

MUFG Investors Day 2018

July 19, 2018

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, Integrated 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 this document was prepared in accordance with Japanese GAAP (which includes Japanese managerial accounting standards), unless otherwise stated. Japanese GAAP and U.S. GAAP, differ in certain important respects. You should consult your own professional advisers for a more complete understanding of the differences between U.S. GAAP and Japanese GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this document. This document is being released by MUFG outside of the United States and is not targeted at persons located in the United States.

Definitions

• Consolidated:	Mitsubishi UFJ Financial Group (consolidated)	
• Non-consolidated:	Simple sum of MUFG Bank (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)	
• the Bank (consolidated):	MUFG Bank (consolidated)	
• MUFG:	Mitsubishi UFJ Financial Group	
• the Bank (BK):	MUFG Bank	• R&C : Retail & Commercial Banking
• the Trust Bank (TB):	Mitsubishi UFJ Trust & Banking Corporation	• JCIB: Japanese Corporate & Investment Banking
• the Securities HD (SCHD):	Mitsubishi UFJ Securities Holdings	• GCIB: Global Corporate & Investment Banking
• MUMSS:	Mitsubishi UFJ Morgan Stanley Securities	• GCB: Global Commercial Banking
• MSMS:	Morgan Stanley MUFG Securities	• AM/IS: Asset Management & Investor Services
• NICOS:	Mitsubishi UFJ NICOS	
• MUAH:	MUFG Americas Holdings Corporation	
• KS:	Bank of Ayudhya (Krungsri, KS)	

Definitions in the overview section

All figures are on a managerial accounting basis.

Unless otherwise noted, foreign exchange rates are based on assumed rates determined for internal managerial accounting purposes.

- MUFG net operating profits: In addition to the net operating profits of the six business groups, figures include profits or losses of headquarters and other elements
- Composition of net operating profits: Percentage represents share of each business group's net operating profits to simple sum of those of the six business groups
- Net operating profits/expense ratio: Figures include the net operating profits yielded by inter-business group collaboration presented below
 - R&C: Profits from overseas transactions with Japanese corporate customers and profits from business owner transactions which belong to JCIB
 - JCIB: Profits from business owner transactions which belong to R&C and profits from Japanese corporate customers served by MUAH and KS which belong to GCB
 - GCIB: Profits from non-Japanese large corporate customers of KS which belongs to GCB, profits from JCIB's non-Japanese corporate customers located in Japan, and O&D profits related to Global Markets
 - Global Markets: O&D profits related to GCIB
- ROE: Calculated based on Risk Assets (R&C, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets)
Calculated excluding mid- to long-term foreign currency funding costs
Excludes the impacts of investment related accounting factors (amortization of goodwill, etc.)

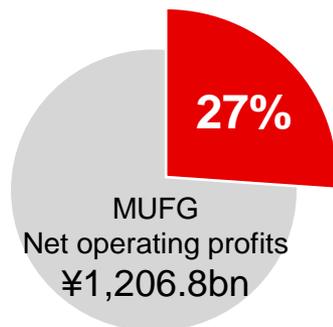
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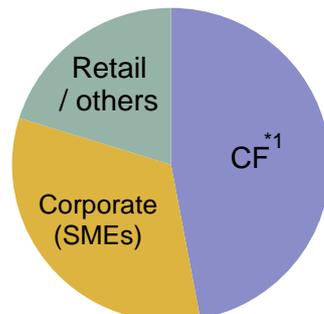
Retail & Commercial Banking Business Group

Overview of Retail & Commercial Banking

FY17 results



Composition of net operating profits



Net operating profits breakdown

Our vision

Complete reforms in profit and cost structures

Develop operating platform by leveraging the largest customer base in Japan

- Discover potential customers (corporates and individuals) and shift those to decent client categories
- Rejuvenate transactions by enhancing convenience of digital channel

Group-based integrated operation of Retail and Commercial segments

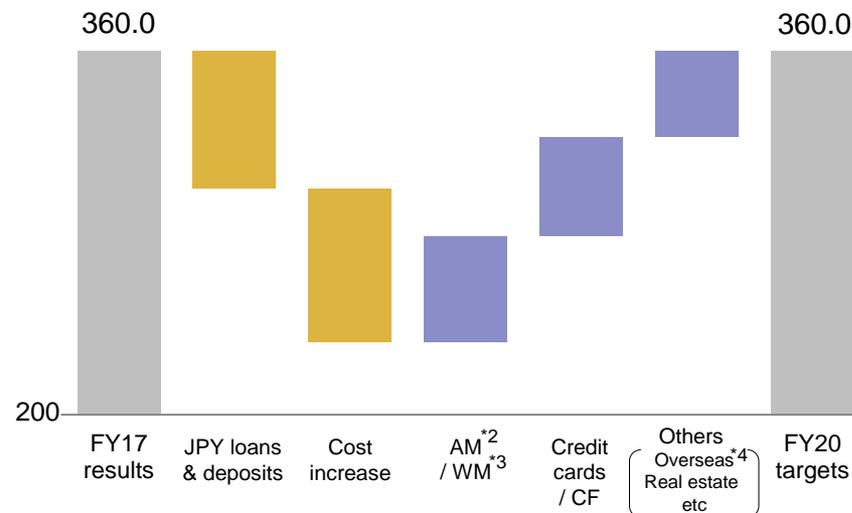
- Deliver value-added services employing thoroughgoing profiling
- Increase contact points with customers via reforms in sales process

Financial targets

	FY17 results	FY20 targets
Net operating profits (¥bn)	360.0	360.0
Expense ratio	78%	79%
ROE	9%	9%

Net operating profit and expense ratio includes profits from overseas transactions with Japanese corporate customers and profits from business owner transactions which belong to JCIB

Plan of net operating profits

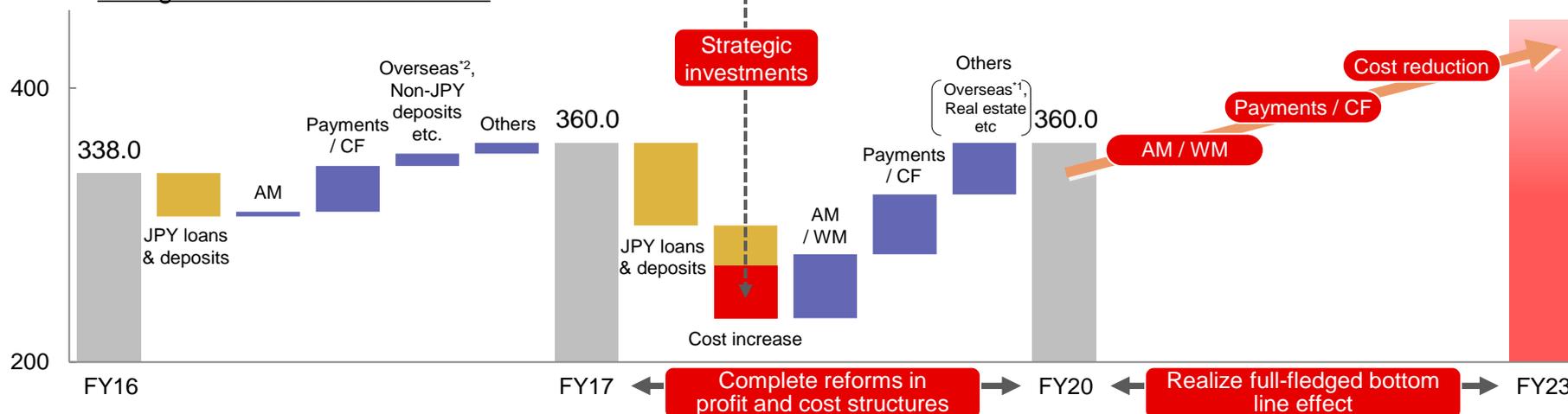


*1 Consumer finance *2 Asset management *3 Wealth management *4 Overseas business with Japanese corporates

Review of FY17 and management policy going forward

- FY17		FY18 to FY20		FY21 to FY23	
Challenges		Current mid-term business plan		Next mid-term business plan	
To fully capture customers' needs among business groups and entities. To improve high-cost structure and efficiency.		Accomplish group-based integrated operation of Retail and Commercial segments. Develop operating platform by leveraging wide range of customer base.		Deliver value-added solutions by fully utilizing "MUFG value chain" Realize full-fledged bottom line effect	
JPY loans and deposits	• Decline in interest rate, tougher competition in loan market	JPY loans and deposits	• Change earnings structure	Positive impacts on profits	• Accumulate AuM to increase proportion of revenue from AuM • Expand payments / CF business
AM	• In the middle of accumulating revenue from AuM ^{*1}	• AM / WM	• Increase AuM and revenue from AuM		
Payments and CF	• Captured market growth	• Payments / CF	• Promote less-cash / Productivity improvement	Positive impacts by cost structure reforms	• Decrease strategic investments - Complete system integration of NICOS - Positive effects of channel reforms and BPR
Overseas ^{*2} , Non-JPY deposits	• Strong results supported by favorable interest rate environment	• Channel / BPR	• Reduce no. of physical branch • Encourage customers' channel shift, reduce total workloads		

(¥bn) **Change in NOP and its breakdown**



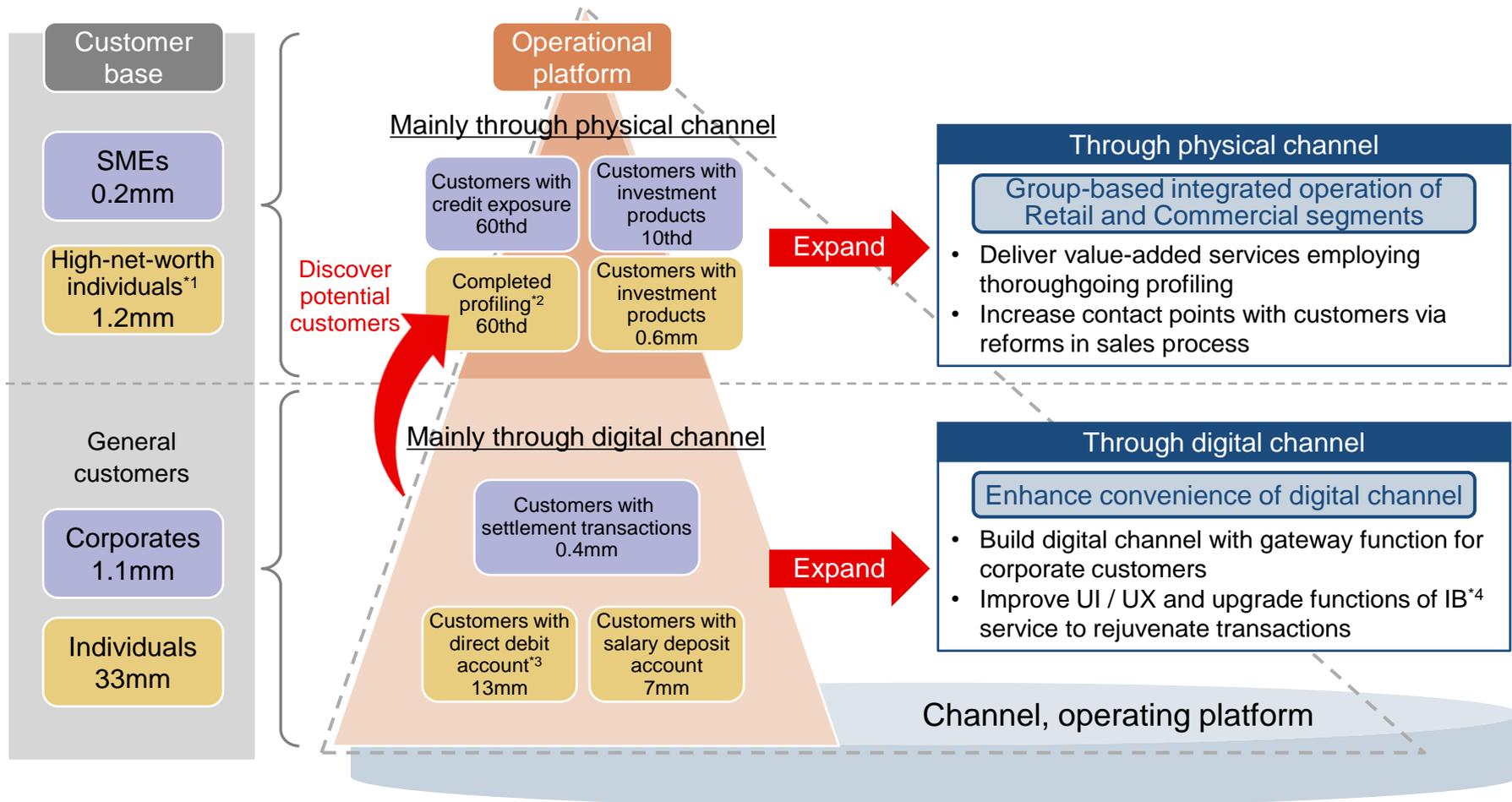
*1 Asset under management *2 Overseas business with Japanese corporates

Our vision

- Complete reforms in profit and cost structures

Develop operating platform by leveraging the largest customer base in Japan

“Thoroughly implement segment strategy”



*1 Over ¥100mm assets *2 Testamentary trust + wealth assessment etc.

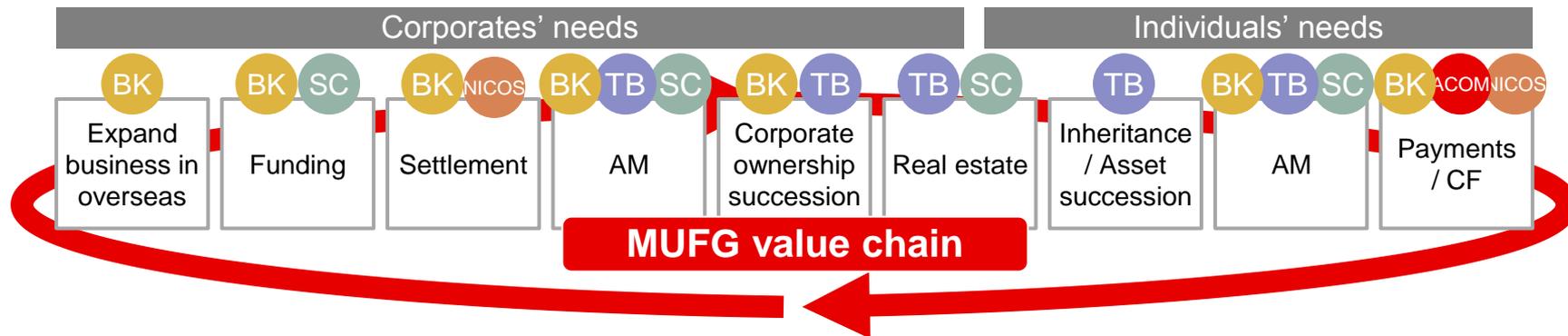
*3 Those who have an account with direct debit used for utility bills and credit / debit cards payments *4 Mitsubishi UFJ DIRECT: Internet banking for individual customers

Our vision

- Complete reforms in profit and cost structures

Group-based integrated operation of Retail and Commercial segments

MUFG connect value chains “from corporates to individuals” and “from individuals to corporates”



KPI

Initiatives	Items	FY20	Change from FY17	Initiatives	Items	FY20	Change from FY17
SMEs (Overseas, real estates)	Pipeline related to corporate ownership succession ^{*1}	¥1.3tn	¥0.1tn	Payments / CF	Volume of card shopping ^{*7}	¥6.2tn	¥0.5tn
	Average balance of overseas deposits ^{*2}	¥1.8tn	¥0.3tn		Balance of consumer loans ^{*8}	¥1.5tn	¥0tn
	[Real estate] No. of effective information sharing (corporates) ^{*3}	3.6thd	1.4thd	Channel / BPR	No. of branch with bank-counter	-	(20%)
AM / WM	AuM ^{*4}	¥47.4tn	¥6.4tn		No. of IB service users	7.4mm	3.1mm
	No. of profiling ^{*5}	6.9thd	2.4thd		No. of transactions at bank-counter	16.8mm	(5.2mm)
	No. of group collaborations ^{*5*6}	9.3thd	4.4thd				
	No. of entrusted testamentary trust	5.1thd	0.9thd				

*1 Value is calculated based on amount of treasury stock inherited (that held by either family members or non-family members) *2 Corporate clients with sales over ¥10bn

