

# **Semi-annual Securities Report**

“Hanki Hokokusho”

(Excerpt)

for the six-month period ended September 30, 2018

**MUFG Bank, Ltd.**

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[Accounting Period]	During the 14th Fiscal Year (from April 1, 2018 to September 30, 2018)
[Company Name]	Kabushiki-Kaisha Mitsubishi UFJ Ginko
[Company Name in English]	MUFG Bank, Ltd.
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## I. Overview of the Company

### 1. Key Financial Data and Trends

(1) Key consolidated financial data and trends over the recent three semi-annual periods and two fiscal years

(Millions of yen, unless otherwise stated)

	Semi-annual Period of Fiscal 2016	Semi-annual Period of Fiscal 2017	Semi-annual Period of Fiscal 2018	Fiscal 2016	Fiscal 2017
	From April 1, 2016 to September 30, 2016	From April 1, 2017 to September 30, 2017	From April 1, 2018 to September 30, 2018	From April 1, 2016 to March 31, 2017	From April 1, 2017 to March 31, 2018
Consolidated ordinary income	1,963,169	2,153,218	2,462,320	4,237,395	4,277,820
Consolidated ordinary profit	534,474	549,213	543,000	992,055	901,550
Semi-annual net income attributable to the shareholders of MUFG Bank	374,844	376,022	402,776	–	–
Net income attributable to the shareholders of MUFG Bank	–	–	–	689,929	575,260
Semi-annual consolidated comprehensive income	(111,477)	587,803	313,523	–	–
Consolidated comprehensive income	–	–	–	266,086	859,875
Consolidated total equity	12,323,850	12,813,225	12,866,700	12,427,078	12,708,722
Consolidated total assets	219,652,995	234,877,976	248,199,039	229,108,371	239,228,925
Total equity per share (yen)	920.75	963.90	977.57	933.06	964.46
Semi-annual net income per common share (yen)	30.35	30.44	32.61	–	–
Net income per common share (yen)	–	–	–	55.86	46.57
Diluted semi-annual net income per common share (yen)	30.35	30.44	32.61	–	–
Diluted net income per common share (yen)	–	–	–	55.86	46.57
Capital ratio (%)	5.17	5.06	4.86	5.02	4.97
Net cash provided by operating activities	9,259,490	5,057,658	2,957,906	6,376,655	10,425,832
Net cash provided by (used in) investing activities	1,487,849	1,607,228	(1,317,444)	6,512,818	(1,324,719)
Net cash used in financing activities	(604,913)	(15,444)	(45,107)	(721,099)	(271,096)
Cash and cash equivalents at end of semi-annual period	46,489,289	55,780,381	59,516,523	–	–
Cash and cash equivalents at end of period	–	–	–	49,105,070	57,688,651
Number of employees [Besides the above, average number of temporary employees]	81,290 [22,500]	85,380 [22,200]	87,153 [21,600]	84,025 [22,500]	86,058 [22,100]

- (Notes)
1. National and local consumption taxes of MUFG Bank, Ltd. (hereinafter referred to as the “Bank”) and its domestic consolidated subsidiaries are accounted for using the tax-excluded method.
  2. Capital ratio is calculated by dividing (“total equity at the end of fiscal year (semi-annual period)” - “subscription rights to shares at the end of fiscal year (semi-annual period)” - “noncontrolling interests at the end of fiscal year (semi-annual period)”) by “total assets at the end of fiscal year (semi-annual period).”
  3. The average number of temporary employees includes contractors and figures are rounded to the nearest hundred.
  4. From the semi-annual period of Fiscal 2018, the Bank has revised its scope of funds reported on the consolidated statement of cash flows and provides key financial data with retroactively adjusted figures.

(2) Key non-consolidated financial data and trends of the Bank over the recent three semi-annual periods and two fiscal years

(Millions of yen, unless otherwise stated)

Fiscal period	12th Semi-annual Period	13th Semi-annual Period	14th Semi-annual Period	12th Term	13th Term
Period of account	September 2016	September 2017	September 2018	March 2017	March 2018
Ordinary income	1,501,227	1,570,415	1,902,928	3,072,712	3,067,560
Ordinary profit	410,239	411,819	502,433	632,205	637,091
Semi-annual net income	323,043	294,264	423,400	–	–
Net income	–	–	–	481,455	437,710
Capital stock	1,711,958	1,711,958	1,711,958	1,711,958	1,711,958
Total number of shares issued (thousands of shares)	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000
Total equity	10,621,234	10,564,762	10,682,910	10,231,499	10,420,190
Total assets	200,787,348	209,936,874	221,393,144	204,190,574	212,246,573
Balance of deposits	134,123,071	142,121,265	148,848,377	139,164,104	145,492,629
Balance of loans and bills discounted	79,523,573	80,969,897	89,146,823	81,394,063	79,213,244
Balance of securities	45,927,197	40,993,747	43,194,138	42,235,515	43,375,328
Dividends per share (yen)	Common stock 21.18	Common stock 18.94	Common stock 4.28	Common stock 35.66	Common stock 31.92
Capital ratio (%)	5.28	5.03	4.82	5.01	4.90
Number of employees [Besides the above, average number of temporary employees]	35,504 [12,315]	34,729 [12,140]	34,331 [11,574]	34,276 [12,407]	34,101 [11,996]

(Notes) 1. National and local consumption taxes are accounted for using the tax-excluded method.

2. Dividends per share for the 12th Semi-annual Period, the 12th Term, the 13th Semi-annual Period and the 13th Term include the special dividends of ¥13.05, ¥19.87, ¥6.82 and ¥13.64, respectively. Dividends per share for the 14th Semi-annual Period are special dividends.

3. The Bank paid dividends-in-kind in the 13th Semi-annual Period, the 13th Term and the 14th Semi-annual Period but these dividends are not included in the dividends per share mentioned above.

4. Capital ratio is calculated by dividing (“total equity at the end of fiscal year (semi-annual period)” - “subscription rights to shares at the end of fiscal year (semi-annual period)”) by “total assets at the end of fiscal year (semi-annual period).”

5. The average number of temporary employees includes contractors.

## 2. Business Outline

Under its parent company, Mitsubishi UFJ Financial Group, Inc., the Group (MUFG Bank, Ltd. and its subsidiaries and affiliates) comprises the Bank, 126 consolidated subsidiaries, and 48 equity method investees, and is engaged in banking and other financial services (including leasing).

There were no significant changes in the nature of business operated by the Group during the current semi-annual period.

Changes in major subsidiaries and affiliates are stated in “3. Information on Subsidiaries and Affiliates.”

The Bank has reclassified its reportable segments. Please see “(1) Reportable segments” in “Notes to Semi-annual Consolidated Financial Statements (Unaudited) for the six months ended September 30, 2018 and 2017 and Consolidated Financial Statements for the fiscal year ended March 31, 2018, 24. SEGMENT INFORMATION” for details.

Reportable segments after the reclassification are as follows:

Retail & Commercial Banking Business Unit	: Providing financial services to Japanese individual and small to medium sized corporate customers
Japanese Corporate & Investment Banking Business Unit	: Providing financial services to major Japanese corporate customers
Global Corporate & Investment Banking Business Unit	: Providing financial services to major non-Japanese corporations
Global Commercial Banking Business Unit	: Providing financial services to individual and small to medium sized corporate customers of overseas commercial bank investees of the Group
Global Markets Business Unit	: Providing services relating to foreign currency exchange, funds and investment securities to customers, as well as conducting market transactions and managing liquidity and cash for the Group
Other units	: Other than the businesses mentioned above

## 3. Information on Subsidiaries and Affiliates

Changes in major subsidiaries and affiliates during the current semi-annual period are as follows:

### (1) New investee company

A company that newly became one of the Bank’s affiliates during the current semi-annual period is as follows:

Company name	Address	Ratio of voting rights holding [held] (%)
Affiliate accounted for using the equity method PT Bank Danamon Indonesia, Tbk.	Special Capital District of Jakarta, Republic of Indonesia	40.0 [1.0]

(Note) Numbers within brackets under “Ratio of voting rights holding [held]” indicates indirect ownership via subsidiaries.

### (2) Other changes

- Banco de Tokyo-Mitsubishi UFJ Brasil S/A changed its company name to Banco MUFG Brasil S.A. as of April 1, 2018.
- Bank of Tokyo-Mitsubishi UFJ (Mexico), S.A. changed its company name to MUFG Bank Mexico, S.A. as of April 1, 2018.
- BTMU Lease (Deutschland) GmbH changed its company name to MUFG Europe Lease (Deutschland) GmbH as of April 1, 2018.
- BTMU Participation (Thailand) Co., Ltd. changed its company name to MUFG Participation (Thailand) Co., Ltd. as of April 1, 2018.
- Bangkok BTMU Limited changed its company name to Bangkok MUFG Limited as of April 1, 2018.
- BTMU Holding (Thailand) Co., Ltd. changed its company name to MUFG Holding (Thailand) Co., Ltd. as of April 1, 2018.
- Bank of Tokyo-Mitsubishi UFJ (Turkey) Anonim Sirketi changed its company name to MUFG Bank Turkey Anonim Sirketi as of April 2, 2018.
- Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad changed its company name to MUFG Bank (Malaysia) Berhad as of April 2, 2018.
- AO Bank of Tokyo-Mitsubishi UFJ (Eurasia) changed its company name to AO MUFG Bank (Eurasia) as of April 3, 2018.

- Bank of Tokyo-Mitsubishi UFJ (China), Ltd. changed its company name to MUFG Bank (China), Ltd. as of July 16, 2018.

#### 4. Employees

##### (1) Number of employees in consolidated companies

As of September 30, 2018

	Retail & Commercial Banking	Japanese Corporate & Investment Banking	Global Corporate & Investment Banking	Global Commercial Banking	Global Markets	Other units	Total
Number of employees	23,968 [9,900]	3,920 [400]	1,985 [100]	34,511 [2,900]	1,204 [0]	21,565 [8,400]	87,153 [21,600]

- (Notes)
1. Number of employees includes locally hired overseas staff members, but excludes 3,845 contract employees and 21,500 temporary employees.
  2. Numbers within brackets indicate average number of temporary employees over the current semi-annual period.
  3. Number of temporary employees includes contractors and is rounded to the nearest hundred for the end of the current semi-annual period as well as for an average over the half year.
  4. Number of contractors counted as temporary employees was 4,800 at the end of the current semi-annual period while 4,800 on average over the half year (both numbers are rounded to the nearest hundred).

##### (2) Employees of the Bank

As of September 30, 2018

	Retail & Commercial Banking	Japanese Corporate & Investment Banking	Global Corporate & Investment Banking	Global Commercial Banking	Global Markets	Other units	Total
Number of employees	21,359 [9,101]	3,121 [369]	1,185 [53]	1 [0]	1,074 [38]	7,591 [2,013]	34,331 [11,574]

- (Notes)
1. Number of employees excludes employees loaned to other companies but includes employees loaned to the Bank, while it includes locally hired overseas staff members, but excludes 1,618 contract employees and 11,451 temporary employees.
  2. Number of employees excludes 108 Executive Officers (15 of whom serving as Directors concurrently).
  3. Number of temporary employees includes contractors. Number of contractors was 2,253 at the end of the current semi-annual period and 2,291 on average over the half year.
  4. Number within brackets indicates average number of temporary employees for the current semi-annual period.
  5. Employees union of the Bank is called MUFG Bank Union with the membership of 32,386.  
No significant issues exist between the union and the management.

## **II. Business Overview**

### **1. Management Policy, Business Environment and Issues to be Addressed, etc.**

(1) Management policy and target financial data, etc.

During the current semi-annual period, there were no significant changes in the Bank's management policy or target financial data, etc. In addition, there were no management policies or target financial data, etc. newly established.

(2) Issues to be addressed

During the current semi-annual period, there were no significant changes in the Bank's issues to be addressed. In addition, there were no new issues to be addressed.

### **2. Risks Related to Business**

Of the risks related to business, as stated in the annual securities report of the previous fiscal year, emerging risks or significant changes in the existing risks that are deemed to have potential significant impact on the judgment of investors as perceived by the Bank are as follows. This section contains forward-looking statements, which unless specifically described otherwise, reflect the Bank's understanding as of the date of filing of this Semi-annual Securities Report.

The item number given to the heading below corresponds to the item number in "II. Business Overview, 2. Risks Related to Business" of the Annual Securities Report for the previous fiscal year.

(3) Risks relating to the Bank's global markets operations

The Bank undertakes extensive global market operations involving a variety of financial instruments, including derivatives, and hold large volumes of such financial instruments. As a result, the Bank's financial condition and results of operations are subject to the risks relating to these operations and holdings. The primary risks are fluctuations in domestic and/or foreign interest rates, foreign currency exchange rates and securities prices. For example, an increase in domestic and/or foreign interest rates may adversely affect the value of the Bank's fixed income securities portfolio. Specifically, interest rates of Japanese government bonds may hike due to such factors as a heightened market expectation for cessation or revision of the "quantitative and qualitative monetary easing with yield curve control" program in response to further progress in the anti-deflation measures in Japan and a decline in confidence in Japan's fiscal health and sovereign creditworthiness, or in the event that interest rates on U.S. Treasury securities rise due to such factors as acceleration of interest rate hikes in the United States. If domestic and/or foreign interest rates rise for these or other reasons, the Bank may incur significant losses on sales of, and valuation losses on, the government bond portfolio held by the Bank. In addition, an appreciation of the Japanese yen will cause the value of the Bank's foreign currency-denominated investments on the Bank's financial statements to decline and may cause the Bank to recognize losses on sales or valuation losses. The Bank manages market risk, which is the risk of incurring losses due to various market fluctuation including domestic and/or foreign interest rates, foreign currency exchange rates and securities prices, by separating market risk into "general market risk" and "specific risk". General market risk is the risk of incurring losses due to changes in overall markets, while specific risk is the risk of incurring losses due to changes in the prices of certain financial instruments, including stocks and bonds, which fluctuate separately from changes in the overall movement of the market. To measure these risks, the Bank uses a method that statistically estimates how much the market value of its portfolio may decline over a certain period of time in the future based on past market fluctuation, and the Bank considers the sum of its general market risk and specific risk calculated by this method as its market risk exposure. However, because of its inherent nature, the Bank's market risk exposure calculated in this manner may not always reflect the actual risk that the Bank faces and the Bank may realize actual losses that are greater than its estimated market risk exposure.

In addition, if the "quantitative and qualitative monetary easing with yield curve control" program is maintained in Japan for an extended period, or if the interest rate is further pushed into negative territory, market rates may decline further, and the yield on the Japanese government bonds and other financial instruments that the Bank holds may also decline.

Furthermore, the Bank may voluntarily modify, or may be required by changes in accounting standards or otherwise to modify, the valuation method and other accounting treatment the Bank applies to the financial instruments it holds in connection with its markets operations. In such case, the Bank's results of operations may be adversely affected.



### 3. Management Analyses of Financial Position, Results of Operations and Cash Flows

#### (1) Overview of Results of Operations, etc.

(Financial position and results of operations)

Results for the current semi-annual period are as follows:

Assets increased by ¥8,970.1 billion compared to the end of the previous fiscal year to ¥248,199.0 billion. Major components were loans and bills discounted of ¥104,962.2 billion, cash and due from banks of ¥59,516.5 billion and securities of ¥44,538.4 billion.

Liabilities increased by ¥8,812.1 billion compared to the end of the previous fiscal year to ¥235,332.3 billion. Major components were deposits and negotiable certificates of deposit of ¥170,775.8 billion.

As for profits and losses, ordinary profit decreased by ¥6.2 billion compared to the same period of the previous fiscal year to ¥543.0 billion, and semi-annual net income attributable to the shareholders of MUFG Bank increased by ¥26.7 billion compared to the same period of the previous fiscal year to ¥402.7 billion.

Results by reportable segment are as follows:

1. Retail & Commercial Banking Business Unit

Net operating income was ¥34.7 billion, with a decrease of ¥12.0 billion from the same period of the previous fiscal year.

2. Japanese Corporate & Investment Banking Business Unit

Net operating income was ¥94.2 billion, with an increase of ¥17.3 billion from the same period of the previous fiscal year.

3. Global Corporate & Investment Banking Business Unit

Net operating income was ¥71.1 billion, with an increase of ¥7.7 billion from the same period of the previous fiscal year.

4. Global Commercial Banking Business Unit

Net operating income was ¥104.2 billion, with an increase of ¥17.1 billion from the same period of the previous fiscal year.

5. Global Markets Business Unit

Net operating income was ¥100.8 billion, with a decrease of ¥106.7 billion from the same period of the previous fiscal year.

6. Other units

Net operating loss was ¥75.1 billion, with a decrease of ¥48.6 billion from the same period of the previous fiscal year.

From the current semi-annual period, the Bank has reorganized business units in line with the business group reorganization by the Bank's parent company Mitsubishi UFJ Financial Group, Inc.

Segment information for the previous semi-annual period that was prepared in accordance with the reorganized business units is provided in "Notes to Semi-annual Consolidated Financial Statements (Unaudited) for the six months ended September 30, 2018 and 2017 and Consolidated Financial Statements for the fiscal year ended March 31, 2018, 24. SEGMENT INFORMATION, (3) Reportable segment information."

(Summary of cash flows)

With regard to cash flows, operating activities generated net cash of ¥2,957.9 billion, with a ¥2,099.7 billion decrease in cash inflows from the same period of the previous fiscal year. Investing activities used net cash of ¥1,317.4 billion, with a ¥2,924.6 billion increase in cash outflows from the same period of the previous fiscal year. Financing activities used net cash of ¥45.1 billion, with a ¥29.6 billion increase in cash outflows from the same period of the previous fiscal year.

Cash and cash equivalents at the end of the current semi-annual period were ¥59,516.5 billion, with a ¥1,827.8 billion increase from the end of the previous fiscal year.

From the current semi-annual period, the Bank has revised its scope of funds reported on the consolidated statement of cash flows and provides retroactively adjusted figures.

The consolidated risk-adjusted capital ratio based on the uniform international standards as of September 30, 2018 was 14.04%.

1) Income and expenses for domestic and overseas operations

Details of income and expenses for domestic and overseas operations are as follows:

The total amount of net interest income, net fees and commissions, net trading income and net other operating income for the current semi-annual period was ¥1,231.4 billion, with a decrease of ¥123.0 billion from the same period of the previous fiscal year. Of this, domestic operations posted an income of ¥698.6 billion, with a decrease of ¥86.4 billion from the same period of the previous fiscal year, and overseas operations posted an income of ¥744.8 billion, with an increase of ¥21.4 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Net interest income	Previous semi-annual period	428,505	467,163	(86,777)	808,891
	Current semi-annual period	444,092	496,701	(140,612)	800,182
Of which, interest income	Previous semi-annual period	558,865	846,280	(121,782)	1,283,363
	Current semi-annual period	663,623	1,057,720	(184,116)	1,537,227
Of which, interest expenses	Previous semi-annual period	130,359	379,117	(35,005)	474,471
	Current semi-annual period	219,531	561,019	(43,504)	737,045
Net fees and commissions	Previous semi-annual period	204,124	199,844	(65,573)	338,395
	Current semi-annual period	198,624	209,217	(69,529)	338,312
Of which, fees and commissions income	Previous semi-annual period	279,694	233,893	(87,472)	426,115
	Current semi-annual period	275,123	253,317	(98,140)	430,300
Of which, fees and commissions expenses	Previous semi-annual period	75,569	34,048	(21,898)	87,719
	Current semi-annual period	76,499	44,099	(28,610)	91,987
Net trading income	Previous semi-annual period	22,381	16,946	(2,120)	37,207
	Current semi-annual period	2,397	33,408	(855)	34,950
Of which, trading income	Previous semi-annual period	23,004	38,103	(23,316)	37,791
	Current semi-annual period	3,252	68,944	(35,276)	36,921
Of which, trading expenses	Previous semi-annual period	622	21,157	(21,196)	583
	Current semi-annual period	854	35,536	(34,421)	1,970
Net other operating income	Previous semi-annual period	130,069	39,486	456	170,011
	Current semi-annual period	53,490	5,552	(1,040)	58,003
Of which, other operating income	Previous semi-annual period	158,601	94,481	(32,485)	220,597
	Current semi-annual period	95,890	91,906	(39,076)	148,719
Of which, other operating expenses	Previous semi-annual period	28,532	54,995	(32,942)	50,585
	Current semi-annual period	42,399	86,353	(38,036)	90,716

- (Notes) 1. “Domestic” includes offices of the Bank (excluding its overseas offices) and consolidated subsidiaries whose principal offices are located in Japan (hereinafter referred to as “domestic consolidated subsidiaries”). “Overseas” includes the Bank’s overseas offices and consolidated subsidiaries whose principal offices are located abroad (hereinafter referred to as “overseas consolidated subsidiaries”).
2. Interest expenses are stated excluding expenses related to money held in trust.
3. “Amount of elimination” is the total amount of elimination associated with intercompany transactions, etc. between consolidated companies.

