



MUFG Report 2016

Integrated Report

Editorial Overview

We, Mitsubishi UFJ Financial Group, or MUFG, have compiled our integrated report, MUFG Report 2016, in order to explain our efforts to create sustained value to our investors and other stakeholders. Referencing the framework provided by the International Integrated Reporting Council (IIRC)*, this report introduces our business model through the opening section ("Who We Are"), and explains our methods to create sustainable value through "Corporate Value Initiatives" and "Corporate Value Foundation." Further detail information on our Corporate Social Responsibility is available on our website.

* A private sector foundation established in 2010 by companies, investors, accountant organizations and administrative agencies to develop an international framework for corporate reporting.

Who We Are Page 1

In order to convey a full understanding of MUFG's business model, we outline our current situation and give an account of our history.

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Group CEO Nobuyuki Hirano looks back on fiscal 2015, describes the operational results of and challenges confronted by MUFG in the first year of the current medium-term business plan, and outlines the Group's strategies going forward. Group CFO Muneaki Tokunari explains MUFG's financial and capital management.

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We explain our management system, including corporate governance and risk management framework, and outline our human resources and our approach to Corporate Social Responsibility.

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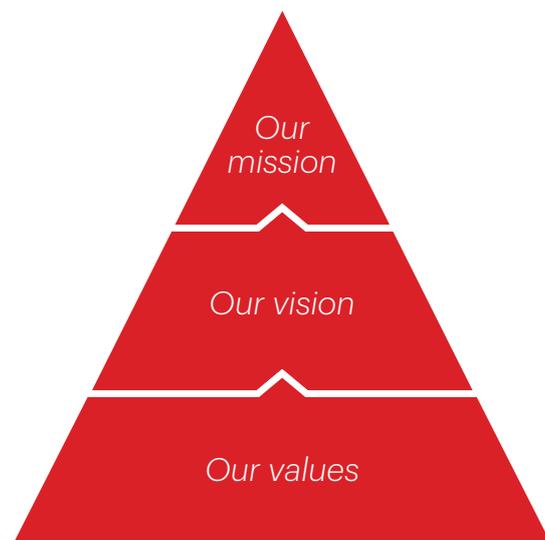
Disclaimer

This report contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. ("MUFG") and its subsidiaries and affiliates (collectively, "the Group"). These forward-looking statements are based on information currently available to the Group and are stated in this document 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. 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 included 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. All figures contained in this report are calculated according to Japanese generally accepted accounting principles, unless otherwise noted.

Corporate Vision

The corporate vision serves as the basic policy in conducting our business activities, and provides guidelines for all group activities.

The corporate vision also is the foundation for management decisions, including the formulation of management strategies and management plans, and serves as the core value for all employees.



Our mission

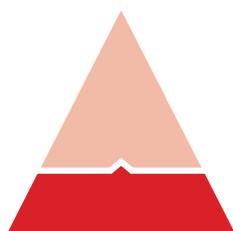
To be a foundation of strength, committed to meeting the needs of our customers, serving society, and fostering shared and sustainable growth for a better world.



Our vision

Be the world's most trusted financial group

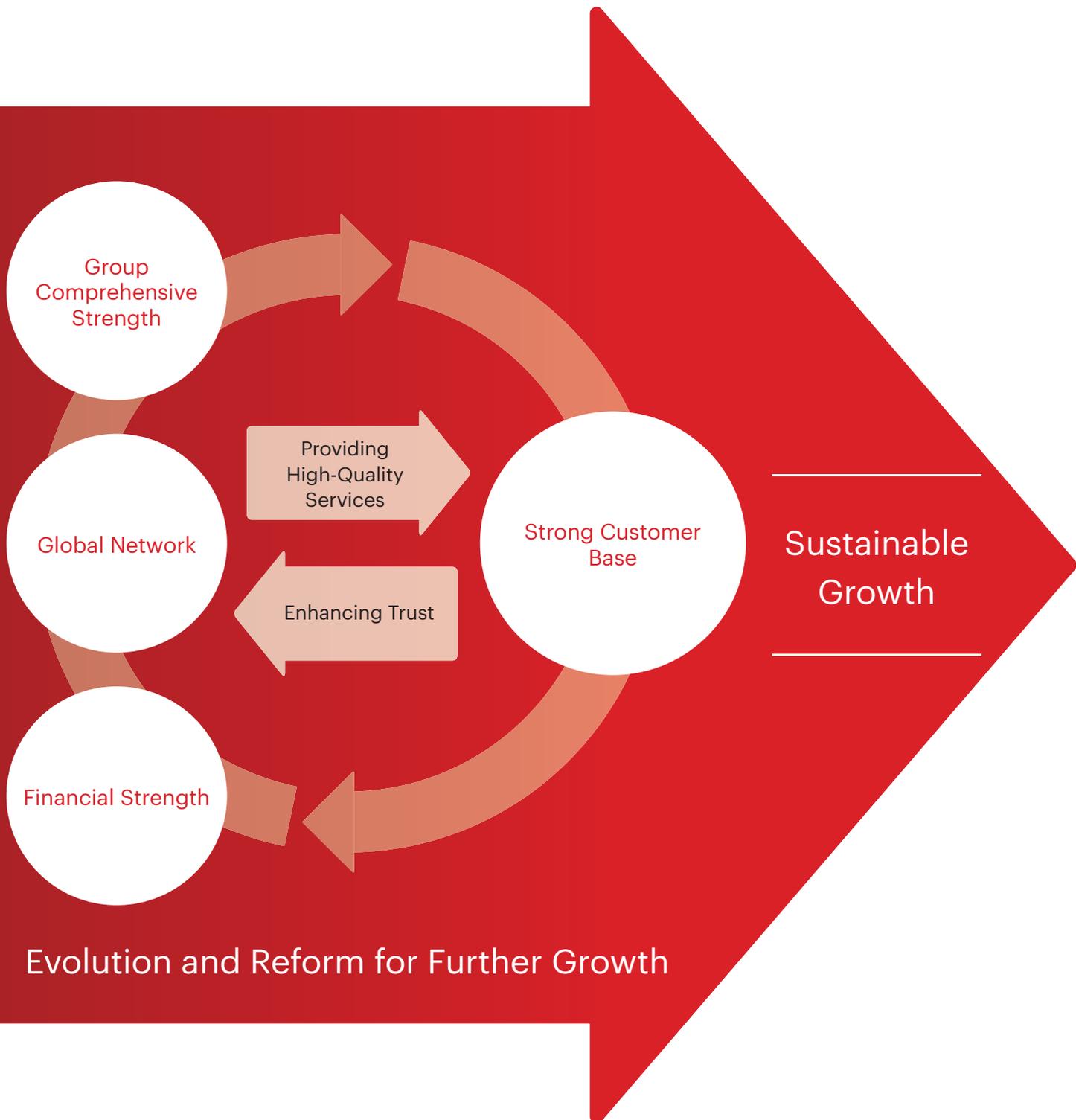
1. Work together to exceed the expectations of our customers
2. Provide reliable and constant support to our customers
3. Expand and strengthen our global presence



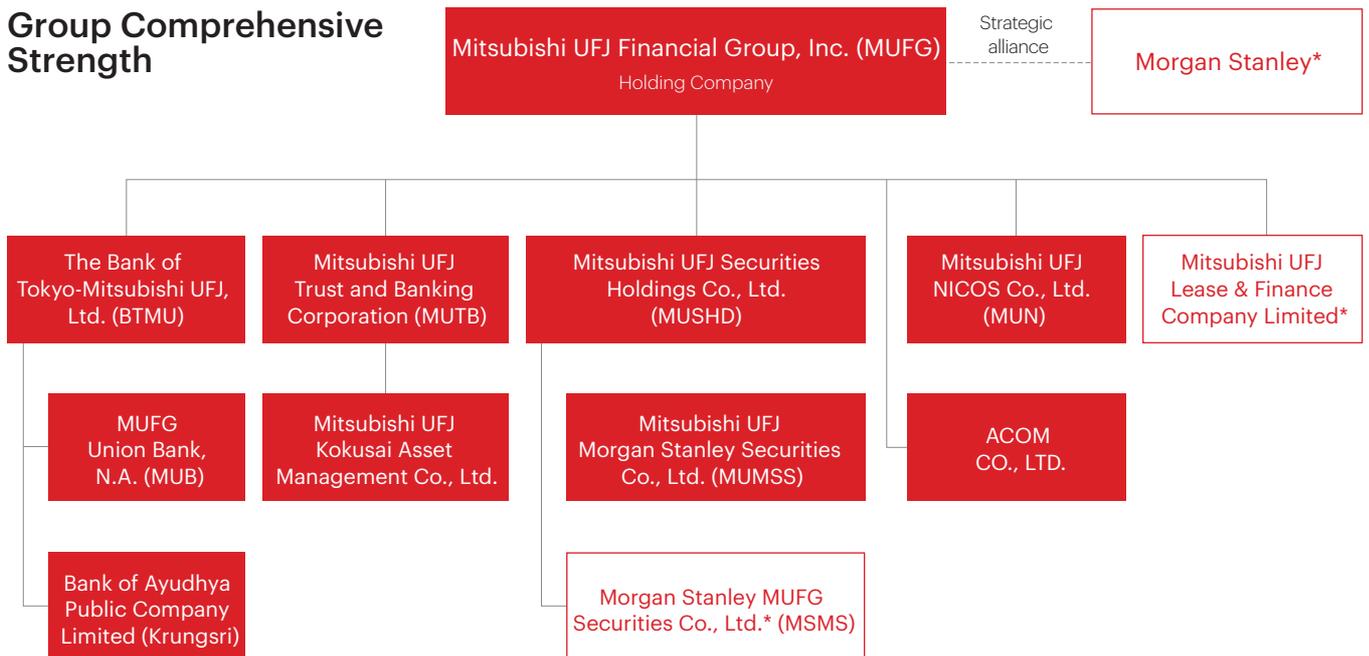
Our values

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

MUFG Value Creation Model



Group Comprehensive Strength



* Mitsubishi UFJ Lease & Finance, Morgan Stanley and Morgan Stanley MUFG Securities are equity method investees.

Global Network

Domestic Network:

Approx. 1,100 locations

Domestic Employees:

Approx. 90,000

Overseas Network:

Approx. 1,200 locations in around 50 countries

Overseas Employees:

Approx. 50,000

Financial Strength

MUFG Capital Ratios and Basel III Requirements



* The capital levels required will be progressively raised up to 2019. Levels shown in the graph show projections as of June 30, 2015.

Strong Customer Base

Domestic individual accounts:

40 million

Domestic corporate accounts:

400,000

MUFG Value Creation Process

Issues Confronting Society and the Business Environment

Domestic Market

- Graying of society and declining birthrate
- Progress of inter-generation asset succession
- Polarization of income and assets
- Advance and popularization of ICT

- Acceleration of Japanese corporations' global expansion
- Changes in industrial structure
- Aging of corporate managers
- Growth in the internal reserves of corporations
- Shrink in employees' pension fund (EPF) plans and pension system reforms

Global Market

- Sustained growth of the U.S. economy
- Relatively high growth in Asian economies
- The tightening and complexation of financial regulations
- Increases in investment money around the world
- Growing need for sophisticated and diverse investment products

Current issues

- Market stagnation due to negative interest rates in Japan
- Slowdown of growth in Asian economies and plunges in resource prices
- Stagnation in commercial financing and money flows

MUFG

Retail Banking Business



Japanese Corporate Banking Business



Global Banking Business



Asset Management / Investor Services Business



Global Markets Business



Corporate Governance

Compliance

Risk Management

Internal Audits

Value Delivered to Customers

- Facilitate a shift from savings to investment while stimulating personal consumption



- Provide wealth management, asset succession, settlement and consumer finance-related products and services

- Provide optimal solutions for corporations that are facing ever complicated and diversified challenges and strategies and thereby help them achieve growth



- Lending, settlement, foreign exchange and asset management
- Proposal of business strategies and the provision of such solutions as project finance
- Nurture promising companies and assist in business succession and continuation

- Assist global corporations in regions around the world
- Provide retail customers and SMEs in North America and Thailand with high-quality services



- Provide highly sophisticated financial services such as project finance, M&A finance and cash management services

- Assist customers with their asset formation and administration
- Help realize corporate pension plans in line with customers' human resource and financial strategies



- Provide investment products, including investment trusts and pension trusts, as well as such asset administration services as foreign investment fund administration and custody services by employing our global network
- Provide comprehensive support for corporate pension management

- Promote transactions involving forex as well as bonds, equities, derivatives and other marketable products



- Provide products and services related to bonds, forex, equities and derivatives

Stakeholders

Customers

Business partners

Monetary market participants

Shareholders and investors

Employees

Communities and environment

Sustainability

Customers

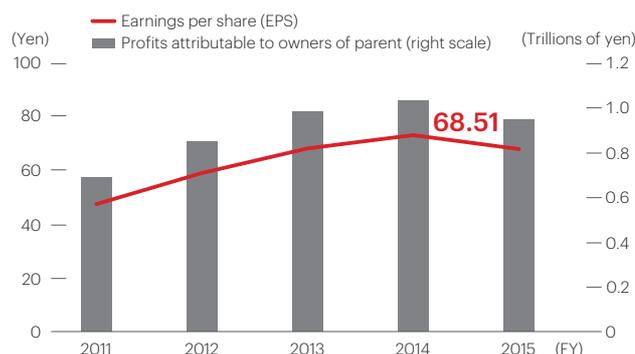
Community

Responsible Finance

Financial Highlights

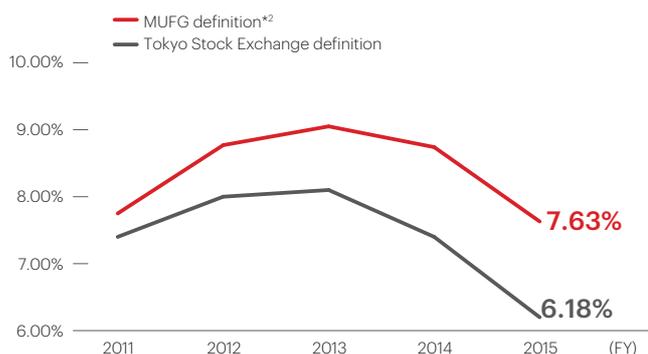
Key Financial Performance Indicators

EPS* (growth) **¥68.51**



* Figures for fiscal 2011 do not include one-time effect of negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley.

ROE*¹ (profitability) **7.63%**
(based on MUFG definition)



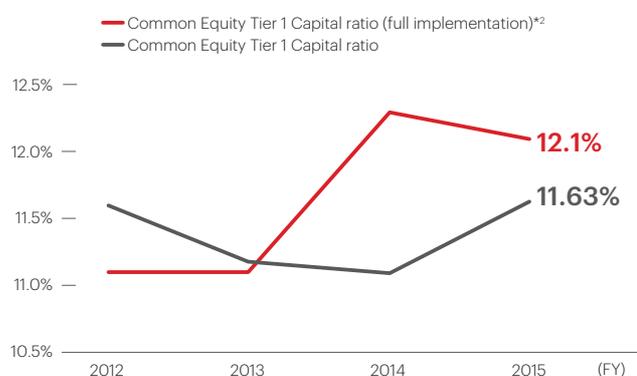
*1. Figure for fiscal 2011 excludes negative goodwill associated with the application of equity-method accounting on our investment in Morgan Stanley.

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

Expense Ratio (profitability) **62.3%**

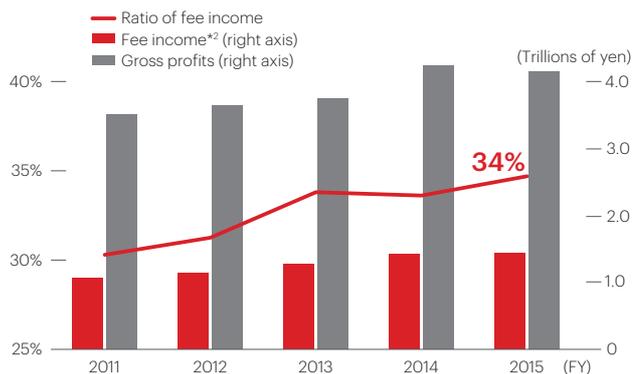


Common Equity Tier 1 Capital Ratio*¹ (financial strength) **12.1%**
(full implementation)



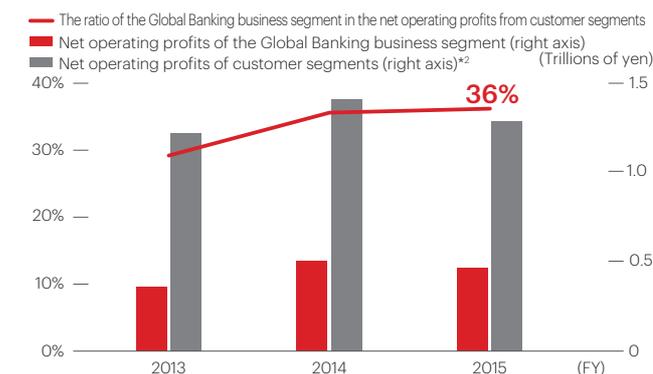
*1. Capital adequacy ratios based on Basel III requirements for fiscal 2011 are not calculated
*2. Calculated on the basis of regulations applied at the end of March 2019

Ratio of Fee Income*¹ **34%**



*1. Fee income / gross profits (before credit costs for trust accounts)
*2. Trust fees + net fees and commissions

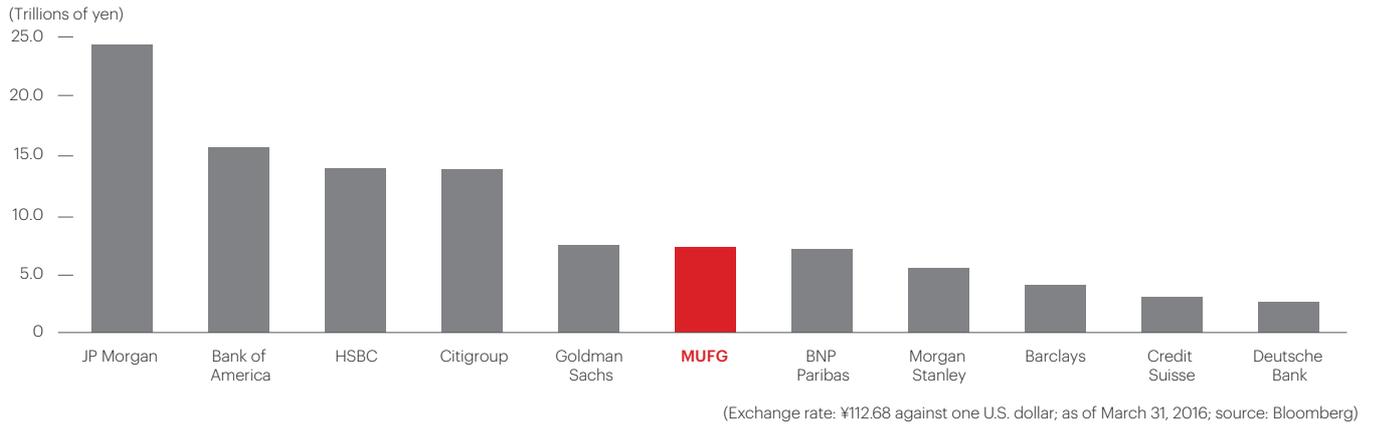
The Ratio of the Global Banking Business Segment in the Net Operating Profits from Customer Segments*¹ **36%**



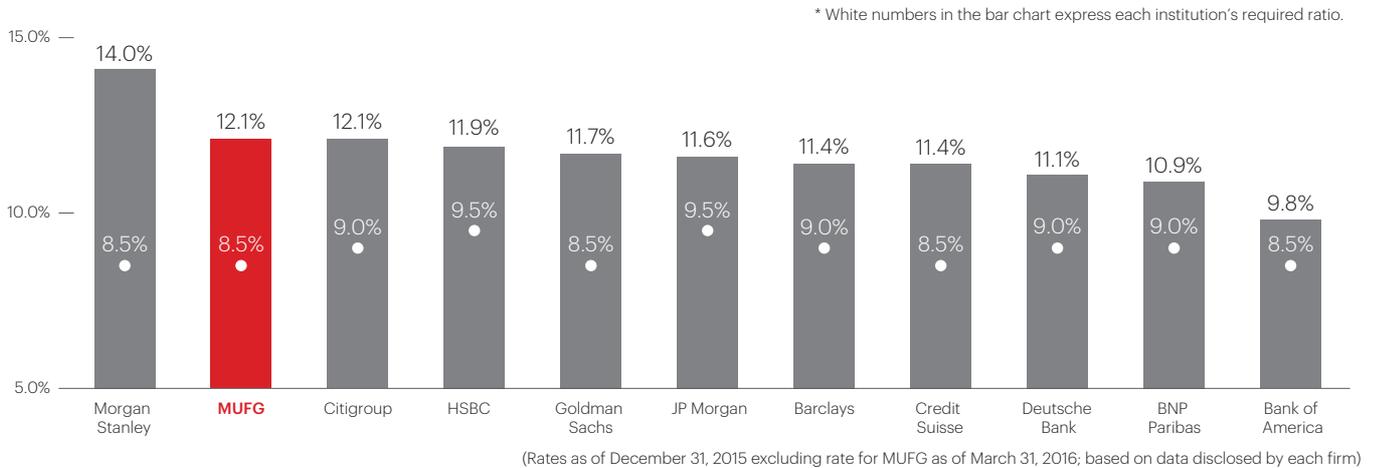
*1. Comparisons based on managerial accounting principles applied in fiscal 2015 (figures for fiscal 2012 and before are not calculated); the ratio = net operating profits from overseas operations of customer segments / overall net operating profits from all customer segments
*2. Total of net operating profits from Retail Banking, Japanese Corporate Banking, Global Banking and Asset Management / Investor Services business segments

Financial Position Compared with Global Peers (G-SIBs)

Market Capitalization



Common Equity Tier 1 Capital Ratio (full implementation)



Credit Ratings

S&P Holding Company Rating	U.S. Firms	European Firms
A+		
A	MUFG	HSBC, BNP Paribas
A-	JP Morgan	
BBB+	Morgan Stanley, Citigroup, Goldman Sachs, Bank of America	Credit Suisse, Deutsche Bank
BBB		Barclays

(Rating of issuers of long-term foreign currency denominated debts as of June 30, 2016; source: Bloomberg)

External Recognition for MUFG's Business Activities

Domestic Private Banking



Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. was named number one "Japan's Best Private Banking Services Overall" in the 2016 Private Banking Survey undertaken by *Euromoney*, a major financial magazine published in the United Kingdom, for the fourth consecutive year. The magazine praised Mitsubishi UFJ Morgan Stanley PB Securities' customer-focused sales approach aimed at building long-term customer relationships in addition to its outstanding investment performance.

Customer Assessment of Performance on the Tokyo Foreign Exchange Market



Based on surveys undertaken by financial magazine *J-MONEY*, MUFG ranked first in the comprehensive ranking of the Tokyo Foreign Exchange Market for the tenth consecutive year, thanks to highly favorable customer assessment it has garnered in the exchange market.

Rank		Score	Number of Cases	2014 Rank
1	MUFG	2,075	326	1
2	Mizuho Financial Group	1,179	115	2
3	Sumitomo Mitsui Banking Corporation	539	13	3
4	JPMorgan Chase	264	21	4
5	Nomura Holdings	223	18	8

(Source: J-MONEY 2015 autumn edition)

Awards for Domestic Investment Trust Funds



Every year, Mitsubishi UFJ Kokusai Asset Management receives a number of awards in the Morningstar Award "Fund of the Year" program aimed at commending funds with superior investment performances and management track records.

	2015		2014	
	Rank	Funds	Rank	Funds
Mitsubishi UFJ Kokusai Asset Management	1	4	1	6
FIL Investments (Japan) Limited	2	3	2	3
Daiwa Asset Management	2	3	3	2
Sumitomo Mitsui Asset Management	2	3	3	2

(Source: Morningstar, Inc.)

Note: The results of Morningstar Award "Fund of the Year" are based on Morningstar's analysis and evaluation of the firms' comprehensive performance. The accuracy or integrity of such analysis and evaluation is not guaranteed by Morningstar.

Underwriting of Yen-Denominated Bonds



Mitsubishi UFJ Morgan Stanley Securities was chosen as the Yen Bond House of the Year—a title that attests to its strong reputation in the securities market—by *International Financing Review* in recognition of its outstanding accomplishments as a lead manager engaged in a variety of important projects, including multiple large international bond issuance projects and the issuance of subordinated bonds based on the new Basel III regulations.

Project Finance Arrangement



MUFG ranked first in the world on the project finance arrangement league table for the fourth consecutive year, thanks to its solid track record in infrastructure, energy and other various projects, which, in turn, contributed to economic development worldwide.

Rank		Millions of US\$	Share	Number of Projects
1	MUFG	16,127	5.8%	143
2	Sumitomo Mitsui Banking Corporation	12,832	4.6%	108
3	Bank of Taiwan	12,053	4.3%	1
4	State Bank of India	10,855	3.9%	30
5	Mizuho Financial Group	8,730	3.1%	79

(Source: Project Finance International, January 27, 2016)

M&A Advisory

A Japanese securities joint venture¹ between MUFG and Morgan Stanley has been selected as the winner of the "Best M&A House" award in the Japan Achievement Awards by *FinanceAsia*.

Rank		Billions of Yen
1	Mitsubishi UFJ Morgan Stanley Securities	9,828.1
2	Nomura	6,882.2
3	Sumitomo Mitsui Financial Group	5,395.3
4	Goldman Sachs & Co	4,763.0
5	Citi	4,252.2

Source: Thomson Reuters (data compiled by Mitsubishi UFJ Morgan Stanley Securities) (Based on transaction value handled²)

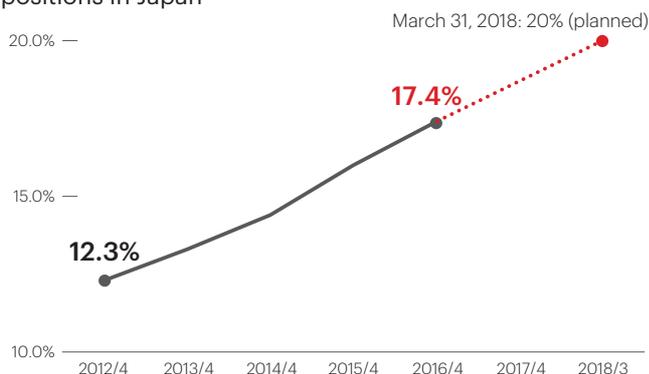
Notes: 1. Consisted of Mitsubishi UFJ Morgan Stanley Securities and Morgan Stanley MUFG Securities.
2. Any Japanese involvement announced including property acquisitions. Mitsubishi UFJ Morgan Stanley Securities includes deals advised by Morgan Stanley. (Calculation period: April 2015 to March 2016)

Non-Financial Highlights

Sustainability Initiatives and External Recognition

Diversity (workforce composition)

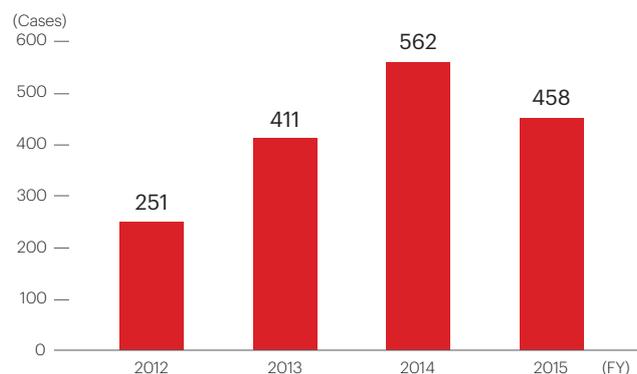
Ratio of female managers in the entire managerial positions in Japan*



* Total of The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities

Customers—Exceeding Customer Expectations

Improvements in products and services reflecting customer feedback*



* Total of Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM

Supporting UN Global Compact



MUFG has endorsed the United Nations Global Compact, a principle-based framework of voluntary action aimed at encouraging companies and organizations around the world to align strategies and operations with universal principles on human-rights, labor, the environment and anti-corruptions, and take actions that advance societal goals. As a financial group aspiring to make “contribution to realize sustainable society,” MUFG agrees and supports the principles of the Global Compact and addresses to fulfill our responsibility as a global citizen.

Winning an “Encouragement Award” under the Career Education Awards Program



MUFG was chosen to receive an “Encouragement Award” under the Sixth Career Education Awards program (Large enterprise category) hosted by Japan’s Ministry of Economy, Trade and Industry, for its excellent track record in initiatives to assist career education. MUFG is providing young people with opportunities to learn about finance and economics while promoting career education by, for example, having them interview its employees, so that they can be aware of the significance of having occupations.

MUFG Selected to Receive an SRI Index* Label



Amid a growing trend toward socially responsible investment (SRI), MUFG was selected as a representative of the domestic financial institutions to receive an SRI index label (as of May 31, 2016).

* Index for investment undertaken by giving due consideration to investees’ environmental protection and social contribution initiatives in addition to their financial standing

Fiscal 2015 Overview

In fiscal 2015, MUFG celebrated the 10th anniversary of its inauguration. After the launch of a new medium-term business plan in April 2015, we established the MUFG Corporate Governance Policies in May and shifted to the “company with three committees” structure in June.

Meanwhile, the Bank of Japan announced a negative interest rate policy in January 2016, enforcing this policy from February onward. MUFG has thus experienced significant changes in its operating environment surrounding it.

From Establishment to March 31, 2015

2005	• Mitsubishi UFJ Financial Group established	2008 The global financial crisis
2008	• Entered a strategic capital alliance with Morgan Stanley	2011 Great East Japan Earthquake
2013	• Made UnionBanCal Corporation, the parent of Union Bank of California, headquartered in San Francisco, a wholly owned subsidiary	2012 “Abenomics,” a government-led economic stimulus package launched
	• Made Krungsri (Bank of Ayudhya), a major commercial bank in Thailand, a subsidiary	

Fiscal 2015 (From April)

April	<p>Launched a new medium-term business plan</p> <p>Initiated the medium-term business plan under the slogan “Evolution and reformation to achieve sustainable growth for MUFG”</p> <p>BTMU Became the first foreign bank to open a branch in Myanmar since the World War II</p>	 <p>Launched the Yangon Branch</p>
May	<p>Established the MUFG Corporate Governance Policies</p> <p>Repurchased own shares totaling approximately ¥100 billion</p> <p>MUTB Entered the index business in collaboration with STOXX Limited, Switzerland</p>	
June	<p>Moved to the “company with three committees” structure</p> <p>Shifted from the “company with a board of corporate auditors” structure to the “company with three committees” structure, with the aim of establishing a more transparent and effective governance structure; increased the number of outside directors from five to seven</p>	
July	<p>Mitsubishi UFJ Kokusai Asset Management Co., Ltd. was inaugurated through the merger of two asset management companies</p> <p>MUTB The balance of assets managed under “Next-Generation Support Trusts” totaled more than ¥1 trillion</p>	 <p>Mitsubishi UFJ Kokusai Asset Management inaugurated</p>
August		
September		

October

November

Repurchased own shares totaling approximately ¥100 billion

December

Mitsubishi UFJ Fund Services, a wholly owned subsidiary of MUTB, acquired Alternative Fund Services business of UBS

BTMU Launched “MUFG Regional Revitalization Fund”

Began assisting corporations that take on region-specific issues by providing smooth financing as well as an advisory service for optimizing customers’ business strategies

January

Announced a capital and business alliance with Security Bank Corporation in the Philippines

BTMU reached an agreement with Security Bank, a key commercial bank in the Philippines, to form a capital and business alliance, with BTMU acquiring a 20% equity stake in Security Bank (completed in April 2016)



A business alliance with Security Bank

The Bank of Japan announced a negative interest rate policy and initiated the enforcement of this policy

February

BTMU and MUTB decreased interest rates for savings accounts

MUTB Released “Asset Succession Wrap”

March

BTMU Hosted hackathon “FINTECH CHALLENGE 2016”

Held developers’ event under the theme “creating a new, convenient and easy-to-use service through the combination of IT and finance”



Hosted “FINTECH CHALLENGE 2016”

BTMU Launched “MUFG FinTech Accelerator Program”

Became the first domestic bank to establish an entrepreneur program aimed at assisting venture companies that have superior technologies and innovative ideas



Launched “MUFG FinTech Accelerator Program”

Fiscal 2016

April

Integrated the Global Advisory Board and the Advisory Board

The new Global Advisory Board consists of nine members: three from Japan, two from Europe, two from the Americas and two from Asia

BTMU Hosted the third round of “Rise Up Festa” business support program

Solicited business proposals in various growth fields, with four and seven applicants receiving the grand prizes and excellent prizes, respectively

May

Announced a capital and business alliance with Hitachi Capital Corporation

MUFG, BTMU and Mitsubishi UFJ Lease & Finance Company Limited reached an agreement with Hitachi, Ltd. and Hitachi Capital Corporation to form a capital and business alliance; MUFG announced the acquisition of a 23% equity stake in Hitachi Capital

Repurchased own shares totaling approximately ¥100 billion

Demonstrating Our Strength by Advancing Decisive Reforms in an Adverse Operating Environment

Among the adverse factors the banking sector is now compelled to confront are the deceleration of the global economy, a resulting rise in credit costs, and a lingering worldwide trend toward low interest rates. Against this backdrop, MUFG constantly works to reinforce its position as the reliable financial institution of choice for its customers while progressing toward a new phase of growth.

Results of the First Year of the Medium-Term Business Plan —Progressing with Structural Reforms and Facing New Challenges

In 2015, the global economy was significantly affected by the abrupt slowing of once-burgeoning investment-backed growth in the Chinese economy and the end of radical monetary easing policies of the United States. These two factors had been powering the drive to get the economy back on track since its derailment into worldwide recession in the wake of the Lehman Brothers bankruptcy in 2008.

With the waning of these driving forces, however, economic deceleration has been spreading throughout emerging nations, and a fall in oil and mineral prices has led to economic deterioration in resource-exporter countries, with market conditions becoming increasingly volatile. Moreover, the rise of the so-called “Islamic State” and Syrian refugee crisis are posing serious geopolitical and social threats to European stability. Meanwhile, in June 2016, the people of the United Kingdom voted in favor of “Brexit,” approving the

exit from the European Union. In sum, in many ways instability is setting in around the world.

Against this backdrop, the Mitsubishi UFJ Financial Group (MUFG) launched a new medium-term business plan in April 2015 in conjunction with the 10th anniversary of its establishment.

Centered on the theme “Evolution and reform to achieve sustainable growth for MUFG,” the plan was formulated on the assumption of various factors affecting our future operating environment. Among these assumptions are the following:

- In Japan, the working population will rapidly decrease due to a graying society and a declining birth rate.
- The composition of businesses and industries will change over time.
- Under “Abenomics,” an economic stimulus package that has entered its second stage under the initiative of the current Abe administration, domestic business sectors will see structural reforms.
- Overseas, although the U.S. economy is improving, Europe will face lingering political and economic issues, while the



Nobuyuki Hirano
Director
President & Group CEO

Message from the CEO

deceleration of economic growth in China and other emerging nations will lead to new developments that require close monitoring.

- Furthermore, the advancing “digital revolution” may well evolve into a game changer that impacts industry around the world at a pace far faster than expected.

Giving due consideration to such factors, we are continuing to ensure that we remain a corporate group boasting strong competitiveness and capable of achieving sustainable growth over the next decade.

Now I will explain the results of the first year of the medium-term business plan and challenges we confronted.

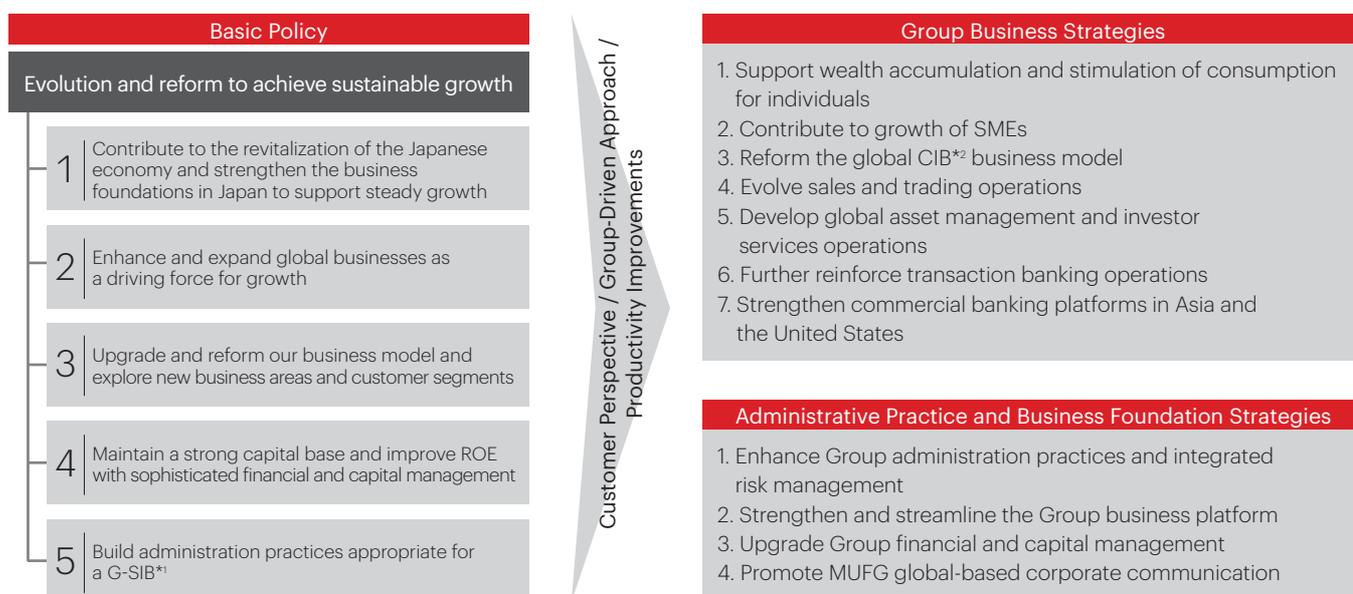
Making Steady Progress, MUFG Meets Earnings Targets in Every Business Sector

Taking a look at the results for the year ended March 31, 2016 (Fiscal 2015), I would like to discuss progress made in our wealth management business for retail customers in Japan. In a historic move, MUFG, along with Morgan Stanley, made a coordinated global offering, simultaneously listing the three previously government-owned Japan Post Group member companies, with the total value of their shares amounting to ¥1.4 trillion.

To pull off this major placement project, MUFG fully employed its broking channels, creating the largest stock

Outline of Medium-Term Business Plan (FY 2015-FY 2017)

Our Medium- and Long-Term Vision **Be the World's Most Trusted Financial Group**



*1 G-SIB: Global Systemically Important Bank

*2 CIB: Corporate Investment Banking

subscription it has offered since launching a securities joint venture with Morgan Stanley. In the process, we strove to cultivate an even broader investor base and, to this end, focused on winning customers who have not used securities-related services by fully leveraging our customer contacts at bank counters. This, in turn, helped facilitate a shift in an ongoing customer trend from savings to investment. Our efforts have thus yielded a new securities business model that only MUFG is capable of operating.

In the domestic corporate banking business, loans increased steadily. Also, we have seen significant results in asset management services for corporate customers with abundant cash reserves and the real estate brokerage business, which entails the collaboration of banking and trust bank units to take the advantage of the burgeoning market environment. We became the industry leader in terms of M&A advisory service for domestic and cross-border deals and bond underwriting service in Japan. We also ranked second in equity underwriting. At the same time, we were able to secure such robust ancillary business as loans and foreign exchange, suggesting that our unique business model bring us huge advantages.

In May 2016, MUFG agreed to form a strategic capital and business alliance with Hitachi Capital Corporation (HC). With MUFG acquiring a 23% equity stake in HC from its parent, Hitachi, Ltd. Together, Hitachi, HC, MUFG, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), and Mitsubishi UFJ Lease & Finance Company Limited (MUL), will work to strengthen the operations of HC and MUL while establishing a comprehensive financing platform capable of supporting the social infrastructure business in Japan and its expansion overseas. In addition, HC and MUL plan to initiate discussions aimed at stepping up their partnerships, with an eye to the possibility of business integration.

Meanwhile, the global banking business has seen deceleration in growth, particularly in Asia, amid the slowing of growth in economies worldwide. However, our steady efforts to develop and upgrade our business foundation made progress. We appointed Mr. Stephen Cummings as BTMU's CEO for the United States (U.S. CEO). Under his leadership, BTMU hired experienced senior employees in the United States and integrated key management personnel at MUFG Union Bank, N.A. (Union Bank), a local Group subsidiary based on the West Coast, and BTMU's U.S. branch network.

In Asia, the Thailand-based Bank of Ayudhya Public Company Limited, which we acquired in 2013, and Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank), an equity-method affiliate, recorded firm performances. In April 2016, we acquired a 20% equity stake in Security Bank Corporation, the fifth-largest private bank in the Philippines, where economic growth has been remarkable. In these ways, we stepped up initiatives to seize growth opportunities arising from burgeoning Asian economies.

