

# IR Presentation

August, 2020



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## Definitions of figures used in this document

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	Bank Danamon (BDI):	Bank Danamon Indonesia
the Bank (BK):	MUFG Bank	FSI:	First Sentier Investors
the Trust Bank (TB):	Mitsubishi UFJ Trust & Banking Corporation	R&C:	Retail & Commercial Banking
the Securities HD (SCHD):	Mitsubishi UFJ Securities Holdings	JCIB:	Japanese Corporate & Investment Banking
MUMSS:	Mitsubishi UFJ Morgan Stanley Securities	GCIB:	Global Corporate & Investment Banking
MSMS:	Morgan Stanley MUFG Securities	GCB:	Global Commercial Banking
NICOS:	Mitsubishi UFJ NICOS	AM/IS:	Asset Management & Investor Services
MUAH:	MUFG Americas Holdings Corporation		
KS:	Bank of Ayudhya (Krungsri, KS)		

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# FY20Q1 financial results

# FY20Q1 financial results

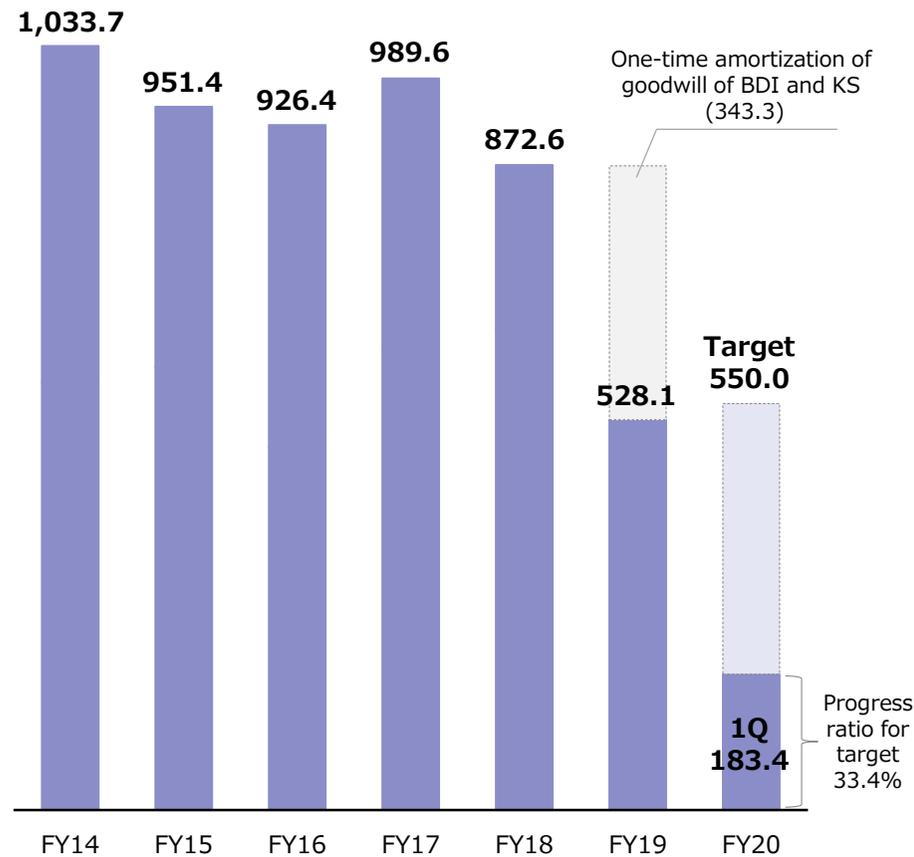
	FY19Q1	FY20Q1		FY20	
	Results	Results	YoY	Targets	Progress ratio for targets
<b>Consolidated (¥bn)</b>					
1 <b>Gross profits</b> before credit cost for trust accounts	955.7	<b>1,077.8</b>	122.1	—	—
2 <b>G&amp;A expenses</b>	670.0	<b>678.7</b>	8.7	—	—
3 <b>Net operating profits</b> before credit costs for trust accounts and provision for general allowance for credit losses	285.6	<b>399.1</b>	113.4	1,050.0	38.0%
4 <b>Total credit costs</b>	34.1	<b>(145.0)</b>	(179.1)	(450.0)	32.2%
5 <b>Ordinary profits</b>	450.8	<b>277.7</b>	(173.0)	850.0	32.7%
6 <b>Profits attributable to owners of parent</b>	389.1	<b>183.4</b>	(205.7)	550.0	33.4%

# Profits attributable to owners of parent

## Historical performance

Consolidated

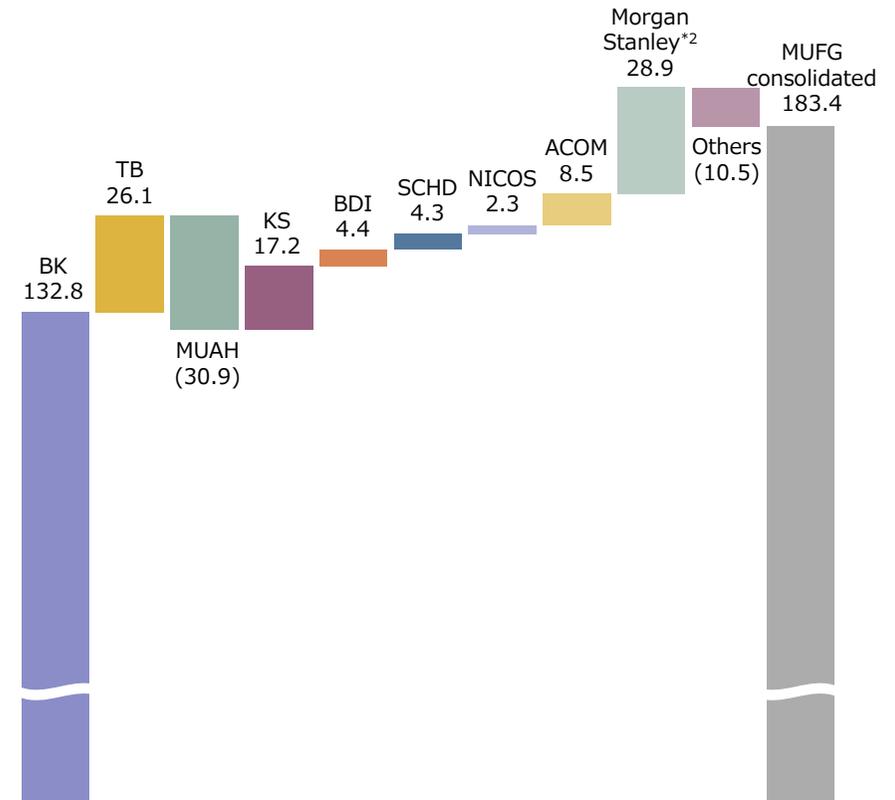
(¥bn)



## Contribution from subsidiaries, etc.\*1

Consolidated

(¥bn)



\*1 The figures reflect the percentage holding in each subsidiaries and equity method investees

\*2 The figure includes ¥16.5bn of losses on change in equity

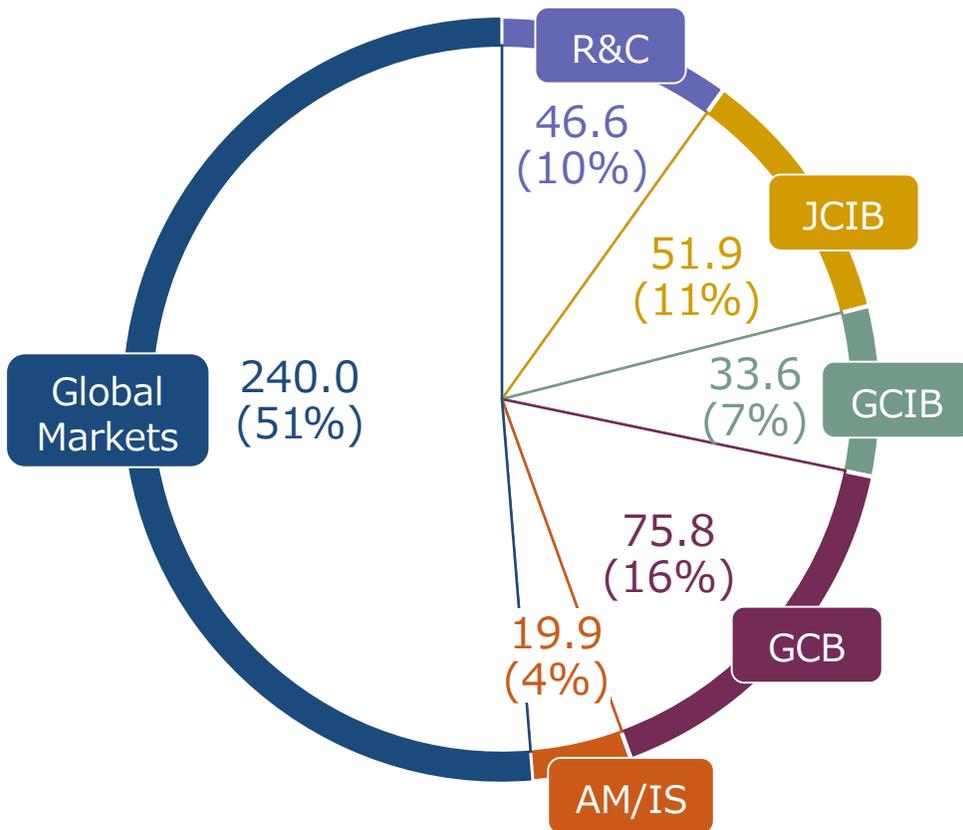
# Net operating profits by business group

Net operating profits by business group\*1 Consolidated

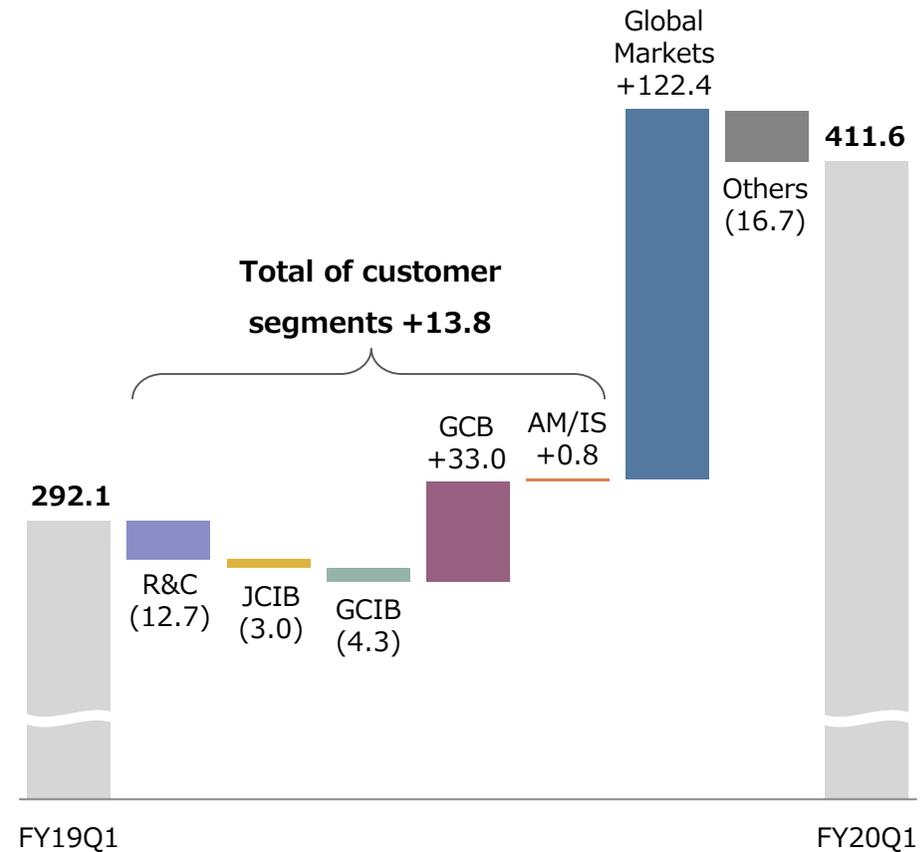
Changes by business group Consolidated

(¥bn)

**FY20Q1 ¥411.6\*2**



(¥bn)



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

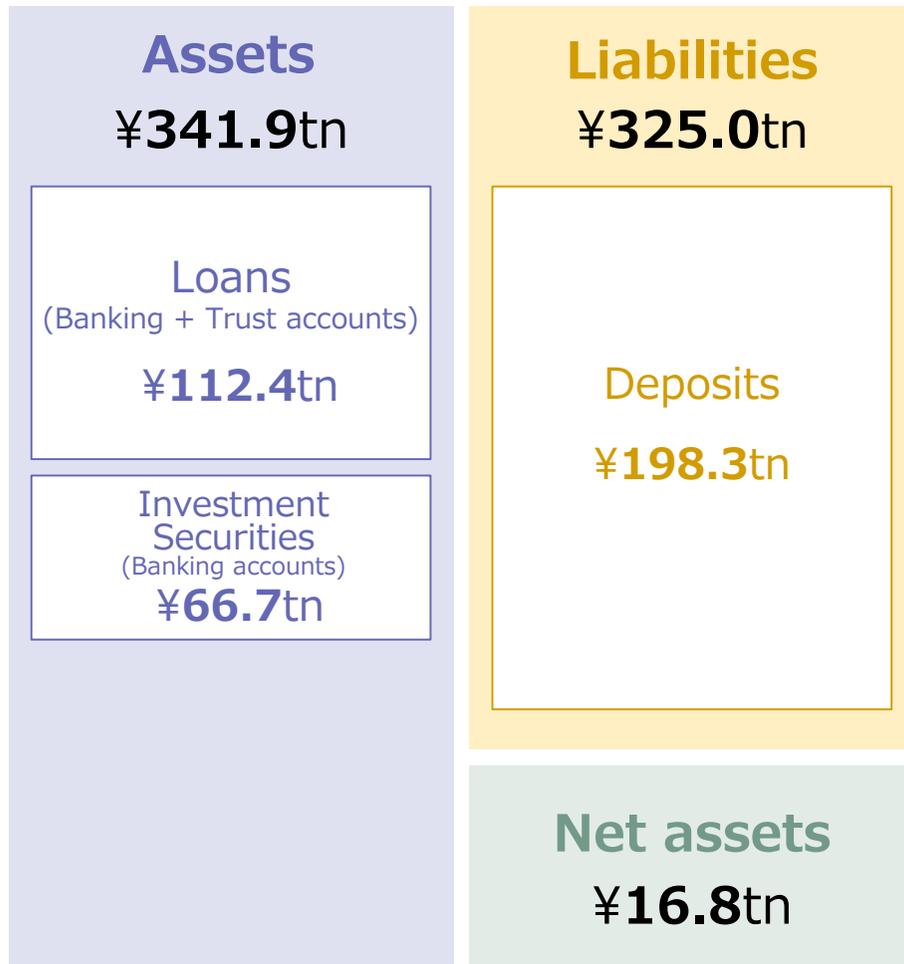
\*2 Including profits or losses from others

# Balance sheet summary

## Balance sheet summary

Consolidated

As of end Jun 2020

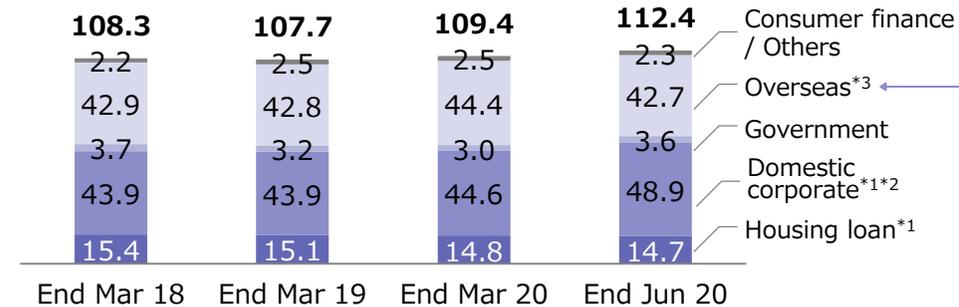


## Loans (period end balance)

Consolidated

(¥tn)

**Overseas: (1.7) from end Mar 2020**  
 ((1.2) excluding impact of FX fluctuation)

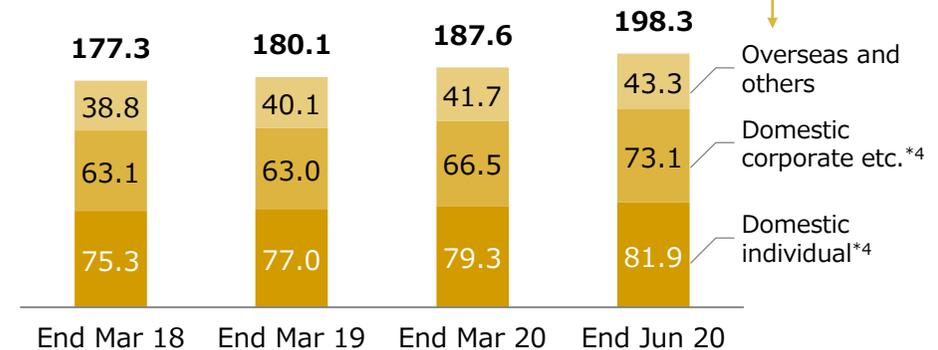


## Deposits (period end balance)

Consolidated

(¥tn)

**Overseas: +1.6 from end Mar 2020**  
 (+2.2 excluding impact of FX fluctuation)



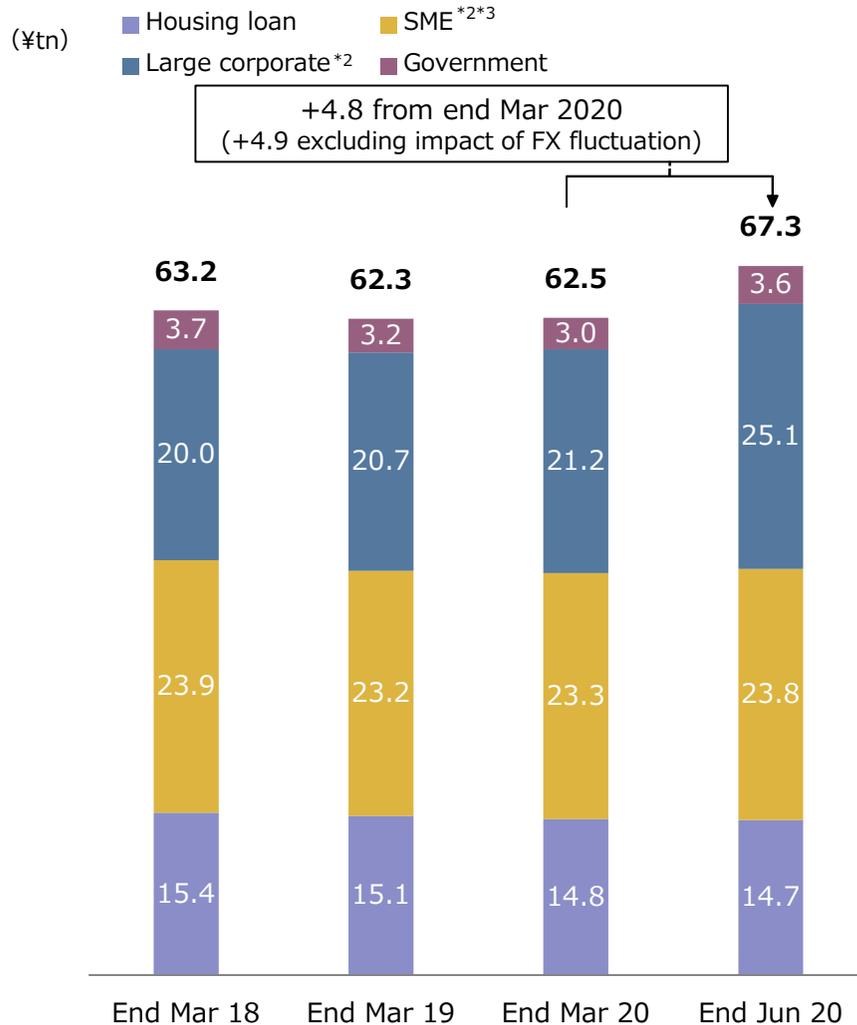
\*1 Non-consolidated + trust accounts \*2 Excluding loans to government and governmental institutions and including foreign currency denominated loans (Excluding impact of FX fluctuation: +¥4.3tn from end Mar 2020)

\*3 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe) \*4 Non-consolidated

# Domestic loans

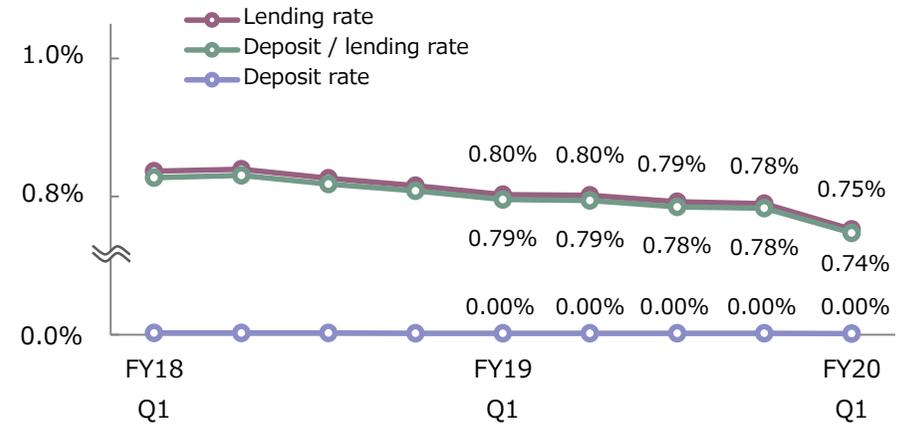
Loan balance (period end balance)\*1

Consolidated



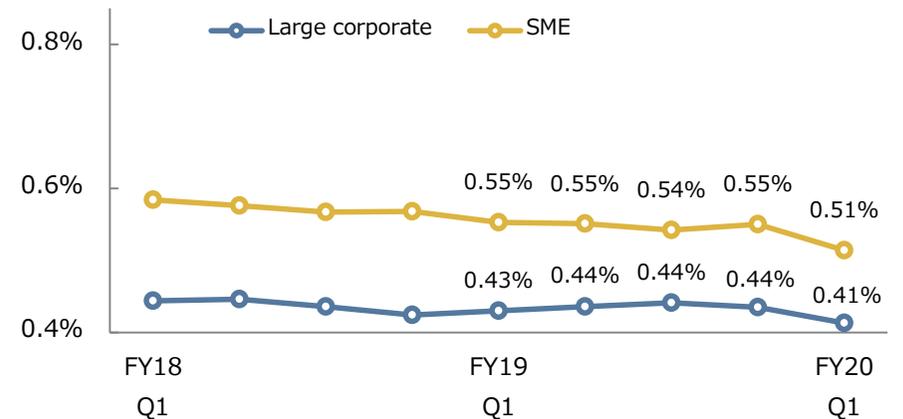
Deposit / lending rate\*4\*5

Non-consolidated



Corporate lending spread\*2\*4\*5

Non-consolidated



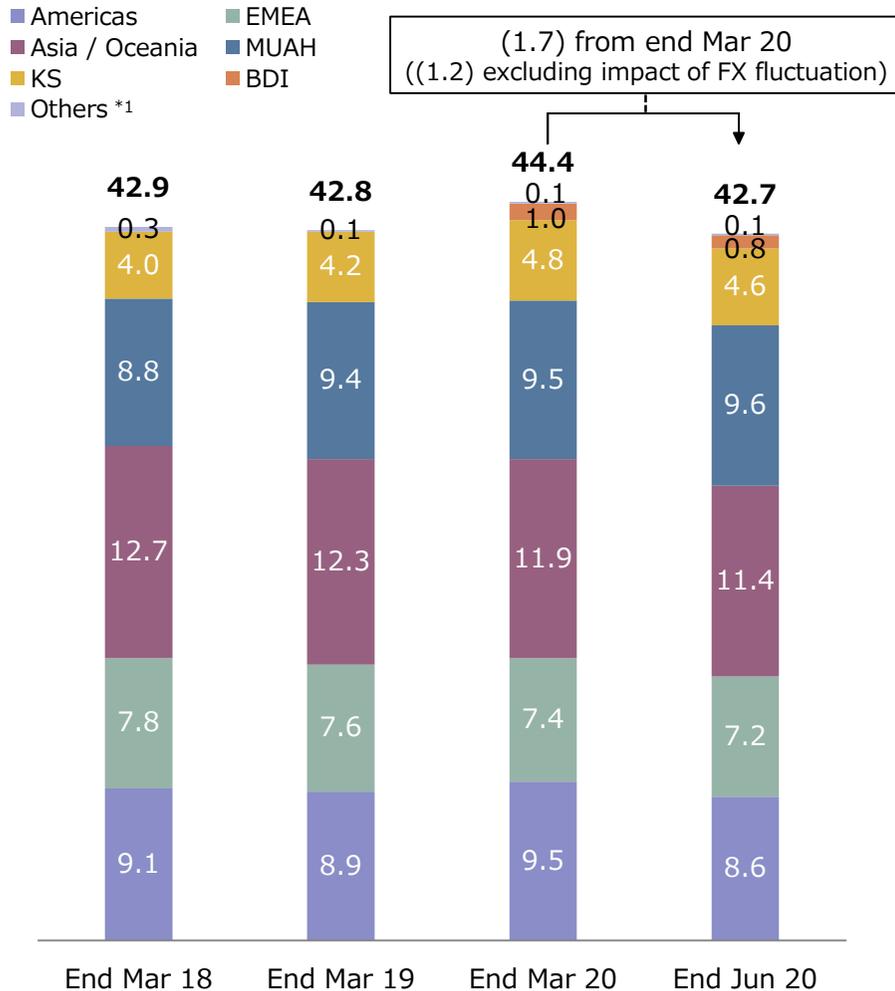
\*1 Sum of banking and trust accounts \*2 Including non-JPY loans  
 \*3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)  
 \*4 Managerial accounting basis \*5 Excluding lending to government etc.

