



FY2020 IR presentation



May 19, 2021

Mitsubishi UFJ Financial Group, Inc.



- ✓ This is Kamezawa. Thank you very much for taking time out of your busy schedules to attend the MUFG IR presentation meeting today. We are holding this meeting virtually again this time.
- ✓ Please look at the IR presentation material.
- ✓ Please turn to page 4.

Disclaimer

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 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	DS:	Digital Service
the Securities HD (SCHD):	Mitsubishi UFJ Securities Holdings	R&C:	Retail & Commercial Banking
MUMSS:	Mitsubishi UFJ Morgan Stanley Securities	JCIB:	Japanese Corporate & Investment Banking
MSMS:	Morgan Stanley MUFG Securities	GCIB:	Global Corporate & Investment Banking
NICOS:	Mitsubishi UFJ NICOS	GCB:	Global Commercial Banking
MUAH:	MUFG Americas Holdings Corporation	AM/IS:	Asset Management & Investor Services
KS:	Bank of Ayudhya (Krungsri, KS)		

Key message

FY20 result and FY21 target

- FY20 result: ¥777bn in net profits^{*1}, **surpassing revised target announced in Nov 2020 by ¥177bn**
- FY21 target: **¥850bn** in net profits (up by ¥73bn compared to FY20 result)

New medium-term business plan

Our vision is to **“Be the premier business partner that pioneers future through the power of finance and digital services”**. Position “Corporate transformation”, “Strategy for growth” and “Structural reforms” as the three key strategies to achieve our goal in three years

- Financial target: **ROE 7.5%**. Aim to become a financial group which can earn ¥1tn of annual net profits constantly

ESG

- Sustainability: Engage in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for environmental and social issues
- Climate change: Announced **“MUFG Carbon Neutrality Declaration”** aiming to achieve net zero GHG^{*2} emission by 2050

Capital policy

- Progressive dividend: FY21 DPS forecast is **¥27, up by ¥2** compared to FY20
- Capital management: CET1 ratio^{*3} will be managed to fall within a target range of **9.5%–10.0%**. Align our approach to capital management with our capital level

*1 Profits attributable to owners of parent *2 Greenhouse Gas *3 The finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities

Main initiatives to adapt to the period of living with COVID-19

- Fulfill our responsibilities as a financial infrastructure, while adapting to changes in society

Maintain financial function

- Continue finance support
 - No. of consultations : **Approx. 26,000**^{*1}
 - No. / amount of newly booked loans:
Approx. 20,000 / Approx. ¥5.3tn^{*2}
- Maintain stable branch operation
 - Continue operations at branches and ATMs
 - Introduce appointment service at branch

Promote flexible working practices

- Develop infrastructure for supporting flexible working styles
 - Maintaining the ratio of headquarters employees who work from home at **more than 50%**
 - Expand satellite offices: from 7^{*6} to **33**
 - Distribute laptop PCs, introduce smartphone for extension line
 - Eliminate seal for internal operation

Respond to behavioral changes

- Increase in the use of non face-to-face channels
 - No. of IB^{*3} users^{*4} : **+Approx. 20% YoY**
 - No. of application received via app^{*5}:
+Approx. 84% YoY

Promote initiatives to address social issues

- Support medical institutions and R&D
 - Established MUFG Medical Fund: **¥10bn**
 - Support Japan Red Cross Society etc.: **¥1.5bn**
- Support next-generation
 - Support children and students who are expected to become future leaders but currently underprivileged in terms of lower part-time income or reduced learning opportunities due to the cancellation of international exchange programs

*1 Number of new loans and amendments for large, medium & small corporates from Mar 10, 2020 to Apr 30, 2021. Based on the reports from the Bank's domestic branches and online application *2 Event counts/amounts conducted between Mar 10, 2020 and Apr 30, 2021 (includes commitment line limits). Based on the reports from the Bank's domestic branches *3 Mitsubishi UFJ DIRECT: Internet banking for individual customers *4 Users who log-in IB at least once in 6 months out of all active accounts, excl. accounts used for direct debit only *5 App of various banking services *6 As of Jul 2020

- ✓ This shows our main initiatives while we live with COVID-19. We will continue fulfilling our responsibilities as a financial infrastructure.
- ✓ Please turn to page 7.

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FY20 financial results

FY20 financial results

– ¥777.0bn in net profit*¹, surpassing revised target announced in Nov 2020, by ¥177.0bn

	FY19	FY20				
	Results	Revised targets	Results	YoY	Changes from revised targets	Estimated impact of COVID-19* ²
Consolidated (¥bn)						
1 Gross profits before credit cost for trust accounts	3,986.3	–	3,997.9	11.6	–	–
2 G&A expenses	2,801.8	–	2,749.4	(52.3)	–	–
3 Net operating profits before credit costs for trust accounts and provision for general allowance for credit losses	1,184.4	1,150.0	1,248.4	63.9	98.4	(100.0)
4 Total credit costs	(222.9)	(500.0)	(515.5)	(292.5)	(15.5)	(250.0)
5 Ordinary profits	1,235.7	920.0	1,053.6	(182.1)	133.6	(430.0)
6 Profits attributable to owners of parent	528.1	600.0	777.0	248.8	177.0	(300.0)

*1 Profits attributable to owners of parent

*2 The above figures illustrate some of the major items that we expect to effect profit as a result of the COVID-19 pandemic. Including the impact of measures to deal with environmental changes caused by COVID-19. Profits attributable to owners of parent is calculated by using approximate tax rate of 30%

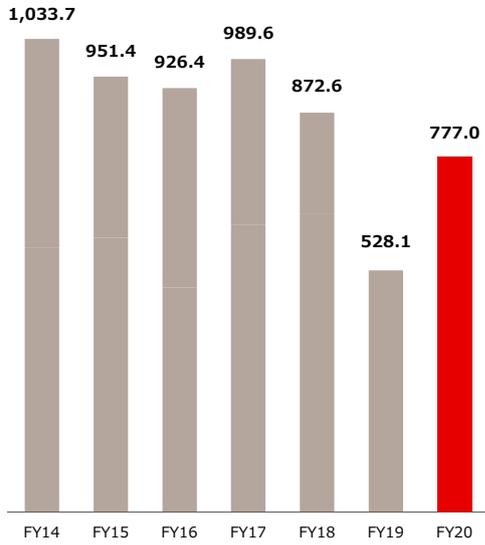
- ✓ This shows our FY20 financial results.
- ✓ Line 1: Gross profits increased by 11.6 billion yen to 3,997.9 billion yen thanks to yen and foreign currencies loan margin improvement, higher revenue from securities business, including overseas DCM, and from the consolidation of Bank Danamon and FSI, despite negative impact on profit from interest rate decline due to the spread of COVID-19.
- ✓ Line 2: G&A expenses decreased for the first time in nine years since 2011 by 52.3 billion yen year on year thanks to expense reduction in Japan and abroad, despite an increase from the consolidation of the two companies mentioned earlier.
- ✓ As a result, Line 3, net operating profits increased for two consecutive years and reached 1,248.4 billion yen, up 63.9 billion yen year on year.
- ✓ Line 6: Profits attributable to owners of parent was 777 billion yen, up 248.8 billion yen, thanks to the absence of extraordinary loss associated with one-time amortization of goodwill recorded the previous year, despite an increase in credit risk and higher credit cost following the introduction of CECL to three partner banks in the US and Asia.
- ✓ We exceeded our revised interim target of 600 billion yen by 177 billion yen.
- ✓ Please turn to page 9.

Profits attributable to owners of parent

Historical performance

Consolidated

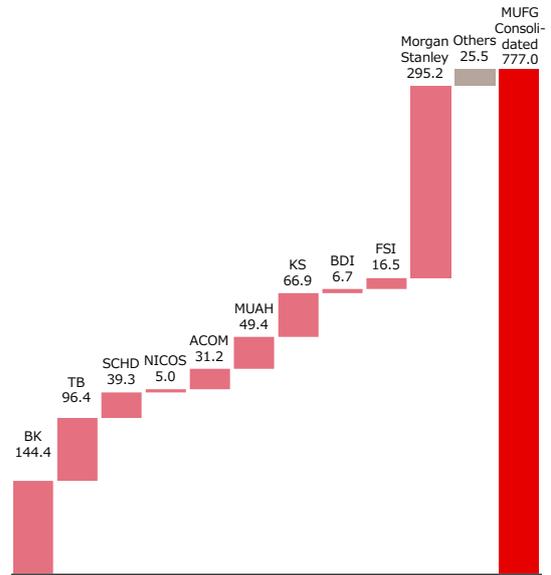
(¥bn)



Breakdown by each entity*1

Consolidated

(¥bn)



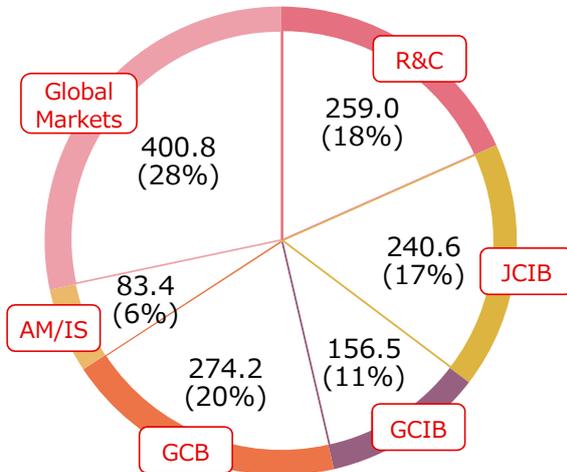
*1 The figures reflect the percentage holding in each subsidiary and equity method investee

Results by business group (1)

Net operating profits by business group*1 Consolidated

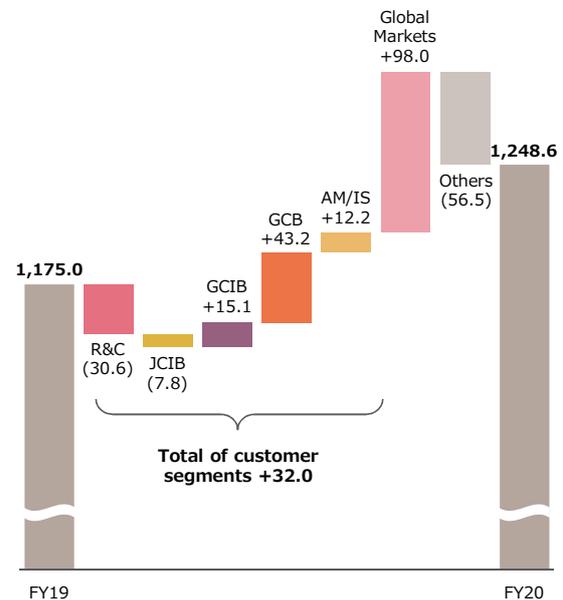
(¥bn)

FY20 ¥1,248.6bn*2



Changes by business group Consolidated

(¥bn)



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

- ✓ This shows net operating profits by business group.
- ✓ As shown in the step chart on the right, profits declined in R&C and JCIB due to COVID-19 and the interest rate decline in the US, but thanks to the increase in other business groups, customer segments profit increased by 32 billion yen year on year.
- ✓ Please turn to page 11.

Results by business group (2)

Consolidated	Business group	Net operating profits (¥bn)			Expense ratio		ROE*1	
		FY19	FY20	Changes	FY19	FY20	FY19	FY20
	Retail & Commercial Banking R&C	289.6	259.0	(30.6)	81%	81%	10%*2 [10%]	5% [5%]
	Japanese Corporate & Investment Banking JCIB	248.3	240.6	(7.8)	57%	57%	14% [14%]	8% [8%]
	Global Corporate & Investment Banking GCIB	141.4	156.5	15.1	65%	63%	9% [9%]	5% [5%]
	Global Commercial Banking GCB	231.1	274.2	43.2	71%	65%	(17%)*3 [(13%)]	1% [2%]
	Asset Management & Investor Services AM/IS	71.3	83.4	12.2	71%	72%	19% [23%]	24%*4 [29%]
	Global Markets Global Markets	302.8	400.8	98.0	44%	37%	5% [5%]	5% [5%]

*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 one-time tax effects is 6%

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

*4 ROE excluding the impact of profits on sales of AMP Capital shares is 21%

Balance sheet summary

Balance sheet summary

Consolidated

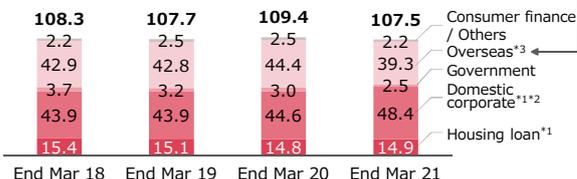
As of end Mar 2021



Loans (period end balance)

Consolidated

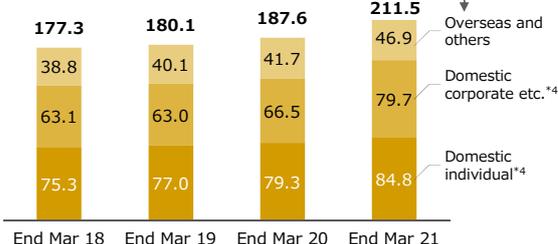
(\$tn)

Overseas: (5.1) from end Mar 2020
 ((5.9) excluding impact of FX fluctuation)


Deposits (period end balance)

Consolidated

(\$tn)

Overseas and others: +5.1 from end Mar 2020
 (+4.2 excluding impact of FX fluctuation)


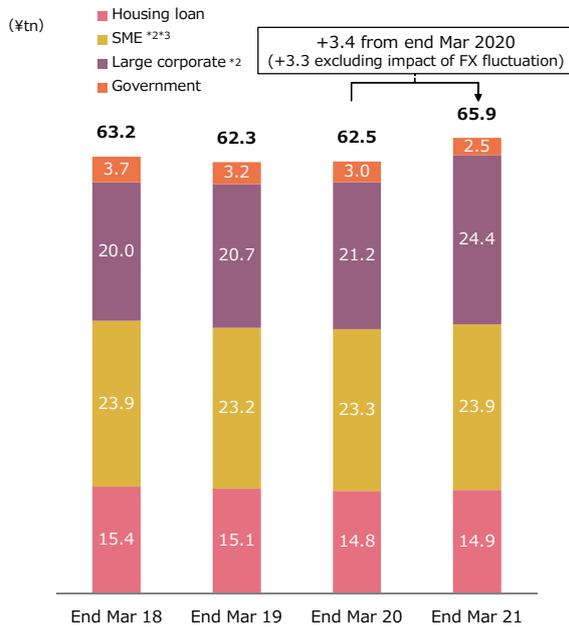
*1 Non-consolidated + trust accounts *2 Excluding loans to government and governmental institutions and including foreign currency denominated loans (Excluding impact of FX fluctuation: +¥3.6tn from end Mar 2020)

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

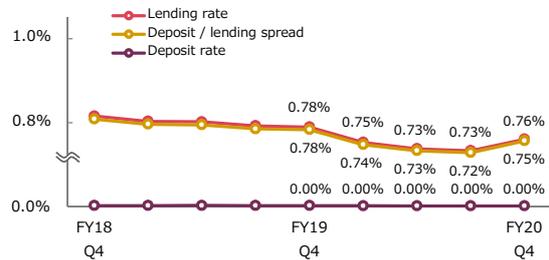
- ✓ This page is about our balance sheet summary.
- ✓ As shown in the red bar graphs on the upper right, domestic corporate loan balance increased by approximately 4 trillion yen, but overseas loan decreased by around 5 trillion yen; therefore, loan balance declined by 1.9 trillion yen from the end of March 2020.
- ✓ On the other hand, deposit balance shown in yellow bar graphs on the lower right, domestic corporate, domestic individual, and overseas all increased significantly, resulting in a 24 trillion yen increase from the end of March 2020.
- ✓ Please turn to page 12.

Domestic loans

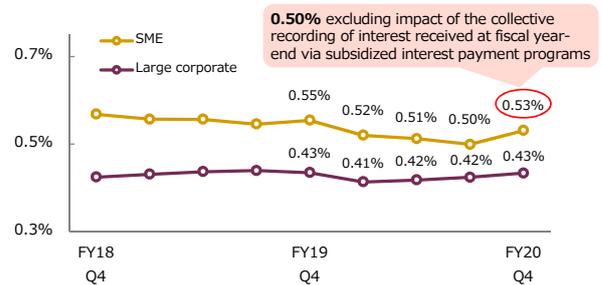
Loan balance (period end balance)*1 Consolidated



Deposit / lending rate*4*5 Non-consolidated



Corporate lending spread*2*4*5 Non-consolidated

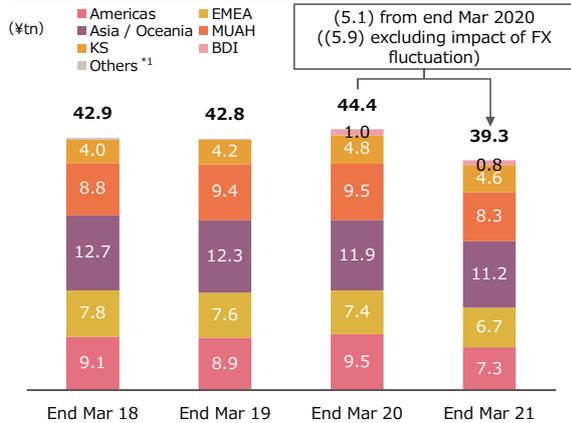


*1 Sum of banking and trust accounts *2 Including non-JPY loans
 *3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)
 *4 Managerial accounting basis *5 Excluding lending to government etc.

- ✓ This page is about domestic loans.
- ✓ The deposit lending spread in the yellow line graph on the upper right expanded, and the lending spread on the lower right is improving.
- ✓ Please turn to page 13.

Overseas loans

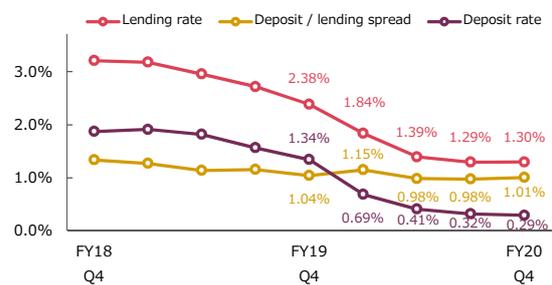
Loan balance (period end balance) Consolidated



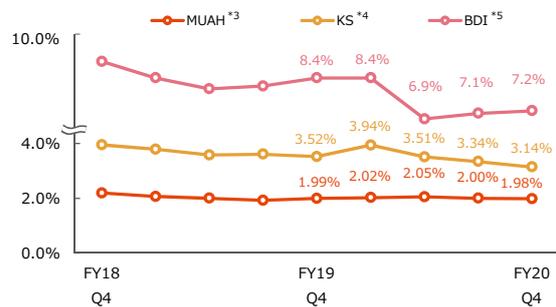
Lending spread*2 Non-consolidated



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, and starting from January 1, 2020, Thailand adopted TFRS 9 (which is broadly similar to the IFRS 9 international accounting standard) *5 Financial results as disclosed in BDI's financial reports based on Indonesia GAAP. Incorporated impact from netting-off loss on restructuring to interest income.

- ✓ This page is about our overseas loans.
- ✓ The deposit lending spread in the Bank and the Trust Bank in the yellow line graph on the upper right expanded due to the decline in deposit rate. The lending spread is on the up-trend as shown on the lower-left graph.
- ✓ Please turn to page 14.

Non-JPY liquidity*1

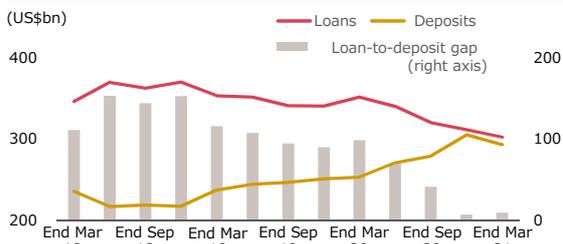
– Reduced high-cost mid-to-long term market funding with the decrease of loan-to-deposit gap

(US\$bn)

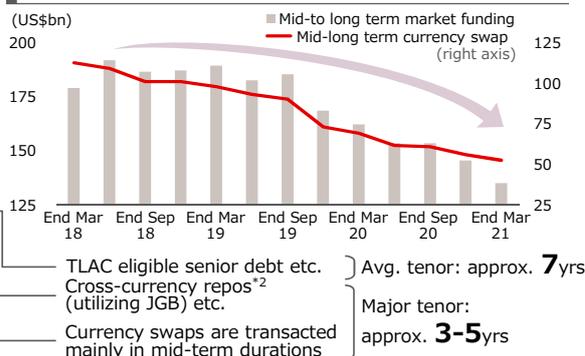
As of end Mar 2021



Historical loan-to-deposit gap



Historical mid-to-long term market funding



TLAC eligible senior debt etc. } Avg. tenor: approx. **7** yrs
 Cross-currency repos*2 (utilizing JGB) etc. }
 Currency swaps are transacted mainly in mid-term durations } 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

- ✓ This page is about our non-Japanese yen liquidity.
- ✓ As shown by the gray bar graphs on the upper right, the loan-to-deposit gap shrunk significantly. As a result, as shown on the lower-right graph, mid- to long-term market funding, including yen swap, decreased dramatically and foreign currency funding cost dropped significantly, which contributed to the increase in foreign currency NII.
- ✓ Please turn to page 15.

Investment securities (1)

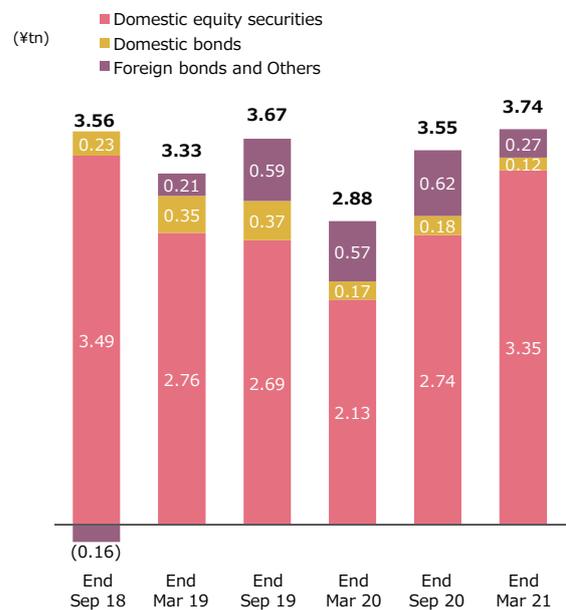
AFS securities*1 with fair value

Consolidated

(\$bn)	Balance		Unrealized gains (losses)	
	End Mar 21	Changes from end Mar 20	End Mar 21	Changes from end Mar 20
1 Total	73,892.0	11,740.8	3,749.9	861.2
2 Domestic equity securities	5,216.3	1,075.0	3,350.5	1,210.5
3 Domestic bonds	40,552.2	13,079.1	122.5	(48.8)
4 Japanese government bonds (JGB)	32,344.7	11,701.6	86.9	(36.9)
5 Foreign bonds	21,236.6	(3,265.7)	103.0	(635.1)
6 Others	6,886.6	852.3	173.8	334.7

Unrealized gains / losses on AFS securities*1

Consolidated



*1 Available for sale securities

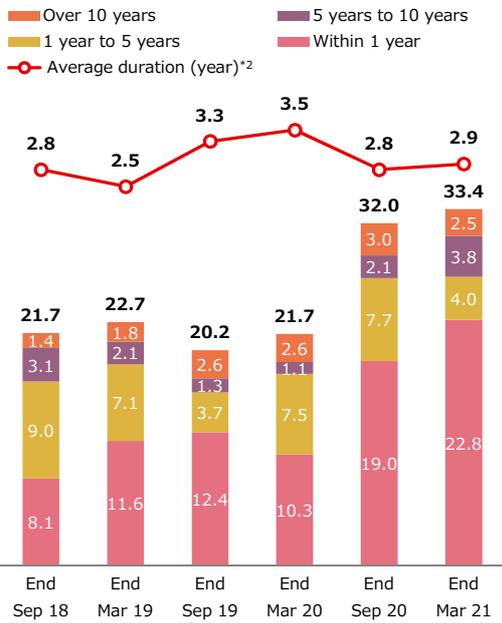
- ✓ This page is about our investment securities.
- ✓ Please look at the table on the left. Unrealized gains and losses decreased in both JGB and foreign bonds, but bonds in total is maintained at over 200 billion yen. As a result of flexible position management capturing market changes, unrealized gain losses in equity and interest rate hedge included in Others in line 6 improved significantly.
- ✓ Please turn to page 17.