2) Interest-earning assets and interest-bearing liabilities for domestic and overseas offices

(i) Domestic

Status of interest-earning assets and interest-bearing liabilities in domestic offices are shown below:

The average balance of interest-earning assets in the current semi-annual period increased by ¥6,329.4 billion compared to the same period of the previous fiscal year to ¥130,579.0 billion. Yield on interest-earning assets rose by 0.11% to 1.01% and the total interest income stood at ¥663.6 billion, with an increase of ¥104.7 billion from the same period of the previous fiscal year. The average balance of interest-bearing liabilities in the current semi-annual period increased by ¥11,601.7 billion compared to the same period of the previous fiscal year to ¥151,172.6 billion. Yield on interest-bearing liabilities rose by 0.10% to 0.28% and total interest expenses stood at ¥219.5 billion, with an increase of ¥89.1 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous semi-annual period	124,249,563	558,865	0.89
	Current semi-annual period	130,579,034	663,623	1.01
Of which, loans and bills discounted	Previous semi-annual period	55,569,928	280,125	1.00
	Current semi-annual period	62,656,451	344,537	1.09
Of which, securities	Previous semi-annual period	36,176,077	242,952	1.33
	Current semi-annual period	36,834,472	283,287	1.53
Of which, call loans and bills bought	Previous semi-annual period	82,019	20	0.04
	Current semi-annual period	467,838	399	0.17
Of which, receivables under resale agreements	Previous semi-annual period	8,858	(11)	(0.26)
	Current semi-annual period	2,120,532	(2,555)	(0.24)
Of which, receivables under securities borrowing transactions	Previous semi-annual period	4,378,999	219	0.01
	Current semi-annual period	852,304	48	0.01
Of which, due from banks	Previous semi-annual period	24,688,263	12,200	0.09
	Current semi-annual period	24,594,861	12,352	0.10
Interest-bearing liabilities	Previous semi-annual period	139,570,947	130,359	0.18
	Current semi-annual period	151,172,680	219,531	0.28
Of which, deposits	Previous semi-annual period	121,827,760	22,097	0.03
	Current semi-annual period	129,206,503	28,320	0.04
Of which, negotiable certificates of deposit	Previous semi-annual period	1,135,784	164	0.02
	Current semi-annual period	1,067,828	153	0.02
Of which, call money and bills sold	Previous semi-annual period	32,860	271	1.64
	Current semi-annual period	66,635	642	1.92
Of which, payables under repurchase agreements	Previous semi-annual period	4,980,214	29,533	1.18
	Current semi-annual period	8,263,371	56,441	1.36
Of which, payables under securities lending transactions	Previous semi-annual period	3,664,189	184	0.01
	Current semi-annual period	1,960,801	104	0.01
Of which, commercial paper	Previous semi-annual period	–	–	–
	Current semi-annual period	–	–	–
Of which, borrowed money	Previous semi-annual period	16,477,296	57,000	0.68
	Current semi-annual period	19,372,450	94,559	0.97

(Notes) 1. The average balance of each asset and liability was generally computed based on an average of daily balances, but figures for certain consolidated subsidiaries were calculated based on an average of month-end balances.

2. “Domestic” includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries.

3. The amount of interest-earning assets is stated excluding the average balance of interest-free due from banks. The amount of interest-bearing liabilities is stated excluding the average balance of money held in trust and the corresponding interest payments.

(ii) Overseas

Status of interest-earning assets and interest-bearing liabilities in overseas offices are shown below:

The average balance of interest-earning assets in the current semi-annual period increased by ¥5,357.5 billion compared to the same period of the previous fiscal year to ¥70,529.6 billion. Yield on interest-earning assets rose by 0.40% to 2.99% and total interest income stood at ¥1,057.7 billion, with an increase of ¥211.4 billion from the same period of the previous fiscal year. The average balance of interest-bearing liabilities in the current semi-annual period increased by ¥4,181.1 billion compared to the same period of the previous fiscal year to ¥69,977.0 billion. Yield on interest-bearing liabilities rose by 0.44% to 1.59% and total interest expenses stood at ¥561.0 billion, with an increase of ¥181.9 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous semi-annual period	65,172,109	846,280	2.58
	Current semi-annual period	70,529,638	1,057,720	2.99
Of which, loans and bills discounted	Previous semi-annual period	42,308,866	596,534	2.81
	Current semi-annual period	44,760,339	732,544	3.26
Of which, securities	Previous semi-annual period	6,343,570	71,885	2.26
	Current semi-annual period	7,228,151	77,846	2.14
Of which, call loans and bills bought	Previous semi-annual period	553,133	5,949	2.14
	Current semi-annual period	582,981	6,036	2.06
Of which, receivables under resale agreements	Previous semi-annual period	2,525,243	28,371	2.24
	Current semi-annual period	2,996,046	43,349	2.88
Of which, receivables under securities borrowing transactions	Previous semi-annual period	566,760	2,924	1.02
	Current semi-annual period	569,034	5,551	1.94
Of which, due from banks	Previous semi-annual period	8,151,318	47,871	1.17
	Current semi-annual period	8,992,749	73,392	1.62
Interest-bearing liabilities	Previous semi-annual period	65,795,872	379,117	1.14
	Current semi-annual period	69,977,005	561,019	1.59
Of which, deposits	Previous semi-annual period	36,967,096	162,087	0.87
	Current semi-annual period	40,449,777	240,359	1.18
Of which, negotiable certificates of deposit	Previous semi-annual period	5,479,052	37,268	1.35
	Current semi-annual period	4,513,281	45,008	1.98
Of which, call money and bills sold	Previous semi-annual period	441,063	3,533	1.59
	Current semi-annual period	505,155	6,347	2.50
Of which, payables under repurchase agreements	Previous semi-annual period	3,593,820	20,540	1.13
	Current semi-annual period	3,466,456	40,404	2.32
Of which, payables under securities lending transactions	Previous semi-annual period	48,983	393	1.60
	Current semi-annual period	62,207	858	2.75
Of which, commercial paper	Previous semi-annual period	1,550,730	9,677	1.24
	Current semi-annual period	1,756,951	19,451	2.20
Of which, borrowed money	Previous semi-annual period	2,016,240	13,720	1.35
	Current semi-annual period	3,497,580	35,754	2.03

- (Notes)
1. The average balance of each asset and liability was generally computed based on an average of daily balances, but figures for certain consolidated subsidiaries were calculated based on an average of month-end balances.
  2. "Overseas" includes overseas offices of the Bank and overseas consolidated subsidiaries.
  3. The amount of interest-earning assets is stated excluding the average balance of interest-free due from banks. The amount of interest-bearing liabilities is stated excluding the average balance of money held in trust and the corresponding interest payments.

## (iii) Total

(Millions of yen)

Item	Semi-annual period	Average balance			Interest			Yield (%)
		Subtotal	Amount of elimination	Total	Subtotal	Amount of elimination	Total	
Interest-earning assets	Previous semi-annual period	189,421,672	(7,681,021)	181,740,651	1,405,145	(121,782)	1,283,363	1.40
	Current semi-annual period	201,108,673	(8,358,947)	192,749,726	1,721,344	(184,116)	1,537,227	1.59
Of which, loans and bills discounted	Previous semi-annual period	97,878,794	(2,257,686)	95,621,108	876,659	(26,987)	849,671	1.77
	Current semi-annual period	107,416,791	(1,926,184)	105,490,606	1,077,082	(29,169)	1,047,913	1.98
Of which, securities	Previous semi-annual period	42,519,648	(3,190,998)	39,328,649	314,838	(85,106)	229,731	1.16
	Current semi-annual period	44,062,623	(3,281,638)	40,780,985	361,134	(136,637)	224,496	1.09
Of which, call loans and bills bought	Previous semi-annual period	635,153	(107,160)	527,993	5,969	(129)	5,840	2.20
	Current semi-annual period	1,050,819	(162,762)	888,057	6,436	(533)	5,902	1.32
Of which, receivables under resale agreements	Previous semi-annual period	2,534,102	–	2,534,102	28,360	–	28,360	2.23
	Current semi-annual period	5,116,578	–	5,116,578	40,793	–	40,793	1.59
Of which, receivables under securities borrowing transactions	Previous semi-annual period	4,945,760	–	4,945,760	3,143	–	3,143	0.12
	Current semi-annual period	1,421,339	–	1,421,339	5,600	–	5,600	0.78
Of which, due from banks	Previous semi-annual period	32,839,581	(1,806,769)	31,032,812	60,072	(7,068)	53,003	0.34
	Current semi-annual period	33,587,610	(2,497,713)	31,089,897	85,744	(11,856)	73,888	0.47
Interest-bearing liabilities	Previous semi-annual period	205,366,819	(4,502,219)	200,864,600	509,476	(35,005)	474,471	0.47
	Current semi-annual period	221,149,686	(5,129,357)	216,020,328	780,550	(43,504)	737,045	0.68
Of which, deposits	Previous semi-annual period	158,794,856	(1,398,583)	157,396,273	184,184	(3,805)	180,379	0.22
	Current semi-annual period	169,656,280	(2,181,929)	167,474,351	268,680	(6,991)	261,688	0.31
Of which, negotiable certificates of deposit	Previous semi-annual period	6,614,837	–	6,614,837	37,432	–	37,432	1.12
	Current semi-annual period	5,581,109	–	5,581,109	45,162	–	45,162	1.61
Of which, call money and bills sold	Previous semi-annual period	473,924	(162,684)	311,239	3,804	(1,112)	2,691	1.72
	Current semi-annual period	571,790	(192,045)	379,745	6,989	(1,873)	5,116	2.68
Of which, payables under repurchase agreements	Previous semi-annual period	8,574,034	–	8,574,034	50,074	–	50,074	1.16
	Current semi-annual period	11,729,827	–	11,729,827	96,845	–	96,845	1.64
Of which, payables under securities lending transactions	Previous semi-annual period	3,713,172	–	3,713,172	577	–	577	0.03
	Current semi-annual period	2,023,009	–	2,023,009	962	–	962	0.09
Of which, commercial paper	Previous semi-annual period	1,550,730	–	1,550,730	9,677	–	9,677	1.24
	Current semi-annual period	1,756,951	–	1,756,951	19,451	–	19,451	2.20
Of which, borrowed money	Previous semi-annual period	18,493,537	(2,114,531)	16,379,005	70,720	(23,503)	47,217	0.57
	Current semi-annual period	22,870,031	(1,810,391)	21,059,639	130,314	(32,796)	97,518	0.92

(Note) “Amount of elimination” is the total amount of elimination associated with intercompany transactions, etc. between consolidated companies.

### 3) Fees and commissions by domestic and overseas offices

Net fees and commissions income are as follows:

Fees and commissions income of domestic offices for the current semi-annual period was ¥275.1 billion, with a decrease of ¥4.5 billion from the same period of the previous fiscal year. Fees and commissions expenses were ¥76.4 billion, with an increase of ¥0.9 billion from the same period of the previous fiscal year, resulting in a net fees and commissions income of ¥198.6 billion, with a decrease of ¥5.5 billion from the same period of the previous fiscal year. Fees and commissions income of overseas offices during the current semi-annual period was ¥253.3 billion, with an increase of ¥19.4 billion from the same period of the previous fiscal year, while fees and commissions expenses were ¥44.0 billion, with an increase of ¥10.0 billion from the same period of the previous fiscal year, resulting in a net fees and commissions income of ¥209.2 billion, with an increase of ¥9.3 billion from the same period of the previous fiscal year.

Consequently, total net fees and commissions income for the current semi-annual period stood at ¥338.3 billion, with a decrease of ¥0.0 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Fees and commissions income	Previous semi-annual period	279,694	233,893	(87,472)	426,115
	Current semi-annual period	275,123	253,317	(98,140)	430,300
Of which, domestic and foreign exchange services	Previous semi-annual period	74,732	6,031	(156)	80,606
	Current semi-annual period	75,108	6,186	(179)	81,115
Of which, other commercial banking services	Previous semi-annual period	111,415	123,580	(1,685)	233,310
	Current semi-annual period	110,213	131,637	(2,040)	239,810
Of which, guarantee services	Previous semi-annual period	23,381	16,557	(8,125)	31,813
	Current semi-annual period	22,843	17,409	(7,842)	32,410
Of which, securities-related services	Previous semi-annual period	22,786	25,749	(38)	48,497
	Current semi-annual period	19,709	24,615	(37)	44,286
Fees and commissions expenses	Previous semi-annual period	75,569	34,048	(21,898)	87,719
	Current semi-annual period	76,499	44,099	(28,610)	91,987
Of which, domestic and foreign exchange services	Previous semi-annual period	16,544	4,475	(152)	20,867
	Current semi-annual period	16,538	5,522	(161)	21,899

- (Notes)
1. “Domestic” includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries. “Overseas” includes the Bank’s overseas offices and overseas consolidated subsidiaries.
  2. “Other commercial banking services” includes deposit-taking and lending services, agency services, custody and safe deposit services, trust-related services and others.
  3. “Amount of elimination” is the total amount of elimination associated with intercompany transactions, etc. between consolidated companies.

#### 4) Trading results by domestic and overseas offices

##### Details of trading income and expenses

Net trading incomes of domestic and overseas offices are as follows:

Trading income of domestic offices for the current semi-annual period was ¥3.2 billion, with a decrease of ¥19.7 billion from the same period of the previous fiscal year. Trading expenses of domestic offices for the current semi-annual period were ¥0.8 billion, with an increase of ¥0.2 billion from the same period of the previous fiscal year, resulting in a net trading income of ¥2.3 billion, accompanied by a decrease of ¥19.9 billion from the same period of the previous fiscal year. Trading income of overseas offices for the current semi-annual period was ¥68.9 billion, with an increase of ¥30.8 billion from the same period of the previous fiscal year. Trading expenses of overseas offices were ¥35.5 billion, an increase of ¥14.3 billion from the same period of the previous fiscal year. As a result, net trading income for the current semi-annual period was ¥33.4 billion, with an increase of ¥16.4 billion from the same period of the previous fiscal year.

Consequently, total net trading income posted by both domestic and overseas offices for the current semi-annual period stood at ¥34.9 billion, with a decrease of ¥2.2 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Trading income	Previous semi-annual period	23,004	38,103	(23,316)	37,791
	Current semi-annual period	3,252	68,944	(35,276)	36,921
Of which, income from trading securities	Previous semi-annual period	254	23,313	(12,923)	10,644
	Current semi-annual period	417	27,342	(27,760)	–
Of which, income from securities related to trading transactions	Previous semi-annual period	–	–	–	–
	Current semi-annual period	–	–	–	–
Of which, income from trading-related financial derivatives	Previous semi-annual period	22,511	14,789	(10,393)	26,908
	Current semi-annual period	2,499	41,602	(7,516)	36,585
Of which, income from other trading transactions	Previous semi-annual period	238	–	–	238
	Current semi-annual period	335	–	–	335
Trading expenses	Previous semi-annual period	622	21,157	(21,196)	583
	Current semi-annual period	854	35,536	(34,421)	1,970
Of which, expenses on trading securities	Previous semi-annual period	–	12,923	(12,923)	–
	Current semi-annual period	–	28,902	(27,760)	1,142
Of which, expenses on securities related to trading transactions	Previous semi-annual period	622	(39)	–	583
	Current semi-annual period	854	(26)	–	828
Of which, expenses on trading-related financial derivatives	Previous semi-annual period	–	8,272	(8,272)	–
	Current semi-annual period	–	6,660	(6,660)	–
Of which, expenses on other trading transactions	Previous semi-annual period	–	–	–	–
	Current semi-annual period	–	–	–	–

(Notes) 1. “Domestic” includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries.

“Overseas” includes the Bank’s overseas offices and overseas consolidated subsidiaries.

2. “Amount of elimination” is the total amount of elimination associated with intercompany transactions, etc. between consolidated companies.

5) Balance of deposits by domestic and overseas offices  
 · Deposits by classification (ending balance)

(Millions of yen)

Item	Semi-annual period	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Total deposits	Previous semi-annual period	121,703,624	37,267,564	(1,220,454)	157,750,734
	Current semi-annual period	127,718,568	39,522,481	(1,792,526)	165,448,524
Of which, liquid deposits	Previous semi-annual period	90,190,711	21,402,536	(600,497)	110,992,750
	Current semi-annual period	96,064,702	21,432,186	(462,908)	117,033,980
Of which, fixed-term deposits	Previous semi-annual period	26,380,351	15,785,470	(610,233)	41,555,588
	Current semi-annual period	25,967,275	18,010,248	(1,175,984)	42,801,539
Of which, other deposits	Previous semi-annual period	5,132,561	79,557	(9,724)	5,202,395
	Current semi-annual period	5,686,591	80,047	(153,633)	5,613,004
Negotiable certificates of deposit	Previous semi-annual period	1,270,852	5,484,422	–	6,755,274
	Current semi-annual period	1,037,174	4,290,140	–	5,327,314
Total	Previous semi-annual period	122,974,476	42,751,986	(1,220,454)	164,506,008
	Current semi-annual period	128,755,743	43,812,622	(1,792,526)	170,775,839

- (Notes)
1. “Domestic” includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries. “Overseas” includes the Bank’s overseas offices and overseas consolidated subsidiaries.
  2. “Amount of elimination” is the total amount of elimination associated with intercompany transactions, etc. between consolidated companies.
  3. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice
  4. Fixed-term deposits = Time deposits + Installment savings



6) Balance of loans and bills discounted at domestic and overseas offices  
 ・ Loans by type of industry (outstanding balances, composition ratios)

Industry	Previous semi-annual period		Current semi-annual period	
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Domestic (excluding Japan offshore market account)	53,441,598	100.00	60,713,113	100.00
Manufacturing	8,295,248	15.52	9,500,671	15.65
Construction	624,838	1.17	667,576	1.10
Wholesale and retail	5,712,273	10.69	6,387,237	10.52
Finance and insurance	5,669,777	10.61	7,454,218	12.28
Real estate, goods rental and leasing	8,337,195	15.60	10,936,013	18.01
Services	2,394,488	4.48	2,660,455	4.38
Other industries	22,407,777	41.93	23,106,942	38.06
Overseas and Japan offshore market account	41,385,357	100.00	44,249,171	100.00
Governments and public organizations	977,419	2.36	701,699	1.59
Financial institutions	9,764,510	23.59	10,330,237	23.34
Others	30,643,427	74.05	33,217,234	75.07
Total	94,826,956	–	104,962,285	–

(Note) “Domestic” includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries.  
 “Overseas” includes the Bank’s overseas offices and overseas consolidated subsidiaries.

(Status of Risk-Adjusted Capital Ratio)

(Reference information)

In accordance with the provisions of Article 14-2 of the Banking Act, the Bank calculates both consolidated and non-consolidated risk-adjusted capital ratios, based on the computation method defined by the Standards to Determine the Adequacy of its Capital Base in Light of the Assets Held by the Bank (Financial Services Agency Notification No. 19, 2006, hereinafter referred to as the “Notification”).

Upon the adoption of uniform international standards, the Bank applies the Advanced Internal Ratings-Based Approach for the computation of the value of credit risk-weighted assets. For the computation of the equivalent amount of operational risks, the Bank employs the Advanced Measurement Approach, as well as implementing the Market Risk Regulation.

Consolidated risk-adjusted capital ratios (under uniform international standards)

(Billions of yen, %)

	As of September 30, 2018
1. Consolidated Total Capital Ratio (4/7)	14.04
2. Consolidated Tier 1 Capital Ratio (5/7)	12.01
3. Consolidated Common Equity Tier 1 Capital Ratio (6/7)	10.50
4. Consolidated Total Capital	14,692.5
5. Consolidated Tier 1 Capital	12,573.1
6. Consolidated Common Equity Tier 1 Capital	10,986.8
7. Risk-weighted Assets	104,635.8
8. Consolidated Total Capital Requirements	8,370.8

Non-consolidated risk-adjusted capital ratios (under uniform international standards)

(Billions of yen, %)

	As of September 30, 2018
1. Non-consolidated Total Capital Ratio (4/7)	15.08
2. Non-consolidated Tier 1 Capital Ratio (5/7)	12.99
3. Non-consolidated Common Equity Tier 1 Capital Ratio (6/7)	11.28
4. Non-consolidated Total Capital	13,653.5
5. Non-consolidated Tier 1 Capital	11,759.7
6. Non-consolidated Common Equity Tier 1 Capital	10,218.1
7. Risk-weighted Assets	90,514.7
8. Non-consolidated Total Capital Requirements	7,241.1

(Assessment of asset quality)

(Reference information)

In accordance with Article 6 of the Act on Emergency Measures for the Reconstruction of the Financial Functions (Act No. 132 of 1998), the Bank assesses assets stated on its semi-annual balance sheets and classifies them as shown below, based on the financial condition and business performance, etc. of the borrowers. These assets include corporate bonds (limited to the corporate bonds on which the payment of all or part of the principal and interest is guaranteed by financial institutions holding such bonds and which were issued through private placement as defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act (Act No. 25 of 1948)), loans and bills discounted, foreign exchange assets, other assets booked as accrued interests, suspense payments or customers' liabilities for acceptance and guarantee, and securities if the Bank lent such securities which are required to be disclosed in a note to its semi-annual balance sheets (they are limited to loans for use or lending under rental contract).

1. Claims against bankrupt or de facto bankrupt borrowers

Claims against bankrupt or de facto bankrupt borrowers represent claims held against borrowers who have been declared insolvent or in a substantially similar condition, on the grounds of the commencement of bankruptcy or restructuring proceedings, filing for the proceedings of rehabilitation or other similar legal proceedings.

2. Doubtful claims

Doubtful claims are those against borrowers who have not yet failed but their financial condition and business performance have deteriorated, with a high possibility that the principal and interest on these claims will not be received as per agreement.

3. Claims in need of special attention

These claims include those for which payments of principal or interest are three months or more in arrears or for which terms and conditions have been relaxed.

4. Normal claims

Claims held against borrowers who are not experiencing particular problems in respect of their financial position or management performance, hence classified as claims other than the preceding three categories.

(2) Discussion and Analysis of Results of Operations, etc. from the Management Perspective

The Bank's financial position, results of operations and cash flows for the current semi-annual period are as follows.

Forward-looking statements in this section reflect the Bank's view as of the end of the current semi-annual period.

Consolidated gross operating income for the current semi-annual period decreased by ¥123.1 billion from the same period of the previous fiscal year, primarily reflecting deterioration in net other operating income. Meanwhile, general and administrative expenses increased by ¥16.8 billion from the same period of the previous fiscal year. As a result, consolidated net business profit (before provision for general allowance for credit losses) for the current semi-annual period was ¥335.5 billion, with a decrease of ¥139.9 billion from the same period of the previous fiscal year.

Meanwhile, semi-annual net income attributable to the shareholders of MUFG Bank was ¥402.7 billion, with an increase of ¥26.7 billion from the same period of the previous fiscal year.

The main items for the current semi-annual period are shown in the table below.

