

Corporate Value Initiatives

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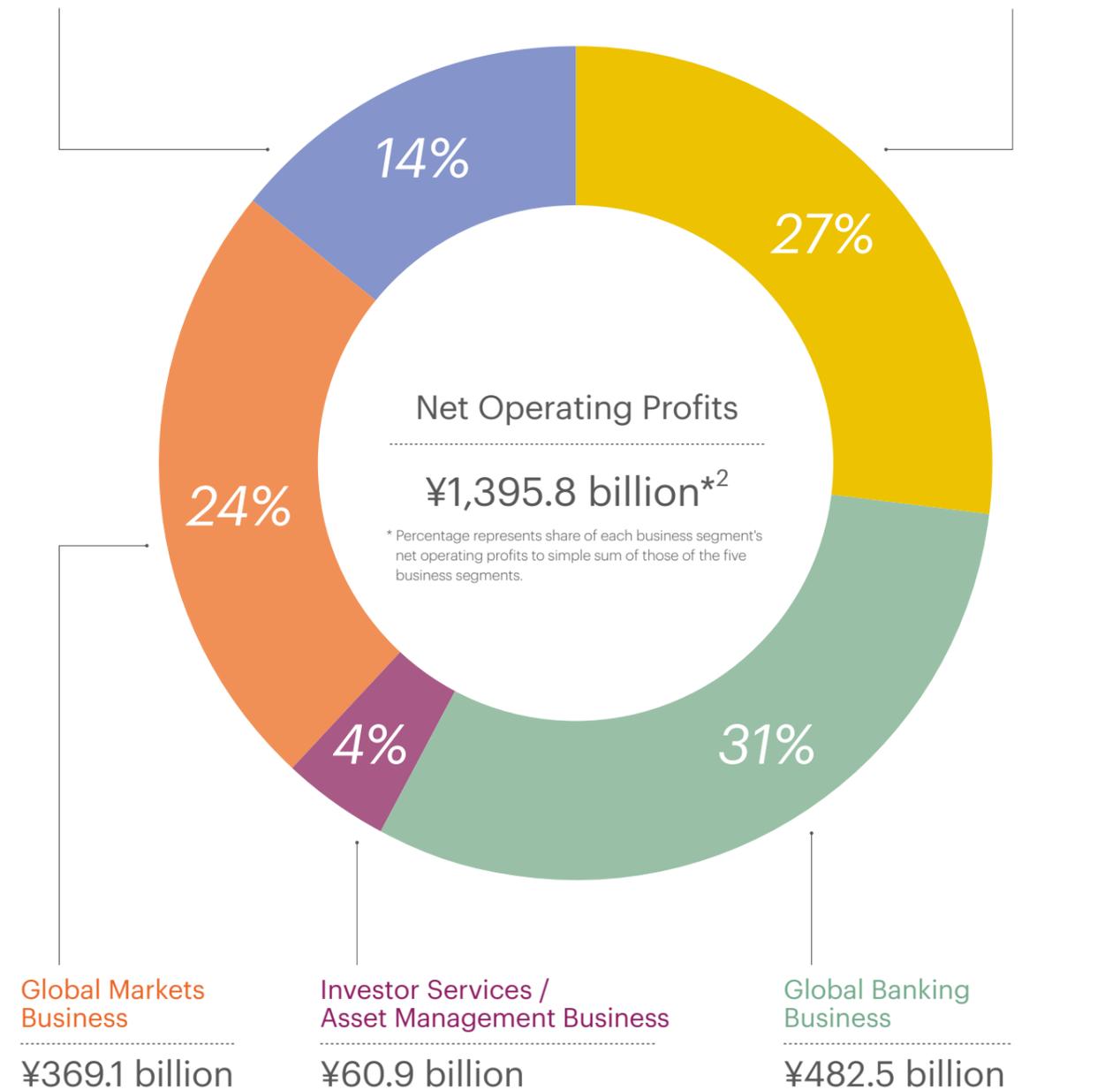
Net Operating Profits by Business Segment*¹

Retail Banking Business

¥225.3 billion

Japanese Corporate Banking Business*³

¥422.2 billion



*¹ All figures presented in the Business Overview section are on a managerial accounting basis. Figures are based on exchange rates at fiscal year-end, unless otherwise noted. Local currency base represents foreign exchange rate applied to medium-term business plan (¥115/US\$).
*² In addition to the net operating profits of the five business segments, figures include profits or losses of headquarters and other elements.
*³ Excluding overseas business with Japanese corporates

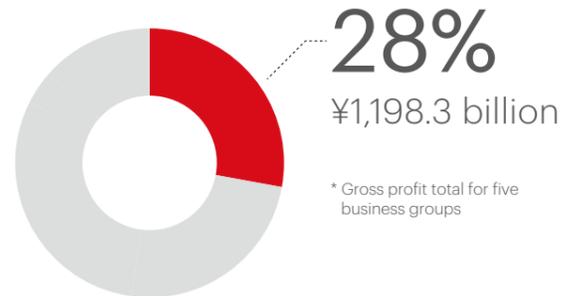
Retail Banking Business

To meet the needs of individual customers, we provide a wide range of products and services from housing loans to wealth management, inheritance and consumer finance.

