

Semi-annual Securities Report

“Hanki Hokokusho”

(Excerpt)

for the six-month period ended September 30, 2016

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

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[Accounting Period]	During the 12th Fiscal Year (from April 1, 2016 to September 30, 2016)
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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 2014	Semi-annual Period of Fiscal 2015	Semi-annual Period of Fiscal 2016	Fiscal 2014	Fiscal 2015
	From April 1, 2014 to September 30, 2014	From April 1, 2015 to September 30, 2015	From April 1, 2016 to September 30, 2016	From April 1, 2014 to March 31, 2015	From April 1, 2015 to March 31, 2016
Consolidated ordinary income	1,951,743	2,074,286	1,963,169	4,028,944	4,033,796
Consolidated ordinary profit	663,401	637,926	534,474	1,221,200	1,083,701
Semi-annual net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	405,496	408,599	374,844	–	–
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	–	–	–	731,622	685,835
Semi-annual consolidated comprehensive income	928,855	(60,018)	(111,477)	–	–
Consolidated comprehensive income	–	–	–	2,622,793	453,557
Consolidated total equity	11,866,186	12,857,352	12,323,850	13,201,844	13,118,288
Consolidated total assets	204,103,429	220,723,906	219,652,995	219,313,264	222,797,387
Total equity per share (yen)	842.68	926.84	920.75	954.03	952.16
Semi-annual net income per common share (yen)	32.83	33.08	30.35	–	–
Net income per common share (yen)	–	–	–	59.24	55.53
Diluted semi-annual net income per common share (yen)	32.83	33.08	30.35	–	–
Diluted net income per common share (yen)	–	–	–	59.23	55.53
Capital ratio (%)	5.09	5.18	5.17	5.37	5.27
Net cash provided by (used in) operating activities	(4,094,924)	(4,380,775)	9,195,717	(6,631,043)	1,382,275
Net cash provided by investing activities	4,243,307	4,670,804	1,487,849	7,237,326	2,580,849
Net cash used in financing activities	(658,447)	(305,707)	(604,913)	(1,061,490)	(82,996)
Cash and cash equivalents at end of semi-annual period	3,452,257	3,689,990	17,447,401	–	–
Cash and cash equivalents at end of period	–	–	–	3,712,330	7,513,181
Number of employees [Besides the above, average number of temporary employees]	77,727 [23,000]	80,620 [22,900]	81,290 [22,500]	79,146 [23,000]	80,088 [22,800]

- (Notes)
1. National and local consumption taxes of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (hereinafter referred to as the “Bank”) and its domestic consolidated subsidiaries are accounted for using the tax-excluded method.
 2. The basis of calculation of Per Share Information for the semi-annual period is described in “Per Share Information” under Section “Notes to Semi-annual Consolidated Financial Statements” of “IV. Financial Information.”

3. 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).”
4. The average number of temporary employees includes contractors and figures are rounded to the nearest hundred.

(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	10th Semi-annual Period	11th Semi-annual Period	12th Semi-annual Period	10th Term	11th Term
Period of account	September 2014	September 2015	September 2016	March 2015	March 2016
Ordinary income	1,496,665	1,563,186	1,501,227	2,856,450	2,925,593
Ordinary profit	547,253	538,379	410,239	902,632	863,736
Semi-annual net income	354,458	379,654	323,043	–	–
Net income	–	–	–	571,778	586,066
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	9,706,403	10,131,730	10,621,234	10,488,611	10,627,781
Total assets	184,976,644	197,720,795	200,787,348	194,652,431	200,261,895
Balance of deposits	119,175,824	126,316,782	134,123,071	124,590,909	131,986,582
Balance of loans and bills discounted	79,977,449	84,834,422	79,523,573	82,740,384	86,691,727
Balance of securities	54,659,402	47,875,327	45,927,197	52,873,408	48,913,432
Dividends per share (yen)	Common stock 13.18	Common stock 14.07	Common stock 21.18	Common stock 32.57	Common stock 30.00
Capital ratio (%)	5.24	5.12	5.28	5.38	5.30
Number of employees [Besides the above, average number of temporary employees]	36,518 [12,626]	35,534 [12,453]	35,504 [12,315]	35,214 [12,486]	34,865 [12,399]

- (Notes)
1. National and local consumption taxes are accounted for using the tax-excluded method.
 2. Dividends per share for the 11th Semi-annual Period, the 12th Semi-annual Period, the 10th Term and the 11th Term include the special dividends of ¥6.27, ¥13.05, ¥6.27 and ¥13.64, respectively.
 3. The Bank paid dividends in kind in the 11th Semi-annual Period and the 11th Term 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 (The Bank of Tokyo-Mitsubishi UFJ, Ltd. and its subsidiaries and affiliates) comprises the Bank, 128 consolidated subsidiaries, and 57 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.”

3. Information on Subsidiaries and Affiliates

Significant changes in subsidiaries and affiliates during the current semi-annual period are as follows:

(1) Exclusion

(Global Business Unit)

PT. BTMU-BRI Finance, previously the Bank’s consolidated subsidiary, was excluded from the scope of the Bank’s subsidiaries and affiliates due to the sale of its shares held by the Bank.

(Other units)

THE TAISHO BANK, LTD., previously the Bank’s equity method investee, was excluded from the scope of the Bank’s subsidiaries and affiliates due to a share exchange with TOMONY Holdings, Inc.

(2) New subsidiaries and affiliates

The following company was newly included in the scope of the Bank’s subsidiaries and affiliates during the current semi-annual period.

(Global Business Unit)

Company name	Address	Ratio of voting rights holding (held) (%)
(Equity method investee) Security Bank Corporation	Makati City, Republic of the Philippines	20.0

(3) Other changes

(Global Business Unit)

- Bank of Tokyo-Mitsubishi UFJ (Holland) N.V. changed its name to MUFG Bank (Europe) N.V.
- MUFG Americas Capital Company, BTMU Capital Corporation and BTMU Securities, Inc. became subsidiaries of MUFG Americas Holdings Corporation due to transfer of the ownership within the Group.

4. Employees

(1) Number of employees in consolidated companies

As of September 30, 2016

	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Global Markets Unit	Other units	Total
Number of employees	16,298 [8,900]	9,595 [2,000]	45,457 [4,200]	1,252 [0]	8,688 [7,400]	81,290 [22,500]

- (Notes)
1. Number of employees includes locally hired overseas staff members, but excludes 3,900 contract employees and 22,400 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 5,500 at the end of the current semi-annual period while 5,600 on average over the half year (both numbers are rounded to the nearest hundred).

(2) Employees of the Bank

As of September 30, 2016

	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Global Markets Unit	Other units	Total
Number of employees	15,291 [8,397]	8,068 [1,530]	6,190 [488]	1,252 [45]	4,703 [1,855]	35,504 [12,315]

- (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 1,651 contract employees and 12,315 temporary employees.
 2. Number within brackets indicates average number of temporary employees for the current semi-annual period.
 3. Number of temporary employees includes contractors. Number of contractors was 2,846 at the end of the current semi-annual period and 2,816 on average over the half year.
 4. Number of employees excludes 92 Executive Officers (15 of whom serving as Directors concurrently).
 5. Employees union of the Bank is called The Bank of Tokyo-Mitsubishi UFJ Union with the membership of 32,725. No significant issues exist between the union and the management.

II. Business Overview

1. Summary of Results

(Financial and economic conditions)

With regard to financial and economic conditions during the current semi-annual period, although the global economy – especially of developed countries – remained on a gradual recovery trend, the outlook has become increasingly uncertain overall due to factors including temporary turmoil in international financial markets triggered by structural adjustments in China and the U.K. decision to leave the European Union. The U.S. economy remained on a path of self-sustained recovery, mainly in domestic demand, due to improvement in the employment picture, although signs of weakness in production and capital expenditures emerged in the corporate sector. In Europe’s economy, domestic demand continued to pick up, supported by factors including improved employment conditions and low interest rates, despite NPLs in southern countries. However, the economy was weighed down by growing uncertainty associated with the U.K. decision to leave the European Union. Asian economies as a whole, particularly ASEAN (the Association of Southeast Asian Nations) and India, continued to see solid growth led by domestic demand, although Asian countries’ exports were held back by the economic slowdown in China as it entered a structural adjustment phase. Against this backdrop, Japan’s economy continued on a gradual recovery trajectory, even though weak spots continued to be apparent in some areas. Private consumption continued to pick up albeit gradually, backed by improvements in the employment and income environment and falling prices, while housing investment and public investment also remained strong. On the other hand, capital expenditures ebbed and flowed as the rising Japanese yen put downward pressure on corporate profits, although investment sentiment remained firm amid an improvement in domestic demand, continuing labor shortages, and other factors. A weak trend was also seen in exports, reflecting uncertainty in the global economy.

With regard to monetary condition, the U.S. continued to postpone an additional interest rate hike, while the Eurozone and the U.K. enhanced their monetary easing. The Bank of Japan maintained its aggressive approach to monetary easing, including the introduction of “Quantitative and Qualitative Monetary Easing with Yield Curve Control” in September, and the benchmark yield remained negative. The Japanese yen has remained strong, and share prices have stayed mostly flat despite some fluctuations.

(Management policy)

The MUFG Group has established the following corporate vision to clarify the Group’s mission and what it aims to be, and to provide common guidelines for a Group-wide response to the expectations of customers and society. The Bank’s officers and employees share the three values of “Integrity and Responsibility,” “Professionalism and Teamwork,” and “Challenge Ourselves to Grow,” as we pursue our vision to “Be the world’s most trusted financial group.”

(Corporate vision)

OUR MISSION

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

OUR VISION

- Be the world’s most trusted financial group
1. Work together to exceed the expectations of our customers
 2. Provide reliable and constant support to our customers
 3. Expand and strengthen our global presence

OUR VALUES

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

The operating environment for financial institutions is transforming substantially amidst such trends as changing patterns of consumption stemming from an aging Japanese population and its declining birthrate and the advance of information and communications technology. It is crucial to the continued progress of the Bank for us to maintain an accurate understanding of such changes, and evolve and reform our business model as a preemptive response to these changes. Based on this recognition, the Bank turned its eye toward the expected operating environment changes over the next decade, and launched its Medium-term Business

Plan (fiscal 2015 to fiscal 2017), which outlines the strategies that will be implemented over the first three years of this decade.

The basic policy of the Medium-term Business Plan was defined as “Challenge to reform – foreseeing the next decade” and we formulated the Group business strategies and business foundation strategies of the plan based on three strategic focuses: “Customer perspective,” “Group-driven approach,” and “Productivity improvements.” “Customer perspective” calls on us to develop businesses based on changing customer needs. “Group-driven approach” inspires us to bolster inter-Group company unity and consider how to optimize our business on a Group-wide basis. “Productivity improvements” encapsulates our commitment to boosting competitiveness by pursuing higher levels of rationality and efficiency.

(Results for the current semi-annual period)

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

Assets decreased by ¥1,070.9 billion compared to the same period of the previous fiscal year to ¥219,652.9 billion. Major components were loans and bills discounted of ¥91,724.4 billion and securities of ¥46,627.2 billion. Liabilities decreased by ¥537.4 billion compared to the same period of the previous fiscal year to ¥207,329.1 billion. Major components were deposits and negotiable certificates of deposit of ¥152,054.6 billion.

As for profits and losses, ordinary profit decreased by ¥103.4 billion compared to the same period of the previous fiscal year to ¥534.4 billion, and semi-annual net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ decreased by ¥33.7 billion compared to the same period of the previous fiscal year to ¥374.8 billion.

Results by reportable segment are as follows:

1. Retail Banking Business Unit

Net operating income was ¥27.8 billion, with a decrease of ¥27.5 billion from the same period of the previous fiscal year.

2. Corporate Banking Business Unit

Net operating income was ¥152.5 billion, with a decrease of ¥24.4 billion from the same period of the previous fiscal year.

3. Global Business Unit

Net operating income was ¥196.1 billion, with a decrease of ¥33.0 billion from the same period of the previous fiscal year.

4. Global Markets Unit

Net operating income was ¥203.1 billion, with an increase of ¥23.3 billion from the same period of the previous fiscal year.

5. Other units

Net operating loss was ¥35.2 billion, with an improvement of ¥8.9 billion from the same period of the previous fiscal year.

From the current semi-annual period, the Bank has changed the calculation method of business segment profit in accordance with the changes in its internal performance management methods such as the changes in the allocation method of income and expenses among business segments.

Segment information for the previous semi-annual period that was prepared in accordance with the revised calculation method is provided in “Segment Information” under the Section entitled “Notes to Semi-annual Consolidated Financial Statements” of “IV. Financial Information.”

(Summary of cash flows)

With regard to cash flows, operating activities generated net cash of ¥9,195.7 billion, with a ¥13,576.4 billion increase in cash inflows from the same period of the previous fiscal year. Investing activities generated net cash of ¥1,487.8 billion, with a ¥3,182.9 billion decrease in cash inflows from the same period of the previous fiscal year. Financing activities used net cash of ¥604.9 billion, with a ¥299.2 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 ¥17,447.4 billion, with a ¥13,757.4 billion increase from the same period of the previous fiscal year.

The consolidated risk-adjusted capital ratio based on uniform international standards as of September 30, 2016 was 16.20%.