In the global markets business, we have seen instability and the tightening of relevant regulations, which have prompted restructuring and downsizing among some major global financial institutions. Nevertheless, collaborative efforts between MUFG's banking and securities units yielded favorable results. Specifically, our sales and trading (S&T) operations, backed by customer flows, recorded firm results in Japan and overseas. In our Asset Liability Management (ALM) operations, we began to place a greater emphasis on foreign-currency-denominated assets in response to lower interest rates on the yen. By doing so, we were able to post sufficient valuation gains while securing profit in excess of initial forecasts, although it was down year on year. We are also steadily moving toward the upcoming integration of our

Digital Strategies

In line with its digital strategies, MUFG's Digital Innovation Division is charged with the R&D of new digital financing technologies and business models on an across-the-board basis for a range of Group companies engaged in the banking, trust, and securities businesses. Overseas, our representatives in Silicon Valley, New York, and Singapore support a global network that enables us to swiftly introduce cutting-edge technologies and businesses and make investment decisions. In addition, we have launched the MUFG FinTech Accelerator Program aimed at nurturing FinTech entrepreneurs, and we host "hackathon" events. These and other proactive initiatives are expected to bring future benefits, for example, allowing lower-cost cross-border bank transfers and an AI-based investment advisory service. Furthermore, technological breakthroughs may enable the drastic streamlining of processes to ensure compliance with complicated

regulations (RegTech), the application of blockchain technology to enhance trade and settlement infrastructures, and the significant automation of back-office work. In other words, financial business as we know it today can be changed significantly by new technologies.

On the other hand, increased digitization is bringing with it serious cybersecurity problems. In February 2016, for example, a fraudulent money transfer perpetrated against the Bangladesh Central Bank sent a wake-up call to bankers around the world regarding the dire threat of cyber theft. MUFG is not immune to the danger of such an attack. Therefore, we are taking lessons from our overseas counterparts and continuously updating our security measures to secure our ability to counter every new maneuver that cyber attackers may make. We are also aware of the importance of relevant international public-private initiatives.

S&T business, consolidating our banking and securities units, scheduled for fiscal 2016 or later.

In the asset management and investor services business, we established Mitsubishi UFJ Kokusai Asset Management Co., Ltd. in July 2015 through the merger of Mitsubishi UFJ Asset Management Co., Ltd. and KOKUSAI Asset Management Co., Ltd. This merger was intended to reinforce our investment management structure. Bringing together the strengths of the two merged companies, which lie in product development and sales channels, the new company will be even quicker to create and deliver products finely tuned to customer needs. In the field of investor services, we continually

expanded our global network in specific areas, including hedge funds and private equity, through such means as acquiring a business from the Switzerland-based UBS Group AG. As a result, MUFG is now ranked among the top ten firms worldwide in terms of the value of fund assets under administration in these fields.

In fiscal 2015, we faced severe conditions in the second half, thus posting a year-on-year decrease in profit. However, thanks to the success of the aforementioned initiatives, we were able to meet our target for profit attributable to shareholders, set at ¥950 billion, as announced at the beginning of the fiscal year.

Addressing Three Adverse Factors and Assuring Secure Global Governance while Disseminating a Corporate Culture that Values Principles

Now, let me shift our sights to some of the challenges confronting us.

First, we must address external adverse factors affecting the operating environment. As I mentioned above, the deceleration of the global economy and a resulting rise in credit costs, as well as a lingering worldwide trend toward low interest rates—and in some cases, negative interest rates—are together posing difficult challenges. MUFG has enjoyed steady growth in the past several years under a policy of maintaining a strong domestic base while seeking out growth opportunities overseas. However, this growth can be stalled by economic deceleration overseas, especially in Asia—our second “home market.” Also, net credit costs that had been benefits due to a reversal of the provision for credit losses in the past few years have become a factor that eats into profit, even though the current net credit cost ratio is still lower than the average for the past 10 years and has remained low for some time. In fiscal 2015, we saw an upsurge in credit costs, especially in the U.S. petroleum exploration and production sector, due to a steep decline in oil gas prices, in addition to rating downgrades for some major borrowers. Above all, the central-bank driven negative interest rate policy is putting downward pressure on net interest income. As the positive impact of this policy on the economy is not yet clear, a sense of uncertainty about the economic outlook is engendering caution about making new investments in the household and corporate sectors, significantly affecting the operation of financial institutions.

Second, we are striving to secure solid global governance. Our operations presently encompass broad geographical areas, with more than 140,000 employees working in approximately 50 countries around the world. Therefore, our governance system needs to be tailored to the characteristics of

each market region as well as local laws and regulations, while ensuring that an integrated approach is maintained on a global basis. In sum, we need a flexible yet solid governance system. The past has shown us that a worldwide financial crisis can force even prominent global financial groups to downsize or even withdraw from a given market when stress reveals governance-related vulnerabilities. We cannot fail to learn from their experience.

MUFG has a number of measures in place to realize solid governance at both the local and global levels. For example, our U.S. Risk Committee supervises overall risk management activities undertaken with regard to our U.S. operations, reporting to MUFG’s Risk Committee, which itself reports to the Board of Directors. The creation of an effective internal control system capable of governing wide geographical regions and business areas is challenging. We believe that what matters most is management’s determination to keep our organizational structure simple and not tolerate the existence of blind spots. To that end, we must maintain focus on our core businesses and market regions.

Third, we recognize that compliance and corporate culture are becoming ever more important to our business. Since the worldwide recession, financial institutions have been embroiled in a series of enforcement actions and legal scandals. These incidents include serious LIBOR violations, the manipulation of exchange rates, the inappropriate marketing of securitized paper, sanctions and money laundering, and assisting in tax evasion. As a result, the moral bearings of financial institutions and their employees have come under scrutiny.

Financial institutions have also made significant expenditures to resolve these liabilities and to strengthen their compliance programs. As regulations vary by country, conducting business beyond borders requires that we painstakingly ensure compliance with multiple sets of rules for multiple countries. This is a heavy burden on management, but there must be no deficiency in legal compliance.

Message from the CEO

Accordingly, MUFG's management has made ensuring compliance in global business a key internal control issue. Even when there are no concrete rules for a specific business field, we will not tolerate actions that go against our principles. To prevent illegal or unethical actions, we must have a corporate culture that discourages any motivation to carry out such actions. Discussions at recent Board of Director meetings have focused on the issue of our corporate culture. MUFG's management, including me, will disseminate a clear message to raise the compliance awareness of all employees. At the same time, we will remain attentive to problems perceived by frontline colleagues while persistently working to resolve such problems.



Results of Our Corporate Governance Reforms and Future Initiatives

We are relentlessly striving to improve our corporate governance, clarifying the roles of the Board of Directors and securing competent and diverse individuals as our outside directors, with each director, and the management team as a whole, strongly committed to this pursuit.

Having shifted its governance structure from a conventional Japanese system to a “company with committees” system in June 2015, MUFG has until now been striving to build an even more sophisticated governance system. When it comes to governance systems, I adhere to the principle of substance over form. Even the United States, where many corporations have been in the vanguard of corporate governance systems, saw a case of major corporate accounting misconduct in the early 2000s. This was followed by the global financial crisis, one of the causes of which is a financial institution's failure to implement solid governance. Obviously, adherence to “form” doesn't guarantee “effectiveness.”

MUFG formed a dedicated Board Governance Committee. Over the course of a year, this committee was able to establish the current governance system, and we are continually working to make improvements to this system.

We believe that a solid governance system requires: 1) defined roles for the Board of Directors, 2) the provision of resources necessary to facilitate active discussions at the Board of Directors meetings, and 3) the clear awareness and commitment of each director and management team to effective corporate governance.

The Board of Directors' role is to formulate basic strategies, establish internal control systems, appoint key personnel, and monitor business execution. We believe that all these functions should be reinforced by competent and diverse outside directors. With this in mind, our outside directors include individuals who have held CEO or CFO positions in different sectors, an expert in international corporate accounting, a lawyer who is well versed in governance issues, and a university professor specializing in finance. Each of these individuals contributes to discussions based on experience and knowledge. In addition, our Outside Director Meeting, chaired by Mr. Tsutomu Okuda, convenes additional sessions to deliberate on such important management issues as capital policy. In these ways, we have been striving to better reflect the opinions of outside directors in management.

Looking ahead, we will facilitate outside directors' understanding of MUFG operations by, for example, hosting an off-site meeting to discuss strategies. We will also better use our succession plans to nurture the next generation of management personnel.

Last, we are aware of the importance of communicating points raised at the Board of Directors meetings with each business division and Group operating company. Securing such smooth communication across the board is key to creating new value, which will, in turn, be delivered to our stakeholders, including our customers. I am serving concurrently as a director at Morgan Stanley, and I've seen remarkable progress in that company's efforts to improve corporate governance over the past several years. We will remain quick to incorporate their best practices to improve our own.

Committed to Securing Sustainable Growth in an Evolving Business Environment

Facing arduous conditions, we will demonstrate our true strength by accelerating evolution and reforms, holding strong against three adverse factors.

Amid a drastically changing management environment, our basic strategy of maintaining a strong domestic franchise while seeking growth opportunities overseas remains unchanged. To overcome current adversities, we will accelerate our initiatives to achieve evolution and reforms by focusing on the customer perspective, taking a Group-driven approach, and making productivity improvements in line with the current medium-term business plan. We grow when we are able to recognize the opportunity offered by change, however unfavorable it may first seem. It is often said that trials reveal your true strength. We believe that now is the time to do our utmost and prove our true strength.

Message from the CEO

Accordingly, I'll explain specific initiatives for growth by prevailing in the face of the three main adverse factors before us. We have formulated these initiatives for "accelerating evolution"—an expression purposefully used in the medium-term business plan.

First, we are committed to tackling the impact of the deceleration of growth in economies around the world, which has led to the slowing of growth in our existing overseas operations. Our overseas business consists of three core segments: corporate finance, commercial banking (retail and SME business), and asset management / investors services business. We pursue these core businesses with due consideration given to the geographical distribution of our global network encompassing Asia, the Americas, and Europe.

As for corporate finance, we have been engaging in this business since we began to expand overseas. Today, virtually all our international footholds, in approximately 50 countries around the globe, provide this service. Although we began by serving mainly Japanese companies, our current customer portfolio consists mainly of major foreign companies, in fact, they now account for around 70%. In Asia, growth in this field has slowed down due to shrinking trade and investment, despite initial expectations. But our operations in the United States and Europe have seen progress in line with projections. Breaking away from a business model that is overly dependent on lending, we will pursue a shift to a cross-selling business structure involving transaction banking, including cash management; market products; and capital market transactions, thereby enhancing RORA.

As for commercial banking, we began entering ASEAN nations over the past several years, successfully expanding an overseas network that had previously consisted only of

Union Bank, based on the U.S. West Coast. Specifically, we invested in VietinBank (Vietnam), Bank of Ayudhya (Thailand), and Security Bank (the Philippines). The home countries of these three banks are now developing economic ties with Japan and boast burgeoning growth potentials. We intend to strategically seize growth opportunities resulting from rising domestic demand in these countries. By bringing to bear our knowledge, financing techniques, and management methodologies to help these companies enhance their corporate value, we will step up mutually beneficial collaboration and eventually develop an MUFG version of the trans-pacific partnership. Since the current showings of these Asian partner banks are favorable, we are confident that they will become significant contributors to our efforts to overcome the adverse factors.

In addition, our existing operations related to corporate finance, along with Union Bank, are facing the challenge of enhancing top-line revenues while reining in rising expenses, including those necessary to secure responsiveness to new regulations. To resolve this challenge, Union Bank and BTMU integrated their U.S. branches, while in Europe BTMU branches are being merged into the Dutch subsidiary. BTMU also plans to establish an administrative center in Manila, the Philippines, to consolidate the back-office operations of its Asian offices. In these ways, we are implementing a variety of reform measures.

As for the asset management business, we are aspiring to expand these operations in the face of growing wealth accumulation in terms of both household and corporate savings despite the deceleration of growth in economies around the world and anxieties over long-term stagnation. In addition, the international financial industry is now seeing a growing presence of asset management companies, which have

been picking up business as banks and securities firms under tighter regulations have gradually lost financing brokerage abilities. Of course, in the field of pension and investment trusts, MUFG is one of the largest players in Japan. Overseas, however, we've not been fully venturing beyond our alliance with equity-method affiliates, such as the UK-based Aberdeen and the Australia-based AMP. We will step up our efforts to boost revenues from commission fees in this business, with an eye to diversifying our profit base.

Second, we are determined to not allow rising credit costs to undermine our operations. Although our domestic business is not expected to suffer from an immediate rise in credit costs, we are highly vigilant to cyclical changes in the environment and the possibilities of bubble economies resulting from radical monetary-easing policies across the globe. Overseas, we will reduce our total credit exposures for the resource and energy sectors while abstaining from credit concentration in other cyclical industrial segments. Simultaneously, we will enhance our responsiveness to drastic changes in the market environment.

Third, we are implementing multiple countermeasures against the effect of the negative interest rate policy. We are also striving to leverage the advantageous aspects of this policy through the stimulation of potential funding demand and the development of investment products. To these ends, we are implementing three initiatives, as follows.

The first initiative is curbing expenses while improving productivity. For example, we have reviewed overlaps of functions across our organization. As I mentioned previously, we are integrating BTMU's overseas banking footprints while integrating S&T business currently conducted separately by banking and securities entities. BTMU is also pursuing the

downsizing of its domestic workforce, looking to decrease the number of career track employees by 3,500 (or approximately 21.1%) over the next 10 years.

The second initiative is enhancing risk-return management. We are striving to increase "hybrid loans" —with higher margins and a limited range of eligible borrowers—, certain proportions of which are recognized by rating agencies as capital. Simultaneously, by distributing financial products backed by these loans, we will earn fees while satisfying the unmet needs of investors favoring higher returns. We also are discussing the revisions of service fees, which had been set by taking deposit revenues for granted.

The third initiative is reducing our strategic equity holdings. In response to the enactment of Japan's Corporate Governance Code and from the perspective of risk mitigation, we began divesting such stocks since last year. So far, our strategically held stocks have sold at a level exceeding our projections. We will continue to sell these stocks in a systematic manner while consulting with our corporate clients to gain their understanding.

In addition, in June 2016, younger business leaders at MUFG launched an intersectional task force aimed at deliberating measures to improve productivity. Without exceptions, the task force is actively scrutinizing every aspect of our operations, ranging from corporate functions and distribution channels to the back office, with an eye toward remaining on-trend with digitization of the industry.

Meanwhile, Mitsubishi UFJ NICOS Co., Ltd recorded a loss in the first half of fiscal 2015. This was mainly attributable to the posting of additional allowance for the refunding of interest overcharges and the reversal of deferred tax assets due to a

Message from the CEO

downward revision in future taxable income resulting from the formulation of system upgrade plans. Currently, the renewal of systems is positioned as a key project affecting the company's future performance, which had been operating three separate systems for three separate card brands—an unfavorable situation requiring emergency stopgap solutions over the years. By integrating these systems into a single sophisticated system, this project is expected to realize more cost-competitive operations. As a core MUFG subsidiary in the field of payment services, Mitsubishi UFJ NICOS will contribute to Group performance through the development of cutting-edge digital payment and new B-to-B-to-C businesses in collaboration with BTMU.

Nurturing Globally Capable Human Resources by Imbuing All Employees with MUFG Values and Culture

Last, I would like to comment on the nurturing and promotion of our human resources.

I believe that for a financial business, its human resources are its most essential resources. Although the advance of digitization may change the nature of the roles that human beings play in business, I am pretty sure that machines will never be able to take over such functions as strategic decision-making, leadership, and building bonds of trust with customers. Moreover, in step with the expansion of our business fields and geographical areas of operations, nurturing the next generation of leaders and employees is becoming an issue of critical importance.

When it comes to nurturing human resources, diversity will be key to securing competence. Although female colleagues currently account for nearly half of MUFG's workforce in Japan, I often find myself questioning the barriers that continue to hinder them in realizing their full potential. More than 40,000 employees work at overseas Group companies, but I would ask, "How many of them have been promoted to

key leadership positions?" In 2016, BTMU appointed two female corporate executive officers to supervise its overseas operations, while Mitsubishi UFJ Trust and Banking Corporation (MUTB) appointed one female corporate executive officer for domestic operations. At BTMU, the number of domestic employees taking maternity or childcare leave reached 1,500 (or approximately 9.7% of female colleagues), reflecting efforts to help employees strike an optimal work-life balance. BTMU has 47 women in general manager or branch manager positions. However, they are mainly in our retail banking business. There is much more to be done regarding gender equality. We will strive to assist women with their career development in a broader range of business fields.

At BTMU and MUTB, we also have raised the number of corporate executive officers hired overseas to 11. Not being content with the current status, we will accelerate our diversity initiatives by, for example, appointing a foreign national as a candidate for independent director of our board in the near future.

We are also aware of the importance of nurturing globally capable human resources. We launched the Global Leaders' Forum, an across-the-board initiative aimed at nurturing the next generation of MUFG leaders; and expanded the scope of the forum's activities to encompass the entire Group. Although I've been impressed by participants' growing leadership competencies every time I attend a forum to comment on their final reports, I have repeatedly communicated the importance of spreading MUFG values and culture. Leaders are expected to seize every opportunity to disseminate clear messages about the Group's mission, vision, and values among employees through the various channels available to them while ensuring that the principles they share are put into practice. As always, I'm fully committed to communicating this message, as are all other top management personnel.

In Conclusion

For fiscal 2016, we have set our target for profit attributable to shareholders at ¥850 billion. This figure is down ¥100 billion compared with fiscal 2015. Although we will post a decrease in annual profit for the second consecutive year, we believe that, by meeting adversity head on, MUFG will be able to demonstrate its true strength. Now is the time for decisively taking a step forward, taking on new challenges and proving ourselves a corporate group worthy of the trust of our stakeholders. With all Group employees committed to this endeavor and with a shared sense of urgency, in fiscal 2016 MUFG will rally its strengths to execute the initiatives discussed above, blazing a path toward fiscal 2017, the final year of the current medium-term business plan.

We sincerely ask for your continued understanding and support.

July 2016



Nobuyuki Hirano
Director
President & Group CEO



July 2016

Muneaki Tokunari
Director, Senior Managing Executive Officer, Group CFO

Fiscal 2015 Business Results

In fiscal year 2015, which ended March 31, 2016, the yen continued to appreciate even as the low interest rate environment was prolonged. In the second half of the fiscal year, factors such as the deceleration of growth in China and other emerging economies and the interest rate hike in the United States led to a volatile market environment. Loans and deposit revenues affected by these circumstances decreased in both Japan and the rest of the world, while fee and commission income increased. Gross profits were down approximately 2% year on year to ¥4,143.2 billion.

Overall expenses stayed virtually unchanged compared with the previous fiscal year, thanks to the success of our cost control efforts, which offset an increase in expenses associated with measures implemented to respond to global financial regulations.

As a result, net business profits decreased approximately 5% year on year to ¥1,557.9 billion.

Credit costs amounted to ¥255.1 billion, reflecting increased costs attributable to a fall in resource and energy prices and the downgrade of ratings for some major clients.

Earnings from equity method investees increased, thanks to the favorable performance of Morgan Stanley, our strategic partner in the United States.

Taking all this data into account, profit attributable to owners of the parent totaled ¥951.4 billion, which represents an approximately 8% year-on-year decrease but slightly exceeds the previously announced target of ¥950.0 billion.

(For more details, refer to the “Financial Review for Fiscal 2015” on page 89.)

In the current medium-term business plan, MUFG is aiming to achieve financial targets for the four metrics presented below, representing growth, profitability, and financial strength. Although the operating environment surrounding MUFG has been getting harsher since the announcement of the medium-term business plan a year ago, we will continue to strive to achieve these targets by the end of the final year of the plan.

Financial Targets in the Medium-Term Business Plan

	Metrics	FY 2014 (Results)	FY 2017 (Targets)	FY 2015 (Results)
Growth	EPS (Yen)	¥73.22	Increase 15% or more from FY 2014	¥68.51 (6% from FY 2014)
	ROE (MUFG definition)*1	8.74%	Between 8.5%–9.0%	7.63%
Profitability	Expenses ratio	61.1%	Approx. 60%	62.3%
	Common Equity Tier1			
Financial Strength	Capital Ratio	12.3%	9.5% or above	12.1%
	(Full implementation)*2			

*1 For details on calculation methods, please also see descriptions on ROE featured in “Financial Highlights” on page 6.

*2 Calculated on the basis of regulations applied at the end of March 2019

Forecasts of Fiscal 2016 Operating Environment and Countermeasures

Three Adverse Factors

Having embarked on the year ending March 31, 2017, we have identified three adverse factors, namely, the deceleration of growth in the global economy, credit costs, and a prolonged global environment of low interest rates, all of which place burdens on the operations of financial institutions.

To overcome these factors, MUFG will demonstrate the comprehensive strengths of the MUFG Group as much as possible by providing our customers with truly valuable services and solutions to meet their needs. We are confident that by doing so, we can expand transactions while securing more diverse revenue sources.

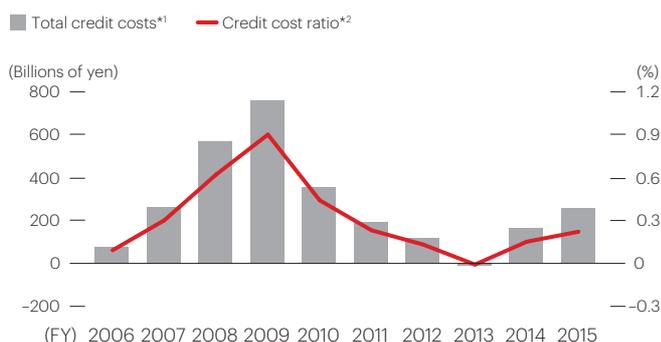
In addition, we will progressively implement a number of other initiatives aimed at curbing costs and improving productivity while maintaining stringent credit risk management. Details of the initiatives follow.

Status of Credit Costs

Credit costs currently account for around 0.2% of total loan balances, indicating that overall asset quality is strong.

The credit balance in energy- and resource-related sectors totaled ¥10.4 trillion at the end of fiscal year 2015. After deducting exposures backed by collateral and guarantees pledged by such institutions as the Export Credit Agency, the credit balance amounts to ¥6.9 trillion. More than 90% of this amount consists of exposures to normal borrowers. Non-performing loans are only approximately ¥120 billion, 90% of which has already been secured by collateral. Looking ahead, we will implement more stringent credit risk management.

(For more details, refer to descriptions of the credit balance of resource-related clients featured in the "Financial Review for Fiscal 2015" on page 95.)



*1 Consolidated. Including gains on loans written-off (Negative figure represents profits)

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

Impact of Negative Interest Rates

Due to the negative interest rate policy introduced by the Bank of Japan in February 2016, we are seeing downward pressure on our interest income in Japan.

To address the situation, our Retail Banking Business Group and Asset Management / Investor Services Business Group are collaborating to facilitate a shift of financial products owned by our customers from savings to investment through initiatives such as enhancing our lineup of investment products.

At the same time, we are promoting housing loans and apartment loans in response to growing demand in these markets due to the lower interest rates.

Regarding large deposits, we have set limits on balances in yen banking accounts for inter-bank settlement services held by overseas financial institutions and have begun charging additional fees on over-limit balances.

We are actively exploring the potential loan demand of domestic corporate customers by leveraging favorable aspects of the low-interest-rate policy. We are also monitoring the balances of large deposits and developing more sophisticated methods to manage the comprehensive profitability of customer transactions.

Improving Productivity

To offset a decrease of profits due to the aforementioned three adverse factors, it is essential to improve productivity and further curb costs.

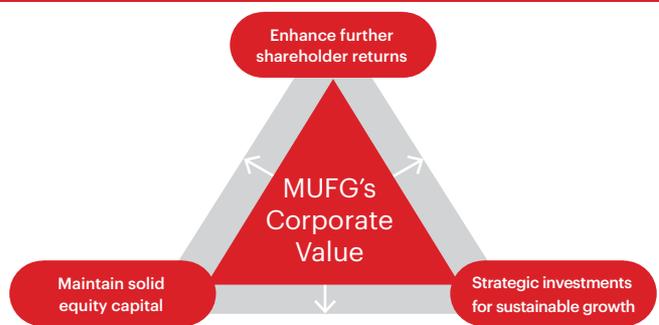
With this in mind, we are implementing Groupwide initiatives, including the reorganization of our network in the Americas and Europe and the integration of our sales & trading business that the commercial bank and securities company are currently undertaking to streamline their overlapping functions. In addition, we will steadily implement measures aimed at the appropriate allocation of human resources, including downsizing the number of career-track employees, to effectively use talent within the Group and improve productivity.

Capital Management

Basic Policy

MUFG maintains a focus on capital management that appropriately balances the maintenance of solid equity capital, strategic investments for sustainable growth, and further enhancement of shareholder returns.

Our capital management policies have been regularly and consistently discussed as one of our most important management themes by the Board of Directors, which includes a majority of non-executive directors.



Maintenance of a Solid Capital Base

As a Global Systemically Important Bank, MUFG is subject to the Basel III international rules that require financial institutions to solidify their capital base. As of March 31, 2016, MUFG's capital adequacy ratio (Common Equity Tier1 Capital ratio), an indicator of the soundness of its capital base, was more than 11%, well exceeding the Basel III minimum requirement of 8.5%. As such, MUFG is maintaining the adequate capital ratio level required by current financial regulations.

Today, however, relevant authorities across national boundaries are engaging in international discussions aimed at introducing new capital regulations. Moreover, regulations on Total Loss Absorbing Capacity (TLAC) requirements are expected to be enacted in March 2019.

(For more details, refer to "Responding to Global Financial Regulation" on page 80.)

We need to comply with these regulations while enhancing our ROE. From this point of view, it is important to create an optimal capital structure, which we call "the best capital mix," by appropriately combining Additional Tier1 Capital (e.g., perpetual subordinated debt), Tier2 Capital (e.g., subordinated term debt), and TLAC-eligible senior debt.

In fiscal year 2015, therefore, we implemented a capital raise in multiple layers and channels as stated below. MUFG became the first issuer in Japan engaged in multiple fields, and as a result, MUFG was selected to receive the awards listed below in recognition of its efforts "to play pioneering roles in price formation of the notes issued for the first time in the market and the nurturing of the investor base, as well as its significant contributions to the development of the market."

Procurement Results (Total in fiscal 2015)		Notes
AT1 perpetual subordinated debt	¥450 billion	The first public issuance in Japan
Tier2 subordinated debt	¥383 billion	The first issuance for individual investors in Japan
TLAC-eligible senior debt	US\$5 billion	The first issuance by a financial holding company in Japan

Capital Market Media	Award
THOMSON REUTERS	Bond Issuer of the Year
CAPITAL EYE	BEST ISSUER OF 2015
	BEST DEALS OF 2015

Use of Capital to Strengthen Profitability

Strategic investment with excess capital is a key driver for achieving sustainable growth, as well as organic growth based on our existing customer base and businesses. We place our priority on capital productivity in strategic

investments such as M&A and require return from the investment to exceed the cost of capital within a certain period of time after the investment. We ensure financial discipline by periodically monitoring the result of investments and establishing internal rules to cope with investments that missed return targets.

Outline of Latest Investments

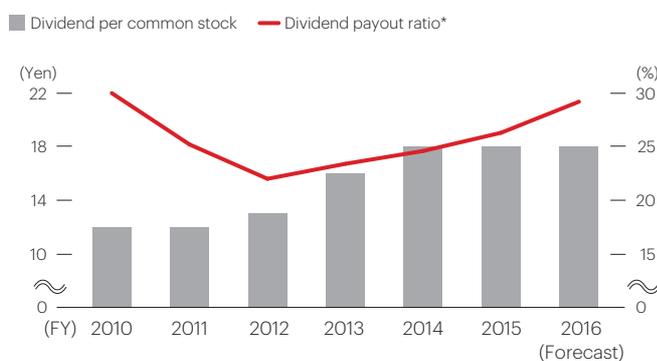
Business Group	Investees	Investment Amount	Notes
Japanese Corporate Banking	Hitachi Capital	¥91.4 billion (planned)	Acquired a 23% equity stake as part of policy of strengthening leasing and social infrastructure business
Global Banking	Security Bank (the Philippines)	US\$792 million	Fifth-largest commercial bank in the Philippines in terms of total assets
Asset Management / Investor Services	UBS's alternative fund services business U.S. Private equity fund administration business	(Not disclosed)	Expanding operations in the global fund administration market

Further Enhancement of Shareholder Returns

Our basic strategy on shareholder returns is to achieve stable and sustainable increases in dividends per share through the growth of our profits.

On two occasions in fiscal year 2015, we repurchased our own shares, with the value of each transaction amounting to approximately ¥100 billion each, as part of our efforts to enhance shareholder returns.

We will continue to work toward the enhancement of shareholder returns, while keeping capital ratios at an appropriate level to comply with capital regulations and maintain our ratings while taking into account the possible use of capital for further growth.



* FY 2011 figures do not include one-time effect of negative goodwill associated with the application of equity method accounting on our investment in Morgan Stanley

Toward Sustainable Growth

Risk Appetite Framework

MUFG has introduced a risk appetite framework to provide a common linguistic platform on which the Chief Strategy Officer, Chief Risk Officer, and CFO, as well as their staff, can discuss business strategies and financial plans.

This framework is designed to clarify risk appetite, which means the types and amount of risk that MUFG is willing to take. The framework helps us better control risk while enabling us to achieve sustainable growth by pursuing as many business opportunities as possible.

(For more details, refer to "Risk Appetite Framework Management Process," featured in "Risk Management" on page 75.)

Dialogue with Shareholders and Investors and Information Disclosure

As the CFO of MUFG, I believe it's important to continue constructive dialogue with stock and bond investors and to further enhance information disclosure. For MUFG as a financial institution, raising capital and debt from capital markets is important in order to comply with financial regulations, maintain our ratings, and ensure foreign currency liquidity. From this point of view, we engaged in dialogue with shareholders and investors in fiscal year 2015 as listed below, in addition to the appropriate disclosure of financial information based on Japanese and U.S. GAAP.

Opinions of shareholders and investors attending dialogue events are periodically reported to the Board of Directors and the Executive Committee and are shared among all management team members.

We will continue to have constructive dialogue with shareholders and investors. Your continuing support will be very much appreciated.

Fiscal 2015 Dialogue

Counterparts	Events	Number of Attendees or Meetings
Shareholders	General Meeting of Shareholders (GMOS), seminars for shareholders (twice a year in Tokyo, Nagoya and Osaka, respectively)	GMOS: Approx. 11,000 attendees Seminars: 3,404 attendees in total
Individual Investors	Seminars for individual investors (Tokyo and Osaka), presentation meetings at securities firm and security exchanges	2,007 attendees in total
Institutional Investors	Earnings briefings, investors' day, business strategy seminars, online conferences following the announcement of M&A, individual meetings in Japan and overseas and conference calls	Individual meetings: 592 occasions (including 393 occasions with overseas investors)



Corporate Value Initiatives

Our vision is to be the world's most trusted financial group. We explain how we create value in our efforts to reach this vision.



30	Japan: Leveraging Our Comprehensive Group Strengths to Satisfy Customer Needs
34	Becoming a Top Ten Bank in the United States, the World's Economic Powerhouse
38	Securing a Greater Presence in Asia —Our Second “Home Market”
42	Initiatives Leveraging FinTech
44	Business Overview
46	• Retail Banking Business
48	• Japanese Corporate Banking Business
50	• Global Banking Business
52	• Asset Management / Investor Services Business
54	• Global Markets Business



Japan: Leveraging Our Comprehensive Group Strengths to Satisfy Customer Needs

To satisfy ever more diverse and complex customer needs, MUFG is providing services employing its unique and comprehensive strengths, with its Group companies, including a commercial bank, trust bank and securities companies, acting in strategic collaboration.

Asset Management Services for Individual Customers

In the retail business segment, MUFG is pursuing the long-term vision of becoming the top financial group chosen by a wide variety of customers with a business that spans the generations. Despite the harsh investment environment reflecting negative interest rates, we are convinced that our comprehensive strengths will be up to the task. Employing these strengths, we will strive to satisfy customers' asset management needs.

Satisfying Individual Customer Needs

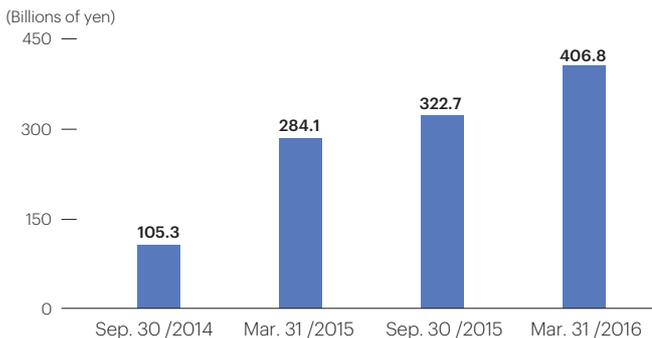
Needs for asset management services vary largely by customer. Some customers may be just looking for an investment opportunity. Some may be focusing on modest yields and stable returns. And others may be open to aggressively taking risk for the chance of high returns. MUFG is capable

of satisfying diverse needs thanks to the collaborative efforts of Group companies.

For beginners, we offer relatively low risk investment products through such outlets as our commercial bank and trust bank. The Nippon Individual Savings Account (NISA) is handled by the commercial bank, trust bank and securities companies, which together engage in Groupwide efforts to broaden the investor base. MUFG also offers a variety of products, including investment trusts, foreign currency deposits and insurance to assist in asset formation over the medium- and long-term. Moreover, for customers with a higher risk appetite, we have such proposals as stock investments and structured bonds that leverage our financial products intermediation functions.

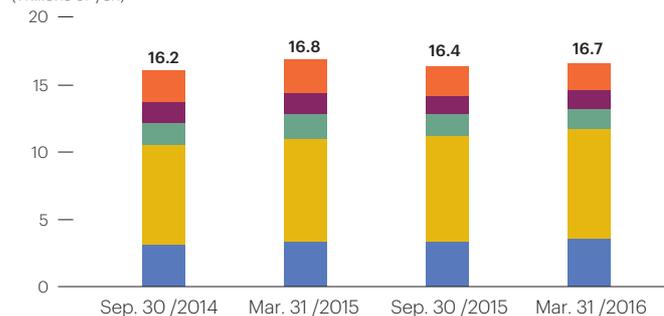
Thanks to these and other initiatives, the balance of NISA accounts at MUFG totaled approximately ¥400 billion as of March 31, 2016. In addition, the balance of our financial instruments intermediary business account is also firm and stable.

Asset Balance of NISA Accounts



Customer Account Balances*1: Equity Investment Trusts, Insurance annuities, Financial Products Intermediation*2

■ Financial products intermediation ■ Insurance annuities ■ Equity investment trusts (MUMSS)
 ■ Equity investment trusts (MUTB) ■ Equity investment trusts (BTMU)
 (Trillions of yen)



*1 Financial products intermediation balance includes referrals

*2 The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) + Mitsubishi UFJ Trust and Banking Corporation (MUTB) + Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.(MUMSS) (excluding PB securities)



Releasing New Products and Services

MUFG is constantly developing new products and services tailored to latest customer needs.

In September 2015, Mitsubishi UFJ Trust and Banking Corporation (MUTB) began handling the wrap account* “Mitsubishi UFJ Trust and Banking Fund Wrap.” This product offers various investment options optimized to customer needs thanks to robust investment know-how MUTB has acquired through the corporate pension administration and technologies of Mitsubishi UFJ Trust Investment Technology

Institute Co., Ltd., a Group R&D organization. In February 2016, MUTB released the “Asset Succession Wrap,” which combines the aforementioned wrap account with an asset succession rider that allows a pre-designated successor to swiftly receive wrap account assets in the form of cash after going through a simple application procedure.

* A set of services ranging from investment management to asset management under discretionary investment contracts in which individual customers entrust such financial institutions as trust banks and securities firms to handle investment decisions based on their specialist expertise in financial instruments

Assisting in the Simultaneous Listing of Three Japan Post Group Companies

In November 2015, three Japan Post Group companies, namely, Japan Post Holdings Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. were listed on the Tokyo Stock Exchange. With the value of shares offered totaling ¥1.4 trillion, this unprecedented transaction consisting of three concurrent IPOs was supported by Mitsubishi UFJ Morgan Stanley Securities (MUMSS) and Morgan Stanley. The former served as a joint global coordinator and domestic lead manager while the latter served as an overseas lead manager, with the assistance of other securities firms in Japan and abroad.

MUMSS was one of the top two bookrunners in terms of value of shares underwritten for domestic tranche, backed by MUFG's Groupwide sales efforts and comprehensive strengths, including BTMU's financial products intermediation. In addition, such Group subsidiaries as kabu.com Securities Co., Ltd., a dedicated online stock trading service company, contributed to the project.

Toshihiro Tomita
Manager, Securities Business Promotion Office,
Retail Banking Business Promotion Division,
The Bank of Tokyo-Mitsubishi UFJ, Ltd.



MUFG is a unique financial group that boasts the distinctive lineup of financial products, such as IPO stocks, that can be purchased through its financial products intermediation service. Having offered stocks listed via the recent IPO project to a number of customers who visited our branches, we are pleased that many were open to the idea of buying stocks at their familiar bank counter. We are confident that the creation of this new business model is contributing to the shift from savings to investment in Japan.

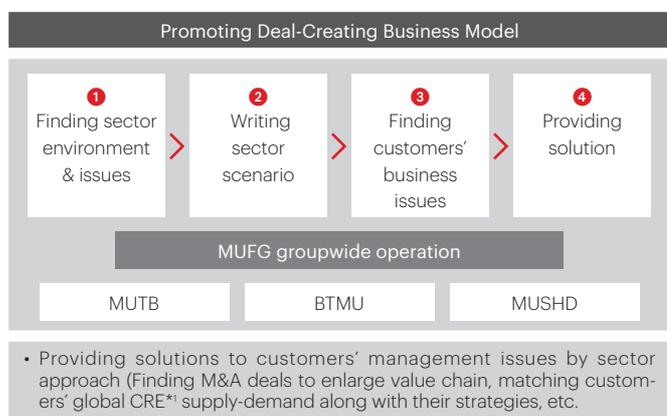
Services for Corporate Customers

Our corporate customers, many of which are prominent Japanese companies, are confronting ever more diverse and complex management issues while striving to devise sophisticated strategies. To accommodate their needs for optimal solutions, MUFG will leverage collaborations among the Group's commercial bank, trust bank, securities company and leasing company, as well as strategic alliances with external partners. In these ways, MUFG will help its customers succeed.

Promoting a Sector-by-Sector Approach

The operating environment surrounding major corporations varies by business sector and category as does the optimal

management strategy each corporation should choose. To provide services tailored to the needs of such corporate customers, MUFG is promoting a "sector-by-sector" approach. This business model employs MUFG's capability to propose comprehensive financial solutions backed by an array of Group companies, each of which is equipped with expertise in a different sector. Moreover, with the aim of satisfying the needs of customers in their drive to globalize, staff at MUFG's key domestic bases are engaging in close collaboration with their overseas counterparts. Employing our business network in Japan and overseas, we are striving to help customers enhance their competitiveness through the proposal of highly-value-added solutions.



* The corporate real estate (CRE) strategy aims to ensure the optimal handling of CRE and encompasses utilization, replacement and off-balance-sheet strategies for such assets.

Fiscal 2015 Achievements

In the field of investment banking, Mitsubishi UFJ Morgan Stanley Securities boasts an industry-leading track record in

cross-border M&A as well as global IPO deals, thanks to synergies attributable to the strategic alliance with Morgan Stanley.

League Table (April 2015 – March 2016)

Japanese Domestic Debt**1

Ranking	Securities firm	Share (%)
1	Mitsubishi UFJ Morgan Stanley	26.8
2	Nomura Securities	17.5
3	Mizuho Securities	17.2
4	SMBC Nikko Securities	16.8
5	Daiwa Securities	15.8
6	Tokai Tokyo Securities	2.0
7	Goldman Sachs Japan	1.0
8	Merrill Lynch Japan Securities	0.8
9	Shinkin Securities	0.5
10	Citigroup Global Markets Japan	0.4

Japan Equity and Equity-Linked**2

Ranking	Securities firm	Share (%)
1	Nomura	32.7
2	Mitsubishi UFJ Morgan Stanley	15.6
3	Mizuho Financial Group	14.5
4	Sumitomo Mitsui Financial Group	13.2
5	Daiwa Securities Group	10.1
6	Goldman Sachs & Co.	4.3
7	JPMorgan	4.0
8	UBS	1.1
9	Bank of America Merrill Lynch	0.8
10	Citi	0.5

M&A Advisory ranking based on Rank Value**3

Ranking	Financial advisor	Rank value (Billions of yen)
1	Mitsubishi UFJ Morgan Stanley	9,828.1
2	Nomura	6,882.2
3	Sumitomo Mitsui Financial Group	5,395.3
4	Goldman Sachs & Co.	4,763.0
5	Citi	4,252.2
6	Rothschild	3,705.4
7	Mizuho Financial Group	3,464.8
8	JPMorgan	3,023.0
9	Bank of America Merrill Lynch	2,755.1
10	Evercore Partners	1,812.8

*1. Source: Thomson Reuters, Thomson Reuters DealWatch (data compiled by Mitsubishi UFJ Morgan Stanley) Includes Japanese Straight Bonds, Ex-FILP Agency Bonds (including Expressway company's Bonds) and Municipal Bonds Related. Based on lead manager's credit

*2. Source: Thomson Reuters (data compiled by Mitsubishi UFJ Morgan Stanley) Mitsubishi UFJ Morgan Stanley includes domestic offerings of Japanese issuers underwritten by Morgan Stanley MUFG Securities as well as global offerings of Japanese issuers underwritten by Morgan Stanley. Based on underwriting amount

*3. Source: Thomson Reuters (data compiled by Mitsubishi UFJ Morgan Stanley) Any Japanese involvement announced including property acquisitions. Mitsubishi UFJ Morgan Stanley includes deals advised by Morgan Stanley

Strategic Capital and Business Alliance with Hitachi Capital

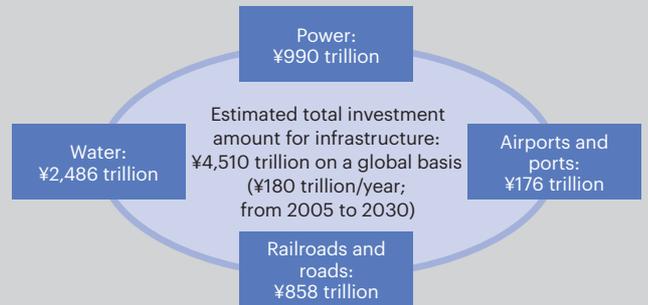
In May 2016, MUFG, Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Lease & Finance Company Limited (MUL) agreed with Hitachi, Ltd. and Hitachi Capital Corporation (HC) to form a capital and business alliance.*

* On the premise that the alliance is approved by relevant authorities and terms and conditions stipulated in the alliance agreement are met; Plans call for initiating the alliance in August 2016.