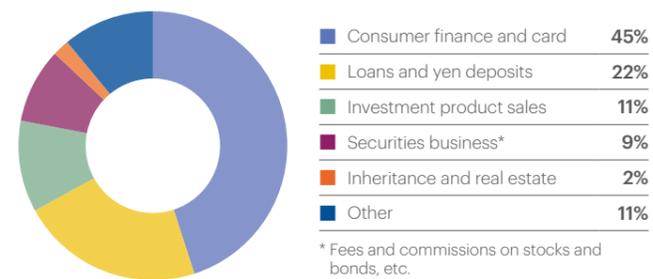


Atsushi Murakami
Managing Executive Officer
Group Head, Retail Banking Business Group

Composition of Gross Profits*



Fiscal 2016 Gross Profit Breakdown



Our Medium- and Long-Term Vision

The Retail Banking Group of Choice for a Wide Variety of Customers Boasting a Business That Spans the Generations

In line with the MUFG Basic Policy for Fiduciary Duties, we will facilitate a shift from savings to stable asset building by taking a customer-first business approach. In the wealth management and asset succession businesses, we will rally Groupwide resources to build a structure capable of providing seamless, comprehensive financial services employing MUFG's distinctive strengths. At the same time, in order to broaden our customer base we will focus on

pursuing the best interests of those customers while stepping up the stock business (enhancing the assets under management). In these ways, we will secure greater profits and sustainable growth. In addition, we will deliver products and services with superior customer convenience in such settlement services as credit cards as well as in the consumer finance business, thereby stimulating personal consumption.

Operating Environment Analysis

Due to a prolonged trend toward low interest rates in Japan, which saw the introduction of the Bank of Japan's negative interest rate policy, revenues from deposits and loans declined. Meanwhile, emerging nations have seen the rapid pace of economic growth slow somewhat. Moreover, the results of the Brexit referendum and the U.S. presidential election have fostered a growing sense of uncertainty. Given these conditions, securing stable new profit sources is key to ensuring sustainable growth for the retail banking business. Breaking away from dependence on loan and deposit revenues, we will establish a profit structure that is resilient to the impact of market fluctuations.

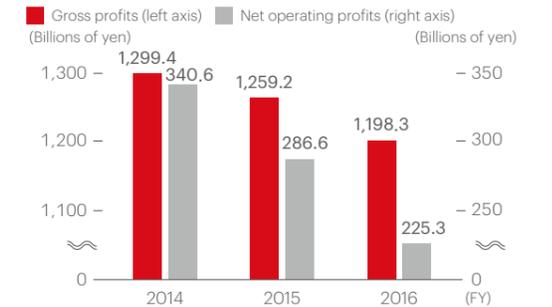
To that end, we will focus on the customer's perspective in our business operations while striving to maximize customer value. By fostering long-term customer relationships, we will increase the value of assets under management and secure stable profits. Simultaneously, as we endeavor to better accommodate ever diversifying customer needs, we will develop and deliver more sophisticated products and services.

Fiscal 2016 Review

Fiscal 2016 Earnings Summary

Gross profits decreased 4.8% (¥61.0 billion) year on year to ¥1,198.3 billion. Net operating profits fell 21.3% (¥61.3 billion) year on year to ¥225.3 billion. Loan and deposit revenues declined due to lower interest margins on the back of the prolonged trend toward low interest rates. Following the introduction of BOJ's negative interest rate policy, ever lower market interest rates forced the Company to suspend the marketing of some of these products. In addition to this, the market uncertainty as the result of the introduction of said policy and other geopolitical events led to decline of investment product sales, which, in turn, caused profits to decrease compared with the previous fiscal year.

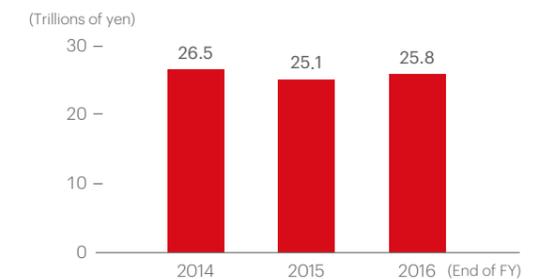
Gross Profits and Net Operating Profits



Wealth Management Business

In the wealth management business, we promoted a shift from savings to stable asset building. MUFG played a major, multifaceted role in an IPO project related to JR Kyushu Railway Company. In this project, while Group securities companies marketed stocks, the Bank utilized its brokerage function to refer bank customers to said securities companies. Thanks to these Groupwide efforts, a number of securities accounts were newly set up at MUFG, resulting in an expansion of our customer base. In addition, the value of assets under management as of March 31, 2017 grew approximately ¥0.7 trillion compared with the end of the previous fiscal year, attesting to the success of initiatives to diversify our product lineup to better accommodate customer needs.