# Overseas loans

Loan balance (period end balance)

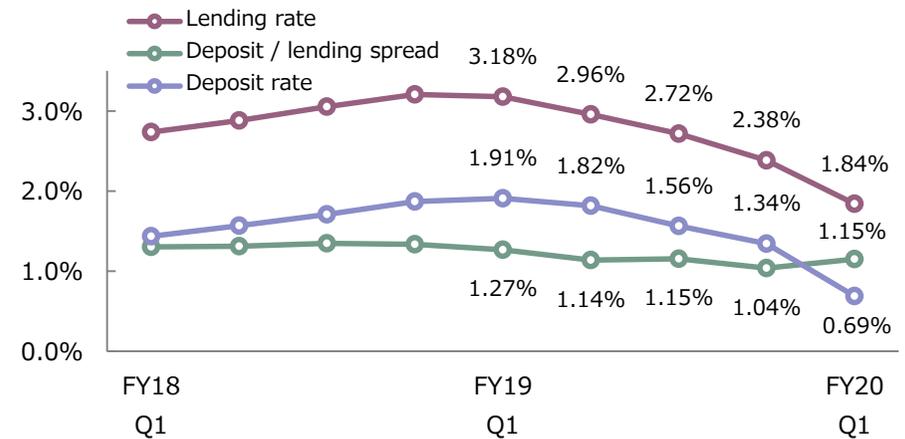
Consolidated

(¥tn)



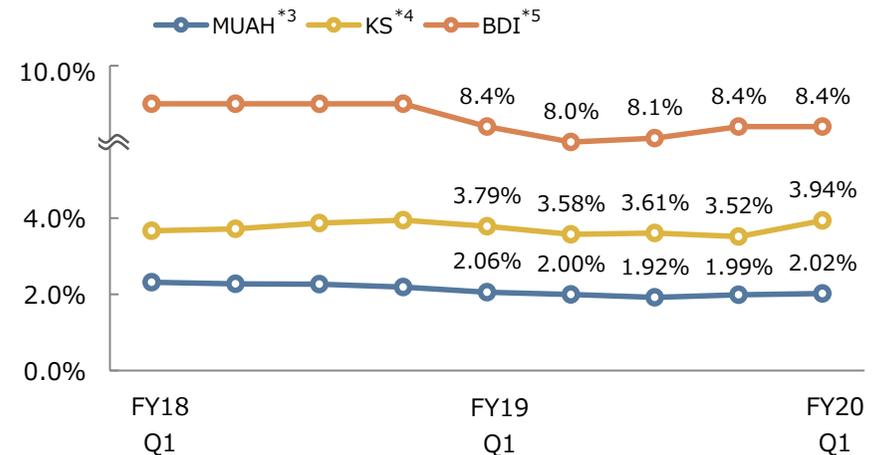
Change in deposit / lending rate\*2

Non-consolidated



Net interest margin

MUAH / KS / BDI



\*1 Loans booked at offshore markets etc. \*2 Managerial accounting basis \*3 Financial results as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP \*4 Financial results as disclosed in KS's financial reports based on Thai GAAP \*5 Financial results as disclosed in BDI's financial reports based on Indonesia GAAP

# Investment securities (1)

## AFS securities\*1 with fair value

Consolidated

(¥bn)

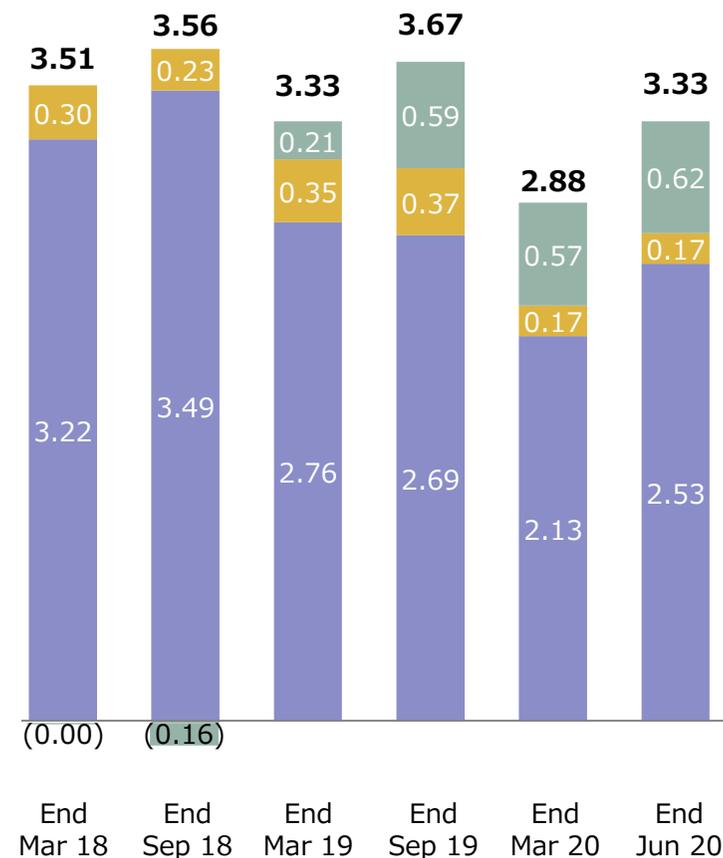
	Balance		Unrealized gains (losses)	
	End Jun 20	Changes from end Mar 20	End Jun 20	Changes from end Mar 20
1 Total	63,189.4	1,038.2	3,337.8	449.2
2 Domestic equity securities	4,523.1	381.7	2,537.6	397.7
3 Domestic bonds	31,373.8	3,900.7	170.7	(0.6)
4 Japanese government bonds (JGB)	24,154.4	3,511.3	126.8	2.9
5 Foreign bonds	21,791.9	(2,710.5)	659.1	(79.0)
6 Others	5,500.4	(533.6)	(29.7)	131.0

## Unrealized gains / losses on AFS securities\*1

Consolidated

(¥tn)

■ Domestic equity securities  
 ■ Domestic bonds  
 ■ Foreign bonds and Others



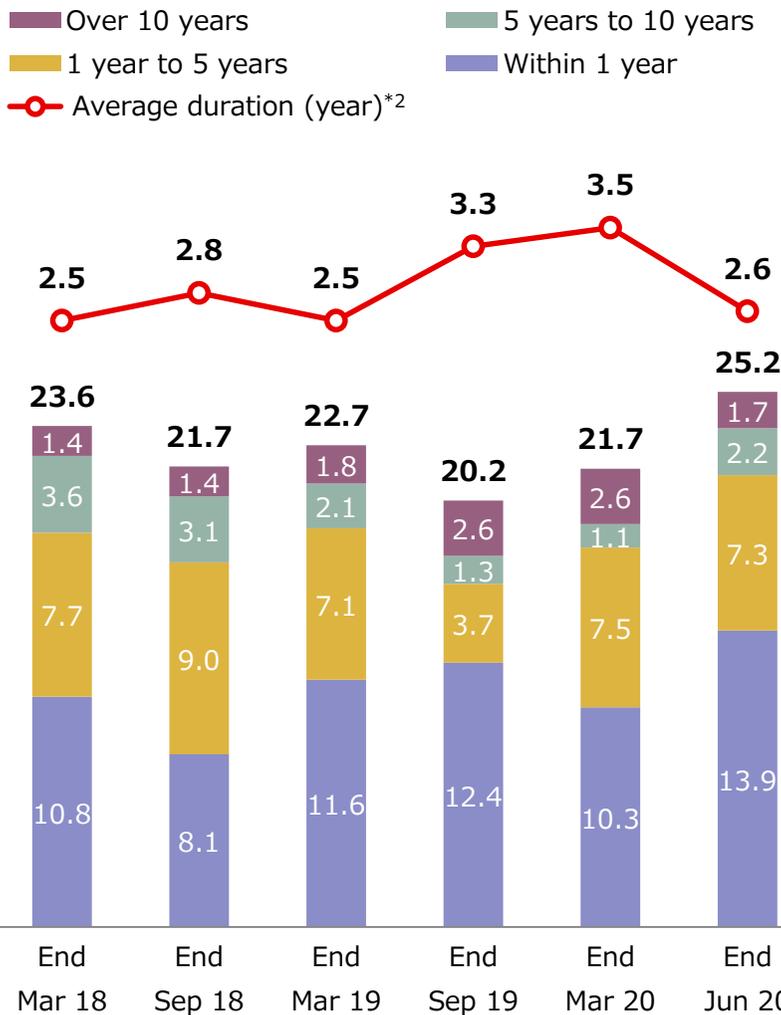
\*1 Available for sale securities

# Investment securities (2)

JGB balance\*1 and duration

Non-consolidated

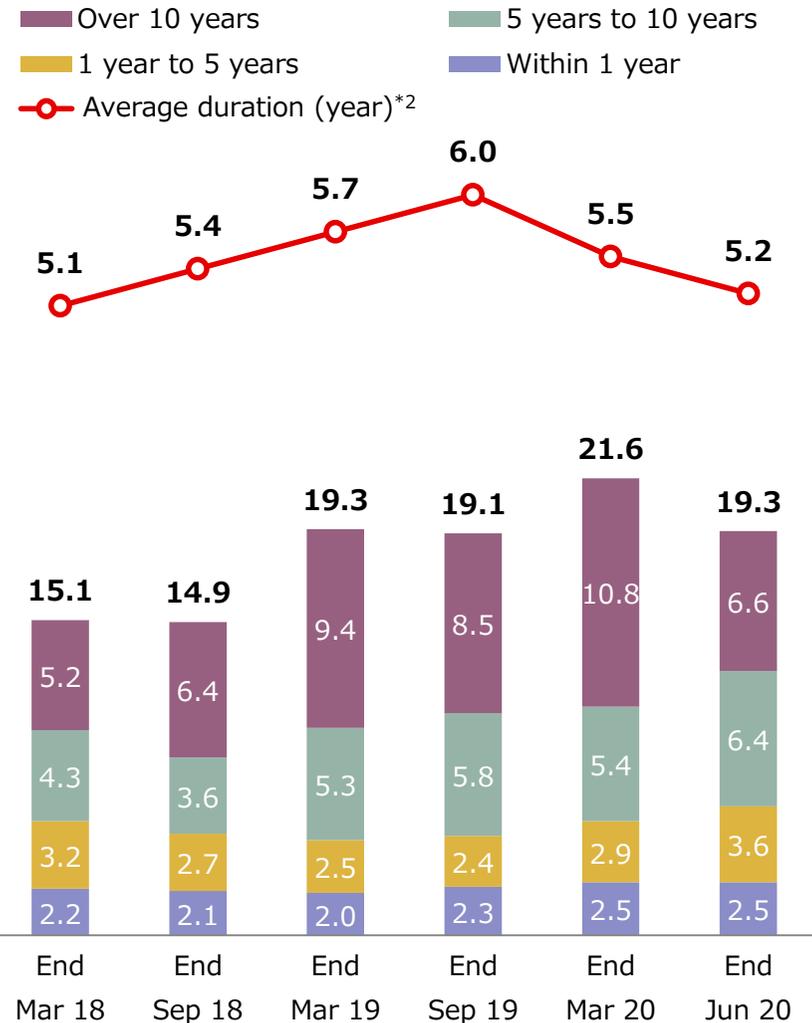
(¥tn)



Foreign bond balance\*1 and duration

Non-consolidated

(¥tn)



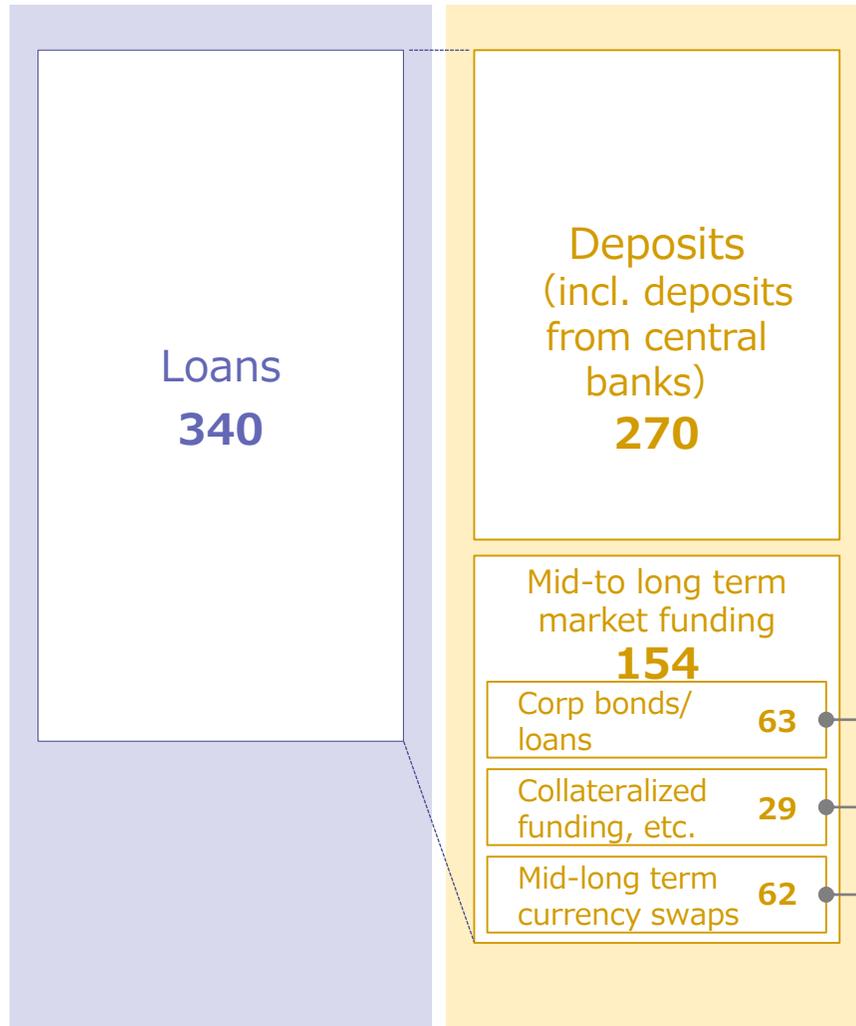
\*1 Available for sale securities and securities being held to maturity

\*2 Available for sale securities

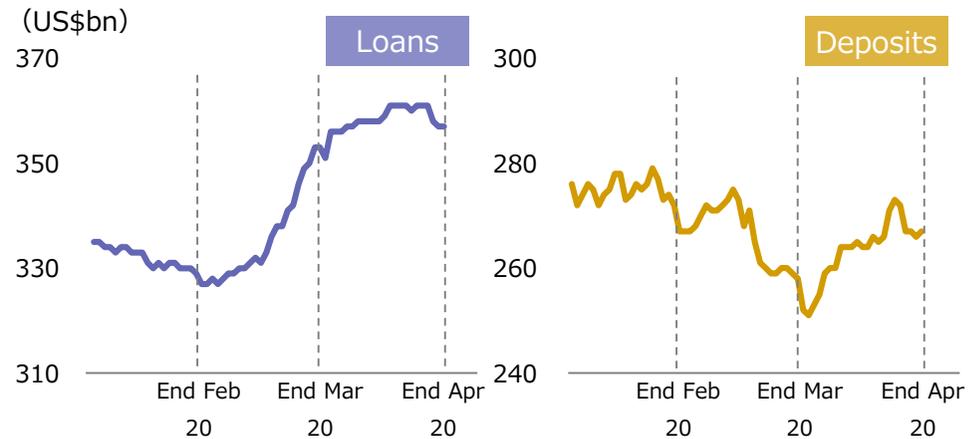
# Non-JPY liquidity\*1

– Non-JPY loans are stably funded by deposits and mid- to long-term market funding

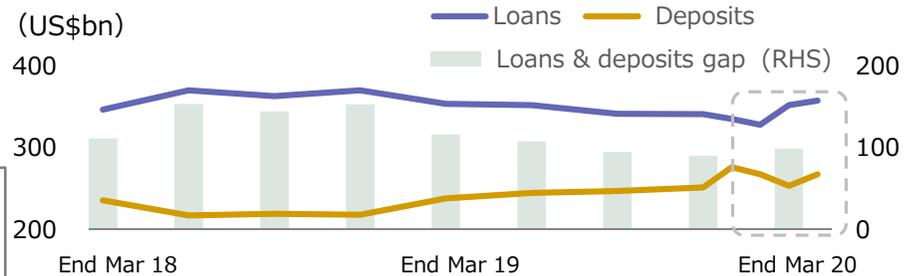
(US\$bn) As of end Jun 2020



Loan and deposit balance over FYE (daily)



Historical loan and deposit balance



TLAC eligible senior debt etc.  
 Cross-currency repos\*2 (utilizing JGB) etc.  
 Currency swaps are transacted mainly in mid-term durations

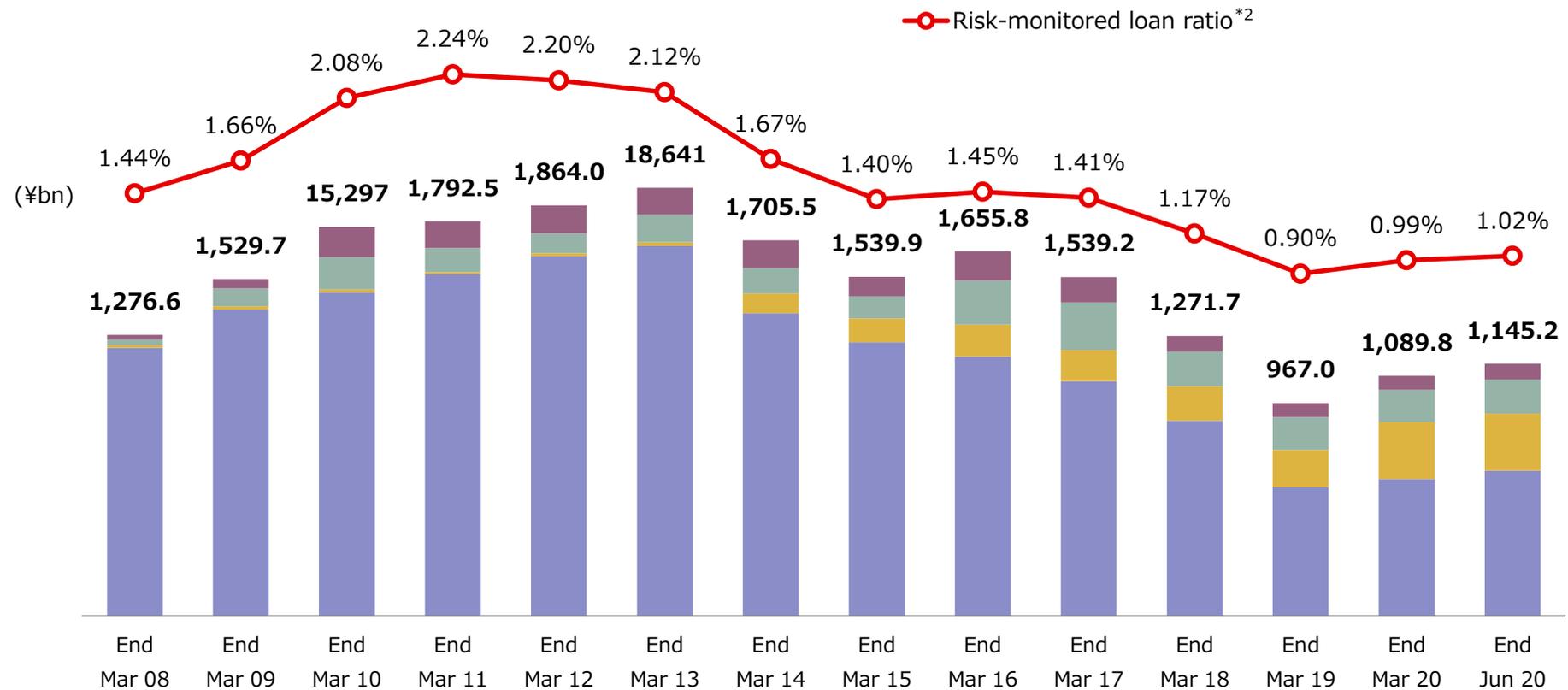
Avg. tenor approx. **7** yrs

Major tenor approx. **3-5** yrs

\*1 The Bank consolidated excl. MUAH, KS and BDI. Managerial basis

\*2 Repurchase agreement in which denominated currency is different in cash transaction and security

# Risk-monitored loans\*1



[Breakdown\*3]

	End Mar 08	End Mar 09	End Mar 10	End Mar 11	End Mar 12	End Mar 13	End Mar 14	End Mar 15	End Mar 16	End Mar 17	End Mar 18	End Mar 19	End Mar 20	End Jun 20
<b>EMEA*4</b>	21.2	42.6	136.3	121.2	127.2	122.0	126.3	88.2	133.9	116.0	71.3	64.0	63.7	72.5
<b>Americas*5</b>	24.8	81.2	147.3	110.3	89.2	125.0	114.9	100.7	199.4	216.0	157.5	148.2	145.5	153.6
<b>Asia</b>	13.1	15.4	14.4	9.4	14.4	17.0	89.0	108.8	145.3	142.3	155.8	170.3	259.1	259.6
<b>Domestic</b>	1,217.3	1,390.5	1,467.9	1,551.5	1,633.2	1,680.3	1,375.2	1,242.0	1,177.1	1,064.7	887.0	584.3	621.3	659.4

\*1 Risk-monitored loans based on Banking Act \*2 Total risk-monitored loans / total loans and bills discounted (banking accounts as of period end)

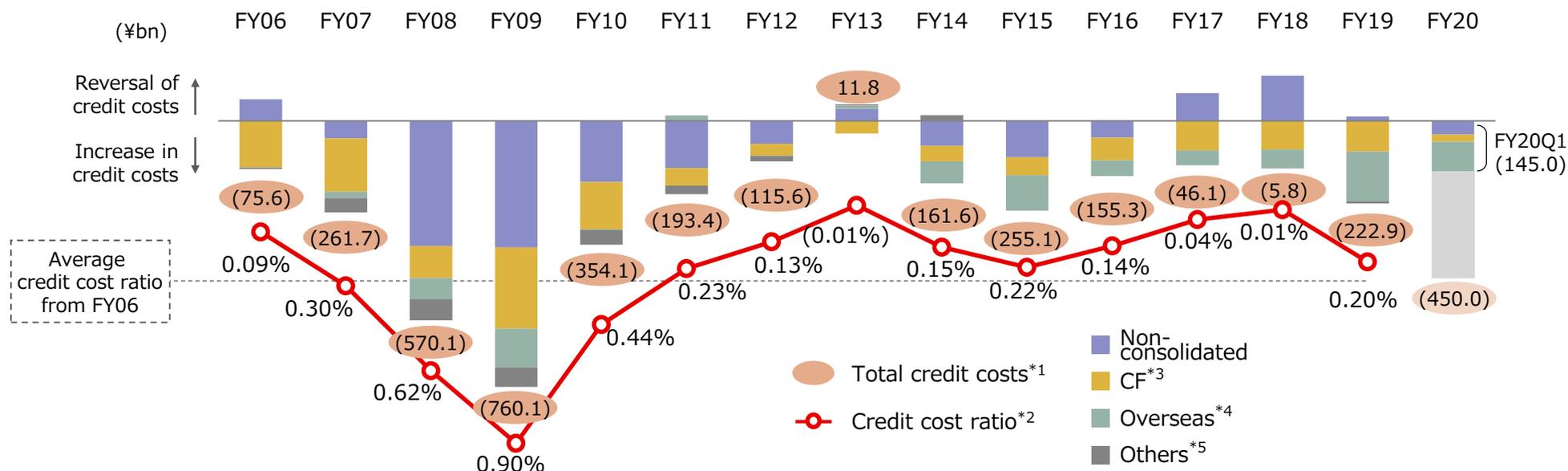
\*3 Based on the locations of debtors

\*4 End Mar 2007 - End Mar 2012 includes parts of other regions

\*5 End Mar 2007 - End Mar 2012 includes only US

# Credit costs

– Credit costs for FY20Q1 were ¥145.0bn. Total credit costs forecast for FY20 is ¥450.0bn



## Breakdown of FY20 credit costs of ¥450.0bn

Ordinary credit costs	¥250.0bn	• Almost same level as FY19 result
Amount of impact by COVID-19	¥200.0bn	• Include the impact corresponding to relevant business model of each entity (Recorded the precautionary provision of ¥50.0bn in FY19)
Difference of the portfolio from the global financial crisis	Domestic	<ul style="list-style-type: none"> <li>• The Bank: Stricter credit control for real estate and micro business loan</li> <li>• CF: Enforcement of lending restrictions by law. Recorded provision for loss caused by requests for interest repayment*6</li> </ul>
	Overseas	<ul style="list-style-type: none"> <li>• Increase in loan balance for non-Japanese corporates</li> <li>• Added new portfolio in Asia by consolidation of KS and BDI</li> </ul>

