓ As shown on page eight, expenses are kept almost flat, while gross profits are lower year on year. As a result, the consolidated expense ratio was 62.3%. Under the current circumstance, in order to achieve around 60% target of mid-term business plan, we are planning to improve our marginal expense ratio and working on productivity enhancement.
- ✓ Especially in the Americas business, we were working on removing duplicating functions between east and west, rolling out self-service branches at MUFG Union Bank reducing outsourcing costs and other several hundred initiatives.
- ✓ In Europe, our branches in continental Europe are now being integrated under the existing local subsidiaries in Amsterdam, the Netherlands. A major cost factor in today's financial industries is regulatory cost. The integration will allow us to concentrate on a single authority.
- ✓ Over the mid-to-long term, we would like to be consciously working to reduce expenses by ICT utilization. Please go to page 21.

Balance sheets summary

(Consolidated)

- **Loans**
  - Increased from end Sep 15 due to increases in domestic corporate loans and overseas loans
- **Investment securities**
  - Increased from end Sep 15 due to increases in foreign bonds although domestic equity securities and JGB decreased
- **Deposits**
  - Increased from end Sep 15 mainly due to increases in corporations and other deposits
- **Net unrealized gains on securities available for sale**
  - Increased from end Sep 15 mainly due to increases in unrealized gains on JGB and foreign bonds

(¥bn)

		End Mar 16	Change from end Mar 15	Change from end Sep 15
1	Total assets	298,302.8	12,153.1	9,137.8
2	Loans (banking + trust accounts)	113,906.8	4,426.1	1,943.8
3	Loans (banking accounts)	113,756.3	4,387.9	1,918.5
4	Housing loans*1	15,570.7	(308.3)	(114.3)
5	Domestic corporate loans*1*2	43,804.4	1,347.6	1,098.7
6	Overseas loans*3	43,045.4	1,343.7	572.4
7	Investment securities (banking accounts)	69,993.8	(3,544.3)	3,294.7
8	Domestic equity securities	5,573.5	(750.1)	(346.6)
9	Japanese government bonds	28,357.1	(6,853.5)	(1,858.3)
10	Foreign bonds	27,883.7	4,312.1	5,146.4
11	Total liabilities	280,916.1	12,053.8	8,871.0
12	Deposits	160,965.0	7,607.6	6,474.4
13	Individuals (domestic branches)	71,068.6	653.4	332.7
14	Corporations and others	52,782.3	5,333.1	5,293.0
15	Overseas and others	37,114.1	1,621.0	848.7
16	Total net assets	17,386.7	99.2	266.8
17	Net unrealized gains (losses) on securities available for sale	3,485.2	(647.9)	391.2

*1 Non-consolidated + trust accounts
*2 Excluding lending to government
*3 Loans booked in overseas branches, MUAH, KS, BTMU (China), BTMU (Holland), BTMU (Canada) and BTMU (Malaysia)

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Loans/Deposits

(Consolidated)

- **Loan balance ¥113.9 tn**
  (Increased by ¥1.9 tn from Sep 15)

  <Breakdown of change>

• Housing loan	(¥0.1 tn)
• Domestic corporate*1	+¥1.0 tn
Of which large corporate	+¥0.7 tn
• Government*2	+¥0.3 tn
• Overseas*3	+¥0.5 tn
Excl. impact of FX conversion rate change	+¥2.8 tn

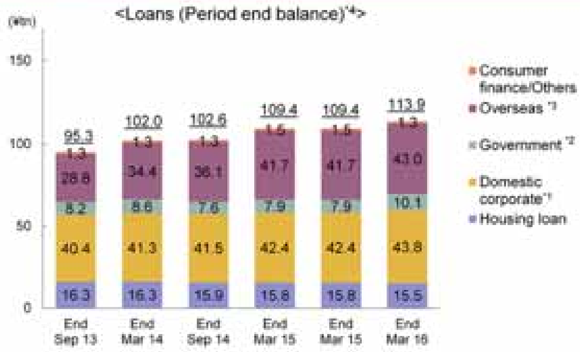
*1 Excluding lending to government
*2 Government and governmental institutions
*3 Loans booked in overseas branches, MUAH, KS, BTMU (China), BTMU (Holland), BTMU (Canada) and BTMU (Malaysia)
*4 Sum of banking and trust accounts

- **Deposit balance ¥160.9 tn**
  (Increased by ¥6.4 tn from Sep 15)

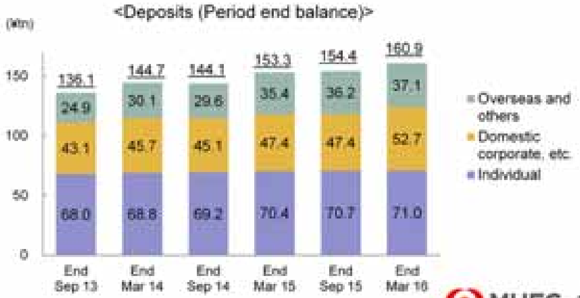
  <Breakdown of change>

• Individual	+¥0.3 tn
• Domestic corporate, etc.	+¥5.2 tn
• Overseas and others	+¥0.8 tn
Excl. impact of FX conversion rate change	+¥3.1 tn

<Loans (Period end balance)*4>



<Deposits (Period end balance)>

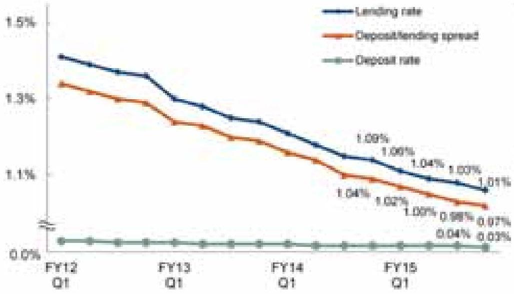


Domestic deposit/lending rates

(Non-consolidated)

- Domestic deposit/lending spread in FY15Q4 excluding lending to government declined by 1bp from previous quarter due to lowered lending rate following a decrease of market interest rate

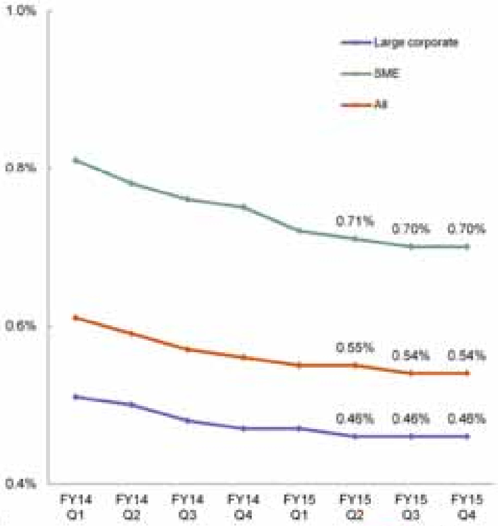
Changes in domestic deposit/lending rates
(Excl. lending to government)



(Reference) Market interest rates

(Month end rate, (Source) Bloomberg)

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



*1 Managerial accounting basis

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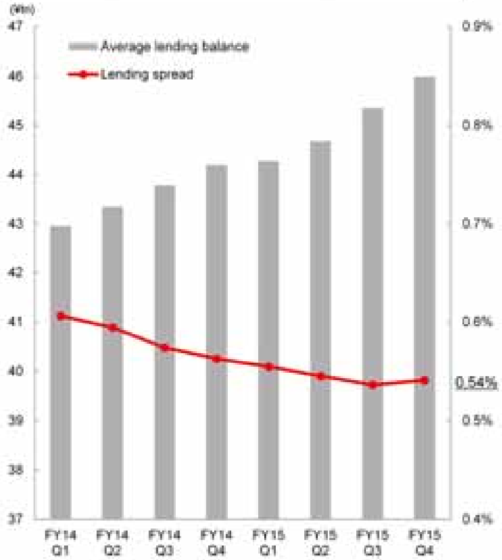
Domestic and overseas lending

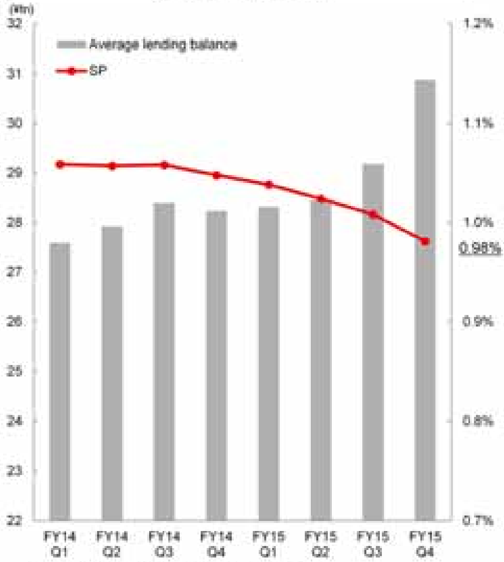
(Consolidated excl. MUAH, KS)

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

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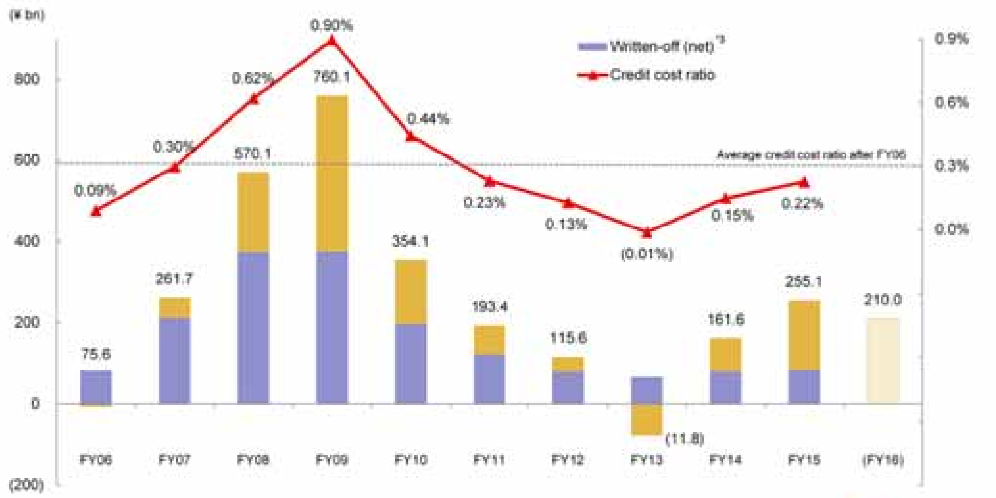
Asset quality
- Historical credit costs

(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 FY15 was ¥255.1 bn, of which approx. ¥75 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

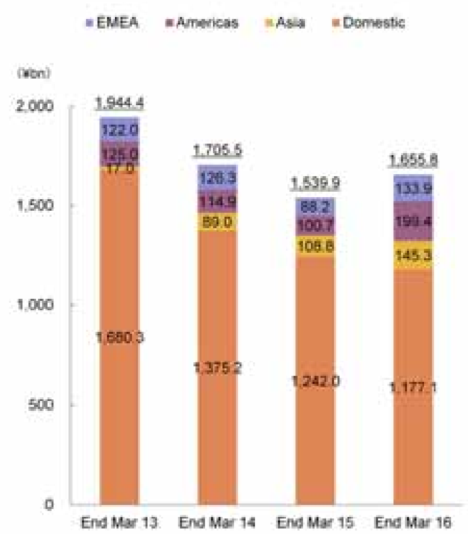
MUFG 21

- ✓ Let me talk about the state of our credit costs and loan assets.
- ✓ As mentioned on page eight, last year's total credit costs were 255.1 billion and our plan for this fiscal year is 210 billion. The trend is turning from the low levels that continued for some time, there is a number of factors behind this.
- ✓ But excluding the large specific borrower factor, of the credit costs of last year, natural resources and energy sectors accounted for 75 billion constituting a large portion. And as for this fiscal year, based on the assumption that WTI is 35 dollars, we are estimating the same amount of credit costs this year.
- ✓ But dividing the total credit costs by the loan balance, the credit cost ratio in 2015 is 22bps, which is lower than 30 bps on average over the past 10 years. Therefore, we believe that this level is within a manageable range.
- ✓ Let me talk about our credit exposure to natural resources related sectors. Please go to page 23.