Assets Under Management*

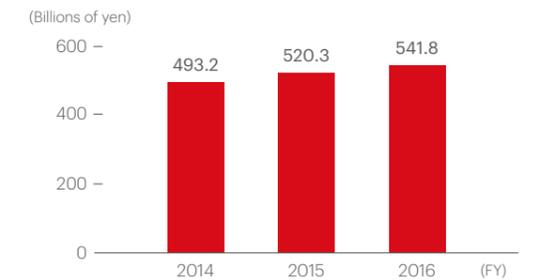


* Total for the Bank, the Trust Bank and the Securities Business. Excludes yen deposits.

Consumer Finance and Settlement Businesses

The consumer finance and settlement businesses focused on stimulating personal consumption. In these fields, the Bank and ACOM enjoyed growth in the balance of and revenues from card loans, with the former promoting a card loan product under the "BANQUIC" brand. To contribute to the sound development of the consumer finance market, we will maintain a disciplined management approach from the perspective of customer protection while striving to enhance user convenience. We also released "Smart," an MUFG credit card targeting young adults, such as new graduates who have just entered the workforce.

Consumer Finance and Card Business Revenue



ESG Protecting the Assets Entrusted to Us by Customers

Given the rapid aging of society in Japan, the number of people who develop dementia is expected to reach approximately 7 million—or one in five of those over 65—in 2025, raising serious concerns among the general public. Even in the absence of dementia, a person's decision-making ability may deteriorate with age—a situation that may lead to a sudden unexpected loss of assets.

Through its products, MUFG aims to help customers protect their assets and better prepare themselves for the

future. In June 2016, the Trust Bank released an investment trust product called Mirai no Mamori that places restrictions on cancellation. Mirai no Mamori has three distinctive features: (1) In general, the customer cannot execute midterm cancellation by themselves; (2) the usage of funds is limited; and (3) a dedicated account is allocated to manage this product. Looking ahead, MUFG will leverage its accumulated know-how in wealth management to satisfy customer needs and to help resolve issues society is confronting.

Japanese Corporate Banking Business

We provide lending, settlement, forex, and asset management services through our domestic and overseas networks to meet the diverse needs of our clients. We also utilize our Groupwide expertise to propose solutions for client's business strategies and challenges.

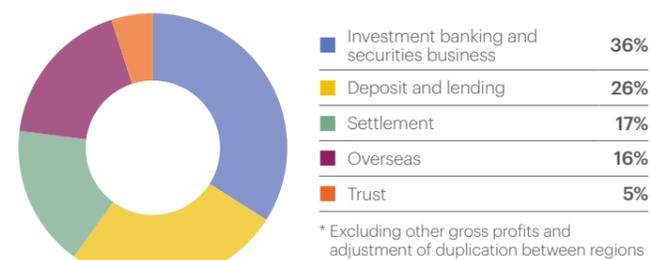


Saburo Araki
Senior Managing Executive Officer
Group Head, Corporate Banking Business Group

Composition of Gross Profits*¹



Fiscal 2016 Gross Profit Breakdown*



Our Medium- and Long-Term Vision

A Financial Group Capable of Helping Customers Achieve Growth and Working with Them Hand in Hand to Create the Society of the Future as Their Best Partner

We will realize sustainable growth for the Group and for customers by strengthening our domestic business foundations and establishing a new business model for corporate customers. We will boost corporate customer transactions through such key services as loans and settlement. Simultaneously, we will step up services aimed

at supporting business succession and continuation while closely monitoring changes in economic and social structures in Japan. We will also strive to establish an asset management business model targeting corporate customers and adopt a more sophisticated approach for the overseas business.

Operating Environment Analysis

Although loans and deposits have long served as a solid revenue base for the Japanese corporate banking business, the profitability of this base has deteriorated due to such negative factors as the low interest rate environment and intensifying competition, factors that MUFG believes are unlikely to change in the short term. Moreover, on the back of growing trends toward the tightening of financial regulations around the world, financial institutions are being called to maintain a management approach that places greater emphasis on capital efficiency.

Against this backdrop, MUFG is focusing on harnessing its distinctive strengths as a financial group with comprehensive service capabilities. Exercising these

capabilities, we will provide highly value-added, innovative solutions while pursuing the overarching aim of securing a market position immune to interest rate competition. In addition to engaging in such conventional commercial banking operations as loans, deposits, settlement and foreign exchange, MUFG will rally specialist knowledge and financing functions from each Group company to strengthen revenue sources that are based on commission fees, including real estate, investment management and securities-related operations. Furthermore, we will undertake strategic investment in IT systems to enhance operational efficiency, with the aim of enhancing productivity.

Fiscal 2016 Review

Fiscal 2016 Earnings Summary

Gross profits decreased 4.4% (¥48.5 billion) year on year to ¥1,041.6 billion. Net operating profits fell 8.8% (¥43.1 billion) to ¥443.2 billion. Amid intensifying market competition, net interest income attributable to loans and deposits decreased year on year, reflecting a prolonged trend toward lower market interest rates.

Meanwhile, the average loan balance rose 2.0% compared with the previous fiscal year, enjoying firm growth.