\*1 Including gains from write-off \*2 Total credit costs / loan balance as of end of each fiscal year \*3 Sum of NICOS and ACOM on a consolidated basis

\*4 Sum of overseas subsidiaries of the Bank and the Trust Bank \*5 Sum of other subsidiaries and consolidation adjustment

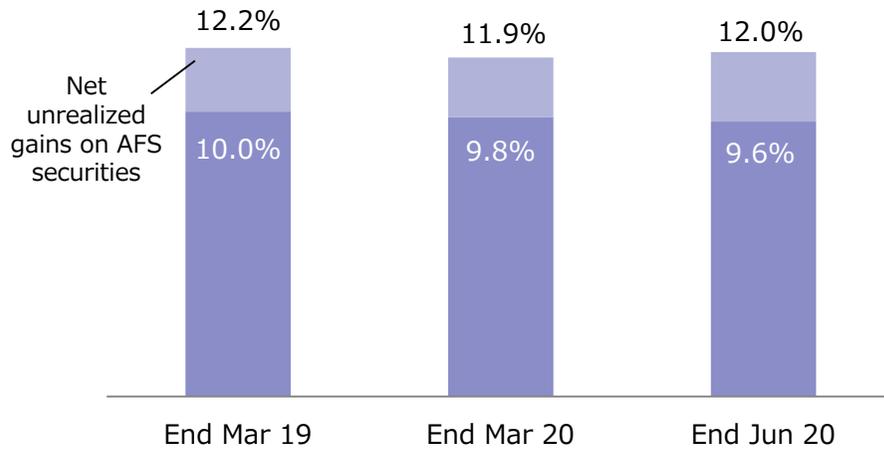
\*6 From FY10, accounting item has changed from credit costs to reserve for contingent losses

# Capital

– CET1 ratio is expected to remain at sufficient level even in light of future RWA accumulation

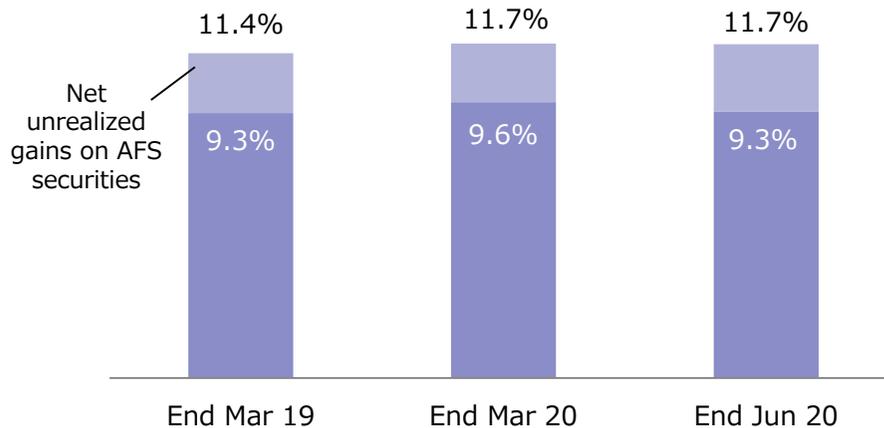
## CET1 ratio

Consolidated



## CET1 ratio (Finalized Basel III reforms basis\*1)

Consolidated



## FY20Q1 results

Consolidated

(¥bn)	End Mar 20	End Jun 20	Changes
1 Common Equity Tier 1 capital	13,708.3	13,958.3	249.9
2 Additional Tier 1 capital	1,914.9	1,905.0	(9.9)
3 <b>Tier 1 capital</b>	15,623.3	15,863.3	240.0
4 <b>Tier 2 capital</b>	2,656.2	2,742.0	85.8
5 <b>Total capital (Tier 1+Tier 2)</b>	18,279.5	18,605.4	325.8
6 <b>Risk-weighted assets</b>	115,135.6	115,392.3	256.7
7 Credit risk	88,791.7	90,307.0	1,515.2
8 Market risk	3,150.7	3,236.8	86.0
9 Operational risk	8,269.2	8,248.7	(20.5)
10 Floor adjustment*2	14,923.8	13,599.7	(1,324.0)
11 <b>Total exposures</b>	353,117.5	283,737.8	(69,379.6)
12 Leverage ratio	4.42%	5.59%	1.16ppt

\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis

\*2 Adjustments made for the difference between risk-weighted assets under Basel I and Basel III

## FY20 targets

- The COVID-19 pandemic is expected to have a further impact on our business as economic and corporate activity deteriorates and the financial market remains volatile. Although it is difficult to make forecast at present, we set FY20 targets based on the economic outlook with certain assumptions (assumptions are described on the next page).
- If actual timing of containment of the virus and the degree of the impact on the real economy are different from our assumptions, FY20 targets may be revised or differ from the actual results significantly.

	Consolidated (¥bn)	FY19 results	FY20 targets	Estimated impact of COVID-19*1	Major impact that may arise or be anticipated by the COVID-19 pandemic	
1	<b>Net operating profits</b> before credit costs for trust accounts and provision for general allowance for credit losses	1,184.4	1,050.0	(300.0)	Decline in foreign currency interest income Decrease in assets under custody or management Restrictions on our business activities	Decline in new investments and business transactions Decreased investor appetite for investment
2	<b>Total credit costs</b>	(222.9)	(450.0)	(200.0)	Worsening business performance of borrowers	
3	<b>Ordinary profits</b>	1,235.7	850.0	(600.0)	Decrease in equity earnings in equity method investees and decline in other non-recurring gains (losses) etc.	
4	<b>Profits attributable to owners of parent</b>	528.1	550.0	(420.0)*2		

\*1 Comparison with targets assuming no COVID-19 pandemic

\*2 Calculated by using approximate tax rate of 30%

# Assumption for FY20 targets

– While the depth and longevity of the COVID-19 impact on the real economy are still uncertain, FY20 targets are set based on economic environment outlook with some assumptions

## Business environment

Governments around the world have launched emergency monetary and financial policies aimed at assisting businesses with their fundraising efforts and supporting household income during the crisis. Meanwhile, financial institutions have been able to maintain soundness compared with global financial crisis caused by a liquidity crunch. As a result, they are in a position to provide businesses with finance support. At the moment, although strict public health measures currently in place to prevent the spread of the virus are expected to be relaxed in some regions, there is a sense of uncertainty as to whether or not economies will be able to smoothly regain their previous vitality. Therefore, it is believed that the normalization of economic activities will take some time in such regions as mainly developed countries.

Set FY20 targets based on the economic environment outlook reflecting four assumptions below

### 1 Depth of decline

Assume economic activity decreases by about 5 to 10% compared to the annual average for 2019

### 2 Longevity of deterioration

Assume deterioration of economic activity will be most extreme in Apr-Jun 2020 and recovery will start from Jul-Sep 2020

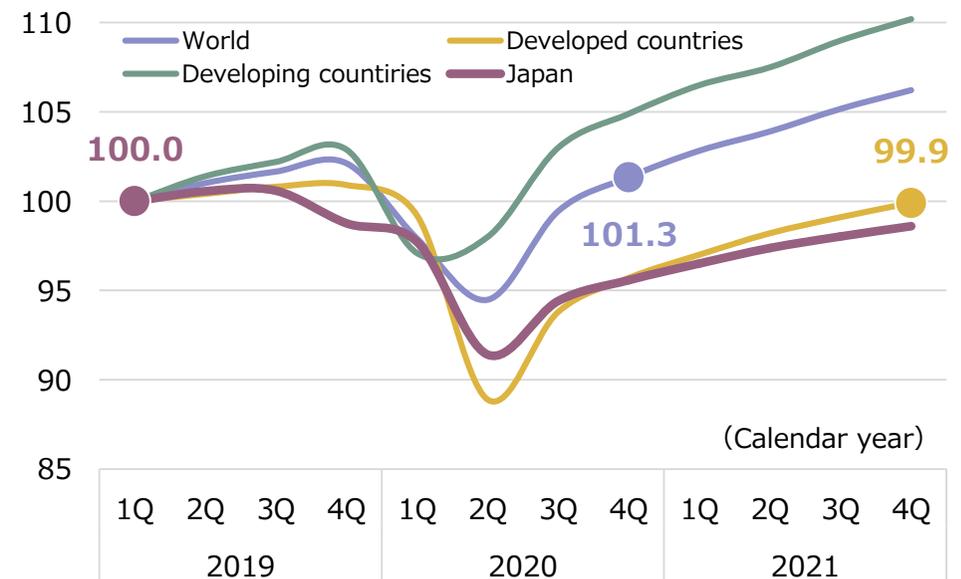
### 3 Recovery pattern

Assume a U-shaped recovery will materialize, but at slower pace than recovery after global financial crisis

### 4 Timing of recovery

Assume overall world economy will recover to 2019 level at the end of 2020, developed countries' economy will recover to 2019 level at the end of 2021

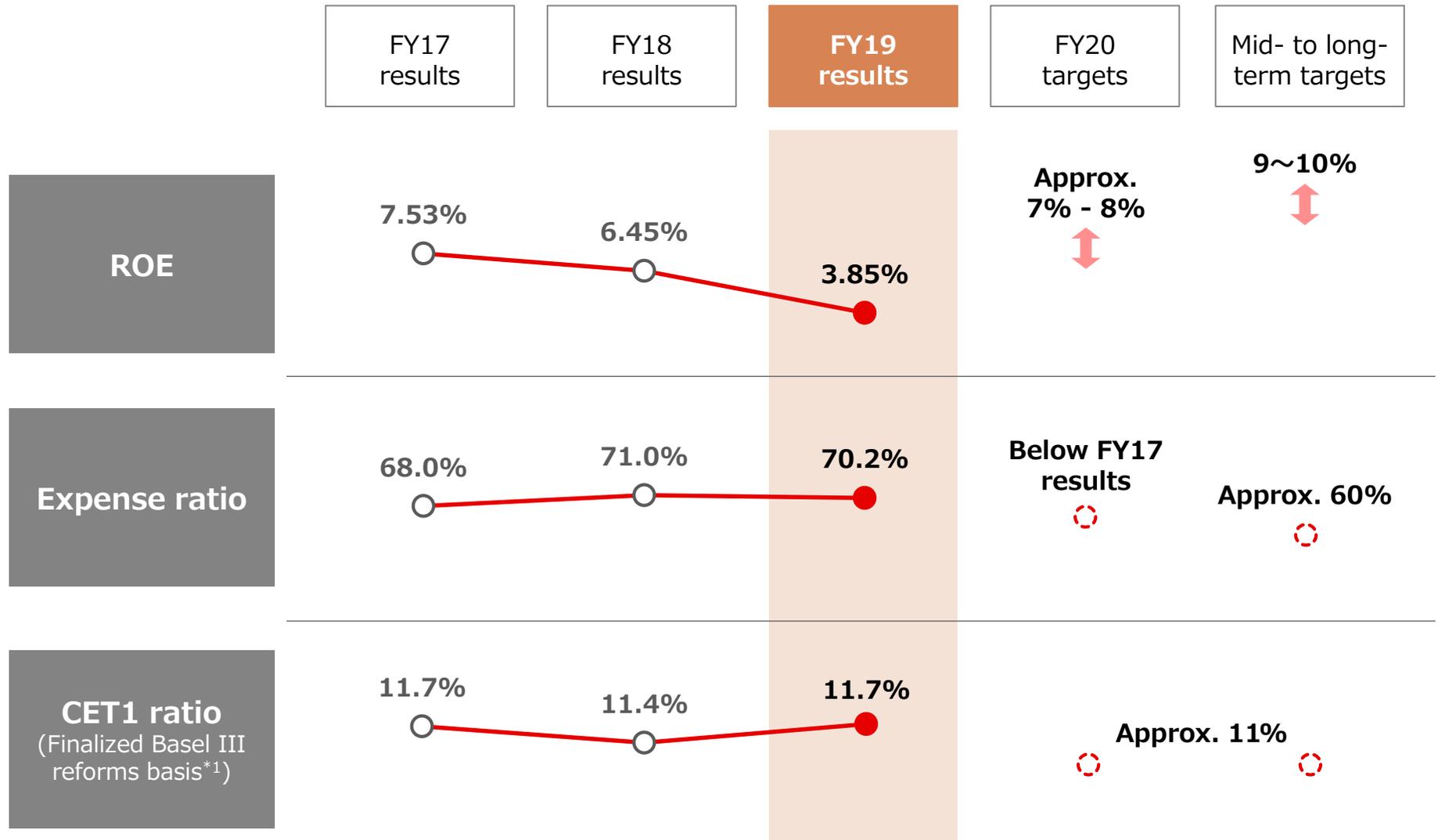
[GDP outlook\*1 (Jan-Mar 2019=100)]



\*1 Made by MUFG referring to, among other things, the baseline scenario of the IMF World Economic Outlook released in Apr 2020

# Financial targets

– Continue to make sustained efforts to achieve the targets, although FY20 outlook for operating environment is uncertain



\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis, includes net unrealized gains on AFS securities

# Management principles as CEO

## Our “Social Mission” vs. COVID-19

- As the infection spreads widely to the real economy, we believe that it is our responsibility and social mission **to continue supporting our customers and society through financial services**
- Putting **top priority on ensuring the safety of all of our stakeholders and maintaining stable financial services**, we will satisfy the various financial needs from our customers swiftly, appropriately and flexibly

Ensure the safety of  
all our stakeholders

Maintain stable  
financial services

Extend swift,  
appropriate and  
flexible finance  
support

Approx. 180,000 employees strive to maintain operations  
domestically and in more than 50 countries abroad

## Our response to COVID-19

– Our rapid response includes the steps taken below. As a financial group, our social mission is the top priority

Branch management	Dispatch of 1,000+ personnel* <sup>1</sup> from Head Office to domestic branches and back-office centers. No halt or contraction in the Bank/the Trust Bank domestic operations; financial infrastructure preserved
Finance support	<ul style="list-style-type: none"> <li>No. of consultations with large, medium &amp; small corporates : <b>Approx. 18,000</b>*<sup>2</sup></li> <li>No. / amount of newly booked loans : <b>Approx. 7,700 / ¥4.4tn</b>*<sup>3</sup></li> </ul>
Digitalization/ non- face-to-face transactions	<ul style="list-style-type: none"> <li><b>Indiv</b> No. of IB*<sup>4</sup> service users : <b>Approx. 3 times</b>*<sup>5</sup></li> <li><b>Corp</b> No. of Biz LENDING*<sup>6</sup> applications : <b>Approx. 3 times</b>*<sup>7</sup></li> </ul>
Social contributions	<ul style="list-style-type: none"> <li>Donation to Japanese Red Cross Society (<b>¥500mm</b>) / Support for the continuation of students' daily life &amp; school and cultural activities (<b>¥2bn</b>)</li> <li>Healthcare industry support for research, development and manufacture of therapeutic drugs and vaccines, etc. (establishing a <b>¥10bn investment fund</b>)</li> </ul>
Working remotely	Japan: approx. 50%, U.S/Europe: approx. 80-90% * <sup>8</sup> , Asia: expanding on a region-by-region basis * <sup>8</sup>

\*<sup>1</sup> Includes future plans \*<sup>2</sup> Number of new loans and amendments from Mar 10 to Jul 20, 2020. Based on the reports from the Bank's domestic branches and online application

\*<sup>3</sup> Event counts/amounts conducted between Mar 10 and Jul 20, 2020 (includes commitment line limits). Based on the reports from the Bank's domestic branches

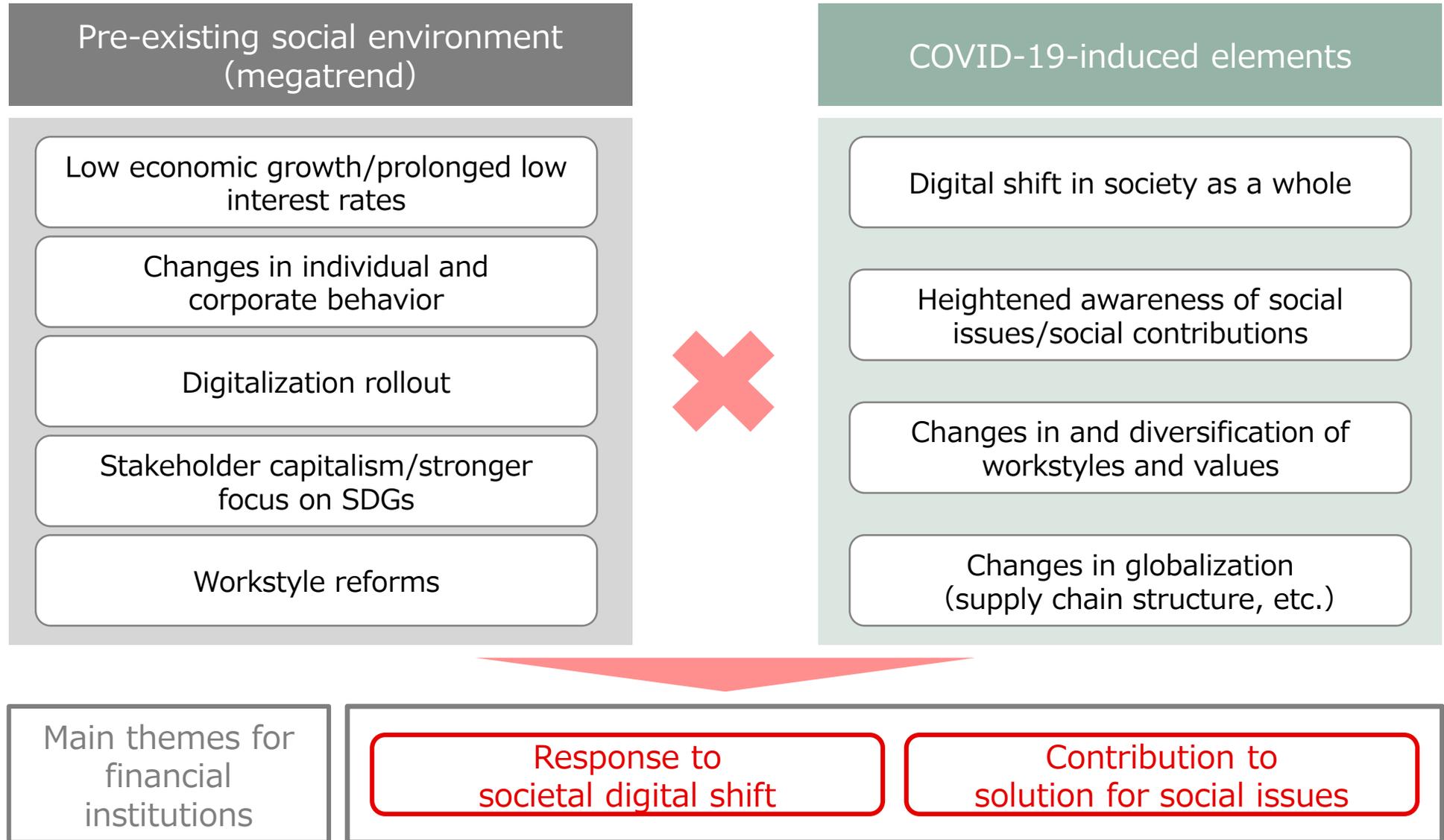
\*<sup>4</sup> Mitsubishi UFJ DIRECT: Internet banking for individual customers \*<sup>5</sup> Prior month comparisons between Mar 2019 and Mar 2020

\*<sup>6</sup> MUFG Biz: lending services via internet banking for corporate customers \*<sup>7</sup> Comparison between Nov 2019 and Mar 2020

\*<sup>8</sup> As of Apr 2020

# Changes in social trends

– Megatrends will accelerate sharply due to COVID-19 response



# Societal structural changes and expectation of MUFG

– Actively respond to changes assuming irreversible influence on social structure including public values and customer behavior

## Response to societal digital shift

Digital shift offers an opportunity for the company to change its core state

Innovation of MUFG as a whole, including customer interface, employee workstyle, etc.

### Direction of digital shift

Customers	<ul style="list-style-type: none"> <li>Expanding non face-to-face functions and usage</li> <li>Smart transaction flow via digitalization of processes</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Remote work, etc./maintaining a comfortable work environment</li> <li>Plans for replacing personnel seals/physical authentication means</li> </ul>
Mgmt style	<ul style="list-style-type: none"> <li>Digitalization as a premise for operational shift from former paper-and large building-centered commuting</li> </ul>

## Contribution to solution for social issues

Acceleration of social issue embracement, contribution to sustainable social growth

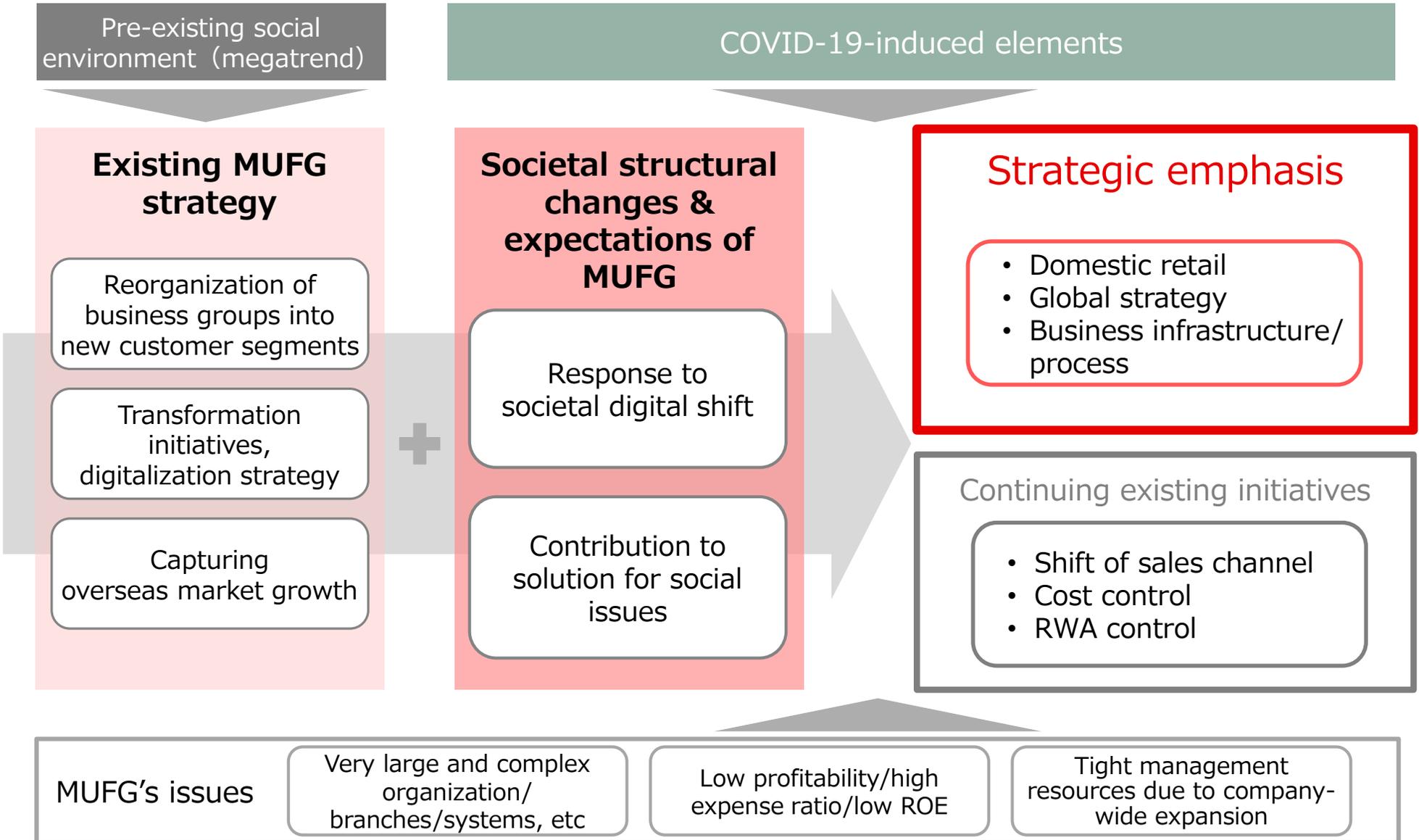
Combining social issue resolution with MUFG's strategy; tackling MUFG's sustainable growth

### Direction of sustainability management

Social	<ul style="list-style-type: none"> <li>Elevating focus on healthcare &amp; education, etc. and responding to specific social areas</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Accelerating company action to address/financially support combating climate change as a global threat</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Strengthening corporate governance system on a group-wide, cross-regional basis, raising governance to an even higher level</li> </ul>