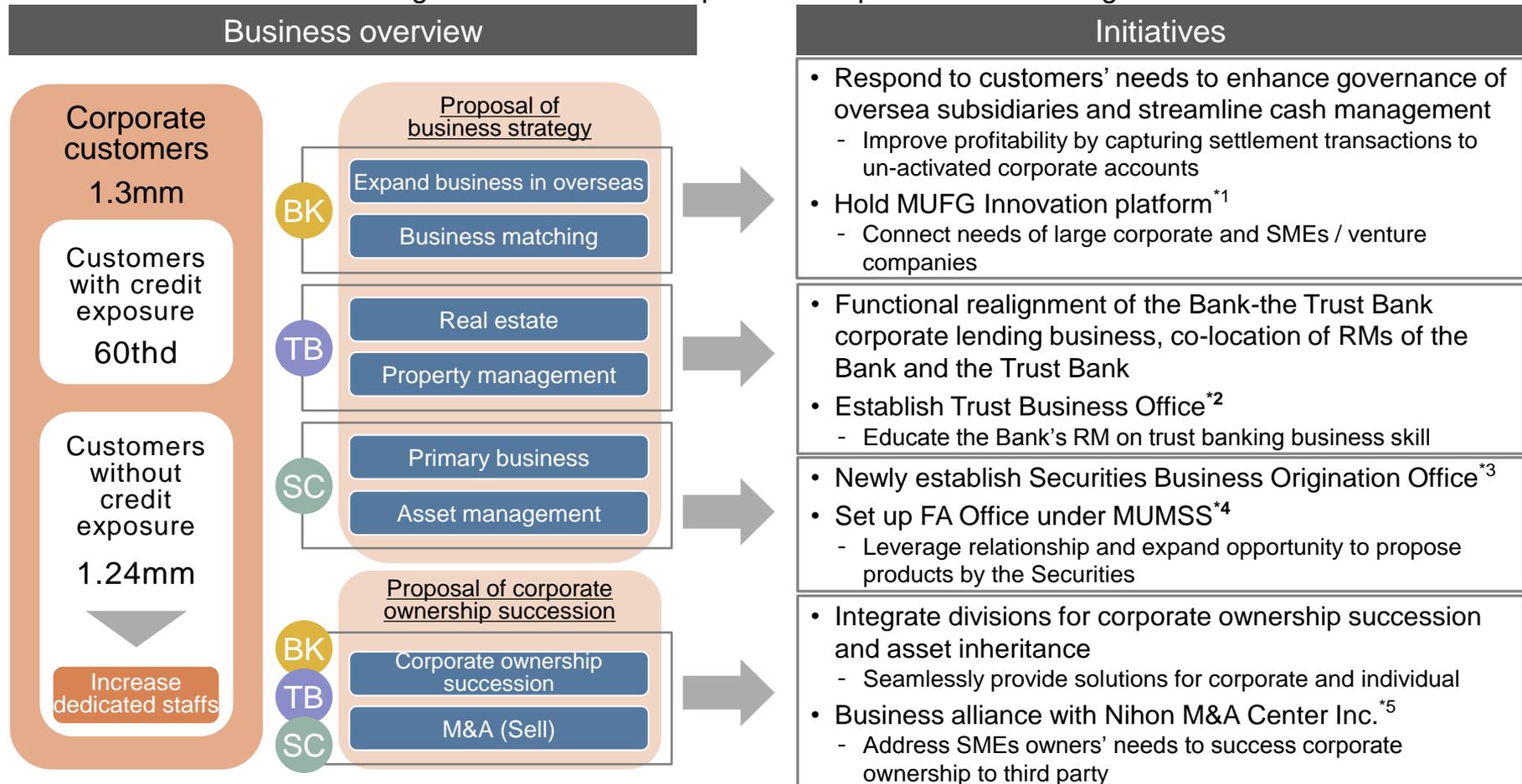
*3 Transactions expected over ¥0.3bn *4 Managerial accounting basis (Excl. JPY and non-JPY deposits) *5 Total of High-end and Semi-high-end segments

*6 Customer referral from the Bank to MUMSS + collaboration between the Trust Bank and MUMSS *7 For NICOS cardmembers

*8 Total balance of personal card loans of the Bank, the Trust Bank and ACOM (excl. guarantee)

Initiatives (1): SMEs segment

- Increase the no. of staff dedicating customers without credit exposure to enable the cultivation of potential clients through the proposal of business strategies and corporate ownership succession employing solutions offered by the Bank, the Trust Bank and the Securities
- Address needs of corporate ownership succession among both corporate clients and individual owners by utilizing MUFG's resources whole acting in collaboration with partner companies to deliver high-value-added services



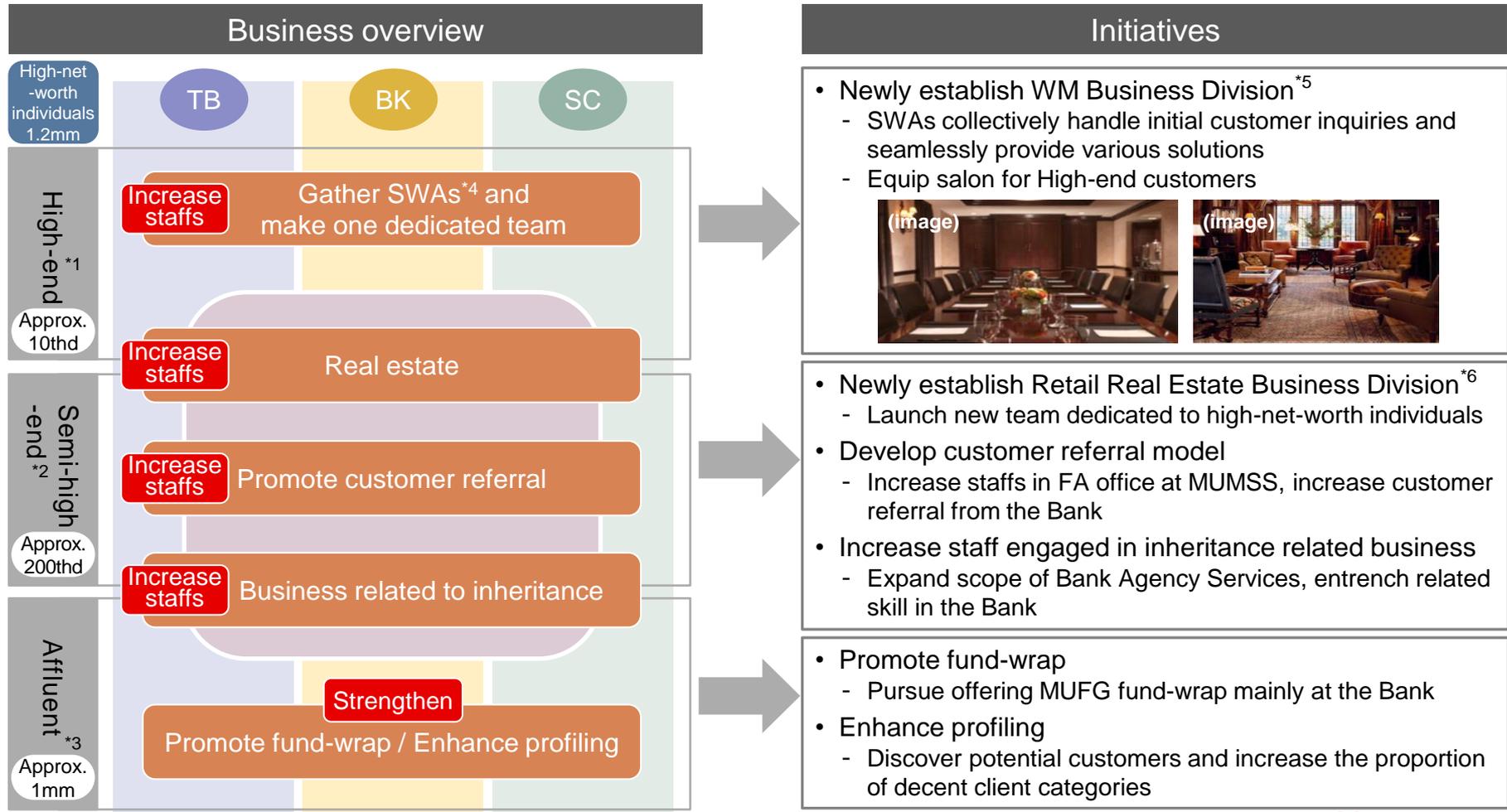
*1 Business matching platform where SMEs provide solutions for business / technical challenges of large corporates

*2 Department which promotes trust banking business under the Bank *3 Department to promote securities business

*4 Department to address needs of securities business and succession both for corporates and individuals like corporate owners *5 the Bank made an agreement on Jul 2, 2018

Initiatives (2): Wealth management

- For High-end customers, SWAs collectively handle initial customer inquiries and seamlessly provide various solutions
- Address various needs of AM such as providing optimal solutions and products by referring the Bank's customers to MUMSS for Semi-high-end customers, and promote fund-wrap for affluent customers in addition to financial products intermediation



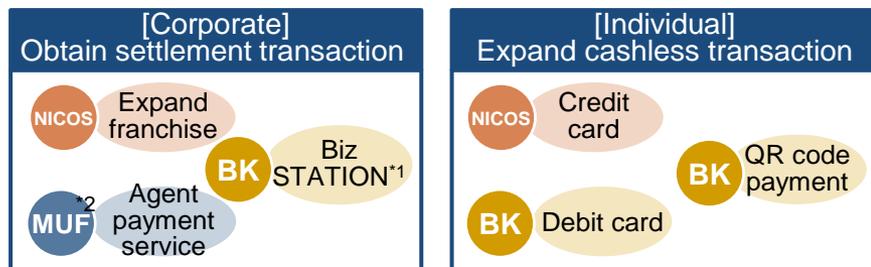
*1 Over ¥2bn assets *2 Over 0.3bn assets *3 Over ¥0.1bn assets *4 Senior Wealth Advisor *5 Dedicated to High-end customers

*6 Organization under the Trust Bank which has functions of real estate brokerage and consulting, and closes transactions as well as follows up pipelines with the Bank

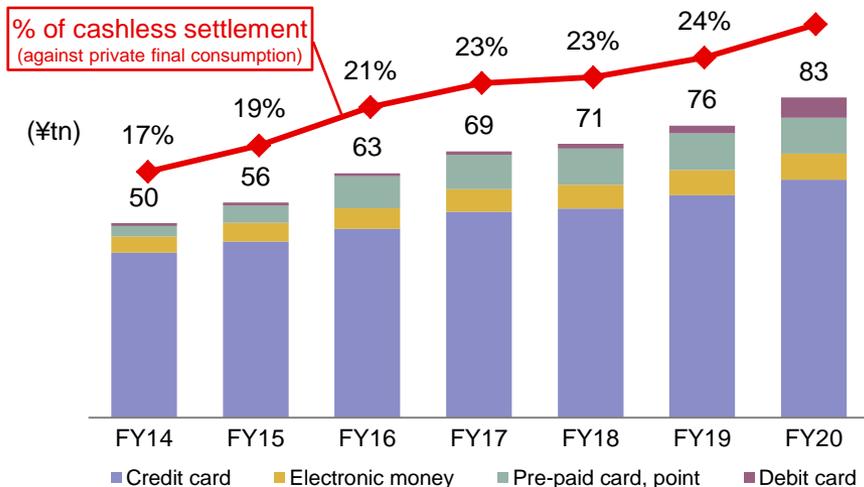
Initiatives (3): Payments / Consumer finance

Credit cards and payment business

- Expand payment business positioning NICOS as a payment platform of MUFG while integrating systems addressing drastic change in business environment
- Aim to contribute domestic cashless society considering to provide QR code payment service and Wallet app



Estimate of domestic cashless market and ratio of cashless settlement*3

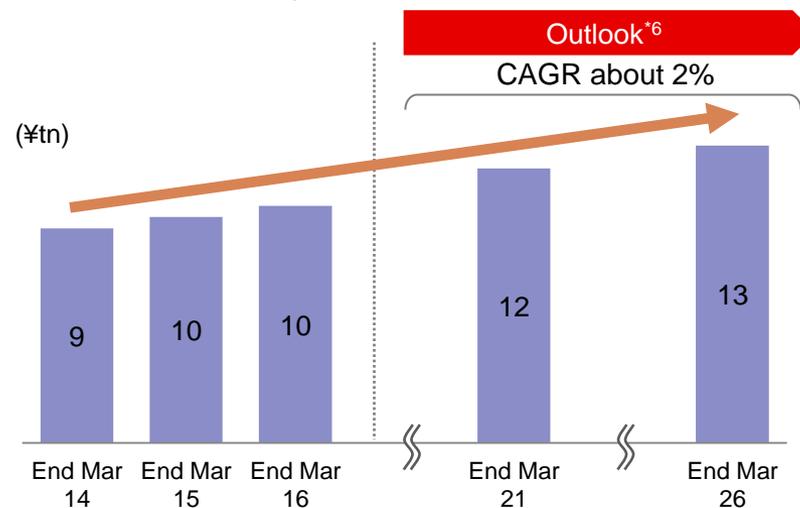


Consumer finance

- Engage in group-wide efforts to seize opportunities arising from the firmly growing card loan market, thereby maintaining a steady increase in the consumer finance balance
- Develop a more sophisticated credit management structure while promoting RPA*4-driven operational streamlining measures, with the aim of achieving a drastic improvement in productivity as well as stable growth



Estimate of domestic personal card loan market*5



*1 Internet banking for corporate customers *2 Mitsubishi UFJ Factors *3 Estimated figure based on statistics by Cabinet Office and METI

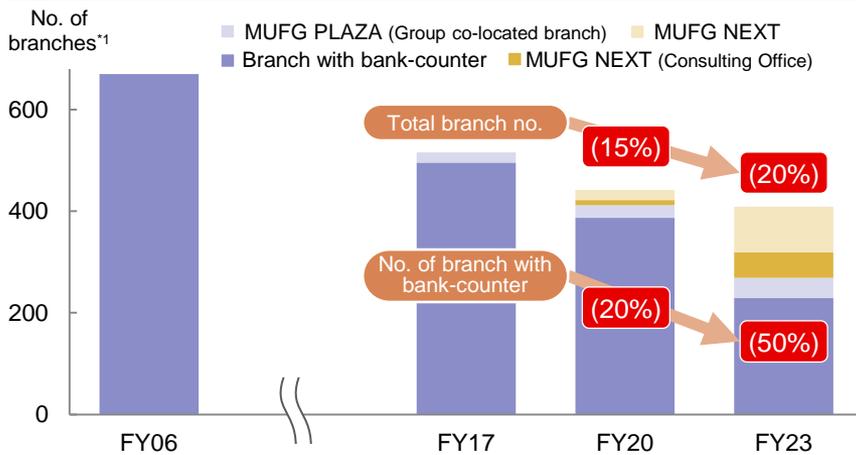
*4 Robotics Process Automation *5 Total of receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association and the volume of personal card loans provided by domestic banks and credit unions in statistics by Bank of Japan *6 Estimated figure

Initiatives (4): Channel / BPR

- No. of branch with bank-counter will halve while total branch no. will decrease by about 20% by transforming to “MUFG PLAZA” and “MUFG NEXT”. Expand no. of “MUFG PLAZA” which offers a full range of services at single location to maximize effect of group collaboration
- Accelerate customers’ channel shift by improving UI / UX, upgrading functions of IB and implementing self-transaction terminal through BPR while improving customer convenience

Transforming customers’ channels

Plan



MUFG PLAZA

(Group co-located branch)

(Example of existing branch)

MUFG NEXT

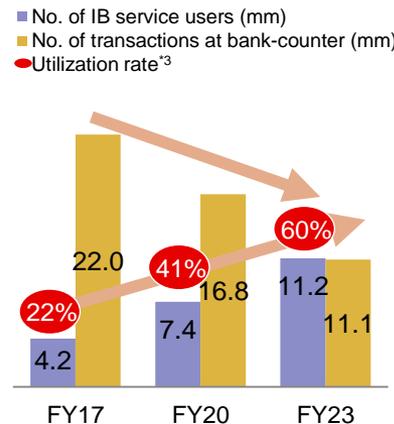
New Experience Together
 “Create brand-new UX with customers”
 (Consulting Office)

(image)

(image)

Shift to IB, reduce operational workloads by BPR

Increase No. of IB users^{*2} and reduce transactions at bank-counter



Category	Item	Status
Improve UI / UX	Complete transactions ^{*4} in app	Apr 18 Released
	Update design	From FY18H2 onward
	Biometric authorization (finger print/face)	
	Access to past transaction history ^{*5}	
Upgrade functions	New account opening	Sep 16 Released
	Replacement of unusable cards	Apr 18 Released
	Report of the loss (replacement)	
	Change of address	
	Switch to account without bankbooks and seals	

Process reforms of customer service

Structural reform of housing loan related operation

Step	Automation
New application (Pre-review)	Automation (BPM ^{*6} , employing RPA)
Credit review	Automated review employing AI
Agreement, execution	Paperless (BPM, employing RPA)
Interim review, pay off	Automation (BPM, employing RPA)

Consider further application

- Asset management business
- Unsecured loan
- Streamlining work at operation centers etc.

*1 MUFG Bank non-consolidate basis *2 Users who log-in IB at least once in 6 months out of all active accounts (excl. accounts used for direct debt only)

*3 Utilization rate = IB service users / active accounts (excl. accounts used for direct debt only)

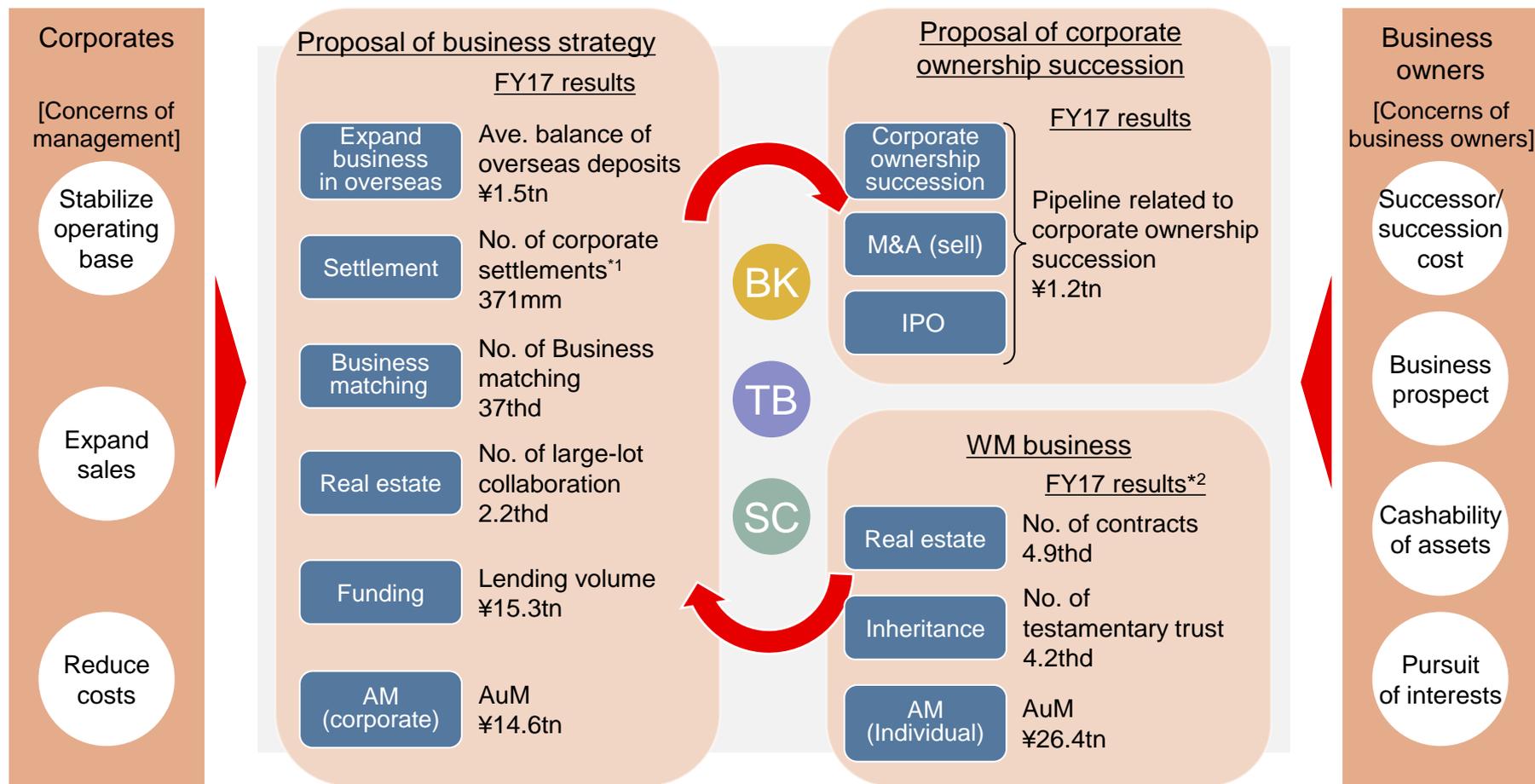
*4 Part of transactions of time-deposit, foreign currency deposits and mutual funds *5 Past transactions up to 10 years *6 Business Process Management