(Billions of yen)				
		Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Interest income	(1)	1,283.3	1,537.2	253.8
Interest expenses (after deduction of expenses related to money held in trust)	(2)	474.4	737.0	262.5
Trust fees	(3)	6.6	6.5	(0.0)
Of which, credit costs for trust accounts	(4)	–	–	–
Fees and commissions income	(5)	426.1	430.3	4.1
Fees and commissions expenses	(6)	87.7	91.9	4.2
Trading income	(7)	37.7	36.9	(0.8)
Trading expenses	(8)	0.5	1.9	1.3
Other operating income	(9)	220.5	148.7	(71.8)
Other operating expenses	(10)	50.5	90.7	40.1
Consolidated gross operating income (= (1) - (2) + (3) + (5) - (6) + (7) - (8) + (9) - (10))	(11)	1,361.1	1,238.0	(123.1)
General and administrative expenses (after deduction of non-recurring expenses)	(12)	885.6	902.5	16.8
Consolidated net business profit (loss) (before provision for general allowance for credit losses = (11) + (4) - (12))		475.4	335.5	(139.9)
Other ordinary expenses (Provision for general allowance for credit losses)	(13)	–	–	–
Consolidated net business profit (loss) (= (11) - (12) - (13))		475.4	335.5	(139.9)
Other ordinary income	(14)	178.7	302.5	123.8
Of which, reversal of allowance for credit losses		57.8	91.3	33.4
Of which, gains on collection of bad debts		28.0	20.6	(7.3)
Of which, gains on sales of equity securities and other securities		50.3	86.7	36.4
Interest expenses (expenses related to money held in trust)	(15)	0.0	0.0	(0.0)
General and administrative expenses (non-recurring expenses)	(16)	27.4	16.8	(10.5)
Other ordinary expenses (after deduction of provision for general allowance for credit losses)	(17)	77.5	78.2	0.6
Of which, credit costs		45.8	7.7	(38.1)
Of which, losses on sales of equity securities and other securities		9.3	8.7	(0.6)
Of which, losses on write-down of equity securities and other securities		0.8	1.2	0.3
Net non-recurring gains (losses) (= (14) - (15) - (16) - (17))		73.7	207.4	133.7

	Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Ordinary profit	549.2	543.0	(6.2)
Net extraordinary gains (losses)	(9.6)	(7.3)	2.2
Of which, impairment loss of long-lived assets	(8.0)	(7.4)	0.6
Income before income taxes	539.5	535.6	(3.9)
Total income taxes	142.8	111.8	(31.0)
Net income before attribution of noncontrolling interests	396.7	423.8	27.1
Net income attributable to noncontrolling interests	20.6	21.0	0.3
Net income attributable to the shareholders of MUFG Bank	376.0	402.7	26.7

## 1) Analysis of Results of Operations

### (i) Total credit costs

Total credit costs for the current semi-annual period decreased by ¥120.8 billion compared to the same period of the previous fiscal year to a reversal of ¥160.8 billion, primarily reflecting an increase of reversal of reserve for contingent losses and a decrease of credit costs.

(Billions of yen)

	Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Of the trust fees, credit costs for trust accounts (1)	–	–	–
Of other ordinary income, reversal of allowance for credit losses (2)	57.8	91.3	33.4
Of other ordinary income, reversal of reserve for contingent losses (3)	–	56.5	56.5
Of other ordinary income, gains on collection of bad debts (4)	28.0	20.6	(7.3)
Of other ordinary expenses, provision for general allowance for credit losses (5)	–	–	–
Of other ordinary expenses, credit costs (6)	45.8	7.7	(38.1)
Write-offs of loans	27.7	20.6	(7.0)
Provision for specific allowance for credit losses	–	–	–
Other credit costs	18.1	(12.8)	(31.0)
Total credit costs (= (1) - (2) - (3) - (4) + (5) + (6))	(39.9)	(160.8)	(120.8)
Consolidated net business profit (loss) (before credit costs for trust accounts and provision for general allowance for credit losses)	475.4	335.5	(139.9)
Consolidated net business profit (loss) (after deduction of total credit costs)	515.4	496.3	(19.1)

(ii) Net gains (losses) on equity securities and other securities

The Bank posted ¥76.8 billion gains on equity securities and other securities for the current semi-annual period with an increase of ¥36.6 billion from the same period of the previous fiscal year.

Gains on sales of equity securities and other securities increased by ¥36.4 billion compared to the same period of the previous fiscal year to ¥86.7 billion while losses on sales of equity securities and other securities decreased by ¥0.6 billion compared to the same period of the previous fiscal year to ¥8.7 billion. Losses on write-down of equity securities and other securities increased by ¥0.3 billion compared to the same period of the previous fiscal year to ¥1.2 billion.

(Billions of yen)

	Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Net gains (losses) on equity securities and other securities	40.1	76.8	36.6
Of other ordinary income, gains on sales of equity securities and other securities	50.3	86.7	36.4
Of other ordinary expenses, losses on sales of equity securities and other securities	9.3	8.7	(0.6)
Of other ordinary expenses, losses on write-down of equity securities and other securities	0.8	1.2	0.3

## 2) Analysis of Financial Position

### (For reference) Status of claims disclosed under the Financial Reconstruction Act

Claims disclosed under the Financial Reconstruction Act decreased by ¥249.4 billion from the end of the previous fiscal year to ¥641.3 billion.

The percentage of disclosed claims to total claims decreased by 0.34 percentage points from the end of the previous fiscal year to 0.64%.

Claims by borrowers' classification show claims against bankrupt or de facto bankrupt borrowers decreased by ¥19.3 billion, doubtful claims increased by ¥10.9 billion, and claims in need of special attention fell by ¥241.1 billion.

With regard to the status of coverage at the end of the current semi-annual period for these disclosed claims totaling ¥641.3 billion, the amount secured by allowance for credit losses was ¥197.0 billion and the amount secured by collaterals, guarantees and others was ¥335.8 billion, representing a percentage of covered claims to total disclosed claims (coverage ratio) of 83.07%.

The Bank has been addressing non-performing loans and other claims as an important issue. It continues efforts to reduce these assets through disposals, by write-offs and sales or the implementation of turnaround programs for recoverable borrowers.

### Claims disclosed under the Financial Reconstruction Act (non-consolidated)

(Billions of yen)

Category	Loan amount (A)	Allowance for credit losses (B)	Covered by collateral and/or guarantees (C)	Allowance ratio for unsecured portion (B) / [(A) - (C)]	Coverage ratio [(B) + (C)] / (A)
Claims against bankrupt or de facto bankrupt borrowers	98.1 [117.4]	5.5 [7.8]	92.5 [109.5]	100.00% [100.00%]	100.00% [100.00%]
Doubtful claims	349.4 [338.4]	135.9 [95.4]	152.6 [168.6]	69.08% [56.20%]	82.58% [78.03%]
Claims in need of special attention	193.8 [434.9]	55.5 [164.0]	90.6 [173.0]	53.79% [62.63%]	75.39% [77.49%]
Subtotal	641.3 [890.7]	197.0 [267.3]	335.8 [451.2]	64.48% [60.82%]	83.07% [80.66%]
Normal claims	98,757.9 [88,874.3]	–	–	–	–
Total	99,399.2 [89,765.0]	–	–	–	–
Percentage of disclosed claims to total claims	0.64% [0.99%]	–	–	–	–

(Note) The upper figures are as of September 30, 2018. The lower figures within brackets are as of March 31, 2018.

### 3) Cash Flows

As stated in “II. Business Overview, 3. Management Analyses of Financial Position, Results of Operations and Cash Flows, (1) Overview of Results of Operations, etc. (Summary of cash flows).”

### 4) Results of Operations by Business Unit

Results of operations for the current semi-annual period posted by business units which are segmented based on the internal management classification.

[Principal business conducted by each business unit]

Retail & Commercial Banking Business Unit	: Providing financial services to Japanese individual and small to medium sized corporate customers
Japanese Corporate & Investment Banking Business Unit	: Providing financial services to major Japanese corporate customers
Global Corporate & Investment Banking Business Unit	: Providing financial services to major non-Japanese corporations
Global Commercial Banking Business Unit	: Providing financial services to individual and small to medium sized corporate customers of overseas commercial bank investees of the Group
Global Markets Business Unit	: Providing services relating to foreign currency exchange, funds and investment securities to customers, as well as conducting market transactions and managing liquidity and cash for the Group
Other units	: Other than the businesses mentioned above

(Billions of yen)

	Retail & Commercial Banking	Japanese Corporate & Investment Banking	Global Corporate & Investment Banking	Global Commercial Banking	Customer business units subtotal	Global Markets	Other units (Note 2)	Total
Gross operating income	358.4	206.7	187.1	343.8	1,096.1	148.7	(29.8)	1,215.1
Non-consolidated	327.6	179.7	136.4	(0.8)	642.9	120.8	76.7	840.5
Net interest income	224.1	72.8	57.9	(0.8)	354.0	46.5	173.8	574.4
Net non-interest income	103.4	106.8	78.5	(0.0)	288.8	74.3	(97.0)	266.1
Subsidiaries	30.7	27.0	50.7	344.7	453.2	27.9	(106.6)	374.5
Expenses	323.6	112.5	115.9	239.5	791.8	47.9	45.3	885.1
Net operating income (Note 1)	34.7	94.2	71.1	104.2	304.3	100.8	(75.1)	330.0

(Notes) 1. Net operating income is the consolidated net business profit (loss) before consolidation adjustments (eliminating dividends from subsidiaries only).

Above profits and losses are computed for the purpose of internal management and differ from those for financial accounting.

2. Other units' gross operating income excludes dividends from subsidiaries and income from the loans to Mitsubishi UFJ Financial Group, Inc.

#### (1) Retail & Commercial Banking Business Unit

Interest margin in yen decreased due to the declining interest spread, and income from sales commission in the retail banking business was weak. As a result, gross operating income fell below that of the previous fiscal year.



(2) Japanese Corporate & Investment Banking Business Unit

Gross operating income exceeded that of the previous fiscal year mainly due to the improved income from deposits and loans in Japan and overseas.

(3) Global Corporate & Investment Banking Business Unit

Gross operating income exceeded that of the previous fiscal year mainly due to the improved income from loans, fees and commissions, principally in the Americas and Asia & Oceania.

(4) Global Commercial Banking Business Unit

Gross operating income exceeded that of the previous fiscal year due to the increase in interest and non-interest income at the Bank of Ayudhya and commercial banks in the Americas.

(5) Global Markets Business Unit

While income fell below that of the previous fiscal year mainly due to portfolio rebalancing amid rising long-term interest rates overseas, the unit strived for management adapted to changes in the external environment.

#### 4. Critical Contracts for Operation

Additional acquisition of shares in PT Bank Danamon Indonesia, Tbk.

On August 3, 2018, the Bank acquired an additional 20.1% of the total outstanding shares of PT Bank Danamon Indonesia, Tbk. (“Danamon”), which is a major commercial bank of the Republic of Indonesia (“Indonesia”), from Asia Financial (Indonesia) Pte. Ltd. (“AFI”) and others (together with AFI, the “Sellers”). As a result, the Bank has increased its investment in Danamon to 40.0% and Danamon became an affiliate accounted for using the equity method of the Bank.

1) Objectives of the investment

The Bank intends to establish an integrated and comprehensive services platform that serves as a gateway for clients wishing to make inroads into Indonesia’s burgeoning economy as well as local companies keen on expanding into the region. This investment is also expected to strategically allow the Bank to benefit from Danamon’s foothold in the developing local retail and small and medium enterprises (SME) segments to deepen its banking franchise in Indonesia.

2) Outline of the investment

The Bank entered into conditional share purchase agreements with the Sellers on December 26, 2017, to acquire their 73.8% equity interests in Danamon (the “Acquisition of Shares”), subject to applicable regulatory approvals.

The Acquisition of Shares will be executed through three steps, and the completion of the Acquisition of Shares will result in Danamon becoming a consolidated subsidiary of the Bank.

On December 29, 2017, as the first step, the Bank acquired an initial 19.9% equity interest (1,907,344,030 shares) in Danamon from the Sellers based on a price of IDR 8,323 (approximately ¥70) per share and at an investment amount of IDR 15,875 billion (approximately ¥133.4 billion). The price was based on a price book-value ratio of 2.0 calculated on the basis of Danamon’s net assets as of September 30, 2017, with certain adjustments applied.

On August 3, 2018, as the second step mentioned above, the Bank acquired an additional 20.1% equity interest (1,926,513,316 shares) in Danamon from the Sellers based on a price of IDR 8,921 (approximately ¥69) per share and at an investment amount of IDR 17,187 billion (approximately ¥132.3 billion). The price was based on a price book-value ratio of 2.0 calculated on the basis of Danamon’s net assets as of as of June 30, 2018 with certain adjustments applied.

Thereafter, as the third step, the Bank intends to seek the necessary approvals to increase its equity interest in Danamon above 40%, and this will provide an opportunity for all other existing Danamon shareholders including AFI to either remain as shareholders or receive cash from the Bank. With the closing of the third step, the Bank’s final equity interest in Danamon is expected to be over 73.8%. The price for Danamon’s shares in the third step will be based on a similar approach as the first and second steps.

#### 5. Research and Development Activities

Not applicable.

### III. Company Information

#### 1. Information on the Company's Shares

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued
Common stock	33,000,000,000
Class 2 preferred stock	100,000,000
Class 4 preferred stock	79,700,000
Class 6 preferred stock	1,000,000
Class 7 preferred stock	177,000,000
1st series of Class 8 preferred stock	400,000,000 (Note 1)
2nd series of Class 8 preferred stock	400,000,000 (Note 1)
3rd series of Class 8 preferred stock	400,000,000 (Note 1)
4th series of Class 8 preferred stock	400,000,000 (Note 1)
1st series of Class 9 preferred stock	200,000,000 (Note 2)
2nd series of Class 9 preferred stock	200,000,000 (Note 2)
3rd series of Class 9 preferred stock	200,000,000 (Note 2)
4th series of Class 9 preferred stock	200,000,000 (Note 2)
1st series of Class 10 preferred stock	200,000,000 (Note 3)
2nd series of Class 10 preferred stock	200,000,000 (Note 3)
3rd series of Class 10 preferred stock	200,000,000 (Note 3)
4th series of Class 10 preferred stock	200,000,000 (Note 3)
Total	34,157,700,000

- (Notes)
1. Total number of shares authorized to be issued in a class of the 1st to 4th series of Class 8 preferred stock shall not exceed 400,000,000.
  2. Total number of shares authorized to be issued in a class of the 1st to 4th series of Class 9 preferred stock shall not exceed 200,000,000.
  3. Total number of shares authorized to be issued in a class of the 1st to 4th series of Class 10 preferred stock shall not exceed 200,000,000.

2) Total number of shares issued

Class	Number of shares issued as of the end of the current semi-annual period (September 30, 2018)	Number of shares issued as of the date of submission (November 28, 2018)	Financial instruments exchange on which the stock is listed or other market	Description
Common stock	12,350,038,122	Same as left	–	(Notes) 1, 2, 3
1st series of Class 2 preferred stock	100,000,000	Same as left	–	(Notes) 1, 2
1st series of Class 4 preferred stock	79,700,000	Same as left	–	(Notes) 1, 2
1st series of Class 6 preferred stock	1,000,000	Same as left	–	(Notes) 1, 2
1st series of Class 7 preferred stock	177,000,000	Same as left	–	(Notes) 1, 2
Total	12,707,738,122	Same as left	–	–

- (Notes)
1. Number of shares constituting one unit is 1,000 for both common stock and preferred stock, and there are no provisions in the Articles of Incorporation in respect of Article 322, Paragraph 2 of the Companies Act.
  2. Different provisions in respect of matters including voting rights apply to common stock and preferred stock, to allow our financial policy to operate in a flexible manner.
  3. Standard stock involving no restriction on shareholders' rights.

(2) Status of subscription rights to shares

1) Description of stock option plans

Not applicable.

2) Status of other subscription rights to shares

Not applicable.

(3) Status of exercise, etc. of moving strike convertible bonds, etc.

Not applicable.

(4) Status of the total number of shares issued and the amount of capital stock and other

Date	Change in total number of shares issued (Thousands of shares)	Total number of shares issued (Thousands of shares)	Change in capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
From April 1, 2018 to September 30, 2018	–	12,707,738	–	1,711,958	–	1,711,958

(5) Status of major shareholders

By number of shares held

As of September 30, 2018

Company name	Address	Number of shares held (Thousands of shares)	Ratio of number of shares held against total number of shares issued (%)
Mitsubishi UFJ Financial Group, Inc.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	12,350,038	100.00
Total	–	12,350,038	100.00

(Note) The Bank holds 100,000 thousand shares of 1st series of Class 2 preferred stock, 79,700 thousand shares of 1st series of Class 4 preferred stock, 1,000 thousand shares of 1st series of Class 6 preferred stock, and 177,000 thousand shares of 1st series of Class 7 preferred stock, totaling 357,700 thousand shares, which are excluded from the above major shareholders.

By number of voting rights held

As of September 30, 2018

Company name	Address	Number of voting rights held	Ratio of number of voting rights held against total number of shareholders' voting rights (%)
Mitsubishi UFJ Financial Group, Inc.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	12,350,038	100.00
Total	–	12,350,038	100.00

(6) Status of voting rights

1) Issued shares

As of September 30, 2018

Class	Number of shares	Number of voting rights	Description
Shares with no voting rights	1st series of Class 2 preferred stock 100,000,000	–	As stated in “1. Information on the Company’s Shares, (1) Total number of shares, etc.”
	1st series of Class 4 preferred stock 79,700,000	–	
	1st series of Class 6 preferred stock 1,000,000	–	
	1st series of Class 7 preferred stock 177,000,000	–	
Shares with restricted voting rights (treasury stock, etc.)	–	–	–
Shares with restricted voting rights (others)	–	–	–
Shares with full voting rights (treasury stock, etc.)	–	–	–
Shares with full voting rights (others)	Common stock 12,350,038,000	12,350,038	Standard stock involving no restriction on shareholders’ rights
Shares of less than one unit	Common stock 122	–	–
Total number of shares issued	12,707,738,122	–	–
Total number of shareholders’ voting rights	–	12,350,038	–

2) Treasury stock, etc.

As of September 30, 2018

Company name	Address	Number of shares held in its own name	Number of shares held in other than its own name	Total number of shares held	Ratio of number of shares held against total number of shares issued (%)
–	–	–	–	–	–
Total	–	–	–	–	–

(Note) Of the shares with no voting rights above, 100,000,000 shares of 1st series of Class 2 preferred stock, 79,700,000 shares of 1st series of Class 4 preferred stock, 1,000,000 shares of 1st series of Class 6 preferred stock, and 177,000,000 shares of 1st series of Class 7 preferred stock are treasury stock.

**2. Changes in Share Prices**

Not applicable as the Bank’s stock is not listed.

### 3. Directors and Corporate Auditors

Changes in Directors or Corporate Auditors by the date of submission of this semi-annual securities report after the date of submission of the annual securities report for the previous fiscal year are as follows:

New title and position	Previous title and position	Name	Date of change
Member of the Board of Directors, Deputy President (Chief Executive, Global Commercial Banking Business Unit, and COO-I (In charge of Corporate Planning Division (Global Business) and Global Operations Control Division))	Member of the Board of Directors, Deputy President (Co-Chief Executive, Global Business Unit (Mainly in charge of Headquarters for Asia & Oceania, Headquarters for East Asia, and Headquarters for Krungsri))	Eiichi Yoshikawa	July 1, 2018
Member of the Board of Directors, Deputy President (Chief Executive, Japanese Corporate & Investment Banking Business Unit)	Member of the Board of Directors, Deputy President (Chief Executive, Corporate Banking Business Unit)	Kenji Yabuta	July 1, 2018
Member of the Board of Directors, Senior Managing Executive Officer (Chief Executive, Retail & Commercial Banking Business Unit)	Member of the Board of Directors, Senior Managing Executive Officer (Chief Executive, Retail Banking Business Unit, and Deputy Chief Executive, Corporate Banking Business Unit)	Naoki Hori	July 1, 2018
Member of the Board of Directors, Senior Managing Executive Officer (Chief Executive, Global Corporate & Investment Banking Business Unit)	Member of the Board of Directors, Senior Managing Executive Officer (Co-Chief Executive, Global Business Unit (Mainly in charge of MUFG Americas Holdings, Headquarters for Europe, Middle East and Africa))	Masato Miyachi	July 1, 2018
Member of the Board of Directors, Managing Executive Officer (CSO (In charge of Corporate Planning Division (excluding Budget & Resource Management Department, and Global Business), in charge of Corporate Administration Division and Corporate Communications Division, and in sub-charge of Digital Transformation Division))	Member of the Board of Directors, Managing Executive Officer (CSO (In charge of Corporate Planning Division (excluding Budget & Resource Management Department), in charge of Corporate Administration Division and Corporate Communications Division, and in sub-charge of Digital Transformation Division))	Naomi Hayashi	July 1, 2018

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of MUFG Bank, Ltd.:

We have reviewed the accompanying semi-annual consolidated balance sheet of MUFG Bank, Ltd. (the "Bank") and its subsidiaries as of September 30, 2018, and the related semi-annual consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month periods ended September 30, 2018 and 2017, all expressed in Japanese yen, and the related notes.

### Management's Responsibility

Management is responsible for the preparation and fair presentation of these semi-annual consolidated financial statements in accordance with accounting principles for semi-annual consolidated financial statements generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of semi-annual consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Accountant's Responsibility

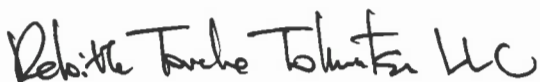
Our responsibility is to express a conclusion on these semi-annual consolidated financial statements based on our reviews. We conducted our reviews in accordance with review standards for semi-annual financial statements generally accepted in Japan. A review of semi-annual financial statements consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We believe that we have obtained the evidence to provide a basis for our review conclusion.

### Accountant's Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying semi-annual consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries as of September 30, 2018, and the consolidated results of their operations and their cash flows for the six-month periods ended September 30, 2018 and 2017, in accordance with accounting principles for semi-annual consolidated financial statements generally accepted in Japan.

We have previously audited, in accordance with auditing standards generally accepted in Japan, the consolidated balance sheet of the Bank and its subsidiaries as of March 31, 2018, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended (not presented herein); and in our report dated June 26, 2018, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of March 31, 2018, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Our reviews also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, based upon our reviews, nothing has come to our attention that causes us to believe that such translation has not been made in accordance with the basis stated in Note 1 to the semi-annual consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.