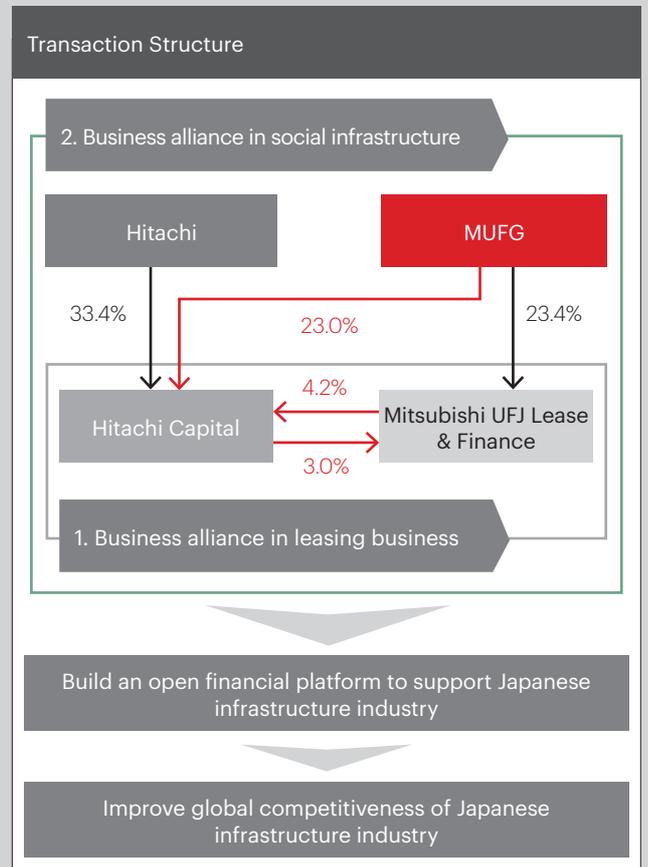
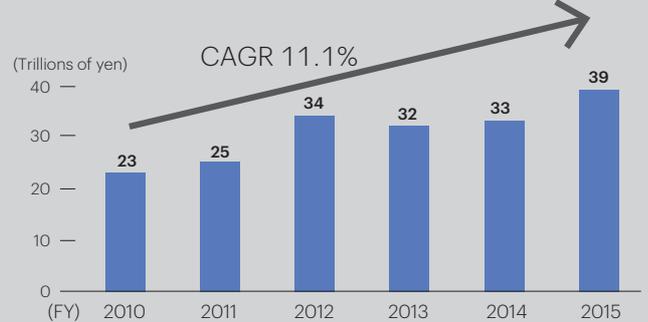
Today, international competition over orders for new infrastructure development projects is intensifying in markets around the world. When taking on large and long-term projects, which often require the incorporation of financing packages, developers are increasingly in need of optimal solutions for funding infrastructure development. In these circumstances, financial institutions must collaborate with developers to create synergies by bringing together the former's finance arrangement expertise and the latter's technologies.

Against this backdrop, to secure the business growth and enterprise value improvement of both parties, MUL and HC have agreed to pursue specific discussions as follows: (i) the reinforcement of existing business by leveraging each other's business franchise, (ii) the creation of new business opportunities by applying both parties' know-how and network, and (iii) the development of new solutions by combining their strengths. In addition, with the aim of accommodating infrastructure sector needs for financing solutions, the five companies are scheduled to advance consultations with an eye to the embodiment of the open financial platform run mainly by MUL and HC.

Growing Infrastructure Demand around the World



Rapid Growth in the Market for Infrastructure Financing Solutions



How We Create Sustainable Value



Becoming a Top Ten Bank in the United States, the World's Economic Powerhouse

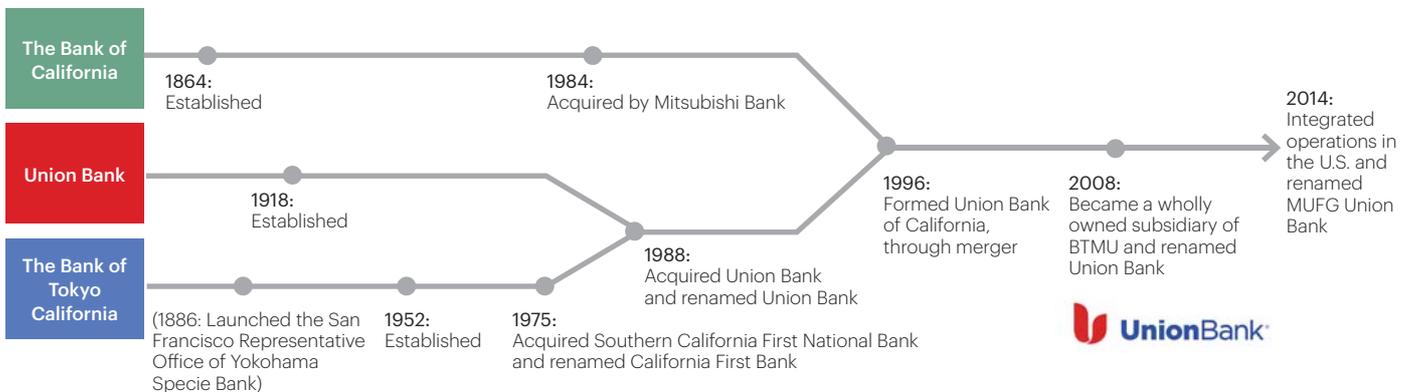
Since the financial crisis and economic stagnation triggered by the Lehman Brothers' bankruptcy in 2008, the U.S. economy has regained strength and continues to play a leading role on the global economic and financial fronts. The Mitsubishi UFJ Financial Group (MUFG), which can trace its U.S. heritage in San Francisco back to the 1860s and, in New York, the 1880s, has long pursued a steady course of expansion in this market. Today, MUFG's U.S. operations comprise a range of services—from retail banking for individuals and small businesses, to corporate banking for major companies—and they constitute one of the main business pillars bolstering the Group's corporate foundation globally.

Tailored Retail and Commercial Banking Services for Local Individuals and Small and Medium-Sized Companies on the West Coast

The foundations of MUFG Union Bank, N.A. in the U.S. were laid by three companies: The Bank of California, established in 1864; Union Bank, established in 1918; and The Bank of Tokyo California, established by The Bank of Tokyo, and local Japanese interests in 1952. When it first opened its doors, the latter's customer base was limited somewhat to Japanese companies and individual customers from the local Japanese community. However, The Bank of Tokyo California acquired

the locally based Southern California First National Bank in 1975, and Union Bank in 1988, to expand its scope of operations in the local business community.

In 1996, in conjunction with the merger of The Mitsubishi Bank and The Bank of Tokyo, The Bank of California, which was a subsidiary of Mitsubishi Bank, merged with Union Bank, thereby forming Union Bank of California. In 2008, Union Bank of California became a wholly owned subsidiary of The Bank of Tokyo-Mitsubishi UFJ (BTMU) and went on to promote the integration of Group operations in the U.S. Following consolidation with the branch-related operations of BTMU, in July 2014 it was renamed MUFG Union Bank.



Established in 1864



The Bank of California's Contributions to Japan's development



In 1872, The Bank of California signed an agreement with Japan's Meiji regime regarding the advance of pure gold needed to mint coins.

Celebrated the 150th anniversary in 2014

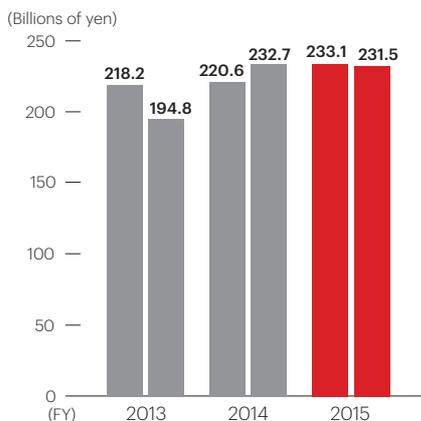




Highlights for the Americas Business*1

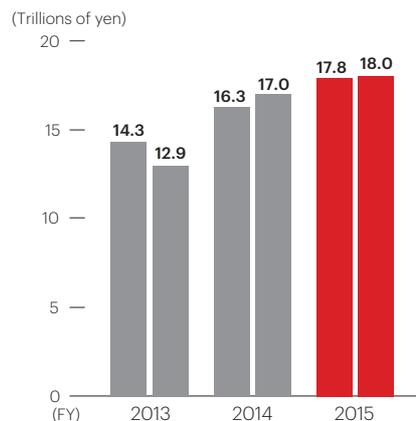
Net Operating Profit

Left: Based on local currency*2
Right: Based on exchange rates at fiscal year-end*3



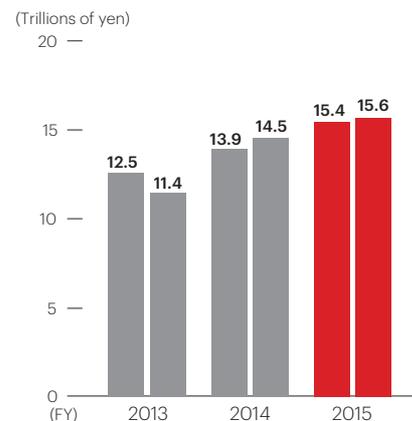
Average Loan Balance

Left: Based on local currency*2
Right: Based on exchange rates at fiscal year-end*3



Average Deposit Balance

Left: Based on local currency*2
Right: Based on exchange rates at fiscal year-end*3



*1 Operations handled by the Global Banking Business Group (consolidated basis of MUFG)
*2 Calculated based on foreign exchange rate projections adopted when devising the medium-term business plan (¥115/US\$)
*3 Calculated based on the actual foreign exchange rates as of the close of each fiscal year

Meeting the Financial Needs of Large Corporate Customers Who Pursue Regional Expansion Worldwide

MUFG's East Coast operations targeting major corporate customers date back to 1880 when Yokohama Specie Bank, Ltd. opened a New York representative office. Since then, BTMU has steadily expanded its businesses in the Americas with a focus on serving such corporate customers as Japanese companies and other global enterprises. Today, BTMU is among the top listed banks in the league tables for syndicated loans and project finance and has gained significant recognition as a leading investment bank.

In addition, BTMU is currently working to strengthen its securities-related operations, such as corporate bond underwriting, as well as its lending operations. In April 2016, BTMU, its subsidiary MUFG Securities Americas and MUFG Union Bank integrated some financial products operations in order to be able to provide one-stop banking and securities services. Offering both lending and corporate bonds—instruments that previously had been obtainable only from separate conventional banks—the Group strives to meet a wide variety of needs for financial products and services, becoming a comprehensive debt house.

Our Position in the Americas

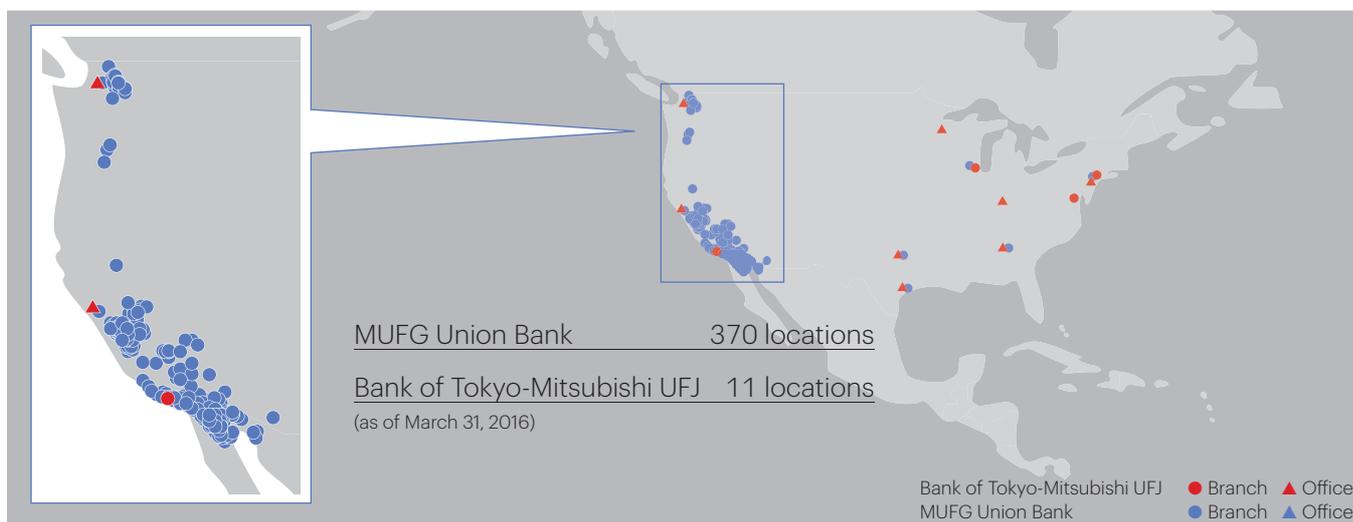
In terms of project finance (arranger ranking)

No. 1

In terms of syndicated loans (bookrunner ranking)

No. 6

The U.S. Business Network of Bank of Tokyo-Mitsubishi UFJ and MUFG Union Bank



* The business network in the Americas includes 12 bases in the United States, four bases in Canada and 11 bases in Latin America.

Securing Our Position among the Top Ten Banks in the U.S. Market

Integrating U.S. Operations

In July 2014, BTMU and Union Bank integrated portions of their operations. This move combined the former's branch operations, handling sophisticated financial services targeted at major corporations; and the latter's retail banking and other business functions, targeting mainly small and medium-sized businesses (SMBs) based on the West Coast. Then, in October 2015, MUFG reorganized its commercial banking functions, serving mainly West Coast-based SMBs, with the aim of providing services better tailored to the nature and scale of its customers' operations and structuring a more efficient organization. These functions were eventually reorganized into the Regional Banking and U.S. Wholesale Banking departments. The Group is now better positioned to accommodate customer needs for financial services and has tightened risk management and compliance while ensuring stricter adherence to relevant regulations.

Hiring Experienced Management

MUFG is looking to expand its U.S. operations by promoting comprehensive financial services ranging from retail banking to corporate banking for major companies. To accomplish the Group understands that a management team with requisite experience in the U.S. financial sector is crucial. Such expertise is particularly important given the growing rigor of financial regulations and concurrent need for risk management.

Having appointed a new U.S. CEO in May 2015, MUFG welcomes professionals in such fields as risk management and IT wishing to join its management team. Eleven of 16 senior executives recruited to serve at regional Americas headquarters have been hired in the U.S. Seven of these also hold the title of corporate executive officer at BTMU (as of July 2016).

Reorganization to Integrate U.S. Operations and Step Up Segment Strategies

As of July 1, 2014 (prior to the integration of the U.S. Operations)

	MUFG Union Bank	BTMU U.S. Branch
Retail	●	
Small-sized companies	●	
Medium-sized companies	●	●
Large-sized companies	●	●

Present (following the reorganization in October 2015)

	MUFG Union Bank	
Retail	Regional Banking	Secure a more robust customer base via services closely tailored to community needs
Small-sized companies		
Medium-sized companies	U.S. Wholesale Banking	Boost revenues from commission fees through sophisticated financial services based on accumulated expertise on industry-specific business conditions and optimal strategies
Large-sized companies		

Members of the Executive Committee for the Americas (as of July 1, 2016)



Kanetsugu Mike
Group Head of Global Business Group
Regional Executive for the Americas
Executive Chairman



Stephen Cummings
CEO for the U.S., President & CEO
A managing executive officer of BTMU, Mr. Stephen Cummings was appointed BTMU CEO for the United States (U.S. CEO) in May 2015, in the process becoming the Group's first top American executive. Leveraging his vast experience in the U.S. investment banking sector, he is leading the Group's U.S. operations to secure diverse profit sources and greater revenues.



Masato Miyaji
Deputy Regional Executive for the Americas



Kevin Cronin
Head of U.S. Wholesale Banking



Satoru Nakayama
Head of Asian Corporate Banking



Johannes Worsøe
Head of Investment Banking & Markets



Toshihiro Sasaki
General Manager of MUTB NY Branch



Ranjana Clark
Head of Transaction Banking



Timothy Wennes
Head of Regional Banking



William Mansfield
CEO of MUFG Securities Americas Inc.



John Woods
Chief Financial Officer



Donna Delloso
Chief Risk Officer



Christopher Perretta
Chief Information & Operations Officer



Michael Coyne
General Counsel



Annemieke van der Werff
Chief Human Resources Officer



Koji Asada
Chief of Staff

Growth Strategies

MUFG believes that securing diverse profit sources and robust deposits is crucial to becoming one of the top ten banks in the United States. Based on this recognition, Regional Banking plans call for a deposit growth strategy that combines the launch of a nationwide direct bank with the deployment of smaller branches in out-of-network markets and re-entering the credit-card business.

The Group also considers non-organic measures, including M&A, as viable options. However, MUFG will carefully assess if non-organic opportunity will address key strategic objectives—increasing liquidity, income growth, and lending diversification, scales/franchise expansion, as well as potential revenue and cost synergies.

U.S. Deposit Ranking (March 31, 2016)

(U.S.\$ billion)

Ranking	Financial Institution	Balance
1	JPMorgan Chase Bank, National Association	1,392
2	Bank of America, National Association	1,298
3	Wells Fargo Bank, National Association	1,285
4	Citibank, National Association	947
5	U.S. Bank, National Association	315
6	PNC Bank, National Association	254
7	The Bank of New York Mellon	250
8	TD Bank, National Association	214
9	Capital One, National Association	209
10	State Street Bank and Trust Company	191
11	Branch Banking and Trust Company	158
12	SunTrust Bank	155
13	HSBC Bank USA, National Association	145
14	Charles Schwab Bank	136
[15]	BTMU + MUB	135
15	Morgan Stanley Bank, National Association	120
21	MUFG Union Bank, National Association	90
[38]	BTMU*	45

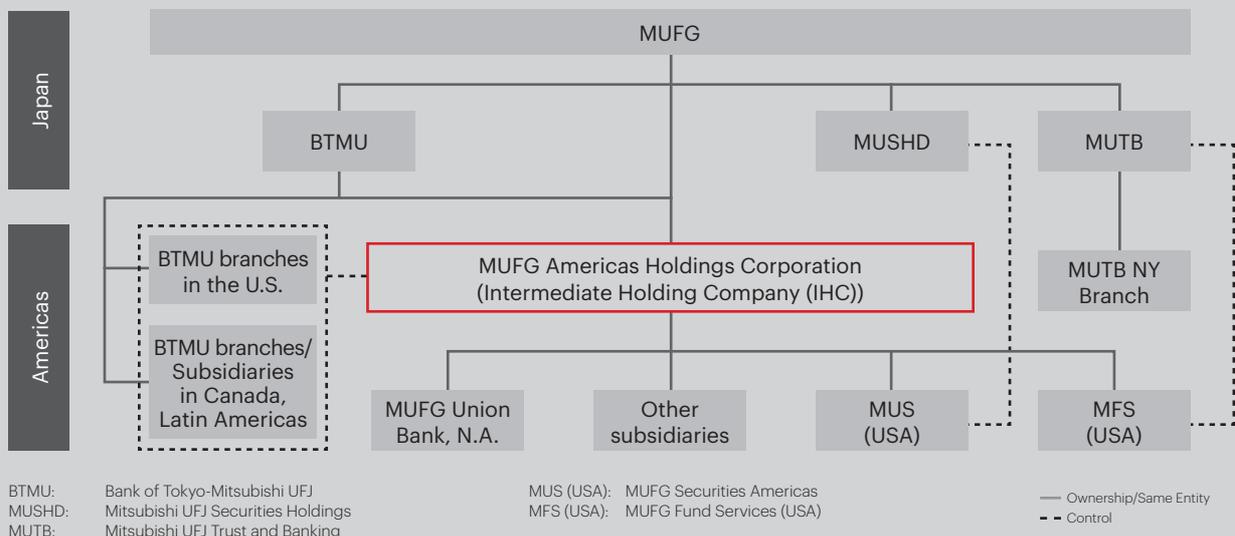
Source: U.S. deposit rankings announced by Federal Deposit Insurance Corporation

Strictly Complying with U.S. Financial Regulations

Drawing lessons from financial crisis triggered by the bankruptcy of the Lehman Brothers in 2008, U.S. financial authorities have taken decisive steps to secure financial stability through various rules collectively referred to as “prudential regulations.” In accordance with these regulations, foreign banking organizations with US\$50 billion or more of both consolidated gross assets and gross U.S. assets (excluding those of their U.S. branches) are required to establish a U.S. intermediate holding company

(IHC) over U.S. subsidiaries they own or control, by July 1, 2016. Upon the announcement of this requirement MUFG quickly launched a project team. The team has prepared establishment of the IHC and the U.S. Risk Committee which oversees and monitors overall risk management in the U.S. and completed necessary actions. Going forward, cooperating globally according to the characteristic of each business, the MUFG Americas Holdings Corporation will manage the Group’s U.S. subsidiaries as an IHC and is in charge of submitting capital plans, managing liquidity and responding to other regulations, thereby helping maintain sound operations.

Organizational Structure of Americas Operations



How We Create Sustainable Value



Securing a Greater Presence in Asia—Our Second “Home Market”

With a robust demographic base, comparatively youthful working-age populations and rich reserves of natural resources, Asian countries are seeing ongoing economic growth. A number of corporations hailing from points around the globe are expanding into these countries, seeking not only to establish production bases but to secure market footholds in light of their burgeoning promise and significant potential for consumer demand growth. In addition, all of Asia is seeing a boom in large-scale undertakings, including infrastructure development projects.

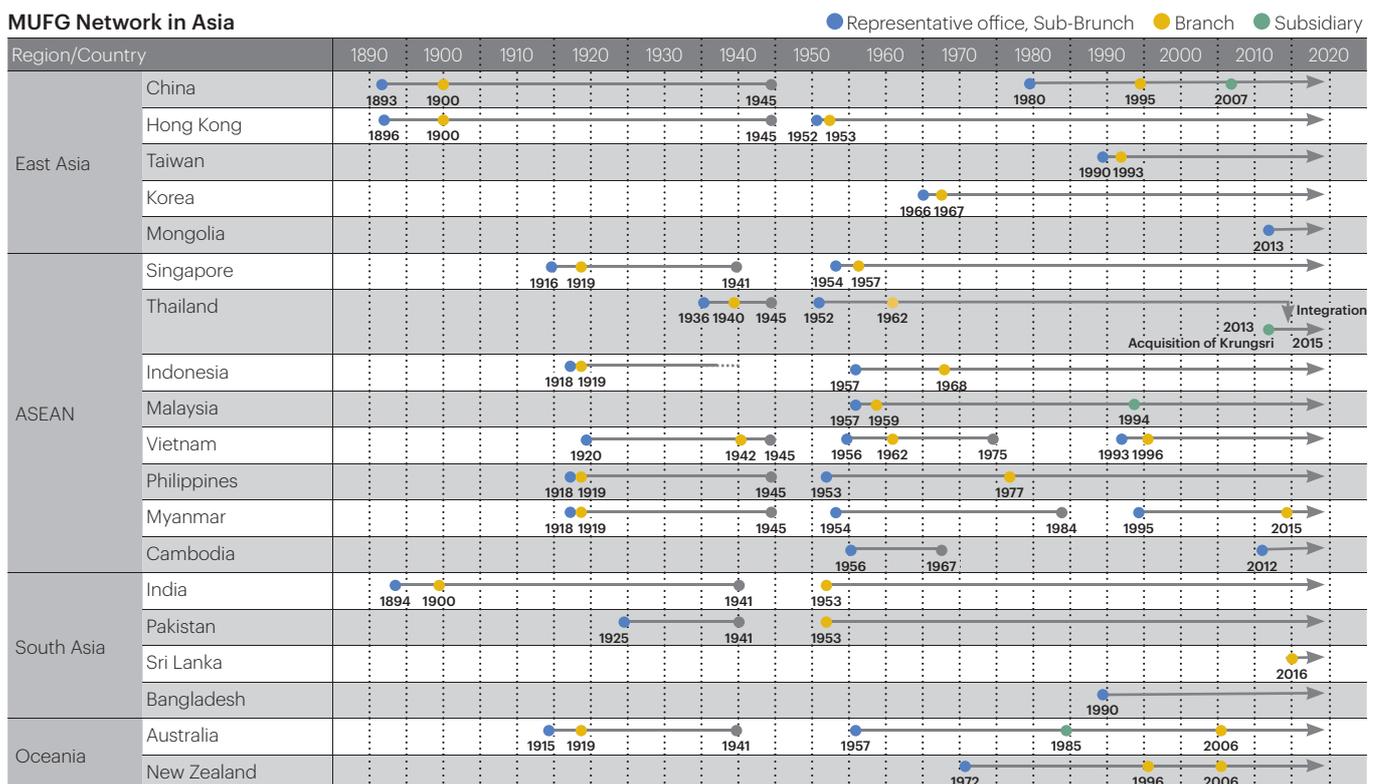
Accordingly, MUFG has positioned Asia as its second “home market” next to Japan. The Group is steadily implementing strategies aimed at fully leveraging economic growth in this market area to drive its corporate expansion.

Serving Asian Markets for More Than a Century

MUFG’s century-long business track record in Asia dates back to the establishment of a Beijing representative office by Yokohama Specie Bank in 1893. After the end of World War II, the Group expanded its regional network as its Japanese corporate customers made forays into markets elsewhere in Asia. Over the years, MUFG and its precursors provided financial services to support customers’ business

growth while contributing to the development of the countries in which they operate through such financial solutions as project and trade finance. Having positioned Asia as its second “home market,” the Group is now actively enhancing its service lineup by, for example, acquiring a majority of Krungsri (Bank of Ayudhya) and forming capital and business alliances with VietinBank in Vietnam and Security Bank in the Philippines. In this ways, MUFG is providing comprehensive financial services tailored to the needs of local customers ranging from individuals to companies.

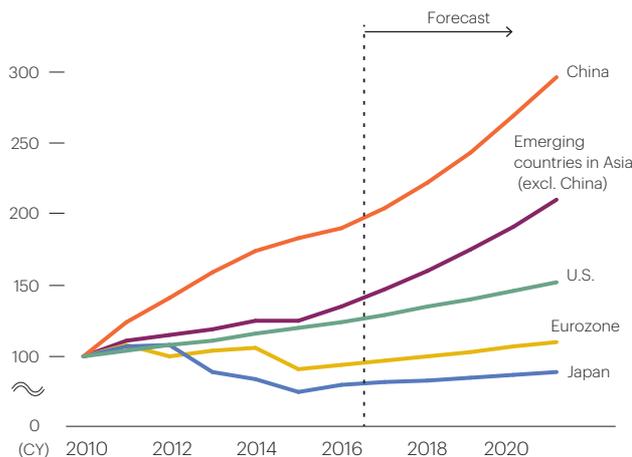
MUFG Network in Asia



Source: History of Yokohama Specie Bank and History of The Bank of Tokyo



Growth Rate of Nominal GDP (2010 levels set as 100)

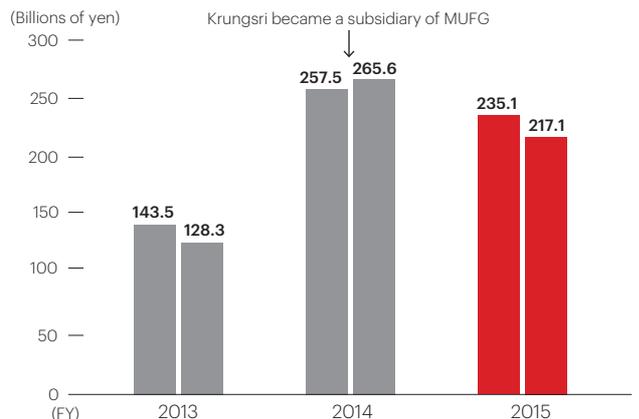


(Source) IMF "World Economic Outlook April 2016"

Gross Profit*1 Trends in Asia

Left: Based on local currencies*2

Right: Based on exchange rates at fiscal year-end*3



*1 Gross profits from businesses handled by the Global Banking Business Group (including those in Oceania; consolidated basis of MUFG)

*2 Calculated based on foreign exchange rate projections adopted when devising the medium-term business plan

*3 Calculated based on the actual foreign exchange rates as of the close of each fiscal year

Management Strategies Attuned to Regional Characteristics

Asia encompasses diverse cultures and political systems, and the degree of economic development and financial regulations differ widely by country. With the aim of implementing region-specific strategies in a flexible and agile manner, MUFG has defined "East Asia," "Asia Oceania" and "Krungrsri" as key market segments and, has established three headquarters to oversee operations in each of these regions.

In the East Asian region, the economic ties between China, Hong Kong and Taiwan have become stronger in recent years, in effect creating a robust "Greater China" market boasting growing demand for renminbi-denominated settlement services. The Bank of Tokyo-Mitsubishi UFJ (BTMU) has been quick to respond, becoming the first bank to execute a transfer of renminbi between China and Japan in 2010. Moreover, in step with the internationalization of the

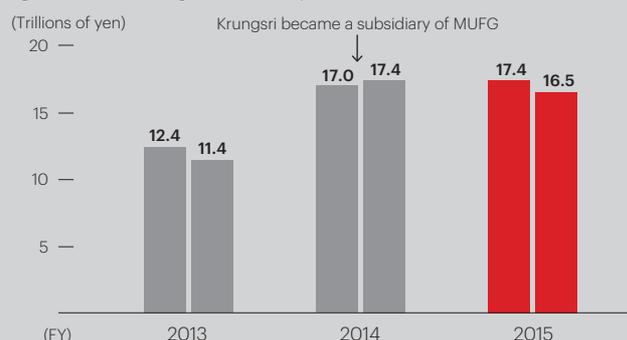
renminbi, BTMU set up the RMB Internationalization Business Promotion Office in Shanghai in May 2016, stepping up operations related to this up-and-coming global currency.

Meanwhile, in the ASEAN region, which expects to see an expansion of local corporations, a burgeoning of the middle-class and an overall rise in population, there is considerable potential for growth in conventional commercial banking for both individual and corporate customers, including deposit, loan and settlement services. Furthermore, due to a robust labor force and ongoing economic growth, ASEAN countries are attracting a growing number of foreign corporations seeking to secure production bases and penetrate promising local markets where demand potential is high. MUFG is therefore strengthening its local needs-oriented commercial banking business by expanding its business network while acquiring, investing in and pursuing alliances with local banks. In sum, the Group is tirelessly striving to seize growth opportunities arising in the burgeoning economies of ASEAN countries.

MUFG's Average Loan Balance in Asia

Left: Based on local currencies

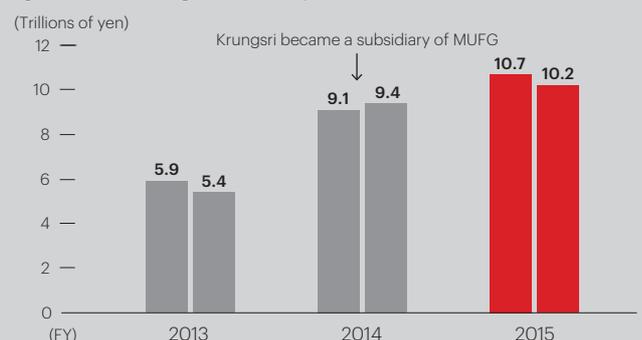
Right: Based on exchange rates at fiscal year-end



MUFG's Average Deposit Balance in Asia

Left: Based on local currencies

Right: Based on exchange rates at fiscal year-end



MUFG Deepens Banking Partnership in Thailand

Creating Synergies through Collaboration between Krungsri and BTMU

In December 2013, Krungsri (Bank of Ayudhya), the fifth largest commercial bank in Thailand, became a subsidiary of MUFG. Since its integration with a BTMU branch, Krungsri has been working to realize synergies, playing an ever greater role as a platform for the Group's the Mekong business* operations.

* Economic area bound together by the Mekong River, centered in Thailand

Helping Customers Create New Businesses via "Business Matching"

Since 2014, BTMU and Krungsri have fostered new business creation through the organization of "business matching" events that introduce Japanese companies to their Thai counterparts. Successful participants include ABC Cooking Studio Co., Ltd., a BTMU customer that operates cooking studios throughout Japan. In 2014, ABC Cooking Studio opened its first cooking studio in Thailand in Central World Plaza Bangkok, a commercial complex owned by major department store operator the Central Group. Although food stalls are a perennial favorite among locals, there has been a more recent trend toward home cooking, contributing to the roaring success of the studio. "Business matching" has also helped build bonds of partnership between ABC Cooking Studio and Krungsri, which now serves as the former's main bank in Thailand and provides such services as wage transfers.

Assisting M&As by Global Companies Based in Thailand

With Thailand-based major corporations actively pursuing overseas expansion, the global network and sophisticated product lineup available through BTMU offers great advantages for Krungsri. For example, in 2015, Krungsri and BTMU assisted

Leveraging the Strengths of Both BTMU and Krungsri Report from the Risk Management Frontlines



Tomo Kobayashi
Vice President of BTMU, seconded to Krungsri in 2014

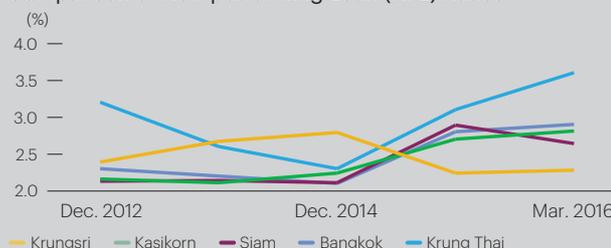
Risk management group staff
(Mr. Kobayashi is the third person from the right)

BTMU's risk management group consists of three Japanese and 208 Thai staff.

Looking back at my footsteps since I was transferred three years ago, the most challenging but rewarding project I was involved in was the integration of the BTMU Bangkok branch and Krungsri. We struggled to iron out the substantial differences between our two organizations' credit examination systems and relevant rules in the face of a one-year deadline. Through it all, we endeavored to preserve Krungsri's strengths as a locally-rooted bank while aligning it with in-house BTMU rules that correspond to global standards.

Currently, Krungsri's business is growing thanks to the success of integrated operations that draw on the strengths of both companies, and we are maintaining the non-performing loan ratio at a relatively low level. Although we have number of challenges going forward, we will strive to achieve the goal of becoming one of Thailand's top-tier banks.

Comparison of Non-performing Loan (NPL) Ratios



ABC Cooking Studio in Bangkok

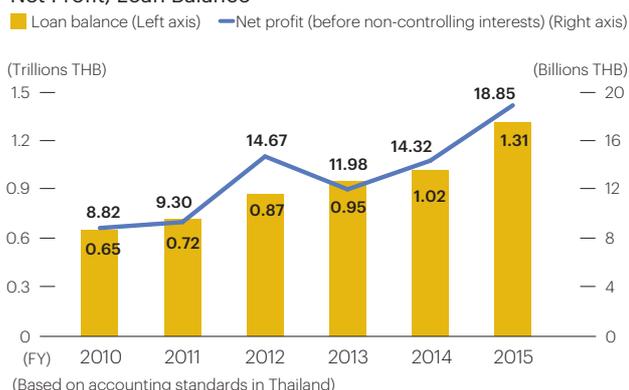
Krungsri at a Glance

- The fifth largest commercial bank in Thailand, Krungsri offers a range of financial services for individual and corporate customers and handles securities business as well as leasing.
- Ranked first in the personal loan and credit card businesses and boasts a leading track record in consumer finance.

Financial Results Highlight

Steady growth in the loan balance and profit thanks to the integration with BTMU Bangkok branch and business synergies with BTMU.

Net Profit, Loan Balance



Our Second “Home Market”

a major Thai beverage company with the acquisition of an equity stake in a major Vietnamese listed food company. Collaborating with BTMU’s Asia and Oceania headquarters in Singapore and its Ho Chi Minh branch, BTMU and Krungsri are serving as facility agents, with the former providing bridge finance totaling \$700 million.

Seizing Opportunities from the Growing Philippine Economy

Capital and Business Alliance with Security Bank in the Philippines

In April 2016, BTMU acquired an approximately 20% equity stake in Philippines-based universal bank Security Bank

Corporation, making it an equity-method affiliate, with the goal of strengthening its commercial banking business in that country.

In recent years, the Philippine economy, particularly domestic demand, has been burgeoning. Moreover, the archipelago expects further growth in the long-term, thanks to the second largest ASEAN population, totaling around 100 million. At the same time, as financial services have not adequately penetrated the market, there is considerable room for expansion in the banking sector. MUFG will seize growth opportunities arising from this dynamic economy, with the aim of ensuring a greater presence both in the Philippines and in Asia by helping Security Bank realize its growth strategy.

Attractiveness of the Philippines

(1) Steady economic growth

It has achieved steep economic growth driven by considerable domestic demand and expects further growth backed by a robust population of native English Speakers totaling 100 million with an average age of 23.

(2) Growth potential of banking sector

Because financial services have not yet penetrated the market, the banking sector is expected to grow in step with economic expansion.

(3) Ties with Japan

While Japan serves as the Philippines’ key trading partner, a growing number of Japanese corporations are expanding into the country due to its geographic proximity to other ASEAN nations.

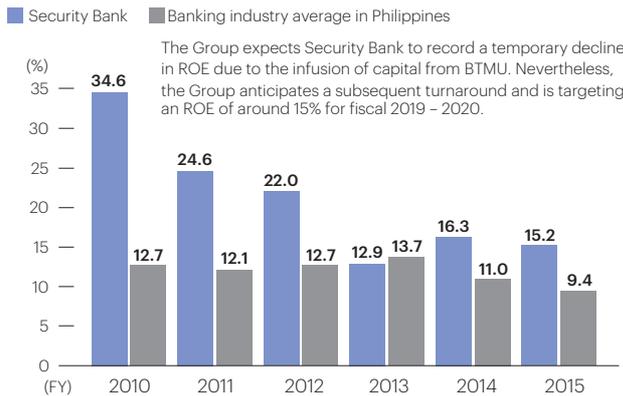


Signing ceremony in January 2016

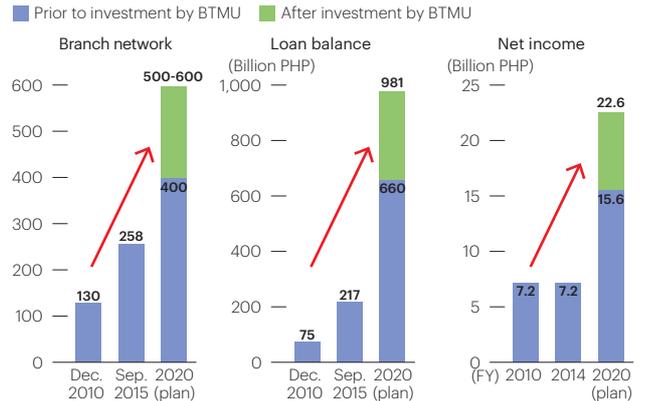
Security Bank at a Glance

- A universal bank providing a wide array of services for customers ranging from individuals to large corporations as well as securities business. The fifth largest bank in the Philippines, Security Bank boasts high profitability.
- It is striving to expand its branch network and loan volume by utilizing capital from BTMU, aiming to become a top-tier bank.

ROE



Medium- and Long-Term Targets of Security Bank



Initiatives Leveraging FinTech

FinTech can be a formidable competitor to existing financial institutions, but the institutions themselves can co-opt this technology to deliver novel services to customers. In this section, we introduce MUFG's initiatives to leverage FinTech.

Creating New Dedicated Organizations to Promote FinTech

FinTech was first conceived of in Silicon Valley, the United States. Since then, a number of venture companies based in this technological powerhouse, including PayPal, Square and Wealthfront, have launched their own FinTech-based financial services. This prompted MUFG to establish an innovation center in 2014 to carry out research on the feasibility of a new business leveraging FinTech. Having begun collecting the latest information and networking with FinTech ventures, MUFG quickly earned expertise, joining the blockchain*1 consortium R3 and becoming a participant in Distributed Ledger Group (DLG).*2

The Digital Innovation Division was launched by The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), with MUFG establishing its counterparts at each subsidiary and affiliate in July 2015. Groupwide efforts are now under way to step up FinTech initiatives, and Mitsubishi UFJ Trust and Banking Corporation,

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mitsubishi UFJ NICOS Co., Ltd., and ACOM CO., LTD., as well as kabu.com Securities Co., Ltd., a securities company dedicated to online transactions, and Jibun Bank Corporation, a company dedicated to online banking, are rallying their strengths.