Appendix: MUFG value chain

(Example) MUFG value chain for SMEs

Growth of business

Smooth succession for the next generation

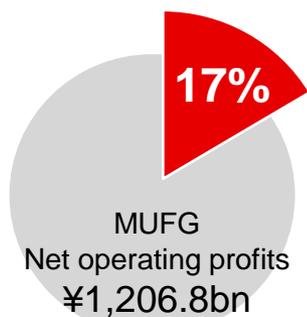


*1 Retail & Commercial segment only *2 Individual customers only

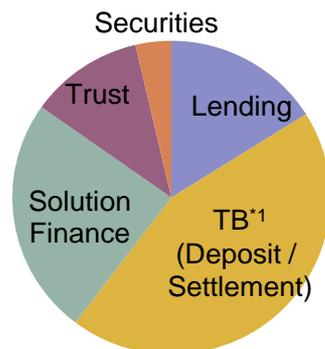
Japanese Corporate & Investment Banking Business Group

Overview of Japanese Corporate & Investment Banking

FY17 results



Composition of net operating profits



Net operating profits breakdown

Financial targets

	FY17 results	FY20 targets
Net operating profits (¥bn)	240.2	280.0
Expense ratio	56%	54%
ROE	10%	11%

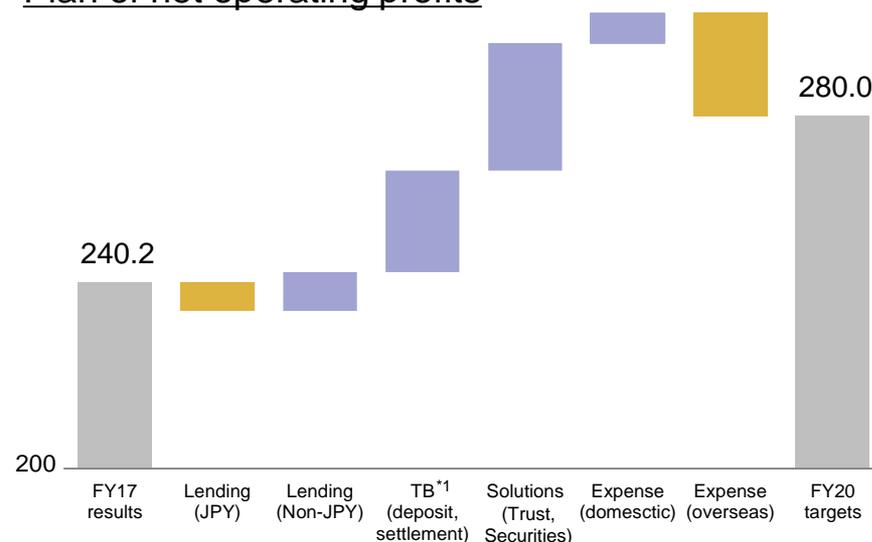
Net operating profit and expense ratio include profits from business owner transactions which belong to R&C and profits from Japanese corporate customers served by MUAH and KS which belong to GCB

Business base / scale for JP Corporates*2

- Extensive customer base (#1 among listed companies*3)
- Wealth of financial product line up
- Global network (approx. 1,200 overseas bases across over 50 countries)

Banking*4	Lending*6,7	Domestic settlement*6	Foreign exchange*6
	#1(sum of global balance)	#1(gross profit)	#1(gross profit)
Trust*5	Real estate*6	Corporate agency*8	Pension*9
	#3(gross profit)	#1(no of contracts)	#2(DB balance)
Securities (League Table)	M&A*10	DCM*10	ECM*10
	#2(balance related to JP corporates)	#1(underwriting amount)	#4(underwriting amount)

Plan of net operating profits



*1 Transaction Banking *2 FY2017 or end Mar 18 *3 (Source) Toyo Keizai Japan Company Handbook 2017 autumn *4 Compared with 3 Japanese mega banks

*5 Compared with Mitsubishi UFJ Trust & Banking, Sumitomo Mitsui Trust Bank and Mizuho Trust & Banking Co., Ltd. *6 Compared with the managerial accounting basis from disclosure document *7 Sum of the Bank and the Trust Bank, large corporates in Japan, and overseas business with Japanese corporates

*8 Based on disclosure of listed companies in Japan *9 (Source) R&I Pension Investment Magazine (End Sep 17) *10 Based on Thomson Reuters etc, DCM is the total of domestic and foreign bond

Target operating model of Japanese large corporate business

Be the first call business partner for large Japanese corporate clients

Strategy outline

1. Reinforce our approach to solve customers' management issues: "RM-PO Model"

(1) RM-PO*1 Model

- RM of the Bank and the Trust Bank to become "MUFG RM", reorganize customer sales corporate banking group by industry sector
- Integrate customer sales organization for Japanese corporates in overseas, newly establish an organization with dual-hatted staff between the Bank and MUMSS

(2) Reinforce our capabilities to solve customers' management challenges

- Strengthen solution capability by the Trust Bank and MUMSS
- Strengthen real estate value chain business

2. Establish sustainable business model: "Improvement of non-JPY B/S Gap and ROE"

(3) Enhance transaction banking business

- Increase overseas deposit, enhance settlement business
- Enhance transaction banking products and business promotion framework

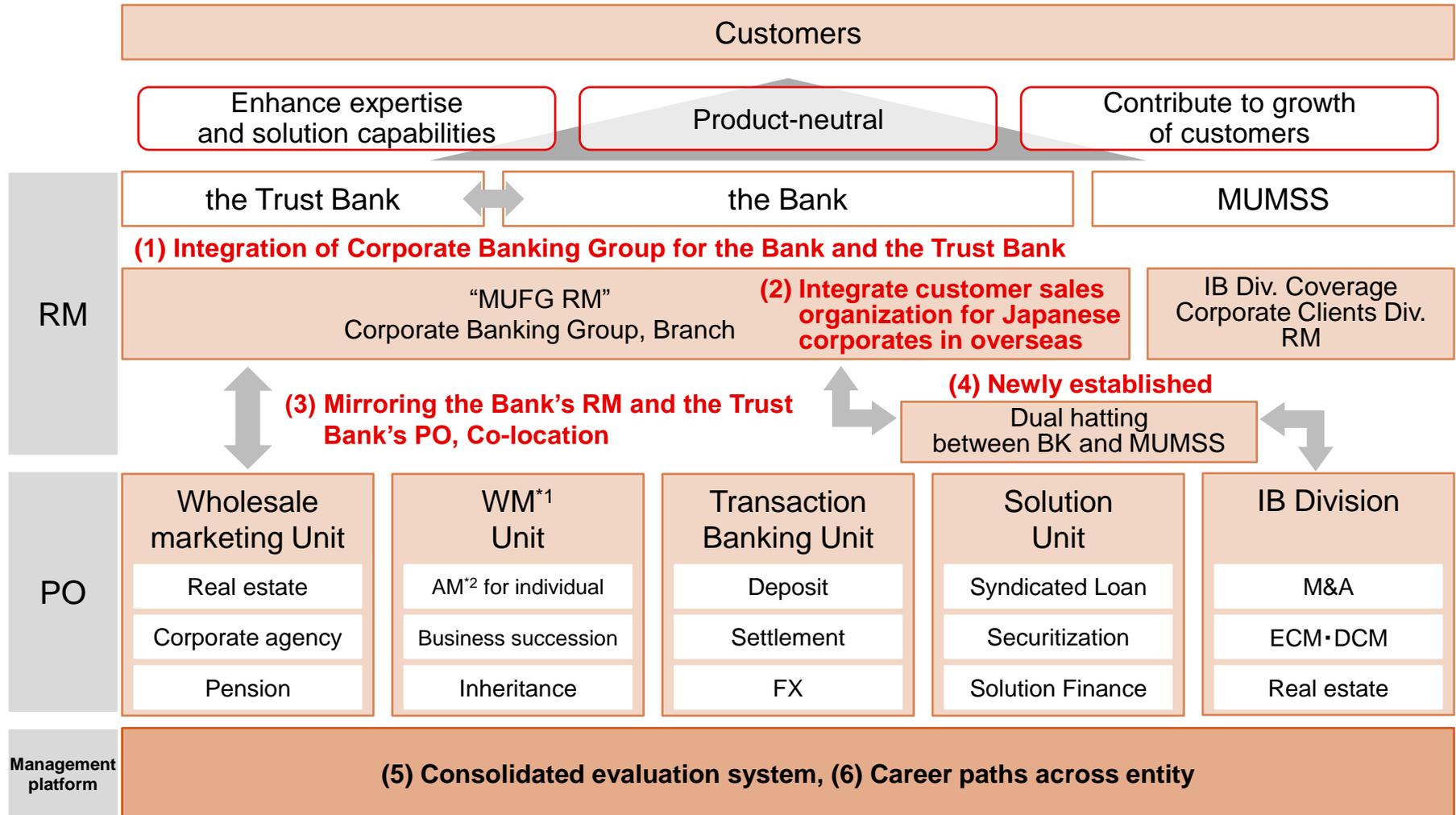
(4) Improve capital efficiency

- Improve lending spread, promote O&D business
- Reduce equity holdings

*1 Relationship Manager, Product Office

Major strategies (1): Framework to support RM-PO model

- Through the functional realignment of the Bank-the Trust Bank corporate lending business, step up MUFG RM-PO model thereby reinforce approach to solve customers' management issues



*1 Wealth management *2 Asset management

Major strategies (2)

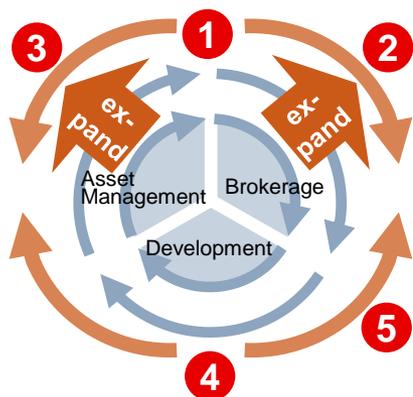
Reinforce our capabilities to solve customers' management challenges

- Promote MUFG integrated solution business by the Trust Bank, MUMSS under new RM-PO model
- Maximize real estate related profits by capturing the business opportunity arising from Real Estate Value Chain

Enhancement of the Trust Bank business	
Reorganize and enhance PO function of the Trust Bank	<ul style="list-style-type: none"> • Mirroring the Bank's RM and the Trust Bank's PO, Co-Location • Increase 80 staffs of the Trust Bank PO
Strengthen corporate agency and pension business	<ul style="list-style-type: none"> • Enhance SR / IR functionality by the Trust Bank and MUMSS collaboration, strengthen corporate agency business • Leverage Bank's relation, strengthen approach to target client by providing consultation function

Enhancement of MUMSS Solution business	
Reinforce sector approach	<ul style="list-style-type: none"> • Reinforce capability of business and financial proposal by reorganizing Corporate Banking Division by sector • Enhance business coordination between large corporate and VB to respond to needs of large corporates' open innovation needs
The Bank-MUMSS strengthen multi-layered coverage	<ul style="list-style-type: none"> • Leverage MUFG top executives' relationships, strengthen approaches to IB target clients by sharing the strategy • Try effective coverage structure by new Bank-MUMSS dual-hat organization

Enhancement of Real Estate Value Chain



- 1 Improve quality/quantity of info. and consolidate & share them
- 2 Strengthen brokerage business, increase staffs
- 3 Strengthen AM business
- 4 Enhance a function to promote brokerage & mgmt.
- 5 Combine with WM strategies

KPI		
Items	FY17	FY20
Corporate agency / Market share in listed company	41.7%	42.4%
Pension / DB balance(¥tn)	11.2	12.3
Real estate / No. of effective information sharing	3,100	4,860
M&A / M&A advisory*1 related to JP corporates	#2	In #2
ECM / Equity underwriting*1	#4	In #2 group
DCM / Debt underwriting*1	#1	#1

*1 Based on Thomson Reuters etc, DCM is the total of domestic and foreign bond

Major strategies (3): Enhance Transaction Banking Business

- Enhance comprehensive settlement solutions through global trade flow analysis and collaboration among domestic and overseas product offices
- With upgrading functions of TB products, increase revenue from settlement business and sticky deposit balance by acquiring settlement accounts

Increase non-JPY deposits	
Enhance solution proposal capabilities	<ul style="list-style-type: none"> • Propose optimal TB solution by capturing customers' needs for cash management sophistication and operational efficiency
Enhance capabilities for event-driven transactions	<ul style="list-style-type: none"> • Acquire deposits and trade flows of overseas affiliated companies • Acquire deposit settlement by capturing infrastructure deals

Enhance settlement business	
Domestic	<ul style="list-style-type: none"> • Offer comprehensive settlement proposal to solve management issues • Capture B2C market expanding in line with the growth of cashless settlement
Overseas	<ul style="list-style-type: none"> • Global trade flow analysis; enhance solution for streamlined treasury mgnt • Collaboration among domestic and overseas product offices to offer better solutions

TB products / business promotion structure			
	MTBP(FY12-FY14)	MTBP(FY15-FY17)	Current MTBP
Business Structure	<ul style="list-style-type: none"> • Established TB Division managed from four bases worldwide 	<ul style="list-style-type: none"> • Established TB Group with a total of 2,000 professionals 	<ul style="list-style-type: none"> • Establish Transaction Banking Unit • Start consolidated management including NICOS
Product Lineup	<ul style="list-style-type: none"> • Global Payment Hub^{*1} • Vendor Finance System^{*2} • Netting^{*3} • Virtual Account^{*4} 	<ul style="list-style-type: none"> • Comsuite Portal^{*5} • Comsuite Forex^{*6} • Cash Forecasting^{*7} • Multi Bank Cash Concentration^{*8} 	<ul style="list-style-type: none"> • Improve UI / UX of existing products

KPI ^{*9}			
Item	FY14	FY17	FY20
Avg. balance of non-JPY deposits ^{*10} (¥tn)	9.9	13.2	13.9
No. of domestic settlement (mm)	159	174	186
Transaction volume ^{*11} (\$bn)	1,018.3	1,091.4	1,118.6

*1 A service connecting client system and the Bank system enabling data linkage between servers *2 Sales credit purchase system based on the creditworthiness of the customer

*3 A service to support group companies to net the payment each other *4 A service to improve operational efficiency to support the reconciliation of accounts receivable

*5 A web portal that enables customer to log in to multi products *6 A service that provides FX contracts and confirmation on web site

*7 A multi functional financial analysis system which provides global reporting function and cash flow forecasting function *8 A service that squares the cash balance

of the accounts that customer holds at other banks *9 Managerial accounting basis *10 Sum of Japan and overseas, sum of the Bank and the Trust Bank

*11 Domestic foreign exchange transaction amount related to trade, inward and outward investment, dividend, and services, etc.

Major strategies (4): Improving capital efficiency

- Aim to improve lending spread and shift our focus to the O&D type of business, given the constraint of non-JPY funding
- Accelerate reduction of equity holdings considering the risk, capital efficiency and international financial regulations

Improvement of lending spread

Overseas lending;
improve profitability

- Improve pricing management in both domestic and overseas market
- Seek cost efficiency (e.g. Non-JPY funding, buffer asset cost, etc.)