Investment securities (2)

JGB balance*1 and duration

Non-consolidated

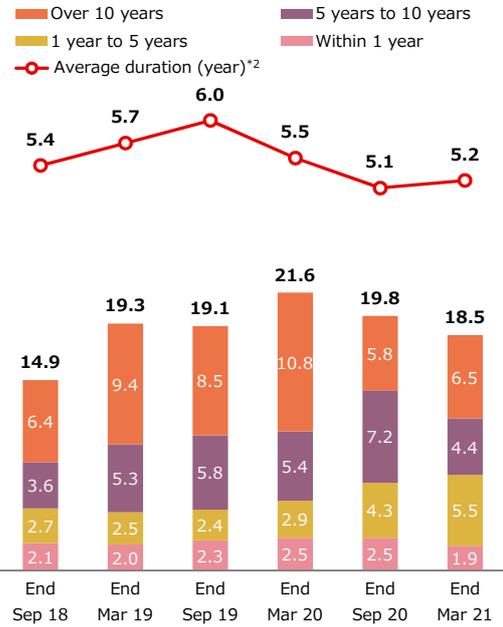
(¥tn)



Foreign bond balance*1 and duration

Non-consolidated

(¥tn)

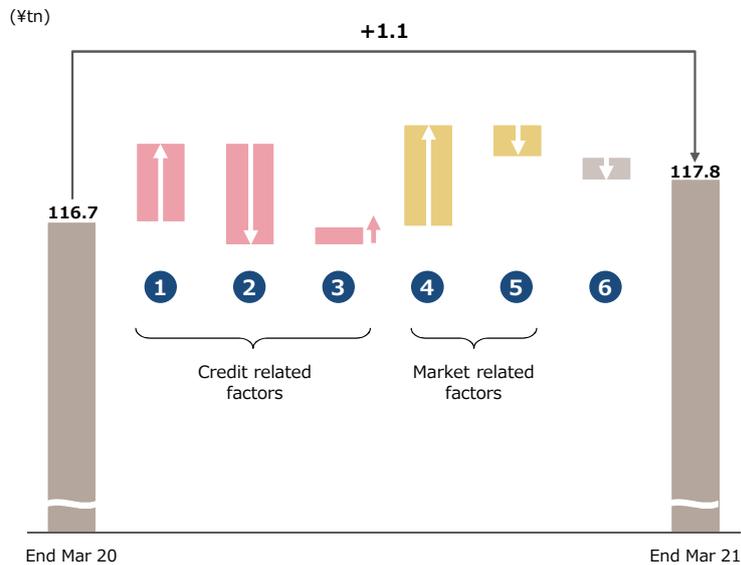


*1 Available for sale securities and securities being held to maturity
 *2 Available for sale securities

Risk Weighted Assets (RWA)

– Curbed increase of RWA through disciplined RWA management while prioritizing financial support to our clients

An illustrative image of RWA
(finalized Basel III reforms basis^{*1})



Factors

- 1 Increase in domestic loan balance, etc
- 2 Decrease in overseas loan balance, etc
- 3 Fluctuation in corporate credit ratings
- 4 Increase in the fair value of equity holdings, etc.
- 5 FX fluctuation
- 6 Upgrade of risk measurement methodology, etc.

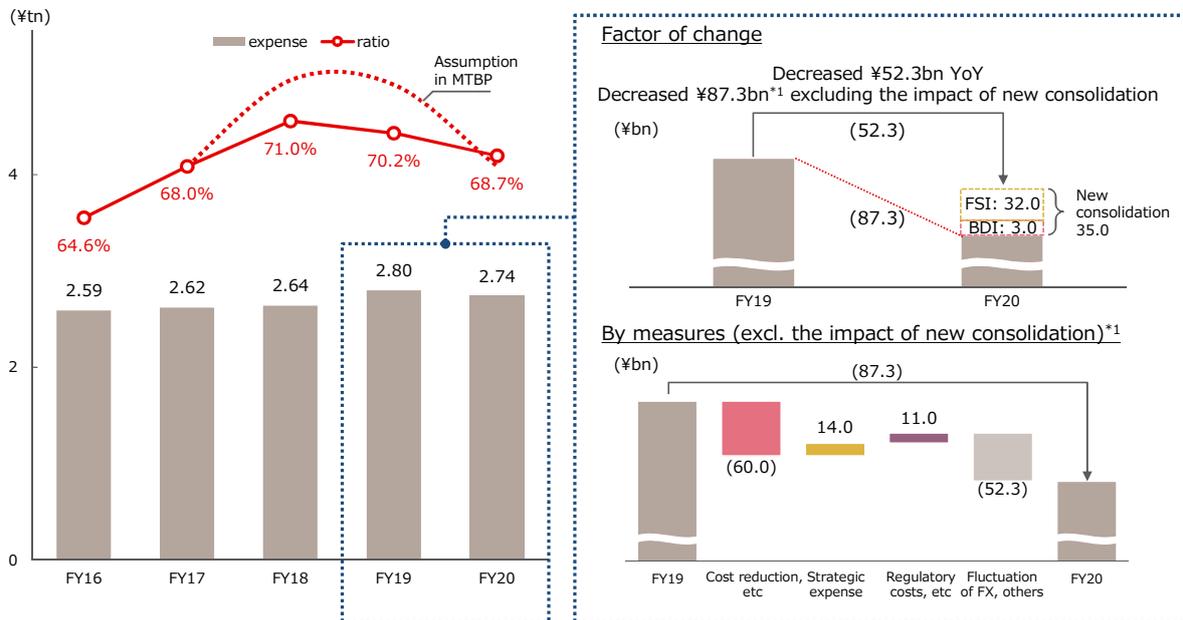
^{*1} Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities

- ✓ This page is about our risk-weighted assets.
- ✓ As shown in the step chart, we provided financial support to our clients, mainly centering on domestic lending but were able to control the increase by maintaining our disciplined risk asset management.
- ✓ Please turn to page 18.

Expenses

– FY20 expenses decreased by ¥52.3bn YoY. Expense ratio improved to 68.7% by 1.5ppt

Expense and expense ratio

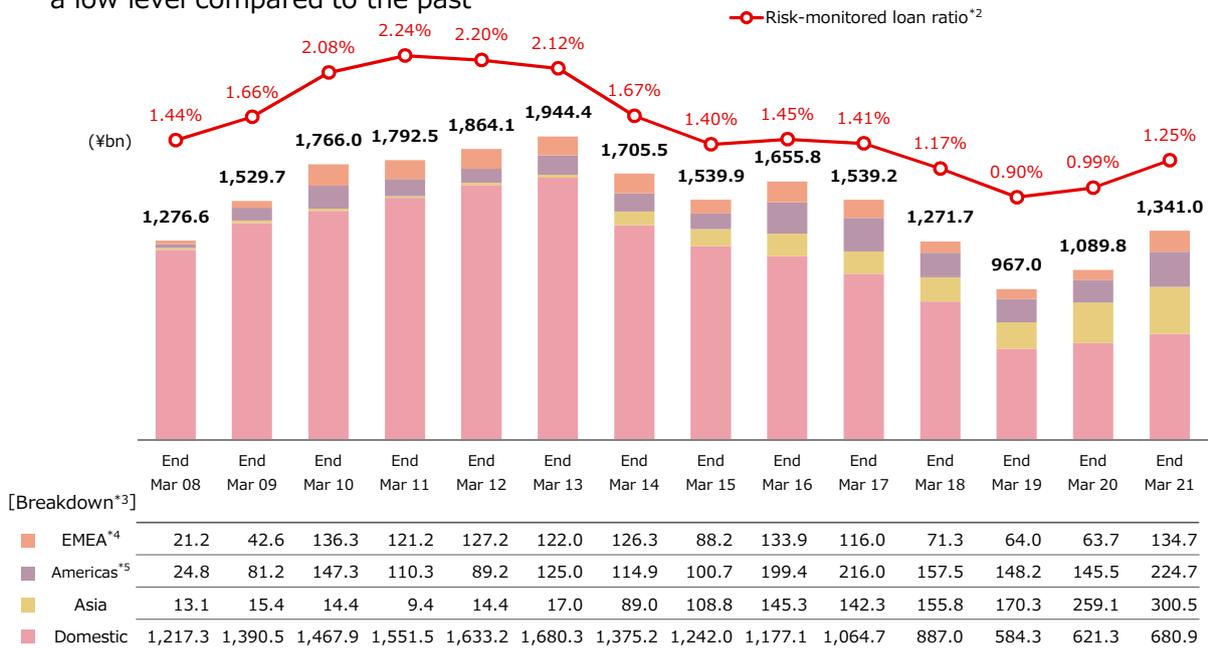


*1 Internal managerial figure

- ✓ This page is about our expenses.
- ✓ As shown by the red line graph on the left, the expense ratio was 68.7 percent, improved 1.5 percentage points year on year. The right side shows the amount of expense. We strived to reduce our expenses in Japan and abroad by 52.3 billion yen year on year and by 87.3 billion yen, excluding the impact of the new consolidation of Bank Danamon and FSI.
- ✓ Please turn to page 19.

Risk-monitored loans*1

– The balance increased compared to the previous fiscal year end, but the ratio remained at a low level compared to the past

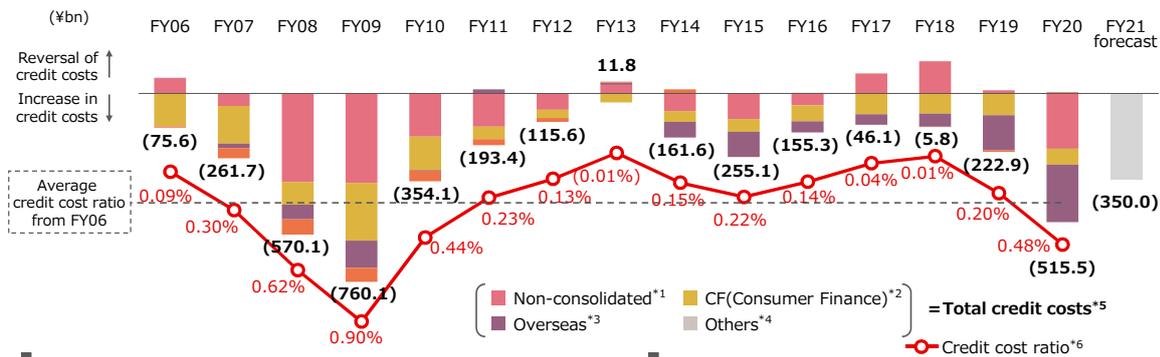


*1 Risk-monitored loans based on Banking Act *2 Total risk-monitored loans / total loans and bills discounted (banking accounts as of period end)
 *3 Based on the locations of debtors
 *4 End Mar 2008 – End Mar 2012 includes parts of other regions
 *5 End Mar 2008 – End Mar 2012 includes only US

- ✓ This page is about our risk-monitored loan balance.
- ✓ As shown by the bar graphs, it increased from the end of the previous fiscal year, but the risk-monitored loan ratio shown in the red line graph is trending at a low level compared with the past.
- ✓ Please turn to page 20.

Credit costs (1)

– Credit costs for FY20 were ¥515.5bn. Total credit costs forecast for FY21 is ¥350.0bn



FY20 results

Non-consolidated	<ul style="list-style-type: none"> • Credit costs were recorded mainly in air transportation and personal consumption sectors • Recorded allowances, given an unclear economic outlook under the influence of the COVID-19 pandemic (approx. ¥30bn)
CF	<ul style="list-style-type: none"> • Overall moderate due to decreases in the volume of card transactions and credit balance
Overseas	<ul style="list-style-type: none"> • Overall increased including CECL impact (MUAH recorded additional allowance in FY20H1 due mainly to deterioration in economic indicators)

FY21 forecast

Non-consolidated	<ul style="list-style-type: none"> • Although overall economic uncertainties induced by the outbreak of the COVID-19 pandemic are likely to remain ongoing, credit costs expected to decrease YoY
CF	<ul style="list-style-type: none"> • Expected to increase YoY due to increases in the volume of card transactions and credit balance
Overseas	<ul style="list-style-type: none"> • Expected to decrease YoY due mainly to the reversal of allowances of MUAH from the improvement of economic indicators

*1 Including overseas branches *2 Sum of NICOS and ACOM on a consolidated basis *3 Sum of overseas subsidiaries of the Bank and the Trust Bank

*4 Sum of other subsidiaries and consolidation adjustment *5 Including gains from write-off *6 Total credit costs / loan balance as of end of each fiscal year

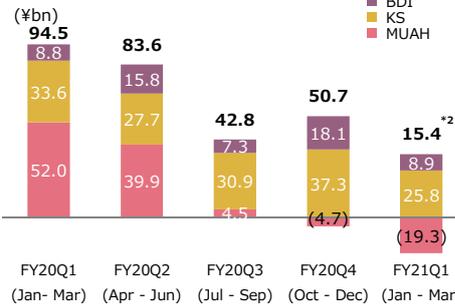
- ✓ This page is about our credit costs.
- ✓ Credit costs for FY20 were 515.5 billion yen. As shown in the lower left, it increased significantly in the Bank and the Trust Bank due to credit costs recorded mainly in air transportation and personal consumption sectors and additional allowance with CECL impact recorded Overseas.
- ✓ In FY21, we expect credit costs of 350 billion yen due to a decrease in the Bank and the Trust Bank and overseas partner banks.
- ✓ Please turn to page 21.

Credit costs (2) Specific credit portfolio

Partner banks*1

P.81-84

Credit costs



(End Mar 21)

	MUAH UnionBank	KS krungsri THAI	BDI Danamon
Loan amount	¥8.8tn (Approx. 8%*3)	¥6.5tn (Approx. 6%*3)	¥1.0tn (Approx. 1%*3)
NPL ratio	0.91%	1.99%	3.32%
Credit costs	FY20 1-4Q 12 months total	¥91.7bn	¥129.7bn
	FY21 1Q [Change YoY]	¥(19.3)bn [¥(71.4)bn]	¥25.8bn [¥(7.7)bn]

Energy and mining*4

P.85

- Although credit costs were recorded at a certain amount, reduction of risk portfolio was successful

Figures of end Mar 21

Credit exposure*5	¥7.5tn
% of total exposure*6	Approx. 6%
Exposure to upstream sub-sector*7	¥2.0tn

Air transportation (incl. aircraft finance)*4

P.86

- Due to poor performance of overseas airlines affected by sluggish demand caused by transportation restriction, credit costs were recorded

Figures of end Mar 21

Credit exposure*5	¥2.0tn
% of total exposure*6	Approx. 2%
% of exposure with collateral and guarantee	Approx. 80%

*1 Figures of each partner bank converted to yen. Exchange applied for the calculation is US\$1=¥110.71, 1THB=¥3.54, 1IDR=¥0.0077 *2 MUFG will include partner banks credit costs (including the CECL impact) approximately ¥10.0bn in FY21Q1 *3 % of MUFG total loan amount (the Bank consolidated, the Trust Bank, NICOS, ACOM) *4 All figures on managerial accounting basis, aggregating internal management figures of each subsidiary *5 Including undrawn commitment and excluding market exposure *6 The Bank consolidated (excl. KS, BDI) and the Trust Bank. Including undrawn commitment and excluding market exposure *7 Exploration, development and production of oil and gas

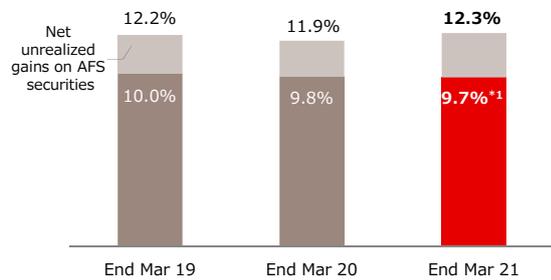
- ✓ This page is about our specific credit portfolio.
- ✓ Upper left, partner banks' credit costs are declining. Lower right, a certain amount of credit costs were recorded in the air transportation sector due to poor performance of overseas airlines. We will remain cautious as the airline industries' outlook is unforeseeable.
- ✓ Please turn to page 22.

Capital

– CET1 ratio remains at a sufficient level

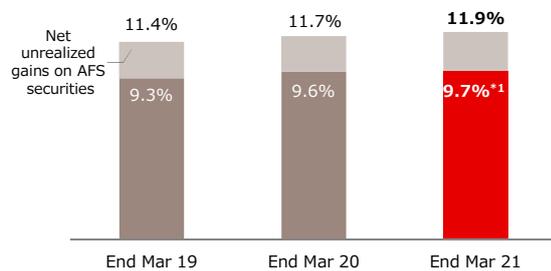
CET1 ratio

Consolidated



CET1 ratio (Finalized Basel III reforms basis^{*2})

Consolidated



FY20 results

Consolidated

	(¥bn)	End Mar 20	End Mar 21	Changes
1	Common Equity Tier 1 capital	13,708.3	14,113.7	405.3
2	Additional Tier 1 capital	1,914.9	1,869.0	(45.9)
3	Tier 1 capital	15,623.3	15,982.7	359.4
4	Tier 2 capital	2,656.2	2,686.7	30.5
5	Total capital (Tier 1+Tier 2)	18,279.5	18,669.5	389.9
6	Risk-weighted assets	115,135.6	114,419.3	(716.2)
7	Credit risk	88,791.7	90,410.0	1,618.2
8	Market risk	3,150.7	4,066.8	916.0
9	Operational risk	8,269.2	7,976.6	(292.6)
10	Floor adjustment ^{*3}	14,923.8	11,965.8	(2,957.9)
11	Total exposures^{*4}	353,117.5	292,725.0	(60,392.4)
12	Leverage ratio	4.42%	5.45%	1.03ppt

*1 Calculated by excluding impact of net unrealized gains (losses) on available for sale securities from RWA from the end of March 2021

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

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

*4 Based on JFSA Notification, Deposits with the Bank of Japan is excluded in Total exposures as of the end of March 2021

- ✓ This page is about our capital status. As you can see, it remains at a sufficient level.
- ✓ Please turn to page 23.

FY21 target

- FY21 target for consolidated profits attributable to owners of parent is ¥850.0bn, up by ¥73.0bn from FY20

	FY20 Result	FY21 Target	Changes
Consolidated (¥bn)			
Net operating profits			
1 Before credit costs for trust accounts and provision for general allowance for credit losses	1,248.4	1,100.0	(148.4)
2 Total credit costs	(515.5)	(350.0)	165.5
3 Ordinary profits	1,053.6	1,150.0	96.4
4 Profits attributable to owners of parent	777.0	850.0	73.0

(Business environment outlook)

- According to the assumptions for new mid-term business plan, see P.33, assume moderate global recovery depends on the each region.

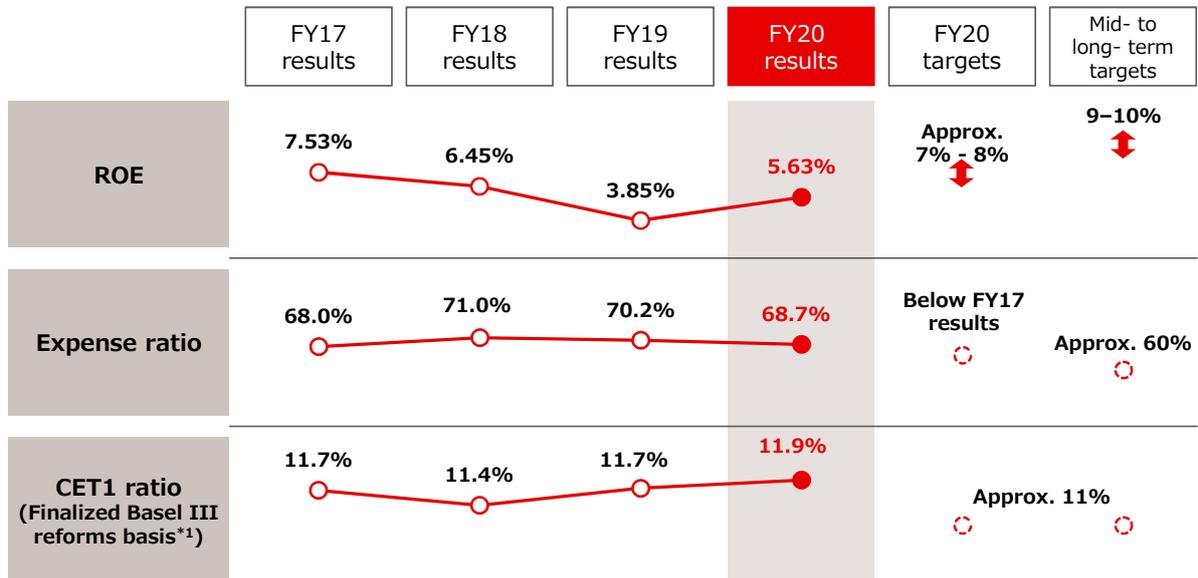
- ✓ This page is our FY21 target.
- ✓ The environment remains difficult with a low interest rate and COVID-19 impact globally, but we will target 850 billion yen, factoring in the decline in credit costs thanks to the improvement in the macroeconomy of the industrialized countries. A 270-million dollar loss in our securities overseas subsidiary, which may have raised your concerns, will be included in the FY21 results of MUFG.
- ✓ Please turn to page 25.

New medium-term business plan (MTBP)

Review of the previous MTBP (1)

– CET1 ratio target was met, but fell short to meet our targets for ROE and expense ratio mainly due to the impact of changes in the business environment

Financial targets



※Refer to P.7 for the COVID-19 impact to the FY20 financial results

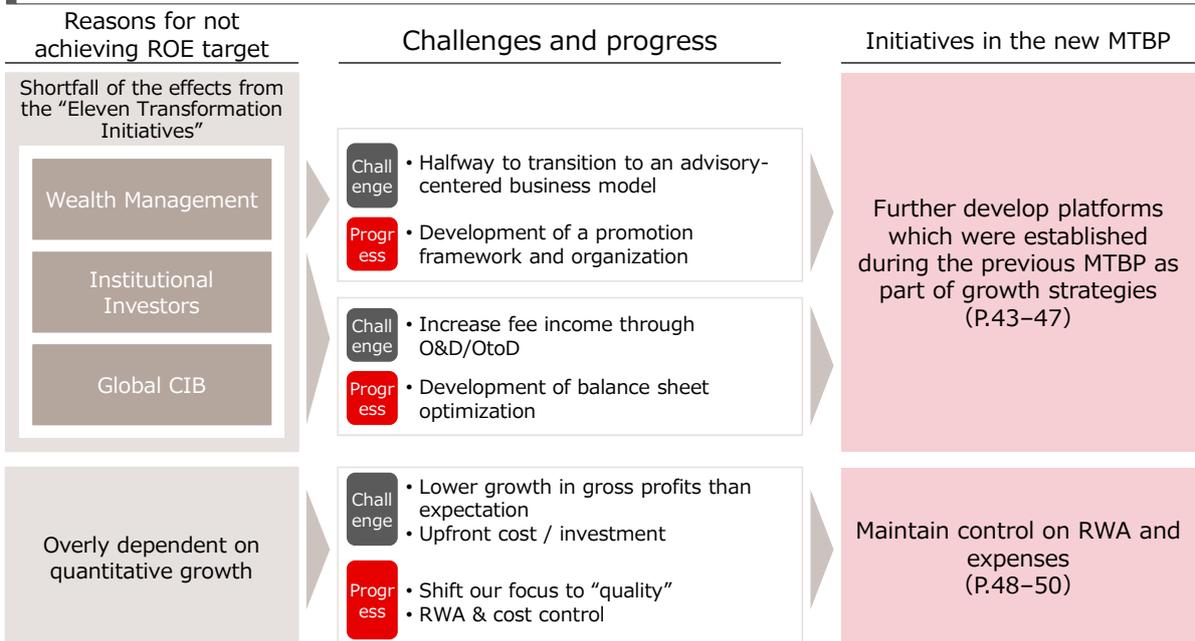
*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis^{*1}, includes net unrealized gains on available for sale securities 25

- ✓ Next, let me explain our new medium-term business plan, or MTBP.
- ✓ This page is a review of the financial targets in the previous MTBP.
- ✓ Due to COVID-19, we unfortunately missed the target with ROE of 5.63 percent and an expense ratio of 68.7 percent.
- ✓ Please turn to page 26.

Review of the previous MTBP (2)

– Through the assessment of achievements being made thus far and challenges coming our way, we will realign parts of strategies to optimize our new MTBP

Challenges and progress



- ✓ Of the "Eleven Transformation Initiatives," the three measures shown on the left will be re-strategized and promoted as our growth strategy in the new MTBP.
- ✓ Please turn to page 27.