(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 ¥1,367.7 billion, with a ¥90.2 billion decrease from the same period of the previous fiscal year. Of this, domestic operations posted an income of ¥813.6 billion, with a decrease of ¥49.5 billion from the same period of the previous fiscal year, and overseas operations posted an income of ¥659.7 billion, with a decrease of ¥80.5 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	482,830	486,180	(65,294)	903,716
	Current semi-annual period	447,614	424,206	(38,244)	833,575
Of which, interest income	Previous semi-annual period	552,537	719,557	(106,732)	1,165,362
	Current semi-annual period	554,111	662,518	(75,185)	1,141,444
Of which, interest expenses	Previous semi-annual period	69,707	233,376	(41,438)	261,645
	Current semi-annual period	106,497	238,312	(36,940)	307,869
Net fees and commissions	Previous semi-annual period	229,968	187,178	(80,016)	337,130
	Current semi-annual period	218,174	178,718	(65,265)	331,626
Of which, fees and commissions income	Previous semi-annual period	303,052	216,315	(93,772)	425,595
	Current semi-annual period	291,927	208,368	(88,411)	411,884
Of which, fees and commissions expenses	Previous semi-annual period	73,083	29,137	(13,756)	88,465
	Current semi-annual period	73,753	29,650	(23,146)	80,257
Net trading income	Previous semi-annual period	46,930	12,305	(1,494)	57,741
	Current semi-annual period	60,886	14,990	3,092	78,969
Of which, trading income	Previous semi-annual period	46,930	24,043	(13,232)	57,741
	Current semi-annual period	61,006	31,145	(12,238)	79,913
Of which, trading expenses	Previous semi-annual period	–	11,738	(11,738)	–
	Current semi-annual period	120	16,154	(15,330)	944
Net other operating income	Previous semi-annual period	103,482	54,546	1,379	159,407
	Current semi-annual period	87,017	41,785	(5,214)	123,588
Of which, other operating income	Previous semi-annual period	196,884	211,676	(153,110)	255,451
	Current semi-annual period	129,991	132,403	(77,371)	185,023
Of which, other operating expenses	Previous semi-annual period	93,402	157,130	(154,489)	96,043
	Current semi-annual period	42,974	90,618	(72,157)	61,435

(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 the internal transactions, etc. between consolidated companies.

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

1) 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 decreased by ¥3,213.8 billion compared to the same period of the previous fiscal year to ¥131,526.7 billion. Yield on interest-earning assets rose by 0.02% to 0.84% and total interest income stood at ¥554.1 billion, with an increase of ¥1.5 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 ¥4,319.5 billion compared to the same period of the previous fiscal year to ¥133,515.1 billion. Yield on interest-bearing liabilities rose by 0.05% to 0.15% and total interest expenses stood at ¥106.4 billion, with an increase of ¥36.7 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	134,740,522	552,537	0.81
	Current semi-annual period	131,526,715	554,111	0.84
Of which, loans and bills discounted	Previous semi-annual period	60,639,481	287,580	0.94
	Current semi-annual period	59,047,673	271,202	0.91
Of which, securities	Previous semi-annual period	45,398,121	228,271	1.00
	Current semi-annual period	43,047,667	243,750	1.12
Of which, call loans and bills bought	Previous semi-annual period	29,483	20	0.14
	Current semi-annual period	2,706	0	0.03
Of which, receivables under resale agreements	Previous semi-annual period	26,948	8	0.06
	Current semi-annual period	6,393	0	0.00
Of which, receivables under securities borrowing transactions	Previous semi-annual period	171,521	44	0.05
	Current semi-annual period	935,195	48	0.01
Of which, due from banks	Previous semi-annual period	24,103,253	11,768	0.09
	Current semi-annual period	24,772,764	12,306	0.09
Interest-bearing liabilities	Previous semi-annual period	129,195,606	69,707	0.10
	Current semi-annual period	133,515,141	106,497	0.15
Of which, deposits	Previous semi-annual period	106,490,120	23,845	0.04
	Current semi-annual period	113,109,470	16,572	0.02
Of which, negotiable certificates of deposit	Previous semi-annual period	2,959,066	1,119	0.07
	Current semi-annual period	1,455,164	301	0.04
Of which, call money and bills sold	Previous semi-annual period	2,564,267	1,351	0.10
	Current semi-annual period	110,092	243	0.44
Of which, payables under repurchase agreements	Previous semi-annual period	7,833,392	10,743	0.27
	Current semi-annual period	9,646,311	27,730	0.57
Of which, payables under securities lending transactions	Previous semi-annual period	1,617,796	671	0.08
	Current semi-annual period	4,097,759	205	0.00
Of which, commercial paper	Previous semi-annual period	–	–	–
	Current semi-annual period	–	–	–
Of which, borrowed money	Previous semi-annual period	12,129,911	42,709	0.70
	Current semi-annual period	11,092,313	51,887	0.93

- (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.

2) 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 decreased by ¥7,846.4 billion compared to the same period of the previous fiscal year to ¥55,321.8 billion. Yield on interest-earning assets rose by 0.11% to 2.38% and total interest income stood at ¥662.5 billion, with a decrease of ¥57.0 billion from the same period of the previous fiscal year. The average balance of interest-bearing liabilities in the current semi-annual period decreased by ¥5,004.9 billion compared to the same period of the previous fiscal year to ¥55,689.8 billion. Yield on interest-bearing liabilities rose by 0.08% to 0.85% and total interest expenses stood at ¥238.3 billion, with an increase of ¥4.9 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	63,168,363	719,557	2.27
	Current semi-annual period	55,321,890	662,518	2.38
Of which, loans and bills discounted	Previous semi-annual period	41,373,964	527,220	2.54
	Current semi-annual period	38,156,685	494,130	2.58
Of which, securities	Previous semi-annual period	6,553,694	72,726	2.21
	Current semi-annual period	5,716,029	60,716	2.11
Of which, call loans and bills bought	Previous semi-annual period	674,985	5,525	1.63
	Current semi-annual period	641,092	5,358	1.66
Of which, receivables under resale agreements	Previous semi-annual period	708,595	15,027	4.22
	Current semi-annual period	513,189	12,794	4.97
Of which, receivables under securities borrowing transactions	Previous semi-annual period	–	–	–
	Current semi-annual period	–	–	–
Of which, due from banks	Previous semi-annual period	9,878,023	27,715	0.55
	Current semi-annual period	6,422,350	23,691	0.73
Interest-bearing liabilities	Previous semi-annual period	60,694,854	233,376	0.76
	Current semi-annual period	55,689,858	238,312	0.85
Of which, deposits	Previous semi-annual period	35,848,696	116,468	0.64
	Current semi-annual period	32,803,594	102,426	0.62
Of which, negotiable certificates of deposit	Previous semi-annual period	6,957,624	16,753	0.48
	Current semi-annual period	4,363,511	20,135	0.92
Of which, call money and bills sold	Previous semi-annual period	346,887	1,473	0.84
	Current semi-annual period	340,569	1,685	0.98
Of which, payables under repurchase agreements	Previous semi-annual period	589,329	3,346	1.13
	Current semi-annual period	715,448	3,784	1.05
Of which, payables under securities lending transactions	Previous semi-annual period	–	–	–
	Current semi-annual period	–	–	–
Of which, commercial paper	Previous semi-annual period	1,434,155	1,577	0.21
	Current semi-annual period	1,268,053	4,019	0.63
Of which, borrowed money	Previous semi-annual period	2,436,491	13,554	1.10
	Current semi-annual period	1,904,315	9,992	1.04

- (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.

3) 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	197,908,886	(8,185,619)	189,723,266	1,272,095	(106,732)	1,165,362	1.22
	Current semi-annual period	186,848,606	(7,343,185)	179,505,420	1,216,630	(75,185)	1,141,444	1.26
Of which, loans and bills discounted	Previous semi-annual period	102,013,446	(3,021,579)	98,991,866	814,801	(35,277)	779,523	1.57
	Current semi-annual period	97,204,359	(2,728,578)	94,475,781	765,332	(34,733)	730,598	1.54
Of which, securities	Previous semi-annual period	51,951,816	(2,849,346)	49,102,470	300,998	(65,063)	235,935	0.95
	Current semi-annual period	48,763,696	(2,817,977)	45,945,719	304,467	(35,282)	269,184	1.16
Of which, call loans and bills bought	Previous semi-annual period	704,468	(238,466)	466,002	5,546	(89)	5,457	2.33
	Current semi-annual period	643,799	(157,531)	486,267	5,359	(33)	5,325	2.18
Of which, receivables under resale agreements	Previous semi-annual period	735,544	–	735,544	15,036	–	15,036	4.07
	Current semi-annual period	519,583	–	519,583	12,794	–	12,794	4.91
Of which, receivables under securities borrowing transactions	Previous semi-annual period	171,521	–	171,521	44	–	44	0.05
	Current semi-annual period	935,195	–	935,195	48	–	48	0.01
Of which, due from banks	Previous semi-annual period	33,981,277	(1,734,988)	32,246,288	39,484	(5,228)	34,256	0.21
	Current semi-annual period	31,195,114	(1,361,764)	29,833,350	35,998	(4,120)	31,877	0.21
Interest-bearing liabilities	Previous semi-annual period	189,890,461	(5,358,986)	184,531,475	303,084	(41,438)	261,645	0.28
	Current semi-annual period	189,205,000	(4,546,353)	184,658,647	344,809	(36,940)	307,869	0.33
Of which, deposits	Previous semi-annual period	142,338,817	(1,285,475)	141,053,342	140,314	(2,725)	137,588	0.19
	Current semi-annual period	145,913,065	(1,073,027)	144,840,037	118,999	(2,027)	116,971	0.16
Of which, negotiable certificates of deposit	Previous semi-annual period	9,916,690	–	9,916,690	17,872	–	17,872	0.35
	Current semi-annual period	5,818,675	–	5,818,675	20,437	–	20,437	0.70
Of which, call money and bills sold	Previous semi-annual period	2,911,155	(86,714)	2,824,440	2,824	(121)	2,703	0.19
	Current semi-annual period	450,662	(57,554)	393,107	1,928	(217)	1,711	0.86
Of which, payables under repurchase agreements	Previous semi-annual period	8,422,721	–	8,422,721	14,090	–	14,090	0.33
	Current semi-annual period	10,361,760	–	10,361,760	31,515	–	31,515	0.60
Of which, payables under securities lending transactions	Previous semi-annual period	1,617,796	–	1,617,796	671	–	671	0.08
	Current semi-annual period	4,097,759	–	4,097,759	205	–	205	0.00
Of which, commercial paper	Previous semi-annual period	1,434,155	–	1,434,155	1,577	–	1,577	0.21
	Current semi-annual period	1,268,053	–	1,268,053	4,019	–	4,019	0.63
Of which, borrowed money	Previous semi-annual period	14,566,402	(3,433,576)	11,132,826	56,264	(36,595)	19,668	0.35
	Current semi-annual period	12,996,628	(2,660,698)	10,335,930	61,879	(31,467)	30,411	0.58

(Note) “Amount of elimination” is the total amount of elimination associated with the internal 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 ¥291.9 billion, with a decrease of ¥11.1 billion from the same period of the previous fiscal year. Fees and commissions expenses were ¥73.7 billion, with an increase of ¥0.6 billion from the same period of the previous fiscal year, resulting in a net fees and commissions income of ¥218.1 billion, with a decrease of ¥11.7 billion from the same period of the previous fiscal year. Fees and commissions income of overseas offices during the current semi-annual period was ¥208.3 billion, with a decrease of ¥7.9 billion from the same period of the previous fiscal year, while fees and commissions expenses were ¥29.6 billion, with an increase of ¥0.5 billion from the same period of the previous fiscal year, resulting in a net fees and commissions income of ¥178.7 billion, with a decrease of ¥8.4 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 ¥331.6 billion, with a decrease of ¥5.5 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	303,052	216,315	(93,772)	425,595
	Current semi-annual period	291,927	208,368	(88,411)	411,884
Of which, domestic and foreign exchange services	Previous semi-annual period	75,830	7,110	(160)	82,780
	Current semi-annual period	74,709	6,051	(160)	80,601
Of which, other commercial banking services	Previous semi-annual period	124,791	135,107	(1,485)	258,414
	Current semi-annual period	124,419	130,950	(1,766)	253,602
Of which, guarantee services	Previous semi-annual period	25,734	12,939	(8,503)	30,170
	Current semi-annual period	24,263	11,365	(8,322)	27,306
Of which, securities-related services	Previous semi-annual period	30,724	1,948	(19)	32,653
	Current semi-annual period	19,912	3,690	(22)	23,579
Fees and commissions expenses	Previous semi-annual period	73,083	29,137	(13,756)	88,465
	Current semi-annual period	73,753	29,650	(23,146)	80,257
Of which, domestic and foreign exchange services	Previous semi-annual period	17,014	3,668	(78)	20,604
	Current semi-annual period	16,885	3,477	(149)	20,214