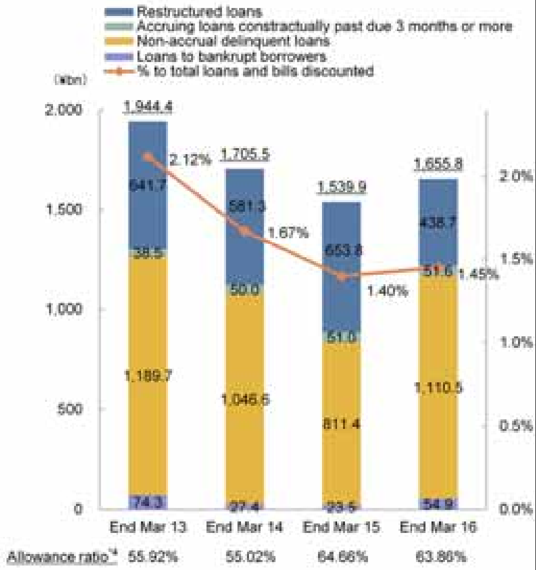
Asset quality
- Non-performing loans[*1]

(Consolidated)

Risk-monitored loans by region[*2]

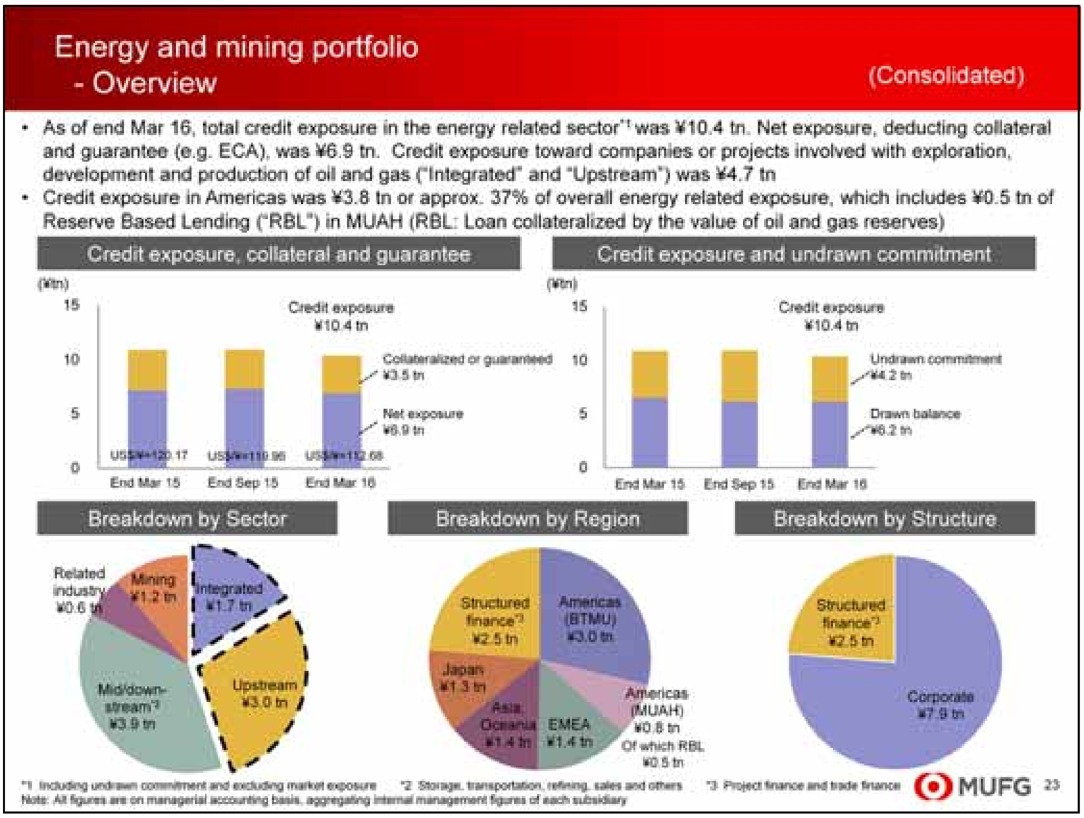


Risk-monitored loans/ratio[*3]/allowance ratio[*4]



*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

MUFG 22



- ✓ MUFG has been conducting its stress tests for the Oil and Gas sectors from February of last year. Based on that result, we have been making disclosure of our exposure to the so-called "upstream" and "vertical integrated" sectors, which were estimated to have higher probabilities of credit costs being incurred.
- ✓ This time, when resource prices continue to be unstable and investors have heightened their interests, we have decided make disclosure including the "mid-stream", "down-stream" as well as the "mining" sectors.
- ✓ On this basis, our total credit exposure is 10.4 trillion yen. After deducting collaterals, guarantees and allowances, net exposure is 6.9 trillion. For your information 10.4 trillion is around 6% of our total credit exposure of MUFG.
- ✓ Next, asset quality by region and by sector, please go to page 24.

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

MUFG 24

- ✓ As you can see, of Oil and Gas exposure, credit risk materialized mostly in the upstream sector, which we have been disclosing from before. By region, the Americas accounts for most of it.
- ✓ The non-performing loans in the mining sector was incurred in Australia. On the other hand, NPL in other regions and segments are quite limited. As for segments where NPL are concentrated, details can be found on page 25.

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

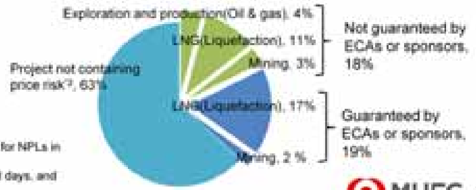
	(¥ bn)		Upstream: A Americas (BTMU)	Upstream: Americas (MUAH)	Upstream: B Structured finance	Mining: C Asia/Oceania	Mining: D Structured finance	
1	Credit exposure	(1)	637	683	1,133	180	143	
2	Collateralized or guaranteed	(2)	121	540	408	44	46	
3	Uncollateralized or unguaranteed	(3) = (1)-(2)	517	144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

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 30years 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

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%



*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

MUFG 25

- ✓ Please look at the top chart, line 7. It shows the amount that is unsecured and not covered by allowances. Currently about 90% are secured through collaterals, guarantees and allowances.
- ✓ Lastly, we don't necessarily consider that the fact that we have been actively lending to the natural resources and energy sectors as the world's largest lender itself was a mistake. For Japan, securing natural resources and commodities is important. We have been taking on an pioneer role in this area for many years. Right now, we are rolling that out to overseas business as well. We will continue to closely monitor commodity market trends, try to rebalance and appropriately manage our portfolio.
- ✓ Please go to page 34.

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

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(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%

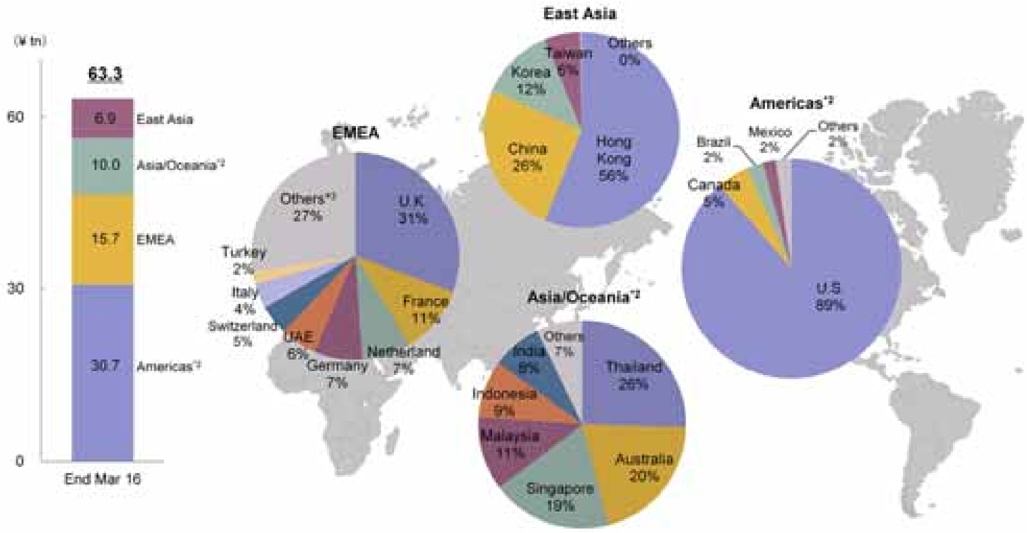
70% of total EAD is equivalent to investment grade

*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

MUFG 28

Investment securities

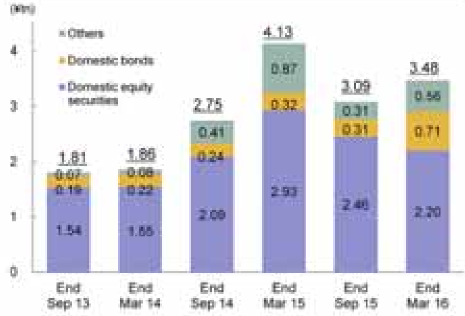
(Consolidated/Non-consolidated)

Securities available for sale with fair value

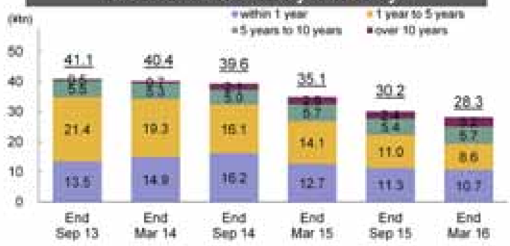
(¥bn)

		Balance		Unrealized gains (losses)	
		End Mar 16	Change from End Sep 15	End Mar 16	Change from End Sep15
1	Total	65,518.4	3,314.8	3,485.2	391.2
2	Domestic equity securities	4,873.2	(344.7)	2,205.4	(254.9)
3	Domestic bonds	30,322.4	(1,192.0)	718.2	401.3
4	Japanese government bonds	27,255.9	(1,858.2)	631.9	365.6
5	Others	30,322.7	4,851.5	561.6	244.8
6	Foreign equity securities	149.0	15.3	23.8	21.6
7	Foreign bonds	26,650.4	5,145.3	510.9	204.4
8	Others	3,523.2	(309.1)	26.8	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

MUFG 29

Capital

(Consolidated)

- Common Equity Tier1 ratio
  - Full implementation basis[*1] : 12.1%
  - Excluding impact of net unrealized gains (losses) on securities available for sale : 9.9%
- Risk weighted asset (Up ¥0.1 tn from Sep 15)
  - Market risk asset : +¥0.2 tn
  - Transitional floor : (¥0.1 tn)
- Leverage ratio
  - Transitional basis : 4.79%

	(¥bn)	End Sep 15[*2]	End Mar 16	Change
1	Common Equity Tier1 ratio	11.23%	11.63%	0.40ppt
2	Tier1 ratio	12.73%	13.24%	0.50ppt
3	Total capital ratio	15.69%	16.01%	0.31ppt
4	Common Equity Tier1 capital	12,571.9	13,039.8	467.9
5	Retained earnings	8,358.0	8,587.5	229.5
6	Accumulated other comprehensive income	1,356.2	2,161.2	805.0
7	Regulatory Adjustment (Goodwill, etc.)	(693.3)	(1,100.4)	(407.1)
8	Additional Tier1 capital	1,682.2	1,799.4	117.1
9	Eligible Tier1 capital instruments subject to transitional arrangements included in AT1	1,160.2	994.5	(165.7)
10	Qualifying Tier1 capital instruments	100.0	550.0	450.0
11	Foreign currency translation adjustments	588.4	316.5	(271.9)
12	Tier1 capital	14,254.1	14,839.2	585.1
13	Tier2 capital	3,308.6	3,102.5	(206.1)
14	Eligible Tier2 capital instruments subject to transitional arrangements included in Tier2	1,838.1	1,589.9	(248.1)
15	Qualifying Tier2 capital instruments	272.2	470.6	198.3
16	Amounts equivalent to 45% of unrealized gains on other securities	838.3	633.8	(204.5)
17	Total capital (Tier1+Tier2)	17,562.8	17,941.8	378.9
18	Risk weighted asset	111,925.3	112,064.3	139.0
19	Credit risk	95,274.0	95,372.3	98.2
20	Market risk	1,989.1	2,198.7	209.5
21	Operational risk	6,635.4	6,581.1	(54.2)
22	Transitional floor	8,026.6	7,912.1	(114.4)

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

*2 The risk-adjusted capital ratios and the amounts of components thereof as of September 30, 2015 reflect corrections of errors discovered in the risk weighting applied to certain assets, mostly residential mortgage loans, and certain other adjustments made under Basel I standards to obtain amounts that were used for floor adjustments in determining the amounts of risk-weighted assets under Basel III standards

MUFG 30

Financial results of Mitsubishi UFJ Securities Holdings (MUSHD)

- Net operating revenue almost unchanged from FY14, thanks to good performance of capital market business underwriting big IPO deal etc. and recovery of overseas business, in spite of sluggish secondary market business due to volatile market after Aug 15

Results of MUSHD

	(¥bn)	FY14	FY15	YoY
1	Net operating revenue[*1]	435.7	437.7	1.9
2	Commission received	231.8	226.1	(5.7)
3	To consignees	38.8	46.6	7.8
4	Underwriting, etc.	47.2	54.1	6.9
5	Offering, etc.	60.1	49.7	(10.4)
6	Other fees received	85.6	75.5	(10.0)
7	Net trading income	177.9	178.7	0.8
8	Stocks	43.0	37.5	(5.4)
9	Bonds, other	134.8	141.1	6.3
10	G&A expenses	345.0	357.0	11.9
11	Transaction expenses	109.3	122.5	13.1
12	Operating income	90.6	80.6	(9.9)
13	Non-operating income	24.2	27.1	2.9
14	Equity in earnings of affiliates	15.1	19.5	4.3
15	Ordinary income	114.9	107.8	(7.0)
16	Net income	84.1	70.6	(13.4)
17	Profits attributable to owners of parent	50.9	43.2	(7.7)

Results of MUMSS[*2]

	(¥bn)	FY14	FY15	YoY
1	Net operating revenue[*1]	342.2	331.4	(10.7)
2	G&A expenses	235.4	252.4	16.9
3	Operating income	106.7	79.0	(27.6)
4	Ordinary income	107.4	80.1	(27.2)
5	Profits attributable to owners of parent	74.7	51.8	(22.9)