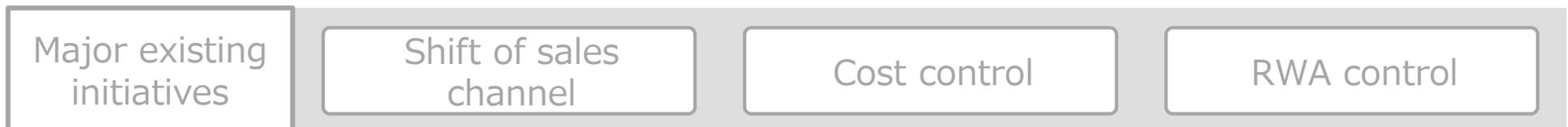
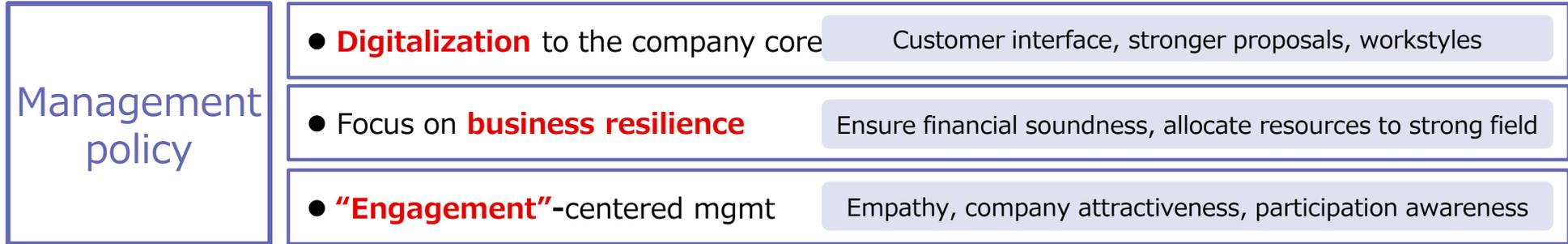
# The total strategic picture

– Prioritize strategy, based on COVID-19 trends & company issues



# Strategic emphasis

– New company management policy leads the following strategic emphases



# Major existing initiatives

## Continuing major existing initiatives

### Shift of sales channel

[FY19 results] Steady progress in shifting to non face-to-face channels

[FY20 onward] Continue to diversify customer interface and improve productivity

... P.33

### Cost control

[FY19 results] Expense ratio of 70.2%, improved by 0.7ppt from FY18

[FY20 onward] Further curb expenses by reviewing work procedures and processes

... P.35

### RWA control

[FY19 results] Reduced RWA by approx. ¥9tn\*1

[FY20 onward] Satisfy both finance support for customers and preservation of our financial soundness successfully

... P.37

\*1 Finalized Basel III reforms basis

## Promote shift of sales channel (1)

– Steady progress in sales channel shift by expanding digital and non face-to-face channels

	Transaction volume (FY19)	Branch 		ATM, STM <sup>*1</sup> etc. <sup>*2</sup> 		IB <sup>*3</sup> , App 	
		FY18	FY19	FY18	FY19	FY18	FY19
Fund transfer	Approx. <b>93</b> mm	2% 	2%	58% 	55%	40% 	44%
Pay tax and utility bills	Approx. <b>17</b> mm	13% 	8%	22% 	23%	65% 	69%
Change of address	Approx. <b>1.9</b> mm	57% 	51%	26% 	23%	16% 	26%
Replacement of unusable cards	Approx. <b>520</b> thd	81% 	71%	11% 	7%	9% 	22%

\*1 Store Teller Machine (ATM equipped with functions to handle tax payment, utility bills payment and domestic transfer with a private request form)

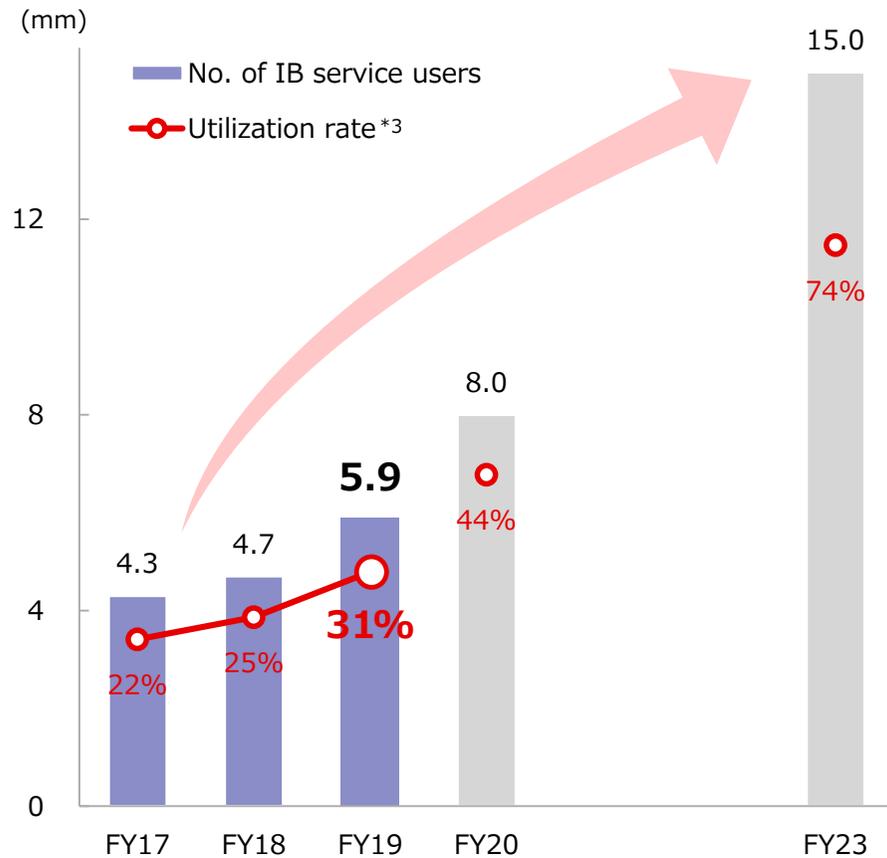
\*2 Including transactions via TV, telephone and mail

\*3 Mitsubishi UFJ DIRECT: Internet banking for individual customers

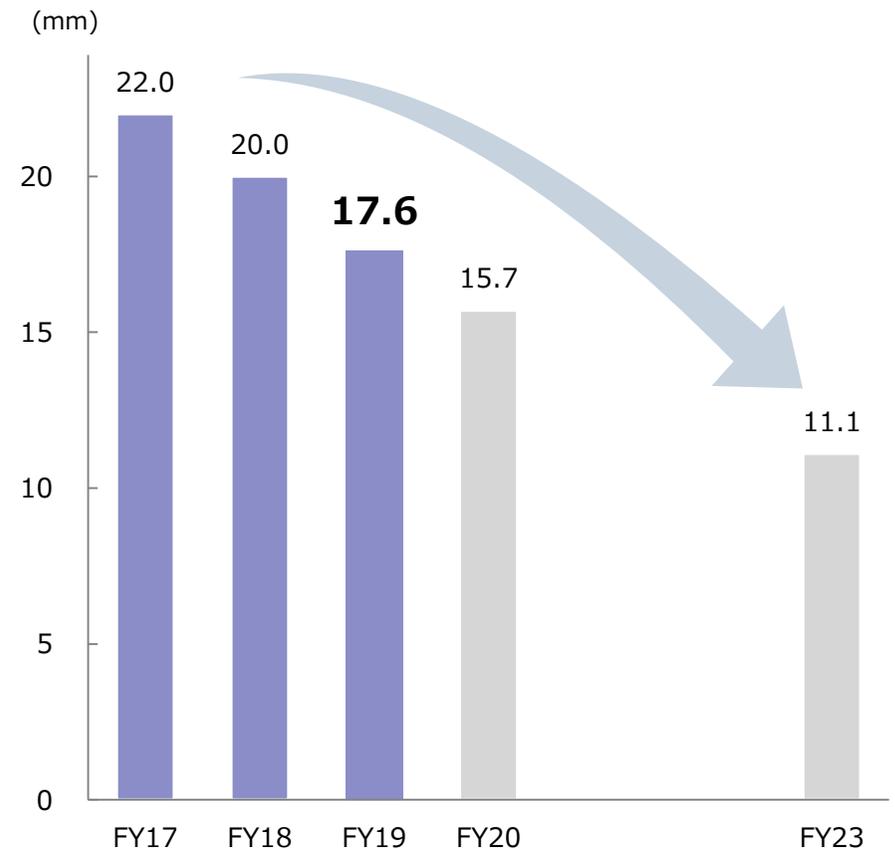
# Promote shift of sales channel (2)

– No. of transactions at bank-counter declined due to the shift to non face-to-face channels

No. of IB\*1 service users\*2



No. of transactions at bank-counter



\*1 Mitsubishi UFJ DIRECT: Internet banking for individual customers

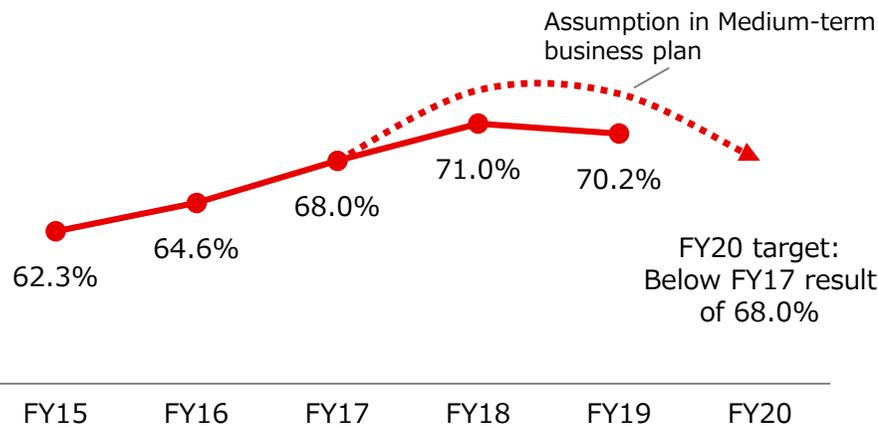
\*2 Users who log-in IB at least once in 6 months out of all active accounts (excl. accounts used for direct debit only)

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

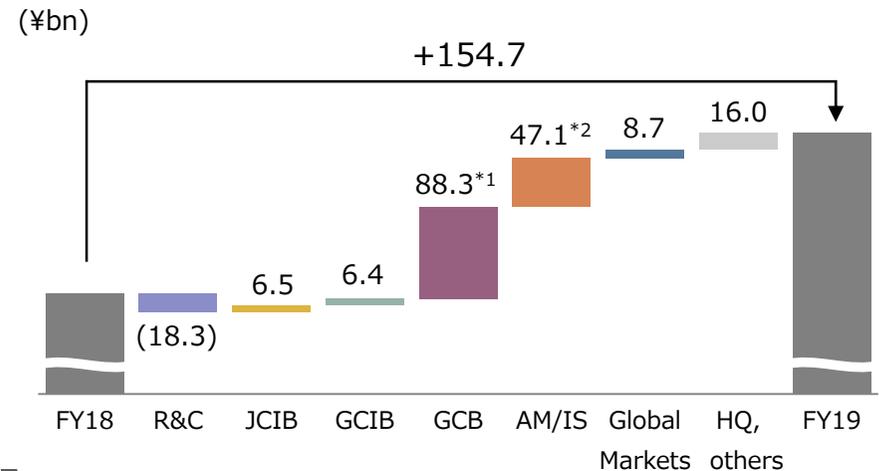
# Cost control

– FY19 expense increased mainly due to the consolidation of BDI and FSI  
 FY19 expense ratio slightly improved to 70.2% by 0.7ppt from FY18

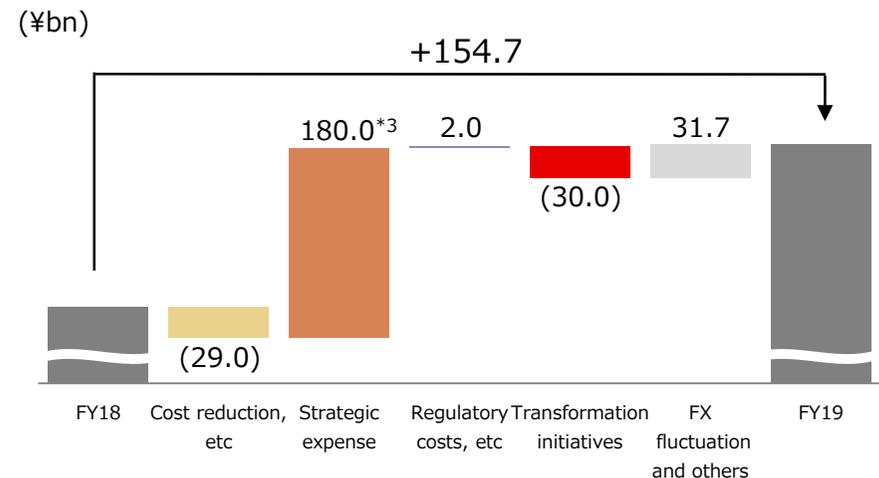
## Expense ratio



## By business group



## By measures



## FY20 management policy

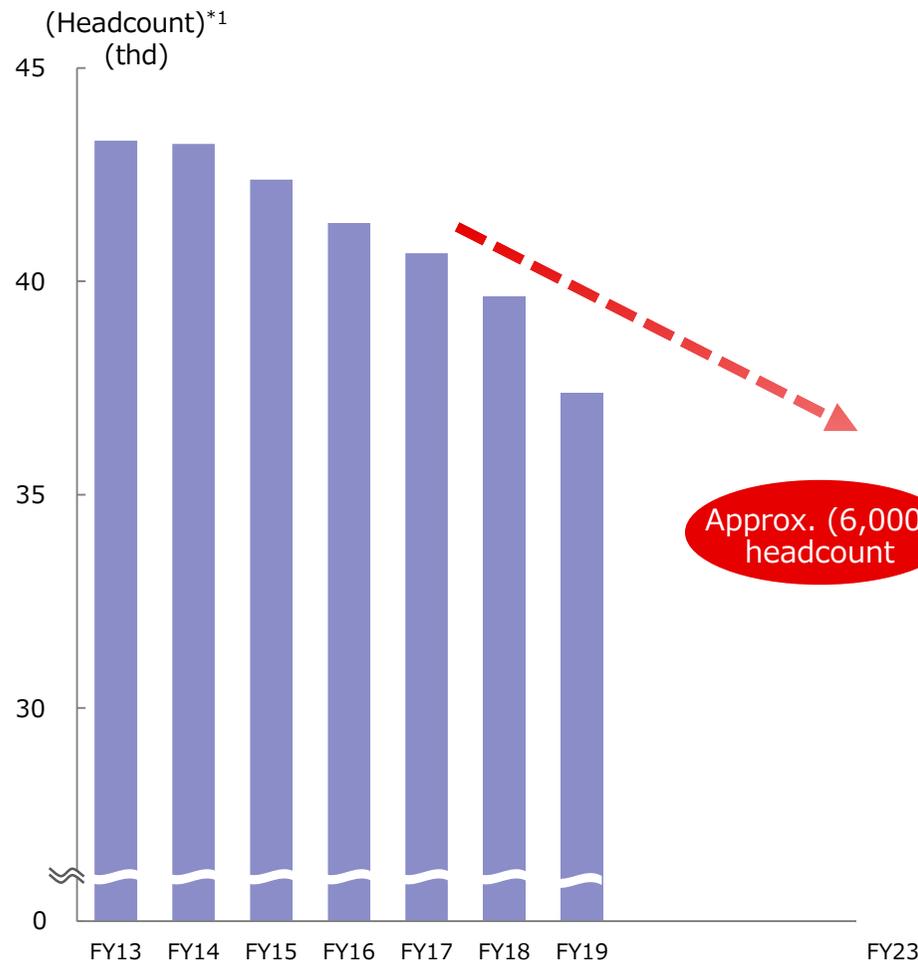
Aim at further curbing expenses by selecting the necessary investments and reviewing work procedures and processes, looking ahead to post COVID-19

\*1 Including the impact of the consolidation of BDI (approx. ¥83.0bn)  
 \*2 Including the impact of the consolidation of FSI (approx. ¥41.0bn)  
 \*3 Including the impact of the consolidation of BDI and FSI

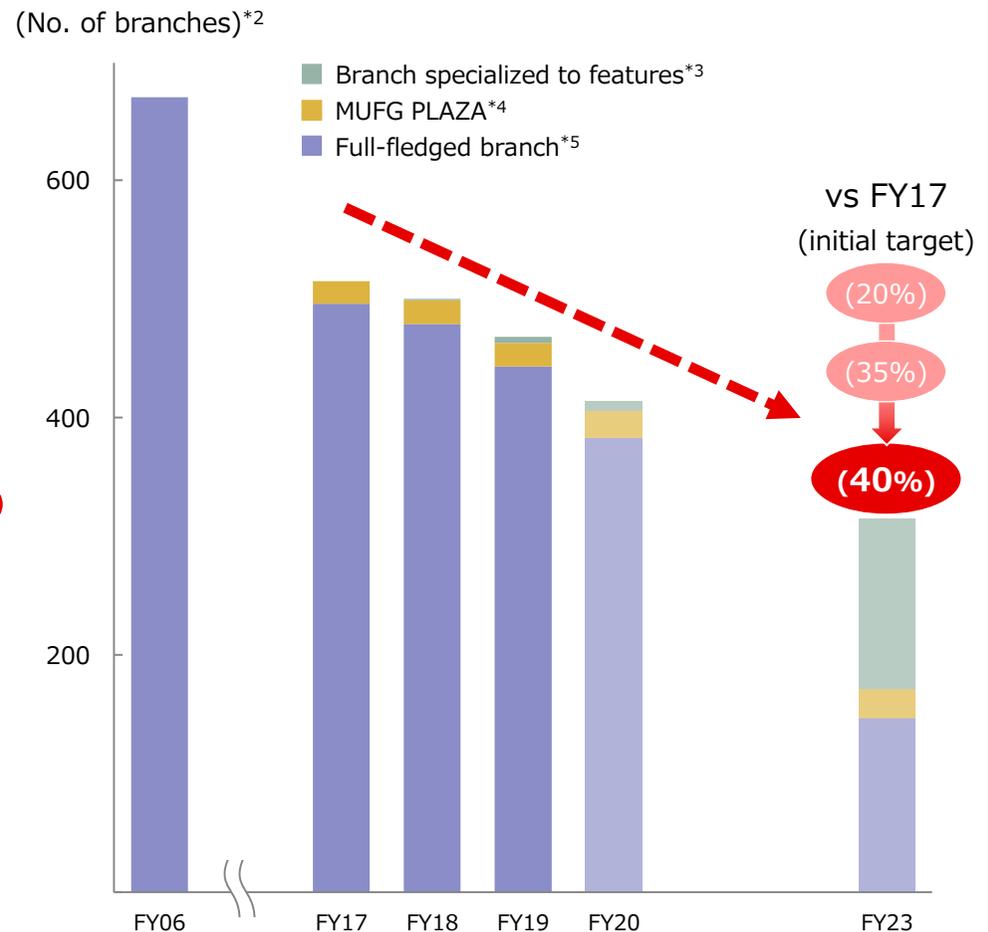
# Cost control (headcount, branches)

– Expect a decrease in employee headcount totaling approx. 6,000 (attrition) and the reduction of no. of branches by 40%, compared to FY17

Forecast of employees headcount



Forecast of number of branches



\*1 The figure includes MUFG Bank’s domestic bank staff, part-time and contract staff as well as temporary staff but excludes overseas staff hired locally.

The figure also includes employees of other companies seconded to MUFG Bank but excludes employees temporarily transferred to other companies

\*2 MUFG Bank non-consolidated basis \*3 MUFG NEXT and consulting office \*4 Group co-located branch

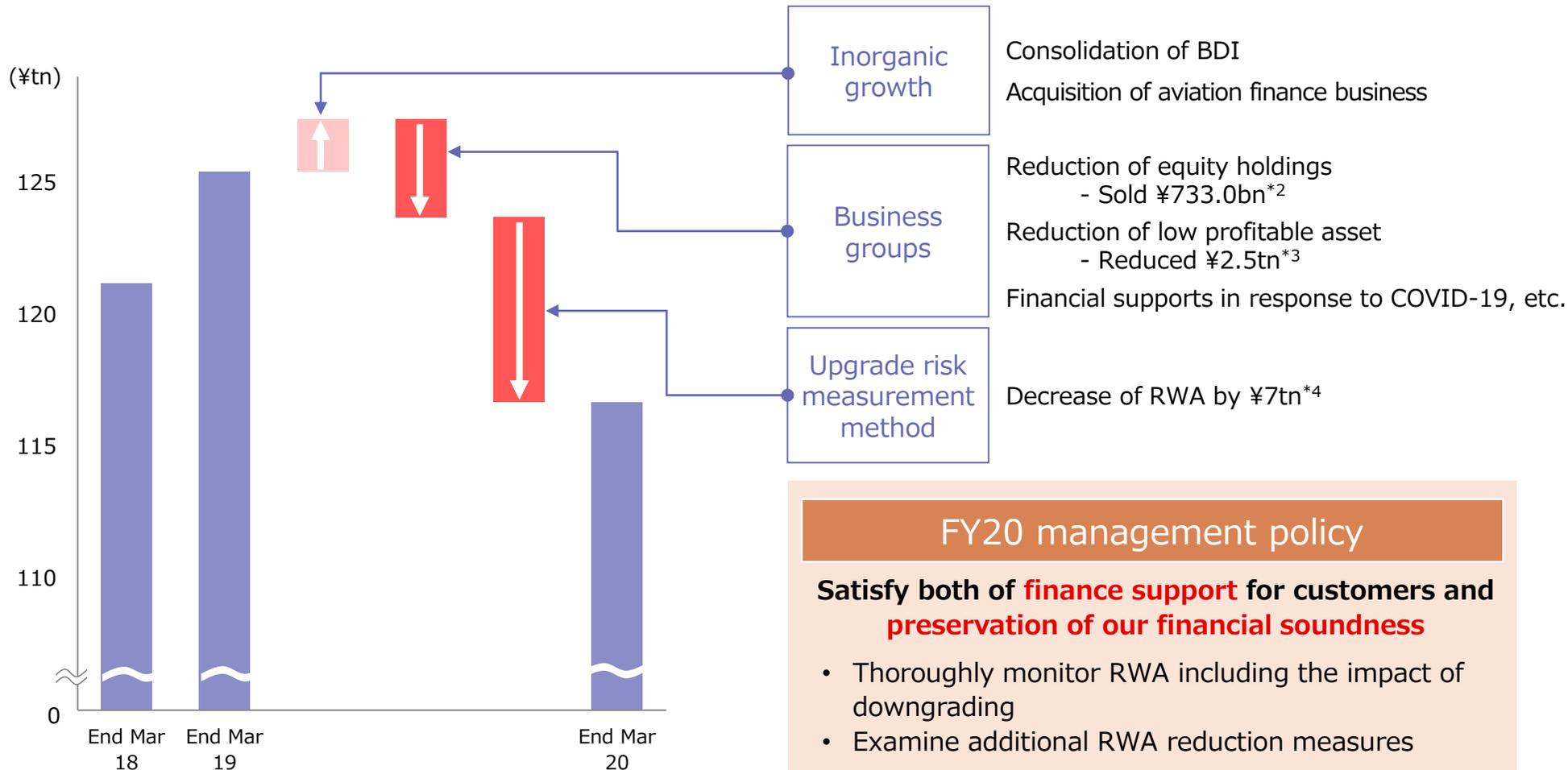
\*5 A branch that handles all services including consulting service at bank counter by clerk

# RWA control

– Reduced RWA by approx. ¥9tn by business groups’ efforts in addition to upgrading risk measurement method

RWA (Finalized Basel III reforms basis\*1)