Review of the previous MTBP (3)

– Our unique business portfolio expanded by consolidation of BDI and FSI

Major achievements

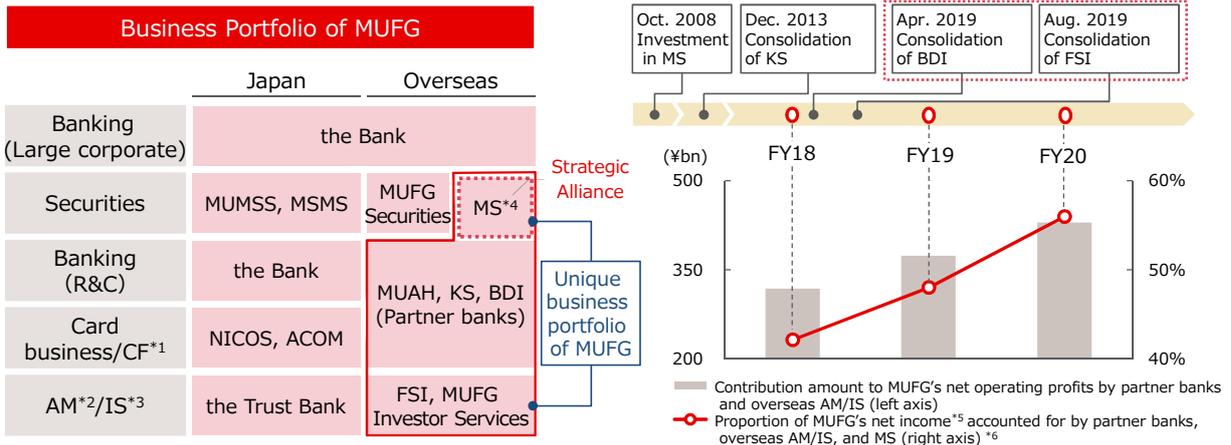
Integration of corporate loan-related business of the Bank and the Trust Bank and development on integrated group-based mgmt

Shift to non face-to-face channels and streamline domestic branch network

Established commercial banking platform in ASEAN

Strengthened global AM business (Consolidation of FSI)

Expansion of business portfolio



*1 Consumer Finance *2 Asset Management *3 Investor Services *4 Morgan Stanley *5 Profits attributable to owners of parent

*6 Excluding the impact of impairment losses on fixed assets of NICOS for FY19, and excluding the one-time amortization of goodwill of BDI and KS for FY20

- ✓ This page is about our major achievements in the previous MTBP.
- ✓ As shown on the upper right, we established our commercial banking platform in ASEAN with the consolidation of Bank Danamon and strengthened our global asset management business through the consolidation of FSI, which resulted in the expansion of MUFG's unique business portfolio that other megabanks do not have as shown on the lower left, and diversified revenue source.
- ✓ Please turn to page 28.

Business environment and challenges

– We must accelerate and step up initiatives under its MUFG Re-Imagining Strategy, as ongoing societal trends surrounding it are suddenly picking up speed

Business environment: Changes at unprecedented speed

Challenges



With banks currently facing urgent calls to revisit their raison d'être, MUFG has redefined its own and publicized its “Purpose”

- ✓ This page is about our business environment and challenges.
- ✓ The business environment surrounding us is changing dramatically at an unprecedented speed. Our challenges are indicated on the right side. In other words, it means that we have not been able to fully leverage our strength, namely, our Group's consolidated power, customer base, global network, and our management resources, including talents.
- ✓ We recognize the need to accelerate the MUFG Re-imagining Strategy that had been pursued from the previous MTBP and further enhance it.
- ✓ Please turn to page 29.

Newly defined purpose, establishment of the MUFG Way

– We have defined our purpose: “Committed to empowering a brighter future.”

Main idea

~All of our stakeholders are overcoming challenges to find a way to the next stage, toward sustainable growth. We at MUFG will make every effort to help realize these goals. This will be our unchanging purpose now, and into the future.

Committed to empowering a brighter future.



The age of living beyond 100. What shall we do next?



We will be there when you take your next step in life.

MUFG Way

Purpose

Committed to empowering a brighter future.

Values

1. Integrity and Responsibility
2. Professionalism and Teamwork
3. Challenge Ourselves to Grow

Vision

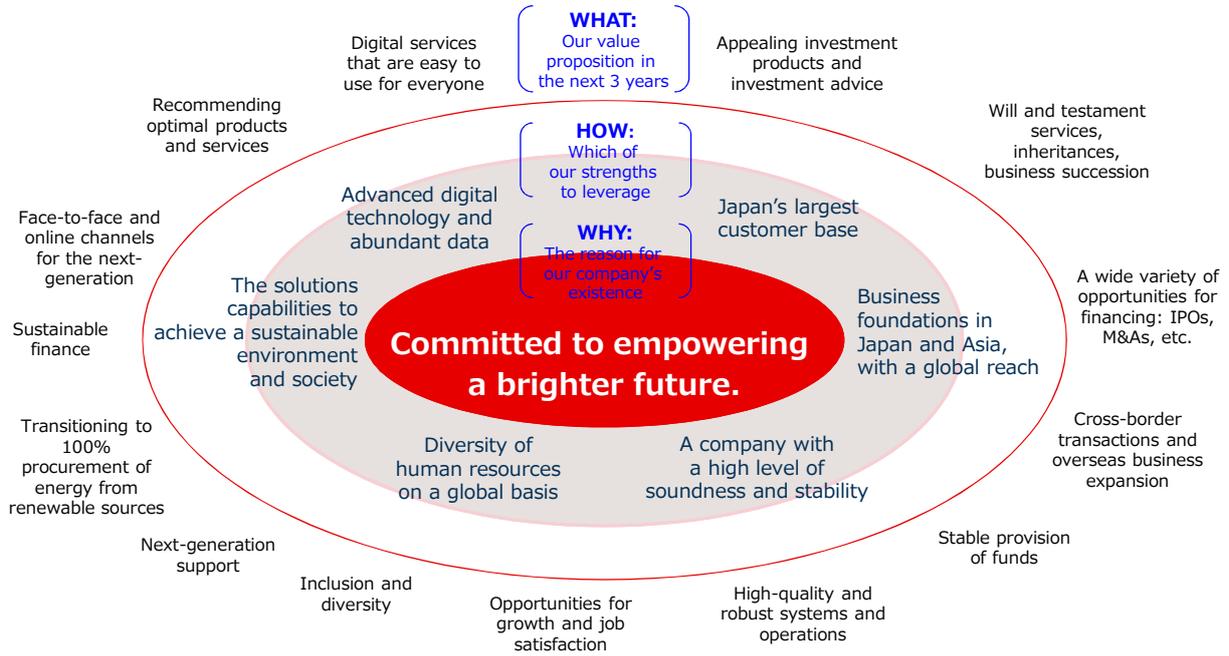
Be the world's most trusted financial group

The Purpose is the starting point for all of our business activities. It gives us direction and driving force to the promotion of strategies including medium-term business plan

- ✓ Based on such environmental awareness, we asked ourselves what MUFG's raison d'etre is in the first place and established MUFG Way by setting our purpose “Committed to empowering a brighter future.” as the core message. How we want to empower our stakeholders in the next three years is compiled in our new MTBP.
- ✓ Please turn to page 31.

Business strategies built on our Purpose

– Over the next three years we will engage in the business strategies below, leveraging our strengths to address the issues facing our stakeholders



Basic policy

– Position the 3-year term as the “3 years of new challenges and transformation.”
Develop our business model to respond to the changes in environment and improve ROE

Management policy

Digital transformation

Resilience

Engagement

Basic policy of new medium-term business plan

Our vision
after
3 years

**Be the premier business partner that pioneers future
through the power of finance and digital services**

In response to society's needs,
we commit to all stakeholders to support them to move forward

Financial
Target

ROE 7.5%

A company which constantly earns ¥1tn of profits attributable to owners of parent

3 strategic
pillars

**Corporate
transformation**

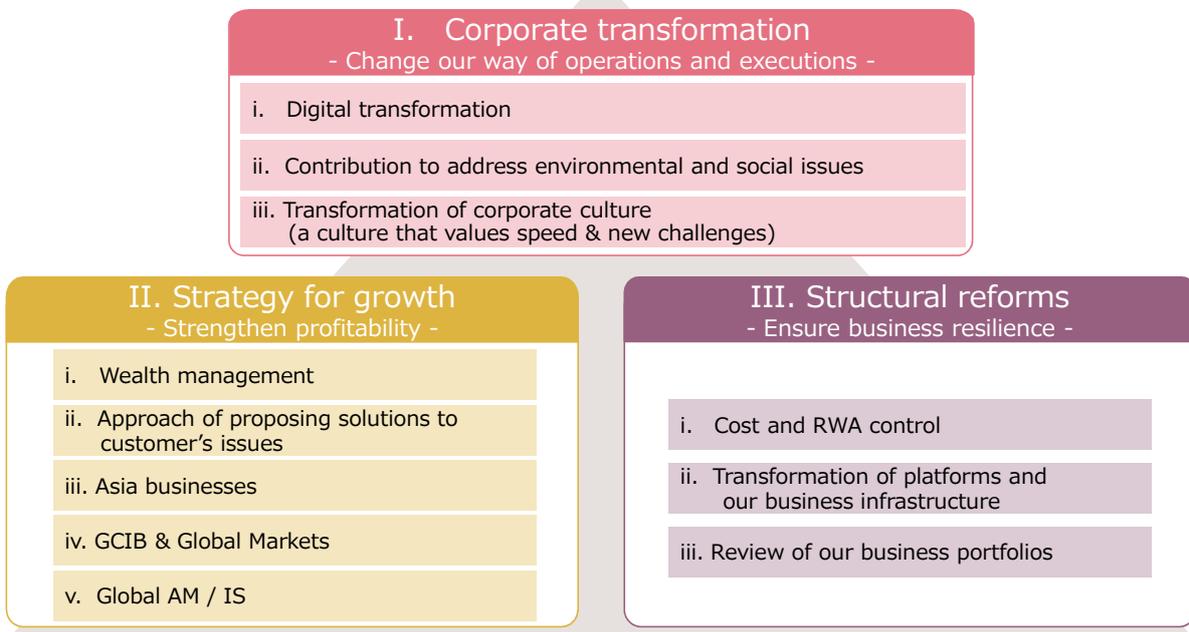
Strategy for growth

Structural reforms

- ✓ This page is about the basic policy of the new MTBP.
- ✓ This new MTBP positions the three-year term as the three years of new challenges and transformation in order for us to accurately analyze and understand the societal changes and achieve a quantum leap going forward. We will develop a business model in accordance with the environmental changes and aim to become the premier business partner that pioneers a future through the power of finance and digital services in three years' time.
- ✓ Please turn to page 32.

Key strategies

– Position “Corporate transformation,” “Strategy for growth” and “Structural reforms” as the three strategies to achieve our goal in three years



- ✓ The three pillars of our strategy are corporate transformation, strategy for growth, and structural reforms. I will explain them in more detail later.
- ✓ Please turn to page 33.

Financial Targets

– In the new MTBP, ROE target is set as 7.5%, and CET1 target is set as 9.5%-10.0%

Target for ROE / Capital management

	FY20 Results	FY23 Targets	Mid- to long-term targets
ROE	5.63%	7.5%	9%–10%
CET1 ratio (Finalized Basel III regulations basis*1)	9.7%	9.5%–10.0%	

3 Drivers to achieve ROE target

Profits (P.42)	Expenses*2 (P.48)	RWA (P.50)
Net operating profit : ¥1.4tn Profits attributable to owners of parent : over ¥1tn	Lower than FY20 level (excl. performance-linked expenses)	Maintain end of FY20 level (improve profitability by replacing assets)

(Outlook of economy and business)

The outlook was made under certain assumptions regarding the progress of the COVID-19 vaccination, restrictions on activity, and economic measures. We expect the recovery pace will be moderate while it may be different region by region

(Assumption of financial indicators)

JGB 10-year interest rate : 0.1%, Nikkei Stock Average : ¥29,000–¥30,000, JPY/USD : ¥100–¥105

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

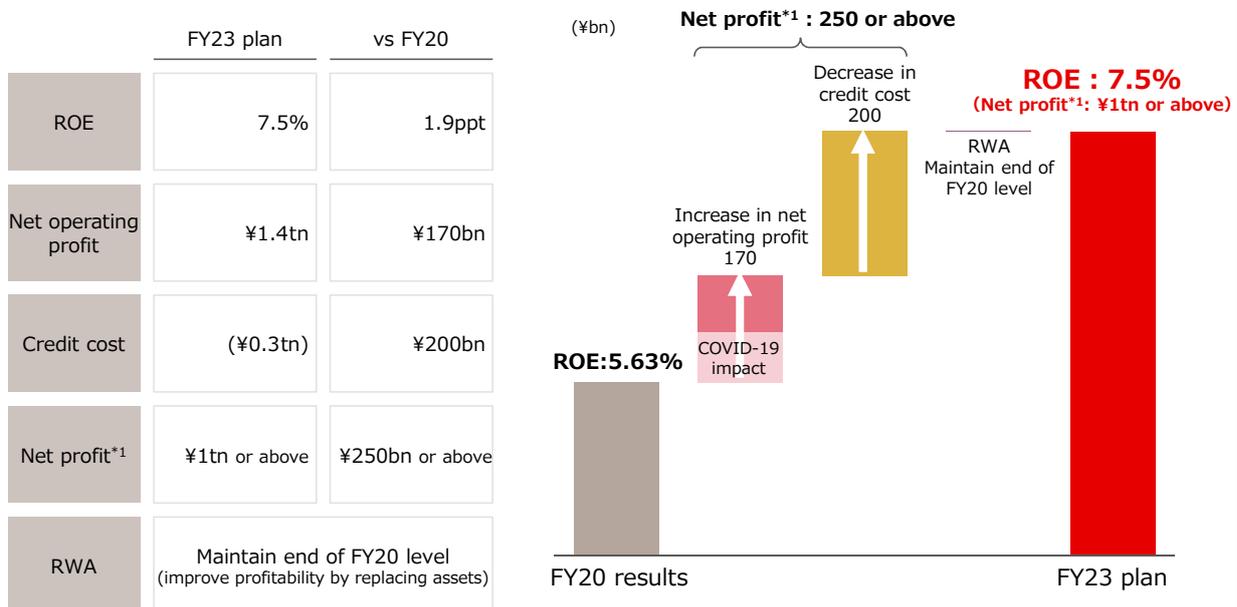
*2 Medium to long term target for expense ratio (approx. 60%) is unchanged

- ✓ This page is about our financial target.
- ✓ Our largest commitment is the achievement of 7.5 percent ROE in FY23. We position profit, expenses, and RWA as the three drivers to achieve the ROE target and will reinforce our efforts to control our resources further, strengthen our profit foundation in Japan, and build a more resilient global business in order to become a financial group that can generate over 1 trillion yen in profits attributable to owners of parent on a stable basis.
- ✓ In addition, we will raise the CET1 ratio target on a finalized Basel III regulations basis, excluding net unrealized gain, to 9.5 to 10 percent, maintain sufficient capital level, and a good balance between growth and shareholder return.
- ✓ Please turn to page 34.

Roadmap toward achieving ROE target

– Raise profits attributable to owners of the parent to ¥1tn or above while controlling RWA, and meet our ROE target

Path toward improving ROE



*1 Profits attributable to owners of the parent

- ✓ This page is about our roadmap for achieving our ROE target.
- ✓ As shown in the step chart on the right, we will control RWA, increase net operating profit, reduce credit costs, and aim to achieve the ROE target. Let me add that the ROE target of 7.5 percent in FY23 is only a steppingstone. We will aim for 9 to 10 percent ROE in the medium to long term.
- ✓ Please turn to page 35.

Initiatives toward corporate transformation

– The key words for the transformation we pursue are “Digitalization,” “Sustainability management” and “New challenges & speed”

Society is currently in a period of transition as it undergoes major changes due to factors including the digital shift and heightened awareness of environmental and social issues. Amidst the changing tides, finance has grown ever more important, and we expect large business opportunities in the industry. In this era of rapid change, speed is more important than anything. As the speed of change in society accelerates, MUFG must also constantly transform itself and take on challenges

3 years of
transformation

=

Digitalization

×

Sustainability
management

×

New challenges
& speed

Digital transformation

Aim to become a financial / digital platform operator by leveraging MUFG's well-earned, solid customer trust



Contribution to addressing environmental and social issues

Integrate initiatives to address environmental and social issues and MUFG's business strategies



Transformation of corporate cultures

Challenge ourselves in various initiatives at a fast pace in order to accomplish corporate transformation

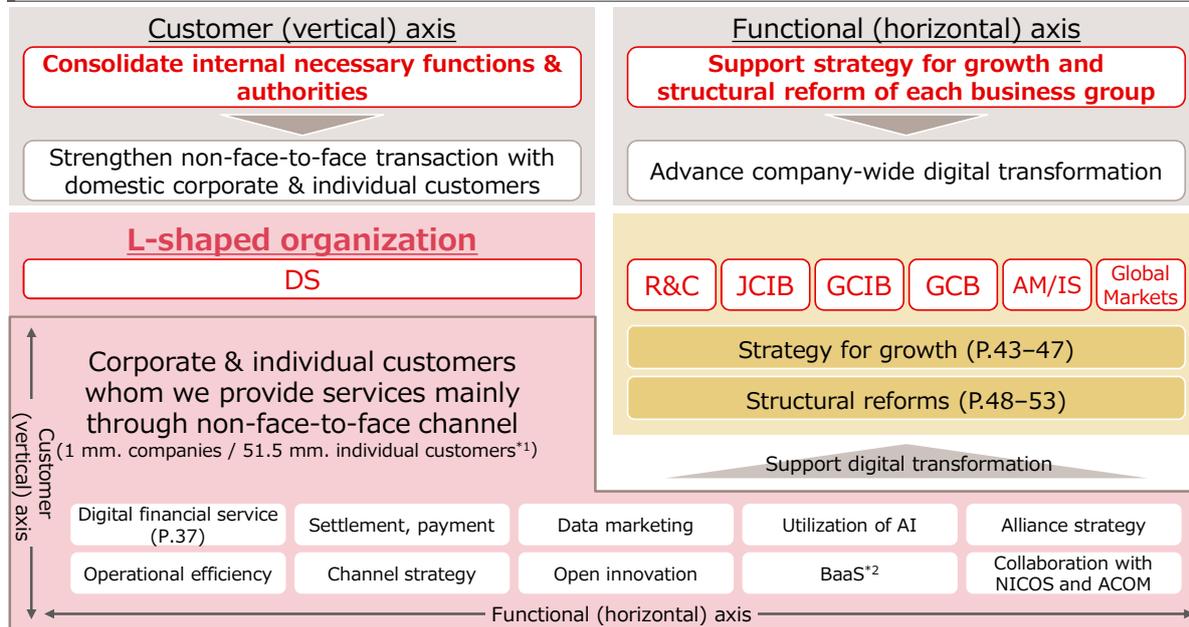


- ✓ The theme of the new MTBP is digital and ESG. We will promote corporate transformation, which is the first pillar of our strategy, by promoting digital transformation, contribution to addressing environmental and social issues, and transformation of corporate cultures.
- ✓ Please turn to page 36.

I-(i) Digital transformation (1)

– The newly established Digital Service Business Group will take the lead and advance digital-driven corporate transformation in light of digital shift in society

Outline of Digital Service Business Group



*1 Total number of the Bank, NICOS and ACOM *2 Banking as a Service

- ✓ This is our first corporate transformation, which is digital transformation. In April, we established the Digital Service Business Group that will take the lead and advance digital-driven corporate transformation. As you can see here, this business group is an L-shaped organization shown in pink. In the vertical customer axis, it will strengthen non-face-to-face transactions with domestic corporate and individual customers. In the horizontal functional axis, it will advance the company-wide digital transformation.
- ✓ Please turn to page 37.

I-(i) Digital transformation (2)

– Promote digital transformation at branches while striving to update ourselves into a financial and digital platform operator that offers BaaS*1

Next-gen branch offering comfortable experience by digitalization

- Customers can undertake transactions by themselves in a smooth and swift manner by our operations being digitized

[Branch counter transaction]

- Eliminates the need to ask customers to wait, fill out paper forms or bring anything



Transaction through tablet
(paperless, no seal/signature)

[Online transaction]

- Customers can complete most transactions online such as opening to closing bank accounts

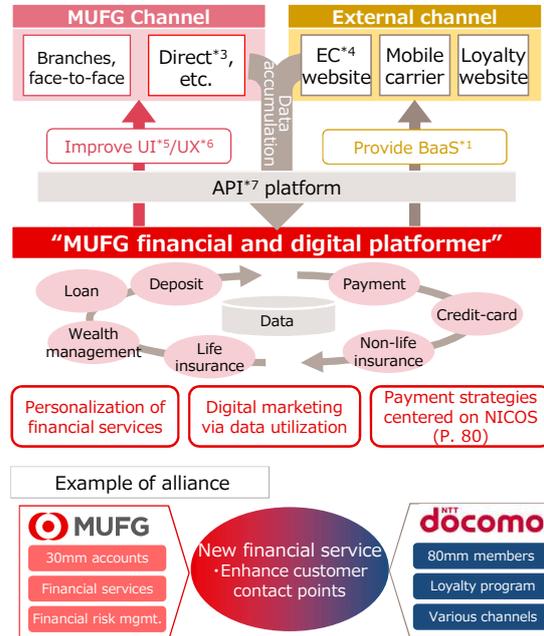


Ratio of procedure that
can be completed online*2

FY20: 55%

FY23: **75%**

Digital financial service powered by alliance with other companies



*1 Banking as a Service *2 Ratio of procedures that can be completed online to application procedures, including address changes *3 Mitsubishi UFJ DIRECT: Internet banking for individual customers *4 Electronic Commerce *5 User Interface *6 User Experience *7 Application Programming Interface

- ✓ This page is about our initiatives in the vertical customer axis.
- ✓ In our next-generation branches on the left side, we will offer a comfortable experience to our customers through digitalization. In addition, the majority of the procedures will shift to online. The right side shows our efforts in the new digital financial services, including our alliance with other companies. We will pursue the so-called banking as a service, or BaaS, model that offers financial services as a financial and digital platform operator.
- ✓ Furthermore, we will aim to become a financial and digital platformer leveraging data as the next step. We signed a business partnership agreement with NTT DOCOMO the other day, through which we will offer new digital and financial services that meet the current lifestyle and needs centering on smartphones.
- ✓ Please turn to page 38.

I-(i) Digital transformation (3)

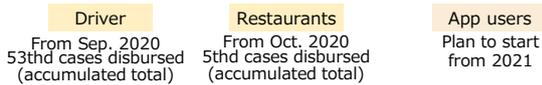
– Offer safe & secure financial functions while weaving ourselves into non-financial service fields

Launched transaction-based lending product, combining strengths of Grab and MUFG

- Acquire new contact points with customers in Thailand while accumulating expertise of digital-driven products



Provide loan products via Grab platform



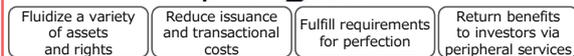
Facilitate the securitization of real estate by developing Security Token Offering (STO) platforms

- Completed platform development, with plans calling for initiating the issuance of security tokens in the first half of FY21

Blockchain technology × Trust bank function

Provide platform which enables easy, speedy and secure financial transactions

prog//at



*1 Platform provided by KomGo SA which was formed in Geneva, Switzerland, by MUFG Bank and fourteen other top global institutions, including commodity trading and corporate companies

A new type of credit model by leveraging alternative data

- Digital technology-driven financing for startups



Financing by leveraging real-time data gathering and AI technology

Support the growth of startups mainly in Asia-Pacific
Expect to expand the business by increasing the facility amount

Enhance the security and efficiency of international trade finance via digitalization

- Promote "komgo"^{*1}, the international trade finance platform on a global basis

komgo

- Dec. 2019 MUFG introduced in Europe
- Digitize transactions via the use of blockchain
⇒ Improve security and efficiency

MUFG aim to achieve value of trade US\$25bn by FY23

Targeting potential users in Asia and the Americas

FY20 FY21 FY22 FY23

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- ✓ This page is about our business case using AI and data.
- ✓ Please look at the upper-left corner. Bank of Ayudhya, or Krungsri, offer microloans using cutting-edge technologies and data of Grab and is expanding new customer contact points. It is receiving many applications in a short period of time.
- ✓ In addition, as shown on the upper right, we established MARS Growth Capital last year, combining the AI technology of Liquidity Capital in Israel, our joint venture partner, and MUFG's presence in Asia and financial knowledge and expertise to initiate a finance business for startups utilizing a new credit model.
- ✓ Please turn to page 39.