- (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 the internal 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 ¥61.0 billion, with an increase of ¥14.0 billion from the same period of the previous fiscal year. Trading expenses of domestic offices for the current semi-annual period were ¥0.1 billion, with an increase of ¥0.1 billion from the same period of the previous fiscal year, resulting in a net trading income of ¥60.8 billion, accompanied by an increase of ¥13.9 billion from the same period of the previous fiscal year. Trading income of overseas offices for the current semi-annual period was ¥31.1 billion, with an increase of ¥7.1 billion from the same period of the previous fiscal year. Trading expenses of overseas offices were ¥16.1 billion, an increase of ¥4.4 billion from the same period of the previous fiscal year. As a result, net trading income for the current semi-annual period was ¥14.9 billion, with an increase of ¥2.6 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 ¥78.9 billion, with an increase of ¥21.2 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	46,930	24,043	(13,232)	57,741
	Current semi-annual period	61,006	31,145	(12,238)	79,913
Of which, income from trading securities	Previous semi-annual period	1,610	2,107	(1)	3,715
	Current semi-annual period	2,403	961	(67)	3,298
Of which, income from securities related to trading transactions	Previous semi-annual period	3,572	145	(88)	3,630
	Current semi-annual period	–	–	–	–
Of which, income from trading-related financial derivatives	Previous semi-annual period	40,609	21,789	(13,142)	49,256
	Current semi-annual period	58,229	30,183	(12,171)	76,241
Of which, income from other trading transactions	Previous semi-annual period	1,137	1	–	1,138
	Current semi-annual period	373	0	–	373
Trading expenses	Previous semi-annual period	–	11,738	(11,738)	–
	Current semi-annual period	120	16,154	(15,330)	944
Of which, expenses on trading securities	Previous semi-annual period	–	1	(1)	–
	Current semi-annual period	–	67	(67)	–
Of which, expenses on securities related to trading transactions	Previous semi-annual period	–	88	(88)	–
	Current semi-annual period	120	824	–	944
Of which, expenses on trading-related financial derivatives	Previous semi-annual period	–	11,648	(11,648)	–
	Current semi-annual period	–	15,263	(15,263)	–
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 the internal 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	107,043,545	36,276,009	(1,283,523)	142,036,032
	Current semi-annual period	114,739,988	33,912,605	(1,221,813)	147,430,780
Of which, liquid deposits	Previous semi-annual period	72,080,766	20,074,909	(546,067)	91,609,608
	Current semi-annual period	81,793,247	18,244,795	(594,608)	99,443,434
Of which, fixed-term deposits	Previous semi-annual period	28,676,619	15,975,840	(721,192)	43,931,267
	Current semi-annual period	26,877,408	15,620,130	(606,426)	41,891,112
Of which, other deposits	Previous semi-annual period	6,286,159	225,260	(16,262)	6,495,156
	Current semi-annual period	6,069,333	47,679	(20,778)	6,096,233
Negotiable certificates of deposit	Previous semi-annual period	2,874,740	6,177,880	–	9,052,621
	Current semi-annual period	1,159,154	3,464,693	–	4,623,848
Total	Previous semi-annual period	109,918,286	42,453,889	(1,283,523)	151,088,653
	Current semi-annual period	115,899,143	37,377,298	(1,221,813)	152,054,628

- (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 internal 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)	59,936,139	100.00	55,416,791	100.00
Manufacturing	8,148,568	13.60	8,535,311	15.40
Construction	688,655	1.15	655,722	1.18
Wholesale and retail	5,622,972	9.38	5,553,977	10.02
Finance and insurance	5,843,770	9.75	5,777,581	10.43
Real estate, goods rental and leasing	7,878,747	13.14	8,074,115	14.57
Services	2,348,211	3.92	2,349,928	4.24
Other industries	29,405,213	49.06	24,470,155	44.16
Overseas and Japan offshore market account	39,477,898	100.00	36,307,655	100.00
Governments and public organizations	869,398	2.20	1,021,173	2.81
Financial institutions	8,179,343	20.72	7,919,342	21.81
Others	30,429,156	77.08	27,367,139	75.38
Total	99,414,037	—	91,724,446	—

(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 Law, 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, 2016
1. Consolidated Total Capital Ratio (4/7)	16.20
2. Consolidated Tier 1 Capital Ratio (5/7)	12.93
3. Consolidated Common Equity Tier 1 Capital Ratio (6/7)	11.64
4. Consolidated Total Capital	13,545.6
5. Consolidated Tier 1 Capital	10,816.6
6. Consolidated Common Equity Tier 1 Capital	9,733.5
7. Risk-weighted Assets	83,596.9
8. Consolidated Total Capital Requirements	6,687.7

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

(Billions of yen, %)

	As of September 30, 2016
1. Non-consolidated Total Capital Ratio (4/7)	18.37
2. Non-consolidated Tier 1 Capital Ratio (5/7)	14.73
3. Non-consolidated Common Equity Tier 1 Capital Ratio (6/7)	12.97
4. Non-consolidated Total Capital	12,819.0
5. Non-consolidated Tier 1 Capital	10,279.9
6. Non-consolidated Common Equity Tier 1 Capital	9,050.2
7. Risk-weighted Assets	69,770.1
8. Non-consolidated Total Capital Requirements	5,581.6

(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 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 2-3 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 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. Issues to be Addressed

In fiscal 2016, the Bank will further reinforce the business strategies and operation basis strategies described in the Medium-term Business Plan and accelerate various measures while responding flexibly to changes in the operating environment. Through the above measures, the Bank will strive to maintain and enhance the MUFG brand so that it can be appreciated and supported by the wider general public.

(Promotion of business strategies)

The Bank, as the core bank of the MUFG Group, will provide the highest quality services with precision and promptness by demonstrating the Group's integrated strength by capitalizing on its operational network both at home and abroad, which is the most extensive among the Japanese banks. In addition, further collaboration with other group companies will be expanded upon, in order to satisfy the increasingly diversified and sophisticated financial needs of customers in the face of turbulent changes in the business environment.

For individual customers, the Group will work together to provide asset management, asset administration, and inheritance services and encourage the flow of assets from savings to investment while helping to stimulate consumption by strengthening payment and consumer finance businesses.

To address the needs of SME customers, we will work to provide smooth support for customers' funding needs while also implementing initiatives in new business fields. These include enhancing M&A advisory service functions to respond to the rising number of business successions and bolstering our ability to provide asset management solutions. At the same time, we will also accelerate efforts to contribute to the growth of customers through means such as offering services to help clients find business partners.

Meanwhile, we will respond to the ever more advanced, diverse, and global needs of large companies through concerted efforts conducted on a Group-wide and global basis, and will establish a unique global Corporate & Investment Banking (CIB)^{*1} model to aid in this endeavor. As part of this process, we will consolidate our sector-specific expertise while deepening strategic collaboration with Morgan Stanley.

In sales and trading operations^{*2}, we intend to advance integrated operations to boost our competitiveness. Specifically, we will push forward with efforts to strengthen our ability to provide products and services that address the diverse needs of various customers, such as corporations and institutional investors, on a global basis.

In transaction banking^{*3} operations, we aim to build an unrivaled position in the domestic market. At the same time, we will redouble efforts to address cross-border business flows, and expand trade finance operations. In addition, we will bolster product competitiveness and step up inter-regional collaboration to increase deposit balances.

Outside Japan, we are working to establish and strengthen unique, comprehensive commercial banking platforms. These efforts are centered around Bank of Ayudhya Public Company Limited and MUFG Union Bank, N.A. and also include developing our new capital and business alliance with Security Bank Corporation. The Bank's overseas operations have previously focused primarily on transactions with large companies, but in strengthening platforms we are branching out to accommodate local individual and SME customers.

*1 A business model that provides customers with end-to-end, comprehensive financial services including both Corporate Banking (e.g. deposits and loans) and Investment Banking (e.g. M&A advisory) services, in order to help customers increase their corporate value

*2 General term for sales operations involving the provision of financial products and solutions including foreign exchange and derivatives, and trading operations to buy and sell marketable products through inter-bank trading or trading on exchanges

*3 General term for deposit business, domestic exchange business, foreign exchange business, and related businesses such as cash management and trade finance

(Strengthening of operation basis)

We will take the following measures to strengthen the basis of operation:

The Bank aims to further strengthen its corporate governance structure mainly through the establishment of an effective structure for business supervision by the Board of Directors, by transitioning to a Company with an Audit & Supervisory Committee, in addition to enhancing the corporate governance structure on a Group-wide and global basis.

At the same time, the Bank is developing more evolved and advanced comprehensive risk management practices that address new regulations and progress in businesses while placing emphasis on managing risks

in an integrated and preventative manner.

We aim to strengthen and streamline our business platform, and this will be done in part through shared usage of systems, back-office functions, and facilities on a Group-wide basis.

Communication with external stakeholders and Group employees will be conducted strategically and in an integrated manner on a Group-wide and global basis to maximize the benefits of this communication. We recognize internal communication as a means of fostering a corporate culture and creating sense of cohesion within the Group. Meanwhile, communication with outside parties contributes to improving customer satisfaction and brand value and helps accomplish corporate social responsibility activities.

3. Risks Related to Business

Of the risks related to business, as stated in the annual securities report of the previous fiscal year, there are no 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.

4. Analyses of Financial Position, Results of Operations and Cash Flows

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

Consolidated gross operating income for the current semi-annual period decreased by ¥90.5 billion from the same period of the previous fiscal year, primarily reflecting decreases in interest income and other operating income. Meanwhile, general and administrative expenses also decreased by ¥43.1 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 ¥553.1 billion, with a decrease of ¥47.4 billion from the same period of the previous fiscal year.

Meanwhile, semi-annual net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ was ¥374.8 billion, with a decrease of ¥33.7 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)	1,165.3	1,141.4	(23.9)
Interest expenses (after deduction of expenses related to money held in trust)	(2)	261.6	307.8	46.2
Trust fees	(3)	6.6	6.2	(0.3)
Of which, credit costs for trust accounts	(4)	–	–	–
Fees and commissions income	(5)	425.5	411.8	(13.7)
Fees and commissions expenses	(6)	88.4	80.2	(8.2)
Trading income	(7)	57.7	79.9	22.1
Trading expenses	(8)	–	0.9	0.9
Other operating income	(9)	255.4	185.0	(70.4)
Other operating expenses	(10)	96.0	61.4	(34.6)
Consolidated gross operating income (= (1) - (2) + (3) + (5) - (6) + (7) - (8) + (9) - (10))	(11)	1,464.6	1,374.0	(90.5)
General and administrative expenses (after deduction of non-recurring expenses)	(12)	864.0	820.8	(43.1)
Consolidated net business profit (loss) (before provision for general allowance for credit losses = (11) + (4) - (12))		600.6	553.1	(47.4)
Other ordinary expenses (Provision for general allowance for credit losses)	(13)	–	–	–
Consolidated net business profit (loss) (= (11) - (12) - (13))		600.6	553.1	(47.4)
Other ordinary income	(14)	163.5	138.6	(24.8)
Of which, reversal of allowance for credit losses		50.4	31.1	(19.2)
Of which, gains on collection of bad debts		17.8	17.5	(0.3)
Of which, gains on sales of equity securities and other securities		52.5	62.2	9.7
Interest expenses (expenses related to money held in trust)	(15)	0.0	0.0	(0.0)
General and administrative expenses (non-recurring expenses)	(16)	9.7	23.2	13.4
Other ordinary expenses (after deduction of provision for general allowance for credit losses)	(17)	116.3	134.0	17.6
Of which, credit costs		77.3	79.0	1.6
Of which, losses on sales of equity securities and other securities		8.8	27.7	18.9
Of which, losses on write-down of equity securities and other securities		6.9	10.7	3.8
Net non-recurring gains (losses) (= (14) - (15) - (16) - (17))		37.3	(18.7)	(56.0)
Ordinary profit		637.9	534.4	(103.4)
Net extraordinary gains (losses)		9.9	(5.1)	(15.0)
Of which, impairment loss of long-lived assets		(1.1)	(2.6)	(1.5)

	Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Income before income taxes	647.8	529.3	(118.5)
Total income taxes	203.8	123.7	(80.1)
Net income before attribution of noncontrolling interests	444.0	405.5	(38.4)
Net income attributable to noncontrolling interests	35.4	30.7	(4.6)
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	408.5	374.8	(33.7)

(1) Analysis of Results of Operations

1) Total credit costs

Total credit costs for the current semi-annual period increased by ¥21.2 billion compared to the same period of the previous fiscal year to ¥30.2 billion, primarily reflecting a decrease of reversal of allowance for credit losses.

(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)	50.4	31.1	(19.2)
Of other ordinary income, reversal of reserve for contingent losses (3)	–	–	–
Of other ordinary income, gains on collection of bad debts (4)	17.8	17.5	(0.3)
Of other ordinary expenses, provision for general allowance for credit losses (5)	–	–	–
Of other ordinary expenses, credit costs (6)	77.3	79.0	1.6
Write-offs of loans	38.1	30.3	(7.7)
Provision for specific allowance for credit losses	–	–	–
Other credit costs	39.1	48.6	9.4
Total credit costs (= (1) - (2) - (3) - (4) + (5) + (6))	9.0	30.2	21.2
Consolidated net business profit (loss) (before credit costs for trust accounts and provision for general allowance for credit losses)	600.6	553.1	(47.4)
Consolidated net business profit (loss) (after deduction of total credit costs)	591.5	522.8	(68.6)

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

The Bank posted ¥23.6 billion gains on equity securities and other securities for the current semi-annual period with a decrease of ¥13.0 billion from the same period of the previous fiscal year.

