

MITSUBISHI UFJ FINANCIAL GROUP INC

Form 6-K

November 29, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 6-K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 under**

**the Securities Exchange Act of 1934**

**For the month of November 2016**

**Commission File No. 000-54189**

**MITSUBISHI UFJ FINANCIAL GROUP, INC.**

**(Translation of registrant's name into English)**

**7-1, Marunouchi 2-chome, Chiyoda-ku**

**Tokyo 100-8330, Japan**

**(Address of principal executive office)**

Indicate by check mark whether the registrant files or  
will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F   X   Form 40-F       

Indicate by check mark if the registrant is submitting the Form 6-K

in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K

in paper as permitted by Regulation S-T Rule 101(b)(7):

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT ON FORM F-3 (NO. 333-209455) OF MITSUBISHI UFJ FINANCIAL GROUP, INC. AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED TO THE U.S. SECURITIES AND EXCHANGE COMMISSION TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED WITH OR FURNISHED TO THE U.S. SECURITIES AND EXCHANGE COMMISSION.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 29, 2016

Mitsubishi UFJ Financial Group, Inc.

By: /s/ Yasuo Matsumoto

Name: Yasuo Matsumoto

Title: Chief Manager,

Documentation & Corporate Secretary Department,

Corporate Administration Division

## English Translation of Excerpts from Quarterly Securities Report Filed in Japan

This document is an English translation of selected information included in the Quarterly Securities Report for the quarter ended September 30, 2016 filed by Mitsubishi UFJ Financial Group, Inc. ( MUFG or we ) with the Kanto Local Financial Bureau, the Ministry of Finance of Japan, on November 29, 2016 (the Quarterly Securities Report ). An English translation of certain information included in the Quarterly Securities Report was previously submitted in a report on Form 6-K dated November 14, 2016. Accordingly, this document should be read together with the previously submitted report.

The Quarterly Securities Report has been prepared and filed in Japan in accordance with applicable Japanese disclosure requirements as well as generally accepted accounting principles in Japan ( Japanese GAAP ). There are significant differences between Japanese GAAP and U.S. GAAP. In addition, the Quarterly Securities Report is intended to update prior disclosures filed by MUFG in Japan and discusses selected recent developments in the context of those prior disclosures. Accordingly, the Quarterly Securities Report may not contain all of the information that is important to you. For a more complete discussion of the background to information provided in the Quarterly Securities Report disclosure, please see our annual report on Form 20-F for the fiscal year ended March 31, 2016 and the other reports filed with or submitted to the U.S. Securities and Exchange Commission by MUFG.

### Additional Japanese GAAP Financial Information for the Six Months Ended September 30, 2016

#### Consolidated Statements of Cash Flows

|                                                                     | (in millions of yen)                           |                                                |
|---------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
|                                                                     | For the six months ended<br>September 30, 2015 | For the six months ended<br>September 30, 2016 |
| Cash flows from operating activities:                               |                                                |                                                |
| Income before income taxes                                          | 926,759                                        | 738,440                                        |
| Depreciation                                                        | 145,348                                        | 150,111                                        |
| Impairment losses                                                   | 1,804                                          | 4,069                                          |
| Amortization of goodwill                                            | 8,886                                          | 7,427                                          |
| Equity in losses (gains) of affiliates                              | (144,680)                                      | (113,940)                                      |
| Increase (decrease) in allowance for credit losses                  | (79,850)                                       | (102,259)                                      |
| Increase (decrease) in reserve for bonuses                          | (9,974)                                        | (15,375)                                       |
| Increase (decrease) in reserve for bonuses to directors             | (245)                                          | (139)                                          |
| Increase (decrease) in reserve for stock payments                   |                                                | 1,153                                          |
| Decrease (increase) in net defined benefit assets                   | (53,334)                                       | (51,275)                                       |
| Increase (decrease) in net defined benefit liabilities              | (1,306)                                        | 2,919                                          |
| Increase (decrease) in reserve for retirement benefits to directors | (136)                                          | (145)                                          |
| Increase (decrease) in reserve for loyalty award credits            | 1,837                                          | 2,075                                          |
| Increase (decrease) in reserve for contingent losses                | (43,794)                                       | (1,180)                                        |
| Interest income recognized on statement of income                   | (1,394,968)                                    | (1,352,690)                                    |
| Interest expenses recognized on statement of income                 | 318,627                                        | 377,622                                        |
| Losses (gains) on securities                                        | (123,142)                                      | (136,713)                                      |
| Losses (gains) on money held in trust                               | (7,621)                                        | 5,047                                          |
| Foreign exchange losses (gains)                                     | 43,906                                         | 2,766,965                                      |
| Losses (gains) on sales of fixed assets                             | 5,002                                          | (3,128)                                        |
| Net decrease (increase) in trading assets                           | 936,662                                        | (5,848,778)                                    |

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|                                                                                    |             |             |
|------------------------------------------------------------------------------------|-------------|-------------|
| Net increase (decrease) in trading liabilities                                     | (45,087)    | 5,062,813   |
| Adjustment of unsettled trading accounts                                           | 37,859      | 221,891     |
| Net decrease (increase) in loans and bills discounted                              | (2,383,251) | 6,637,682   |
| Net increase (decrease) in deposits                                                | 1,017,206   | 3,084,635   |
| Net increase (decrease) in negotiable certificates of deposit                      | (1,391,525) | (2,693,181) |
| Net increase (decrease) in borrowed money (excluding subordinated borrowings)      | 304,645     | 1,506,188   |
| Net decrease (increase) in due from banks (excluding cash equivalents)             | (5,674,789) | 793,912     |
| Net decrease (increase) in call loans and bills bought and others                  | 872,432     | 1,944,582   |
| Net decrease (increase) in receivables under securities borrowing transactions     | (2,094,223) | (1,066,799) |
| Net increase (decrease) in call money and bills sold and others                    | 473,826     | 421,432     |
| Net increase (decrease) in commercial papers                                       | 569,826     | (726,809)   |
| Net increase (decrease) in payables under securities lending transactions          | 928,407     | 1,769,931   |
| Net decrease (increase) in foreign exchanges (assets)                              | 257,847     | (240,411)   |
| Net increase (decrease) in foreign exchanges (liabilities)                         | 227,287     | (341,856)   |
| Net increase (decrease) in short-term bonds payable                                | 23,793      | 231,506     |
| Net increase (decrease) in issuance and redemption of unsubordinated bonds payable | (105,624)   | (16,696)    |
| Net increase (decrease) in due to trust accounts                                   | 637,394     | (5,194,744) |
| Interest income (cash basis)                                                       | 1,508,379   | 1,465,647   |
| Interest expenses (cash basis)                                                     | (318,323)   | (378,395)   |
| Others                                                                             | 444,791     | (253,108)   |
| Sub-total                                                                          | (4,179,346) | 8,658,426   |
| Income taxes                                                                       | (320,228)   | (207,009)   |
| Refund of income taxes                                                             | 34,157      | 15,463      |
| Net cash provided by (used in) operating activities                                | (4,465,416) | 8,466,881   |

|                                                                                        | (in millions of yen)                           |                                                |
|----------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
|                                                                                        | For the six months ended<br>September 30, 2015 | For the six months ended<br>September 30, 2016 |
| Cash flows from investing activities:                                                  |                                                |                                                |
| Purchases of securities                                                                | (50,305,941)                                   | (24,801,941)                                   |
| Proceeds from sales of securities                                                      | 42,831,768                                     | 14,119,365                                     |
| Proceeds from redemption of securities                                                 | 13,859,440                                     | 12,261,165                                     |
| Increase in money held in trust                                                        | (141,108)                                      | (406,347)                                      |
| Decrease in money held in trust                                                        | 177,018                                        | 349,662                                        |
| Purchases of tangible fixed assets                                                     | (53,354)                                       | (62,932)                                       |
| Purchases of intangible fixed assets                                                   | (106,513)                                      | (117,374)                                      |
| Proceeds from sales of tangible fixed assets                                           | 2,681                                          | 12,285                                         |
| Proceeds from sales of intangible fixed assets                                         |                                                | 2,882                                          |
| Payments for purchases of subsidiaries equity affecting the scope of consolidation     |                                                | (4,153)                                        |
| Proceeds from sales of subsidiaries equity affecting the scope of consolidation        |                                                | 2,761                                          |
| Others                                                                                 | (554)                                          | (686)                                          |
| Net cash provided by (used in) investing activities                                    | 6,263,436                                      | 1,354,688                                      |
| Cash flows from financing activities:                                                  |                                                |                                                |
| Increase in subordinated borrowings                                                    | 38,000                                         | 31,000                                         |
| Decrease in subordinated borrowings                                                    | (48,000)                                       | (36,500)                                       |
| Proceeds from issuance of subordinated bonds payable and bonds with warrants           | 145,383                                        | 254,687                                        |
| Payments for redemption of subordinated bonds payable and bonds with warrants          | (195,400)                                      | (252,037)                                      |
| Proceeds from issuance of common stock to non-controlling shareholders                 | 490                                            | 204                                            |
| Payments for redemption of preferred securities                                        |                                                | (330,560)                                      |
| Dividends paid by MUFG                                                                 | (126,230)                                      | (124,103)                                      |
| Dividends paid by subsidiaries to non-controlling shareholders                         | (55,739)                                       | (45,425)                                       |
| Purchases of treasury stock                                                            | (100,032)                                      | (109,752)                                      |
| Proceeds from sales of treasury stock                                                  | 0                                              | 3                                              |
| Payments for purchases of subsidiaries equity not affecting the scope of consolidation | (2,362)                                        |                                                |
| Proceeds from sales of subsidiaries equity not affecting the scope of consolidation    |                                                | 0                                              |
| Others                                                                                 | 3                                              | 4                                              |
| Net cash provided by (used in) financing activities                                    | (343,887)                                      | (612,478)                                      |
| Effect of foreign exchange rate changes on cash and cash equivalents                   | (2,051)                                        | (248,942)                                      |
| Net increase (decrease) in cash and cash equivalents                                   | 1,452,081                                      | 8,960,147                                      |
| Cash and cash equivalents at the beginning of the period                               | 9,990,035                                      | 18,763,856                                     |
| Cash and cash equivalents at the end of the period                                     | 11,442,117                                     | 27,724,004                                     |



## Additional Notes to the Japanese GAAP Semi-Annual Financial Statements

### 1. Significant Accounting Bases and Policies Applied to the Semi-Annual Consolidated Financial Statements

#### I. Scope of consolidation

##### (1) Number of Consolidated Subsidiaries: 218

Major subsidiaries as of September 30, 2016:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Mitsubishi UFJ Securities Holdings Co., Ltd.  
ACOM CO., LTD.

Mitsubishi UFJ Trust and Banking Corporation  
Mitsubishi UFJ NICOS Co., Ltd.

##### (a) Changes in the scope of consolidation in the six months ended September 30, 2016

MUFG Capital Analytics LLC and three other companies were newly included in the scope of consolidation due to a share acquisition or for other reasons. In addition, PT. BTMU-BRI Finance and nine other companies were excluded from the scope of consolidation due to sales of shares or for other reasons.

##### (2) Non-consolidated subsidiaries

None.

##### (3) Entities not regarded as subsidiaries even though MUFG owns the majority of voting rights or business execution rights

Hygeia Co., Ltd.

OiDE CapiSEA, Inc.

##### (a) Reasons for excluding from the scope of consolidation

These entities were not treated as subsidiaries because Hygeia Co., Ltd. was established as a property management agent for a land trust project without any intent to control and because shares in OiDE CapiSEA, Inc. were held by consolidated venture capital and other subsidiaries for sales trading purposes with an aim to benefit from gains on their investments or for other purposes without any intent to control.

II. Application of the equity method

(1) Number of non-consolidated subsidiaries accounted for under the equity method

None.

(2) Number of equity method affiliates: 65

Major equity method affiliates as of September 30, 2016:

Mitsubishi UFJ Lease & Finance Company Limited

Morgan Stanley

*Changes in the scope of application of the equity method in the six months ended September 30, 2016*

Security Bank Corporation and another company were newly included in the scope of application of the equity method due to a share acquisition or for other reasons. In addition, The Taisho Bank, Ltd. and another company were excluded from the scope of application of the equity method due to decreases in voting rights held in these companies resulting from share exchange transactions or for other reasons.

Below is additional information.

*1. Outline of the acquisition of shares of Security Bank*

On January 14, 2016, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) concluded a Subscription Agreement with Security Bank. On April 1, 2016, BTMU acquired newly issued common shares and preferred shares, representing in the aggregate 20% of Security Bank's equity interest on a fully diluted basis, and appointed two directors to Security Bank's Board of Directors. As a result, Security Bank became an equity method affiliate.

An outline of Security Bank is as follows:

Corporate name

|                                                              |                                              |
|--------------------------------------------------------------|----------------------------------------------|
| (The equity method investee's name):                         | Security Bank Corporation                    |
| Business description:                                        | Commercial Bank                              |
| Date of application of the equity method:                    | April 1, 2016                                |
| Investment structure:                                        | Third-party allotment of newly issued shares |
| Percentage of voting rights following the share acquisition: | 20%                                          |

*2. Period for which the results of operations of the equity method investee are included in the consolidated financial statements*

The fiscal year end of Security Bank, the equity method investee, is the end of December, which differs by three months from the consolidated balance sheet date of MUFG. As the equity method began to apply to Security Bank on April 1, 2016, the results of operations of Security Bank for the period from April 1, 2016 to June 30, 2016 were included in the consolidated statements of income.

*3. Outline of the accounting treatment applied*

(a) Acquisition Cost

|                                              |                         |   |                |
|----------------------------------------------|-------------------------|---|----------------|
| Consideration for the shares                 | Cash and due from banks | ¥ | 88,404 million |
| Expenses directly related to the acquisition | Advisory fees, etc.     | ¥ | 741 million    |
| Acquisition cost                             |                         | ¥ | 89,146 million |

(b) Amount of goodwill recorded, reason for recording goodwill, amortization method and amortization period

(i) Amount of goodwill recorded

¥27,148 million

(ii) Reason for recording goodwill

The recorded goodwill reflected expected increases in profits from future business operations.

(iii) Amortization method and amortization period

Straight-line method over 20 years.

(3) Number of non-consolidated subsidiaries not accounted for under the equity method

None.

- (4) Number of affiliates not accounted for under the equity method

None.

- (5) Entities not regarded as affiliates even though MUFG owns 20% or more but 50% or less of voting rights

TECHTOM Ltd.

Osteopharma Inc.

Hirosaki Co., Ltd.

EDP Corporation

ISLE Co., Ltd.

AKITAYA Co., Ltd.

- (a) Reasons for excluding from the scope of affiliates

These entities were not regarded as affiliates because consolidated venture capital and other subsidiaries held shares in the entities for sales trading purposes with an aim to benefit from gains on their investments or for other purposes without any intent to control.

### III. Semi-Annual Balance Sheet Dates of Consolidated Subsidiaries

- (1) The semi-annual balance sheet dates of consolidated subsidiaries were as follows:

January 24: 4 subsidiaries

The end of February: 1 subsidiary

The end of April: 1 subsidiary

The end of June: 131 subsidiaries

July 24: 13 subsidiaries

The end of September: 68 subsidiaries

- (a) Changes in the balance sheet dates of consolidated subsidiaries in the six months ended September 30, 2016

In the six months ended September 30, 2016, Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad changed its annual balance sheet date from December 31 to March 31, making it consistent with the annual consolidated balance sheet

date. For the accounting period for the six months ended September 30, 2016, the subsidiary was consolidated based on its financial statements for the nine months from January 1, 2016 to September 30, 2016.

- (2) The subsidiaries whose balance sheet date is January 24 were consolidated based on their preliminary financial statements as of July 24.

The subsidiary whose balance sheet date is the end of February was consolidated based on its preliminary financial statements as of the end of August.

The subsidiary whose balance sheet date is the end of April was consolidated based on its preliminary financial statements as of the end of July.

The remaining subsidiaries were consolidated based on their financial statements as of their respective balance sheet dates.

Adjustments were made to the consolidated financial statements to reflect significant transactions that occurred between the consolidated balance sheet date and the balance sheet dates of the subsidiaries described above.

#### IV. Accounting Policies

##### (1) Trading Assets and Trading Liabilities; Trading Income and Expenses

Transactions involving short-term fluctuations or arbitrage opportunities in interest rates, currency exchange rates, market prices of financial instruments or other market indices ( trading purposes ) are presented in Trading assets and Trading liabilities on the consolidated balance sheet on a trade-date basis, and gains and losses from trading transactions (interest and dividends, gains or losses on sales and gains or losses on valuation) are presented in Trading income and Trading expenses on the consolidated statement of income on a trade-date basis.

Trading assets and trading liabilities are stated at their fair values on the consolidated balance sheet date.

##### (2) Securities

- (a) Debt securities being held to maturity are stated at amortized cost (using the straight-line method) computed using the moving average method. Available-for-sale securities are primarily stated at their quoted market prices on the consolidated balance sheet date (cost of securities sold is calculated primarily using the moving average method), and securities whose fair values cannot be reliably determined are stated at acquisition costs computed using the moving average method.