Net operating revenue of domestic securities firms

Rank	Security firm(s)	Amount (¥bn)
1	Nomura Securities	659.0
2	**MUMSS[*2](incl. MUMSPB) + MSMS + kabu.com**	**445.6[*3]**
3	Daiwa Securities	348.2
4	Mizuho Securities	292.3
5	SMBC Nikko Securities	282.0

(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

MUFG 31

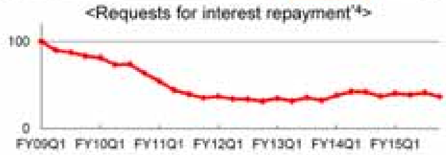
Financial results of MUN/ACOM

- MUN: Even though operating revenue increased from FY14, posted net loss mainly due to an increase in tax expenses by decrease of deferred tax assets and repayment expenses
- ACOM: Guaranteed receivables business and unsecured consumer loans business grew steadily

Results of MUN

	(¥bn)	FY14	FY15	YoY
1	Operating revenue	266.0	270.1	4.1
2	Card shopping	178.9	183.1	4.2
3	Card cashing	32.1	27.7	(4.4)
4	Finance	8.2	6.4	(1.7)
5	Operating expenses	248.7	288.3	39.5
6	G&A expenses	240.7	246.7	5.9
7	Credit related costs	7.9	10.6	2.6
8	Repayment expenses	-	30.9	30.9
9	Operating income	17.2	(18.1)	(35.4)
10	Ordinary income	18.0	(17.4)	(35.4)
11	Profits attributable to owners of parent	14.6	(40.9)	(55.5)
12	Interest repayment*1	17.7	20.0	2.3

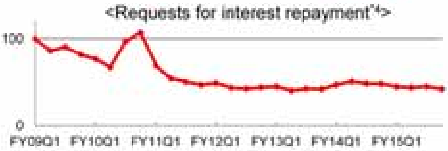
<Requests for interest repayment*4>



Results of ACOM

	(¥bn)	FY14	FY15	YoY
1	Operating revenue	219.2	237.6	18.3
2	Operating expenses	205.2	222.1	16.9
3	G&A expenses	82.0	88.1	6.1
4	Provision for bad debts	53.8	60.0	6.2
5	Provision for loss on interest repayment	49.8	56.6	6.7
6	Operating income	14.0	15.5	1.4
7	Profits attributable to owners of parent	12.8	14.5	1.7
8	Guaranteed receivables (Non-consolidated)	861.2	987.5	126.2
9	Unsecured consumer loans (Non-consolidated)	736.4	758.2	21.8
10	Share of loans*2	32.4%	32.6%*3	0.2ppt
11	Interest repayment*1	71.3	69.2	(2.1)

<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 Dec 15 (Source) Japan Financial Services Association
*4 Requests for interest repayment in FY09Q1 = 100

MUFG 32

Financial results of Morgan Stanley and major collaborations

- Morgan Stanley's FY16Q1 net income declined from FY15Q1 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)	FY14	FY15		FY16	
			Q4		Q1	YoY
1	Net revenue[*1]	34,275	7,738	35,155	7,792	(2,115)
2	Non-interest expenses	30,684	6,299	26,660	6,054	(998)
3	Income from continuing operations before taxes	3,591	1,439	8,495	1,738	(1,117)
4	Net income applicable to MS	3,467	908	6,127	1,134	(1,260)
5	Earnings applicable to MS common Shareholders	3,152	753	5,671	1,055	(1,259)
6	ROE[*2]	4.8%	4.4%	8.5%	6.2%	(7.3ppt)

*1 DVA impact included in FY14, 15/Q4, and FY15 were +US$651mm, -US$124mm and +US$618mm respectively
*2 Excludes DVA impact

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 Polypore by Asahi Kasei and sale of Polypore's Separations Media Segment to 3M
  - MUMSS acted as sole FA for Asahi Kasei in its approx. $2.2 bn acquisition of Polypore and sale of Polypore's Separations Media Segment to 3M. This transaction was the first case of concurrent acquisition and sale for Japanese corporation

Equity underwriting				(Apr 15 – 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

MUFG 33

FY2016 financial target

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

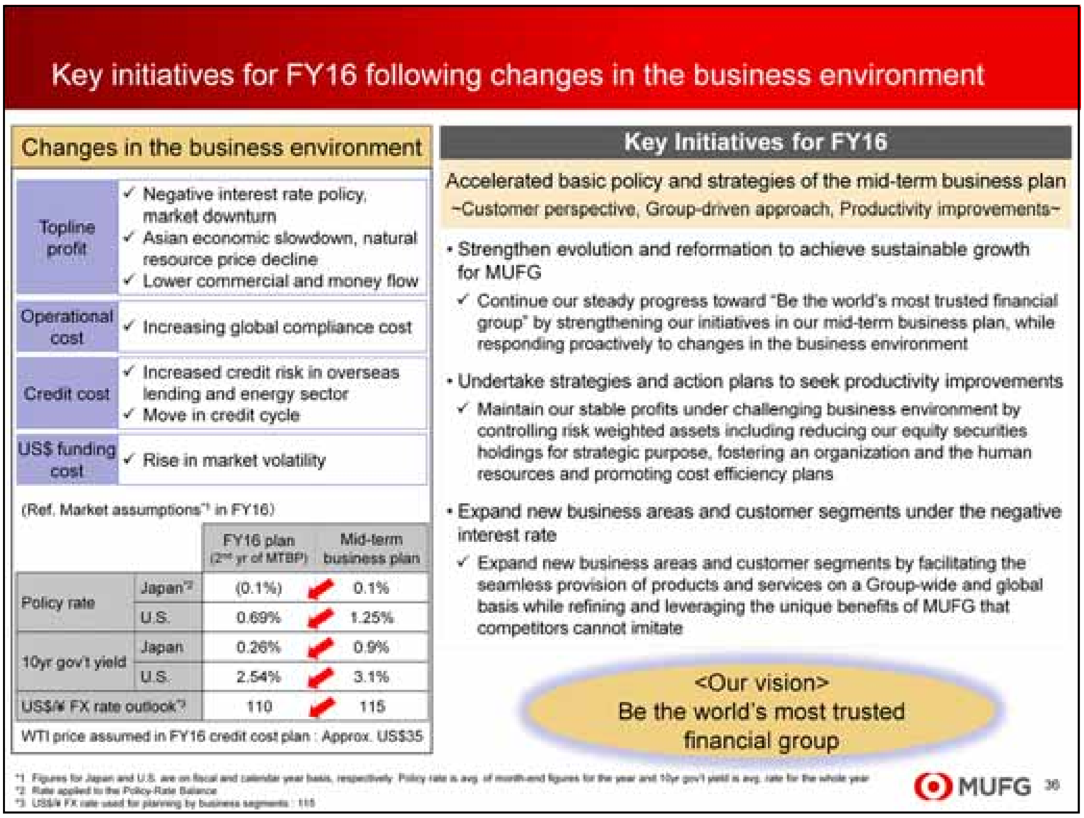
(¥bn)

	[MUFG Consolidated]	<Financial target, etc.> FY16 Interim	FY16 Full year	<Results> FY15 Interim	FY15 Full year
1	Total credit costs	(110.0)	(210.0)	(31.0)	(255.1)
2	Ordinary profits	610.0	1,320.0	969.9	1,539.4
3	Profits attributable to owners of parent	360.0	850.0	599.3	951.4
	(BTMU: for reference)				
4	Net business profits	320.0	670.0	480.4	888.1
5	Total credit costs	(20.0)	(40.0)	21.2	(103.4)
6	Ordinary profits	290.0	600.0	538.3	863.7
7	Net income	210.0	430.0	379.6	586.0
	(MUTB: for reference)				
8	Net business profits	80.0	170.0	95.6	193.0
9	Total credit costs	(5.0)	(10.0)	1.3	(0.2)
10	Ordinary profits	75.0	165.0	99.5	206.5
11	Net income	55.0	120.0	70.3	159.9

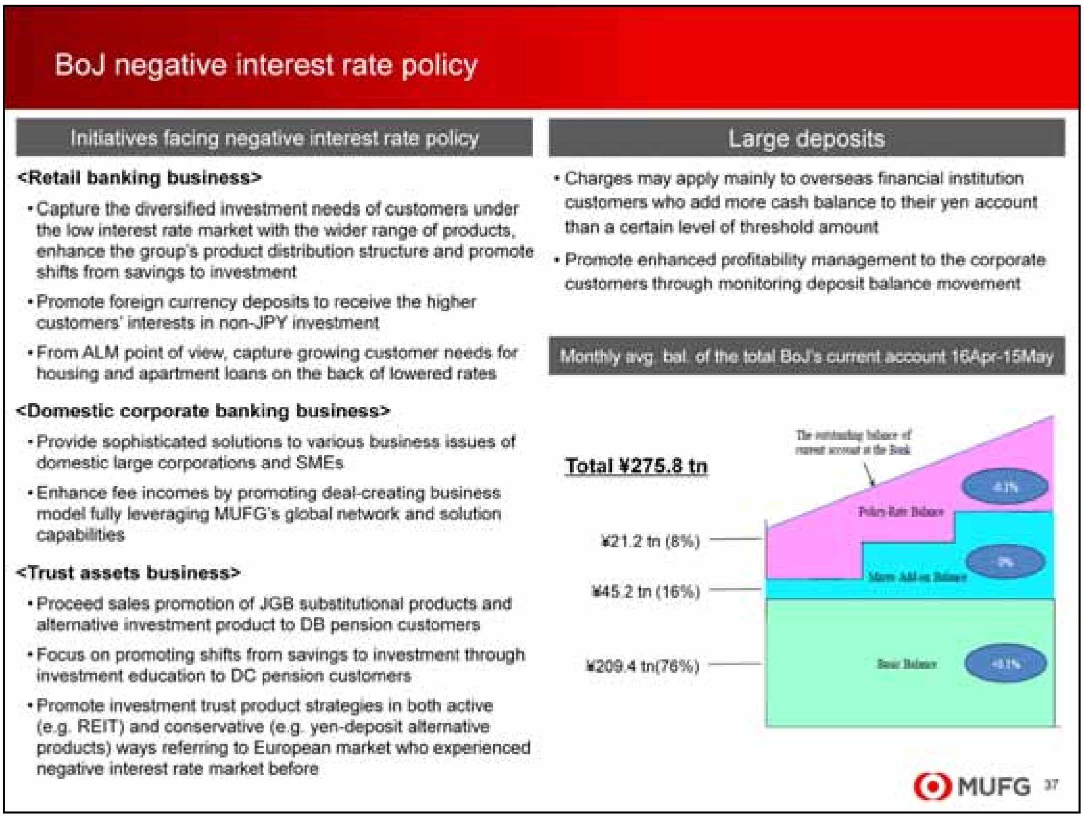
MUFG 34

- ✓ This page shows financial target for this fiscal year. Our target profits attributable to owners of parent is 850 billion, lower by 100 billion from last year.
- ✓ There is a number of reasons. On a pre-tax basis, let me give some rough numbers by factor.
- ✓ First, as an impact of negative interest rate through lower margins, profits from deposits and loans are down 35 billion.
- ✓ Since interest rate are in negative territory, it has been difficult to conclude interest derivative contracts, which is expected to have a negative impact of about 35 billion.
- ✓ Due to market uncertainties, there are concerns of lower fee revenues from investment products sales and we are assuming 30 billion of negative impact.
- ✓ We are also anticipating the possibility of lower profits from overseas business due to a strengthening of the yen. Specifically, we have revised our assumption of 115 yen to the dollar in a current mid-term business plan to 110 yen and factoring in a negative impact of about 22 billion. Please go to page 36.