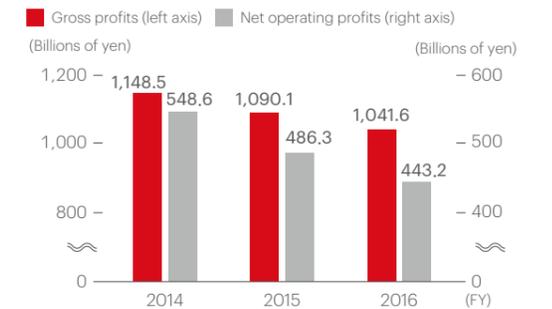
Large Corporate Business

The operating environment surrounding major corporations varies by business sector and category as does the optimal management strategy for each corporation. Well aware of this fact, MUFG is promoting a sector approach. To address management issues customers are facing, this business model proposes solutions that combine the strengths of Group companies, each of which is equipped with expertise in a different sector, with MUFG's comprehensive financial service capabilities. With the aim of assisting our customers in their drive to globalize, we are also stepping up collaboration between domestic and overseas bases in an effort to satisfy diverse needs for sophisticated solutions. This approach has resulted in MUFG recording industry-leading accomplishments in terms of M&A advisory and bond underwriting.

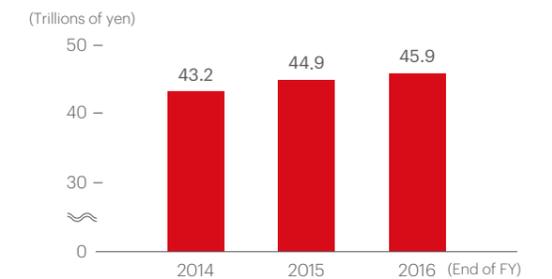
SME Business

Our proposals are meticulously designed to meet customers' fund raising needs and help them pursue management strategies for business growth and sales channel expansion. In fiscal 2016, we succeeded in making a number of effective proposals aimed at assisting the smooth succession of business as well as proposals related to capital strategies, garnering favorable customer reviews. Thanks to these efforts, the loan balance grew steadily. Examples of our constant efforts to help customers achieve business growth include large-scale business matching meetings we hold in Japan and overseas and our hosting of the "Rise Up Festa" business support program aimed at nurturing up-and-coming businesses.

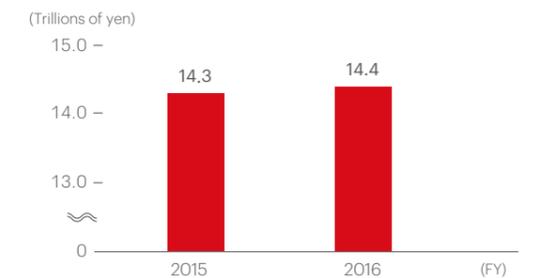
Gross Profits and Net Operating Profits*



Domestic Corporate Average Loan Balance*



Average Loan Balance for SMEs



ESG Supporting Promising Startups

MUFG aims to assist growing companies engaged in novel and creative segments as well as those trying to extend the boundaries of existing businesses. To achieve this aim, MUFG hosts the Rise Up Festa support program aimed at discovering such companies and engages with them as business partners over the medium to long term.

In 2016, the final screening of the fourth round of the Rise Up Festa program was held in Kyoto Prefecture, a municipality that has entered into a comprehensive partnership agreement with the Bank with regard to the

invigoration of local economies. As it did in the previous round, MUFG examined applicants engaged in four growth fields—bio and life science, robotic and other cutting-edge technologies, information and internet services, and social business—recognizing four outstanding companies and seven excellent companies. Along with financial assistance, award-winning companies may take advantage of consulting services provided by Mitsubishi UFJ Research and Consulting and other support programs aimed at helping them achieve growth.

Global Banking Business

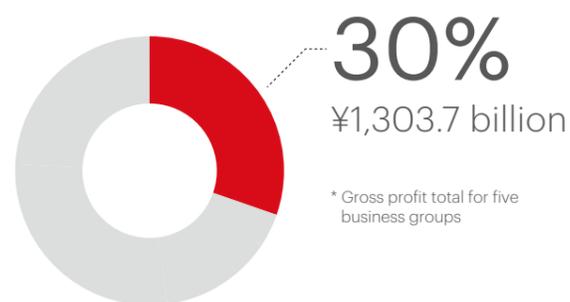
We respond to the funding needs of corporate customers in more than 50 countries and regions around the world while providing cash management and advisory services.

MUFG Union Bank, N.A. and the Bank of Ayudhya Public Company Limited (Krungsri) are involved in corporate banking and retail banking business in the U.S. and Thailand, respectively.

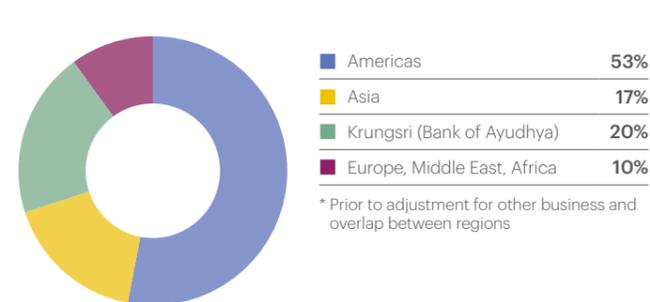


Eiichi Yoshikawa
Senior Managing Executive Officer
Group Head, Global Business Group

Composition of Gross Profits*



Fiscal 2016 Gross Profit Breakdown*



Our Medium- and Long-Term Vision

The “First Call Bank” for Customers around the World

We aim to become the “First Call Bank” for customers around the world by leveraging region-specific advantages while strengthening the product and service capabilities of the entire Group. Furthermore, we will secure sustainable growth by expanding commission fee-based revenue in

banking and securities operations, developing a balanced business portfolio and increasing foreign currency liquidity. At the same time, we will step up the development of human resources capable of driving our corporate expansion.