Net unrealized gains and losses on available-for-sale securities are included directly in net assets, net of applicable income taxes, except in the case of application of the fair value hedge accounting method, in which the change in fair value recognized is recorded in current earnings.

- (b) Securities that are held as trust assets in money held in trust are accounted for on the same basis as noted above in Notes (1) and (2)(a).

Net unrealized gains and losses on securities in money held in trust, which are not held for trading purposes or held to maturity, are included directly in net assets, net of applicable income taxes.

##### (3) Derivatives

Derivative transactions other than trading purposes are calculated primarily based on fair value.

##### (4) Depreciation and Amortization of Fixed Assets

###### (a) Tangible Fixed Assets except for Lease Assets

Depreciation of tangible fixed assets of MUFG and its domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries is computed using the declining-balance method, and is recorded based on the semi-annual period allocation of the estimated depreciation amount for the full year computed using the declining-balance method over the estimated useful lives of the assets. The useful lives are primarily estimated as follows:

Buildings: 15 to 50 years

Equipment: 2 to 20 years

Depreciation of tangible fixed assets of other consolidated subsidiaries is computed primarily using the straight-line method based on their estimated useful lives.

(b) Intangible Fixed Assets except for Lease Assets

Amortization of intangible fixed assets is computed using the straight-line method.

Development costs for internally used software are amortized using the straight-line method over the estimated useful lives of the assets, which are primarily 3 to 10 years.

(c) Lease Assets

Depreciation or amortization of lease assets in Tangible fixed assets or Intangible fixed assets under finance leases other than those that are deemed to transfer the ownership of leased property to the lessees is computed using the straight-line method over the lease periods with zero residual value unless residual value is guaranteed under the corresponding lease contracts.

(5) Deferred Assets

Bond issuance costs and stock issuance costs are expensed as incurred.

(6) Allowance for Credit Losses

Principal domestic consolidated subsidiaries determine allowances for credit losses as described below in accordance with the internal standards for self-assessment of asset quality and the internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses ( bankrupt borrowers ) or borrowers that are not legally or formally bankrupt but are regarded as substantially in a similar condition ( substantially bankrupt borrowers ), allowances are provided based on the amount of claims, after the write-offs as stated below, net of expected amounts to be collected through the disposal of collateral and the execution of guarantees. For claims on borrowers that are not yet legally or formally bankrupt but deemed to have a high possibility of becoming bankrupt ( potentially bankrupt borrowers ), where the amounts of principal repayments and interest payments cannot be reasonably estimated from the borrowers' cash flows, allowances are provided based on an overall solvency assessment of the claims, net of expected amounts to be collected through the disposal of collateral and the execution of guarantees. For claims on potentially bankrupt borrowers and claims on borrowers requiring close monitoring, where the amounts of principal repayments and interest payments can be reasonably estimated from the borrowers' cash flows, allowances are provided in an amount equal to the difference between the carrying amount of the claims and the amount of the estimated cash flows discounted by the relevant initial contractual interest rates.

For other claims, allowances are provided based on historical credit loss experience and others.

For claims originated in certain foreign countries, additional allowances are provided based on an assessment of political, economic and other conditions of these countries.

All claims are assessed by the relevant branches and credit supervision departments in accordance with the internal standards for self-assessment of asset quality. The credit review department, which is independent from those operating sections, subsequently audits these assessments.

For claims on bankrupt borrowers and substantially bankrupt borrowers, the amount of claims exceeding the estimated value of collateral or guarantees, which is deemed uncollectible, is written off. The total amount of write-offs was ¥413,491 million as of September 30, 2016 (¥397,076 million as of March 31, 2016).

Consolidated subsidiaries not adopting the procedures stated above provide for allowances based on their historical credit loss experience and others for collectively assessed claims and based on individual assessments of the possibility of collection for specific deteriorated claims.

(7) Reserve for Bonuses

Reserve for bonuses, which is provided for future bonus payments to employees, is recorded in the amount deemed to have accrued based on the estimated amount of bonuses as of the consolidated balance sheet date.

(8) Reserve for Bonuses to Directors

Reserve for bonuses to directors, which is provided for future bonus payments to directors and officers, is recorded in the amount deemed to have accrued based on the estimated amount of bonuses as of the consolidated balance sheet date.

(9) Reserve for stocks payment

Reserve for stocks payment, which is provided for future payments of compensation under the performance-based stock compensation plan for directors and officers of MUFG and certain domestic consolidated subsidiaries, is recorded in the amount deemed to have accrued based on the estimated amount of compensation as of the consolidated balance sheet date.

(10) Reserve for Retirement Benefits to Directors

Reserve for retirement benefits to directors, which is provided for future payments of retirement benefits to directors of consolidated subsidiaries, is recorded in the amount deemed to have accrued based on the estimated amount of benefits as of the consolidated balance sheet date.

(11) Reserve for Loyalty Award Credits

Reserve for loyalty award credits, which is provided for the future redemption of credits granted to credit card (such as Super IC Card) customers, is recorded in the converted Japanese yen amount deemed necessary based on the estimated future redemption of unused credits.

(12) Reserve for Contingent Losses

Reserve for contingent losses, which is provided for possible losses from contingent events related to off-balance sheet transactions and various litigation and regulatory matters, is calculated by estimating the impact of such contingent events. This reserve also includes future claims for repayment of excess interest payments on consumer loans that are estimated based on the past repayments, the pending claims and other factors.

(13) Reserves under Special Laws

Reserves under special laws represent the reserves for contingent liabilities from derivative financial instrument transactions executed for clients, which are recorded in accordance with Article 46-5-1 and Article 48-3-1 of the Financial Instruments and Exchange Law and Article 175 and Article 189 of the Cabinet Office Ordinance on Financial Instruments Business.

(14) Retirement Benefits

In calculating benefit obligation, the portion of the projected benefit obligation attributed to the six-month period ended September 30, 2016 is determined on a benefit formula basis. Unrecognized prior service cost and unrecognized net actuarial gains (losses) are amortized in the following manner:

Unrecognized prior service cost is amortized using the straight-line method for a fixed period, primarily over 10 years, within the employees' average remaining service period.

Unrecognized net actuarial gains (losses) are amortized using the straight-line method for a fixed period, primarily over 10 years, within the employees' average remaining service period, commencing in the fiscal year immediately following the fiscal year in which the net gains (losses) are incurred.

For certain overseas branches of domestic consolidated subsidiaries and some consolidated subsidiaries, net defined benefit liability and retirement benefit expenses are calculated using the simplified method.

(15) Translation of Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies or booked at overseas branches of domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries are translated into yen primarily at exchange rates prevailing at the consolidated balance sheet date, except for investments in non-consolidated affiliates which are translated into yen at exchange rates prevailing at the relevant acquisition dates.

Assets and liabilities denominated in foreign currencies of other consolidated subsidiaries are translated into yen at exchange rates prevailing at their respective balance sheet dates.

(16) Leasing Transactions

(As Lessees)

Domestic consolidated subsidiaries finance leases other than those that are deemed to transfer the ownership of leased property to the lessees are accounted for in a way similar to purchases, and the depreciation of lease assets is computed using the straight-line method over the lease term with zero residual value unless residual value is guaranteed by the relevant lease contracts.

(As Lessors)

Finance leases other than those that are deemed to transfer the ownership of leased property to the lessees are accounted for in a way similar to sales and income and expenses related to such leases are recognized by allocating interest equivalents to applicable fiscal periods instead of recording sales as Other ordinary income.

(17) Hedge Accounting

(a) Hedge Accounting for Interest Rate Risks

Domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries have adopted the deferred hedge accounting method for hedging transactions for interest rate risks arising from financial assets and liabilities. Portfolio hedging or individual hedging, as described in the Japanese Institute of Certified Public Accountants ( JICPA ) Industry Audit Committee Report No. 24, Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry (February 13, 2002) and JICPA Accounting Committee Report No. 14, Practical Guidelines for Accounting for Financial Instruments (January 31, 2000), are primarily applied to determine hedged items.

With respect to hedging transactions to offset fluctuations in the fair value of fixed rate deposits, loans and other instruments, hedging instruments (e.g., interest rate swaps) are designated to hedged items individually or collectively by their maturities in accordance with JICPA Industry Audit Committee Report No. 24. With respect to hedging transactions to offset fluctuations in the fair value of fixed rate bonds classified as available-for-sale securities, hedging instruments (e.g., interest rate swaps) are designated to hedged items collectively by the type of bond. Since material terms related to hedged items and hedging instruments are substantially identical, and such hedging transactions are deemed highly effective, the assessment of effectiveness is based on the similarity of the terms.

With respect to hedging transactions to fix the cash flows related to floating rate deposits and loans as well as forecasted transactions related to short-term fixed rate deposits, loans and other instruments, hedging instruments (e.g., interest rate swaps) are designated to hedged items collectively by interest rate indices and tenors in accordance with JICPA Industry Audit Committee Report No. 24. Since material terms related to hedged items and hedging instruments are substantially identical, and such hedging transactions are deemed highly effective, the assessment of effectiveness is based on the similarity of the terms. The effectiveness of hedging transactions is also assessed by the correlation between factors that cause fluctuations in interest rates of hedged items and those of hedging instruments.

(b) Hedge Accounting for Foreign Currency Risks

Domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries have adopted the deferred hedge accounting method for hedging foreign currency risks arising from financial assets and liabilities denominated in foreign currencies. Portfolio hedging is applied to determine hedged items as described in JICPA

Industry Audit Committee Report No. 25 Treatment of Accounting and Auditing concerning Accounting for Foreign Currency Transactions in the Banking Industry (July 29, 2002). Hedging instruments (e.g., currency swaps and forward exchange contracts) are designated to hedged items collectively by currencies.

Portfolio hedging and individual hedging are applied to hedge foreign currency risks arising from equity investments in foreign subsidiaries and foreign affiliates and available-for-sale securities (other than bonds) denominated in foreign currencies. Monetary claims and liabilities denominated in the same foreign currencies or forward exchange contracts are used as hedging instruments. As for the hedge accounting method applied to equity investments in foreign subsidiaries and foreign affiliates, foreign currency translation differences arising from hedging instruments are recorded as foreign currency translation adjustments. The fair value hedge accounting method is applied to available-for-sale securities, (other than bonds) denominated in foreign currencies.

(c) Hedge Accounting for Stock Price Fluctuation Risks

Individual hedging is applied to hedge market fluctuation risks arising from equity securities strategically held by domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries. Instruments such as total return swaps are used as hedging instruments. The effectiveness of hedging transactions is assessed by the correlation between changes in the fair value of hedged items and changes in the fair value of hedging instruments. The fair value hedge accounting method is applied.

(d) Transactions among Consolidated Subsidiaries

Derivative transactions including interest rate swaps and currency swaps which are designated as hedging instruments among consolidated subsidiaries or between trading accounts and other accounts (or among internal departments) are not eliminated from the consolidated statements of income or valuation difference, but are recognized as related gains or losses or deferred under hedge accounting because these derivative transactions are executed while strictly meeting certain criteria under JICPA Industry Audit Committee Reports No. 24 and No. 25 so that they are regarded as equivalent to external third-party transactions.

(18) Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

Cash and cash equivalents in the consolidated statements of cash flows are defined as Cash and due from banks on the consolidated balance sheet, excluding time deposits and negotiable certificates of deposits in other banks.

(19) Consumption Taxes

Japanese national and local consumption taxes are excluded from transaction amounts. Non-deductible portions of consumption taxes on the purchases of tangible fixed assets are expensed when incurred.

(20) Adoption of Consolidated Taxation System

MUFG and some of its domestic consolidated subsidiaries have adopted the consolidated taxation system.

(21) Accounting of Bills Discounted and Rediscounted

Bills discounted and rediscounted are accounted for as financial trading in accordance with the criteria under JICPA Industry Audit Committee Report No. 24.

(22) Accounting Standards for Foreign Subsidiaries

If the financial statements of foreign subsidiaries are prepared in accordance with the International Financial Reporting Standards ( IFRS ) or the Generally Accepted Accounting Principles in the United States ( U.S. GAAP ), such financial statements are used for consolidated accounting.

If the financial statements of foreign subsidiaries are prepared in accordance with generally accepted accounting principles in the relevant jurisdiction of domicile and not in accordance with IFRS or U.S. GAAP, such financial statements are mainly rearranged in accordance with U.S. GAAP.

In addition, adjustments are made in the process of consolidation as necessary.

## **2. Additional Information**

(Implementation Guidance on Recoverability of Deferred Tax Assets)

On March 28, 2016, the Accounting Standards Board of Japan (ASBJ) issued ASBJ Guidance No.26, Implementation Guidance on Recoverability of Deferred Tax Assets. MUFG adopted this guidance on April 1, 2016.

(Update of the Accounting Standards Codification (ASC) No. 825 (Financial instruments) by the Financial Accounting Standards Board (FASB))

Beginning in the six months ended September 30, 2016, MUFG's overseas affiliates under the equity method, to which U.S. GAAP applies, adopted early the update of ASC No.825 (Financial instruments).

Upon the adoption described above, with respect to financial liabilities which the affiliate elected to measure at fair value under the fair value option, in accordance with the accounting standards, MUFG recorded the changes in the fair value of such financial instruments resulting from a change in the instrument-specific credit risk in the amount of debt value adjustments of foreign affiliates (DVAs) in accumulated other comprehensive income. MUFG made cumulative catch-up adjustments to the opening balances of retained earnings and DVAs, at the beginning of the six months ended September 30, 2016.

As a result, at the beginning of the six months ended September 30, 2016, retained earnings increased by ¥8,464 million, and DVAs decreased by ¥8,464 million.

In addition, ordinary income and profits before income taxes for the six months ended September 30, 2016, each decreased by ¥9,233 million.

The effect on per share information is described in Per Share Information below.

(Implementation of a Board Incentive Plan for Directors and Officers)

### **I. Outline of the Plan**

In the six months ended September 30, 2016, MUFG implemented a performance-based director and officer stock compensation plan using a Board Incentive Plan trust. The plan is designed to prevent excessive risk-taking and raise motivation to contribute to both short-term and medium- to long-term improvement of financial results, thereby enabling sustainable growth and medium- to long-term enhancement of the enterprise value of the MUFG Group.

The plan's beneficiaries are directors and officers of MUFG and certain domestic consolidated subsidiaries who satisfy prescribed beneficiary requirements. The trust entrusted with funds approved by the Compensation Committee of MUFG, together with funds contributed by certain domestic consolidated subsidiaries (collectively, Acquisition Funds), acquired shares of MUFG in the stock market with the Acquisition Funds.

During the trust period, in accordance with the prescribed share delivery rules, points are allocated to the beneficiaries, and the beneficiaries receive the delivery of shares of MUFG in the number representing a certain percentage of their respective allocated points. In addition, in accordance with the provisions of the trust agreement, the shares of MUFG representing the remaining points are liquidated within the trust, and the beneficiaries receive cash in the amount equal to the liquidated share price.

II. Shares of MUFG remaining in the trust

In the six months ended September 30, 2016, the carrying amount and number of shares which remain in the trust are 9,742 million yen and 18,779 thousand shares, respectively, and are included in the treasury shares reported as part of total net assets.

**3. Consolidated Balance Sheets****I. Equity securities and other capital investments in affiliates**

|                                         |                | (in millions of yen) |
|-----------------------------------------|----------------|----------------------|
|                                         | March 31, 2016 | September 30, 2016   |
| Equity securities                       | ¥ 2,559,559    | ¥ 2,399,951          |
| Other capital investments in affiliates | 29,730         | 13,432               |

**II. Securities loaned under unsecured securities lending transactions included in Securities**

|                                                                   |                | (in millions of yen) |
|-------------------------------------------------------------------|----------------|----------------------|
|                                                                   | March 31, 2016 | September 30, 2016   |
| Securities loaned under unsecured securities lending transactions | ¥              | ¥ 13,003             |

Securities borrowed under securities borrowing transactions and securities purchased under resale agreements where the borrowers or purchasers have the right to dispose of the securities through sale or re-pledging without any restrictions

|                                     |                | (in millions of yen) |
|-------------------------------------|----------------|----------------------|
|                                     | March 31, 2016 | September 30, 2016   |
| Securities re-pledged               | ¥ 12,388,598   | ¥ 12,047,363         |
| Securities re-loaned                | 222,362        | 391,555              |
| Securities held without disposition | 3,091,874      | 5,142,591            |

Bank acceptance bills discounted, commercial bills discounted, documentary bills discounted and foreign currency bills bought discounted with the right to dispose of the bills discounted through sale or re-pledging without any restrictions

|                               |                | (in millions of yen) |
|-------------------------------|----------------|----------------------|
|                               | March 31, 2016 | September 30, 2016   |
| Bills discounted (face value) | ¥ 1,088,768    | ¥ 1,035,173          |

Foreign currency bills bought which were re-discounted upon transfer

|                | (in millions of yen) |
|----------------|----------------------|
| March 31, 2016 | September 30, 2016   |

|                                                   |   |       |   |        |
|---------------------------------------------------|---|-------|---|--------|
| Foreign currency bills re-discounted (face value) | ¥ | 8,860 | ¥ | 10,104 |
|---------------------------------------------------|---|-------|---|--------|

### III. Loans to bankrupt borrowers and non-accrual delinquent loans included in Loans and bills discounted

|                              |                | (in millions of yen) |
|------------------------------|----------------|----------------------|
|                              | March 31, 2016 | September 30, 2016   |
| Loans to bankrupt borrowers  | ¥ 54,913       | ¥ 50,382             |
| Non-accrual delinquent loans | 1,110,576      | 778,755              |

Loans to bankrupt borrowers are loans, after write-offs, to bankrupt borrowers as defined in Paragraphs 1 through 5 of Article 96-1-3 and Article 96-1-4 of the Enforcement Ordinance of the Corporate Tax Law (No. 97 in 1965)

( Non-accrual Loans ) on which accrued interest income is not recognized as there is substantial doubt as to the collection of principal and/or interest because of delinquencies in principal repayment and/or interest payments for a significant period of time or for some other reasons.