I-(i) Digital transformation (4)

– Challenge to create non-financial services through open innovation by leveraging MUFG's well-earned, solid customer trust and customer base

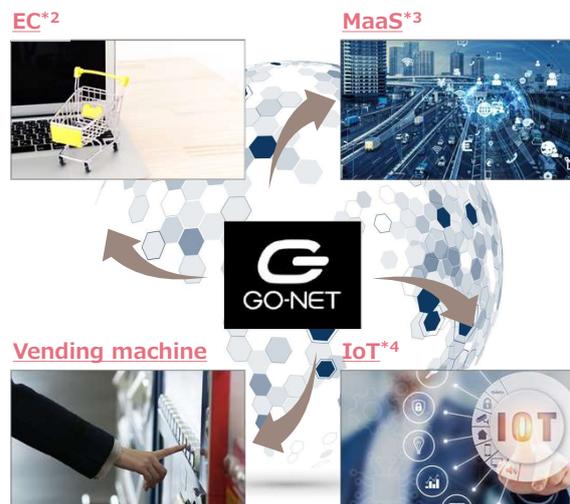
Investment in open innovation

- Invested a cumulative total of more than ¥120bn in over 30 investees during the past five years; their current valuation is well in excess of their book value
- Expecting our investments to result in business growth and create greater synergies



GO-NET

- Launched an innovative network service for credit card operators in April 2021
- Partial impairment of assets due to a shift to business fields in which GO-NET is positioned to take advantage of its strengths



*1 Software as a Service *2 Electronic Commerce *3 Mobility as a Service *4 Internet of Things

- ✓ As shown on the left side, we invested a cumulative total of more than 120 billion yen in over 30 investees during the past five years. Their current valuation is well in excess of their book value, as shown in the case of Coinbase that launched its IPO and Grab that is scheduling its IPO after our investment.
- ✓ On the right side, GO-NET launched a network service for credit card operators last month but had partial impairment of assets due to a shift in its initial business strategy. We will focus on domains such as e-commerce and IoT where we can leverage our strengths going forward.
- ✓ We will continue taking on the challenge in non-financial services through open innovation based on MUFG's trust and customer base.
- ✓ Please turn to page 40.

I-(iii) Transformation of corporate culture (1)

– A free, open and speedy organization in which employees empathize with management and think autonomously, take action and take on challenges

With rapid changes and diversification of values among people, [we reaffirmed the importance of cultural reform and engagement](#). Each and every employee finds the job rewarding and takes pride in it, thinks autonomously and actively in empathy with management, and takes on new challenges with a sense of ownership to create a free and vigorous organization with speed.

MUFG Way~Committed to empowering a brighter future.

1 Empathy with management and ownership

- Dissemination of MUFG Way
Cultivate empathies and a sense of ownership via dialogue between employees and their immediate supervisors
- [Town hall meetings with Executives](#)
- [Finance of tomorrow](#)
- [Dialogue and roundtable discussions between outside experts and CEO](#)

Enhance strength of MUFG as one group

- Construction of the “MUFG Main Building” to replace existing MUFG Bank’s head office (Detailed plan during FY22)
 - Integrate head offices of MUFG, the Bank, the Trust Bank and the Securities HD to strengthen MUFG as one
 - “MUFG Main Building” is expected to be a place for flexible workstyles and innovation

2 Encouragement of new challenge and participation

- Promotion of smart work
Eliminate inefficient operations to discover spare time for taking on new challenges
- Encouraging challenges
 - Challenge leave Using time off to start a business or for self-fulfillment
 - Business support secondments Dual-hatting assignments at start-ups
 - Job challenges Internal job postings to facilitate self-directed career-building
 - New business Proposals for new businesses by employees
- [Straight talking with CEO](#)
- Exchange opinions via internal communication tool
- “¥500,000” project
Subsidizing each employee who volunteers to plan and undertake social contribution activities

- ✓ This page is about transformation of corporate culture, which is one component of corporate transformation.
- ✓ We will transform into a free, open, and speedy organization in which employees empathize with management and think autonomously, take action, and take on challenges. Empathy with management and ownership will be promoted through town hall meetings, and new challenge and participation will be encouraged through HR system reform.
- ✓ As shown on the lower left, we plan to construct a new MUFG Main Building in order to promote group-based integrated management and innovation.
- ✓ Please turn to page 41.

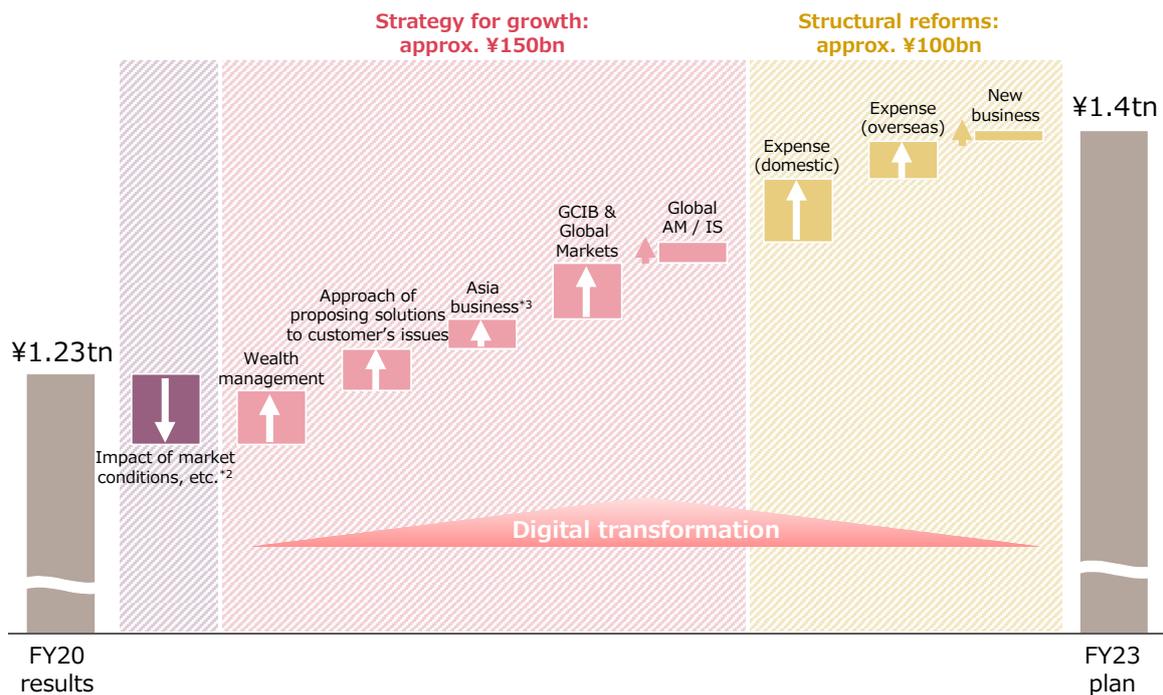
I-(iii) Transformation of corporate culture (2)

– Improve employee engagement through town hall meetings and roundtable discussions

Town hall meetings with Executives		Finance of tomorrow	
Executives talk directly to employees to generate their empathy for management		CEO and young employees discuss the future of finance with social entrepreneurs etc. of various industries	
Number of attendees	Total 60,000		
Domestic employees	Total 50,000		
Session for mgmt	1,700		
Session for women	500		
Overseas employees	Total 9,200		
Dialogue and roundtable discussions between outside experts and CEO		Straight talking with CEO	
Gain a new perspective regarding MUFG's potential		Raising awareness to reform	
<ul style="list-style-type: none"> CEO talk with outside experts, followed by Q&A sessions from MUFG employees 	 <p>Hiroshi Aoi, President of Marui Group</p>  <p>Anthony Tan, CEO of Grab</p> <p>Makoto Takahashi, President of KDDI</p>	<ul style="list-style-type: none"> Employees and CEO discuss penetration of mindset for reform Concrete proposals from employees to CEO 	

- ✓ This page shows an example of our employee engagement that supports our cultural transformation.
- ✓ Approximately 60,000 employees attended the town hall meetings. Employees participated and asked questions in the dialogue and roundtable discussions between outside experts and myself, shown on the lower left, and in the Finance of Tomorrow project in the upper right, we met key figures playing important roles in various fields with our young employees.
- ✓ In Straight Talking with CEO on the lower right, I had active discussions with members selected from the reports they submitted. I feel that we are gaining traction through various initiatives. We will continue promoting employee engagement focusing on practice, realization, and synchronization in the new MTBP.
- ✓ Please turn to page 42.

Plan of net operating profits*1



*1 Managerial accounting basis. Local currency basis

*2 Includes impact of CVA related profits/losses, impact of policy rate cut in Asia etc.

*3 FY23 plan versus FY21 plan. Estimated decrease in net operating profits during FY21 is included in impact of market conditions, etc.

- ✓ Next is growth strategy, the second pillar of the key strategies. Let me first explain our net operating profits plan.
- ✓ As shown in the step chart, we project a positive contribution of approximately 150 billion yen from strategy for growth and approximately 100 billion yen from structural reforms toward the achievement of 1.4 trillion yen net operating profit in FY23.
- ✓ Please turn to page 43.

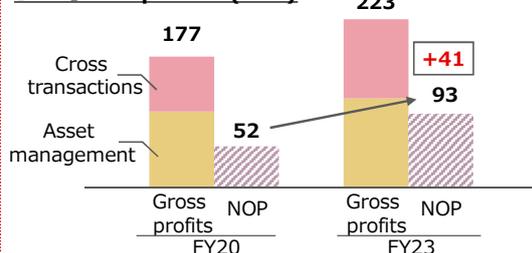
II-(i) Wealth Management (WM)

– Establish a strong business foundation by leveraging the Group's comprehensive capabilities backed by its strengths in cross transactions*¹ and asset management

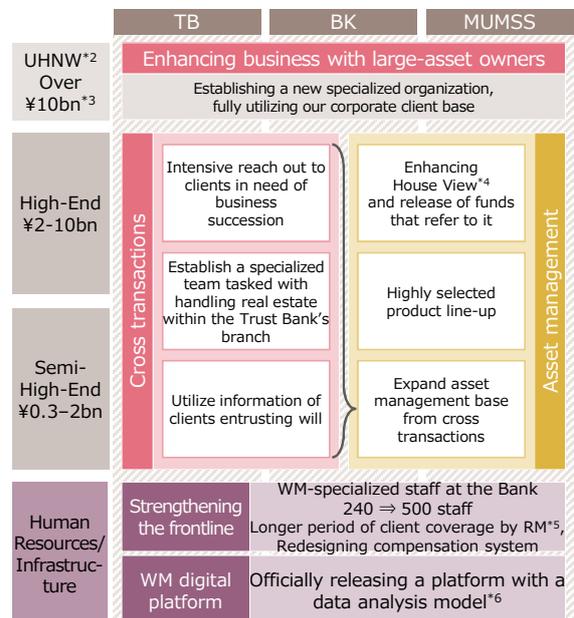
Key strategies

- Increase WM profits**
 - Profiling clients and identifying succession needs
 - Leverage the strength of MUFG Group and utilize digital platform
- Increase cross transactions**
 - Promote corporate and WM business together by utilizing our corporate client base
 - Strengthen the real estate execution framework and approach based on inheritance needs
- Increase asset management transactions**
 - Establish an advisory business model and revenue structure transformation

[KPI] WM profits (¥bn)



Enhancing our groupwide business model



*1 Transactions of inheritance, real estate, asset management companies, etc.

*2 Ultra High Net Worth

*3 Assets identified by the Bank

*4 MUFG Wealth Management's official position with regard to market outlook and investment trends

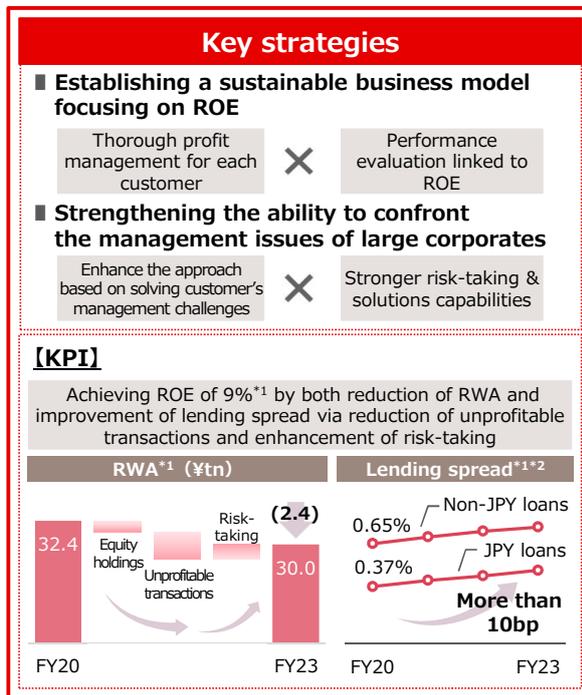
*5 Relationship Manager

*6 Group-wide CRM function, a tool for proposing total asset-base sales, a recommendation function that encourages optimal proposals

- ✓ Let me explain our five strategies for growth.
- ✓ First is wealth management. We will leverage the group's comprehensive capabilities between bank, trust bank, and securities, which is our strong suit, and expand cross transactions, including inheritance and real estate, and increase asset management transactions. As shown on the lower left, we plan to increase our wealth management profit by 41 billion yen in FY23 vis-à-vis FY20.
- ✓ As shown on the right side, we will take a fine-tuned and tailored approach according to the size of customers' total assets through our group-wide business model.
- ✓ We established a new specialized organization to enhance our business with large asset owners. In addition, we are strengthening the frontline by doubling the number of wealth management specialized staff at the Bank to 500 and introducing a system of longer period of client coverage by RMs.
- ✓ Furthermore, the wealth management digital platform is officially released to strengthen our proposals for integrated wealth planning services.
- ✓ Please turn to page 44.

II-(ii) Approach of proposing solutions for customer's issues

– Confront the management issues of Japanese large corporates, and proposing solutions via the strengthening of risk-taking capabilities and the use of a groupwide, integrated approach

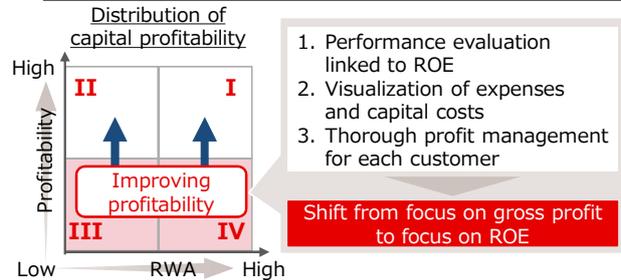


*1 FY23 target of JCIB business group

*2 Calculated as annual net interest income / average loan balance during the fiscal year

Establishing a business model focusing on ROE (RORA)

Profitability



Strengthening the ability to confront the management issues of large corporates

Expanding business



↑ Consider providing solutions other than lending (investment, joint venture, etc.)

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- ✓ This page is about our second strategy for growth: approach of proposing solutions for customer's issues.
- ✓ In Japanese large corporates business, we will aim to achieve our ROE target by establishing a sustainable business model focusing on ROE and by strengthening our approach of providing solutions for customer's challenges.
- ✓ As shown on the upper right, we will introduce a performance evaluation scheme linked to ROE, visualize expenses and capital costs, and manage profit for each customer thoroughly in order to establish an ROE-focused business model.
- ✓ In addition, as shown on the lower right, we will strive to generate new deals through proactive and group-based integrated support for customer's efforts to address changes in the industrial structure and social issues. Furthermore, we will consider providing new solutions through investments, joint ventures, etc.
- ✓ Please turn to page 45.

II-(iii) Asia business

– “Committed to empowering a brighter future for customers in ASEAN” through strategies and initiatives for the entire ASEAN region

Key strategies

■ Support the growth of BDI

KS, ranked at fifth^{*1} in 2013, was listed as one of the D-SIBs^{*2} in 2017 and ranked at third^{*1} in 2020. Aim to recreate the success in BDI, through intensive support focusing on the growth of BDI in this medium-term business plan

- Enlarge customer base by MUFG collaboration **1**
- DX^{*3}, risk management, development of HR

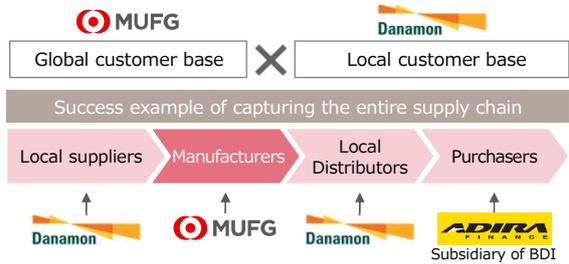
■ Strategies and initiatives on entire ASEAN operations

- Consumer finance **2**
- Transaction banking
- PB^{*4}-Grab Collaboration (Refer to P. 38)

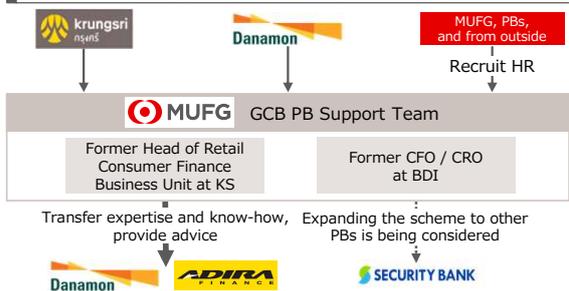
[KPI] ROE of KS and BDI



1 Enlarge customer base by MUFG collaboration (Provide MUFG×PB services)



2 Consumer finance (Enhanced support by a team of professionals)



*1 Based on net profits. Ranking among domestic banks in Thailand, excluding government-funded financial institutions

*2 Domestic systemically important banks in light of the significant presence in Thailand's financial system *3 Digital transformation *4 Partner bank

- ✓ This page is about our third strategy for growth, which is Asia business.
- ✓ Krungsri has realized strong synergy with MUFG since it was consolidated in 2013. As a result, it rose to the third rank in Thailand in 2020 based on net profits. We aim to leverage the successful case for Bank Danamon's strategy to improve ROE. More specifically, we will promote MUFG group collaboration as shown on the right side, capture a customer's business channel, and expand our customer base.
- ✓ In addition, we will transfer the professionals' expertise and know-how to Bank Danamon to strengthen our consumer finance business in Asia.
- ✓ Please turn to page 46.

II-(iv) GCIB & Global Markets

– Improve profitability by BSO*¹ and expand fee income through O&D/OtoD and cross-selling

Key strategies

■ Accelerate portfolio optimization

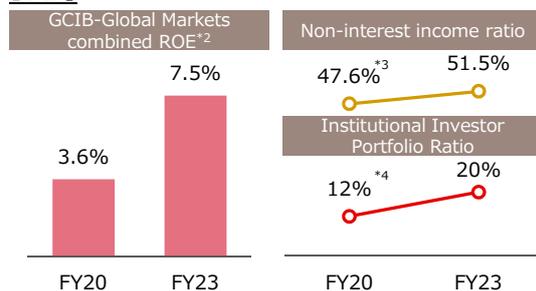
- Disciplined deal screening and efficient asset control
- Rebalancing the portfolio to institutional investors

■ Enhance O&D/OtoD and cross-selling

- Leveraging client relationships with strong financing capability

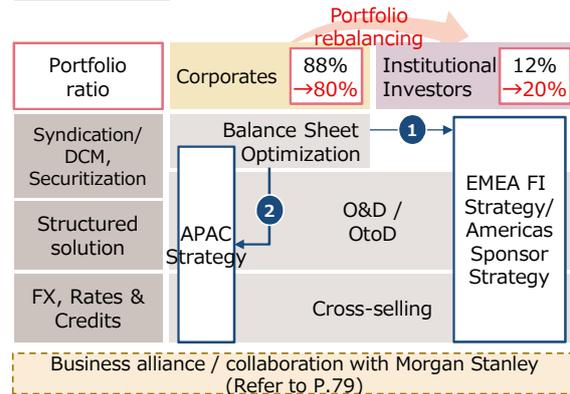
■ Develop appropriate risk appetite and product offering capabilities

[KPI]



Enhance GCIB & Global Markets integrated business strategy

- 1 EMEA FI Strategy/ Americas Sponsor Strategy
 - Rebalance business portfolio to institutional investors increasing presence in the financial market
 - Expand fee income and improve profitability by capturing wider range of transaction needs
- 2 APAC Strategy
 - Enhance O&D and flow businesses leveraging strong client relationships in corporate sector



*1 Balance Sheet Optimization; a strategy for replacing existing assets with high-profitability assets
 *2 Targeted domains: Overall GCIB + Global Markets S&T (excl. Japanese Corporate sales)
 *3 After adjustment of one-time impacts *4 Provisional numbers

- ✓ This page is about our fourth strategy for growth, which is GCIB and Global Markets.
- ✓ We will promote our business model transformation from quantity to quality continuing on from the previous MTBP. As part of our efforts on portfolio optimization, we will rebalance our business portfolio to institutional investors increasing presence in the financial market, as well as develop appropriate risk appetite and product offering capabilities.
- ✓ We will enhance GCIB and Global Market's integrated management further in the new MTBP. We will expand fee income from O&D, OtoD, and cross-selling, establish ROE as the common target between the two business groups and aim to improve our profitability.
- ✓ Please turn to page 47.

II-(v) Global AM / IS

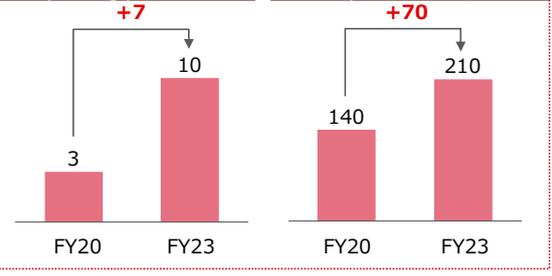
– Expand lineup of professional services to meet diverse customers’ needs in growing markets

Key strategies

Global AM	Global IS
<ul style="list-style-type: none"> Allocate resources to high-growth fields while maintaining advantages in fields in which we have strength Take on the development of new products to achieve sustainable growth 	<ul style="list-style-type: none"> Take advantage of the “MUFG-IS” brand as a foundation to deliver a diverse range of high-value-added services Secure a position as a global comprehensive financial service provider

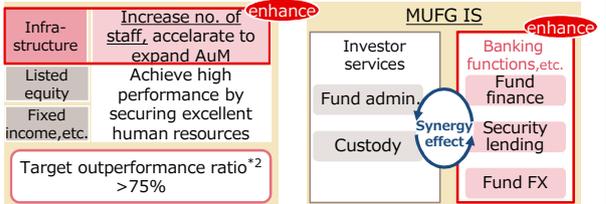
[KPI]

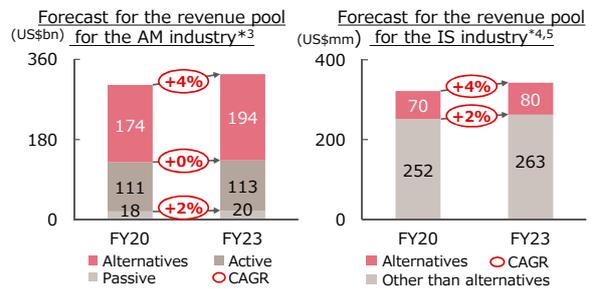
Global AM Net operating profits (¥bn)	Global IS Gross profits ^{*1} (US\$mm)
+7	+70



Secure a position as an AM/IS player that remains the first choice for customers

Global AM	Global IS
<ul style="list-style-type: none"> Enhance investment capability in infrastructure with high growth Raise AuM with high performance 	<ul style="list-style-type: none"> Expand alternative fund business by enhancing high-value-added services such as banking functions





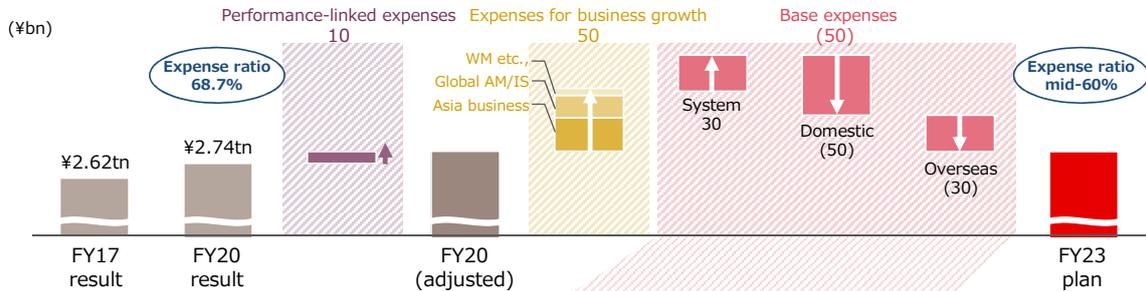
^{*1} Gross profits from fund finance, fund FX, interest income ^{*2} Proportion of AuM achieving asset management performance in excess of benchmarks ^{*3} (Source) Made by MUFG based on BCG Global Asset Management 2020 ^{*4} (Source) Made by MUFG based on McKinsey ^{*5} Fund admin.+custody

- ✓ Our fifth strategy for growth is global AM/IS.
- ✓ In global asset management, we will enhance our investment capability and expand our product lineup by allocating our human resources in high growth domains, such as infrastructure, and enhancing the function to achieve sustainable growth of FSI that we have invested in.
- ✓ In Global IS, we will enhance high value-added services, such as fund finance and fund FX, and expand alternative fund business which is promising going forward.
- ✓ Please turn to page 48.