Conversion to O&D Business model

Strengthen O&D

- Pricing and structuring on the premise of selling out to investors
- Leverage domestic and foreign institutional investor base via collaboration of MUFG's entities

KPI*1

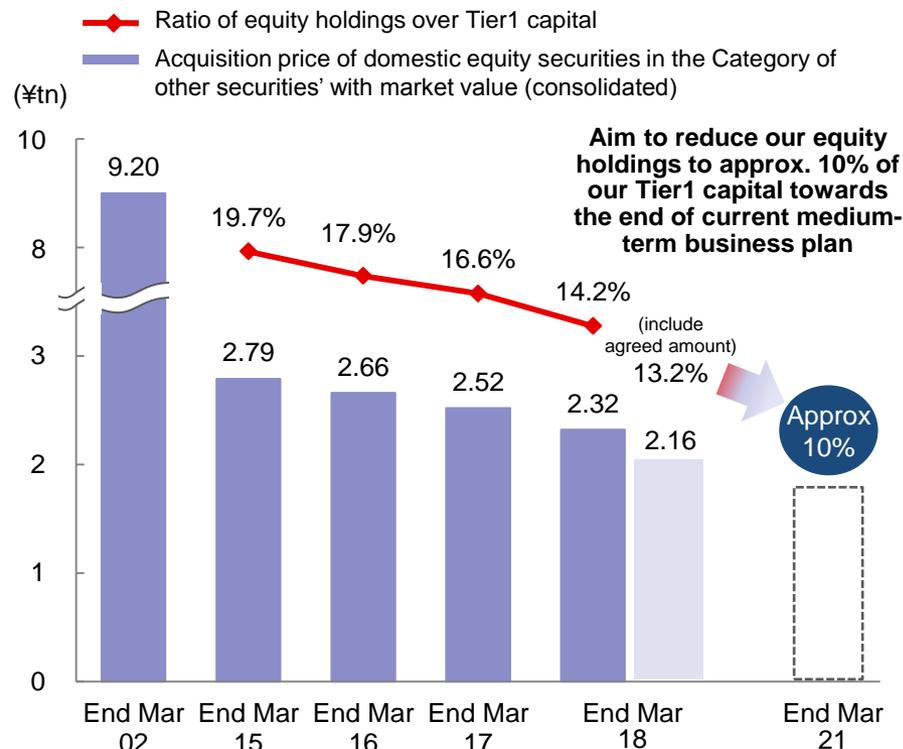
- Reduce non-JPY B/S gap by increasing deposit balance and utilizing O&D, thereby meeting the strong funding needs of Japanese large corporate customers
- The lending spread*2 of new loan improved to 0.78% in FY17 (0.67% in FY15)

Item	FY14	FY17	FY20
Average balance of non-JPY lending (¥tn)	15.6	19.3	19.1
Non-JPY corporate lending spread	0.61%	0.61%	0.65%
Lending/deposit gap in non-JPY B/S*3 (¥tn)	(5.7)	(6.1)	(5.2)

Reduction of equity holdings

Accelerating
reduction of
equity holdings

- Accelerate reduction of equity holdings via plenty of conversation with the customers
- Approx. ¥470bn*4 equities were sold during the previous MTBP



*1 Managerial account basis in Japan and overseas, sum of the Bank and the Trust Bank *2 Weighted average of new loan spread. Limited to loan for over one year. Excluding loans for some entities, which is not connected to the system *3 Average balance *4 Sum of the Bank and the Trust Bank, acquisition cost basis

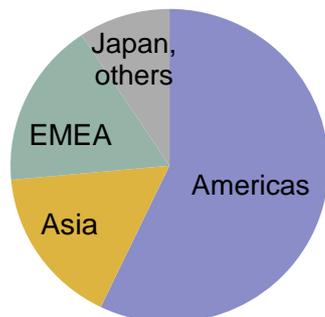
Global Corporate & Investment Banking Business Group

Overview of Global Corporate & Investment Banking

FY17 results



Composition of net operating profits



Net operating profits breakdown

Products with leadership position

	FY17 results*1
Project Finance	Loan : Global #1 Bond : Global #3
Securitization	ABCP : Global #4 ABS : US #8
Loan / DCM (IG)	Global #10

Our vision

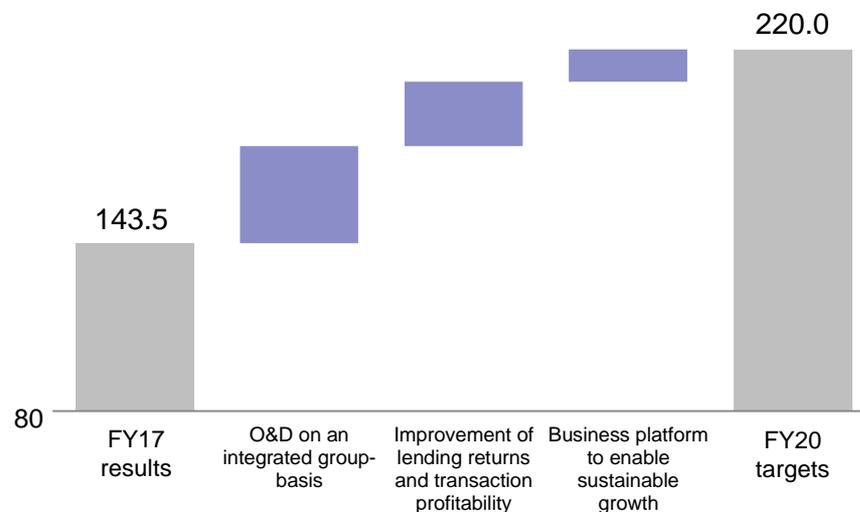
Top-tier Global Debt House

Financial targets

	FY17 results	FY20 targets
Net operating profits (¥bn)	143.5	220.0
Expense ratio	65%	58%
ROE	7%	8%

Net operating profits and expense ratio include profits from non-Japanese large corporate customers of KS which belongs to GCB and JCIB's non-Japanese corporate customers located in Japan, and O&D profits related to Global Markets

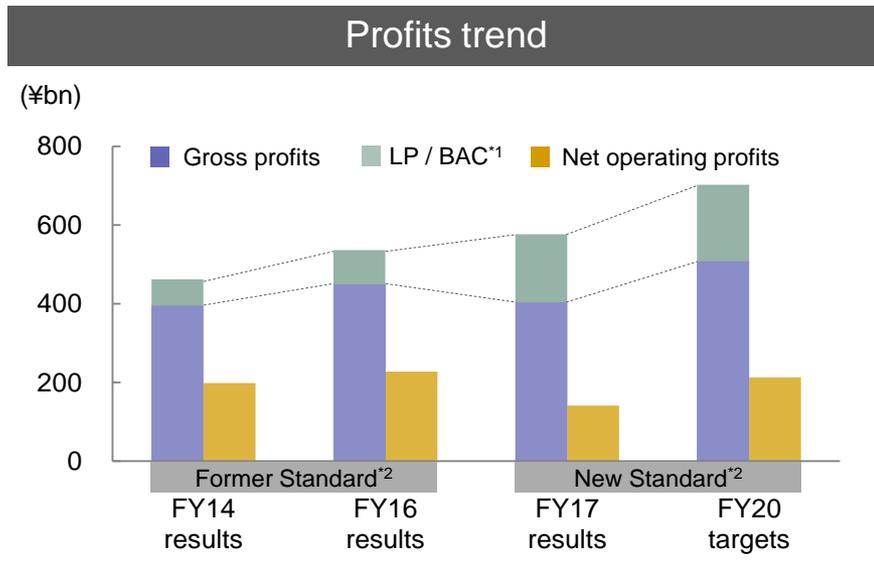
Plan of net operating profits



*1 (Source) Project Finance: PFI League Table, ABCP: Moody's, ABS: Thomson Reuters, Loan / DCM: Dealogic

Current and future management policy

- Profitability was pressured during the previous MTBP due to rising non-JPY mid- to long-term funding costs, tighter loan margins from monetary easing and tougher competition; steady progress has been made in terms of enhancing business platforms to achieve business model transformation
- In the current MTBP, we will shift our focus from “quantity” to “quality” through ① O&D on an integrated group-basis, ② improve lending returns and transaction profitability and ③ business platform to enable sustainable growth



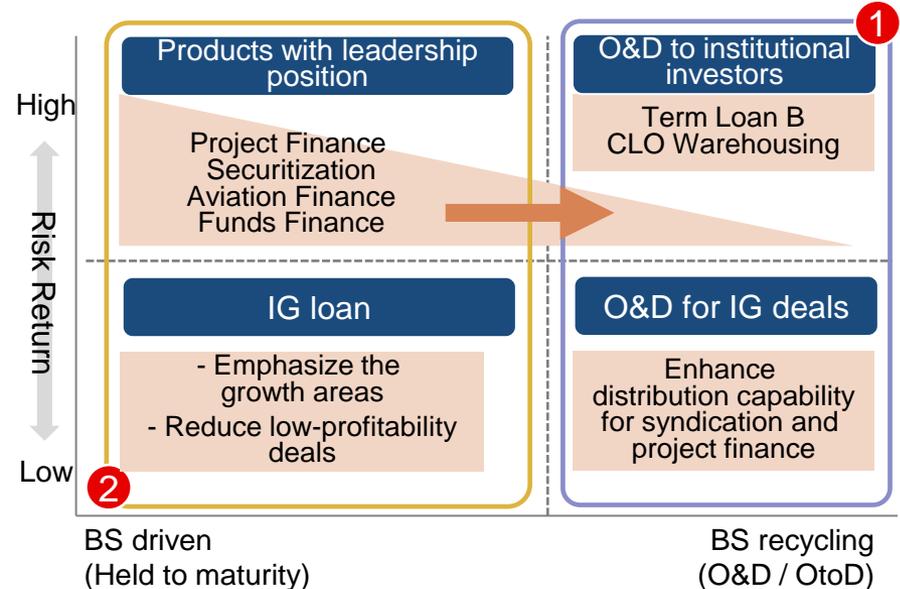
Business model transformation under the previous MTBP

- Promote Global Sector Strategy : Healthcare, FIG
- Enhance profitability management : Deal Screening
- Establish integrated operation between banking and securities business
- Develop a more sophisticated risk management structure to enable asset velocity (capital markets credit)

Future management policy

- ① O&D on an integrated group-basis **+¥38.0bn**
- ② Improve lending returns and transaction profitability **+¥25.0bn**
- ③ Business platform to enable sustainable growth **+¥13.5bn**

Shift from “quantity” to “quality”

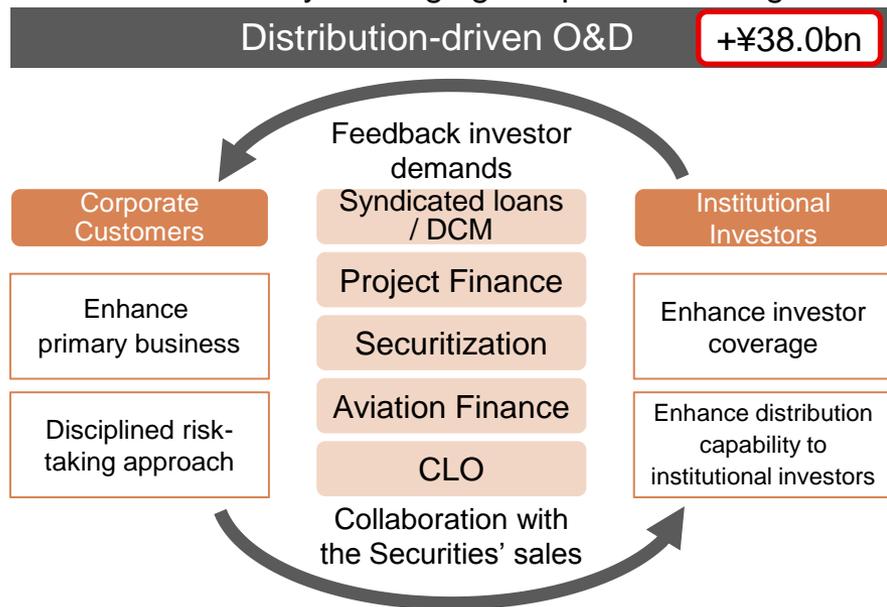


*1 LP: Liquidity premium (non-JPY mid- to long-term funding costs), BAC: Buffer Asset Cost (cost related to liquid asset in case of drawing down from commitment line)

*2 Change funding costs charged by Global Markets Business Group to the costs in accordance with market price under new standard

Key initiative (1): O&D on an integrated group-basis

- Accelerate distribution-driven O&D via further integrated operation between banking and securities business
- Aim to become a top-tier global debt house; apply a measured and disciplined risk-taking approach in new business areas by leveraging our product strengths



KPI items	FY17	FY20
Distribution amount*1	¥20tn	¥25tn
Distribution ratio*2	46%	53%
ABS League Table (US)	#8	#5-8
Wallet share of syndicated loan and DCM (Non-IG*3)	0.9%	1.1%

Example

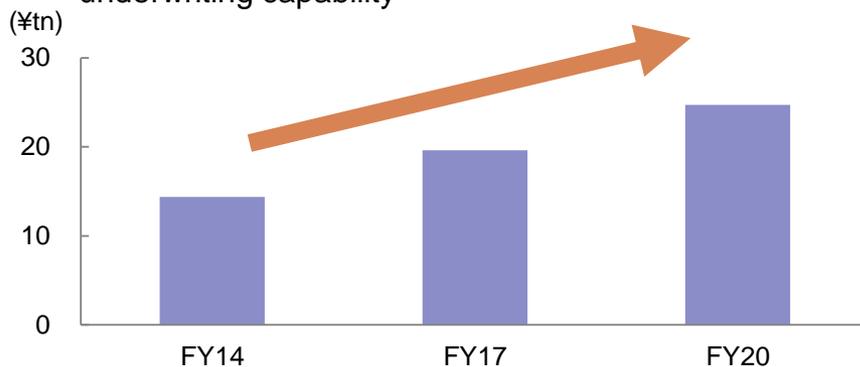
- Appointed as a sole arranger of samurai project loan, the first in the project finance market in Australia; the loan was distributed to Japanese investors

*1 Distribution amount = Arrangement amount – Final hold amount (Syndicated loan, Project Finance, Securitization, Aviation Finance, etc.)
+ Securities' arrangement amount of DCM, ABS, etc.

*2 Distribution ratio = Distribution amount ÷ Total amount of loans to global corporate customers

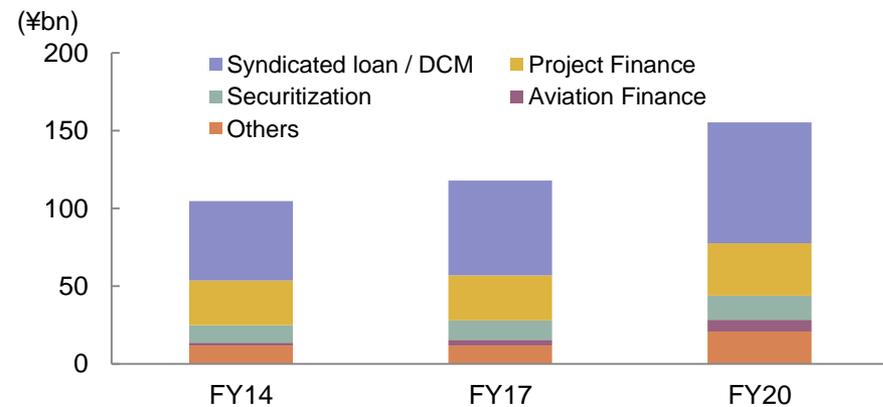
Expand distribution amount

- Expand distribution amounts by enhancing our underwriting capability



Fee income by product

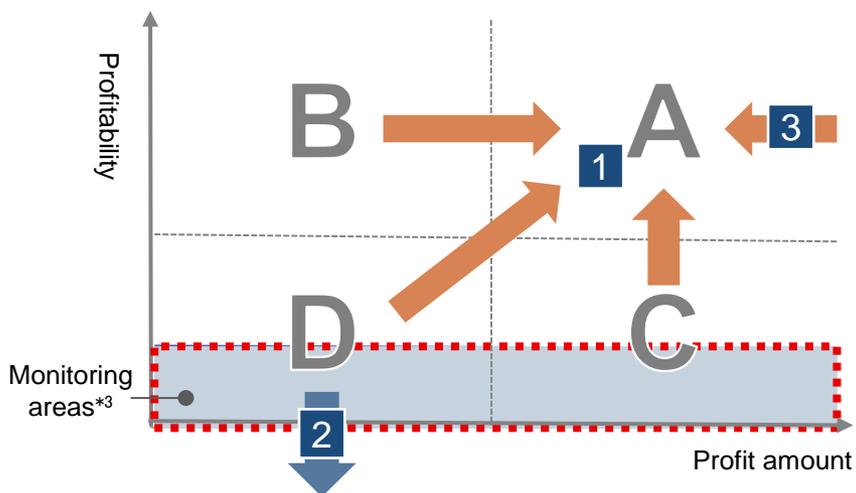
+¥38.0bn*4



Key initiative (2) : Improve lending returns and transaction profitability

- Improve returns through 3R (Repricing, Reduction, Restructuring); allocate our excess RWA capacity to growth areas with higher profit potential
- Promote Global Subsidiary Banking (GSB)^{*1}, leveraging our extensive global network as well as commercial banking platforms in Asia, both at the top among Japanese banks

Risk-return driven business model **+¥25.0bn**



- 1** Improve returns from existing transactions
+¥12.0bn^{*2}
- 2** Exit from transactions with low returns
(¥3.0bn)^{*2}
- 3** Introduce new transactions with higher returns
+¥16.0bn^{*2}

Growth areas **+¥19.0bn^{*2}**

Global Sector Strategy

FIG, Healthcare, Technology:
Apply a disciplined approach to risk taking through sector-specific expertise
Collaboration with Japanese corporates

Example Expansion of customer base in the US from FY14 to FY17

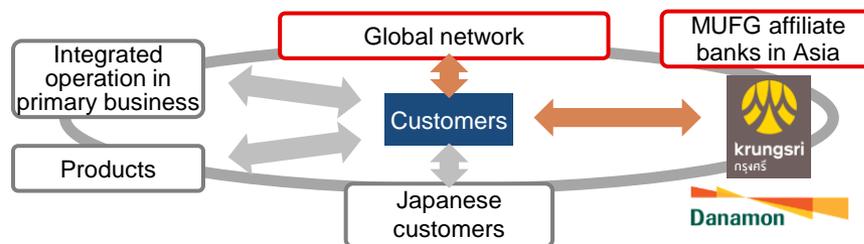
Sector	# of customers	Profit
FIG	+12%	+88%
Healthcare	+3%	+13%

Acquisition Finance

Capture financing opportunities by leveraging strategic alliance with Morgan Stanley (MS)

Example
Healthcare : Underwrote acquisition facility in collaboration with MS in an M&A transaction which MS was the advisor

Global Subsidiary Banking **+¥6.0bn^{*2}**



KPI item	FY20 (against FY17)
Reduce low-profitability customers	(25%) ^{*4}

KPI item	FY20 (against FY17)
GSB profits	+20%

^{*1} Transactions with subsidiaries of global corporate multinational customers ^{*2} Estimated impact on net operating profits

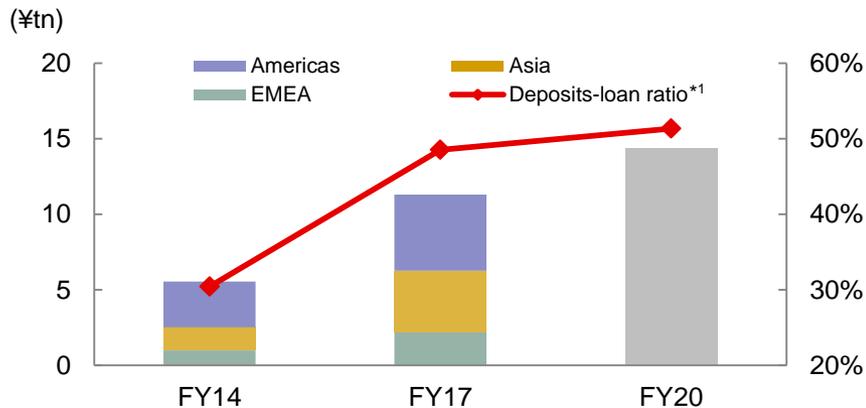
^{*3} A group of customers with low profitability below our profitability threshold ^{*4} Reduction rate of 370 customers with low-profitability in the monitoring areas