Gains on sales of equity securities and other securities increased by ¥9.7 billion compared to the same period of the previous fiscal year to ¥62.2 billion while losses on sales of equity securities and other securities increased by ¥18.9 billion compared to the same period of the previous fiscal year to ¥27.7 billion. Losses on write-down of equity securities and other securities increased by ¥3.8 billion compared to the same period of the previous fiscal year to ¥10.7 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	36.7	23.6	(13.0)
Of other ordinary income, gains on sales of equity securities and other securities	52.5	62.2	9.7
Of other ordinary expenses, losses on sales of equity securities and other securities	8.8	27.7	18.9
Of other ordinary expenses, losses on write-down of equity securities and other securities	6.9	10.7	3.8

(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 ¥88.3 billion from the end of the previous fiscal year to ¥1,174.7 billion.

The percentage of disclosed claims to total claims rose by 0.01 percentage points from the end of the previous fiscal year to 1.33%.

Claims by borrowers' classification show claims against bankrupt or de facto bankrupt borrowers increased by ¥8.0 billion, doubtful claims fell by ¥334.9 billion, and claims in need of special attention increased by ¥238.4 billion.

With regard to the status of coverage at the end of the current semi-annual period for these disclosed claims totaling ¥1,174.7 billion, the amount secured by allowance for credit losses was ¥368.5 billion and the amount secured by collaterals, guarantees and others was ¥587.7 billion, representing a percentage of covered claims to total disclosed claims (coverage ratio) of 81.40%.

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	124.8 (116.8)	12.5 (17.3)	112.3 (99.5)	100.00% (100.00%)	100.00% (100.00%)
Doubtful claims	480.3 (815.2)	152.6 (345.3)	239.4 (331.4)	63.37% (71.38%)	81.63% (83.01%)
Claims in need of special attention	569.5 (331.0)	203.3 (84.3)	235.9 (181.7)	60.96% (56.51%)	77.13% (80.39%)
Subtotal	1,174.7 (1,263.1)	368.5 (447.0)	587.7 (612.7)	62.78% (68.73%)	81.40% (83.89%)
Normal claims	87,106.1 (94,370.4)	–	–	–	–
Total	88,280.8 (95,633.5)	–	–	–	–
Percentage of disclosed claims to total claims	1.33% (1.32%)	–	–	–	–

(Note) The upper figures are as of September 30, 2016. The lower figures with parentheses are as of March 31, 2016.

(3) Cash Flows

As stated in “II. Business Overview, 1. Summary of Results (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 Banking Business Unit : Providing financial services to individual customers in Japan
 Corporate Banking Business Unit: Providing financial services to corporate customers in Japan
 Global Business Unit : Providing financial services to overseas individual and corporate customers
 Of which, MUAH : MUFG Americas Holdings Corporation (including its banking subsidiary, MUFG Union Bank, N.A.)
 Of which, Bank of Ayudhya : Commercial bank in Thailand
 Global Markets Unit : Foreign exchange, funds and securities transactions for customers and markets, liquidity and cash management
 Other units : Settlement and custody services, investments, internal coordination, etc.

(Billions of yen)

	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit			Customer business units subtotal (Note 3)	Global Markets Unit	Other units (Note 4)	Total
				MUAH	Bank of Ayudhya (Note 2)				
Gross operating income	235.0	383.8	562.8	192.2	122.5	1,102.6	244.9	12.0	1,359.7
Non-consolidated	212.4	340.8	200.6	–	–	707.8	225.3	35.7	968.9
Net interest income	161.1	150.1	92.2	–	–	385.1	102.9	65.2	553.3
Net non-interest income	51.3	190.7	108.4	–	–	322.6	122.4	(29.5)	415.6
Subsidiaries	22.5	42.9	362.1	192.2	122.5	394.8	19.6	(23.6)	390.8
Expenses	207.1	231.3	366.7	137.1	59.6	731.1	41.8	47.3	820.2
Net operating income (Note 1)	27.8	152.5	196.1	55.1	62.9	371.5	203.1	(35.2)	539.5

(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. Amounts related to Bank of Ayudhya are calculated based on the accounting standards in Thailand.

3. “Corporate Banking Business Unit” and “Global Business Unit” records revenue and expenses related to Japanese corporate transactions in overseas countries, but the same amounts are deducted at “Customer business units subtotal.” Gross operating income, expenses and net operating income deducted in “Customer business units subtotal” are ¥79.0 billion, ¥74.1 billion and ¥4.9 billion, respectively.

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

1) Retail Banking Business Unit

Due to declining market rates, income from customer deposits in yen decreased and income from the sales of fund management products was weak, while income from the consumer finance business remained strong and the unit continued its efforts to reduce expenses.

2) Corporate Banking Business Unit

Income from customer deposits in yen and income from loans decreased due to the impact of declining market rates and continued declines in loan spreads, while income from the solutions business remained strong and the unit continued its efforts to reduce expenses.

3) Global Business Unit

Though gross operating income in Asia fell below that of the previous fiscal year mainly due to decreases in income from loans and fees and commissions, gross operating income in the Americas and Bank of Ayudhya exceeded that of the previous fiscal year.

4) Global Markets Unit

The unit carried out agile management amid declining interest rates in Europe and the U.S., resulting in gross operating income exceeding that of the previous fiscal year.

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, 2016)	Number of shares issued as of the date of submission (November 29, 2016)	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 322-2 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 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, 2016 to September 30, 2016	–	12,707,738	–	1,711,958	–	1,711,958

(3) Status of major shareholders

By number of shares held

As of September 30, 2016

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	97.18
(Treasury stock) The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	357,700	2.81
Total	–	12,707,738	100.00

By number of voting rights held

As of September 30, 2016

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

(4) Status of voting rights
1) Issued shares

As of September 30, 2016

Class	Number of shares	Number of voting rights	Description	
Shares without 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, 2016

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 without 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

There are no 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.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd.:

We have reviewed the accompanying semi-annual consolidated balance sheet of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank") and its subsidiaries as of September 30, 2016, 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, 2016 and 2015, 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, 2016, and the consolidated results of their operations and their cash flows for the six-month periods ended September 30, 2016 and 2015, 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, 2016, 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 27, 2016, 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, 2016, 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.

Deloitte Touche Tohmatsu LLC

November 25, 2016

Member of
Deloitte Touche Tohmatsu Limited

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

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

**Semi-annual Consolidated Balance Sheet (Unaudited) as of September 30, 2016 and
Consolidated Balance Sheet as of March 31, 2016**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30	March 31	September 30
	2016	2016	2016
ASSETS:			
Cash and due from banks (Notes 3, 4, 12 and 21)	¥ 46,489,289	¥ 37,163,259	\$ 459,744
Call loans and bills bought (Note 21)	499,423	519,784	4,939
Receivables under resale agreements (Note 21)	556,475	655,956	5,503
Receivables under securities borrowing transactions (Note 21)	1,741,890	446,292	17,226
Monetary claims bought (Notes 4, 12 and 21)	4,586,687	4,722,160	45,359
Trading assets (Notes 12 and 21)	6,555,033	6,611,558	64,824
Money held in trust (Notes 5 and 21)	28,120	57,656	278
Securities (Notes 4, 6, 11, 12 and 21)	46,627,247	50,234,169	461,108
Loans and bills discounted (Notes 7, 12, 13 and 21)	91,724,446	101,007,681	907,085
Foreign exchange assets (Note 21)	1,950,547	1,756,170	19,290
Tangible fixed assets (Note 8)	1,035,499	1,082,499	10,240
Intangible fixed assets	823,129	909,625	8,140
Asset for retirement benefits	199,352	161,850	1,971
Deferred tax assets	19,640	39,951	194
Customers' liabilities for acceptances and guarantees (Note 11)	7,792,389	8,416,209	77,061
Other assets	9,816,850	9,934,479	97,081
Allowance for credit losses	(793,028)	(921,917)	(7,842)
Total assets	¥ 219,652,995	¥ 222,797,387	\$ 2,172,201

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Semi-annual Consolidated Balance Sheet (Unaudited) as of September 30, 2016 and
Consolidated Balance Sheet as of March 31, 2016

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30	March 31	September 30
	2016	2016	2016
LIABILITIES:			
Deposits (Notes 12 and 21)	¥ 147,430,780	¥ 147,784,345	\$ 1,457,979
Negotiable certificates of deposit (Note 21)	4,623,848	7,030,355	45,726
Call money and bills sold (Notes 12 and 21)	268,599	336,305	2,656
Payables under repurchase agreements (Note 21)	10,341,703	10,571,873	102,272
Payables under securities lending transactions (Note 21)	3,528,682	1,892,928	34,896
Commercial paper (Note 21)	1,091,205	1,565,614	10,791
Trading liabilities (Notes 12 and 21)	4,695,230	5,207,822	46,432
Borrowed money (Notes 10, 12 and 21)	12,896,512	10,635,990	127,537
Foreign exchange liabilities (Note 21)	1,763,852	2,148,680	17,443
Bonds payable (Notes 10 and 21)	4,534,007	5,545,296	44,838
Reserve for employee bonuses	31,234	39,522	309
Reserve for bonuses to directors	46	110	0
Reserve for stocks payment	445	—	4
Liability for retirement benefits	50,160	55,843	496
Reserve for retirement benefits to directors	394	480	4
Reserve for loyalty award credits	9,120	9,532	90
Reserve for contingent losses	101,881	59,983	1,008
Acceptances and guarantees (Note 11)	7,792,389	8,416,209	77,061
Deferred tax liabilities	624,185	607,891	6,173
Deferred tax liabilities for land revaluation (Note 9)	120,876	122,901	1,195
Other liabilities	7,423,986	7,647,412	73,418
Total liabilities	¥ 207,329,144	¥ 209,679,099	\$ 2,050,328
EQUITY (Notes 15, 16 and 20):			
Common stock:			
Authorized, 33,000,000 thousand shares; issued, 12,350,038 thousand shares as of September 30 and March 31, 2016, with no stated value	¥ 1,586,958	¥ 1,586,958	\$ 15,694
Preferred stock:			
Authorized, 1,157,700 thousand shares; issued, 357,700 thousand shares as of September 30 and March 31, 2016, with no stated value	125,000	125,000	1,236
Capital surplus	3,657,605	3,657,605	36,171
Retained earnings	4,446,673	4,334,142	43,974
Treasury stock—at cost 357,700 thousand shares as of September 30 and March 31, 2016	(645,700)	(645,700)	(6,385)
Total shareholders' equity	9,170,537	9,058,006	90,690
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities (Note 6)	1,773,394	1,811,614	17,537
Deferred gain on derivatives under hedge accounting	434,278	421,257	4,295
Land revaluation surplus (Note 9)	229,812	234,399	2,272
Foreign currency translation adjustments	(105,585)	392,298	(1,044)
Defined retirement benefit plans	(131,073)	(158,343)	(1,296)
Total accumulated other comprehensive income	2,200,826	2,701,226	21,764
Noncontrolling interests	952,486	1,359,055	9,419
Total equity	12,323,850	13,118,288	121,873
Total liabilities and equity	¥ 219,652,995	¥ 222,797,387	\$ 2,172,201

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

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

**Semi-annual Consolidated Statements of Comprehensive Income (Unaudited)
For the Six-Month Periods Ended September 30, 2016 and 2015**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	2016	2015	2016
Net income before attribution of noncontrolling interests	¥ 405,581	¥ 444,001	\$ 4,011
Other comprehensive loss:			
Unrealized loss on available-for-sale securities	(39,239)	(534,440)	(388)
Deferred gain on derivatives under hedge accounting	12,941	40,279	128
Land revaluation surplus	(15)	314	(0)
Foreign currency translation adjustments	(489,644)	(14,646)	(4,842)
Defined retirement benefit plans	27,293	6,117	270
Share of other comprehensive loss in associates accounted for using the equity method	(28,392)	(1,645)	(281)
Total other comprehensive loss	(517,058)	(504,019)	(5,113)
Comprehensive loss	¥ (111,477)	¥ (60,018)	\$ (1,102)
Total comprehensive (loss) income attributable to:			
The shareholders of The Bank of Tokyo-Mitsubishi UFJ	¥ (120,984)	¥ (91,843)	\$ (1,196)
Noncontrolling interests	9,507	31,824	94

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

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Semi-annual Consolidated Statements of Changes in Equity (Unaudited)
For the Six Months Ended September 30, 2016 and 2015