November 22, 2018

**Semi-annual Consolidated Financial Statements (Unaudited) and  
Consolidated Financial Statements**

**MUFG Bank, Ltd. and Subsidiaries**

**Semi-annual Consolidated Balance Sheet (Unaudited) as of September 30, 2018 and  
Consolidated Balance Sheet as of March 31, 2018**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30	March 31	September 30
	<u>2018</u>	<u>2018</u>	<u>2018</u>
<b>ASSETS:</b>			
Cash and due from banks (Notes 3, 4, 12 and 21)	¥ 59,516,523	¥ 57,688,651	\$ 524,051
Call loans and bills bought (Note 21)	339,070	1,532,654	2,986
Receivables under resale agreements (Note 21)	5,609,884	3,360,738	49,396
Receivables under securities borrowing transactions (Note 21)	623,139	5,058,458	5,487
Monetary claims bought (Notes 4 and 21)	4,522,352	4,247,072	39,820
Trading assets (Notes 12 and 21)	6,383,921	6,017,998	56,211
Money held in trust (Notes 5 and 21)	25,255	32,496	222
Securities (Notes 4, 6, 11, 12 and 21)	44,538,426	44,687,618	392,167
Loans and bills discounted (Notes 7, 12, 13 and 21)	104,962,285	93,816,565	924,208
Foreign exchange (Note 21)	2,573,286	2,849,236	22,658
Tangible fixed assets (Note 8)	1,081,582	1,092,280	9,523
Intangible fixed assets	860,128	869,663	7,574
Asset for retirement benefits	578,653	557,673	5,095
Deferred tax assets	37,993	28,831	335
Customers' liabilities for acceptances and guarantees (Note 11)	8,280,872	8,636,884	72,914
Other assets	8,834,095	9,411,441	77,785
Allowance for credit losses	(568,431)	(659,338)	(5,005)
<b>Total assets</b>	<b>¥ 248,199,039</b>	<b>¥ 239,228,925</b>	<b>\$ 2,185,428</b>

**MUFG Bank, Ltd. and Subsidiaries**

**Semi-annual Consolidated Balance Sheet (Unaudited) as of September 30, 2018 and Consolidated Balance Sheet as of March 31, 2018**

	Millions of Yen		Millions of
	September 30	March 31	U.S. Dollars
	<u>2018</u>	<u>2018</u>	(Note 1)
			September 30
			<u>2018</u>
<b>LIABILITIES:</b>			
Deposits (Notes 12 and 21)	¥ 165,448,524	¥ 162,273,249	\$ 1,456,798
Negotiable certificates of deposit (Note 21)	5,327,314	5,471,650	46,908
Call money and bills sold (Notes 12 and 21)	287,527	405,061	2,532
Payables under repurchase agreements (Notes 12 and 21)	16,538,883	10,227,941	145,627
Payables under securities lending transactions (Notes 12 and 21)	475,846	5,741,181	4,190
Commercial paper (Note 21)	1,645,448	1,441,060	14,488
Trading liabilities (Notes 12 and 21)	3,775,163	3,151,991	33,241
Borrowed money (Notes 10, 12 and 21)	21,699,375	16,351,843	191,066
Foreign exchange (Note 21)	2,421,879	2,188,725	21,325
Bonds payable (Notes 10 and 21)	3,310,913	3,545,657	29,153
Reserve for employee bonuses	34,943	44,357	308
Reserve for bonuses to directors	47	96	0
Reserve for stocks payment	4,632	5,296	41
Liability for retirement benefits	49,545	49,598	436
Reserve for retirement benefits to directors	351	412	3
Reserve for loyalty award credits	10,615	10,536	93
Reserve for contingent losses	110,339	172,709	972
Deferred tax liabilities	646,472	611,334	5,692
Deferred tax liabilities for land revaluation (Note 9)	111,634	112,872	983
Acceptances and guarantees (Note 11)	8,280,872	8,636,884	72,914
Other liabilities (Note 12)	5,152,008	6,077,740	45,364
<b>Total liabilities</b>	<b>¥ 235,332,339</b>	<b>¥ 226,520,203</b>	<b>\$ 2,072,135</b>
<b>EQUITY (Notes 15, 16 and 20):</b>			
<b>Capital stock</b>			
<b>Common stock:</b>			
Authorized, 33,000,000 thousand shares; issued, 12,350,038 thousand shares as of September 30 and March 31, 2018, with no stated value	¥ 1,586,958	¥ 1,586,958	\$ 13,973
<b>Preferred stock:</b>			
Authorized, 1,157,700 thousand shares; issued, 357,700 thousand shares as of September 30 and March 31, 2018, with no stated value	125,000	125,000	1,101
Capital surplus	3,670,822	3,670,941	32,322
Retained earnings	5,032,095	4,766,414	44,308
Treasury stock—at cost 357,700 thousand shares as of September 30 and March 31, 2018	(645,700)	(645,700)	(5,685)
<b>Total shareholders' equity</b>	<b>9,769,175</b>	<b>9,503,614</b>	<b>86,019</b>
<b>Accumulated other comprehensive income:</b>			
Net unrealized gain on available-for-sale securities (Notes 4 and 6)	1,856,002	1,829,670	16,342
Net deferred (loss) gain on derivatives under hedge accounting	(33,809)	55,767	(298)
Land revaluation surplus (Note 9)	214,582	217,295	1,889
Foreign currency translation adjustments	186,045	233,942	1,638
Defined retirement benefit plans	81,151	70,886	715
<b>Total accumulated other comprehensive income</b>	<b>2,303,972</b>	<b>2,407,562</b>	<b>20,287</b>
Noncontrolling interests	793,552	797,545	6,987
<b>Total equity</b>	<b>12,866,700</b>	<b>12,708,722</b>	<b>113,293</b>
<b>Total liabilities and equity</b>	<b>¥ 248,199,039</b>	<b>¥ 239,228,925</b>	<b>\$ 2,185,428</b>

See the accompanying notes to semi-annual consolidated financial statements.



**MUFG Bank, Ltd. and Subsidiaries**

**Semi-annual Consolidated Statements of Income (Unaudited)  
For the Six-Month Periods Ended September 30, 2018 and 2017**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	<u>2018</u>	<u>2017</u>	<u>2018</u>
<b>INCOME:</b>			
Interest income:	¥ 1,537,227	¥ 1,283,363	\$ 13,536
Interest on loans and bills discounted	1,047,913	849,671	9,227
Interest and dividends on securities	224,496	229,731	1,977
Trust fees	6,580	6,625	58
Fees and commissions	430,300	426,115	3,789
Trading income	36,921	37,791	325
Other operating income	148,719	220,597	1,309
Other income (Note 17)	305,208	180,928	2,687
<b>Total income</b>	<b>2,464,956</b>	<b>2,155,420</b>	<b>21,704</b>
<b>EXPENSES:</b>			
Interest expenses:	737,049	474,477	6,490
Interest on deposits	261,688	180,379	2,304
Fees and commissions	91,987	87,719	810
Trading expenses	1,970	583	17
Other operating expenses	90,716	50,585	799
General and administrative expenses	919,378	913,080	8,095
Other expenses (Note 18)	88,200	89,396	777
<b>Total expenses</b>	<b>1,929,303</b>	<b>1,615,843</b>	<b>16,988</b>
Income before income taxes	535,653	539,577	4,717
Income taxes:			
Current	56,586	104,508	498
Deferred	55,243	38,356	486
<b>Total income taxes</b>	<b>111,830</b>	<b>142,865</b>	<b>985</b>
Net income before attribution of noncontrolling interests	423,823	396,712	3,732
Net income attributable to noncontrolling interests	21,046	20,689	185
<b>Net income attributable to the shareholders of MUFG Bank</b>	<b>¥ 402,776</b>	<b>¥ 376,022</b>	<b>\$ 3,546</b>
	Yen		U.S. Dollars
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Per share of common stock (Note 16 and 20):			
Basic earnings per common share	¥ 32.61	¥ 30.44	\$ 0.29
Diluted earnings per common share	32.61	30.44	0.29
Cash dividends applicable to the reporting period per common share	—	12.12	—

See the accompanying notes to semi-annual consolidated financial statements.

## MUFG Bank, Ltd. and Subsidiaries

### Semi-annual Consolidated Statements of Comprehensive Income (Unaudited) For the Six-Month Periods Ended September 30, 2018 and 2017

	Millions of Yen		Millions of			
	Six-Month Periods Ended		U.S. Dollars			
	September 30		(Note 1)			
	<u>2018</u>	<u>2017</u>	Six-Month Period Ended September 30			
			<u>2018</u>			
Net income before attribution of noncontrolling interests	¥	423,823	¥	396,712	\$	3,732
Other comprehensive (loss) income:						
Net unrealized gain on available-for-sale securities		31,133		251,319		274
Net deferred loss on derivatives under hedge accounting		(90,122)		(20,903)		(794)
Land revaluation surplus		—		(6)		—
Foreign currency translation adjustments		(43,721)		(53,695)		(385)
Defined retirement benefit plans		10,001		19,975		88
Share of other comprehensive loss in associates accounted for using the equity method		(17,589)		(5,597)		(155)
Total other comprehensive (loss) income		<u>(110,299)</u>		<u>191,091</u>		<u>(971)</u>
Comprehensive income	¥	<u>313,523</u>	¥	<u>587,803</u>	\$	<u>2,761</u>
Total comprehensive income attributable to:						
The shareholders of MUFG Bank	¥	302,748	¥	566,395	\$	2,666
Noncontrolling interests		10,774		21,407		95

See the accompanying notes to semi-annual consolidated financial statements.

# MUFG Bank, Ltd. and Subsidiaries

## Semi-annual Consolidated Statements of Changes in Equity (Unaudited) For the Six-Month Periods Ended September 30, 2018 and 2017

	Millions of Yen													Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Accumulated other comprehensive income							Noncontrolling interests	
						Net unrealized gain on available-for-sale securities	Net deferred (loss) gain on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income			
BALANCE, APRIL 1, 2017	¥ 1,711,958	¥ 3,668,009	¥ 4,578,772	¥ (645,700)	¥ 9,313,039	¥ 1,610,220	¥ 142,155	¥ 228,160	¥ 283,319	¥ (53,525)	¥ 2,210,330	¥ 903,707	¥ 12,427,078	
Dividends paid	-	-	(185,411)	-	(185,411)	-	-	-	-	-	-	-	(185,411)	
Net income attributable to the shareholders of MUFG Bank	-	-	376,022	-	376,022	-	-	-	-	-	-	-	376,022	
Reversal of land revaluation surplus	-	-	1,952	-	1,952	-	-	-	-	-	-	-	1,952	
Changes in equity of consolidated subsidiaries	-	(52)	-	-	(52)	-	-	-	-	-	-	-	(52)	
Other changes in the period	-	-	-	-	-	253,651	(20,867)	(1,959)	(62,395)	19,913	188,342	5,293	193,635	
BALANCE, SEPTEMBER 30, 2017	¥ 1,711,958	¥ 3,667,957	¥ 4,771,335	¥ (645,700)	¥ 9,505,550	¥ 1,863,872	¥ 121,287	¥ 226,201	¥ 220,923	¥ (33,611)	¥ 2,398,673	¥ 909,001	¥ 12,813,225	
BALANCE, APRIL 1, 2018	¥ 1,711,958	¥ 3,670,941	¥ 4,766,414	¥ (645,700)	¥ 9,503,614	¥ 1,829,670	¥ 55,767	¥ 217,295	¥ 233,942	¥ 70,886	¥ 2,407,562	¥ 797,545	¥ 12,708,722	
Effects due to revision of accounting standards for foreign affiliates	-	-	1,014	-	1,014	(1,014)	-	-	-	-	(1,014)	-	-	
BALANCE, APRIL 1, 2018 (as restated)	1,711,958	3,670,941	4,767,428	(645,700)	9,504,628	1,828,656	55,767	217,295	233,942	70,886	2,406,547	797,545	12,708,722	
Dividends paid	-	-	(140,823)	-	(140,823)	-	-	-	-	-	-	-	(140,823)	
Net income attributable to the shareholders of MUFG Bank	-	-	402,776	-	402,776	-	-	-	-	-	-	-	402,776	
Reversal of land revaluation surplus	-	-	2,712	-	2,712	-	-	-	-	-	-	-	2,712	
Changes in equity of consolidated subsidiaries	-	(119)	-	-	(119)	-	-	-	-	-	-	-	(119)	
Other changes in the period	-	-	-	-	-	27,346	(89,577)	(2,712)	(47,896)	10,264	(102,575)	(3,992)	(106,568)	
BALANCE, SEPTEMBER 30, 2018	¥ 1,711,958	¥ 3,670,822	¥ 5,032,095	¥ (645,700)	¥ 9,769,175	¥ 1,856,002	¥ (33,809)	¥ 214,582	¥ 186,045	¥ 81,151	¥ 2,303,972	¥ 793,552	¥ 12,866,700	

## MUFG Bank, Ltd. and Subsidiaries

### Semi-annual Consolidated Statements of Changes in Equity (Unaudited) For the Six-Month Periods Ended September 30, 2018 and 2017

	Millions of U.S. Dollars (Note 1)													Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Net deferred (loss) gain on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income	Noncontrolling interests		
BALANCE, APRIL 1, 2018	\$ 15,074	\$ 32,323	\$ 41,969	\$ (5,685)	\$ 83,681	\$ 16,111	\$ 491	\$ 1,913	\$ 2,060	\$ 624	\$ 21,199	\$ 7,022	\$ 111,902	
Effects due to revision of accounting standards for foreign affiliates	-	-	9	-	9	(9)	-	-	-	-	(9)	-	-	
BALANCE, APRIL 1, 2018 (as restated)	15,074	32,323	41,978	(5,685)	83,690	16,102	491	1,913	2,060	624	21,190	7,022	111,902	
Dividends paid	-	-	(1,240)	-	(1,240)	-	-	-	-	-	-	-	(1,240)	
Net income attributable to the shareholders of MUFG Bank	-	-	3,546	-	3,546	-	-	-	-	-	-	-	3,546	
Reversal of land revaluation surplus	-	-	24	-	24	-	-	-	-	-	-	-	24	
Changes in equity of consolidated subsidiaries	-	(1)	-	-	(1)	-	-	-	-	-	-	-	(1)	
Other changes in the period	-	-	-	-	-	241	(789)	(24)	(422)	90	(903)	(35)	(938)	
BALANCE, SEPTEMBER 30, 2018	\$ 15,074	\$ 32,322	\$ 44,308	\$ (5,685)	\$ 86,019	\$ 16,342	\$ (298)	\$ 1,889	\$ 1,638	\$ 715	\$ 20,287	\$ 6,987	\$ 113,293	

See the accompanying notes to semi-annual consolidated financial statements.

MUFG Bank, Ltd. and Subsidiaries

Semi-annual Consolidated Statements of Cash Flows (Unaudited)  
For the Six-Month Periods Ended September 30, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	<u>2018</u>	<u>2017</u>	<u>2018</u>
OPERATING ACTIVITIES:			
Income before income taxes	¥ 535,653	¥ 539,577	\$ 4,717
Adjustments for:			
Income taxes paid	(156,794)	(112,461)	(1,381)
Income taxes refunds	11,599	12,727	102
Depreciation and amortization	105,625	108,657	930
Impairment loss on long-lived assets	7,418	8,097	65
Amortization of goodwill	8,054	7,839	71
Equity in earnings of the equity method investees	(9,046)	(18,251)	(80)
Decrease in allowance for credit losses	(112,044)	(108,691)	(987)
Decrease in reserve for employee bonuses	(8,920)	(6,120)	(79)
Decrease in reserve for bonuses to directors	(49)	(82)	(0)
Decrease in reserve for stocks payment	(664)	(68)	(6)
Increase in asset for retirement benefits	(22,401)	(43,717)	(197)
Increase in liability for retirement benefits	804	1,030	7
Decrease in reserve for retirement benefits to directors	(61)	(108)	(1)
Increase in reserve for loyalty award credits	396	739	3
(Decrease) increase in reserve for contingent losses	(61,800)	6,773	(544)
Interest income (accrual basis)	(1,537,227)	(1,283,363)	(13,536)
Interest expenses (accrual basis)	737,049	474,477	6,490
Gains on securities	(77,637)	(114,088)	(684)
Losses on money held in trust	4,796	5,779	42
Foreign exchange gains	(721,325)	(333,868)	(6,351)
Losses on disposition of fixed assets	491	1,538	4
(Increase) decrease in trading assets	(339,983)	403,299	(2,994)
Increase (decrease) in trading liabilities	570,442	(133,055)	5,023
Adjustment of unsettled trading accounts	146,589	(73,762)	1,291
Net (increase) decrease in loans and bills discounted	(1,056,150)	23,971	(9,300)
Net increase in deposits	3,637,995	3,381,910	32,033
Net (decrease) increase in negotiable certificates of deposit	(141,290)	119,192	(1,244)
Net increase in borrowed money (excluding subordinated borrowings)	2,794,171	937,438	24,603
Net increase in call loans, bills bought and receivables under resale agreements	(7,748,942)	(49,477)	(68,231)
Net decrease in receivables under securities borrowing transactions	4,422,957	237,628	38,945
Net increase in call money, bills sold and payables under repurchase agreements	6,281,346	1,557,640	55,308
Net increase in commercial paper	205,242	93,442	1,807
Net (decrease) increase in payables under securities lending transactions	(5,261,847)	78,359	(46,331)
Net decrease (increase) in foreign exchange assets	266,713	(29,355)	2,348
Net increase in foreign exchange liabilities	233,942	37,500	2,060
Decrease in straight bonds due to issuance and redemption	(167,938)	(356,394)	(1,479)
Interest and dividends received (cash basis)	1,555,952	1,298,215	13,700
Interest paid (cash basis)	(707,825)	(460,551)	(6,232)
Other-net	(437,380)	(1,154,760)	(3,851)
Total adjustments	2,422,253	4,518,080	21,328
Net cash provided by operating activities	¥ 2,957,906	¥ 5,057,658	\$ 26,045

**MUFG Bank, Ltd. and Subsidiaries**

**Semi-annual Consolidated Statements of Cash Flows (Unaudited)  
For the Six-Month Periods Ended September 30, 2018 and 2017**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	<u>2018</u>	<u>2017</u>	<u>2018</u>
<b>INVESTING ACTIVITIES:</b>			
Purchases of securities	¥ (25,391,676)	¥ (31,478,790)	\$ (223,577)
Proceeds from sales of securities	15,226,594	16,626,819	134,072
Proceeds from redemption of securities	10,735,144	16,580,902	94,524
Payments for increase in money held in trust	(17,555)	(11,887)	(155)
Proceeds from decrease in money held in trust	16,912	9,520	149
Purchases of tangible fixed assets	(53,097)	(58,559)	(468)
Purchases of intangible fixed assets	(86,203)	(64,396)	(759)
Proceeds from sales of tangible fixed assets	4,258	3,001	37
Proceeds from sales of intangible fixed assets	0	697	0
Payments for business transfers	(1,750,558)	–	(15,414)
Payments for purchases of stocks of subsidiaries resulting in change in the scope of consolidation	(1,106)	–	(10)
Other-net	(155)	(77)	(1)
Net cash (used in) provided by investing activities	<u>(1,317,444)</u>	<u>1,607,228</u>	<u>(11,600)</u>
<b>FINANCING ACTIVITIES:</b>			
Proceeds from subordinated borrowings	120,000	332,000	1,057
Repayments of subordinated borrowings	(24,290)	(30,000)	(214)
Proceeds from issuance of subordinated bonds and bonds with subscription rights to shares	–	56,035	–
Payments for redemption of subordinated bonds and bonds with subscription rights to shares	(106)	(181,082)	(1)
Proceeds from issuance of common stock to noncontrolling interests	2,900	2,182	26
Repayments to noncontrolling interests	–	(16)	–
Cash dividends paid	(128,934)	(178,828)	(1,135)
Cash dividends paid to noncontrolling interests	(14,637)	(15,735)	(129)
Payments for purchases of stocks of subsidiaries not resulting in change in the scope of consolidation	(38)	–	(0)
Net cash used in financing activities	<u>(45,107)</u>	<u>(15,444)</u>	<u>(397)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>232,517</u>	<u>25,868</u>	<u>2,047</u>
Net increase in cash and cash equivalents	1,827,872	6,675,311	16,095
Cash and cash equivalents, beginning of period	<u>57,688,651</u>	<u>49,105,070</u>	<u>507,957</u>
Cash and cash equivalents, end of period (Note 3)	<u>¥ 59,516,523</u>	<u>¥ 55,780,381</u>	<u>\$ 524,051</u>

See the accompanying notes to semi-annual consolidated financial statements.

**Notes to Semi-annual Consolidated Financial Statements (Unaudited)  
for the six months ended September 30, 2018 and 2017 and  
Consolidated Financial Statements for the fiscal year ended March 31, 2018**

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**1. BASIS OF PRESENTING SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**

On April 1, 2018, the Bank of Tokyo-Mitsubishi UFJ, Ltd. has changed its name to MUFG Bank, Ltd.

The semi-annual consolidated financial statements of MUFG Bank, Ltd. (the “Bank”), which is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc. (“MUFG”), have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations concerning preparation of semi-annual consolidated financial statements, Ordinance for Enforcement of the Banking Law and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards (“IFRSs”).

In preparing these semi-annual consolidated financial statements, certain reclassifications and rearrangements have been made to the semi-annual consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the consolidated balance sheet as of March 31, 2018 and the semi-annual consolidated financial statements for the six-month period ended September 30, 2017 (except for balance sheet related items) to conform to the classifications used in the semi-annual consolidated financial statements as of September 30, 2018 and for the six-month period then ended.

These semi-annual consolidated financial statements should be read in conjunction with the Bank’s consolidated financial statements and notes thereto included in the Bank’s Annual report for the fiscal year ended March 31, 2018.

All Japanese yen figures in the semi-annual consolidated financial statements have been rounded down to the nearest million yen, except for per share information. Accordingly, the total of each account may not be equal to the combined total of individual items.

The semi-annual consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥113.57 to U.S. \$1, the approximate rate of exchange as of September 30, 2018. Such translations should not be construed as representations that the Japanese yen amounts can be converted into U.S. dollars at that or any other rate.