III-(i) Cost and RWA control – plan of expenses

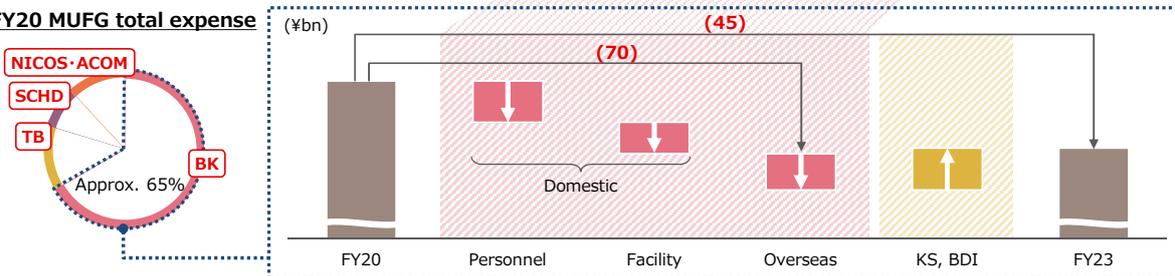
- Strictly allocate expenses in a way consistent with progress in each business.
- Reduce base expenses in order to allocate funds to the area of growth

Plan of expenses



Expense forecast (the Bank including MUAH, KS, BDI) *1

FY20 MUFG total expense



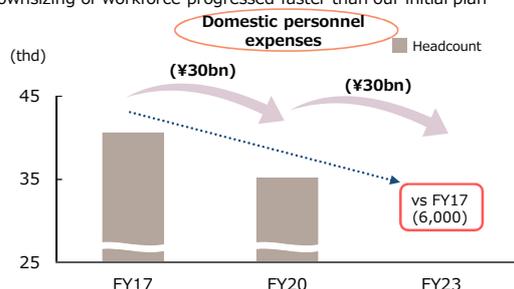
*1 Internal managerial figure

- ✓ Now, let me explain the third pillar our new MTBP, which is structural reform.
- ✓ First is cost and RWA control. Improvement of expense ratio and reduction of our total expenses is one of the most important challenges of MUFG. As shown on the upper half, we will reduce base expenses by approximately 50 billion yen on net in order to allocate funds to the area of growth.
- ✓ Please turn to page 49.

III-(i) Cost and RWA control – initiatives of cost reduction

Forecast of headcount*1

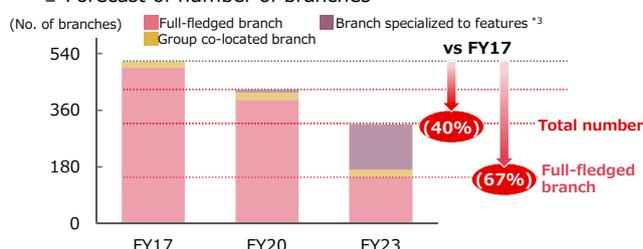
- Expect a decrease in employee headcount totaling approx. 6,000 (attrition). In step with the steady reduction in workload, the downsizing of workforce progressed faster than our initial plan



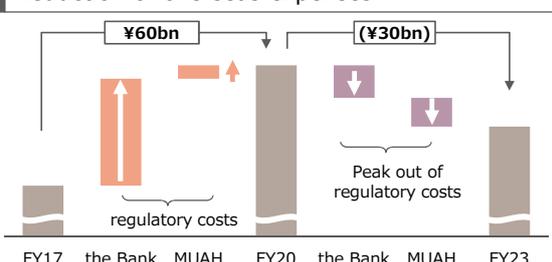
Facility strategy

- During the last MTBP, facility expenses stayed unchanged due to the one-off expenses associated with headquarters and data center reorganization; however, we anticipate a ¥20.0 billion reduction in expenses under the new MTBP primarily due to the reorganization

Forecast of number of branches*2



Reduction of overseas expenses



Headquarters and data center reorganization

- | To date | Plan |
|---|---|
| <ul style="list-style-type: none"> Implementation of sale and leaseback at the Chiba Center and completion of Kansai BC¹⁴ for moving to joint MUFG Data Center Review of ATM network through ATM sharing | <ul style="list-style-type: none"> Relocation of headquarters functions from Marunouchi to Kojimachi (lower cost) and downsizing of offices Move to joint MUFG data center, Tama and Kansai BC Consolidation of system development centers of the Bank Initiate consideration of the construction of new MUFG Main Building; Renovate the Bank's main building and consolidate the headquarters functions of Group entities |

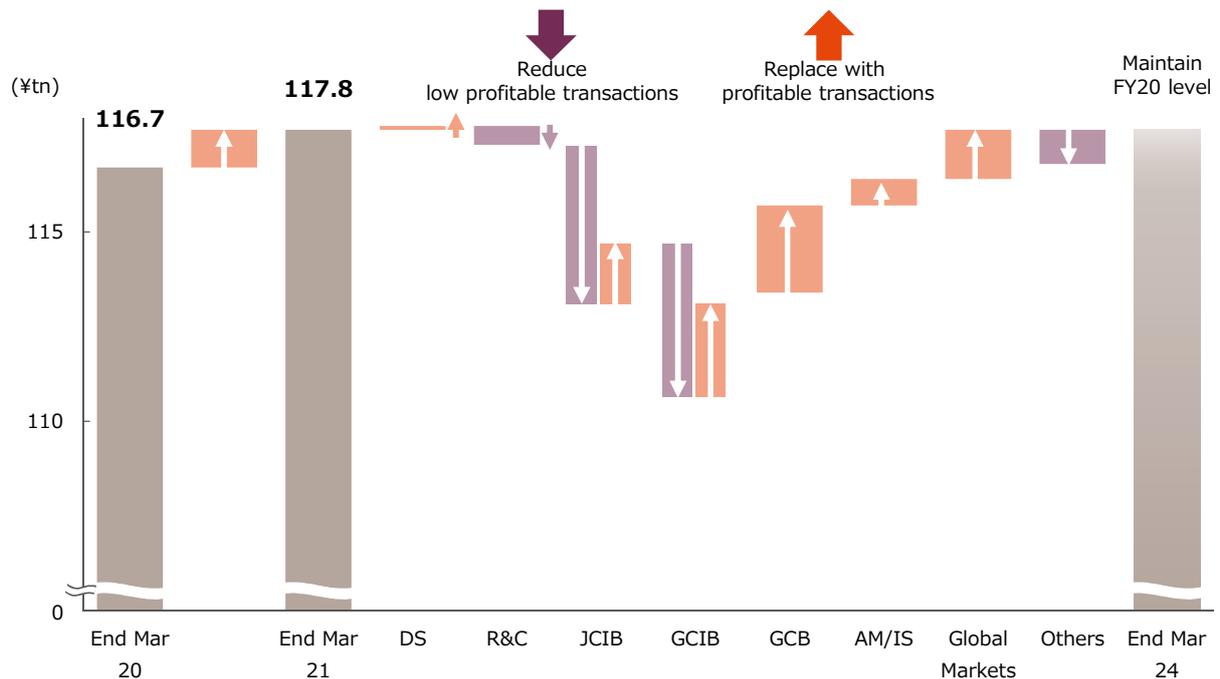
*1 The figure includes MUFG Bank's domestic bank staff, part-time and contract staff as well as temporary staff but excludes overseas staff hired locally. The figure also includes employees of other companies seconded to MUFG Bank but excludes employees temporarily transferred to other companies

*2 MUFG Bank non-consolidated basis *3 MUFG NEXT and consulting office *4 Business Center

- ✓ This page is about the breakdown of cost reduction.
- ✓ Upper left, our headcount is decreasing faster than our initial plan due to restraint on new hires. We reduced our personnel expenses by over 30 billion yen at the previous MTBP and expect the same level of reduction in the new MTBP.
- ✓ Right side, facility expenses is expected to drop by approximately 20 billion yen in the new MTBP through branch consolidation in Japan, continuing on from the previous MTBP.
- ✓ Lower left, overseas expenses will decrease by approximately 30 billion yen as the increase in regulatory costs in the previous MTBP will peak out.
- ✓ Please turn to page 50.

III-(i) Cost and RWA control – plan of RWA

– Reduce low profitable transactions and replace them with profitable transactions



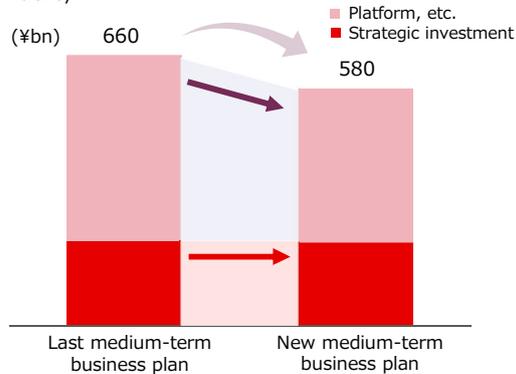
- ✓ This page is about our RWA plan.
- ✓ We will continue ensuring thorough RWA control in the new MTBP, reduce low-profitable transactions, and replace them with profitable transactions in Japan and abroad. We plan RWA in FY23 to be maintained roughly at the FY20 level.
- ✓ Please turn to page 51.

III-(ii) Transformation of platforms and our business infrastructure

– Support transformation by revising various processes & rules and undertaking system reforms

IT investment

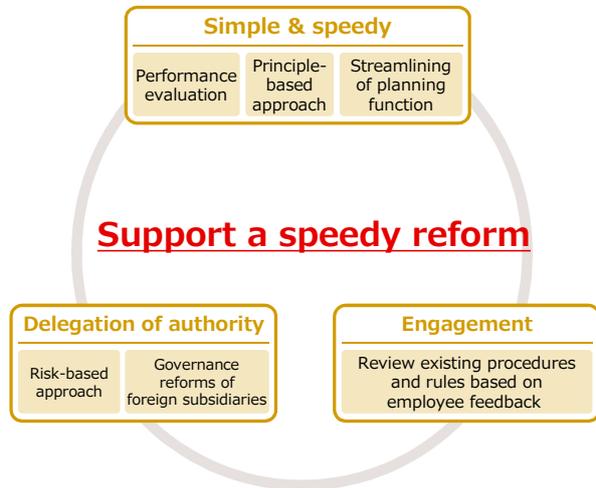
- Make necessary investments for the digital shift
- Reduce IT investment costs by taking a strictly selective approach to investment projects and improving development efficiency



- Platform, etc.
 - Secure stability of operation while tightly controlling investment volume
 - Start the streamlining of existing systems
- Strategic investment
 - Secure the investment budget for digital shift

Revision of decision-making process, Simplification of internal rules

- Support a speedy reform of business operation by overhauling decision-making process and rules that are excessive and conservative



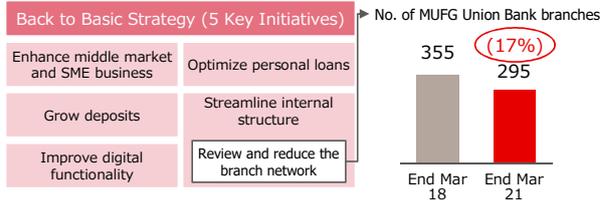
- ✓ The second structural reform is transformation of platforms and our business infrastructure.
- ✓ Regarding IT investment on the left side, we will make necessary investments for our digital strategy, while improving development efficiency to reduce IT investment costs.
- ✓ Please turn to page 52.

III-(iii) Review of our business portfolios (Americas & EMEA)

- We will continue to allocate management resources based on assessment of each region's growth potential and MUFG's regional advantages

Efforts in the Previous MTBP

- Americas: New U.S. regional banking strategy ("Back to Basic")



- EMEA: Consolidation of the office network

⇒ The functions of 6 of the 16 EMEA offices^{*1} have been, or are in the process of being, consolidated (a reduction of about 40%)



*1 Branches and local subsidiaries with booking functions. Sub-branches and representative offices are excluded

*2 Chief Operating Officer-International

*3 Mr. Cronin was also newly appointed the MUAH CEO (dual-hatting). Most recently, he served as Head of GCIB for the Americas. Prior to joining MUFG, he held key management positions in global corporate banking at Bank of America in the U.S.

*4 Since 2019, Mr. Winter has served concurrently as the head of London branch, MUFG Bank and the CEO of MUFG Securities EMEA. Prior to coming on board at MUFG, he was CEO of the Corporate Bank at Barclays in the UK until 2016

Efforts in the New MTBP

- The new position of the Corporate Executive in charge of Overseas Business Transformation was established in April (COO-I^{*2} Futae takes on this role)
- A structure has been created which enables swift decision-making to address the challenges facing overseas business
- We will also utilize the leadership of the new Regional Executives ("REs") to execute bold reforms of business models and management infrastructure



COO-I and Sr Mgmt Corp Exec in Charge of Overseas bus. transformation
Takayoshi Futae

- New RE for the Americas: Kevin Cronin
- ✓ Took up the post of RE in March^{*3}



Priority Challenges

Streamline organization's governance	Selective and focused business approach	Sweeping cost structure reforms
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- New RE for EMEA: John Winter
- ✓ Took up the post of RE in April^{*4}



Priority Challenges

Generate profitable growth	Enhance efficiency	Strengthen culture	Simplify governance
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- ✓ The third structure reform is review of our business portfolio. Efforts in the previous MTBP are shown on the left side. In the Americas, we enhanced middle market and SME business and are promoting streamlining measures to review and reduce the branch network under a Back to Basic Strategy.
- ✓ In EMEA, as was announced through a press release the other day, we are optimizing and consolidating our office network.
- ✓ Efforts in the new MTBP are shown on the right side. The new position of Corporate Executive in charge of Overseas Business Transformation was established in April to enable swift decision-making and bold reforms to address the challenges facing our overseas business.
- ✓ In addition, business reform pursued in the Americas and EMEA in the previous MTBP will be promoted even further under the leadership of the new regional executives.
- ✓ Please turn to page 53.

III-(iii) Review of our business portfolios (New investment business)

– Take on a new business that involves long-term, diversified portfolio management, thereby securing profit sources from the long-term perspective

New investment business in Global Markets Business Group

Back-ground	Globally low interest rates environment	Large excess of deposits over loans
Policy	<ul style="list-style-type: none"> Place management emphasis on cash flows and ROE by diversifying asset types, duration and price ranges 	Buy & Hold + Re-balance
<p>Contribute to sustainable and stable financial profits over the mid- to long- term</p>		

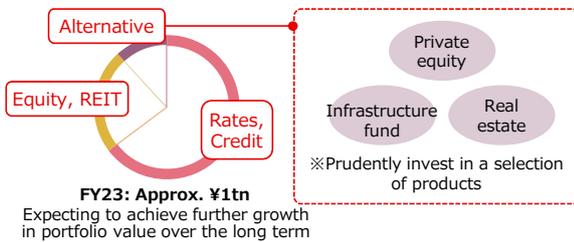
- Establish a new investment structure consolidating the expertise at the Bank and the Trust Bank
- Rally human resources capable of market-related operations from the Bank and the Trust Bank as MUFG Group-wide project
- Utilize Bank staff with investment experience in government bonds and equities as well as the Trust Bank staff who have handled alternative investment



New investment management with a long-term perspective

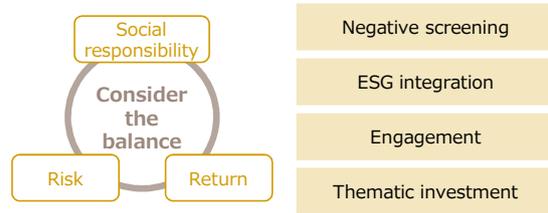
- Include alternative assets (e.g., private equity and real estate) that have distinctively unique risk-return characteristics into our investment portfolio along with bonds and equities

Portfolio (image)



Approach to sustainability

- Also, take on sustainability fields in the medium term, with the aim of improving corporate value through ESG-oriented investment
- Satisfy both social responsibility and investment return



- ✓ This page is about the new investment business by Global Markets Business Group.
- ✓ As the low interest rate environment continues globally, we will promote a new long-term diversified portfolio management, gathering our expertise in the Bank and the Trust Bank. We will include alternative assets that have distinctively unique risk return characteristics into our investment portfolio in order to secure stable profit in the medium to long run.
- ✓ Please proceed to page 57.

Plan by business group

Consolidated		Net operating profits (¥bn) ^{*1}		Expense ratio ^{*1}		ROE ^{*2}		RWA (¥tn) ^{*3}	
		FY23 plan	vs FY20	FY23 plan	vs FY20	FY23 plan	vs FY20	FY23 plan	vs FY20
Digital Service	DS	205.0	+30.0	73%	(4%)	4.5%	+2%	9.2	→
Retail & Commercial Banking	R&C	140.0	+75.0	77%	(11%)	5%	+3.5%	16.6	→
Japanese Corporate & Investment Banking	JCIB	285.0	+45.0	51%	(5%)	9%	+4%	30.0	↓
Global Corporate & Investment Banking	GCIB	180.0	+40.0	58%	(8%)	7%	+4%	21.8	↓
Global Commercial Banking	GCB	290.0	+20.0	64%	(1%)	6%	+5.5%	19.5	↗
Asset Management & Investor Services	AM/IS	100.0	+25.0	69%	(3%)	28%	(0.5%) ^{*4}	3.4	↗
Global Markets	Global Markets	370.0	(25.0)	39%	+2%	8%	+2%	20.7	↗

*1 Local currency basis

*2 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)

*3 The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of March)

*4 +3% excluding the impact of profits on sales of AMP Capital shares

Change in calculation method of ROE by business group

– Strengthen disciplined financial management by changing calculation methodology of ROE by each business group to correlate with financial ROE

Change in calculation methodology

Strengthen disciplined financial management by changing calculation method of ROE by business group

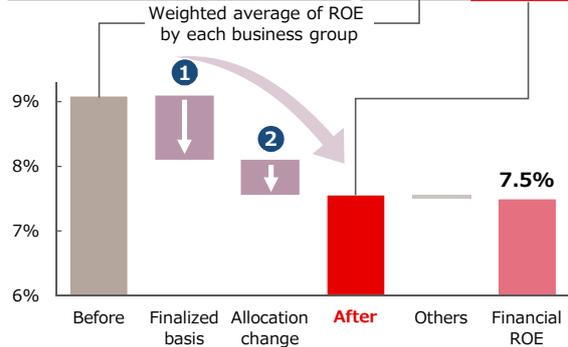
Major changes

- 1 Change calculation methodology of RWA to the finalized Basel III reforms basis from the current basis
- 2 Allocate to each business group with RWA and profits/losses etc., which used to be managed by head office

Impact on FY23 plan

Consolidated

Business group	FY23 plan for ROE	
	Before	After
DS	6%	4.5%
R&C	9%	5%
JCIB	15%	9%
GICB	10%	7%
GCB	7%	6%
AM/IS	22%	28%
Global Markets	7%	8%



Environment, Social and Governance

Enhancing sustainability management

– Accelerate our efforts in light of growing awareness of environmental and social issues

MUFG's Sustainability Management (definition)

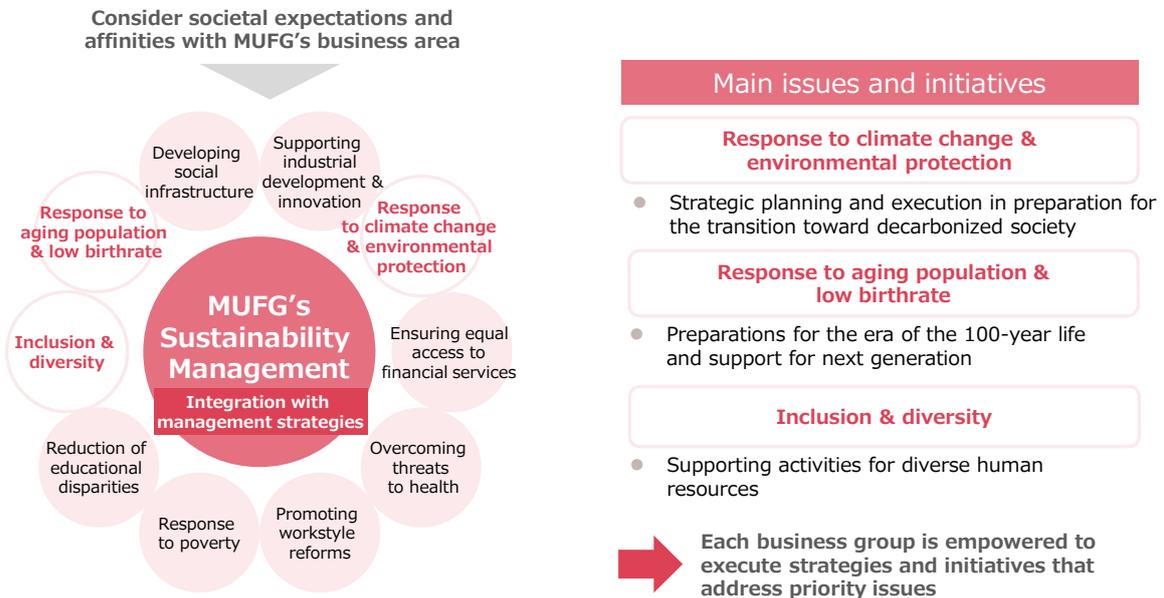
- With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we will engage in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for environmental and social issues



- ✓ I will now explain ESG.
- ✓ We will promote sustainability management, employing an integrated approach where the execution of management strategies go in tandem with the pursuit of solutions for environmental and social issues. The main revisions are identification of ten priority issues, the announcement of MUFG Carbon Neutrality Declaration, and reflecting external ESG evaluation elements to compensation.
- ✓ Please turn to page 58.

Contribution to addressing environmental and social issues

- Implement strategies and initiatives for new 10 priority issues such as responding to the climate change and aging population & low birthrate



- ✓ As shown here, we identified ten priority issues as main issues where each business group will implement strategies and initiatives to address the challenges leveraging its unique characteristics and strength. We think climate change, aging population & low birth rate, and inclusion & diversity are especially important.
- ✓ Please turn to page 59.

MUFG Carbon Neutrality Declaration

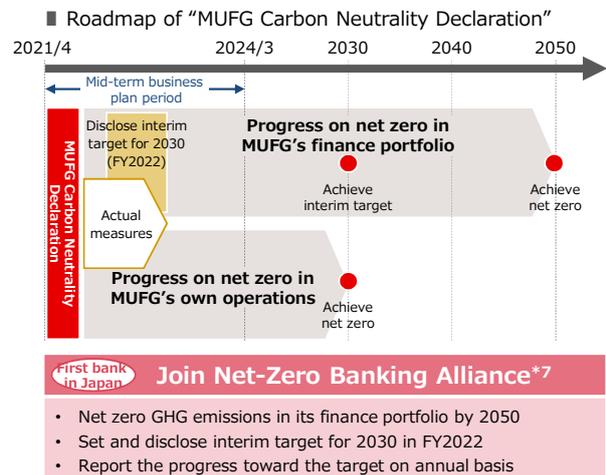
– First Japanese bank to commit to achieve net zero GHG^{*1} emissions in its finance portfolio

MUFG Carbon Neutrality Declaration

**Net zero GHG emissions in its finance portfolio^{*2} by 2050,
net zero GHG emissions in its own operations^{*3} by 2030**

Major initiatives

- 1 **Achieve decarbonization through financial services**
 - Set goals for sustainable finance: ¥35tn (incl. ¥18tn for environment)
 - Enhance financing policies
 - Disclose future credit portfolio reduction targets for corporate-loans related to coal-fired power generation^{*4}
 - Support renewable energy, hydrogen, next-generation energy, etc.
- 2 **Promote decarbonization via MUFG's own efforts**
 - Shift to 100% renewable energy for procured electricity of domestic offices and branches^{*5}
 - Work on carbon offsets (afforestation, etc.)
- 3 **Set targets to align with the goals of Paris Agreement, and expand and improve transparency of disclosure**
 - Set targets to align with the goals of Paris Agreement based on scientific approaches such as SBT^{*6}
 - Develop TCFD disclosure such as expanding the scope of sectors subject to scenario analysis
- 4 **Enhance our organization to achieve carbon neutrality**
 - Approve "MUFG Environmental Policy Statement" at the Board of Directors
 - Reflect ESG elements in its executive compensation



^{*1} Greenhouse Gas ^{*2} Scope3 under the GHG Protocol ^{*3} Scope1 and Scope2 under the GHG Protocol ^{*4} We aim to disclose the portfolio reduction target for our corporate customers whose business largely involves coal-fired power generation. Progressing toward the project finance portfolio reduction target for coal-fired power generation (to halve the FY 2019 balance by FY 2030, and reduce to zero by FY 2040) ^{*5} The Bank, the Trust bank and the Securities HD ^{*6} Science Based Targets ^{*7} An initiative, which was established by UNEP FI in April 2021, undertaken by banks that are committed to achieve net zero GHG emissions in their lending and investment portfolio at latest by 2050

- ✓ MUFG released MUFG Carbon Neutrality Declaration this time to achieve the Paris Agreement goals. It aims to achieve net zero greenhouse gas emissions in its finance portfolio by 2050 and net zero greenhouse gas emissions in its own operations by 2030. As part of this commitment, we became the first bank in Japan to join Net-Zero Banking Alliance convened by the UN.
- ✓ We will promote our efforts to realize a sustainable environment and society and set targets and expand and improve transparency of disclosure to enable effective engagements with our investors.
- ✓ Please turn to page 60.