Operating Environment Analysis

Thus far, recovery in the global economy has been modest but constant, especially in developed countries, with little forward momentum. Although interest rates rose in the United States, the worldwide policy trend toward low interest rates is expected to continue. At the same time, geopolitical instabilities in various regions are fostering a growing sense of uncertainty. For financial institutions, moreover, such negative factors as a higher U.S. dollar procurement cost and expenses incurred in complying with regulations enforced by individual countries are putting

downward pressure on profits. Nevertheless, our net operating profits in the global banking business grew thanks to our efforts to satisfy customer needs through the provision of high-quality solutions based on the Group’s comprehensive strengths. Moreover, the ratio of this segment’s revenues to total customer segment revenues rose to approximately 40%, proving that the global banking business is driving MUFG’s growth. Going forward, we will strive to realize sustainable growth by enhancing asset efficiency and reinforcing our business foundation.

Fiscal 2016 Review

Fiscal 2016 Earnings Summary

Gross profits increased 2.4% (¥30.6 billion) year on year to ¥1,303.7 billion. Net operating profits rose 5.3% (¥24.4 billion) year on year to ¥482.5 billion. Although performance in fiscal 2016 was negatively affected by the deceleration of economic growth in East Asian countries, particularly China, we were able to secure the increase in profit thanks to the success of major project finance in Europe and the Americas as well as the strong showings of the Krungsri in auto loans and consumer finance.

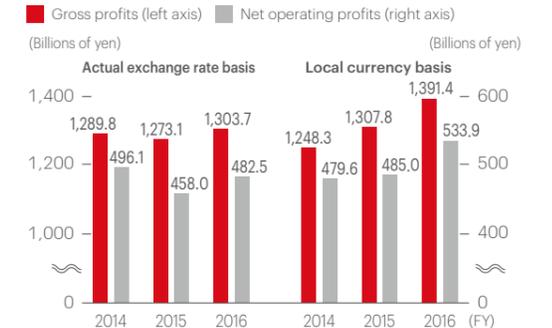
Initiatives to Enhance Asset Efficiency and Reinforce Our Business Foundations

As part of efforts aimed at enhancing asset efficiency, we have integrated the primary global banking functions of the Bank and subsidiaries of Securities Business to enable them to accurately satisfy the needs of customers pursuing global expansion. With the aim of strengthening our business foundation, we strove to enhance our foreign currency liquidity by directing our efforts toward increasing the balance of foreign currency deposits. Moreover, we are proactively offering managerial positions to overseas employees who were hired locally in an effort to build a more robust human resource base.

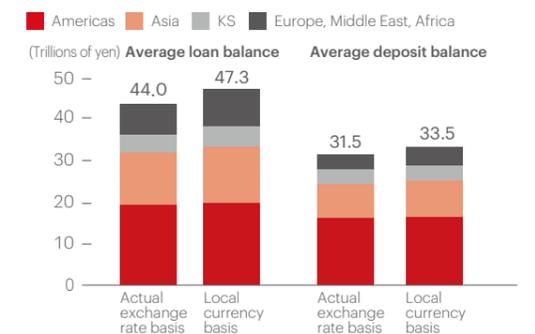
Commercial Banking Business in the U.S. and Asia

MUFG has been promoting strategic investment and alliances in the United States and Asia with an eye to building a business portfolio capable of supporting sustainable growth. As a result, MUFG Union Bank, N.A. (the Bank (USA)) and Krungsri saw growth in gross profits, and these profits have come to account for around half the gross profits earned by the entire Global Banking Business. In line with our aim to create greater synergies through collaboration between MUFG and its key investees engaged in commercial banking in the United States and Asia, we host the Global Partnership Conference, a forum for attendees to discuss their business models. Through such activities, we are strengthening our business foundations. (Please see page 73 for details.)

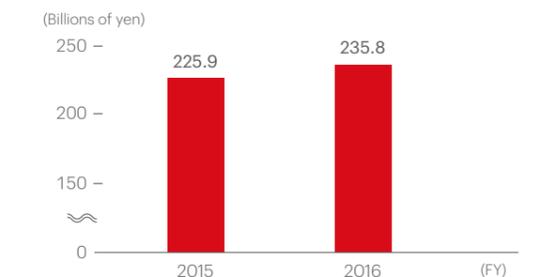
Gross Profits and Net Operating Profits



Fiscal 2016 Average Loan Balance and Average Deposit Balance



Non-interest Income from Transactions with Global Corporates*



* Including global corporates business profit, FX fees and derivatives. Excluding the Bank (USA) and KS. Local currency basis.

