

IR Presentation

September, 2017

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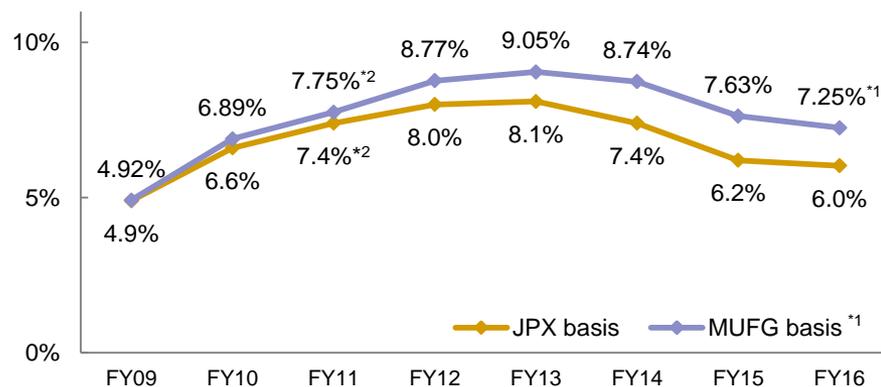
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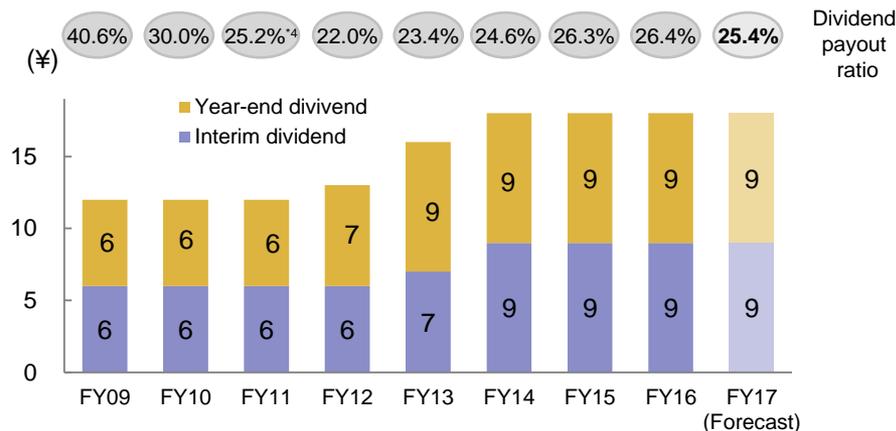
Definitions of figures used in this document

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

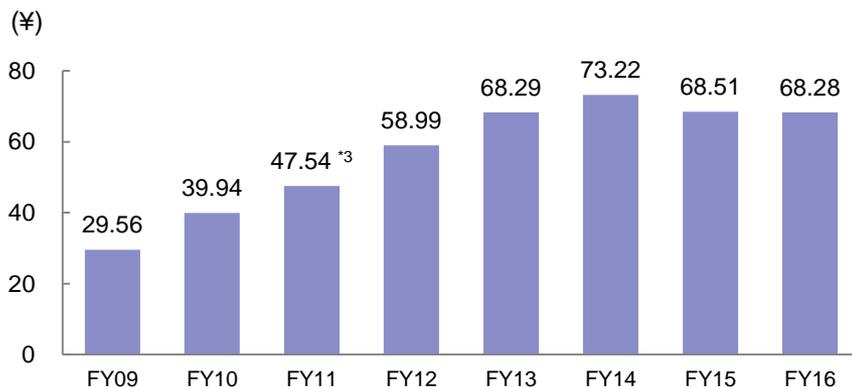
ROE



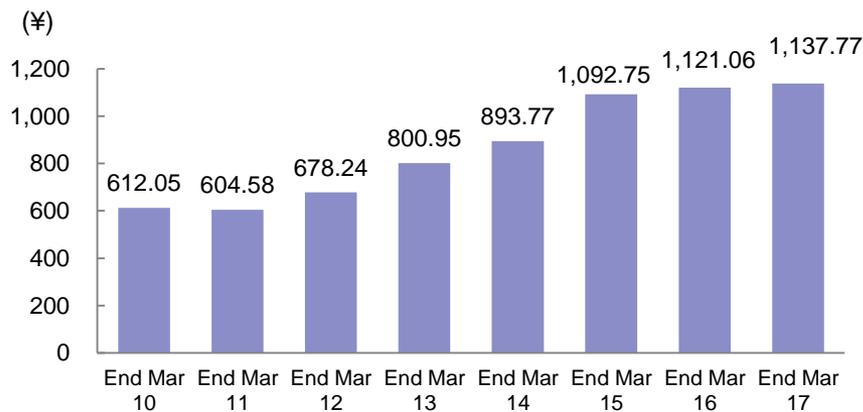
Dividend per share / Dividend payout ratio



EPS



BPS



Profits attributable to owners of parent

^{*1} $\frac{\text{((Total shareholders' equity at the beginning of the period + Foreign currency translation adjustments at the beginning of the period))} + \text{(Total shareholders' equity at the end of the period + Foreign currency translation adjustments at the end of the period)}}{2} \times 100$

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

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

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

Financial targets of the current mid-term business plan

		FY14	FY17 Target	FY16
Growth	EPS (¥)	¥73.22	Increase 15% or more from FY14	¥68.28
	ROE	8.74%	Between 8.5-9.0%	7.25%
Profitability	Expense ratio	61.1%	Approx. 60%	64.6%
	CET1 ratio (Full implementation)*1	12.2%	9.5% or above	11.9%
Financial strength				9.8%

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

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

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Outline of FY2017 Q1 Results

● Profits attributable to owners of parent was ¥289.0 bn (increased ¥100.1 bn from FY16 Q1)

- Progress rate was 30.4% of ¥950.0 bn annual target
- ¥20.0 bn total credit cost was posted
- Whereas net business profits remained almost flat, profits attributable to owners of parent increased mainly due to net gains on equity securities and profits from investments in affiliates

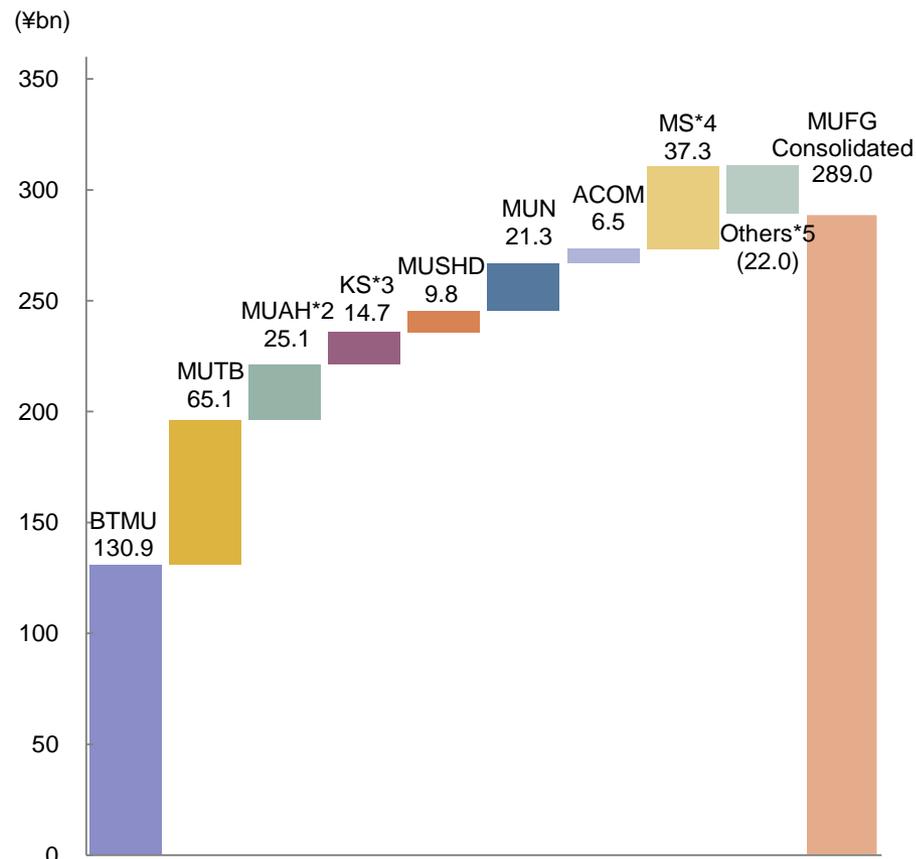
● Major Actions

- Announced “MUFG Re-Imagining Strategy – Building Anew at MUFG”
- Resolved to make MUN a 100% owned subsidiary through Simplified Share Exchange
- Decided functional realignment of group management and rename of commercial bank name
- Strengthened the framework to promote digitalization
- In addition to US, expanded integrated operation model in primary business to EMEA and Asia
- Established “MUFG Basic Policy for Fiduciary Duties”

● Shareholder return and others

- FY16 dividend was ¥18 per common stock. FY17 dividend forecast remains the same
- Repurchased ¥100.0 bn own shares
- Established a policy regarding cancellation of own shares and cancelled a part of own shares accordingly
- Approximately ¥29.0 bn equities holdings were sold on acquisition costs basis
- Elected two outside directors from Asia and North America

Breakdown of FY17 Q1 profits attributable to owners of parent*1



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

*2 MUFG Americas Holdings Corporation

*3 Bank of Ayudhya (Krungsri)

*4 Including the loss on change in equity

*5 Including cancellation of the amount of inter-group dividend receipt and equity method income from other affiliate companies

Income statement summary

(Consolidated)

● Net operating profits

- Gross profits almost unchanged. While net interest income decreased mainly due to a decrease in net interest income from domestic loans and deposits as well as from bond portfolio, net trading profits and net other operating profits increased
- G&A expenses increased, reflecting higher expenses in overseas, in addition to the depreciation of JPY against other currencies
- Net operating profits decreased by ¥5.1bn from FY16Q1 to ¥349.0bn

● Total credit costs*1

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

● Net gains (losses) on equity securities

- Net gains on sales of equity securities increased mainly driven by a progress in sales of equity holdings, as well as a decrease in losses on write-down of equity securities

● Profits (losses) from investments in affiliates

- Profits from investments in Morgan Stanley increased, as well as profits from other affiliates increased

● Profits attributable to owners of parent

- As a result, profits attributable to owners of parent increased by ¥100.1bn from FY16Q1 to ¥289.0bn

(¥bn)	FY16	FY17Q1	YoY
1 Gross profits (Before credit costs for trust accounts)	4,011.8	1,004.3	6.6
2 Net interest income	2,024.4	462.5	(39.5)
3 Trust fees + Net fees and commissions	1,450.5	327.6	(0.3)
4 Net trading profits + Net other operating profits	536.7	214.1	46.5
5 Net gains (losses) on debt securities	56.8	91.2	18.7
6 G&A expenses	2,593.5	655.2	11.8
7 Depreciation	316.4	78.7	3.0
8 Net operating profits	1,418.2	349.0	(5.1)
9 Total credit costs*1	(155.3)	(20.0)	35.4
10 Net gains (losses) on equity securities	124.9	24.2	22.5
11 Net gains (losses) on sales of equity securities	127.4	27.6	9.5
12 Losses on write-down of equity securities	(2.5)	(3.3)	13.0
13 Profits (losses) from investments in affiliates	244.4	68.0	6.9
14 Other non-recurring gains (losses)	(271.4)	(23.8)	(3.0)
15 Ordinary profits	1,360.7	397.4	56.6
16 Net extraordinary gains (losses)	(57.5)	(20.9)	33.9
17 Total of income taxes-current and income taxes-deferred	(342.1)	(62.3)	(1.6)
18 Profits attributable to owners of parent	926.4	289.0	100.1
19 EPS (¥)	68.28	21.59	7.82

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

Balance sheets summary

(Consolidated)

● Loans (Banking + Trust accounts)

- Decreased from the end of March 2017 mainly due to decreases in loans to domestic corporate and governmental institutions

● Investment securities

- Decreased from the end of March 2017 mainly due to a decrease in Japanese government bonds, partially offset by an increase in foreign bonds

● Deposits

- Increased mainly due to an increase in individual deposits as well as overseas deposits

● Net unrealized gains on available-for-sale securities

- Net unrealized gains on available-for-sale securities increased mainly due to an increase in those of domestic equity securities, which was partially offset by a decrease in those of Japanese government bonds

	End Jun 17	End Mar 17	Change from End Mar 17
(¥bn)			
1 Total assets	304,221.6	303,297.4	924.2
2 Loans (Banking + Trust accounts)	108,710.4	109,209.4	(499.0)
3 Loans (Banking accounts)	108,477.3	109,005.2	(527.8)
4 Provision for loan loss	(916.1)	(957.3)	41.1
5 Housing loans^{*1}	15,617.4	15,720.2	(102.8)
6 Domestic corporate loans^{*1*2}	43,929.8	44,297.4	(367.6)
7 Overseas loans^{*3}	43,581.5	43,418.6	162.8
8 Investment securities (Banking accounts)	59,301.7	59,438.8	(137.1)
9 Domestic equity securities	6,228.8	5,980.9	247.9
10 Japanese government bonds	22,114.6	25,111.5	(2,996.8)
11 Foreign bonds	21,588.0	19,129.8	2,458.2
12 Total liabilities	287,499.8	286,639.0	860.8
13 Deposits	171,505.9	170,730.2	775.6
14 Individuals^{*4} (Domestic branches)	74,344.0	73,093.3	1,250.7
15 Corporations and others^{*4}	59,735.4	61,050.3	(1,314.9)
16 Overseas^{*4}	21,375.6	20,696.5	679.0
17 Total net assets	16,721.4	16,658.3	63.3
18 Net unrealized gains (losses) on available-for-sale securities	3,353.7	3,139.0	214.6

*1 Non-consolidated + trust accounts

*2 Excluding loans to government and governmental institution

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

*4 Non-consolidated

● Loan balance ¥108.7 tn (decreased by ¥0.4 tn from Mar 17)

<Breakdown of Change>

- Housing Loan (¥0.1 tn)
- Domestic Corporate^{*1} (¥0.3 tn)
Excl. Impact of foreign exchange fluctuation (¥0.3 tn)
- Government (¥0.2 tn)
- Overseas^{*2} +¥0.1 tn
Excl. Impact of foreign exchange fluctuation +¥0.2 tn

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

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

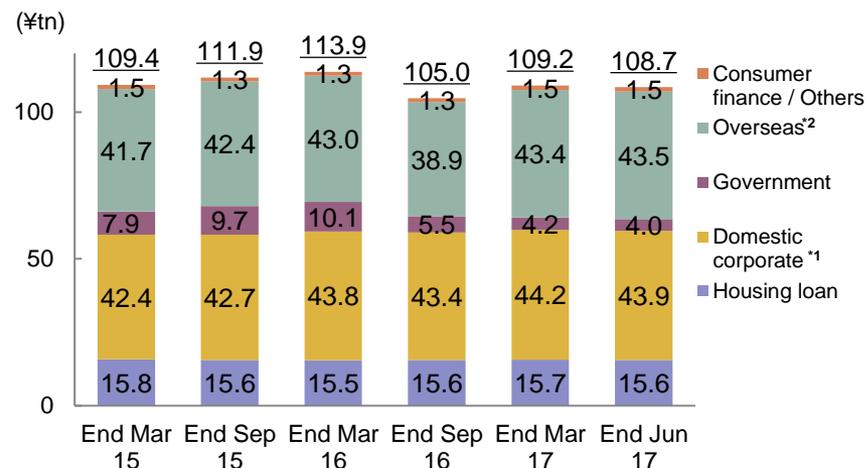
*3 Sum of banking and trust accounts

● Deposit balance ¥171.5 tn (increased by ¥0.7 tn from Mar 17)

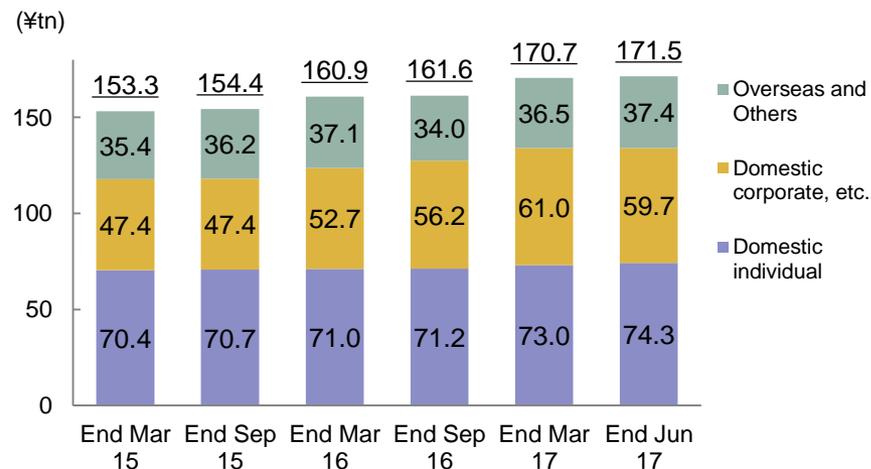
<Breakdown of Change>

- Domestic Individual +¥1.2 tn
- Domestic Corporate, etc. (¥1.3 tn)
- Overseas and Others +¥0.8 tn
Excl. Impact of foreign exchange fluctuation +¥1.0 tn

Loans (Period end balance)^{*3}



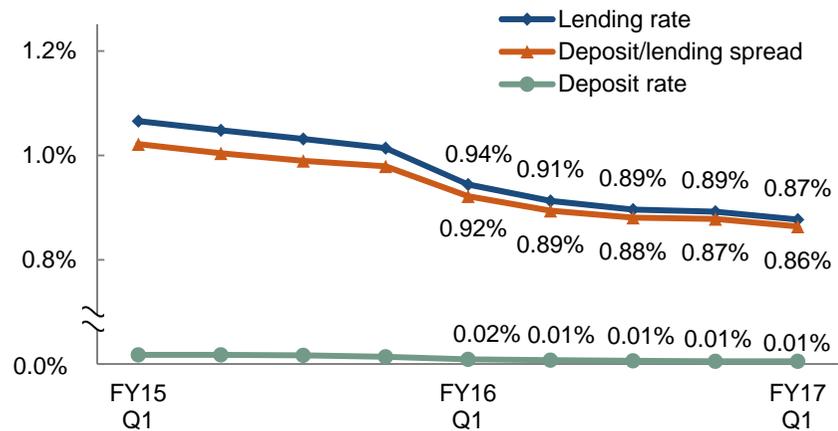
Deposits (Period end balance)



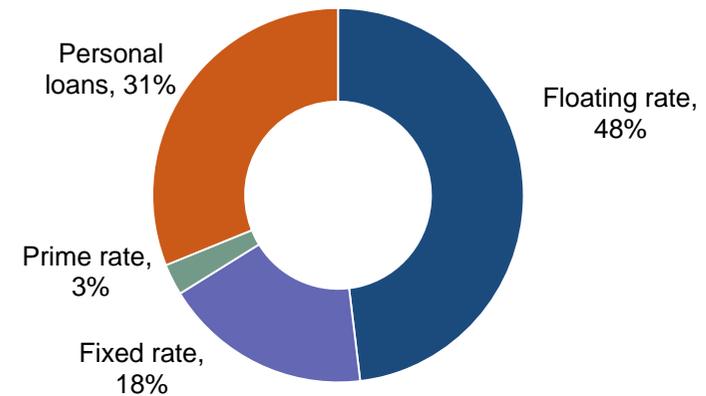
Domestic deposit/lending rate

(Non-consolidated)

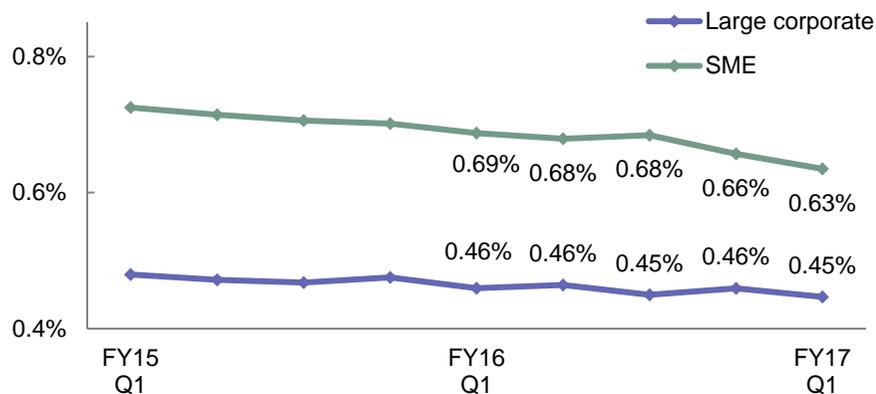
Changes in domestic deposit/lending rate*1



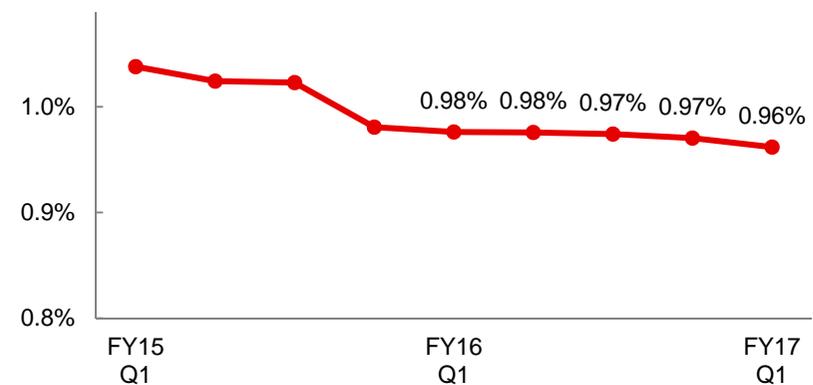
Domestic JPY denominated lending*1*2*3



Domestic corporate lending spread*1



Ref. Overseas corporate lending spread*4



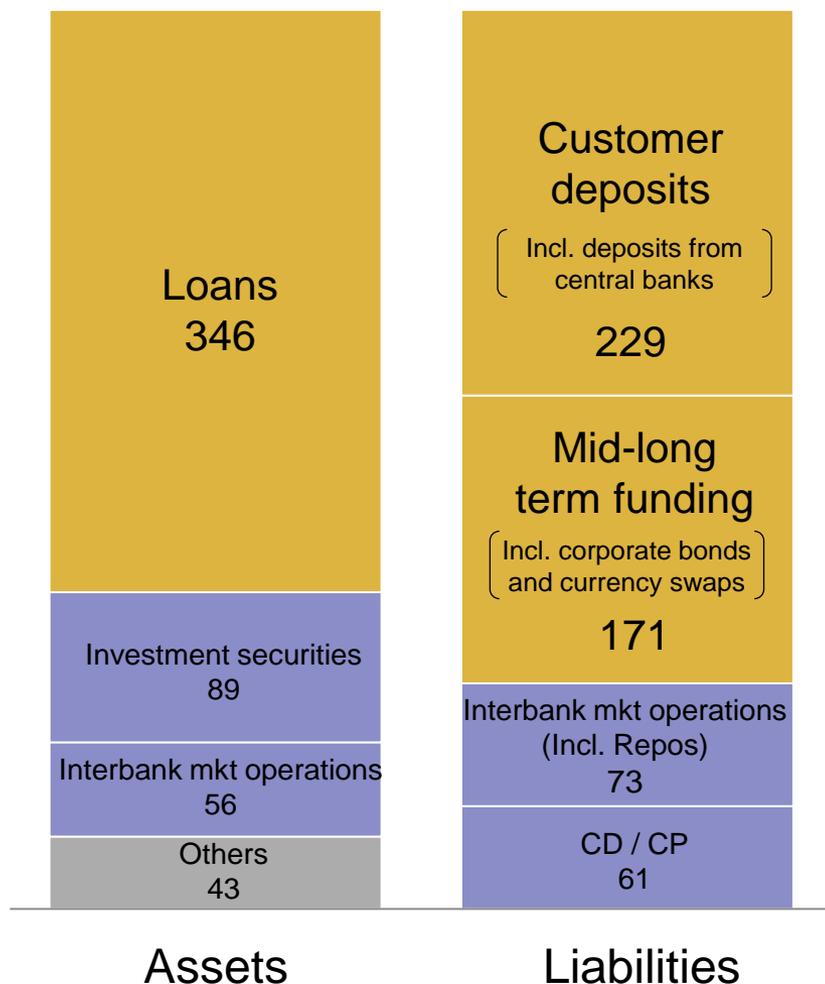
*1 Managerial accounting basis. Excluding lending to government etc.
 *2 As of end Jun 17
 *3 Excluding domestic non-JPY denominated lending etc.
 *4 Excluding MUAH, KS

Non-JPY assets and funding

(Commercial bank consolidated)

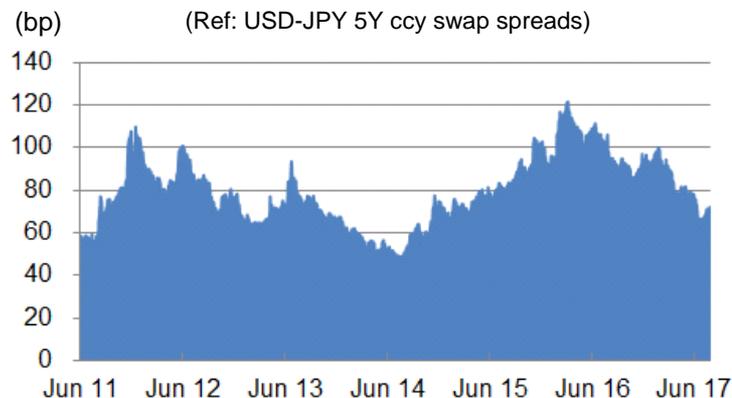
Non-JPY balance sheet (BTMU managerial basis Excl. MUAH, KS)