Furthermore, in January 2016 MUFG opened an "Innovation Labo," a key base in charge of bringing to life unprecedented ideas and creating a novel business. Moreover, with its facilities physically isolated from the bank organization and other Group business units, this laboratory is expected to be an incubator for open innovation with external partners.

*1 A new technology derived from the Bitcoin encrypted currency platform, blockchain enables ledger data to be stored separately on the network and is attracting great interest for its capability to make it extremely difficult to falsify transaction data

*2 An international partnership as part of blockchain consortium, R3 was formed by 42 major financial institutions (as of June 2016) with the aim of developing, evaluating and popularizing what it calls "distributed ledger technology." R3 is now striving to establish standards for financial services based on blockchain technology.

Current Themes



Big data
Analyze customer data

Artificial Intelligence (AI)
Use AI for such applications as operational assistance and customer handling through websites, call centers and branches by leveraging the technologies of the "Watson" computer system created by IBM in the United States



Wealth Management
Household budget management and advisory service to assist the formation of an optimal asset portfolio via a robot advisor



Settlement Services
Mobile settlement and digital wallet

Social Media
• Utilization as a new channel
• A place to collect customer voices



Security
Fraud detection
Biometric authentication for mobile banking



Robot
Install "Nao," a humanoid robot capable of engaging in conversation in 19 languages, at the Narita Airport Branch. Plans call for utilizing this robot to offer the products best suited to customers based on their profiles and preferences by coordinating with customer database.



Blockchain Technology
In September 2015, MUFG participated in a DLG consortium alongside the principal financial institutions of Europe and the United States. MUFG will take part in discussions on the utilization of blockchain technology in financial services and the establishment of technological standards.

Open Innovation

As part of its ICT strategies, MUFG is focusing on open innovation. MUFG has accumulated financial business expertise and a track record in providing customers with safe and secure services. Bringing together these strengths and external input, MUFG will implement a variety of initiatives to deliver unconventional services with superior customer convenience and transaction safety.

Launching Japan's First FinTech Accelerator Program

To assist companies with their entry into the FinTech business, MUFG launched the "FinTech Accelerator Program." Rallying its Groupwide strengths, MUFG is hosting this comprehensive incubation program to assist participants with such processes as business planning and prototype development as well as partner selection and alliance forming that is consistent with business strategy. The first round welcomed five companies, including those taking on the business development utilizing AI-based investment algorithm and those aiming to create a "point" business based on blockchain technology.

Holding Hackathon "FINTECH CHALLENGE 2016 Bring Your Own Bank"

Today, a number of software companies are making their programs available online through Application Programming Interface (API). This trend has led to a growing movement to create new programs through ad-hoc projects in which developers reach past their organizational boundaries to work together. The financial business is a willing participant. With this in view, BTMU hosted a "hackathon" (an event in which software developers collaborate intensively on development projects aimed at creating new programs and designing innovative services, with competitive elements often being incorporated). BTMU is the first to sponsor the event of this kind using banking API. Under the theme of "creating a new, convenient and easy-to-use service through the combination of IT and finance," 12 companies participated in this hackathon.



An Interview with the Prize-Winning Companies

Ms. Kadowaki, Netnative Inc. (right)
Mr. Matsue, Housmart Inc. (left)



Our "Petty Pay" service, which won the grand prize, provides the settlement of petty cash for corporate customers. Curious about how banking API works, we were looking forward to seeing its functions being demonstrated at this event. We are sure that this API has great possibilities after using it ourselves.

Although we have some challenges going forward, we will strive to commercialize our service by overcoming them one by one.



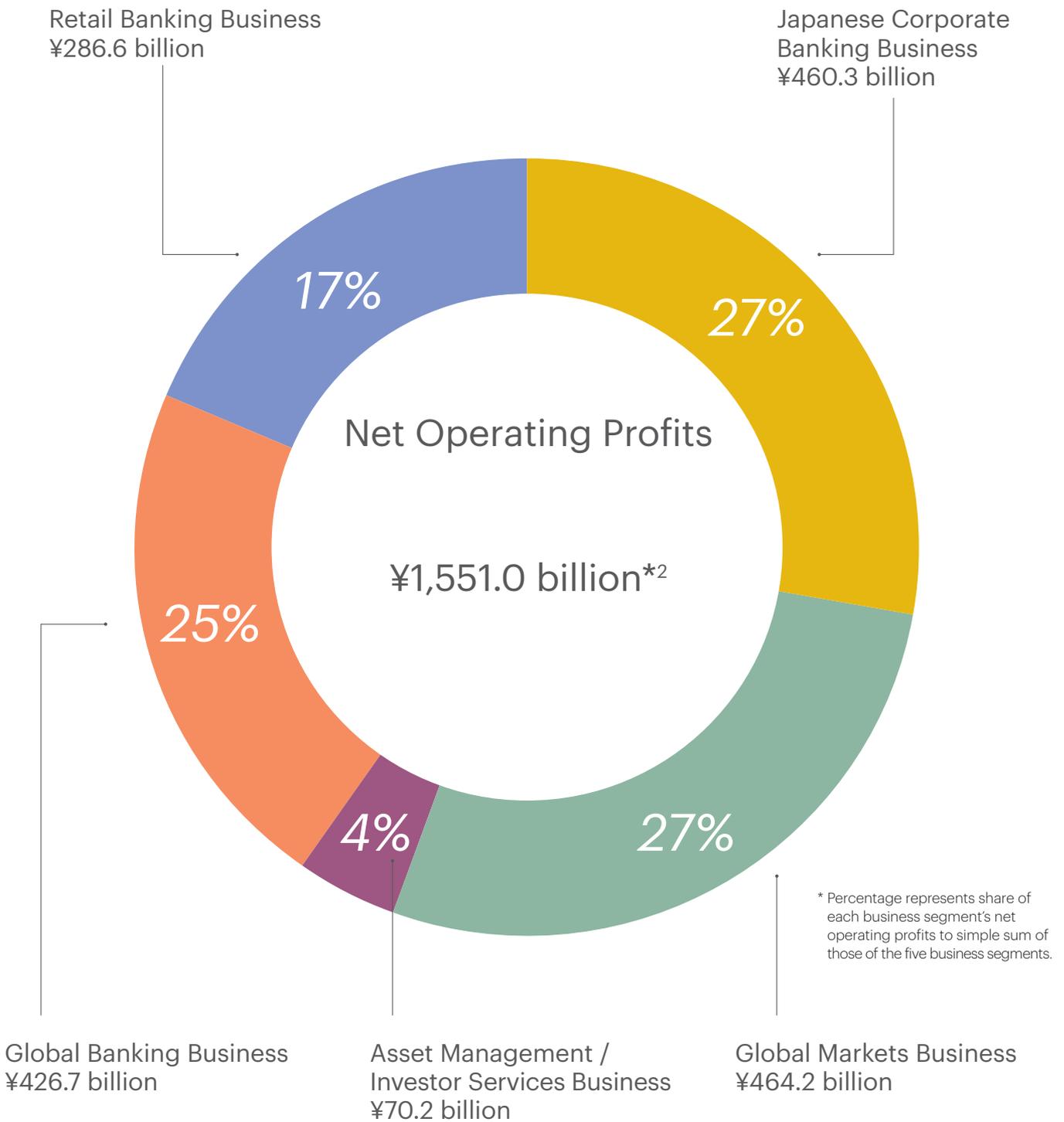
FINTECH CHALLENGE 2016 Bring Your Own Bank award ceremony

Business Overview

The five business groups established under the holding company manage the relevant subsidiaries and promote horizontal initiatives across the Group. We explain each business segment.



Net Operating Profits by Business Segment*1



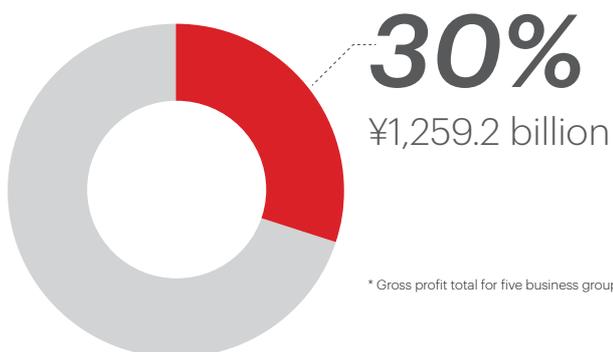
*1 All figures presented in the *Business Overview* section are on a managerial accounting basis. Figures are based on exchange rates at fiscal year-end, unless otherwise noted. Local currency base represents foreign exchange rate applied to medium-term business plan (¥115/US\$).

*2 In addition to the net operating profits of the five business segments, figures include profits or losses of headquarters and other elements.

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.

Composition of Gross Profits*



Gross Profit Breakdown



* Fees and commissions on stocks and bonds, etc.

Medium- to Long-Term Strategy

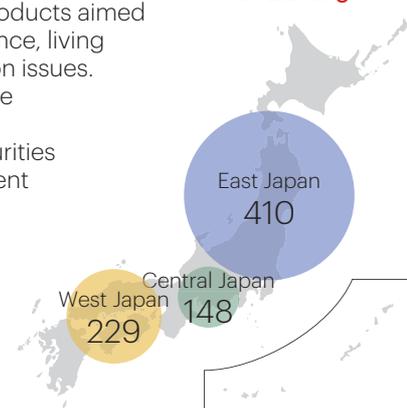
- Promote the wealth management and asset succession businesses to facilitate a shift from savings to investment while stepping up the consumer finance business, as well as credit card and other settlement services, to stimulate personal consumption
- Ensure sustainable growth in wealth management business by pushing forward with the three-step maneuver of securing a broader customer base, stepping up the stock business (enhancing the assets under management) and boosting profit



Key Operating Companies

- The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) boasts a robust retail banking network consisting of 665 bases nationwide. Employing this platform, BTMU provides a wide variety of financial services, ranging from deposits, housing loans and investment products to “BANQUIC,” a consumer finance product.
- Mitsubishi UFJ Trust and Banking Corporation (MUTB) handles investment trust products aimed at assisting customers with inheritance, living bequests and other asset succession issues. MUTB also engages in the real estate brokerage business.
- Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (MUMSS) markets investment products, bonds and stocks. Meanwhile, kabu.com Securities Co., Ltd. provides highly convenient online securities transaction services.
- Mitsubishi UFJ NICOS Co., Ltd. and ACOM CO., LTD. engage in the credit card and consumer finance (card loan) businesses, respectively.

Retail Banking Network



Note: Figures comprise business bases of The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Securities Holdings Co., Ltd.

Fiscal 2015 Review

Fiscal 2015 Earnings Summary

Gross profits decreased 3.1% (¥40.2 billion) year on year to ¥1,259.2 billion. Net operating profits fell 15.9% (¥54.1 billion) year on year to ¥286.6 billion. The decrease in profit is attributable to a decline in revenues from investment products due to the deterioration of the stock and foreign exchange markets since summer 2015 as well as a decrease in loan and deposit revenues resulting from lower interest margins.

Wealth Management Business

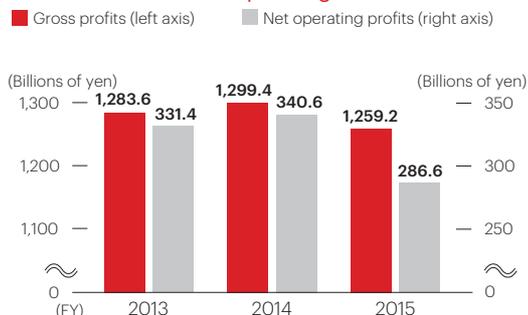
The listing of the three Japan Post Group companies was successful, resulting in expansion of our customer base. Specifically, while securities companies marketed stocks, the commercial bank utilized its brokerage function to offer stocks to bank customers. Thanks to these Groupwide efforts, a number of securities accounts were newly set up at MUFG. In addition, we have been receiving steadily growing customer requests for opening NISA accounts.

The fair value of assets under management decreased due to conditions in the stock and foreign exchange markets. However, the balance of inflows and outflows of assets yielded a rise in net inflow of ¥0.9 trillion compared with the end of the previous fiscal year.

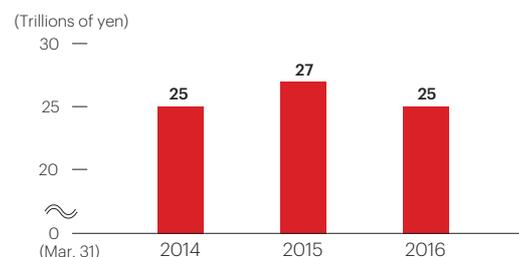
Consumer Finance and Settlement Business

Thanks to the success of marketing strategies playing into the latest consumer spending trends, BTMU 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. In addition, ACOM serves as a credit guarantee company to support financial institutions' consumer finance businesses by employing its accumulated know-how in credit examination. As for this credit guarantee business, balance of loans guaranteed has grown steadily. Mitsubishi UFJ NICOS saw increases in card business transaction value and revenues.

Gross Profits and Net Operating Profits

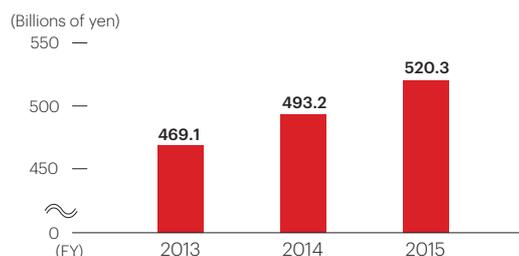


Assets Under Management*



* Total for The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Morgan Stanley Securities. Excludes yen deposits.

Consumer Finance and Card Business Revenue



FOCUS: Rolling Out a Preliminary Housing Loan Examination System Using Tablet Terminals



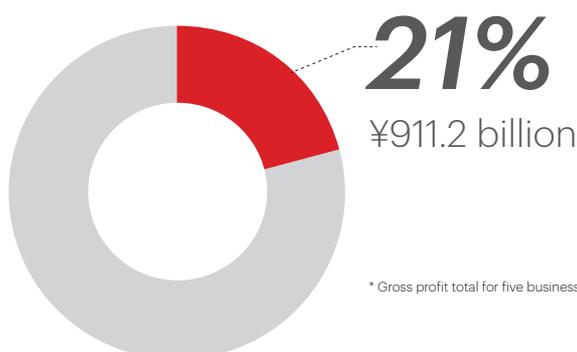
To enhance customer convenience and operational efficiency, BTMU rolled out a preliminary examination system for housing loan applications to all branches, having conducted a trial-basis installation at some BTMU business bases.

The rolling out of the system helped streamline the examination process considerably. Using tablet terminals, the system eliminates the need for signing, using a seal or doing any other paperwork. It automatically transfers input data from terminals to examination system database, with necessary documents being scanned using a tablet camera and securely transmitted.

Japanese Corporate Banking Business

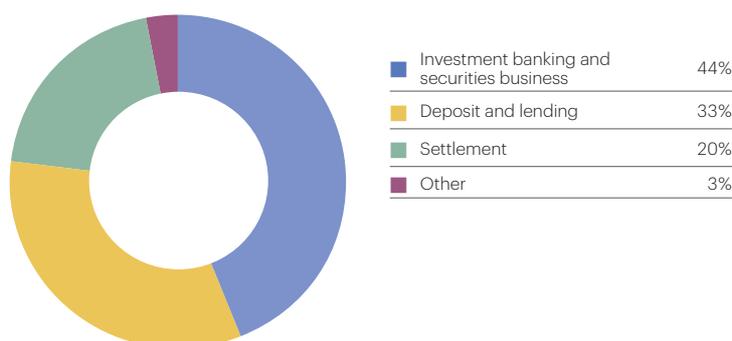
We provide lending, settlement, forex, and asset management services through our domestic and overseas networks to meet the diverse needs of our clients. We also utilize our Groupwide expertise to propose solutions for client's business strategies and challenges.

Composition of Gross Profits*



* Gross profit total for five business groups

Gross Profit Breakdown



Medium- to Long-Term Strategy

- Secure sustainable growth by strengthening our domestic business foundation and establishing a new business model for corporate customers
- Boost corporate customer transactions through such key services as loans and settlement while stepping up services aimed at supporting business succession and continuation with an eye to changes in economic and social structures in Japan

Establish an asset management business model targeting corporate customers; and adopt a more sophisticated approach for the overseas business



Saburo Araki

Senior Managing Executive Officer
Group Head, Corporate Banking Business Group

Key Operating Companies

- The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) is a core bank supporting MUFG's corporate banking business. BTMU boasts more than 400,000 corporate customers, providing them with such commercial banking services as loans and settlement. Moreover, BTMU offers a variety of other services through collaboration with Group companies.
- Mitsubishi UFJ Trust and Banking Corporation (MUTB) provides commercial banking services while handling real estate, pension and asset management.
- Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (MUMSS) provides bond and stock underwriting as well as M&A advisory services. MUMSS leverages a strategic alliance with Morgan Stanley.
- Mitsubishi UFJ Lease & Finance Company Limited provides a finance scheme employing leasing.
- The Mitsubishi UFJ Factors Limited provides customers with factoring services to meet their need for commercial financing solutions.
- In addition, Mitsubishi UFJ Research and Consulting Co., Ltd. (MURC) provides consulting services to help resolve various management issues, while Mitsubishi UFJ Capital Co., Ltd. assists start-up businesses with their fund-raising needs.

Fiscal 2015 Review

Fiscal 2015 Earnings Summary

Gross profits decreased 4.0% (¥38.1 billion) year on year to ¥911.2 billion. Net operating profits fell 7.0% (¥34.5 billion) to ¥460.3 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. However, the average loan balance rose 3.9% compared with the previous fiscal year, enjoying firm growth.

Large Corporate Business

Leveraging know-how accumulated by the commercial bank, trust bank and securities company, MUFG offers a range of solutions capable of enhancing corporate value of customers. As a result, MUFG ranked top in the league table in terms of M&A advisory and bond underwriting. Moreover, MUFG ranked second in stock underwriting, thanks to the success of a major listing project. (For details, please see page 32.)

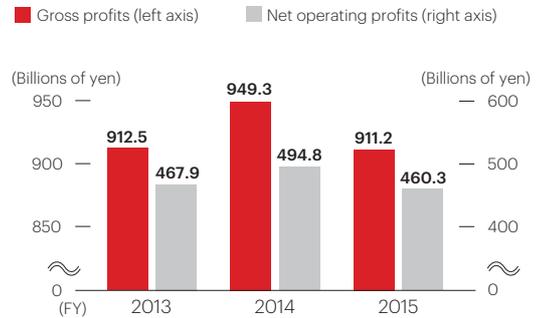
SME Business

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 2015, 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, resulting in growth in the loan balance. We are continuously striving to help customers achieve business growth by, for example, holding large-scale business matching meetings and hosting the "Rise Up Festa" business support program aimed at nurturing up-and-coming businesses. (For details, please see page 86.)

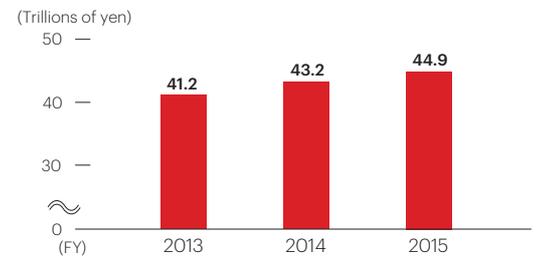
Creating a Financing Platform Supporting the Infrastructure Sector

In May 2016, MUFG announced a capital and business alliance with Hitachi, Ltd. and Hitachi Capital Corporation, which, working together, have created a specialized business serving the social infrastructure industry. This alliance aims to create a financing platform for supporting Japan's infrastructure sector and to help domestic players achieve global expansion. (For details, please see page 33.)

Gross Profits and Net Operating Profits

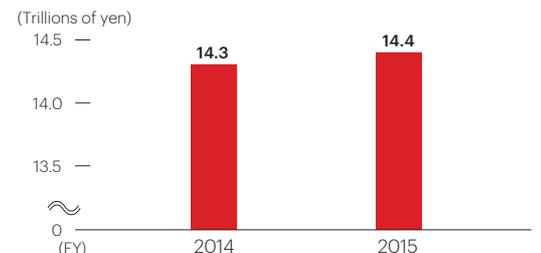


Domestic Corporate Average Loan Balance*



* Excludes loans to government

Average Loan Balance for SMEs



FOCUS: Nurturing CEO Candidates Capable of Supporting Future Key Industries

Our Value Chain for Nurturing New Businesses



* Please see page 86 for details.

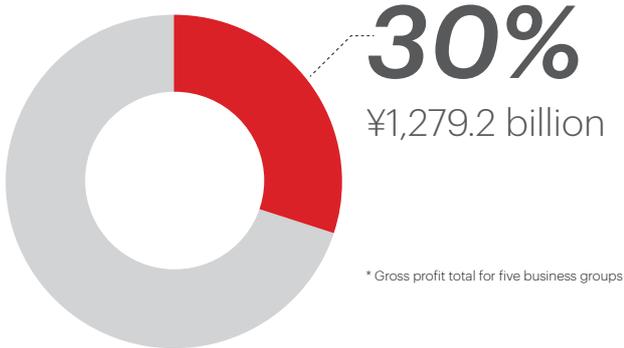
Looking to realize a next-generation business, we are striving to create a value chain encompassing all aspects of the business development process, including discovering up-and-coming businesses, devising optimal financial solutions to assist commercialization, offering business growth opportunities, and closing IPO and M&A deals.

In November 2015, BTMU and MURC launched "M-EIR," a human resource development program aimed at nurturing CEO candidates capable of taking up the reins of industry leadership. Two participants who demonstrated unique business concepts during the selection process are learning corporate management expertise and know-how for commercializing new technologies at MURC.

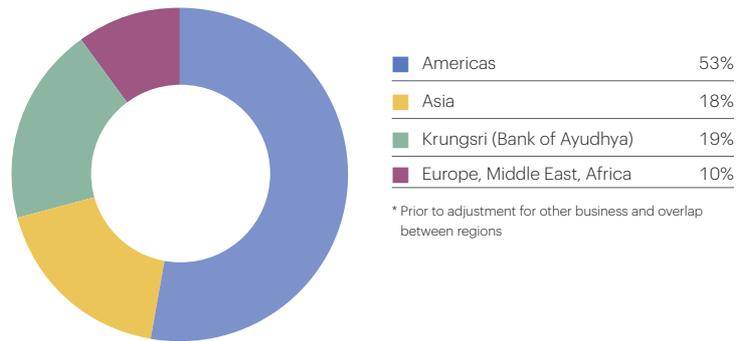
Global Banking Business

We respond to the funding needs of corporate customers around the world while providing cash management and advisory services. We also provide retail services in the United States and Thailand.

Composition of Gross Profits*



Gross Profit Breakdown



Medium- to Long-Term Strategy

- 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
- Strengthen the business model to be less dependent on lending by boosting non-interest income through transactions with global companies. Step up commercial banking business in the U.S. and Thailand



Kanetsugu Mike

Senior Managing Executive Officer
Group Head, Global Business Group and Regional Executive for the America

Key Operating Companies

- MUFG boasts approximately 1,200 overseas bases spanning some 50 countries around the world.
- The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) is engaged in commercial banking services around the world. Employing its global network, BTMU is striving to meet diversifying customer needs.
- 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.
- Mitsubishi UFJ Securities Holdings Co., Ltd. (MUSHD) has securities subsidiaries operating in the U.S. as well as in such major cities as London, Singapore and Hong Kong.



Fiscal 2015 Review

Fiscal 2015 Earnings Summary

Gross profits decreased 1.2% (¥15.1 billion) year on year to ¥1,279.2 billion. Net operating profits declined 7.1% (¥35.4 billion) year on year to ¥464.2 billion. After deducting the effect of foreign currency exchange, however, gross profits and net operating profits were up ¥63.1 billion and ¥9.7 billion year on year, respectively. Performance for fiscal 2015 was affected by the deceleration of growth in Asian economies, particularly China, which resulted in declines in trade transaction volume in emerging nations, and a worldwide plunge in resource prices. These factors, in turn, slowed the pace of profit growth compared with the previous fiscal year.

The average loan balance edged up 0.7% year on year (6.7% on a local currency basis), while average deposit balance rose 9.4% (15.2% on a local currency basis).

Boosting Non-Interest Income to Secure Sustainable Growth

We focused on developing competitive products and strengthening our client coverage model. These efforts have yielded high-value-added solutions, such as M&A-related finance, in line with the corporate reorganization in some sectors in the U.S. and Europe, resulting in an increase of non-interest income.

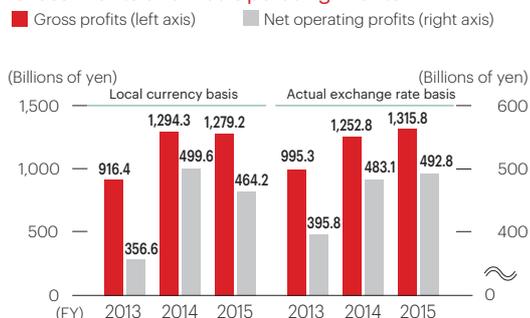
Going forward, we will strive to develop a balanced-profit portfolio while boosting non-interest income.

Strengthening the Commercial Banking Business in the U.S. and Asia

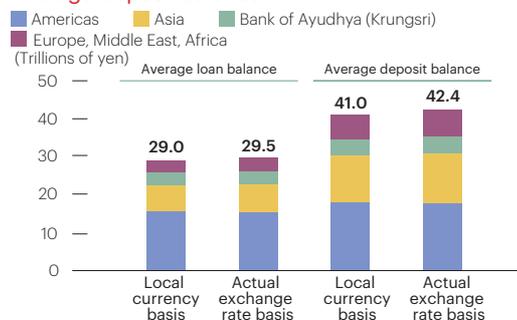
BTMU has signed a capital and business alliance agreement with Security Bank Corporation, a commercial bank based in the Philippines, a country boasting remarkable potential for future economic growth. Meanwhile, Krungsri in Thailand enjoyed stable growth in loans and revenue. (Please see pages 38 to 41 for details.)

In the U.S., our investment banking business and derivative transactions performed well. In addition, we carried out an organizational reform that included establishing an intermediate holding company to comply with new U.S. financial regulations enacted in July 2016. (Please see pages 34 to 37 for details.)

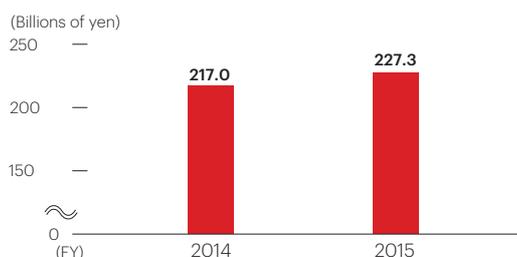
Gross Profits and Net Operating Profits



Fiscal 2015 Average Loan Balance and Average Deposit Balance

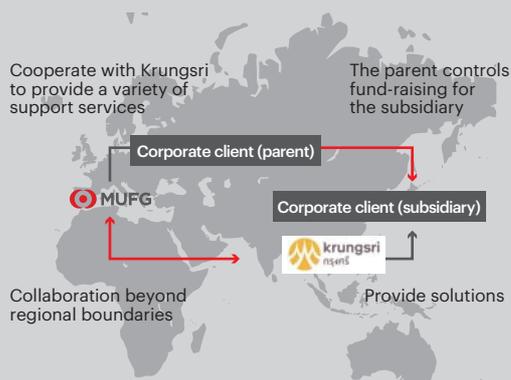


Non-interest Income from Transactions with Global Corporates*



* Including Non-Japanese business profit, fees FX and derivatives. Excluding MUFG Union Bank and Krungsri. Local currency basis

FOCUS: Global Coverage Structure Backed by MUFG's Unique Strengths



CIB Business Service across Regional Boundaries

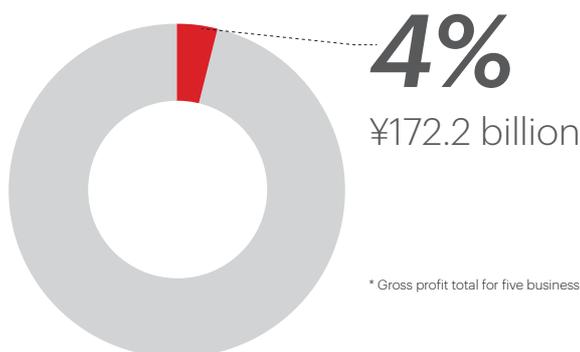
Consulted by representatives of a certain European major corporation with regard to raising funds for capital expenditure in Thailand, the BTMU London branch staff began working with the Krungsri staff to formulate a fund-raising scheme. Krungsri thus became a bond underwriter for this client and provided a commitment line for the raising of funds for capital expenditure.

Attracted by growth opportunities in Asia, a growing number of European and U.S. corporations are setting out to expand into the region. MUFG will satisfy the needs of those and other corporate customers, employing its superior product and service capabilities in Asia.

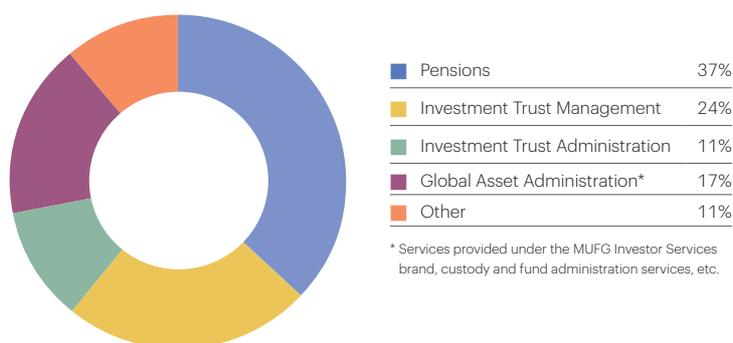
Asset Management / Investor Services Business

We provide asset management and fund administration services: pensions, investment trusts, global asset management and investor services.

Composition of Gross Profits*



Gross Profit Breakdown



Medium- to Long-Term Strategy

- Respond accurately to changes in domestic pension market structure while expanding revenues from the overseas business, thereby driving growth
- Overseas: step up asset management and investor service businesses by leveraging capital and business alliances
- Japan: in the investment trust business, focus on providing high-value-added services while enhancing the product lineup for the customer generation just entering the asset building stage. In the pension business, strengthen our consulting and solution proposal capabilities in response to the changes in pension system



Junichi Okamoto

Senior Managing Executive Officer
Group Head, Trust Assets Business Group

Key Operating Companies

- Mitsubishi UFJ Trust and Banking Corporation (MUTB) is a top domestic asset manager that provides various investment products in Japan and overseas. MUTB is addressing customers' complex and diversifying asset management needs in the face of growing investment opportunities overseas in tandem with Master Trust Bank of Japan, Ltd. MUTB provides comprehensive services ranging from pension system planning and asset management to administration services while striving to enhance its global competitiveness by forming capital and business alliances with overseas counterparts.
- Mitsubishi UFJ Kokusai Asset Management Co., Ltd. is taking advantage of its broad sales channel to provide customers with medium- and long-term asset formation solutions backed by its strengths and expertise in product development, asset management and customer support.
- MUFG Fund Services (Bermuda) Limited (the former Butterfield Fulcrum Group), which became a wholly owned subsidiary of MUTB in 2013, is providing customers with one-stop services under the new brand name "MUFG Investor Services."

Fiscal 2015 Review

Fiscal 2015 Earnings Summary

Gross profits increased 0.4% (¥0.7 billion) year on year to ¥172.2 billion. Net operating profits rose 2.8% (¥1.9 billion) year on year to ¥70.2 billion. Despite a decline in revenues from the pension business due to a shrink in employees' pension fund (EPF) plans, we recorded increases in both revenues and profits thanks mainly to growth in domestic and overseas asset administration balance.

Global

The fund administration market has become a promising growth field against a backdrop of worldwide trend toward the tightening of regulations. To secure competitiveness and a foothold for future expansion, we acquired the Alternative Fund Services business of UBS, through subsidiary MUFG Fund Services.

In the field of asset management service, MUTB agreed to collaborate with STOXX Limited, the top European investment index developer and provider, thereby entering the index business. (Please see "FOCUS" for details).

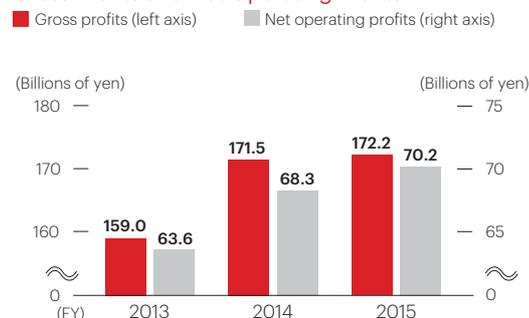
Investment Trust

Mitsubishi UFJ Kokusai Asset Management is putting its extensive product lineup and robust MUFG sales network to work to meet the wide-ranging asset management needs of its customers. Following the merger of Mitsubishi UFJ Asset Management and KOKUSAI Asset Management, operating profits rose thanks to the merger's positive effects on gross profits and expenses. In addition, we established an advisory committee consisting of external specialists, with the aim of promoting business operations based on the customer's perspective.

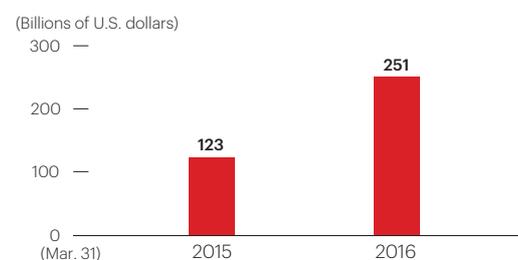
Pensions

As of March 31, 2016, MUTB's pension trust balance totaled ¥14.7 trillion, remaining secure with one of the top shares in Japan. Moreover, the defined contribution (DC) pension administration balance amounted ¥3.4 trillion. The DC pension investment product sales balance was ¥2.1 trillion. As such, MUTB is enjoying steady growth in these pension categories.

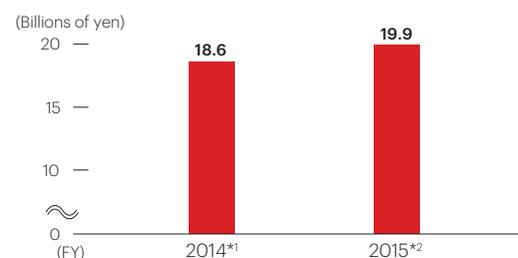
Gross Profits and Net Operating Profits



Foreign Investment Trust Balance



Net Operating Profit of Mitsubishi UFJ Kokusai Asset Management

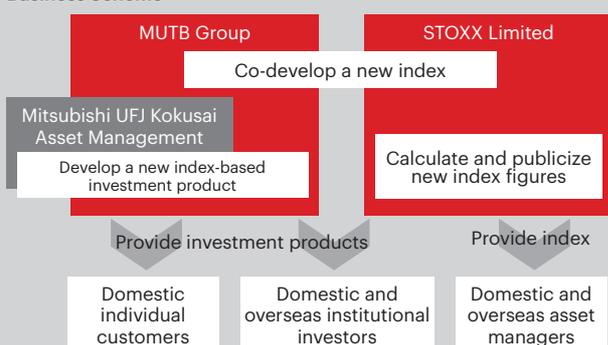


*1 Sum of the figures of Mitsubishi UFJ Asset Management and KOKUSAI Asset Management

*2 Net operating profits for FY15H1 was the sum of the figures of 2 AM companies.

FOCUS: Taking on New Challenge by Entering the Index Business through Collaboration with Switzerland-Based STOXX

Business Scheme



In order to expand its profit sources, MUTB launched the index business through a collaboration with STOXX Limited, a subsidiary of Deutsche Börse AG, entering the rapidly growing "smart beta" index business market.

In August 2015, MUTB and STOXX released the co-developed iSTOXX MUTB JAPAN Quality 150, an investment product based on a smart beta index, with the aim of satisfying the investment management needs of customers around the globe.

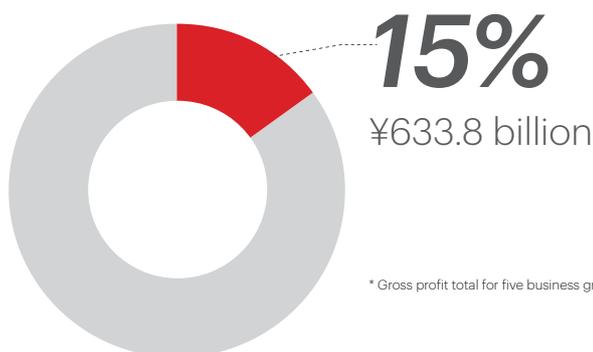
* Offering an alternative to such traditional indices as TOPIX, smart beta indices aim for higher investment efficiency through the application of nontraditional investment theories for stock selection and weighing value, thereby realizing value-added investment products.

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.)

Composition of Gross Profits*



Gross Profit Breakdown



Medium- to Long-Term Strategy

- Secure a global presence for the MUFG brand and become a strong market player boasting distinct competitive advantages in Japan and Asia
- Optimize global markets business functions throughout the Group to strengthen S&T operations. In particular, we will integrate domestic and overseas trading functions and sales functions at The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) and subsidiaries of Mitsubishi UFJ Securities Holdings Co., Ltd. (MUSHD), providing one-stop services for customers.
- Adopt a more sophisticated balance-sheet management method encompassing yen and foreign currencies globally



Key Operating Companies

- Operating globally, BTMU maintains bases in major trading centers, such as Tokyo, London, New York, Singapore and Hong Kong.
- Mitsubishi UFJ Trust and Banking Corporation (MUTB) and MUSHD also employ a robust international network encompassing Japan, Europe, the Americas, Asia and Oceania. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., (MUMSS); a core subsidiary of MUSHD is operating in Japan.
- MUFG Union Bank N.A., the Bank of Ayudhya Public Company Limited (Krungsri) and BTMU's Chinese subsidiary are also involved in the global markets business.



Fiscal 2015 Review

Fiscal 2015 Earnings Summary

Gross profits decreased 4.2% (¥27.9 billion) year on year to ¥633.8 billion. Net operating profits declined 6.7% (¥30.6 billion) year on year to ¥426.7 billion.

In the S&T business, we improved our sales structure while enhancing our product lineup, achieving our initial profit target with steady growth in transactions with investors and non-Japanese corporations.

In ALM operations, we focused on the integrated management of yen- and foreign currency, minimizing the negative impact of U.S. interest rate hikes, including the rise in USD funding costs. Our balance of net unrealized gains on available-for-sale securities improved considerably.

Sales and Trading

In fiscal 2015, we steadily pushed forward with the development of an optimal Groupwide operating structure. In February 2016 we integrated a London subsidiary of MUSHD and a local BTMU dealing room as part of initiatives to consolidate dealing rooms at various locations. (Please see "FOCUS" for details).

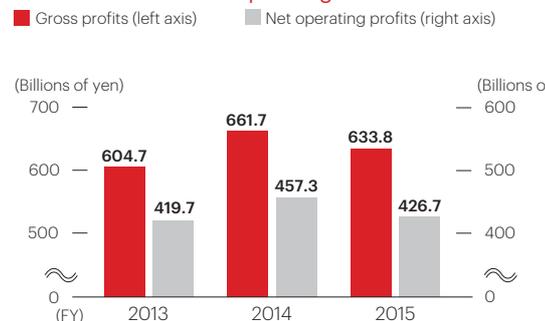
We will continuously advance our integrated S&T business to provide one-stop high-quality services capable of fulfilling customers' expectations by enhancing our capabilities to offer competitive prices, propose sophisticated solutions and provide a wide range of products.

ALM

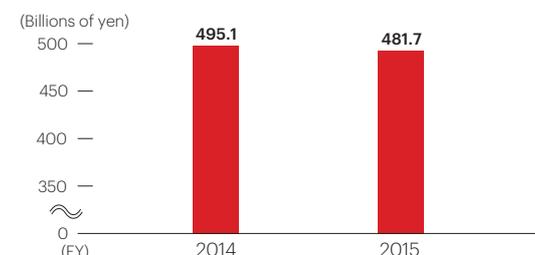
We were able to improve profitability and the sustainability of liquidity risk through integrated balance-sheet management encompassing yen and foreign currencies. Also, we posted record-high unrealized gains on available-for-sale securities by taking advantage of lowering interest rates.

Going forward, the environment surrounding our ALM operations is expected to remain harsh due to such factors as a negative interest rate policy. However, we will overcome these adverse factors by drawing on our robust funding platform and applying a more sophisticated balance-sheet management approach.

Gross Profits and Net Operating Profits

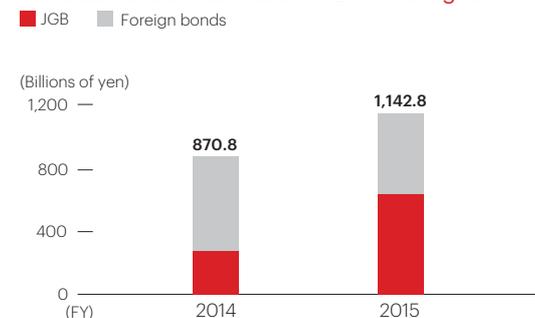


Sales and Trading Gross Profits*



* Total of S&T business related gross profits in all business units of The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Securities Holdings Co., Ltd. Local currency basis

Unrealized Gains or Losses on JGB and Foreign Bonds*



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

FOCUS: Development of Optimal Groupwide Operating Structure



Dealing Room (London)

In London, New York and Hong Kong, MUFG integrated the dealing rooms of BTMU and MUSHD subsidiaries. In Tokyo, the dealing rooms of BTMU and MUMSS were relocated to the same building in August 2016. In fiscal 2016, we expect the full-scale optimization to be completed, thereby helping MUFG provide more sophisticated one-stop service to our diverse customers.