Non-accrual delinquent loans represent Non-accrual Loans other than loans to bankrupt borrowers and loans renegotiated at concessionary terms, including reduction or deferral of interest payments, to assist borrowers in improving their financial condition.

#### IV. Accruing loans contractually past due 3 months or more

|                                                        |                | (in millions of yen) |
|--------------------------------------------------------|----------------|----------------------|
|                                                        | March 31, 2016 | September 30, 2016   |
| Accruing loans contractually past due 3 months or more | ¥ 51,620       | ¥ 49,669             |

Accruing loans contractually past due 3 months or more represent loans whose principal repayment and/or interest payments have been past due 3 months or more other than loans to bankrupt borrowers and non-accrual delinquent loans.

#### V. Restructured loans

|                    |                | (in millions of yen) |
|--------------------|----------------|----------------------|
|                    | March 31, 2016 | September 30, 2016   |
| Restructured loans | ¥ 438,767      | ¥ 665,784            |

Restructured loans represent loans renegotiated at concessionary terms, including interest rate reductions, deferrals of interest payments and principal payments, and waivers of loan claims, to assist borrowers in improving their financial condition, other than loans to bankrupt borrowers, non-accrual delinquent loans and accruing loans contractually past due 3 months or more.

#### VI. Total of loans to bankrupt borrowers, non-accrual delinquent loans, accruing loans contractually past due 3 months or more and restructured loans

|                                                                                                                                                   |                | (in millions of yen) |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------|
|                                                                                                                                                   | March 31, 2016 | September 30, 2016   |
| Total of loans to bankrupt borrowers, non-accrual delinquent loans, accruing loans contractually past due 3 months or more and restructured loans | ¥ 1,655,877    | ¥ 1,544,592          |

The amounts provided in Notes III to VI above represent amounts before allowances for credit losses.

#### VII. Assets pledged as collateral

Assets pledged as collateral and their relevant liabilities as of March 31, 2016 and September 30, 2016 were as follows:

|                | (in millions of yen) |
|----------------|----------------------|
| March 31, 2016 | September 30, 2016   |

|                                       |   |            |              |
|---------------------------------------|---|------------|--------------|
| Assets pledged as collateral:         |   |            |              |
| Cash and due from banks               | ¥ | 6,194      | ¥ 6,568      |
| Trading assets                        |   | 125,562    | 173,343      |
| Securities                            |   | 2,843,706  | 5,252,867    |
| Loans and bills discounted            |   | 7,587,495  | 6,295,467    |
| Total                                 | ¥ | 10,562,958 | ¥ 11,728,247 |
| Relevant liabilities to above assets: |   |            |              |
| Deposits                              | ¥ | 755,683    | ¥ 567,000    |
| Trading liabilities                   |   | 25,015     | 27,639       |
| Borrowed money                        |   | 9,323,452  | 10,832,112   |
| Bonds payable                         |   | 19,301     | 18,657       |
| Other liabilities                     |   |            | 801          |
| Acceptances and guarantees            |   | 130,389    | 129,116      |

In addition to the above, the following assets were pledged as collateral for cash settlements and other transactions or as deposits for margin accounts for futures and other transactions:

(in millions of yen)

|                            | March 31, 2016 | September 30, 2016 |
|----------------------------|----------------|--------------------|
| Cash and due from banks    | ¥ 3,425        | ¥ 4,297            |
| Monetary claims bought     | 792,042        | 606,676            |
| Trading assets             | 273,007        | 166,756            |
| Securities                 | 7,231,961      | 7,419,503          |
| Loans and bills discounted | 11,285,082     | 6,339,450          |

Furthermore, the following assets were sold under repurchase agreements or loaned under securities lending with cash collateral as of March 31, 2016 and September 30, 2016:

(in millions of yen)

|                | March 31, 2016 | September 30, 2016 |
|----------------|----------------|--------------------|
| Trading assets | ¥ 1,718,168    | ¥ 1,713,497        |
| Securities     | 14,804,600     | 19,474,970         |
| Total          | ¥ 16,522,769   | ¥ 21,188,467       |

Relevant liabilities to above assets:

|                                                |              |              |
|------------------------------------------------|--------------|--------------|
| Payables under repurchase agreements           | ¥ 13,081,752 | ¥ 12,877,468 |
| Payables under securities lending transactions | 3,069,990    | 5,294,227    |

VIII. Overdraft facilities and commitment lines of credit are binding contracts under which MUFG's consolidated subsidiaries have obligations to disburse funds up to predetermined limits upon a borrower's request as long as there has been no breach of contractual terms. The total amount of the undrawn portion of these facilities and credit lines as of March 31, 2016 and September 30, 2016 were as follows:

(in millions of yen)

|                                                             | March 31, 2016 | September 30, 2016 |
|-------------------------------------------------------------|----------------|--------------------|
| Undrawn overdraft facilities and commitment lines of credit | ¥ 88,241,307   | ¥ 85,909,119       |

The total amount of the undrawn portion does not necessarily represent actual future cash requirements because many of these contracts are expected to expire without being drawn upon. In addition, most of these contracts include clauses which allow MUFG's consolidated subsidiaries to decline a borrower's request for disbursement or decrease contracted limits for cause, such as changes in financial market condition, deterioration in the borrower's creditworthiness and certain other reasons. MUFG's consolidated subsidiaries may request a borrower to pledge real property and/or securities as collateral upon signing of the contract and perform periodic monitoring of the borrower's business condition in accordance with internal procedures, which may lead to renegotiation of contractual terms.

and/or a request for additional collateral and/or a guarantee.

IX. In accordance with the Law concerning Revaluation of Land (the Land Revaluation Law ) (No. 34, March 31, 1998), land used for business operations of domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries has been revalued as of the dates indicated below. The aggregate excess amount resulting from the revaluation, net of income taxes corresponding to the excess amount which were recognized as Deferred tax liabilities for land revaluation in liabilities, is stated as Land revaluation excess in net assets. Land revaluation excess includes MUFG's share of affiliated companies' aggregate land revaluation excess. Dates of revaluation:

Domestic consolidated banking subsidiaries: March 31, 1998.

Domestic consolidated trust banking subsidiaries: March 31, 1998, December 31, 2001 and March 31, 2002.

The method of revaluation as set forth in Article 3, Paragraph 3 of the Land Revaluation Law:

Land value was determined based on (1) published land prices under the Land Price Publication Law as set forth in Article 2, Paragraph 1 of the Enforcement Ordinance of the Law concerning Revaluation of Land ( Land Revaluation Ordinance ) (No. 119, March 31, 1998), (2) standard land prices determined for measurement land spaces under the Enforcement Ordinance of National Land Planning Law as set forth in Article 2, Paragraph 2 of the Land Revaluation Ordinance, (3) land prices determined by the method established and published by the Director General of the National Tax Agency in order to calculate land value for determining taxable amounts subject to landholding tax provided in Article 16 of the Landholding Tax Law as set forth in Article 2, Paragraph 4 of the Land Revaluation Ordinance with price adjustments for shape and time, and (4) appraisal by certified real estate appraisers as set forth in Article 2, Paragraph 5 of the Land Revaluation Ordinance with price adjustments for time. In addition, some of MUFG's affiliates that were accounted for under the equity method conducted revaluations of land used for business operations on March 31, 2002.

X. Accumulated depreciation on tangible fixed assets

|                                                   |                | (in millions of yen) |
|---------------------------------------------------|----------------|----------------------|
|                                                   | March 31, 2016 | September 30, 2016   |
| Accumulated depreciation on tangible fixed assets | ¥ 1,218,922    | ¥ 1,181,896          |

XI. Subordinated borrowings included in Borrowed money

|                         |                | (in millions of yen) |
|-------------------------|----------------|----------------------|
|                         | March 31, 2016 | September 30, 2016   |
| Subordinated borrowings | ¥ 616,500      | ¥ 611,331            |

XII. Subordinated bonds included in Bonds payable

|                    |                | (in millions of yen) |
|--------------------|----------------|----------------------|
|                    | March 31, 2016 | September 30, 2016   |
| Subordinated bonds | ¥ 2,579,457    | ¥ 2,571,704          |

XIII. Principal amount of money trusts entrusted to domestic trust banking subsidiaries, for which repayment of the principal to the customers was guaranteed

|  | (in millions of yen)              |
|--|-----------------------------------|
|  | March 31, 2016 September 30, 2016 |

|                                   |   |           |   |           |
|-----------------------------------|---|-----------|---|-----------|
| Principal-guaranteed money trusts | ¥ | 7,111,058 | ¥ | 5,532,965 |
|-----------------------------------|---|-----------|---|-----------|

XIV. Guarantee obligations for private placement bonds (as set forth in Article 2, Paragraph 3 of the Financial Instruments and Exchange Law) among the bonds and other securities included in Securities

|                                                   |   | March 31, 2016 |   | (in millions of yen)<br>September 30, 2016 |
|---------------------------------------------------|---|----------------|---|--------------------------------------------|
| Guarantee obligations for private placement bonds | ¥ | 580,398        | ¥ | 535,385                                    |

XV. Contingent liabilities  
(Litigation)

The MUFG Group has received requests for information from certain regulators in relation to investigations regarding the MUFG Group's foreign operations, such as governance practices and foreign exchange trading practices in Europe, and is cooperating with these regulators in their investigations. Although it is probable the investigations in these practices could result in penalties, based upon current knowledge and the results of consultation with counsel, the timing and amounts of any penalties from these investigations cannot be reasonably estimated. Management also believes the amount of loss that is reasonably possible, but not probable, from various litigation and regulatory matters is not material to the MUFG Group's financial position, results of operations or cash flows.

**4. Consolidated Statements of Income**

Other ordinary income for the periods indicated included the following:

|                                                  | (in millions of yen)                   |           |
|--------------------------------------------------|----------------------------------------|-----------|
|                                                  | For the six months ended September 30, |           |
|                                                  | 2015                                   | 2016      |
| Equity in earnings of equity method investees    | ¥ 144,680                              | ¥ 113,940 |
| Gains on sales of equity securities              | 60,883                                 | 82,635    |
| Gains on loans written-off                       | 28,926                                 | 27,993    |
| Gains on reversal of allowance for credit losses | 44,442                                 | 22,807    |

Other ordinary expenses for the periods indicated included the following:

|                                                            | (in millions of yen)                   |          |
|------------------------------------------------------------|----------------------------------------|----------|
|                                                            | For the six months ended September 30, |          |
|                                                            | 2015                                   | 2016     |
| Write-offs of loans                                        | ¥ 65,246                               | ¥ 59,831 |
| Provision for reserve for credit-related contingent losses | 951                                    | 47,968   |
| Losses on sales of equity securities                       | 11,790                                 | 27,193   |
| Losses on waiver of claims                                 | 40,681                                 | 1,478    |

**5. Consolidated Statements of Changes in Net Assets**

For the six months ended September 30, 2015

**I. Information on the class and number of outstanding shares and treasury stock**

|                     | Number of shares in thousands |          |          |                    |
|---------------------|-------------------------------|----------|----------|--------------------|
|                     | April 1,<br>2015              | Increase | Decrease | September 30, 2015 |
| Outstanding shares: |                               |          |          |                    |
| Common stock        | 14,168,853                    |          |          | 14,168,853         |
| Total               | 14,168,853                    |          |          | 14,168,853         |
| Treasury stock:     |                               |          |          |                    |
| Common stock        | 151,014                       | 111,214  | 3,704    | 258,525 (Note)     |
| Total               | 151,014                       | 111,214  | 3,704    | 258,525            |

(Note) The increase in the number of shares of common stock held in treasury by 111,214 thousand shares was mainly due to acquisitions of shares pursuant to provisions of the Articles of Incorporation, repurchases of shares in

response to requests made by shareholders holding shares constituting less than one whole unit, and an increase in the number of shares held by affiliates accounted for under the equity method. The decrease in the number of shares of common stock held in treasury by 3,704 thousand shares was mainly due to delivery of shares upon the exercise of stock options, sale of shares in response to requests made by shareholders holding shares constituting less than one whole unit, and a decrease in the number of shares held by affiliates accounted for under the equity method.

## II. Information on share subscription rights

| Issuer | Type of<br>share       | Class of<br>shares to<br>be issued | Number of shares<br>subject to share subscription rights |                      | Balance as of<br>September 30, 2015<br>(in millions of yen) |
|--------|------------------------|------------------------------------|----------------------------------------------------------|----------------------|-------------------------------------------------------------|
|        | subscription<br>rights |                                    | April 1, 2015                                            | Increase<br>Decrease |                                                             |
| MUFG   | Stock options          |                                    |                                                          |                      | 7,782                                                       |
| Total  |                        |                                    |                                                          |                      | 7,782                                                       |

## III. Information on cash dividends

## (1) Cash dividends paid during the six-month period

| Approval                                             | Class of shares | Total amount<br>(millions of yen) | Per share amount<br>(yen) | Dividend record date | Effective date |
|------------------------------------------------------|-----------------|-----------------------------------|---------------------------|----------------------|----------------|
| Annual General Shareholders Meeting on June 25, 2015 | Common stock    | 126,179                           | 9                         | March 31, 2015       | June 25, 2015  |

## (2) Dividends the record date for which fell within the six-month period and the effective date of which was after the end of the six-month period

| Approval                                        | Class of shares | Total amount<br>(millions of yen) | Funding source    | Per share amount<br>(yen) | Dividend record date | Effective date   |
|-------------------------------------------------|-----------------|-----------------------------------|-------------------|---------------------------|----------------------|------------------|
| Board of Directors Meeting on November 13, 2015 | Common stock    | 125,212                           | Retained earnings | 9                         | September 30, 2015   | December 4, 2015 |

*For the six months ended September 30, 2016*

## I. Information on the class and number of outstanding shares and treasury stock

|                     | Number of shares in thousands |          |          |                         |
|---------------------|-------------------------------|----------|----------|-------------------------|
|                     | April 1, 2016                 | Increase | Decrease | September 30, 2016      |
| Outstanding shares: |                               |          |          |                         |
| Common stock        | 14,168,853                    |          |          | 14,168,853              |
| Total               | 14,168,853                    |          |          | 14,168,853              |
| Treasury stock:     |                               |          |          |                         |
| Common stock        | 380,255                       | 209,414  | 4,401    | 585,267 (Notes 1 and 2) |
| Total               | 380,255                       | 209,414  | 4,401    | 585,267                 |

- (Note 1) The increase in the number of shares of common stock held in treasury by 209,414 thousand shares was mainly due to the acquisitions of shares pursuant to provisions of the Articles of Incorporation, the acquisition of shares for the Board Incentive Plan trust, and the repurchases of shares in response to requests made by shareholders holding shares constituting less than one whole unit. The decrease in the number of shares of common stock held in treasury by 4,401 thousand shares was mainly due to the delivery of shares upon the exercise of stock options, the sale of shares for the Board Incentive Plan trust, the sales of shares in response to requests made by shareholders holding shares constituting less than one whole unit, and a decrease in the number of shares held by affiliates accounted for under the equity method.
- (Note 2) The number of shares of common stock as of September 30, 2016 includes 18,779 thousand shares held by the Board Incentive Plan trust. For the six months ended September 30, 2016, the number of shares held by the Board Incentive Plan trust increased by 18,785 thousand shares and decreased by 5 thousand shares.