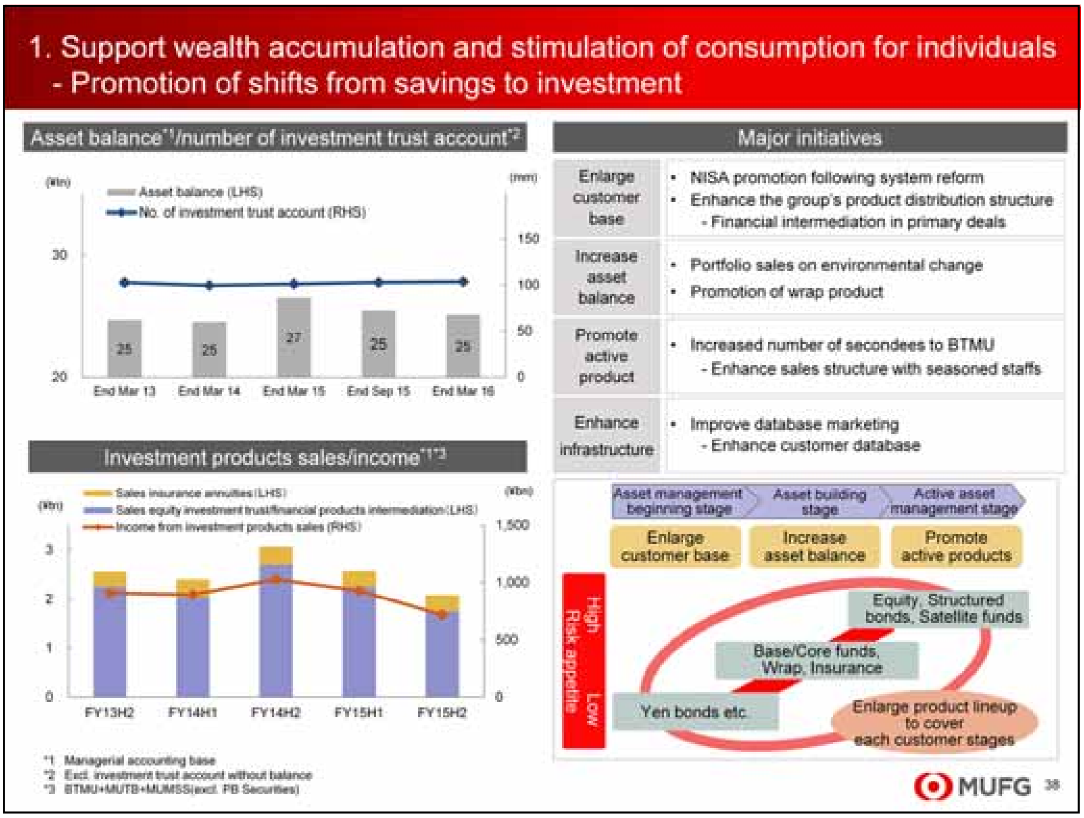
Growth strategy



- ✓ Let me talk about our initiatives in this fiscal year in response to the current business environment.
- ✓ MUFG recovered quickly from the Lehman shock and has been improving its financial performance. But now we are confronted with a headwind. The biggest theme for this fiscal year is how to face and come through this adverse environment.
- ✓ In our mid-term business plan, we adopted three shared focuses of "customer perspective", "group driven approach" and "productivity improvement" to develop a sustainable business model that is unique to MUFG. I believe that in order to overcome the current headwind, accelerating this basic policy and strategy is exactly what we need to do.
- ✓ First, in addition to controlling our risk assets appropriately including reduction of strategic equity holdings in order to secure stable profit, even in difficult environment, we need to promote effective utilization of group business resources and implement cost reduction measures.
- ✓ Secondly, we need to demonstrate our group's comprehensive capabilities which is the strength of MUFG and through provision of value-added solutions and services and meeting the precise need of our customers. We should be enhancing and increasing our new profit bases.
- ✓ Next I would like to talk about negative interest rate, please go to page 37.



- ✓ Japan has been in a low interest rate environment for a long period. But with the introduction of the negative interest rate policy by BOJ, there are now further downward pressures on interest rates. Due to low oil and commodity prices and deceleration of the global economy, the BOJ probably introduced this policy thinking that the hurdle is now higher to end the deflation. But unfortunately at this moment, we cannot say that the policy is proving the effectiveness either in corporate capital investment or a shift from "savings to investments" by the household sector.
- ✓ The negative interest rate policy would at least push down net interest income over the short term which would be a burden of banking business. Profits from loans and deposits on BTMU and MUTB consolidated basis in Japan is 650 billion which is about 15% of MUFG's consolidated gross profit of 4.1 trillion. One could say that dependence of these profits is relatively low but as I said before, since this would have an impact on our flow fee business, we are trying to expedite our countermeasures.
- ✓ We have already lowered interest rates on ordinary deposit and to our financial institutions customers, we are applying fees on parts of nostro accounts. And to our corporate customers, we are monitoring changes in large deposit balances and negotiating with our customers with the view to total profitability. Furthermore in each business area, to boost profits or to reduce expenses, more than 100 ideas have been generated. Taking into considerations of reputational risk, we will be studying feasibility and priority and trying to implement the ones that we can.
- ✓ For example, to promote a shift from yen deposits to other investment products, we are enhancing our product lineup reflecting the current business environment. And we will also focus on foreign currency deposits as well.
- ✓ For the corporate business, we will revise our traditional thinking of "taking customer deposits to cover the cost of other services". We will try to improve our business structure. We will try to provide services where customers appreciate value-added so that we get compensate in the form of a fee. That should be the normal way of business. We will try to come up with ideas.
- ✓ Also to bring together our group's comprehensive strength and to consider drastic measures including structural issues, we have organized a project team composed of mid-level core personnel. This cuts across various entities and business groups. by the end of the year, we will be having thorough discussions to reform our business model to enable sustainable growth in this disruptive environmental change. Please go to page 38.

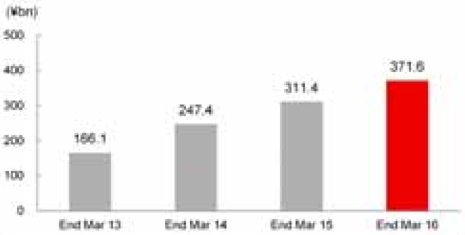


- ✓ I would like to discuss asset management business in retail sector.
- ✓ Needless to say, not only in terms of increasing non-interest income but in terms of responses to the negative interest rate, this business which encourages shift from savings to investments amongst retail investors is extremely important.
- ✓ In order to achieve sustainable growth in this field, it is important to fulfill fiduciary duty namely 1) to quickly enhance product lineup to meet customer life stage, risk appetite and the environment, 2) to provide necessary and sufficient information for customers to make decisions and 3) to distribute through appropriate channels.
- ✓ As shown in the significant results achieved through Japan Post IPO, this is an area where MUFG group's full-range of capabilities can be effectively demonstrated. Not only at the private bank securities but in the retail asset management businesses of our Bank, Trust Bank and Securities companies, Morgan Stanley's wealth management expertise and systems will be introduced.
- ✓ Next, I would like to discuss the systems integration of Mitsubishi UFJ NICOS, please go to page 40.

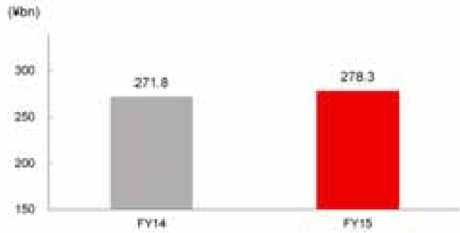
1. Support wealth accumulation and stimulation of consumption for individuals - Consumer finance/payments

- 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

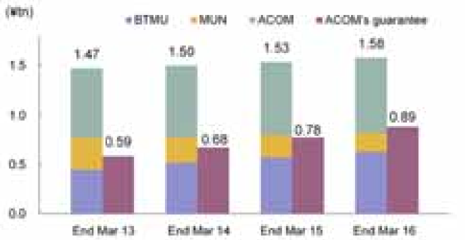
Balance of BANQUIC (BTMU)*1



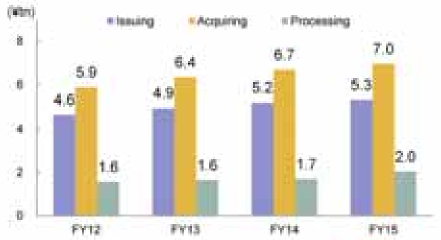
Profits in card business (MUFG)*1



Balance of unsecured loan, guarantee*1



MUN volume*1



*1 Managerial accounting base

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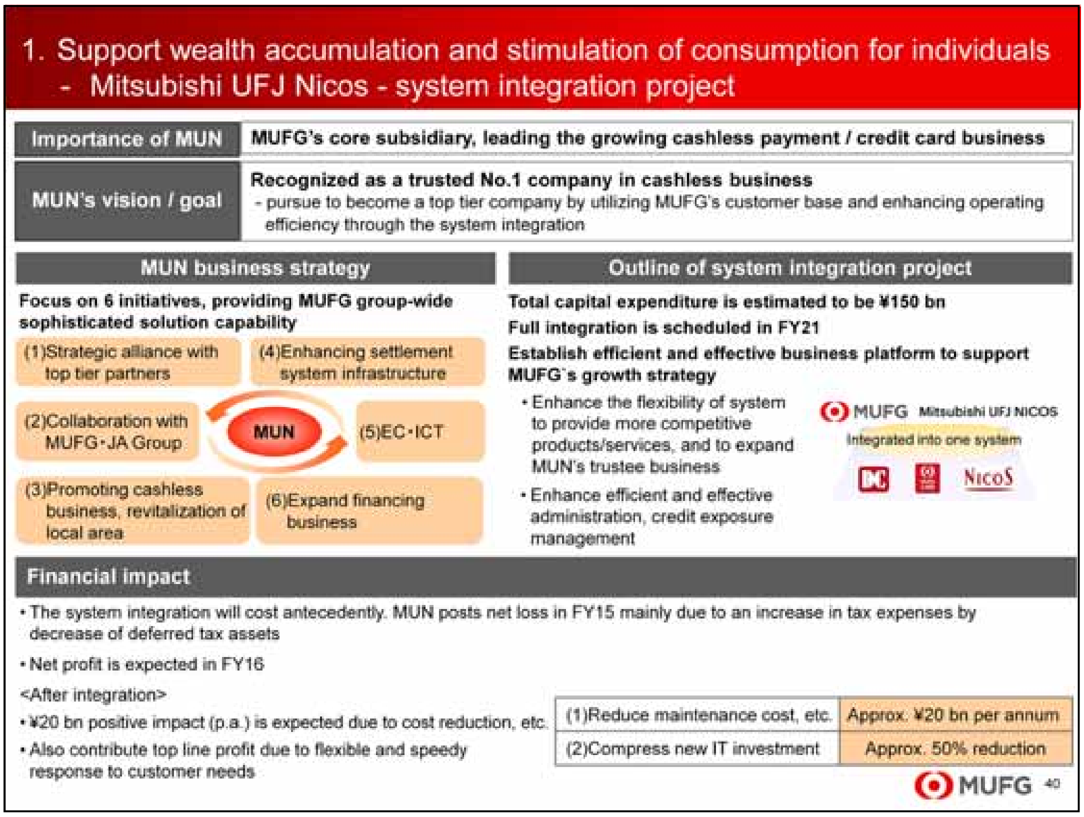


- ✓ Mitsubishi UFJ NICOS is the core entity within MUFG group in cashless settlement business. It aims to become recognized as "a trusted No.1 company in the cashless business".
- ✓ A credit card market will enter into full-scale growth stage driven by further growth on EC market and accelerated shift towards non-cash payments. Based on that awareness, NICOS will focus on six initiatives utilizing MUFG group-wide comprehensive capabilities.
- ✓ In particular, strategic alliance with top-tier partners in collaboration with the bank. Our policy is to grow this into a large pillar that includes BtoBtoC and payment service using cutting edge technologies.
- ✓ To raise a foundation for such growth, this time decision was made to integrate three systems which was a long-standing challenge since the merger. The total investment amounts to 150 billion yen. This is a long-term project spanning six years.
- ✓ Since systems expense will be incurred in advance, it will be weighing down on a profit. The reversal of the differed tax asset as a result was the main reason that NICOS posted net losses in fiscal 2015. But by grappling with this and executing investment, we aim to revive NICOS as a competitive payment service company. Please go to page 43.

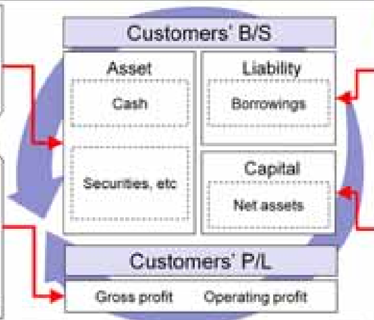
2. Contribute to growth of SMEs

- **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

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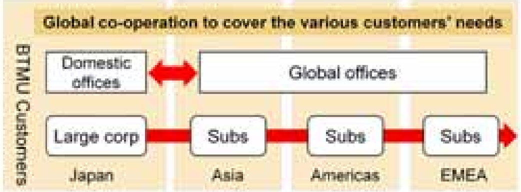
3. Reform global CIB business model
- Japanese large corporation

- 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

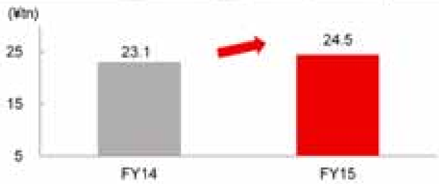
- Providing solutions to customers' management issues by sector approach
  (Finding M&A deals to enlarge value-chain, matching customers' global CRE[*1] supply-demand along with their strategies, etc.)