ESG Assisting the Vitalization of Local Communities

As a global company, MUFG is engaged in a variety of initiatives aimed at invigorating the communities in which it operates. In the United States, the Bank (USA) evinces a clear commitment to providing ongoing support to SMEs based in California, the state in which it was founded. Believing that vibrant SME activities help invigorate local communities, the Bank (USA) provides financing and other services with a focus on local

companies run by women, minorities and army veterans. The Bank (USA) also utilizes the government-led Small Business Administration support programs for financing while proactively addressing SME owners’ needs for assistance through its specialist departments. As such, the Bank (USA) contributes to the success of local SMEs and the stimulation of regional economies.

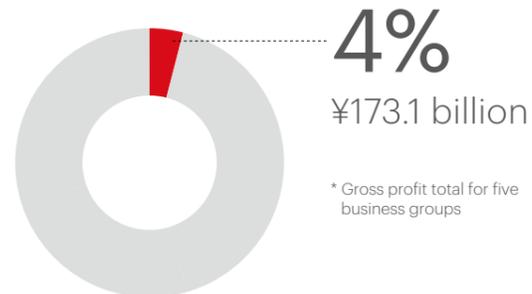
Investor Services / Asset Management Business

We provide various services in relation to the asset management and investor services business at home and abroad. Employing our sophisticated specialist know-how in the areas of investor services, asset management, investment trusts and pensions, we provide consulting and other services on a global basis, constantly striving to further enhance our asset management capabilities and develop products capable of better meeting diverse customer needs.

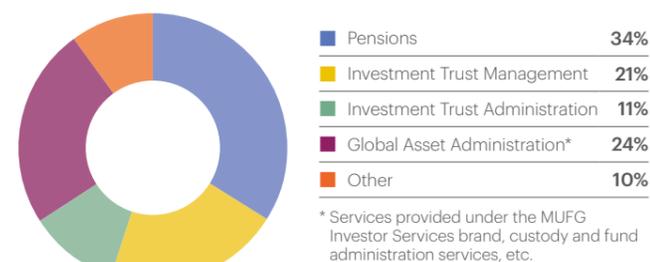


Sunao Yokokawa
Managing Executive Officer
Group Head, Trust Assets Business Group

Composition of Gross Profits*



Fiscal 2016 Gross Profit Breakdown



Our Medium- and Long-Term Vision

An Asset Management and Investor Services Provider Boasting a Global Presence Backed by a Strong Foothold in the Domestic Market

The domestic market has seen such structural changes as shrinking employee pension fund (EPF) plans, a shift from savings to stable asset building and the popularization of the individual-type Defined Contribution pension plan (iDeCo). We will work to respond accurately to these changes while expanding revenues from our overseas businesses.

In Japan, our investment trust business focuses on providing high-quality products to augment a product lineup tailored to customers just entering the asset building stage. In addition, we promote investment education aimed at educating a broader range of customers in what asset building entails.

In the pension business, we will continue to strengthen our consulting and solution proposal capabilities in response to changes in the pension system. Through these efforts we will increase our share of the defined benefit pension-related market and grow sales of defined contribution (DC) pension investment products.

Overseas, our initiatives in the investor services business include executing strategic investment and reinforcing our administration services for alternative funds—a newly emerging investment vehicle. In the asset management business, we are looking to increase the value of assets under administration, especially those entrusted by overseas investors, while also pursuing capital and business alliances. In these ways we will thus ensure our future as an asset manager with a global presence.

Operating Environment Analysis

The introduction of the Bank of Japan's negative interest rate policy has prompted a growing number of institutional investors to more actively seek investment vehicles that promise returns despite the ultra-low interest rate environment. This situation, in turn, has triggered a growing trend toward investment in real estate and infrastructure. Meanwhile, the majority of individual investors have yet to become open to the idea of making a full-fledged shift from savings to stable asset building—a situation we do not see changing any time soon. In addition, there has been a change in the competition environment, with other domestic players considering spinning off and integrating

their investor services functions by merging multiple subsidiary banks. Furthermore, in January 2017 the scope of persons eligible to enroll in iDeCo was extended, boosting the plan's popularity and expanding its policyholder base. Taking these circumstances into account, the Trust Assets Business Group is committed to pursuing a customer-centric business approach. As we are entrusted with valuable customer assets, we will do our utmost to live up to their high expectations regarding our management and administration operations, thereby fulfilling our social responsibilities.

Fiscal 2016 Review

Fiscal 2016 Earnings Summary

Gross profits increased 0.5% (¥0.9 billion) year on year to ¥173.1 billion. Net operating profits fell 13.2% (¥9.3 billion) year on year to ¥60.9 billion. The rise in gross profits was attributable to the acquisition of an overseas investor services company. However, domestic operations were significantly affected by the dissolution of EPF plans and stagnation in the investment trust market for individual investors because of weakening business sentiment. Consequently, profit decreased due to these and other negative factors.

Global

In the field of investor services, the fund administration market has become a promising growth field against the backdrop of a worldwide trend toward tighter regulations. To secure competitiveness and a foothold for future expansion, we acquired two companies* in April and October 2016, respectively. By doing so, we enhanced our ability to provide various solutions through a one-stop service structure under the brand name "MUFG Investor Services." In the field of asset management services, we promoted the sale of index-related products developed in collaboration with STOXX Limited—the top European investment index developer and provider—targeting overseas asset management firms. We also strengthened our marketing structure by, for example, opening a new representative office in Dubai.