As of end Jun 17 (US\$ bn)



Non-JPY funding in stable and efficient manner

- Customer deposits now cover 60-70% of non-JPY loans. To further increase deposits, we will enhance product development and sales capabilities
- With mid-long term funding through corporate bond issuances and currency swaps, all non-JPY loans are fully funded
 - Corp bonds are mainly issued from HoldCo (MUFG) to ensure stable funding and TLAC compliance (see pages 52 – 53 for details)
 - Ccy swaps are transacted mainly in medium-term durations

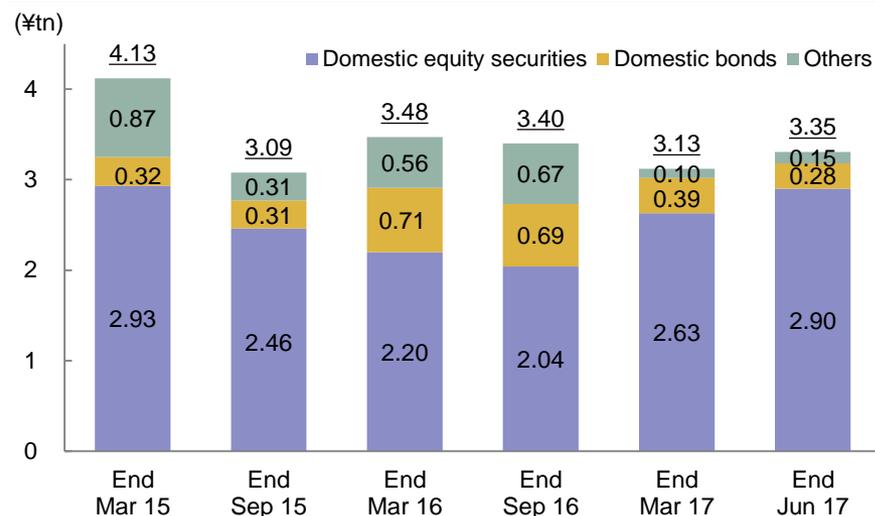


- The SPC for holding non-JPY liquid assets was established as a buffer against the possibility of a severe funding situation due to temporary market stress

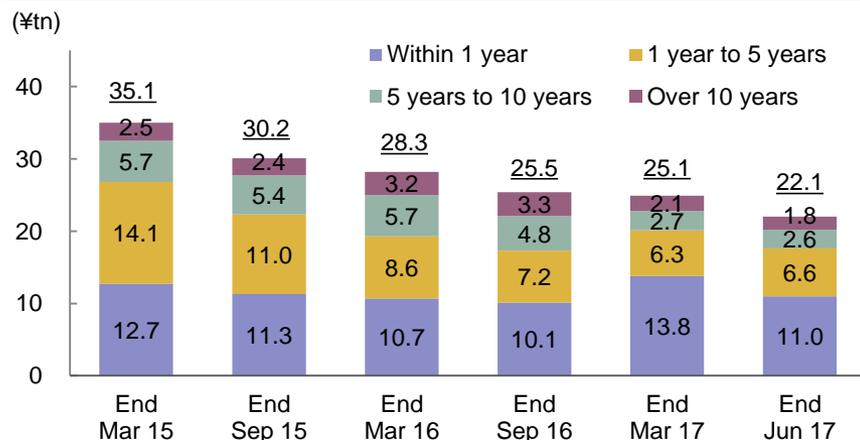
Securities available for sale with fair value

(¥bn)	Balance		Unrealized gains (losses)	
	End Jun 17	Change from End Mar 17	End Jun 17	Change from End Mar 17
1 Total	54,635.3	(177.8)	3,353.7	214.6
2 Domestic equity securities	5,401.4	236.8	2,904.4	269.2
3 Domestic bonds	24,822.4	(2,866.3)	289.6	(109.4)
4 Japanese government bonds	21,013.7	(2,996.8)	248.6	(102.4)
5 Others	24,411.3	2,451.7	156.9	54.9
6 Foreign equity securities	187.1	4.3	53.8	3.9
7 Foreign bonds	20,399.4	2,482.1	10.1	18.6
8 Others	3,824.8	(34.7)	95.6	32.2

Unrealized gains (losses) on securities available for sale

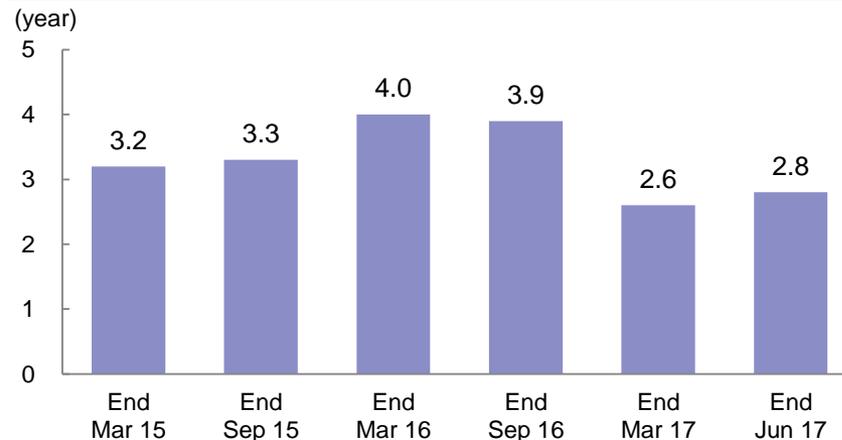


Balance of JGBs by maturity*1



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

JGB duration*2



*2 Securities available for sale. Non-consolidated

Bond portfolio management

(Non-consolidated)

- Reduced the balance of foreign bonds last fiscal year from the perspective of interest rate hike risk. Manage portfolio flexibly while carefully monitoring interest rate fluctuations

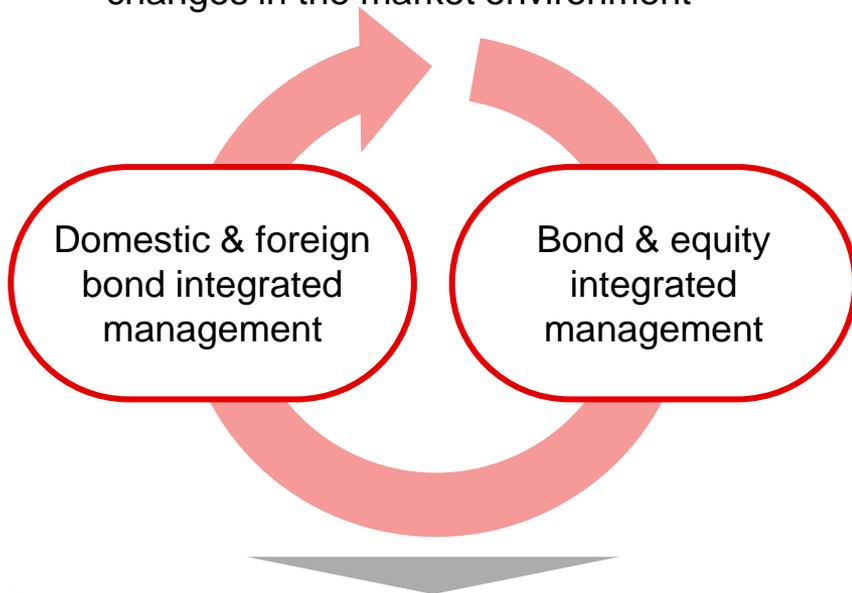
Bond portfolio management

Environment:



Methodology:

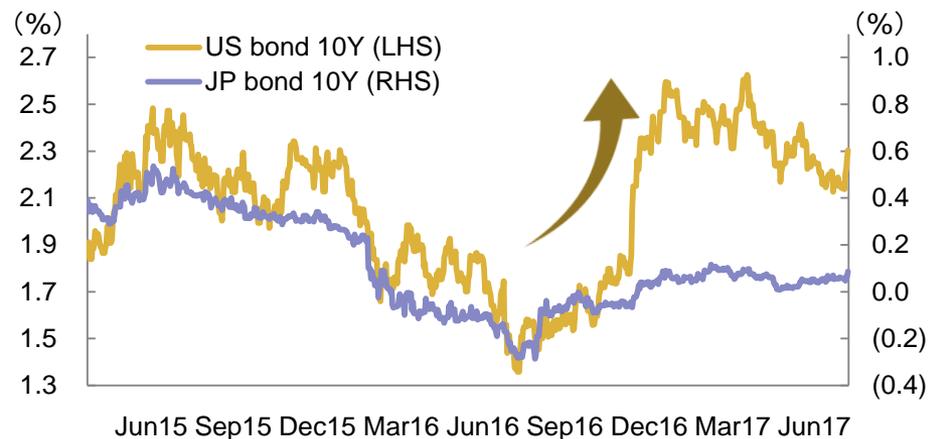
Flexible portfolio management that accommodates changes in the market environment



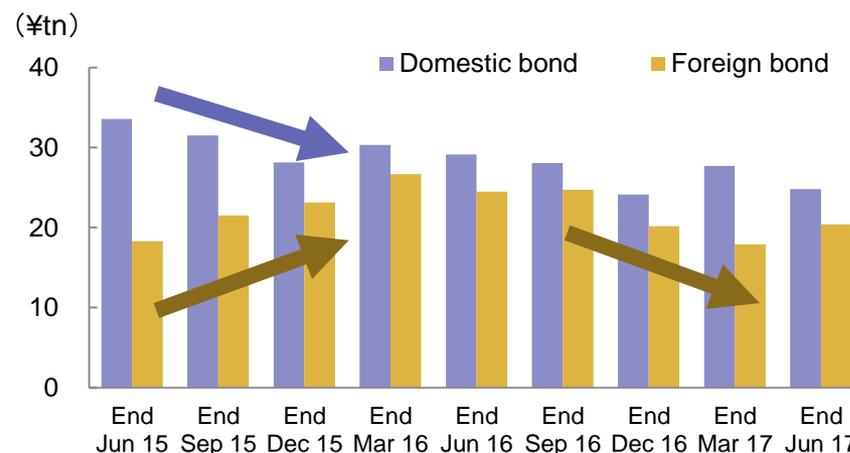
Purpose:

Secure stable financial income

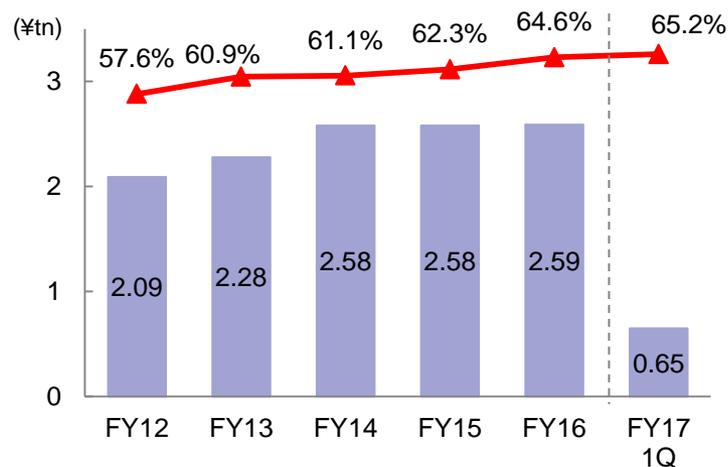
Long-term yield (Japan & USA)



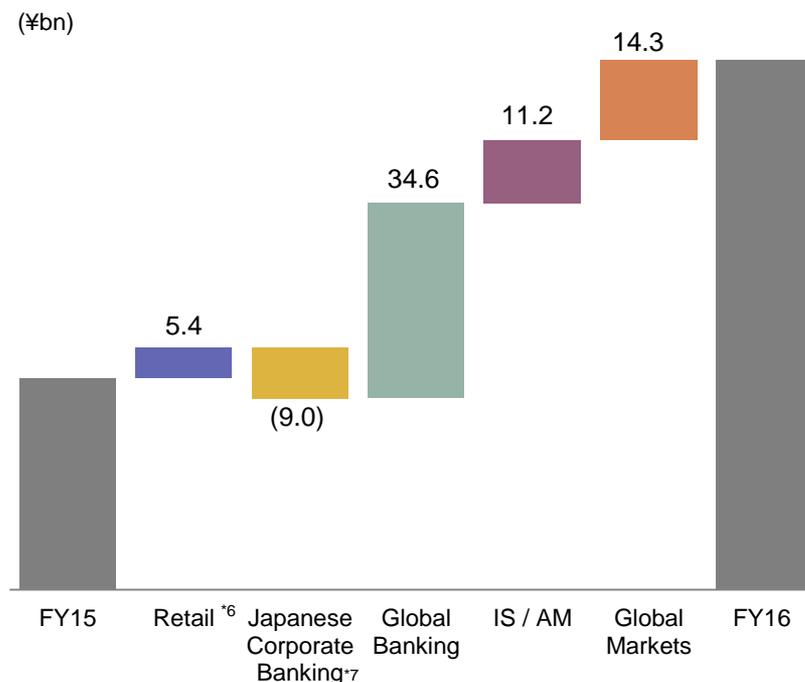
Balance of bond portfolios (consolidated)



G&A expenses / expense ratio ^{*1}



Changes in expenses by business segment ^{*5}



Expenses in major group companies

		FY17 1Q	YoY	Expense ratio
BTMU + MUTB combined	(¥bn)	333.5	2.8	57.8%
MUAH (US GAAP) ^{*2,*3}	(US\$mm)	1,623	91	71.7%
KS (Thai GAAP) ^{*2}	(THBmm)	23,287	2,818	47.2%
MUSHD consolidated	(¥bn)	73.6	▲4.8	88.3%
MUN ^{*4}	(¥bn)	62.5	0.5	89.8%
ACOM ^{*4}	(¥bn)	22.1	0.5	36.6%

<Major reasons of changes by business segment>

- Retail: System integration of MUN
- Global Banking: Increased regulatory cost and expanded business volume
- IS / AM: Acquisition of fund administration subsidiaries
- Global Markets: Development of S&T business by BTMU-MUS in an integrated manner

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

*2 FY17H1

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

*4 Financial expense is excluded from gross profits. Expenses related to loan losses and others and repayment expense are excluded from expenses

*5 Local currency basis *6 Excl. intergroup intermediation charges *7 Excl. expenses associated with overseas Japanese Corporate Banking business

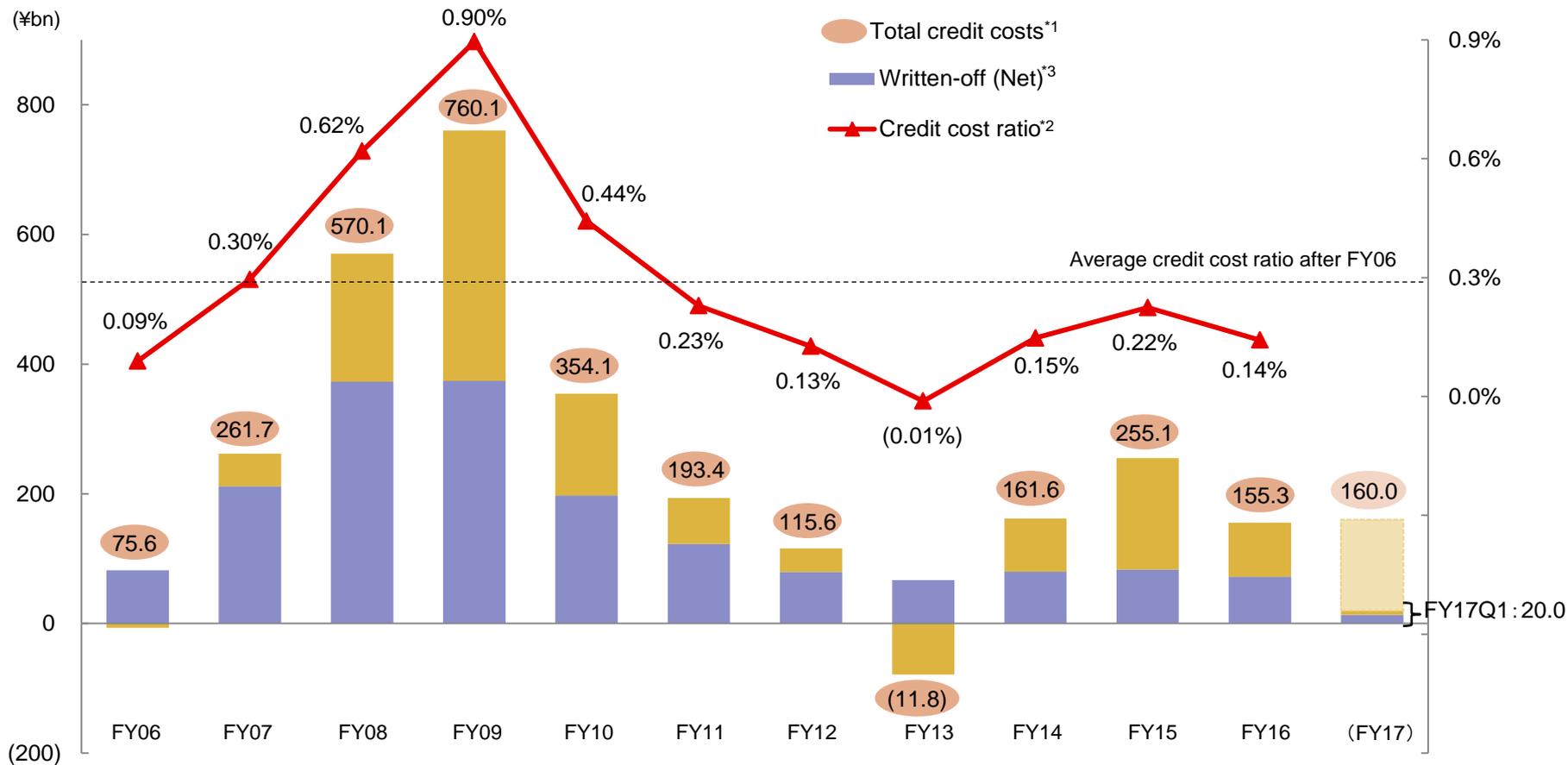
Asset quality

– Historical credit costs

(Consolidated)

- Credit costs for FY17Q1 were ¥20.0 bn. Total credit costs forecast for FY17 are ¥160.0 bn.

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



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

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

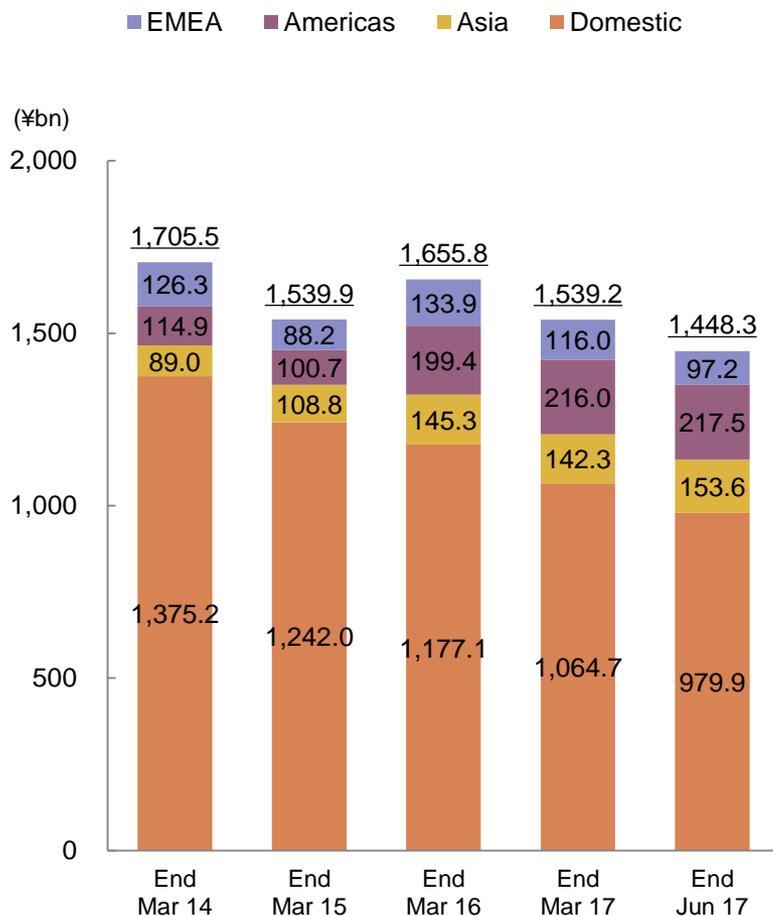
*3 Net amount of write-off gains and write-offs

Asset quality

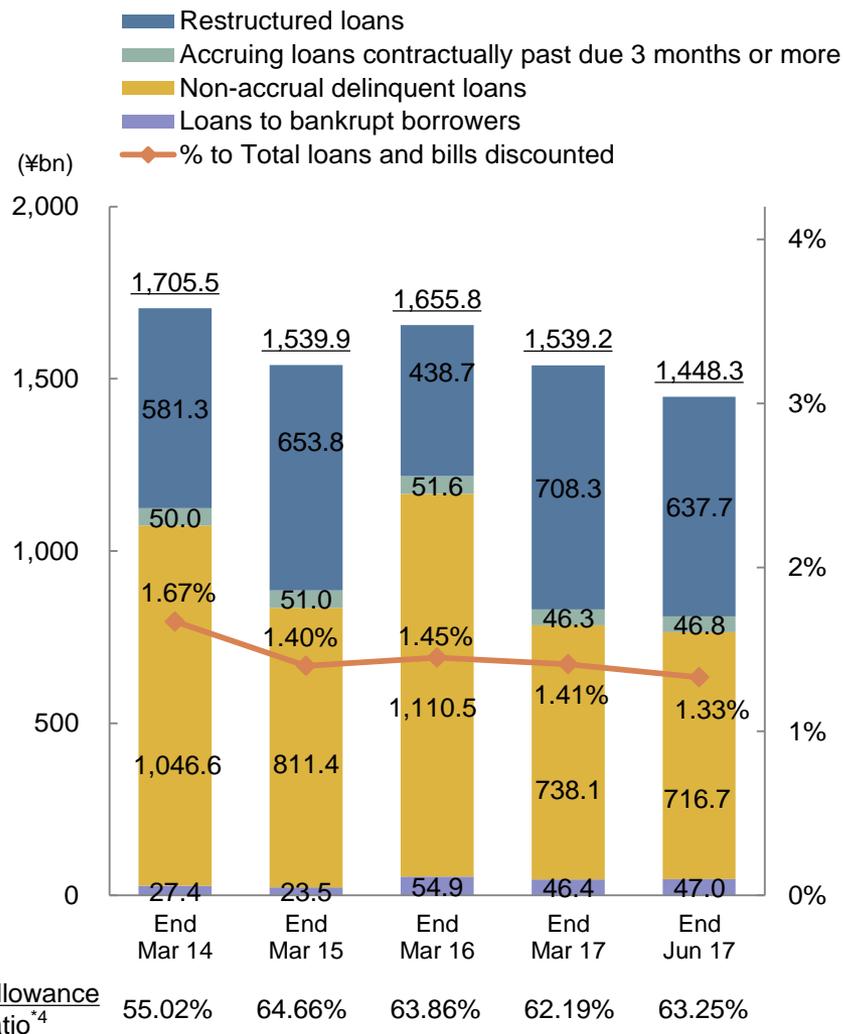
– Non-performing loans*1

(Consolidated)

Risk-monitored loans by region*2



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



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

*2 Based on the locations of debtors

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

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

● Common Equity Tier 1 ratio

- Full implementation basis*1 : 12.0%
- Excluding impact of net unrealized gains (losses) on available-for-sale-securities : 9.7%

● Risk weighted asset (Down ¥0.1 tn from Mar 17)

- Credit risk : (¥3.0 tn)
- Market risk : (¥0.1 tn)
- Operational risk : (¥0.0 tn)
- Transitional floor : +¥3.0 tn

● Leverage ratio

- Transitional basis : 4.81%

		End Mar 17	End Jun 17	Change from end Mar 17
		(¥bn)		
1	Common Equity Tier 1 capital ratio	11.76%	11.92%	0.15ppt
2	Tier 1 capital ratio	13.36%	13.49%	0.12ppt
3	Total capital ratio	15.85%	15.93%	0.08ppt
4	Common Equity Tier 1 capital	13,413.8	13,568.9	155.0
5	Retained earnings	9,278.5	9,446.6	168.0
6	Other comprehensive income	2,369.1	2,353.0	(16.0)
7	Regulatory adjustments	(1,363.2)	(1,367.4)	(4.1)
8	Additional Tier 1 capital	1,818.6	1,785.5	(33.0)
9	Preferred securities and subordinated debt	1,650.2	1,650.7	0.5
10	Foreign currency translation adjustments	111.6	81.5	(30.0)
11	Tier 1 capital	15,232.4	15,354.4	121.9
12	Tier 2 capital	2,843.6	2,784.1	(59.5)
13	Subordinated debt	2,132.6	2,091.7	(40.8)
14	Amounts equivalent to 45% of unrealized gains on available-for-sale securities	277.8	296.9	19.1
15	Total capital (Tier 1+Tier 2)	18,076.1	18,138.5	62.4
16	Risk weighted assets	113,986.3	113,799.5	(186.8)
17	Credit risk	96,906.3	93,893.9	(3,012.4)
18	Market risk	2,135.7	2,005.9	(129.8)
19	Operational risk	6,734.5	6,688.6	(45.8)
20	Transitional floor	8,209.7	11,211.0	3,001.3