Corporate Value Foundation

We explain our management system, including corporate governance and risk management framework, and outline our human resources and our approach to Corporate Social Responsibility.



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Strengthening a Governance Structure That Supports Corporate Value



MUFG Board of Directors Meeting held on June 29, 2016

Fundamental Concepts

MUFG will aim for sustainable growth and the increase of corporate value over the medium- to long-term, in consideration of the perspectives of its stakeholders, including shareholders as well as customers, employees and local communities. MUFG will aim to realize effective corporate governance through fair and highly transparent management based on the guidance provided by MUFG Corporate Governance Policies established in May 2015.

Steps to Improve Our Governance Structure

Since its establishment, MUFG has worked to build a stable and effective corporate governance structure, putting emphasis on ensuring external oversight. In June 2015, MUFG transitioned to the “company with three committees” governance structure. The functions of oversight and execution in the holding company are separated, thereby strengthening the oversight function of the Board of Directors and the committee system has also been reorganized for more effective governance. We are aiming for a governance

Corporate Governance Development

	October 2005 Establishment of MUFG	June 2013	June 2014	June 2015	May 2016	
Governance Structure	Company with a Board of Corporate Auditors			Company with Three Committees		
Outside Directors	2005 Four	2006 Three	2012 Two	Three	Five	
Committees under the Board of Directors				Governance Committee		
	2005 Nomination Committee		2008 Nomination and Compensation Committee		Nominating and Governance Committee (statutory Nominating Committee)	
	2005 Compensation Committee				Compensation Committee (statutory)	
	2005 Internal Audit and Compliance Committee				Audit Committee (statutory)	
				Risk Committee		
Advisory Board	2005 Advisory Board					
				Global Advisory Board	Integrated into the Global Advisory Board	
Board of Directors Operations				Evaluation of Board of Directors		
				Independent Outside Directors Meeting/ Appointment of Lead Independent Outside Director		
Policy				MUFG Corporate Governance Policies		

framework that will be more familiar and transparent to overseas stakeholders, in line with our status as a G-SIB (Global Systemically Important Bank).

In May 2016, MUFG established the U.S. Risk Committee, and in June, three of its core subsidiaries, namely, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Securities Holdings Co., Ltd., transitioned to the “company with audit and supervisory committee” governance structure. In the same month, MUFG Corporate Governance Policies were formulated to provide an overarching philosophy and framework guiding corporate governance at these and all other Group companies.

Outline of Board of Directors and Committees

The Board of Directors is composed of 17 members, of whom 7 (over one third) are outside directors with a high degree of independence. Of the 17 directors, the majority (9) are non-executive directors.

The outside directors are a balanced group (corporate management, a university professor, a lawyer and an accountant) with a diverse range of experience and expertise.

Nominating and Governance Committee

The Committee is composed of outside directors and the President & CEO, with an outside director as Chairperson. The Committee decides on proposals for the appointment or dismissal of directors that are submitted to the General Meetings of Shareholders. It also discusses matters related to the Chairman, Vice-Chairman, President, and other major management positions in the holding company or major subsidiaries and makes recommendations to the Board of Directors. It examines corporate governance policy and framework and makes recommendations to the Board of Directors.

Compensation Committee

The Committee is composed of outside directors and the President & CEO, with an outside director as Chairperson. The Committee decides the compensation policy for directors and corporate executive officers and also decides the details of individual compensation. It examines the compensation systems for senior management at the holding company and major subsidiaries and makes recommendations on establishment and reform to the Board of Directors.

Committee Membership

●: Chairperson ●: Member

		Nominating and Governance Committee	Compensation Committee	Audit Committee	Risk Committee	U.S. Risk Committee
Yuko Kawamoto	Outside Director	●	●		●	
Haruka Matsuyama	Outside Director	●	●			
Kunie Okamoto	Outside Director	●	●			
Tsutomu Okuda	Outside Director	●	●		●	
Hiroshi Kawakami	Outside Director	●	●	●		
Yukihiro Sato	Outside Director			●		
Akira Yamate	Outside Director			●		
Nobuyuki Hirano	President & Group CEO	●	●			
Tadashi Kuroda	Senior Managing Executive Officer, Group CSO & Group CHRO				●	
Kanetsugu Mike	Senior Managing Executive Officer, Group Head, Global Business Group, Regional Executive for the Americas					●
Masamichi Yasuda	Managing Executive Officer, Group CRO					●
Takashi Mikumo	Non-executive Director			●		
Takehiko Shimamoto	Non-executive Director			●		
Akira Ariyoshi	Outside expert, graduate school professor				●	
Kenzo Yamamoto	Outside expert				●	
Christine Garvey	MUAH* Outside Director					●
Dean A. Yoost	MUAH Outside Director					●
Ann F. Jaedicke	MUAH Outside Director					●
Stephen Cummings	MUAH President & CEO					●

* MUFG Americas Holdings Corporation (MUAH; U.S. intermediate holding company)

(As of July 1, 2016)

Strengthening a Governance Structure That Supports Corporate Value

Audit Committee

The Committee is composed of outside directors and non-executive directors, with an outside director as Chairperson. The Committee examines the execution of business by directors and corporate executive officers and prepares auditing reports. It also examines the business and financial situation of the holding company and subsidiaries, conducting fieldwork where necessary.

Risk Committee

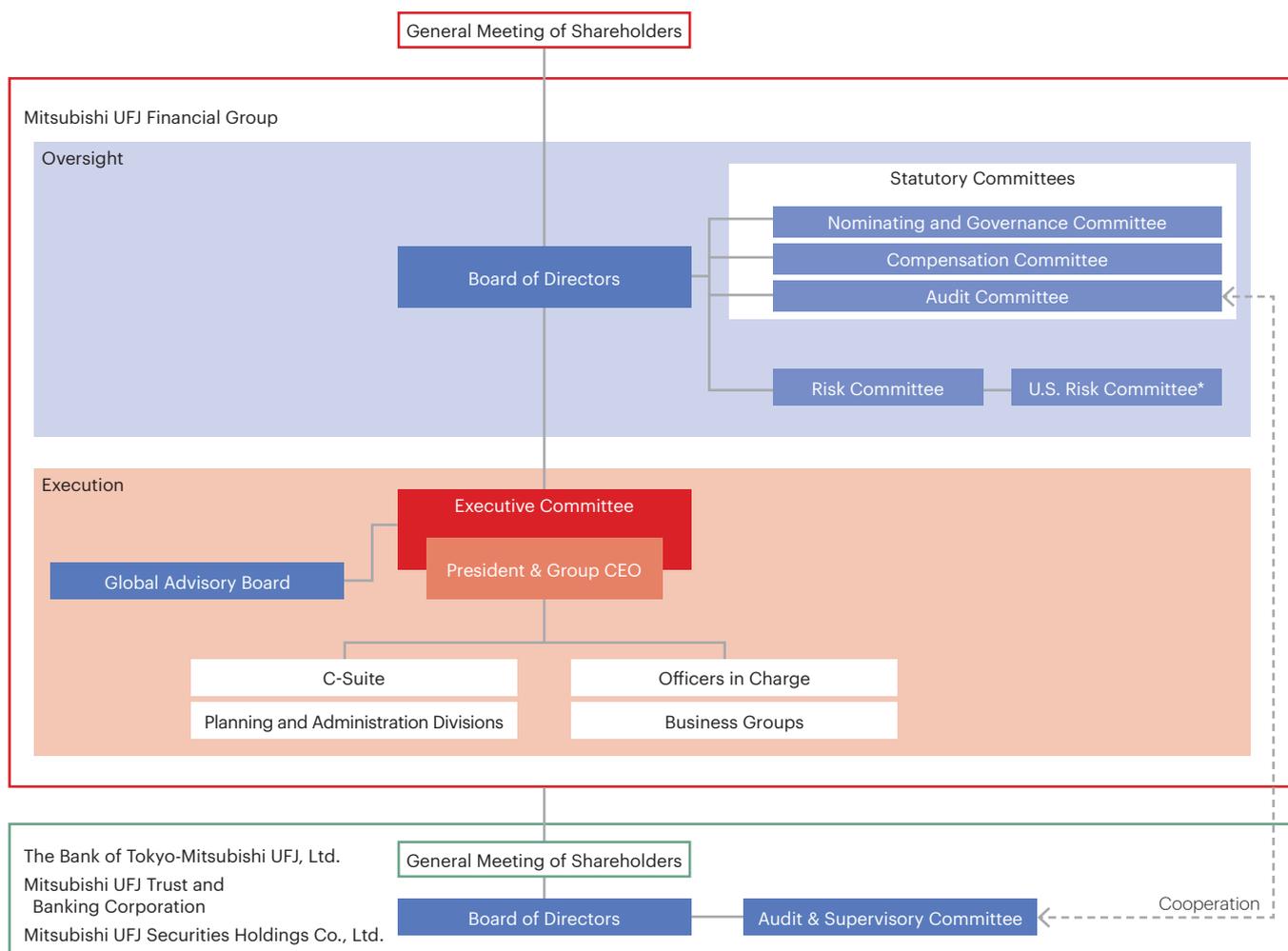
The Committee is composed of internal directors, outside directors and outside expert members, with an outside director as Chairperson. The Committee examines matters related to Groupwide risk management and reports to the Board of Directors. It examines important issues of the overall risk management matters and issues relating to the top risk matters (including critical compliance matters), as well as other issues

that need to be examined by the Risk Committee and makes recommendations to the Board of Directors.

U.S. Risk Committee

In May 2016, MUFG established the U.S. Risk Committee under the MUFG Risk Committee in order to comply with the Enhanced Prudential Standards. The U.S. Risk Committee is composed of the members of MUFG Americas Holdings Corporation (MUAH) Risk Committee, delegate(s) from MUFG, Regional Executive for the Americas and MUAH CEO.

The U.S. Risk Committee shall deliberate on all types of risk in the U.S. on a group basis, report and make recommendations to the MUFG Risk Committee as well as oversee the status, control and management of the material risks to which MUFG's operations in the U.S. may be exposed and overall risk management framework in respect of MUFG's operations in the U.S.



■ Membership includes outside directors and committee members

* Established based on the U.S. Prudential Regulations



Strengthening the Function of the Board of Directors

Having transitioned to the “company with three committees” structure in 2015, MUFG is striving to strengthen its corporate governance and the function of the Board of Directors.

Operational Status of the Board of Directors

The Board of Directors decides on basic management policies while taking on the supervision of management activities. In principle, business matters other than those reserved for the Board of Directors in accordance with the law are delegated to and decided on by corporate executive officers. However, particularly important matters (listed below) are discussed and decided on solely by the Board of Directors.

- Management strategy, risk management policy, capital policy, resource allocation and other basic management policies for the entire Group
- Supervision of directors and corporate executive officers who take on business execution
- Internal control systems for the Group and the monitoring of the development and operation of such systems
- Appointment of corporate executive officers
- Oversight of initiatives to develop a corporate governance structure and to facilitate a sound corporate culture

Having transitioned to the “company with three committees” structure in June 2015, MUFG reviewed the agenda discussed

at Board of Directors meetings while examining the operation of the Board (including the frequency of such meetings). As a result, the number of meetings was decreased by half, and the number of agenda items was cut by approximately 60%. On the other hand, the duration of regular Board of Directors meetings increased from 2.5 hours to 5 hours due to a longer time being allocated to discussions.

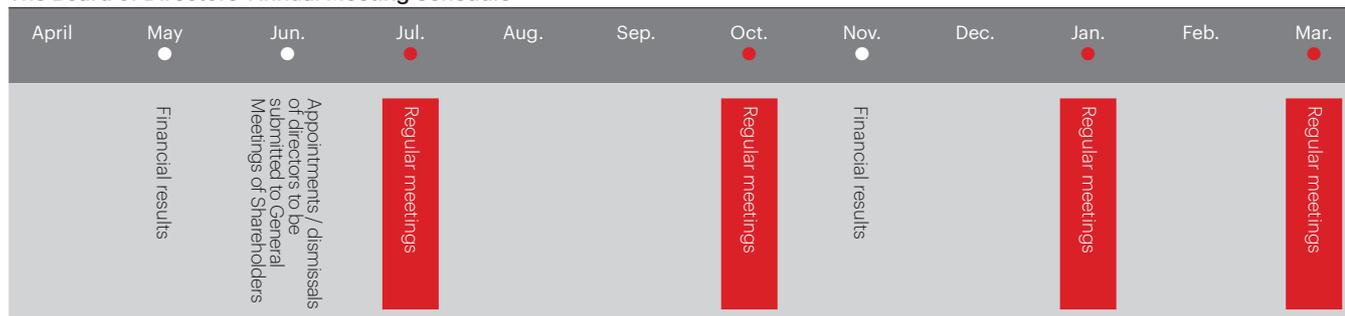
Status of the Board of Directors’ Operations

	Fiscal 2014 (June 2014 to March 2015)	Fiscal 2015 (June 2015 to March 2016) After a transition to the “company with three commit- tees” system
Number of meetings held	14	7
Number of agenda items	210	86
Average duration of regular Board of Directors meetings	2.5 hours	5 hours
Volume of pages included in meeting materials (annual total)	Approx. 1,200	Approx. 300

Board of Directors meetings are followed by Independent Outside Directors Meetings attended only by outside directors. At these meetings, attendees engage in deliberations regarding such matters as the operation of the Board of Directors and committees, collaboration between the Board and corporate executive officers, and possible measures to enhance the function of outside directors. Conclusions reached at this meeting are reported to the chairman, who heads the Board of Directors, and the president by a Lead Independent Outside Director.

Strengthening a Governance Structure That Supports Corporate Value

The Board of Directors' Annual Meeting Schedule



Example of Timetable for a Regular Board of Directors Meeting

	Topics	Presenter or Attendees
10:00	CEO Report	Group CEO
	CSO Report	Group CSO
	CFO Report	Group CFO
Lunch break		
	CRO Report	Group CRO
	Risk Committee Report	Chairperson of Risk Committee
	CCO Report	Group CCO
	Audit Committee Report	Chairperson of Audit Committee
	Nominating and Governance Committee Report	Chairperson of Nominating and Governance Committee
	Compensation Committee Report	Chairperson of Compensation Committee
	Break	

	Topics	Presenter or Attendees
	Specific issue (1)	Officer in charge of the issue
	Specific issue (2)	Officer in charge of the issue
	Specific issue (3)	Officer in charge of the issue
	Specific issue (4)	Officer in charge of the issue
16:30	Independent Outside Directors Meeting	All outside directors
	Report on the conclusions reached at the aforementioned meeting	Lead Independent Outside Director, Chairman of the Board and President, Group CEO
17:30	Close (7.5 hours in total)	

CEO: Chief Executive Officer	CCO: Chief Compliance Officer
COO: Chief Operating Officer	CLO: Chief Legal Officer
CSO: Chief Strategy Officer	CAO: Chief Audit Officer
CFO: Chief Financial Officer	CIO: Chief Information Officer
CRO: Chief Risk Officer	CDO: Chief Data Officer
CHRO: Chief Human Resources Officer	

Stepping Up Support for Outside Directors

Board Educational Sessions are held to support independent outside directors by providing necessary information beyond the scope of the discussion agendas of the Board of Directors meetings. Outside directors attend these sessions to be apprised of MUFG's business operations and the management environment surrounding it, immediately after their appointment and on a regular basis during the term of their service.

In fiscal 2015, MUFG held four such sessions. Themes for these sessions were selected based on opinions voiced at the Board of Directors meetings and Independent Outside Directors Meetings and included such matters as MUFG's strategies for the Americas business, the operations of Morgan Stanley and the Bank of Ayudhya and the outline of IT systems as well as business plans for fiscal 2016.

Separately, MUFG held a Board Educational Session for newly appointed outside directors in July 2015 under such themes as MUFG's governance structure, management vision and its medium-term business plan.

Evaluation Framework of the Working Practices of the Board of Directors' Operations

Since 2013, with the aim of enhancing the function of its Board of Directors, MUFG has introduced a framework to regularly evaluate the Board of Directors' working practices through implementation of a PDCA cycle.

External consultants interview each director on the composition of the Board of Directors, the content of agendas, the discussions at Board Directors meetings, the operations of the Board, and the Board's contributions. Results of these interviews and assessments by consultants are reported and discussed by the Nominating and Governance Committee and the Board of Directors.



Measures Aimed at Securing Responsiveness to Japan's Corporate Governance Code (Excerpts)

MUFG has determined that the design and operation of a corporate governance framework based on the concepts outlined above is one of its most important issues. MUFG implements all of these individual principles in compliance with MUFG Corporate Governance Policies.

[Disclosure Based on the Principles of the Corporate Governance Code] [Principle 1-4]

Strategic shareholdings policy

- The circumstances surrounding strategic shareholdings*¹ have changed greatly in recent years due to, among other things, the tightening of international financial regulations and the introduction of the Corporate Governance Code in Japan.
- Based on these changes, MUFG has adopted a basic policy that its Group banks,*² taking into account shareholding risk, capital efficiency and international financial regulations, shall reduce the amount of shares held for the purpose of strategic investment,*³ following sufficient consultation with the relevant corporate business clients.
- Shares held for the purpose of strategic investment will be examined for their significance and economic rationale from the perspectives of our corporate business clients' growth and earnings and the strengthening of business relations. We shall proceed with selling those shareholdings for which there is insufficient rationale, after securing an understanding of the relevant corporate business clients. Even where there is sufficient rationale, we may sell those shareholdings in accordance with our basic policy of reducing strategic shareholdings, taking into account, among other things, the market environment and our business and financial strategy.
- In fiscal year 2015, MUFG reduced its strategic shareholdings by approximately 120 billion yen (simple combined revenue of Group banks, acquisition cost basis), and its ratio of equity holdings at acquisition price over Tier1 capital declined from 19.7% to 17.9% as of March 31, 2016. MUFG aims to lower this to around 10% by the end of the next Medium-term Business Plan (March 31, 2021).

*1 "Strategic shareholdings" refers to shares excluding trading investments (shares of subsidiaries and affiliates are not included). These are classified into three categories: 1. strategic investments, 2. business strategy and 3. revitalization support, with most falling under 1.

*2 "Group banks" refers to The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corporation, consolidated subsidiaries of MUFG.

*3 "Shares held for the purpose of strategic investment" refers to shares held for the purpose of increasing the medium- to long-term economic profits of MUFG and Group banks through maintaining and expanding comprehensive business relations with our corporate business clients.

Examination of significance and economic rationale of shareholdings

- At each Group bank, all shares held for the purpose of strategic investment are being confirmed for their significance and economic rationale (risk-return) over the medium- to long-term from the perspectives of our corporate business clients' growth and earnings and the strengthening of business relations. Based on Principle 1-4 of the Corporate Governance Code, the most important strategic shareholdings*⁴ are examined by MUFG's Board of Directors.
- Economic rationale is examined based on MUFG's overall business RORA, which is based on its ROE target, as a target value. The results of the March 31, 2016 validations are as follows.
 - We confirmed the validity of the significance of these shareholdings as all of the validation targets were held with the aim of enhancing the medium- to long-term economic interests of MUFG and Group banks. Regarding economic rationality, the overall business RORA of all of the verification targets as a whole exceeded the target value.
 - By company, approx. 80 percent of business partners exceeded the target value.*⁵ The approx. 20 percent that fell below the target value are aiming to improve profitability, but if they do not improve within a set period, we will consider selling.

*4 The aggregate market value of validation targets held as of March 31, 2016 was approx. 3.2 trillion yen (book value: approx. 1.8 trillion yen), covering approx. 70 percent of the total market value of the (listed) equities held by Group banks for the purpose of strategic investment.

*5 *6 In the previous fiscal year, whether a business partner exceeded the target profitability value was determined on either a parent company basis or a group basis, but from this fiscal year it is being determined on a group basis for each business partner. As a result, both this fiscal year and last fiscal year approx. 80 percent of business partners exceeded the target value, but for listed equities that were not validation targets, last fiscal year approx. 80 percent of business partners exceeded the target value, and this fiscal year approx. 70 percent exceeded the target value.

Standards with respect to the exercise of voting rights

- In order to ensure the appropriate exercise of voting rights of shares held for the purpose of strategic investment, MUFG and Group banks will make comprehensive decisions on every proposal for the agenda of a shareholders meeting after confirming the following two points:
 - (1) Will it increase the medium- to long-term corporate value and lead to continuous growth of the relevant corporate business client?
 - (2) Will it increase the medium- to long-term economic profits of MUFG and Group banks?
- The status of the exercise of voting rights of the most important strategic shareholdings will be reported to MUFG's Board of Directors.

[Supplementary Principle 4.11.3]

Evaluation of the board of directors

- Every year, MUFG analyzes and evaluates the effectiveness of the Board of Directors, and then reviews and implements measures against any issues discovered. By using a PDCA cycle to review the progress in improvement, MUFG is engaged in the continual enhancement of the abilities of the Board of Directors.
- Following the advice of a third-party external consultant, MUFG conducted interviews of all directors on issues relating to the Board of Directors, including its structure, management, and contributions made, as well as how it conducts proposals and discussions.
- The summary of the results of the evaluation of the Board of Directors for fiscal year 2015 is as follows:
 - (1) As an evaluation of the first year of MUFG's transition into a company with three committees, the Board of Directors and Committee Members were evaluated to have appropriately established a system that leverages management oversight functions. They are also deemed to have made steady improvements to the management of the Board of Directors, such as the way it conducts proposals and discussions, contributions made from directors, and the progress of reform.
 - (2) In enhancing its monitoring model, MUFG recognizes that flexible response by the Board of Directors to environmental changes that affect management, such as further changes to the environment which enhance fundamental discussion, as well as events such as negative interest rates and irregularity in the global economy, is an important issue.

[Principle 5.1]

Policies for dialogue with shareholders

- Through dialogue with shareholders, MUFG seeks their understanding of MUFG's business strategy and so forth and strives to take appropriate actions based on an understanding of shareholders' perspectives.
- Dialogue with shareholders is achieved via appropriate exchange of information and organized cooperation between the divisions, such as Financial Planning Division, Corporate Administration Division, Corporate Planning Division, and Corporate Communications Division Media Relations Office. As the director responsible for the Financial Planning Division, Group CFO exercises comprehensive oversight over Investor Relations Office, which generally handles investor relations activities, Office of the CFO, which generally handles matters on financial policies, and Financial Accounting Office, which generally handles settlement and accounting.
- MUFG carries out the following initiatives in order to encourage constructive dialogue with shareholders:
 - Issuance of an Integrated Report to aid deeper understanding of MUFG's strategy and values
 - Individual visits to major institutional investors, both domestic and overseas, after the announcement of financial results
 - Provision of additional explanation on specific agenda items to major institutional investors, both domestic and overseas, before general meetings of shareholders
 - Periodic explanatory sessions for individual investors, attended by the President & CEO, etc.
 - Biannual meetings to explain financial results to analysts and institutional investors, conducted by President & CEO and Group CFO
- Comments and requests provided by major shareholders and investors in the course of dialogue are reported to the board of directors and to management.
- MUFG seeks to ensure that information is disclosed in a fair and timely manner. From the perspective of ensuring the fairness and soundness of the securities market, MUFG recognizes the importance of managing the security of undisclosed material information that would influence investment decisions and practices strict information security.



Tsutomu Okuda

Outside Director, Mitsubishi UFJ Financial Group, Inc.
Senior Advisor, J. Front Retailing Co., Ltd.

After joining The Daimaru, Inc. in 1964, Mr. Okuda assumed the office of president at Daimaru in 1997 and was appointed chairman & CEO in 2003. Having spearheaded the merger of this renowned department store group with its rival Matsuzakaya, he took the office of president & CEO at J. Front Retailing Co., Ltd., the merged entity, in 2007, becoming chairman & CEO of that firm in 2010. Since 2014, MR. Okuda has served as a senior advisor of J. Front Retailing. In the same year, he was appointed as an outside director at MUFG (current position).

Question:

What is your evaluation of MUFG's corporate governance?

Upon the approval of the General Meeting of Shareholders held in June 2015, MUFG transitioned from a "company with a board of corporate auditors" to a "company with three committees" governance system. In addition to the three statutory bodies, namely, the Nominating and Governance, Compensation, and Audit committees, MUFG voluntarily established the Risk Committee, a move that distinguishes its governance system. The outside directors appointed to its Board of Directors consist of three business managers, a lawyer, a corporate and tax accountant and an academic expert, ensuring the Board is well-balanced. Collectively, the membership boasts extensive experience and expertise in various fields of specialty. At Board of Directors meetings, every member of the Board actively engages in discussions with an open-minded attitude. I believe that the outside directors, with their diverse backgrounds and perspectives, are ensuring that the Board maintains lively discussions and executes a solid supervisory function.

Usually, Board of Directors meetings are followed by Independent Outside Directors Meetings that all outside directors attend. At these meetings, attendees engage in the frank exchange of opinions regarding such matters as the content of and progress in discussions held at the preceding Board of Directors meeting and executive members' briefings on agenda and materials used for such briefings, in addition to any forthcoming management issues. I am in charge of communicating conclusions reached at this

meeting to the chairman and president. I report our conclusions in detail. Also, I sometimes request briefing sessions for outside directors so that we may gain deeper understanding of specific problems. Thankfully, both chairman and president are quite open to our ideas and they quickly decide on concrete steps to be taken in response to our suggestions. The way the opinions of outside directors are reflected in management is impressive. I also admire that MUFG's top leaders take corporate governance very seriously.

Question:

As Chairperson of the Nominating and Governance Committee, what roles are you playing?

When it was inaugurated in 2005, MUFG adopted a "company with a board of corporate auditors" governance system while also appointing three non-mandatory committees. Moreover, MUFG has been performing the evaluation of the Board of Directors' effectiveness since 2014. Our experience in operating three committees and performing such evaluation enabled MUFG to execute a smooth transition to the "company with three committees" system. Because of this, I am convinced that the Nominating and Governance Committee has functioned very well from the first year of its inception.

As for management succession, we have been selecting candidates by focusing on personality, competence and background. Since its inception, the Nominating and Governance Committee has been engaged in exhaustive discussions to define the personal traits of ideal candidates

and to clearly describe their core duties. In April 2016, the committee nominated top management leaders of The Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking Corporation, along with key personnel who support them, in accordance with prescribed procedures. We are confident that our selection process is transparent, and every detail can be explained in a concrete manner. Moreover, not have we developed rules and procedures, we've appointed candidates and now are seeing the results of nomination. The committee has thus experienced a fruitful year, with a PDCA cycle being implemented to improve its operations one year after initiation.

Question:
What challenges are you facing in executing succession plans?

As for the selection of candidates, we must identify who is capable of pushing forward with aggressive expansion and who is excellent in enforcing protective measures. We also give consideration to whether a candidate is good at tackling major adversity or if their forte lies in building a long track record in stable circumstances. As MUFG employs a wealth of human resources with widely varying competencies and backgrounds, we are confident that we will be able to discover appropriate candidates. In line with a succession plan spanning five to ten years going forward, we are looking for ideal candidates throughout the Group and encourage said candidates to acquire additional business experience to best bolster their own competencies.

Of course, we are also aware of the need for a succession plan aimed at securing outside director candidates. Previously, discussions for appointing outside directors have centered on merely listing the names of promising available candidates. However, I believe that criteria for candidates' backgrounds and career accomplishments have to be defined in the upcoming discussions and applied to this selection process, just as when we are selecting executive successors. In addition, because MUFG is a global financial institution, we see the promotion of diversity as an important issue and are considering choosing those who have non-Japanese cultural backgrounds as candidates for both inside and outside director positions.

Question:
The Board of Directors will soon complete its third round of self-evaluation. What discussions have been under way?

We are confident that our evaluation skills have been improved by the experience of the preceding two rounds. Every member of the Board is committed to relentlessly enhancing corporate governance by employing this evaluation system.

In the third round, we have been deliberating on how to upgrade our monitoring system to better adapt to the evolving operating environment surrounding MUFG. Specifically, we are looking to establish clearer monitoring targets to ensure that the Board of Directors has as accurate a picture as possible of the status of operations. Such targets will include the monitoring of quantitative changes in management indicators over the course of business execution, spanning formulating strategies and implementing business plans to reaping operating results.

On the other hand, as we confront the rapidly changing business environment, discovering potentially critical issues that may affect future operations is as important as assessing current events. As some Board members have suggested that we need to allocate more time to deliberate on future issues, we will improve how we handle these matters. Priorities in and schedules for addressing such issues will be subject to discussion going forward. We will also consider the best way to glean input from every Board member, taking advantage of their individual interpretations of the business environment and awareness of potential problems.

In addition, our corporate culture has been a prevailing subject at many sessions of Board of Directors meetings. Corporate culture plays a key part in supporting the reliability and traditions of a company. On the other hand, an overly conservative corporate culture can present a barrier for those taking on ambitious challenges or striving to realize innovation. After all, the corporate culture has to be aligned to the objective of management. Although MUFG has a strong brand capability, the Group needs to enhance the positive aspect of its corporate culture to achieve sustainable growth into the future. I recognize this is one of important management issue.

I believe that corporate governance has twofold objectives. On the one hand, businesses are expected to ensure "protective" governance to avoid risk, misconduct and operational mistakes. The appointment of outside directors is intended to support this. On the other hand, businesses have a duty to stakeholders to achieve sustainable growth and improved corporate value over the medium to long term, this calls for "aggressive" governance. This is also a key factor stated in Japan's growth strategies. As a financial group engaged in operations in regions throughout the world, MUFG is clearly aware of its significant social responsibilities. Therefore, with a view to benefiting the greater public, we will endeavor to strike the optimal balance between securing shareholders' and other stakeholders' interests.

Although we feel some pressure as we face new challenges one after another, we are determined to fulfill our roles as outside directors by employing unbiased and broader viewpoints to monitor MUFG's operations.

Board of Directors



As of July 15, 2016

Director, Chairman Kiyoshi Sono ①

Deputy Chairman, Bank of Tokyo-Mitsubishi UFJ
Mr. Sono joined Sanwa Bank in 1976. In 2012, he became group head of MUFG's Integrated Corporate Banking Business Group, and he was made Chairman in 2014. He was appointed Director, Representative Corporate Executive Officer and Chairman of MUFG in June 2015 (incumbent).

Director, Deputy Chairman Takashi Nagaoka ②

President & CEO, Mitsubishi UFJ Securities Holdings Company
President & CEO, Mitsubishi UFJ Morgan Stanley Securities Company
Mr. Nagaoka joined Mitsubishi Bank in 1976. In 2011, he became Deputy President of Bank of Tokyo-Mitsubishi UFJ. In 2014, he became President & CEO of Mitsubishi UFJ Morgan Stanley Securities Company and President & CEO of Mitsubishi UFJ Securities Holdings Company (incumbent). In the same year, he was appointed as a Director of MUFG. In June 2015, he was appointed as Director, Representative Corporate Executive Officer and Deputy Chairman of MUFG (incumbent).

Director, Deputy Chairman Mikio Ikegaya ③

President & CEO, Mitsubishi UFJ Trust and Banking Corporation
Mr. Ikegaya joined Mitsubishi Trust and Banking in 1981. In June 2015, he became Senior Managing Director of MUTB, and Managing Officer of MUFG. In April 2016, he was appointed President & CEO of MUTB (incumbent). In June 2016, he became Director and Deputy Chairman of MUFG (incumbent).

Director, President & Group CEO Nobuyuki Hirano ④

President & Group CEO,
Chairman, Bank of Tokyo-Mitsubishi UFJ
Mr. Hirano joined Mitsubishi Bank in 1974. In 2012, he was appointed as President of Bank of Tokyo-Mitsubishi UFJ, and a year later, in 2013, he became President of MUFG. In June 2015, he was appointed as Director, Representative Corporate Executive Officer and President of MUFG (incumbent). In April 2016, he became Chairman of BTMU (incumbent).

Director, Senior Managing Executive Officer, Group CSO & Group CHRO Tadashi Kuroda ⑤

Mr. Kuroda joined Sanwa Bank in 1981. In 2014, he was appointed Managing Director of MUFG and in the same year a Director of Mitsubishi UFJ Trust and Banking (incumbent). In June 2015, he was appointed as a Director and Senior Managing Executive Officer of MUFG (incumbent) and a Senior Managing Director of Bank of Tokyo-Mitsubishi UFJ (incumbent).

Director, Senior Managing Executive Officer, Group CFO Muneaki Tokunari ⑥

Mr. Tokunari joined Mitsubishi Trust and Banking in 1982. He became Senior Managing Director of Mitsubishi UFJ Trust and Banking in 2013 and in 2014 Managing Officer of MUFG. In June 2016, he was appointed as Director and Senior Managing Executive Officer of MUFG (incumbent) and Senior Managing Director of Bank of Tokyo-Mitsubishi UFJ (incumbent).

Director, Managing Executive Officer, Group CRO Masamichi Yasuda ⑦

Mr. Yasuda joined the Bank of Tokyo in 1983. In 2014, he became Managing Officer of Bank of Tokyo-Mitsubishi UFJ. In June 2015, he was appointed as Managing Director of Bank of Tokyo-Mitsubishi UFJ (incumbent) and Director and Managing Executive Officer of MUFG (incumbent).

Director Takashi Oyamada ⑧

President & CEO, Bank of Tokyo-Mitsubishi UFJ
Mr. Oyamada joined Mitsubishi Bank in 1979. In June 2015, he was appointed Director, Representative Corporate Executive Officer, and Deputy President & Group COO of MUFG. In April 2016, he was appointed President & CEO of BTMU, and Director of MUFG (incumbent).

Director (non-executive) Takashi Mikumo ⑨

Mr. Mikumo joined Toyo Trust Bank in 1980. He became a Senior Managing Director of Mitsubishi UFJ Trust and Banking in 2012, and in June 2013, he was appointed as Corporate Auditor of MUFG. In June 2015, he was appointed as a Director of MUFG (incumbent).

Director (non-executive) Takehiko Shimamoto ⑩

Mr. Shimamoto joined Mitsubishi Bank in 1982. In 2012, he became a Managing Officer of MUFG and a Managing Director of Bank of Tokyo-Mitsubishi UFJ. In June 2015, he was appointed as a Director of MUFG (incumbent).

**Outside Director****Yuko Kawamoto 11**

Professor, Waseda Graduate School of Business and Finance

After working at Bank of Tokyo from 1982 to 1986, Ms. Kawamoto joined McKinsey & Company in 1988. At McKinsey, she was promoted to Senior Expert of the Tokyo branch in 2001. After leaving McKinsey, she took up a professorship of the Waseda Graduate School of Finance, Accounting and Law (current name: Business and Finance) in 2004 (incumbent). From 2006, Ms. Kawamoto has served as an Audit and Supervisory Board Member of Tokio Marine Holdings, Inc. In 2013, she became an Outside Director of MUFG (incumbent).

Outside Director**Haruka Matsuyama 12**

Partner, Hibiya Park Law Offices

Ms. Matsuyama became an Assistant Judge to the Tokyo District Court in 1995. Upon becoming an attorney-at-law and joining the Daini Tokyo Bar Association in 2000, she joined Hibiya Park Law Offices, where she was promoted to a Partner in 2002. Ms. Matsuyama has also been serving as a Corporate Auditor of Vitec Co., Ltd. since 2012, a Director of T&D Holdings, Inc. since 2013, and a Corporate Auditor of Mitsui & Co., Ltd. since 2014. In 2014, she became an Outside Director of MUFG (incumbent) and in 2015, became a Director of VITEC HOLDINGS CO., LTD (incumbent).

Outside Director**Kunie Okamoto 13**

Chairman, Nippon Life Insurance

Mr. Okamoto joined Nippon Life Insurance Company in 1969 and became President in 2005. In the same year, Mr. Okamoto was appointed as a Corporate Auditor of MUFG. He continues to serve as Chairman of Nippon Life Insurance, a position he has held since 2011. In June 2014, Mr. Okamoto was appointed as an Outside Director of MUFG (incumbent).

Outside Director**Tsutomu Okuda 14**

Senior Advisor, J. Front Retailing

Mr. Okuda joined The Daimaru, Inc. in 1964. In 1997, he was named President of Daimaru and in 2003 Chairman and Chief Executive Officer. In 2007, he assumed the Office of President and Chief Executive Officer of J. Front Retailing Co., Ltd., where he became Chairman and Chief Executive Officer in 2010. Since 2014, he has served as a Senior Advisor of the company. In 2014, Mr. Okuda was appointed as an Outside Director of MUFG (incumbent).

Outside Director**Hiroshi Kawakami 15**

Senior Advisor, Central Japan International Airport

Mr. Kawakami joined Toyota in 1972. He became Managing Executive Officer of Toyota in 2003, and Senior Managing Director in 2007. In 2008, he became Vice President of Toyota Tsusho Corp. and in 2009 he was appointed President of Central Japan International Airport Co., Ltd. In June 2015, he became a Senior Advisor of Central Japan International Airport and also an Outside Director of MUFG (incumbent).

Outside Director**Yukihiro Sato 16**

Adviser, Mitsubishi Electric

Mr. Sato joined Mitsubishi Electric Corporation in 1969, and was appointed Director, Representative Executive Officer, and Executive Vice President in 2007. In 2009, he became Senior Corporate Adviser. From 2013, he served as Special Adviser of Mitsubishi Electric. In 2014, he was appointed as a Corporate Auditor of MUFG and in the same year an Adviser to Mitsubishi Electric. In June 2015, he became an Outside Director of MUFG (incumbent).

Outside Director**Akira Yamate 17**

Certified Public Accountant

Mr. Yamate joined Price Waterhouse in 1977, becoming a certified public accountant in 1983. In 1991, he became a Representative Partner of Aoyama Audit Corporation and a Partner of Price Waterhouse. In 2000, he became a Representative Partner of Chuo Aoyama Audit Corporation and a Partner of Pricewaterhouse Coopers. From 2006 to 2013, he was a Representative Partner of Pricewaterhouse Coopers Aarata. In 2013, he was appointed as a Corporate Auditor of Nomura Real Estate Holdings and Nomura Real Estate. In June 2015, he was appointed as an Outside Director of MUFG and in the same year appointed as a Director of Nomura Real Estate Holdings, and a Corporate Auditor of Prudential Holdings of Japan (incumbent).

* Ms. Yuko Kawamoto, Ms. Haruka Matsuyama, Mr. Kunie Okamoto, Mr. Tsutomu Okuda, Mr. Hiroshi Kawakami, Mr. Yukihiro Sato and Mr. Akira Yamate are outside directors defined in Article 2, Item 15 of the Companies Act.

Corporate Executive Officers and Executive Officers (As of July 15, 2016)

Corporate Executive Officers

Kiyoshi Sono
Director
Chairman

Takashi Nagaoka
Director
Deputy Chairman

Mikio Ikegaya
Director
Deputy Chairman

Nobuyuki Hirano
Director
President & CEO
Group CEO

Satoshi Murabayashi
Senior Managing Executive Officer
Group CIO

Junichi Okamoto
Senior Managing Executive Officer
Group Head, Trust Assets Business Group

Naoto Hirota
Senior Managing Executive Officer
Group Head, Global Markets Business Group

Tadashi Kuroda
Director
Senior Managing Executive Officer
Group CSO & Group CHRO

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

Kanetsugu Mike
Senior Managing Executive Officer
Group Head, Global Business Group and Regional
Executive for the Americas

Muneaki Tokunari
Director
Senior Managing Executive Officer
Group CFO

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

Akira Hamamoto
Managing Executive Officer
Group CCO & Group CLO

Masamichi Yasuda
Director
Managing Executive Officer
Group CRO

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

Shigeru Yoshifuji
Managing Executive Officer
Group CAO and General Manager,
Internal Audit Division

Executive Officers

Managing Officers

Hiroshi Naruse
Shigeru Asai
Hironori Kamezawa
Koji Nishimoto
Takami Onodera
Akihiko Nakamura
Iwao Nagashima
Makoto Hayashi
Masahiro Hosomi
Hisashi Ito
Akio Ninomiya
Yukio Yahagi
Toshihiko Mori
Takayoshi Futae
Naoki Hori
Hidekazu Horikoshi
Masahiro Kuwahara
Tetsuya Nakamura
Tetsuro Shinohara
Satoshi Takizawa
Hitoshi Usui
Tetsuya Yonehana
Masato Miyachi
Stephen Cummings

Executive Officers

Kazuo Koshi
Ritsuo Ogura
Kazuto Uchida
Randall Chafetz
Makoto Kobayashi
Hiroki Kameda
Toshiya Kaneko
Takanori Sazaki
Naomi Hayashi
Yasushi Itagaki
Hideki Kishimoto
Yasushi Ishikawa
Masaki Miyazaki
Tsuyoshi Nakagawa
Kazuaki Tanaka
Hiroshi Takekawa
Minoru Soutome
Hiroyuki Ogata
Yutaka Miyashita
Yoshiaki Nakajima
Shigeharu Sanada
Hiroyuki Seki
Jun Togawa
Takayuki Yasuda

Shuichi Yokoyama
Takenobu Inaba
Masatsune Okada
Toshikazu Mukohara
Yukihiro Yamamoto
Ichiei Kuki
Junichi Narikawa
Eiji Ihori
Sunao Yokokawa
Junichi Hanzawa
Atsushi Miyata
Koji Ishizaki
Hisashi Kanamori
Kazuji Tanikawa
John Woods
Johannes Worsoe
Tsutomu Sambai
Satoshi Matsumura
Shuji Umabayashi
Michael Coyne
Masaki Enomoto
Jiro Omori
Masayuki Tanaka
Toshihiro Sasaki

Global Advisory Board

In April 2016, MUFG integrated its Global Advisory Board, which comprises specialists from abroad, with the Advisory Board, which comprises Japanese external experts. The new Global Advisory Board consists of nine members: three from Japan, two from Europe, two from the Americas and two from Asia.