Key initiative (3) : Business platform to enable sustainable growth

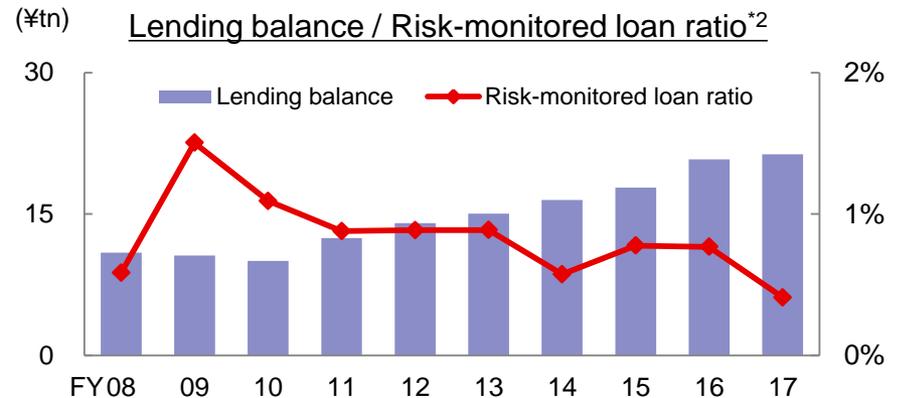
- Manage with improved awareness of deposits-loan ratio and non-JPY mid- to long-term funding costs
- Promote disciplined risk-taking in accordance with risk appetite framework; enhance our middle-office functions and credit screening structure; strengthen risk monitoring structure related to capital markets credit
- Realize flexible resource allocation via personnel expense management on a global basis, with the aim of stronger cost control

Foreign currency deposits

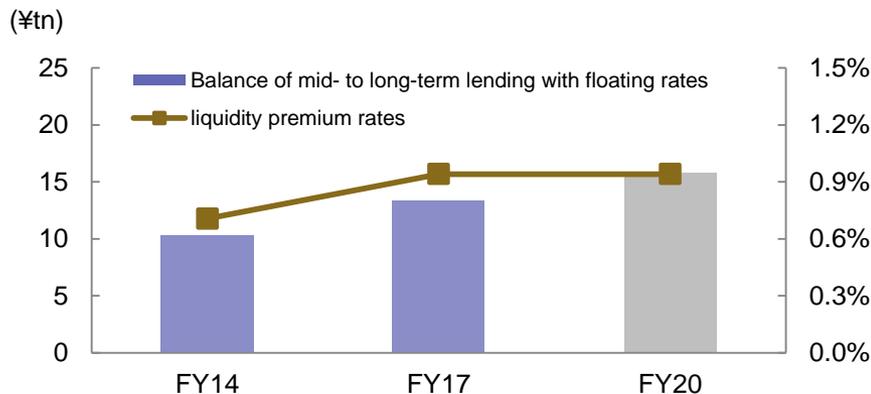
+¥13.5bn



Credit risk management



Balance of mid- to long-term lending with floating rates / liquidity premium rates



Expenses (personal expense control)

- GCIB Human Capital Committee (new)
 1. Stronger correlation between bonus funding and operating results
 2. Develop talent and offer promotion possibilities, developing succession plans
 3. Enhance global governance with respect to promotions and framework for more flexible personnel management
 4. Facilitate global mobility to encourage the sharing of expertise and the strengthening of networks

Realize strategic and flexible resource allocation / Enhance cost control

*1 GCIB's figures only *2 MUFG Bank non-consolidated base

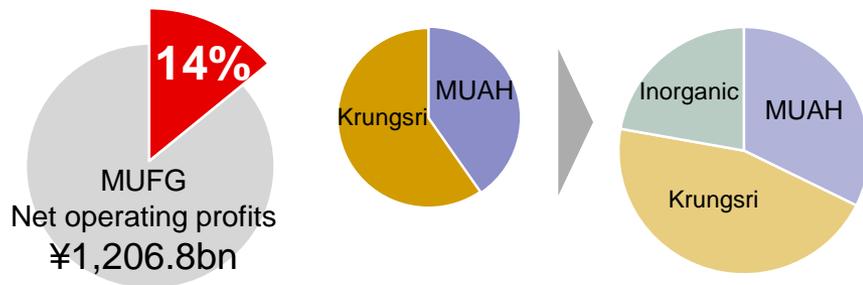
Global Commercial Banking Business Group

Overview of GCB

FY17 results

FY20 targets

Financial targets

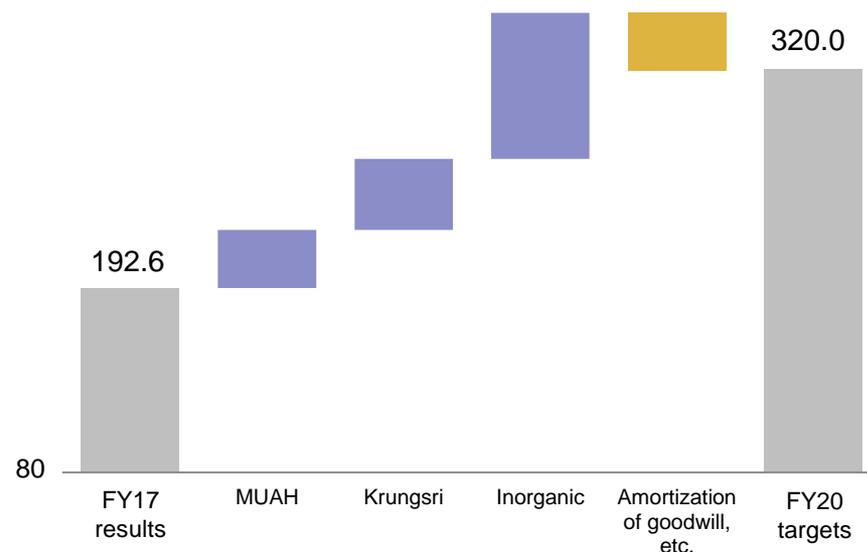


Composition of net operating profits

Net operating profits breakdown

	FY17 results	FY20 targets
Net operating profits (¥bn)	192.6	320.0
Expense ratio	70%	66%
ROE	8%	10%

Plan of net operating profits

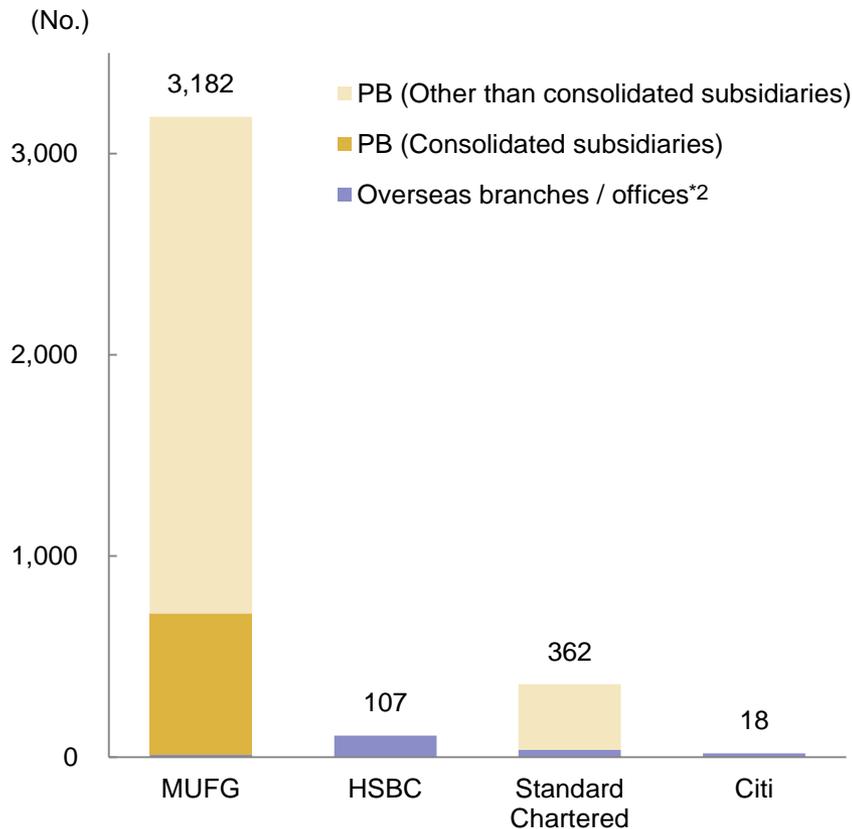


Partner Bank (PB)	Voting right*1	Ranking*2
United States UnionBank	100%	#13
Thailand krungsri <small>A member of MUFG, a global financial group.</small>	76.8%	#5
Vietnam VietinBank <small>Nâng giá trị cuộc sống</small>	19.7%	#2
Philippines SECURITY BANK	20.0%	#5
Indonesia Danamon	19.9%	#5

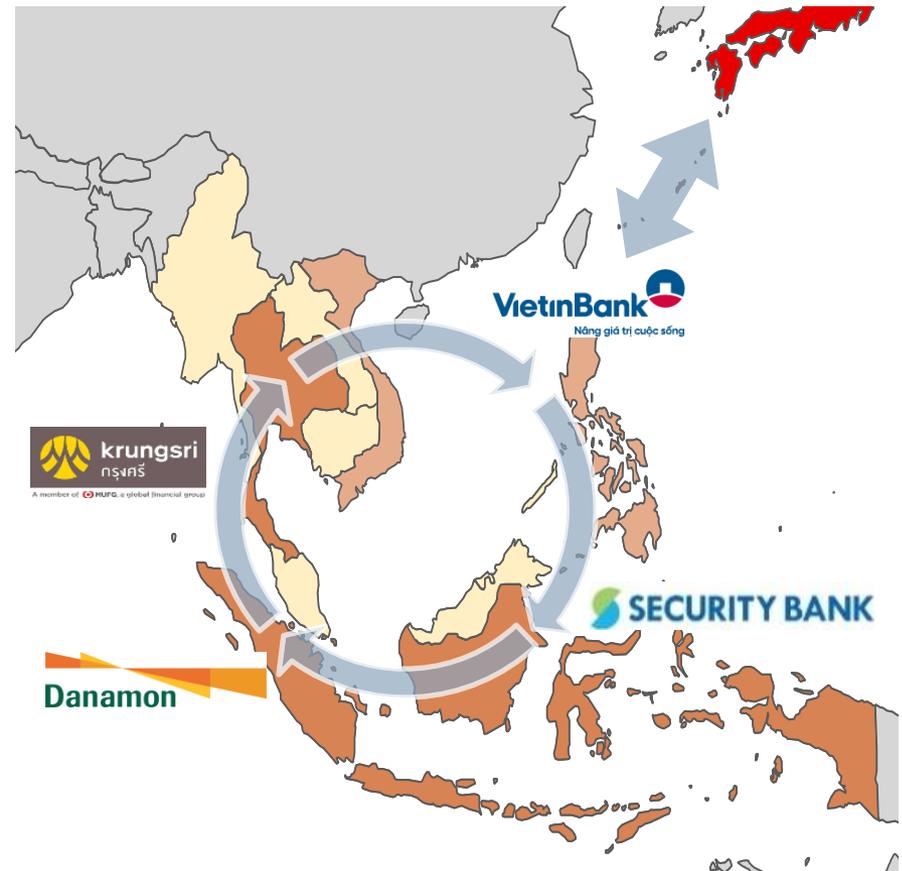
Our network in ASEAN nations

- Step up operations in each partner bank (PB)'s areas of strength that will allow each to secure a greater market presence in countries in which they operate and expand into adjoining regions with high growth potential; to this end, provide business expertise to and engage in business collaboration and alliances with local PBs while taking an approach that fits in with the strategies undertaken by each PB

Comparison of branch networks*¹ with other banks in four countries where PBs are located



Collaboration among PBs in ASEAN nations by leveraging the strength of each bank



*¹ (Source) MUFG: Company data (End Dec 17) (The number of branches of Bank Danamon excludes those of Adira Finance and Adira Insurance)

HSBC, Citi Bank, Standard Chartered: Each bank's HP and company data (End Jun 18) (Excl. rep offices and branches specialized in a certain operation)

*² MUFG: Total of MUFG Bank's overseas branches in four countries

HSBC, Citi Bank, Standard Chartered: Overseas commercial bank branches in four countries (Standard Chartered excludes Bank Permata)

Overview of strategy

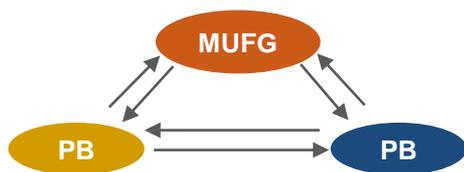
Our Vision

Aim to achieve growth by “Managing” businesses and, to this end, is utilizing its network covering the Asia Pacific region

Overview of strategy

1. Sharing of best practices

Enhance enterprise values through sharing best practices among all partner banks



(example)

Auto Finance

Digitalization

2. Create synergy

Increase revenues through collaborative initiatives
Reduce costs by the standardization of process and platforms



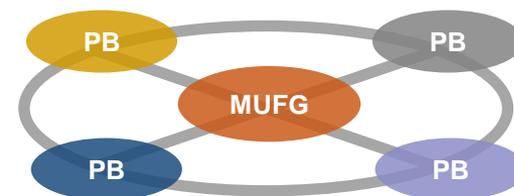
(example)

Dealer Finance

Business matching conference in overseas

3. Enhance risk management and governance

Promote “defense strategies” in areas of risk management, governance and etc. to secure sound growth



(example)

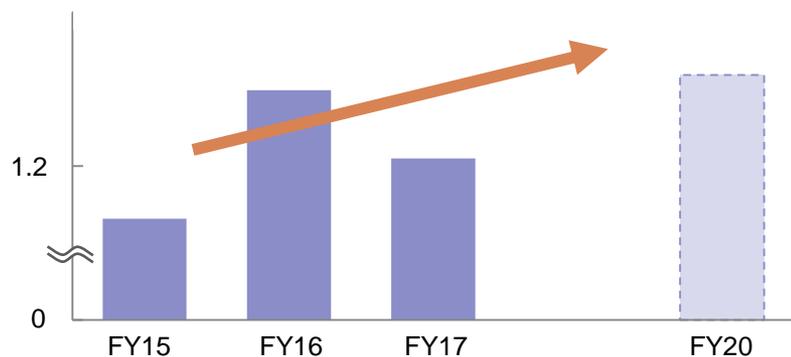
Transferring MUFG’s risk monitoring framework to other PBs

MUFG Americas Holdings Corporation (MUAH)

- FY17 Net operating profits decreased due to a slight decrease in gross profits and a rise in expenses. Step up efforts to increase deposits and lending by seizing opportunities arising from U.S. interest rate hikes and robust economic growth
- Also aim to achieve stable growth by strengthening non-interest income businesses and by improving productivity

Net operating profits*1,2,3

(US\$ bn)

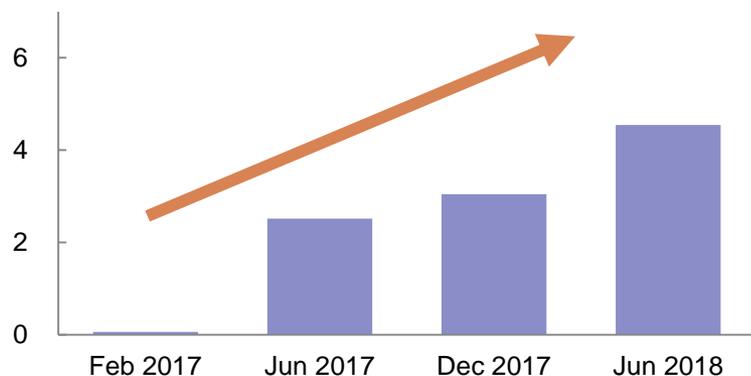


Key initiatives

Deposits	PurePoint (Direct Banking)
Loans	Unsecured consumer loans
Non-interest income	Mortgage Servicing Rights
	Wealth management for business owners
Productivity	Resource & location strategy
	IT services transformation & cost reduction

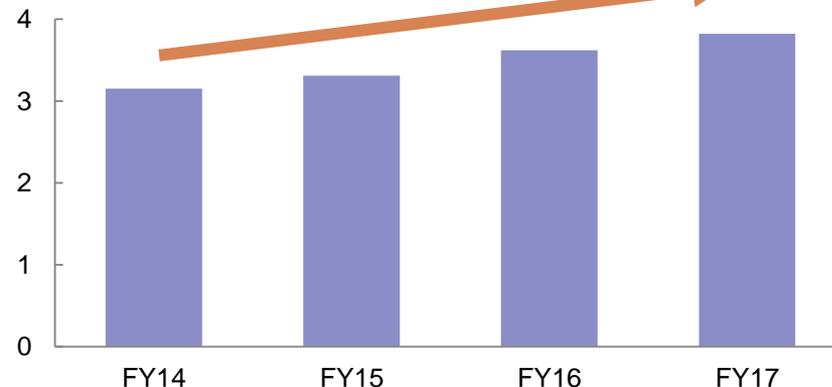
PurePoint deposit balance

(US\$ bn)



Trends in the US consumer loan market*4

(US\$ tn)



*1 MUAH's December 31, 2017 10-K report based on U.S. GAAP; Net operating profits is defined as pre-tax, pre-provision income

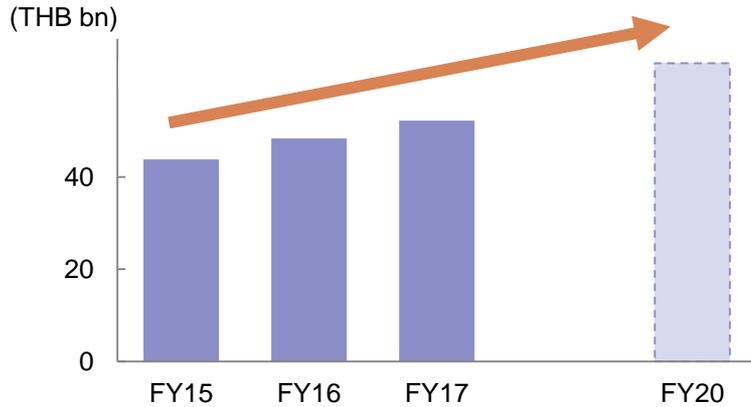
*2 Figures have been revised to include the results of the transferred IHC entities, such as MUFG Securities Americas applicable to FY16