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

Financial results of Mitsubishi UFJ Securities Holdings (MUSHD)

- Compared to overseas business, domestic business struggled due to sluggish customers' activities on the back of low-vol market and the rise of geopolitical risks. Both sales and profit decreased on YoY basis, mainly due to the reduction of the earnings of affiliates and the exclusion of MUSA from consolidation from FY16Q3

Results of MUSHD

(¥bn)	FY16	FY17Q1	YoY	(Reference ^{*2}) FY17Q1
1 Net operating revenue^{*1}	379.2	83.3	(4.2)	99.5
2 Commission received	173.2	36.8	(2.8)	
3 Equity brokerage	39.0	9.8	1.0	
4 Underwriting and secondary distribution	36.6	4.5	(5.5)	
5 Sales of investment trusts	35.6	8.7	1.0	
6 Other fees received	61.9	13.7	0.6	
7 Net trading income	179.1	36.9	(5.6)	
8 Stocks	29.2	7.0	21.2	
9 Bonds and other	149.9	29.8	(26.8)	
10 SG&A expenses	315.1	73.6	(4.8)	85.4
11 Transaction expenses	98.4	22.0	(1.1)	
12 Operating income	64.1	9.7	0.6	
13 Non-operating income	35.4	5.4	(6.9)	
14 Equity in earnings of affiliates	29.2	3.9	(5.9)	
15 Ordinary income	99.5	15.1	(6.3)	19.5
16 Profits attributable to owners of parent	49.0	9.8	(5.0)	12.4

*1 Operating revenue minus financial expenses

*2 Figures represent the simple aggregation with MUFG Securities Americas' result

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

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

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

Results of MUMSS^{*3}

(¥bn)	FY16	FY17Q1	YoY
1 Net operating revenue^{*1}	295.0	61.4	(0.3)
2 SG&A expenses	242.6	58.6	2.4
3 Operating income	52.4	2.8	(2.7)
4 Ordinary income	53.8	3.1	(2.7)
5 Profits attributable to owners of parent	34.4	1.8	(1.6)

Net operating revenue of domestic securities firms (FY17Q1)

Rank	Security firm(s)	Amount (¥bn)
1	Nomura Securities	148.4
2	MUMSS^{*3} (incl. MUMSPB) + MSMS + kabu.com	87.0^{*4}
3	SMBC Nikko Securities	79.3
4	Daiwa Securities	73.0
5	Mizuho Securities	58.1

(Source: Company disclosure)

Financial results of MUN/ACOM

- MUN: Q1 operating revenue increased from the same period of last FY, profits attributable to owners of parent increased mainly due to posting an deferred tax assets
- ACOM: Operating revenue and operating income were roughly the same level as last FY, due to the steadily growth of guaranteed receivables business and unsecured consumer loans business

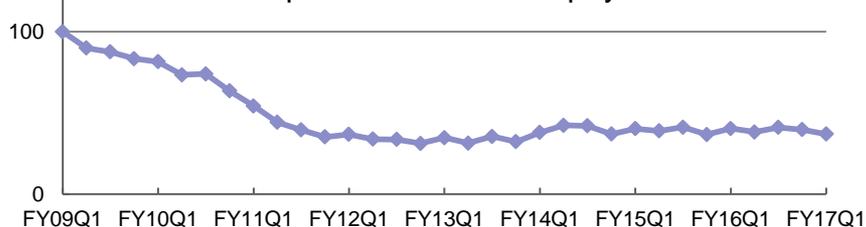
Results of MUN

(¥bn)	FY16	FY17Q1	YoY
1 Operating revenue	275.2	70.5	3.1
2 Card shopping	189.0	48.6	2.4
3 Card cashing	24.5	5.7	(0.6)
4 Loan revenue	5.2	1.1	(0.2)
5 Operating expenses	281.7	69.6	3.1
6 G&A expenses	256.5	63.4	0.3
7 Credit related costs	14.1	6.1	2.7
8 Provision for loss on interest repayment	11.1	-	-
9 Operating profit	(6.5)	0.9	0.0
10 Ordinary profit	(5.9)	0.9	(0.0)
11 Profits attributable to owners of parent	(28.1)	25.1	24.0
12 Interest repayment*1	18.9	4.3	(0.5)

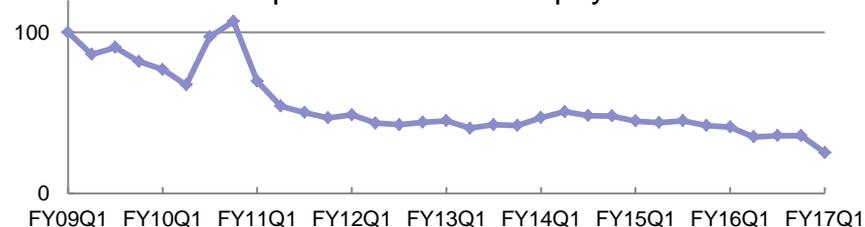
Results of ACOM

(¥bn)	FY16	FY17Q1	YoY
1 Operating revenue	245.1	63.4	3.5
2 Operating expenses	315.3	45.4	4.0
3 G&A expenses	89.5	22.1	0.5
4 Provision for bad debts	68.5	20.1	4.1
5 Provision for loss on interest repayment	143.7	0.0	0.0
6 Operating profit	(70.1)	18.0	(0.4)
7 Profits attributable to owners of parent	(72.1)	16.3	(0.8)
9 Guaranteed receivables	1,129.7	1,161.6	139.7
10 Unsecured consumer loans (Non-consolidated)	777.5	783.9	17.8
11 Share of loans*3	32.8%	-	-
12 Interest repayment*1	68.8	16.3	(1.4)

<Requests for interest repayment*2>



<Requests for interest repayment*2>



*1 Including waiver of repayment

*2 Requests for interest repayment in FY09Q1 = 100

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

Financial results of MUAH / Krungsri

- MUAH: Net income was \$524 mm, up \$128mm compared with FY16H1, due to an increase in NII driven by an increase in NIM and a reversal of provision for credit losses
- Krungsri: Increase in non-interest income as well as increase in NII driven by a growth of loans outstanding contributed to increase in net profit

Results of MUAH^{*1*2}

<P/L> (US\$mm)	FY16	FY17	
		H1	YoY
1 Net interest income	3,053	1,589	111
2 Interest income	3,716	2,010	197
3 Interest expense	663	421	86
4 Total non-interest income	2,225	977	(62)
5 Trading account activities	105	(7)	(75)
6 Investment banking and syndication fees	312	182	42
7 Fees from affiliates ^{*3}	957	430	(40)
8 Total revenue	5,278	2,566	49
9 Non-interest expense ^{*4}	3,782	1,963	89
10 Pre-tax, pre-provision income	1,496	603	(40)
11 Provision for loan losses	155	(52)	(175)
12 Net income attributable to MUAH	990	524	128
13 NIM	2.23%	2.36%	0.21ppt

<BS> (US\$mm)	End Dec16	End Jun 17	Change
15 Deposit	86,947	84,957	(1,990)
16 Total equity	17,386	17,937	551
17 Total asset	148,144	150,556	2,412
18 NPL ratio	0.89 %	0.63%	(0.26ppt)
19 NPL coverage ratio	92.69%	103.14	10.45ppt

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

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

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

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

Results of Krungsri^{*5}

<P/L> (THBmm)	FY16	FY17	
		H1	YoY
1 Net interest income	61,977	33,421	3,173
2 Interest income	85,925	46,186	4,225
3 Interest expense	23,948	12,765	1,052
4 Net fees and services income	18,175	9,307	456
5 Fees and services income	24,142	12,552	827
6 Fees and services expense	5,967	3,245	371
7 Non-interest and non fees income	11,335	5,791	471
8 Other operating expense	43,080	23,287	2,818
9 Pre-provision operating profit	48,407	25,232	1,282
10 Impairment loss of loans and debt securities	21,314	10,682	13
11 Net profit attribute to owners of the bank	21,404	11,516	1,097
12 NIM	3.74%	3.82%	0.04ppt

<BS> (THBmm)	End Dec 16	End Jun 17	Change
14 Deposit	1,108,288	1,163,312	55,024
15 Total equity	208,768	216,992	8,224
16 Total asset	1,883,188	1,888,531	5,343
17 NPL ratio	2.21%	2.24%	0.03ppt
18 NPL coverage ratio	143.3%	143.6%	0.30ppt

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

Financial results of Morgan Stanley and major collaborations

- FY17H1 net revenue and net income increased YoY driven by robust performance in investment banking and wealth management
- Leveraging the MUFG-MS alliance, the Joint Venture acted as Bookrunner for both the domestic and international tranches in all of 13 large global IPOs*1 by Japanese companies since 2010

Morgan Stanley Financial results*2

(US\$m)	FY16	FY17	
		H1	YoY
1 Net revenue	34,631	19,248	2,547
2 Non-interest expenses	25,783	13,798	1,318
3 Income from continuing operations before taxes	8,848	5,450	1,229
4 Net income applicable to MS	5,979	3,687	971
5 Earnings applicable to MS common Shareholders	5,508	3,427	946
6 ROE	8.0%	9.9%	2.7ppt

*2 Based on U.S. GAAP

Major collaborations

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

M&A Advisory

(Apr 16- Mar 17)

Rank	Financial Advisor	# of Deals	AMT (¥ bn)	Share (%)
1	Mizuho FG	183	6,997.6	35.4
2	MUMSS	43	5,348.8	27.0
3	GS	26	5,262.5	26.6
4	Lazard	21	5,050.5	25.5
5	The Raine Group LLC	2	4,136.1	20.9

Any Japanese involvement announced

(Source) Thomson Reuters

Equity Underwriting

(Apr 16- Mar 17)

Rank	Bookrunner	# of Deals	AMT (¥ bn)	Share (%)
1	Nomura	101	795.3	24.0
2	SMBC Nikko	160	694.0	20.9
3	MUMSS	73	508.8	15.3
4	Mizuho	127	443.1	13.4
5	Daiwa	93	369.8	11.2

(Source) Thomson Reuters

*1 Over ¥ 50bn, excluding J-REIT deals

FY2017 financial targets

- FY17 consolidated profits attributable to owners of parent target is ¥950.0 bn

(¥bn)

[MUFG consolidated]		<Financial target, etc.>		<Results>	
		FY17		FY16	
		Interim	Full year	Interim	Full year
1	Total credit costs	(70.0)	(160.0)	(57.6)	(155.3)
2	Ordinary profits	670.0	1,390.0	794.8	1,360.7
3	Profits attributable to owners of parent	440.0	950.0	490.5	926.4

(BTMU: for reference)

4	Net business profits before provision for general allowance for credit losses	300.0	580.0	417.0	666.9
5	Total credit costs	(20.0)	(30.0)	(4.7)	(25.4)
6	Ordinary profits	280.0	570.0	410.2	632.2
7	Net income	200.0	420.0	323.0	481.4

(MUTB: for reference)

8	Net business profits before credit costs for trust account and provision for general allowance for credit losses	95.0	175.0	92.7	181.4
9	Total credit costs	(5.0)	(10.0)	1.7	(22.5)
10	Ordinary profits	100.0	175.0	105.5	164.4
11	Net income	75.0	130.0	75.7	120.2

MUFG Re-Imagining Strategy – Building Anew at MUFG

MUFG Re-Imagining Strategy – Building Anew at MUFG

- Provide customers, employees, shareholders, and all stake holders with the best value through an integrated group-based management approach that is simple, speedy and transparent
- Also aim to achieve sustainable growth and contribute to the betterment of society by developing solutions-oriented businesses



(note) Figures are rough estimation in FY23

1. Strengthening our management approach based on customer- and business-based segments

- (1) Further Wealth Management strategy
- (2) Reinforce business with large companies with group-unified service and global platform
- (3) Accelerate Asset Management business
- (4) Enhance Payment Platform

2. Business transformation through the use of digital technology

- (1) Improve customer convenience
- (2) Business process reengineering
- (3) Reform customer interface channels domestically and globally

3. Initiatives to improve productivity

- (1) Strategically review portfolio of existing investment in affiliates
- (2) Optimizing human resource allocation on a group-basis
- (3) Working-Style reforms(increase time to face customers)

4. Reorganization of MUFG group management structure

- (1) Integrate corporate loan-related business of BTMU and MUTB
 - Establish the most suitable formation to service our corporate clients as one group
 - Clarify the mission and responsibility of each group member
- (2) Strengthen AM and IS businesses - New trust banking model
 - Accelerate AM and IS businesses as growth area for group
 - Make MUKAM a wholly owned subsidiary of MUTB
- (3) Review customer segmentation
 - Integrate Japanese retail banking and SME segments
 - Reorganize Japanese large corporate and global corporate segments respectively, each of which is managed globally across geographical boundaries
- (4) Establish the framework to promote our digital strategy
 - Appoint a Chief Digital Transformation Officer(CDTO)
 - Establish Digital Transformation Division
- (5) Reinforce retail payment business
 - Make MUN a wholly owned company of MUFG
- (6) Rename the commercial bank as “MUFG Bank”

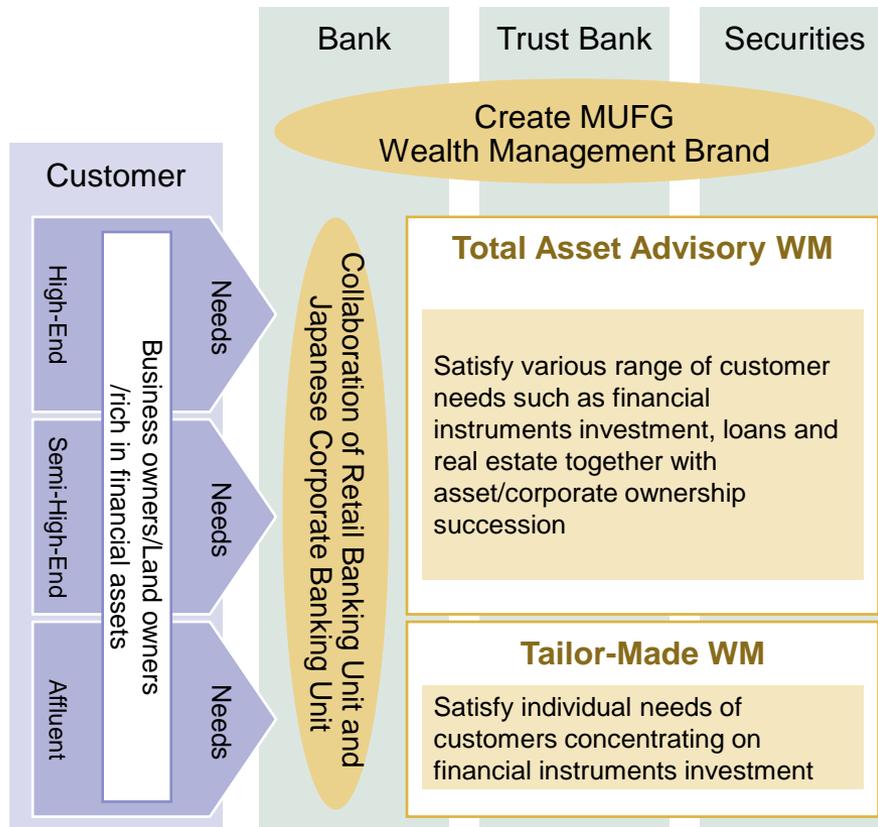
MUFG Re-Imagining Strategy - Building Anew at MUFG

- Further Wealth Management strategy

Operating profit
¥50 bn

- Provide seamless “Comprehensive financial services” where MUFG has an advantage
- Promote (1) “Total Asset Advisory WM” of cross-sell various solutions through asset/corporate ownership succession, (2) “Tailor-Made WM” of setting financial instruments sales as the core
- Strengthen collaboration with corporate finance team for business owners

Business promotion model by segment



Areas to be enhanced

Improve an appeal for High-End owner

- Bring together persons in charge of High-End segment customers within group
- Concentrate group-wide expertise to respond to various customer needs

Develop advisory function of asset and corporate succession

- Consolidate Products Offices for asset/corporate ownership succession to be shared among the group

Drive portfolio management business

- Accelerate collaboration with MUMSS and PB security
- Share best practice of PB style business promotion among group

Expand product-line up

- Reinforce loan, investment products sales and real estate business from WM business-oriented perspective
- Officially start fee based advisory services

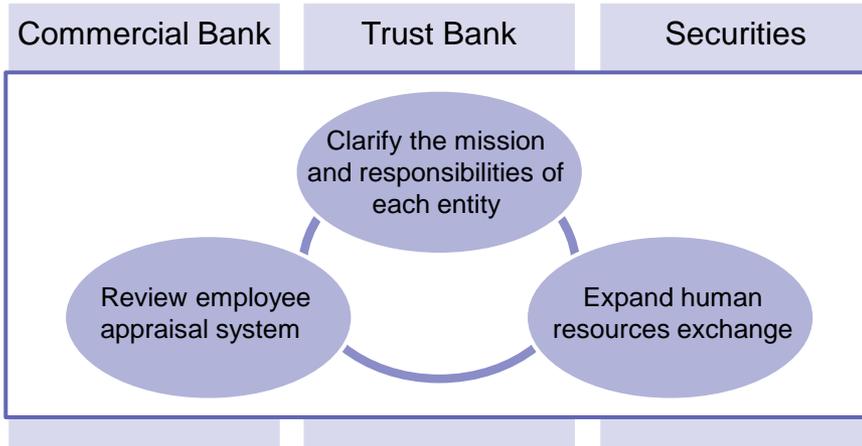
MUFG Re-Imagining Strategy - Building Anew at MUFG

- Reinforce business with large companies with group-unified service and global platform

Strengthen the framework to promote businesses with large corporate customers

Strengthen customer- and business-based approach beyond boundary of group entity

- Each entity exerts expertise and establish the formation to seamlessly provide comprehensive financial services

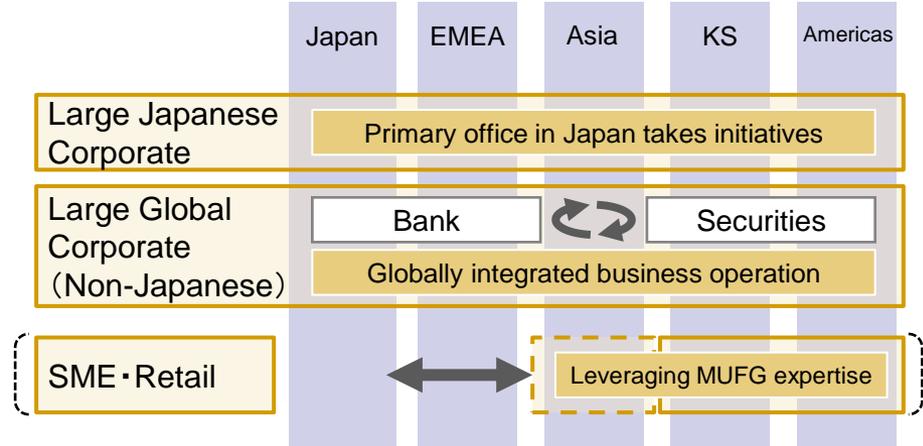


Transfer MUTB's corporate loan-related businesses to BTMU (Apr 18)

Trust Bank will focus on its domestic and global AM/IS business, which is one of the most important growth segments for MUFG, and strengthen its real estate business, pension service, shareholder service and estate administration service, thereby integrating its high level of expertise with MUFG's wide customer base and developing a "trust business-oriented consulting and solution business"

Strengthen customer- and business-based approach beyond boundary of regions

- Strengthen our capabilities to respond to the needs of large companies with business-based approach on a global basis



Redefine business areas enabling further strategic human resources allocation

Become our customers' best partner by enhancing their corporate value

MUFG Re-Imagining Strategy - Building Anew at MUFG

- Enhance payment platform

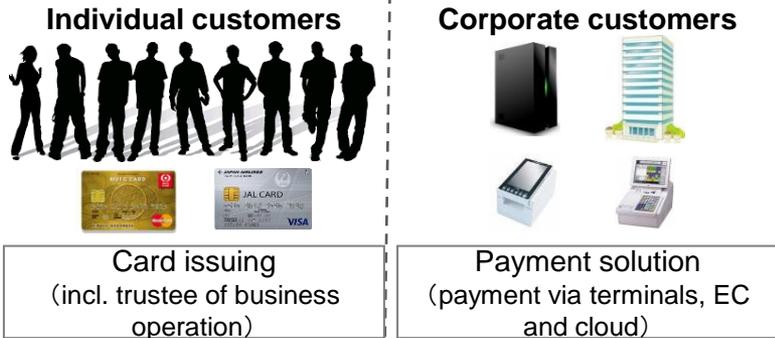
- Expand payment business positioning MUN as a payment platform of MUFG

Make MUN a wholly owned subsidiary of MUFG

Future vision of retail payment business

Mid-to-long term outlook

Current

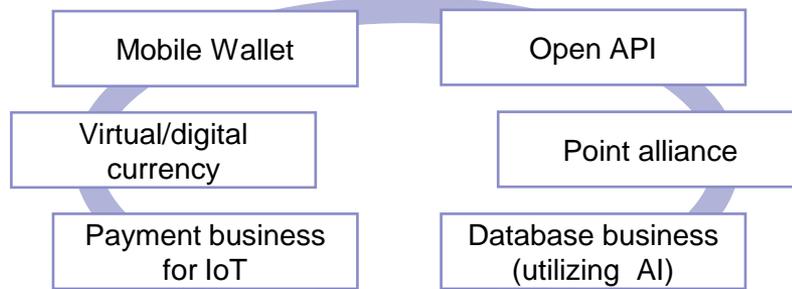


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Payment platform of MUN
(New systems and business base after integration)

Unification
MUFG's digitalization

Future



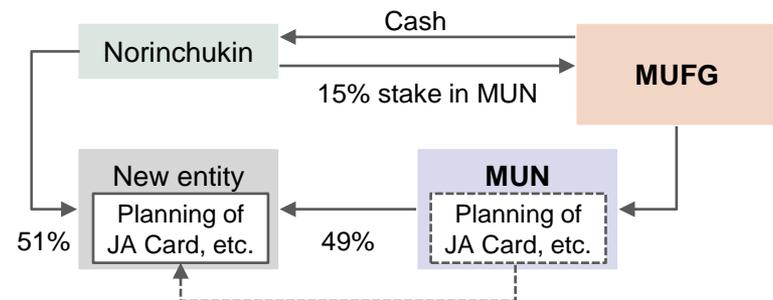
- MUN will become a wholly owned subsidiary of MUFG to accelerate MUN's structural reform and to pursue group synergies

【Contribution on profits】

Effect of boosting profits (FY24, ¥ bn)

Structural reform	10.0
System integration	20.0
Strategic initiatives	5.0 - 10.0
Total	35.0 - 40.0

- Strengthen strategic alliance with The Norinchukin Bank. Transfer strategic planning function of JA Card business to a newly established company, and enhance collaborations

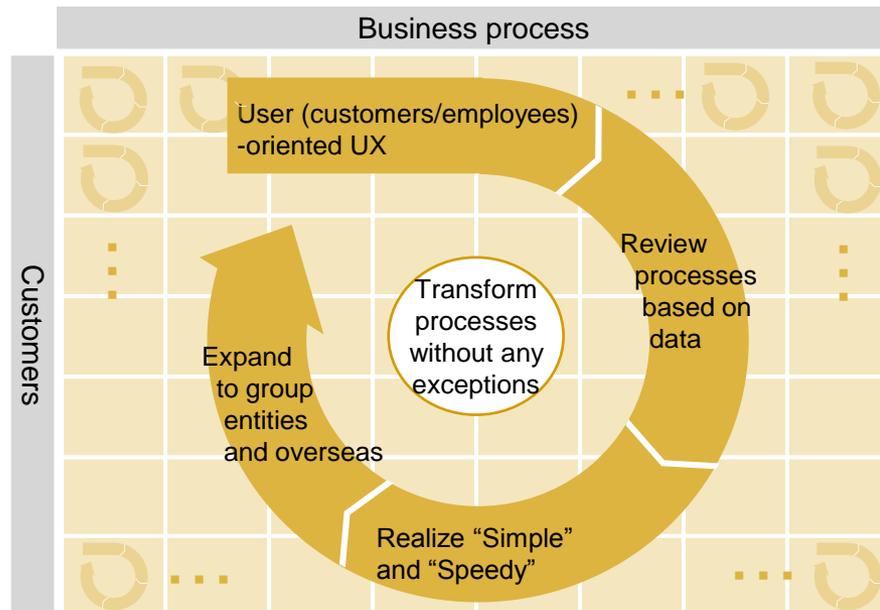
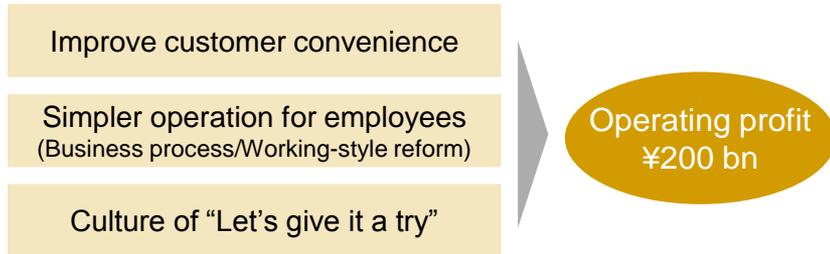