## II. Information on share subscription rights

| Issuer                    | Type of share subscription rights | Class of shares to be issued | Number of shares subject to share subscription rights |          |          | September 30, 2016 | Balance as of September 30, 2016 (in millions of yen) |
|---------------------------|-----------------------------------|------------------------------|-------------------------------------------------------|----------|----------|--------------------|-------------------------------------------------------|
|                           |                                   |                              | 2016                                                  | Increase | Decrease |                    |                                                       |
| MUFG                      | Stock options                     |                              |                                                       |          |          |                    | 6,405                                                 |
| Consolidated subsidiaries |                                   |                              |                                                       |          |          |                    | 16                                                    |
| Total                     |                                   |                              |                                                       |          |          |                    | 6,421                                                 |

## III. Information on cash dividends

## (1) Cash dividends paid during the six-month period

| Approval                                             | Class of shares | Total amount (millions of yen) | Per share amount (yen) | Dividend record date | Effective date |
|------------------------------------------------------|-----------------|--------------------------------|------------------------|----------------------|----------------|
| Annual General Shareholders Meeting on June 29, 2016 | Common stock    | 124,116                        | 9                      | March 31, 2016       | June 29, 2016  |

## (2) Dividends the record date for which fell within the six-month period and the effective date of which was after the end of the six-month period

| Approval                                        | Class of shares | Total amount (millions of yen) | Funding source    | Per share amount (yen) | Dividend record date | Effective date   |
|-------------------------------------------------|-----------------|--------------------------------|-------------------|------------------------|----------------------|------------------|
| Board of Directors Meeting on November 14, 2016 | Common stock    | 122,440                        | Retained earnings | 9                      | September 30, 2016   | December 5, 2016 |

(Note) The total dividend amount includes ¥169 million of dividends on the treasury shares held by the Board Incentive Plan trust.

## 6. Consolidated Statements of Cash Flows

Difference between Cash and cash equivalents at the end of the period and items presented on the consolidated balance sheet

|                                                                     | (in millions of yen)                   |              |
|---------------------------------------------------------------------|----------------------------------------|--------------|
|                                                                     | For the six months ended September 30, |              |
|                                                                     | 2015                                   | 2016         |
| Cash and due from banks                                             | ¥ 47,609,270                           | ¥ 57,245,014 |
| Time deposits and negotiable certificates of deposit in other banks | (36,167,153)                           | (29,521,010) |
| Cash and cash equivalents                                           | 11,442,117                             | 27,724,004   |

**7. Leases***Operating leases***(1) Lessee**

Future lease payments, including interest expenses, under non-cancelable operating leases as of March 31, 2016 and September 30, 2016 were as follows:

|                     |          | March 31, 2016 | (in millions of yen)<br>September 30, 2016 |
|---------------------|----------|----------------|--------------------------------------------|
| Due within one year | ¥        | 68,493         | ¥ 57,125                                   |
| Due after one year  |          | 336,794        | 304,338                                    |
| <b>Total</b>        | <b>¥</b> | <b>405,287</b> | <b>¥ 361,464</b>                           |

**(2) Lessor**

Future lease receivables, including interest receivables, under non-cancelable operating leases as of March 31, 2016 and September 30, 2016 were as follows:

|                     |          | March 31, 2016 | (in millions of yen)<br>September 30, 2016 |
|---------------------|----------|----------------|--------------------------------------------|
| Due within one year | ¥        | 13,066         | ¥ 9,568                                    |
| Due after one year  |          | 75,492         | 57,762                                     |
| <b>Total</b>        | <b>¥</b> | <b>88,558</b>  | <b>¥ 67,330</b>                            |

**8. Financial Instruments and Related Disclosures**

The following table summarizes the carrying amounts and the fair values of financial instruments as of March 31, 2016 and September 30, 2016 together with their differences. Note that the following table does not include unlisted equity securities or certain other securities whose fair values cannot be reliably determined. (See Note 2 below.)

| (in millions of yen)                                    |                 |               |                           |
|---------------------------------------------------------|-----------------|---------------|---------------------------|
| March 31, 2016                                          |                 |               |                           |
|                                                         | Carrying amount | Fair value    | Unrealized gains (losses) |
| <b>Assets:</b>                                          |                 |               |                           |
| (1) Cash and due from banks                             | ¥ 49,158,293    | ¥ 49,158,293  | ¥                         |
| (2) Call loans and bills bought                         | 660,015         | 660,015       |                           |
| (3) Receivables under resale agreements                 | 7,466,633       | 7,466,633     |                           |
| (4) Receivables under securities borrowing transactions | 6,041,983       | 6,041,983     |                           |
| (5) Monetary claims bought (*1)                         | 4,733,393       | 4,730,669     | (2,723)                   |
| (6) Trading assets                                      | 4,569,638       | 4,569,638     |                           |
| (7) Money held in trust                                 | 679,678         | 679,243       | (435)                     |
| (8) Securities:                                         |                 |               |                           |
| Held-to-maturity securities                             | 2,334,278       | 2,399,033     | 64,754                    |
| Available-for-sale securities                           | 64,843,522      | 64,843,522    |                           |
| (9) Loans and bills discounted                          | 113,756,325     |               |                           |
| Allowance for credit losses (*1)                        | (921,546)       |               |                           |
|                                                         | 112,834,779     | 114,507,040   | 1,672,261                 |
| (10) Foreign exchange assets (*1)                       | 1,792,888       | 1,792,888     |                           |
| Total assets                                            | ¥ 255,115,104   | ¥ 256,848,961 | ¥ 1,733,857               |
| <b>Liabilities:</b>                                     |                 |               |                           |
| (1) Deposits                                            | ¥ 160,965,056   | ¥ 161,003,509 | ¥ 38,452                  |
| (2) Negotiable certificates of deposit                  | 11,591,578      | 11,596,148    | 4,569                     |
| (3) Call money and bills sold                           | 1,360,238       | 1,360,238     |                           |
| (4) Payables under repurchase agreements                | 23,515,240      | 23,515,240    |                           |
| (5) Payables under securities lending transactions      | 4,710,407       | 4,710,407     |                           |
| (6) Commercial paper                                    | 2,292,282       | 2,292,282     |                           |
| (7) Trading liabilities                                 | 1,655,277       | 1,655,277     |                           |
| (8) Borrowed money                                      | 12,482,277      | 12,527,811    | 45,533                    |
| (9) Foreign exchange liabilities                        | 2,054,937       | 2,054,937     |                           |
| (10) Short-term bonds payable                           | 752,492         | 752,492       |                           |
| (11) Bonds payable                                      | 9,190,542       | 9,342,105     | 151,563                   |
| (12) Due to trust accounts                              | 13,296,033      | 13,296,033    |                           |
| Total liabilities                                       | ¥ 243,866,364   | ¥ 244,106,483 | ¥ 240,118                 |
| <b>Derivatives (*2):</b>                                |                 |               |                           |
| To which hedge accounting is not applied                | ¥ 345,179       | ¥ 345,179     |                           |
| To which hedge accounting is applied                    | 513,695         | 513,695       |                           |

|                   |   |         |   |         |   |
|-------------------|---|---------|---|---------|---|
| Total derivatives | ¥ | 858,875 | ¥ | 858,875 | ¥ |
|-------------------|---|---------|---|---------|---|

(\*1) General and specific allowances for credit losses corresponding to loans are deducted. However, with respect to items other than loans, the carrying amount is shown because the amount of allowance for credit losses corresponding to these items is insignificant.

(\*2) Derivatives in trading assets and liabilities and in other assets and liabilities are shown together. Assets and liabilities arising from derivatives transactions are presented on a net basis.

| (in millions of yen)                                    |                      |                      |                              |
|---------------------------------------------------------|----------------------|----------------------|------------------------------|
| September 30, 2016                                      |                      |                      |                              |
|                                                         | Carrying<br>amount   | Fair value           | Unrealized gains<br>(losses) |
| <b>Assets:</b>                                          |                      |                      |                              |
| (1) Cash and due from banks                             | ¥ 57,245,014         | ¥ 57,245,014         | ¥                            |
| (2) Call loans and bills bought                         | 447,074              | 447,074              |                              |
| (3) Receivables under resale agreements                 | 4,519,699            | 4,519,699            |                              |
| (4) Receivables under securities borrowing transactions | 6,783,779            | 6,783,779            |                              |
| (5) Monetary claims bought (*1)                         | 4,658,963            | 4,655,809            | (3,153)                      |
| (6) Trading assets                                      | 5,148,448            | 5,148,448            |                              |
| (7) Money held in trust                                 | 720,178              | 719,653              | (525)                        |
| <b>(8) Securities:</b>                                  |                      |                      |                              |
| Held-to-maturity securities                             | 2,164,140            | 2,257,739            | 93,598                       |
| Available-for-sale securities                           | 60,125,557           | 60,125,557           |                              |
| (9) Loans and bills discounted                          | 104,844,873          |                      |                              |
| Allowance for credit losses (*1)                        | (787,730)            |                      |                              |
|                                                         | 104,057,143          | 105,902,427          | 1,845,284                    |
| (10) Foreign exchange assets (*1)                       | 1,999,870            | 1,999,870            |                              |
| <b>Total assets</b>                                     | <b>¥ 247,869,870</b> | <b>¥ 249,805,074</b> | <b>¥ 1,935,204</b>           |
| <b>Liabilities:</b>                                     |                      |                      |                              |
| (1) Deposits                                            | ¥ 161,625,048        | ¥ 161,676,121        | ¥ 51,073                     |
| (2) Negotiable certificates of deposit                  | 8,864,056            | 8,866,223            | 2,166                        |
| (3) Call money and bills sold                           | 1,890,781            | 1,890,781            |                              |
| (4) Payables under repurchase agreements                | 21,677,674           | 21,677,674           |                              |
| (5) Payables under securities lending transactions      | 6,448,251            | 6,448,251            |                              |
| (6) Commercial paper                                    | 1,529,381            | 1,529,381            |                              |
| (7) Trading liabilities                                 | 1,891,347            | 1,891,347            |                              |
| (8) Borrowed money                                      | 13,856,984           | 13,900,267           | 43,283                       |
| (9) Foreign exchange liabilities                        | 1,708,965            | 1,708,965            |                              |
| (10) Short-term bonds payable                           | 983,999              | 983,999              |                              |
| (11) Bonds payable                                      | 8,969,625            | 9,203,354            | 233,729                      |
| (12) Due to trust accounts                              | 8,101,288            | 8,101,288            |                              |
| (13) Other liabilities (*2)                             | 19,000               | 19,000               |                              |
| <b>Total liabilities</b>                                | <b>¥ 237,566,403</b> | <b>¥ 237,896,656</b> | <b>¥ 330,252</b>             |
| <b>Derivatives (*3):</b>                                |                      |                      |                              |
| To which hedge accounting is not applied                | ¥ 531,118            | ¥ 531,118            |                              |
| To which hedge accounting is applied                    | 739,630              | 739,630              |                              |
| <b>Total derivatives</b>                                | <b>¥ 1,270,748</b>   | <b>¥ 1,270,748</b>   | <b>¥</b>                     |

(\*1)

General and specific allowances for credit losses corresponding to loans are deducted. However, with respect to items other than loans, the carrying amount is shown because the amount of allowance for credit losses corresponding to these items is insignificant.

- (\*2) Derivatives transactions are excluded. Other liabilities represent other liabilities which fall within the scope of financial instruments subject to the fair value disclosure requirement pursuant to which the disclosure in 8. Financial Instruments and Related Disclosures is made.
- (\*3) Derivatives in trading assets and liabilities and in other assets and liabilities are shown together. Assets and liabilities arising from derivatives transactions are presented on a net basis.

Notes:

1. Methods used for determining the fair value of financial instruments are as follows:

Assets

(1) Cash and due from banks

For deposits without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For deposits with maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the remaining maturity period of the majority of such deposits is short (maturity within one year).

(2) Call loans and bills bought, (3) Receivables under resale agreements, and (4) Receivables under securities borrowing transactions

For each of these items, the majority of transactions are short contract terms (one year or less). Thus, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(5) Monetary claims bought

The fair value of Monetary claims bought is determined based on the price quoted by the financial institutions from which these claims were purchased or on the amount reasonably calculated based on the reasonable estimation.

For certain securitized products whose underlying assets are corporate loan receivables, the fair value is determined by taking into account an amount calculated by discounting the expected future cash flow, which is derived from such factors as default probability and prepayment rate derived from analyses of the underlying assets and discounted at a rate, which is the yield of such securitized products adjusted for the liquidity premium based on the actual historical market data, as well as the price obtained from external parties (brokers, etc.). For other securitized products, the fair value is determined based on the price obtained from external parties after considering the result of periodic confirmation of the current status of these products, including price comparison with similar products, time series data comparison of the same product, and analysis of consistency with publicly available market indices.

For other monetary claims bought to which these methods do not apply, the carrying amount is presented as the fair value, as the fair value approximates such carrying value from their qualitative viewpoint.

(6) Trading assets

For securities such as bonds that are held for trading purposes, the fair value is determined based on the market price at the exchange, the price quoted by the financial institutions from which these securities were purchased or the present value of the expected future cash flows discounted at the interest rate which is the adjusted market interest rate on the evaluation date.

(7) Money held in trust

For securities that are part of trust property in an independently managed monetary trust with the primary purpose to manage securities, the fair value is determined based on the price quoted by the financial institutions from which these securities were purchased.

(8) Securities

The fair value of equity securities is determined based on the price quoted by the exchange and the fair value of bonds is determined based on the market value, the financial institutions from which they were purchased or on the amount reasonably calculated. The fair value of investment trusts is determined based on the publicly available price. For privately placed guaranteed bonds held by MUFG's bank or trust subsidiaries, the fair value is determined based on the present value of expected future cash flows, which is adjusted to reflect default risk, amount to be collected from collateral, guarantees, guarantee fees and discounted at an interest rate based on the market interest rate as of the date of evaluation with certain adjustments. The value of variable rate Japanese government bonds is determined by discounting the expected future cash flow estimated based on factors such as the yield of government bonds, and the discounting rate is based on the yield of such government bonds, the value of embedded options and the liquidity premium based on the actual market premiums observed in the past.

(9) Loans and bills discounted

With respect to loans, for each category of loans based on types of loans, internal ratings and maturity length, the fair value is determined based on the present value of expected future cash flows, which is adjusted to reflect default risk and expected amount to be collected from collateral and guarantees and discounted at an interest rate based on the market interest rate as of the date of evaluation with certain adjustments. For loans with variable interest rates such as certain residential loans provided to individual homeowners, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount, unless the creditworthiness of the borrower has changed significantly since the loan origination. For receivables from bankrupt, virtually bankrupt and likely to become bankrupt borrowers credit loss is estimated based on factors such as the present value of expected future cash flow or the expected amount to be collected from collateral and guarantees. Since the fair value of these items approximates the net amount of receivables after the deduction of allowance for credit losses on the consolidated balance sheets as of the consolidated balance sheet date, such amount is presented as the fair value. The fair value of loans qualifying for special hedge accounting treatment of interest rate swaps or designation of forward exchange contracts and other contracts under Generally Accepted Accounting Principles in Japan ( JGAAP ) reflects the fair value of such interest rate swaps of forward exchange contracts and other contracts.

(10) Foreign exchange assets

Foreign exchange assets consist of foreign currency deposits with other banks (due from foreign banks (our accounts)), short-term loans involving foreign currencies (due from foreign banks (their accounts)), export bills, traveler's checks, etc. (foreign bills bought), and loans on notes using import bills (foreign bills receivable). For these items, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because most of these items are deposits without maturity or have short contract terms (one year or less).

Liabilities

(1) Deposits and (2) Negotiable certificates of deposit

For demand deposits, the amount payable on demand as of the fiscal year end date (i.e., the carrying amount) is considered to be the fair value. For variable rate time deposits, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the market interest rate is reflected in such deposits within a short time period. Fixed rate time deposits are grouped by certain maturity lengths. The fair value of such deposits is the present value of discounted expected future cash flow. The discount rate used is the interest rate that would be applied to newly accepted deposits.

(3) Call money and bills sold, (4) Payables under repurchase agreements, (5) Payables under securities lending transactions and (6) Commercial paper

For these items, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the majority of them are short contract terms (one year or less).

(7) Trading liabilities

For securities such as bonds that are sold short for trading purposes, the fair value is determined based on the price quoted by the exchange or the financial institutions to which these securities were sold.

(8) Borrowed money

For floating rate borrowings, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. This is done so on the basis that the market interest rate is reflected in the fair value set within a short time period for such floating rate borrowings and that there has been no significant change in MUFG's nor the subsidiaries' creditworthiness after such borrowings were made. For fixed rate borrowings, the fair value is calculated as the present value of expected future cash flow from these borrowings grouped by certain maturity lengths, which is discounted at an interest rate generally applicable to similar borrowings reflecting the premium applicable to MUFG or its subsidiaries.

(9) Foreign exchange liabilities

Among foreign exchange contracts, foreign currency deposits accepted from other banks and non-resident Japanese yen deposits (due to other foreign banks) are deposits without maturity. Moreover, foreign currency short-term borrowings have short contract terms (one year or less). Thus, the carrying amount is presented as the fair value for these contracts as the fair value approximates such carrying amount.

(10) Short-term bonds payable

For short-term bonds payable, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because they carried short contract terms (one year or less).

(11) Bonds payable

The fair value of corporate bonds issued by MUFG is determined based on their market price. For certain corporate bonds, the fair value is calculated as the present value of expected future cash flow discounted at an interest rate generally applicable to issuance of similar corporate bonds. For floating rate corporate bonds without market prices, the carrying amount of such bonds is presented as the fair value, as the fair value approximates such carrying amount. This is on the basis that the market interest rate is reflected in the fair value of such corporate bonds because such bond terms were set within a short time period and that there has been no significant change in the creditworthiness of MUFG after the issuance. For fixed rate corporate bonds, the fair value is the present value of expected future cash flow from these borrowings, which is discounted at an interest rate generally applicable to similar borrowings reflecting the premium applicable to MUFG or its subsidiaries. The fair value of corporate bonds qualifying for special hedge accounting treatment of interest rate swaps under JGAAP reflects the fair value of such interest rate swaps.