*3 This bar chart illustrates the potential for net operating profit growth through its key initiatives *4 Non-housing debt ((Source) FRB "HOUSEHOLD DEBT AND CREDIT REPORT")

Krungsri (Bank of Ayudhya)

- FY17 Net operating profits increased due to an increase in NII driven by loan growth and a rise in non-interest income driven by an increase in credit card customers and forex transactions
- The Thai economy is expected to grow at a pace exceeding the latest three-year average, while consumer loan balances are growing throughout the country
- Thai Corp, SME and Retail segments enhancement, while maintaining strong position in JPC/MNC*¹ and Consumer Finance

Net operating profits*²

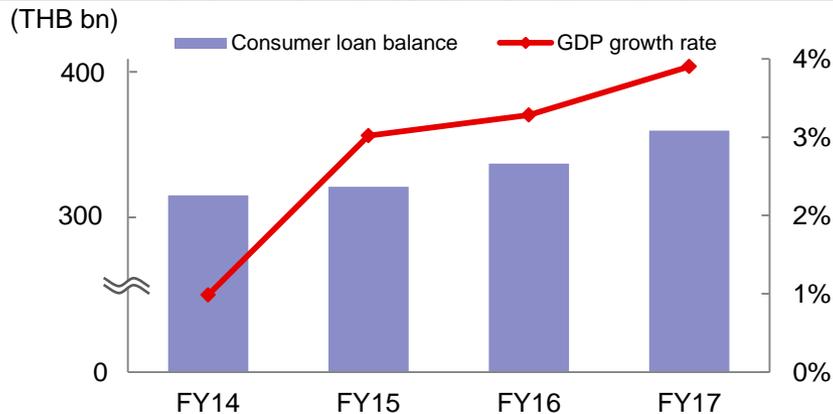


Strategic direction

Accelerate digital / Improve productivity Maintain high asset quality

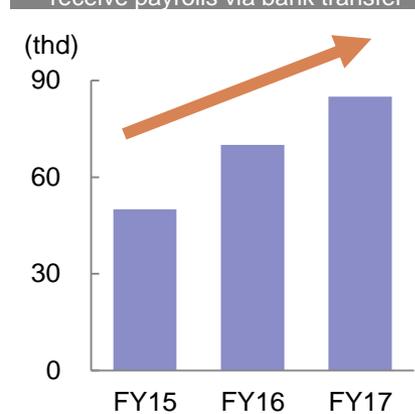
Segment	Position	Key Strategies
JPC / MNC	#1	Promote deposit & investment banking business
Thai Corp	#5	Explore new market / enhance fee business
SME	#5	Focus on working capital solution, and grow non-interest income and CASA* ⁵
Retail	#5	Improve Krungsri brand awareness and advisory capability
Consumer Finance	#1	Maintain and enhance #1 position

GDP growth rate*³ / Trend in the Thai consumer loan market*⁴

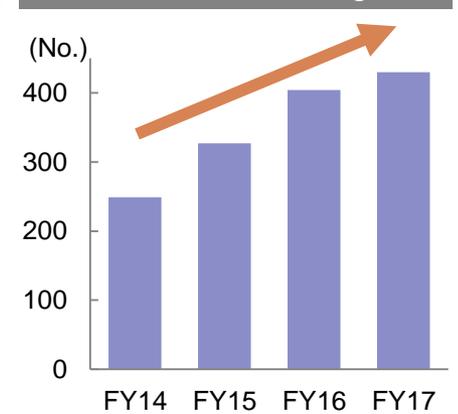


JPC / MNC

The number of accounts used to receive payrolls via bank transfer



The number of business matching



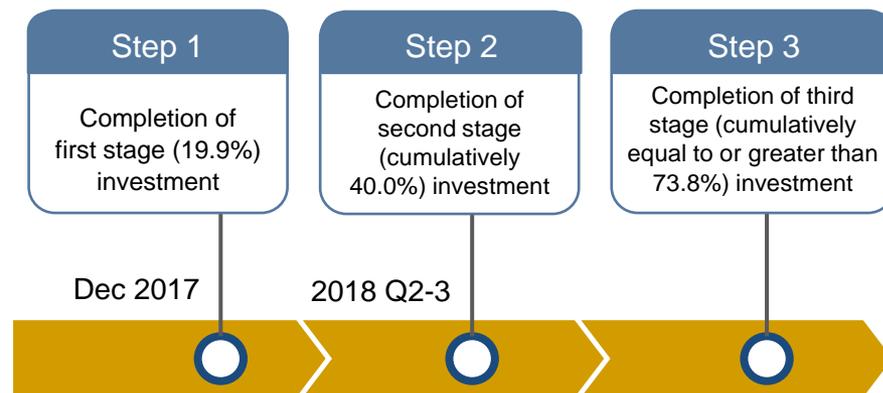
*1 Multinational Corporation *2 Based on Thai GAAP *3 Real GDP growth rate from Krungsri's IR materials
*4 (Source) Bank of Thailand "Personal Loan under Supervision" *5 Current Account and Savings Account

Bank Danamon

Company overview

Establishment	1956 (established as a private bank)
Rating	Moody's: Baa2, Fitch: BB+, Pefindo: AAA
Operating Income / Net Income*1	US\$1,303mm / US\$282mm
Total Asset*1	US\$13,157mm
Branches*2	Consolidated base: More than 1,600 Stand-alone base: 992
Employees*2	Consolidated base: 36,410 Stand-alone base: 16,811

Transaction schedule



Accelerating the growth strategy by utilizing the synergies with MUFG



Features and initiatives of Bank Danamon

- Strengthening SME and Transaction banking services
- Maintaining leadership position in the Auto industry
- Growth of digital channels
- Mortgages and knowledge of real estate business



Strengths of MUFG

- Global network
- Transaction of Japanese Corporate clients
- Products and services
- Track record of synergies from partnering ASEAN banks

Contribute to the Indonesia's economy

Expansion of the presence in Indonesia

Enhance MUFG's Global Commercial Banking business

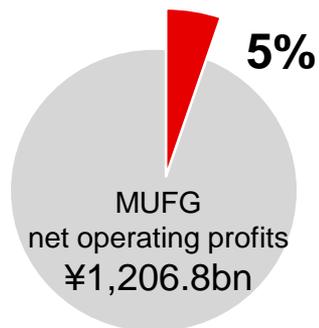
Provide unparalleled comprehensive financial services

*1 End Dec 17. 1USD=13,548IDR *2 End Dec 17. The number of branches on stand-alone base excludes those of Adira Finance and etc.

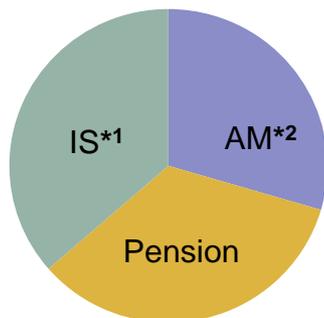
Asset Management & Investor Services Business Group

Overview of Asset Management & Investor Services

FY17 results



Composition of net operating profits



Net operating profits breakdown

Financial targets

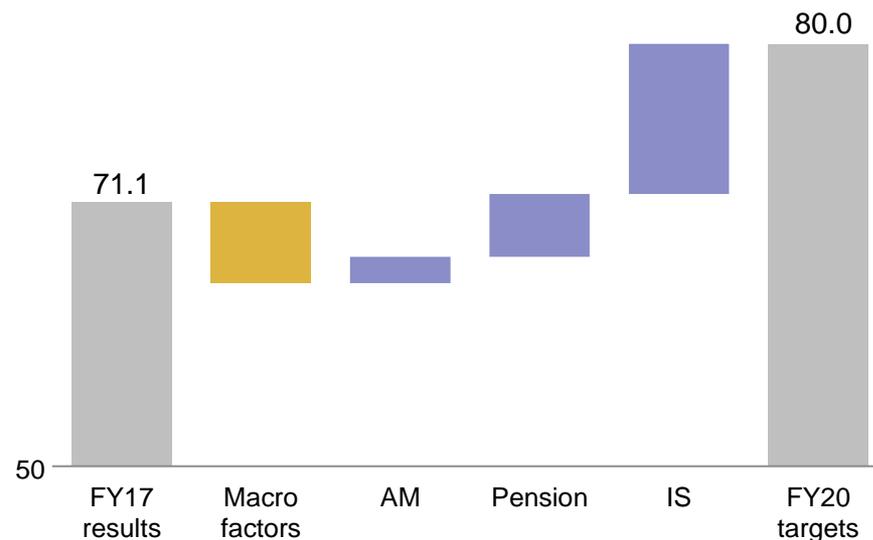
	FY17 results	FY20 targets
Net operating profits (¥bn)	71.1	80.0
Expense ratio	62%	63%
ROE	23%	20%

Review of last MTBP*3

	AM	Pension	IS
Last MTBP*3	Slow growth in individual, whereas rapid growth in institutional investors	Shift from employee's pension fund to DB, DC pension	Enhanced business scale by inorganic growth

Scale	AuM*4: ¥62tn	DB balance: ¥11tn DC balance: ¥2tn	Japan: ¥400tn Overseas: \$500bn
Position	Japan: #3*5 Global: #39*5	DB: Japan #2*6 DC: Japan #1*7	Japan: #1*8 Overseas: #6*9

Plan of net operating profits



*1 Investor Services *2 Asset management *3 Medium-term business plan *4 Asset under Management

*5 (Source) The P&I/Willis Towers Watson World 500 (End Dec 16) *6 (Source) R&I Pension Information Magazine (End Sep 17)

*7 (Source) R&I Pension Information Magazine (End Mar 18) *8 (Source) Each company's presentation *9 (Source) eVestment Alternative Fund Administration Survey (Year 2017)

Strategy overview

Our vision

The unparalleled industry leader in Japan as well as a global player boasting significant presence overseas

Key strategy

Consulting & solution



MUFG group synergy



Digitalization

Our major initiatives and “Eleven Transformation Initiatives”

AM

- Enhance investment and product development capabilities
- Support personal financial asset building
- Inorganic growth

Real Estate Value Chain

- Asset management business model unique to MUFG

Asset Management

Institutional Investors Business

- Challenges under new RM-PO model

RM-PO Model

- Provide broad services and functions to institutional Investors



- Develop products powered by AI/Digital technology

Digitalization

- Improve efficiency by introducing RPA*1

Pension

- Provide comprehensive consulting with regard to employee benefit plans

IS

- Fully utilize enhanced functions
- High-value-added banking services

*1 Robotics Process Automation

AM business strategy

- As AM industry grew as a whole, competition has become severe. Enhance product development and comprehensive investment solution capability by utilizing inorganic growth in addition to organic growth
- Focus on supporting asset building for individuals by providing Dollar-Cost Averaging NISA funds and promote investment education

Enhance comprehensive investment capability

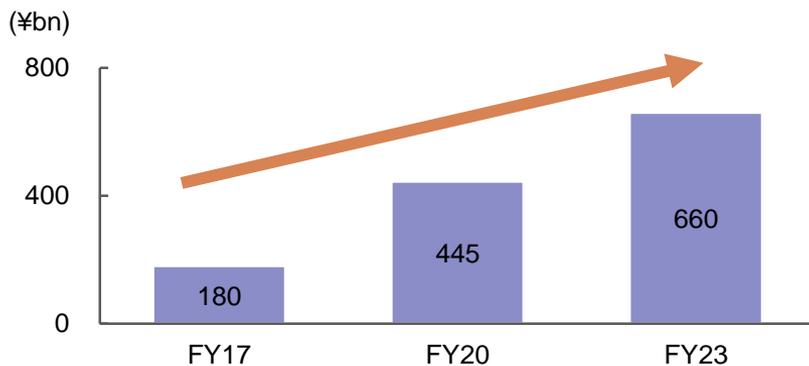


Enhance asset management skills

Enhance product lineup

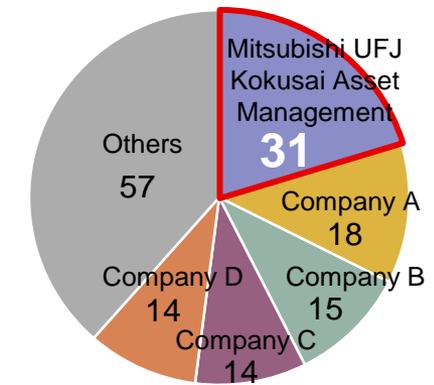
- | | |
|--|--|
| <ul style="list-style-type: none"> Review current HR system Utilize digital technology | <ul style="list-style-type: none"> Develop alternative products Develop ESG products |
|--|--|

KPI Alternative products balance*3



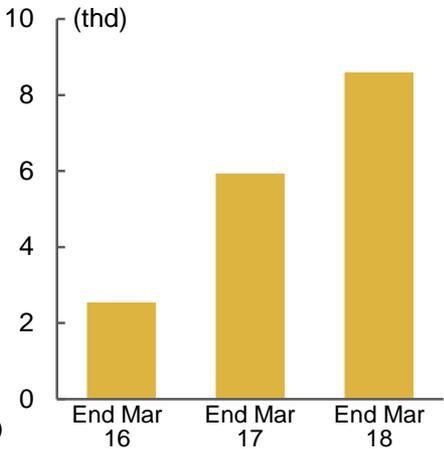
Initiatives for stable asset building

Dollar-Cost Averaging NISA eligible funds (149 in total)

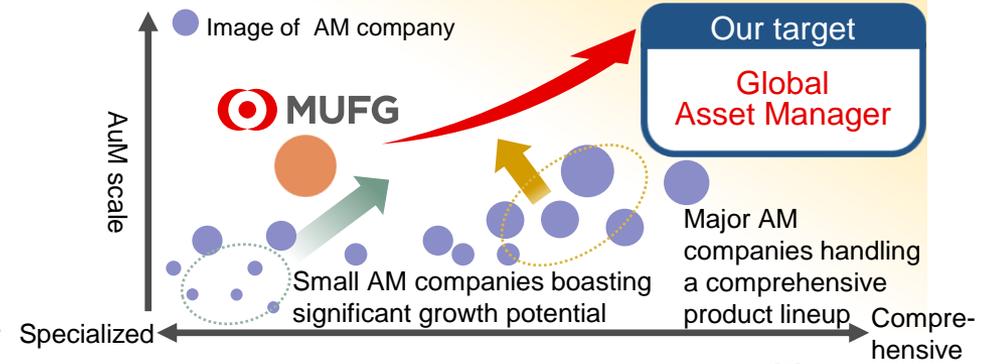


(Source) JFSA HP (latest update on Jul 3, 2018)

Cumulative no. of investment education seminars held*4



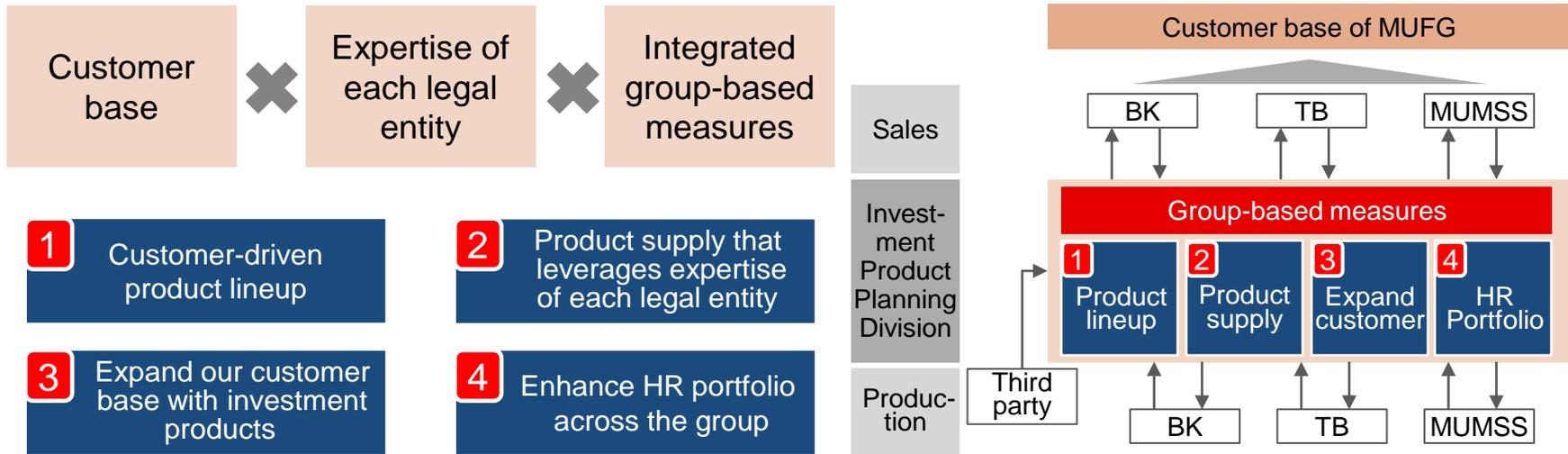
Inorganic growth strategy



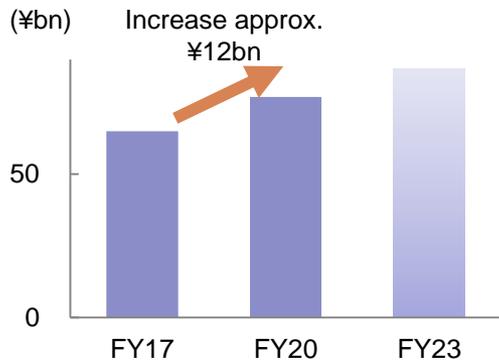
*1 Total of the awards by Morningstar, Thomson Reuters Japan, R&I Inc. *2 (Source) R&I Pension Information Magazine *3 Balance of internally developed low-liquidity investment products, such as real estate-based products *4 The accumulated number of investment seminars held since FY2015

Eleven transformation initiatives: “Asset Management”