Environment – major initiatives

– Strengthen the execution of business strategies toward carbon neutrality by 2050

Initiatives through financing

- Set CO2 reduction target in renewable energy project financing

Cumulative total from FY19 to FY30
Reduce **70million t-CO2***1 = Equivalent to annual
CO2 emissions from
about half of Japanese
households*2

- Promote renewable energy project



(UK)

Dogger Bank wind power project

- Supplying **approx. 5% of UK's energy demand**



(UAE)

Al Dhafra solar power project

- Construction of a solar power station with **the world's largest output capacity**

- Expand hydrogen business



Largest hydrogen station of California, US FirstElement Fuel, Inc.

- Finance US\$50million

Initiatives of asset management business

- Promote responsible investment to resolve environmental and social issues with incorporation of ESG perspectives into all asset classes
 - Entire group's AUM: ¥90tn
 - No. of engagement : Approx. 6,700*3
 - Signed Principle Responsible Investment (PRI) since 2006, the year the initiative was established



The 21st Century Financial Behavior Principles
"FY20 Minister of the Environment Award"
(the Trust Bank)

Our own effort

- Bring forward the schedule for shift to 100% renewable energy for procured electricity

by FY21

Domestic offices and branches of the Bank,
the Trust bank and the Securities HD
100% renewable energy

*1 Cumulative annual CO2 reduction effect from renewable projects MUFU has provided finance in the fiscal year, calculated based on the amount of electricity generated, facility utilization rate, and emission factors. The value is after taking into account the share of MUFU's loan arrangement or underwriting amount

*2 Made by MUFU based on Ministry of the Environment "Survey Results on Household Carbon Emission"

*3 Total number of engagement with companies from Jul 2019 to Jun 2020 by the Trust bank, Mitsubishi UFJ Kokusai Asset Management, and MU Investments

- ✓ This page is about our major initiatives in the environmental area.
- ✓ The left side introduces an overseas financing case for renewable energy, which is MUFU's strong suit. A CO2 reduction target through such initiatives was newly established. In the asset management business, on the upper right, ESG perspectives are incorporated into all asset classes to promote responsible investment.
- ✓ Regarding renewable energy for procured electricity on the lower right, we will realize 100 percent renewable energy in our domestic offices and branches of bank, trust bank, and securities by the end of FY21.
- ✓ Please turn to page 61.

Social – major initiatives

–Stepping up initiatives to address social issues by taking advantage of MUFG's business strengths; facilitating the inclusion and diversity strongly

Expand Sustainability Linked Loan

- Provide financial services for corporates to resolve their social issues

Arrange Sustainability Linked Samurai Loan*1 / onshore syndicated loan in Thailand to a major Thai fishery processing company (the Bank·KS)



- Set lending conditions according to the achievement status of goals such as strengthening monitoring of fishery resource protection and reducing greenhouse gas emissions

Response to aging population & low birthrate

- Agent-registered service
 - Support by helping elderly customers smoothly enjoy financial transactions even if their cognitive and judgmental abilities deteriorate
- Family Note -app- by MUFG
 - Prepare for inheritance in the future by digital content



Expand the scope of users from the Trust Bank's customers exclusively to all domestic individual customers from mid-May 2021

Promote inclusion & diversity

- Awarded Nadeshiko Brand*2 designation
 - Continuously conducting unconscious bias training for all employees in Japan etc.
- Received Gold Rating on PRIDE Index
 - Launched a system to recognize same-sex partnerships
- To an organization where diverse human resources play an active role



Target for ratio of women in management*3
18.0% by FY23

(Reference) 16.7% as of end of Mar 21

Target for the percentage of male employees taking childcare leave **100%**

(Reference) 85%~100% in FY20*4

- First commercial bank in Asia Pacific issuing social bonds with proceeds directed to projects and loans to women's empowerment (KS)



*1 Syndicated loan to an overseas company arranged with banks domiciled in Japan *2 Nadeshiko Brand designation recognizes outstanding TSE-listed enterprises that are empowering women in the workplace *3 Percentage of employees in posts above manager *4 Percentage of the use of the leave by male employees of the Bank, the Trust Bank ad MUMSS whose eligibility for childcare leaves expired in FY20

- ✓ This shows our major initiatives in the social area. The upper left shows our sustainability linked loan in the overseas market, and the lower left shows our response to aging population & low birth rate as our initiatives to address social issues.
- ✓ The right side, in inclusion & diversity, we set the target for the ratio of women in management for the new MTBP in order to realize an organization where diverse talents can play active roles.
- ✓ Please turn to page 62.

Governance

– Secure well-balanced board structure. Revised executive compensation plan for greater incentives to achieve the new MTBP and conduct sustainability management

Well-balanced Board with independence and diversity

Planned for June 29, 2021

Expertise of outside directors

	Business admin	Finance	Accounting	Law
1		●		
2		●		
3	●			
4				●
5				●
6	●			
7	●		●	
8			●	
9		●		

Independent outside : 9 (56.2%)
 Female : 4 (25.0%)
 Foreign nationals : 2 (12.5%)

- Utilizing broad knowledges of external experts
 - Permanent external advisors in the environmental and social fields exchange opinions with the members of the Board of Directors

Rintaro Tamaki : President, Japan Center for International Finance
 Junko Edahiro : Professor, Graduate School of Leadership and Innovation, Shizenkan University / President, Institute for Studies in Happiness, Economy and Society / Founder and President, e's Inc.

Revised KPI of executive compensation

Ratio*1

Annual base salary	Stock compensation		Cash bonus
	Non-performance-based	Mid-to long-term performance-based*2	Short-term performance-based*2
MTBP achievement evaluation*3 <ul style="list-style-type: none"> Consolidated ROE, consolidated amount of expense reduction, improvement of external ESG evaluation New Competitive comparison evaluation*4 <ul style="list-style-type: none"> Consolidated net business profits, profits attributable to owners of parent 	Single FY evaluation*1 *5 <ul style="list-style-type: none"> Consolidated NOP, profits attributable to owners of parent, consolidated ROE, consolidated expense ratio*6 Status of execution of duties of Executives, etc. Contribution to addressing environmental and social issues Improvement of employees engagement Enhancement of governance structure 		

- Stock compensation plan
 - Group-wide incentive plan for directors, corporate executive officers, executive officers of MUFG and its major subsidiaries
 - Subject to malus and claw-back clause, etc.
 - Shares acquired shall be held continuously until retirement in principle

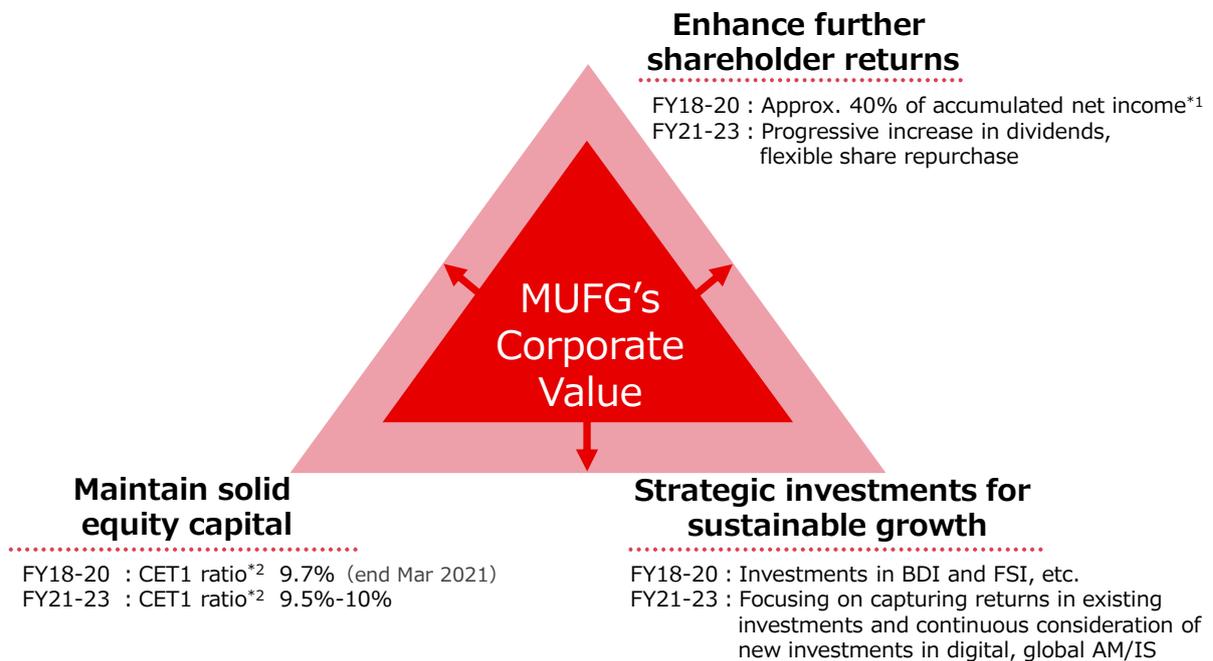
*1 As for the case of Group CEO of MUFG *2 Range: 0-150% *3 Rate of attainment of targets of the indicators in the MTBP *4 Comparison of the rate of increase in the indicators from the previous fiscal year with that of competitors *5 Determined exclusively by independent outside directors at the Compensation Committee for executives *6 Rate of increase/decrease of the indicators from the previous fiscal year and the rate of attainment of targets of these indicators

- ✓ This page is on governance.
- ✓ Please look at the right side. External ESG evaluation was newly established as the KPI of executive compensation in order to enhance the effectiveness of sustainability management.
- ✓ Please turn to page 64.

Capital policy

Basic policy (“Capital Triangle”)

– Implement well-balanced capital management

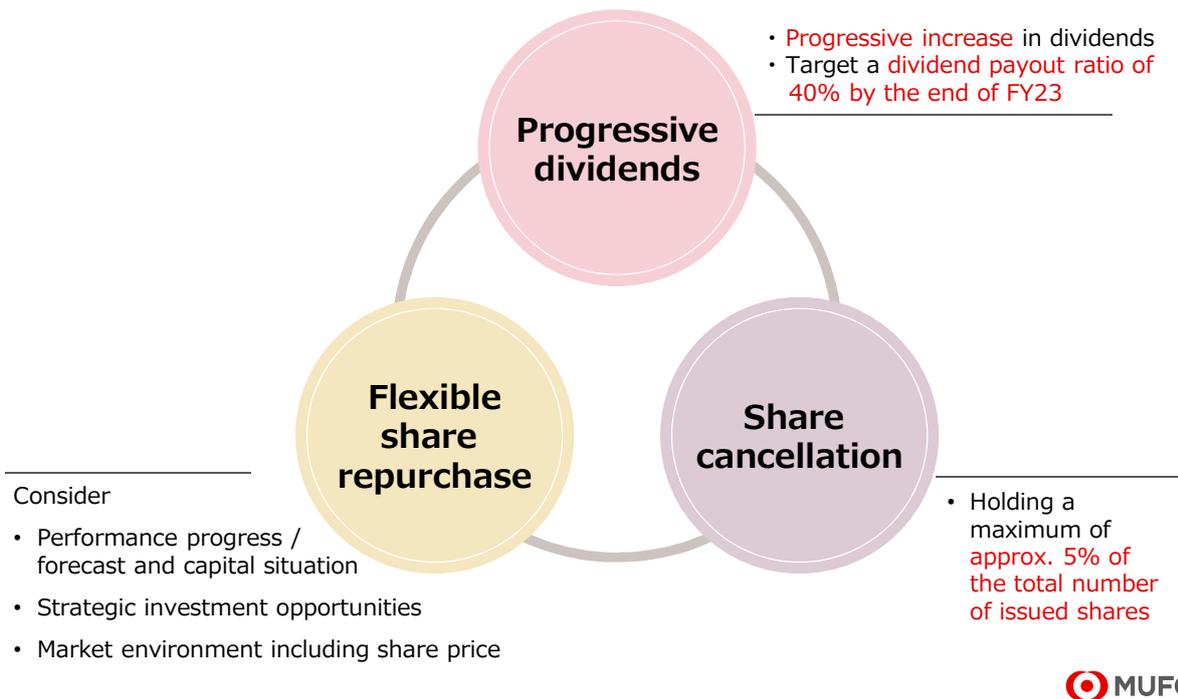


*¹ Accumulated profits attributable to owners of parent excluding impairment losses the finalized Base I III reforms basis. Excludes net unrealized gains on AFS securities *² Estimated CET1 ratio reflecting the RWA increase calculated on

- ✓ Let me explain our capital policy.
- ✓ We will continue focusing on the capital triangle in the new MTBP. Please look at the lower right. We used our capital to invest in Bank Danamon and FSI in the previous MTBP, but in the new MTBP, we will continuously consider new investments in the digital area and global AM/IS, as well as focus on capturing returns in existing investments.
- ✓ Please turn to page 65.

Basic policies for shareholder returns

– Improve shareholder returns, focusing on dividends

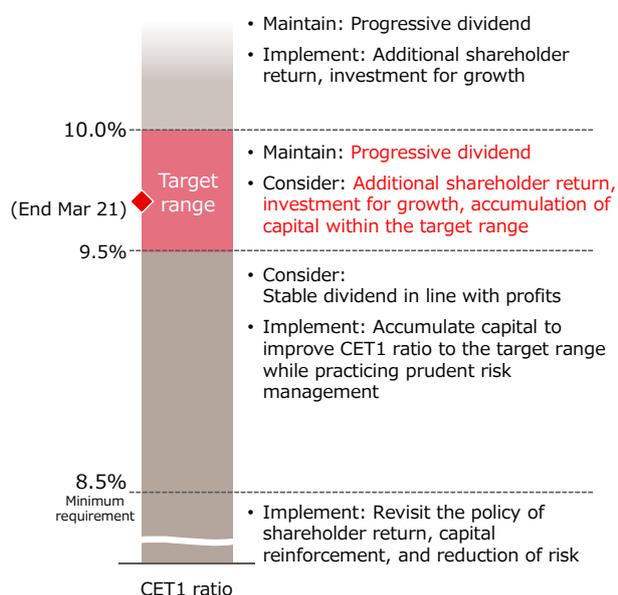


- ✓ This page is about our basic policies for shareholder returns.
- ✓ We will continue improving shareholder returns focusing on dividends in the new MTBP. The target in the new MTBP is net profit of over 1 trillion yen and a dividend payout ratio of 40 percent by the end of FY23. We will steadily increase dividend per share to achieve this target.
- ✓ Please turn page 66.

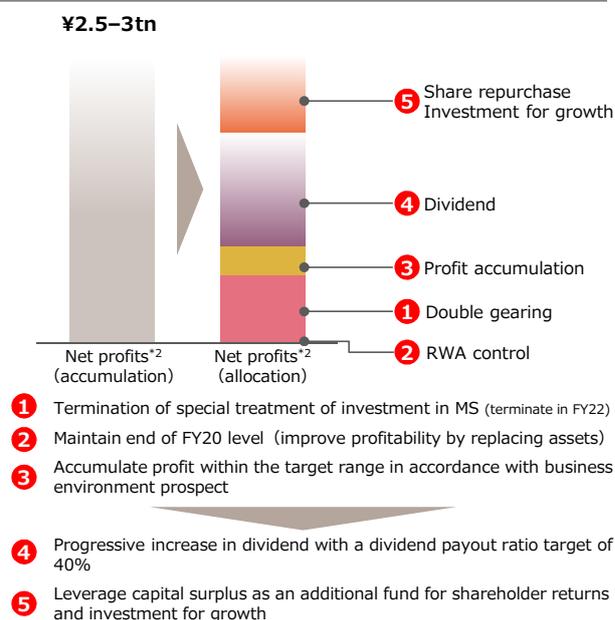
Capital management policy

– CET1 ratio target at 9.5%–10.0%. Align our approach to capital management with CET1 ratio

Capital management policy*¹



Breakdown of net profits*² during new MTBP period (image)

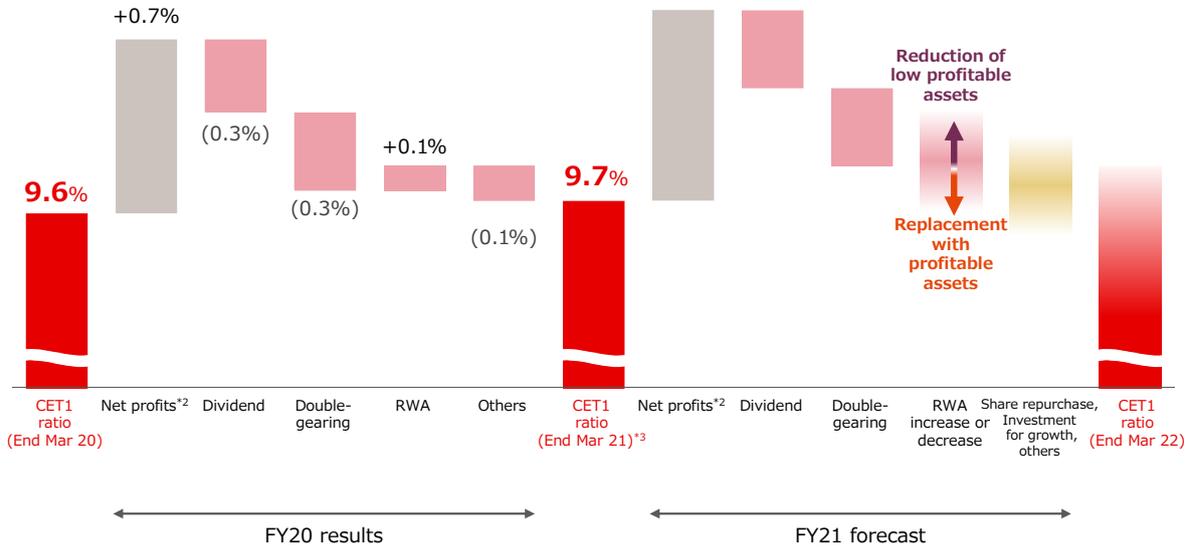


*¹ Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities
*² Profits attributable to owners of the parent

- ✓ Our capital management policy in the new MTBP is shown on the left side. The target range for the CET1 ratio on the finalized Basel III reforms basis, excluding net unrealized gains, is set at 9.5 to 10 percent. As long as we are in this range, we will maintain a progressive dividend and consider a capital accumulation, additional shareholder return, and investment for growth according to the situation.
- ✓ The image of net profit allocation or breakdown during the new MTBP period is shown on the right side. We expect that the termination of the special treatment of investment in Morgan Stanley in FY22 will lead to a capital surplus, which will be leveraged as an additional fund for shareholder returns and other purposes.
- ✓ Please turn to page 68.

Capital allocation

Capital allocation results and forecast (Finalized Basel III reforms basis^{*1}. Excludes net unrealized gains on AFS securities)

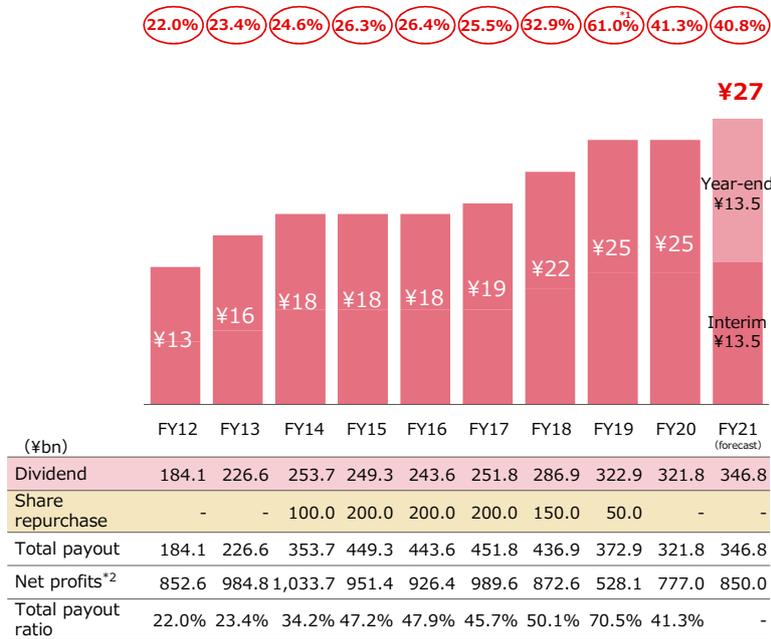


^{*1} Estimated RWA reflecting the result of calculation on the finalized Basel III reforms basis
^{*2} Profits attributable to owners of parent
^{*3} Calculated by excluding impact of net unrealized gains (losses) on available for sale securities from RWA from the end of March 2021

Results of shareholder return

Results and forecast for FY21

■ Dividend per share ○ Dividend payout ratio



*1 Dividend payout ratio excluding the impact of one-time amortization of goodwill: 37% *2 Profits attributable to owners of parent

FY21 concepts of shareholder return

Dividend

- Higher net profits*2 target for FY21 vs FY20 to achieve the MTBP target (i.e. ¥1tn)
- Incrementally increase dividends to achieve our dividend payout ratio target for the final year of the MTBP

Net profits*2: ¥1tn or above
Dividend payout ratio: 40%

Share repurchase

- With the economic uncertainties induced by the COVID-19 pandemic, we need to take a prudent approach

Continuously consider share repurchase depending on the environment while not repurchasing at this time

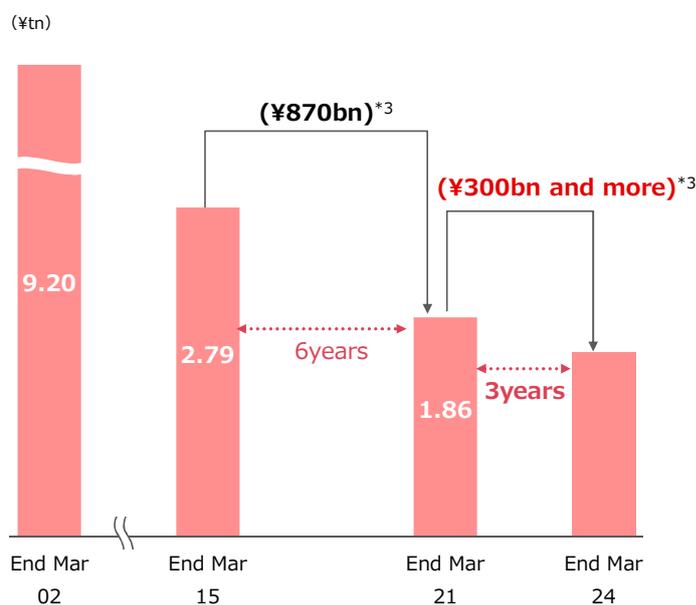
- ✓ This page is about our shareholder return.
- ✓ The dividend forecast for FY21 is 27 yen, up 2 yen from FY20. With the economic uncertainties induced by the COVID-19 pandemic, we needed to take a prudent approach as a financial institution and decided not to repurchase our shares in May but will continue considering the repurchase during the year.
- ✓ Please turn to page 69.

Reduction of equity holdings*1

– Achieved the reduction target of ¥800bn.