Factors of increase and decrease

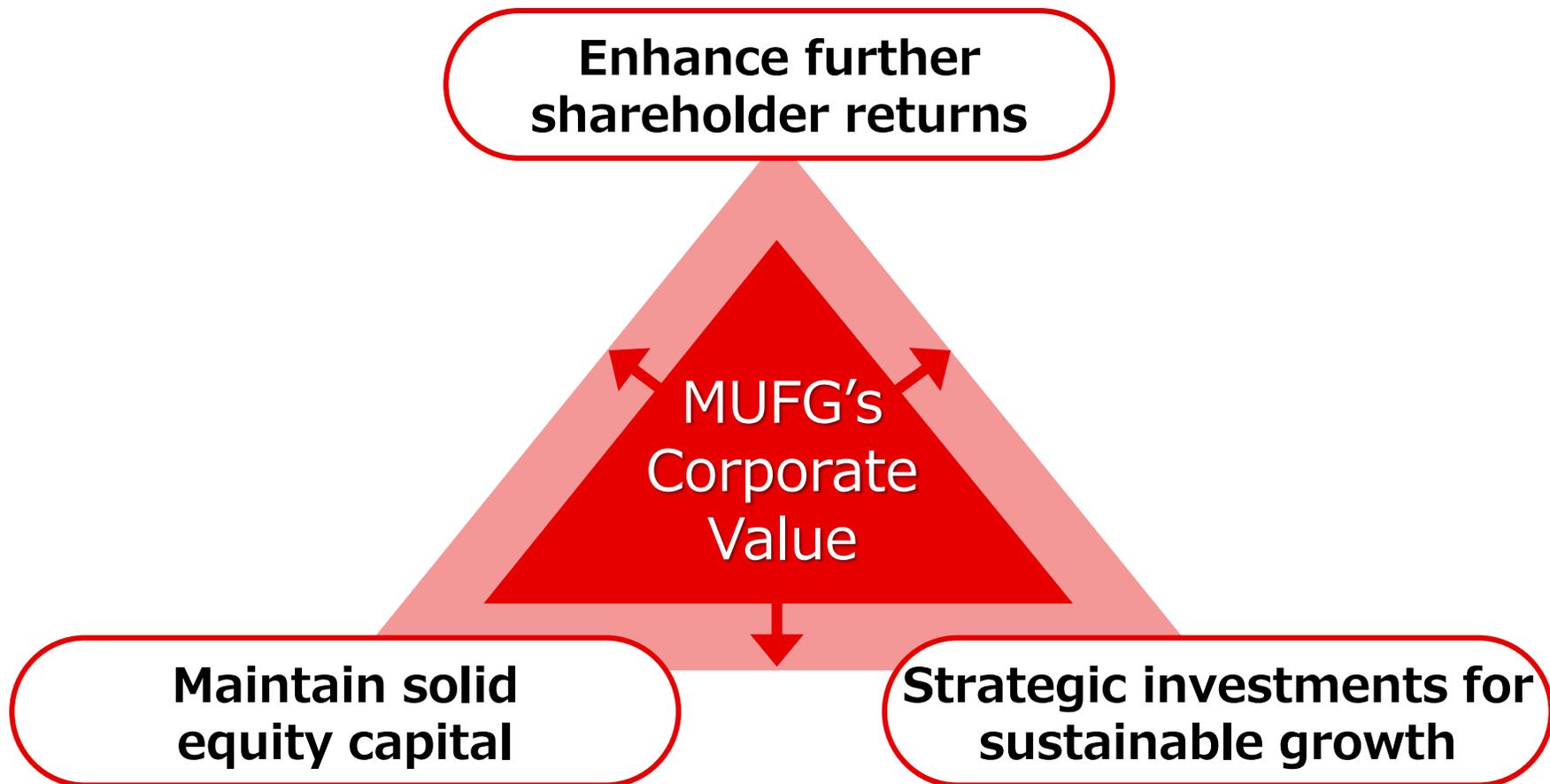


\*1 Estimated RWA on the finalized Basel III reforms basis \*2 Cumulative amount since FY15. Acquisition cost basis \*3 Cumulative amount since FY17  
 \*4 Reduction amount of estimated RWA on finalized Basel III reforms basis through upgrading risk measurement method

# Capital policy

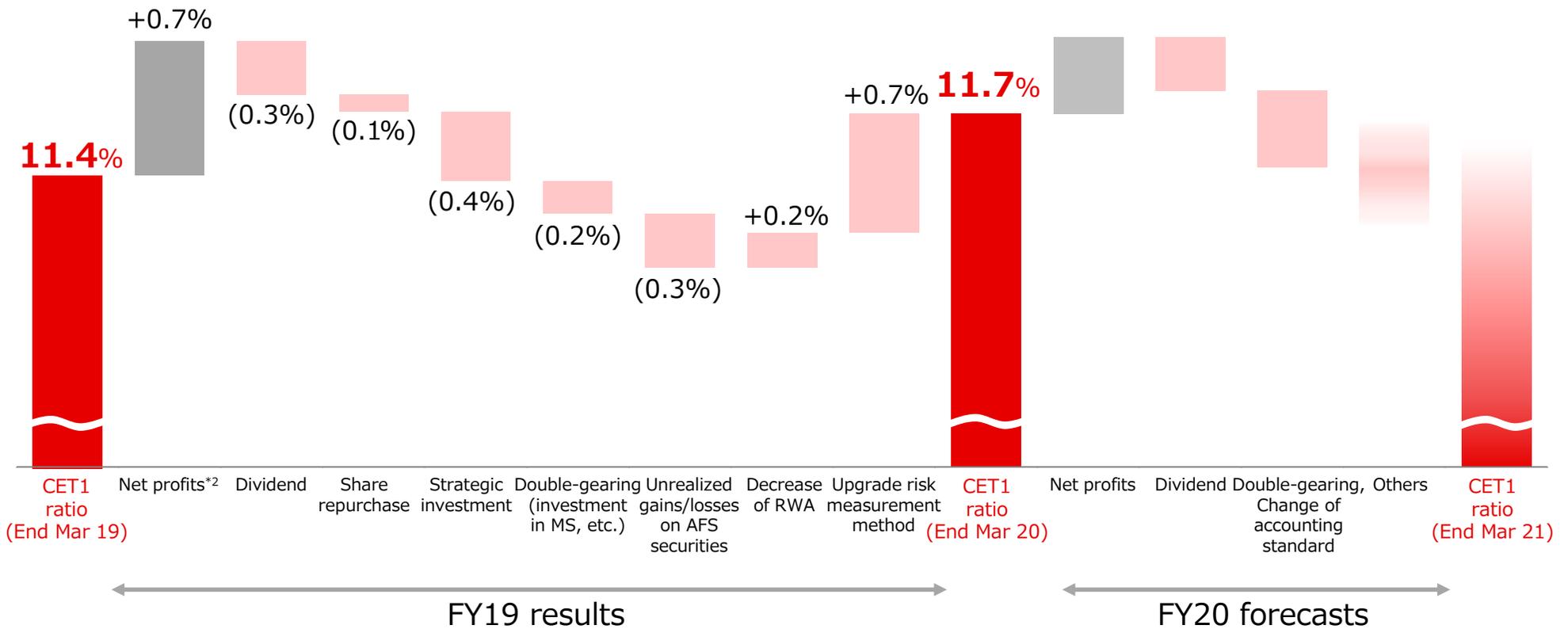
## Basic policy (“Capital Triangle”)

– Implement well-balanced capital management



# Capital allocation

Capital allocation results and forecast (Finalized Basel III reforms basis\*1. Includes net unrealized gains on AFS securities)



\*1 Estimated RWA reflecting the result of calculation on the finalized Basel III reforms basis  
 \*2 Excludes the impact of one-time amortization of goodwill

## Basic policies for shareholder returns

– Improve shareholder returns, focusing on dividends

### Dividends

MUFG aims for a **stable and sustainable increase** in dividends per share through profit growth, **with a dividend payout ratio target of 40%**

➔ Target a dividend payout ratio of 40% by the end of FY23

### Share Repurchase

MUFG plans to **flexibly repurchase** its own shares, as part of its shareholder return strategies, in order to improve capital efficiency

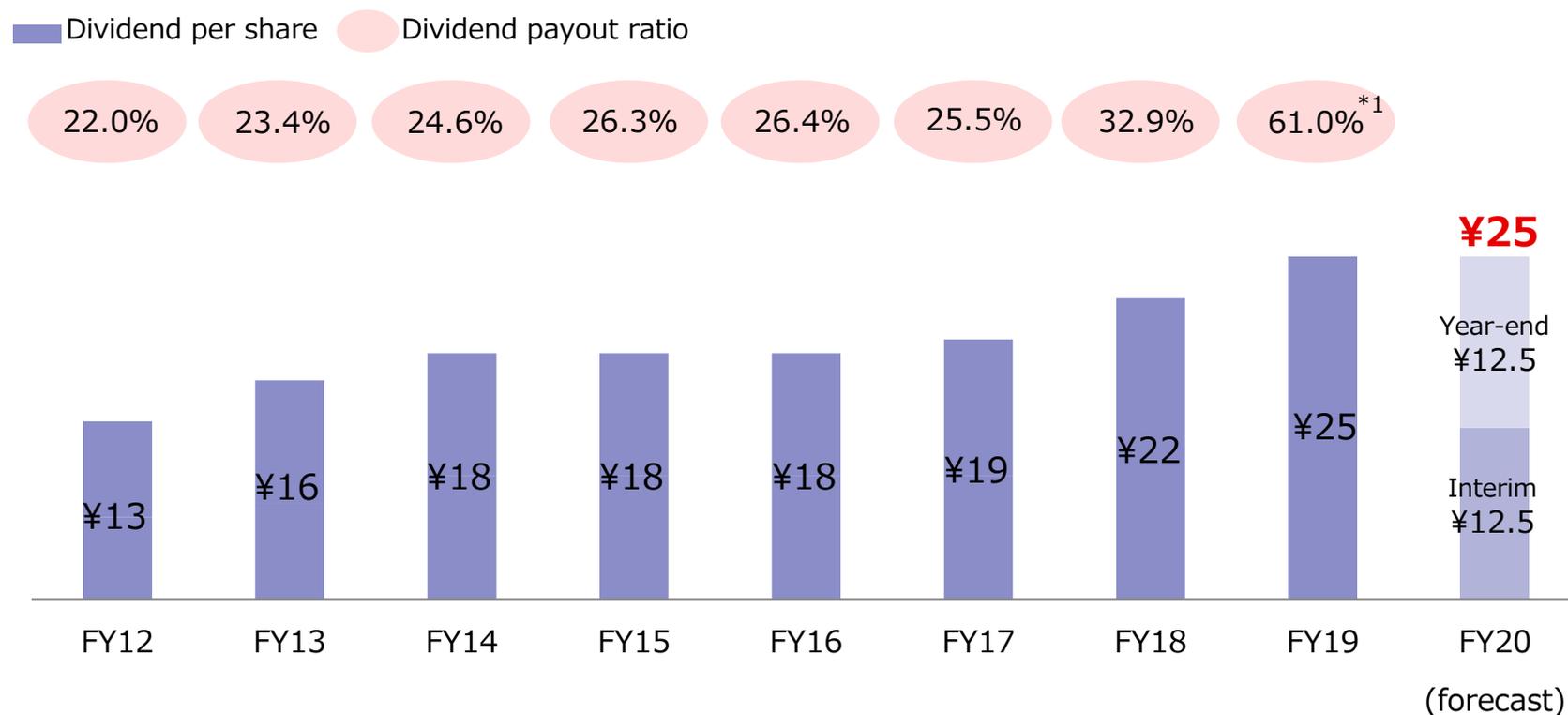
➔ Consider (1) Performance progress / forecast and capital situation,  
(2) Strategic investment opportunities (3) Market environment including share price

➔ Confirm if MUFG's capital level remains stable as required to secure "A" or higher credit rating

### Share Cancellation

In principle, MUFG plans to hold a maximum of **approximately 5% of the total number of issued shares**, and cancel shares that exceed this amount

## Results of shareholder return



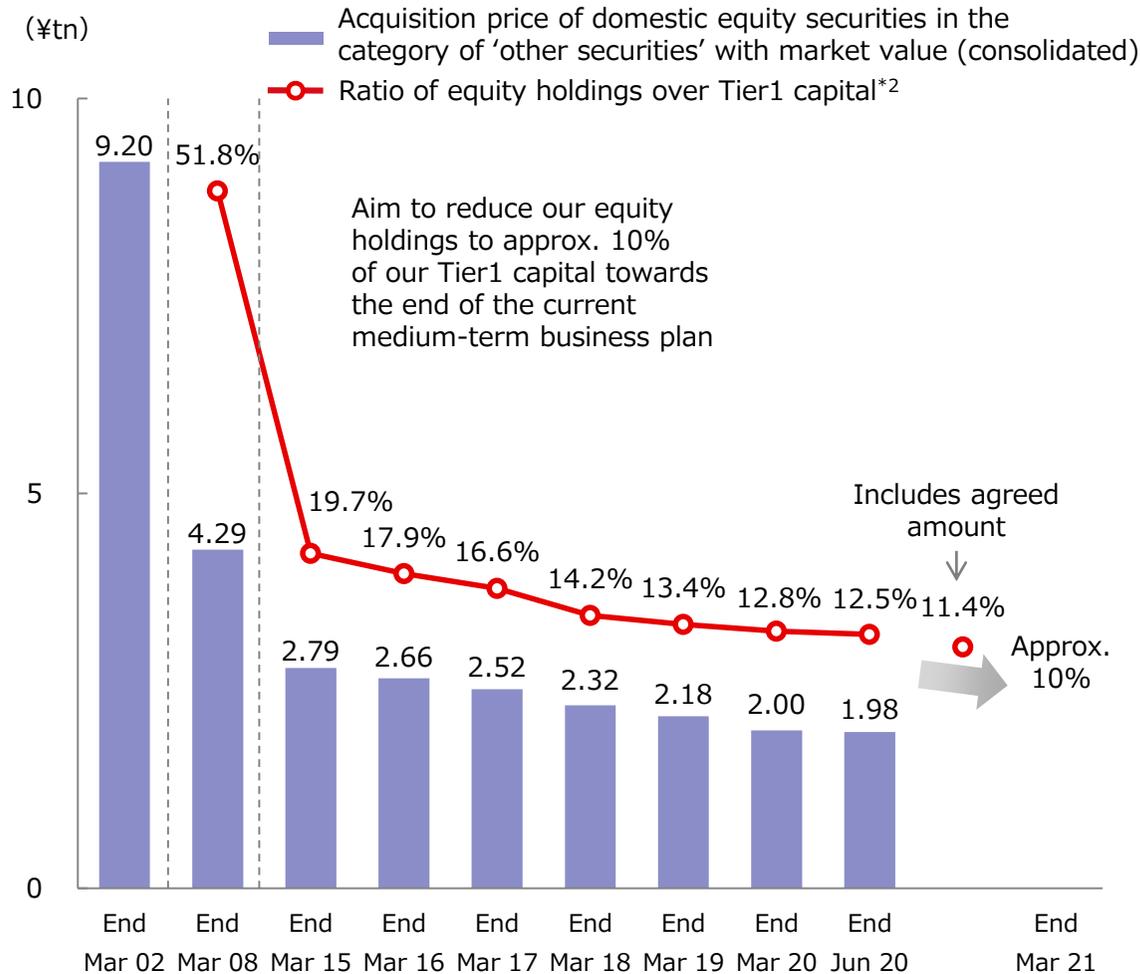
(¥bn)

Dividend	184.1	226.6	253.7	249.3	243.6	251.8	286.9	322.9	321.8
Share repurchase	-	-	100.0	200.0	200.0	200.0	150.0	50.0	-
Total payout	184.1	226.6	353.7	449.3	443.6	451.8	436.9	372.9	321.8
Net profits	852.6	984.8	1,033.7	951.4	926.4	989.6	872.6	528.1	550.0
Total payout ratio	22.0%	23.4%	34.2%	47.2%	47.9%	45.7%	50.1%	70.5%	-

\*1 Dividend payout ratio excluding the impact of one-time amortization of goodwill: **37%**

# Reduction of equity holdings\*1

## Historical performance



## Approx. selling amount

(¥bn)	Selling amount	Acquisition cost basis	Net gains (losses)
FY15	211	117	94
FY16	267	149	118
FY17	318	201	117
FY18	242	127	115
FY19	240	139	101
<b>FY20 Q1</b>	<b>24</b>	<b>11</b>	<b>13</b>
Total	1,302	744	558
Agreed amount	-	163	-

\*1 Sum of the Bank and the Trust Bank

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

# Appendix

# Income statement summary

## Income statement

Consolidated

(¥bn)	FY19Q1* <sup>1</sup>	FY20Q1	YoY
1 <b>Gross profits (before credit costs for trust accounts)</b>	955.7	<b>1,077.8</b>	122.1
2 Net interest income	444.3	<b>469.0</b>	24.7
3 Trust fees + Net fees and commissions	335.2	<b>329.7</b>	(5.5)
4 Net trading profits + Net other operating profits	176.1	<b>279.0</b>	102.9
5 Net gains (losses) on debt securities	85.2	<b>165.9</b>	80.7
6 <b>G&amp;A expenses</b>	670.0	<b>678.7</b>	8.7
7 <b>Net operating profits</b>	285.6	<b>399.1</b>	113.4
8 <b>Total credit costs*<sup>2</sup></b>	34.1	<b>(145.0)</b>	(179.1)
9 <b>Net gains (losses) on equity securities</b>	23.9	<b>6.0</b>	(17.9)
10 Net gains (losses) on sales of equity securities	28.0	<b>9.4</b>	(18.5)
11 Losses on write-down of equity securities	(4.1)	<b>(3.4)</b>	0.6
12 <b>Profits (losses) from investments in affiliates</b>	79.2	<b>56.6</b>	(22.6)
13 <b>Other non-recurring gains (losses)</b>	27.8	<b>(38.9)</b>	(66.7)
14 <b>Ordinary profits</b>	450.8	<b>277.7</b>	(173.0)
15 <b>Net extraordinary gains (losses)</b>	7.5	<b>(13.9)</b>	(21.5)
16 <b>Total of income taxes-current and income taxes-deferred</b>	(44.7)	<b>(62.8)</b>	(18.1)
17 <b>Profits attributable to owners of parent</b>	389.1	<b>183.4</b>	(205.7)
18 EPS (¥)	30.12	<b>14.29</b>	(15.83)

### 1 Gross profits

- Gross profits increased ¥122.1bn mainly due to an increase in net gains on debt securities as well as an increase in net interest income reflecting consolidation of BDI

### 2 G&A expenses / expense ratio

- G&A expenses increased ¥8.7bn due to consolidation of BDI and FSI
- Expense ratio decreased to 62.9% mainly due to an increase in gross profits

### 3 Total credit costs

- Total credit costs increased ¥179.1bn to ¥145.0bn mainly due to an increase in credit cost globally reflecting the impact of the COVID-19 pandemic as well as an adoption of new accounting methodology in our overseas subsidiaries

### 4 Profits attributable to owners of parent

- Profits attributable to owners of parent decreased ¥205.7bn mainly due to increases in total credit costs and net periodic cost of retirement benefits as well as net extraordinary gains on sales of equity in KS's subsidiary reported in the previous fiscal year

\*1 Accounting Standard Board of Japan ("ASBJ") Statement No. 30, "Accounting Standard for Fair Value Measurement" and ASBJ Guidance No. 31, "Implementation Guidance on Accounting Standard for Fair Value Measurement" have been retroactively applied

\*2 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

# Results by business group

Consolidated Business group	Net operating profits (¥bn)			Expense ratio		ROE*1	
	FY18	FY19	Changes	FY18	FY19	FY18	FY19
Retail & Commercial Banking 	300.7	<b>298.6</b>	(2.0)	80%	<b>80%</b>	1%*2 [1%]	<b>9%*3</b> [10%]
Japanese Corporate & Investment Banking 	235.9	<b>235.3</b>	(0.6)	57%	<b>57%</b>	15% [15%]	<b>12%</b> [12%]
Global Corporate & Investment Banking 	142.3	<b>129.0</b>	(13.4)	63%	<b>66%</b>	10% [10%]	<b>8%</b> [8%]
Global Commercial Banking 	207.0	<b>232.8</b>	25.7	70%	<b>71%</b>	6% [8%]	<b>(17%)*4</b> [(14%)]
Asset Management & Investor Services 	78.4	<b>71.3</b>	(7.1)	61%	<b>71%</b>	8%*5 [10%]	<b>19%</b> [22%]
Global Markets 	256.3	<b>343.0</b>	86.7	47%	<b>40%</b>	5% [5%]	<b>6%</b> [6%]

\*1 Calculated based on Risk Assets (R&C, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets)  
(Managerial accounting basis. Net profit basis. Calculated excluding non-JPY mid- to long-term funding costs)  
Figures in brackets exclude the impacts of investment related accounting factors (amortization of goodwill, etc.)

\*2 ROE excluding the impact of impairment losses on fixed assets of NICOS is 6%

\*3 ROE excluding the impact of one-time effects of corporate tax refund is 6%

\*4 ROE excluding the impact of one-time amortization of goodwill and impairment loss is 5%

\*5 ROE excluding the impact of losses on sales of Standard Life Aberdeen shares is 18%

## FY19 results\*1

(¥bn)	FY18	FY19	YoY
<b>Gross profits</b>	1,566.6	<b>1,550.6</b>	(16.0)
Loan interest income	199.1	<b>190.3</b>	(8.8)
Deposit interest income	156.7	<b>149.3</b>	(7.4)
Domestic and foreign settlement / forex	144.5	<b>144.3</b>	(0.2)
Derivatives, solutions	53.5	<b>58.3</b>	4.9
Real estate, corporate agency and inheritance	51.9	<b>53.8</b>	1.9
Investment product sales	222.2	<b>197.2</b>	(24.9)
Card settlement	310.0	<b>319.0</b>	9.0
Consumer finance	289.8	<b>296.0</b>	6.2
Overseas	45.3	<b>48.2</b>	2.9
<b>Expenses</b>	1,258.8	<b>1,242.7</b>	(16.1)
Expense ratio	80%	<b>80%</b>	(0ppt)
<b>Net operating profits</b>	307.8	<b>307.9</b>	0.1
<b>ROE</b>	1%*2	<b>9%*3</b>	9ppt

## Loans / Deposits

(¥tn)	FY18	FY19	YoY
<b>Ave. loan balance*4</b>	32.0	<b>31.4</b>	(0.5)
Lending spread*5	0.75%	<b>0.69%</b>	(0.06ppt)
<b>Ave. deposit balance</b>	115.9	<b>118.3</b>	2.4

## KPI

	FY18	FY19	YoY
Investment assets (¥tn)	41.2	<b>40.2</b>	(0.9)
No. of entrusted testamentary trust*6	4,874	<b>4,976</b>	102
Gross profits of cross transactions (¥bn)*7	33.7	<b>37.5</b>	3.8
No. of effective information sharing of real estate	5,630	<b>4,983</b>	(647)
Volume of card shopping (¥tn)*8	5.9	<b>6.0</b>	0.1
Balance of consumer loans (¥tn)*9	1.5	<b>1.5</b>	0.0

\*1 Managerial accounting basis. Local currency basis. Gross profits, expenses and net operating profits include profits from overseas transactions with Japanese corporate customers and profits from business owner transactions which belong to JCIB. ROE is calculated based on net profits and exclude non-JPY mid- to long-term funding costs

\*2 ROE excluding the impact of impairment losses on fixed assets of NICOS is 6% \*3 ROE excluding the impact of one-time effects of corporate tax refund is 6%

\*4 Excluding consumer loans \*5 Excluding non-JPY mid- to long-term funding costs

\*6 Including estate division \*7 Revenue from inheritance and real estate transactions and transactions with client's asset administration companies

\*8 For NICOS cardmembers \*9 Total balance of personal card loans of the Bank, the Trust Bank and ACOM (excl. guarantee)

## FY19 results\*1

(¥bn)	FY18	FY19	YoY
<b>Gross profits</b>	561.6	<b>578.7</b>	17.1
Loan interest income	95.4	<b>106.0</b>	10.6
Deposit interest income	130.6	<b>131.3</b>	0.8
Domestic and foreign settlement / forex*2	80.4	<b>76.3</b>	(4.1)
Derivatives, solutions*2	80.5	<b>72.8</b>	(7.7)
Real estate, corporate agency	42.4	<b>45.1</b>	2.7
M&A,DCM,ECM*3	47.5	<b>49.8</b>	2.3
Non-interest income from overseas business	71.4	<b>81.1</b>	9.7
<b>Expenses</b>	317.3	<b>329.1</b>	11.8
Expense ratio	57%	<b>57%</b>	0ppt
<b>Net operating profits</b>	244.3	<b>249.6</b>	5.3
<b>ROE</b>	15%	<b>12%</b>	(2ppt)

## Loans / Deposits

(¥tn)	FY18	FY19	YoY
<b>Ave. loan balance</b>	39.2	<b>38.5</b>	(0.7)
Lending spread*4	0.49%	<b>0.48%</b>	(0.00ppt)
Ave. non-JPY loan balance*5	18.2	<b>16.7</b>	(1.5)
Non-JPY lending spread*4*5	0.63%	<b>0.64%</b>	0.01ppt
<b>Ave. deposit balance</b>	31.2	<b>32.9</b>	1.8
Ave. non-JPY deposit balance*5	13.6	<b>15.2</b>	1.5

## KPI

	FY18	FY19	YoY
Transaction volume*6 (\$bn)	1,138.4	<b>1,159.8</b>	21.4
No. of domestic settlement (mm)	177	<b>180</b>	3
M&A advisory League Table*7	#1	<b>#2</b>	-
DCM league table*7	#2	<b>#1</b>	-
ECM league table*7	#5	<b>#3</b>	-

\*1 Managerial accounting basis. Local currency basis. Gross profits, expenses, and net operating profits include profits from business owner transactions which belong to R&C and profits from Japanese corporate customers served by KS. ROE is calculated based on net profits and excludes non-JPY mid- to long-term funding costs \*2 Figures are domestic business only \*3 Including real estate securitization etc. \*4 Excluding non-JPY mid- to long-term funding costs \*5 Sum of domestic and overseas loans and deposits \*6 Domestic foreign exchange transaction amount related to trade, inward and outward investment, dividend, and services, etc. \*7 Based on data of Refinitiv, etc., M&A advisory only counts Japanese corporates related deals. DCM includes both domestic and foreign bonds

## FY19 results\*1

(¥bn)	FY18	FY19	YoY
<b>Gross profits</b>	422.4	<b>446.2</b>	23.8
Loan interest income	169.0	<b>177.1</b>	8.0
Deposit interest income	48.0	<b>49.9</b>	1.9
Commission, forex, derivatives	194.9	<b>192.3</b>	(2.5)
DCM, ECM	23.8	<b>18.9</b>	(4.8)
Profits from large global corporates located in Japan, etc.	19.7	<b>19.7</b>	0.1
Joint venture profits with Global Markets*2	20.8	<b>30.6</b>	9.8
<b>Expenses</b>	266.4	<b>282.6</b>	16.1
Expense ratio	63%	<b>63%</b>	0ppt
<b>Net operating profits</b>	156.0	<b>163.7</b>	7.7
<b>ROE</b>	10%	<b>8%</b>	(2ppt)

## Loans / Deposits

(¥tn)	FY18	FY19	YoY
<b>Ave. loan balance</b>	24.1	<b>23.8</b>	(0.2)
Lending spread*3	1.06%	<b>1.06%</b>	(0.01ppt)
<b>Ave. deposit balance</b>	10.3	<b>12.6</b>	2.3

## KPI

	FY18	FY19	YoY
Distribution amount*4 (¥tn)	22.8	<b>21.4</b>	(1.4)
Distribution ratio*5	59%	<b>48%</b>	(11ppt)
GSB*6 profits (¥bn)	90.1	<b>86.7</b>	(3.4)
ABS league table (US)	#10	<b>#9</b>	-
Wallet share of syndicated loan and DCM (Non-IG*7)	1.19%	<b>1.22%</b>	0.03ppt

\*1 Managerial accounting basis. Local currency basis. Gross profits, expenses and net operating profits include profits from large global corporates of KS which belong to GCB, R&C and JCIB's large global corporates located in Japan, and Joint venture profits with Global Markets. ROE is calculated based on net profits and excludes non-JPY mid- to long-term funding costs

\*2 Including O&D profits through collaboration with Global Markets \*3 Excluding non-JPY mid- to long-term funding costs

\*4 Distribution amount = Arrangement amount - Final hold amount (Syndicated loan, Project Finance, Securitization, Aviation Finance, etc.) + Securities' arrangement amount of DCM, ABS, etc.