MUFG Re-Imagining Strategy - Building Anew at MUFG

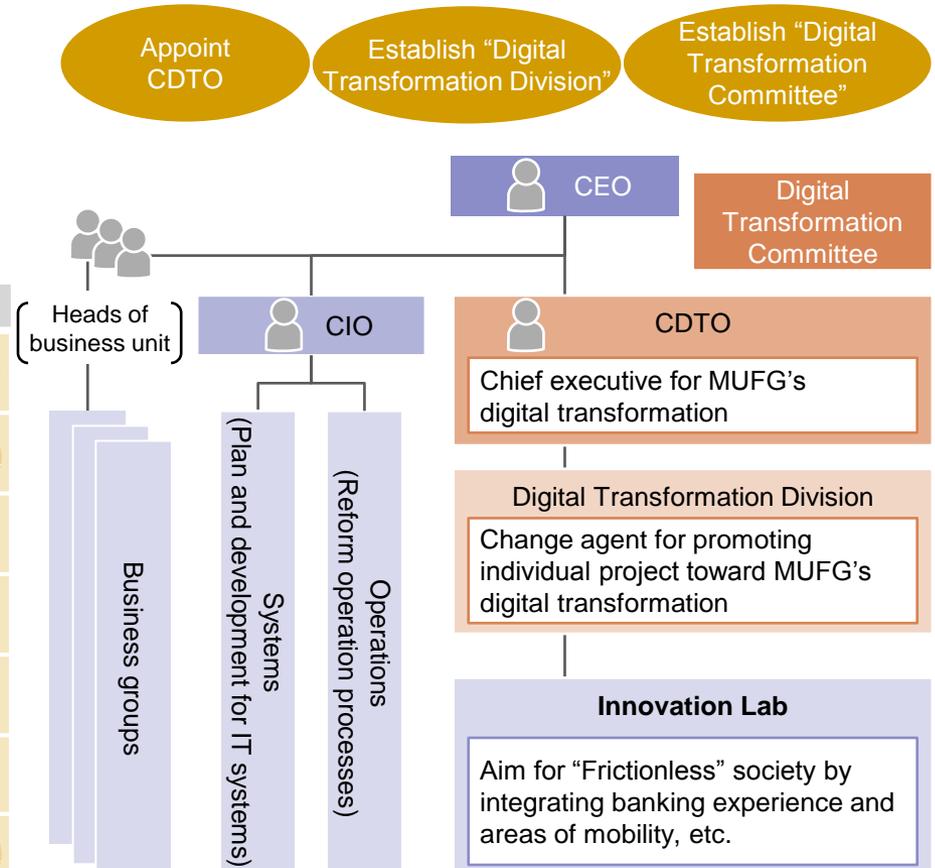
- Business transformation through the use of digital technology

- Incorporate new technologies and best practices free off preconceptions and thereby establish new businesses and operational processes that are more sustainable
- Appoint Chief Digital Transformation Officer (CDTO) and establish Digital Transformation Division to take the lead in promoting our digital strategy
- Also, establish Digital Transformation Committee to deliberate various policies

Future direction



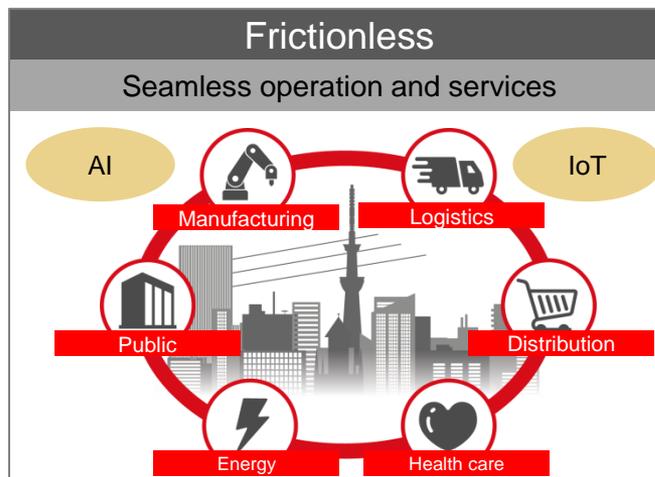
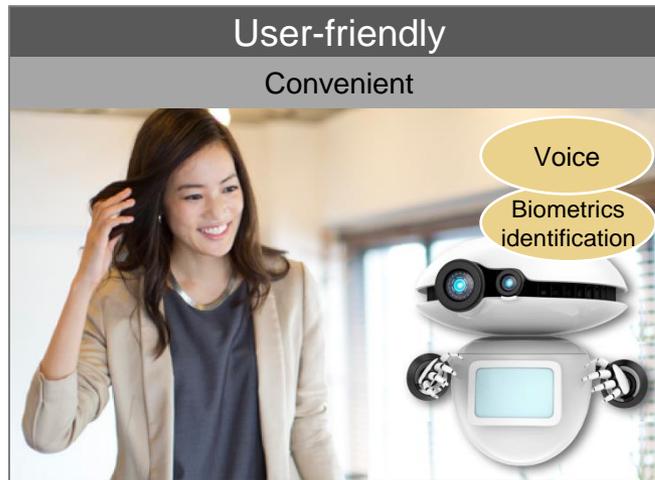
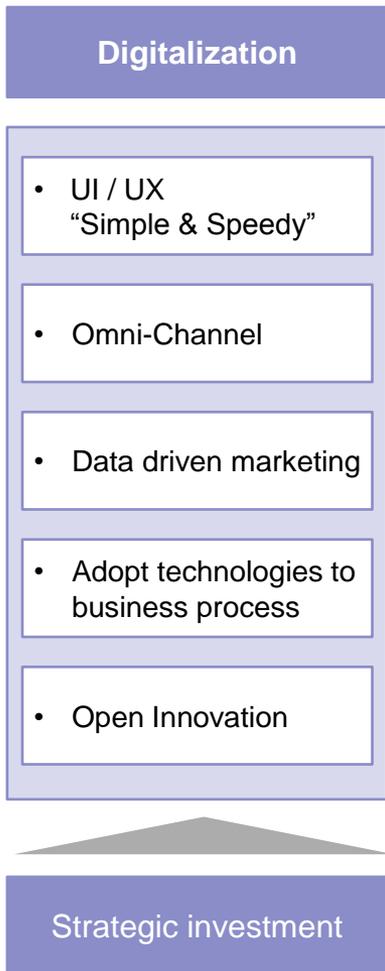
Framework for promoting digitalization



MUFG Re-Imagining Strategy - Building Anew at MUFG

- Reform customer interface channels

- Transform customer interface channels and convert to “next-generation” outlets by digitalization with accessibility of our services anytime and anywhere



MUFG Re-Imagining Strategy - Building Anew at MUFG

- Initiative to improve productivity

Financial discipline / network optimization

Optimize business platform along with changes in business environment

- Achieve structural reforms through sophisticating business operations and platform in the face of tightened international financial regulations and changes in business environment

RWA-
Non-JPY liquidity

Strategic
Investment

Domestic and
overseas network

RWA-
Non-JPY
liquidity

- Manage Non-JPY balance sheet by focusing more on profitability
- Strengthen capabilities for Non-JPY deposit taking business
- Optimize asset portfolio

Strategic
investment

- Optimize strategic investment considering financial discipline and restrictions on RWA
- Pursue inorganic growth opportunities in strategic areas

Domestic and
overseas
network

- Rebuild most suitable delivery channels
- Reduce costs related to overseas network by introducing hub-and-spoke model etc.

Reinforce base for sustainable growth on a global basis through achieving structural reforms

Best allocation of human resources

Allocating human resources across group entities

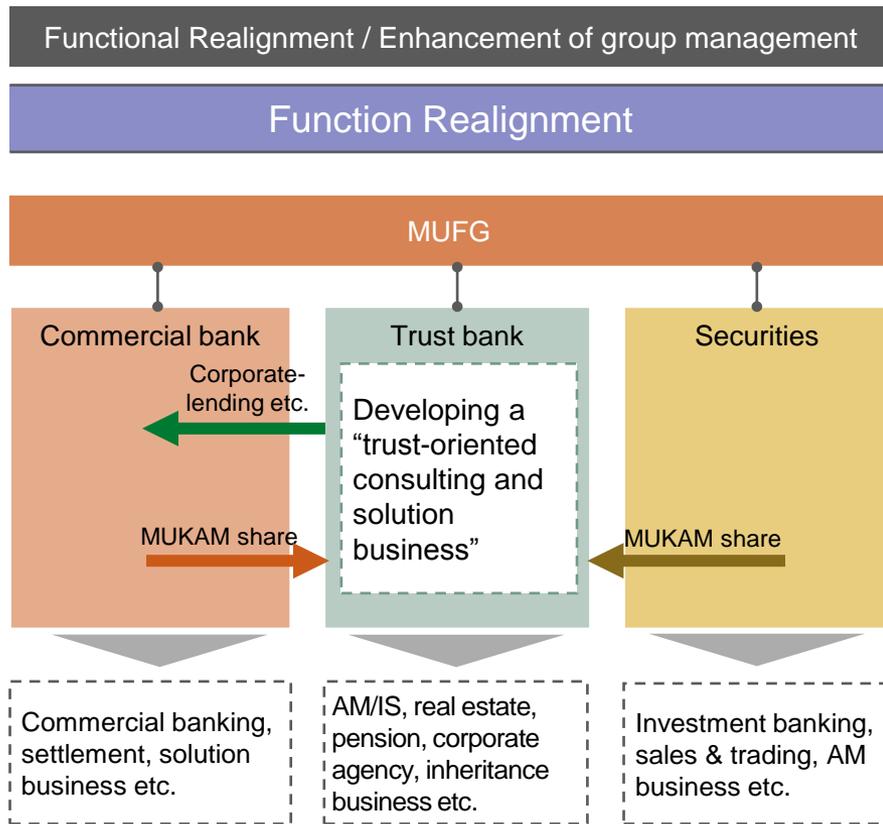
- Accelerate human resource exchanges across group entities and share evaluation methods in equivalent positions in order to promote group-based activities
- As MUFG, enhance competitiveness of the talents with professional skills including digital technology by establishing MUFG Academy and initiating a group-based recruitment
- Launch a new organization that manages both those hired in Japan and those in overseas markets to optimize best allocation and strengthen global strategies
- Foster employees' mindset that encourages everyone to pursue the common goals by, for example, introducing compensation system linked with MUFG group performance

Improve worthwhileness of working

- Enhance business processes to a more user-friendly one by implementing digitalization strategy, which improves productivity, brings additional values to our business and contributes to capture new opportunities
- Achieve best mix of diversified human resources leveraging individuals' strengths regardless of job category, age, gender, and hiring place

MUFG Re-Imagining Strategy - Building Anew at MUFG

- Reorganization of MUFG group management structure



- Enhancement of group management
- On top of efforts for improving efficiencies by each entity, effectively utilize resources on a group basis
 - Centralize and improving efficiency of the functions of our corporate center, back-office and IT systems

Business Unit

Strengthen customer- and business- based approach

- Establish a framework to provide highly-valued solutions with diversifying and increasingly sophisticated customers' needs

Integrate operation between Japanese retail and SME	<ul style="list-style-type: none"> • Integrate the segment of Japanese retail commercial banking and SME business
Strengthen global approach to large corporate business	<ul style="list-style-type: none"> • Reorganize Japanese large corporate and global corporate segments respectively • Each segment is managed globally across geographical boundaries
Enhance expertise of each function	<ul style="list-style-type: none"> • Consolidate and utilize specialist personnel on a group basis

Rename the commercial bank (April 18)

- Highlight “MUFG” for commercial bank’s name



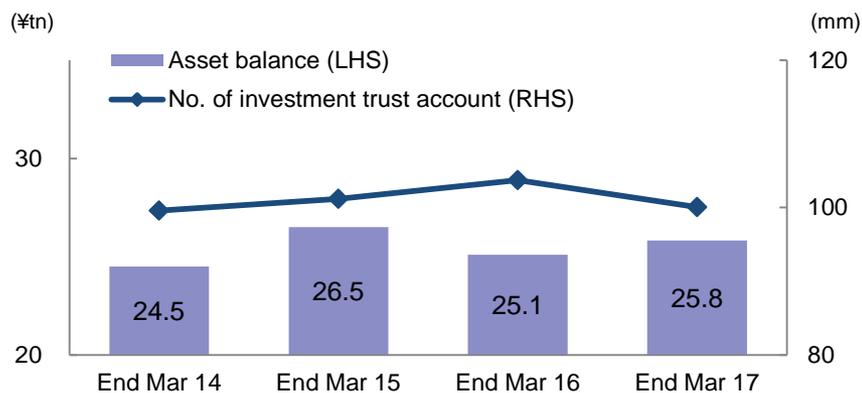
Growth Strategy

Support wealth accumulation and stimulation of consumption for individual clients

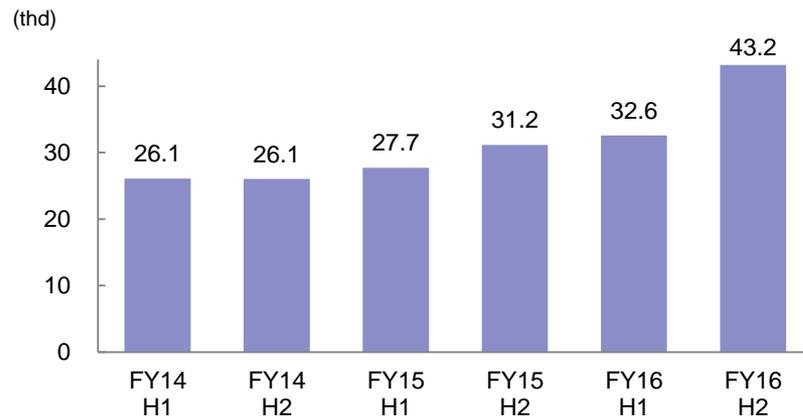
– Promotion of shifts from savings to stable asset building

- Steady progress for enhancing revenue from stock balance. Investment products sales slowed due to unfavorable economic environment, however, the trend has slightly turned around in FY16H2

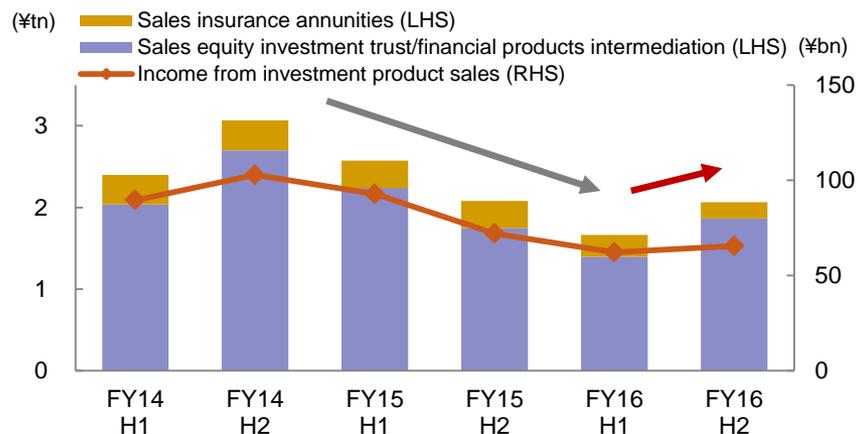
Asset balance^{*1} / no. of investment trust account^{*2}



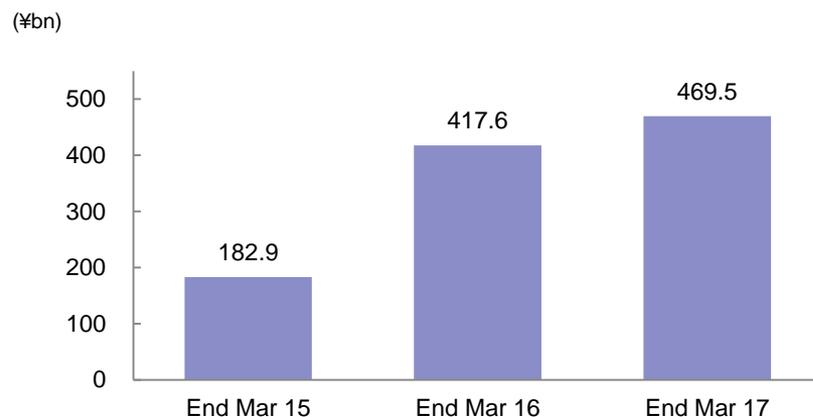
Transaction no. of installment payment insurance



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



Wrap product balance (Incl. wrap fund)^{*1}



*1 Managerial accounting basis

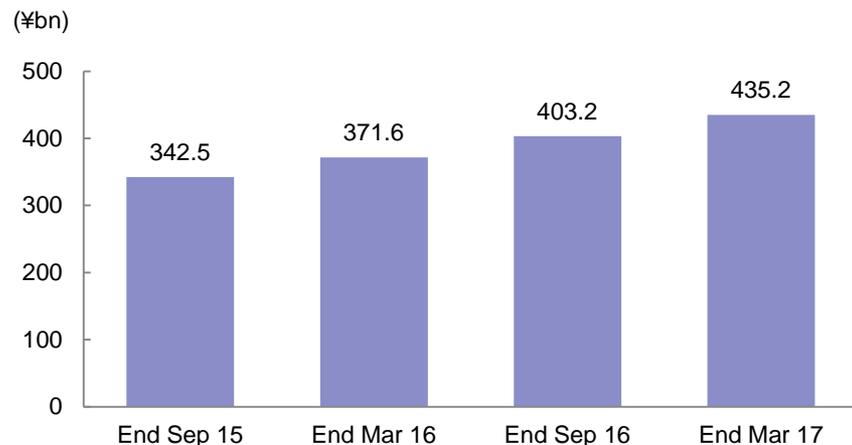
*2 Excl. investment trust account without balance

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

Support wealth accumulation and stimulation of consumption for individual clients

– Consumer finance / payments

Balance of BANQUIC (BTMU)*1

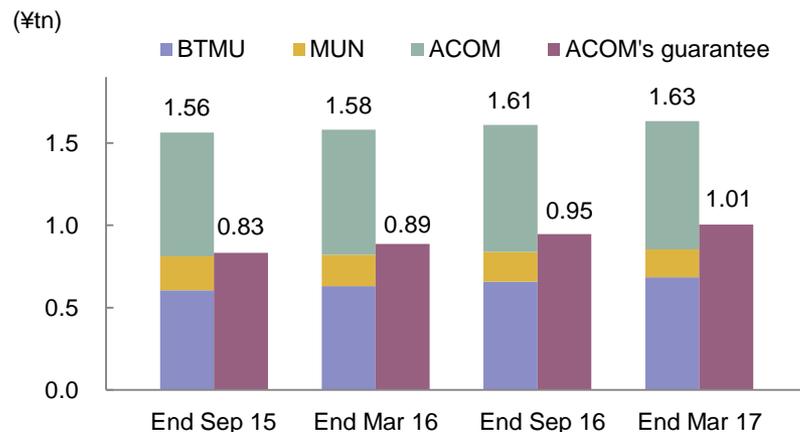


Contributing to the healthy consumer finance market

- Taking related regulations/requirements into account, contributed to the development of healthy bank card loan market
- Review our current approach for bank card loans and take steps such as following

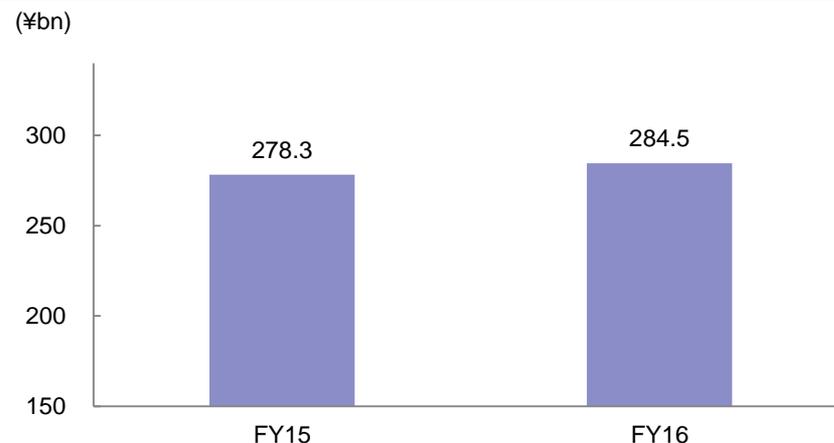
	Approaches
Requirements of annual income certificate	<ul style="list-style-type: none"> • From more than ¥2.0 mm to more than ¥0.5 mm
Advertising policy	<ul style="list-style-type: none"> • Manage with consideration such as <ul style="list-style-type: none"> ✓ Broadcasting volume and time of TV ad ✓ Refrain from presenting standards for annual income certificate submission

Balance of unsecured loan, guarantee*1



*1 Managerial accounting basis

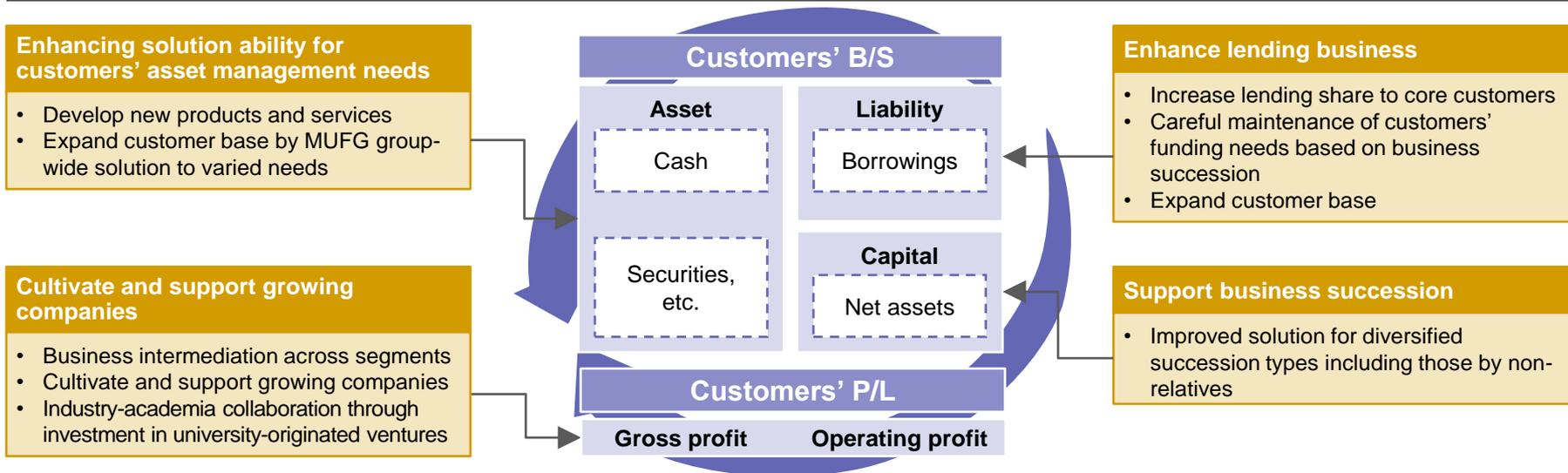
Profits in card business (MUFG)*1



Contribute to growth of SMEs

- Enhance core businesses (lending and exchange, etc.) 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.