Reduce equity holdings by ¥300bn and more over the next three years

Historical performance*2



Approx. selling amount

(¥bn)	Amount of sale	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
FY20	267	137	130
Total	1,545	870	675
FY21-23 Target		300 and more	
Agreed amount	-	163	-

*1 Sum of the Bank and the Trust Bank

*2 Acquisition price of domestic equity securities in the category of 'other securities' with market value (consolidated) *3 Total amount of sale

- ✓ This page is about our equity holdings.
- ✓ As shown on the right table, we reduced our equity holdings by 137 billion yen on an acquisition cost basis in FY20. As a result, the cumulative amount of sale reached 870 billion yen, exceeding the reduction target of 800 billion yen. We will reduce our equity holdings by over 300 billion yen over the next three years.

Appendix

70

- ✓ That concludes my explanation.
- ✓ We will continue taking on challenges with a strong determination that our future is not on the extension of the present and would like to ask the investors and rating agencies for your continuous understanding and support.
- ✓ Thank you very much for your attention.

Income statement summary

Income statement

Consolidated

(¥bn)	FY19	FY20	YoY
1 Gross profits (before credit costs for trust accounts)	3,986.3	3,997.9	11.6
2 Net interest income	1,892.9	1,905.1	12.1
3 Trust fees + Net fees and commissions	1,472.0	1,475.1	3.0
4 Net trading profits + Net other operating profits	621.2	617.6	(3.6)
5 Net gains (losses) on debt securities	492.9	119.0	(373.9)
6 G&A expenses	2,801.8	2,749.4	(52.3)
7 Net operating profits	1,184.4	1,248.4	63.9
8 Total credit costs ^{*1}	(222.9)	(515.5)	(292.5)
9 Net gains (losses) on equity securities	31.3	130.2	98.9
10 Net gains (losses) on sales of equity securities	92.1	138.3	46.2
11 Losses on write-down of equity securities	(60.8)	(8.0)	52.7
12 Equity in earnings of equity method investees	277.2	321.7	44.5
13 Other non-recurring gains (losses)	(34.2)	(131.3)	(97.0)
14 Ordinary profits	1,235.7	1,053.6	(182.1)
15 Net extraordinary gains (losses)	(406.3)	(11.5)	394.7
16 Total of income taxes-current and income taxes-deferred	(220.8)	(185.0)	35.8
17 Profits attributable to owners of parent	528.1	777.0	248.8
18 EPS (¥)	40.95	60.50	19.55

1 Gross profits

- Despite the impact by COVID-19 pandemic, gross profits increased slightly due to the establishment of sales activities under the pandemic as well as the consolidation of overseas subsidiaries
- Although net gains on debt securities decreased significantly following increase in interest rates, net trading profits and net other operating profits maintained similar level as FY19 due to the improvement in PL of hedge transactions

2 G&A expenses / Expense ratio

- G&A expenses decreased ¥52.3bn due to the cost reduction in expense for domestic and overseas
- As a result, expense ratio decreased to 68.7%

3 Total credit costs

- Total credit costs increased ¥292.5bn to ¥515.5bn mainly due to an increase in credit risk 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 increased ¥248.8bn mainly due to lack of net extraordinary losses resulting from one-time amortization of goodwill recorded previous year

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

COVID-19 impact

FY2020 financial impact (approximation)

Consolidated (¥bn)	Full-year target			Estimated impact of COVID-19*1			Main reasons of the difference
	Initial targets	Revised targets	FY20 Results	Initial estimate	Revised estimate	FY20 Results	
1 Net operating profits before credit costs for trust accounts and provision for general allowance for credit losses	1,050.0	1,150.0	1,248.4	(300.0)	(200.0)	(100.0)	<ul style="list-style-type: none"> Higher foreign currency deposit balance Higher revenue for overseas security subsidiaries Higher revenue for foreign exchange, asset management, real estate business etc., due to the establishment of sales activities under the pandemic Accelerating cost reduction
2 Total credit costs	(450.0)	(500.0)	(515.5)	(200.0)	(250.0)	(250.0)	<ul style="list-style-type: none"> Higher credit costs under CECL*2 Additional provisions in light of uncertain economic conditions
3 Ordinary profits	850.0	920.0	1,053.6	(600.0)	(530.0)	(430.0)	<ul style="list-style-type: none"> In addition to the above, higher net gains on equity security and equity earnings of equity method investee
4 Profits attributable to owners of parent	550.0	600.0	777.0	(420.0)	(370.0)	(300.0)	

*1 The figures illustrate some of the major item that we expect to effect profit as a result of the COVID-19 pandemic. Including the impact of measures to deal with environmental changes caused by COVID-19.

Profits attributable to owners of parent is calculated by using approximate tax rate of 30%

*2 Current Expected Credit Losses under U.S. Accounting Standard Update (ASU) 2016-13, "Measurement of Credit Losses on Financial Instruments"

Retail & Commercial Banking

R&C

FY20 results*1

(¥bn)	FY19	FY20	YoY
Gross profits	1,533.2	1,425.0	(108.3)
Loan interest income	220.1	215.5	(4.6)
Deposit interest income	147.1	112.8	(34.4)
Domestic and foreign settlement / forex	141.2	133.5	(7.7)
Derivatives, solutions	53.7	47.4	(6.4)
Real estate, corporate agency and inheritance	50.8	47.7	(3.1)
Investment product sales	198.2	199.3	1.1
Card settlement	319.0	285.7	(33.3)
Consumer finance	296.0	282.8	(13.2)
Overseas	46.5	34.3	(12.2)
Expenses	1,233.3	1,166.7	(66.6)
Expense ratio	80%	82%	1ppt
Net operating profits	299.9	258.3	(41.7)
ROE	10%*2	5%	(5ppt)

Loans / Deposits

(¥tn)	FY19	FY20	YoY
Ave. loan balance *3	30.8	31.8	1.0
Lending spread*4	0.72%	0.69%	(0.04ppt)
Ave. deposit balance	116.8	128.6	11.8

KPI

	FY19	FY20	YoY
Investment assets (¥tn)	37.1	41.3	4.2
No. of entrusted testamentary trust	4,976	4,816	(160)
Gross profits of cross transactions (¥bn)*5	40.1	40.6	0.5
No. of effective information sharing of real estate	4,983	6,289	1,306
Volume of card shopping (¥tn)*6	6.0	5.1	(1.0)
Balance of consumer loans (¥tn)*7	1.5	1.4	(0.1)

*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 one-time tax effects is 6% *3 Excluding consumer loans *4 Excluding non-JPY mid- to long-term funding costs

*5 Revenue from inheritance and real estate transactions and transactions with client's asset administration companies

*6 For NICOS cardmembers *7 Total balance of personal card loans of the Bank, the Trust Bank and ACOM (excl. guarantee)

FY20 results*1

(¥bn)	FY19	FY20	YoY
Gross profits	600.3	577.4	(22.9)
Loan interest income	110.6	133.1	22.5
Deposit interest income	133.6	81.7	(51.9)
Domestic and foreign settlement / forex*2	81.4	77.0	(4.4)
Derivatives, solutions*2	76.6	78.8	2.2
Real estate, corporate agency	48.2	52.4	4.2
M&A,DCM,ECM*3	49.8	47.2	(2.5)
Non-interest income from overseas business	82.9	80.4	(2.6)
Expenses	337.5	328.2	(9.3)
Expense ratio	56%	57%	1ppt
Net operating profits	262.8	249.2	(13.7)
ROE	14%	8%	(7ppt)

Loans / Deposits

(¥tn)	FY19	FY20	YoY
Ave. loan balance	39.5	42.5	3.0
Lending spread*4	0.48%	0.48%	(0.00ppt)
Ave. non-JPY loan balance*5	16.7	16.3	(0.4)
Non-JPY lending spread*4*5	0.64%	0.66%	0.02ppt
Ave. deposit balance	34.4	39.9	5.5
Ave. non-JPY deposit balance*5	15.3	16.9	1.6

KPI

	FY19	FY20	YoY
Transaction volume*6 (\$bn)	1,131.1	1,149.3	18.2
No. of domestic settlement (mm)	196	187	(9)
M&A advisory league table*7	#2	#1	-
DCM league table*7	#2	#2	-
ECM league table*7	#3	#5	-

*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 and BDI which belong to GCB. 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

FY20 results*1

(¥bn)	FY19	FY20	YoY
Gross profits	470.8	482.3	11.5
Loan interest income	177.2	180.1	2.9
Deposit interest income	57.5	40.7	(16.7)
Commission, forex, derivatives	204.8	198.6	(6.2)
DCM, ECM	18.9	30.3	11.4
Profits from large global corporates located in Japan, etc.	19.8	20.2	0.5
Joint venture profits with Global Markets ²	29.8	34.6	4.8
Expenses	297.2	305.9	8.7
Expense ratio	63%	63%	0ppt
Net operating profits	173.7	176.4	2.7
ROE	9%	5%	(4ppt)

Loans / Deposits

(¥tn)	FY19	FY20	YoY
Ave. loan balance	23.8	22.5	(1.3)
Lending spread ^{*3}	1.06%	1.09%	0.03ppt
Ave. deposit balance	13.0	15.3	2.3

KPI

	FY19	FY20	YoY
Distribution amount ^{*4} (¥tn)	21.4	17.6	(3.8)
Distribution ratio ^{*5}	48%	45%	(3ppt)
GSB ^{*6} profits (¥bn)	71.5	74.9	3.5
ABS league table (US)	#9	#11	-
Wallet share of syndicated loan and DCM (Non-IG ^{*7})	1.22%	1.13%	(0.09ppt)

*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

FY20 results*1

(¥bn)	FY19	FY20	YoY
Gross profits	760.9	796.7	35.8
MUAH ⁺²	330.9	326.1	(4.8)
KS ⁺³	323.9	321.8	(2.1)
BDI ⁺⁴	114.4	146.3	31.9
Expenses	544.7	521.1	(23.6)
(Expense ratio)	72%	65%	(6ppt)
MUAH ⁺²	259.4	259.4	(0.1)
(Expense ratio)	78%	80%	1ppt
KS ⁺³	167.2	153.7	(13.6)
(Expense ratio)	52%	48%	(4ppt)
BDI ⁺⁴	59.5	68.2	8.8
(Expense ratio)	52%	47%	(5ppt)
Net operating profits	216.2	275.6	59.4
MUAH ⁺²	71.5	66.7	(4.7)
KS ⁺³	156.6	168.1	11.5
BDI ⁺⁴	54.9	78.0	23.1
ROE	(17%)	1%	18ppt

Loans / Deposits

(¥tn)	FY19	FY20	YoY	
MUAH⁺²	Ave. loan balance	7.8	7.5	(0.3)
	Ave. deposit balance	8.7	9.0	0.4
	NIM ⁺⁵	2.39%	2.22%	(0.17ppt)
KS⁺³	Ave. loan balance	5.6	5.9	0.3
	Ave. deposit balance	4.9	5.5	0.6
	NIM ⁺⁶	3.60%	3.47%	(0.13ppt)
BDI⁺⁴	Ave. loan balance	0.9	1.2	0.3
	Ave. deposit balance	0.7	1.0	0.3
	NIM	8.16%	7.40%	(0.76ppt)

*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-K excluding figures belonging to TB/SCHD subsidiaries, JCIB, GCIB and Global Markets

*3 After GAAP adjustment. Excluding figures which belong to Global Markets

*4 FY19 reflected results during Apr to Dec 2019 after consolidation. Ave. loan and deposit balances were divided by 12 months. Ave. loan and deposit balances divided by 9 months were ¥1.2 tn and ¥1.0 tn, respectively

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

Asset Management & Investor Services AM/IS

FY20 results*1

(¥bn)	FY19	FY20	YoY
Gross profits	246.3	300.7	54.4
AM*2	81.8	131.1	49.4
IS*3	102.6	107.7	5.2
Pension	62.0	61.8	(0.2)
Expenses	175.4	216.6	41.2
Expense ratio	71%	72%	1ppt
Net operating profits	70.9	84.1	13.2
ROE	19%	24%*4	4ppt

KPI

	FY19	FY20	YoY
AM			
Investment products balance of corporate customers (¥tn)	10.4	11.1	0.7
Alternative products balance (¥bn)*5	379.0	415.4	36.4
IS			
Global IS balance (\$bn)	686.4	834.7	148.3
Balance of domestic investment trust funds (¥tn)	74.2	95.9	21.7
Pension			
DB / Balance (¥tn)	11.0	12.5	1.4
DC / Increase number of subscriber (thd)*6	308	437	130

*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 profits on sales of AMP Capital shares is 21%

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

FY20 results*1

(¥bn)	FY19	FY20	YoY
Gross profits	626.3	668.2	41.9
Customer business	341.3	362.4	21.2
FIC & equity	264.3	277.6	13.3
Corporates	113.5	101.2	(12.4)
Institutional investors	126.7	152.9	26.2
Asset management	2.1	2.0	(0.2)
JV with GCIB*2	74.9	82.9	8.1
Treasury	298.5	315.7	17.2
Expenses	282.5	290.8	8.3
Expense ratio	45%	44%	(2ppt)
Net operating profits	343.8	377.4	33.7
Customer business	117.7	137.5	19.8
Treasury	244.9	256.6	11.7
ROE	5%	5%	0ppt

KPI

	FY19	FY20	YoY
Derivative revenues from strategic fields*3 (¥bn)	8.5	10.5	2.0
Client value*4	101	130	29pt
Digitalization ratio of FX rate contracts*5	72%	76%	4ppt

*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

Investment and alliance with Morgan Stanley

- Alliance with MS focuses on collaboration in IB*¹, then expanding to WM*² & AM/IS
- Aim to explore new collaborations by further strengthening the alliance

History of investment and alliance with MS

Major background

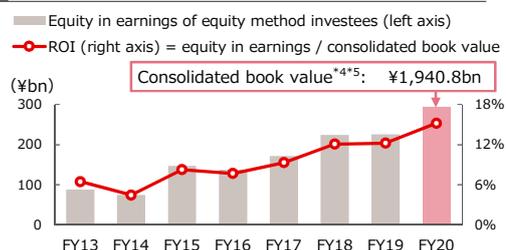
- 2008**
 - Invested US\$9 billion in preferred stock in MS to fundamentally strengthen global IB operations
- 2009**
 - Established a LMJV*³ to provide corporate financing services in the Americas
- 2010**
 - Established MUMSS and MSMS in Japan.
- 2011**
 - Appointed the second representative to MS board of directors. Shares were converted into common stock. MS became MUFG's equity method affiliate
- At present**
 - Expanding collaboration in WM and AM/IS

Results

- Out of overseas IB operations, M&A advisory and ECM make the best use of MS functions, emphasizing on improving management efficiency
- In the DCM area, where affinity with lending is high, large-scale contracts are regularly closed through collaboration that takes advantage of the strengths of both companies
- Maintaining top-class IB league tables in Japan, centered on M&A and DCM
- Recognize MS's profit and loss by the amount of the equity ratio as equity in earnings of equity method investees
- Accelerate WM growth by learning know-hows from MS
- In AM/IS, sales of MS investment products that have strengths progressed in Japan

**Further Strengthening the Alliance
~ Developing New Stages of Collaboration**

Equity in earnings and ROI



Continuous efforts on developing alliance

Active dialogues between top management

- The Global Steering Committee (GSC) is held twice a year. Senior management, including CEOs of both companies, continue to discuss the further development of the strategic alliance.
- In recent years, collaboration and knowledge sharing progressed in WM, as discussions held at GSC being the starting point.
- Two directors (Nobuyuki Hirano and Hironori Kamezawa) *⁶

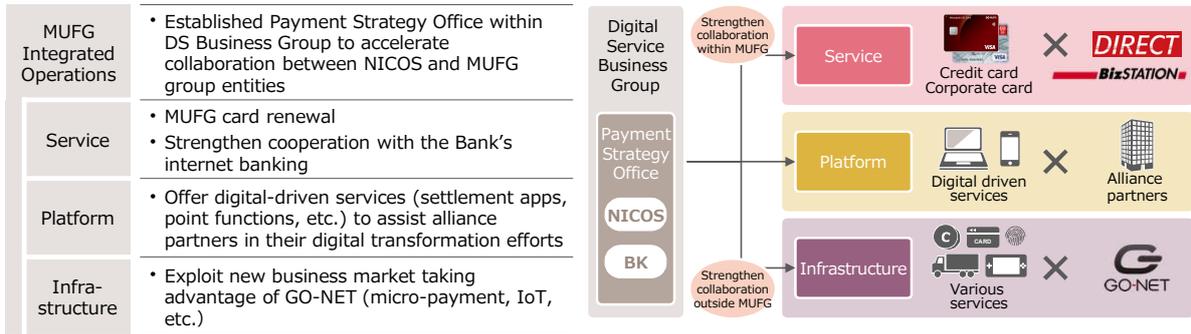
Secondment program (from 2010)

- Accumulated total number of employees dispatched from MUFG to MS is over 70*⁷. Internalizing MS's advanced practices and knowledge in various fields.

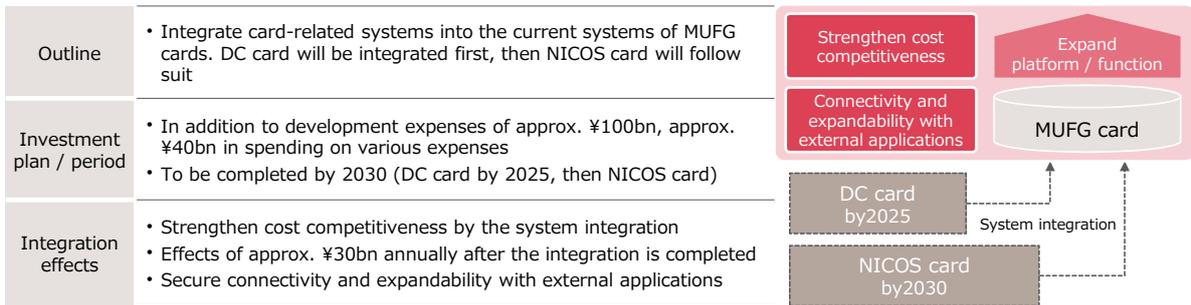
*1 Investment Banking *2 Wealth Management *3 LMJV : Loan Marketing Joint Venture *4 The exception to the double-gearing regulation was lifted in stages from the end of March 2019 to the end of March 2023. Capital deductions increased. The impact on the CET1 ratio (on a regulatory finalization basis) is approx. (0.5)% as of end of March 2021
*5 Includes preferred stock
*6 To be elected at the MS General Meeting on May 20, 2021 *7 As of end of March 2021

Mitsubishi UFJ NICOS

Growth strategy



System integration plan



Financial results*¹ of MUAH, KS, and BDI

MUAH* ² 	(¥bn)			(US\$mm)		
	FY19	FY20	YoY	FY19	FY20	YoY
Total revenue	635.2	619.1	(16.0)	5,798	5,982	184
Non-interest expenses	680.9	519.6	(161.2)	6,215	5,021	(1,194)
Pre-tax, pre-provision (loss) income	(45.6)	99.4	145.1	(417)	961	1,378
Provision for credit losses	27.6	85.8	58.1	252	829	577
Net (loss) income attributable to MUAH	(80.4)	17.1	97.5	(734)	166	900

KS* ³ 	(¥bn)			(THB mm)		
	FY19	FY20	YoY	FY19	FY20	YoY
Total income	441.4	392.1	(49.3)	121,608	113,987	(7,621)
Operating expenses	189.3	166.7	(22.6)	52,169	48,465	(3,704)
Pre-provision operating profit	252.0	225.3	(26.6)	69,439	65,522	(3,917)
Expected credit loss* ⁴	102.3	126.0	23.6	28,203	36,644	8,441
Net profit attributable to owners of the bank	118.8	79.2	(39.6)	32,749	23,040	(9,709)

BDI* ⁵ 	(¥bn)			(IDR bn)		
	FY19	FY20	YoY	FY19	FY20	YoY
Total operating income	143.1	125.5	(17.5)	18,119	16,967	(1,152)
Operating expenses	73.6	60.9	(12.6)	9,319	8,237	(1,082)
Pre-provision operating profit	69.5	64.6	(4.9)	8,800	8,730	(70)
Cost of credit	37.2	48.2	10.9	4,719	6,523	1,804
Net profit after tax	32.1	7.4	(24.7)	4,073	1,008	(3,066)

*¹ All figures are converted into ¥ with actual exchange rates as of end of each interim period. For FY19 is US\$1=¥109.56, THB1=¥3.63, IDR1=¥0.0079.

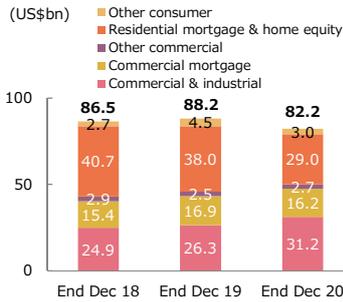
For FY20 is US\$1=¥103.50, THB1=¥3.44, IDR1=¥0.0074 *² Financial results as disclosed in MUAH's 10-K reports based on U.S. GAAP

*³ Financial results as disclosed in KS's financial report based on Thai GAAP *⁴ Impairment loss of loans and debt securities for FY19

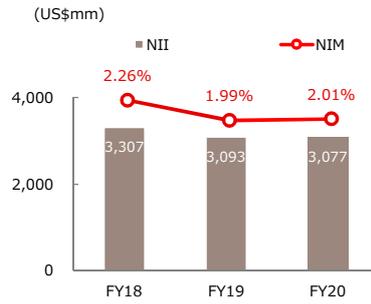
*⁵ Financial results as disclosed in BDI's financial report based on Indonesian GAAP

Key figures*1 of MUAH

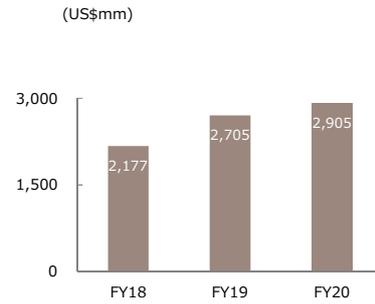
Lending balance*2



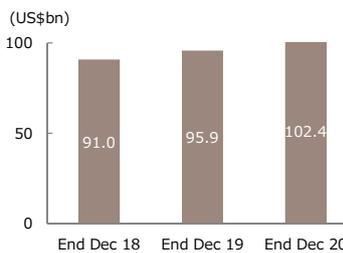
Net interest income



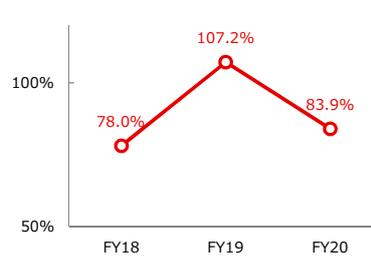
Non-interest income



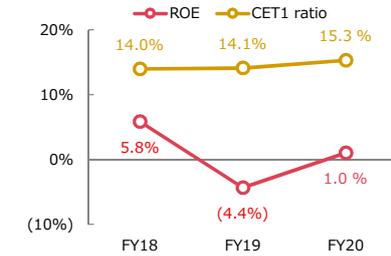
Deposit balance



Cost to income ratio*3 *4



ROE / CET1 ratio*5



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

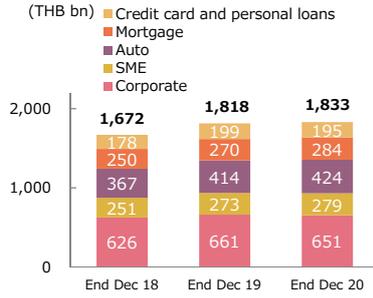
*4 The adjusted efficiency ratio is a non-GAAP financial measure. Management believes adjusting the efficiency ratio for the fees and costs associated with the provision of services to MUFG Bank, Ltd. branches in the U.S. enhances the comparability of MUAH's efficiency ratio when compared with other financial institutions. Management believes adjusting noninterest expense for the impact of goodwill impairment and revenue for the impact of the Tax Cuts and Jobs Act enhances comparability between periods. Adjusted Efficiency Ratio for FY20 was 73.12%. Adjusted Efficiency Ratio for FY18 and FY19 were 72.47% and 74.69%, respectively

*5 U.S. Basel III standardized approach; fully phased-in. MUAH repurchased approximately US\$2.5bn of its outstanding common stock from MUFG and MUFG Bank, Ltd. in 2018

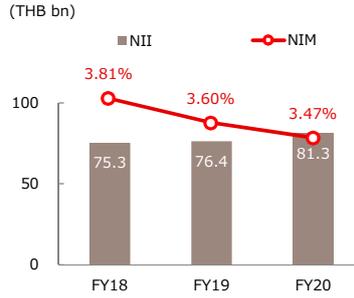


Key figures of KS

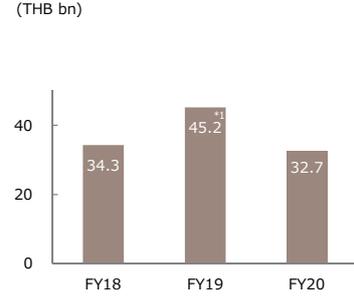
Lending balance



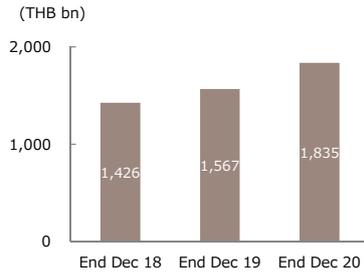
Net interest income



Non-interest income



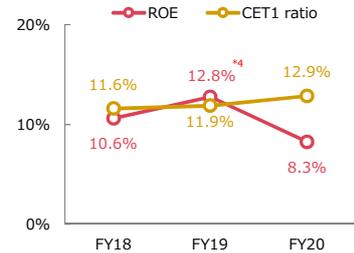
Deposit balance



Cost to income ratio



ROE / CET1 ratio*3



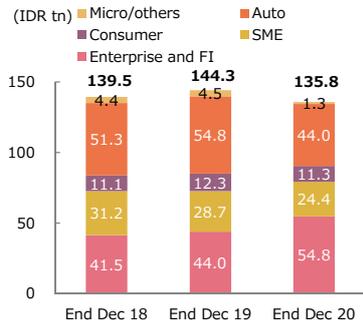
*1 Excluding one-time gains on investments from the sales of 50% of shares in Ngern Tid Lor Public Company Limited (TIDLOR) (TIDLOR transaction), normalized non-interest income for FY19 recorded at THB 36.6bn. Ngern Tid Lor Company Limited changed the status to Ngern Tid Lor Public Company (TIDLOR) on 17 December, 2020.