Expand oversea business with global co-operating structure



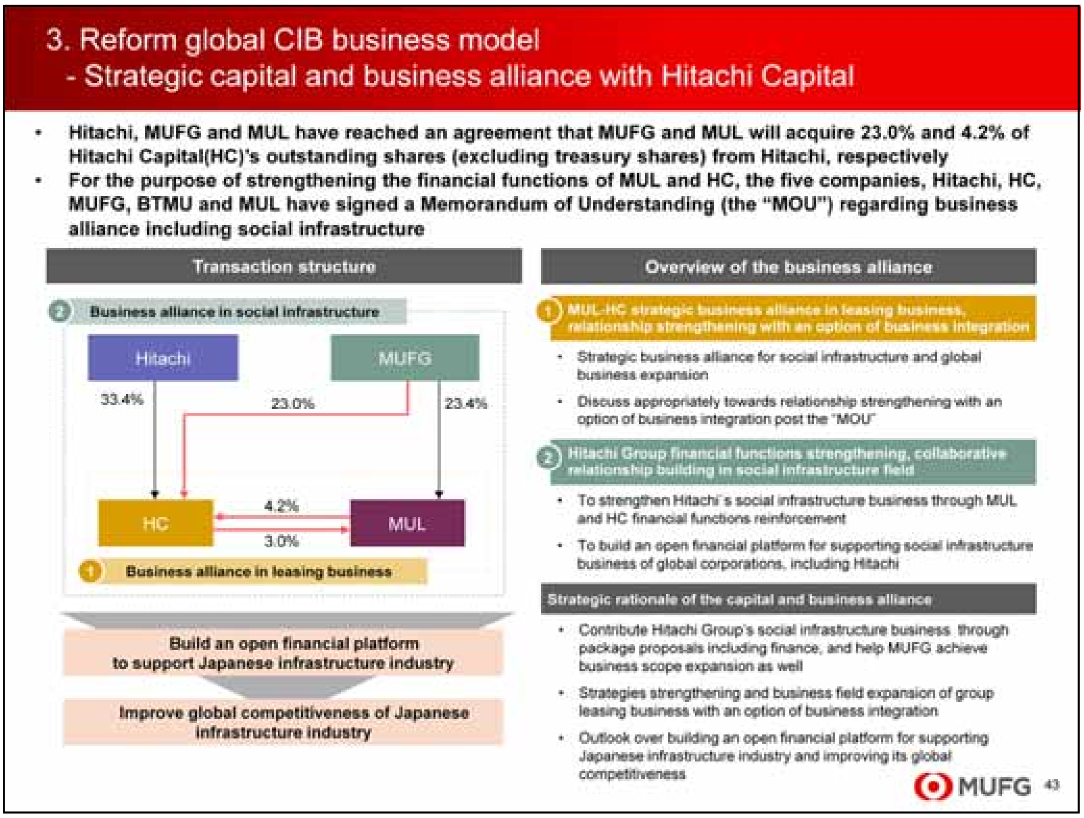
- Providing solutions to various customers' business issues globally with co-operation by domestic and global offices

Average lending (Global, BTMU)[*2*3]



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



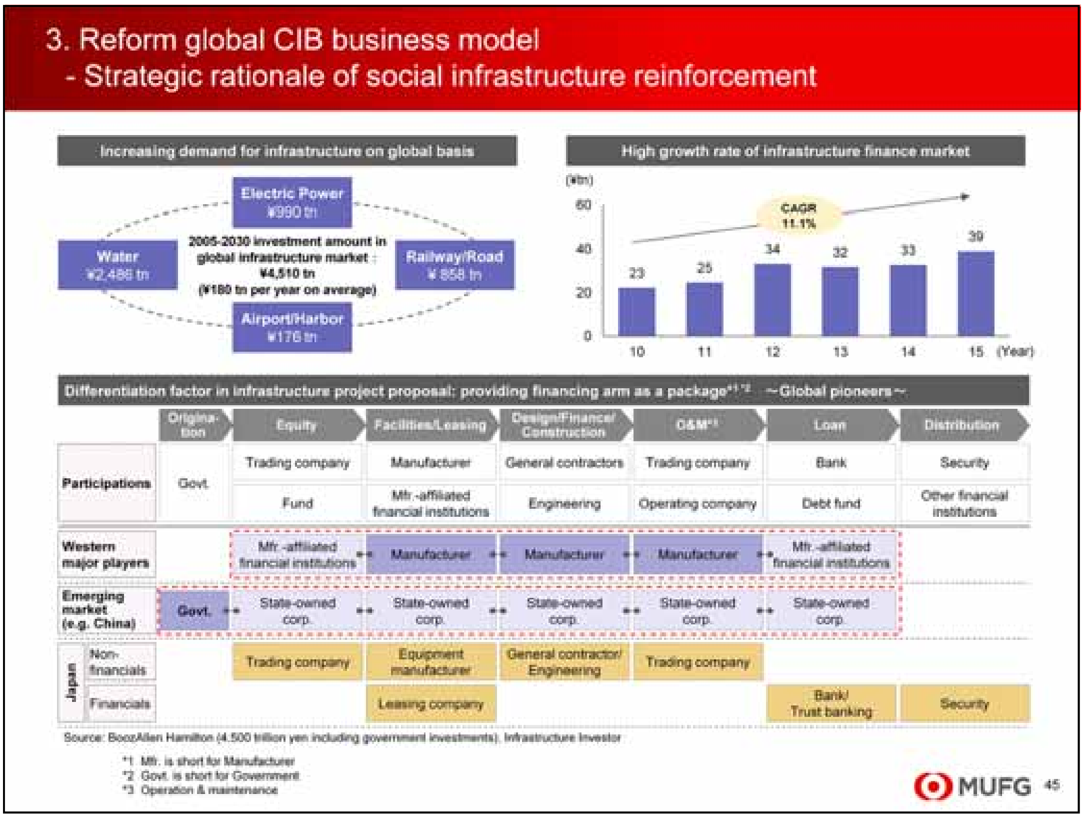
- ✓ The other day, MUFG acquired 23 percent and Mitsubishi UFJ Lease acquired 4.2 percent of Hitachi Capital shares from Hitachi Ltd. through bilateral negotiations.
- ✓ The five companies, Hitachi Ltd., Hitachi Capital, MUFG, Bank of Tokyo-Mitsubishi UFJ, and Mitsubishi UFJ Lease have agreed to a business alliance, including social infrastructure business.
- ✓ After this transaction, Hitachi Capital will become MUFG's equity method affiliate. Furthermore, after concluding the MOU, Mitsubishi UFJ Lease and Hitachi Capital plan to begin consultations at an appropriate timing towards strengthening the alliance, including business integration.
- ✓ Our objective is to strengthen the competitiveness of the two companies through this business and capital alliance. Leveraging on this alliance we would like to build an open financial platform that supports the infrastructure industry in Japan and would like to lead it to global competitiveness of the Japanese infrastructure industry. Please go to page 45.

3. Reform global CIB business model
- Strategic capital and business alliance with HC (transaction overview)

Transaction overview	• MUFG and MUL will acquire 23.0% and 4.2% of HC's outstanding shares (excluding treasury shares) from Hitachi, respectively • Five companies, Hitachi, HC, MUFG, BTMU and MUL have signed the "MOU" regarding business alliance including social infrastructure. Additionally, for the purpose of relationship strengthening, MUFG/MUL will dispatch representatives to the Board of Directors of HC, and HC meanwhile to MUL, subject to approval at general meeting of shareholder of fiscal year 17 • HC will transform to an equity method affiliate from a consolidated subsidiary of Hitachi, meanwhile become an equity method affiliate of MUFG
Acquisition price	• Common shares of HC 26,884,484 shares : ¥3,400 per share
Transaction value	• ¥91.4 bn
Valuation[*1]	• Premium to 3-month VWAP (volume weighted average price): 41.7% • P/BV (as of March 31, 2016): 1.18x • P/E (FY16): 11.6x
Schedule	• Expected transaction completion in Aug 16, subject to the execution of the definitive agreement on business alliance and approval of relevant regulatory authorities

*1 Stock price as of May 12, 2016

MUFG

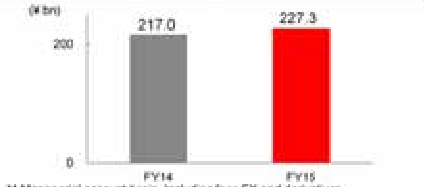


- ✓ Recently the need for infrastructure is growing globally. The infrastructure finance market is expected to grow substantially as well. On the other hand, Japanese companies are often outbid in a competition. One of the reasons is finance. Western companies often make a package proposal where the manufacturer and affiliate own bank provide everything from equity to loan.
- ✓ Under such circumstances, to enable Japanese companies to win more social infrastructure projects, we would like to build an open financial platform with a financing arrangement function, including equity financing, to capture wide-ranging business opportunities with other manufacturers, trading companies, and financial institutions.
- ✓ Next, I will discuss sales and trading. Please go to page 47.

3. Reform global CIB business model
- Global corporation

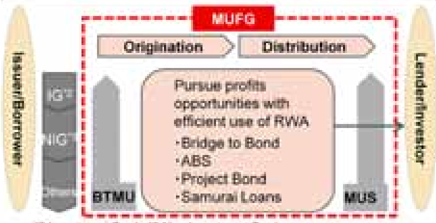
- **Steady progress has been shown in reforming global CIB model. Diversified profit resources contributed to an increase in non-interest profits**
- **Leverage global network for delivering consistent service. Reform internal revenue recognition, organizational structure and credit risk management for 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

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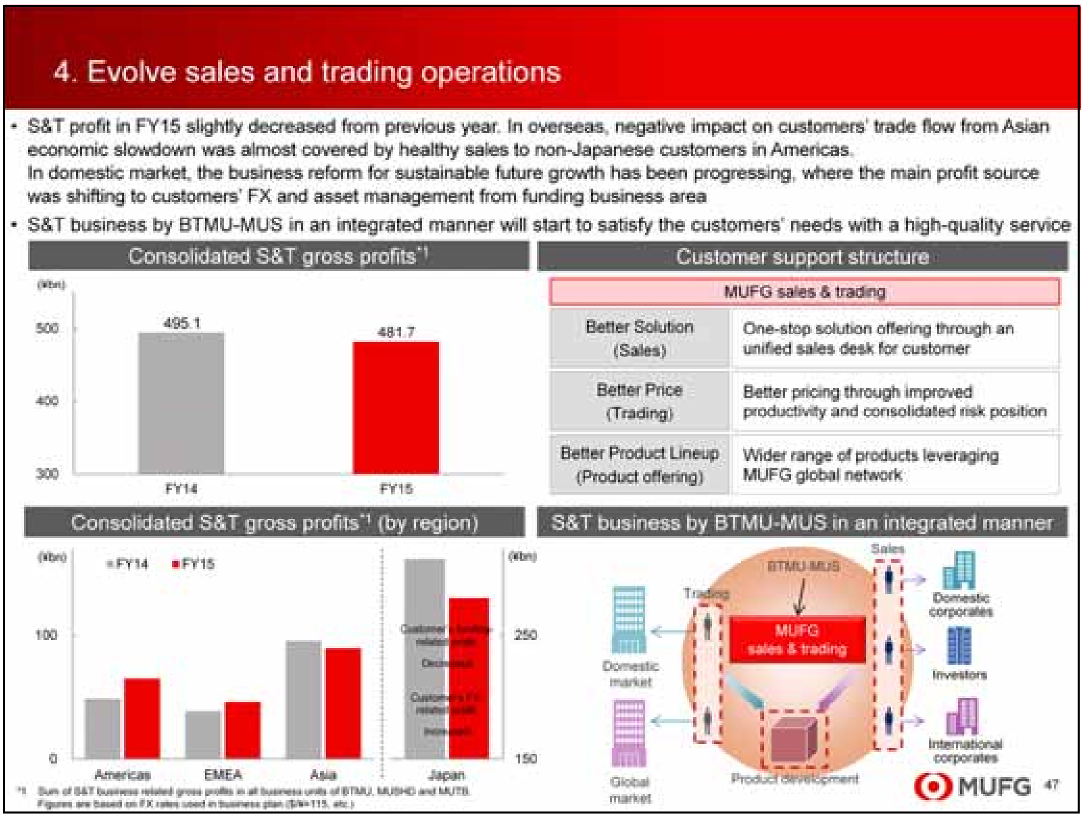


✓ During the last fiscal year, due to the slowdown in the Asian economy, customer flow declined and there was a structural reform of domestic derivatives transactions; thus, the environment was difficult.

✓ But in Japan and abroad, advances were made in collaborations with commercial banking and securities, and transformation in Japan is well under way to shift away from funding derivative business to FX and asset management business, gross profits for 481.7 billion yen down only 3 percent or by 13.4 billion year on year. These measures have been effective, more so than expected.

✓ I will now turn to transaction banking. Please go to page 51.