With the interrelationship of domestic and overseas operations gaining in importance, MUFG will proactively solicit suggestions and advice from the newly established Global Advisory Board in its Group operations to strengthen its governance structure while stepping up its business strategies.

Members of the Global Advisory Board (As of July 1, 2015)



Mr. John C. Dugan

Partner, Covington Burling LLP
Former Comptroller of the Currency,
United States Treasury Department



Dr. Victor K Fung

Group Chairman, Fung Group,
Hong Kong
Former Honorary Chairman, the
International Chamber of
Commerce



Ambassador John V. Roos

Former United States Ambassador
to Japan



**Lord (James)
Sassoon, Kt**

Director, Jardine Matheson Holdings
Limited
Former Commercial Secretary to
the Treasury, United Kingdom



**Associate Professor
Simon S.C. Tay**

Chairman of the Singapore Institute
of International Affairs
Former Member of Parliament,
Singapore



**Dr. Gertrude
Tumpel-Gugerell**

Member of Supervisory Board,
Österreichische Bundesbahnen-
Holding AG
Former Member of Executive Board,
European Central Bank



Mr. Toshio Iwamoto

Representative Director,
President and
Chief Executive Officer,
NTT DATA Corporation



Mr. Toru Nagashima

Senior Advisor,
Teijin Limited



Mr. Akio Mimura

Senior Advisor, Honorary Chairman,
Nippon Steel &
Sumitomo Metal Corporation

Human Resources Strategy



Implementing various human resource development programs and personnel system reforms, we are striving to ensure that all 147,000 employees, who have diverse nationalities and values, remain highly motivated and can constantly develop their skills. By doing so, we are nurturing employees capable of providing high-value-added services to customers.

Human Resources Strategy

The MUFG Human Resources Principles serve as the basic policy to enable the Mitsubishi UFJ Financial Group (MUFG) to build a human resources management platform that aligns with MUFG's Corporate Vision.

As we work to create one MUFG globally, the MUFG Human Resources Division has developed these Principles to provide the framework for delivering consistent, industry-leading Human Resources management practices across our entities around the globe.

The goal is for every colleague to experience employment with MUFG in the same way, no matter where they may be located in the world. The MUFG Human Resources Principles provide the foundation for establishing an inclusive, global team.

Shared Values

The MUFG Human Resources Principles will be implemented globally across MUFG in alignment with our shared organizational VALUES:

1. Integrity and Responsibility
Strive to be fair, transparent, and honest. Always act responsibly in the best interest of customers and society as a whole, building long-term stakeholder relationships and giving back to our communities.
2. Professionalism and Teamwork
Respect the diversity of our fellow workers and foster a strong spirit of teamwork. Expect the highest levels of professionalism.
3. Challenge Ourselves to Grow
Adopt a global perspective to anticipate trends and opportunities for growth. Create and sustain a responsive and dynamic workplace where everyone can focus on providing outstanding customer service and embrace new challenges.

HR Mission

The MUFG Human Resources Principles support the achievement of the following HR mission:

1. Create a corporate culture that provides colleagues with opportunities for career growth, challenging them to perform well in a professional environment, where the highest standards of integrity are expected.
2. Appointing the right person to the right job, in the right place to allow each colleague to maximize his/her career potential.
3. Develop talent capable of contributing to the long-term and sustainable growth of our global society.

HR Vision

Be the industry leader in HR management to help MUFG realize its Corporate Vision: Be the world's most trusted financial group.

HR Philosophy

Leverage the following HR philosophies to create consistent HR management practices across all MUFG entities:

Talent Acquisition

Globally attract and recruit diverse talent that share and live OUR VALUES as members of MUFG. Create a strong Employer Brand that fosters recognition of MUFG as an Employer of Choice.

Performance Evaluation

Evaluate performance fairly and objectively, considering not only the goals achieved, but also the competencies demonstrated to get the job done. Recognize the importance of factors, such as customer-centric focus, global mindset, and teamwork, to balancing short-term results with sustained long-term performance. Provide feedback and coaching on an ongoing basis to each colleague to foster ongoing development.

Total Rewards

Reward colleagues competitively and appropriately in alignment with their contributions to MUFG's growth and success—in effect, pay for performance. In addition to colleague performance, rewards will be reflective of the overall stability of the company and the economy.

Talent Management

Assess the capabilities and career path of each colleague to place the right person in the right job, to maximize colleague and MUFG success. Develop strong succession plans and build a pipeline of inclusive leadership to appoint and promote our diverse colleagues from within.

Learning and Development

Provide ongoing learning and development opportunities to help each colleague enhance his/her knowledge, skills and experience and improve his/her capability to impact achievement of the Corporate Vision.



Human Resource Development

At MUFG, each Group company is striving to help employees achieve growth in their careers by implementing a variety of training programs tailored to participants' job roles and qualifications, including skills and leadership programs.

In March 2015, we established the MUFG Global Learning Center as a core human resource training facility for promoting MUFG's Groupwide training initiatives for employees from locations around the world.

The Bank of Tokyo-Mitsubishi UFJ (BTMU) implements job-level based training on a Companywide basis to develop trainees' interpersonal capabilities while executing department-specific training programs aimed at imparting skills and expertise necessary to provide sophisticated financial services. For employees hired overseas, we established the Relationship Managers Academy, a program for junior and mid-level employees from locations worldwide, and the Global Analyst Program, designed for new graduates who have just entered workforce, while providing leadership training for managerial persons.

In addition, we encourage self-motivated learning by employees who want to continue developing their skills outside of working hours. Optimized to address challenges

each participant is facing and the stage of his/her growth, the Extended Learning Program (ELP) is in place for domestic employees, with sessions covering such subjects as basic financial knowledge and management skills being hosted in weekday nights as well as on Saturdays and Sundays throughout the year. From fiscal 2016, ELP sessions are rolled out in multiple companies within the Group.

Responding to Globalization

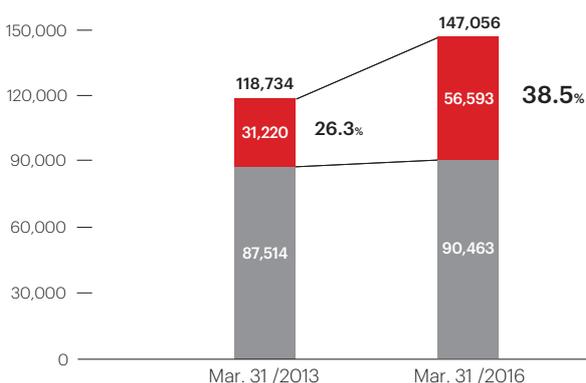
Optimal Staffing on a Global Basis

As of March 31, 2016, MUFG has approximately 147,000 employees, with around 57,000, or nearly 40%, being assigned to locations overseas.

BTMU is endeavoring to ensure optimal staffing on a global basis and to foster a sense of unity among Group employees through human resource exchange. To this end, BTMU provides employees who were hired overseas with opportunities to work at locations other than those where they joined the Company via, for example, its Global Job Posting Framework, an in-house job posting scheme specially designed for overseas employees. Currently, more than 80 employees have taken on assignments in other countries and regions. Of those, 30 employees are working in Japan.

Number of Group Employees

■ Those hired in Japan ■ Those hired overseas



MUFG's Human Resource Development and Training Systems

Yvonne Corpuz
Global Human Resources Office
Global Chief Learning Officer



The establishment of Global Learning demonstrates the strong commitment to employee development and to creating a culture of personal and professional growth that will enable MUFG to succeed in its business aspirations. Globalization, technological advancements and an increasingly complex marketplace have transformed the financial industry worldwide, placing greater demands on the knowledge and skills of our staff. We are committed to providing practical and relevant learning opportunities that support business priorities and staff development needs.



Nurturing Globally Capable Management Candidates

MUFG recognizes that nurturing those who have management know-how in the area of international business as well as highly specialized expertise is key to the success of its global business strategy. To select candidates for key managerial positions, MUFG Global Talent Review, a council headed by the human resources division of the holding company, is engaged in Groupwide discussions to determine if we have sufficient human resources for implementing our current business strategies while formulating succession plans and other countermeasures.

Facilitating a Diversity-Oriented Corporate Culture

MUFG has established the Principles of Ethics and Conduct and compliance manuals that clarify its commitment to non-discrimination no matter the race, nationality, belief, religion, gender, sexual orientation, gender identity or other grounds, and to abstaining from human rights violations. Guided by this commitment, MUFG recognizes the creation of a diversity-oriented corporate culture as key to ensuring that employees with diverse values, backgrounds and perceptions of work, have appreciation for their jobs and the organization and that they can realize their full potential.

To create such a corporate culture on a Groupwide basis, MUFG issues the annual Diversity Report, featuring messages from top management and diversity initiatives and best practices undertaken by Group companies. Moreover, we host the MUFG Global Diversity Forum in which Group employees with diverse nationalities, ages, genders and fields of expertise convened from locations around the world with the aim of enhancing their understanding of diversity and globalization.

Assisting Women with Their Career Development

Removing the career restrictions imposed on women is one of our most urgent diversity issues. MUFG has set the goal of raising the ratio of female managers for the Group in Japan to 20%* by the end of March 2018. Furthermore, each Group company has set its own numerical target for the active promotion of its female workers. Thanks to these efforts, the ratio of female managers at MUFG improved to 17.4% as of April 2016. As part of this initiative, in June 2016 Mitsubishi UFJ Trust and Banking Corporation (MUTB) appointed its first female corporate executive officer (concurrently serving as the General Manager of the Corporate Consulting Services Division) in Japan. At the same time, BTMU appointed a female corporate executive officer to both its U.S. and Hong Kong operations.

To help women develop their potential and find success in their careers, each Group company is implementing a variety of supportive initiatives, for example, providing opportunities to interact with executives and build networks with fellow female employees, implementing career development training and mentoring support for women, and adopting personnel systems allowing women to convert job categories and helping those who left workforce to get reinstated.

We also provide managers with dedicated training programs to impart methods regarding the oversight of diverse human resources, including working mothers, aiming at raising employees' awareness of the career development assistance that those in managerial positions can provide.

* Combined target of The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Morgan Stanley Securities (MUMSS)

Targeted Ratio or Number of Female Managers and Executives (domestic Group companies)

		March 31, 2015	March 31, 2016	Targets
Bank of Tokyo-Mitsubishi UFJ (BTMU)	Executive officer	0	0	At least 1
	General Manager	4.9%	4.5%	At least 6%
	Chief/Senior Manager	10.9%	14.2%	At least 14%
	Ratio of female managerial staff	16.4%	18.1%	At least 22%
Mitsubishi UFJ Trust and Banking Corporation (MUTB)	Line manager	4.3%	6.1%	At least 8%
	Managerial Staff	19.3%	20.5%	At least 22%
Mitsubishi UFJ Morgan Stanley Securities (MUMSS)	Section Manager Class or Above	62	71	At least 120
	Assistant Manager Class or Above	9.3%	10.9%	At least 13%

Note: Target figures for BTMU, MUTB and MUMSS are set to be achieved by March 31, 2018, 2019 and 2021, respectively.



Work-Life Balance

MUFG believes that higher employee satisfaction is reflected in work performance and leads to increased customer satisfaction. MUFG also believes that an employee's job fulfillment is reflected in society and at home, fostering better communities. Therefore, MUFG is striving to help employees strike a good work-life balance in order to create an even more rewarding workplace environment.

Helping Strike a Balance between Work and Child Rearing

Each MUFG Group company is working to help employees strike a balance between work and child rearing by, for example, providing reinstatement support programs, such as training and counseling sessions for employees prior to taking maternity or childcare leave and for employees who are about to be or have been reinstated to the workforce. Each Group company also provides subsidy for childcare and babysitter expenses while enhancing its personnel systems, such as a system to allow eligible employees to shorten working hours.

Thanks to these and other initiatives, each MUFG Group company has obtained the Kurumin Certification, a symbol of authorization under Japan's Act on Advancement of Measures to Support Raising Next-Generation Children. Employers satisfying certain requirements such as putting a proper employer action plan in place and supporting the work-life balance of employees, are able to obtain certification from the directors general of prefectural labor bureaus. In addition, BTMU has acquired the Platinum Kurumin Certification, a special labeling for Kurumin-certified corporations that engage in more advanced initiatives, in February 2016.



-Promoting Male Participation in Child Rearing-

In general, few men choose to take long-term childcare leave in Japan. Nevertheless, each MUFG Group company offers male workers short-term paid childcare leave to encourage them to participate in child rearing. We also distribute tips for and benefits of child rearing so that men can play significant roles. As such, we are actively helping them take childcare leave.

Helping Strike a Balance between Work and Nursing Care

With the rapid aging of Japan's society, nursing care is an issue that any employee might one day confront. To help employees strike a balance between work and nursing care, MUFG holds seminars aimed at raising their awareness of the importance of being ready to prepare for this issue even before it emerges and imparting basic knowledge on nursing care. By doing so, we help employees smoothly engage in nursing care whenever necessary.

Working Style Reforms

Each MUFG Group company promotes Working Style Reforms employing feedback from employees gleaned in town meetings and working group meetings. Specifically, we are striving to realize more flexible working styles, including earlier shifts, flextime and staggered working time, while allowing eligible employees to work at home. By doing so, we strive to improve productivity and prevent long working hours at the same time.

Employment for People with Disabilities

Utilizing its special subsidiary, MUFG is proactively hiring people with disabilities. At each MUFG Group company, people with disabilities are actively working in various offices. As for staffing these people, we work closely with them in order to match their duties to the capabilities and aptitudes of each according to their individual circumstances.

	BTMU	MUTB	MUMSS
Ratio of employees with disabilities (As of April 1, 2016)	2.09%	2.22%	2.03%

Introduction

Since the 2008 financial crisis, financial institutions have been compelled to adopt more comprehensive and sophisticated risk management systems. This risk management function has also grown in importance for MUFG as a global bank with subsidiaries spanning the commercial, trust and investment banking sectors.

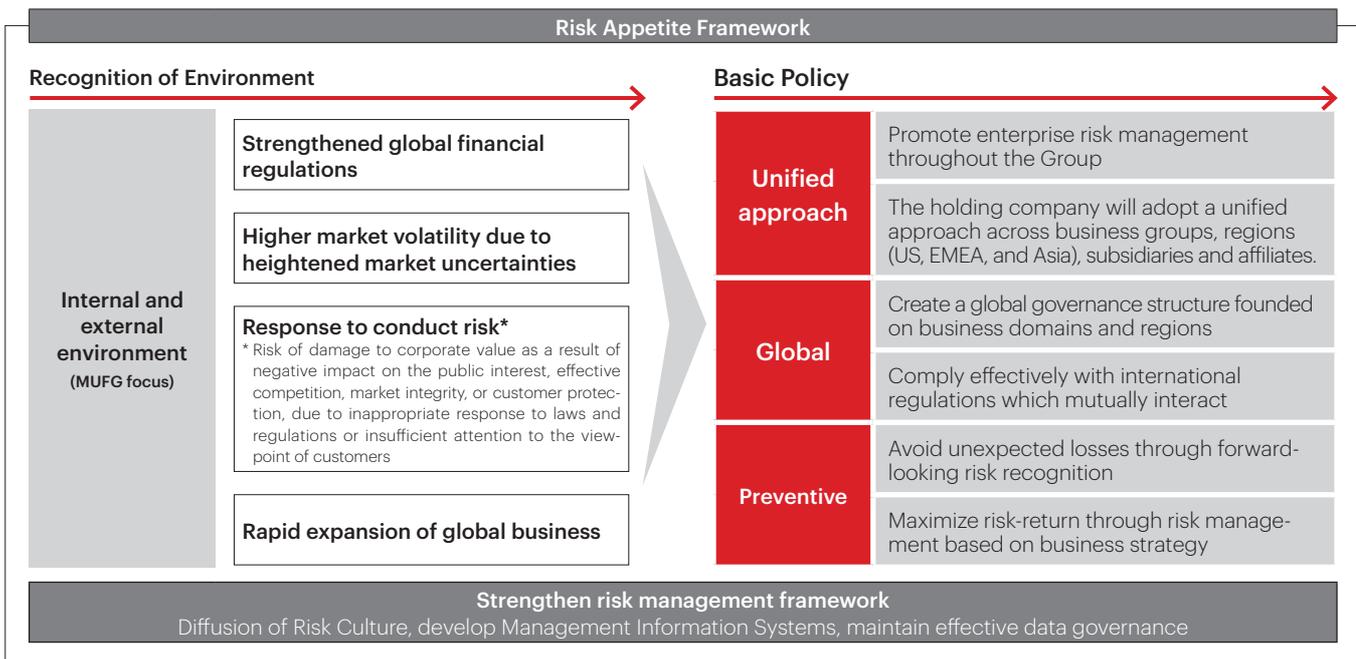
MUFG aims to strengthen its group risk management through the diffusion of a Risk Culture which is unified, global and preventive in its approach. Our goal is effective risk governance which is consistent across regions, subsidiaries and the holding company.

The new Risk Appetite Framework provides a guideline for effective risk management to support our business strategy and will strengthen the Group's overall risk-return management.

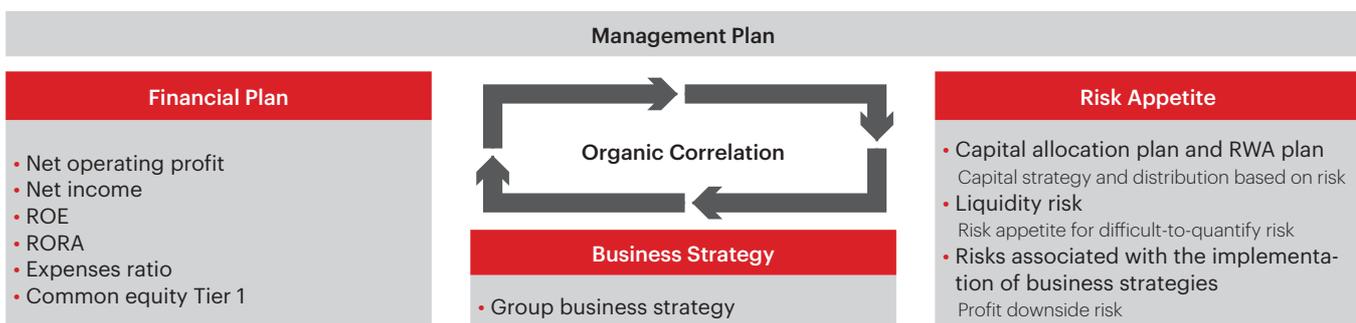
Risk Appetite Framework

The Risk Appetite Framework aims to clarify MUFG's risk appetite (types and amount of risks that it is willing to accept) as it works to achieve its business strategy and financial plan. The framework is designed to increase management transparency and generate more profit opportunities in an environment where risk is properly controlled.

Risk Management Overview



Overview of Risk Appetite Framework

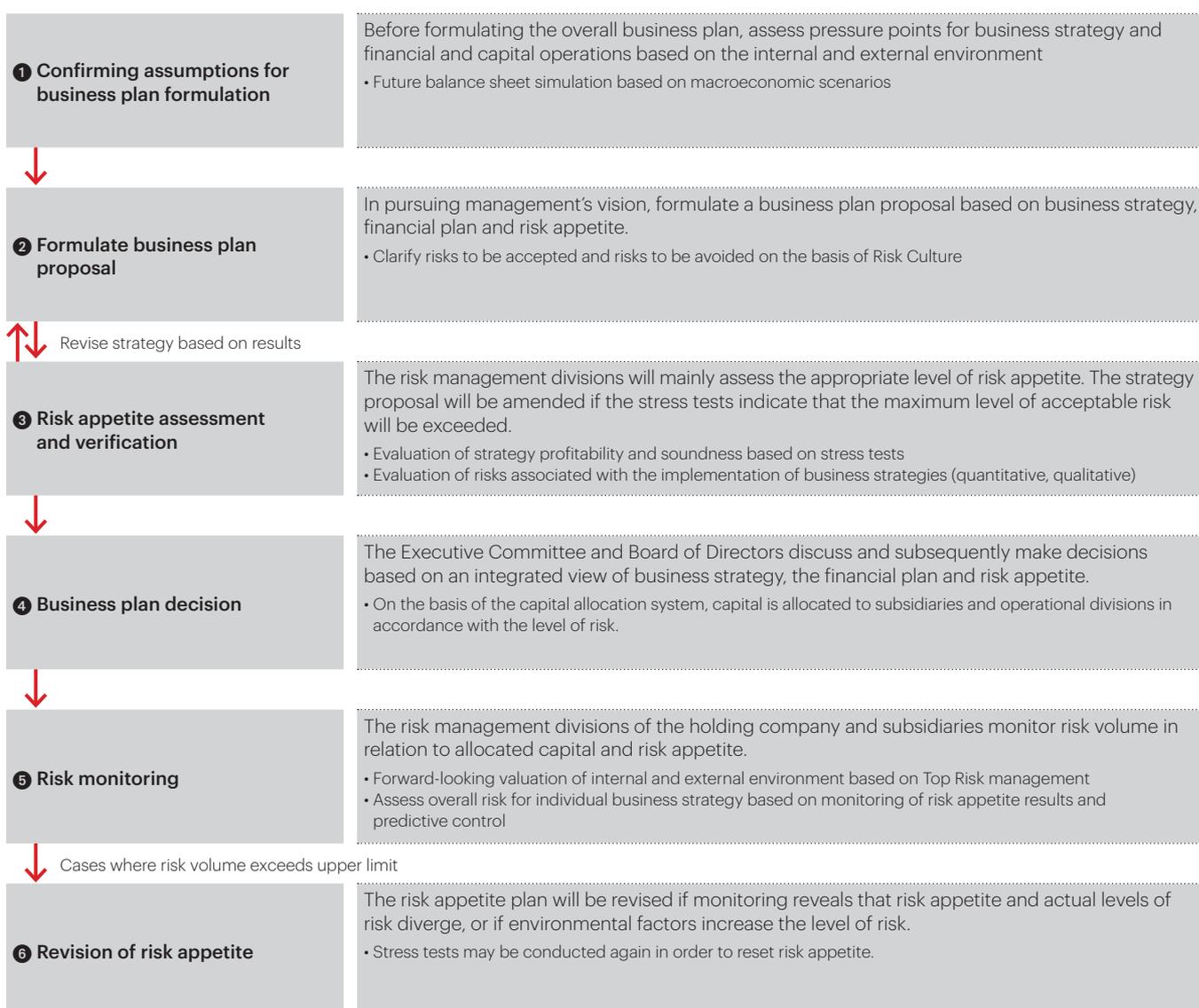


Risk Appetite Framework Management Process

In the formulation and execution of its business strategy and financial plan, MUFG will set the appropriate level of risk appetite and proceed to monitor and analyze risk volume. The process to set and manage risk appetite is set out below. In order to effectively implement the Risk Appetite

Framework, risk evaluation and verification procedures (capital allocation system, stress tests, Top Risk management) will be applied at every stage of the management planning process.

Risk Appetite Setting and Management Process



Enterprise Risk Management

MUFG makes every effort to recognize the risks that emerge in the course of business execution, assessing them according to uniform criteria. Enterprise risk management is then conducted while maintaining business stability and striving to maximize shareholder value. Enterprise risk management is a dynamic approach, promoting stable profits commensurate with risk as well as the appropriate allocation of resources.

Enterprise risk management is composed of three main strands: the capital allocation system, stress tests and Top Risk management.

Capital Allocation System

In this framework, latent losses associated with risk are converted to a required capital amount, and capital is then allocated across group companies and between different risk categories according to business strategy and the profit plan. The framework is intended to allow the appropriate distribution of capital throughout the Group as MUFG monitors to preserve financial soundness, evaluate capital adequacy versus risk, and judge impact on overall capital strategy.

Stress Tests

Stress tests for capital adequacy assessment

In formulating its business strategy, MUFG regularly assesses its internal capital adequacy through stress tests based on two perspectives: regulatory capital, based on capital adequacy regulations (Basel III), and its own economic capital, based on internal risk assessment.

Stress tests analyze both the internal and external environment, and use three-year-period preventative scenarios.

Liquidity stress test

In liquidity stress tests, the impact of MUFG-specific or overall market stress on the balance sheet is assessed so as to implement MUFG's business strategy and financial plan. Various options are examined to respond to short term fund outflows or long-term structural changes in the balance sheet with a view to ensuring there is no funding shortage.

Top Risk Management

The potential losses that emerge from scenario analysis are classified as risks and then their relative importance is weighed according to degree of impact and probability (internal and external factors). The risks that need to be watched most closely over the next year are classified as Top Risks* and a risk map is created to allow preventive risk management.

By identifying Top Risks, MUFG and its affiliates can discuss countermeasures to mitigate the potential impact and then respond dynamically when they actually emerge. As Top Risks are discussed Groupwide, including management, consistent risk recognition is maintained widely throughout the Group and effective solutions implemented. As an example, in the Top Risk report submitted to our Board of Directors via the Corporate Risk Management Committee in March 2016, "Lower Net Interest Income (NII)" was cited as a major Top Risk.

Establishment of Risk Committee

In enhancing its corporate governance and risk management, MUFG places a special emphasis on stakeholders who can view the Company from the outside. To that end,

in 2013, the Company established the Risk Committee, composed of independent external directors and external specialists, which reports directly to the Board of Directors on Groupwide risk management matters.

Enhancing the Effectiveness of Risk Management

Effective risk management and a strong Risk Appetite Framework depend on a Risk Culture which enables meaningful discussion and clear communication throughout the Group.

Developing and diffusing a Risk Culture

MUFG defines a Risk Culture as the basic approach which specifies how to take risks and risk management for MUFG's organizational and individual behaviors. This standard of conduct on risk taking is then spread throughout the Company. A Risk Culture is established for credit business, market business and overall business and then formulated in the Risk Appetite Statement. In order to share this Risk Culture throughout the Company, management issues regular strategic messages and schedules regular global meetings.

Risk Appetite Statement

The Risk Appetite Statement elucidates the Risk Appetite Framework which embodies MUFG's attempts to achieve an integrated group strategy along with effective risk management. The Risk Appetite Statement contains an overview of the Risk Appetite Framework (basic policy and management process) as well as specific business strategies, financial plans and risk appetite details.

A summary of the Risk Appetite Statement is distributed throughout the Group in an effort to spread the basic philosophy behind the Risk Appetite Framework.

Risk Culture Outline

Points of view to keep in mind in taking on risk		
Credit business	Market business	Overall business
<ul style="list-style-type: none"> • Stability • Profitability • Growth • Public nature 	<ul style="list-style-type: none"> • Secure earnings based on fair transactions • Contribute to maintenance of soundness of the market • Pursue adequate risk management 	<ul style="list-style-type: none"> • Sincerity • Accuracy • Promptness • Efficiency

Basic Policy

We have clarified our Group mission, long-term vision and shared values in the Corporate Vision and expressed our commitment to meeting the expectations of customers and society as a whole. Furthermore, we have established the Principles of Ethics and Conduct as the guidelines for how the Group's directors and employees act to realize the Corporate Vision. This expresses our commitment to complying with laws and regulations globally, to acting with honesty and integrity, and to behaving in a manner that supports and strengthens the trust and confidence of society.

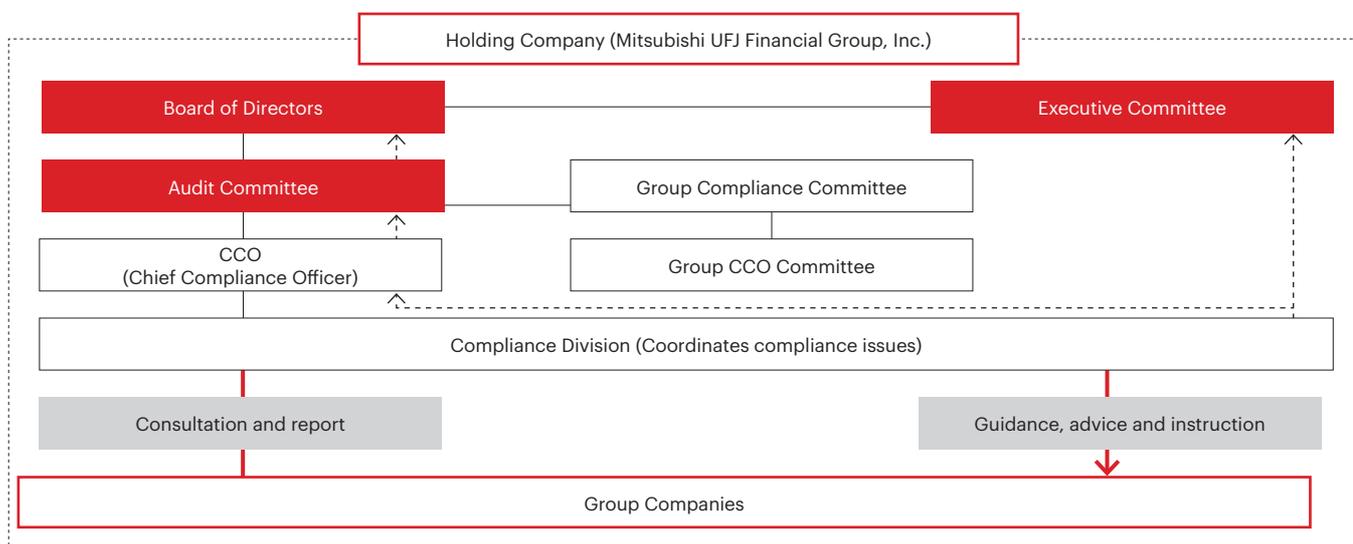
In addition, as we expand our business globally, we are committed to keeping abreast with developments in the laws and regulations of the jurisdictions in which we operate, including those targeting money laundering and bribery, as well as competition laws, while paying attention to trends in financial crimes.

Compliance System

Compliance management divisions have been established at the holding company Mitsubishi UFJ Financial Group, and at Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, and Mitsubishi UFJ Securities Holdings (referred to as the three companies below). Each compliance management division formulates compliance programs and organizes training courses to promote compliance, and regularly reports to each company's board of directors and Executive Committee on the status of compliance activities.

The holding company has the Group Compliance Committee while the three companies have Compliance Committees which deliberate important matters related to compliance. Additionally, the holding company has the Group Chief Compliance Officer (CCO) Committee composed of the CCO of the holding company and CCOs of the three companies. This committee deliberates important matters related to compliance and compliance-related issues for which the Group should share a common understanding.

Compliance System*



FOCUS: Fostering a Compliance-Oriented Corporate Culture

As a financial institution, MUFG is well aware of its obligation to strictly comply with corporate ethics and to abstain from business conduct that goes against its principles, even when clearly defined rules are not provided. MUFG is therefore striving to foster a corporate culture that does not tolerate unjust behaviors by periodically holding training sessions aimed at instilling its Corporate Vision and Principles of Ethics and Conduct. Not merely lectures to facilitate the understanding of in-house rules

among employees, these training sessions are designed to encourage participants to allow such vision and principles to guide every action they make. To that end, participants are asked to reflect on their own experience. At the same time, they hear their peers' views on the subject and take time to think about what they learn. Often, these sessions involve lively discussions that, in turn, afford them valuable insights into what is it like to apply compliance principles in the course of day-to-day operations.

Role of Internal Audit

Internal audit functions within MUFG seek to verify the adequacy and effectiveness of internal control systems from a standpoint independent of the operating functions. This includes monitoring the status of risk management and compliance systems, which are critical to the maintenance of sound and appropriate business operations. Internal audit results are reported to senior management. An additional role of internal audit is to make suggestions to help improve or rectify any issues or specific problems that are identified.

Group Internal Audit Framework

The holding company has instituted MUFG's internal audit policy to define the policy, function, and organizational position of internal audits. Separate internal audit divisions have been created within the holding company and certain subsidiaries. Through close cooperation and collaboration among the internal audit divisions of the holding company and these subsidiaries, these internal audit divisions provide coverage for the Group and also support the board of directors in monitoring and overseeing all MUFG operations.

In addition to having primary responsibility for initiating and preparing plans and proposals related to internal audits of the Group, the internal audit division at the holding company monitors and, as necessary, guides, advises, and administers the internal audit divisions of subsidiaries and affiliated companies.

The internal audit divisions within the major subsidiaries conduct audits of the respective head office and branch operations of these companies. In addition, each of these

internal audit divisions undertakes direct audits of their respective subsidiaries, and monitors and oversees the separate internal audit functions established within them. This helps to evaluate and verify the adequacy and effectiveness of internal controls within MUFG on a consolidated basis.

Implementing Effective and Efficient Internal Audits

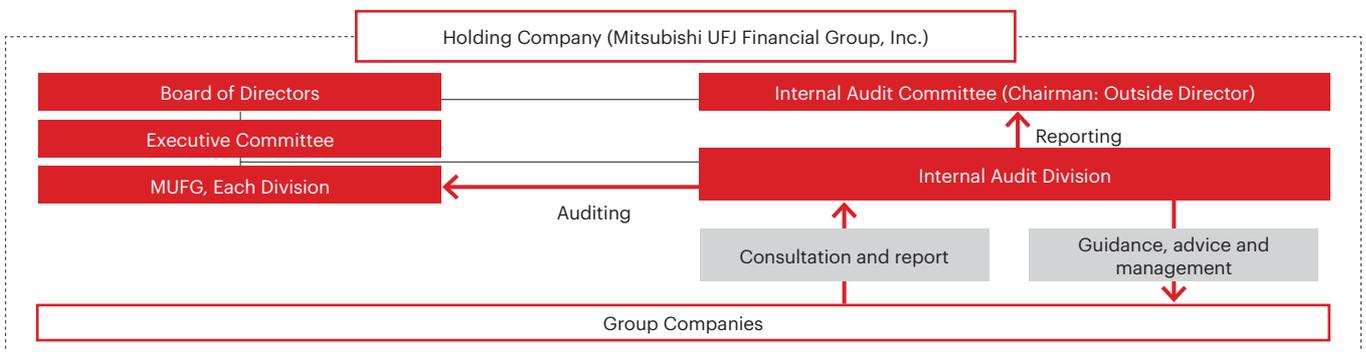
To ensure that internal audit processes use available resources with optimal effectiveness and efficiency, the internal audit divisions implement risk-focused internal audits in which the nature and magnitude of the associated risks are considered in determining audit priorities and the frequency and depth of internal audit activities. The internal audit divisions ensure that audit personnel attend key meetings, collect important internal control documents and access databases to facilitate efficient off-site monitoring.

Reports to the Internal Audit Committee

The holding company has an audit committee within its board of directors as required by the Companies Act of Japan, and each of the major subsidiaries has an Audit & Supervisory Committee or a voluntarily established internal audit and compliance committee.

Within each of the holding company and the major subsidiaries, the internal division reports to the committee on important matters including the results of the internal audits and basic policies for planning internal audits.

Internal Audit Framework



FOCUS: Enhancing the Quality of Internal Audits

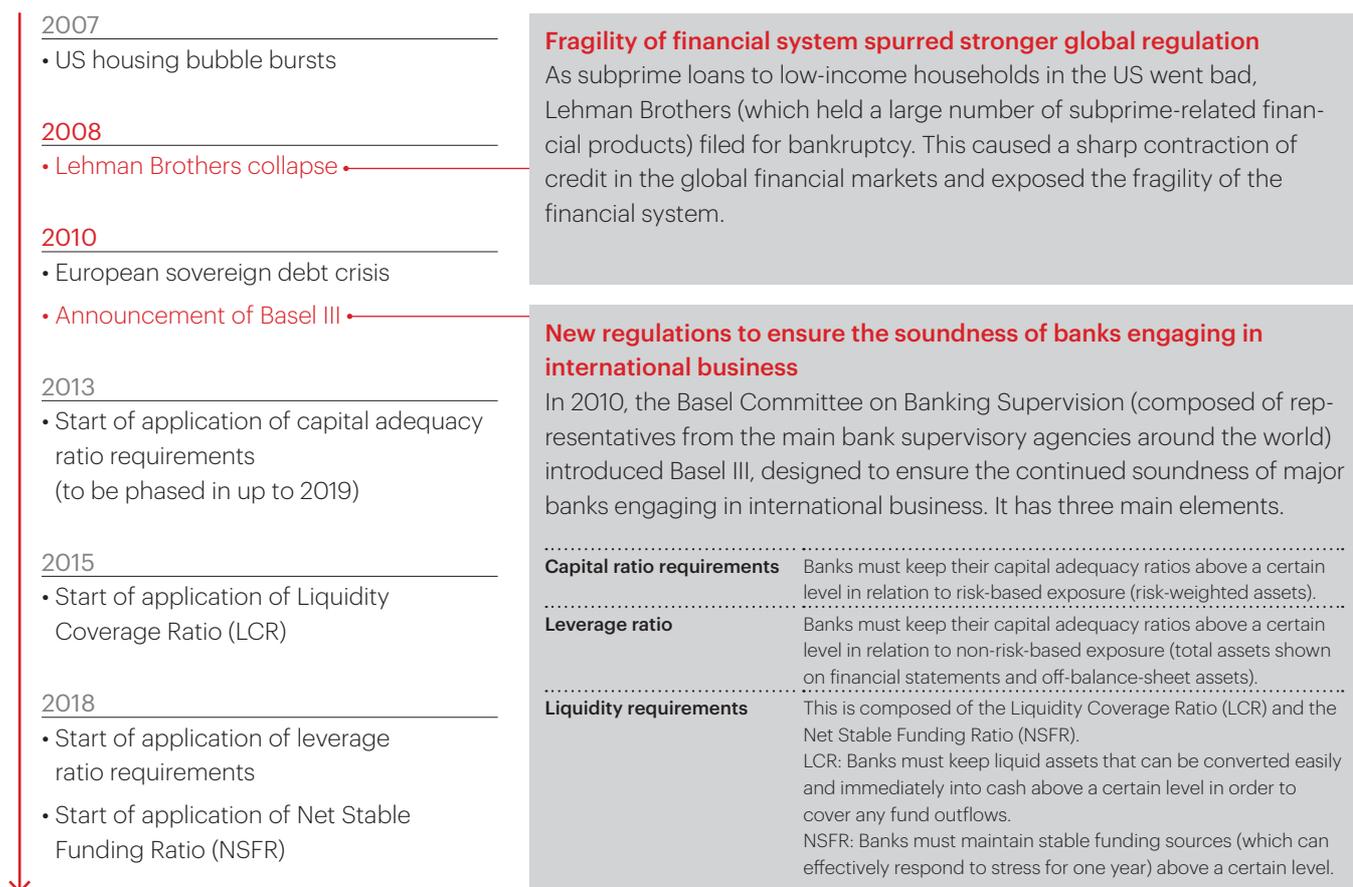
Affected by the introduction of international financial regulations and the emergence of new risk factors, the operating environment surrounding MUFG is rapidly changing. With this in mind, a variety of initiatives are being carried out by the internal audit divisions within the Group to constantly upgrade their auditing structure. For example, we hold periodic training sessions for internal audit division members under such themes as the latest cyber

security countermeasures and financial regulation trends, with external specialists serving as lecturers. We also encourage employees to acquire such international certificates as Certified Internal Auditor (CIA) and Certified Information Systems Auditor (CISA), with the aim of enhancing the specialist skills of members of these divisions and accumulating relevant expertise.

Responding to Global Financial Regulation

Since the global financial crisis of 2008, financial institutions have been required to hold to stricter standards of financial soundness and management discipline. New regulations have been introduced and existing regulations, including capital adequacy ratios, have been tightened in the quest to establish a more stable financial system. At the same time, new challenges and issues have been thrown up in the process. In this section we look at the trend for global financial regulation and our response.

Trend in Global Financial Regulation



MUFG's Response

MUFG has already achieved levels required by the end of March 2019

As the table at right shows, MUFG is in compliance with the levels required by end-March 2016 and it has already reached the levels required by end-March 2019.

In addition, calculation methodologies for capital and leverage ratios are at the center of global discussion. (See also the next page for details.)

	Results	Required level	
	March 31, 2016	March 31, 2016	March 31, 2019
Common Equity Tier1 Capital Ratio	11.63%	5.5%	8.5%
Tier1 Capital Ratio	13.24%	7.0%	10.0%
Total Capital Ratio	16.01%	9.0%	12.0%
Liquidity Coverage Ratio	130.0%	70.0%	100.0%

	Results	Required level
	March 31, 2016	From 2019 onward
Leverage Ratio	4.79%	3.0%

Note: Surcharges on G-SIBs' required leverage ratios are being discussed internationally. (See also the next page for details.)