	Millions of Yen													
	Accumulated other comprehensive income											Noncontrolling interests	Total equity	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available-for- sale securities	Deferred 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, 2015	¥ 1,711,958	¥ 3,657,632	¥ 4,071,062	¥ (645,700)	¥ 8,794,952	¥ 2,099,172	¥ 161,446	¥ 236,022	¥ 578,523	¥ (87,694)	¥ 2,987,470	¥ 1,419,421	¥ 13,201,844	
Dividends paid	-	-	(241,693)	-	(241,693)	-	-	-	-	-	-	-	(241,693)	
Net income attributable to the shareholders of The Bank of Tokyo- Mitsubishi UFJ	-	-	408,599	-	408,599	-	-	-	-	-	-	-	408,599	
Reversal of land revaluation surplus	-	-	1,376	-	1,376	-	-	-	-	-	-	-	1,376	
Change in scope of consolidation	-	-	(170)	-	(170)	-	-	-	-	-	-	-	(170)	
Changes in equity of consolidated subsidiaries	-	(5)	-	-	(5)	-	-	-	-	-	-	-	(5)	
Adjustment on loss due to disposal of shares of equity method investee	-	-	(1,976)	-	(1,976)	-	-	-	-	-	-	-	(1,976)	
Other changes in the period	-	-	-	-	-	(536,990)	40,711	(1,061)	(10,725)	6,092	(501,973)	(8,649)	(510,623)	
BALANCE, SEPTEMBER 30, 2015	¥ 1,711,958	¥ 3,657,626	¥ 4,237,198	¥ (645,700)	¥ 8,961,083	¥ 1,562,182	¥ 202,157	¥ 234,960	¥ 567,798	¥ (81,601)	¥ 2,485,496	¥ 1,410,771	¥ 12,857,352	
BALANCE, APRIL 1, 2016	¥ 1,711,958	¥ 3,657,605	¥ 4,334,142	¥ (645,700)	¥ 9,058,006	¥ 1,811,614	¥ 421,257	¥ 234,399	¥ 392,298	¥ (158,343)	¥ 2,701,226	¥ 1,359,055	¥ 13,118,288	
Dividends paid	-	-	(266,884)	-	(266,884)	-	-	-	-	-	-	-	(266,884)	
Net income attributable to the shareholders of The Bank of Tokyo- Mitsubishi UFJ	-	-	374,844	-	374,844	-	-	-	-	-	-	-	374,844	
Reversal of land revaluation surplus	-	-	4,570	-	4,570	-	-	-	-	-	-	-	4,570	
Other changes in the period	-	-	-	-	-	(38,219)	13,020	(4,586)	(497,884)	27,269	(500,399)	(406,568)	(906,968)	
BALANCE, SEPTEMBER 30, 2016	¥ 1,711,958	¥ 3,657,605	¥ 4,446,673	¥ (645,700)	¥ 9,170,537	¥ 1,773,394	¥ 434,278	¥ 229,812	¥ (105,585)	¥ (131,073)	¥ 2,200,826	¥ 952,486	¥ 12,323,850	

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

**Semi-annual Consolidated Statements of Changes in Equity (Unaudited)
For the Six Months Ended September 30, 2016 and 2015**

Millions of U.S. Dollars (Note 1)

	Accumulated other comprehensive income													Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available-for- sale securities	Deferred 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, 2016	\$ 16,930	\$ 36,171	\$ 42,861	\$ (6,385)	\$ 89,577	\$ 17,915	\$ 4,166	\$ 2,318	\$ 3,880	\$ (1,566)	\$ 26,713	\$ 13,440	\$ 129,730	
Dividends paid	-	-	(2,639)	-	(2,639)	-	-	-	-	-	-	-	(2,639)	
Net income attributable to the shareholders of The Bank of Tokyo- Mitsubishi UFJ	-	-	3,707	-	3,707	-	-	-	-	-	-	-	3,707	
Reversal of land revaluation surplus	-	-	45	-	45	-	-	-	-	-	-	-	45	
Other changes in the period	-	-	-	-	-	(378)	129	(46)	(4,924)	270	(4,949)	(4,021)	(8,970)	
BALANCE, SEPTEMBER 30, 2016	\$ 16,930	\$ 36,171	\$ 43,974	\$ (6,385)	\$ 90,690	\$ 17,537	\$ 4,295	\$ 2,272	\$ (1,044)	\$ (1,296)	\$ 21,764	\$ 9,419	\$ 121,873	

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

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Semi-annual Consolidated Statements of Cash Flows (Unaudited)
For the Six-Month Periods Ended September 30, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	2016	2015	2016
OPERATING ACTIVITIES:			
Income before income taxes	¥ 529,349	¥ 647,871	\$ 5,235
Adjustments for:			
Income taxes paid	(157,894)	(221,575)	(1,561)
Income taxes refunds	9,086	22,044	90
Depreciation and amortization	103,927	103,817	1,028
Impairment loss on long-lived assets	2,601	1,101	26
Amortization of goodwill	6,890	8,353	68
Equity in earnings of the equity method investees	(9,997)	(16,751)	(99)
Decrease in allowance for credit losses	(98,851)	(74,765)	(978)
Decrease in reserve for employee bonuses	(7,367)	(6,006)	(73)
Decrease in reserve for bonuses to directors	(63)	(59)	(1)
Increase in reserve for stocks payment	445	-	4
Increase in asset for retirement benefits	(41,863)	(40,022)	(414)
(Decrease) increase in liability for retirement benefits	(257)	107	(3)
Decrease in reserve for retirement benefits to directors	(85)	(9)	(1)
Increase in reserve for loyalty award credits	580	637	6
Increase (decrease) in reserve for contingent losses	44,580	(1,095)	441
Interest income (accrual basis)	(1,141,444)	(1,165,362)	(11,288)
Interest expenses (accrual basis)	307,876	261,658	3,045
Gains on securities	(100,822)	(134,856)	(997)
Losses (gains) on money held in trust	5,117	(7,502)	51
Foreign exchange losses	1,812,226	135,970	17,922
(Gains) losses on disposition of fixed assets	(4,947)	4,660	(49)
Increase in trading assets	(2,699)	(15,061)	(27)
(Decrease) increase in trading liabilities	(473,672)	79,759	(4,684)
Adjustment of unsettled trading accounts	(22,003)	59,590	(218)
Net decrease (increase) in loans and bills discounted	7,011,711	(1,906,002)	69,340
Net increase in deposits	1,996,332	933,886	19,742
Net decrease in negotiable certificates of deposit	(2,372,166)	(2,207,415)	(23,459)
Net increase in borrowed money (excluding subordinated borrowings)	2,126,009	267,341	21,025
Net decrease (increase) in due from banks (excluding cash equivalents)	585,020	(5,688,960)	5,785
Net decrease in call loans, bills bought and receivables under resale agreements	81,595	318,998	807
Net increase in receivables under securities borrowing transactions	(1,295,597)	(338,236)	(12,812)
Net (decrease) increase in call money, bills sold and payables under repurchase agreements	(251,118)	1,839,353	(2,483)
Net (decrease) increase in commercial paper	(456,808)	209,992	(4,517)
Net increase in payables under securities lending transactions	1,635,753	825,334	16,176
Net (increase) decrease in foreign exchange assets	(227,804)	264,587	(2,253)
Net (decrease) increase in foreign exchange liabilities	(380,712)	207,274	(3,765)
Decrease in straight bonds issuance and redemption	(587,486)	(219,454)	(5,810)
Interest and dividends received (cash basis)	1,199,480	1,248,315	11,862
Interest paid (cash basis)	(307,461)	(258,428)	(3,041)
Other-net	(321,739)	480,134	(3,181)
Total adjustments	8,666,368	(5,028,646)	85,704
Net cash provided by (used in) operating activities	¥ 9,195,717	¥ (4,380,775)	\$ 90,939

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

**Semi-annual Consolidated Statements of Cash Flows (Unaudited)
For the Six-Month Periods Ended September 30, 2016 and 2015**

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	2016	2015	2016
INVESTING ACTIVITIES:			
Purchases of securities	¥ (19,625,727)	¥ (46,750,027)	\$ (194,084)
Proceeds from sales of securities	11,283,911	38,882,515	111,589
Proceeds from redemption of securities	9,910,959	12,617,858	98,012
Increase in money held in trust	(1)	(21,206)	(0)
Decrease in money held in trust	14,066	–	139
Purchases of tangible fixed assets	(41,821)	(33,695)	(414)
Purchases of intangible fixed assets	(71,035)	(61,545)	(702)
Proceeds from sales of tangible fixed assets	12,123	2,680	120
Proceeds from sales of intangible fixed assets	2,882	–	29
Proceeds from sales of stocks of subsidiaries resulting in change in the scope of consolidation	2,761	34,341	27
Other-net	(270)	(116)	(3)
Net cash provided by investing activities	1,487,849	4,670,804	14,713
FINANCING ACTIVITIES:			
Increase in subordinated borrowings	281,000	145,000	2,779
Decrease in subordinated borrowings	(15,000)	–	(148)
Proceeds from issuance of subordinated bonds and bonds with subscription rights to shares	7	383	0
Payments for redemption of subordinated bonds and bonds with subscription rights to shares	(241,037)	(179,100)	(2,384)
Proceeds from issuance of common stock to noncontrolling interests	101	1,490	1
Payments for redemption of preferred stocks and others	(330,560)	–	(3,269)
Cash dividends paid	(266,884)	(239,467)	(2,639)
Cash dividends paid to noncontrolling interests	(32,540)	(34,014)	(322)
Net cash used in financing activities	(604,913)	(305,707)	(5,982)
Effect of foreign exchange rate changes on cash and cash equivalents	(144,432)	(6,661)	(1,428)
Net increase (decrease) in cash and cash equivalents	9,934,220	(22,340)	98,242
Cash and cash equivalents, beginning of period	7,513,181	3,712,330	74,300
Cash and cash equivalents, end of period (Note 3)	¥ 17,447,401	¥ 3,689,990	\$ 172,542

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

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Notes to Semi-annual Consolidated Financial Statements (Unaudited) for the six months ended September 30, 2016 and 2015 and Consolidated Financial Statements for the fiscal year ended March 31, 2016

1. BASIS OF PRESENTING SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

The semi-annual consolidated financial statements of The Bank of Tokyo-Mitsubishi UFJ, 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, 2016 and the semi-annual consolidated financial statements for the six-month period ended September 30, 2015 (except for balance sheet related items) to conform to the classifications used in the semi-annual consolidated financial statements as of September 30, 2016 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, 2016.

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 ¥101.12 to U.S. \$1, the approximate rate of exchange as of September 30, 2016. 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.

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 128 subsidiaries as of September 30, 2016 and March 31, 2016.

Under the control or influence concept, 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 57 and 58 affiliates were accounted for using the equity method as of September 30, 2016 and March 31, 2016, respectively.

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, 2016 and March 31, 2016 were as follows:

As of September 30, 2016:

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

As of March 31, 2016:

MU Frontier Servicer Co., Ltd.
Bank of Ayudhya

Changes in the subsidiaries in the six-month period ended September 30, 2016 were as follows: MUFG Securities Americas Inc. and four other companies were newly included in the scope of consolidation as MUFG made contribution in kind to MUAH by the shares of these companies on July 1, 2016.

The fiscal year ending date of MUAH is December 31 and the Bank prepared semi-annual consolidated financial statements using the semi-annual consolidated financial statements of MUAH for the six-month period from January 1, 2016 through June 30, 2016. Accordingly, the operating results of MUFG Securities Americas Inc. and two other companies are not included in the accompanying semi-annual consolidated financial statements.

In addition, PT. BTMU-BRI Finance and four other companies were excluded from the scope of consolidation because these companies ceased to be subsidiaries due to sales of shares.

Changes in the subsidiaries in the fiscal year ended March 31, 2016 were as follows:

Mitsubishi UFJ Capital V Limited Partnership and another company were newly included in the scope of consolidation due to new establishment. In addition, kabu.com Securities Co., Ltd. (“kabu.com”) and three other companies were excluded from the scope of consolidation due to the decrease in ownerships of voting rights resulting from the sales of shares.

- B) There were no unconsolidated subsidiaries as of September 30, 2016 and March 31, 2016.
- C) There were no companies which were not regarded as subsidiaries, although the majority of voting rights were owned by the Bank as of September 30, 2016 and March 31, 2016.
- 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, 2016 and March 31, 2016.

2) Application of the equity method

A) Major affiliates accounted for using the equity method as of September 30, 2016 and March 31, 2016 were as follows:

As of September 30, 2016:

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

As of March 31, 2016:

The Chukyo Bank, Ltd.
Jibun Bank Corporation

Changes in the affiliates accounted for using the equity method in the six-month period ended September 30, 2016 were as follows:

Security Bank Corporation (“Security Bank”) was newly included in affiliates accounted for using the equity method due to acquisition of shares. In addition, THE TAISHO BANK, LTD. and another company 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 the share exchange.

(Additional information)

1. Overview of acquisition of shares in Security Bank

The Bank concluded a share subscription agreement with Security Bank on January 14, 2016 and Security Bank became an affiliate accounted for using the equity method as the Bank acquired 20% of shares on April 1, 2016 and appointed two directors of Security Bank's Board of Directors.

The overview of Security Bank as an investee is as follows:

Name: Security Bank Corporation

Type of business: Commercial bank

Starting date of applying the equity method: April 1, 2016

Legal form of making an affiliate: Capital increase through a private placement of newly issued shares

Ratio of voting rights after acquisition of shares: 20%

2. Period of operating results of the investee included in the semi-annual consolidated financial statements

The fiscal year ending date of the investee, Security Bank, is December 31 and there is a three month discrepancy from the consolidated fiscal year ending date. As the starting date of applying the equity method to Security Bank is April 1, 2016, the operating results from April 1, 2016 through June 30, 2016 are included in the accompanying semi-annual consolidated financial statements.

3. Outline of accounting treatment applied

(1) Acquisition cost of the investee and its breakdown

		Millions of Yen	Millions of U.S. Dollars
Consideration for acquisition	Cash and due from banks	¥ 88,404	\$ 874
Direct costs required for acquisition	Advisory fees, etc.	741	8
Acquisition costs		¥ 89,146	\$ 882

(2) Amount of goodwill incurred, reason for the goodwill incurred and the method and period of amortization

- Amount of goodwill: ¥27,148 million (\$268 million)
- Reason for the goodwill incurred: Due to excess earning power expected from the future business development
- Method and period of amortization: Straight-line method over a period of 20 years

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2016 were as follows:

GOLDEN ASIA FUND II, L.P. and another company were newly included in affiliates accounted for using the equity method due to new establishment. In addition, MU Credit Guarantee Co., Ltd. and another company 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 the sales of shares.