(12) Due to trust accounts

Since these are cash deposits with no maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(13) Other liabilities

Since the contract period is short term (less than 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

Derivatives

For information on derivatives transactions, see 12. Derivatives below.

2. The following table summarizes the carrying amounts of financial instruments whose fair values cannot be reliably determined (before deducting valuation allowances). These securities are not included in the amount presented under the line item (8) Securities Available-for-sale securities under Assets in the table above summarizing the fair values of financial instruments.

|                                            | (in millions of yen) |                    |
|--------------------------------------------|----------------------|--------------------|
|                                            | Carrying amount      |                    |
|                                            | March 31, 2016       | September 30, 2016 |
| Unlisted equity securities (*1) (*2)       | ¥ 196,345            | ¥ 197,755          |
| Investment in partnerships, etc. (*2) (*3) | 59,513               | 37,785             |
| Other (*2)                                 | 966                  | 939                |
| Total                                      | ¥ 256,825            | ¥ 236,481          |

(\*1) Unlisted equity securities do not have quoted market prices. Since the fair values of these securities cannot be reliably determined, their fair values are not disclosed.

(\*2) With respect to unlisted equity securities and other financial instruments, impairment losses of ¥15,378 million and ¥1,433 million were recorded for the fiscal year ended March 31, 2016 and for the six months ended September 30, 2016, respectively.

(\*3) Investments in partnerships, etc. mainly include investments in anonymous partnerships and investment business partnerships, etc. Since the fair values of these investments cannot be reliably determined, their fair values are not disclosed.

## 9. Securities

The following tables include negotiable certificates of deposit in Cash and due from banks and beneficial interests in trusts in Monetary claims bought in addition to Securities on the consolidated balance sheets.

### I. Debt securities being held to maturity

| (in millions of yen)                                                                               |                                      |             |            |
|----------------------------------------------------------------------------------------------------|--------------------------------------|-------------|------------|
| March 31, 2016                                                                                     |                                      |             |            |
|                                                                                                    | Amount on consolidated balance sheet | Fair value  | Difference |
| Securities whose fair values exceed the amounts recorded on the consolidated balance sheet:        |                                      |             |            |
| Domestic bonds                                                                                     | ¥ 1,101,107                          | ¥ 1,159,115 | ¥ 58,008   |
| Government bonds                                                                                   | 1,101,107                            | 1,159,115   | 58,008     |
| Municipal bonds                                                                                    |                                      |             |            |
| Corporate bonds                                                                                    |                                      |             |            |
| Other securities                                                                                   | 1,157,524                            | 1,179,101   | 21,576     |
| Foreign bonds                                                                                      | 714,485                              | 727,290     | 12,805     |
| Other                                                                                              | 443,039                              | 451,810     | 8,771      |
| Subtotal                                                                                           | ¥ 2,258,631                          | ¥ 2,338,216 | ¥ 79,584   |
| Securities whose fair values do not exceed the amounts recorded on the consolidated balance sheet: |                                      |             |            |
| Domestic bonds                                                                                     | ¥                                    | ¥           | ¥          |
| Government bonds                                                                                   |                                      |             |            |
| Municipal bonds                                                                                    |                                      |             |            |
| Corporate bonds                                                                                    |                                      |             |            |
| Other securities                                                                                   | 1,627,607                            | 1,612,541   | (15,066)   |
| Foreign bonds                                                                                      | 518,685                              | 512,627     | (6,058)    |
| Other                                                                                              | 1,108,922                            | 1,099,914   | (9,007)    |
| Subtotal                                                                                           | ¥ 1,627,607                          | ¥ 1,612,541 | ¥ (15,066) |
| Total                                                                                              | ¥ 3,886,239                          | ¥ 3,950,758 | ¥ 64,518   |

|                                                                                                    | (in millions of yen)                 |             |            |
|----------------------------------------------------------------------------------------------------|--------------------------------------|-------------|------------|
|                                                                                                    | September 30, 2016                   |             |            |
|                                                                                                    | Amount on consolidated balance sheet | Fair value  | Difference |
| Securities whose fair values exceed the amounts recorded on the consolidated balance sheet:        |                                      |             |            |
| Domestic bonds                                                                                     | ¥ 1,101,018                          | ¥ 1,161,500 | ¥ 60,481   |
| Government bonds                                                                                   | 1,101,018                            | 1,161,500   | 60,481     |
| Municipal bonds                                                                                    |                                      |             |            |
| Corporate bonds                                                                                    |                                      |             |            |
| Other securities                                                                                   | 1,231,887                            | 1,269,655   | 37,768     |
| Foreign bonds                                                                                      | 1,039,780                            | 1,073,015   | 33,235     |
| Other                                                                                              | 192,107                              | 196,639     | 4,532      |
| Subtotal                                                                                           | ¥ 2,332,906                          | ¥ 2,431,155 | ¥ 98,249   |
| Securities whose fair values do not exceed the amounts recorded on the consolidated balance sheet: |                                      |             |            |
| Domestic bonds                                                                                     | ¥                                    | ¥           | ¥          |
| Government bonds                                                                                   |                                      |             |            |
| Municipal bonds                                                                                    |                                      |             |            |
| Corporate bonds                                                                                    |                                      |             |            |
| Other securities                                                                                   | 1,141,834                            | 1,136,602   | (5,232)    |
| Foreign bonds                                                                                      | 23,341                               | 23,223      | (118)      |
| Other                                                                                              | 1,118,493                            | 1,113,379   | (5,114)    |
| Subtotal                                                                                           | ¥ 1,141,834                          | ¥ 1,136,602 | ¥ (5,232)  |
| Total                                                                                              | ¥ 3,474,740                          | ¥ 3,567,757 | ¥ 93,017   |

## II. Available-for-sale securities

| (in millions of yen)                                              |                                      |                  |            |           |
|-------------------------------------------------------------------|--------------------------------------|------------------|------------|-----------|
| March 31, 2016                                                    |                                      |                  |            |           |
|                                                                   | Amount on consolidated balance sheet | Acquisition cost | Difference |           |
| Securities whose fair values exceed the acquisition costs:        |                                      |                  |            |           |
| Domestic equity securities                                        | ¥ 4,470,335                          | ¥ 2,174,567      | ¥          | 2,295,767 |
| Domestic bonds                                                    | 25,972,881                           | 25,251,159       |            | 721,722   |
| Government bonds                                                  | 23,143,622                           | 22,511,489       |            | 632,132   |
| Municipal bonds                                                   | 412,716                              | 401,093          |            | 11,623    |
| Corporate bonds                                                   | 2,416,542                            | 2,338,575        |            | 77,966    |
| Other securities                                                  | 24,976,085                           | 24,287,079       |            | 689,005   |
| Foreign equity securities                                         | 92,567                               | 57,122           |            | 35,445    |
| Foreign bonds                                                     | 23,029,536                           | 22,484,665       |            | 544,870   |
| Other                                                             | 1,853,981                            | 1,745,292        |            | 108,689   |
| Subtotal                                                          | ¥ 55,419,301                         | ¥ 51,712,806     | ¥          | 3,706,495 |
| Securities whose fair values do not exceed the acquisition costs: |                                      |                  |            |           |
| Domestic equity securities                                        | ¥ 402,877                            | ¥ 493,219        | ¥          | (90,342)  |
| Domestic bonds                                                    | 4,349,610                            | 4,353,085        |            | (3,475)   |
| Government bonds                                                  | 4,112,375                            | 4,112,607        |            | (231)     |
| Municipal bonds                                                   | 36,613                               | 36,697           |            | (84)      |
| Corporate bonds                                                   | 200,621                              | 203,780          |            | (3,159)   |
| Other securities                                                  | 5,346,690                            | 5,474,071        |            | (127,380) |
| Foreign equity securities                                         | 56,509                               | 68,134           |            | (11,624)  |
| Foreign bonds                                                     | 3,620,897                            | 3,654,781        |            | (33,883)  |
| Other                                                             | 1,669,284                            | 1,751,156        |            | (81,872)  |
| Subtotal                                                          | ¥ 10,099,178                         | ¥ 10,320,377     | ¥          | (221,198) |
| Total                                                             | ¥ 65,518,480                         | ¥ 62,033,183     | ¥          | 3,485,297 |

(Note) The total amount of difference shown in the table above includes ¥5,480 million of revaluation losses on securities as a result of the application of fair value hedge accounting.

| (in millions of yen)                                              |                                            |                  |            |           |
|-------------------------------------------------------------------|--------------------------------------------|------------------|------------|-----------|
| September 30, 2016                                                |                                            |                  |            |           |
|                                                                   | Amount on<br>consolidated<br>balance sheet | Acquisition cost | Difference |           |
| Securities whose fair values exceed the acquisition costs:        |                                            |                  |            |           |
| Domestic equity securities                                        | ¥ 4,219,921                                | ¥ 2,075,641      | ¥          | 2,144,280 |
| Domestic bonds                                                    | 23,586,915                                 | 22,887,881       |            | 699,033   |
| Government bonds                                                  | 20,161,434                                 | 19,547,891       |            | 613,542   |
| Municipal bonds                                                   | 734,440                                    | 721,168          |            | 13,271    |
| Corporate bonds                                                   | 2,691,040                                  | 2,618,821        |            | 72,219    |
| Other securities                                                  | 24,103,238                                 | 23,332,852       |            | 770,386   |
| Foreign equity securities                                         | 94,679                                     | 56,451           |            | 38,228    |
| Foreign bonds                                                     | 22,286,549                                 | 21,655,470       |            | 631,079   |
| Other                                                             | 1,722,009                                  | 1,620,930        |            | 101,078   |
| Subtotal                                                          | ¥ 51,910,075                               | ¥ 48,296,374     | ¥          | 3,613,700 |
| Securities whose fair values do not exceed the acquisition costs: |                                            |                  |            |           |
| Domestic equity securities                                        | ¥ 405,024                                  | ¥ 506,729        | ¥          | (101,705) |
| Domestic bonds                                                    | 4,468,233                                  | 4,472,130        |            | (3,897)   |
| Government bonds                                                  | 4,253,410                                  | 4,254,861        |            | (1,451)   |
| Municipal bonds                                                   | 28,553                                     | 28,591           |            | (38)      |
| Corporate bonds                                                   | 186,269                                    | 188,677          |            | (2,407)   |
| Other securities                                                  | 3,978,443                                  | 4,077,513        |            | (99,070)  |
| Foreign equity securities                                         | 49,872                                     | 70,460           |            | (20,587)  |
| Foreign bonds                                                     | 2,423,061                                  | 2,436,534        |            | (13,472)  |
| Other                                                             | 1,505,508                                  | 1,570,518        |            | (65,009)  |
| Subtotal                                                          | ¥ 8,851,700                                | ¥ 9,056,373      | ¥          | (204,673) |
| Total                                                             | ¥ 60,761,775                               | ¥ 57,352,748     | ¥          | 3,409,026 |

(Note) The total amount of difference shown in the table above includes ¥20,493 million of revaluation losses on securities as a result of the application of fair value hedge accounting.

### III. Impairment loss on securities

Securities other than trading securities and investments in affiliates (excluding those securities whose fair values cannot be reliably determined) whose fair values significantly declined compared with their acquisition costs, where the decline was considered to be other than recoverable, were written down to the respective fair values. In such case, the fair values were recorded as the carrying amounts on the consolidated balance sheet, and the differences between the fair values and the acquisition costs were recognized as losses (referred to as impairment losses) on the consolidated statement of income.

Impairment losses on such securities for the years ended March 31, 2016 were ¥10,351 million consisting of ¥10,063 million on equity securities and ¥287 million on debt and other securities.

Impairment losses on such securities for the six months ended September 30, 2016 were ¥10,068 million consisting of ¥9,994 million on equity securities and ¥73 million on debt and other securities.

The criteria for determining whether the fair value is significantly declined are set forth in the internal standards for asset quality self-assessment based on issuer classifications as follows:

(a) Bankrupt issuers, virtually bankrupt issuers and likely to become bankrupt issuers:  
The fair value is lower than the acquisition cost.

(b) Issuers requiring close watch:  
The fair value has declined by 30% or more of the acquisition cost.

(c) Normal issuers:  
The fair value has declined by 50% or more of the acquisition cost.

Bankrupt issuers means issuers who have entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses. Virtually bankrupt issuers means issuers who are not legally or formally bankrupt but are regarded as substantially in a similar condition. Likely to become bankrupt issuers means issuers who are not yet legally or formally bankrupt but deemed to have high possibility of becoming bankrupt. Issuers requiring close watch means issuers who require close monitoring as part of investment management. Normal issuers means issuers other than Bankrupt issuers, Virtually bankrupt issuers, Likely to become bankrupt issuers or Issuers requiring close watch.

**10. Money Held in Trust****I. Money held in trust being held to maturity**

March 31, 2016

(in millions of yen)

|                                            | (a) Amount on consolidated balance sheet | (b) Fair value | Difference (b) - (a) | Money held in trust with respect to which (b) exceeds (a) | Money held in trust with respect to which (b) does not exceed (a) |
|--------------------------------------------|------------------------------------------|----------------|----------------------|-----------------------------------------------------------|-------------------------------------------------------------------|
| Money held in trust being held to maturity | ¥ 46,266                                 | ¥ 46,761       | ¥ 494                | ¥ 494                                                     | ¥                                                                 |

September 30, 2016

(in millions of yen)

|                                            | (a) Amount on consolidated balance sheet | (b) Fair value | Difference (b) - (a) | Money held in trust with respect to which (b) exceeds (a) | Money held in trust with respect to which (b) does not exceed (a) |
|--------------------------------------------|------------------------------------------|----------------|----------------------|-----------------------------------------------------------|-------------------------------------------------------------------|
| Money held in trust being held to maturity | ¥ 41,222                                 | ¥ 41,718       | ¥ 496                | ¥ 496                                                     | ¥                                                                 |

(Note) Money held in trust with respect to which (b) exceeds (a) and Money held in trust with respect to which (b) does not exceed (a) show the breakdown of the difference between (a) and (b).

**II. Money held in trust (not for trading purposes or being held to maturity)**

March 31, 2016

(in millions of yen)

|                                                                          | (a) Amount on consolidated balance sheet | (b) Acquisition cost | Difference (a) - (b) | Money held in trust with respect to which (a) exceeds (b) | Money held in trust with respect to which (a) does not exceed (b) |
|--------------------------------------------------------------------------|------------------------------------------|----------------------|----------------------|-----------------------------------------------------------|-------------------------------------------------------------------|
| Money held in trust (not for trading purposes or being held to maturity) | ¥ 563,215                                | ¥ 561,853            | ¥ 1,361              | ¥ 1,361                                                   | ¥                                                                 |

September 30, 2016

(in millions of yen)

|                                                                          | (a) Amount on consolidated balance sheet | (b) Acquisition cost | Difference (a) - (b) | Money held in trust with respect to which (a) exceeds (b) | Money held in trust with respect to which (a) does not exceed (b) |
|--------------------------------------------------------------------------|------------------------------------------|----------------------|----------------------|-----------------------------------------------------------|-------------------------------------------------------------------|
| Money held in trust (not for trading purposes or being held to maturity) | ¥ 638,442                                | ¥ 637,121            | ¥ 1,321              | ¥ 1,324                                                   | ¥ 2                                                               |

(Note) Money held in trust with respect to which (a) exceeds (b) and Money held in trust with respect to which (a) does not exceed (b) show the breakdown of the difference between (a) and (b).

**11. Unrealized Gains or Losses on Available-for-Sale Securities**

Net unrealized gains (losses) on available-for-sale securities as of March 31, 2016 and September 30, 2016 consisted of the following:

|                                                                                                                                                          | (in millions of yen) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
|                                                                                                                                                          | March 31, 2016       |
| Net unrealized gains (losses):                                                                                                                           | ¥ 3,473,305          |
| Available-for-sale securities                                                                                                                            | 3,499,436            |
| Money held in trust not for trading purposes or being held to maturity                                                                                   | 1,361                |
| Securities reclassified from available-for-sale securities into held-to-maturity debt securities                                                         | (27,492)             |
| Deferred tax liabilities                                                                                                                                 | (1,011,562)          |
| Net unrealized gains (losses) on available-for-sale securities, net of deferred tax liabilities (before adjustments for MUFG's ownership share)          | 2,461,743            |
| Noncontrolling interests                                                                                                                                 | 9,785                |
| MUFG's ownership share in net unrealized gains (losses) on available-for-sale securities held by affiliates accounted for under equity method accounting | 15,098               |
| Total net unrealized gains (losses) on available-for-sale securities                                                                                     | ¥ 2,486,627          |

(Notes)

1. Net unrealized gains (losses) in the table above excludes ¥5,480 million revaluation losses on securities by the application of fair value hedge accounting, which losses were charged current earnings.
2. Net unrealized gains (losses) in the table above includes ¥8,659 million of unrealized gains on securities in investment limited partnerships.

|                                                                                                                                                          | (in millions of yen) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
|                                                                                                                                                          | September 30, 2016   |
| Net unrealized gains (losses):                                                                                                                           | ¥ 3,411,723          |
| Available-for-sale securities                                                                                                                            | 3,427,411            |
| Money held in trust not for trading purposes or being held to maturity                                                                                   | 1,321                |
| Securities reclassified from available-for-sale securities into held-to-maturity debt securities                                                         | (17,009)             |
| Deferred tax liabilities                                                                                                                                 | (1,003,721)          |
| Net unrealized gains (losses) on available-for-sale securities, net of deferred tax liabilities (before adjustments for MUFG's ownership share)          | 2,408,001            |
| Noncontrolling interests                                                                                                                                 | 10,442               |
| MUFG's ownership share in net unrealized gains (losses) on available-for-sale securities held by affiliates accounted for under equity method accounting | 19,329               |
| Total net unrealized gains (losses) on available-for-sale securities                                                                                     | ¥ 2,437,773          |

(Notes)

1. Net unrealized gains (losses) in the table above excludes ¥20,493 million revaluation losses on securities by the application of fair value hedge accounting, which losses were charged current earnings.
2. Net unrealized gains (losses) in the table above includes ¥2,109 million of unrealized losses on securities in investment limited partnerships.