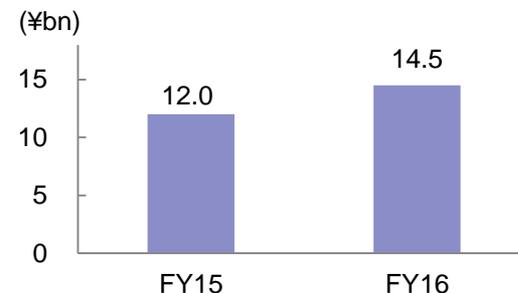
Profits from AM business*1



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

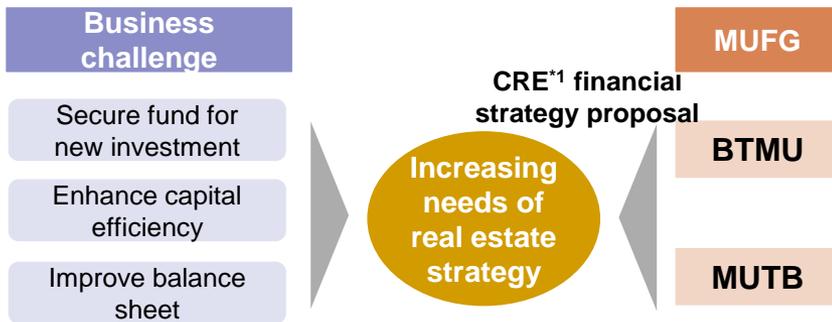
Reform global CIB business model

– Japanese large corporation

- Increase our knowledge and MUFG's group-wide business solution capabilities for diversified operational environment and business issues of each customers

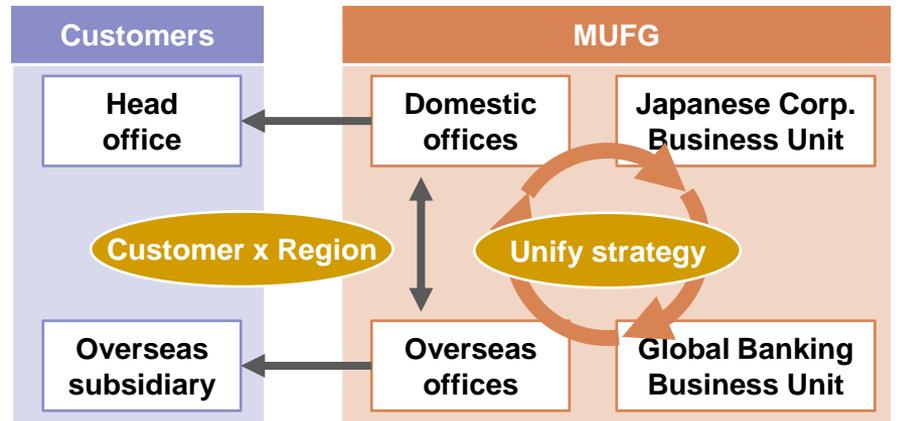
Promote deal-creating business model

Example: CRE^{*1} financial strategy proposal



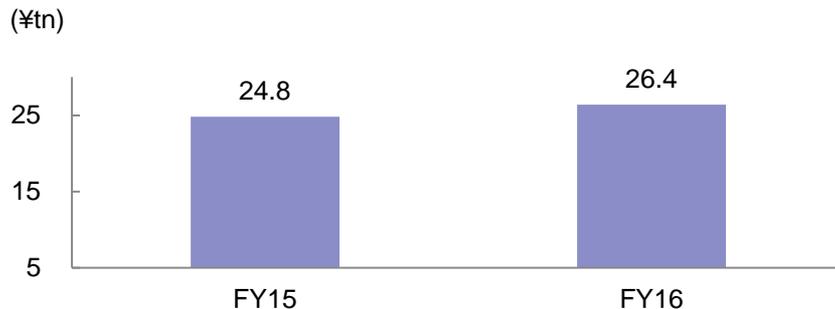
- Provide solutions to customers leveraging BTMU/MUTB's strength

Expand overseas business with global co-operating structure

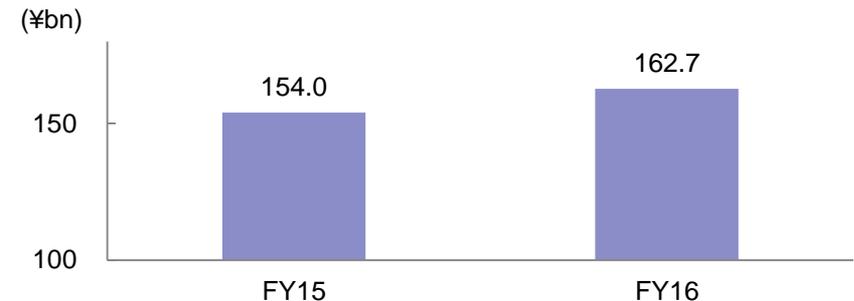


- Promote PMI (post merger integration) transactions by providing solutions to overseas acquired company

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

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

Reform global CIB business model

– Global corporate

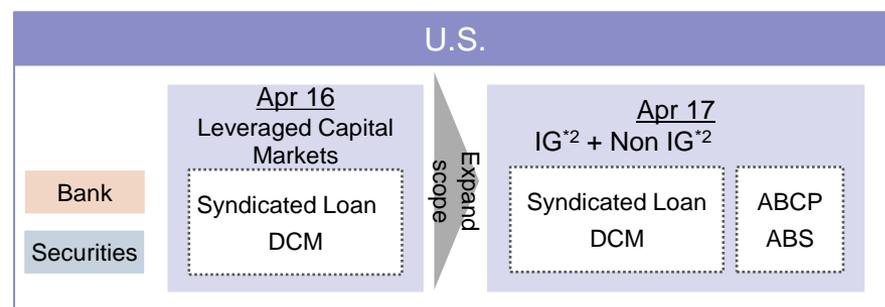
- Strengthen business with global corporates by developing global coverage model and expanding integrated operation between banking and securities business

Non-interest profits (Global corporates)*1



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

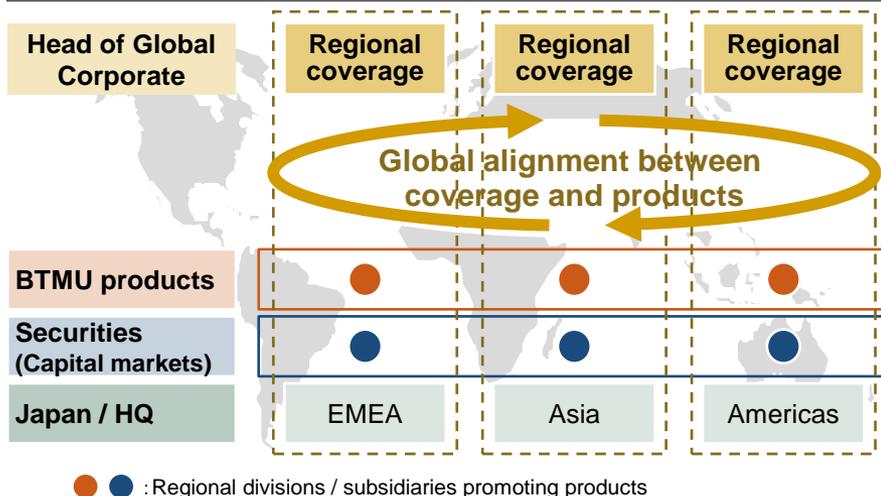
Integrated operation in primary business



Jul 17 Expand integrated operation model to EMEA and Asia

*2 Investment Grade

Global coverage model



Case studies

Acquisition finance for Abbott

- MUFG supported Abbott's acquisition of St. Jude with bridge finance, bond issuance (Passive Book runner)

RMBS*3 Transaction for AMP (Issue Size: AUD750 mm)

- MUFG Securities was mandated as a Joint Lead Manager for the deal
- MUFG provided comprehensive debt solutions for the client, with BTMU serving as warehouse provider*4

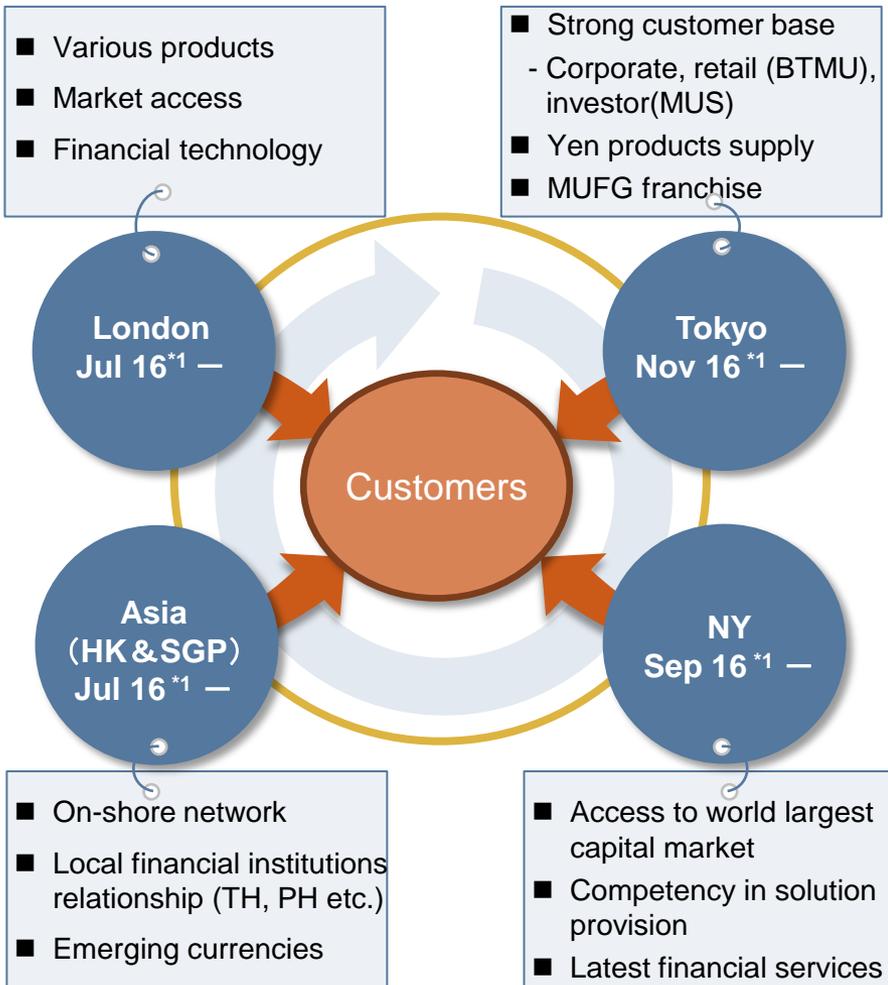
*3 Residential Mortgage-Backed Securities

*4 Financing function which provides temporary funding for purchasing assets to be utilized for originating securitized products

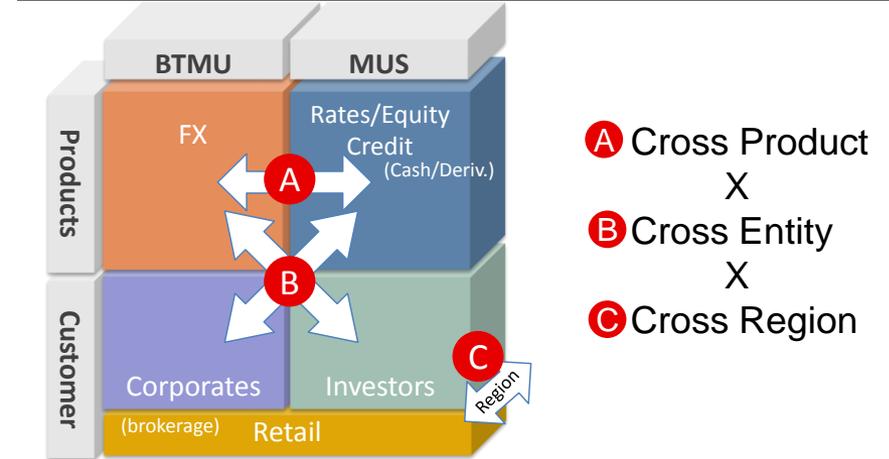
Evolve sales and trading operations

- In FY16, a healthy overseas performance has compensated for profit decrease in domestic market
- Move toward operational phase. Develop inbound/outbound business through globally integrated operations

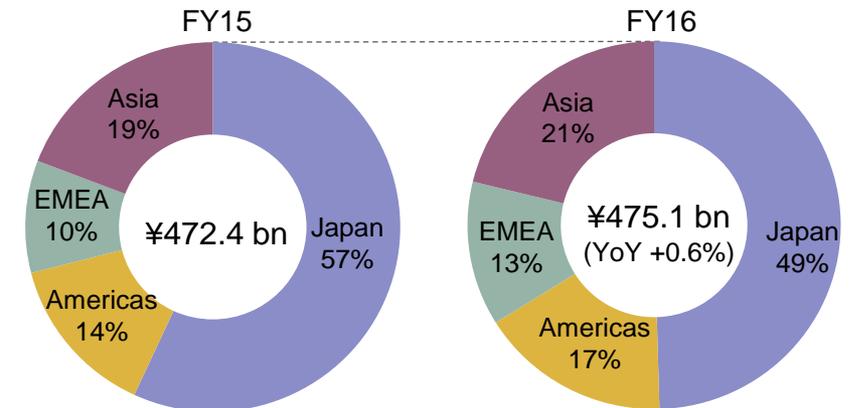
MUFG One Global Platform



Enhancing synergy between BTMU & MUS



Consolidated S&T gross profits^{*2}



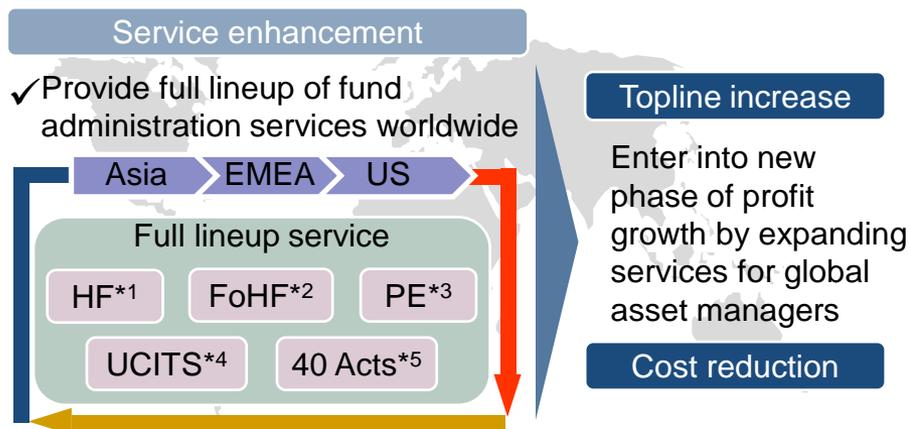
*1 Integrated operations started in each region on the date shown

*2 Consolidated S&T gross profits of BTMU / MUTB / MUSHD. Local currency basis

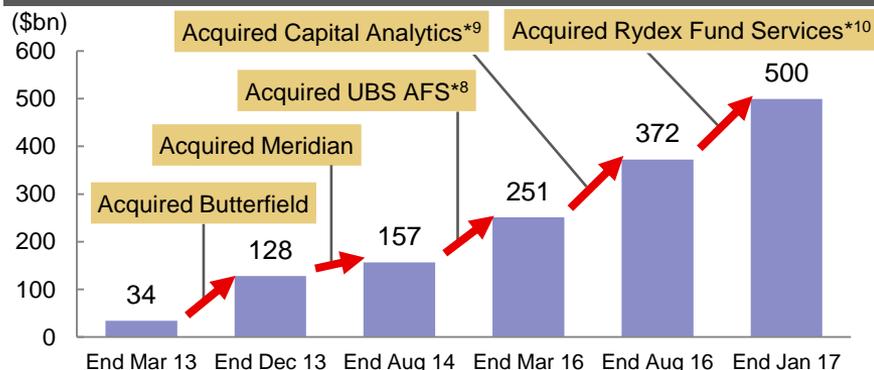
Develop global asset management and investor services operations

- Global IS : Provide a full lineup of fund administration services for global investment managers and enter into new phase of profit growth
- Global AM : Consider new inorganic investments. Accelerate the index business and expand the distribution channel

Global IS to enter into new phase of profit growth



Balance of global IS*6 (AuA*7)



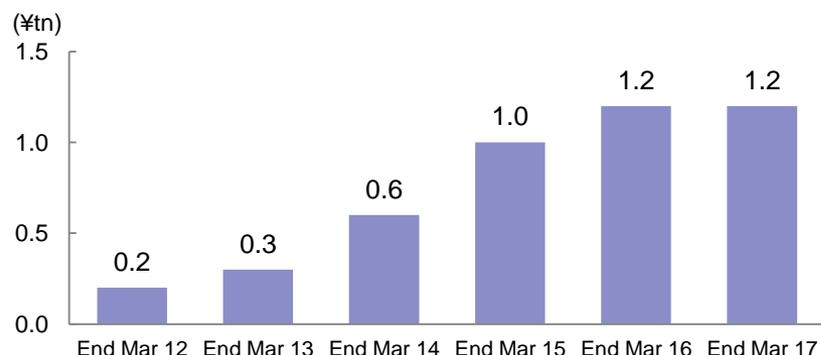
Affiliation and collaboration of global AM

Affiliates with stake holding	AuM*11 capital ratio	Products
Standard Life Aberdeen *12	¥94 tn 6%*13	Equity / Bond (Global, Emerging, Asia), Real estate, etc.
AMPCAPITAL	¥14 tn 15%	Equity / Bond (Australia, Global), Infrastructure, Real estate
申万菱信基金 SWS HU FUND MANAGEMENT	¥2 tn 33%	Equity / Bond (China)

(As of end Mar 17)

Index Business Collaboration	STOXX	Jointly develop smart-β indices to enhance investment product sales and provide to asset managers
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Balance of AuM from overseas investors (MUTB)



*1 Hedge fund *2 Fund of Hedge Funds *3 Private equity *4 Investment funds established and managed under the EU regulations *5 Mutual fund based on the 1940 Investment Company Act *6 Sum of HF·PE·Investment funds (40Act etc) administration *7 Asset under administration

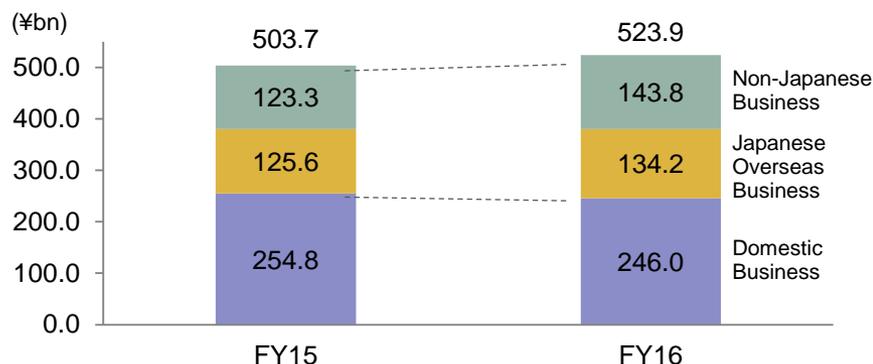
*8 Alternative Fund Services *9 Current MUFG Capital Analytics, LLC *10 Current MUFG Investor Services(US), LLC *11 Asset under management

*12 Aberdeen Asset Management merged with Standard Life Plc on Aug 14th 2017 *13 AuM includes insurance assets

Further reinforce transaction banking business

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

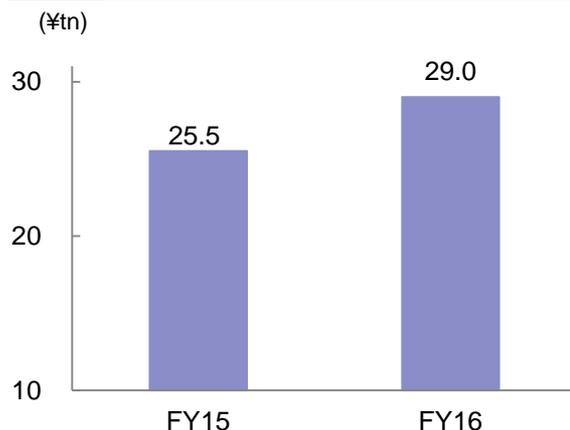
Transaction banking gross profit*1



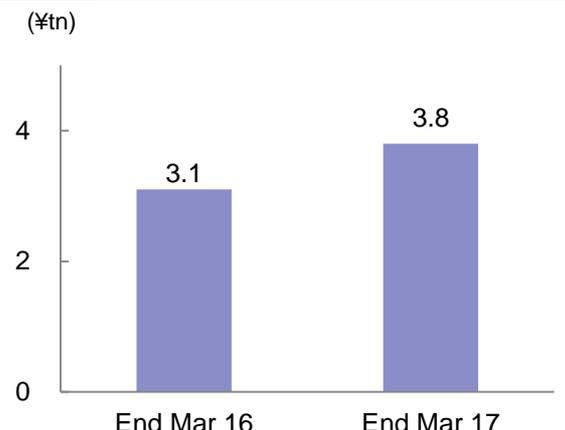
EUROMONEY cash management survey, global ranking



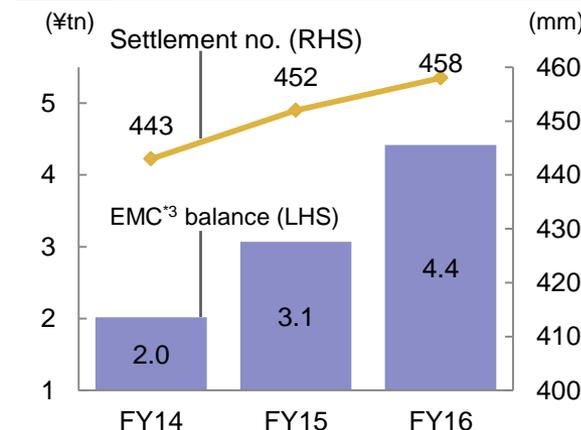
Over-seas Avg. balance of non-JPY deposits*1



Over-seas Trade finance*2 balance*1



Domestic EMC*3 balance·settlement no*1



*1 Figures are on a managerial accounting basis and local currency basis

*2 Trade finance: Import / export LC and documentary collections, transactions under FI trade credit limits, open account trade finance, stand-by LC, bank guarantee

*3 EMC: Electronic Monetary Claim

Strengthen commercial banking platforms in Asia and the United States

– U.S. Business

- Focus on increasing fee income/deposit and cost management to improve profitability and generate sustainable growth

Consolidated results of Americas*1

(#bn)		FY16	FY17	
			Q1	YoY
1	Gross Profits	698.5	166.0	(7.1)
2	Interest Income	471.7	121.9	8.4
3	Non- Interest Income	226.7	44.1	(15.5)
4	Operating Income	270.8	51.6	(11.4)
5	Average Lending Balance (tn)	19.9	19.7	0.1
6	Average Deposit Balance (tn)	16.6	17.2	1.0

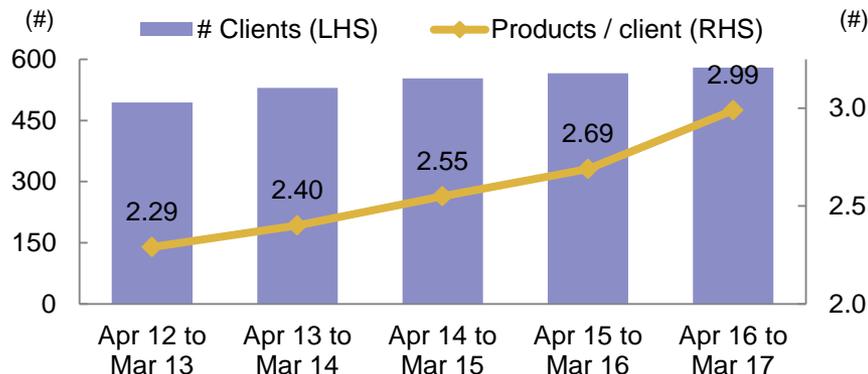
Gathering deposits

Offer online-banking services with a strategically located physical presence across the U.S.



Client solutions

Products per client in Wholesale Bank*2



Improving efficiency

Organization simplification

- Spans & layer recalibration - reduce number of managers
- Increase centralization of certain functions

Resource location strategy

- Increase ratio of workforce distributed in low cost geographies
- Offshoring / outsourcing

Third party spend

- Reduce business consulting spend

Other important business considerations

- Six Sigma process reengineering
- Rationalize certain non-core businesses
- Branch consolidations, self service banking

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

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

Strengthen commercial banking platforms in Asia and the United States – Krungsri

- Support Thai corporate customers in their overseas expansion leveraging MUFG's global networks and capabilities
- NPL ratio maintained lower level

Strategic objectives*1

(THB bn)	FY16 (End Dec 16)	FY17 H1 (End Jun 17)	Change
Lending balance *2	1,448.9	1,475.5	26.6
Non-interest income	29.5	15.1	0.9*3
CASA balance	583.9	580.5	(3.4)

*1 All figures are based on Thai GAAP
 *2 Loans to customers net of deferred revenue
 *3 Year on Year

Major synergy transactions

Support cross border business of Thai Corporates



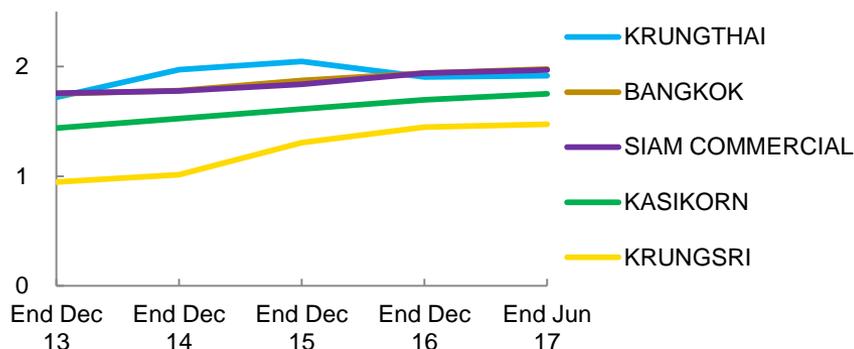
■ Provided financial support to Central Group for its M&A deal for Big C Vietnam



■ Supported Thai Union Group in international investment in US seafood restaurant chain Red Lobster

Lending balance comparison*4

(THB tn)

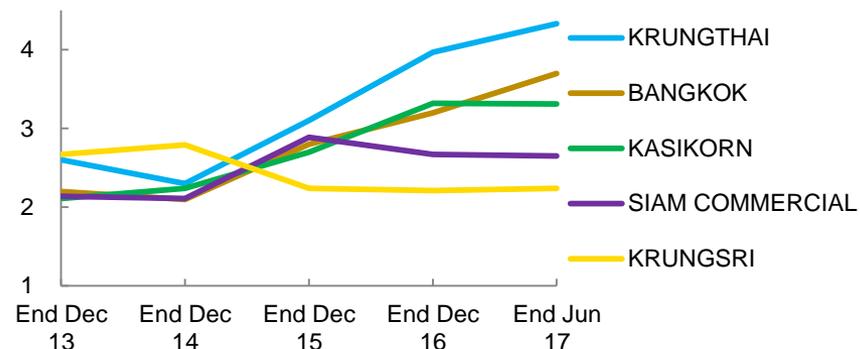


(Source) Company data.