- There were no unconsolidated subsidiaries which were accounted for using the equity method as of September 30, 2016 and March 31, 2016.
- There were no unconsolidated subsidiaries which were not accounted for using the equity method as of September 30, 2016 and March 31, 2016.
- There were no affiliates which were not accounted for using the equity method as of September 30, 2016 and March 31, 2016.
- The following companies as of September 30, 2016 and March 31, 2016 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 subsidiaries held such ownerships as venture capital 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, 2016:

TECHTOM Ltd.
Osteopharma, Inc.
EDP Corporation
Eil Inc.

As of March 31, 2016:

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

- 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, 2016 were as follows:

	Number of subsidiaries
January 24	2
April 30	1
June 30	85
July 24	6
September 30	34

The fiscal year ending dates of subsidiaries as of March 31, 2016 were as follows:

	Number of subsidiaries
October 31	1
December 31	87
January 24	8
March 31	32

(Change in the fiscal year ending date of a consolidated subsidiary)

In the six-month period ended September 30, 2016, Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad changed its fiscal year ending date from December 31 to March 31, which is same as the consolidated fiscal year ending date. The subsidiary's fiscal period corresponding to the consolidated six-month period ended September 30, 2016 is nine months from January 1, 2016 through September 30, 2016.

- B) The subsidiaries with the six-month period ending January 24 are consolidated based on the preliminary financial statements for the six-month period ended July 24. 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. The subsidiary with the fiscal year ending October 31 is consolidated based on the preliminary financial statements for the year ended January 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, 2016, 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, 2016.

(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 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” represent “Cash and due from banks” excluding time deposits and negotiable certificates of deposit included in “Due from banks.”

(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 computed 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 computed using the straight-line method over the estimated useful lives.

Depreciation of “Lease assets” included in “Tangible fixed assets” is computed 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” included in “Intangible fixed assets” is computed using the straight-line method over respective lease periods.

(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 perceived to have a high risk of falling into bankruptcy, where 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 that are 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 additional 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 ¥374,103 million (\$3,700 million) and ¥353,042 million as of September 30, 2016 and March 31, 2016, 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 performance-based stock compensation plan for directors, 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

Effective April 1, 2000, the Bank adopted a new accounting standard for retirement benefits and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the 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. This reserve also includes future claims for repayment of excess interest payments on consumer loans that are estimated based on the past repayments, the pending claims and other factors.

(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 balance sheet 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 computed 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 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 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 expensed when incurred.

(20) Application of Consolidated Taxation System

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

(21) Per Share Information

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

Diluted net income per common share reflects the potential dilution that could occur if securities were exercised or converted into common shares. Diluted net income 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.

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) Additional Information

The Bank applied ASBJ Guidance No. 26, “Implementation Guidance on Recoverability of Deferred Tax Assets” (issued on March 28, 2016) from the six-month period ended September 30, 2016.

3. CASH AND CASH EQUIVALENTS

The reconciliation of “Cash and cash equivalents” in the semi-annual consolidated statements of cash flows and “Cash and due from banks” in the semi-annual consolidated balance sheets as of September 30, 2016 and 2015 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2016	September 30, 2015	September 30, 2016
Cash and due from banks	¥ 46,489,289	¥ 39,330,004	\$ 459,744
Less: Time deposits and negotiable certificates of deposit included in due from banks	(29,041,887)	(35,640,014)	(287,202)
Cash and cash equivalents	<u>¥ 17,447,401</u>	<u>¥ 3,689,990</u>	<u>\$ 172,542</u>

4. SECURITIES

Securities as of September 30, 2016 and March 31, 2016 include equity securities in affiliates of ¥358,952 million (\$3,550 million) and ¥303,738 million, respectively and capital subscriptions to entities such as limited liability companies of ¥1,234 million (\$12 million) and ¥1,460 million, respectively.

Securities loaned under unsecured securities lending transactions amounted to ¥385,157 million (\$3,809 million) and ¥370,645 million as of September 30, 2016 and March 31, 2016, respectively.

For securities borrowed and purchased under resale agreements where the secured parties are permitted to sell or re-pledge the securities without restrictions, ¥3,363,835 million (\$33,266 million) and ¥2,494,747 million of such securities were re-pledged as of September 30, 2016 and March 31, 2016, respectively.

The remaining ¥1,984,266 million (\$19,623 million) and ¥1,356,077 million of these securities were held without disposition as of September 30, 2016 and March 31, 2016, 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, 2016				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ 1,101,018	¥ 1,161,500	¥ 60,481	¥ 60,481	¥ –
Foreign bonds	1,059,177	1,092,200	33,022	33,137	(114)
Other	1,310,600	1,310,018	(581)	4,532	(5,114)
Total	<u>¥ 3,470,796</u>	<u>¥ 3,563,719</u>	<u>¥ 92,922</u>	<u>¥ 98,151</u>	<u>¥ (5,228)</u>

	Millions of Yen				
	March 31, 2016				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ 1,101,082	¥ 1,159,090	¥ 58,007	¥ 58,007	¥ –
Foreign bonds	1,228,966	1,235,775	6,809	12,794	(5,985)
Other	1,551,961	1,551,725	(236)	8,771	(9,007)
Total	<u>¥ 3,882,009</u>	<u>¥ 3,946,590</u>	<u>¥ 64,581</u>	<u>¥ 79,573</u>	<u>¥ (14,992)</u>

Millions of U.S. Dollars					
September 30, 2016					
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	\$ 10,888	\$ 11,486	\$ 598	\$ 598	\$ –
Foreign bonds	10,474	10,801	327	328	(1)
Other	12,961	12,955	(6)	45	(51)
Total	<u>\$ 34,323</u>	<u>\$ 35,242</u>	<u>\$ 919</u>	<u>\$ 971</u>	<u>\$ (52)</u>

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

Millions of Yen					
September 30, 2016					
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥ 3,741,893	¥ 2,206,253	¥ 1,535,639	¥ 1,634,667	¥ (99,028)
Domestic bonds	21,730,485	21,129,279	601,205	603,670	(2,464)
Japanese government bonds	18,691,175	18,166,692	524,483	526,065	(1,582)
Municipal bonds	723,087	710,417	12,670	12,708	(37)
Corporate bonds	2,316,221	2,252,170	64,051	64,896	(844)
Foreign equity securities	144,917	128,772	16,145	37,500	(21,355)
Foreign bonds	16,699,519	16,332,955	366,563	375,811	(9,248)
Other	2,218,575	2,254,232	(35,657)	24,723	(60,380)
Total	<u>¥ 44,535,391</u>	<u>¥ 42,051,494</u>	<u>¥ 2,483,896</u>	<u>¥ 2,676,374</u>	<u>¥ (192,477)</u>

Millions of Yen					
March 31, 2016					
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥ 3,945,084	¥ 2,282,621	¥ 1,662,463	¥ 1,752,426	¥ (89,962)
Domestic bonds	23,355,657	22,735,542	620,115	621,139	(1,024)
Japanese government bonds	20,884,914	20,346,823	538,090	538,451	(360)
Municipal bonds	409,516	398,351	11,164	11,192	(27)
Corporate bonds	2,061,227	1,990,367	70,859	71,495	(635)
Foreign equity securities	148,944	127,096	21,848	34,182	(12,333)
Foreign bonds	17,861,692	17,577,073	284,619	308,552	(23,933)
Other	2,736,292	2,789,644	(53,351)	25,896	(79,248)
Total	<u>¥ 48,047,672</u>	<u>¥ 45,511,977</u>	<u>¥ 2,535,694</u>	<u>¥ 2,742,198</u>	<u>¥ (206,503)</u>

Millions of U.S. Dollars					
September 30, 2016					
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	\$ 37,004	\$ 21,818	\$ 15,186	\$ 16,166	\$ (980)
Domestic bonds	214,898	208,952	5,946	5,970	(24)
Japanese government bonds	184,842	179,655	5,187	5,202	(15)
Municipal bonds	7,150	7,025	125	126	(1)
Corporate bonds	22,906	22,272	634	642	(8)
Foreign equity securities	1,433	1,273	160	371	(211)
Foreign bonds	165,146	161,521	3,625	3,716	(91)
Other	21,940	22,293	(353)	244	(597)
Total	<u>\$ 440,421</u>	<u>\$ 415,857</u>	<u>\$ 24,564</u>	<u>\$ 26,467</u>	<u>\$ (1,903)</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, 2016 was ¥9,653 million (\$96 million), consisting of equity securities in an amount of ¥9,601 million (\$95 million) and debt securities and others in an amount of ¥52 million (\$1 million).

Impairment loss for the fiscal year ended March 31, 2016 was ¥8,557 million, consisting of equity securities in an amount of ¥8,282 million and debt securities and others in an amount of ¥275 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:

- (a) Bankrupt, virtually bankrupt, likely to become bankrupt issuers: Fair value is lower than acquisition cost.
- (b) Issuers requiring close watch: Fair value has declined by 30% or more of the acquisition cost.
- (c) 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 deemed to have high possibility of becoming 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.”

2. “Net unrealized gain (loss)” included losses of ¥23,410 million (\$232 million) and ¥3,624 million for the six-month period ended September 30, 2016 and for the fiscal year ended March 31, 2016, 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, 2016 and March 31, 2016.

“Money held in trust” classified as other than trading and held-to-maturity as of September 30, 2016 and March 31, 2016 was as follows:

	Millions of Yen				
	September 30, 2016				
	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	¥ 500	¥ 500	¥ –	¥ –	¥ –

	Millions of Yen				
	March 31, 2016				
	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	¥ 500	¥ 500	¥ –	¥ –	¥ –

	Millions of U.S. Dollars				
	September 30, 2016				
	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	\$ 5	\$ –	\$ –	\$ –

6. UNREALIZED GAIN ON AVAILABLE-FOR-SALE SECURITIES

Unrealized gain on available-for-sale securities as of September 30, 2016 and March 31, 2016 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2016	March 31, 2016	September 30, 2016
Unrealized gain:	¥ 2,488,552	¥ 2,531,011	\$ 24,610
Available-for-sale securities	2,505,561	2,558,503	24,778
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	(17,009)	(27,492)	(168)
Deferred tax liabilities	(735,279)	(738,497)	(7,271)
Unrealized gain on available-for-sale securities before adjustments by ownership share	1,753,273	1,792,513	17,339
Noncontrolling interests	13,504	13,407	133
Bank's ownership share in unrealized gain on available-for-sale securities held by affiliates accounted for using the equity method	6,616	5,693	65
Unrealized gain on available-for-sale securities	¥ 1,773,394	¥ 1,811,614	\$ 17,537

Notes:

1. Unrealized gain in the table above excludes ¥23,410 million (\$232 million) and ¥3,624 million of losses which were recognized in profit or loss by the fair value hedge accounting as of September 30, 2016 and March 31, 2016, respectively.
2. Unrealized gain in the table above includes ¥(1,746) million (\$17 million) and ¥19,184 million of unrealized (loss) gain on available-for-sale securities invested in limited partnerships as of September 30, 2016 and March 31, 2016, 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 ¥1,034,461 million (\$10,230 million) and ¥1,087,578 million as of September 30, 2016 and March 31, 2016, respectively. The total face value of foreign exchange bills bought which were transferred due to rediscounts of bills amounted to ¥10,104 million (\$100 million) and ¥8,860 million as of September 30, 2016 and March 31, 2016, respectively.

“Loans and bills discounted” as of September 30, 2016 and March 31, 2016 included the following loans:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2016	March 31, 2016	September 30, 2016
Loans to bankrupt borrowers	¥ 44,775	¥ 49,639	\$ 443
Non-accrual delinquent loans	680,771	992,716	6,732
Loans past due for three months or more	45,270	47,156	448
Restructured loans	563,045	350,666	5,568
Total	¥ 1,333,862	¥ 1,440,177	\$ 13,191

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, 2016 and March 31, 2016 amounted to ¥916,908 million (\$9,068 million) and ¥957,094 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," 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, 2016 and March 31, 2016:

	Millions of Yen		Millions of
	September 30, 2016	March 31, 2016	U.S. Dollars September 30, 2016
Subordinated borrowings included in "Borrowed money"	¥ 1,466,000	¥ 1,200,000	\$ 14,498
Subordinated bonds included in "Bonds payable"	1,029,723	1,290,279	10,183

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, 2016 and March 31, 2016 were ¥516,236 million (\$5,105 million) and ¥563,956 million, respectively.

12. ASSETS PLEDGED AS COLLATERAL

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

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2016	March 31, 2016	September 30, 2016
Assets pledged as collateral:			
Securities	¥ 4,434,529	¥ 919,736	\$ 43,854
Loans and bills discounted	5,287,698	7,587,495	52,291
Total	<u>¥ 9,722,227</u>	<u>¥ 8,507,231</u>	<u>\$ 96,145</u>
Relevant liabilities to above assets:			
Deposits	¥ 527,000	¥ 720,683	\$ 5,212
Trading liabilities	27,639	24,681	273
Borrowed money	9,272,316	7,562,283	91,696
Total	<u>¥ 9,826,956</u>	<u>¥ 8,307,647</u>	<u>\$ 97,181</u>

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, 2016	March 31, 2016	September 30, 2016
Assets pledged as collateral:			
Cash and due from banks	¥ 4,297	¥ 3,425	\$ 42
Monetary claims bought	606,676	792,042	6,000
Trading assets	—	808	—
Securities	5,553,709	4,353,740	54,922
Loans and bills discounted	5,712,033	10,356,475	56,488
Total	<u>¥ 11,876,717</u>	<u>¥ 15,506,493</u>	<u>\$ 117,452</u>

Furthermore, trading assets and securities sold under repurchase agreements or loaned under securities lending with cash collateral were ¥98,318 million (\$972 million) and ¥14,357,235 million (\$141,982 million), respectively, as of September 30, 2016 and ¥130,544 million and ¥10,301,891 million, respectively, as of March 31, 2016.