**12. Derivatives***Derivatives to which hedge accounting is not applied*

With respect to derivatives to which hedge accounting is not applied, the contract amounts or notional principal amounts, fair values and related valuation gains (losses) as of the end of the reporting period indicated, as well as the fair value valuation methods applied, by transaction type were as follows. The contract and other amounts do not represent the market risk exposures associated with the relevant derivatives.

**(1) Interest rate-related derivatives**

|                                               |                                                   | (in millions of yen) |                  |              |                |
|-----------------------------------------------|---------------------------------------------------|----------------------|------------------|--------------|----------------|
|                                               |                                                   | March 31, 2016       |                  |              |                |
|                                               |                                                   | Contract amount      |                  |              | Valuation      |
|                                               |                                                   | Total                | Over one<br>year | Fair value   | gains (losses) |
| <b>Transactions listed on exchanges:</b>      |                                                   |                      |                  |              |                |
| Interest rate futures                         | Sold                                              | ¥ 5,884,594          | ¥ 3,915,036      | ¥ (3,796)    | ¥ (3,796)      |
|                                               | Bought                                            | 16,513,663           | 11,722,714       | 11,592       | 11,592         |
| Interest rate options                         | Sold                                              | 1,655,317            | 15,003           | (108)        | 82             |
|                                               | Bought                                            | 1,602,451            |                  | 123          | (180)          |
| <b>Over-the-counter ( OTC ) transactions:</b> |                                                   |                      |                  |              |                |
| Forward rate agreements                       | Sold                                              | 39,821,214           | 529,083          | (1,474)      | (1,474)        |
|                                               | Bought                                            | 40,875,918           | 237,386          | (596)        | (596)          |
| Interest rate swaps                           | Receivable fixed<br>rate/Payable floating rate    | 456,168,774          | 361,183,148      | 14,593,288   | 14,593,288     |
|                                               | Receivable floating<br>rate/Payable fixed rate    | 450,130,967          | 370,696,143      | (14,301,769) | (14,301,769)   |
|                                               | Receivable floating<br>rate/Payable floating rate | 82,276,639           | 69,785,725       | 85,444       | 85,444         |
|                                               | Receivable fixed<br>rate/Payable fixed rate       | 427,622              | 367,231          | 1,966        | 1,966          |
| Interest rate swaptions                       | Sold                                              | 28,059,197           | 19,850,840       | (877,013)    | (269,451)      |
|                                               | Bought                                            | 26,277,391           | 18,199,977       | 709,775      | 188,983        |
| Other                                         | Sold                                              | 3,052,623            | 2,276,144        | (47,111)     | (26,605)       |
|                                               | Bought                                            | 3,560,785            | 2,475,805        | 53,431       | 26,194         |
| Total                                         |                                                   |                      |                  | ¥ 223,753    | ¥ 303,679      |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values of transactions listed on exchanges are determined using the closing prices on the Chicago Mercantile Exchange or other exchanges as of the end of the reporting period. The fair values of OTC transactions are calculated using the discounted present value model, option-pricing model or other methods.



|                                   |                                                | (in millions of yen) |               |              |                          |
|-----------------------------------|------------------------------------------------|----------------------|---------------|--------------|--------------------------|
|                                   |                                                | September 30, 2016   |               |              |                          |
|                                   |                                                | Contract amount      |               | Fair value   | Valuation gains (losses) |
|                                   |                                                | Total                | Over one year |              |                          |
| Transactions listed on exchanges: |                                                |                      |               |              |                          |
| Interest rate futures             | Sold                                           | ¥ 3,959,895          | ¥ 3,228,952   | ¥ (21,690)   | ¥ (21,690)               |
|                                   | Bought                                         | 10,990,820           | 7,112,779     | 49,810       | 49,810                   |
| Interest rate options             | Sold                                           | 1,068,861            |               | (204)        | 459                      |
|                                   | Bought                                         | 1,964,363            |               | 368          | (671)                    |
| OTC transactions:                 |                                                |                      |               |              |                          |
| Forward rate agreements           | Sold                                           | 51,811,227           | 1,822,955     | 13,767       | 13,767                   |
|                                   | Bought                                         | 49,958,402           | 1,681,224     | (13,254)     | (13,254)                 |
| Interest rate swaps               | Receivable fixed rate/Payable floating rate    | 476,192,706          | 377,653,461   | 18,934,369   | 18,934,369               |
|                                   | Receivable floating rate/Payable fixed rate    | 472,062,230          | 379,917,424   | (18,643,288) | (18,643,288)             |
|                                   | Receivable floating rate/Payable floating rate | 84,633,956           | 71,383,136    | 80,857       | 80,857                   |
|                                   | Receivable fixed rate/Payable fixed rate       | 505,953              | 427,224       | 12,095       | 12,095                   |
| Interest rate swaptions           | Sold                                           | 28,044,121           | 19,592,874    | (1,003,421)  | (365,488)                |
|                                   | Bought                                         | 25,373,651           | 17,390,817    | 807,263      | 291,204                  |
| Other                             | Sold                                           | 3,374,298            | 2,642,352     | (55,280)     | (37,082)                 |
|                                   | Bought                                         | 3,549,225            | 2,878,431     | 57,703       | 26,977                   |
| Total                             |                                                |                      |               | ¥ 219,096    | ¥ 328,065                |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values of transactions listed on exchanges are determined using the closing prices on the Chicago Mercantile Exchange or other exchanges as of the end of the reporting period. The fair values of OTC transactions are calculated using the discounted present value model, option-pricing model or other methods.

## (2) Currency-related derivatives

|                                          |        | (in millions of yen) |               |            |                          |
|------------------------------------------|--------|----------------------|---------------|------------|--------------------------|
|                                          |        | March 31, 2016       |               |            |                          |
|                                          |        | Contract amount      |               | Fair value | Valuation gains (losses) |
|                                          |        | Total                | Over one year |            |                          |
| <b>Transactions listed on exchanges:</b> |        |                      |               |            |                          |
| Currency futures                         | Sold   | ¥ 411,256            | ¥ 9,116       | ¥ (3,061)  | ¥ (3,061)                |
|                                          | Bought | 566,313              | 330,122       | 10,865     | 10,865                   |
| <b>OTC transactions:</b>                 |        |                      |               |            |                          |
| Currency swaps                           |        | 57,930,388           | 42,287,749    | (32,737)   | (32,737)                 |
| Forward contracts on foreign exchange    | Sold   | 61,127,116           | 2,574,392     | 265,814    | 265,814                  |
|                                          | Bought | 58,156,644           | 2,494,970     | (127,107)  | (127,107)                |
| Currency options                         | Sold   | 8,838,234            | 4,191,123     | (244,520)  | 59,821                   |
|                                          | Bought | 8,312,526            | 3,787,864     | 217,566    | (28,218)                 |
| Total                                    |        |                      |               | ¥ 86,818   | ¥ 145,375                |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values are calculated using the discounted present value model, the option-pricing model or other methods.

|                                       |        | (in millions of yen) |               |            |                          |   |           |   |           |
|---------------------------------------|--------|----------------------|---------------|------------|--------------------------|---|-----------|---|-----------|
|                                       |        | September 30, 2016   |               |            |                          |   |           |   |           |
|                                       |        | Contract amount      |               | Fair value | Valuation gains (losses) |   |           |   |           |
|                                       |        | Total                | Over one year |            |                          |   |           |   |           |
| Transactions listed on exchanges:     |        |                      |               |            |                          |   |           |   |           |
| Currency futures                      | Sold   | ¥                    | 170,527       | ¥          | 8,111                    | ¥ | 863       | ¥ | 863       |
|                                       | Bought |                      | 452,119       |            | 183,206                  |   | (3,019)   |   | (3,019)   |
| OTC transactions:                     |        |                      |               |            |                          |   |           |   |           |
| Currency swaps                        |        |                      | 55,509,067    |            | 41,445,803               |   | 170,889   |   | 170,889   |
| Forward contracts on foreign exchange | Sold   |                      | 57,887,158    |            | 2,159,513                |   | 864,442   |   | 864,442   |
|                                       | Bought |                      | 55,468,207    |            | 2,181,199                |   | (795,824) |   | (795,824) |
| Currency options                      | Sold   |                      | 8,388,830     |            | 3,903,770                |   | (115,503) |   | 159,990   |
|                                       | Bought |                      | 7,730,156     |            | 3,508,613                |   | 194,719   |   | (24,099)  |
| Total                                 |        |                      |               |            |                          |   | ¥ 316,566 | ¥ | 373,241   |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values are calculated using the discounted present value model, the option-pricing model or other methods.

## (3) Equity-related derivatives

|                                                |                                                                     | (in millions of yen) |               |            |                          |
|------------------------------------------------|---------------------------------------------------------------------|----------------------|---------------|------------|--------------------------|
|                                                |                                                                     | March 31, 2016       |               |            |                          |
|                                                |                                                                     | Contract amount      |               | Fair value | Valuation gains (losses) |
|                                                |                                                                     | Total                | Over one year |            |                          |
| Transactions listed on exchanges:              |                                                                     |                      |               |            |                          |
| Stock index futures                            | Sold                                                                | ¥ 495,166            | ¥ 28,533      | ¥ 36       | ¥ 36                     |
|                                                | Bought                                                              | 168,956              | 27,306        | 4,419      | 4,419                    |
| Stock index options                            | Sold                                                                | 900,200              | 438,503       | (88,295)   | (6,351)                  |
|                                                | Bought                                                              | 679,463              | 319,969       | 60,160     | (832)                    |
| OTC transactions:                              |                                                                     |                      |               |            |                          |
| OTC securities option transactions             | Sold                                                                | 686,080              | 477,944       | (104,181)  | (76,012)                 |
|                                                | Bought                                                              | 628,455              | 442,058       | 106,546    | 89,398                   |
| OTC securities index swap transactions         | Receipt of stock price index volatility /payment of interest rates  | 50,057               | 33,654        | (6,556)    | (6,556)                  |
|                                                | Receipt of interest rates / payment of stock price index volatility | 193,760              | 155,664       | 42,420     | 42,420                   |
| Forward transactions in OTC securities indexes | Sold                                                                | 4,001                |               | 14         | 14                       |
|                                                | Bought                                                              | 18,353               |               | (758)      | (758)                    |
| Total return swaps                             | Sold                                                                |                      |               |            |                          |
|                                                | Bought                                                              | 8,056                |               | (186)      | (186)                    |
| Total                                          |                                                                     |                      |               | ¥ 13,620   | ¥ 45,592                 |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values of transactions listed on exchanges are determined using the closing prices on the Osaka Exchange or other exchanges as of the end of the reporting period. The fair values of OTC transactions are calculated using the discounted present value model, the option-pricing model or other methods.

|                                                |                                                                     | (in millions of yen) |               |            |                          |
|------------------------------------------------|---------------------------------------------------------------------|----------------------|---------------|------------|--------------------------|
|                                                |                                                                     | September 30, 2016   |               |            |                          |
|                                                |                                                                     | Contract amount      |               | Fair value | Valuation gains (losses) |
|                                                |                                                                     | Total                | Over one year |            |                          |
| Transactions listed on exchanges:              |                                                                     |                      |               |            |                          |
| Stock index futures                            | Sold                                                                | ¥ 326,912            | ¥ 28,533      | ¥ 6,213    | ¥ 6,213                  |
|                                                | Bought                                                              | 185,311              | 41,319        | 4,541      | 4,541                    |
| Stock index options                            | Sold                                                                | 1,034,907            | 579,409       | (98,134)   | (1,935)                  |
|                                                | Bought                                                              | 839,712              | 403,493       | 60,080     | (5,503)                  |
| OTC transactions:                              |                                                                     |                      |               |            |                          |
| OTC securities option transactions             | Sold                                                                | 581,169              | 358,958       | (74,713)   | (50,264)                 |
|                                                | Bought                                                              | 660,805              | 447,407       | 83,737     | 66,544                   |
| OTC securities index swap transactions         | Receipt of stock price index volatility / payment of interest rates | 68,910               | 65,319        | (8,268)    | (8,268)                  |
|                                                | Receipt of interest rates / payment of stock price index volatility | 251,016              | 193,281       | 43,896     | 43,896                   |
| Forward transactions in OTC securities indexes | Sold                                                                | 476                  |               | 28         | 28                       |
|                                                | Bought                                                              | 30,339               |               | 79         | 79                       |
| Total return swaps                             | Sold                                                                |                      |               |            |                          |
|                                                | Bought                                                              | 7,011                |               | (691)      | (691)                    |
| Total                                          |                                                                     |                      |               | ¥ 16,770   | ¥ 54,639                 |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values of transactions listed on exchanges are determined using the closing prices on the Osaka Exchange or other exchanges as of the end of the reporting period. The fair values of OTC transactions are calculated using the discounted present value model, the option-pricing model or other methods.

## (4) Bond-related derivatives

|                                   |                                                  | (in millions of yen) |               |            |                          |
|-----------------------------------|--------------------------------------------------|----------------------|---------------|------------|--------------------------|
|                                   |                                                  | March 31, 2016       |               |            |                          |
|                                   |                                                  | Contract amount      |               | Fair value | Valuation gains (losses) |
|                                   |                                                  | Total                | Over one year |            |                          |
| Transactions listed on exchanges: |                                                  |                      |               |            |                          |
| Bond futures                      | Sold                                             | ¥ 364,277            | ¥             | ¥ (179)    | ¥ (179)                  |
|                                   | Bought                                           | 308,407              |               | (411)      | (411)                    |
| Bond futures options              | Sold                                             | 61,737               |               | (96)       | 13                       |
|                                   | Bought                                           | 161,790              |               | 324        | 20                       |
| OTC transactions:                 |                                                  |                      |               |            |                          |
| Bond OTC options                  | Sold                                             | 158,030              |               | (666)      | 207                      |
|                                   | Bought                                           | 172,082              |               | 1,781      | 953                      |
| Bond forward contracts            | Sold                                             | 5,272                |               | (32)       | (32)                     |
|                                   | Bought                                           | 70                   |               | 0          | 0                        |
| Bond OTC swaps                    | Receivable fixed rate / payable variable rate    | 38,100               | 38,100        | 6,575      | 6,575                    |
|                                   | Receivable variable rate / payable fixed rate    | 2,000                | 2,000         | 70         | 70                       |
|                                   | Receivable variable rate / payable variable rate | 384,093              | 384,093       | (4,907)    | (4,907)                  |
|                                   | Receivable fixed rate / payable fixed rate       | 27,000               | 27,000        | 5,141      | 5,141                    |
| Total                             |                                                  |                      |               | ¥ 7,600    | ¥ 7,452                  |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values of transactions listed on exchanges are determined using the closing prices on the Osaka Exchange or other exchanges as of the end of the reporting period. The fair values of OTC transactions are calculated using the discounted present value model, the option-pricing model or other methods.

|                                   |                                                  | (in millions of yen) |               |            |                          |
|-----------------------------------|--------------------------------------------------|----------------------|---------------|------------|--------------------------|
|                                   |                                                  | September 30, 2016   |               |            |                          |
|                                   |                                                  | Contract amount      |               | Fair value | Valuation gains (losses) |
|                                   |                                                  | Total                | Over one year |            |                          |
| Transactions listed on exchanges: |                                                  |                      |               |            |                          |
| Bond futures                      | Sold                                             | ¥ 362,359            | ¥             | ¥ (921)    | ¥ (921)                  |
|                                   | Bought                                           | 238,750              |               | 2,280      | 2,280                    |
| Bond futures options              | Sold                                             | 378,055              |               | (1,073)    | 100                      |
|                                   | Bought                                           | 867,344              |               | 815        | 3                        |
| OTC transactions:                 |                                                  |                      |               |            |                          |
| Bond OTC options                  | Sold                                             | 211,871              |               | (802)      | 20                       |
|                                   | Bought                                           | 219,384              |               | 1,223      | 92                       |
| Bond forward contracts            | Sold                                             | 643,585              | 11,937        | (5,201)    | (5,201)                  |
|                                   | Bought                                           | 448,098              |               | 2,887      | 2,887                    |
| Bond OTC swaps                    | Receivable fixed rate / payable variable rate    | 7,300                | 7,300         | 961        | 961                      |
|                                   | Receivable variable rate / payable fixed rate    | 2,000                |               | 67         | 67                       |
|                                   | Receivable variable rate / payable variable rate | 298,025              | 298,025       | (31,727)   | (31,727)                 |
|                                   | Receivable fixed rate / payable fixed rate       | 26,000               | 26,000        | 4,583      | 4,583                    |
| Total                             |                                                  |                      |               | ¥ (26,906) | ¥ (26,852)               |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values of transactions listed on exchanges are determined using the closing prices on the Osaka Exchange or other exchanges as of the end of the reporting period. The fair values of OTC transactions are calculated using the discounted present value model, the option-pricing model or other methods.