*4 Lending balance is sum of loans to customers, accrued receivables and deferred revenue
 BTMU Bangkok branch was integrated to KS with total loan of THB 232.7 bn in Jan 15

NPL ratio comparison

(%)



ICT strategy

– Progress in open innovation

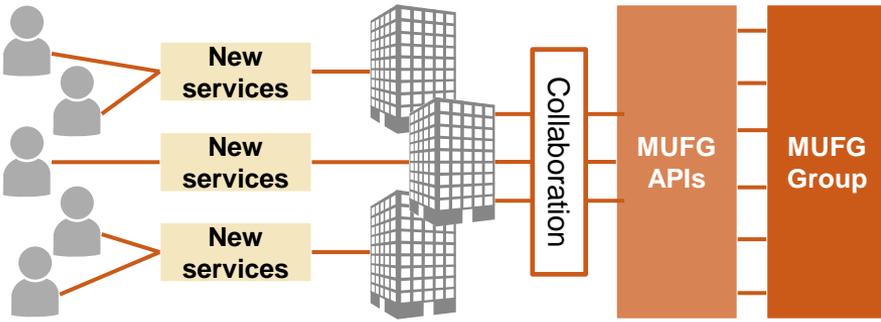
API

Provision of “MUFG APIs”

MUFG {APIs}

- MUFG group companies open their APIs to external parties to deliver innovative services

Customers	Companies	MUFG
Enjoy improved/secured services	Develop new businesses	Quick services deployment



Companies*1

Service offering (from Apr 17)	Under consideration
 <small>OBC BUSINESS CONSULTANTS CO.LTD</small>	   <small>Japan Digital Laboratory</small>      <small>リクルートファイナンスパートナーズ</small>

*1 Companies developing or considering to develop businesses by utilizing Bank API (As of end Apr 17)

Blockchain

Participation in Ripple’s global settlement network

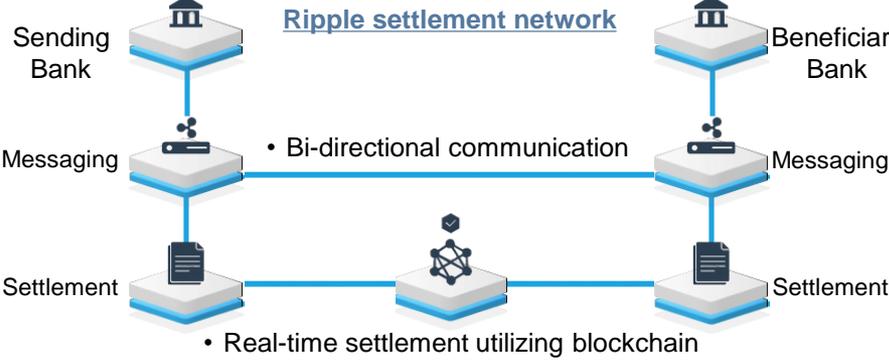


- The only Japanese bank participating in domestic and overseas councils
- Contribute to network rulemaking as first Asian member of global advisory group

Global Payments Steering Group*2

MUFG, BoA, CIBC, RBC, Santander, StanChart, Westpac

Evolutional settlement processing



- Implement quick, secure and efficient settlement
- Aim for commercial use, following pilot tests in FY17

*2 A global advisory group of financial Institutions which contributes to defining rules, standards and governance for cross-border payments

ICT strategy

– Progress in open innovation

AI (Deep learning)

Collaboration with Alpaca



- Alpaca won second prize in MUFG's "Accelerator Program" held in Aug 16
- Leveraging its strengths in deep learning, involved in multiple projects at MUFG



Online trade

Provide chart image recognition service

Enhance individual investors' analysis capabilities



(Jibun Bank)

Foreign ccy deposit

Offer support tools (Market forecast utilizing AI)

Aim to provide deposit product using an AI-based investment decision assistant

Bank of Tokyo-Mitsubishi UFJ

Trading

- Establish market forecast model
- AI trader

Employ deep learning to realize automated and more efficient trading

- **AI-based analysis has reached the commercial phase**
 - Radically enhances customer convenience
 - Improves operational efficiency while reducing cost

Other initiatives and results

Major initiatives (from FY15H2)



Venture-affiliation website

A website for setting up partnerships with promising startups



Accelerator Program

Select a few of distinguished startups and helps them launch business



Hackathon

External developers compete to create innovative apps, with demonstration-use banking APIs

Results from collaboration with MUFG



Created AI-based financial analysis for individual investors



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



Developed a dedicated MUFG website for promoting open innovation



Developed apps for assisting in the selection of investment trusts

ICT strategy

- Ongoing projects in Japan and overseas

- MUFG employs its facilities around the globe to take part in multiple projects aimed at commercializing innovative solutions

Key projects undertaken at facilities around the world

Global

R3

Blockchain

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

Ripple

- Participating in consortiums in both domestic and overseas

SF & NY

 Japan

Japan Exchange Group

Blockchain

- Participating in JPX proof-of-concept to test security transaction

MUFG

- Planning of new MUFG coin

Tokyo

 United States

Coinbase

Blockchain

- Investment in virtual currency exchange (Coinbase)

Chain

- Testing digital promissory note with Chain

SGP

 Singapore

Hitachi Group

Blockchain

- Testing digital check with Hitachi Group

IBM

- Digitization of system documents with IBM

- Economic sanction check

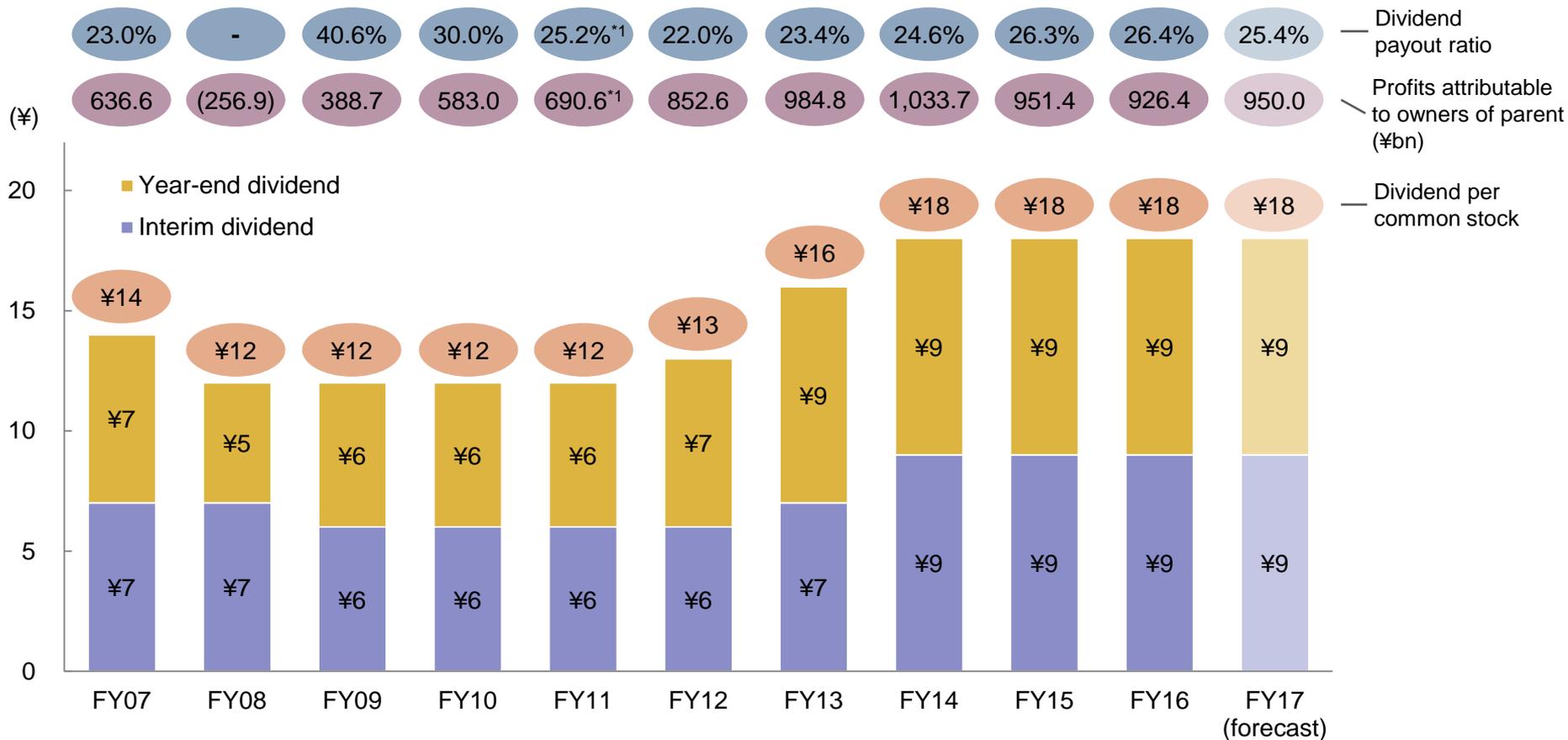
RegTech

Capital Policy

Dividend forecast

- FY16 dividend is ¥18 per common stock. FY17 dividend forecast is ¥18 per common stock

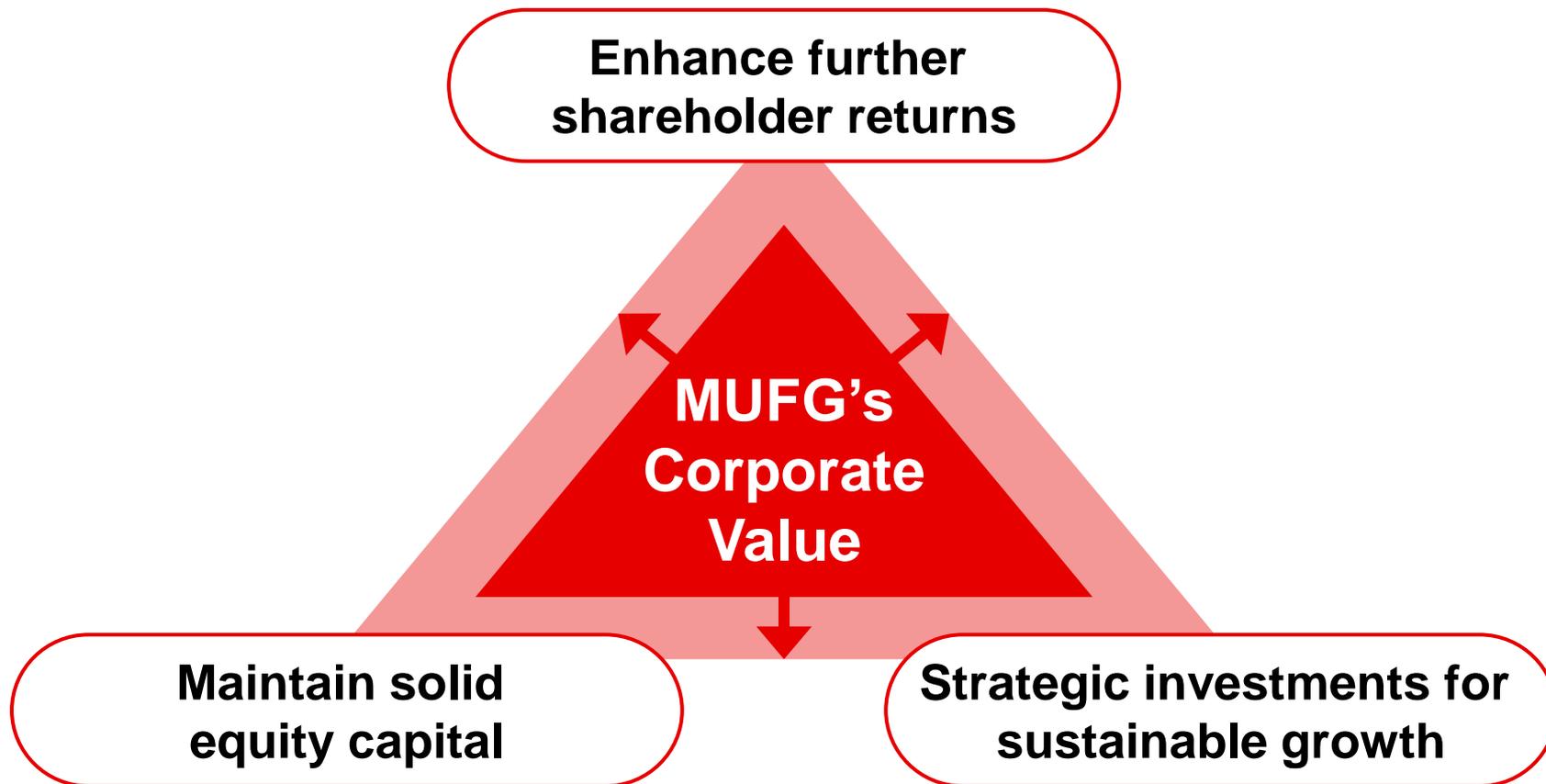
Result and forecast of dividend



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

Capital policy

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



Outline of repurchase and cancellation of own shares

(Consolidated)

- Repurchased own shares in order to enhance shareholder returns, improve capital efficiency and conduct capital management flexibly
- Established a policy regarding cancellation of own shares and cancelled all of the shares repurchased in FY17H1

Outline of repurchase and cancellation of own shares

	FY14	FY15	FY16	FY17H1
Type of shares repurchased	Ordinary shares of MUFG	Ordinary shares of MUFG	Ordinary shares of MUFG	Ordinary shares of MUFG
Aggregate amount of repurchase price	Approx. ¥100.0 bn	Approx. ¥200.0 bn (Approx. ¥100.0 bn each on two occasions)	Approx. ¥200.0 bn (Approx. ¥100.0 bn each on two occasions)	Approx. ¥100.0 bn
Aggregate number of shares repurchased	Approx. 148.59 mm shares	Approx. 232.85 mm shares	Approx. 332.85 mm shares	Approx. 141.15 mm shares (All of the shares have been cancelled)

(Ref) As of July 31, 2017

Total number of issued shares (excluding own shares): 13,321,143,660 shares

Number of own shares held by MUFG: 706,551,260 shares

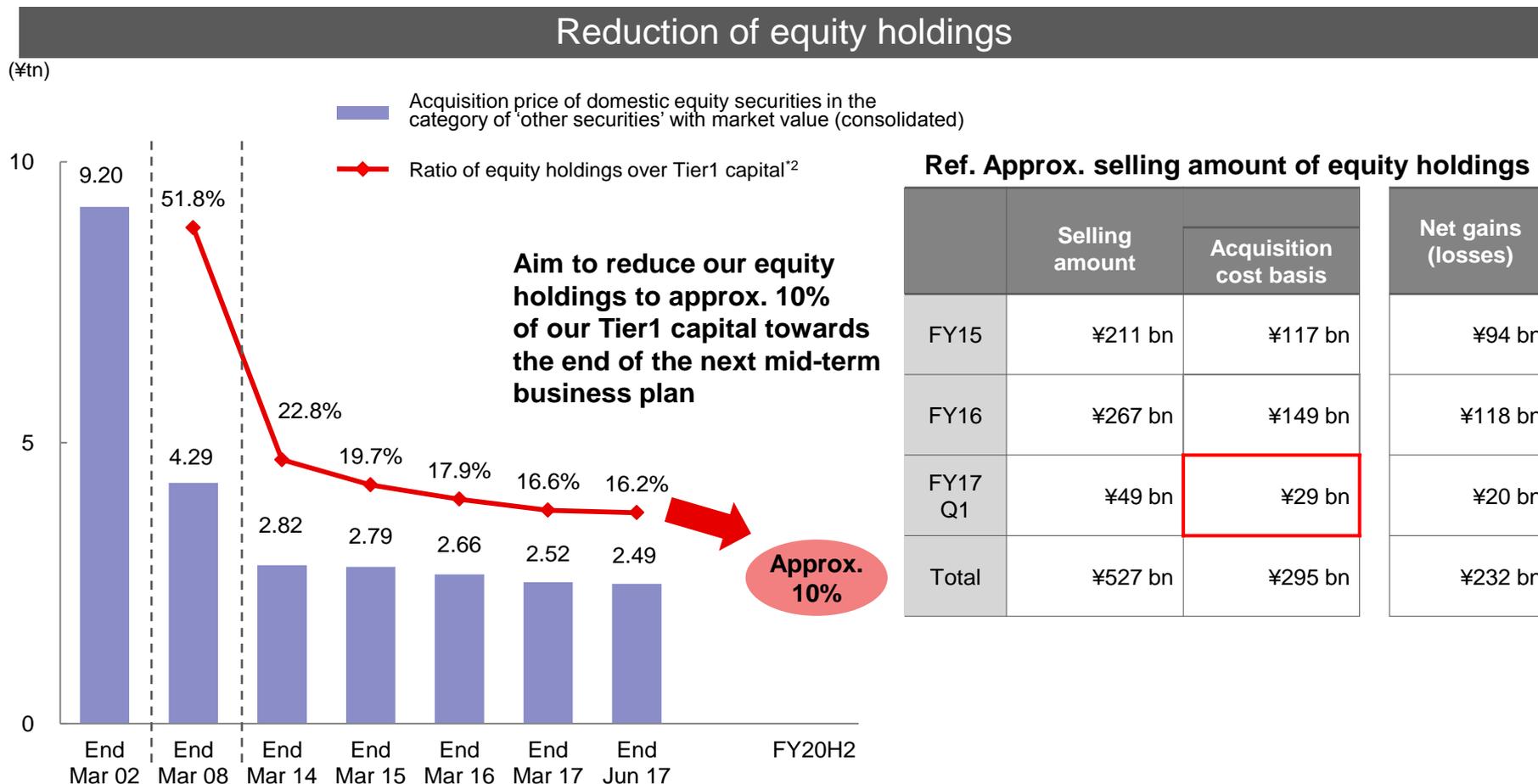
(Ref)	FY14	FY15	FY16
Total payout ratio	34.2%	47.2%	47.9%

Cancellation of own shares

Retain own shares of approximately 5% of the total number of issued shares at maximum and cancel the shares exceeding the threshold

Reduction of equity holdings

- Our basic policy is reducing the amount of equity holdings considering the risk, capital efficiency and global financial regulations
- Approx. ¥29 bn*1 equities were sold in FY17Q1



Ref. Approx. selling amount of equity holdings

	Selling amount	Acquisition cost basis	Net gains (losses)
FY15	¥211 bn	¥117 bn	¥94 bn
FY16	¥267 bn	¥149 bn	¥118 bn
FY17 Q1	¥49 bn	¥29 bn	¥20 bn
Total	¥527 bn	¥295 bn	¥232 bn

*1 Sum of BTMU and MUTB

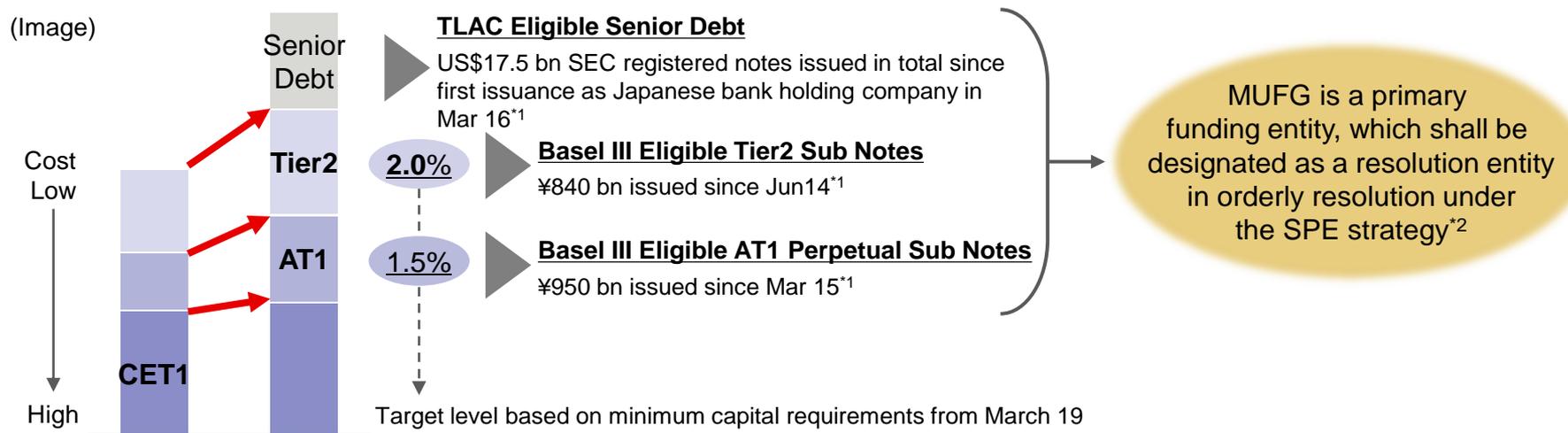
*2 Under Basel 2 basis until end Mar 12 (consolidated)

Capital management

– The best capital mix and TLAC compliance

- Capital management with utilization of AT1 / Tier 2 and controlling CET1 at necessary and sufficient level. Aiming for the right balance between capital efficiency and capital adequacy in qualitative and quantitative aspects

Best capital mix among CET1, AT1 and Tier2



Ref. estimated TLAC ratio^{*3}

As of end Jun 17	15.9%
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(Note) TLAC ratio estimation is calculated as follows, which is based on our total capital ratio as of end Jul 17

TLAC Ratio = Total capital ratio (15.93%) – Capital conservation buffer (2.5%) – G-SIB surcharge (1.5%) + Contribution of Deposit Insurance Fund Reserve (2.5%) + TLAC eligible debt (1.37%) ± Other adjustments, etc.

Ref. minimum TLAC requirements

	from Mar 19	from Mar 22
TLAC requirement	16.0%	18.0%

*1 Accumulated amount as of end Jul 17

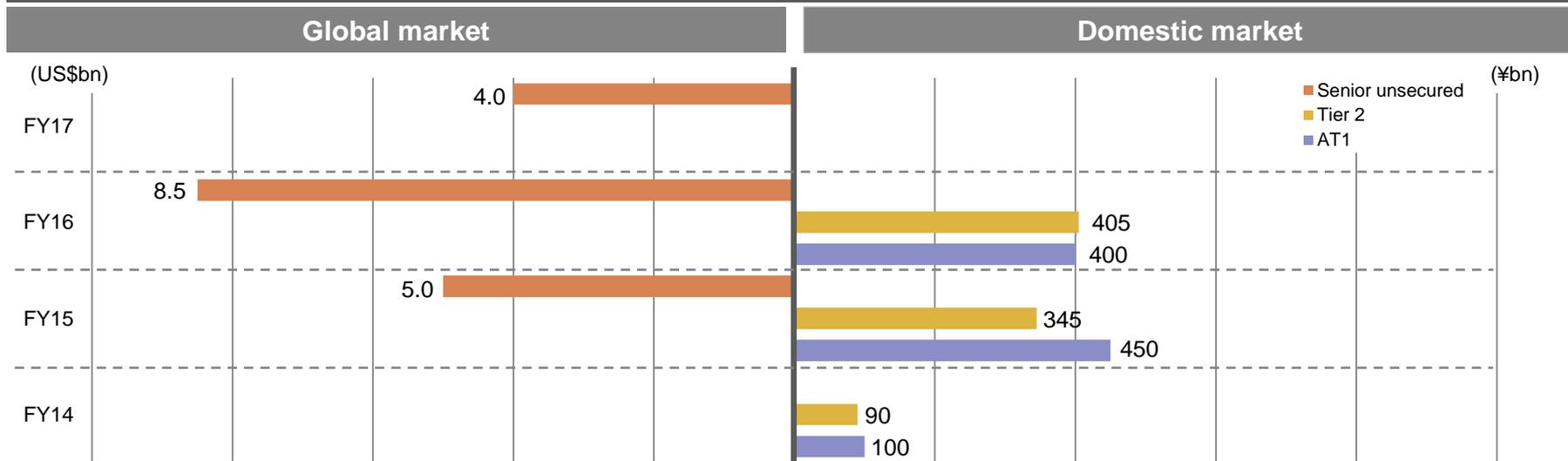
*2 Single Point of Entry strategy: to resolve a financial group at the level of its ultimate parent, rather than the operating companies at subsidiary level in financial difficulty by the single national financial authority

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

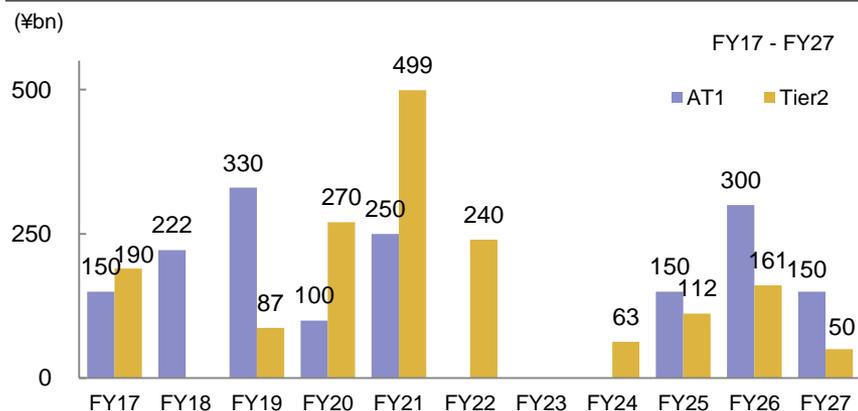
Capital management

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

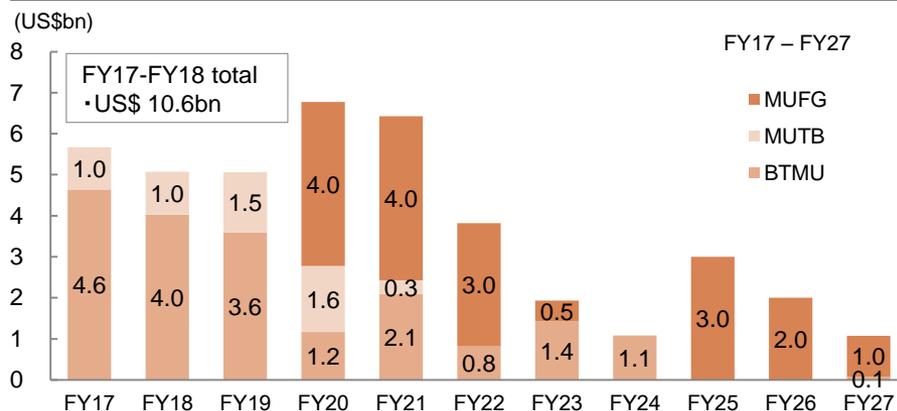
MUFG issuance track record



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



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



*1 Total of public issuance

*2 Figures are as of end Jul 17 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