Relevant payables under repurchase agreements were ¥8,049,183 million (\$79,600 million) and ¥8,194,345 million as of September 30, 2016 and March 31, 2016, respectively.

Relevant payables under securities lending transactions were ¥3,455,923 million (\$34,176 million) and ¥1,885,302 million as of September 30, 2016 and March 31, 2016, 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 ¥73,940,256 million (\$731,213 million) and ¥76,220,271 million as of September 30, 2016 and March 31, 2016, 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

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

15. CAPITAL REQUIREMENT

Japanese banks are subject to the Banking Law and to 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. However, the Bank cannot do so because it does not meet 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 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, 2016 and 2015 were as follows:

	Number of shares in thousands			
	April 1, 2016	Increase	Decrease	September 30, 2016
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, 2015	Increase	Decrease	September 30, 2015
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, 2016 and 2015.

The Bank paid the following cash dividends and distributed dividends in kind (securities) during the six-month periods ended September 30, 2016 and 2015:

For the six-month period ended September 30, 2016:

Cash dividends approved at the Board of Directors' meeting held on May 16, 2016:						
	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date		
Common stock	¥ 105,716	¥ 8.56	Mar. 31, 2016	May 17, 2016		
Cash dividends approved at the Board of Directors' meeting held on May 16, 2016:						
	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date		
Common stock	\$ 1,045	\$ 0.08	May. 31, 2016	May 17, 2016		
Cash dividends approved at the Board of Directors' meeting held on July 29, 2016:						
	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date		
Common stock	¥ 161,167	¥ 13.05	—	Aug. 1, 2016		

Cash dividends approved at the Board of Directors' meeting held on July 29, 2016:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	\$ 1,594	\$ 0.13	–	Aug. 1, 2016

For the six-month period ended September 30, 2015:

1. Cash dividends

Cash dividends approved at the shareholders' meeting held on June 24, 2015:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 162,032	¥ 13.12	Mar. 31, 2015	Jun. 24, 2015

Cash dividends approved at the Board of Directors' meeting held on July 30, 2015:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 77,434	¥ 6.27	–	Aug. 3, 2015

2. Dividends in kind

Dividends in kind approved at the shareholders' meeting held on June 24, 2015:	Property dividends	Total carrying amount of property dividends (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	Securities	¥ 2,226	¥ –	–	Jun. 24, 2015

Note:

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, 2016, to shareholders of record as of September 30, 2016:

Cash dividends approved at the Board of Directors' meeting held on November 14, 2016:	Total amount (Millions of Yen)	Dividend resource	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 100,405	Retained earnings	¥ 8.13	Sep. 30, 2016	Nov. 15, 2016

Cash dividends approved at the Board of Directors' meeting held on November 14, 2016:	Total amount (Millions of U.S. Dollars)	Dividend resource	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	\$ 993	Retained earnings	\$ 0.08	Sep. 30, 2016	Nov. 15, 2016

Subject to approval at the Board of Directors' meeting, the Bank paid the following cash dividends on November 13, 2015, to shareholders of record as of September 30, 2015:

Cash dividends approved at the Board of Directors' meeting held on November 12, 2015:	Total amount (Millions of Yen)	Dividend resource	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 96,330	Retained earnings	¥ 7.80	Sep. 30, 2015	Nov. 13, 2015

17. OTHER INCOME

Other income for the six-month periods ended September 30, 2016 and 2015 consisted of the following:

Six-month periods ended September 30	Millions of Yen		Millions of
	2016	2015	U.S. Dollars
Gain on disposal of fixed assets	¥ 8,153	¥ 1,234	\$ 81
Gain on sales of shares of a subsidiary	–	15,595	–
Gain on change in equity	–	112	–
Reversal of allowance for credit losses	31,175	50,403	308
Gains on collection of bad debts	17,544	17,859	173
Gains on sales of equity securities and other securities	62,226	52,509	615
Equity in earnings of the equity method investees	9,997	16,751	99
Other	14,984	22,919	148
Total	¥ 146,762	¥ 180,443	\$ 1,451

18. OTHER EXPENSES

Other expenses for the six-month periods ended September 30, 2016 and 2015 consisted of the following:

Six-month periods ended September 30	Millions of Yen		Millions of
	2016	2015	U.S. Dollars
Loss on disposal of fixed assets	¥ 3,205	¥ 5,895	\$ 32
Impairment loss on long-lived assets	2,601	1,101	26
Loss on exchange of shares of affiliates	4,007	–	40
Loss on liquidation of subsidiaries	3,236	–	32
Loss on sales of shares of subsidiaries	226	–	2
Write-offs of loans	30,387	38,164	300
Outsourcing expenses of consolidated subsidiaries' operating information services	–	11,335	–
Losses on forgiveness of loans and others	1,333	40,681	13
Losses on sales of equity securities and other securities	27,776	8,810	275
Provision of reserve for contingent losses (credit related)	48,034	981	475
Other	25,812	15,653	255
Total	¥ 147,328	¥ 123,386	\$ 1,457

19. LEASES

Operating leases

(1) Lessee

Future lease payments including interest payables under noncancelable operating leases as of September 30, 2016 and March 31, 2016 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2016	March 31, 2016	September 30, 2016
Due within one year	¥ 37,147	¥ 48,905	\$ 367
Due after one year	219,100	245,588	2,167
Total	<u>¥ 256,247</u>	<u>¥ 294,493</u>	<u>\$ 2,534</u>

(2) Lessor

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

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2016	March 31, 2016	September 30, 2016
Due within one year	¥ 9,184	¥ 12,831	\$ 91
Due after one year	57,593	75,552	569
Total	<u>¥ 66,778</u>	<u>¥ 88,383</u>	<u>\$ 660</u>

20. PER SHARE INFORMATION

Six-month periods ended September 30	Yen		U.S. Dollars
	2016	2015	2016
Basic net income per common share	¥ 30.35	¥ 33.08	\$ 0.30
Diluted net income per common share	30.35	33.08	0.30

	Yen		U.S. Dollars
	September 30, 2016	March 31, 2016	September 30, 2015
Total equity per common share	¥ 920.75	¥ 952.16	\$ 9.11

Notes:

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

Six-month periods ended September 30	Millions of Yen		Millions of U.S. Dollars
	2016	2015	2016
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	¥ 374,844	¥ 408,599	\$ 3,707
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ related to common shares	374,844	408,599	3,707

Six-month periods ended September 30	Number of shares in thousands	
	2016	2015
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
	2016	2015	2016
Diluted net income per common share			
Adjustment to net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	¥ (6)	¥ (5)	\$ (0)

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

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2016	March 31, 2016	September 30, 2016
Total equity	¥ 12,323,850	¥ 13,118,288	\$ 121,873
Deductions from total equity:			
Noncontrolling interests	952,486	1,359,055	9,419
Total equity attributable to common shares	¥ 11,371,364	¥ 11,759,232	\$ 112,454

	Number of shares in thousands	
	September 30, 2016	March 31, 2016
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, 2016 and March 31, 2016 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, 2016		
	Carrying amount	Fair value	Difference
(1) Cash and due from banks	¥ 46,489,289	¥ 46,489,289	¥ –
(2) Call loans and bills bought	499,423	499,423	–
(3) Receivables under resale agreements	556,475	556,475	–
(4) Receivables under securities borrowing transactions	1,741,890	1,741,890	–
(5) Monetary claims bought (*1)	4,586,687	4,586,106	(581)
(6) Trading assets	1,513,714	1,513,714	–
(7) Money held in trust	28,120	28,120	–
(8) Securities:			
Held-to-maturity securities	2,160,196	2,253,700	93,504
Available-for-sale securities	43,918,158	43,918,158	–
(9) Loans and bills discounted	91,724,446		
Allowance for credit losses (*1)	(689,232)		
	<u>91,035,214</u>	<u>92,126,852</u>	<u>1,091,638</u>
(10) Foreign exchange assets (*1)	1,950,547	1,950,547	–
Total assets	<u>¥ 194,479,717</u>	<u>¥ 195,664,277</u>	<u>¥ 1,184,560</u>
(1) Deposits	¥ 147,430,780	¥ 147,456,237	¥ 25,456
(2) Negotiable certificates of deposit	4,623,848	4,628,179	4,331
(3) Call money and bills sold	268,599	268,599	–
(4) Payables under repurchase agreements	10,341,703	10,341,703	–
(5) Payables under securities lending transactions	3,528,682	3,528,682	–
(6) Commercial paper	1,091,205	1,091,205	–
(7) Trading liabilities	5,675	5,675	–
(8) Borrowed money	12,896,512	13,005,839	109,326
(9) Foreign exchange liabilities	1,763,852	1,763,852	–
(10) Bonds payable	4,534,007	4,675,550	141,542
Total liabilities	<u>¥ 186,484,866</u>	<u>¥ 186,765,524</u>	<u>¥ 280,658</u>
Derivatives (*2):			
To which hedge accounting is not applied	¥ 270,280	¥ 270,280	¥ –
To which hedge accounting is applied	576,457	576,457	–
Total derivatives	<u>¥ 846,737</u>	<u>¥ 846,737</u>	<u>¥ –</u>

Millions of Yen			
March 31, 2016			
	Carrying amount	Fair value	Difference
(1) Cash and due from banks	¥ 37,163,259	¥ 37,163,259	¥ –
(2) Call loans and bills bought	519,784	519,784	–
(3) Receivables under resale agreements	655,956	655,956	–
(4) Receivables under securities borrowing transactions	446,292	446,292	–
(5) Monetary claims bought (*1)	4,722,160	4,721,924	(236)
(6) Trading assets	1,303,905	1,303,905	–
(7) Money held in trust	57,656	57,656	–
(8) Securities:			
Held-to-maturity securities	2,330,048	2,394,865	64,817
Available-for-sale securities	47,373,236	47,373,236	–
(9) Loans and bills discounted	101,007,681		
Allowance for credit losses (*1)	(820,053)		
	<u>100,187,627</u>	<u>101,299,905</u>	<u>1,112,277</u>
(10) Foreign exchange assets (*1)	1,756,170	1,756,170	–
Total assets	<u>¥ 196,516,099</u>	<u>¥ 197,692,958</u>	<u>¥ 1,176,858</u>
(1) Deposits	¥ 147,784,345	¥ 147,810,065	¥ 25,719
(2) Negotiable certificates of deposit	7,030,355	7,034,823	4,468
(3) Call money and bills sold	336,305	336,305	–
(4) Payables under repurchase agreements	10,571,873	10,571,873	–
(5) Payables under securities lending transactions	1,892,928	1,892,928	–
(6) Commercial paper	1,565,614	1,565,614	–
(7) Trading liabilities	7,479	7,479	–
(8) Borrowed money	10,635,990	10,707,306	71,316
(9) Foreign exchange liabilities	2,148,680	2,148,680	–
(10) Bonds payable	5,545,296	5,665,101	119,805
Total liabilities	<u>¥ 187,518,869</u>	<u>¥ 187,740,179</u>	<u>¥ 221,310</u>
Derivatives (*2):			
To which hedge accounting is not applied	¥ 46,338	¥ 46,338	¥ –
To which hedge accounting is applied	584,748	584,748	–
Total derivatives	<u>¥ 631,087</u>	<u>¥ 631,087</u>	<u>¥ –</u>

Millions of U.S. Dollars
September 30, 2016

	Carrying amount	Fair value	Difference
(1) Cash and due from banks	\$ 459,744	\$ 459,744	\$ -
(2) Call loans and bills bought	4,939	4,939	-
(3) Receivables under resale agreements	5,503	5,503	-
(4) Receivables under securities borrowing transactions	17,226	17,226	-
(5) Monetary claims bought (*1)	45,359	45,353	(6)
(6) Trading assets	14,969	14,969	-
(7) Money held in trust	278	278	-
(8) Securities:			
Held-to-maturity securities	21,362	22,287	925
Available-for-sale securities	434,317	434,317	-
(9) Loans and bills discounted	907,085		
Allowance for credit losses (*1)	(6,816)		
	<u>900,269</u>	<u>911,065</u>	<u>10,796</u>
(10) Foreign exchange assets (*1)	19,290	19,290	-
Total assets	<u>\$ 1,923,256</u>	<u>\$ 1,934,971</u>	<u>\$ 11,715</u>
(1) Deposits	\$ 1,457,979	\$ 1,458,230	\$ 251
(2) Negotiable certificates of deposit	45,726	45,769	43
(3) Call money and bills sold	2,656	2,656	-
(4) Payables under repurchase agreements	102,272	102,272	-
(5) Payables under securities lending transactions	34,896	34,896	-
(6) Commercial paper	10,791	10,791	-
(7) Trading liabilities	56	56	-
(8) Borrowed money	127,537	128,618	1,081
(9) Foreign exchange liabilities	17,443	17,443	-
(10) Bonds payable	44,838	46,238	1,400
Total liabilities	<u>\$ 1,844,194</u>	<u>\$ 1,846,969</u>	<u>\$ 2,775</u>
Derivatives (*2):			
To which hedge accounting is not applied	\$ 2,673	\$ 2,673	\$ -
To which hedge accounting is applied	5,701	5,701	-
Total derivatives	<u>\$ 8,374</u>	<u>\$ 8,374</u>	<u>\$ -</u>

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

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

Notes:

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

Assets

(1) "Cash and due from banks"

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

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

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

(5) "Monetary claims bought"

The fair value of "Monetary claims bought" is determined based on the price quoted by the financial institutions from which these claims were purchased or on the amount reasonably calculated based on the reasonable estimation. For certain securitized products whose underlying assets are corporate loan receivables, the fair value is determined by taking into account an amount calculated by discounting the expected future cash flow, which is derived from such factors as default probability and prepayment rate derived from analyses of the underlying assets and discounted at a rate, which is the yield of such securitized products adjusted for the liquidity premium based on the actual historical market data, as well as the price obtained from external parties (brokers 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 data comparison of the same product, and analysis of consistency with publicly available market indices.