*2 Excluding one-time gains on investments from TIDLOR transaction and provision in accordance to the amended Labor Protection Act, normalized cost to income was recorded at 45.1% *3 Non-consolidated

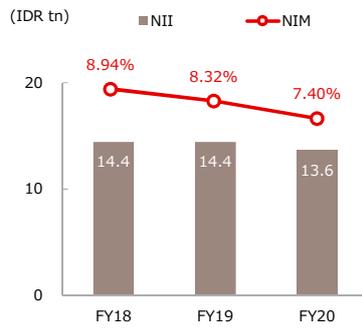
*4 Excluding one-time gains on investments from TIDLOR transaction and provision in accordance to the amended Labor Protection Act, normalized ROE was recorded at 10.5%

Key figures of BDI

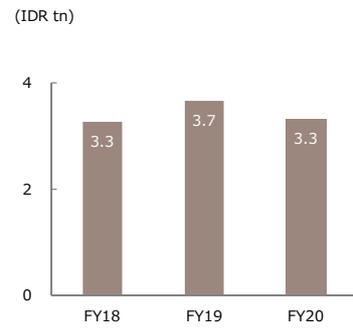
Lending balance



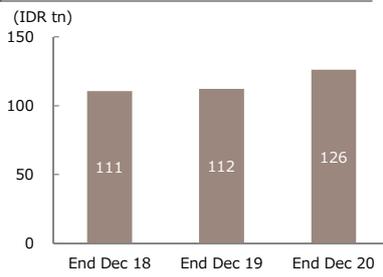
Net interest income



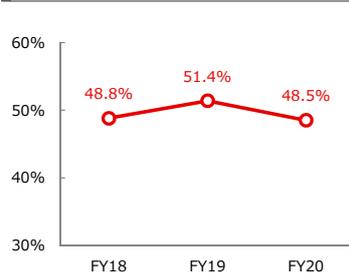
Non-interest income



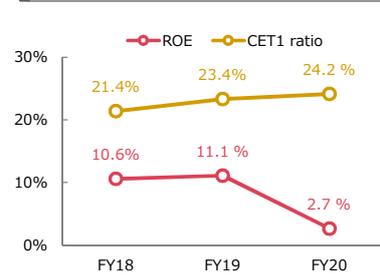
Deposit balance



Cost to income ratio



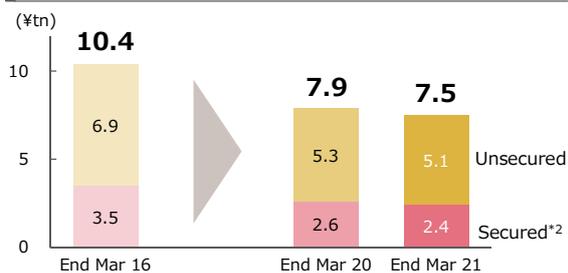
ROE*1 / CET1 ratio



*1 ROE in FY19 is based on OJK Circular Letter No.09/SEOJK.03/2020 dated 30 June 2020 and adjusted for the previous period

Credit portfolio of energy and mining

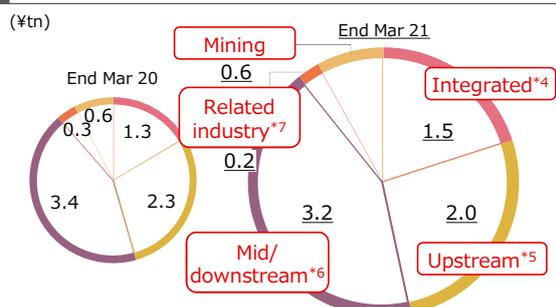
Credit exposure*1



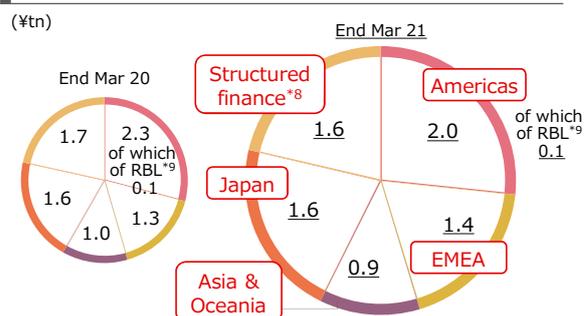
NPLs*3

(¥bn)	End Mar 20	End Mar 21	Changes
NPLs*3	62.1	124.1	62.0
Secured amount	45.4	92.5	47.1
Allowance	8.9	21.2	12.3
NPLs*3 (net)	7.8	10.3	2.5

Breakdown by sub-sector*1



Breakdown by region*1



*1 Including undrawn commitment and excluding market exposure

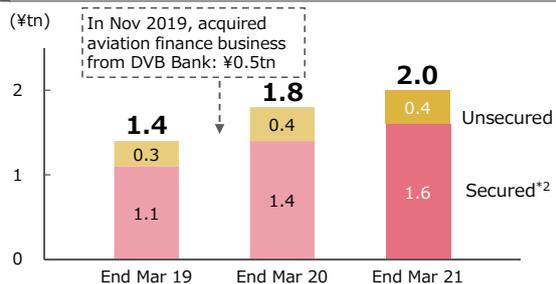
*2 Collateralized or guaranteed *3 NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria *4 Integrated business from upstream to downstream

*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)

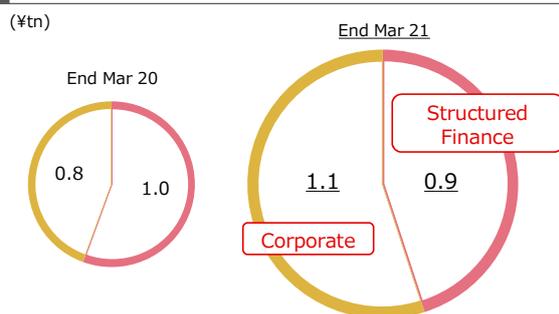
Credit exposure*1



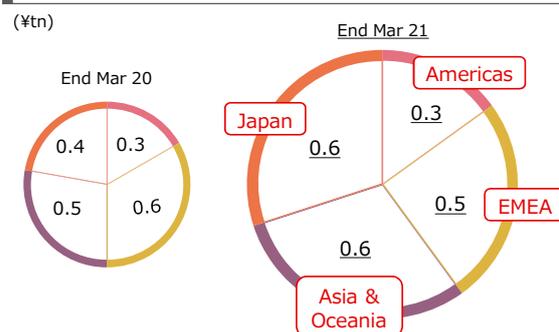
NPLs*3

(¥bn)	End Mar 20	End Mar 21	Changes
NPLs*3	22.5	95.4	72.9
Secured amount	19.7	56.4	36.7
Allowance	0.8	23.2	22.4
NPLs*3 (net)	2.0	15.6	13.6

Breakdown by structure*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

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

History of strategic investment



*1 Initial investment amount *2 Butterfield, Meridian, UBS AFS, Capital Analytics, Rydex, Point Nine, Maitland
 *3 ROE for FY20, excluding the impact of profits on sales of AMP Capital shares is 21%

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	FY18	FY19	FY20	Changes*1	FY20 targets
No. of IB ^{*2} service users ^{*3} (mm)	4.7	5.9	7.2	1.3	8.0
Utilization rate ^{*4}	25%	31%	38%	7ppt	44%
No. of transactions at bank-counter (mm)	20.0	17.6	14.0	(3.6)	15.7
Wealth Management	FY18	FY19	FY20	Changes*1	FY20 targets
No. of profiling ^{*5} (thd)	5.3	6.5	6.5	0.0	7.1
No. of group collaborations ^{*6} (thd)	13.4	23.8	14.4	(9.4)	29.0
AuM of HE ^{*7} / SHE ^{*8} customers (¥tn)	12.8	12.2	15.2	3.0	13.4
New Model for Wholesale Banking in Japan	FY18	FY19	FY20	Changes*1	FY20 targets
DB pension balance (¥tn)	11.3	11.0	12.5	1.4	12.3
DC pension/ Increase no. of subscribers ^{*9} (thd)	195	308	437	130	372
Real Estate	FY18	FY19	FY20	Changes*1	FY20 targets
AM balance (¥bn)	230.0	312.4	342.7	30.3	380.0
No. of effective information sharing	7,481	7,154	7,836	682	4,860

*1 Increase / decrease compared to FY19 *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. ¥2 bn assets or more

*8 Semi-High-End customers. ¥0.3bn assets or more *9 Net increase of subscribers from 2017

Eleven Transformation Initiatives (2)

Asset Management in Japan	FY18	FY19	FY20	Changes*1	FY20 targets
(Corporate) No. of customers*2 (thd)	5.9	6.6	10.6	4.0	6.9
(Individual / Corporate) Investment assets*3 (¥tn)	47.6	45.0	50.3	5.3	49.8
Individual investors	24.2	22.6	25.6	3.0	25.3
Corporate investors	23.4	22.4	24.7	2.3	24.5
Institutional Investors	FY18	FY19	FY20	Changes*1	FY20 targets
Client value*4	89	101	130	29	106
Operating income from IS*5 business (¥bn)	35.1	40.8	38.0	(2.8)	36.7
Global CIB	FY18	FY19	FY20	Changes*1	FY20 targets
Distribution amount*6 (¥tn)	22.8	21.4	17.6	(3.8)	24.7
Distribution ratio*7	59%	48%	45%	(3ppt)	53%

*1 Increase / decrease compared to FY19 *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

Relationship between Eleven Transformation Initiatives and strategies under new medium-term business plan

- The Eleven Transformation Initiatives are merged into business group strategies under the new MTBP*1.
- A portion of these initiatives are being realigned and expected to be implemented as key strategies under the new MTBP

- 1 Digital Technology
- 2 Sales Channel
- 3 Wealth Management
- 4 New Model for Wholesale Banking in Japan
- 5 Real Estate
- 6 Asset Management in Japan
- 7 Institutional Investors
- 8 Global CIB
- 9 Overseas Operations
- 10 Human Resources
- 11 Corporate Center Operations

Expansion of business portfolio
(consolidation of BDI, FSI)

I -(i) Digital transformation

II -(i) Wealth management

Merged into business group strategy
II -(ii) Approach of proposing solutions to customer's issues

Merged into business group strategy

II -(iv) GCIB & Global Markets

Merged into operations of corporate center, etc.,

II -(iii) Asia business

II -(v) Global AM/IS

*1 Medium-term business plan

10 priority issues on sustainability management

10 priority issues	SDGs	Major initiatives
1 Response to aging population & low birthrate	3, 4	<ul style="list-style-type: none"> BS Supporting preparations for the era of the 100-year life (asset formulation, investment-related education etc.) BS Assisting smooth business succession SC Support for the next generation
2 Developing social infrastructure	9, 11, 16	<ul style="list-style-type: none"> BS Financing and investing to infrastructure for a sustainable society IHE Response to anti-financial crime to provide safe and secure payment infrastructure
3 Supporting industrial development & innovation	8, 9	<ul style="list-style-type: none"> BS Support for start-up companies and growing enterprises BS Support for new businesses creation
4 Response to climate change & environmental protection	7, 13	<ul style="list-style-type: none"> BS Support for innovation and transition towards a decarbonized society BS Promoting priority areas, "renewable energy", "hydrogen and next-generation energy", "carbon recycling" BS Provision of ESG-related products and ESG-related proprietary investment RM Top-risk management and enhancement of "MUFG Environmental and Social Policy Framework" IHE Shift to 100% renewable energy for procured electricity of domestic offices and branches of the Bank, the Trust Bank, and the Securities HD by the end of FY21 IHE Launch of Renewable Energy Fund
5 Ensuring equal access to financial services	10	<ul style="list-style-type: none"> BS Support economic development of emerging and developing countries via micro finance BS Realizing diversification of trust products via the use of blockchain (trust tokens)
6 Overcoming threats to health	3	<ul style="list-style-type: none"> BS Support healthcare-related technologies via utilizing funds etc. SC Donations and support for medical institutions, support for vaccine development
7 Promoting workstyle reforms	8	<ul style="list-style-type: none"> BS Assisting customers' workstyle reforms promotion IHE Promotion of paper and seal/stamp-less workflows and remote work
8 Response to poverty	1	<ul style="list-style-type: none"> BS Creation of employment opportunities for low-and middle-income people via financing and investment BS Provision of mortgage loans etc. via partner banks SC Support education for children
9 Reduction of educational disparities	4	<ul style="list-style-type: none"> SC Support for the daily life and school activities of students
10 Inclusion & diversity	5, 10	<ul style="list-style-type: none"> BS Promotion of gender equality through bond issuance etc. BS Invitation of I&D firms as underwriters IHE Efforts to raise the ratio of women in management IHE Improvement of a variety of systems for diverse human resources

Raised sustainable finance goal to ¥35tn

BS ...Business strategies
 SC ...Social contribution
IHE ...In-house efforts
RM ...Risk management
 **MUFG** 92

Promote initiatives to counter climate change - TCFD

- Governance** ■ Build a system for the Board of Directors to oversee climate change initiatives ■ Recent new initiatives
- The revision of “MUFG Environmental Policy Statement” was approved by the Board of Directors
 - Deliberate regularly at “Sustainability Committee” chaired by Chief Sustainability Officer
 - Reflect ESG elements in its executive compensation
 - Establish external advisors in the environmental and social fields
-
- Strategy**
- Actively support financing for transition and strengthen engagement with customers
 - Support renewable energy, hydrogen, next-generation energy, etc.
 - Launch Renewable Energy Fund : ¥100bn, work on carbon offsets (afforestation, etc.)
 - Consider reflection of climate change risk into credit process
 - Enhancement of scenario analysis (2020 to 2050) : Consider expanding the scope of sectors subject to scenario analysis and utilizing NGFS^{*1} scenario
 - Transition risks (energy and utility sectors): approx. ¥1bn to ¥9bn/year,
 - physical risks (flooding): cumulative total approx. ¥38bn
-
- Risk management**
- Recognize the risks arising from climate change as one of the Top Risks
 - Consider environment and society by managing “MUFG Environmental and Social Policy Framework”
 - Revised coal-fire power generation, forestry, palm oil sectors
 - Conduct due diligence based on the Equator Principles
-
- Metrics and targets**
- Set target of GHG emissions in its finance portfolio: net zero by 2050
 - Set target of GHG emissions in its own operations: net zero by 2030
 - Shift to 100% renewable energy for procured electricity of domestic offices and branches of the Bank, the Trust Bank, and the Securities HD by the end of FY21
 - Raised sustainable finance goal: ¥20tn (incl. ¥8tn for environment) to ¥35tn (incl. ¥18tn for same)
 - Set CO2 reduction target in renewable energy project financing^{*2}: 70million t-CO2 (cumulative total from FY19 to FY30)
 - Set reduction target for balance of project financing to coal fired power generation project^{*3}: 50% from FY19 by FY30 and zero targeting by FY40

*1 Network for Greening the Financial System *2 Cumulative annual CO2 reduction effect from renewable projects MUFG has provided finance in the fiscal year, calculated based on the amount of electricity generated, facility utilization rate, and emission factors. The value is after taking into account the share of MUFG's loan arrangement or underwriting amount *3 We aim to disclose the portfolio reduction target for our corporate customers whose business largely involves coal-fired power generation

Revision of the MUFG ES Policy Framework*1

– Revised three sectors of restricted transactions in FY21

Coal-Fired Power Generation Sector

- Prohibit financing to expansion of existing facilities. Stipulate consideration on individual basis from a more restrictive perspective
 - MUFG will not provide financing to new coal fired power generation projects or expansion of existing facilities. However, coal-fired power generations equipped with CCUS*2, mixed combustion, and other technologies necessary to achieve the Paris Agreement target may be considered on an individual basis.

Forestry Sector

- Newly add that we will confirm no illegal logging or deforestation in areas of high conservation value are taking place

Palm Oil Sector

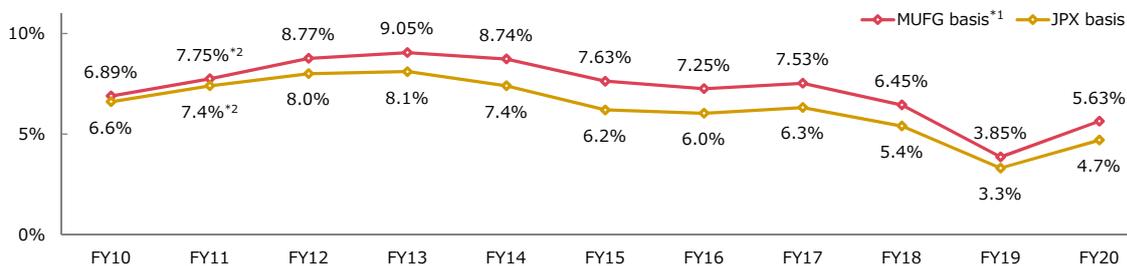
- Newly add that we will request our clients to publicly commit to NDPE (No Deforestation, No Peat and No Exploitation), or provide with action plans to accomplish this if such commitment has not yet been made

*1 MUFG Environmental and Social Policy Framework (<https://www.mufg.jp/english/csr/policy/index.html>)
*2 CCUS: Carbon dioxide Capture, Utilization and Storage

ROE / EPS

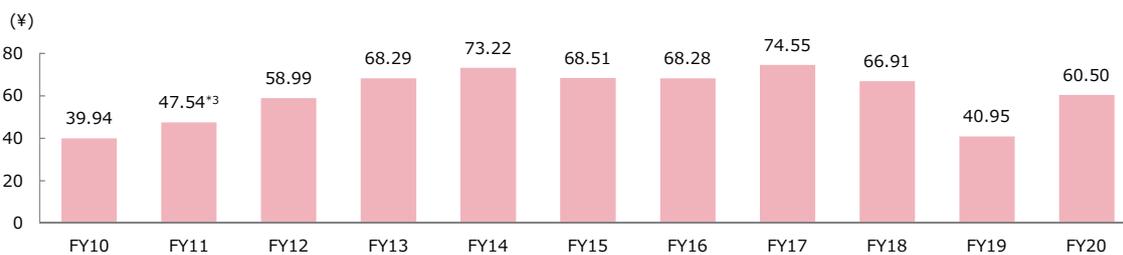
ROE

Consolidated



EPS

Consolidated



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

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

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

TLAC requirement

– The best capital mix and external TLAC ratio

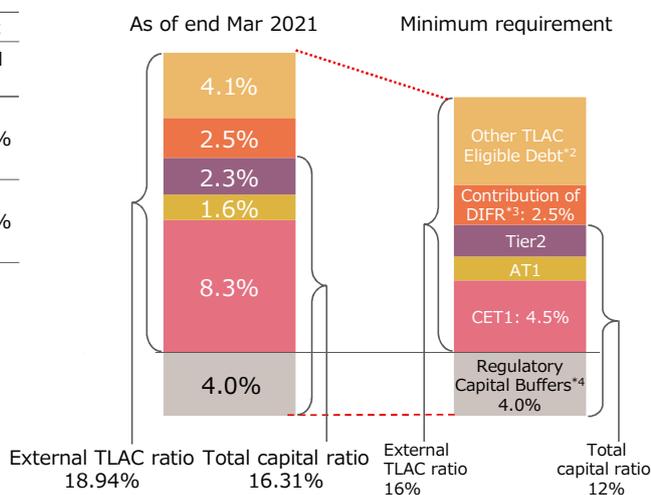
- Aiming for optimal balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
 - Secure necessary and sufficient level of capital with utilization of AT1 / Tier2
 - Maintain sustainable external TLAC ratio for the long term by raising external TLAC eligible senior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

MUFG's external TLAC ratio and minimum requirement

	As of end Mar 21	Minimum requirement	
		From end Mar 19	From end Mar 22
Risk weighted asset basis	18.94%	16.0%	18.0%
Total exposure basis	8.96%	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

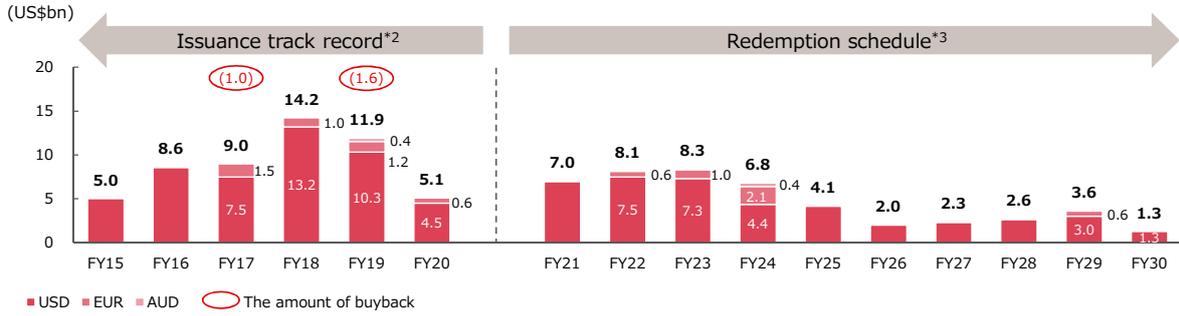
(Can include 2.5% and 3.5% of RWAs from end Mar 2019 to Mar 2022 and after end Mar 2022, respectively, in external TLAC ratio)

*4 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0%

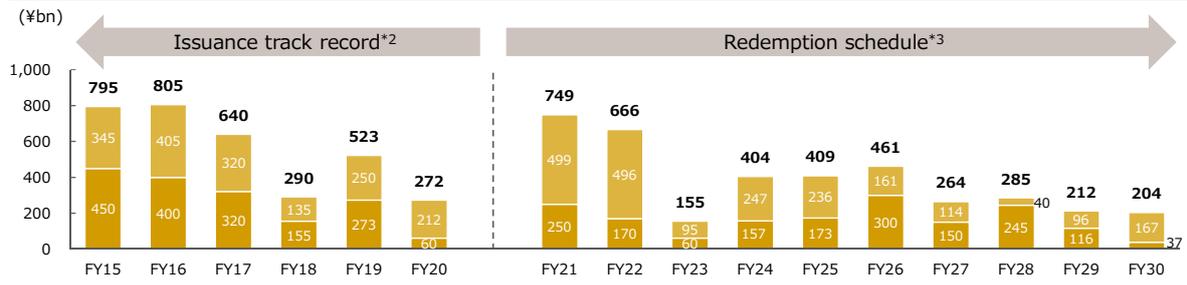
TLAC requirement

- Issuance track record & redemption schedule

TLAC-eligible senior debt*1



AT1, Tier2 bond



■ AT1 ■ Tier2

*1 All figures are converted into US\$ using actual exchange rates as of end Mar 2021

*2 Total of public issuance (excluding the amount of buyback), as of end Mar 2021

*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 respective overseas special purpose companies)