*3 Figures are as of end Jul 17 assuming that all callable notes are to be redeemed on its first callable date. Figures are all converted into US\$ with actual exchange rates as of end Jul 17 (¥110.35/\$). Excluding structured bond and notes issued by overseas branches and subsidiaries

Corporate Governance

Corporate governance

- Strengthening oversight function by outside directors

- Considering outside directors' areas of specialty and the diversity of their backgrounds, increased the number of outside directors from Jun 17

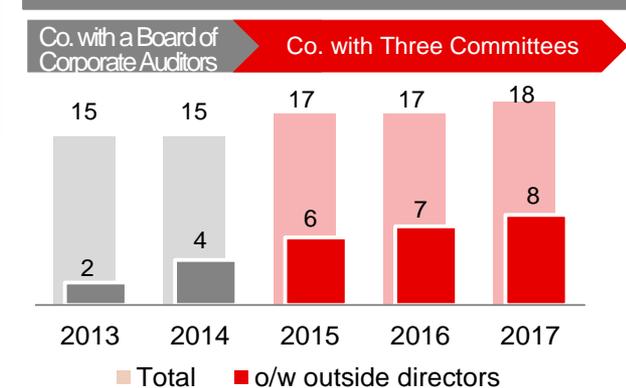
		Outside directors				
Name	Current position and responsibilities at the Company	Expertise				
		Business Adm.	Finance	Accounting	Law	
1 Hiroshi Kawakami	Reelected Independent Outside director Nominating, Compensation, Audit	●	-	-	-	
2 Yuko Kawamoto	Reelected Independent Outside director Nominating, Compensation, Risk (Chair)	-	●	-	-	
3 Haruka Matsuyama	Reelected Independent Outside director Nominating, Compensation (Chair)	-	-	-	●	
4 Toby S. Myerson	Newly elected Independent Outside director	-	-	-	●	
5 Tsutomu Okuda	Reelected Independent Outside director Nominating (Chair), Compensation, Risk	●	-	-	-	
6 Yukihiro Sato	Reelected Independent Outside director Audit	●	-	●	-	
7 Tarisa Watanagase	Newly elected Independent Outside director	-	●	-	-	
8 Akira Yamate	Reelected Independent Outside director Audit (Chair)	-	-	●	-	

Nominating: Nominating and Governance Committee member
Compensation: Compensation Committee member

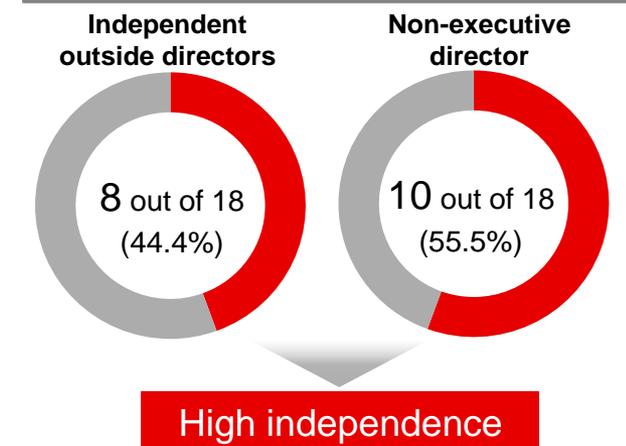
Audit: Audit Committee member
Risk: Risk Committee member

Board structure

Numbers of the Board members



Ratio



Corporate governance

- Globalization of the Board of Directors

- Strengthen corporate governance further by appointing highly experienced executives under an increasingly globalized and diversified business environment
- New outside directors are a corporate law professional and a former central bank governor

Globalization of the Board of Directors

- Approximately 40% of MUFG business bases are located overseas
- The appointment of outside directors from Asia as MUFG's second mother market and North America strengthens further the supervisory function of the Board of Directors



New outside directors

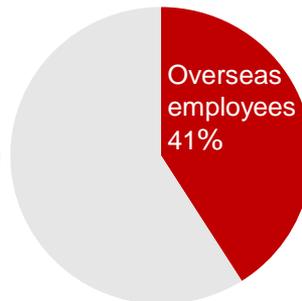
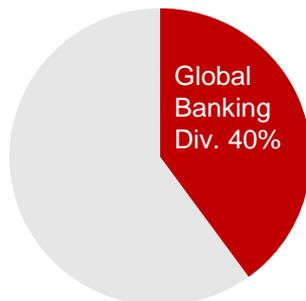


- **Toby S. Myerson**
 - ✓ Former partner of Paul Weiss
 - ✓ Chairman and CEO of Longsight Strategic Advisors LLC
 - ✓ Outside director of MUAH and MUB
- Experience
 - ✓ More than three decades of experience as lawyer
 - ✓ Professional knowledge in the areas of the US corporate law and global M&A

Share ownership*1

Net operating profit of customer segments*1

Group employees*1



- **Tarisa Watanagase**
 - ✓ Former Governor of the Bank of Thailand
 - ✓ Independent Director, The Siam Cement Public Company Limited
- Experience
 - ✓ More than three decades of experience as central banker
 - ✓ Professional knowledge in the areas of monetary policy and economics

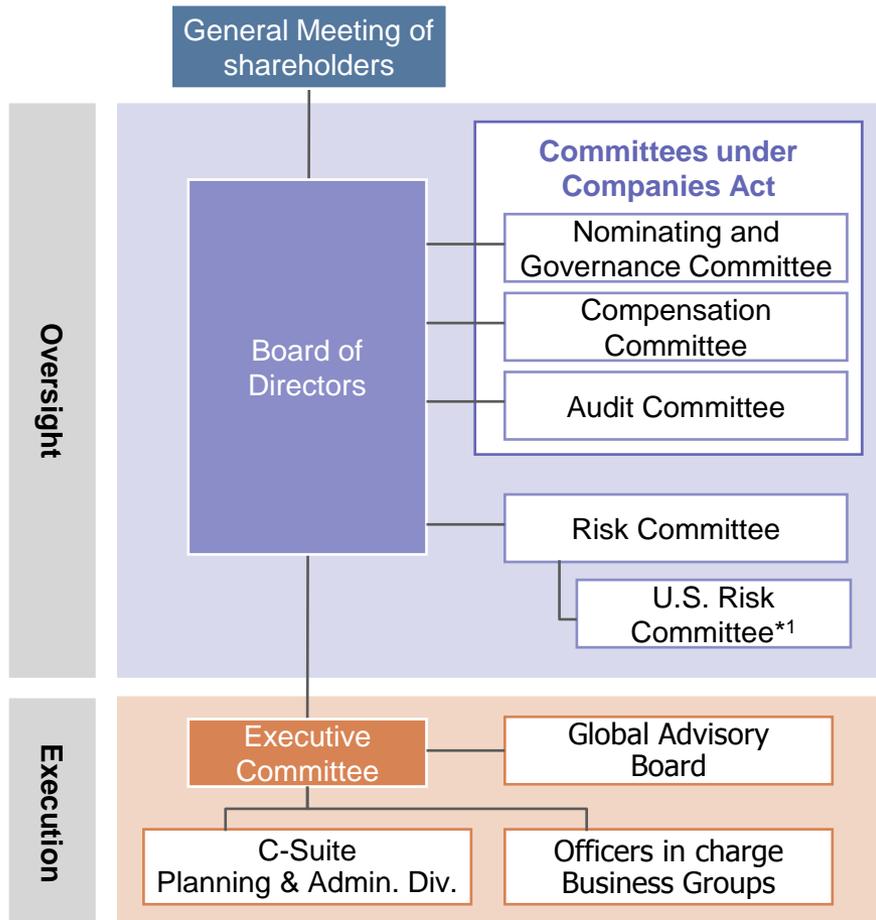
*1 As of end Mar 17

Corporate governance

- Structure

- All committees under the Board of Directors are chaired by outside directors
- To ensure stable management succession, the Nominating and Governance committee takes measures to enhance top management appointing process

MUFG Governance structure



Chairpersons of committees under the Board of Directors

Nominating and Governance Committee	Tsutomu Okuda	MUFG outside director
Compensation Committee	Haruka Matsuyama	MUFG outside director
Audit Committee	Akira Yamate	MUFG outside director
Risk Committee	Yuko Kawamoto	MUFG outside director
U.S. Risk Committee	Christine Garvey	MUFG outside director

Activities of Nominating and Governance Committee

- Identifies ideal traits for key managerial positions and formulates standards to evaluate them, with outside directors taking initiative
- Appoints top management leaders; to this end:
 - ✓ Conducts face-to-face interviews with multiple candidates screened by the execution team via a 360-degree evaluation, with the aim of securing accountability
 - ✓ To ensure stable management succession, identifies the most promising candidates at earlier stages in their careers, with outstanding individuals being referred to outside directors, who, in turn, provide the execution team with advice on how they should be trained

*1 Established to comply with U.S. Enhanced Prudential Standard

Corporate governance

- Strengthening the function of the Board of Directors

- MUFG takes measures to strengthen the function of the Board of Directors (“the BoD”), such as Independent Outside Directors Meetings and reviewing agendas of the BoD meetings, leading to more substantial and intensive discussion
- Introduced a framework to regularly evaluate the BoD’s working practices

Strengthening the function of the BoD

Improvement of the BoD meeting

- Focus more on crucial issues by reviewing / optimizing agendas

	Before (FY14 ^{*1})	After (FY16 ^{*2})
Number of meetings held	14	7
Number of agenda items	210	Approx. 80
Avg. duration of regular BoD meetings	2.5 hours	5 hours
Volume of pages included in meeting materials (annual total)	Approx. 1,200	Approx. 300

Independent Outside Directors Meetings

- BoD meetings are followed by Independent Outside Directors Meetings attended only by outside directors where the operations of the BoD and committees are deliberated
- Conclusions are reported to the chairperson and the president by a lead independent outside director

Evaluation framework for the BoD’s operations

- Improving the BoD’s operations in the PDCA cycle

Interviews with directors and reporting by external consultants

Deliberation by the Nominating and Governance Committee

Deliberation by the BoD

Activities of outside directors

- In addition to the BoD meetings and statutory committee meetings, the following meetings are held to discuss MUFG’s strategies and challenges going forward

Activities	Contents
Strategic Off-site Meeting	Incorporating outside directors’ perspectives <ul style="list-style-type: none"> • Outside directors and Group executives meet on holidays to intensively discuss such themes as “MUFG Re-Imagining Strategy” and “Global human resource strategies”
Discussions with MUAH outside directors	Stepping up information gathering <ul style="list-style-type: none"> • MUAH outside directors, who are well-versed in policies of U.S. authorities, bring their input into discussions on corporate governance
MUFG Investors Day	Face-to-face dialogue with institutional investors <ul style="list-style-type: none"> • Outside director Tsutomu Okuda^{*3} gives a presentation and leads Q&A sessions on MUFG’s corporate governance
MUFG Management Meeting	Communication with execution team members <ul style="list-style-type: none"> • All Group directors and executives meet and discuss Group policies and the challenges • Outside directors give presentations to bring their insights

*1 Jun 14 to Mar 15

*2 Jun 16 to Mar 17

*3 Lead independent outside director, Chairperson of Nominating and Governance Committee

Corporate governance

- Performance-based stock compensation plan for executives

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

Outline

	Linked contents	Share delivery
	Indices	
Linked to financial results (Performance share plan)	<p>Linked to mid- to long-term improvement of financial results</p> <ul style="list-style-type: none"> ■ EPS growth ratio 	Delivered to all directors when mid-term business plan ends
	<p>Linked to single year improvement of financial results</p> <p>Growth of indices below are considered</p> <ol style="list-style-type: none"> 1) Consolidated net business profit 2) Consolidated net income 3) Market capitalization 	
Fixed (Restricted stock plan)	<ul style="list-style-type: none"> ■ Shares are to be delivered in accordance with the rank 	Delivered to retiring directors

Concept

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

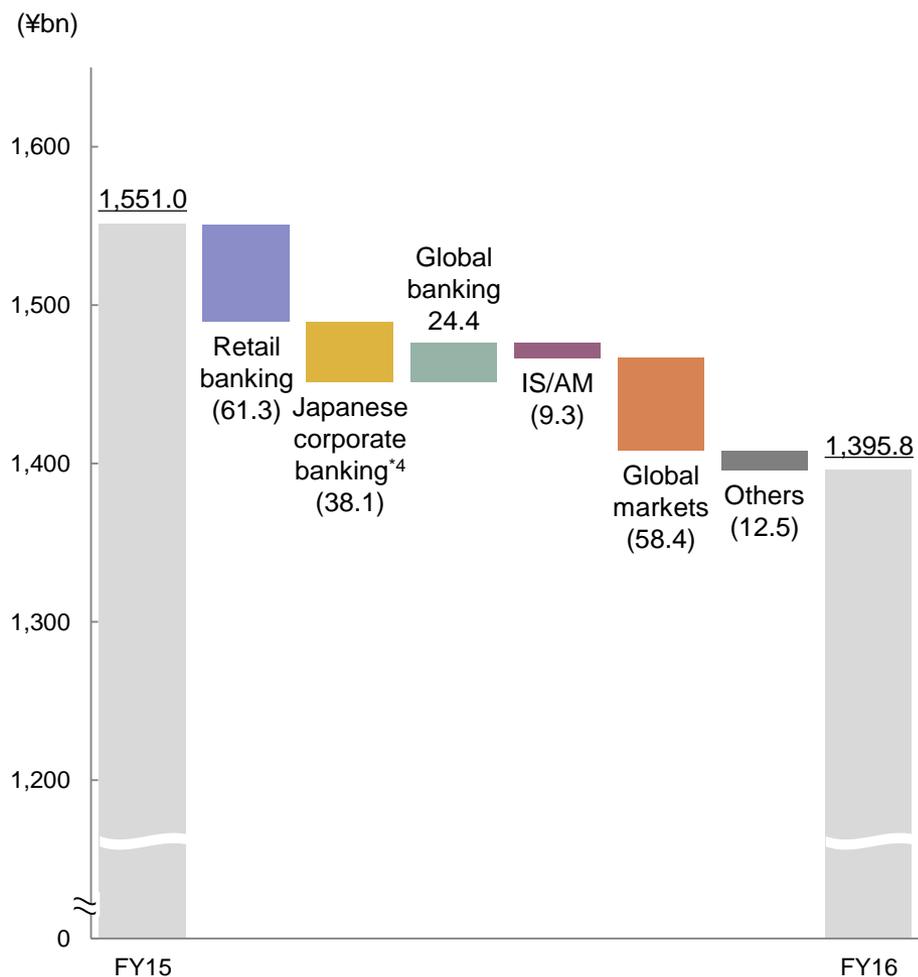
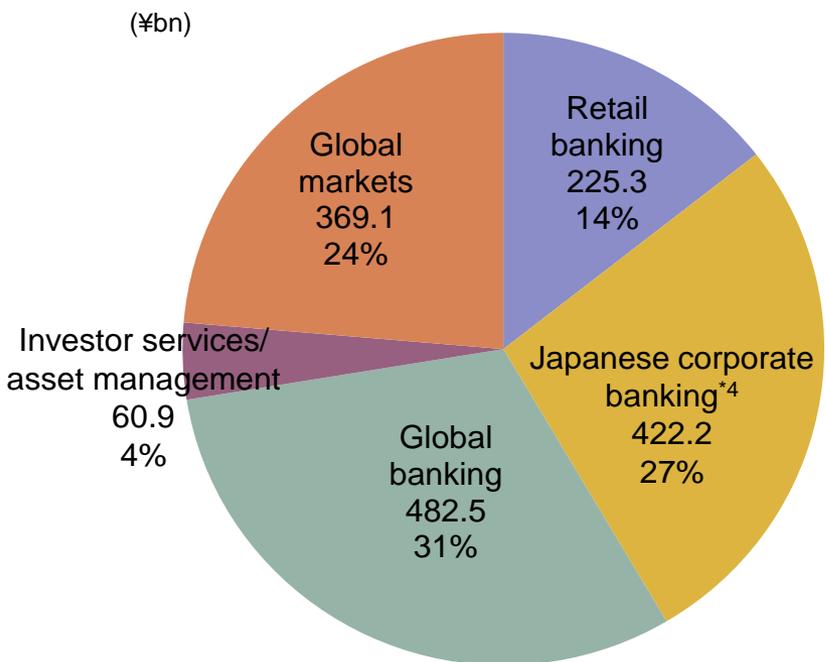
Linked to mid- to long-term improvement of financial results	<ul style="list-style-type: none"> • EPS growth ratio, one of financial targets in MUFG mid-term business plan
Linked to single year improvement of financial results	<ul style="list-style-type: none"> • 1) Consolidated net business profit, 2) Consolidated net income and 3) Market capitalization • Considering both market environment and competitors, evaluated by achievement level compared with peer banks

Appendix

Net operating profits by segment*1

FY16 ¥1,395.8*2 bn

Global banking segment accounted for 40% of total customer segments*3

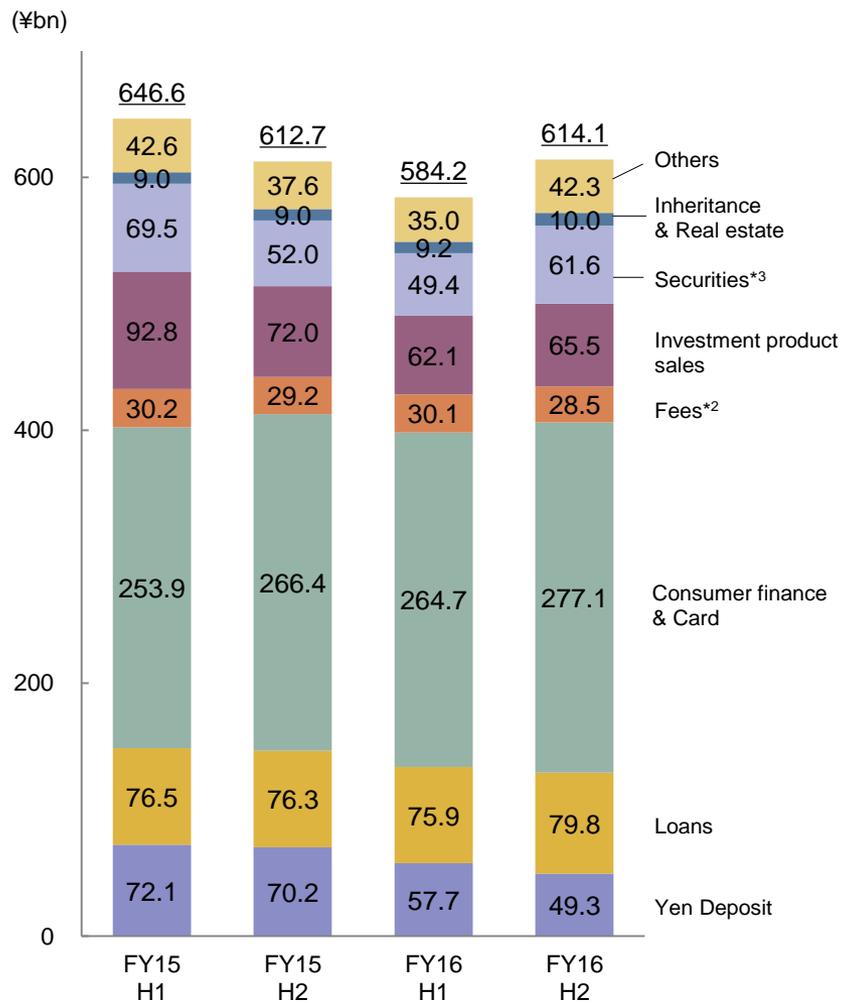


*1 All figures are in actual exchange rate and managerial accounting basis
 *2 Including profits or losses from others
 *3 Net operating profit of Global banking / net operating profit of total customer segments
 *4 Excluding overseas business with Japanese corporates

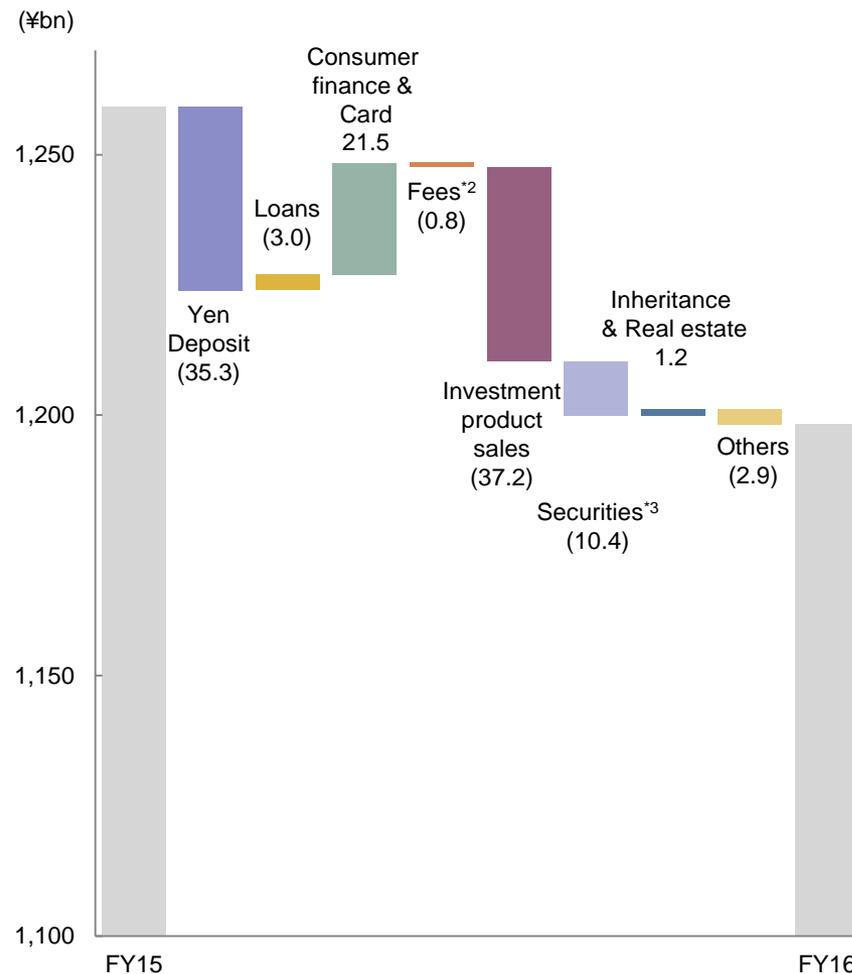
Appendix: Historical outlook in Retail Banking

(Consolidated)

Gross profits*1



Change in gross profits*1



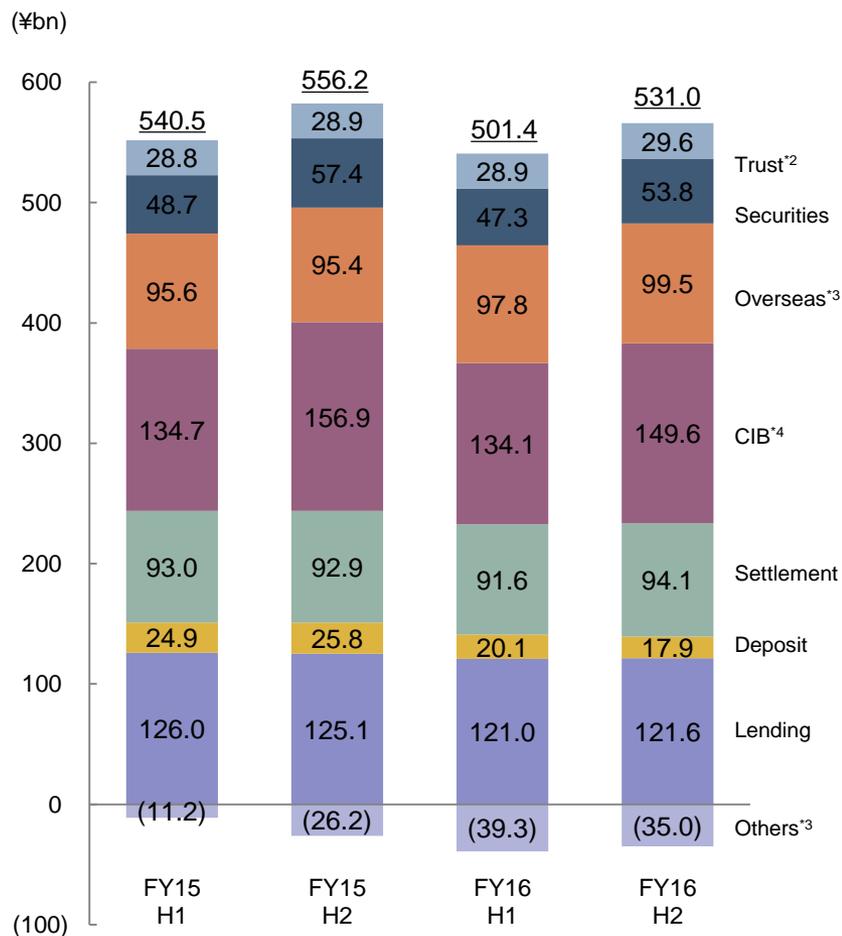
*1 All figures are in actual exchange rate and managerial accounting basis

*2 Transfer, ATM, etc.