* Currently, MUFG Capital Analytics LLC and MUFG Investor Services (US), LLC

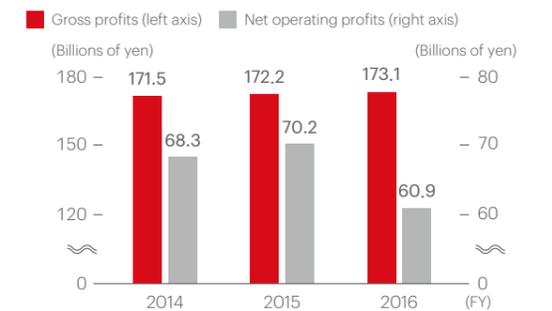
Investment Trust

We facilitated a shift from savings to stable asset building by promoting wrap account products as key products supporting asset building. We also launched a new service related to investment education. At the same time, we launched a trail-blazing AI fund product ahead of other domestic major investment trust management firms.

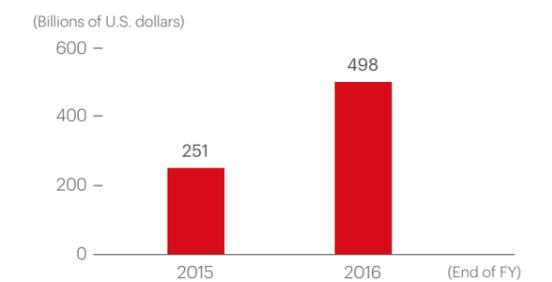
Pensions

In the area of defined benefit pension plans, we secured an industry-leading share in Japan in terms of pension trust balance. Moreover, we enjoyed stable growth in both the DC pension administration balance and the DC pension investment product sales balance. In January 2017, we released "Light Course," a product designed to better accommodate needs of first-time iDeCo investors, aiming to help facilitate the popularization of this pension scheme.

Gross Profits and Net Operating Profits

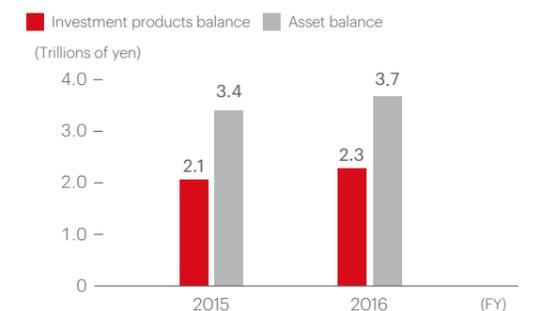


Balance of Global IS*2



*2 Sum of HF-PE-Investment Funds (40 Act etc) administration

Defined Contribution Pension



ESG Promoting ESG Investment

In addition to establishing and handling the administration of excellent funds by carefully optimizing its stock portfolio to secure sustainable growth in returns, the Trust Bank acts as an advocate for investment activities focused on ESG criteria. To that end, the Trust Bank teams up with government agencies to hold seminars while staying engaged with private corporations in the sharing of best practices regarding

the selection of investee candidates based on non-financial information.

Mitsubishi UFJ Kokusai Asset Management handles funds backed by stocks of environmentally friendly corporations boasting robust returns. Some of these funds allocate a portion of trust fees to foundations engaged in environmental protection activities.

Global Markets Business

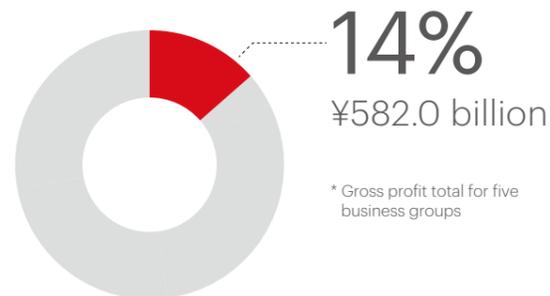
We promote market-related business (bonds, forex, equities, derivatives) and are responsible for Asset Liability Management (ALM).*

* ALM: Integrated management of liquidity risk and interest rate risk inherent in assets (loans, etc.) and liabilities (deposits, etc.)



Shigeru Asai
Senior Managing Executive Officer
Group Head, Global Markets Business Group

Composition of Gross Profits*



Fiscal 2016 Gross Profit Breakdown



Our Medium- and Long-Term Vision

Helping Establish the MUFG Brand as a Global Presence and a Strong Market Player Boasting Distinct Competitive Advantages in Japan and Asia

We will endeavor to optimize our global markets business functions throughout the Group to strengthen sales and trading (S&T) operations. In particular, we will integrate the domestic and overseas trading functions and sales functions of the Bank and subsidiaries of the Securities

Business-HD, providing one-stop services for customers. Simultaneously, we will adopt a more sophisticated balance-sheet management method for global implementation that encompasses both the yen and foreign currencies.