\*5 Distribution ratio = Distribution amount / Total amount of loans to global corporate customers

\*6 Global Subsidiary Banking. Transactions with subsidiaries of global corporate multinational customers \*7 Non-investment grade

## FY19 results\*1

(¥bn)	FY18	FY19	YoY
<b>Gross profits</b>	668.8	<b>770.2</b>	101.4
MUAH*2	353.6	<b>339.6</b>	(14.0)
KS*3	316.4	<b>323.9</b>	7.5
BDI*4	-	<b>114.4</b>	114.4
<b>Expenses</b>	470.0	<b>552.2</b>	82.2
<b>(Expense ratio)</b>	70%	<b>72%</b>	1ppt
MUAH*2	264.0	<b>264.8</b>	0.8
(Expense ratio)	75%	<b>78%</b>	3ppt
KS*3	163.5	<b>167.2</b>	3.7
(Expense ratio)	52%	<b>52%</b>	(0ppt)
BDI*4	-	<b>59.5</b>	59.5
(Expense ratio)	-	<b>52%</b>	-
<b>Net operating profits</b>	198.8	<b>217.9</b>	19.1
MUAH*2	89.5	<b>74.8</b>	(14.7)
KS*3	152.9	<b>156.6</b>	3.8
BDI*4	-	<b>54.9</b>	54.9
<b>ROE</b>	6%	<b>(17%)*5</b>	(23ppt)

## Loans / Deposits

(¥tn)		FY18	FY19	YoY
<b>MUAH*2</b>	Ave. loan balance	7.3	<b>7.8</b>	0.5
	Ave. deposit balance	8.2	<b>9.0</b>	0.8
	NIM*6	2.74%	<b>2.39%</b>	(0.34ppt)
<b>KS*3</b>	Ave. loan balance	5.2	<b>5.6</b>	0.4
	Ave. deposit balance	4.5	<b>4.9</b>	0.4
	NIM*7	3.81%	<b>3.62%</b>	(0.20ppt)
<b>BDI*4</b>	Ave. loan balance	-	<b>0.9</b>	0.9
	Ave. deposit balance	-	<b>0.7</b>	0.7
	NIM	-	<b>8.16%</b>	-

\*1 Managerial accounting basis. Local currency basis. Gross profits, expenses and net operating profits include figures which belong to GCB only and not include figures which belong to other business groups. BDI entity basis. ROE is calculated based on net profits

\*2 MUAH figures as reported in MUAH's 10-Q and 10-K excluding figures belonging to Trust/Securities subsidiaries, JCIB, GCIB and Global Markets

\*3 After GAAP adjustment. Excluding figures which belong to Global Markets \*4 Apr to Dec 2020 results after consolidation

\*5 ROE excluding the impact of one-time amortization of goodwill and impairment loss is 5%

\*6 Excluding figures which belong to Global Markets \*7 KS entity basis

# Asset Management & Investor Services

AM/IS

## FY19 results\*1

(¥bn)	FY18	FY19	YoY
<b>Gross profits</b>	202.3	<b>246.3</b>	44.0
AM*2	46.8	<b>81.8</b>	34.9
IS*3	93.7	<b>102.6</b>	8.8
Pension	61.7	<b>62.0</b>	0.3
<b>Expenses</b>	124.2	<b>175.4</b>	51.2
Expense ratio	61%	<b>71%</b>	10ppt
<b>Net operating profits</b>	78.1	<b>70.9</b>	(7.2)
<b>ROE</b>	8%*4	<b>19%</b>	11ppt

## KPI

		FY18	FY19	YoY
<b>AM</b>	Investment products balance of corporate customers (¥tn)	9.4	<b>10.4</b>	1.1
	Alternative products balance (¥bn)*5	261.1	<b>379.0</b>	117.9
<b>IS</b>	Global IS balance (\$bn)	616.6	<b>686.5</b>	69.8
	Balance of domestic investment trust funds (¥tn)	73.8	<b>74.2</b>	0.4
<b>Pension</b>	DB / Balance (¥tn)	11.3	<b>11.0</b>	(0.3)
	DC / Increase number of subscriber (thd)*6	195	<b>308</b>	113

\*1 Managerial accounting basis. Local currency basis. ROE is calculated based on net profits \*2 Asset Management \*3 Investor Services

\*4 ROE excluding the impact of losses on sales of Standard Life Aberdeen shares is 18%

\*5 Balance of internally developed low-liquidity investment products, such as real estate-based products \*6 Net increase of subscribers from FY17

## FY19 results\*1

(¥bn)	FY18	FY19	YoY
<b>Gross profits</b>	572.9	<b>637.9</b>	64.9
Customer business	309.9	<b>345.2</b>	35.3
FIC & equity	226.8	<b>265.8</b>	38.9
Corporates	110.2	<b>115.0</b>	4.9
Institutional investors	91.5	<b>126.7</b>	35.2
Asset management	3.1	<b>2.7</b>	(0.4)
JV with GCIB*2	100.7	<b>107.3</b>	6.6
Treasury	272.6	<b>306.9</b>	34.3
<b>Expenses</b>	274.1	<b>285.8</b>	11.7
Expense ratio	48%	<b>45%</b>	(3ppt)
<b>Net operating profits</b>	298.8	<b>352.0</b>	53.2
Customer business	94.6	<b>117.2</b>	22.7
Treasury	218.1	<b>254.4</b>	36.3
<b>ROE</b>	5%	<b>6%</b>	1ppt

## KPI

	FY18	FY19	YoY
Derivative revenues from strategic fields*3 (¥bn)	6.8	<b>8.5</b>	1.7
Client value*4	89	<b>101</b>	12pt
Digitalization ratio of FX rate contracts*5	71%	<b>72%</b>	1ppt

\*1 Managerial accounting basis. Local currency basis. Gross profits, net operating profits, and expenses includes Joint venture profits with GCIB. ROE is calculated based on net profits

\*2 Profits including O&D profits through collaboration with GCIB

\*3 Profits from new type of risk hedging (e.g. hedging against interest rate and forex risks in M&A transactions) and deals related to investment banking products

\*4 Quasi sales & trading profits in institutional investors business. Indexation using in FY17 as 100 \*5 Internal transactions

# Financial results\*<sup>1</sup> of MUAH, KS, and BDI

MUAH* <sup>2</sup> 	(¥bn)			(US\$mm)		
	FY19H1	FY20H1	YoY	FY19H1	FY20H1	YoY
Total revenue	306.2	<b>321.2</b>	15.0	2,841	<b>2,982</b>	141
Non-interest expenses	250.5	<b>256.3</b>	5.8	2,324	<b>2,379</b>	55
Pre-tax, Pre-provision income	55.7	<b>64.9</b>	9.2	517	<b>603</b>	86
Provision for credit losses	10.1	<b>89.5</b>	79.4	94	<b>831</b>	737
Net income attributable to MUAH	41.2	<b>(30.5)</b>	(71.7)	383	<b>(284)</b>	(667)

KS* <sup>3</sup> 	(¥bn)			(THB mm)		
	FY19H1	FY20H1	YoY	FY19H1	FY20H1	YoY
Total income	226.7	<b>204.6</b>	(22.1)	64,786	<b>58,629</b>	(6,157)
Operating expenses	93.3	<b>84.6</b>	(8.7)	26,681	<b>24,266</b>	(2,415)
Pre-provision operating profit	133.3	<b>119.9</b>	(13.4)	38,105	<b>34,363</b>	(3,742)
Impairment loss of loans and debt securities	45.7	<b>60.5</b>	14.8	13,074	<b>17,355</b>	4,281
Net profit attributable to owners of the bank	69.1	<b>47.2</b>	(21.9)	19,747	<b>13,540</b>	(6,207)

BDI* <sup>4</sup> 	(¥bn)			(IDR bn)		
	FY19H1	FY20H1	YoY	FY19H1	FY20H1	YoY
Total operating income	67.4	<b>70.6</b>	3.2	8,760	<b>9,295</b>	535
Operating expenses	33.9	<b>32.5</b>	(1.4)	4,414	<b>4,278</b>	(136)
Pre-provision operating profit	33.4	<b>38.1</b>	4.7	4,346	<b>5,017</b>	671
Cost of credit	13.2	<b>24.4</b>	11.2	1,716	<b>3,211</b>	1,495
Net profit after tax	13.9	<b>6.4</b>	(7.5)	1,813	<b>845</b>	(968)

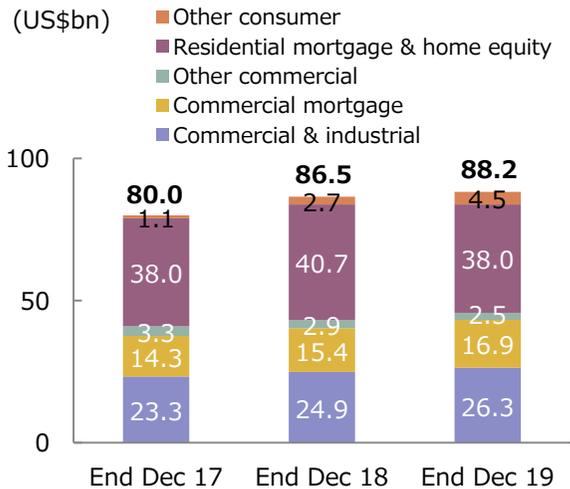
\*1 All figures are converted into ¥ with actual exchange rates as of end of each interim period. For FY19H1 is US\$1=¥107.79, THB1=¥3.50, IDR1=¥0.0077.

For FY20H1 is US\$1=¥107.74, THB1=¥3.49, IDR1=¥0.0076 \*2 Financial results as disclosed in MUAH's 10-Q reports based on U.S. GAAP

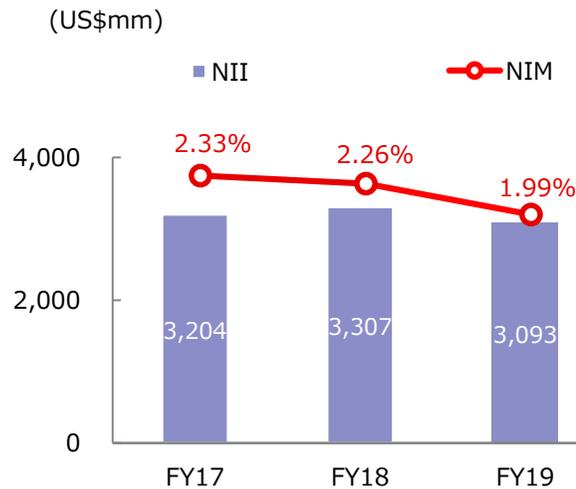
\*3 Financial results as disclosed in KS's financial report based on Thai GAAP \*4 Financial results as disclosed in BDI's financial report based on Indonesian GAAP

# Key figures\*1 of MUAH

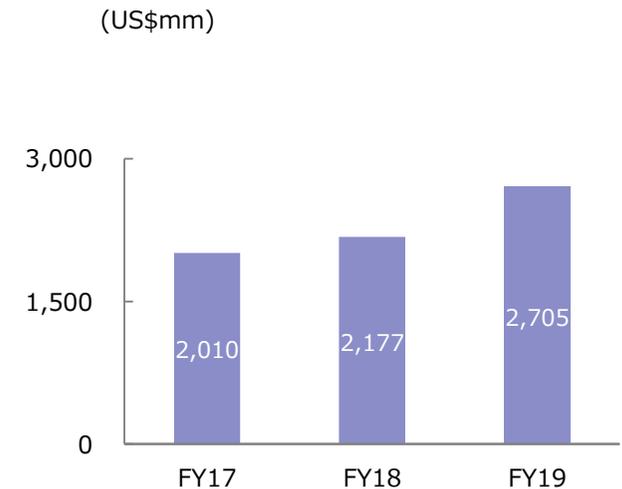
## Lending balance\*2



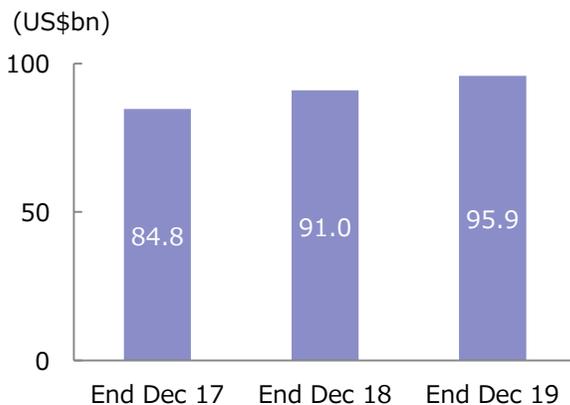
## Net interest income



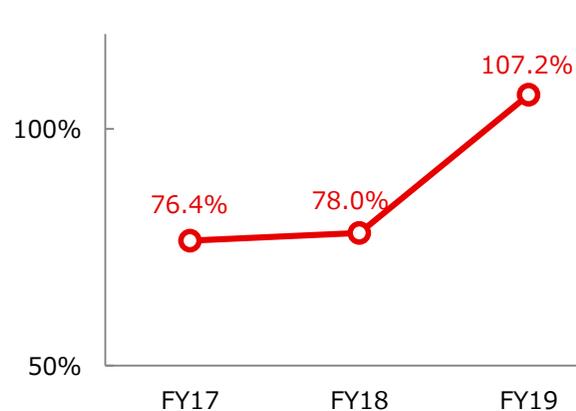
## Non-interest income



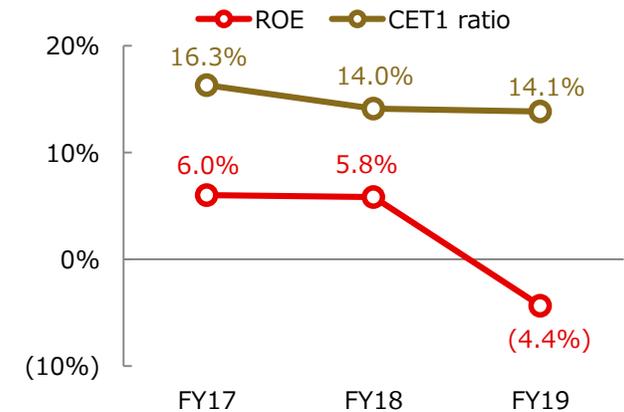
## Deposit balance



## Cost to income ratio\*3 \*4



## ROE / CET1 ratio\*5



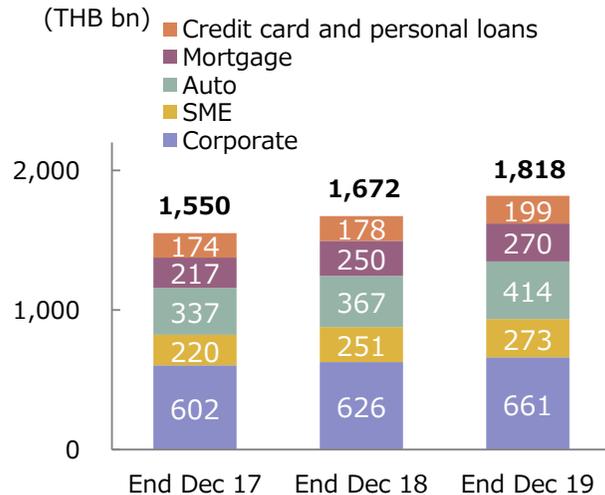
\*1 Financial results as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP \*2 Loans held for investment based on year-end balances \*3 Efficiency ratio

\*4 The adjusted efficiency ratio is a non-GAAP financial measure. Management believes adjusting the efficiency ratio for the fees and costs associated with the provision of services to MUFG Bank, Ltd. branches in the U.S. enhances the comparability of MUAH's efficiency ratio when compared with other financial institutions. Management believes adjusting noninterest expense for the impact of goodwill impairment and revenue for the impact of the TCJA enhances comparability between periods. Adjusted Efficiency Ratio for FY18 was 72.47% and for FY19 was 74.69%

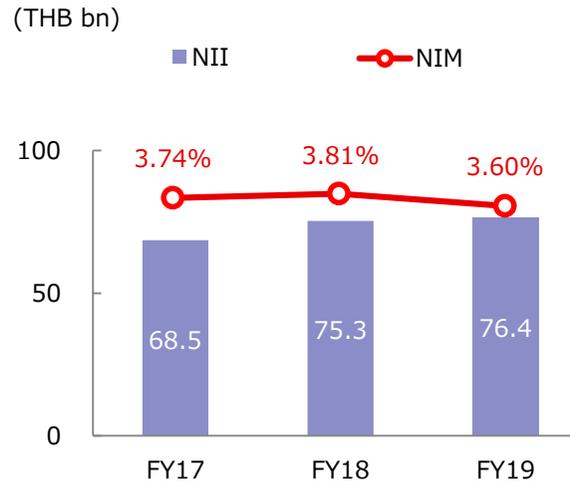
\*5 U.S. Basel III standardized approach; fully phased-in MUAH is working on capital optimization and paid a US\$500mm dividend in 2017 to MUFG and MUFG Bank, Ltd. And repurchased approximately US\$2.5bn of its outstanding common stock from MUFG and MUFG Bank, Ltd. in 2018

# Key figures of KS

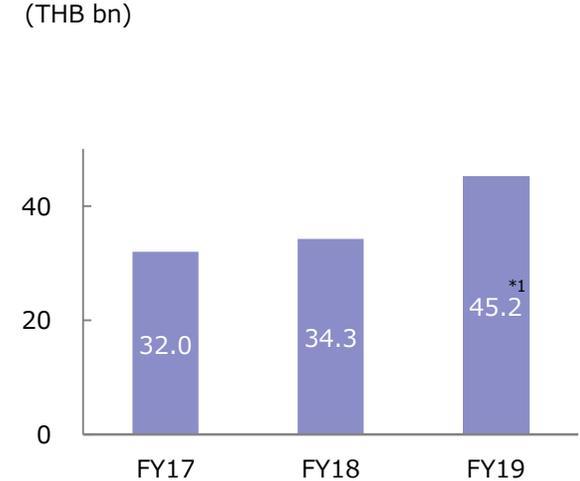
## Lending balance



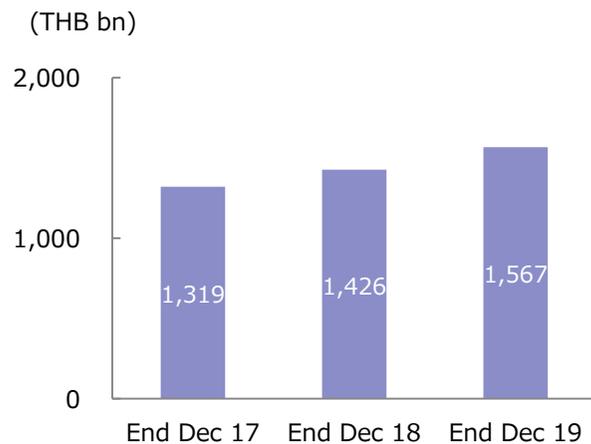
## Net interest income



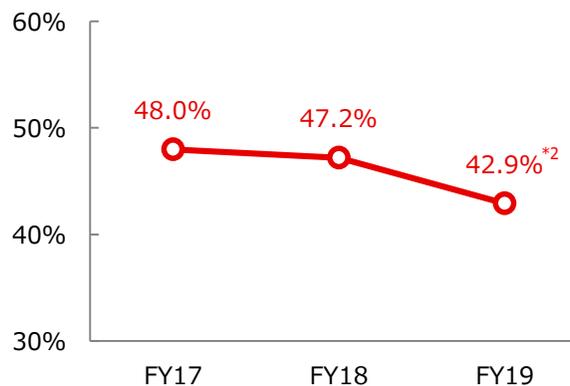
## Non-interest income



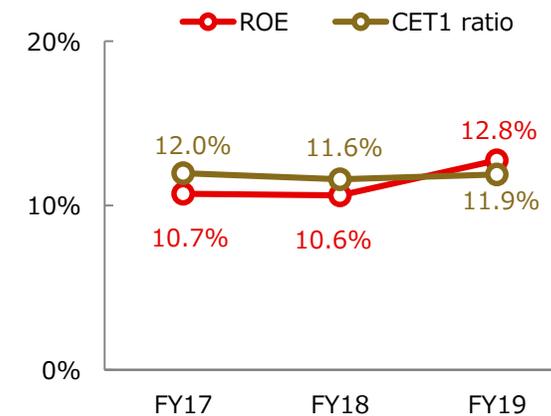
## Deposit balance



## Cost to income ratio



## ROE / CET1 ratio<sup>\*3</sup>



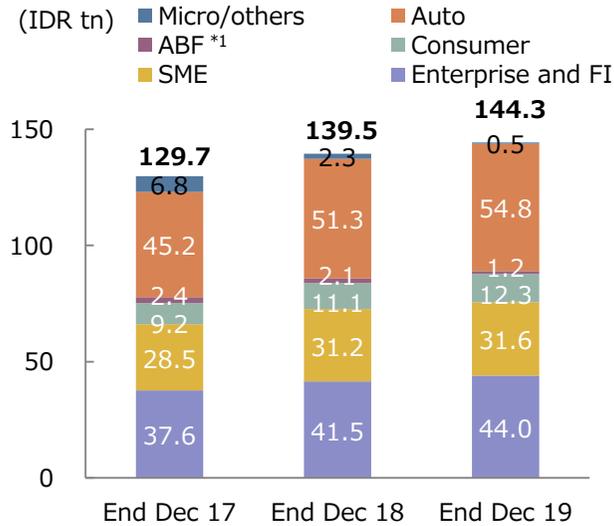
\*1 Excluding one-time gains on investment from the sales of 50% of shares in Ngern Tid Lor Company Limited (NTL transaction), normalized non-interest income recorded at THB 36.6bn

\*2 Excluding one-time gains on investment from NTL transaction and provision in accordance to the amended Labor Protection Act, normalized cost to income was recorded at 45.1%