All U.S. dollar amounts in the semi-annual consolidated financial statements have been rounded off to the nearest million U.S. dollar, except for per share information. Accordingly, the total of each account may not be equal to the combined total of individual items.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(1) Consolidation**

The semi-annual consolidated financial statements include the accounts of the Bank and its subsidiaries (together, the “Group”). There were 126 subsidiaries as of September 30, 2018 and March 31, 2018.

Under the control and influence concepts, the companies over which the Bank, directly or indirectly, is able to exercise control are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for using the equity method.

Investments in 48 affiliates were accounted for using the equity method as of September 30, 2018 and March 31, 2018.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits and losses resulting from intercompany transactions were eliminated.

1) Scope of consolidation

a) Major subsidiaries as of September 30, 2018 and March 31, 2018 were as follows:

MUFG Americas Holdings Corporation (“MUAH”)  
Bank of Ayudhya Public Company Limited

Changes in the subsidiaries in the six-month period ended September 30, 2018 were as follows:  
PT Guna Dharma was newly included in the scope of consolidation due to acquisition of shares.

BTMU Preferred Capital 6 Limited was excluded from the scope of consolidation due to liquidation in the six-month period ended September 30, 2018.

Changes in the subsidiaries in the fiscal year ended March 31, 2018 were as follows:

MUFG Investor Services (US), LLC and three other companies were newly included in the scope of consolidation due to reasons such as contribution-in-kind of shares of these companies to MUAH by MUFG on July 1, 2017. BTMU Preferred Capital 4 Limited and four other companies were excluded from the scope of consolidation due to liquidation, etc.

- b) There were no unconsolidated subsidiaries as of September 30, 2018 and March 31, 2018.
- c) The company which was not regarded as a subsidiary, although the majority of voting rights were owned by the Bank as of September 30, 2018 and March 31, 2018 was as follows:  
A&M Medical Development Limited Liability Company was not regarded as a subsidiary, since the Bank's consolidated subsidiaries in the venture capital business held its shares for the purpose of incubating their investees or earning capital gains through business revitalization, and not for the purpose of controlling those entities.
- d) There were no special purpose entities which were excluded from the scope of consolidation pursuant to Article 8-7 of the "Financial Statements Regulations for Terminology, Forms and Preparation of Financial Statements," which does not regard a special purpose entity as a subsidiary of an investor irrespective of indicators of control if the entity was established and operated for the purpose of asset securitization and satisfied certain eligible criteria as of September 30, 2018 and March 31, 2018.

2) Application of the equity method

- a) There were no unconsolidated subsidiaries accounted for using the equity method as of September 30, 2018 and March 31, 2018.
- b) Major affiliates accounted for using the equity method as of September 30, 2018 and March 31, 2018 were as follows:

Dah Sing Financial Holdings Limited  
Vietnam Joint Stock Commercial Bank for Industry and Trade

Changes in the affiliates accounted for using the equity method in the six-month period ended September 30, 2018 were as follows:

PT Bank Danamon Indonesia, Tbk. and two other companies were newly accounted for using the equity method in the six-month period ended September 30, 2018 due to acquisition of shares, etc.

Mitsubishi UFJ Kokusai Asset Management Co., Ltd. ("MUKAM") and two other companies were excluded from affiliates accounted for using the equity method in the six-month period ended September 30, 2018 since these companies have not met the definition of affiliates due to the decrease in ownerships resulting from dividends-in-kind of shares.



## Additional information

Application of the equity method due to additional acquisition of shares in PT Bank Danamon Indonesia, Tbk.

On August 3, 2018, the Bank acquired an additional 20.1% of the total outstanding shares of PT Bank Danamon Indonesia, Tbk. (“Danamon”), which is a major commercial bank of the Republic of Indonesia (“Indonesia”), from Asia Financial (Indonesia) Pte. Ltd. (“AFI”) and others (together with AFI, the “Sellers”). As a result, the Bank has increased its investment in Danamon to 40.0% and Danamon became an affiliate accounted for using the equity method of the Bank.

### i. Objectives of the investment

The Bank intends to establish an integrated and comprehensive services platform that serves as a gateway for clients wishing to make inroads into Indonesia’s burgeoning economy as well as local companies keen on expanding into the region. This investment is also expected to strategically allow the Bank to benefit from Danamon’s foothold in the developing local retail and small and medium enterprises (SME) segments to deepen its banking franchise in Indonesia.

### ii. Outline of the investment

The Bank entered into conditional share purchase agreements with the Sellers on December 26, 2017, to acquire their 73.8% equity interests in Danamon (the “Acquisition of Shares”), subject to applicable regulatory approvals.

The Acquisition of Shares will be executed through three steps, and the completion of the Acquisition of Shares will result in Danamon becoming a consolidated subsidiary of the Bank.

On December 29, 2017, as the first step, the Bank acquired an initial 19.9% equity interest (1,907,344,030 shares) in Danamon from the Sellers based on a price of IDR 8,323 (approximately ¥70 (\$0.62)) per share and at an investment amount of IDR 15,875 billion (approximately ¥133.4 billion (\$1,175 million)). The price was based on a price book-value ratio of 2.0 calculated on the basis of Danamon’s net assets as of September 30, 2017, with certain adjustments applied.

On August 3, 2018, as the second step mentioned above, the Bank acquired an additional 20.1% equity interest (1,926,513,316 shares) in Danamon from the Sellers based on a price of IDR 8,921 (approximately ¥69 (\$0.61)) per share and at an investment amount of IDR 17,187 billion (approximately ¥132.3 billion (\$1,165 million)). The price was based on a price book-value ratio of 2.0 calculated on the basis of Danamon’s net assets as of June 30, 2018 with certain adjustments applied, and Danamon became an affiliate accounted for using the equity method of the Bank.

Thereafter, as the third step, the Bank intends to seek the necessary approvals to increase its equity interest in Danamon above 40%, and this will provide an opportunity for all other existing Danamon shareholders to either remain as shareholders or receive cash from the Bank. With the closing of the third step, the Bank’s final equity interest in Danamon is expected to be over 73.8%. The price for Danamon’s shares in the third step will be based on a similar approach as the first and second steps.

### iii. Overview of the investee, Danamon:

Trade name (Name of the investee):	PT Bank Danamon Indonesia, Tbk.
Business:	Commercial banking
Effective date of applying the equity method:	August 3, 2018
Legal form of affiliation:	Acquisition of shares
Ratio of voting rights after acquisition of shares:	40%

### iv. Operating period of the investee included in the semi-annual financial statements

The fiscal year ending date of investee, Danamon, is December 31, which is different from the consolidated fiscal year ending date by 3 months. Therefore, the semi-annual consolidated statements of income for the six-month period ended September 30, 2018 does not include the operating results of Danamon.

### v. Outline of accounting treatment applied

#### aa. Acquisition cost of the investee and its components

		Millions of Yen	Millions of U.S. Dollars
Consideration for acquisition	Cash and due from banks	¥271,290	\$2,389
Expenses directly required for acquisition	Advisory fees, etc.	1,890	17
Acquisition cost		¥273,181	\$2,405

#### bb. Amount of goodwill generated and its cause

Amount of goodwill generated: ¥154,370 million (\$1,359 million)

The above amount is an amount calculated provisionally, since the allocation of the acquisition cost has not been completed.

The cause of generation:

The goodwill was generated because the acquisition cost exceeded the equity interest of the Bank on the fair value of net assets of the investee at the date of acquisition of shares.

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2018 were as follows: BOT LEASE MEXICO S.A. DE C.V. was newly included in affiliates accounted for using the equity method due to new incorporation. Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. and other two companies were excluded from affiliates accounted for using the equity method since these companies have not met the definition of affiliates due to the decrease in ownerships resulting from dividends-in-kind of shares.

- c) There were no unconsolidated subsidiaries not accounted for using the equity method as of September 30, 2018 and March 31, 2018.
- d) There were no affiliates not accounted for using the equity method as of September 30, 2018 and March 31, 2018.
- e) The following companies as of September 30, 2018 and March 31, 2018 of which the Group owned the voting rights between 20% and 50% were not recognized as affiliates accounted for using the equity method, since the Bank's consolidated subsidiaries in the venture capital business held its shares for the purpose of incubating their investees or earning capital gains through business revitalization, not for the purpose of controlling those entities:

As of September 30, 2018:

EDP Corporation  
Eil Inc.  
Fun Place Co., Ltd.  
KAMUi Pharma, Inc.  
GEXVal Inc.

As of March 31, 2018:

EDP Corporation  
Eil Inc.  
Fun Place Co., Ltd.

- 3) The six-month period ending dates and fiscal year ending dates of subsidiaries
  - a) The six-month period ending dates of subsidiaries as of September 30, 2018 were as follows:

	Number of subsidiaries
April 30	1
June 30	83
July 24	3
September 30	39

The fiscal year ending dates of subsidiaries as of March 31, 2018 were as follows:

	Number of subsidiaries
October 31	1
December 31	82
January 24	4
March 31	39

- b) The subsidiary with the six-month period ending April 30 is consolidated based on the preliminary financial statements for the six-month period ended July 31.

Other subsidiaries are consolidated based on the financial information as of their six-month period ending dates or fiscal year ending dates.

Adjustments were made in the semi-annual consolidated financial statements to reflect significant transactions occurring in the period between the six-month period ending dates of subsidiaries and September 30, 2018, and in the consolidated financial statements to reflect significant transactions occurring in the period between the fiscal year ending dates of subsidiaries and March 31, 2018.

**(2) Accounting Policies Applied to Foreign Subsidiaries for the Semi-annual Consolidated Financial Statements**

The Accounting Standards Board of Japan (“ASBJ”) issued Practical Issues Task Force (“PITF”) No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18, May 17, 2006). This PITF permits foreign subsidiaries’ financial statements prepared in accordance with either IFRSs

or accounting principles generally accepted in the United States of America (“US GAAP”) to be used for the consolidation process with certain adjustments.

Financial statements of foreign subsidiaries prepared in accordance with either IFRSs or US GAAP are used in the consolidation. However, when the financial statements of foreign subsidiaries are prepared in accordance with the generally accepted accounting principles in each domicile country which are different from IFRSs or US GAAP, they are adjusted to conform mainly to US GAAP. In addition, necessary adjustments for consolidation are made, if any.

**(3) Cash and Cash Equivalents**

For the purpose of the semi-annual consolidated statements of cash flows, “Cash and cash equivalents” represents “Cash and due from banks” on the semi-annual consolidated balance sheet.

**(4) Trading Assets or Liabilities, Securities and Money Held in Trust**

Securities other than investments in affiliates are classified into three categories, based principally on the Group’s intent, as follows:

- 1) Trading assets or liabilities, which are held for the purpose of earning capital gains arising from short-term fluctuations in interest rates, currency exchange rates or market prices and other market indices in the financial instruments or from variation among markets, are reported as “Trading assets” or “Trading liabilities” in the semi-annual consolidated balance sheet at fair value. The related unrealized or realized gains and losses are included in “Trading income (expenses)” in the semi-annual consolidated statements of income.
- 2) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost (using the straight-line method) based on the moving-average method.
- 3) Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gain (loss), net of applicable taxes, reported in a separate component of equity, except for unrealized gain (loss) which is recognized in profit or loss by applying the fair value hedge accounting.

The cost of available-for-sale securities sold is determined based on the moving-average method.

Available-for-sale securities whose fair value cannot be reliably determined are reported at acquisition cost or amortized cost using the moving-average method.

For declines in fair value that are not recoverable, securities are reduced to net realizable value by a charge to income.

Securities included in “Money held in trust” are also classified into the three categories outlined above.

The components of trust assets in “Money held in trust” are accounted for based on the standard appropriate for each asset type. Instruments held in trust for trading purposes are recorded at fair value and unrealized gain (loss) is recorded in “Other income (expenses).” Instruments held in trust classified as held-to-maturity are carried at amortized cost. Securities as components of trust assets in “Money held in trust” which are held for purposes other than trading or held-to-maturity are recorded at fair value with the unrealized gain (loss) recorded in a separate component of equity.

**(5) Tangible Fixed Assets**

“Tangible fixed assets” are stated at cost less accumulated depreciation. Depreciation of “Tangible fixed assets” of the Bank, except for “Lease assets,” is recorded based on the semi-annual period allocation of the estimated depreciation amount for the full year calculated using the declining-balance method over the estimated useful lives of the assets. The range of useful lives is principally from 15 to 50 years for “Buildings” and from 2 to 20 years for “Other tangible fixed assets.”

Depreciation of “Tangible fixed assets” of the subsidiaries is mainly calculated using the straight-line method over the estimated useful lives.

Depreciation of “Lease assets” in “Tangible fixed assets” of the finance leases other than those that are deemed to transfer the ownership of leased property to the lessees is calculated using the straight-line method over respective lease periods. The residual value of “Lease assets” is determined using the guaranteed residual value provided by the lease contracts or otherwise no value.

**(6) Intangible Fixed Assets**

Amortization of “Intangible fixed assets,” except for “Lease assets,” is calculated using the straight-line method. The capitalized cost of computer software developed/obtained for internal use is amortized using the straight-line method over the estimated useful lives (mainly 3 to 10 years) determined by the Bank or its subsidiaries.

Amortization of “Lease assets” in “Intangible fixed assets” of the finance leases other than those that are deemed to transfer the ownership of leased property to the lessees is calculated using the straight-line method over respective lease periods. The residual value of “Lease assets” is determined using the guaranteed residual value provided by the lease contracts or otherwise no value.

**(7) Deferred Charges**

Bond and stock issuance costs are charged to expense as incurred.

**(8) Allowance for Credit Losses**

The Bank and its domestic subsidiaries determine the amount of the “Allowance for credit losses” in accordance with the predetermined self-assessment standards and internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in a similar situation (“virtually bankrupt borrowers”), an allowance is provided based on the amount of claims, after the write-offs as stated below, net of the expected amounts of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but are likely to become bankrupt whose cash flows from collection of principal and interest cannot be reasonably estimated, an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers likely to become bankrupt and borrowers requiring close watch whose cash flows from collection of principal and interest can be reasonably estimated, an allowance is provided based on the difference between the relevant cash flows discounted by the initial contractual interest rate and the carrying value of the claims.

For other claims, an allowance is provided based on the historical credit losses ratio during the defined periods.

For specified overseas claims, an allowance is provided based on the estimated loss resulting from the political and economic conditions of those countries.

The operating branches and assessment divisions implement self-assessments for all claims in accordance with the Bank’s self-assessment standards. The Internal Audit & Credit Examination Division, which is independent from operating divisions, conducts verifications of these assessments.

For collateralized or guaranteed claims of bankrupt borrowers or virtually bankrupt borrowers, the amount of claims less estimated value of collateral or guarantees is deemed to be uncollectible and written off against the outstanding amount of claims. The amount of write-offs was ¥296,350 million (\$2,609 million) and ¥326,093 million as of September 30, 2018 and March 31, 2018, respectively.

Other subsidiaries determine the “Allowance for credit losses” based on the necessary amounts considering the historical loss ratio for general claims and the uncollectible amount estimated considering the specific collectability for specific deteriorated claims.

**(9) Reserve for Employee Bonuses**

“Reserve for employee bonuses” is provided for estimated payment of bonuses to employees attributable to the respective semi-annual periods.

**(10) Reserve for Bonuses to Directors**

“Reserve for bonuses to directors” is provided for estimated payment of bonuses to directors attributable to the respective semi-annual periods.

**(11) Reserve for Stocks Payment**

“Reserve for stocks payment,” which is provided for estimated compensation under a stock compensation plan for directors and other executives, is recorded in the amount deemed accrued at the semi-annual consolidated balance sheet date based on the estimated amount of compensation.

**(12) Retirement Benefits and Pension Plans**

The Bank accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the semi-annual consolidated balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis.

Past service costs are amortized on a straight-line basis for a period within the employees’ average remaining service period primarily over 10 years, commencing in the fiscal year in which the cost is incurred.

Actuarial gains and losses are amortized on a straight-line basis for a period within the employees’ average remaining service period, primarily over 10 years, commencing in the fiscal year immediately following the fiscal year in which the gains or losses incurred.

Some overseas branches of the Bank and some subsidiaries adopt the simplified method in determining liability for retirement benefits and net periodic benefit costs.

**(13) Reserve for Retirement Benefits to Directors**

“Reserve for retirement benefits to directors,” which is provided for payments of retirement benefits to directors of certain subsidiaries, is recorded in the amount deemed accrued at the semi-annual consolidated balance sheet date based on the estimated amount of benefits.

**(14) Reserve for Loyalty Award Credits**

“Reserve for loyalty award credits,” which is provided to meet future use of points granted to “Super IC Card” customers, is recorded based on the estimated future use of unused points.

**(15) 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.

**(16) Assets and Liabilities Denominated in Foreign Currencies**

Assets and liabilities denominated in foreign currencies and accounts of the overseas branches of the Bank are translated into Japanese yen primarily at exchange rates in effect on the semi-annual consolidated period-end date, except for investments in affiliates which are translated into Japanese yen at exchange rates in effect on the acquisition dates.

Assets and liabilities denominated in foreign currencies of the subsidiaries are translated into Japanese yen at the exchange rates in effect on the respective semi-annual period-end dates.

**(17) Leases**

(As lessee)

The Bank’s and its domestic subsidiaries’ finance leases, other than those that are deemed to transfer the ownership of leased property to the lessees, are accounted for in a similar way to purchases and depreciation of “Lease assets” is calculated using the straight-line method over the lease term with zero residual value unless residual value is guaranteed in the corresponding lease contracts.

(As lessor)

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

**(18) Derivatives and Hedging Activities**

Derivatives are stated at fair value.

1) Hedge accounting for interest rate risks

The Bank has adopted the deferred hedge accounting method for hedging transactions for interest rate risks arising from monetary 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 Industry Audit Committee Report No. 24. With respect to hedging transactions to offset fluctuations in 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 bond type.

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 of forecasted transactions 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 definite interest rate reset terms in accordance with 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 verifying the correlation of interest rate movement factors.

2) Hedge accounting for foreign currency risks

The Bank has adopted the deferred hedge accounting method for hedging transactions for foreign currency risks arising from monetary 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 currency.

The Bank has applied portfolio hedging and individual hedging using monetary assets and liabilities denominated in the same foreign currencies and forward exchange contracts for the purpose of hedging foreign currency risks arising from investments in interests in foreign subsidiaries and affiliates and foreign currency denominated securities (other than bonds). The Bank has recorded foreign currency translation differences arising from hedging instruments for investments in interests in foreign subsidiaries and affiliates in the account of foreign currency translation adjustments under other

comprehensive income and has applied the fair value hedge accounting to foreign currency denominated securities (other than bonds).

3) Hedge accounting for share price fluctuation risks

The Bank has applied individual hedging using total return swaps as hedging instruments for the purpose of hedging share price fluctuation risks arising from shares that are held for the purpose of strategic investment under available-for-sale securities. The effectiveness of hedging transactions is assessed by verifying the correlation of fair value fluctuations or others of hedged items and hedging instruments.

The Bank has applied the fair value hedge accounting method for these hedging transactions.

4) Transactions among consolidated companies

Derivative transactions, including interest rate swaps and currency swaps which are designated as hedging instruments, among consolidated companies or between trading accounts and other accounts (or among internal sections) are not eliminated from the semi-annual consolidated statements of income and related gains and losses are recognized or deferred under hedge accounting because these derivative transactions are executed, meeting certain criteria under JICPA Industry Audit Committee Reports No. 24 and No. 25 to be regarded as equivalent to external third party cover transactions.

**(19) Consumption Taxes**

National and local consumption taxes are excluded from transaction amounts. Non-deductible portions of consumption taxes on the purchases of “Tangible fixed assets” are charged to expense as incurred.

**(20) Application of Consolidated Taxation System**

The Bank and certain domestic subsidiaries applied the consolidated taxation system with MUFG as the parent company for tax consolidation purposes.

**(21) Per Share Information**

Basic earnings per common share is calculated by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted earnings per common share reflects the potential dilution that could occur if securities were exercised or converted into common shares. Diluted earnings per common share assumes full conversion of the outstanding convertible notes and bonds at the beginning of the fiscal year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Total equity per common share is calculated by dividing total equity attributable to common shareholders as of the semi-annual consolidated balance sheet date by the number of common shares as of the semi-annual consolidated balance sheet date.

Cash dividends per common share presented in the semi-annual consolidated statements of income are dividends applicable to the respective semi-annual periods including dividends to be paid after the end of the semi-annual period.

**(22) Change in Accounting Policies**

(Changes in the definition of cash and cash equivalents in the semi-annual consolidated statements of cash flows)

From the six months ended September 30, 2018, the Bank has changed the definition of cash and cash equivalents in the semi-annual consolidated statements of cash flows to make it equivalent to “Cash and due from banks” in the semi-annual consolidated balance sheet. Previously, it was defined as “Cash and due from banks” in the semi-annual consolidated balance sheet excluding time deposits and negotiable certificates of deposit in due from banks.

In light of the market environment where interest rates have long remained, and are expected to remain, ultra-low due to recent monetary policy, and the business environment where the Bank implements strategies to transform its business model based on the current Medium-Term Business Plan, treating such “Due from banks” as an operating asset which constitutes cash flows from operating activities no longer accurately reflects the Bank’s actual cash management activities, therefore, “Due from banks”, regardless of whether it bears interest, is included in cash and cash equivalents in order to more accurately present the actual cash flows.

This change has been applied retrospectively, and the semi-annual consolidated statement of cash flows for the six months ended September 30, 2017 has been restated.

As a result, with respect to the semi-annual consolidated statement of cash flows for the six months ended September 30, 2017, “Net cash provided by operating activities”, “Net increase in cash and cash equivalents”, and “Cash and cash equivalents, end of the period” increased ¥769,845 million, ¥816,100 million, and ¥29,834,925 million, respectively.