G-SIBs Facing Demand for Ever More Stringent Compliance

1. Surcharge on required capital ratio

G-SIBs refer to Global Systemically Important Banks, institutions whose failure would have a major impact on the global financial system according to the Financial Stability Board whose membership derives from financial supervisory authorities around the world. Basel III stipulates a surcharge on the required capital ratio of G-SIBs (from 1.0% to 3.5%) to be phased in from 2016. This would represent a surcharge of 1.5% for MUFG up to 2019 under the current bucket allocation

Bucket 5 (3.5% capital surcharge)	Empty	Bucket 2 (1.5% capital surcharge)	Bank of America (U.S.) Credit Suisse (Switzerland) Goldman Sachs (U.S.) MUFG (Japan) Morgan Stanley (U.S.)
Bucket 4 (2.5% capital surcharge)	HSBC (U.K.) JP Morgan Chase (U.S.)		
Bucket 3 (2.0% capital surcharge)	Barclays (U.K.) BNP Paribas (France) Citigroup (U.S.) Deutsche Bank (Germany)	Bucket 1 (1.0% capital surcharge)	19 Banks

2. Requirement to secure greater Total Loss Absorbing Capacity (TLAC)

In addition to Basel III capital requirements, the upcoming regulations, which will be enforced in 2019, will oblige G-SIBs to acquire additional capital and liabilities that meet certain subordinated conditions (TLAC-eligible liabilities). These regulations are intended to ensure orderly resolution without injecting public funds when G-SIBs fail.

	From 2019 onward	From 2022 onward
TLAC risk-weighted asset minimum	16%	18%
TLAC leverage ratio exposure minimum	6%	6.75%

Key Issues Going Forward

The following regulatory revisions are at the center of the global discussion:

1. Review of risk-weighted asset measurement methodologies

The following two points are being reviewed with a view to restoring trust in regulatory capital and to improving comparability.

- (1) Measurement methodologies for credit, market and operational risk
- (2) Capital floor

Capital ratio = capital / risk-weighted assets

Review of measurement methodologies for each risk

Review of capital floor

2. Review of regulatory framework for leverage ratio

In step with the review of risk-weighted assets measurement methodologies stated on the left, discussions are now under way to revise calculation methodologies for determining the ratio's denominator (exposure). These discussions also address the possible enforcement of leverage ratio requirements on G-SIBs that are stricter than those imposed on other firms (3%).

Leverage ratio = capital / exposure (total assets shown on the balance sheet and off-balance-sheet assets).

Review of measurement methodologies for denominator (exposure)

Surcharge on the required leverage ratio of G-SIBs

MUFG Stance

In order to avoid a reprise of the financial crisis, reform and strengthened regulations are required both for individual institutions and the system as a whole. On the other hand, we must ensure that the new regulations do not bring uncertainty to both financial markets and the real economy or hamper healthy development and innovation. It is therefore necessary to carefully consider the impact of new regulations, as well as the coherence

between different sets of regulations, all in the context of the global regulatory framework. MUFG believes the fundamental mission of a financial institution is to support economic growth. To realize that goal, we engage in proactive advocacy for the development of a global regulatory framework based on international cooperation and public/private partnerships.

MUFG's Goal in CSR

Financial institutions have a responsibility to help stabilize and maintain financial systems and contribute to the sound growth of society. Our goal in CSR is to contribute to solving social issues through our core financial businesses as well as to fulfill our inherent social mission as the foundation of society and realize a sustainable society.

* Detailed information on our Corporate Social Responsibility (CSR) activities can be seen at <http://www.muftg.jp/english/csr/>

CSR Strategy and CSR Materiality

The environment surrounding financial institutions is constantly changing along with evolving social trends in Japan and overseas and the rapid globalization of corporate activities. As it aims to flexibly address these changes and contribute to the sustainable development of society, MUFG has identified the following three priorities of its CSR Materiality: "Customers" "Community" and "Responsible Finance."



Customers—Exceeding Customer Expectations

We continue to attract new customers and establish lasting relationships with them by quickly responding to a diverse range of needs and opinions while making continuous efforts to reflect this feedback in our products and services.

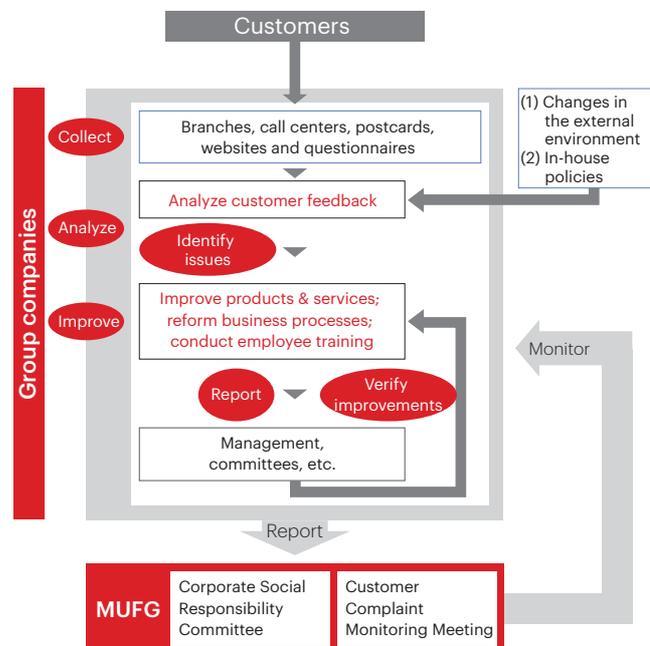
Improvements in Products and Services Reflecting Customer Feedback

Enhancing our system for collecting customer feedback

Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM, have been collecting, analyzing and sharing customer feedback and requests to make improvements in their products and services.

In fiscal 2015, the number of such comments and requests received by these five companies totaled approximately 275,000.

MUFG Feedback Monitoring System



Customer comments and requests:

275,000 cases

In fiscal 2015, we made 458 improvements based on customer feedback.

Improvements:

458 cases

*Total for Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM between April 2015 and March 2016.

Issues on which we received substantial feedback

Customer Feedback

The content listed in the "Passbook Summary" column (section where customers can take notes) is difficult to understand.



Details of Improvements Made

Posted a "view applicable main transaction" option in the FAQ section for passbooks on our website, elaborating on how the column indicates type of transaction being processed.

Bank of Tokyo-Mitsubishi UFJ

Customer Feedback

It is difficult to prepare the large number of documents that are necessary for inheritance procedures.



Details of Improvements Made

It is now no longer necessary to redo procedures even if the validity period of certain document, such as your family register, has expired.

Mitsubishi UFJ Morgan Stanley Securities

Striving to Ensure That All MUFG Outlets Are Universally Accessible and Welcoming

To ensure our preparedness in the face of a rapidly aging society and the enforcement of Japan's Act on Elimination of Discrimination against People with Disabilities in April 2016, we are increasing the number of barrier-free branches, enhancing reception and response, and simplifying procedures by giving due consideration to the needs of the elderly and people with disabilities.

Creating Safe Branches for Peace of Mind

Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking have been increasing the number of barrier-free branches with such features as warning tile blocks for the visually impaired persons, automated doors and wheelchairs for visitors' use. We post barrier-free information on our corporate website so that customers can check out branch facilities before visiting.

Mitsubishi UFJ NICOS employs off-site videophone operators to aid in communication with customers with hearing or speaking disabilities via sign language or writing, taking the needs of such customers into consideration.

Ensuring That All Customers Can Use Our Services with Ease

Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking have reduced over-the-counter transaction fees to the same level as ATM transfer fees for customers who have visual disabilities or use wheelchairs.

Each Group company implements countermeasures against malicious financial crimes that target elderly customers. At branches of Mitsubishi UFJ Morgan Stanley Securities and Mitsubishi UFJ Trust and Banking, warning flyers are handed out to elderly customers and informative booklets are in place to raise their awareness of the increasingly sophisticated maneuvers used by those who aim to exploit them through fraudulent transactions.

Community—Supporting Community Development

We plan to raise our values as a corporation by strengthening our bonds with local communities and endeavoring to build trust and confidence, not only with customers, but also with regional societies in Japan and overseas.

Initiatives in Japan and Overseas

Global Volunteer Month “MUFG Gives Back”

We established Global Volunteer Month to encourage employees around the world to engage in community contribution activities simultaneously. This campaign is subtitled “MUFG Gives Back,” reflecting our aspiration to communicate our gratitude to people all around the world who generously supported Japan’s reconstruction efforts after the Great East Japan Earthquake.

Medium- to Long-Term Initiatives to Support Reconstruction in Areas Affected by the Great East Japan Earthquake

From a medium- to long-term perspective, we are supporting reconstruction efforts in areas devastated by the earthquake through financial support in collaboration with public agencies and municipal governments, thereby contributing to society as a whole.

Total balance of loans made by Bank of Tokyo-Mitsubishi UFJ utilizing an interest subsidy program for the special reconstruction zone* (financial support)

¥27.7 billion (As of April 30, 2016)

* For funding core projects as part of reconstruction plans in designated Special Zones for Reconstruction in the disaster areas (in 227 municipalities), the national government subsidizes up to 0.7% of the interest for five years.

Participation in the TOMODACHI Initiative (Social contribution)

We established the TOMODACHI MUFG International Exchange Program for students and educators from the disaster-affected areas in Japan and their counterparts in the United States. Through this program, we work to support the healthy growth of children in both Japan and the United States.

MUFG has received the Encouragement Award in the Sixth Career Education Awards Category of Large Enterprises from the Ministry of Economy, Trade and Industry

MUFG provides children with opportunities to learn about finance and economics through workplace experience programs and classes held by our employees in schools. To help children become independent and productive member of society and realize visions for their own lives, MUFG is enhancing the content of its programs.



A total of more than 6,000 employees in 35 countries and regions participated in the campaign



New York (the United States)/ the Americas



London (the United Kingdom)/ EMEA



Yangon (Myanmar)/ Asia and Oceania



Chengdu (China)/ East Asia



Tokyo (Japan)



The fourth TOMODACHI MUFG International Exchange Program (Kesennuma City, Miyagi Prefecture)



Workplace experience program
Bank of Tokyo-Mitsubishi UFJ
Hiratsuka Branch



(Photo provided by Yomiuri Educational Network)
Class held by our employees
Bank of Tokyo-Mitsubishi UFJ
Corporate Communications
Division

Responsible Finance—Contributing to the Resolution of Environmental and Social Problems

From a long-term perspective, we are implementing initiatives to assist in the sound growth of corporate customers and society. These initiatives include support for corporate procurement activities that give due consideration to environmental risk and the promotion of investment management that focuses on the environment, society and governance (ESG).

Ranked No. 2 in the Global Project Finance Lead Arranger for Renewable Energy Operations

Drawing on its solid track record and abundant experience, MUFG will continue to lead the dissemination of renewable energy by arranging and financing solar, wind and geothermal heat power generation projects globally.

Environmental and Social Risk Assessment and Management Based on the Equator Principles

To address potential adverse impacts of large infrastructure and natural resources development projects on the environment and local communities, Bank of Tokyo-Mitsubishi UFJ has adopted the Equator Principles (EP), a framework for determining and assessing such environmental and social impacts. This framework helps us support customers' environmental and social risk management while contributing to the realization of a sustainable society. The EP Association consists of 84 Equator Principles Financial Institutions around the globe (as of June 30, 2016). Elected as one of the 12 EP Association Steering Committee members, Bank of Tokyo-Mitsubishi UFJ is an active advocate for EP implementation and outreach in Japan and overseas.

Promotion and Dissemination of ESG Investment

Mitsubishi UFJ Trust and Banking is focusing on stepping up efforts to create and manage an investment portfolio of funds that give due consideration to ESG concerns. To this end, Mitsubishi UFJ Trust and Banking also strives to promote corporate evaluation methodologies using non-financial information.

In addition, Mitsubishi UFJ Trust and Banking has announced its endorsement of the Japanese Version of the Stewardship Code, agreeing with the code's objective of facilitating constructive dialogue between institutional investors, which will, in turn, help the latter grow their corporate value and business operations.

Note: Mitsubishi UFJ Trust and Banking's policy on initiatives to secure responsiveness to the Japanese Version of the Stewardship Code is disclosed on the following website.
http://www.tr.mufg.jp/cgi-bin/english/ourservices/management/asset_management_02.cgi?page=investment.html

2015 project finance league table (renewable energy category)

Rank	Organization	Credit (Millions of US\$)	Table Share (%)
1	Banco Santander	3,158.5	6.26
2	MUFG	2,639.1	5.46
3	KFW	2,356.2	4.87
4	Sumitomo Mitsui Financial Group	1,884.6	3.90
5	Rabobank	1,881.8	3.86
6	Mizuho Financial	1,560.9	3.23
7	Nord/LB	1,510.2	3.12
8	BNDES	1,461.9	3.02
9	HSBC	1,272.7	2.63
10	ING	1,127.0	2.33

Source: Bloomberg New Energy Finance

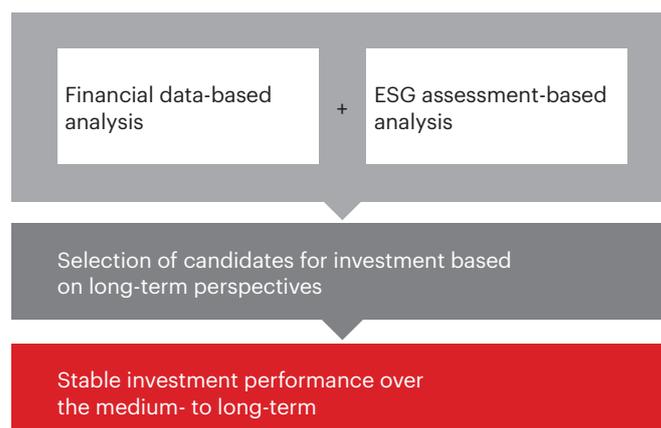
An example of project finance for renewable energy project



Pacifico Energy Hosoe Mega-Solar Power Project (Miyazaki City, Miyazaki Prefecture)



The Sustainability Assessment Process



Regional Revitalization, Revitalizing Local Communities and Economies

MUFG offers financial support to its customers who are tackling region-specific issues while collaborating with administrative organizations and local financial institutions to create employment and vitalize local communities.

Financially Supporting Customers Tackling Region-Specific Issues

MUFG Regional Revitalization Fund

Bank of Tokyo-Mitsubishi UFJ launched “MUFG Regional Revitalization Fund” aimed at providing customers with smooth financing for facility procurement and working capital as well as advice to help customers get their projects on track. Our efforts focus on helping customers meet four basic targets under Japan’s plan for the Dynamic Engagement of All Citizens covering community, people and employment.

Having started out with a maximum solicitation amount of ¥100 billion in January 2016, this fund has increased its total cap to ¥200 billion in April, with more than 40 companies using this fund.*1 (As of June 2016)

*1 The list of companies using the fund can be seen at http://www.bk.mufg.jp/houjin/chihousousei_fund/index.html (Japanese only)

Interview with a Fund User

Mr. Ryoichi Mori, Corporate Executive Officer, General Manager of the Accounting and Finance Department; Mr. Mitsuru Kozawa, Assistant Manager; Washington Hotel Corporation



WASHINGTON HOTEL PLAZA

In the face of burgeoning tourism from China and ASEAN nations, the Nagoya region is confronting a chronic shortage of hotel rooms coupled with a lack of land for hotels. Amid these circumstances, Bank of Tokyo-Mitsubishi UFJ provided us with business matching opportunities and real estate brokerage services through its banking-related companies. Thanks largely to support from Bank of Tokyo-Mitsubishi UFJ, we were able to acquire a building and land for commercial use in front of Nagoya station for a new hotel.

Finance Using the Government Subsidized Interest Payment Program

In fiscal 2015, Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking invested a total of ¥29.4 billion in 41 projects using the government’s subsidized interest payment program for regional revitalization. Since the inception of this program, we have provided these loans to more than 200 projects*2 in regions around Japan.

*2 Please see the map at right for a breakdown by prefecture.

Supporting the Growth of SME Customers

Using its nationwide network, MUFG provides various services to SMEs in accordance with their stage of growth and development.

Foundation



The third “Rise Up Festa” awards ceremony

Business Support for Potential Growth Areas

Business Support Program “Rise Up Festa”

This program aims to fully utilize the Group’s business network and know-how to assist SMEs and growing companies engaged in novel and creative segments as well as those trying to extend the boundaries of existing business, with MUFG serving as their long-term business partner.

In April 2016, MUFG hosted the third round of “Rise Up Festa,” recognizing four outstanding companies and seven excellent companies in four growth fields: bio and life science; robotic and other cutting-edge technologies; information and internet services; and social business. MUFG offers various forms of support to these companies.

Growth Phase



The 13th Business Link “Shobai Hanjo” Conference was a roaring success

Corporate Reconstruction

Supporting Municipal Governments by Providing Services Aimed at Vitalizing Local Communities

Collaborating with Local Financial Institutions—Agreement with THE TOTORIBANK

Bank of Tokyo-Mitsubishi UFJ is partnering with TOTORIBANK, which boasts a robust network serving local corporations, in the formulation of concrete business plans aimed at vitalizing the sightseeing industry and addressing the problem of vacant housing. This partnership is expected to help vitalize the communities of Tottori. With the prefectural government actively supporting child raising and welcoming immigration from other regions, there has been growth in birth rates and the number of migrants. To help prefecture build on these results, Bank of Tokyo-Mitsubishi UFJ has committed itself to this partnership with a focus on regional revitalization in an innovative manner.



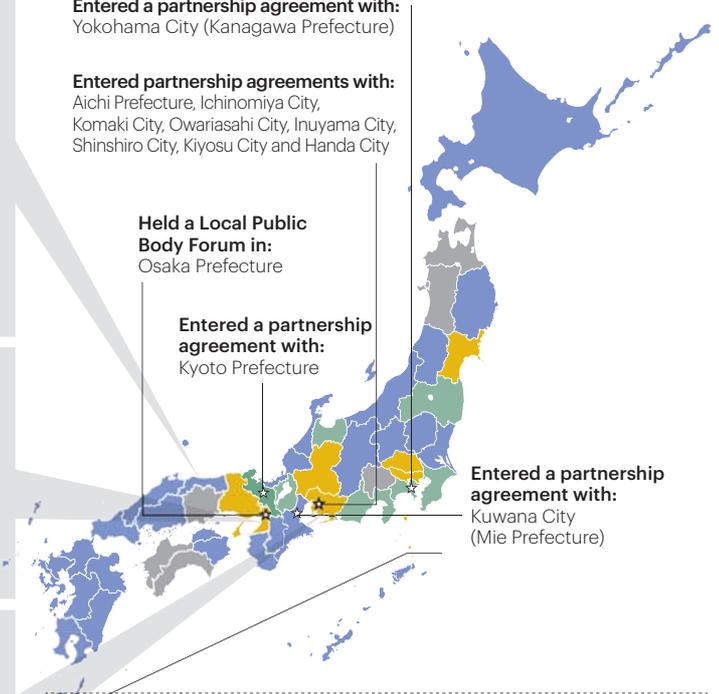
Entered a partnership agreement with:
Yokohama City (Kanagawa Prefecture)

Entered partnership agreements with:
Aichi Prefecture, Ichinomiya City,
Komaki City, Owariasahi City, Inuyama City,
Shinshiro City, Kiyosu City and Handa City

Held a Local Public
Body Forum in:
Osaka Prefecture

Entered a partnership
agreement with:
Kyoto Prefecture

Entered a partnership
agreement with:
Kuwana City
(Mie Prefecture)



Public-Private Initiative—Agreement with Osaka Prefecture

Bank of Tokyo-Mitsubishi UFJ and Bank of Ayudhya have entered an agreement with Osaka Prefecture with regard to the provision of assistance to Osaka-based corporations looking to expand overseas and the facilitation of economic exchange between Osaka prefecture and Thailand. Under this agreement, both companies will hold business matching meetings in Thailand to which they invite Osaka-based corporations while providing them with information on the Thai economy and the local investment environment and other high-value-added services to help vitalize economies of both locations. (As of June 2016, Bank of Tokyo-Mitsubishi UFJ entered partnership agreements with 11 counterparts excluding those stated above.)

Hosting a Local Public Body Forum—Nagoya

Bank of Tokyo-Mitsubishi UFJ held a forum themed on regional revitalization and the role of local government in the face of population decline. With Mr. Hiroya Masuda, an adviser for Nomura Research Institute, Ltd., serving as a lecturer, approximately 180 representatives from municipal governments spanning four prefectures in the Tokai area attended the event to learn about best practices undertaken by other prefectures and acquire new insights. As such, Bank of Tokyo-Mitsubishi UFJ is striving to help municipal governments address region-specific issues they are now confronting. We held a similar forum in Osaka Prefecture, as well.

Finance Using the Government's Subsidized Interest Payment Program

Number of projects by prefecture

■ 10 or more ■ Five to nine ■ One to four

Developing Cashless Settlement Platforms

Mitsubishi UFJ NICOS is promoting the introduction of "J-Mups Cloud-Based Multi-Payment System," capable of handling multiple settlement methods, including credit cards, the China Union Pay card, and electronic money, targeting commercial facilities in rural regions and sightseeing hotspots. It also accommodates foreign currency-denominated settlement, thereby enabling businesses to meet the diverse settlement needs of domestic sightseers, foreign tourists and other guests. In this way, we are contributing to the vitalization of the tourist industry in regions around Japan.

[Examples of targeted sightseeing locations]

Regions around Onuma Quasi National Park (Hokkaido Prefecture), Ise-Shima region (Mie Prefecture), Kinugasa shopping street in Yokosuka City (Kanagawa Prefecture)



J-Mups Cloud-Based Multi-Payment System

Providing Smooth Financing and New Opportunities

Business Link "Shobai Hanjo"

This is a large-scale business matching conference we have organized annually since 2005. In February 2016, we held the 13th Business Link "Shobai Hanjo" Conference under the themes "Act Globally" and "Get Innovation" in Nagoya. With representatives from approximately 3,400 companies attending this event, the number of business matching negotiations totaled around 8,300, which is almost double the number recorded at the ninth round held in the same city.

Mature Phase

Ensuring Smooth Business Succession

Bank of Tokyo-Mitsubishi UFJ has developed a service structure to assist customers in undertakings ranging from urgent stock acquisitions to determining long-term succession strategies. Under this structure, we deploy business succession specialists who provide customers with optimal advice in accordance with their circumstances and management plans.

Meanwhile, Mitsubishi UFJ Trust and Banking offers a wide range of consulting services, from corporate business succession to individual asset transfer. Our management financial diagnosis program (the "ownership" program) is used to analyze a client's current asset and business situation and identify key issues to address to ensure a smooth succession. It helps corporate clients clarify crucial issues affecting their business.

Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking offer consultation in a timely and appropriate manner for customers facing challenges in borrowing conditions and other management issues. When necessary, we introduce experts from inside and outside our organization to customers.

Five-Year Major Financial Data (FY 2011-FY 2015)

(Billions of Yen)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Currency exchange rate (USD/JPY) (yen)	82.19	94.05	102.92	120.17	112.68
Statement of income data:					
Gross profits before credit costs for trust accounts	3,502.0	3,634.2	3,753.4	4,229.0	4,143.2
Net interest income	1,840.5	1,816.8	1,878.6	2,181.6	2,113.5
Trust fees excluding credit costs	96.9	95.1	108.4	111.4	117.0
Net fees and commissions	964.2	1,042.2	1,160.3	1,308.6	1,320.5
Net trading profits	225.5	288.2	362.0	352.9	306.3
Net other business profits	374.7	391.7	244.0	274.3	285.6
Net gains (losses) on debt securities	270.3	336.7	142.8	115.1	132.9
General and administrative expenses	1,994.5	2,095.0	2,289.3	2,584.1	2,585.2
Expenses ratio	56.9%	57.6%	60.9%	61.1%	62.3%
Net business profits before credit costs for trust accounts and provision for general allowance for credit losses	1,507.4	1,539.2	1,464.1	1,644.9	1,557.9
Total credit costs	193.4	115.6	(11.8)	161.6	255.1
BTMU and MUTB combined ^{*1}	134.5	65.3	(35.1)	71.1	103.7
Net gains (losses) on equity securities	(88.6)	(53.6)	144.5	93.1	88.3
Gains (losses) on sales of equity securities	(9.4)	33.6	157.5	97.9	113.6
Losses on write-down of equity securities	(79.2)	(87.3)	(12.9)	(4.8)	(25.3)
Profits (losses) from investments in affiliates	377.5	52.0	112.4	159.6	230.4
Other non-recurring gains (losses)	(130.8)	(77.7)	(38.2)	(23.0)	(82.0)
Ordinary profits	1,471.9	1,344.1	1,694.8	1,713.0	1,539.4
Net extraordinary gains (losses)	(23.8)	9.6	(151.7)	(98.2)	(40.7)
Total taxes	376.4	395.7	439.9	467.7	460.2
Tax burden ratio	26.0%	29.2%	28.5%	28.9%	30.7%
Profits attributable to non-controlling interests	90.2	105.3	118.1	113.2	87.1
Profits attributable to owners of parent	981.3	852.6	984.8	1,033.7	951.4
Balance sheet data:					
Total assets	218,861.6	234,498.7	258,131.9	286,149.7	298,302.8
Loans and bills discounted	84,492.6	91,299.5	101,938.9	109,368.3	113,756.3
Securities	78,264.7	79,526.8	74,515.5	73,538.1	69,993.8
Total liabilities	207,185.8	220,979.0	243,019.0	268,862.2	280,916.1
Deposits	124,789.2	131,697.0	144,760.2	153,357.4	160,965.0
Negotiable certificates of deposit	12,980.6	14,855.0	15,548.1	16,073.8	11,591.5
Total net assets	11,675.7	13,519.6	15,112.8	17,287.5	17,386.7
Total shareholders' equity	9,909.5	10,578.3	11,346.2	11,328.6	11,855.8
Retained earnings	5,602.3	6,267.9	7,033.1	7,860.4	8,587.5
Total accumulated other comprehensive income	83.4	1,158.2	1,709.7	3,989.2	3,602.1
Non-controlling interests	1,674.8	1,774.1	2,048.1	1,961.3	1,920.5
Financial Ratios					
Common Equity Tier 1 Capital ratio ^{*2}	—	11.60%	11.18%	11.09%	11.63%
Tier 1 Capital ratio ^{*2,3}	12.15%	12.63%	12.37%	12.58%	13.24%
Total Capital ratio ^{*2,3}	14.72%	16.53%	15.43%	15.62%	16.01%
(Fiscal 2011 is capital ratio)					
Dividends per share (DPS) (yen)	12.0	13.0	16.0	18.0	18.0
Dividend payout ratio	17.6%	22.0%	23.4%	24.6%	26.3%
Book-value per share (BPS) (yen)	678.25	800.95	893.77	1,092.75	1,121.07
Earnings per share (EPS) (yen)	68.09	58.99	68.29	73.22	68.51
ROE MUFG definition	11.10%	8.77%	9.05%	8.74%	7.63%
ROE TSE definition	10.60%	7.96%	8.05%	7.38%	6.18%
Total number of ordinary shares (excluding own shares) (billion shares)	14.144	14.155	14.161	14.017	13.788
Share price (fiscal year-end) (yen)	412	558	567	743.7	521.5
Market capitalization (trillions of yen) ^{*4}	5.8	7.8	8.0	10.4	7.1
PBR ^{*4} (times)	0.60	0.69	0.63	0.68	0.46
PER ^{*4} (times)	6.0	9.4	8.3	10.1	7.6

*1 The Bank of Tokyo-Mitsubishi UFJ, Ltd. (non-consolidated) + Mitsubishi UFJ Trust and Banking Corporation (non-consolidated) (without any adjustments)

*2 The risk-adjusted capital ratios and the amounts of components thereof prior to FY 2014 reflect corrections of errors discovered in the risk weighting applied to certain assets, mostly residential mortgage loans, and certain other adjustments made under Basel I standards to obtain amounts that were used for floor adjustments in determining the amounts of risk-weighted assets under Basel III standards.

*3 FY 2011 is under Basel II standards

*4 Figures based on fiscal year-end share price

Financial and Economic Environment

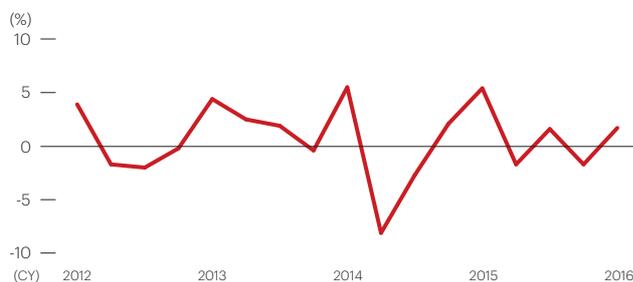
In the fiscal year ended March 31, 2016, economy outlook has become increasingly clouded, even as the global economy – especially developed countries – remained on a gradual recovery course. Share prices around the world dropped owing to concerns surrounding China, weak oil and other resource prices. However, US domestic demand, in particular, remained on a path of self-sustained recovery as the employment picture steadily improved, despite weakness in the energy industry and some other sectors. Europe's economy continued to pick up, propelled by the weak EUR and cheap oil, in spite of the Greek debt issue and NPLs in southern countries. In Asia, while China continued to slow due to suppressed investment, while weak exports weighed on other Asian economies, private consumption remained firm throughout the region, bolstered by lower inflation.

Against this backdrop, Japan's economy continued on a gradual recovery trajectory, even with some apparent weak spots. The warm winter dampened private consumption, which remained fairly flat overall despite higher incomes. Exports to the US and Europe were strong overall, but exports to China and other emerging economies were weak, including resource-producing countries. On the other hand, capital expenditures continued to rise gradually due to robust corporate profits as the glut of capital stock was erased.

With regard to the financial situation, in U.S., the Federal Reserve Board raised interest rates for the first time in nine-and-a-half –years in December, as employment conditions improved. In the Eurozone, on the other hand, the ECB bolstered monetary easing, including cutting the deposit rate in December and again in March.

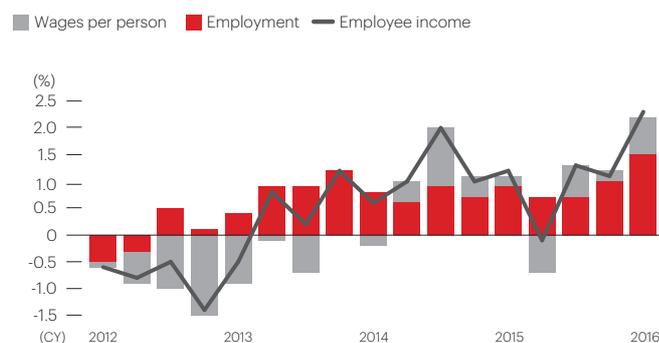
The Bank of Japan commenced a policy of "Quantitative and Qualitative Monetary Easing with a Negative Interest Rate" in January 2016, and the benchmark yield turned and stayed negative through to the end of the fiscal year. Share prices have fallen and the Japanese yen has rallied since early 2016, primarily reflecting heightened risk aversion around the globe.

Growth Rate of Real GDP (Annual Rate, Quarter on Quarter)



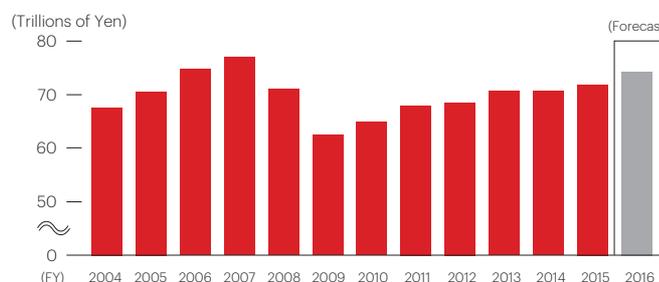
Source: Compiled by Bank of Tokyo-Mitsubishi UFJ Economic Research Office from Cabinet Office data

Employee Income* (Year on Year)



* Employee income is the number of employees multiplied by wages per person
Source: Compiled by Bank of Tokyo-Mitsubishi UFJ Economic Research Office based on MIC and MHLW data

CAPEX (Real GDP base*, Forecast)



* Based on 2005 prices
Source: Compiled by Bank of Tokyo-Mitsubishi UFJ Economic Research Office from Cabinet Office data

Consolidated Earnings Summary

Consolidated Net Business Profits

Consolidated gross profits for the fiscal year ended March 31, 2016 decreased ¥85.8 billion from the previous fiscal year to ¥4,143.2 billion. This was mainly due to the appreciation of the Japanese yen against other currencies a decrease in net interest income from domestic loans and deposits and a fall in gains on ALM, whereas an increase in overseas profit from MUFG's group collaboration businesses in the U.S. and overseas subsidiaries' businesses contributed to increase gross profits.

General and Administrative expenses for the fiscal year ended March 31, 2016 increased ¥1.1 billion from the previous fiscal year to ¥2,585.2 billion, mainly due to higher regulatory costs in overseas despite MUFG's cost-cutting efforts and the positive impact from the improved yen-dollar exchange rate. As a result, consolidated net business profits decreased ¥87.0 billion from the previous fiscal year to ¥1,557.9 billion.

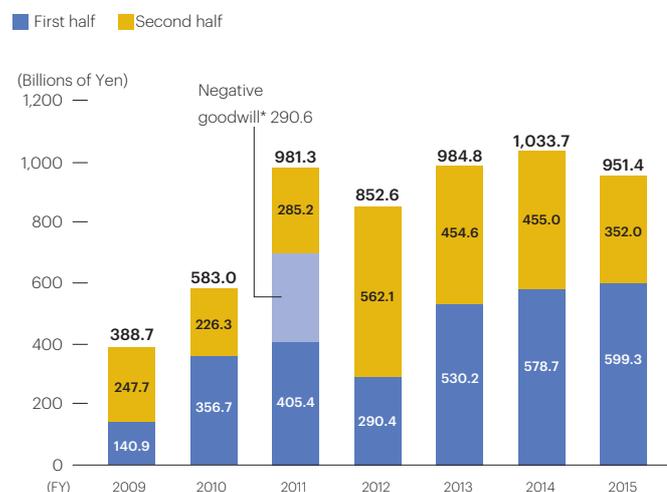
Credit Costs

Total credit costs increased ¥93.5 billion from the previous fiscal year ended March 31, 2015, to ¥255.1 billion. This was mainly due to an increase in the provision for specific allowance for credit losses on the back of such factors as a fall in resource prices.

Net Gains (Losses) on Equity Securities

Net gains on equity securities fell ¥4.8 billion to ¥88.3 billion. This was mainly attributable to write-offs of equity securities, which outweighed an increase in gains on sales of equity securities.

History of Profits Attributable to Owners of Parent



* One-time effect of negative goodwill associated with the application of equity method accounting on our investment in Morgan Stanley

Ordinary Profits

Ordinary profits fell ¥173.5 billion to ¥1,539.4 billion on a rise of ¥70.7 billion in profits from investments in affiliates to ¥230.4 billion that was mainly attributable to growth in earnings at Morgan Stanley and was partially offset by an increase in other non-recurring losses of ¥58.9 billion.

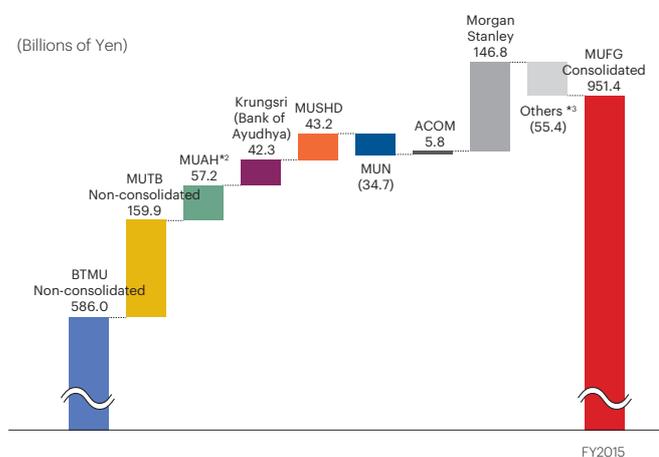
Profits Attributable to Owners of Parent

Net extraordinary losses decreased ¥57.5 billion from the previous fiscal year. Although a ¥40.7 billion loss was posted due mainly to losses on change in equity (in relation to Morgan Stanley; ¥36.0 billion), the improvement was largely attributable to the absence of legal settlement fees paid by The Bank of Tokyo-Mitsubishi UFJ in the United States in the previous fiscal year. As a result, profit attributable to owners of parent decreased ¥82.3 billion to ¥951.4 billion, somewhat exceeding the previously announced target of ¥950.0 billion.

Net Operating Profits by Business Segment

Consolidated net operating profits*¹ fell ¥112.4 billion to ¥1,551.0 billion. Asset Management / Investor Services Business Group, profit increased mainly due to an increase in the value of assets under management both Japan and overseas. Meanwhile, in Retail Banking, Japanese Corporate Banking, Global Banking and Global Markets Business Groups, profits decreased due to the appreciation of yen, plunging stock markets and the low interest rate environment affected by Negative Interest Rate policy.

Breakdown of Profits Attributable to Owners of Parent*¹



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

*² MUFG Americas Holdings Corporation

*³ Including cancellation of the amount of inter-group dividend receipt and profits (losses) related to transfer of equity securities within MUFG and other expenses, etc.

With regard to the net operating profits in the customer segments, 36% of profits were earned from overseas business.*2

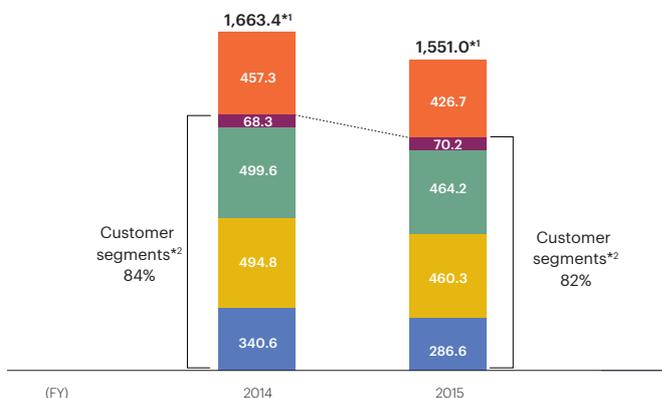
*1 All figures are on managerial basis
*2 Global Banking Business Group

Retail Banking Business Group

In Retail Banking Business Group, net operating profits decreased ¥54.1 billion to ¥286.6 billion for the fiscal year ended March 31, 2016. The customer base were expanded through the project of initial public offering involving the three Japan Post Group operating companies, and the consumer finance business contributed profits. However, a fall in

Net Operating Profits by Business Segment

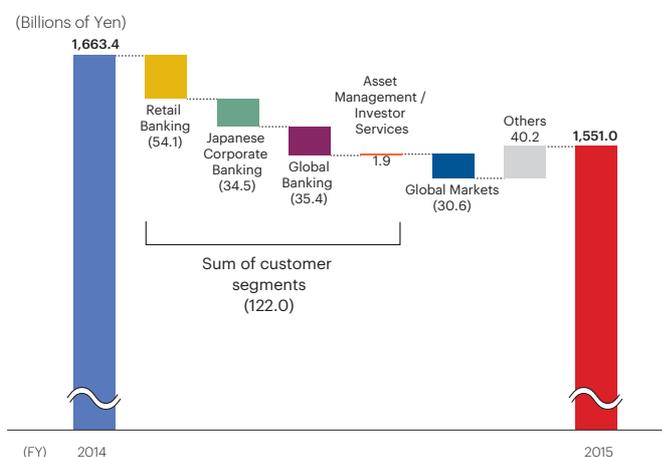
■ Retail Banking ■ Japanese Corporate Banking ■ Global Banking
■ Asset Management / Investor Services ■ Global Markets
(Billions of Yen)



*1 Total net operating profits includes net operating profit for "Other" segment (FY2014: (¥197.2 bn), FY2015: (¥157.0 bn))

*2 Ratio of customer segments = net operating profits from customer segment / total net operating profits (*1)

Breakdown of Changes in Net Operating Profits



revenues from the sale of investment products due to the deterioration in the market environment and a decrease in loan and deposit revenues resulting from lower interest margins, led to a net decrease in net operating profits for this segment.

Japanese Corporate Banking Business Group

In Japanese Corporate Banking Business Group, net operating profits decreased ¥34.5 billion to ¥460.3 billion for the fiscal year ended March 31, 2016. Large IPO project boosted revenues from securities business, while loans for SMEs grew thanks to the success of capital strategy proposals. Despite this, the absence of major M&A deals, which yielded significant revenues in the previous fiscal year, and a fall in interest income from loans and deposits due to the ongoing low interest rate environment, led to a net decrease in net operating profits.

Global Banking Business Group

In Global Banking Business Group, net operating profits decreased ¥35.4 billion to ¥464.2 billion for the fiscal year ended March 31, 2016. Although the M&A-related business posted firm results thanks to initiatives aimed at seizing opportunities arising from a trend toward reorganization among European and U.S. corporations, the segment was affected by the slowing pace of growth in the Chinese economy, a plunge in resource prices around the world and unfavorable foreign exchange rates, resulting in a net decrease in net operating profits.

Asset Management / Investor Services Business Group

In Asset Management / Investor Services Business Group, net operating profits increased ¥1.9 billion to ¥70.2 billion for the fiscal year ended March 31, 2016. This was mainly attributable to firm results recorded by the investment trust management services and growth in the value of assets managed in the global business, both of which helped counter the negative impact of a decline in employees' pension fund plans.

Global Markets Business Group

In Global Markets Business Group, net operating profits decreased ¥30.6 billion to ¥426.7 billion for the fiscal year ended March 31, 2016. Despite the strong showings of S&T operations and the solid investment management revenues attributable to our taking a flexible approach to handling securities, a deceleration of Asia's economic growth and extreme fluctuations in foreign exchange rates and stock markets led to a net decrease in net operating profits.