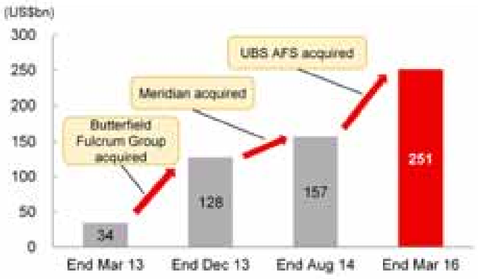
5. Develop global asset management and investor services operations - Global IS

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

AuA[*1] balance of overseas investment trust funds



*1 Asset under administration

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

Acquisition of CA

Apr 16, MUTB completed its acquisition of CA, an overseas fund admin company, from Neuberger Berman Group LLC. CA was renamed 'MUFG Capital Analytics LLC'

<Intensions of acquisition>

- Achieve the fund admin business function for private equity funds in the U.S.
- Increase AuA[*1] from major asset managers also leveraging MUFG's global business network

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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
Aberdeen Asset management	¥52 tn 17%	Equity/Bond (Global, Emerging, Asia), Real estate, etc.
AMP CAPITAL	¥14 tn 15%	Equity/Bond (Australia, Global), Infrastructure, Real estate
申万菱信	¥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)

Financial results of MUKAM

	(¥bn)	FY15[*2]	Change from FY14
1	Operating revenue	94.6	1.4
2	Operating expenses	74.7	0.1
3	Operating income	19.9	1.2
4	Net income	13.9	0.8

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

*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

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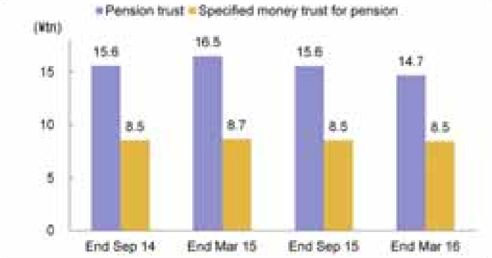
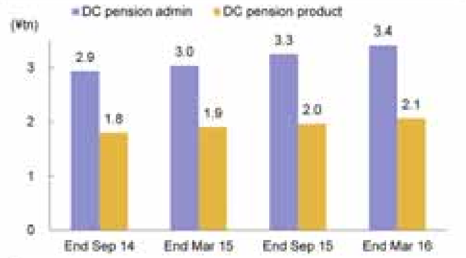
5. Develop global asset management and investor services operations

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

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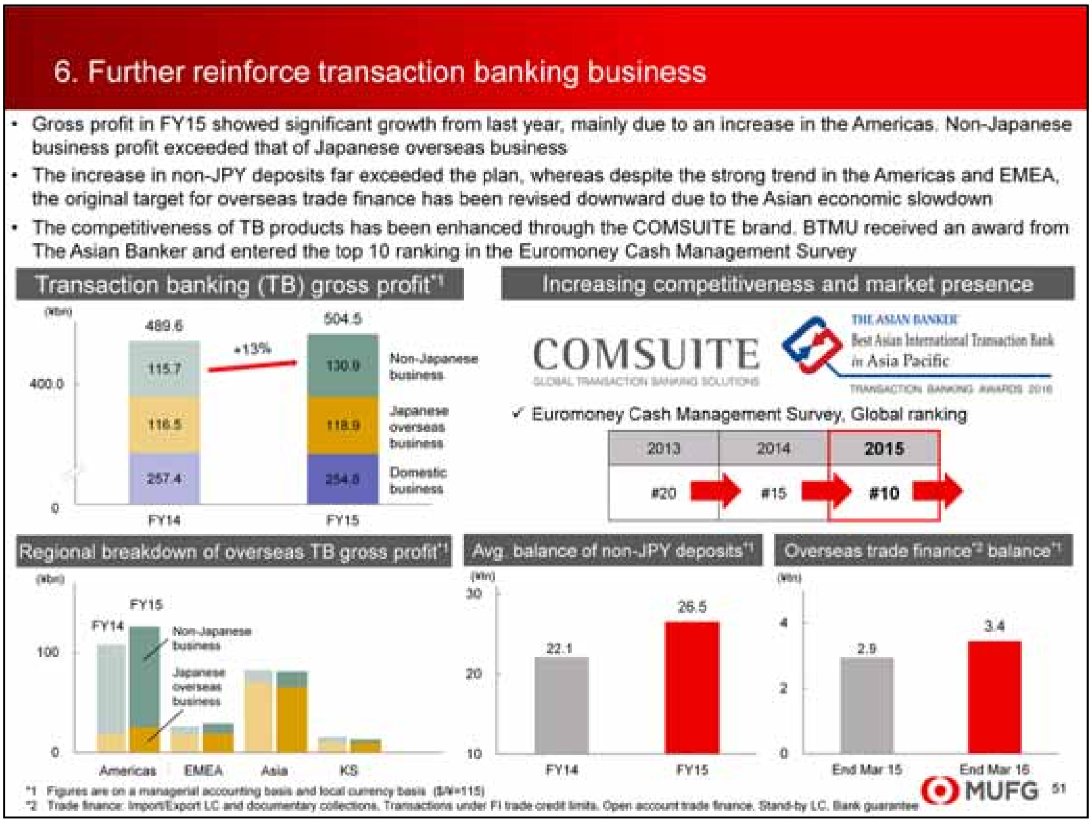


✓ In this area, non-interest business has been enhanced, and to ensure foreign currency liquidity, we have been focusing on this business as an area to be enhanced further for reinforcement since the last med-term business plan.

✓ One of the important KPIs, the balance of foreign currency deposits, we achieved significant growth exceeding the plan.

✓ Regional sales heads were hired and assigned to major locations overseas, and they are introducing the expertise, experience, and personal connections. They are quickly proving to be effective, from strategy development and education to customer promotion.

✓ A new global common brand, COMSUITE, was introduced. We are continuing with efforts to strengthen product competitiveness. As a result, we were awarded the Asian Banker Award and entered the top 10 in the *Euromoney* ranking.

✓ Please go to page 54. I will now discuss the Americas business strategy.

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.

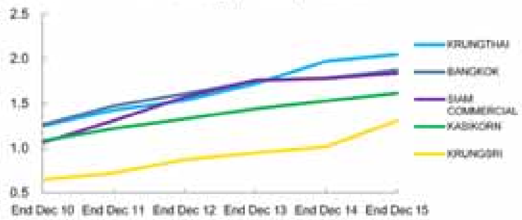
Mid-Term Business Plan

Core Strategies	Major Initiatives
Grow asset	Supply chain finance, Consumer finance, Housing Loan, Business matching
Increase non-interest income	Transaction banking, FX, Cross-sell investment banking products, Investment banking
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

(THB bn)	FY14[*1]	FY15Q1 (YOY)
Lending balance	1,245.5	1,302.1
Non-interest income	22.8	7.0 (+0.8)
CASA balance	520.1	565.7

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

Loan balance comparison



Source: Company Data
* In Jan 15, BTMU Bangkok Branch was integrated to KS with la total loan transfer of THB232.7 bn to Krungsri

Collaboration with BTMU in finance

- KS and BTMU was 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

Obtaining payroll accounts

- Acquired more than 10,000 payroll accounts with major JPC/MNC customers
  e.g.: Automobile, Electronics, Non-life insurance
- Promoting cross-sell retail banking services such as credit card and personal loans

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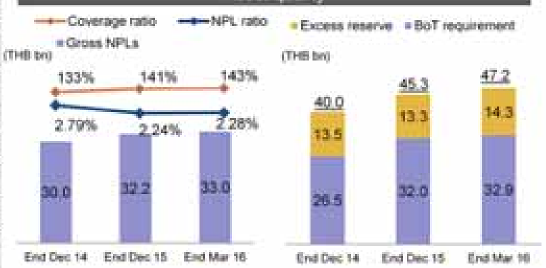
7. Strengthen commercial banking platforms in Asia and the United States - Financial result of Krungsri

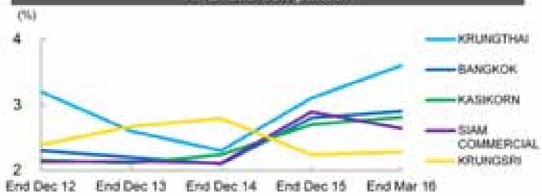
- KS reported robust result for FY16 Q1, attributed to higher net interest income and solid performance in non-interest income,- one of KS strategic focus under the Mid-Term Business Plan
- NPL ratio slightly increased but maintained lower level compared to other peers

	(THB mn)	FY15	FY16Q1	YoY
1	Interest income	81,946	20,875	98
2	Interest expense	25,596	5,882	(1,037)
3	Net interest income	56,350	14,993	1,135
4	Fees and service income	22,670	6,031	459
5	Fees and service expense	5,440	1,487	207
6	Net fees and service income	17,230	4,544	252
7	Non-interest and non-fees income	9,193	2,540	570
8	Other operating expense	38,947	10,129	808
9	Pre provision operating profit	43,825	11,947	1,149
10	Impairment loss of loan and debt securities	20,185	5,414	161
11	Net profit	18,852	5,214	834
12	Loans	1,303,454	1,302,179	(1,274)
13	Deposits	1,046,289	1,032,472	(13,817)
14	NIM	4.15%	3.81%	
15	Cost to income ratio	47.05%	45.9%	
16	L/Deposit +debentures+B/E	114%	116%	
17	NPLs ratio	2.24%	2.28%	
18	Loan loss coverage	141%	143%	
19	ROE	11.6%	10.7%	

Asset quality

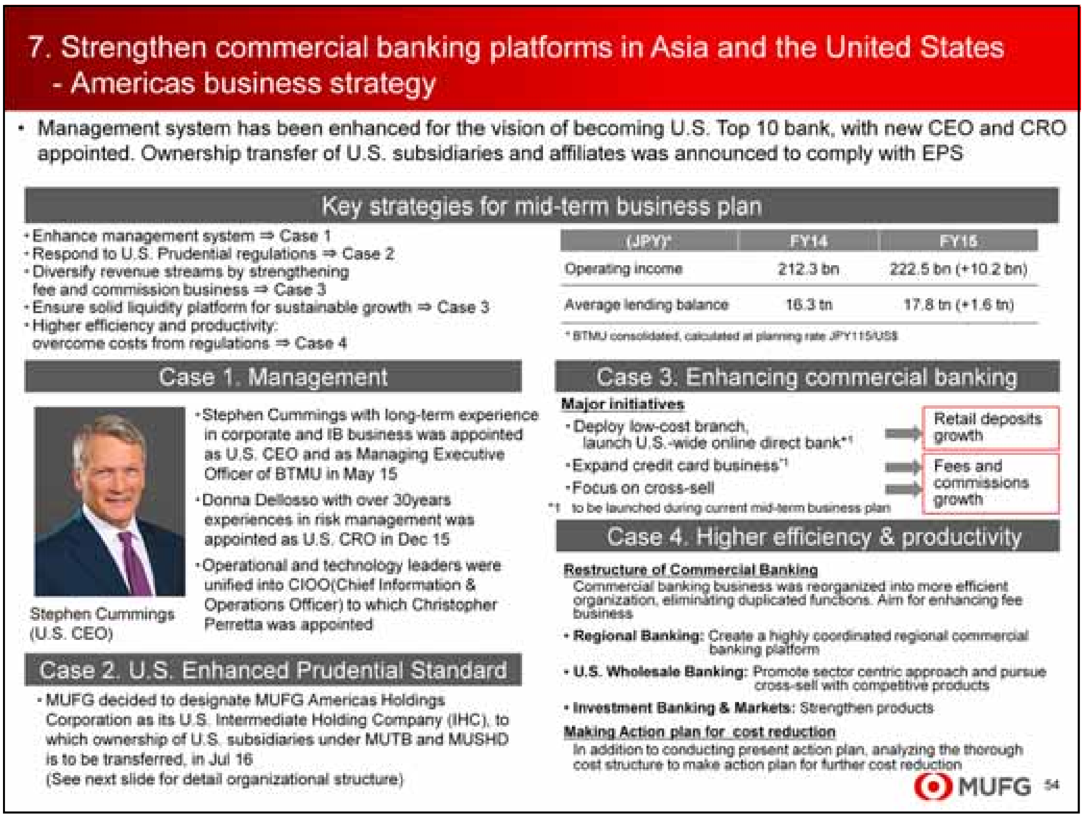


NPL ratio comparison



Source: Company data

MUFG 53



✓ In the United States, an American, Stephen Cummings, became CEO in May last year. In December, Donna Dellosso was appointed as new CRO. Donna has more than 30 years of experience in risk management and most recently served as CRO at JPMorgan Chase Bank and has a wealth of experience. With this, in the United States the single leadership structure in each area after east-west integration is more or less complete.

✓ As for the business structure in the United States, to respond to prudential regulation, MUAH was made an intermediate holding company in July and US subsidiaries of various MUFG entities will come under its umbrella. Transitioning into the new structure will strengthen capital and liquidity management and risk management, and it will further enhance governance.

✓ In the meantime, the cost of meeting financial regulations is rising. The improvement of efficiency and productivity of the US business is an urgent issue.

✓ In February this year, to eliminate duplication between BTMU and MUB, reorganization was implemented. Even now the expense structure is being thoroughly analyzed and an action plans are being developed to reduce the expense further.

✓ At the same time, as we enhance gross profit in businesses, such as non-interest business, we will strive to improve efficiency and productivity where we are still at a relative disadvantage to our peers.

✓ Please go to page 58 on governance.