## (5) Commodity-related derivatives

|                   |                                                       | (in millions of yen) |               |            |                          |
|-------------------|-------------------------------------------------------|----------------------|---------------|------------|--------------------------|
|                   |                                                       | March 31, 2016       |               |            |                          |
|                   |                                                       | Contract amount      |               | Fair value | Valuation gains (losses) |
|                   |                                                       | Total                | Over one year |            |                          |
| OTC transactions: |                                                       |                      |               |            |                          |
| Commodity swaps   | Receivable index volatility/<br>Payable floating rate | ¥ 209,215            | ¥ 126,376     | ¥ (38,485) | ¥ (38,485)               |
|                   | Receivable floating rate/<br>Payable index volatility | 252,698              | 140,461       | 44,459     | 44,459                   |
| Commodity options | Sold                                                  | 117,205              | 71,840        | (9,120)    | (9,118)                  |
|                   | Bought                                                | 117,106              | 71,740        | 9,068      | 9,066                    |
| Total             |                                                       |                      |               | ¥ 5,921    | ¥ 5,922                  |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values of OTC transactions are calculated using the prices and contract periods of the underlying transactions as well as other factors comprising other contractual terms of such transactions.
3. The commodities are mainly those related to oil.

|                   |                              | (in millions of yen) |               |            |                          |
|-------------------|------------------------------|----------------------|---------------|------------|--------------------------|
|                   |                              | September 30, 2016   |               |            |                          |
|                   |                              | Contract amount      |               | Fair value | Valuation gains (losses) |
|                   |                              | Total                | Over one year |            |                          |
| OTC transactions: |                              |                      |               |            |                          |
| Commodity swaps   | Receivable index volatility/ |                      |               |            |                          |
|                   | Payable floating rate        | ¥ 157,959            | ¥ 113,190     | ¥ (16,100) | ¥ (16,100)               |
|                   | Receivable floating rate/    |                      |               |            |                          |
|                   | Payable index volatility     | 170,495              | 118,748       | 21,279     | 21,279                   |
| Commodity options | Sold                         | 87,483               | 66,161        | (4,182)    | (4,181)                  |
|                   | Bought                       | 87,381               | 66,059        | 4,096      | 4,095                    |
| Total             |                              |                      |               | ¥ 5,092    | ¥ 5,092                  |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.

2. The fair values of OTC transactions are calculated using the prices and contract periods of the underlying transactions as well as other factors comprising other contractual terms of such transactions.
3. The commodities are mainly those related to oil or other commodities.

## (6) Credit-related derivatives

|                            |        | (in millions of yen) |               |            |                          |
|----------------------------|--------|----------------------|---------------|------------|--------------------------|
|                            |        | March 31, 2016       |               |            |                          |
|                            |        | Contract amount      |               | Fair value | Valuation gains (losses) |
|                            |        | Total                | Over one year |            |                          |
| OTC transactions:          |        |                      |               |            |                          |
| Credit default options     | Sold   | ¥ 3,008,784          | ¥ 2,393,985   | ¥ 26,068   | ¥ 26,068                 |
|                            | Bought | 3,266,898            | 2,508,072     | (19,987)   | (19,987)                 |
| Total rate of return swaps | Sold   |                      |               |            |                          |
|                            | Bought | 111,818              | 68,928        | 110        | 110                      |
| Total                      |        |                      |               | ¥ 6,191    | ¥ 6,191                  |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values are calculated using the discounted present value model, the option-pricing model or other methods.
3. Sold refers to transactions where the credit risk is assumed and Bought refers to transactions where the credit risk is transferred.

|                            |        | (in millions of yen) |               |            |                          |
|----------------------------|--------|----------------------|---------------|------------|--------------------------|
|                            |        | September 30, 2016   |               |            |                          |
|                            |        | Contract amount      |               | Fair value | Valuation gains (losses) |
|                            |        | Total                | Over one year |            |                          |
| OTC transactions:          |        |                      |               |            |                          |
| Credit default options     | Sold   | ¥ 2,777,891          | ¥ 2,108,967   | ¥ 34,958   | ¥ 34,958                 |
|                            | Bought | 3,080,962            | 2,301,517     | (35,526)   | (35,526)                 |
| Total rate of return swaps | Sold   |                      |               |            |                          |
|                            | Bought | 88,055               | 59,540        | 79         | 79                       |
| Total                      |        |                      |               | ¥ (488)    | ¥ (488)                  |

(Notes)

The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.

2. The fair values are calculated using the discounted present value model, the option-pricing model or other methods.
3. Sold refers to transactions where the credit risk is assumed and Bought refers to transactions where the credit risk is transferred.

## (7) Other derivatives

|                        |        | (in millions of yen) |               |            |                          |
|------------------------|--------|----------------------|---------------|------------|--------------------------|
|                        |        | March 31, 2016       |               |            |                          |
|                        |        | Contract amount      |               | Fair value | Valuation gains (losses) |
|                        |        | Total                | Over one year |            |                          |
| OTC transactions:      |        |                      |               |            |                          |
| Earthquake derivatives | Sold   | ¥ 33,775             | ¥ 15,451      | ¥ (505)    | ¥ (164)                  |
|                        | Bought | 34,478               | 15,813        | 1,214      | 323                      |
| SVF Wrap Products      | Sold   | 2,102,876            | 1,261,963     | (1)        | (1)                      |
|                        | Bought |                      |               |            |                          |
| Other                  | Sold   |                      |               |            |                          |
|                        | Bought | 5,321                | 5,321         | 566        | 566                      |
| Total                  |        |                      |               | ¥ 1,273    | ¥ 724                    |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values are calculated using the option-pricing model or other methods.
3. SVF Wrap Products are derivative instruments where BTMU guarantees the payment of the principal to 401(k) investors and other investors that invest in Stable Value Fund.

|                        |        | (in millions of yen) |           |               |           |            |                          |
|------------------------|--------|----------------------|-----------|---------------|-----------|------------|--------------------------|
|                        |        | September 30, 2016   |           |               |           |            |                          |
|                        |        | Contract amount      |           |               |           | Fair value | Valuation gains (losses) |
|                        |        | Total                |           | Over one year |           |            |                          |
| OTC transactions:      |        |                      |           |               |           |            |                          |
| Earthquake derivatives | Sold   | ¥                    | 25,584    | ¥             | 14,584    | ¥ (448)    | ¥ 2,336                  |
|                        | Bought |                      | 25,946    |               | 14,584    | 813        | (1,164)                  |
| SVF Wrap Products      | Sold   |                      | 1,945,804 |               | 1,081,456 | (5)        | (5)                      |
|                        | Bought |                      |           |               |           |            |                          |
| Other                  | Sold   |                      |           |               |           |            |                          |
|                        | Bought |                      | 4,775     |               | 4,775     | 628        | 628                      |
| Total                  |        |                      |           |               |           | ¥ 987      | ¥ 1,794                  |

(Notes)

1. The transactions above are stated at fair value and the related valuation gains (losses) are reported in the consolidated statements of income.
2. The fair values are calculated using the option-pricing model or other methods.
3. SVF Wrap Products are derivative instruments where BTMU guarantees the payment of the principal to 401(k) investors and other investors that invest in Stable Value Fund.

**13. Stock Options****I. Amount of, and income statement line-item for, expenses relating to stock options and stock bonus plans**

|                                     | September 30, 2015 | (in millions of yen)<br>September 30, 2016 |
|-------------------------------------|--------------------|--------------------------------------------|
| General and administrative expenses | ¥ 3,247            | ¥ 3,335                                    |

**II. Outline of stock options**

*For the six months ended September 30, 2015*

| 2015 Stock Options                                 |                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of grantees by category                     | Directors (excluding outside directors)<br>concurrently serving as corporate<br>executive officers of MUFG: 8<br>Corporate executive officers of MUFG: 9<br>Executive officers of MUFG: 52<br>Directors (excluding outside directors),<br>executive officers, and senior fellows of<br>subsidiaries: 177 |
| Class and number of shares granted                 | Common stock: 2,058,600 shares                                                                                                                                                                                                                                                                           |
| Grant date                                         | July 14, 2015                                                                                                                                                                                                                                                                                            |
| Vesting conditions                                 | Retirement                                                                                                                                                                                                                                                                                               |
| Eligible service period                            | June 25, 2015 to June 29, 2016                                                                                                                                                                                                                                                                           |
| Exercise period                                    | July 14, 2015 to July 13, 2045                                                                                                                                                                                                                                                                           |
| Exercise price (in yen per share)                  | ¥1                                                                                                                                                                                                                                                                                                       |
| Fair value as of the grant date (in yen per share) | ¥802                                                                                                                                                                                                                                                                                                     |

*For the six months ended September 30, 2016*

None.

### III. Outline of stock bonus plans

MUFG Americas Holdings Corporation (MUAH), a consolidated subsidiary of MUFG

*For the six months ended September 30, 2015*

None.

*For the six months ended September 30, 2016*

|                                                            | 2016 1st Stock Bonus Plans            | 2016 2nd Stock Bonus Plans                |
|------------------------------------------------------------|---------------------------------------|-------------------------------------------|
| Number of grantees by category                             | Employees of MUAH and subsidiaries: 2 | Employees of MUAH and subsidiaries: 1,012 |
| Number of units granted (Note)                             | RSUs: 211,839                         | RSUs: 16,471,985                          |
| Grant date                                                 | March 15, 2016                        | June 15, 2016                             |
| Eligible service period                                    | March 15, 2016 to March 15, 2019      | June 15, 2016 to June 15, 2019            |
| Fair value as of the grant date (in U.S. dollars per unit) | U.S.\$4.96                            | U.S.\$4.59                                |

(Note) The RSUs referred to in the above table are the Restricted Stock Units which are settled in American Depositary Receipts (ADRs) representing shares of common stock of MUFG, MUAH's ultimate parent company. Compensation costs related to the granted RSUs for the reporting period are presented in General and administrative expenses in the consolidated statements of income. Unless otherwise provided in the relevant Restricted Share Unit Agreement, the RSUs represent a right to receive one ADR per RSU, and the right vests pro-rata on each one-year anniversary of the grant date and becomes fully vested three years from the grant date, provided that the grantee has satisfied the specified continuous service and other requirements. Each ADR is exchangeable for one share of MUFG common stock.

## 14. Segment Information

### I. Business Segment Information

#### (1) Summary of reporting segments

MUFG's reporting segments are business units of MUFG which its Executive Committee, the decision-making body for the execution of its business operations, regularly reviews to make decisions regarding allocation of management resources and evaluate performance.

MUFG makes unified group-wide strategies based on customer characteristics and the nature of business. Accordingly, MUFG has adopted customer-based and business-based segmentation, which consists of the following reporting segments: Retail Banking Business Group, Corporate Banking Business Group, Global Business Group, Trust Assets Business Group, Global Markets Business Group and Other.

|                                   |                                                                                                                                                                                                          |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Retail Banking Business Group:    | Providing financial services to domestic individual customers                                                                                                                                            |
| Corporate Banking Business Group: | Providing services relating to finance, real estate and stock transfers to domestic corporate customers                                                                                                  |
| Global Business Group:            | Providing financial services to overseas individual and corporate customers                                                                                                                              |
| Trust Assets Business Group:      | Providing investment management and administration services for corporate pension funds, public pension funds, public funds and mutual funds                                                             |
| Global Markets Business Group:    | Engaged in the trading business relating to foreign currency exchange, funds and investment securities for customers and with market counterparties, and administration of liquidity and cash management |
| Other:                            | Other than the businesses mentioned above                                                                                                                                                                |

#### (a) Changes in reporting segments

MUFG's group companies are managed using a matrix framework consisting of the business segments mentioned above which are identified based on an integrated business group system to provide financial services and products under unified group-wide strategies as well as through individual MUFG group entities, which are grouped under the major operating subsidiaries as follows: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Securities Holdings Co. Ltd., consumer finance subsidiaries and others. To assist appropriate assessment of MUFG's future cash flow forecasts, MUFG previously identified these groups of MUFG group entities as its reporting segments, each operating in a different industry and regulatory environment. However, beginning in this six-month period ended September 30, 2016, MUFG changed its reporting segments to the segmentation by the above-mentioned service-based Business Groups, following the progress made during the fiscal year ended March 31, 2016 in the implementation of unified group-wide business operations and management under the medium-term business plan that was commenced in the fiscal year ended March 31, 2016.

The segment information for the six months ended September 30, 2015 has been restated to reflect the foregoing changes in the reporting segments.



## (2) Methods of calculation of net revenue and operating profit (loss) for each reporting segment

The accounting methods applied to the reported business segments, except the scope of consolidation, are generally consistent with the methods described in Significant Accounting Bases and Policies Applied to the Semi-Annual Consolidated Financial Statements. The scope of consolidation includes MUFG's major subsidiaries. The reported figures are generally prepared based on internal managerial accounting rules before elimination of inter-segment transactions and other consolidation adjustments. Net revenues and operating expenses attributable to multiple segments are reported in accordance with internal managerial accounting rules generally calculated based on market value.

## (a) Changes in the methods of calculation of operating profit (loss) of each reporting segment

In connection with the changes in the reporting segments implemented this six-month period ended September 30, 2016, the internal managerial accounting rules relating to the methods of calculation of net revenue and operating expenses attributable to multiple segments were changed from the methods based on third-party transaction prices to those based on market value.

The segment information for the six months ended September 30, 2015 has been restated based on the new methods of calculation.

## (3) Information on net revenue and operating profit (loss) for each reporting segment

*For the six months ended September 30, 2015*

|                                | For the six months ended September 30, 2015 |                                           |                             |                                      |                                  |                                        |            | Total       |
|--------------------------------|---------------------------------------------|-------------------------------------------|-----------------------------|--------------------------------------|----------------------------------|----------------------------------------|------------|-------------|
|                                | Retail<br>Banking<br>Business<br>Group      | Corporate<br>Banking<br>Business<br>Group | Global<br>Business<br>Group | Trust<br>Assets<br>Business<br>Group | Total of<br>Customer<br>Business | Global<br>Markets<br>Business<br>Group | Other      |             |
| Net revenue                    | ¥ 646,556                                   | ¥ 540,750                                 | ¥ 651,028                   | ¥ 87,931                             | ¥ 1,829,912                      | ¥ 332,006                              | ¥ 14,173   | ¥ 2,176,091 |
| BTMU and<br>MUTB               | 274,368                                     | 431,436                                   | 226,161                     | 37,511                               | 916,295                          | 238,212                                | 80,916     | 1,235,424   |
| Net interest<br>income         | 177,772                                     | 185,654                                   | 108,807                     |                                      | 448,537                          | 129,550                                | 128,652    | 706,741     |
| Net non-interest<br>income     | 96,596                                      | 245,782                                   | 117,354                     | 37,511                               | 467,757                          | 108,662                                | (47,735)   | 528,683     |
| Other than<br>BTMU and<br>MUTB | 372,187                                     | 109,313                                   | 424,867                     | 50,419                               | 913,617                          | 93,793                                 | (66,743)   | 940,667     |
| Operating<br>expenses          | 488,825                                     | 303,245                                   | 417,196                     | 50,891                               | 1,180,330                        | 106,936                                | 75,409     | 1,362,677   |
| Operating profit<br>(loss)     | ¥ 157,731                                   | ¥ 237,504                                 | ¥ 233,832                   | ¥ 37,039                             | ¥ 649,581                        | ¥ 225,069                              | ¥ (61,236) | ¥ 813,414   |

(Notes)

1. Net revenue in the above table is used in lieu of net sales generally used by Japanese non-financial companies.
2. Net revenue includes net interest income, trust fees, net fees and commissions, net trading profit, and net other operating profit.
3. Operating expenses includes personnel expenses and premise expenses.
4. Assets and liabilities of each reporting segment are not reported since MUFG does not allocate assets and liabilities among the segments for internal management purposes.
5. Net revenue and Operating expenses for each of the Corporate Banking Business Group and the Global Business Group include net revenue and operating expenses relating to overseas Japanese corporate transactions. The amounts relating to such transactions included in each of these reporting segments are as follows: ¥96,354 million of net revenue, ¥79,828 million of operating expenses and ¥16,525 million of operating profit. Adjustments have been made by deducting these amounts from the Total of Customer Business.