### 3. CASH AND CASH EQUIVALENTS

As noted in (3) “Cash and Cash Equivalents” under 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, “Cash and due from banks” including time deposits and negotiable certificates of deposit in the semi-annual consolidated balance sheets has been treated as “Cash and cash equivalents” in the semi-annual consolidated statements of cash flows, and there were no reconciling items between the two accounts as of September 30, 2018 and 2017 as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2018	September 30, 2017	September 30, 2018
Cash and due from banks	¥ 59,516,523	¥ 55,780,381	\$ 524,051
Cash and cash equivalents	¥ 59,516,523	¥ 55,780,381	\$ 524,051

#### 4. SECURITIES

Securities as of September 30, 2018 and March 31, 2018 include equity securities in affiliates of ¥628,082 million (\$5,530 million) and ¥385,139 million, respectively and capital subscriptions to entities such as limited liability companies of ¥6,520 million (\$57 million) and ¥5,120 million, respectively.

Securities loaned under unsecured securities lending transactions amounted to ¥7,135 million (\$63 million) and ¥270,595 million as of September 30, 2018 and March 31, 2018, respectively.

For securities borrowed and purchased under resale agreements where the secured parties are permitted to sell or re-pledge the securities without restrictions, ¥5,482,757 million (\$48,276 million) and ¥7,770,620 million of such securities were re-pledged as of September 30, 2018 and March 31, 2018, respectively.

The remaining ¥3,336,324 million (\$29,377 million) and ¥4,675,498 million of these securities were held without disposition as of September 30, 2018 and March 31, 2018, respectively.

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.”

(1) Held-to-maturity debt securities with fair value:

	Millions of Yen				
	September 30, 2018				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ 1,100,764	¥ 1,134,250	¥ 33,485	¥ 33,485	¥ –
Foreign bonds	1,215,676	1,186,040	(29,636)	2,267	(31,904)
Other	1,009,881	1,011,946	2,065	4,550	(2,485)
Total	¥ 3,326,323	¥ 3,332,237	¥ 5,914	¥ 40,303	¥ (34,389)

	Millions of Yen				
	March 31, 2018				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ 1,100,828	¥ 1,141,040	¥ 40,211	¥ 40,211	¥ –
Foreign bonds	1,116,942	1,107,245	(9,696)	6,149	(15,846)
Other	864,305	868,817	4,511	5,186	(674)
Total	¥ 3,082,075	¥ 3,117,102	¥ 35,026	¥ 51,548	¥ (16,521)

	Millions of U.S. Dollars				
	September 30, 2018				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	\$ 9,692	\$ 9,987	\$ 295	\$ 295	\$ –
Foreign bonds	10,704	10,443	(261)	20	(281)
Other	8,892	8,910	18	40	(22)
Total	\$ 29,289	\$ 29,341	\$ 52	\$ 355	\$ (303)



## (2) Available-for-sale securities with fair value:

Millions of Yen					
September 30, 2018					
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥ 4,692,815	¥ 1,946,390	¥ 2,746,425	¥ 2,782,813	¥ (36,387)
Domestic bonds	22,625,012	22,407,899	217,112	232,574	(15,461)
Japanese government bonds	17,820,839	17,633,569	187,270	191,443	(4,173)
Municipal bonds	1,776,236	1,776,999	(762)	5,321	(6,084)
Corporate bonds	3,027,935	2,997,330	30,605	35,809	(5,204)
Foreign equity securities	80,416	54,712	25,704	26,364	(660)
Foreign bonds	10,845,517	11,043,866	(198,348)	26,488	(224,837)
Other	3,564,949	3,563,118	1,831	56,916	(55,085)
Total	¥ 41,808,712	¥ 39,015,986	¥ 2,792,725	¥ 3,125,157	¥ (332,431)

Millions of Yen					
March 31, 2018					
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥ 4,501,180	¥ 1,980,885	¥ 2,520,294	¥ 2,560,314	¥ (40,019)
Domestic bonds	23,612,295	23,338,290	274,004	279,954	(5,950)
Japanese government bonds	19,270,980	19,042,187	228,793	229,724	(931)
Municipal bonds	1,536,343	1,531,062	5,280	7,800	(2,520)
Corporate bonds	2,804,971	2,765,041	39,930	42,429	(2,499)
Foreign equity securities	244,561	198,133	46,427	78,320	(31,892)
Foreign bonds	10,999,095	11,115,912	(116,816)	54,188	(171,005)
Other	3,107,642	3,123,815	(16,172)	28,209	(44,382)
Total	¥ 42,464,775	¥ 39,757,037	¥ 2,707,737	¥ 3,000,988	¥ (293,250)

Millions of U.S. Dollars					
September 30, 2018					
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	\$ 41,321	\$ 17,138	\$ 24,183	\$ 24,503	\$ (320)
Domestic bonds	199,216	197,305	1,912	2,048	(136)
Japanese government bonds	156,915	155,266	1,649	1,686	(37)
Municipal bonds	15,640	15,647	(7)	47	(54)
Corporate bonds	26,661	26,392	269	315	(46)
Foreign equity securities	708	482	226	232	(6)
Foreign bonds	95,496	97,243	(1,746)	233	(1,980)
Other	31,390	31,374	16	501	(485)
Total	<u>\$ 368,132</u>	<u>\$ 343,541</u>	<u>\$ 24,590</u>	<u>\$ 27,517</u>	<u>\$ (2,927)</u>

Notes:

- Securities with the fair values determined using quoted market prices or reasonable estimates, whose fair value significantly declined compared with the acquisition cost, and is considered to be other than recoverable decline, are written down to the respective fair value which is recorded as the carrying amount on the semi-annual consolidated balance sheet. Impairment loss for the six month period ended September 30, 2018 was ¥523 million (\$5 million), consisting of equity securities in an amount of ¥303 million (\$3 million) and debt securities and others in an amount of ¥219 million (\$2 million). Impairment loss for the fiscal year ended March 31, 2018 was ¥8,730 million, consisting of equity securities in an amount of ¥3,730 million and debt securities and others in an amount of ¥4,999 million.

The criteria for determining whether the fair value is “significantly declined” are defined based on the classification of the issuer in the Bank’s internal standards for asset quality self-assessment as follows:

- Bankrupt, virtually bankrupt, likely to become bankrupt issuers: Fair value is lower than acquisition cost.
- Issuers requiring close watch: Fair value has declined by 30% or more of the acquisition cost.
- Normal issuers: Fair value has declined by 50% or more of the acquisition cost.

“Bankrupt issuers” mean 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” mean issuers who are not legally or formally bankrupt but are regarded as substantially in a similar condition. “Likely to become bankrupt issuers” mean issuers who are not legally bankrupt but are likely to become bankrupt. “Issuers requiring close watch” mean issuers who require close watch of the management. “Normal issuers” mean issuers other than “Bankrupt issuers,” “Virtually bankrupt issuers,” “Likely to become bankrupt issuers” or “Issuers requiring close watch.”

- “Net unrealized gain (loss)” included gains of ¥135,672 million (\$1,195 million) and ¥106,193 million for the six-month period ended September 30, 2018 and for the fiscal year ended March 31, 2018, respectively, which were recognized in profit or loss by applying the fair value hedge accounting.

## 5. MONEY HELD IN TRUST

There was no “Money held in trust” classified as held-to-maturity as of September 30, 2018 and March 31, 2018.

“Money held in trust” classified as other than trading and held-to-maturity as of September 30, 2018 and March 31, 2018 was as follows:

Millions of Yen					
September 30, 2018					
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	¥ 2,268	¥ 2,268	¥ –	¥ –	¥ –

Millions of Yen					
March 31, 2018					
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	¥ 5,924	¥ 5,924	¥ –	¥ –	¥ –

	Millions of U.S. Dollars				
	September 30, 2018				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	\$ 20	\$ 20	\$ –	\$ –	\$ –

## 6. UNREALIZED GAIN ON AVAILABLE-FOR-SALE SECURITIES

Net unrealized gain on available-for-sale securities as of September 30, 2018 and March 31, 2018 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2018	March 31, 2018	September 30, 2018
Unrealized gain:	¥ 2,640,836	¥ 2,593,056	\$ 23,253
Available-for-sale securities	2,657,874	2,602,665	23,403
Money held in trust except for trading and held-to-maturity purpose	–	–	–
Securities reclassified from available-for-sale securities into held-to-maturity debt securities	(17,038)	(9,609)	(150)
Deferred tax liabilities	(775,875)	(757,900)	(6,832)
Net unrealized gain on available-for-sale securities before adjustments by ownership share	1,864,961	1,835,155	16,421
Noncontrolling interests	(1,614)	(3,145)	(14)
Bank's ownership share in unrealized loss on available-for-sale securities held by affiliates accounted for using the equity method	(7,343)	(2,338)	(65)
Net unrealized gain on available-for-sale securities	¥ 1,856,002	¥ 1,829,670	\$ 16,342

Notes:

1. Unrealized gain in the table above excludes ¥135,672 million (\$1,195 million) and ¥106,193 million of gains which were recognized in profit or loss by the fair value hedge accounting as of September 30, 2018 and March 31, 2018, respectively.
2. Unrealized gain in the table above includes ¥821 million (\$7 million) and ¥1,121 million of unrealized gain on available-for-sale securities invested in limited partnerships as of September 30, 2018 and March 31, 2018, respectively.

## 7. LOANS AND BILLS DISCOUNTED

Bills discounted and rediscounted are accounted for as financial transactions in accordance with “Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry” (JICPA Industry Audit Committee Report No. 24). The Bank has rights to sell or pledge these bills discounted. The total face value of bills discounted was ¥1,540,155 million (\$13,561 million) and ¥1,407,038 million as of September 30, 2018 and March 31, 2018, respectively. Of these, the total face value of foreign exchange bills bought which were transferred due to rediscounts of bills amounted to ¥10,346 million (\$91 million) and ¥3,065 million as of September 30, 2018 and March 31, 2018, respectively.

“Loans and bills discounted” as of September 30, 2018 and March 31, 2018 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2018	March 31, 2018	September 30, 2018
Loans to bankrupt borrowers	¥ 27,166	¥ 42,568	\$ 239
Non-accrual delinquent loans	471,808	507,964	4,154
Loans past due for three months or more	12,771	24,130	112
Restructured loans	266,032	479,324	2,342
Total	¥ 777,778	¥ 1,053,988	\$ 6,848

Note:

Amounts above are stated before the reduction of the allowance for credit losses.

Loans to bankrupt borrowers are loans, after write-offs, to bankrupt borrowers as defined in Article 96-1-3-1 to 5 or 96-1-4 of “the Order for Enforcement of the Corporation Tax Act” (No. 97 in 1965) on which accrued interest income is not recognized (“Non-accrual loans”) as there is substantial doubt as to the collection of principal and/or interest because of delinquencies in payment of principal and/or interest 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, which include reduction or deferral of interest due to the borrower's weakened financial condition.

Loans past due for three months or more represent loans whose principal and/or interest payments have been past due for three months or more, excluding loans to bankrupt borrowers and non-accrual delinquent loans.

Restructured loans represent loans renegotiated at concessionary terms, including reduction or deferral of interest or principal and forgiveness of loans and others, due to the borrower's weakened financial condition, excluding loans to bankrupt borrowers, non-accrual delinquent loans and loans past due for three months or more.

## 8. TANGIBLE FIXED ASSETS

The accumulated depreciation of "Tangible fixed assets" as of September 30, 2018 and March 31, 2018 amounted to ¥931,319 million (\$8,200 million) and ¥990,820 million, respectively.

## 9. LAND REVALUATION SURPLUS

In accordance with the "Act on Revaluation of Land" (the "Act") (No. 34, March 31, 1998), land used for business operations of the Bank has been revalued as of the dates indicated below. The excess of revaluation to carrying value at the time of revaluation, net of income taxes corresponding to the excess which are recognized as "Deferred tax liabilities for land revaluation" in liabilities, is stated as "Land revaluation surplus" in equity.

Date of revaluation: March 31, 1998

The method of revaluation of assets is set forth in Article 3-3 of the "Act":

Fair values are determined based on (1) "Published land price under the Land Price Publication Law" stipulated in Article 2-1 of the "Order for Enforcement on Law on Revaluation of Land" ("Order") (No. 119, March 31, 1998), (2) "Standard land price determined on measurement spots under Order for Enforcement of the National Land Planning Law" stipulated in Article 2-2 of the "Order," (3) "Land price determined using the method established and published by the Commissioner of National Tax Agency of Japan in order to calculate land value which is used for determining taxable amounts subject to landholding tax articulated in Article 16 of the Landholding Tax Law" stipulated in Article 2-4 of "Order" with price adjustments by shape and time.

## 10. BORROWED MONEY AND BONDS PAYABLE

"Borrowed money" and "Bonds payable" included the following subordinated borrowings or subordinated bonds as of September 30, 2018 and March 31, 2018:

	Millions of Yen		Millions of
	September 30, 2018	March 31, 2018	U.S. Dollars September 30, 2018
Subordinated borrowings included in "Borrowed money"	¥ 2,461,159	¥ 2,365,888	\$ 21,671
Subordinated bonds included in "Bonds payable"	728,918	734,210	6,418

## 11. CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." "Customers' liabilities for acceptances and guarantees" are shown as contra assets, representing the Bank's right to receive indemnity from the applicants.

Guarantee obligations for private placement bonds included in "Securities" (provided in accordance with the Article 2-3 of the "Financial Instruments and Exchange Act") as of September 30, 2018 and March 31, 2018 were ¥469,001 million (\$4,130 million) and ¥461,898 million, respectively.

## 12. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and their relevant liabilities as of September 30, 2018 and March 31, 2018 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2018	March 31, 2018	September 30, 2018
<b>Assets pledged as collateral:</b>			
Securities	¥ 494,337	¥ 691,066	\$ 4,353
Loans and bills discounted	12,855,752	10,557,556	113,197
<b>Total</b>	<b>¥ 13,350,089</b>	<b>¥ 11,248,622</b>	<b>\$ 117,549</b>
<b>Relevant liabilities to above assets:</b>			
Deposits	¥ 609,653	¥ 547,501	\$ 5,368
Call money and bills sold	16,351	4,930	144
Trading liabilities	11,198	18,473	99
Borrowed money	12,767,052	10,504,217	112,416
Other liabilities	1,041	–	9
<b>Total</b>	<b>¥ 13,405,297</b>	<b>¥ 11,075,123</b>	<b>\$ 118,036</b>

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

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2018	March 31, 2018	September 30, 2018
<b>Assets pledged as collateral:</b>			
Cash and due from banks	¥ –	¥ 2,605	\$ –
Trading assets	666,661	364,089	5,870
Securities	9,691,983	10,290,711	85,339
Loans and bills discounted	5,045,024	7,254,401	44,422
<b>Total</b>	<b>¥ 15,403,668</b>	<b>¥ 17,911,808</b>	<b>\$ 135,631</b>

Furthermore, trading assets and securities sold under repurchase agreements or loaned under securities lending with cash collateral were ¥1,374,834million (\$12,106 million) and ¥10,346,909 million (\$91,106 million), respectively, as of September 30, 2018 and ¥1,286,272 million and ¥11,729,368 million, respectively, as of March 31, 2018.

Relevant payables under repurchase agreements were ¥12,224,049 million (\$107,634 million) and ¥4,858,667 million as of September 30, 2018 and March 31, 2018, respectively.

Relevant payables under securities lending transactions were ¥394,813 million (\$3,476 million) and ¥5,272,337 million as of September 30, 2018 and March 31, 2018, respectively.

Securities pledged by GC repos under the Subsequent Collateral JGB Allocation Method were ¥149,793 million (\$1,319 million) and nil as of September 30, 2018 and March 31, 2018, respectively.

## 13. LOAN COMMITMENTS

Overdraft facilities and commitment lines of credit are binding contracts under which the Group has obligations to disburse funds up to predetermined limits upon the borrower's request as long as there has been no breach of contract. The total amount of the unused portion of these facilities was ¥82,276,823 million (\$724,459 million) and ¥73,001,167 million as of September 30, 2018 and March 31, 2018, respectively.

The total amount of the unused 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 the Group to decline the borrower's request for disbursement or decrease contracted limits for cause, such as changes in financial conditions or deterioration in the borrower's creditworthiness. The Group may request the borrowers to pledge real property and/or securities as collateral upon signing of the contract and will perform periodic monitoring on the borrower's business conditions in accordance with internal procedures, which may lead to renegotiation of the terms and conditions of the contracts and/or initiate the request for additional collateral and/or guarantees.

## 14. CONTINGENT LIABILITIES

In the ordinary course of business, the Group is subject to various litigation and regulatory matters. In accordance with applicable accounting guidance, the Group establishes an accrued liability for loss contingencies arising from litigation and regulatory matters when they are determined to be probable in their occurrence and the probable loss amount can be reasonably estimated. Based upon current knowledge and consultation with counsel, management believes the eventual outcome of such litigation and regulatory matters, where losses are probable and the probable loss amounts can be reasonably estimated, would not have a material adverse effect on the Group's financial position, results of operations or cash flows. Additionally, management believes the amount of loss that is reasonably possible, but not probable, from various litigation and regulatory matters is not material to the Group's financial position, results of operations or cash flows.

## 15. CAPITAL REQUIREMENT

Japanese banks are subject to the Banking Law and to the Companies Act of Japan (the "Companies Act").

The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

### (1) *Dividends*

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria such as: (1) having the Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. With respect to the third condition above, the Board of Directors of companies with (a) board committees (namely, appointment committee, compensation committee and audit committee), or (b) an audit and supervisory committee (as implemented under the Companies Act effective May 1, 2015) may also declare dividends at any time because such companies, by their nature, meet the criteria under the Companies Act. The Bank is organized as a company with an audit and supervisory committee, effective June 28, 2016. The Bank meets all of the above criteria. The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to certain limitations and additional requirements. Interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Bank can do so because it stipulates this in its articles of incorporation. The Companies Act provides certain limitations on the amounts available for dividends or the purchases of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of equity after dividends must be maintained at no less than ¥3 million.

### (2) *Increases/Decreases and Transfer of Capital Stock, Reserve and Surplus*

The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as capital reserve (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of legal reserve and capital reserve equals 100% of capital stock.

Under the Companies Act and the Banking Law, the aggregate amount of capital reserve and legal reserve that exceeds 100% of the capital stock may be made available for dividends by resolution of the shareholders after transferring such excess to other capital surplus and other retained earnings in accordance with the Companies Act. Under the Companies Act, the total amount of capital reserve and legal reserve may be reversed without limitation. The Companies Act also provides that capital stock, legal reserve, capital reserve, other capital surplus and other retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

### (3) *Treasury Stock and Treasury Stock Acquisition Rights*

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

## 16. CAPITAL STOCK AND DIVIDENDS PAID

Capital stock consists of common stock and preferred stock. The changes in the number of issued shares of common stock and preferred stock during the six-month periods ended September 30, 2018 and 2017 were as follows:

	Number of shares in thousands			
	April 1, 2018	Increase	Decrease	September 30, 2018
Outstanding shares issued:				
Common stock	12,350,038	—	—	12,350,038
Preferred stock—first series of Class 2	100,000	—	—	100,000
Preferred stock—first series of Class 4	79,700	—	—	79,700
Preferred stock—first series of Class 6	1,000	—	—	1,000
Preferred stock—first series of Class 7	177,000	—	—	177,000
Total	12,707,738	—	—	12,707,738
Treasury stock:				
Preferred stock—first series of Class 2	100,000	—	—	100,000
Preferred stock—first series of Class 4	79,700	—	—	79,700
Preferred stock—first series of Class 6	1,000	—	—	1,000
Preferred stock—first series of Class 7	177,000	—	—	177,000
Total	357,700	—	—	357,700

	Number of shares in thousands			
	April 1, 2017	Increase	Decrease	September 30, 2017
Outstanding shares issued:				
Common stock	12,350,038	—	—	12,350,038
Preferred stock—first series of Class 2	100,000	—	—	100,000
Preferred stock—first series of Class 4	79,700	—	—	79,700
Preferred stock—first series of Class 6	1,000	—	—	1,000
Preferred stock—first series of Class 7	177,000	—	—	177,000
Total	12,707,738	—	—	12,707,738
Treasury stock:				
Preferred stock—first series of Class 2	100,000	—	—	100,000
Preferred stock—first series of Class 4	79,700	—	—	79,700
Preferred stock—first series of Class 6	1,000	—	—	1,000
Preferred stock—first series of Class 7	177,000	—	—	177,000
Total	357,700	—	—	357,700

There was no issuance of stock acquisition rights and treasury stock acquisition rights during the six-month periods ended September 30, 2018 and 2017.

The Bank paid the following cash dividends and distributed dividends-in-kind (securities) during the six-month periods ended September 30, 2018 and 2017:

### For the six-month period ended September 30, 2018:

#### (1) Cash dividends

Cash dividends approved at the Board of Directors' meeting held on May 15, 2018:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 76,076	¥ 6.16	Mar. 31, 2018	May 16, 2018
Cash dividends approved at the Board of Directors' meeting held on May 15, 2018:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	\$ 670	\$ 0.05	May. 31, 2018	May 16, 2018
Cash dividends approved at the Board of Directors' meeting held on July 30, 2018:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 52,858	¥ 4.28	—	Aug. 1, 2018

Cash dividends approved at the Board of Directors' meeting held on July 30, 2018:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	\$ 465	\$ 0.04	–	Aug. 1, 2018

(2) Dividends-in-kind

Dividends-in-kind approved at the Board of Directors' meeting held on January 31, 2018:	Property dividends	Total carrying amount of property dividends (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	Securities	¥ 11,723	¥ –	–	Apr. 2, 2018

Dividends-in-kind approved at the Board of Directors' meeting held on January 31, 2018:	Property dividends	Total carrying amount of property dividends (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	Securities	\$ 103	\$ –	–	Apr. 2, 2018

Notes:

1. "Dividends paid" under semi-annual consolidated statements of changes in equity for the six-month period ended September 30, 2018 included ¥11,888 million (\$105 million) which is the carrying amount of property dividends less ¥(165) million (\$1 million) corresponding to accumulated other comprehensive income.
2. All of the property dividends were distributed to MUFG, the sole shareholder of common stock (12,350,038 thousand shares) of the Bank, and per share amount was not defined.

Out of dividends whose dividend record date belongs to the six-month period ended September 30, 2018, there was no dividend whose effective date of dividends is after September 30, 2018.