Financial Review for Fiscal 2015

Consolidated Balance Sheet Summary

(Billions of Yen)

	Mar 31, 2016	Mar 31, 2015	Change from Mar 31, 2015 [% change]
Total assets	298,302.8	286,149.7	12,153.1 [+4.2%]
Loans (Banking + Trust accounts)	113,906.8	109,480.7	4,426.1
Loans (Banking accounts)	113,756.3	109,368.3	4,387.9
Domestic corporate loans*1,2	43,804.4	42,456.7	1,347.6
Housing loans*1	15,570.7	15,879.1	(308.3)
Overseas loans*3	43,045.4	41,701.7	1,343.7
Investment securities	69,993.8	73,538.1	(3,544.3)
Domestic equity securities	5,573.5	6,323.6	(750.1)
Japanese government bonds	28,357.1	35,210.6	(6,853.5)
Foreign bonds	27,883.7	23,571.5	4,312.1
Total liabilities	280,916.1	268,862.2	12,053.8 [+4.4%]
Deposits	160,965.0	153,357.4	7,607.6
BTMU and MUTB combined	145,331.9	137,332.3	7,999.6
Individual (Domestic branches)	71,068.6	70,415.1	653.4
Corporations and others	52,782.3	47,449.1	5,333.1
Overseas branches	21,062.4	18,958.3	2,104.0
Total net assets	17,386.7	17,287.5	99.2 [+0.5%]
Total shareholders' equity	11,855.8	11,328.6	527.1
Retained earnings	8,587.5	7,860.4	727.1
Total accumulated other comprehensive income	3,602.1	3,989.2	(387.1)
Net unrealized gains (losses) on other securities	2,486.6	2,835.0	(348.4)
Foreign currency translation adjustments	791.4	951.5	(160.1)

*1 BTMU and MUTB combined + Trust accounts

*2 Excluding loans to government and government institutions

*3 Loans booked in overseas branches, MUAH, Krungsri (Bank of Ayudhya), BTMU (China), BTMU (Holland), BTMU (Canada) and BTMU (Malaysia)

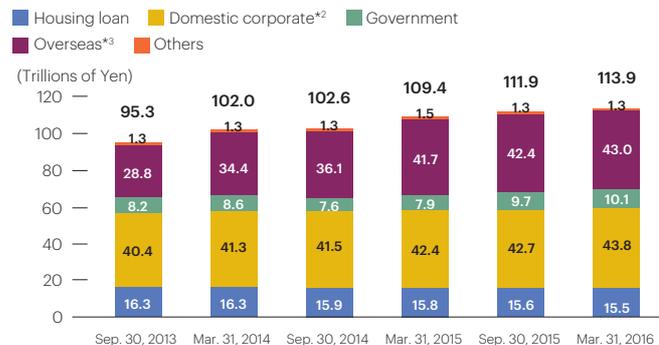
Net Assets

Shareholders' equity grew ¥527.1 billion year on year to ¥11,855.8 billion on a rise in retained earnings and other positive factors that offset dividend payments (¥251.3 billion) and the repurchase of treasury stock (¥200.0 billion). Total accumulated other comprehensive income declined ¥387.1 billion to ¥3,602.1 billion due mainly to decreases in net unrealized gains (losses) on other securities and foreign currency translation adjustments.

Loans

Loans increased ¥4,426.1 billion from the previous fiscal year ended March 31, 2015, to ¥113,906.8 billion on increases in domestic corporate and overseas loans.

Loans (Period end balance)*1



*1 Sum of banking and trust accounts

*2 Excluding loans to government and government institutions

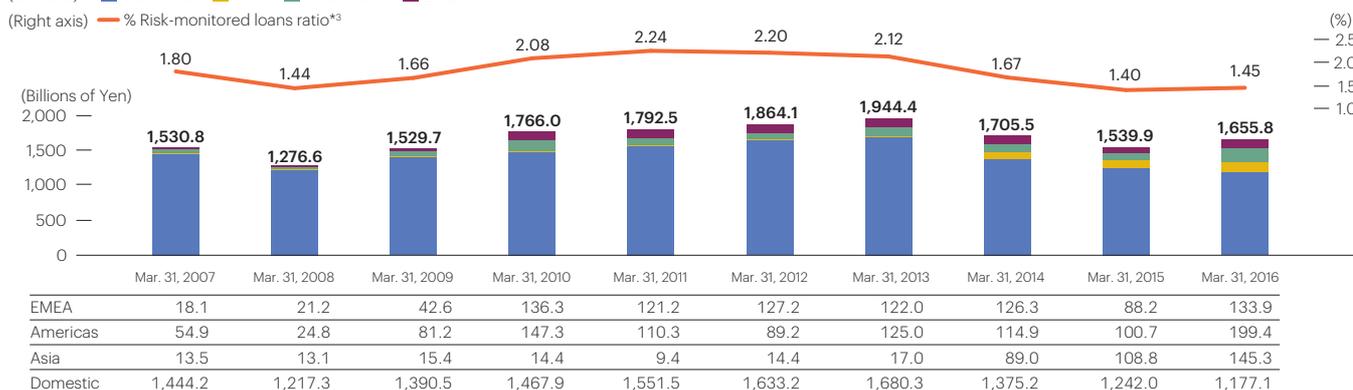
*3 Loans booked in overseas branches, MUAH, Krungsri (Bank of Ayudhya), BTMU (China), BTMU (Holland), BTMU (Canada) and BTMU (Malaysia)

Although the risk-monitored loans based on Banking Act decreased in Japan, it increased overseas, especially in the Americas. As a result, the risk-monitored loans ratio increased 0.04 percentage points from the previous fiscal year ended March 31, 2015, to 1.45%.

Balance of Risk-Monitored Loans*1

(Left axis) Domestic Asia Americas*2 EMEA*2

(Right axis) % Risk-monitored loans ratio*3



*1 Risk-monitored loans based on Banking Act. Regions are based on the borrowers' location

*2 Figures of EMEA (Europe, Middle East and Other) and Americas before March 2012 are previously disclosed as Other and United States of America, respectively

*3 Total risk-monitored loans / Total loans and bills discounted (Banking accounts as of period end)

Deposits

Deposits increased ¥7,607.6 billion from the previous fiscal year ended March 31, 2015, to ¥160,965.0 billion mainly due to an increase of domestic corporate deposits.

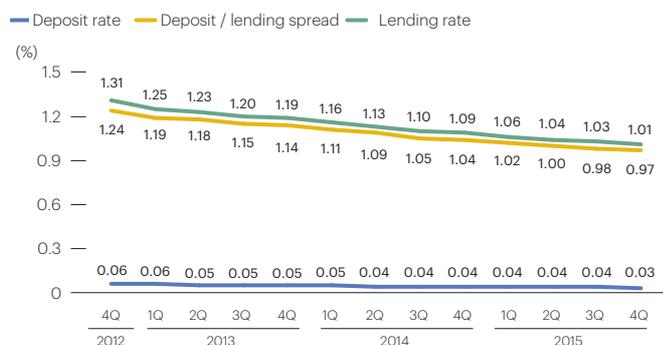
Deposits (Period end balance)



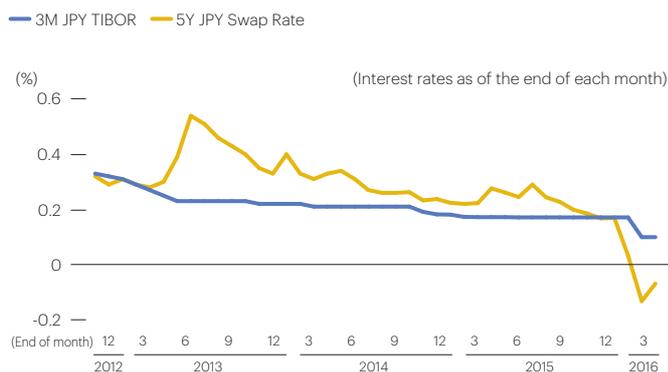
Domestic Deposit / Lending Rates

Domestic deposit / lending spread excluding loans to government decreased 0.07 percentage points from FY 2015 4Q mainly due to a decline in lending rates reflecting lower market interest rates.

Changes in Domestic Deposit / Lending Rates (Excluding loans to government)



(Reference) Market Interest Rates



Source: Bloomberg

Investment Securities

Despite an increase in foreign bonds, investment securities fell ¥3,544.3 billion year on year to ¥69,993.8 billion mainly due to a decrease in Japanese Government Bonds and domestic equity securities.

Net unrealized gains on available-for-sale securities fell ¥647.9 billion compared with the previous fiscal year to ¥3,485.2 billion due to a decrease in domestic equity securities.

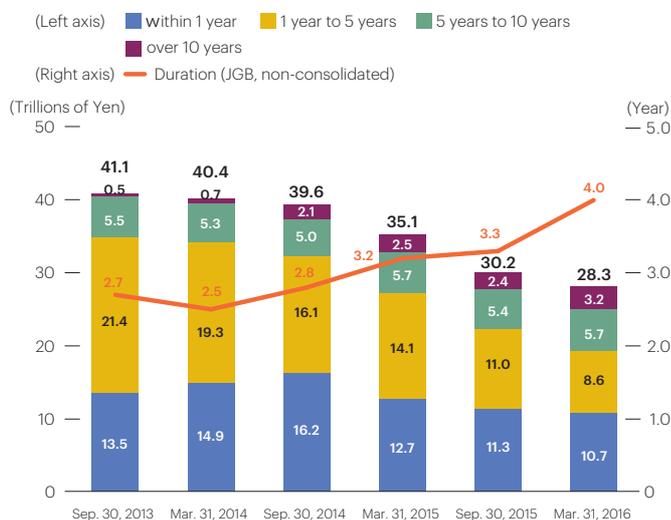
With regard to the balance of Japanese Government Bonds, by maturity, those due within five years or less were down due to such factors the low interest rate environment affected by Negative Interest Rate policy while those due within five years or more increased. Duration increased to 4.0 years.

Available-for-sale Securities with Fair Value

(Billions of Yen)

	Balance		Unrealized gains (losses)	
	Mar 31, 2016	Change from Mar 31, 2015	Mar 31, 2016	Change from Mar 31, 2015
Total	65,518.4	(3,817.7)	3,485.2	(647.9)
Domestic equity securities	4,873.2	(848.1)	2,205.4	(724.5)
Domestic bonds	30,322.4	(6,197.7)	718.2	391.8
Japanese government bonds	27,255.9	(6,828.4)	631.9	358.4
Others	30,322.7	3,228.1	561.6	(315.1)
Foreign equity securities	149.0	(42.3)	23.8	(34.6)
Foreign bonds	26,650.4	4,085.4	510.9	(86.3)
Others	3,523.2	(814.9)	26.8	(194.1)

Balance of Japanese Government Bonds (JGB) Portfolio by Maturity (BTMU and MUTB combined)*



* Available-for-sale securities and held-to-maturity securities (duration is for securities available for sale only)

Financial Review for Fiscal 2015

Capital Adequacy

(Billions of Yen)

	Mar. 31, 2016	Sep. 30, 2015	Change from Sep. 30, 2015
Common Equity Tier 1 Capital ratio	11.63%	11.23%	0.40%
Tier 1 Capital ratio	13.24%	12.73%	0.50%
Total Capital ratio	16.01%	15.69%	0.31%
Tier 1 Capital	14,839.2	14,254.1	585.1
Common Equity Tier 1 Capital	13,039.8	12,571.9	467.9
Retained earnings	8,587.5	8,358.0	229.5
Other comprehensive income	2,161.2	1,356.2	805.0
Regulatory adjustments	(1,100.4)	(693.3)	(407.1)
Additional Tier 1 Capital	1,799.4	1,682.2	117.1
Preferred securities and subordinated debt	1,544.5	1,260.2	284.2
Foreign currency translation adjustments	316.5	588.4	(271.9)
Tier 2 Capital	3,102.5	3,308.6	(206.1)
Subordinated debt	2,060.5	2,110.4	(49.8)
Amounts equivalent to 45% of unrealized gains on available-for-sales securities	633.8	838.3	(204.5)
Total Capital (Tier 1+Tier 2)	17,941.8	17,562.8	378.9
Risk weighted assets	112,064.3	111,925.3	139.0
Credit risk	95,372.3	95,274.0	98.2
Market risk	2,198.7	1,989.1	209.5
Operational risk	6,581.1	6,635.4	(54.2)
Transitional floor	7,912.1	8,026.6	(114.4)

* The risk-adjusted capital ratios and the amount of components thereof as of September 30, 2015 reflect corrections of errors discovered in the risk weighting applied to certain assets, mostly residential mortgage loans, and certain other adjustments made under Basel I standards to obtain amounts that were used for floor adjustments in determining the amounts of risk-weighted assets under Basel III standards.

Total Capital

Common Equity Tier 1 Capital increased by ¥467.9 billion and Total capital increased by ¥378.9 billion from the end of September 2015, mainly due to increases in retained earnings and other comprehensive income, as well as subordinated debt funding.

Risk Weighted Assets (RWA)

RWA was relatively unchanged, mainly due to an increase in loans balance, offset by a decrease in equity balance and the appreciation of the Japanese yen against the other currencies.

Risk-Adjusted Capital Ratio

The Common Equity Tier 1 Capital ratio was 11.63%, the Tier 1 Capital ratio was 13.24% and the Total Capital ratio was 16.01%. The provisional figure for the Common Equity Tier 1 Capital ratio, calculated on the basis of regulations applied at the end of March 2019, is 12.1%.

Shareholder Returns

MUFG considers the return of earnings to shareholders to be one of the most important management priorities and makes it a basic policy to aim for a stable and continuous increase in dividends per share through growth in profits.

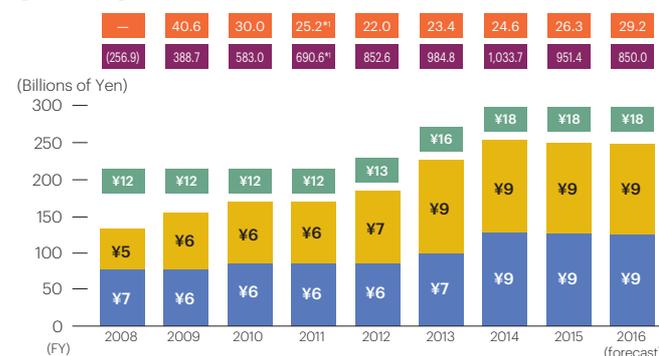
With respect to the year-end dividend for common stock for the fiscal year ended March 31, 2016, MUFG plans to pay ¥9 per share. As a result, the annual dividend for the fiscal year, including the interim dividend of ¥9 per share, is expected to be ¥18 per share, which is the same amount as the annual dividend of ¥18 paid for the previous fiscal year.

In the fiscal year ended March 31, 2016, we repurchased own shares on two occasions (approximately ¥100.0 billion each time) in May and November 2015 as part of our strategy to enhance shareholder returns, improve capital efficiency and conduct capital management flexibly.

Results and Forecasts of Shareholder Returns

■ Dividend payout ratio (%)
 ■ Profits attributable to owners of parent (Billions of Yen)
 ■ Dividend per common stock
 ■ Interim dividend
 ■ Year-end dividend

Figures on bar graph shows DPS (yen)



* FY 2011 figures do not include one-time effect of negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

Outline of Repurchase of Own Share

May 2015

Type of shares to be repurchased	Ordinary shares of MUFG
Aggregate amount of repurchase price	¥99,999,972,728
Aggregate number of shares repurchased	111,151,800 shares
Repurchase period	From May 18, 2015 to June 16, 2015 (Contract base)

November 2015

Type of shares to be repurchased	Ordinary shares of MUFG
Aggregate amount of repurchase price	¥99,999,982,169
Aggregate number of shares repurchased	121,703,700 shares
Repurchase period	From November 16, 2015 to December 8, 2015 (Contract base)

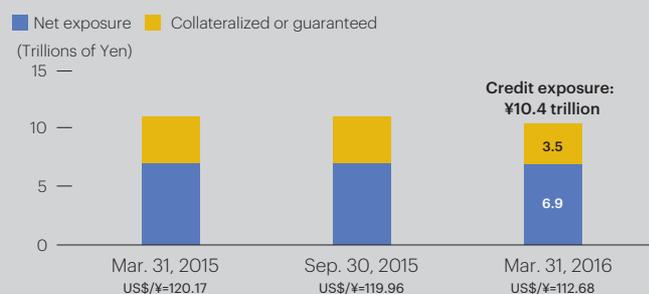
(Reference) Number of shares outstanding as of March 31, 2016
 Total number of ordinary shares (including own shares): 14,168,853,820 shares
 Number of own shares: 378,088,933 shares

Energy and Mining Credit Exposure

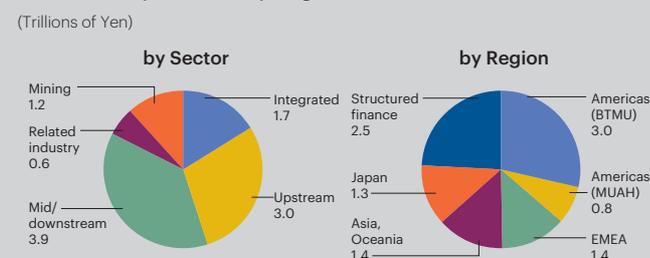
Credit Exposure*1

As of the end of March 2016, total credit exposure in the energy related sector, including oil, gas and mineral resources, was ¥10.4 trillion (¥6.2 trillion after deducting the undrawn commitment). Net exposure, deducting the collateral and guarantee (e.g., ECA), was ¥6.9 trillion.

Credit Exposure, Collateral and Guarantee



Breakdown by Sector / by Region



Credit Quality

With regard to energy and mining credit exposure, more than 90% is categorized normal (borrowers classified as maintaining strong results and no particular problems with its financial position by the Inspection Manual for Deposit-Taking Institutions), while more than 60% is equivalent to investment grade. Credit deterioration has been observed principally in the upstream part of oil and gas related exposure, and in terms of regions, mostly in the Americas. Non-performing Loans (NLP) in the mining sector were incurred in Asia / Oceania and structured finance schemes. Total NPL amount is approximately ¥120 billion at March 31, 2016, of which 90% are covered with collateral, guarantee or allowance.

Credit Exposure and Non-Performing Loans by Sector and Region

(Billions of Yen)

	Total	Americas (BTMU)	Americas (MUAH)	EMEA	Asia/Oceania	Japan	Structured finance
Integrated (Integration of Upstream and Mid/downstream)							
Credit exposure	1,690	523	0	542	626	0	0
Loans outstanding	1,011	274	0	246	491	0	0
NPLs	0	0	0	0	0	0	0
Upstream (Exploration, development and production of oil and gas)							
Credit exposure	2,984	637	683	201	192	138	1,133
Loans outstanding	1,591	97	347	34	136	121	855
NPLs	99	A 15	62	0	0	0	B 22
Mid/downstream and related industry (Storage, transport, refining, sales and other)							
Credit exposure	4,555	1,353	120	331	437	1,118	1,195
Loans outstanding	2,271	258	30	106	380	657	840
NPLs	1	0	0	0	0	1	0
Mining (Mineral resources other than oil and gas)							
Credit exposure	1,175	478	0	373	180	0	143
Loans outstanding	613	283	0	123	95	0	113
NPLs	20	0	0	0	C 15	0	D 6

Credit Exposure, Collateral and Allowance in the Sectors and Regions with Higher NPL Ratio

(Billions of Yen)

	Upstream			Mining		Total NPLs
	A Americas (BTMU)	Americas (MUAH)	B Structured finance	C Asia/Oceania	D Structured finance	
Credit exposure (1)	637	683	1,133	180	143	
Collateralized or guaranteed (2)	121	540	408	44	46	
Uncollateralized or unguaranteed (3) = (1)-(2)	517	144	725	136	98	
NPLs (4)	15	62	22	15	6	120
Collateralized or guaranteed (5)	0	42	19	0	0	
Allowance (6)	8	20	3	11	3	
NPLs (net) (7) = (4)-(5)-(6)	7	0	0	4	3	14

*1 Including undrawn commitment and excluding market exposure

*2 Subject to the relevant criteria applying to each subsidiary. For example, risk-monitored loans based on Japanese Banking Act

Note: All figures are on managerial basis

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	Mar 31, 2016	Mar 31, 2015
Assets:		
Cash and due from banks	49,158,293	40,488,318
Call loans and bills bought	660,015	604,625
Receivables under resale agreements	7,466,633	7,342,335
Receivables under securities borrowing transactions	6,041,983	4,633,544
Monetary claims bought	4,733,393	4,570,712
Trading assets	20,460,863	20,810,617
Money held in trust	679,678	700,218
Securities	69,993,869	73,538,191
Loans and bills discounted	113,756,325	109,368,340
Foreign exchanges	1,792,888	2,187,311
Other assets	12,255,764	10,119,936
Tangible fixed assets	1,362,044	1,352,727
Buildings	349,761	333,430
Land	730,130	744,416
Lease assets	10,856	11,181
Construction in progress	38,494	35,774
Other tangible fixed assets	232,801	227,924
Intangible fixed assets	1,254,727	1,297,277
Software	570,884	552,345
Goodwill	278,628	309,119
Lease assets	648	730
Other intangible fixed assets	404,566	435,082
Net defined benefit assets	377,955	504,761
Deferred tax assets	125,739	114,919
Customers' liabilities for acceptances and guarantees	9,240,310	9,511,714
Allowance for credit losses	(1,057,585)	(995,784)
Total assets	298,302,898	286,149,768

(Millions of Yen)

	Mar 31, 2016	Mar 31, 2015
Liabilities:		
Deposits	160,965,056	153,357,410
Negotiable certificates of deposit	11,591,578	16,073,850
Call money and bills sold	1,360,238	3,600,104
Payables under repurchase agreements	23,515,240	21,899,506
Payables under securities lending transactions	4,710,407	8,205,350
Commercial papers	2,292,282	2,179,634
Trading liabilities	17,251,302	15,521,917
Borrowed money	12,482,277	13,866,196
Foreign exchanges	2,054,937	1,496,476
Short-term bonds payable	752,492	789,512
Bonds payable	9,190,542	8,141,713
Due to trust accounts	13,296,033	3,183,295
Other liabilities	10,834,564	9,530,371
Reserve for bonuses	90,219	90,360
Reserve for bonuses to directors	396	454
Net defined benefit liabilities	62,791	62,121
Reserve for retirement benefits to directors	1,113	1,086
Reserve for loyalty award credits	15,971	15,375
Reserve for contingent losses	210,087	204,790
Reserves under special laws	4,232	3,771
Deferred tax liabilities	866,815	988,550
Deferred tax liabilities for land revaluation	127,237	138,669
Acceptances and guarantees	9,240,310	9,511,714
Total liabilities	280,916,129	268,862,234
Net assets:		
Capital stock	2,141,513	2,141,513
Capital surplus	1,425,637	1,428,403
Retained earnings	8,587,578	7,860,410
Treasury stock	(298,922)	(101,661)
Total shareholders' equity	11,855,806	11,328,666
Net unrealized gains (losses) on other securities	2,486,627	2,835,091
Net deferred gains (losses) on hedging instruments	337,297	83,194
Land revaluation excess	176,364	172,350
Foreign currency translation adjustments	791,401	951,547
Remeasurements of defined benefit plans	(189,526)	(52,909)
Total accumulated other comprehensive income	3,602,163	3,989,274
Subscription rights to shares	8,260	8,271
Non-controlling interests	1,920,538	1,961,322
Total net assets	17,386,769	17,287,533
Total liabilities and net assets	298,302,898	286,149,768

Consolidated Financial Results

(Millions of Yen)

	FY 2015	FY 2014
Gross profits	4,143,202	4,229,501
Gross profits before credit costs for trust accounts	4,143,202	4,229,030
Net interest income	2,113,564	2,181,637
Trust fees	117,046	111,916
Credit costs for trust accounts	0	471
Net fees and commissions	1,320,554	1,308,604
Net trading profits	306,354	352,950
Net other business profits	285,682	274,393
Net gains (losses) on debt securities	132,928	115,162
General and administrative expenses	2,585,279	2,584,104
Amortization of goodwill	16,931	17,787
Net business profits before credit costs for trust accounts, provision for general allowance for credit losses and amortization of goodwill	1,574,853	1,662,713
Net business profits before credit costs for trust accounts and provision for general allowance for credit losses	1,557,922	1,644,925
Provision for general allowance for credit losses	175,712	(86,849)
Net business profits*1	1,733,635	1,558,547
Net non-recurring gains (losses)	(194,148)	154,454
Credit costs	(491,503)	(141,486)
Losses on loan write-offs	(143,946)	(144,845)
Provision for specific allowance for credit losses	(305,131)	17,700
Other credit costs	(42,425)	(14,342)
Reversal of allowance for credit losses	—	—
Reversal of reserve for contingent losses included in credit costs	—	1,504
Gains on loans written-off	60,645	64,735
Net gains (losses) on equity securities	88,306	93,109
Gains on sales of equity securities	145,347	114,477
Losses on sales of equity securities	(31,656)	(16,532)
Losses on write-down of equity securities	(25,384)	(4,836)
Profits (losses) from investments in affiliates	230,415	159,637
Other non-recurring gains (losses)	(82,012)	(23,045)
Ordinary profits	1,539,486	1,713,001
Net extraordinary gains (losses)	(40,717)	(98,244)
Net gains (losses) on change in equity	(36,013)	(23,648)
Settlement package	—	(37,097)
Income before income taxes and others	1,498,769	1,614,757
Income taxes—current	424,814	421,941
Income taxes—deferred	35,389	45,845
Total taxes	460,204	467,786
Profits	1,038,565	1,146,970
Profits attributable to non-controlling interests	87,162	113,211
Profits attributable to owners of parent	951,402	1,033,759

*1 Net business profits = Banking subsidiaries' net business profits + Other consolidated entities' gross profits - Other consolidated entities' general and administrative expenses - Other consolidated entities' provision for general allowance for credit losses - Amortization of goodwill - Inter-company transactions

(Reference)

	FY 2015	FY 2014
Total credit costs *2	(255,145)	(161,624)

*2 Total credit costs = 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

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY 2015	FY 2014
Profits	1,038,565	1,146,970
Other comprehensive income		
Net unrealized gains (losses) on other securities	(346,220)	1,595,505
Net deferred gains (losses) on hedging instruments	252,671	77,367
Land revaluation excess	7,055	14,149
Foreign currency translation adjustments	(214,273)	442,466
Remeasurements of defined benefit plans	(141,896)	27,880
Share of other comprehensive income of associates accounted for using equity method	24,759	150,891
Total other comprehensive income	(417,903)	2,308,260
Comprehensive income	620,662	3,455,231
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	556,163	3,313,220
Comprehensive income attributable to non-controlling interests	64,498	142,011

Consolidated Financial Statements

Consolidated Statements of Changes in Net Assets

(Millions of Yen)

FY 2015	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedging instruments
Balance at the beginning of the period	2,141,513	1,428,403	7,860,410	(101,661)	11,328,666	2,835,091	83,194
Changes during the period							
Dividends from retained earnings			(251,392)		(251,392)		
Profits attributable to owners of parent			951,402		951,402		
Repurchase of treasury stock				(200,077)	(200,077)		
Disposal of treasury stock		(1,182)		2,815	1,633		
Reversal of land revaluation excess			3,042		3,042		
Change of application of equity method			24,394		24,394		
Changes in subsidiaries' equity		(1,584)			(1,584)		
Changes in foreign affiliates' interests in their subsidiaries			(278)		(278)		
Net changes of items other than shareholders' equity						(348,464)	254,103
Total changes during the period		(2,766)	727,168	(197,261)	527,140	(348,464)	254,103
Balance at the end of the period	2,141,513	1,425,637	8,587,578	(298,922)	11,855,806	2,486,627	337,297

(Millions of Yen)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Land revaluation excess	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	172,350	951,547	(52,909)	3,989,274	8,271	1,961,322	17,287,533
Changes during the period							
Dividends from retained earnings							(251,392)
Profits attributable to owners of parent							951,402
Repurchase of treasury stock							(200,077)
Disposal of treasury stock							1,633
Reversal of land revaluation excess							3,042
Change of application of equity method							24,394
Changes in subsidiaries' equity							(1,584)
Changes in foreign affiliates' interests in their subsidiaries							(278)
Net changes of items other than shareholders' equity	4,013	(160,146)	(136,616)	(387,110)	(10)	(40,783)	(427,904)
Total changes during the period	4,013	(160,146)	(136,616)	(387,110)	(10)	(40,783)	99,236
Balance at the end of the period	176,364	791,401	(189,526)	3,602,163	8,260	1,920,538	17,386,769

(Millions of Yen)

FY 2014	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on other securities	Net deferred gains (losses) on hedging instruments
Balance at the beginning of the period	2,140,488	2,174,384	7,033,125	(1,699)	11,346,299	1,218,397	8,295
Cumulative effects of changes in accounting policies		(346,454)	57,909		(288,545)		
Restated balance	2,140,488	1,827,929	7,091,035	(1,699)	11,057,754	1,218,397	8,295
Changes during the period							
Issuance of new shares—exercise of subscription rights to shares	1,024	1,023			2,048		
Dividends from retained earnings			(263,959)		(263,959)		
Profits attributable to owners of parent			1,033,759		1,033,759		
Repurchase of treasury stock				(490,045)	(490,045)		
Disposal of treasury stock		68		82	150		
Retirement of treasury stock		(390,000)		390,000	—		
Reversal of land revaluation excess			(424)		(424)		
Changes in subsidiaries' equity		(10,617)			(10,617)		
Net changes of items other than shareholders' equity						1,616,693	74,898
Total changes during the period	1,024	(399,526)	769,374	(99,962)	270,911	1,616,693	74,898
Balance at the end of the period	2,141,513	1,428,403	7,860,410	(101,661)	11,328,666	2,835,091	83,194

(Millions of Yen)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Land revaluation excess	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	157,776	407,229	(81,937)	1,709,760	8,732	2,048,101	15,112,895
Cumulative effects of changes in accounting policies		(219)	(152)	(371)		(14,360)	(303,277)
Restated balance	157,776	407,010	(82,090)	1,709,388	8,732	2,033,741	14,809,617
Changes during the period							
Issuance of new shares—exercise of subscription rights to shares							2,048
Dividends from retained earnings							(263,959)
Profits attributable to owners of parent							1,033,759
Repurchase of treasury stock							(490,045)
Disposal of treasury stock							150
Retirement of treasury stock							—
Reversal of land revaluation excess							(424)
Changes in subsidiaries' equity							(10,617)
Net changes of items other than shareholders' equity	14,574	544,537	29,180	2,279,885	(461)	(72,419)	2,207,004
Total changes during the period	14,574	544,537	29,180	2,279,885	(461)	(72,419)	2,477,916
Balance at the end of the period	172,350	951,547	(52,909)	3,989,274	8,271	1,961,322	17,287,533

Consolidated Statements of Cash Flows

(Millions of Yen)

	FY 2015	FY 2014
Cash flows from operating activities:		
Income before income taxes and others	1,498,769	1,614,757
Depreciation	298,527	300,163
Impairment losses	13,415	11,487
Amortization of goodwill	16,931	17,787
Equity in losses (gains) of affiliates	(230,415)	(159,637)
Increase (decrease) in allowance for credit losses	71,084	46,037
Increase (decrease) in reserve for bonuses	955	10,321
Increase (decrease) in reserve for bonuses to directors	(58)	(172)
Decrease (increase) in net defined benefit assets	(88,908)	(62,696)
Increase (decrease) in net defined benefit liabilities	(2,255)	(1,601)
Increase (decrease) in reserve for retirement benefits to directors	27	(115)
Increase (decrease) in reserve for loyalty award credits	1,313	969
Increase (decrease) in reserve for contingent losses	5,572	(43,807)
Interest income recognized on statement of income	(2,769,248)	(2,806,238)
Interest expenses recognized on statement of income	655,735	624,743
Losses (gains) on securities	(221,235)	(208,271)
Losses (gains) on money held in trust	(10,689)	639
Foreign exchange losses (gains)	1,439,205	(1,213,235)
Losses (gains) on sales of fixed assets	(9,171)	4,926
Net decrease (increase) in trading assets	49,544	(1,337,542)
Net increase (decrease) in trading liabilities	1,980,093	1,181,142
Adjustment of unsettled trading accounts	(821,034)	889,029
Net decrease (increase) in loans and bills discounted	(4,990,628)	(5,909,031)
Net increase (decrease) in deposits	7,888,704	6,793,900
Net increase (decrease) in negotiable certificates of deposit	(4,482,406)	488,549
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(1,362,550)	3,247,294
Net decrease (increase) in due from banks (excluding cash equivalents)	80,699	(13,003,581)
Net decrease (increase) in call loans and bills bought and others	(633,599)	261,206
Net decrease (increase) in receivables under securities borrowing transactions	(1,438,094)	(370,559)
Net increase (decrease) in call money and bills sold and others	(435,883)	(350,881)
Net increase (decrease) in commercial papers	119,203	667,730
Net increase (decrease) in payables under securities lending transactions	(3,446,893)	2,657,417
Net decrease (increase) in foreign exchanges (assets)	380,193	(137,770)
Net increase (decrease) in foreign exchanges (liabilities)	544,080	375,867
Net increase (decrease) in short-term bonds payable	(37,019)	353,597
Net increase (decrease) in issuance and redemption of unsubordinated bonds payable	649,951	906,637
Net increase (decrease) in due to trust accounts	10,112,737	1,238,144
Interest income (cash basis)	2,897,378	2,917,319
Interest expenses (cash basis)	(654,026)	(636,368)
Others	175,151	(26,303)
Sub-total	7,245,155	(1,658,147)
Income taxes	(537,036)	(463,446)
Refund of income taxes	46,308	25,845
Net cash provided by (used in) operating activities	6,754,428	(2,095,748)

(Millions of Yen)

	FY 2015	FY 2014
Cash flows from investing activities:		
Purchases of securities	(86,422,400)	(138,305,190)
Proceeds from sales of securities	60,274,528	110,348,143
Proceeds from redemption of securities	28,452,434	34,682,841
Increase in money held in trust	(641,740)	(479,026)
Decrease in money held in trust	672,854	576,140
Purchases of tangible fixed assets	(116,931)	(176,368)
Purchases of intangible fixed assets	(231,615)	(223,581)
Proceeds from sales of tangible fixed assets	35,494	12,393
Proceeds from sales of intangible fixed assets	166	19
Decrease related to purchases of subsidiaries' equity affecting the scope of consolidation	—	(1,015)
Increase related to purchases of subsidiaries' equity affecting the scope of consolidation	218,639	—
Increase related to sales of subsidiaries' equity affecting the scope of consolidation	—	67,952
Others	(1,221)	(619)
Net cash provided by (used in) investing activities	2,240,209	6,501,689
Cash flows from financing activities:		
Increase in subordinated borrowings	38,000	55,000
Decrease in subordinated borrowings	(92,500)	(74,800)
Increase in subordinated bonds payable and bonds with warrants	793,218	190,000
Decrease in subordinated bonds payable and bonds with warrants	(294,460)	(284,324)
Proceeds from issuance of common stock to non-controlling shareholders	1,081	2,949
Decrease in redemption of preferred stocks	—	(137,400)
Dividend paid by MUFG	(251,497)	(263,978)
Dividend paid by subsidiaries to non-controlling shareholders	(94,825)	(106,964)
Repayments to non-controlling shareholders	—	(17,602)
Purchases of treasury stock	(200,053)	(490,044)
Proceeds from sales of treasury stock	1	2
Decrease related to purchases of subsidiaries' equity not affecting the scope of consolidation	(4,572)	(29,463)
Others	3	4
Net cash provided by (used in) financing activities	(105,602)	(1,156,621)
Effect of foreign exchange rate changes on cash and cash equivalents	(115,214)	252,797
Net increase (decrease) in cash and cash equivalents	8,773,820	3,502,117
Cash and cash equivalents at the beginning of the period	9,990,035	6,487,918
Cash and cash equivalents at the end of the period	18,763,856	9,990,035

Company Overview

Major MUFG Group Companies

(As of July 1, 2016)

■ Consolidated subsidiary ● Equity method investee

Holding Company

Mitsubishi UFJ Financial Group (MUFG)

Commercial Bank

- Bank of Tokyo-Mitsubishi UFJ (BTMU)

Trust Bank

- Mitsubishi UFJ Trust and Banking (MUTB)
- The Master Trust Bank of Japan

Securities

- Mitsubishi UFJ Securities Holdings (MUSHD)
- Mitsubishi UFJ Morgan Stanley Securities
- Mitsubishi UFJ Morgan Stanley PB Securities
- kabu.com Securities
- Morgan Stanley MUFG Securities

Credit Cards / Consumer Finance / Installment Credit

- Mitsubishi UFJ NICOS
- ACOM
- JACCS
- JALCARD

Leasing

- Mitsubishi UFJ Lease & Finance
- BOT Lease

Overseas

- Bank of Ayudhya Public Company (Commercial Bank)
- MUFG Americas Holdings Corporation (Commercial Bank Holding Company)
- PT U Finance Indonesia (Consumer Finance, Leasing)
- PT. BTMU-BRI Finance (Consumer Finance, Leasing)
- BTMU Capital Corporation (Leasing)
- BTMU Leasing & Finance (Leasing)
- Mitsubishi UFJ Trust International (Securities)
- Mitsubishi UFJ Fund Services Holdings (Fund Administration Holding Company)
- MUFG Capital Analytics LLC (Fund Management)
- Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (Commercial Bank)
- Mitsubishi UFJ Asset Management (UK) Ltd. (Asset Management)
- Mitsubishi UFJ Baillie Gifford Asset Management (Investment Advisor)

Asset Management

- Mitsubishi UFJ Kokusai Asset Management
- MU Investments

Venture Capital

- Mitsubishi UFJ Capital
- Marunouchi Capital

Factoring / Debt Collection

- Mitsubishi UFJ Factors
- MU Frontier Servicer

Research / Consulting

- Mitsubishi UFJ Research and Consulting

Real-Estate Brokerage

- Mitsubishi UFJ Real Estate Services

Software Development / Information Technology

- Mitsubishi Research Institute DCS

Internet Bank / Regional Banks

- Jibun Bank
- The Chukyo Bank

- MUFG Securities EMEA plc (Securities)
- MUFG Securities Americas Inc. (Securities)
- MUFG Securities Asia Limited (Securities Holding Company)
- MUFG Securities Asia (Singapore) Limited (Securities)
- Mitsubishi UFJ Wealth Management Bank (Switzerland) (Commercial Bank, Securities)
- Vietnam Joint Stock Commercial Bank for Industry and Trade (Commercial Bank)
- Security Bank Corporation (Commercial Bank)
- Dah Sing Financial Holdings (Commercial Bank Holding Company)
- Aberdeen Asset Management (Asset Management Holding Company)
- AMP Capital Holdings (Asset Management Holding Company)

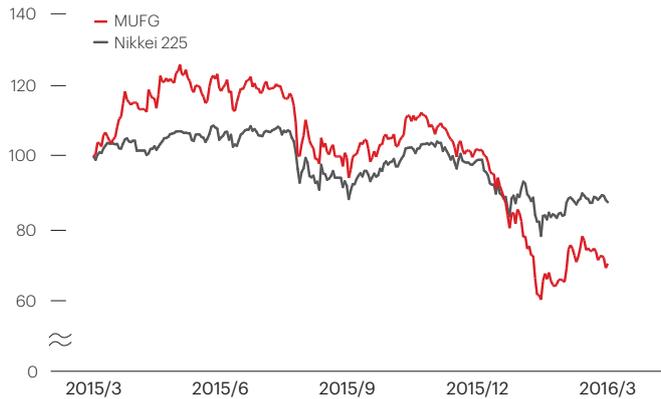
Corporate Information

(As of March 31, 2016)



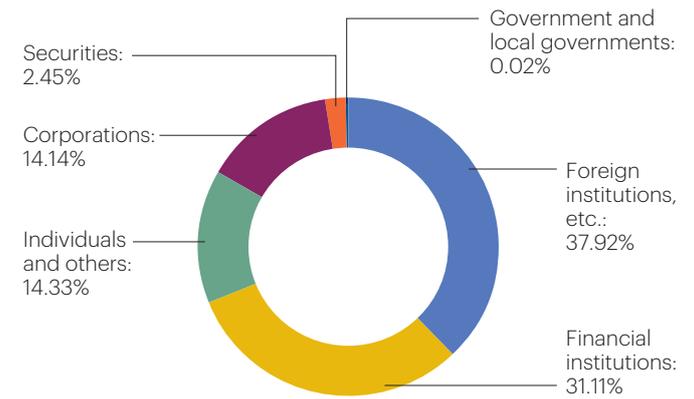
Company Name	Mitsubishi UFJ Financial Group, Inc.
Head Office	7-1, Marunouchi 2-Chome, Chiyoda-ku, Tokyo 100-8330, Japan
Date of Establishment	April 2, 2001
Amount of Capital	¥2,141.5 billion
Common Stock (Issued)	14,168,853,820
Stock Listings	Tokyo Stock Exchange, Nagoya Stock Exchange, New York Stock Exchange
Ticker Symbol Number	8306 (Tokyo Stock Exchange, Nagoya Stock Exchange) MTU (New York Stock Exchange)
Number of shareholders	782,622

Stock Price* Tokyo Stock Exchange



* Note: Share index (2015/3E = 100)

Ownership and Distribution of Shares*



* Excludes treasury shares and fractional shares

Website

For more detailed information, please refer to our website.



About MUFG

<http://www.mufig.jp/english/> (English)



Investor Relations

<http://www.mufig.jp/english/ir/> (English)



Sustainability

<http://www.mufig.jp/english/csr/> (English)

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