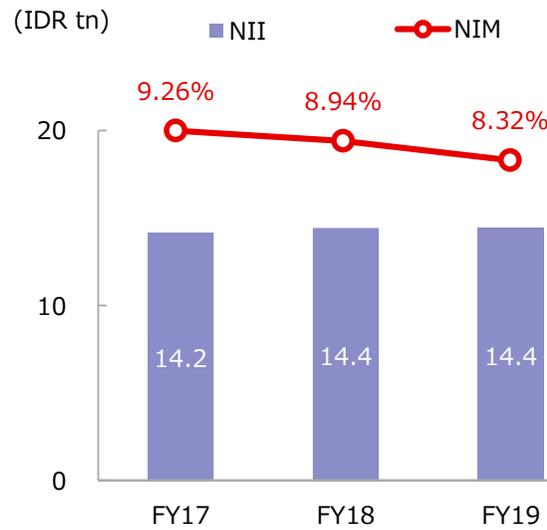
\*3 Non-consolidated

# Key figures of BDI

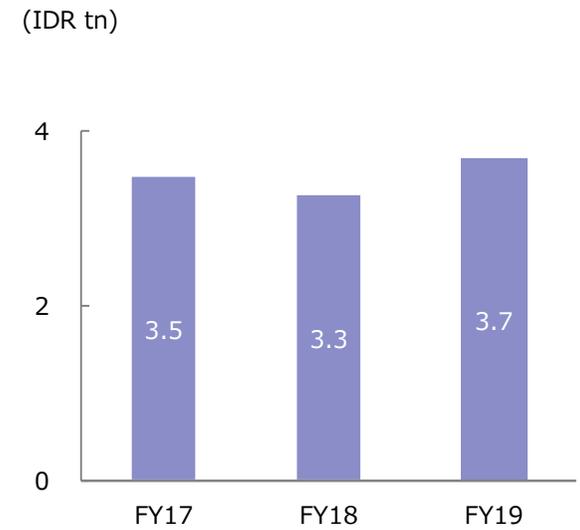
## Lending balance



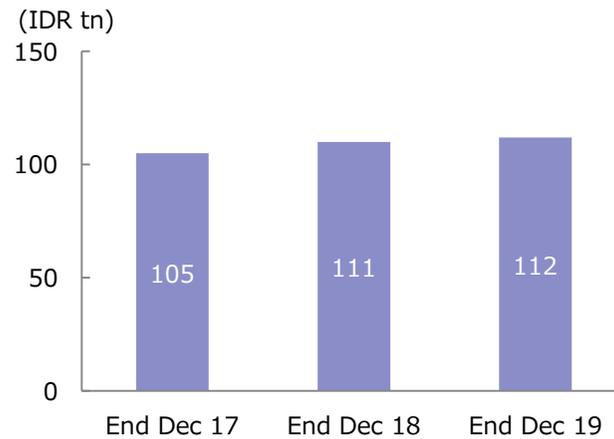
## Net interest income



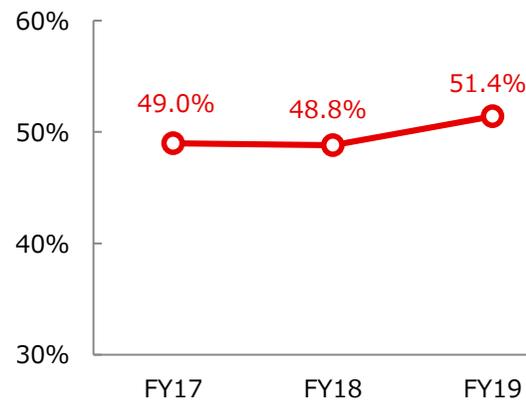
## Non-interest income



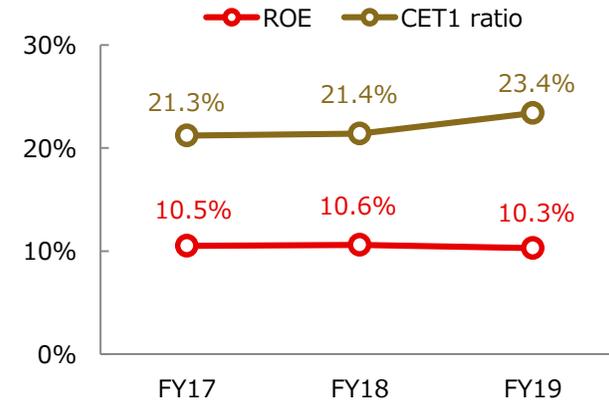
## Deposit balance



## Cost to income ratio



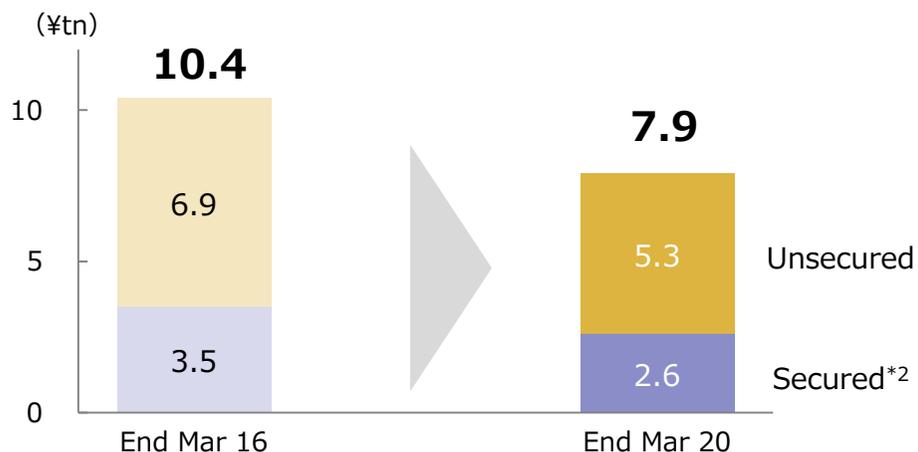
## ROE / CET1 ratio



\*1 Asset Based Finance

# Credit portfolio of energy and mining

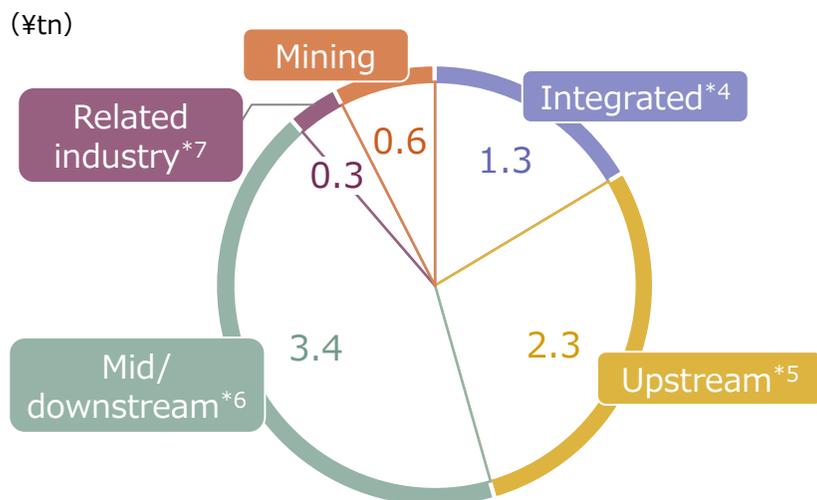
## Credit exposure\*1



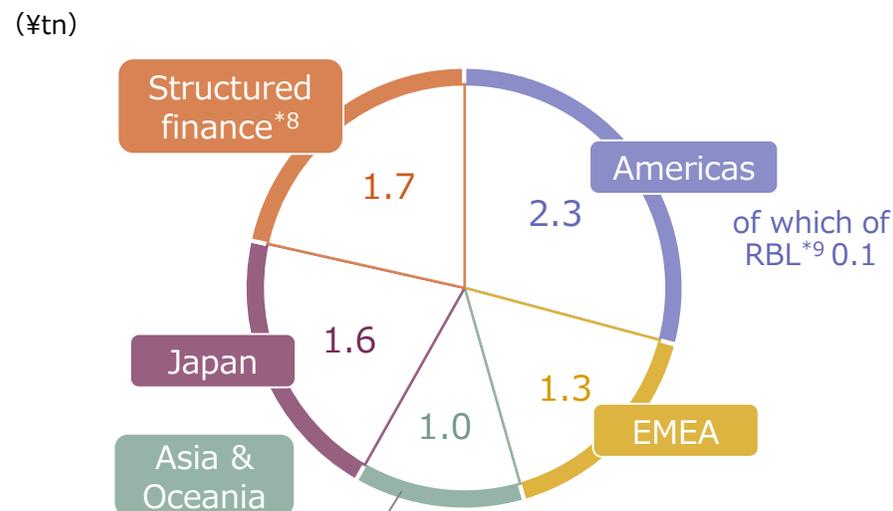
## NPLs\*3

(¥bn)	End Mar 20
<b>NPLs*3</b>	62.1
Secured amount	45.4
Allowance	8.9
<b>NPLs*3 (net)</b>	7.8

## Breakdown by sub-sector\*1



## Breakdown by region\*1



\*1 Including undrawn commitment and excluding market exposure

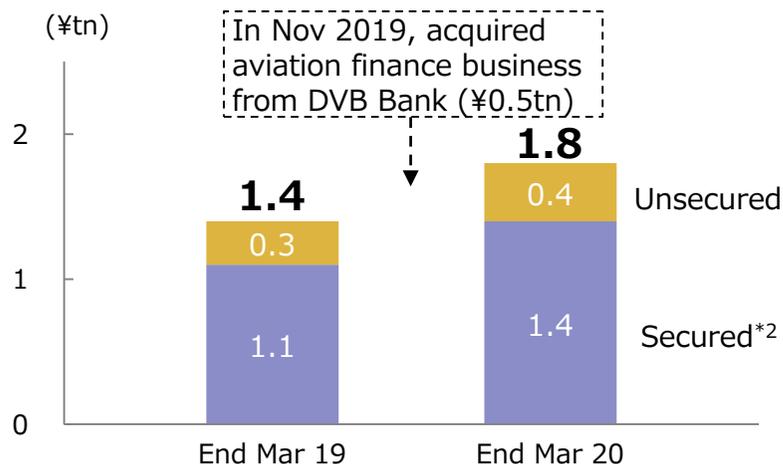
\*2 Collateralized or guaranteed \*3 NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria \*4 Integrated business from upstream to downstream

\*5 Exploration, development and production of oil and gas \*6 Storage, transportation, refinement, retail \*7 Sales of mining machine to companies among upstream industry \*8 Project finance and trade finance \*9 Reserve based lending

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

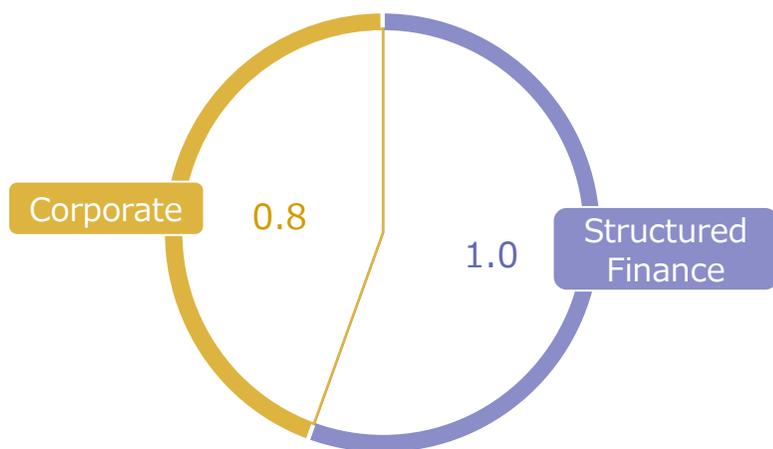
# Credit portfolio of air transportation (incl. aircraft finance)

## Credit exposure\*1



## Breakdown by structure\*1

(¥tn)



## NPLs\*3

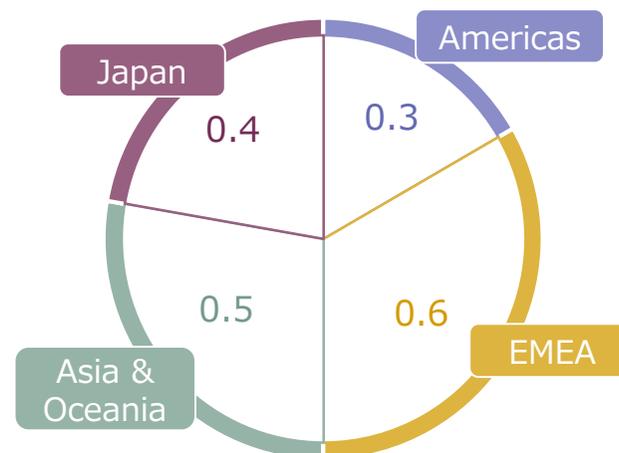
(¥bn)

End Mar 20

<b>NPLs*3</b>	22.5
Secured amount	19.7
Allowance	0.8
<b>NPLs*3 (net)</b>	2.0

## Breakdown by region\*1

(¥tn)



\*1 Including undrawn commitment and excluding market exposure

\*2 Collateralized or guaranteed \*3 NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria

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

# Mitsubishi UFJ NICOS

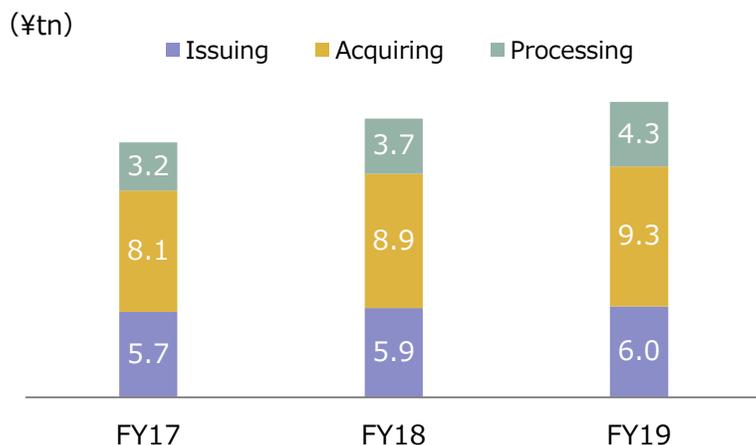
– Solid FY19 results. Decided to formulate a new system integration plan in FY20

## FY19 results and transaction volume

### ■ FY19 results \*1

(¥bn)	FY18	FY19	YoY
Operating revenues	299.4	305.9	6.5
Operating expenses	293.8	290.1	(3.7)
Operating profits	5.6	15.8	10.2
Other profits and losses	(161.1)	(17.4)	143.7
Total of income taxes current and income tax deferred	39.1	65.5	26.4
Profits attributable to owners of parent	(116.4)	63.9	180.3

### ■ Transaction volume



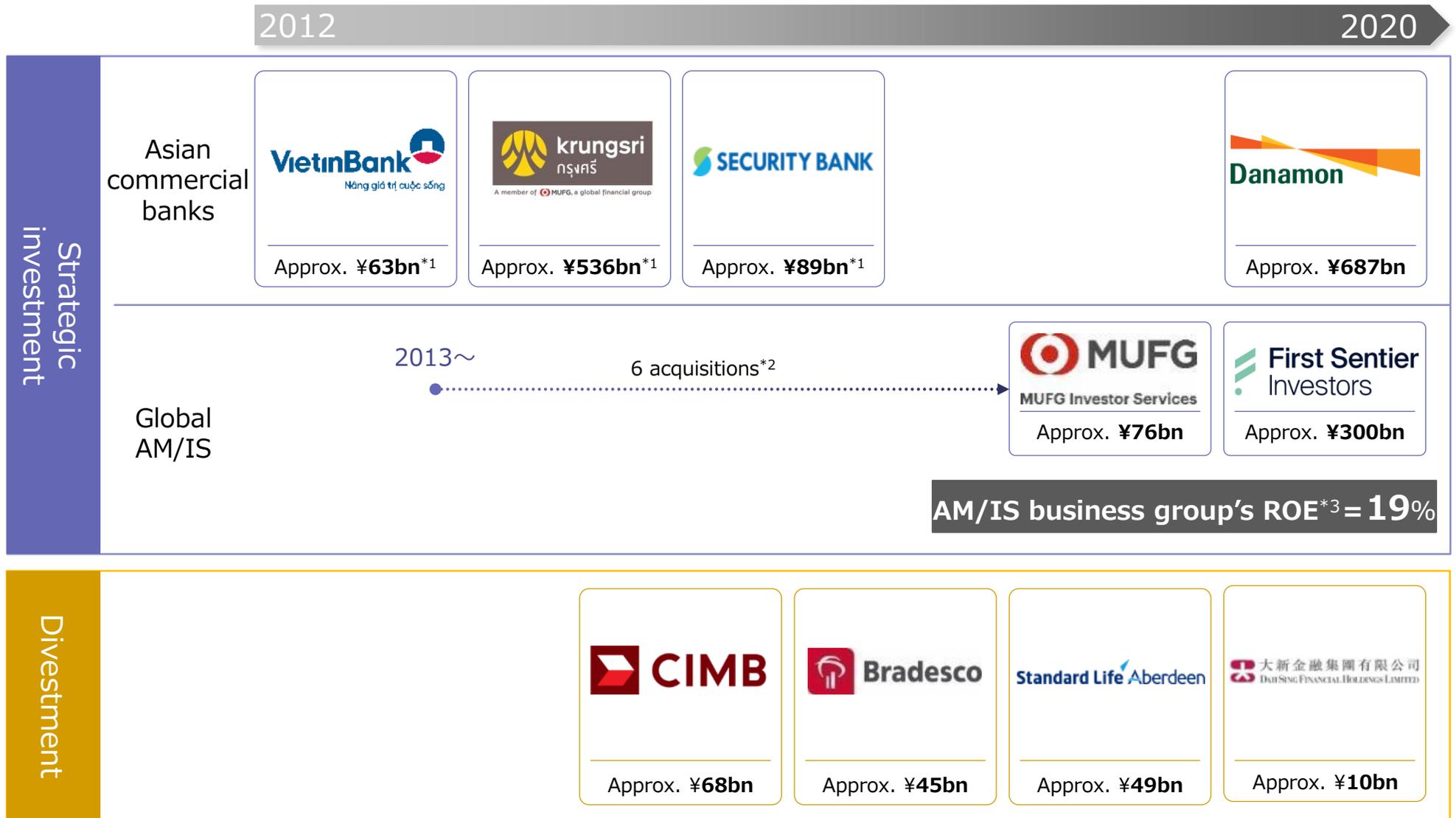
\*1 Provision for losses on interest repayment is included in other profits and losses

## Fundamental revision of system integration plan

**Decided to promote the system integration by utilizing the existing system and formulate a new system integration plan in FY20**

- Items to be considered for formulating the plan
  - **Ensure scalability** to respond flexibly to changes in the business environment
  - **Emphasize safety and stability** as social infrastructure
  - **Control development costs**
- Changes from the previous system integration plan
  - Decided to use the existing system for the system integration
    - The goal “eliminating management inefficiencies due to 3-system 3-way operations” through the system integration remains unchanged
- Efforts in FY20
  - [System integration]
    - Promote to materialize and elaborate the system integration plan and formulate a new system integration plan
  - [Response to COVID-19]
    - Maintain safe and secured payment services as social infrastructure
    - Respond to customer needs flexibly

# History of strategic investment in overseas

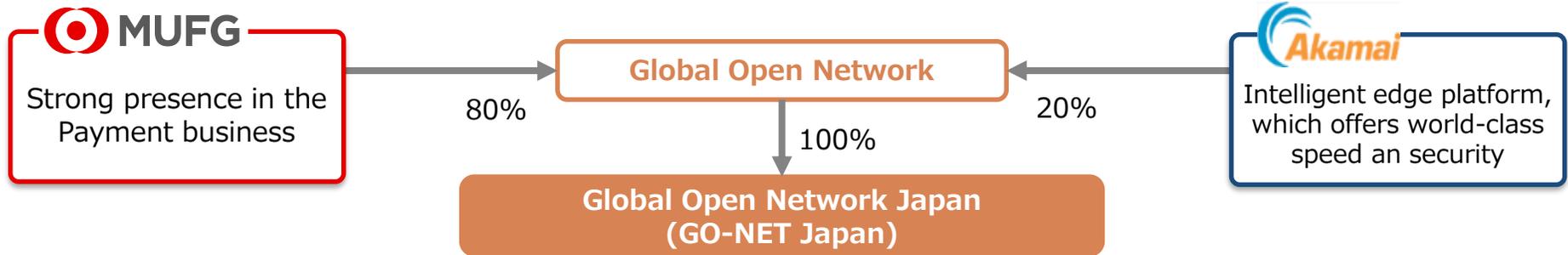


\*1 Initial investment amount \*2 Butterfield, Meridian, UBS AFS, Capital Analytics, Rydex, Point Nine. Acquire HF administration business from Maitland in 2020 \*3 ROE for FY19 (Page 50)

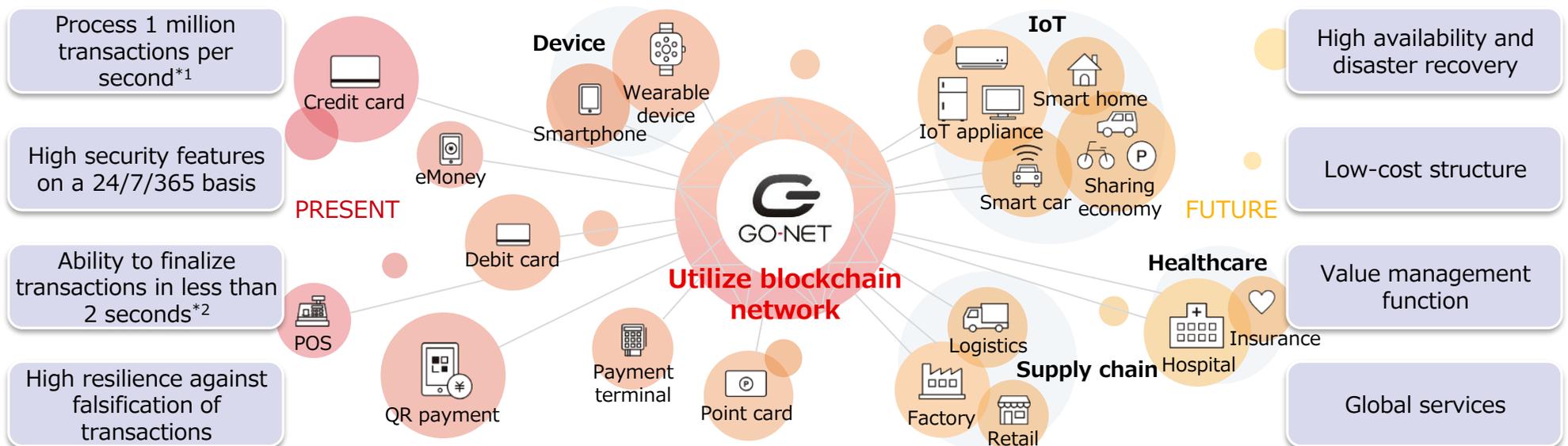
# Global Open Network

– Through strategic alliance with Akamai, we aim to provide an open network service in FY20

Established Global Open Network Japan in Apr 2019



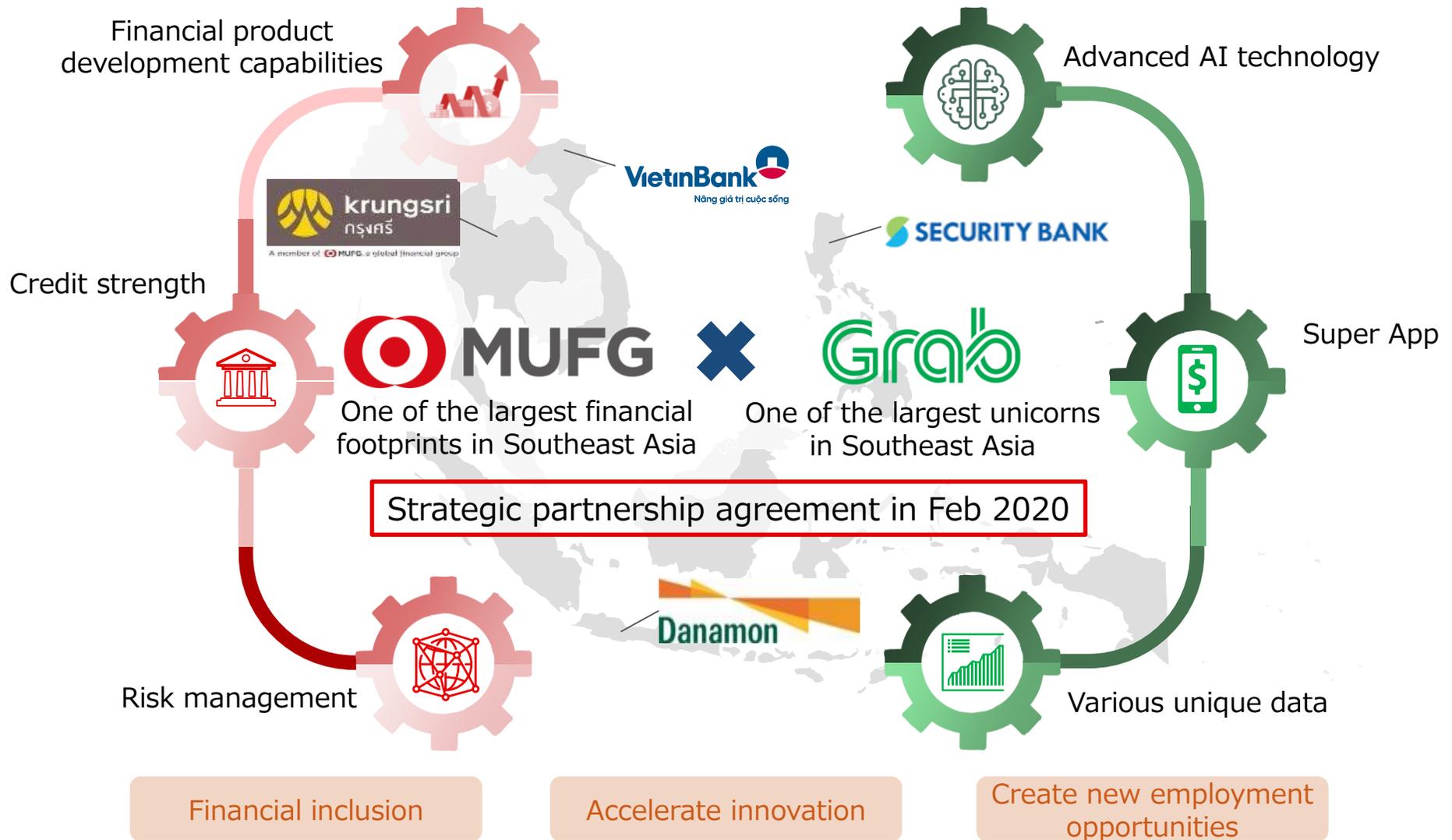
Eight features and various areas to be utilized



\*1 Verified under realistic business conditions \*2 Processing time per transaction is measured end to end from merchant request to final response

# Partnership with Grab as “First Choice Bank”

- Jointly develop next generation bespoke financial services by combining Grab’s advanced technologies and data management expertise with MUFG’s financial knowledge and know-how



# Eleven Transformation Initiatives\*1

- “Eleven Transformation Initiatives” have been outlined in the new medium-term business plan as specific initiatives to achieve the MUFG Re-Imagining Strategy
- MUFG promotes the initiatives with a joint collaboration by entities, business groups and corporate center



\*1 Re-shown from page 26, Fiscal 2017 Results Presentation

# Eleven Transformation Initiatives (1)

Sales Channel	FY17	FY18	FY19	Changes*1	FY20	FY23
No. of IB*2 service users*3 (mm)	4.3	4.7	5.9	1.2	8.0	15.0
Utilization rate*4	22%	25%	31%	6ppt	44%	74%
No. of transactions at bank-counter (mm)	22.0	20.0	17.6	(2.4)	15.7	11.1
Wealth Management	FY17	FY18	FY19	Changes*1	FY20	FY23
No. of profiling*5(thd)	4.3	5.3	6.5	1.2	7.1	7.8
No. of group collaborations*6 (thd)	4.5	13.4	23.8	10.5	29.0	10.5
AuM of HE*7 / SHE*8 customers (¥tn)	11.6	12.1	11.8	(0.3)	13.4	16.3*9
New Model for Wholesale Banking in Japan	FY17	FY18	FY19	Changes*1	FY20	FY23
DB pension balance (¥tn)	11.2	11.3	11.0	(0.3)	12.3	13.6
DC pension/ Increase no. of subscribers*10 (thd)	90	195	308	113	372	-
Real Estate	FY17	FY18	FY19	Changes*1	FY20	FY23
AM balance (¥bn)	180.0	230.0	312.4	82.5	380.0	580.0
No. of effective information sharing	3,100	7,481	7,154	(327)	4,860	-

\*1 Increase / decrease compared to FY18 \*2 Mitsubishi UFJ DIRECT: Internet banking for individual customers

\*3 Users who log-in IB at least once in 6 months out of all active accounts (excl. accounts used for direct debit only)

\*4 Utilization rate = IB service users / active accounts \*5 No. of testamentary trusts + wealth assessment etc.