For the six-month period ended September 30, 2017:

(1) Cash dividends

Cash dividends approved at the Board of Directors' meeting held on May 15, 2017:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 94,601	¥ 7.66	Mar. 31, 2017	May 16, 2017

Cash dividends approved at the Board of Directors' meeting held on July 31, 2017:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 84,227	¥ 6.82	–	Aug. 2, 2017

(2) Dividends-in-kind

Dividends-in-kind approved at the Board of Directors' meeting held on January 31, 2017:	Property dividends	Total carrying amount of property dividends (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	Securities	¥ 6,661	¥ –	–	May 31, 2017

Notes:

1. "Dividends paid" under semi-annual consolidated statements of changes in equity for the six-month period ended September 30, 2017 included ¥6,583 million which is the carrying amount of property dividends less ¥78 million corresponding to accumulated other comprehensive income.
2. All of the property dividends were distributed to MUFG, the sole shareholder of common stock (12,350,038 thousand shares) of the Bank, and per share amount was not defined.

Subject to approval at the Board of Directors' meeting, the Bank paid the following cash dividends on November 15, 2017, to shareholders of record as of September 30, 2017:

Cash dividends approved at the Board of Directors' meeting held on November 14, 2017:	Total amount (Millions of Yen)	Dividend resource	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 149,682	Retained earnings	¥ 12.12	Sep. 30, 2017	Nov. 15, 2017



## 17. OTHER INCOME

Other income for the six-month periods ended September 30, 2018 and 2017 was as follows:

Six-month periods ended September 30	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Gain on disposal of fixed assets	¥ 2,072	¥ 2,202	\$ 18
Gain on liquidation of affiliates	563	—	5
Gain on reversal of allowance for credit losses	91,374	57,887	805
Gain on collection of bad debts	20,638	28,003	182
Gain on sales of equity securities and other securities	86,747	50,322	764
Gain on reversal of provision for contingent losses	56,554	2,324	498
Equity in earnings of the equity method investees	9,046	18,251	80
Other	38,210	21,937	336
Total	¥ 305,208	¥ 180,928	\$ 2,687

## 18. OTHER EXPENSES

Other expenses for the six-month periods ended September 30, 2018 and 2017 was as follows:

Six-month periods ended September 30	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Loss on disposal of fixed assets	¥ 2,564	¥ 3,740	\$ 23
Impairment loss on long-lived assets	7,418	8,097	65
Write-offs of loans	20,644	27,712	182
Loss on sales of equity securities and other securities	8,700	9,311	77
Loss on investments as a result of the U.S. Tax Cuts and Jobs Act	18,145	—	160
Outsourcing expenses of consolidated subsidiaries' operating information services	9,314	9,764	82
Loss on forgiveness of loans and others	1,091	8,368	10
Provision for contingent losses	281	11,961	2
Other	20,039	10,439	176
Total	¥ 88,200	¥ 89,396	\$ 777

## 19. LEASES

Operating leases

### (1) Lessee

Future lease payments including interest payables under noncancelable operating leases as of September 30, 2018 and March 31, 2018 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2018	March 31, 2018	September 30, 2018
Due within one year	¥ 40,172	¥ 48,632	\$ 354
Due after one year	223,482	229,262	1,968
Total	¥ 263,654	¥ 277,895	\$ 2,322

### (2) Lessor

Future lease receivables including interest receivables under noncancelable operating leases as of September 30, 2018 and March 31, 2018 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2018	March 31, 2018	September 30, 2018
Due within one year	¥ 32,233	¥ 4,949	\$ 284
Due after one year	18,954	42,787	167
Total	¥ 51,187	¥ 47,736	\$ 451

## 20. PER SHARE INFORMATION

Six-month periods ended September 30	Yen		U.S. Dollars
	2018	2017	2018
Basic earnings per common share	¥ 32.61	¥ 30.44	\$ 0.29
Diluted earnings per common share	32.61	30.44	0.29

Total equity per common share	Yen		U.S. Dollars
	September 30, 2018	March 31, 2018	September 30, 2018
	¥ 977.57	¥ 964.46	\$ 8.61

Notes:

1. Basic earnings per common share and diluted earnings per common share are calculated based on the following:

Six-month periods ended September 30	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Net income attributable to the shareholders of the Bank	¥ 402,776	¥ 376,022	\$ 3,546
Net income attributable to the shareholders of the Bank related to common shares	402,776	376,022	3,546

Six-month periods ended September 30	Number of shares in thousands	
	2018	2017
Average number of common shares during the period	12,350,038	12,350,038

Six-month periods ended September 30	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Diluted earnings per common share			
Adjustment to net income attributable to the shareholders of the Bank	¥ (8)	¥ (7)	\$ (0)

2.Total equity per common share is calculated based on the following:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2018	March 31, 2018	September 30, 2018
Total equity	¥ 12,866,700	¥ 12,708,722	\$ 113,293
Deductions from total equity:			
Noncontrolling interests	793,552	797,545	6,987
Total equity attributable to common shares	¥ 12,073,147	¥ 11,911,176	\$ 106,306
	Number of shares in thousands		
	September 30, 2018	March 31, 2018	
Number of common shares used in computing total equity per common share	12,350,038	12,350,038	

## 21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### Fair value of financial instruments

The following table summarizes the carrying amount and the fair value of financial instruments as of September 30, 2018 and March 31, 2018 together with their differences. Note that the following table does not include unlisted equity securities or certain other securities whose fair value cannot be reliably determined (see Note 2).

	Millions of Yen		
	September 30, 2018		
	Carrying amount	Fair value	Difference
(1) Cash and due from banks	¥ 59,516,523	¥ 59,516,523	¥ –
(2) Call loans and bills bought	339,070	339,070	–
(3) Receivables under resale agreements	5,609,884	5,609,884	–
(4) Receivables under securities borrowing transactions	623,139	623,139	–
(5) Monetary claims bought (*1)	4,522,352	4,524,418	2,065
(6) Trading assets	3,381,491	3,381,491	–
(7) Money held in trust	25,255	25,255	–
(8) Securities:			
Held-to-maturity securities	2,316,441	2,320,290	3,848
Available-for-sale securities	41,400,096	41,400,096	–
(9) Loans and bills discounted	104,962,285		
Allowance for credit losses (*1)	(430,889)		
	<u>104,531,396</u>	<u>104,822,574</u>	<u>291,178</u>
(10) Foreign exchange (*1)	2,573,286	2,573,286	–
Total assets	<u>¥ 224,838,938</u>	<u>¥ 225,136,030</u>	<u>¥ 297,092</u>
(1) Deposits	¥ 165,448,524	¥ 165,473,268	¥ 24,744
(2) Negotiable certificates of deposit	5,327,314	5,334,522	7,207
(3) Call money and bills sold	287,527	287,527	–
(4) Payables under repurchase agreements	16,538,883	16,538,883	–
(5) Payables under securities lending transactions	475,846	475,846	–
(6) Commercial paper	1,645,448	1,645,448	–
(7) Trading liabilities	486,930	486,930	–
(8) Borrowed money	21,699,375	21,721,055	21,680
(9) Foreign exchange	2,421,879	2,421,879	–
(10) Bonds payable	3,310,913	3,366,402	55,489
Total liabilities	<u>¥ 217,642,643</u>	<u>¥ 217,751,764</u>	<u>¥ 109,120</u>
Derivatives (*2):			
To which hedge accounting is not applied	¥ 149,781	¥ 149,781	¥ –
To which hedge accounting is applied	(302,430)	(302,430)	–
Total derivatives	<u>¥ (152,648)</u>	<u>¥ (152,648)</u>	<u>¥ –</u>

Millions of Yen			
March 31, 2018			
	Carrying amount	Fair value	Difference
(1) Cash and due from banks	¥ 57,688,651	¥ 57,688,651	¥ –
(2) Call loans and bills bought	1,532,654	1,532,654	–
(3) Receivables under resale agreements	3,360,738	3,360,738	–
(4) Receivables under securities borrowing transactions	5,058,458	5,058,458	–
(5) Monetary claims bought (*1)	4,247,072	4,251,584	4,511
(6) Trading assets	2,947,746	2,947,746	–
(7) Money held in trust	32,496	32,496	–
(8) Securities:			
Held-to-maturity securities	2,217,770	2,248,285	30,515
Available-for-sale securities	41,874,195	41,874,195	–
(9) Loans and bills discounted	93,816,565		
Allowance for credit losses (*1)	(526,757)		
	<u>93,289,808</u>	<u>94,170,874</u>	<u>881,066</u>
(10) Foreign exchange (*1)	2,849,236	2,849,236	–
Total assets	<u>¥ 215,098,828</u>	<u>¥ 216,014,922</u>	<u>¥ 916,093</u>
(1) Deposits	¥ 162,273,249	¥ 162,268,314	¥ (4,935)
(2) Negotiable certificates of deposit	5,471,650	5,489,111	17,460
(3) Call money and bills sold	405,061	405,061	–
(4) Payables under repurchase agreements	10,227,941	10,227,941	–
(5) Payables under securities lending transactions	5,741,181	5,741,181	–
(6) Commercial paper	1,441,060	1,441,060	–
(7) Trading liabilities	351,105	351,105	–
(8) Borrowed money	16,351,843	16,409,770	57,926
(9) Foreign exchange	2,188,725	2,188,725	–
(10) Bonds payable	3,545,657	3,620,462	74,805
Total liabilities	<u>¥ 207,997,477</u>	<u>¥ 208,142,735</u>	<u>¥ 145,257</u>
Derivatives (*2):			
To which hedge accounting is not applied	¥ 276,013	¥ 276,013	¥ –
To which hedge accounting is applied	121,534	121,534	–
Total derivatives	<u>¥ 397,547</u>	<u>¥ 397,547</u>	<u>¥ –</u>

## Millions of U.S. Dollars

September 30, 2018

	Carrying amount	Fair value	Difference
(1) Cash and due from banks	\$ 524,051	\$ 524,051	\$ –
(2) Call loans and bills bought	2,986	2,986	–
(3) Receivables under resale agreements	49,396	49,396	–
(4) Receivables under securities borrowing transactions	5,487	5,487	–
(5) Monetary claims bought (*1)	39,820	39,838	18
(6) Trading assets	29,775	29,775	–
(7) Money held in trust	222	222	–
(8) Securities:			
Held-to-maturity securities	20,397	20,430	34
Available-for-sale securities	364,534	364,534	–
(9) Loans and bills discounted	924,208		
Allowance for credit losses (*1)	(3,794)		
	<u>920,414</u>	<u>922,978</u>	<u>2,564</u>
(10) Foreign exchange (*1)	22,658	22,658	–
Total assets	<u>\$ 1,979,739</u>	<u>\$ 1,982,355</u>	<u>\$ 2,616</u>
(1) Deposits	\$ 1,456,798	\$ 1,457,016	\$ 218
(2) Negotiable certificates of deposit	46,908	46,971	63
(3) Call money and bills sold	2,532	2,532	–
(4) Payables under repurchase agreements	145,627	145,627	–
(5) Payables under securities lending transactions	4,190	4,190	–
(6) Commercial paper	14,488	14,488	–
(7) Trading liabilities	4,287	4,287	–
(8) Borrowed money	191,066	191,257	191
(9) Foreign exchange	21,325	21,325	–
(10) Bonds payable	29,153	29,642	489
Total liabilities	<u>\$ 1,916,374</u>	<u>\$ 1,917,335</u>	<u>\$ 961</u>
Derivatives (*2):			
To which hedge accounting is not applied	\$ 1,319	\$ 1,319	\$ –
To which hedge accounting is applied	(2,663)	(2,663)	–
Total derivatives	<u>\$ (1,344)</u>	<u>\$ (1,344)</u>	<u>\$ –</u>

(\*1) 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 derivative transactions are presented on a net basis. Total amounts, which are net liabilities, are presented in parentheses.

## 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 periods of the majority of such deposits are short term (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 carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the majority of transactions are short contract terms (one year or less).

- (5) “Monetary claims bought”

The fair value of “Monetary claims bought” is determined based on the price obtained from external parties (brokers or others) 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 or others). 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 price 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.

See Note 5 “MONEY HELD IN TRUST” for notes on “Money held in trust” by categories based on holding purposes.

(8) “Securities”

The fair value of equity securities is determined based on the price quoted by the exchange. The fair value of bonds is determined based on the market price, the price quoted by the financial institutions from which they were purchased, or on the amount that can be reasonably calculated. The fair value of investment trusts is determined based on the publicly available price. For privately placed guaranteed bonds held by the Bank, 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 fair 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.

See Note 4 “SECURITIES” for notes on securities by categories based on holding purposes.

(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 sheet as of the consolidated balance sheet date, such amount is presented as the fair value.

(10) “Foreign exchange”

“Foreign exchange” 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 and others (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 annual/semi-annual consolidated balance sheet 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. The majority of 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 is considered to approximate such carrying amount. This is 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 the Bank'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 the Bank or its subsidiaries.

(9) "Foreign exchange"

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) "Bonds payable"

The fair value of corporate bonds issued by the Group 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 variable rate corporate bonds without market prices, the carrying amount of such bonds is presented as the fair value, as the fair value is considered to approximate 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 the Group 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 the Bank or its subsidiaries.

Derivative transactions

See Note 22 "DERIVATIVES" for notes on derivative transactions.

2. The financial instruments whose fair value cannot be reliably determined were as follows. These securities are not included in the amount presented under the line item "Assets-Available-for-sale securities" in the table summarizing fair value of financial instruments.

	Carrying amount		
	Millions of Yen		Millions of U.S. Dollars
	September 30, 2018	March 31, 2018	September 30, 2018
Unlisted equity securities (*1) (*2)	¥ 157,177	¥ 158,445	\$ 1,384
Investment in partnerships and others (*2) (*3)	30,026	46,863	264
Other (*2)	82	82	1
Total	¥ 187,285	¥ 205,391	\$ 1,649

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

(\*2) With respect to unlisted equity securities and others, an impairment loss of ¥757 million (\$7 million) and ¥2,338 million was recorded for the six-month period ended September 30, 2018 and for the fiscal year ended March 31, 2018, respectively.

(\*3) Investments in partnerships mainly include anonymous partnerships, investment business partnerships and others. Since fair values of these securities cannot be reliably determined, their fair value is not disclosed.



## 22. DERIVATIVES

The Group had the following derivative contracts outstanding as of September 30, 2018 and March 31, 2018:

### Derivatives to which hedge accounting is not applied:

With respect to derivatives to which hedge accounting is not applied, contract amount, fair value and the related valuation gain (loss) at the semi-annual consolidated balance sheet date by transaction type and valuation method of fair value are as follows: Note that contract amounts do not represent the market risk exposure associated with derivatives. Derivatives to which hedge accounting is applied are not required to be disclosed in the semi-annual financial statements.

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

		Millions of Yen			
		September 30, 2018			
		Contract amount		Fair value	Valuation gain (loss)
		Total	Over one year		
<b>Transactions listed on exchange:</b>					
Interest rate futures	Sold	¥ 1,387,932	¥ 1,166,861	¥ 1,485	¥ 1,485
	Bought	342,486	87,669	(138)	(138)
Interest rate options	Sold	10,805,169	5,904,752	(2,497)	2,912
	Bought	5,577,296	2,936,583	3,632	(3,641)
<b>Over-the-counter ("OTC") transactions:</b>					
Forward rate agreement	Sold	1,012,550	–	4	4
	Bought	993,472	76,091	(2)	(2)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	188,266,192	159,574,830	1,855,074	1,855,074
	Receivable floating rate/ Payable fixed rate	192,694,222	161,402,627	(1,827,050)	(1,827,050)
	Receivable floating rate/ Payable floating rate	41,361,733	30,481,871	7,413	7,413
	Receivable fixed rate/ Payable fixed rate	648,965	590,518	7,598	7,598
Interest rate swaptions	Sold	4,132,455	3,123,050	(68,717)	7,946
	Bought	3,745,305	2,914,748	63,651	21,300
Other	Sold	1,808,713	1,700,962	(8,886)	8,020
	Bought	2,268,697	2,117,816	7,588	(16,688)
Total		–	–	¥ 39,157	¥ 64,237

		Millions of Yen			
		March 31, 2018			
		Contract amount		Fair value	Valuation gain (loss)
		Total	Over one year		
<b>Transactions listed on exchange:</b>					
Interest rate futures	Sold	¥ 2,541,622	¥ 508,485	¥ 612	¥ 612
	Bought	880,841	403,216	27	27
Interest rate options	Sold	1,381,120	–	(36)	32
	Bought	1,830,360	–	68	(51)
<b>OTC transactions:</b>					
Forward rate agreement	Sold	2,859,332	–	(652)	(652)
	Bought	2,708,346	–	649	649
Interest rate swaps	Receivable fixed rate/ Payable floating rate	183,823,065	161,061,320	2,828,928	2,828,928
	Receivable floating rate/ Payable fixed rate	185,477,727	160,909,298	(2,711,106)	(2,711,106)
	Receivable floating rate/ Payable floating rate	43,014,522	33,712,434	9,004	9,004
	Receivable fixed rate/ Payable fixed rate	562,354	543,472	7,230	7,230
Interest rate swaptions	Sold	5,173,982	3,331,800	(80,282)	2,093
	Bought	4,639,061	3,182,424	75,948	29,393
Other	Sold	1,930,600	1,715,006	(7,433)	7,642
	Bought	2,354,644	1,992,106	6,957	(14,933)
Total		–	–	¥ 129,916	¥ 158,871

		Millions of U.S. Dollars				
		September 30, 2018				
		Contract amount			Valuation gain (loss)	
		Total	Over one year	Fair value		
<b>Transactions listed on exchange:</b>						
Interest rate futures	Sold	\$ 12,221	\$ 10,274	\$ 13	\$ 13	
	Bought	3,016	772	(1)	(1)	
Interest rate options	Sold	95,141	51,992	(22)	26	
	Bought	49,109	25,857	32	(32)	
<b>OTC transactions:</b>						
Forward rate agreement	Sold	8,916	–	0	0	
	Bought	8,748	670	(0)	(0)	
Interest rate swaps	Receivable fixed rate/ Payable floating rate	1,657,711	1,405,079	16,334	16,334	
	Receivable floating rate/ Payable fixed rate	1,696,700	1,421,173	(16,087)	(16,087)	
	Receivable floating rate/ Payable floating rate	364,196	268,397	65	65	
	Receivable floating rate/ Payable fixed rate	5,714	5,200	67	67	
	Interest rate swaptions	Sold	36,387	27,499	(605)	70
	Bought	32,978	25,665	560	188	
Other	Sold	15,926	14,977	(78)	71	
	Bought	19,976	18,648	67	(147)	
Total		–	–	\$ 345	\$ 566	

Notes:

- The transactions above are stated at fair value and the related valuation gain (loss) is reported in the annual/semi-annual consolidated statements of income.
- Fair values of transactions listed on exchange are determined using the closing price at the Chicago Mercantile Exchange or other exchanges at the annual/semi-annual consolidated balance sheet date.  
Fair values of OTC transactions are calculated using the discounted present value, option pricing models or other methods.

(2) Currency-related derivatives

		Millions of Yen			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Currency futures	Sold	¥ 101,172	¥ –	¥ (1,083)	¥ (1,083)
	Bought	516,677	151,552	3,004	3,004
<b>OTC transactions:</b>					
Currency swaps		37,731,633	31,111,996	66,594	66,594
Forward contracts on foreign exchange	Sold	46,825,602	3,909,187	(314,443)	(314,443)
	Bought	47,755,102	3,877,026	428,665	428,665
Currency options	Sold	7,307,363	2,211,446	(81,705)	47,773
	Bought	7,118,655	2,204,122	61,189	(49,928)
Total		–	–	¥ 162,221	¥ 180,582

		Millions of Yen			
		March 31, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Currency futures	Sold	¥ 117,263	¥ –	¥ 630	¥ 630
	Bought	428,886	91,925	(915)	(915)
<b>OTC transactions:</b>					
Currency swaps		34,979,470	29,494,261	68,469	68,469
Forward contracts on	Sold	49,403,764	3,863,300	36,831	36,831
foreign exchange	Bought	48,393,226	3,674,147	5,457	5,457
Currency options	Sold	5,975,743	2,257,447	(65,298)	77,487
	Bought	5,976,764	2,295,645	100,074	(20,494)
Total		–	–	¥ 145,248	¥ 167,466

		Millions of U.S. Dollars			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Currency futures	Sold	\$ 891	\$ –	\$ (10)	\$ (10)
	Bought	4,549	1,334	26	26
<b>OTC transactions:</b>					
Currency swaps		332,232	273,946	586	586
Forward contracts on	Sold	412,306	34,421	(2,769)	(2,769)
foreign exchange	Bought	420,490	34,138	3,774	3,774
Currency options	Sold	64,342	19,472	(719)	421
	Bought	62,681	19,408	539	(440)
Total		–	–	\$ 1,428	\$ 1,590

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the annual/semi-annual consolidated statements of income.
2. Fair values are calculated using the discounted present value, option pricing models or other models.

### (3) Equity-related derivatives

		Millions of Yen			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Stock index futures	Sold	¥ 7,800	¥ –	¥ (42)	¥ (42)
	Bought	3,842	–	27	27
Stock index options	Sold	13,690	–	(280)	161
	Bought	50,140	–	437	111
<b>OTC transactions:</b>					
OTC securities option	Sold	31,353	7,608	(5,419)	(4,149)
transactions	Bought	44,264	20,519	4,821	4,429
	Receivable index volatility/ Payable interest	1,000	–	13	13
Swaps on OTC securities	Receivable index and others	1,000	–	(13)	(13)
	Payable index volatility				
Total		–	–	¥ (455)	¥ 538

		Millions of Yen			
		March 31, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Stock index futures	Sold	¥ 2,476	¥ –	¥ 0	0
	Bought	2,649	–	43	43
Stock index options	Sold	35,758	–	692	34
	Bought	37,727	–	279	(270)
<b>OTC transactions:</b>					
OTC securities option transactions	Sold	68,783	11,603	(15,492)	(13,330)
	Bought	79,910	22,730	14,878	14,576
	Receivable index volatility/ Payable interest	1,000	1,000	71	71
Swaps on OTC securities index and others	Receivable interest/ Payable index volatility	1,000	1,000	(71)	(71)
Total		–	–	¥ 402	¥ 1,054

		Millions of U.S. Dollars			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Stock index futures	Sold	\$ 69	\$ –	\$ (0)	(0)
	Bought	34	–	0	0
Stock index options	Sold	121	–	(2)	1
	Bought	441	–	4	1
<b>OTC transactions:</b>					
OTC securities option transactions	Sold	276	67	(48)	(37)
	Bought	390	181	42	39
	Receivable index volatility/ Payable interest	9	–	0	0
Swaps on OTC securities index and others	Receivable interest/ Payable index volatility	9	–	(0)	(0)
Total		–	–	\$ (4)	\$ 5

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the annual/semi-annual consolidated statements of income.
2. Fair values of transactions listed on exchange are determined using the closing price at the Osaka Exchange or other exchanges at the annual/semi-annual consolidated balance sheet date.  
Fair values of OTC transactions are calculated using option pricing models or other methods.