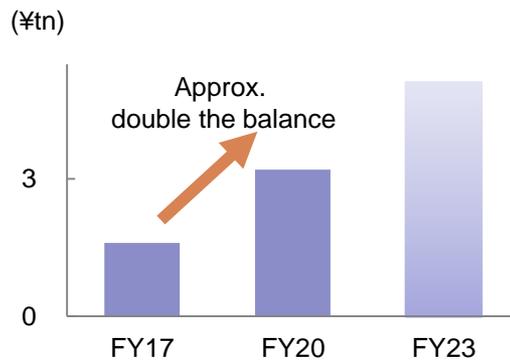
- Make the best possible use of group client base and production & sales expertise of each legal entity. Establish an asset management model unique to MUFG
- Promote integrated group-based measures led by Investment Products Planning Division. Aim revenue growth through AuM increase and expansion of customer base with investment products



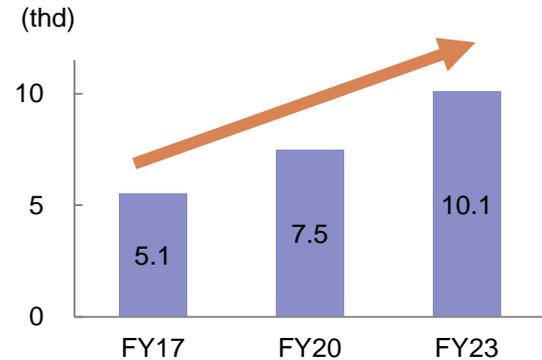
Gross profits



Balance of investment products*1



KPI No. of corporate customers*2



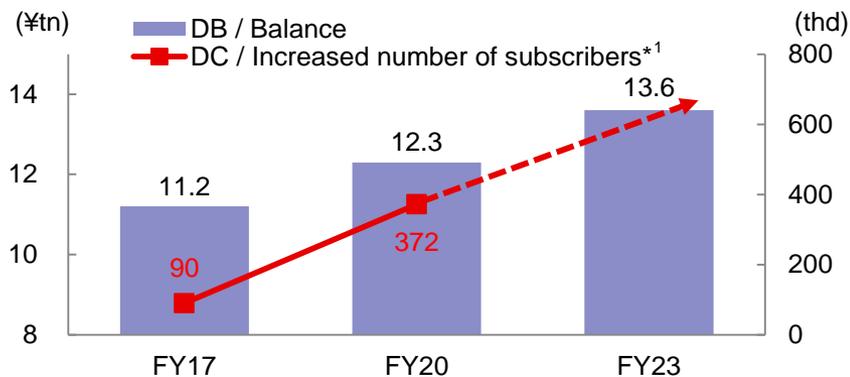
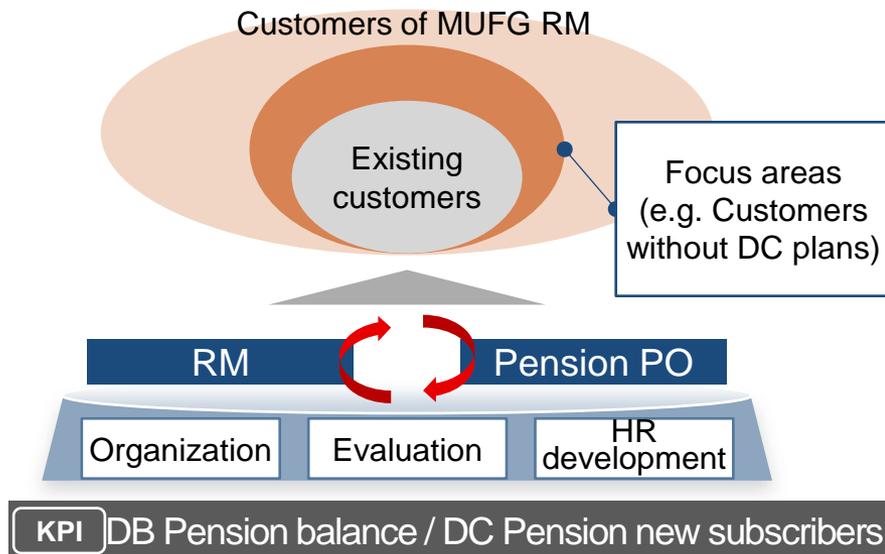
*1 Balance of investment products such as joint-management specified money trusts, investment trusts

*2 Number of corporate customers with investment products

Pension business strategy

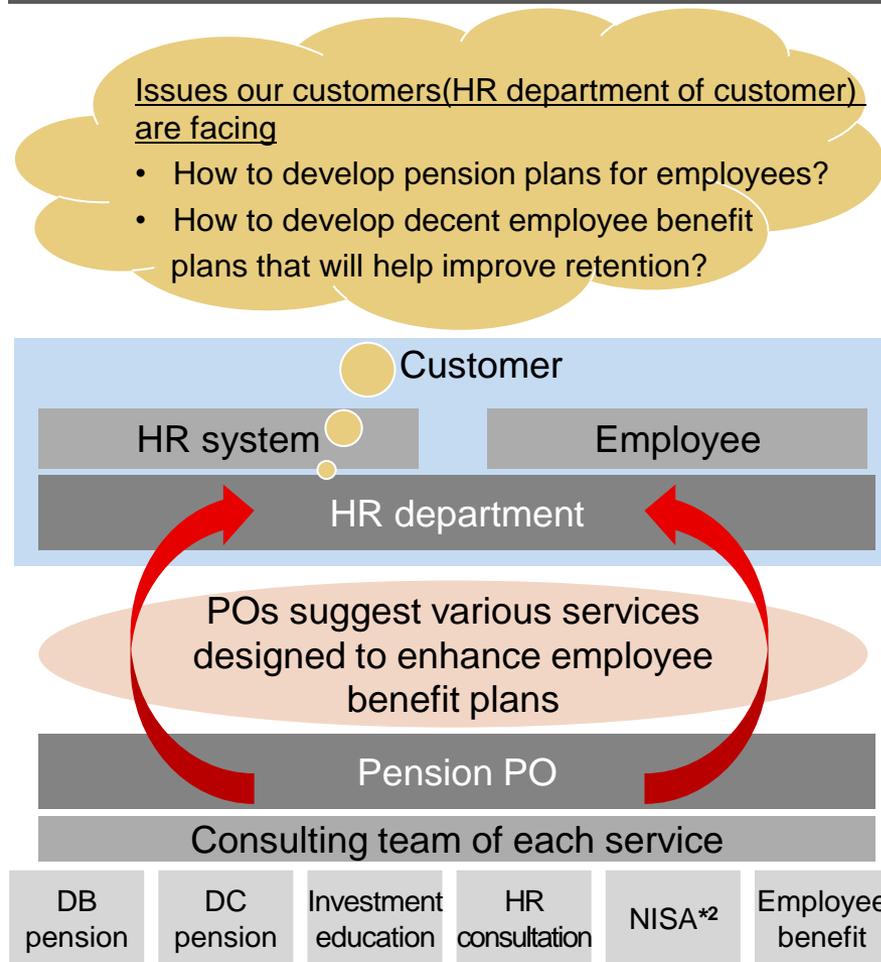
- Define focus area for the customers and strengthen comprehensive RM-PO approach
- To resolve client issue, enhance consulting capability and propose various services which will support employee benefits and welfare

Measures under new RM-PO model



*1 Accumulated sum from FY17 *2 Dollar-Cost Averaging NISA provided by the corporates for their employee

Enhance consulting capability

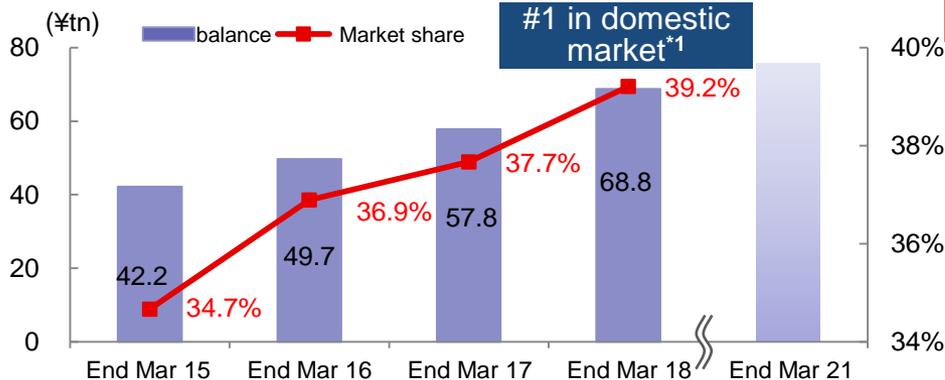


IS business strategy

- Domestically, MUFG obtains No.1 market share by capturing the clients needs. Globally, expand scale and enhance capability by utilizing inorganic growth in addition to organic growth
- Promote banking service by leveraging MUFG's strength and achieve profit growth by improving the productivity

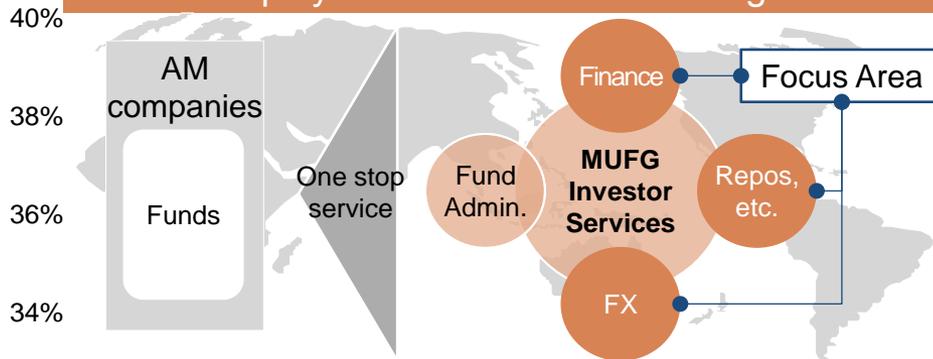
Enhance business base

Balance of Japanese investment trust funds / market share



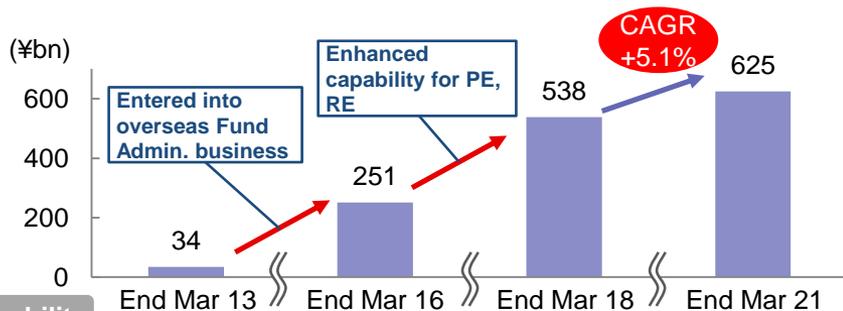
Measures towards profit growth

Promote high-value-added banking services that employ MUFG's distinctive strength



KPI

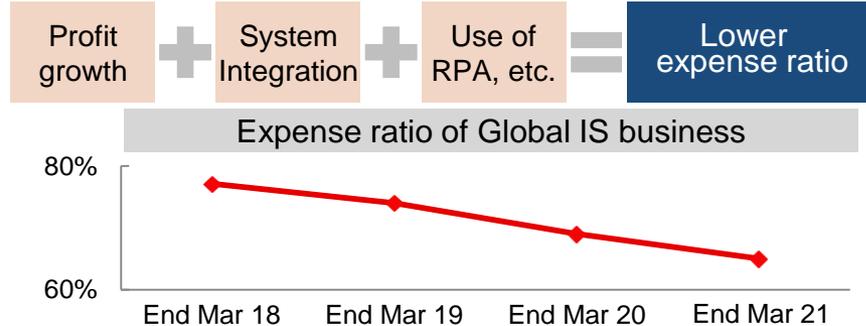
Global IS balance*2



Capability

HF*3/ FoHF*4	Partial	Full	Full	Full
PE*5/ RE*6	N.A.	Partial	Full	Full
FF*7, etc.	N.A.	Partial	Partial	Full

Enhance productivity



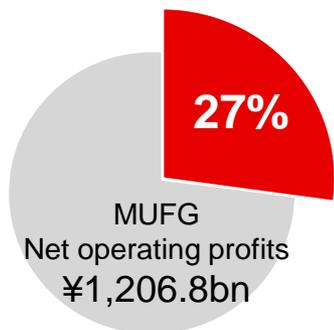
Profit growth	Progress bar
System Integration	Progress bar
RPA, etc.	Progress bar

*1 Estimated based on public source, etc. *2 Sum of HF/PE/Investment funds(40Act etc.)administration *3 Hedge fund *4 Fund of hedge funds *5 Private equity *6 Real estate *7 Fund finance

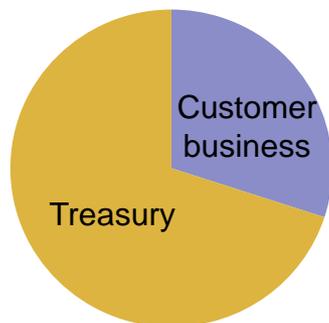
Global Markets Business Group

Overview of Global Markets

FY17 results



Composition of net operating profits



Net operating profits breakdown

Strategy outlines (four pillars)

Challenge for new customer segments and growth areas
(Institutional investors business, O&D, etc.)

Structural reforms of Corporate customers business

Further collaboration / cooperation frameworks
for MUFG Treasury

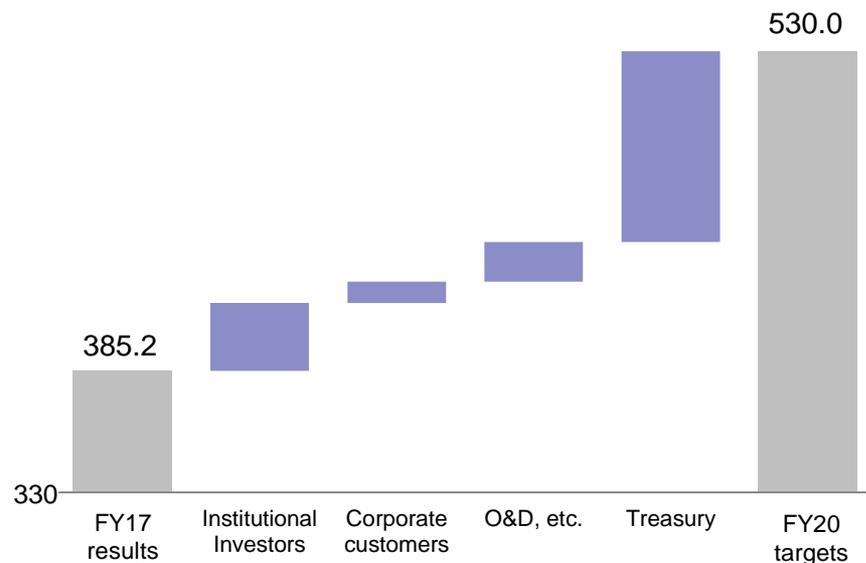
Establish entity agnostic business frameworks /
infrastructure and accelerate digitalization

Financial targets

	FY17 results	FY20 targets
Net operating profits (¥bn)	385.2	530.0
Expense ratio (Customer business)	41% (64%)	37% (58%)
ROE	7%	9%

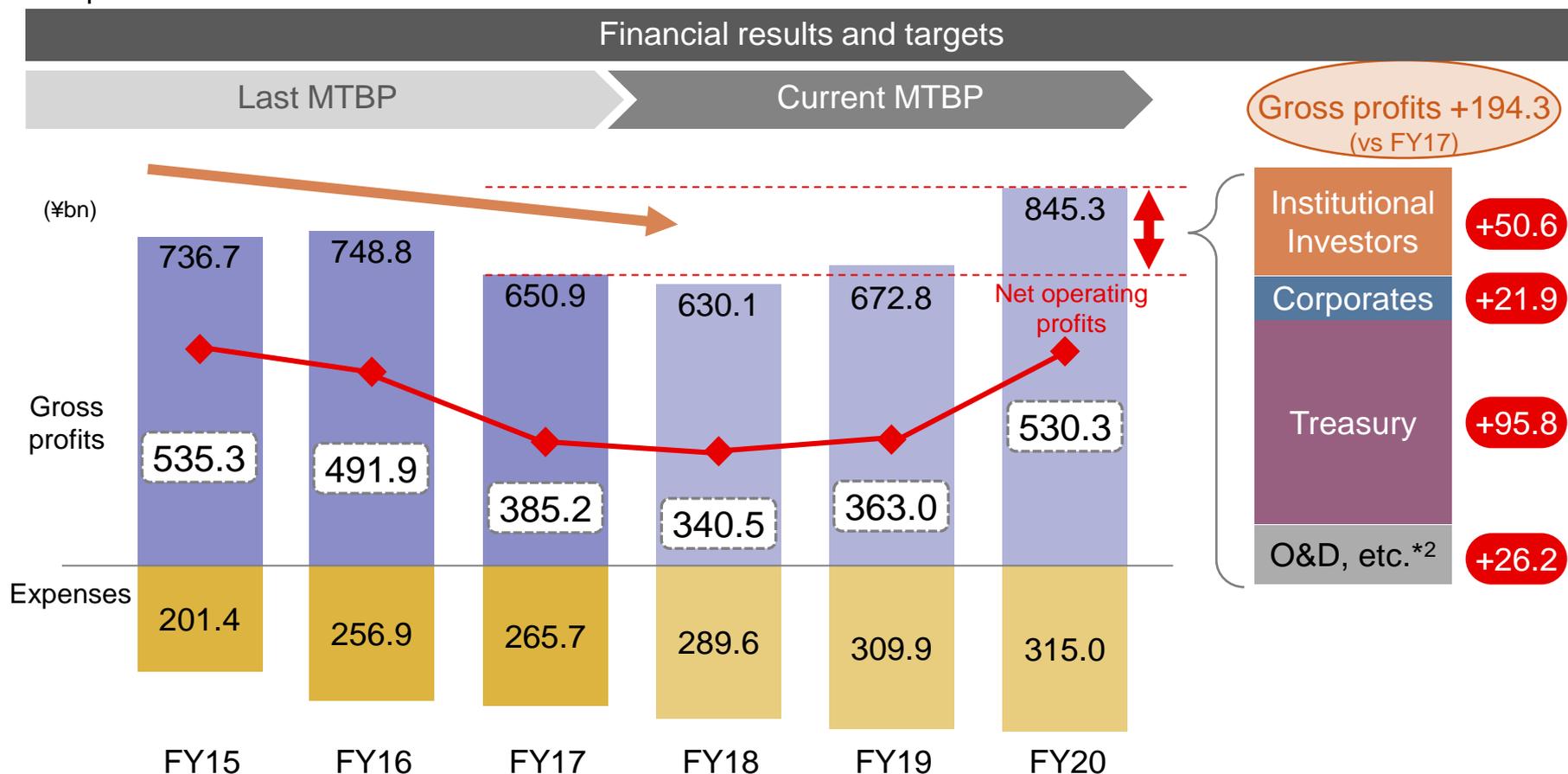
Net operating profits and expense ratio include O&D profits related to GCIB

Plan of net operating profits



Review of last MTBP and financial targets in current MTBP

- Fiscal results for the final year of the last MTBP included decreases in customer business revenues as well as revenues from treasury operations mainly due to the YCC*¹. Expenses grew due to rising costs incurred in complying with financial regulations of individual countries, leading to a sharp decline in net operating profits
- Aim to increase gross profit and net operating profits by strategic resource allocation for business transformation under the current MTBP, though the trend of increasing expenses will continue mainly due to the system depreciation cost



*1 Yield Curve Control implemented by BOJ

*2 Revenues from in-house O&D JV attributable to GCIB, etc.