\*6 No. of customer referral from the Bank to MUMSS + collaboration between the Trust Bank and MUMSS etc. \*7 High-End customers. Over ¥2 bn assets

\*8 Semi-High-End customers. Over ¥0.3bn assets \*9 Excluding changes in market prices \*10 Net increase of subscribers from 2017

# Eleven Transformation Initiatives (2)

<b>Asset Management in Japan</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>Changes*1</b>	<b>FY20</b>	<b>FY23</b>
(Corporate) No. of customers*2 (thd)	5.1	5.9	<b>6.6</b>	0.7	6.9	10.1
(Individual / Corporate) Investment assets*3 (¥tn)	45.1	47.6	<b>44.9</b>	(2.7)	49.8	-
Individual investors	24.4	24.2	<b>22.5</b>	(1.7)	25.3	-
Corporate investors	20.7	23.4	<b>22.4</b>	(1.0)	24.5	-
<b>Institutional Investors</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>Changes*1</b>	<b>FY20</b>	<b>FY23</b>
Client value*4	100	89	<b>101</b>	12pt	106	-
Operating income from IS*5 business (¥bn)	26.0	35.1	<b>40.8</b>	5.7	36.7	48.4
<b>Global CIB</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>Changes*1</b>	<b>FY20</b>	<b>FY23</b>
Distribution amount*6 (¥tn)	19.6	22.8	<b>21.4</b>	(1.4)	23.0	-
Distribution ratio*7	46%	59%	<b>48%</b>	(11ppt)	53%	-

\*1 Increase / decrease compared to FY18

\*2 Number of corporate customers with investment products \*3 Reflecting changes in market prices

\*4 Quasi sales & trading profits in institutional investors business. Indexation using in FY17 as 100 \*5 Investor Services

\*6 Distribution amount = Arrangement amount – Final hold amount (Syndicated loan, Project Finance, Securitization, Aviation Finance, etc.)  
+ Securities' arrangement amount of DCM, ABS, etc.

\*7 Distribution ratio = Distribution amount / Total amount of loans to global corporate customers

# Contribution to solution for social issues

The spread of COVID-19 has resulted in growing public expectations regarding corporate initiatives that address social issues

Acceleration of social issue embracement, contribution to sustainable social growth  
Combining social issue resolution with MUFG's strategy; tackling MUFG's sustainable growth

## Major initiatives for sustainability

### Social

- Support for development of SMEs' industries
- Public infrastructure finance
- Financial inclusion in Southeast Asia, etc.

#### Further initiatives

Focus on responding to social issues such as healthcare and education etc. which attract more attention than ever

### Environment

- Promotion of renewable energy financing
- Shift to 100% use of renewable energy sources for in-house electricity by FY30
- Enhancement of disclosure of TCFD\*1
- Strengthening policy for sectors where finance is prohibited / restricted, etc.

### Governance

- Secure diversity of Board members (specialty/region/gender)
- Strengthen monitoring system of material issues by Board of Director
- Strengthen corporate governance structure on a group-wide, cross-regional basis, etc.

## Sustainability promotion structure

Board of Directors

Executive Committee

### **Sustainability Committee**

Discuss on group's initiatives for resolution of environmental and social issues

**NEW**

### **Chief Sustainability Officer**

Person responsible for promoting initiatives for sustainable growth

**NEW**

### **External advisors**

Utilization of external expertise

\*1 Task Force on Climate-related Financial Disclosures

# Progress in sustainable finance

## FY19 results

(¥tn)		FY19 results	FY30 goals* <sup>1</sup>
Environment	Arrangement of loans and project finance for renewable energy projects, etc.	0.9	8.0
	Underwriting of green bonds	0.5	
	Others	0.8	
Social	Finance for social infrastructure, energizing of local communities, etc.	0.9	12.0
Others	Fields spanning both environment and social	0.6	
Total		3.7	20.0

## Major initiatives

- **Maintain the globally top-level** (2019: \$3.4bn/ranked second in the world\*<sup>2</sup>) on the global private finance lead arrangers league table in the field of renewable energy project financing
- **No.1 green bond underwriter in Japan** (27.4%\*<sup>3</sup>) for domestic public offerings (including denominated in foreign currencies)
- **Issued first social bond** as a Japanese financial institution
- Provide new products and services, such as the **first sustainability linked loan in Japan**

\*1 Set goals in FY19 \*2 Source: Bloomberg New Energy Finance ASSET FINANCE/Lead arrangers LEAGUE TABLE

\*3 Figures calculated by Mitsubishi UFJ Morgan Stanley Securities on a pro-rata by securities company basis. Based on cumulative underwriting amount from FY16 to FY19

# Initiatives to counter climate change (TCFD)

 : New initiatives since FY19

## Governance

- Environmental and social issues, including climate change are deliberated by the Sustainability Committee under the Executive Committee and are reported to the Board of Directors
- Specific themes associated with climate change are also deliberated by the Risk Management Committees, Investment & Loan Committees and Investment & Credit Committees and are reported to the Executive Committee and the Board of Directors
- **Appointed external advisors** to exchange opinions with the Board members

## Strategy

- Provide finance support for the improvement of energy efficiency, the use of alternative energies, and the use of IT technologies etc.
- Set MUFG Environmental and Social Policy Framework to restrict transaction with sectors that contain high environmental risks
- **Conduct scenario analysis**: Limited impact of transition and physical risks on credit portfolios\*<sup>1</sup>

## Risk management

- Recognized climate change-related risks as one of the **top risks**
- Conduct enhanced due diligence and management consultation for projects with environmental risk concerns

## Metrics and targets

- Measure our own GHG emissions
- Set Sustainable Finance Goals and **monitor the progress**
- Measure the proportion of carbon-related assets in the portfolio
- **Measure CO<sub>2</sub> emissions associated with financing for power generation projects**

\*1 Results based on the sectors and assumptions currently to be measured. Continuously expand risk and sectors and improve measurement methods

# Insights offered by outside directors

- Independent outside directors accounting for the majority of the Board of Director membership
  - Diversified director composition from various perspectives such as expertise, regionality and gender
- (Planned for June 29, 2020)

(Candidates for AGM in June 2020) Name		Current position at MUFG and committee-related Duties <sup>*1</sup>	Other public Co. Boards (#)	Expertise				
				Business Admin.	Finance	Accounting	Law	
1	<b>Mariko Fujii</b> 	<div style="background-color: #ccc; padding: 2px;">Reelected</div> <div style="background-color: #6aa84f; color: white; padding: 2px;">Outside</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Independent</div>	Director Nominating, Compensation Risk (Chairperson)	1	–	●	–	–
2	<b>Keiko Honda</b> 	<div style="background-color: #e74c3c; color: white; padding: 2px;">Newly elected</div> <div style="background-color: #6aa84f; color: white; padding: 2px;">Outside</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Independent</div>		1	–	●	–	–
3	<b>Kaoru Kato</b> 	<div style="background-color: #ccc; padding: 2px;">Reelected</div> <div style="background-color: #6aa84f; color: white; padding: 2px;">Outside</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Independent</div>	Director Audit	0	●	–	–	–
4	<b>Haruka Matsuyama</b> 	<div style="background-color: #ccc; padding: 2px;">Reelected</div> <div style="background-color: #6aa84f; color: white; padding: 2px;">Outside</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Independent</div>	Director Nominating Compensation (Chairperson)	3	–	–	–	●
5	<b>Toby S. Myerson</b> 	<div style="background-color: #ccc; padding: 2px;">Reelected</div> <div style="background-color: #6aa84f; color: white; padding: 2px;">Outside</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Independent</div>	Director Risk	0	–	–	–	●
6	<b>Hirofumi Nomoto</b> 	<div style="background-color: #ccc; padding: 2px;">Reelected</div> <div style="background-color: #6aa84f; color: white; padding: 2px;">Outside</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Independent</div>	Director Nominating Compensation	4	●	–	–	–
7	<b>Yasushi Shingai</b> 	<div style="background-color: #ccc; padding: 2px;">Reelected</div> <div style="background-color: #6aa84f; color: white; padding: 2px;">Outside</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Independent</div>	Director Audit Risk	2	●	–	●	–
8	<b>Tarisa Watanagase</b> 	<div style="background-color: #ccc; padding: 2px;">Reelected</div> <div style="background-color: #6aa84f; color: white; padding: 2px;">Outside</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Independent</div>	Director Risk	1	–	●	–	–
9	<b>Akira Yamate</b> 	<div style="background-color: #ccc; padding: 2px;">Reelected</div> <div style="background-color: #6aa84f; color: white; padding: 2px;">Outside</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Independent</div>	Director Audit (Chairperson)	0	–	–	●	–

\*1 As of end Apr 2020.

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

Audit: Audit Committee member  
Risk: Risk Committee member

# Compensation policy for individual executives

< Philosophy and objective > From "Policy on Decisions on the Contents of Compensation for Individual Executives, etc."

- Prevent excessive risk-taking and raise motivation of Executives, etc., to contribute not only to the short-term but also to the medium- to long-term improvement of financial results, while also further driving measures aimed at taking on the challenges of reform implementation, thereby improving our competitiveness and enabling sustainable growth and the medium- to long-term enhancement of the enterprise value of the Group
- This policy has been prescribed in accordance with the business performance and financial soundness of the Group and applicable Japanese and overseas regulations regarding compensation of executives and is designed to ensure high objectivity and transparency in the determination process of compensation for executives

Ratio* <sup>1</sup>	Type	Evaluation method <Evaluation weight>	Timing of Payment	Method of payment
1	Annual base salary (Fixed)	<ul style="list-style-type: none"> <li>- Paid based on position</li> <li>- Includes "Director allowance", "Committee member (chairperson) allowance", "Overseas representative allowance", etc.</li> </ul>	Monthly	Cash
1	Stock compensation (Non-performance-based)	Base amount by position	At the time of retirement	Shares 50%
	Stock compensation (Mid-to long-term performance-based* <sup>2</sup> )	Base amount by position × <ul style="list-style-type: none"> <li>Performance factor*<sup>3</sup> [medium/long-term evaluation] &lt;50%&gt;               <ul style="list-style-type: none"> <li>1) Consolidated ROE (25%) 2) Consolidated expense ratio (25%)</li> </ul> </li> <li>Performance factor*<sup>4</sup> [single FY evaluation] &lt;50%&gt;               <ul style="list-style-type: none"> <li>1) Consolidated net business profits (25%)</li> <li>2) Profits attributable to owners of parent (25%)</li> </ul> </li> </ul>	Upon the termination of MTBP	Cash 50% * <sup>7,8</sup>
1	Cash bonus (Short-term performance-based* <sup>2</sup> )	Base amount by position × <ul style="list-style-type: none"> <li>Performance factor*<sup>5</sup> (quantitative evaluation) &lt;60%&gt;               <ul style="list-style-type: none"> <li>1) Consolidated NOP (20%)</li> <li>2) Profits attributable to owners of parent (10%)</li> <li>3) Consolidated ROE (20%)</li> <li>4) Consolidated expense ratio (10%)</li> </ul> </li> <li>Status of execution of duties of Executives, etc.*<sup>6</sup> (qualitative evaluation factor) &lt;40%&gt;</li> </ul>	Annually	Cash

\*1 As for the case of President and Group CEO of MUFG \*2 Range: 0-150% \*3 Rate of attainment of targets of the indicators in the MTBP

\*4 Comparison of the rate of increase in the indicators from the previous fiscal year with that of competitors

\*5 Rate of increase / decrease of the indicators from the previous fiscal year and the rate of attainment of targets of these indicators

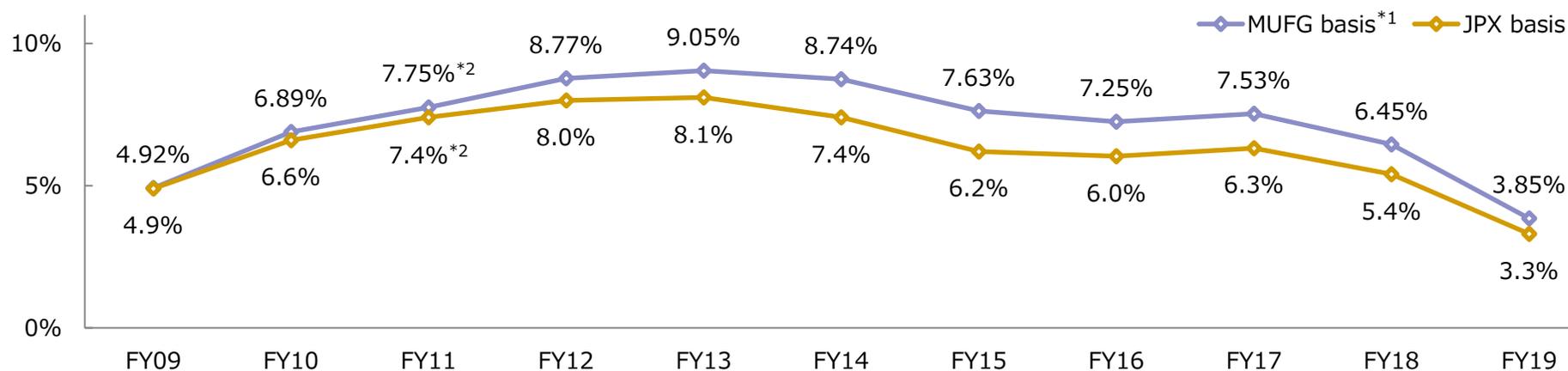
\*6 Determined exclusively by independent outside directors at the Compensation Committee for executives \*7 Subject to malus and claw-back clause, etc.

\*8 Shares acquired during the term of office shall be held continuously until retirement in principle

# ROE / EPS

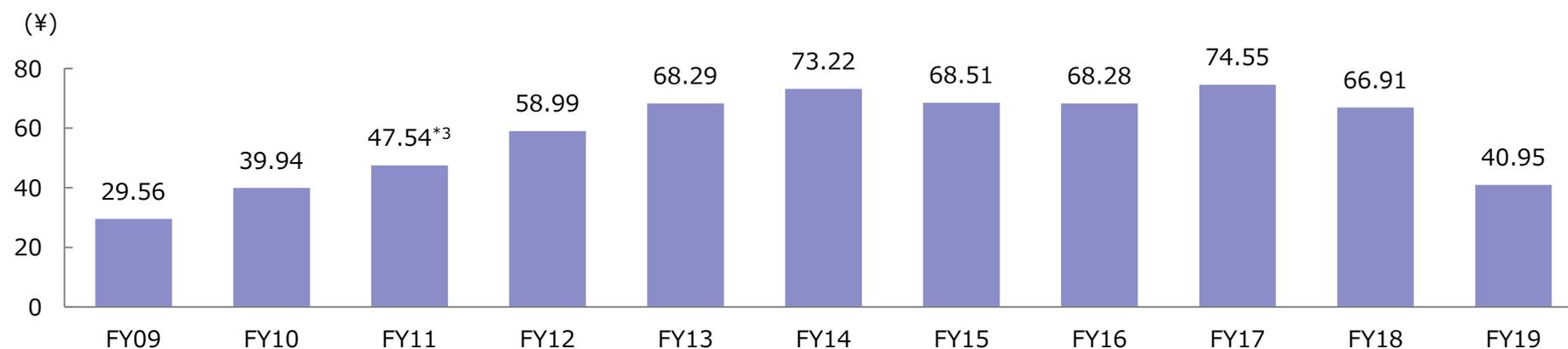
## ROE

Consolidated



## EPS

Consolidated



Profits attributable to owners of parent

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

<sup>\*2</sup> 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

<sup>\*3</sup> ¥68.09 before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

# TLAC requirement – The best capital mix and external TLAC ratio

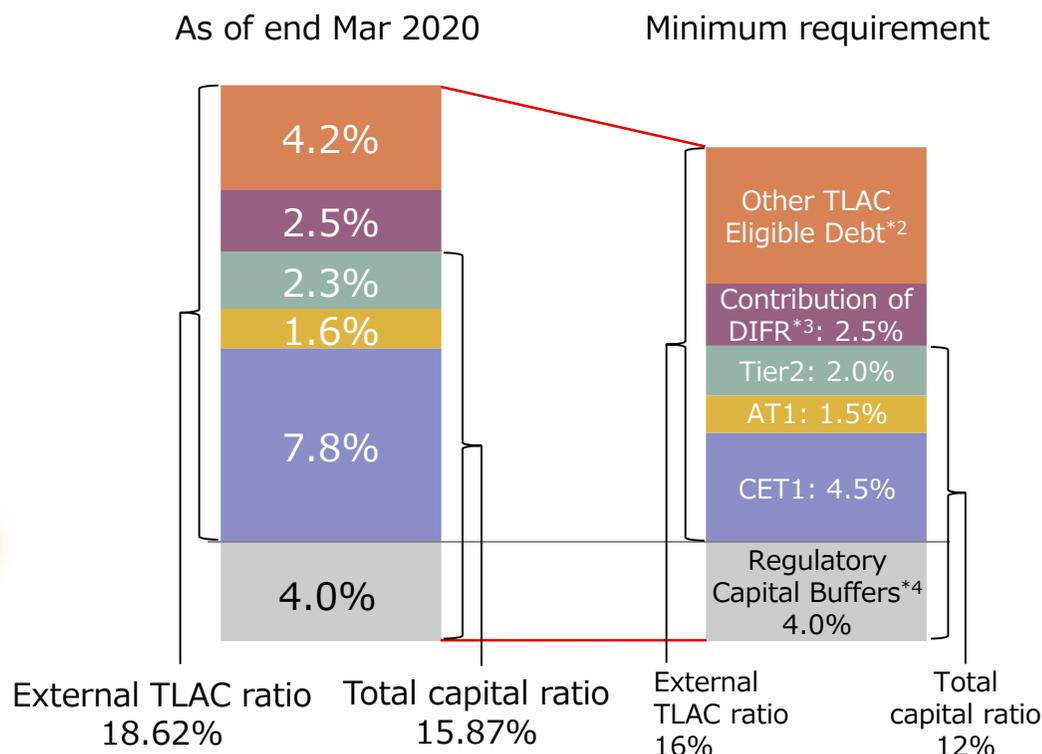
- Aim for optimal balance between capital efficiency and adequacy in qualitative and quantitative aspects
  - Control necessary and sufficient level of capital with utilization of AT1 / Tier2
  - Maintain sustainable external TLAC ratio for the long term by raising external TLAC eligible senior debt

## External TLAC ratio

	As of end Mar 20	Minimum requirement	
		From end Mar 19	From end Mar 22
Risk weighted asset basis	18.62%	16.0%	18.0%
Total exposure basis	7.38%	6.0%	6.75%

MUFG is the primary funding entity, which is designated as the resolution entity in Japan by FSA

## MUFG's RWA\*1 based external TLAC ratio



\*1 Risk weighted asset

\*2 Including adjustment of difference between calculation method of total capital ratio and external TLAC ratio and adjustment of amount of other TLAC eligible liabilities owned by the issuer's group, etc.

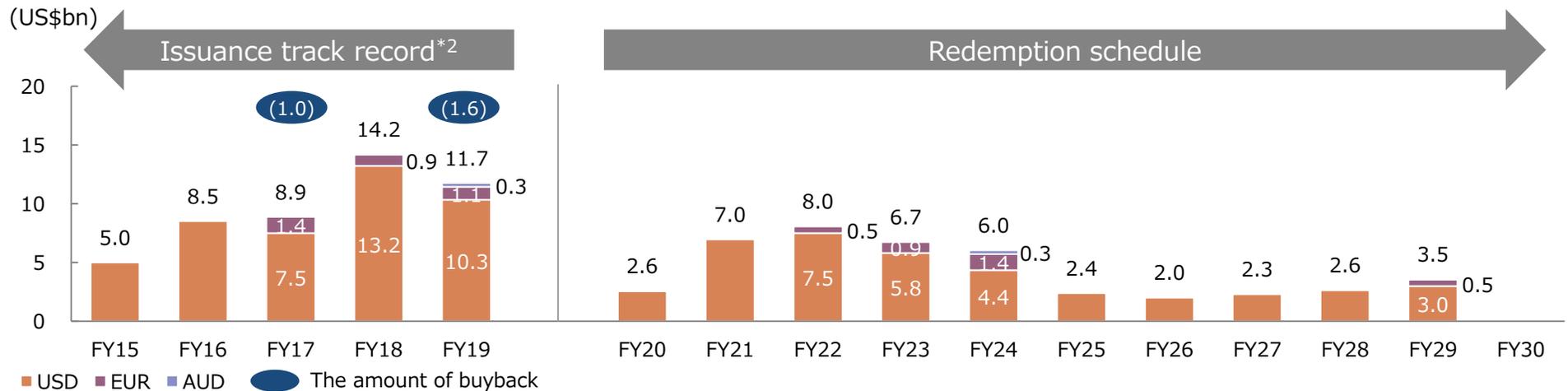
\*3 Contribution of Deposit Insurance Fund Reserves : Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution set out in the FSB's TLAC termsheet

(Can include 2.5% and 3.5% of RWAs from end Mar 2019 to Mar 2022 and after end Mar 2022, respectively, in external TLAC ratio)

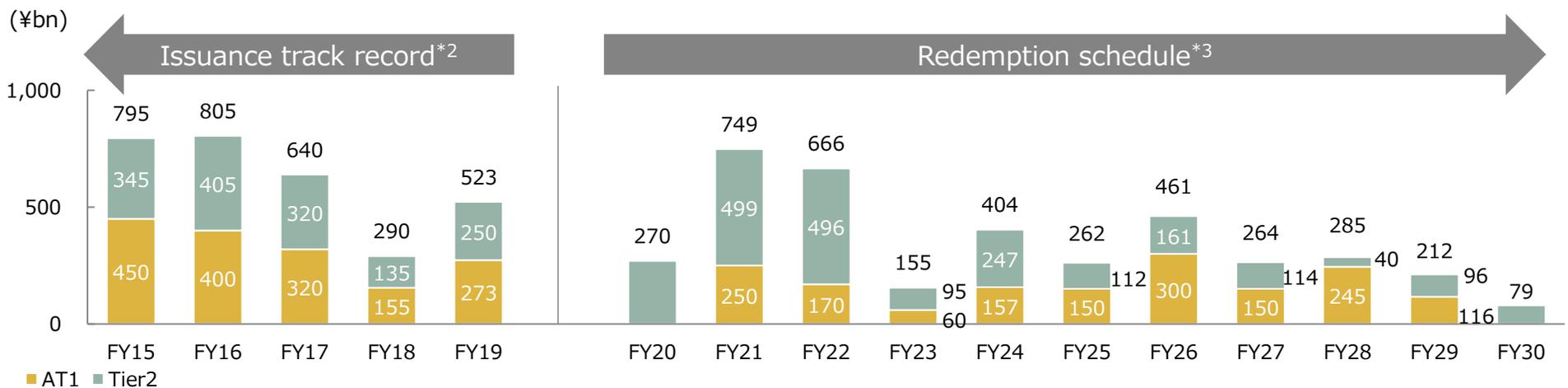
\*4 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0.01%

# TLAC requirement – Issuance track record & redemption schedule

## TLAC-eligible senior debt\*1



## AT1, Tier2 bond



\*1 All figures are converted into US\$ using actual exchange rates as of end Mar 2020

\*2 Total of public issuance (excluding the amount of buyback), as of end Mar 2020

\*3 Annual figures assuming that all callable notes are to be redeemed on their respective first callable dates. Tier2 contains Basel II Tier2 sub notes issued by the Bank and the Trust Bank (including their overseas special purpose companies), respectively