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

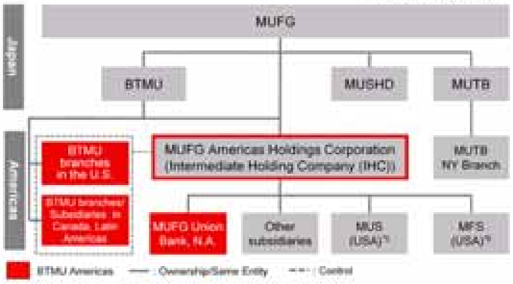
- Operating income of consolidated Americas (BTMU) for FY15 was ¥222.5 bn, an increase of ¥10.2 bn from the previous year mainly due to good performance in derivatives and IB business in U.S. Whole Sale Banking division. MUAH covering mainly Regional Banking division reported an increase in revenue and decrease in profit due to credit costs increase relating to oil & gas. Pursue growing fee income and reducing costs

Consolidated results of Americas (BTMU)[*1]

	(¥ bn)	FY14	FY15	
			Full	YoY
1	Gross profits	605.2	643.9	38.7
2	Interest income	416.7	433.5	16.8
3	Non- interest income	205.9	223.2	17.3
4	Operating income	212.3	222.5	10.2
5	Average lending balance	16.3 tn	17.8 tn	1.6 tn
6	Average deposit balance	13.9 tn	15.4 tn	1.5 tn

Organizational Structure of Americas Operations

To be effective from Jul 16



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

Results of MUAH[*2]

	(US$ mm)	FY15	FY16Q1	YoY
1	Net interest income-(1)	2,815	697	14
2	Interest income	3,236	812	29
3	Interest expense	421	115	15
4	Total non-interest income-(2)	1,530	395	60
5	Service charges on deposit account	196	49	(0)
6	Credit facility fees	115	27	(3)
7	Merchant banking fees	79	14	(6)
8	Fees from affiliates[*3]	747	200	(34)
9	Total revenue-(1)+(2)	4,345	1,092	74
10	Non-interest expense[*4]	3,438	876	27
11	Operating income	907	216	47
12	Provision	228	162	159
13	Net income attribute to MUAH	573	49	(88)
14	Lending balance	77,016	79,299	2,491
15	Deposits balance	83,186	89,500	6,759
16	NIM	2.75%	2.69%	(0.01 points)
17	NPL ratio	0.71%	1.21%	0.74points
18	NPL Coverage ratio	130.5%	91.9%	(55.2points)

*1 Local currency managerial account basis. MUAH Q1-4 (Jan-Dec 15) results are consolidated to BTMU Americas Q1-4.
*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

MUFG 55

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 the Board of Directors of it 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

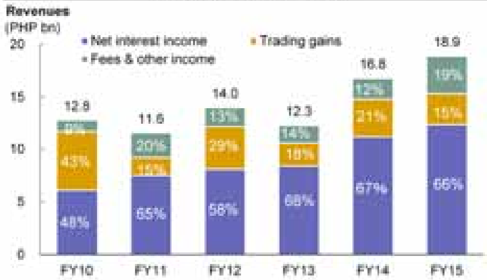
<Security Bank's mid-long term target>

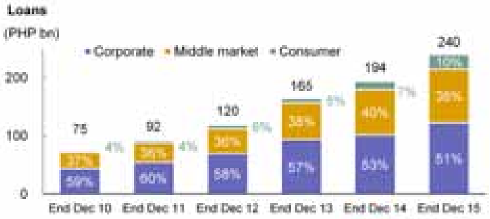
(PHP bn)	FY15	Target (End FY20)
ROE	15.2%	around15% (FY19-FY20)
Net profits	7.6	22.6
Lending balance	240	981
# of branches	262	500-600

Financial summary

	(PHP mn)	FY15	FY16Q1	(YoY)
	PL			
1	Net Interest income	12,398	3,496	604
2	Non-interest income	5,910	2,441	(933)
3	Total operating expense	10,006	2,686	11
4	Net income	7,699	3,006	(355)
	BS			
5	L/D ratio	82.9%	84.6%	4.0ppt
6	ROE	15.2%	22.0%	(5.7ppt)
7	NPL ratio (Net)	0.14%	0.29%	0.21ppt

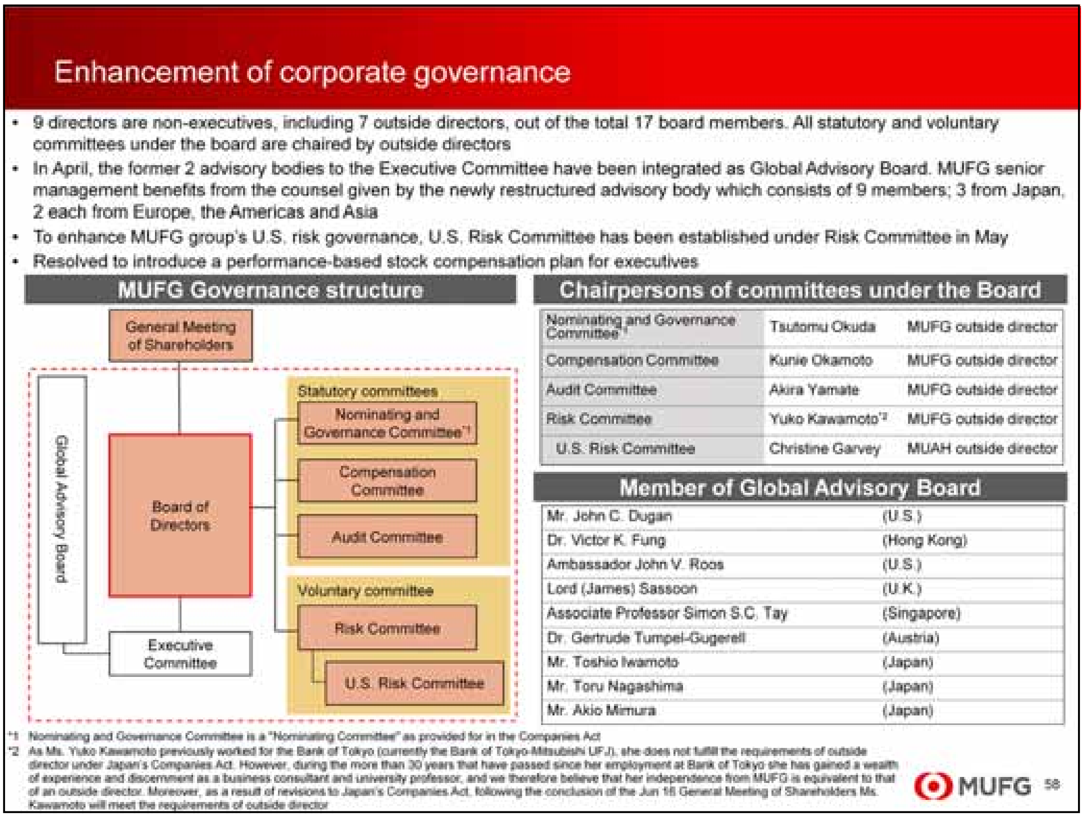
Financial highlight



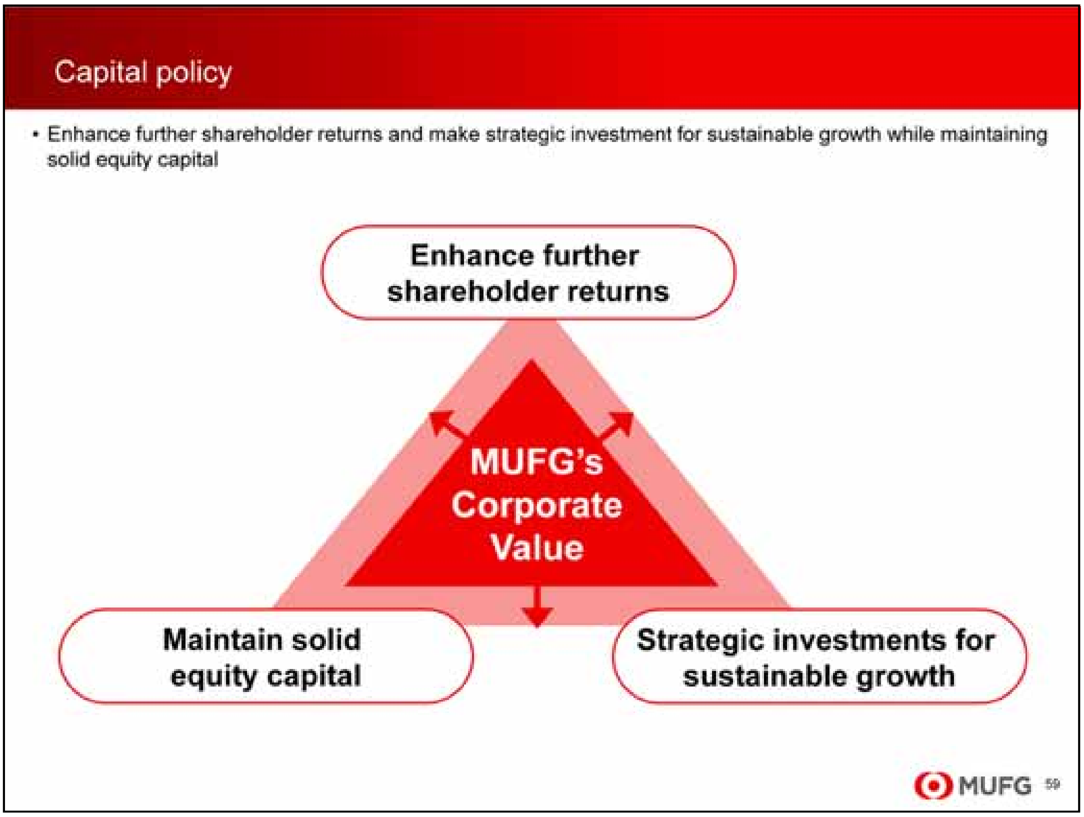


MUFG 56

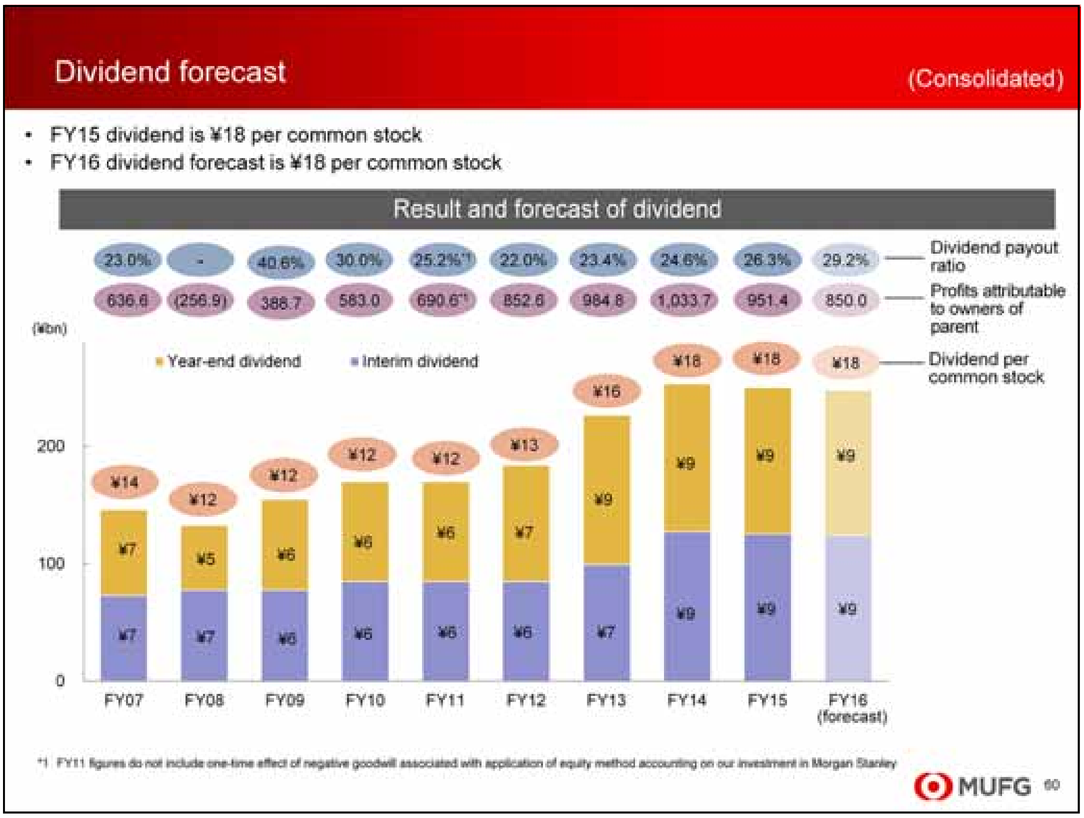
Corporate governance, Capital policy and Equity holdings



- ✓ The other day a resolution was adopted to introduce a performance-based stock compensation plan that uses trust as a new incentive plan for directors of MUFG and its core companies.
- ✓ In the existing stock option system, there was a strange side effect of reverse incentive where a larger number of stocks were being conferred when the stock price declined while the directors were in office. With the decision, the existing system is abolished and a Western style of stock compensation scheme is to be introduced, whereby the same interest as shareholders will be shared by the directors.
- ✓ As KPIs to measure the achievement of the performance by directors, EPS growth and market capitalization, etc. are introduced to clarify that the management is to work towards sustainable growth of the company and enhancement of corporate value over the medium to long term.
- ✓ Please go to page 59 on capital policy.



- ✓ Amongst the directors, including outside directors, every time, capital policy is discussed using this triangle.
- ✓ The bottom left corner of the triangle is the soundness of capital, which is checked in light of international financial regulations, rating, and comparison with G-SIB competitors. The bottom right corner is the potential for future growth, and the pipeline of strategic investments is examined. And then at the top of the triangle, further enhancement of shareholder returns is discussed. At the moment the business environment is changing significantly but the basic thinking remains unchanged.
- ✓ Please go to page 60, the core of the shareholder return.



- ✓ The dividend policy emphasizes stability as before. As shown in the graph, it has long been a policy to raise the dividend level in a stable and sustainable way through profit growth.
- ✓ This fiscal year the targeted profits attributable to owners of parent was 951.4 billion, lower than the actual achieved last fiscal year, which was 1 trillion 33.7 billion. But with the emphasis on stability, the dividend level will be maintained. We will continue to maintain the basic policy of stable dividends and will keep in mind a 25 percent to 30 percent range of dividend payout ratio in managing the business. Please go to page 61.

Repurchase of own shares (Consolidated)

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

Outline of repurchase of own share

Type of shares to be repurchased	Ordinary shares of MUFG
Aggregate amount of repurchase price	Up to ¥100.0 bn
Aggregate number of shares to be repurchased	Up to 230 mm shares (Equivalent to 1.67% of the total number of issued shares (excluding own shares))
Repurchase period	From May 17, 2016 to Jun 30, 2016

(Reference) Own shares held by MUFG as of Apr 30, 2016

Total number of issued shares (excluding own shares)	:	13,791,179,849 shares
Number of own shares	:	377,673,971 shares

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✓ Another measure for shareholder return is repurchase of own shares. In what was a repeat of last November, 100 billion repurchase of own shares was decided. We will continue to look into the possibility based on the notion of the triangle of capital policy that I described earlier. Please go to page 65.