## (4) Bond-related derivatives

		Millions of Yen			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Bond futures	Sold	¥ 985,320	¥ –	¥ (3,632)	¥ (3,632)
	Bought	426,363	–	(169)	(169)
Bond futures options	Sold	289,803	–	(1,401)	(723)
	Bought	912,781	–	852	(775)
<b>OTC transactions:</b>					
OTC bond options	Sold	73,000	–	(147)	(16)
	Bought	73,000	–	150	0
Bond forward contracts	Sold	1,006,611	–	(4,713)	(4,713)
	Bought	616,718	–	528	528
Total return swaps	Sold	79,499	79,499	(5,315)	(5,315)
	Bought	112,000	112,000	1,743	1,743
Total		–	–	¥ (12,105)	¥ (13,073)

		Millions of Yen			
		March 31, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Bond futures	Sold	¥ 634,405	¥ –	¥ 97	¥ 97
	Bought	109,761	–	106	106
Bond futures options	Sold	27,622	–	(152)	(34)
	Bought	735,453	–	442	(5)
<b>OTC transactions:</b>					
OTC bond options	Sold	131,200	–	(179)	37
	Bought	131,200	–	311	70
Bond forward contracts	Sold	884,655	–	(132)	(132)
	Bought	429,900	–	412	412
Total return swaps	Sold	74,368	74,368	23	23
	Bought	112,000	112,000	2,155	2,155
Total		–	–	¥ 3,086	¥ 2,732

		Millions of U.S. Dollars			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Bond futures	Sold	\$ 8,676	\$ –	\$ (32)	\$ (32)
	Bought	3,754	–	(1)	(1)
Bond futures options	Sold	2,552	–	(12)	(6)
	Bought	8,037	–	8	(7)
<b>OTC transactions:</b>					
OTC bond options	Sold	643	–	(1)	(0)
	Bought	643	–	1	0
Bond forward contracts	Sold	8,863	–	(41)	(41)
	Bought	5,430	–	5	5
Total return swaps	Sold	700	700	(47)	(47)
	Bought	986	986	15	15
Total		–	–	\$ (107)	\$ (115)

## Notes:

- The transactions above are stated at fair value and the related valuation gain (loss) is reported in the annual/semi-annual consolidated statements of income.
- Fair values of transactions listed on exchange are determined using the closing price at the Osaka Exchange or other exchanges at the annual/semi-annual consolidated balance sheet date.  
Fair values of OTC transactions are calculated using the discounted present value, option pricing models or other methods.

## (5) Commodity-related derivatives

		Millions of Yen			
		September 30, 2018			
		Contract amount		Fair value	Valuation gain (loss)
		Total	Over one year		
<b>OTC transactions:</b>					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥ 23,151	¥ 12,194	¥ 316	¥ 316
	Receivable floating rate/ Payable index volatility	24,045	13,302	931	931
Commodity options	Sold	8,499	2,549	(497)	(434)
	Bought	8,499	2,549	496	465
Total		–	–	¥ 1,246	¥ 1,279

		Millions of Yen			
		March 31, 2018			
		Contract amount		Fair value	Valuation gain (loss)
		Total	Over one year		
<b>OTC transactions:</b>					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥ 34,548	¥ 14,739	¥ (1,387)	¥ (1,387)
	Receivable floating rate/ Payable index volatility	38,054	16,284	3,270	3,270
Commodity options	Sold	35,542	4,621	(428)	(3)
	Bought	35,542	4,621	428	293
Total		–	–	¥ 1,882	¥ 2,173

		Millions of U.S. Dollars			
		September 30, 2018			
		Contract amount		Fair value	Valuation gain (loss)
		Total	Over one year		
<b>OTC transactions:</b>					
Commodity swaps	Receivable index volatility/ Payable floating rate	\$ 204	\$ 107	\$ 3	\$ 3
	Receivable floating rate/ Payable index volatility	212	117	8	8
Commodity options	Sold	75	22	(4)	(4)
	Bought	75	22	4	4
Total		–	–	\$ 11	\$ 11

## Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the annual/semi-annual consolidated statements of income.
2. Fair values of OTC transactions are calculated using the prices of the underlying transactions, contract periods and other factors composing the transactions.
3. The commodity transactions are mainly oil related.

## (6) Credit-related derivatives

		Millions of Yen			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Credit default options	Sold	¥ 1,176,511	¥ 1,129,846	¥ (32,849)	¥ (32,849)
	Bought	871,451	781,847	(8,584)	(8,584)
Total		–	–	¥ (41,434)	¥ (41,434)

		Millions of Yen			
		March 31, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Credit default options	Sold	¥ 366,239	¥ 318,708	¥ 6,163	¥ 6,163
	Bought	959,655	798,411	(11,441)	(11,441)
Total		–	–	¥ (5,277)	¥ (5,277)

		Millions of U.S. Dollars			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Credit default options	Sold	\$ 10,359	\$ 9,948	\$ (289)	\$ (289)
	Bought	7,673	6,884	(76)	(76)
Total		–	–	\$ (365)	\$ (365)

## Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the annual/semi-annual consolidated statements of income.
2. Fair values are calculated using the discounted present value, option pricing models or other methods.
3. “Sold” refers to transactions underwriting credit risk and “Bought” refers to transactions delivering credit risk.

## (7) Other derivatives

		Millions of Yen			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Earthquake derivatives	Sold	¥ 28,000	¥ 28,000	¥ (833)	¥ 554
	Bought	28,353	28,000	1,188	(608)
SVF Wrap Products	Sold	243,162	–	(3)	(3)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	5,363	5,363	801	801
Total		–	–	¥ 1,151	¥ 743

		Millions of Yen			
		March 31, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Earthquake derivatives	Sold	¥ 28,000	¥ 21,000	¥ (1,182)	¥ 916
	Bought	28,000	21,000	1,182	(899)
SVF Wrap Products	Sold	582,940	317,058	(7)	(7)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	5,017	3,157	763	763
Total		–	–	¥ 755	¥ 772

		Millions of U.S. Dollars			
		September 30, 2018			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Earthquake derivatives	Sold	\$ 247	\$ 247	\$ (7)	\$ 5
	Bought	250	247	10	(5)
SVF Wrap Products	Sold	2,141	–	(0)	(0)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	47	47	7	7
Total		–	–	\$ 10	\$ 7

## Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the annual/semi-annual consolidated statements of income.
2. Fair values are calculated using the option pricing models or other methods.
3. SVF Wrap Products are derivative instruments that the Bank guarantees payment of the principal to the 401(k) investors who invest in Stable Value Fund.



## 23. BUSINESS COMBINATIONS OR DIVESTITURES

### Transactions under Common Control

#### Transfer of the corporate loan-related businesses of Mitsubishi UFJ Trust and Banking Corporation

On October 31, 2017, the Bank and Mitsubishi UFJ Trust and Banking Corporation (the “Trust Bank”) entered into an absorption-type corporate split agreement to transfer the Trust Bank’s domestic corporate loan-related businesses to the Bank (the absorption-type corporate split pursuant to such agreement, the “Corporate Split”), and business transfer agreements to transfer the corporate loan-related businesses carried on by the Trust Bank’s overseas locations (New York, London, Hong Kong and Singapore) to the Bank (the business transfers pursuant to such agreements, the “Business Transfers,” and the Corporate Split and the Business Transfers are collectively referred to as the “Corporate Restructuring”) which became effective on April 16, 2018 upon approval from relevant authorities.

(1) Purposes of the Corporate Restructuring:

MUFG and its subsidiaries (together, the “MUFG Group”) announced in May 2017 “MUFG Re-Imagining Strategy” aiming to provide customers, officers and employees, shareholders and other stakeholders with the best value through an integrated group-based management approach that is simple, speedy and transparent as well as to achieve sustainable growth and contribute to the betterment of society by developing solutions-oriented businesses.

As part of this, the MUFG Group will execute the Corporate Restructuring to establish the most suitable formation to service corporate clients as one group and clarify the mission and responsibility of each group member (“Functional Realignment” of the MUFG Group).

(2) Outline of accounting treatment applied

The transaction is treated as a transaction under common control in accordance with ASBJ Statement No. 21, “Revised Accounting Standard for Business Combinations” (issued on September 13, 2013) and ASBJ Guidance No. 10, “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (issued on September 13, 2013).

(3) The amounts of assets and liabilities succeeded or transferred through the Corporate Restructuring

1) Business succession through the absorption-type corporate split

Assets: ¥9,124,632 million (\$80,344 million), including loans and bills discounted amounting to ¥8,779,977 million (\$77,309 million)

Liabilities and equity: ¥9,124,632 million (\$80,344 million), including call money amounting to ¥6,302,225 million (\$55,492 million)

The Bank does not deliver shares or other cash to the Trust Bank in consideration for the absorption-type corporate split in accordance with the absorption-type corporate split agreement.

2) Business transfers through the business transfer agreement

Assets: ¥1,763,679 million (\$15,529 million), including loans and bills discounted amounting to ¥1,746,867 million (\$15,381 million)

Liabilities: ¥13,120 million (\$116 million)

Transfer value: ¥1,750,558 (\$15,414 million)

#### Changes in affiliates due to dividends-in-kind

(1) Purposes of the Corporate Restructuring:

As part of the “Functional Realignment” of the MUFG Group, the Bank and Mitsubishi UFJ Securities Holdings Co., Ltd. (the “Securities HD”) resolved at the Board of Directors’ meeting of the Bank held on January 31, 2018 and that of the Securities HD held on February 22, 2018 to deliver all the equity interests in MUKAM as dividends-in-kind to MUFG, a wholly-owning parent company, and conducted the delivery on April 2, 2018. In addition, MUFG and the Trust Bank entered into an absorption-type corporate split agreement on February 2, 2018, and MUKAM became a wholly-owned subsidiary of the Trust Bank effective on April 2, 2018. Accordingly, MUKAM no longer met the definition of an affiliate of the Bank or the Securities HD.

(2) Outline of accounting treatment applied

The transaction is treated as a transaction under common control in accordance with ASBJ Statement No. 21, “Revised Accounting Standard for Business Combinations” (issued on September 13, 2013) and ASBJ Guidance No. 10, “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (issued on September 13, 2013).

## 24. SEGMENT INFORMATION

Notes:

(1) “Ordinary income (expenses)” and “Ordinary profit” are defined as follows:

- 1) “Ordinary profit” means “Ordinary income” less “Ordinary expenses.”
- 2) “Ordinary income” means total income less certain special income included in “Other income” in the semi-annual consolidated statements of income.
- 3) “Ordinary expenses” means total expenses less certain special expenses included in “Other expenses” in the semi-annual consolidated statements of income.

(2) A reconciliation of the ordinary profit under the internal management reporting system for the six-month periods ended September 30, 2018 and 2017 to income before income taxes shown in the semi-annual consolidated statements of income was as follows:

Six-month periods ended September 30	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Ordinary profit:	¥ 543,000	¥ 549,213	\$ 4,781
Gain on disposal of fixed assets	2,072	2,202	18
Gain on liquidation of affiliates	563	–	5
Loss on disposal of fixed assets	(2,564)	(3,740)	(23)
Impairment loss on long-lived assets	(7,418)	(8,097)	(65)
Income before income taxes	¥ 535,653	¥ 539,577	\$ 4,717

For the six-month periods ended September 30, 2018 and 2017:

(1) Reportable segments

The Group’s reporting segments are business units of the Group 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.

The Group makes and executes unified group-wide strategies based on customer characteristics and the nature of business. Accordingly, the Group has adopted customer-based and business-based segmentation, which consists of the following reporting segments: Retail & Commercial Banking Business Unit, Japanese Corporate & Investment Banking Business Unit, Global Corporate & Investment Banking Business Unit, Global Commercial Banking Business Unit, Global Markets Business Unit and Other units.

Retail & Commercial Banking Business Unit	: Providing financial services to Japanese individual and small to medium sized corporate customers
Japanese Corporate & Investment Banking Business Unit	: Providing financial services to major Japanese corporate customers
Global Corporate & Investment Banking Business Unit	: Providing financial services to major non-Japanese corporations
Global Commercial Banking Business Unit	: Providing financial services to individual and small to medium sized corporate customers of overseas commercial bank investees of the Group
Global Markets Business Unit	: Providing services relating to foreign currency exchange, funds and investment securities to customers, as well as conducting market transactions and managing liquidity and cash for the Group
Other units	: Other than the businesses mentioned above

### Changes in reportable segments

MUFG, the Bank’s parent company, reorganized its previous business groups to realize the MUFG group’s collective strengths more effectively through integrated group-wide business operations under the medium-term business plan that was commenced in the six months ended September 30, 2018, and changed its reporting segments to the current segmentation based on the reorganized business groups. Accordingly, the Group has also restructured its former business units (Retail Banking Business Unit, Corporate Banking Business Unit, Global Business Unit and Global Markets Unit) in line with MUFG’s policy and reportable segments presented reflect the restructuring.

The business segment information for the six months ended September 30, 2017 has been restated to reflect the foregoing changes in the reporting segments.

(2) Calculation method of gross operating income and net operating income

Accounting policies adopted by the reportable segments are almost the same as those described in Note 2 “SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,” except for the scope of consolidation. The scope of consolidation is limited to the major subsidiaries. The figures used are in principle based on the internal administration basis before consolidation adjustments including elimination of internal profits. The accounting methods for income and expenses over the multiple segments are in principle based on the internal management accounting standards which are based on the market values.

(3) Reportable segment information

Six-month period ended September 30, 2018	Millions of Yen							
	Retail & Commercial Banking	Japanese Corporate & Investment Banking	Global Corporate & Investment Banking	Global Commercial Banking	Customer business units subtotal	Global Markets	Other units	Total
Gross operating income	¥ 358,405	¥ 206,771	¥ 187,162	¥ 343,843	¥ 1,096,182	¥ 148,779	¥ (29,851)	¥ 1,215,110
Non-consolidated	327,632	179,743	136,456	(858)	642,973	120,810	76,798	840,582
Net interest income	224,192	72,844	57,909	(857)	354,087	46,502	173,856	574,447
Net non-interest income	103,440	106,899	78,547	(1)	288,885	74,307	(97,058)	266,135
Subsidiaries	30,772	27,028	50,705	344,702	453,209	27,969	(106,650)	374,527
Expenses	323,686	112,563	115,990	239,592	791,832	47,966	45,311	885,109
Net operating income	¥ 34,719	¥ 94,208	¥ 71,171	¥ 104,250	¥ 304,350	¥ 100,813	¥ (75,163)	¥ 330,001

Six-month period ended September 30, 2017	Millions of Yen							
	Retail & Commercial Banking	Japanese Corporate & Investment Banking	Global Corporate & Investment Banking	Global Commercial Banking	Customer business units subtotal	Global Markets	Other units	Total
Gross operating income	¥ 370,080	¥ 188,095	¥ 179,028	¥ 314,535	¥ 1,051,740	¥ 255,637	¥ 22,962	¥ 1,330,340
Non-consolidated	339,062	165,664	124,737	(1,546)	627,919	233,418	41,190	902,528
Net interest income	224,287	58,886	48,556	(1,547)	330,183	82,170	85,416	497,770
Net non-interest income	114,775	106,778	76,180	1	297,735	151,247	(44,225)	404,757
Subsidiaries	31,018	22,430	54,290	316,081	423,821	22,219	(18,228)	427,812
Expenses	323,341	111,240	115,591	227,425	777,597	48,047	49,504	875,149
Net operating income	¥ 46,739	¥ 76,855	¥ 63,436	¥ 87,110	¥ 274,142	¥ 207,590	¥ (26,542)	¥ 455,190

Six-month period ended September 30, 2018	Millions of U.S. Dollars							
	Retail & Commercial Banking	Japanese Corporate & Investment Banking	Global Corporate & Investment Banking	Global Commercial Banking	Customer business units subtotal	Global Markets	Other units	Total
Gross operating income	\$ 3,156	\$ 1,821	\$ 1,648	\$ 3,028	\$ 9,652	\$ 1,310	\$ (263)	\$ 10,699
Non-consolidated	2,885	1,583	1,202	(8)	5,661	1,064	676	7,401
Net interest income	1,974	641	510	(8)	3,118	409	1,531	5,058
Net non-interest income	911	941	692	(0)	2,544	654	(855)	2,343
Subsidiaries	271	238	446	3,035	3,991	246	(939)	3,298
Expenses	2,850	991	1,021	2,110	6,972	422	399	7,794
Net operating income	\$ 306	\$ 830	\$ 627	\$ 918	\$ 2,680	\$ 888	\$ (662)	\$ 2,906

Notes:

1. "Gross operating income" corresponds to net sales of non-banking industries.
2. "Gross operating income" includes net interest income, net fees and commission, net trading income and net other operating income.
3. "Expenses" includes personnel expenses and premise expenses.
4. Assets and liabilities by reportable segment are not shown since the Bank does not allocate assets and liabilities to segments for the purpose of internal control.

- (4) A reconciliation of the ordinary profit under the internal management reporting system and “Net operating income” in the table above was as follows:

Six-month periods ended September 30	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Net operating income per reportable segment information	¥ 330,001	¥ 455,190	\$ 2,906
Net business profit of subsidiaries excluded from the reportable segment information	15,098	20,199	133
Credit-related expenses	(7,756)	(45,897)	(68)
Gain on reversal of allowance for credit losses	91,374	57,887	805
Gain on reversal of provision for contingent losses (credit-related)	56,554	–	498
Gain on collection of bad debts	20,638	28,003	182
Gains on equity securities and other securities	76,841	40,169	677
Equity in earnings of the equity method investees	9,046	18,251	80
Amortization of net unrecognized actuarial gain or loss	(13,408)	(29,234)	(118)
Other	(35,388)	4,643	(312)
Ordinary profit under the internal management reporting system	¥ 543,000	¥ 549,213	\$ 4,781

Notes:

1. “Credit-related expenses” includes write-offs of loans.
2. “Gains on equity securities and other securities” includes gains or losses on sales of equity securities and losses on write-down of equity securities.

- (5) Other segment related information

1) Information by service

Information by service is omitted since it is similar to (3) “Reportable segment information.”

2) Information by geographic region

a) Ordinary income

Millions of Yen						
Six-month period ended September 30, 2018						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 1,068,348	¥ 641,767	¥ 17,395	¥ 26,166	¥ 152,307	¥ 556,334	¥ 2,462,320

Millions of Yen						
Six-month period ended September 30, 2017						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 1,056,632	¥ 479,037	¥ 14,997	¥ 25,377	¥ 129,999	¥ 447,174	¥ 2,153,218

Millions of U.S. Dollars						
Six-month period ended September 30, 2018						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
\$ 9,407	\$ 5,651	\$ 153	\$ 230	\$ 1,341	\$ 4,899	\$ 21,681

Notes:

1. “Ordinary income” corresponds to net sales of non-banking industries.
2. “Ordinary income” is classified into countries or geographic regions based on the locations of the head office or branches of the Bank and subsidiaries.

b) Tangible fixed assets

Millions of Yen						
As of September 30, 2018						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 856,037	¥ 131,958	¥ 330	¥ 1,125	¥ 4,682	¥ 87,448	¥ 1,081,582

Millions of Yen								
As of September 30, 2017								
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total		
¥ 861,477	¥ 139,695	¥ 254	¥ 1,888	¥ 5,205	¥ 84,832	¥ 1,093,353		

Millions of U.S. Dollars								
As of September 30, 2018								
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total		
\$ 7,538	\$ 1,162	\$ 3	\$ 10	\$ 41	\$ 770	\$ 9,523		

3) Information by major customer

There was no applicable information to be reported for the six-month periods ended September 30, 2018 and 2017.

4) Information on impairment loss on long-lived assets by reportable segment

Impairment loss on long-lived assets is not allocated to the reportable segments. The impairment loss was ¥7,418 million (\$65 million) and ¥8,097 million for the six-month periods ended September 30, 2018 and 2017, respectively.

5) Information on amortization and unamortized balance of goodwill by reportable segment

Millions of Yen								
Six-month period ended September 30, 2018	Retail & Commercial Banking	Japanese Corporate & Investment Banking	Global Corporate & Investment Banking	Global Commercial Banking	Customer business units subtotal	Global Markets	Other units	Total
Amortization	¥ –	¥ –	¥ –	¥ 8,024	¥ 8,024	¥ –	¥ 29	¥ 8,054
Unamortized balance	–	–	–	226,372	226,372	–	805	227,178

Millions of Yen								
Six-month period ended September 30, 2017	Retail & Commercial Banking	Japanese Corporate & Investment Banking	Global Corporate & Investment Banking	Global Commercial Banking	Customer business units subtotal	Global Markets	Other units	Total
Amortization	¥ –	¥ –	¥ –	¥ 7,809	¥ 7,809	¥ –	¥ 29	¥ 7,839
Unamortized balance	–	–	–	233,939	233,939	–	864	234,804

Millions of U.S. Dollars								
Six-month period ended September 30, 2018	Retail & Commercial Banking	Japanese Corporate & Investment Banking	Global Corporate & Investment Banking	Global Commercial Banking	Customer business units subtotal	Global Markets	Other units	Total
Amortization	\$ –	\$ –	\$ –	\$ 71	\$ 71	\$ –	\$ 0	\$ 71
Unamortized balance	–	–	–	1,993	1,993	–	7	2,000

6) Information on gain on negative goodwill by reportable segment

There was no applicable information to be reported for the six-month periods ended September 30, 2018 and 2017.