Operating Environment Analysis

Operating conditions surrounding the global market business have become increasingly harsh due to the prolonged trend toward low interest rates in Japan and Europe in particular; a growing sense of uncertainty prevailing in the financial market after the Brexit referendum and the U.S. presidential election; and the upcoming tightening of global financial regulations.

Despite the adverse conditions, we are determined to achieve sustainable growth through the creation of new business models that will serve into the future. In S&T

operations, we are pushing forward with the development of an optimal operating structure that will enable us to provide one-stop services, deliver solutions of higher quality and maximize synergies through the integration of market business functions throughout the Group. In ALM operations, we are preparing for the adoption of a balance-sheet management method for global implementation that encompasses both the yen and foreign currencies. Furthermore, we will actively utilize the ICT and FinTech to strengthen our operating platform, thereby enhancing productivity.

Fiscal 2016 Review

Fiscal 2016 Earnings Summary

Gross profits decreased 8.4% (¥54.0 billion) year on year to ¥582.0 billion. Net operating profits declined 13.6% (¥58.4 billion) year on year to ¥369.1 billion.

In the S&T business, we achieved steady results in domestic foreign exchange operations while enjoying solid showings overseas. This was thanks to the thoroughgoing optimization of the Group's operating structure completed in the fiscal year under review.

In ALM operations, profit decreased mainly due to the restructuring of foreign bond positions in response to a hike in U.S. interest rates following the U.S. presidential election.

Sales and Trading

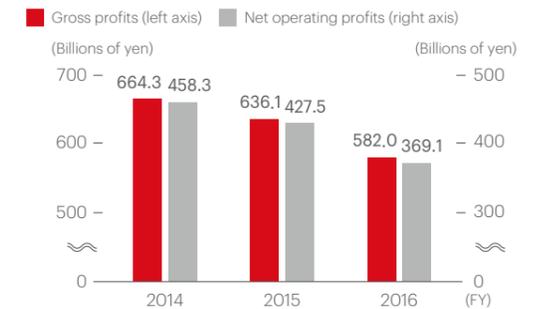
In New York and Hong Kong, as was done in London in the previous fiscal year, our dealing rooms under the Bank and subsidiaries of the Securities Business-HD were integrated. We also completed the relocation of these two businesses' Tokyo offices to the same building. Our S&T functions at the Bank and securities companies have thus been fully integrated at home and abroad. Looking ahead, we will flexibly mobilize our S&T teams in each region to provide one-stop services and products with superior quality that satisfies customers' expectations.

ALM

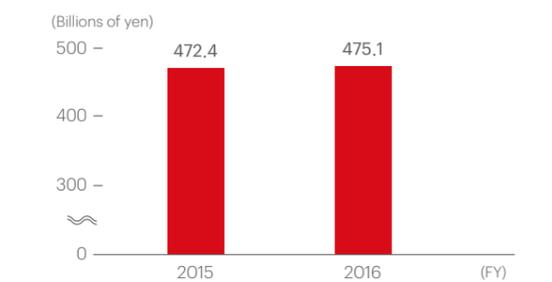
In fiscal 2016, the financial market saw major fluctuations that reflected turbulence in the wake of such factors as the UK decision to leave the European Union and the results of the U.S. presidential election. Nevertheless, we were able to flexibly execute risk control measures backed by a global management structure encompassing the yen and foreign currencies.

Going forward, external conditions surrounding our ALM operations will remain harsh due to the Bank of Japan's negative interest rate policy, the rising cost of foreign currency procurement and tightening financial regulations. With this in view, we will rally our Groupwide strengths to enhance our resilience amid the changing operating environment by, for example, pursuing sophisticated balance-sheet management methods, such as the integrated management of U.S. dollars on a global basis, and strengthening controls on foreign currency liquidity.

Gross Profits and Net Operating Profits

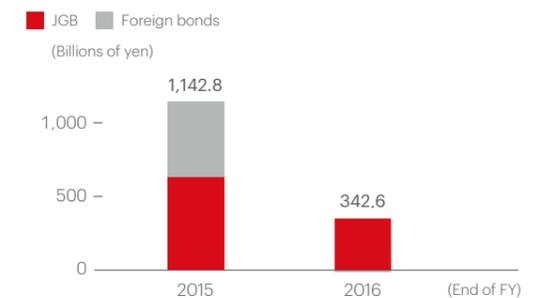


Sales and Trading Gross Profits*



* Total of S&T business related gross profits in all business units of the Bank, the Trust Bank and the Securities Business-HD. Local currency basis.

Unrealized Gains or Losses on JGB and Foreign Bonds*



* JGB and foreign bonds included in securities available for sale category

ESG Utilizing AI to Provide Accurate and Timely Information

The utilization of AI has significant potential to change traders' daily operations. For example, in foreign exchange trading deep learning is expected to prove a useful tool for, in one example, predicting how exchange rates will move 10 minutes into the future. Applying deep learning, computer analysis is able to extract unique patterns from enormous volumes of data and thereby generate highly accurate projections of

market trends through the repetition of this learning process. This technology will allow traders to be more proactive in controlling trading risk as well as to propose trading strategies finely tuned to individual customer needs. To accelerate the commercialization of such tools, MUFG is actively promoting open innovation and incorporating external input (Please see page 24 for details).