Strategy outlines (1)

Challenge for new customer segments and growth areas - Institutional investors business

- Aiming to improve capital efficiency and shift our focus to the O&D business, we will strive to expand and seize profit opportunities from the institutional investor business by taking a Group-wide integrated approach
- Create new business opportunities for MUFG by leveraging O&D / OtoD, popularizing flexible booking and utilizing dual hatting

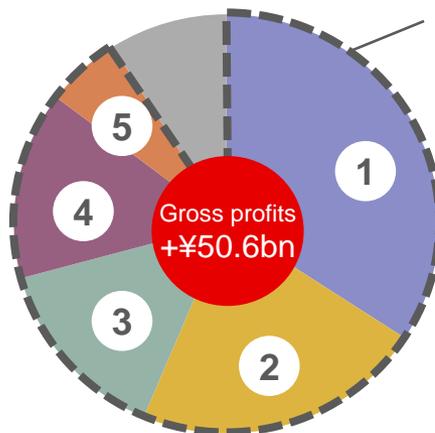
Institutional investors business - profit increase (attributable to Global Markets)

Operations

• Established the “MUFG Institutional Investor Strategy Promotion Office”

• Formed a joint venture with GCIB to accelerate O&D and OtoD

• Introduced a credit policy for institutional investors and a risk management policy for warehousing



1 Enhance product lineup

- Flexible booking (warehouse, etc.) , developing product policies

2 O&D / OtoD

- Assessing customer needs via a Group-wide integrated approach

3 Strengthen collaboration between the Bank and the securities

- Seamless services to customers leveraging the establishment of GH / RH*1

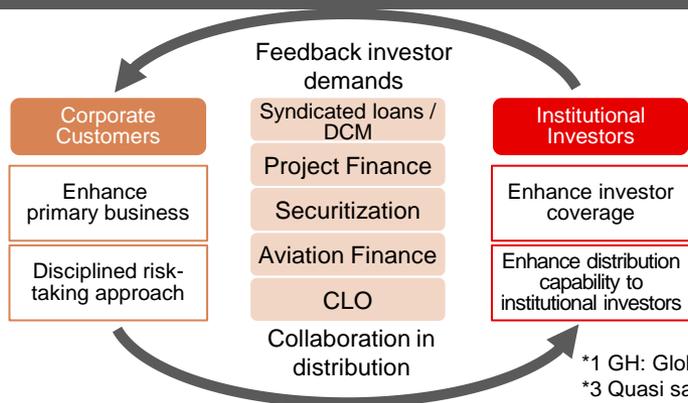
4 Customer referral programs between relevant entities

- Promote cross-selling by utilizing customer referral programs

5 Expanding overseas customer base

- Approach to new customer in the Middle East and Canada, etc.

Integrated approach across business groups' boundaries (Example)



KPI

Items	FY17	FY20
Sales of structured products for domestic institutional investors*2	¥0.6tn	¥1.8tn
Client Value*3	-	x 1.3 (vs FY17)
Distribution amount*4	¥20tn	¥25tn

*1 GH: Global Head RH: Regional Head *2 Sales by MUMSS

*3 Quasi sales & trading profits in institutional investors business *4 Common KPI with GCIB

Strategy outlines (2)

Structural reforms of Corporate customers business

- Shift our focus in resource allocation, from existing fields (the provision of FX & interest rate risk hedging) to strategic fields (non-traditional risk hedging; collaboration in capital markets and solution business areas; asset management business), thereby nurturing a new earnings pillar

Corporates customers business - profit increase

Existing fields

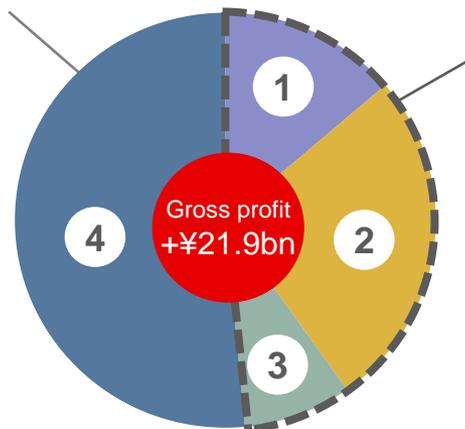
4 FX, rates

FX

- Boost transactional volume from domestic corporates via electric FX brokerage and AI utilization
- Expand product lineup of electric-based FX transaction (plan to add NDF^{*1})
- Utilize electric trade base; step up transactions with GCB customers (oversea SMEs)

Rates

- Identify potential needs relevant to overseas project finance among JCIB customers
- Capture demand for interest rate risk hedging of GCIB customers (offering general hedging and swap syndication, etc.)



Strategic fields

1 Non-traditional risk hedging

- Provide our corporate customers with business risks hedging solutions, including DCH^{*2} associated with risks in M&A and PF

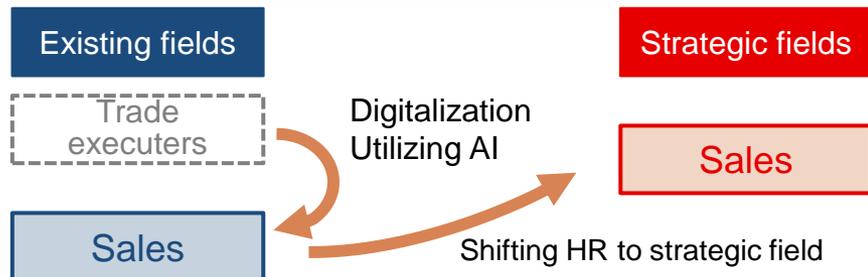
2 DCM, solution business related transactions

- Step up collaboration in these areas to break away from a lending-dependent business model

3 Asset management business

- Promote asset management business unique to MUFG based on financial needs of corporate customers

Shift human resources to strategic field



KPI

Items	FY17	FY20
Derivative revenues from strategic fields ^{*3}	¥3.4bn	¥15.5bn

*1 Non Deliverable Forward

*2 Deal Contingent Hedge: provides hedging against interest rate and FX risks in M&A transactions and other types of deals for which closing is uncertain

*3 Revenue from transactions that contribute to non-traditional risk hedging such as DCH and transactions that accompany investment banking products

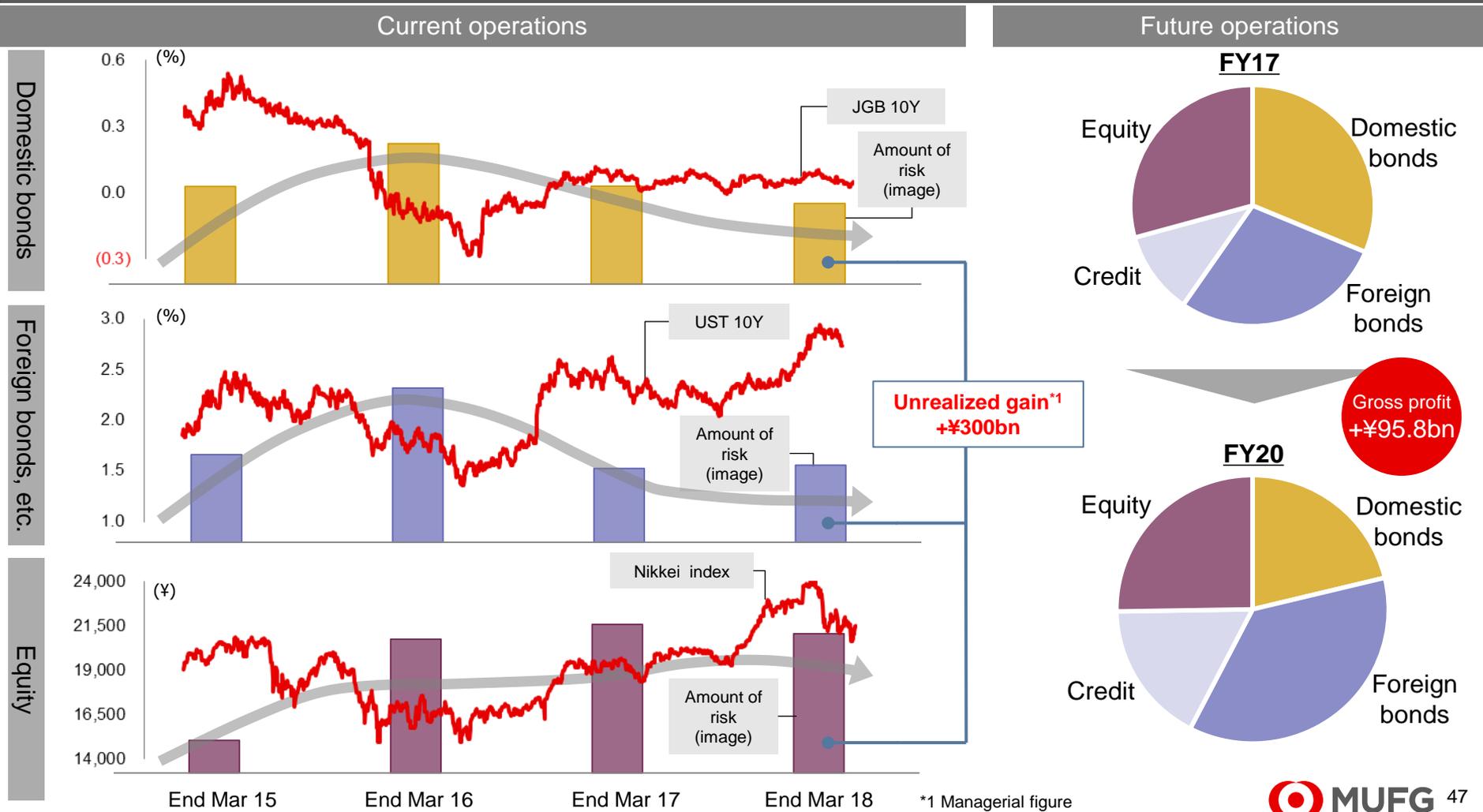
Strategy outlines (3)

Further collaboration / cooperation frameworks for MUFG Treasury

(1) Market risk management

- Manage our portfolio in accordance with the business environment, thereby ensuring prudent control of currently recognized market risk
- Keep on managing market risks flexibly via asset allocation paying close attention to market trends

Managing market risks (image)



Strategy outlines (3)

Further collaboration / cooperation frameworks for MUFG Treasury

(2) Foreign assets and funding

- Customer deposits cover 60-70% of non-JPY loans. With mid-long term funding through corporate bond issuances, etc., all non-JPY loans are fully funded
- Work on stable and efficient non-JPY funding through increasing customer deposits and issuing corporate bonds steadily

Non-JPY balance sheet (the Bank managerial basis excl. MUAH, KS)

As of end Mar 18 (US\$ bn)

Assets



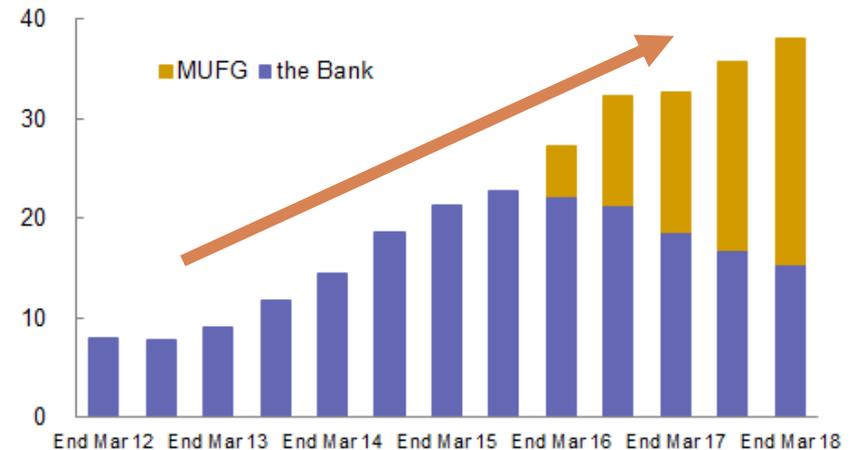
Liabilities



Non-JPY funding in stable and efficient manner

- To further increase customer deposits, we will enhance product development and sales capabilities
- Ccy swaps are transacted mainly in medium-term durations. We will continue funding based on market trends
- Corp bonds are mainly issued from HoldCo (MUFG) to ensure TLAC requirement, stable funding and investors base expansion

Ref. foreign bond issuance (MUFG's TLAC bonds + the Bank's bonds)
(US\$ bn)



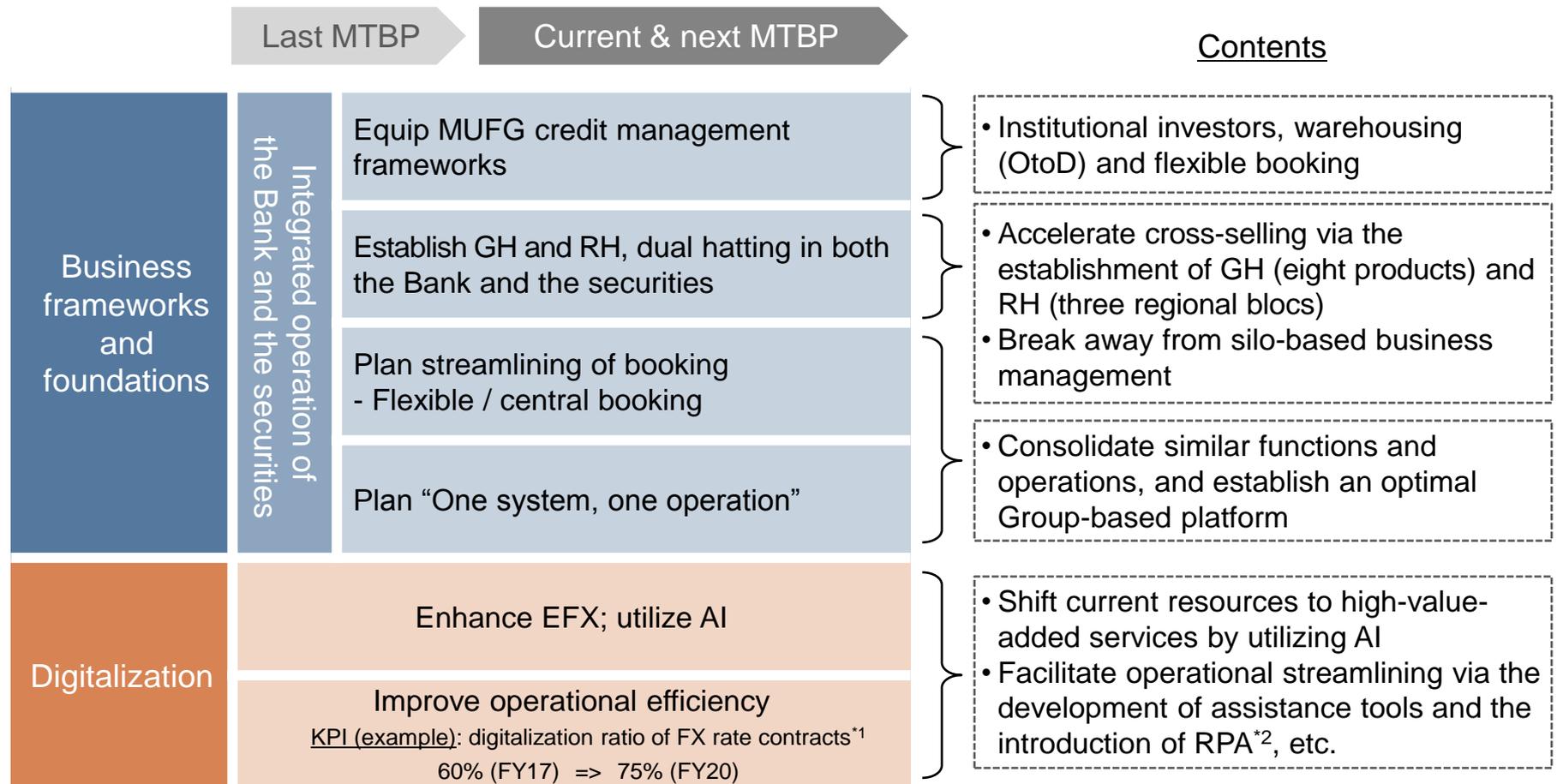
- The SPC for holding non-JPY liquid assets was established as a buffer against the possibility of a severe funding situation due to temporary market stress

Strategy outlines (4)

Establish entity agnostic business frameworks / infrastructure and accelerate digitalization

- Overhaul our platforms (business frameworks and foundations) to achieve targets under the MTBP
- Accelerate digitalization initiatives, with the aim of expanding profits and improving operational efficiency

Initiatives to achieve targets under the current and next MTBP



*1 Internal transactions

*2 Robotics Process Automation