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 regulation
  - Reduction the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- CET1 ratio[*1] was 9.9% as of end Mar 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

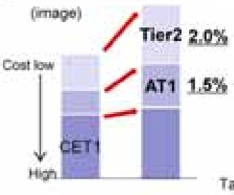
*3 $\frac{\text{Profits attributable to owners of parent - Equivalent of annual dividends on nonconvertible preferred stocks}}{\{(\text{Total shareholders' equity at the beginning of the period - Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign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

MUFG 62

Capital Management / The best capital mix (topic: 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 : ¥435 bn issued since Jun 14*1

(Recent issues)

#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%

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

In Mar 16, MUFG issued its senior notes to comply with TLAC requirement as the first issuer among Japanese G-SIBs

✓ Funded US$7 bn in total together with reopen issuance in Apr 16

Tenor / Cpn Type	Ccy / Amount
5Y FXD	US$3.1 bn
5Y FRN	US$0.9 bn
10Y FXD	US$3.0 bn

(SEC registered notes)

(Ref. Estimated TLAC ratio*3)

As of end Mar 16	15.0%

Estimated in accordance with 'TLAC Term Sheet' released from FSB in Nov 15, based on our total capital ratio as of end Mar 16

*1 Accumulated amount as of end Mar 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%

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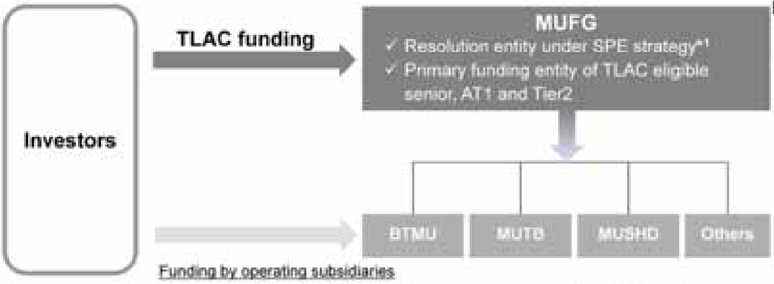
Capital Management / The best capital mix
Topic: TLAC compliance (resolution entity under the TLAC framework)

- **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]



Ref. MUFG senior notes rating

Moody's	S&P	Fitch
A1	A	A

(As of May 20, 2016)

Funding by operating subsidiaries

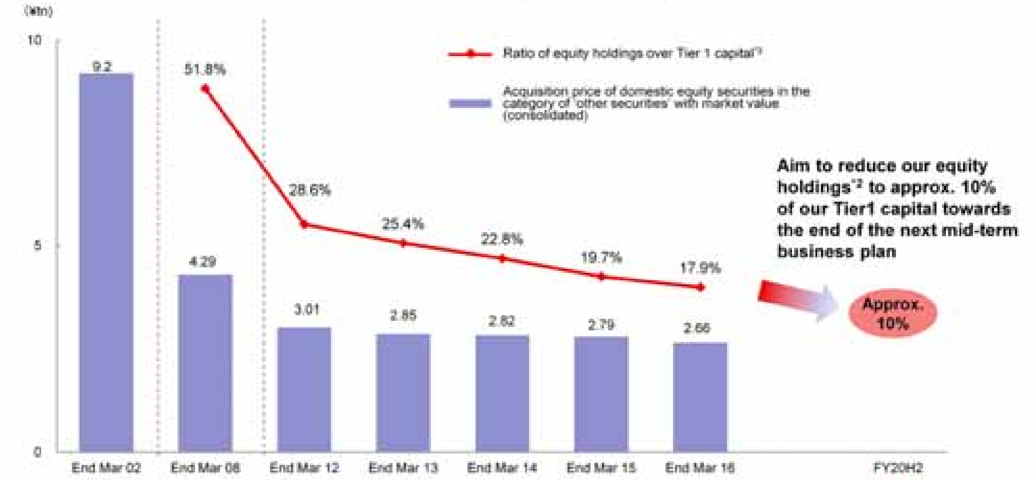
- ✓ Unsecured bonds (JPY, US$, Euro): Possibilities of funding in TLAC ineligible tenors[*2]
- ✓ Unsecured bonds (Other than above): Possibilities of funding in local currencies
- ✓ Structured bonds / Collateralized bonds, etc.: Funding by operating subsidiaries

*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. ¥120 bn equities reduced[*1] in FY15, which led the ratio of our equity holdings[*2] over our Tier1 capital down to 17.9%. 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)

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- ✓ I would now like to discuss reduction of strategic equity holdings. We explained last November the policy of reducing the strategic equity holding to around 10 percent of Tier 1 capital based on the acquisition cost of the shares in the next five years.
- ✓ Under this policy, each entity developed a plan quickly and set priorities and began consultations with the core customers. As a result, 120 billion yen of strategic equity holdings have been reduced in the last fiscal year. If we look at the fourth quarter alone, 70 billion of strategic equity holdings were sold. We are adding to the number of customers who have agreed to the sale of strategic equity-holding. So far, we think that the project has been making good progress.
- ✓ As mentioned at the outset, we are now faced with a more adverse environment in managing the financial institution; however, the med-term policy of business transformation in each business area and improvement of productivity in human, physical, and financial resources remain unchanged. We will overcome the difficulty by accelerating these efforts. I would like to ask for your continuous support and understanding. Thank you.

Appendix

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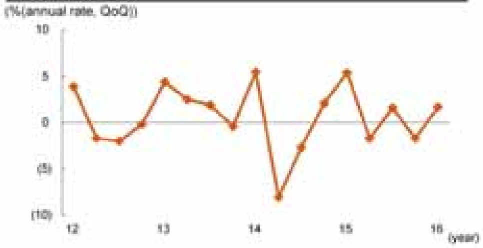
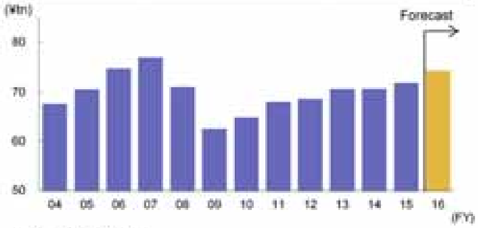
Appendix: Economic environment in Japan

Growth rate of real GDP



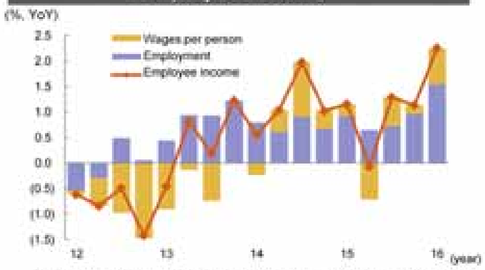
(Source) Complied by BTMU Economic research office from Cabinet Office data

CAPEX (Real GDP base[*2], forecast)



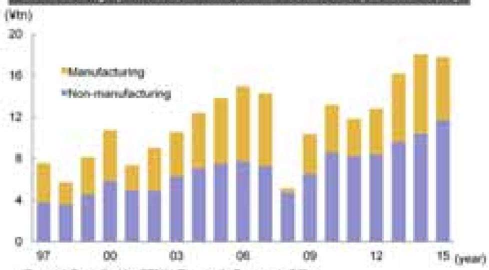
*2 Based on 2005 prices
(Source) Complied by BTMU Economic Research Office from Cabinet Office data

Employee income[*1]



*1 Employee income is the number of employees multiplied by wages per person
(Source) Compiled by BTMU Economic Research Office based on MIC and MHLW data

Ordinary profits of non-financial (Oct-Dec)



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

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

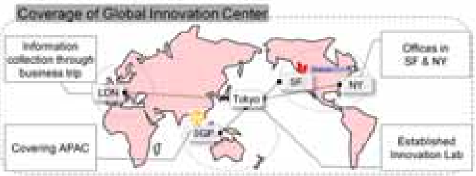
FinTech Challenge 2016（Hackathon）

- 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.

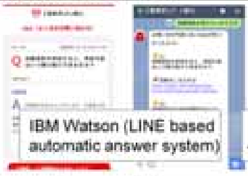
Coverage of Global Innovation Center



FY15 New products and services

Tied up with INGRESS

Automatic interactive response App (MAI)



IBM Watson (LINE based automatic answer system)

Humanoid Robot（NAO）
- Equipped in Narita Airport Br.

*1 Mitsubishi UFJ Research & Consulting *2 Mitsubishi UFJ Capital *3 Mitsubishi Research Institute

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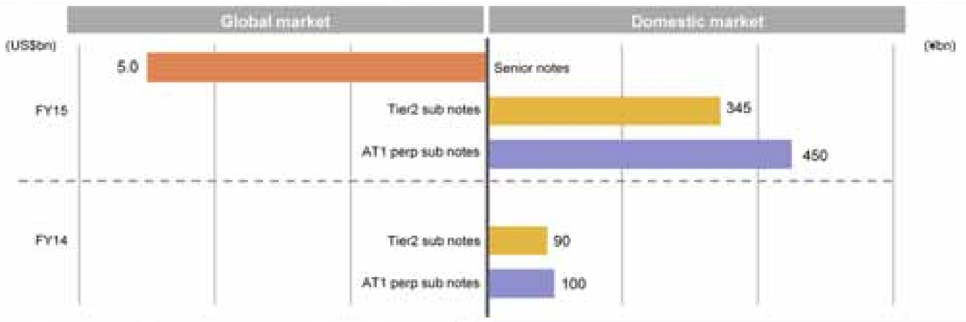
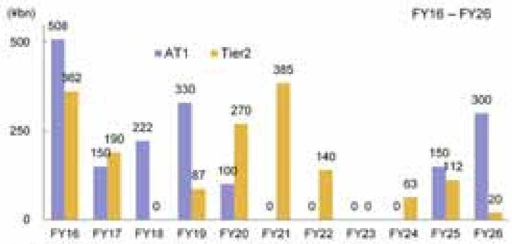
Appendix: MUFG issuance track record in both domestic and global markets and redemption schedule

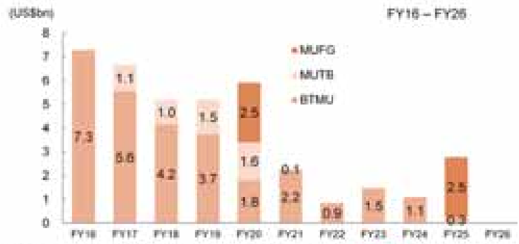
MUFG issuance track record



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

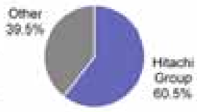
Appendix. Hitachi Capital overview

Company overview

Company name	Hitachi Capital Corporation
President & CEO	Seiji Kawabe
Founded	September 10, 1957
Capital	¥9,983 mm
Address	Nishi-Shimbashi Square, 3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo, 105-0003 Japan
Stock exchange	First Section of the Tokyo Stock Exchange
Consolidated number of employees[*1]	5,397
Selected subsidiaries	Hitachi Capital NBL, Hitachi Capital Insurance, Hitachi Capital Trust, Hitachi Capital Servicer, Hitachi Capital (UK) PLC., Hitachi Capital (Hong Kong) Ltd.
Credit ratings[*2]	S&P A-; R&I A+; JCR AA-
Locations[*3]	• Domestic (Number of key group companies): 14 • Overseas (Number of key group companies): 16

History and ownership[*4]

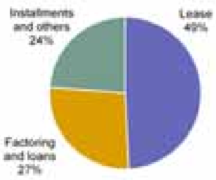
1960	• Hitachi Geppam Corp. was established (Company name changed to Hitachi Credit Corporation)
1968	• Hitachi leasing Corp. was established
2000	• Hitachi Capital was born (Hitachi Credit Corp. and Hitachi Leasing were merged)
2014	• Hitachi Wind Power Ltd. was established
2016	• Hitachi Sutainable Energy Ltd. was established



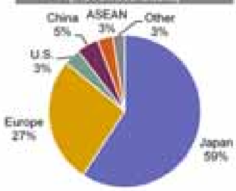
Corporations	57.3%
Financial institutions	16.7%
Foreign corporations	14.5%
Other	11.5%

Business mix (FY15)

By segment (Operating assets basis)



By region (Revenues basis)



Source: IR Presentations, SEC Filings

Consolidated key financials (¥bn)

	FY14	FY15	Change
Revenues	356.3	365.4	9.1
Adjusted operating income[*5]	39.0	45.2	6.2
Adjusted operating income margin	10.9%	12.4%	1.5ppt
Net income	24.9	33.6	8.7
Net income margin	7.0%	9.2%	2.2ppt
Shareholders' Equity	325.2	335.5	10.3
Volume of business	2,118.9	2,290.2	171.3
Operating assets	2,995.7	2,947.1	(48.6)
Equity Ratio	11.0%	10.9%	(0.1ppt)
ROE	7.7%	9.9%	2.2ppt
ROA[*6]	1.3%	1.5%	0.2ppt

*1 As of Mar 31, 2015
*2 As of May 12, 2016
*3 As of Mar 31, 2015
*4 Shareholding / Outstanding shares (excluding treasury shares). As of Mar 31, 2015
*5 Adjusted operating income = Revenues - Cost of sales - Selling, general and administrative expenses
*6 Profit before tax / Volume of business

MUFG 70