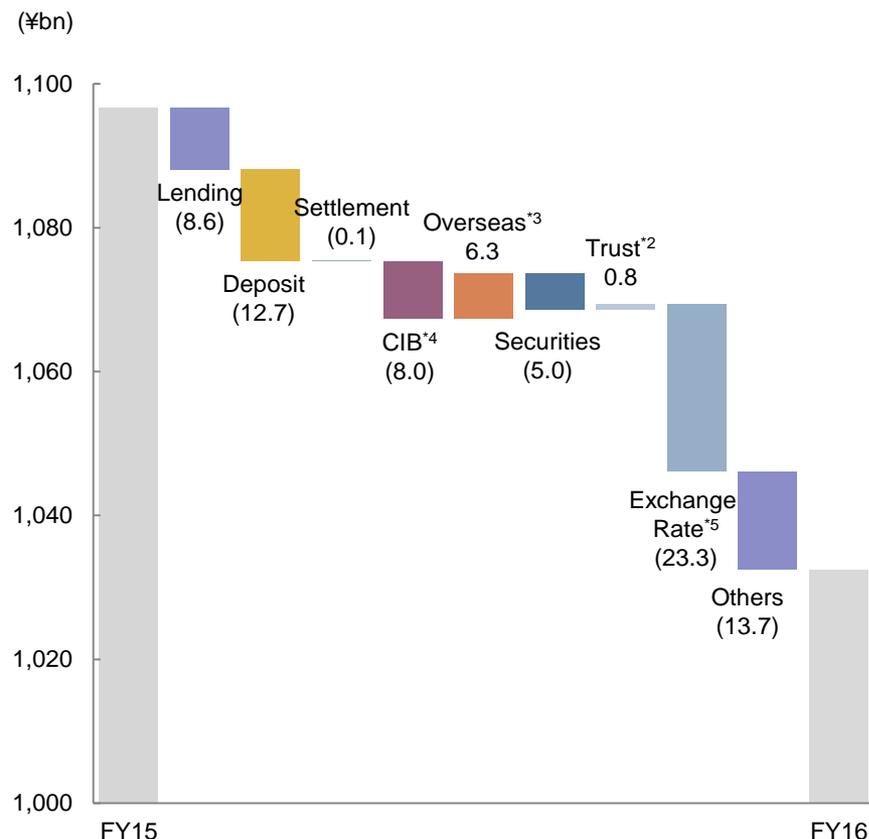
*3 Fees from stock / bond sales, etc.

Appendix: Historical outlook in Japanese Corporate Banking (Consolidated)

Gross profits*1



Change in gross profits*1



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

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

*3 Local currency basis. Difference with actual exchange rate is included in "Others"

*4 Structured finance, syndicated loan, derivatives, etc.

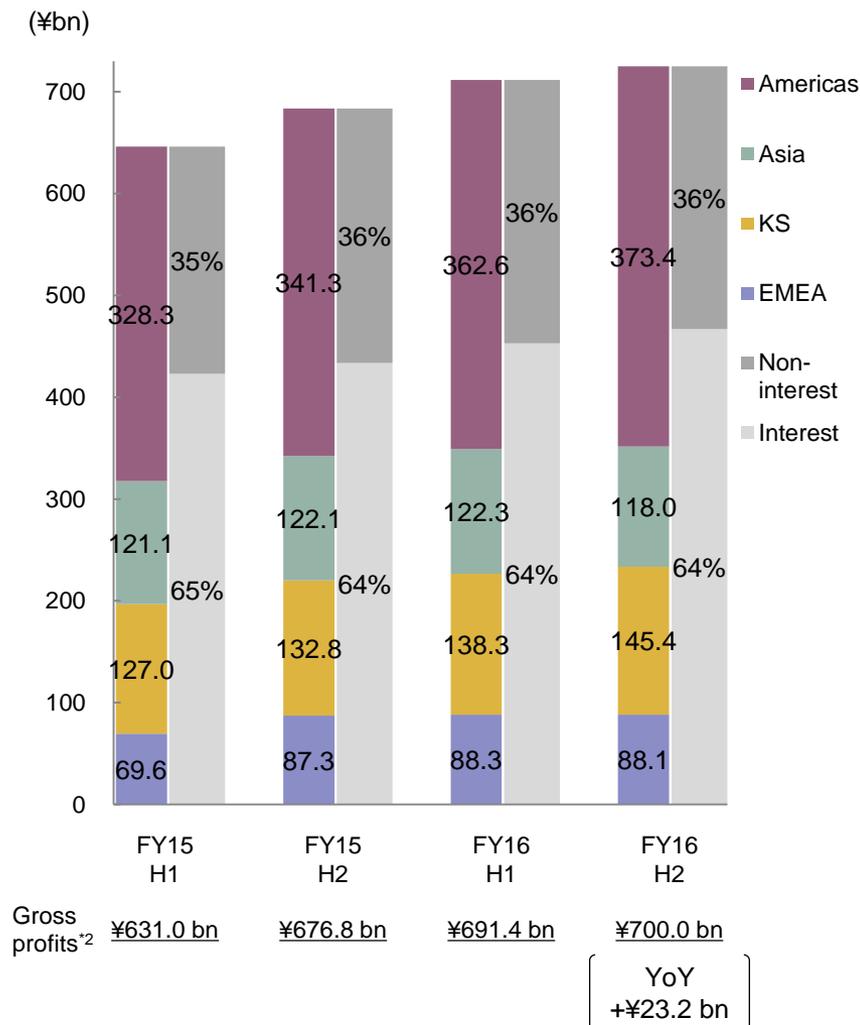
*5 Exchange rate impact caused by overseas business with Japanese corporates

Appendix: Historical outlook in Global Banking

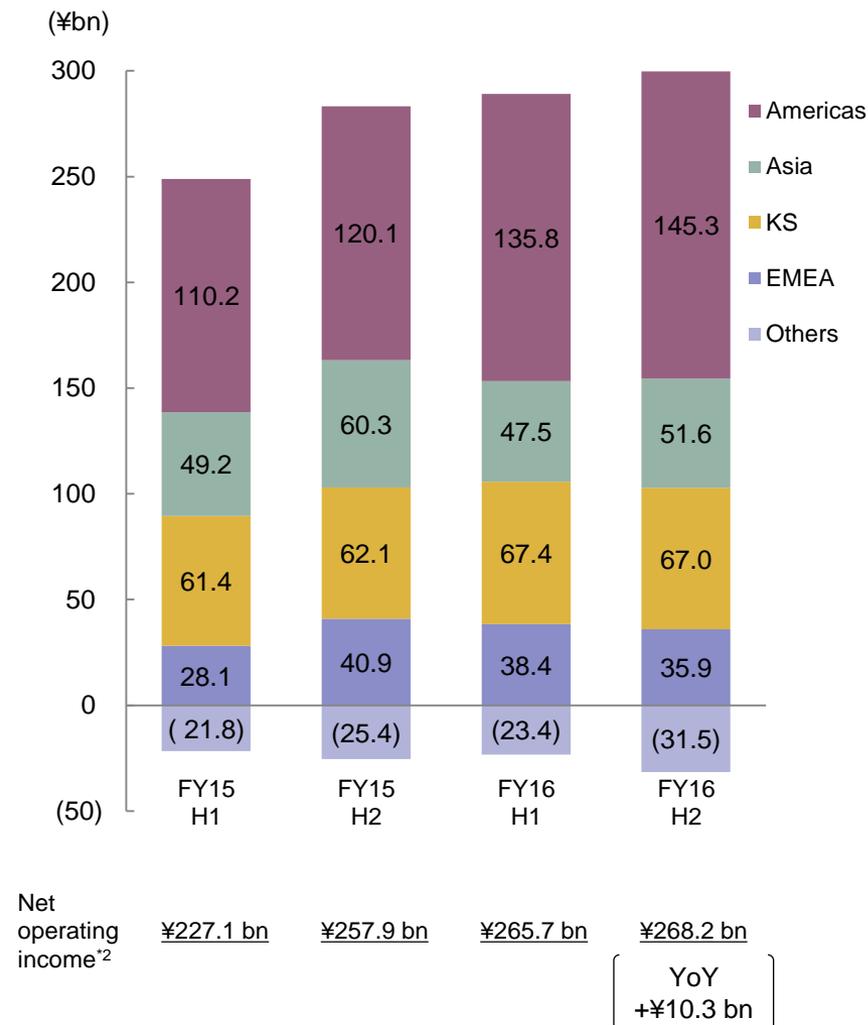
– Gross profits & operating income by region

(Consolidated)

Gross profits by region*1



Operating income by region*1



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

*2 After adjustment of duplication between regions

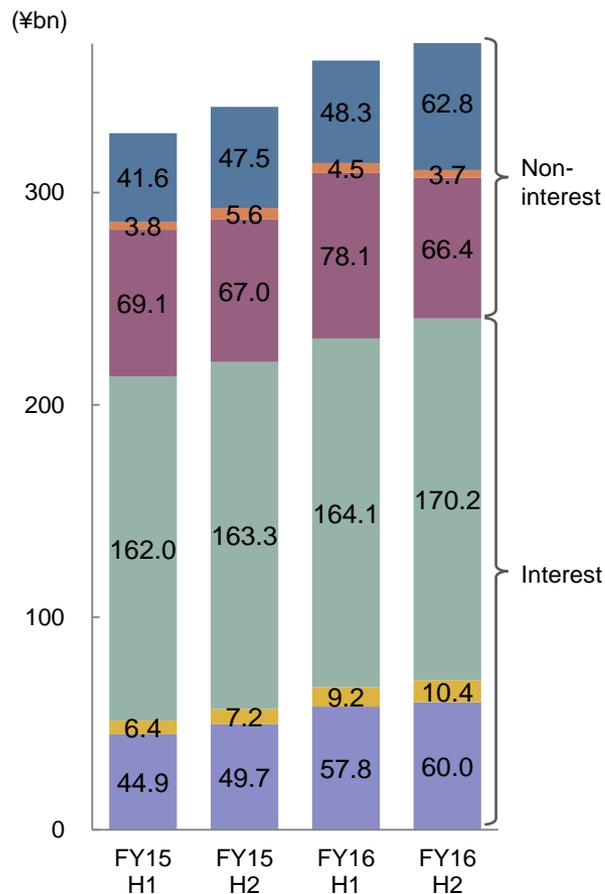
Appendix: Historical outlook in Global Banking

– Breakdown of gross profits

(Consolidated)

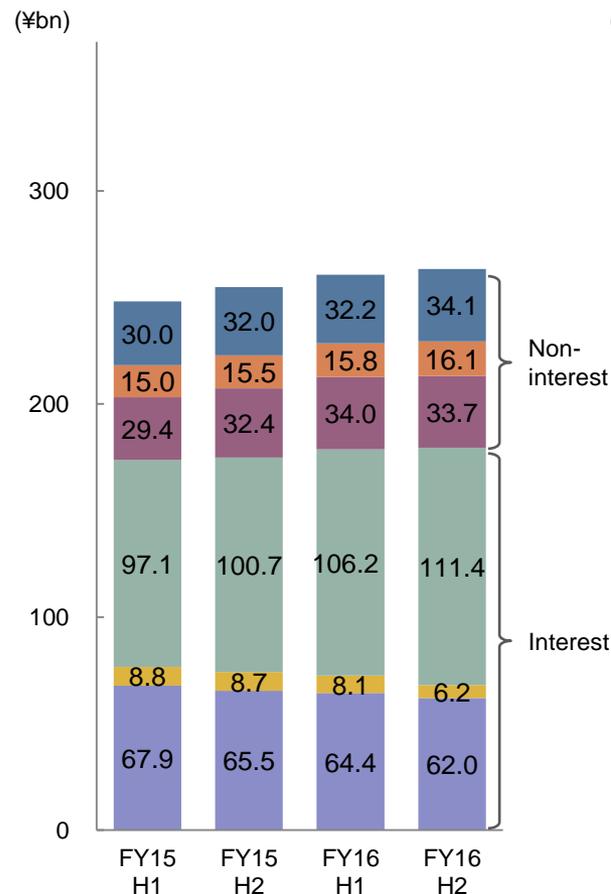
Americas*1

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



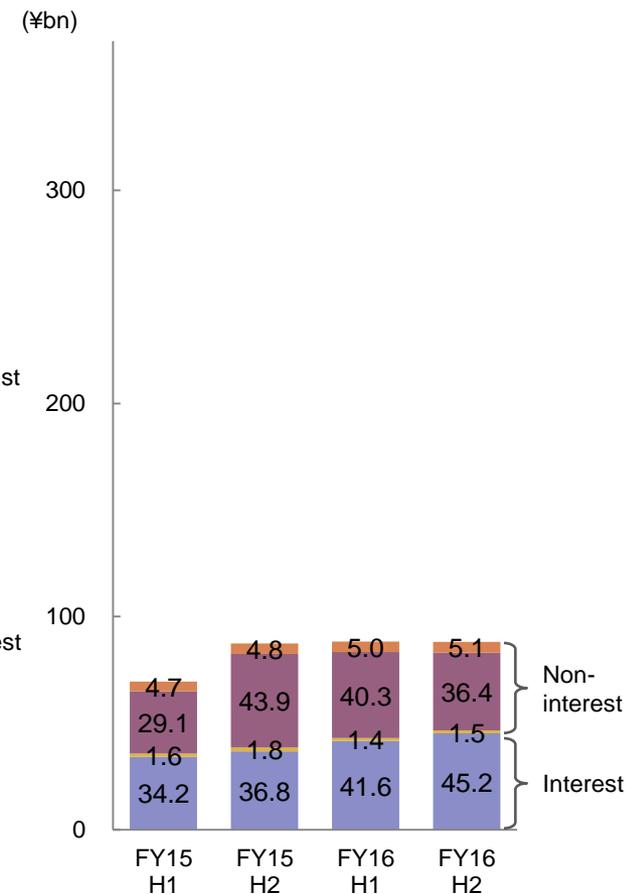
Asia*1

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



EMEA*1

- Loans
- Deposits
- Fees & Derivatives
- Forex



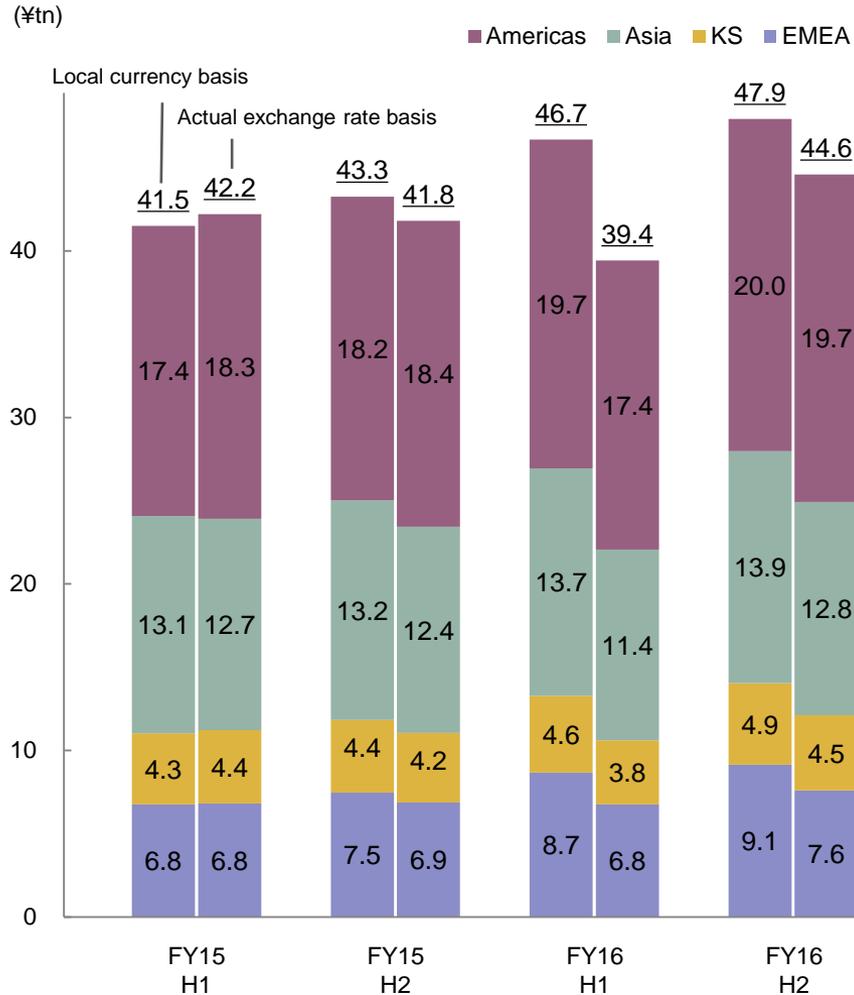
*1 Local currency basis. Each breakdown is before elimination of duplication and excludes other gross profits

Appendix: Historical outlook in Global Banking

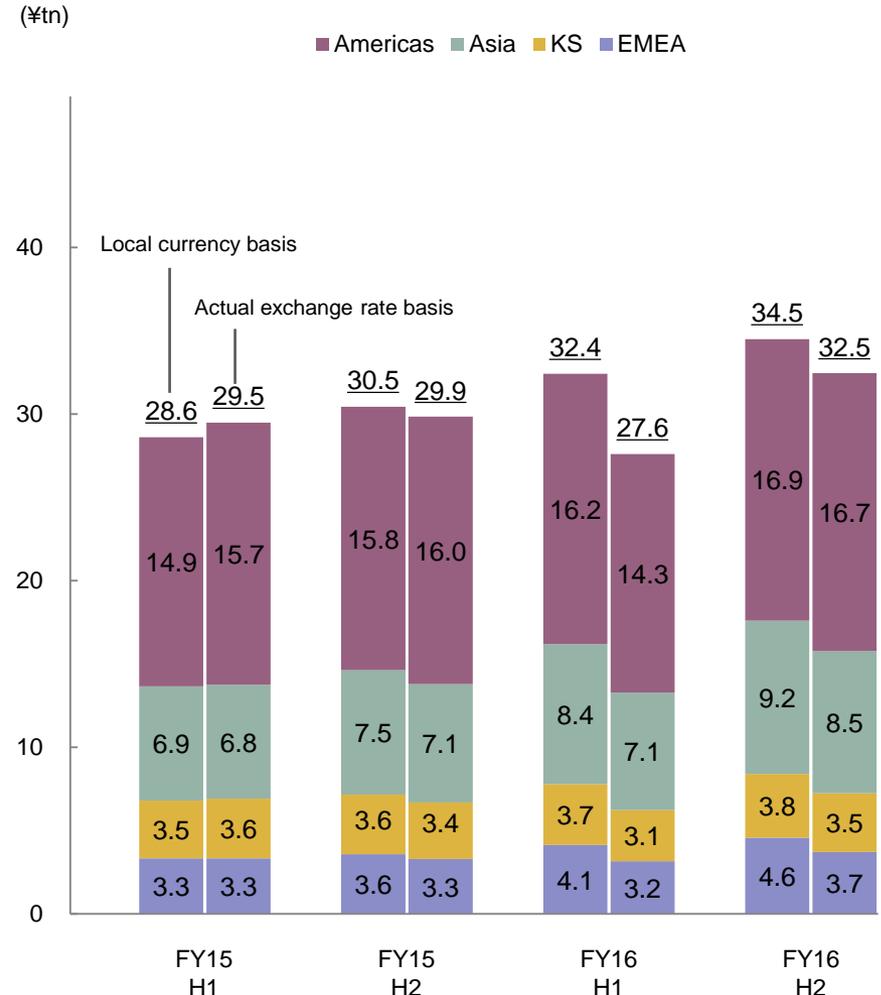
– Loans and deposits by region

(Consolidated)

Average loan balance by region

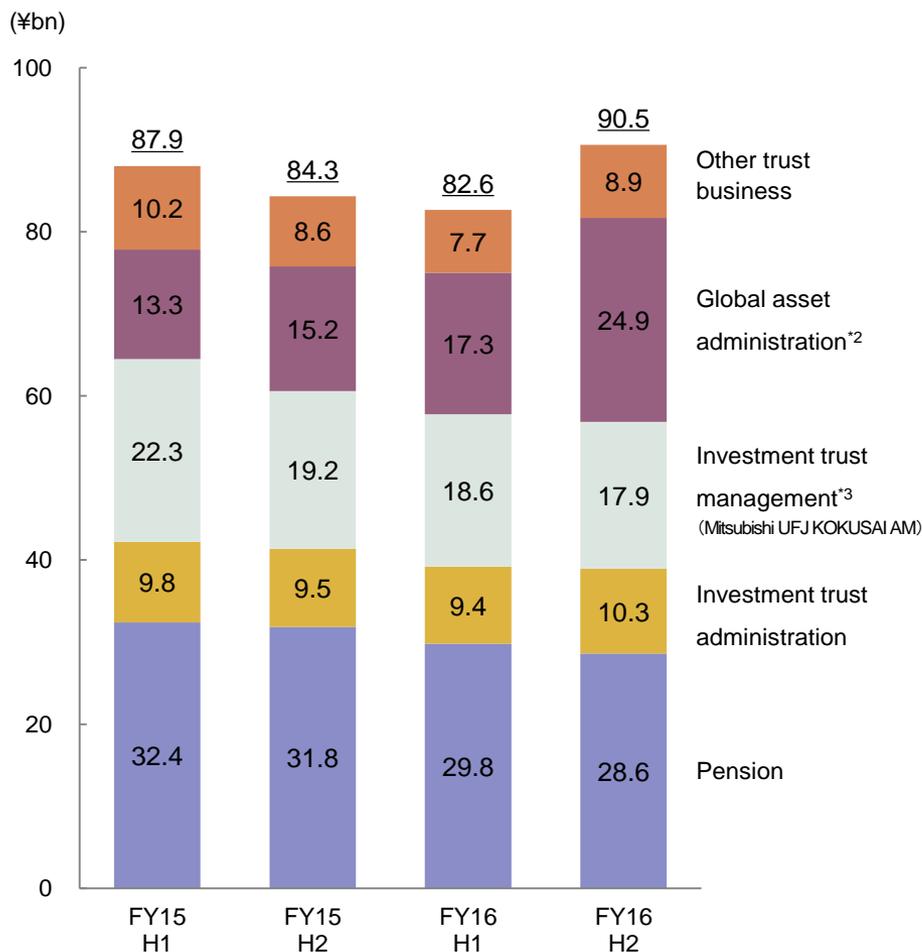


Average deposit balance by region

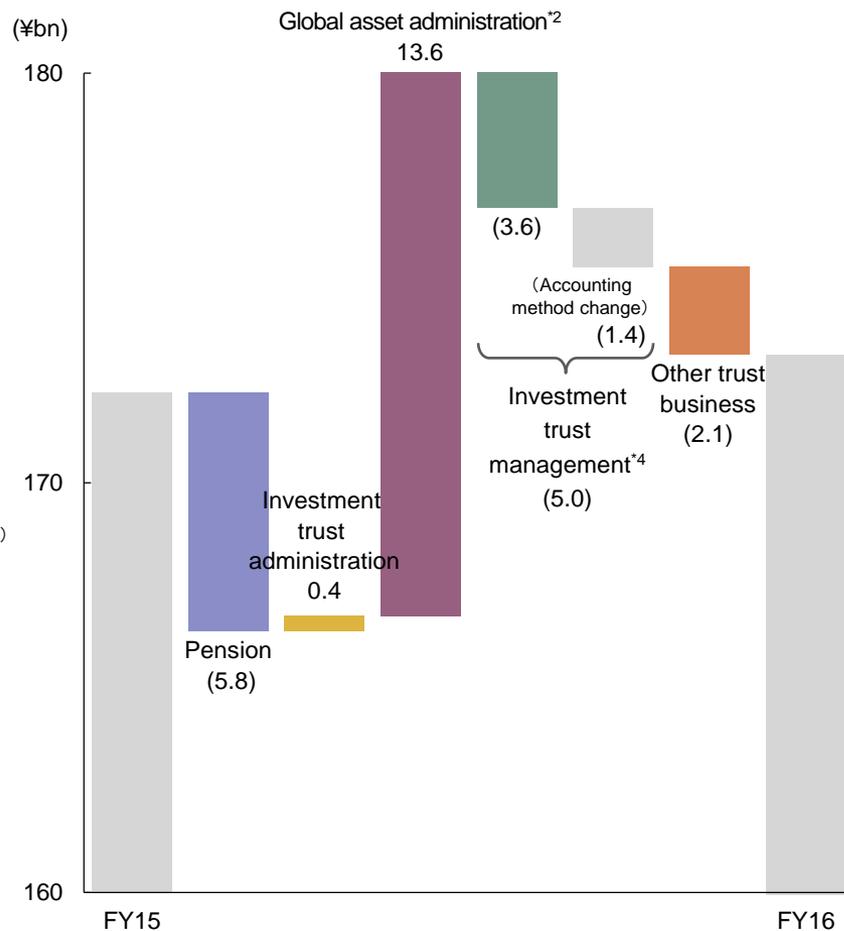


Appendix: Historical outlook in investor services / asset management (Consolidated)

Consolidated gross profits*1



Change in gross profits*1



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

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

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

*4 Following the 2 AM companies merger, accounting method of commission research cost has been unified to subtract it from gross profit instead of posting it as an expense. Gross profits of this business in FY16 was down ¥3.6 bn from FY15, excluding impacts from this accounting method change