For the six months ended September 30, 2016

(in millions of yen)

|                             | For the six months ended September 30, 2016 |                                           |                             |                                      |                                  |                                        |           |            |
|-----------------------------|---------------------------------------------|-------------------------------------------|-----------------------------|--------------------------------------|----------------------------------|----------------------------------------|-----------|------------|
|                             | Retail<br>Banking<br>Business<br>Group      | Corporate<br>Banking<br>Business<br>Group | Global<br>Business<br>Group | Trust<br>Assets<br>Business<br>Group | Total of<br>Customer<br>Business | Global<br>Markets<br>Business<br>Group | Other     | Total      |
| Net revenue                 | ¥584,163                                    | ¥501,599                                  | ¥579,405                    | ¥82,580                              | ¥1,668,705                       | ¥357,288                               | ¥(10,806) | ¥2,015,187 |
| BTMU and<br>MUTB            | 243,038                                     | 403,552                                   | 200,683                     | 35,143                               | 836,206                          | 266,782                                | 61,717    | 1,164,706  |
| Net interest<br>income      | 168,151                                     | 171,529                                   | 92,222                      |                                      | 413,535                          | 120,328                                | 91,858    | 625,721    |
| Net non-interest<br>income  | 74,886                                      | 232,023                                   | 108,460                     | 35,143                               | 422,671                          | 146,454                                | (30,141)  | 538,984    |
| Other than BTMU<br>and MUTB | 341,124                                     | 98,046                                    | 378,721                     | 47,437                               | 832,498                          | 90,505                                 | (72,523)  | 850,480    |
| Operating<br>expenses       | 480,108                                     | 293,210                                   | 372,711                     | 52,848                               | 1,124,756                        | 100,818                                | 73,430    | 1,299,005  |
| Operating profit<br>(loss)  | ¥104,055                                    | ¥208,388                                  | ¥206,693                    | ¥29,732                              | ¥543,948                         | ¥256,469                               | ¥(84,236) | ¥716,182   |

(Notes)

1. Net revenue in the above table is used in lieu of net sales generally used by Japanese non-financial companies.
  2. Net revenue includes net interest income, trust fees, net fees and commissions, net trading profit, and net other operating profit.
  3. Operating expenses includes personnel expenses and premise expenses.
  4. Assets and liabilities of each reporting segment are not reported since MUFG does not allocate assets and liabilities among the segments for internal management purposes.
  5. Net revenue and Operating expenses for each of the Corporate Banking Business Group and the Global Business Group include net revenue and operating expenses relating to overseas Japanese corporate transactions. The amounts relating to such transactions included in each of these reporting segments are as follows: ¥79,043 million of net revenue, ¥74,122 million of operating expenses and ¥4,921 million of operating profit. Adjustments have been made by deducting these amounts from the Total of Customer Business.
- (4) Reconciliation of the total operating profit in each of the above tables to the ordinary profit in the consolidated statements of income for the corresponding six-month period

(in millions of yen)

For the six months ended  
September 30,

2015                      2016

|                                                                                |   |           |   |           |
|--------------------------------------------------------------------------------|---|-----------|---|-----------|
| Total operating profit of reporting segments                                   | ¥ | 813,414   | ¥ | 716,182   |
| Operating profit of consolidated subsidiaries excluded from reporting segments |   | 29,178    |   | 26,611    |
| Credit related expenses                                                        |   | (104,379) |   | (108,435) |
| Reversal of allowance for credit losses                                        |   | 44,442    |   | 22,807    |
| Gains on collection of bad debts                                               |   | 28,926    |   | 27,993    |
| Net gains on equity securities and other securities                            |   | 40,992    |   | 44,034    |
| Equity in earnings of equity method investees                                  |   | 144,680   |   | 113,940   |
| Others                                                                         |   | (27,345)  |   | (48,260)  |
| Ordinary profit in the consolidated statements of income                       | ¥ | 969,908   | ¥ | 794,873   |

## II. Related Information

For the six months ended September 30, 2015

### (1) Information by type of service

Omitted because it is similar to the above-explained reporting segment information.

### (2) Geographical information

#### (a) Ordinary income

| For the six months ended September 30, 2015 |               |                    |              |          |             | (in millions of yen) |
|---------------------------------------------|---------------|--------------------|--------------|----------|-------------|----------------------|
| Japan                                       | United States | Europe/Middle East | Asia/Oceania | Others   | Total       |                      |
| ¥1,859,700                                  | ¥ 507,103     | ¥ 152,575          | ¥ 440,708    | ¥ 31,796 | ¥ 2,991,884 |                      |

(Notes)

1. Ordinary income is used in lieu of net sales generally used by Japanese non-financial companies.
2. Ordinary income is categorized by either country or region based on the location of MUFG's operating offices.

#### (b) Tangible fixed assets

| September 30, 2015 |               |           |             | (in millions of yen) |
|--------------------|---------------|-----------|-------------|----------------------|
| Japan              | United States | Others    | Total       |                      |
| ¥1,114,499         | ¥ 145,822     | ¥ 105,012 | ¥ 1,365,334 |                      |

### (3) Information by major customer

None.

For the six months ended September 30, 2016

### (1) Information by type of service

Omitted because it is similar to the above-explained reporting segment information.

(2) Geographical information

(a) Ordinary income

| (in millions of yen)                        |               |                    |              |          |             |
|---------------------------------------------|---------------|--------------------|--------------|----------|-------------|
| For the six months ended September 30, 2016 |               |                    |              |          |             |
| Japan                                       | United States | Europe/Middle East | Asia/Oceania | Others   | Total       |
| ¥ 1,764,609                                 | ¥ 422,715     | ¥ 138,189          | ¥ 390,366    | ¥ 63,491 | ¥ 2,779,372 |

(Notes)

1. Ordinary income is used in lieu of net sales generally used by Japanese non-financial companies.
2. Ordinary income is categorized by either country or region based on the location of MUFG's operating offices.

(b) Tangible fixed assets

| (in millions of yen) |               |          |             |
|----------------------|---------------|----------|-------------|
| September 30, 2016   |               |          |             |
| Japan                | United States | Others   | Total       |
| ¥1,117,146           | ¥ 120,528     | ¥ 85,959 | ¥ 1,323,634 |

## (3) Information by major customer

None.

## III. Information on impairment losses on long-lived assets by reporting segment

Impairment losses on long-lived assets are not allocated to the reporting segments. Total impairment losses on long-lived assets for the six months ended September 30, 2015 and 2016 were ¥1,804 million and ¥4,069 million, respectively.

## IV. Information on amortization and unamortized balance of goodwill by reporting segment

*For the six months ended September 30, 2015*

| (in millions of yen)                        |                                        |                                           |                             |                                      |                                  |                                        |       |       |         |
|---------------------------------------------|----------------------------------------|-------------------------------------------|-----------------------------|--------------------------------------|----------------------------------|----------------------------------------|-------|-------|---------|
| For the six months ended September 30, 2015 |                                        |                                           |                             |                                      |                                  |                                        |       |       |         |
|                                             | Retail<br>Banking<br>Business<br>Group | Corporate<br>Banking<br>Business<br>Group | Global<br>Business<br>Group | Trust<br>Assets<br>Business<br>Group | Total of<br>Customer<br>Business | Global<br>Markets<br>Business<br>Group | Other | Total |         |
| Amortization                                | ¥ 87                                   | ¥ 22                                      | ¥ 8,353                     | ¥ 423                                | ¥ 8,886                          | ¥                                      | ¥     | ¥     | 8,886   |
| Unamortized balance at<br>period end        | 2,015                                  | 689                                       | 281,627                     | 15,233                               | 299,565                          |                                        |       |       | 299,565 |

*For the six months ended September 30, 2016*

| (in millions of yen)                        |                                        |                                           |                             |                                      |                                  |                                        |       |         |  |
|---------------------------------------------|----------------------------------------|-------------------------------------------|-----------------------------|--------------------------------------|----------------------------------|----------------------------------------|-------|---------|--|
| For the six months ended September 30, 2016 |                                        |                                           |                             |                                      |                                  |                                        |       |         |  |
|                                             | Retail<br>Banking<br>Business<br>Group | Corporate<br>Banking<br>Business<br>Group | Global<br>Business<br>Group | Trust<br>Assets<br>Business<br>Group | Total of<br>Customer<br>Business | Global<br>Markets<br>Business<br>Group | Other | Total   |  |
| Amortization                                | ¥ 88                                   | ¥ 30                                      | ¥ 6,881                     | ¥ 427                                | ¥ 7,427                          | ¥                                      | ¥     | ¥ 7,427 |  |
| Unamortized balance at<br>period end        | 1,839                                  | 631                                       | 217,743                     | 16,057                               | 236,271                          |                                        |       | 236,271 |  |

## V. Information on gains on negative goodwill by reporting segment

None.

## 15. Business Combination

None.



**16. Per Share Information**

(1) The bases for the calculation of total equity per common share for the periods indicated were as follows:

|                               | (in yen)       |                    |
|-------------------------------|----------------|--------------------|
|                               | March 31, 2016 | September 30, 2016 |
| Total equity per common share | ¥ 1,121.06     | ¥ 1,100.71         |

  

|                                            | (in millions of yen) |                    |
|--------------------------------------------|----------------------|--------------------|
|                                            | March 31, 2016       | September 30, 2016 |
| Total equity                               | ¥ 17,386,769         | ¥ 16,501,568       |
| Deductions from total equity:              |                      |                    |
| Share subscription rights                  | 8,260                | 6,421              |
| Noncontrolling interests                   | 1,920,538            | 1,543,451          |
| Total deductions                           | 1,928,799            | 1,549,873          |
| Total equity attributable to common shares | ¥ 15,457,970         | ¥ 14,951,695       |

  

|                                                                                                 | (in thousands of shares) |                    |
|-------------------------------------------------------------------------------------------------|--------------------------|--------------------|
|                                                                                                 | March 31, 2016           | September 30, 2016 |
| Number of common shares at period end used for the calculation of total equity per common share | 13,788,598               | 13,583,586         |

(2) The bases for the calculation of basic earnings per common share and diluted earnings per common share for the periods indicated were as follows:

|                                   | (in yen)                                    |                    |
|-----------------------------------|---------------------------------------------|--------------------|
|                                   | For the six months ended September 30, 2015 | September 30, 2016 |
| Basic earnings per common share   | ¥ 42.96                                     | ¥ 35.93            |
| Diluted earnings per common share | 42.75                                       | 35.81              |

  

|                                                       | (in millions of yen)                        |                    |
|-------------------------------------------------------|---------------------------------------------|--------------------|
|                                                       | For the six months ended September 30, 2015 | September 30, 2016 |
| Profits attributable to owners of parent              | ¥ 599,321                                   | ¥ 490,530          |
| Profits not attributable to common shareholders       |                                             |                    |
| Profits attributable to common shareholders of parent | ¥ 599,321                                   | ¥ 490,530          |

  

|  | (in millions of yen)                        |                    |
|--|---------------------------------------------|--------------------|
|  | For the six months ended September 30, 2015 | September 30, 2016 |

|                                                                                                                                      |   |         |   |         |
|--------------------------------------------------------------------------------------------------------------------------------------|---|---------|---|---------|
| Adjustments to profits attributable to owners of parent for dilutive shares                                                          | ¥ | (2,147) | ¥ | (1,020) |
| <i>Of which</i> adjustments to earnings attributable to owners of parent for dilutive shares of consolidated subsidiaries and others |   | (2,147) |   | (1,020) |

(in thousands of shares)

For the six months ended September 30,

2015

2016

|                                                                                                                       |            |            |
|-----------------------------------------------------------------------------------------------------------------------|------------|------------|
| Average number of common shares for the period used for the calculation of basic earnings per common share            | 13,948,270 | 13,652,178 |
| Number of common shares attributable to dilutive shares used for the calculation of diluted earnings per common share | 17,644     | 15,001     |
| <i>Of which</i> preferred shares                                                                                      |            |            |
| <i>Of which</i> Share subscription rights                                                                             | 17,644     | 15,001     |

|                                                                                                                                                                                               | For the six months ended September 30,                                                                                                                    |                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                               | 2015                                                                                                                                                      | 2016                                                                                                                                                      |
| Description of antidilutive securities which were not included in the calculation of diluted earnings per common share but which materially changed after the end of the previous fiscal year | Share subscription rights issued by equity method affiliates:<br>Morgan Stanley<br>Stock options and others<br><br>Number as of June 30, 2015: 12 million | Share subscription rights issued by equity method affiliates:<br>Morgan Stanley<br>Stock options and others<br><br>Number as of June 30, 2016: 14 million |

- (3) As a result of the early adoption of the update of ASC No. 825 (Financial instruments) issued by the FASB and the application of transitional accounting treatment under ASC No. 825 as described in 2. Additional Information above, basic earnings per common share and diluted earnings per common share for the six months ended September 30, 2016 decreased by ¥0.67.
- (4) The shares of MUFG common stock remaining in the Board Incentive Plan trust, which were included in the treasury shares as part of shareholders' equity, were deducted from the average total number of issued shares for the six months ended September 30, 2016 used for the calculation of earnings per common share and from the total number of issued shares as of September 30, 2016 used for the calculation of total equity per common share. The average number of such treasury shares deducted from the calculation of earnings per common share for the six months ended September 30, 2016 was 13,447 thousand, and the number of such treasury shares deducted from the calculation of total equity per common share as of September 30, 2016 was 18,779 thousand. (There were no shares subject to such deduction as of and for the six months ended September 30, 2015.)

## 17. Subsequent Events

### I. Share acquisition of Hitachi Capital

MUFG and Mitsubishi UFJ Lease & Finance Company Limited (MUL), an equity method affiliate of MUFG, entered into a Share Purchase Agreement to acquire a portion of the common shares of Hitachi Capital Corporation (Hitachi Capital) held by Hitachi, Ltd. (Hitachi) on May 13, 2016. MUFG completed the share acquisition on October 3, 2016, and Hitachi Capital became an equity method affiliate of MUFG.

#### (1) Outline of the share acquisition

- |                              |                                                                                                                                                             |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Acquisition structure:   | MUFG acquired 26,884,484 shares of Hitachi Capital's common shares (23.0%) from Hitachi, the parent company of Hitachi Capital, through off-market trading. |
| (b) Acquisition price:       | JPY 3,400 per common share                                                                                                                                  |
| (c) Total acquisition price: | JPY 91.4 billion                                                                                                                                            |
| (d) Board representation:    | MUFG will appoint a director to Hitachi Capital's board of directors (subject to the approval of Hitachi Capital shareholders at the annual general         |

shareholders meeting scheduled for June 2017)

(2) Outline of the business alliance

MUFG and MUL have entered into a Business Alliance Agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Hitachi and Hitachi Capital, relating to an open financial platform, under which the parties continue to work towards building a stronger collaborative relationship.

(3) Overview of Hitachi Capital

|                            |                                                                        |
|----------------------------|------------------------------------------------------------------------|
| (a) Name:                  | Hitachi Capital Corporation                                            |
| (b) Type of business:      | General leasing business                                               |
| (c) Year of establishment: | 1957                                                                   |
| (d) Headquarters:          | Nishi-Shimbashi Square, 3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo |
| (e) Representative:        | Mr. Seiji Kawabe, President and CEO                                    |
| (f) Capital stock:         | JPY 9,983 million (as of September 30, 2016)                           |
| (g) Number of employees:   | 5,142 (on a consolidated basis as of March 31, 2016)                   |

(i) Business size (as of and for the six months ended September 30, 2016):

|                                                 | (in millions of JPY) |
|-------------------------------------------------|----------------------|
| Gross profit                                    | 62,159               |
| Adjusted operating income                       | 21,337               |
| Net income attributable to owners of the parent | 16,163               |
| Total assets                                    | 3,019,989            |
| Net assets                                      | 340,951              |

(Notes)

1. The amount of Adjusted operating income is the difference between Gross profit and selling, general and administrative expenses.
2. The above figures are based on the consolidated earnings report of Hitachi Capital prepared in accordance with IFRS.

## II. Repurchase of Own Shares

MUFG resolved, at a meeting of the Board of Directors held on November 14, 2016, to repurchase shares of its common stock pursuant to Article 156, Paragraph 1 of the Company Act, in accordance with the provision of Article 459, Paragraph 1, Item 1 of the Company Act and Article 44 of its Articles of Incorporation.

### (1) Reasons for the repurchase of Own Shares

MUFG intends to repurchase shares of its common stock in order to enhance shareholder returns, improve capital efficiency and conduct capital management flexibly.

### (2) Outline of the repurchase of Own Shares

- (a) Type of shares to be repurchased: Common shares of MUFG
- (b) Aggregate number of shares to be repurchased: Up to 230,000,000 shares (equivalent to 1.69% of the total number of issued shares (excluding treasury shares))
- (c) Aggregate amount of repurchase price: Up to JPY 100,000,000,000
- (d) Repurchase period: From November 15, 2016 to December 31, 2016
- (e) Repurchase method: Market purchases pursuant to a discretionary trading contract relating to the share repurchase