For other monetary claims bought to which these methods do not apply, the carrying amount is presented as the fair

value, as the fair value approximates such carrying value from their qualitative viewpoint.

(6) "Trading assets"

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

(7) "Money held in trust"

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

See Note 5 "MONEY HELD IN TRUST" for notes on "Money held in trust" by categories based on different 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 price quoted by the exchange or 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 assets"

"Foreign exchange assets" consist of foreign currency deposits with other banks (due from foreign banks (our accounts)), short-term loans involving foreign currencies (due from foreign banks (their accounts)), export bills, traveler's checks 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. Fixed rate time deposits are grouped by certain maturity lengths. The fair value of such deposits is the present value of discounted expected future cash flow. The discount rate used is the interest rate that would be applied to newly accepted deposits.

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

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

(7) "Trading liabilities"

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

(8) "Borrowed money"

For floating rate borrowings, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. This is done so on the basis that the market interest rate is reflected in the fair value set within a short time period for such floating rate borrowings and that there has been no significant change in 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 liabilities"

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

(10) "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 approximates such carrying amount. This is on the basis that the market interest rate is reflected in the fair value of such corporate bonds because such bond terms were set within a short time period and that there has been no significant change in the creditworthiness of 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.

2. The following table summarizes financial instruments whose fair value cannot be reliably determined. 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, 2016	March 31, 2016	September 30, 2016
Unlisted equity securities (*1) (*2)	¥ 152,401	¥ 153,843	\$ 1,507
Investment in partnerships and others (*2) (*3)	35,927	71,438	355
Other (*2)	376	403	4
Total	¥ 188,705	¥ 225,685	\$ 1,866

(*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, an impairment loss of ¥1,170 million (\$12 million) and ¥14,930 million was recorded for the six-month period ended September 30, 2016 and for the fiscal year ended March 31, 2016, 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 Bank had the following derivative contracts outstanding as of September 30, 2016 and March 31, 2016:

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, 2016			
		Contract amount		Fair value	Valuation gain (loss)
		Total	Over one year		
Transactions listed on exchange:					
Interest rate futures	Sold	¥ 587,044	¥ 231,398	¥ (309)	¥ (309)
	Bought	331,133	120,191	278	278
Interest rate options	Sold	–	–	–	–
	Bought	1,011,200	–	75	(20)
Over-the-counter (“OTC”) transactions:					
Forward rate agreement	Sold	18,542,403	–	(1,012)	(1,012)
	Bought	18,278,176	–	1,036	1,036
Interest rate swaps	Receivable fixed rate/ Payable floating rate	164,197,006	145,990,884	6,941,604	6,941,604
	Receivable floating rate/ Payable fixed rate	165,996,254	145,744,933	(6,748,700)	(6,748,700)
	Payable floating rate/ Receivable floating rate	48,884,882	40,896,869	36,046	36,046
	Receivable fixed rate/ Payable fixed rate	231,642	223,040	4,208	4,208
Interest rate swaptions	Sold	5,952,669	3,499,060	(146,438)	(107,795)
	Bought	4,739,040	2,309,397	42,306	21,742
Other	Sold	1,874,218	1,363,214	(2,388)	1,032
	Bought	1,901,399	1,540,469	8,197	4,151
Total		–	–	¥ 134,905	¥ 152,262
		Millions of Yen			
		March 31, 2016			
		Contract amount		Fair value	Valuation gain (loss)
		Total	Over one year		
Transactions listed on exchange:					
Interest rate futures	Sold	¥ 856,927	¥ 534,186	¥ (1,091)	¥ (1,091)
	Bought	367,005	149,256	233	233
OTC transactions:					
Forward rate agreement	Sold	17,329,398	–	579	579
	Bought	18,356,986	–	(597)	(597)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	160,769,183	142,233,884	6,506,812	6,506,812
	Receivable floating rate/ Payable fixed rate	160,959,882	141,449,307	(6,322,395)	(6,322,395)
	Receivable floating rate/ Payable floating rate	48,002,292	40,666,565	47,794	47,794
	Receivable fixed rate/ Payable fixed rate	174,359	154,359	3,057	3,057
Interest rate swaptions	Sold	4,753,714	2,969,366	(148,435)	(81,265)
	Bought	4,951,435	2,317,736	52,946	27,769
Other	Sold	1,587,207	1,027,309	(1,948)	3,552
	Bought	1,816,042	1,246,546	11,471	7,120
Total		–	–	¥ 148,427	¥ 191,570

		Millions of U.S. Dollars			
		September 30, 2016			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
Transactions listed on exchange:					
Interest rate futures	Sold	\$ 5,805	\$ 2,288	\$ (3)	\$ (3)
	Bought	3,275	1,189	3	3
Interest rate options	Sold	–	–	–	–
	Bought	10,000	–	1	(0)
OTC transactions:					
Forward rate agreement	Sold	183,370	–	(10)	(10)
	Bought	180,757	–	10	10
Interest rate swaps	Receivable fixed rate/ Payable floating rate	1,623,784	1,443,739	68,647	68,647
	Receivable floating rate/ Payable fixed rate	1,641,577	1,441,307	(66,740)	(66,740)
	Receivable floating rate/ Payable floating rate	483,434	404,439	357	357
	Receivable fixed rate/ Payable fixed rate	2,291	2,206	42	42
Interest rate swaptions	Sold	58,867	34,603	(1,448)	(1,066)
	Bought	46,866	22,838	418	215
Other	Sold	18,535	13,481	(24)	10
	Bought	18,803	15,234	81	41
Total		–	–	\$ 1,334	\$ 1,506

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 Tokyo Financial 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, 2016			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
Transactions listed on exchange:					
Currency futures	Sold	¥ 170,527	¥ 8,111	¥ 863	¥ 863
	Bought	452,119	183,206	(3,019)	(3,019)
OTC transactions:					
Currency swaps		31,314,220	23,336,790	17,363	17,363
Forward contracts on foreign exchange	Sold	44,642,510	1,860,288	796,041	796,041
	Bought	42,550,896	1,819,651	(745,454)	(745,454)
Currency options	Sold	6,419,252	2,468,704	(129,783)	149,645
	Bought	6,124,934	2,387,001	197,119	(23,297)
Total		–	–	¥ 133,130	¥ 192,141

		Millions of Yen			
		March 31, 2016			
		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
Transactions listed on exchange:					
Currency futures	Sold	¥ 411,256	¥ 9,116	¥ (3,061)	¥ (3,061)
	Bought	566,313	330,122	10,865	10,865
OTC transactions:					
Currency swaps		31,237,505	23,624,138	(190,281)	(190,281)
Forward contracts on foreign exchange	Sold	46,563,936	2,256,354	265,614	265,614
	Bought	45,909,208	2,112,509	(151,333)	(151,333)
Currency options	Sold	6,696,632	2,714,934	(240,718)	69,524
	Bought	6,718,548	2,584,779	195,523	(57,394)
Total		–	–	¥ (113,390)	¥ (56,065)

		Millions of U.S. Dollars			
		September 30, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	\$ 1,686	\$ 80	\$ 9	\$ 9
	Bought	4,471	1,812	(30)	(30)
OTC transactions:					
Currency swaps		309,674	230,783	172	172
Forward contracts on foreign exchange	Sold	441,481	18,397	7,872	7,872
	Bought	420,796	17,995	(7,372)	(7,372)
Currency options	Sold	63,482	24,414	(1,283)	1,480
	Bought	60,571	23,606	1,949	(231)
Total		–	–	\$ 1,317	\$ 1,900

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 or other methods.

(3) Equity-related derivatives

		Millions of Yen			
		September 30, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥ 2,675	¥ –	¥ (40)	¥ (40)
	Bought	334	–	(3)	(3)
OTC transactions:					
OTC options on securities	Sold	150,379	96,530	(18,621)	(18,621)
	Bought	150,379	96,530	18,555	18,555
Total return swaps	Sold	–	–	–	–
	Bought	7,011	–	(691)	(691)
Total		–	–	¥ (802)	¥ (802)

		Millions of Yen			
		March 31, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥ 312	¥ –	¥ (4)	¥ (4)
	Bought	197	–	4	4
Stock index options	Sold	–	–	–	–
	Bought	517	–	1	(10)
OTC transactions:					
OTC options on securities	Sold	202,088	137,640	(26,693)	(26,693)
	Bought	202,088	137,640	26,755	26,755
Forward trading on OTC securities index	Sold	467	–	13	13
	Bought	–	–	–	–
Total return swaps	Sold	–	–	–	–
	Bought	8,056	–	(186)	(186)
Total		–	–	¥ (109)	¥ (120)

		Millions of U.S. Dollars			
		September 30, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	\$ 26	\$ –	\$ (0)	\$ (0)
	Bought	3	–	(0)	(0)
OTC transactions:					
OTC options on securities	Sold	1,487	955	(184)	(184)
	Bought	1,487	955	183	183
Total return swaps	Sold	–	–	–	–
	Bought	69	–	(7)	(7)
Total		–	–	\$ (8)	\$ (8)

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, 2016			
		Contract amount			Valuation gain
		Total	Over one year	Fair value	(loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 140,231	¥ –	¥ (409)	¥ (409)
	Bought	127,863	–	267	267
Bond futures options	Sold	263,628	–	(1,012)	(7)
	Bought	659,948	–	753	99
OTC transactions:					
Bond OTC options	Sold	73,000	–	(133)	(12)
	Bought	73,000	–	113	(14)
Bond forward agreements	Sold	11,937	11,937	(147)	(147)
	Bought	–	–	–	–
Total		–	–	¥ (567)	¥ (223)

		Millions of Yen			
		March 31, 2016			
		Contract amount			Valuation gain
		Total	Over one year	Fair value	(loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 209,415	¥ –	¥ (219)	¥ (219)
	Bought	122,682	–	(6)	(6)
Bond futures options	Sold	55,004	–	(94)	13
	Bought	160,295	–	322	19
Total		–	–	¥ 2	¥ (192)

		Millions of U.S. Dollars			
		September 30, 2016			
		Contract amount			Valuation gain
		Total	Over one year	Fair value	(loss)
Transactions listed on exchange:					
Bond futures	Sold	\$ 1,387	\$ –	\$ (4)	\$ (4)
	Bought	1,264	–	3	3
Bond futures options	Sold	2,607	–	(10)	(0)
	Bought	6,526	–	7	1
OTC transactions:					
Bond OTC options	Sold	722	–	(1)	(0)
	Bought	722	–	1	(0)
Bond forward agreements	Sold	118	118	(2)	(2)
	Bought	–	–	–	–
Total		–	–	\$ (6)	\$ (2)

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.

(5) Commodity-related derivatives

		Millions of Yen			
		September 30, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥ 105,688	¥ 60,920	¥ (2,744)	¥ (2,744)
	Receivable floating rate/ Payable index volatility	118,224	66,478	7,768	7,768
Commodity options	Sold	87,381	66,059	(4,107)	(4,106)
	Bought	87,381	66,059	4,096	4,095
Total		–	–	¥ 5,011	¥ 5,012

		Millions of Yen			
		March 31, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥ 140,732	¥ 60,773	¥ (24,530)	¥ (24,530)
	Receivable floating rate/ Payable index volatility	184,215	74,858	30,427	30,427
Commodity options	Sold	117,106	71,740	(9,062)	(9,059)
	Bought	117,106	71,740	9,068	9,066
Total		–	–	¥ 5,903	¥ 5,904

		Millions of U.S. Dollars			
		September 30, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	\$ 1,045	\$ 602	\$ (27)	\$ (27)
	Receivable floating rate/ Payable index volatility	1,169	657	77	77
Commodity options	Sold	864	653	(41)	(41)
	Bought	864	653	41	41
Total		–	–	\$ 50	\$ 50

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 Inter Continental Exchange Futures and others at the annual/semi-annual consolidated balance sheet date.
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 is mainly oil related.

(6) Credit-related derivatives

		Millions of Yen			
		September 30, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 519,362	¥ 436,655	¥ 5,679	¥ 5,679
	Bought	807,031	653,922	(8,063)	(8,063)
Total		–	–	¥ (2,384)	¥ (2,384)

		Millions of Yen			
		March 31, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 657,849	¥ 556,649	¥ 5,343	¥ 5,343
	Bought	914,429	715,315	(1,112)	(1,112)
Total		–	–	¥ 4,231	¥ 4,231

		Millions of U.S. Dollars			
		September 30, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	\$ 5,136	\$ 4,318	\$ 56	\$ 56
	Bought	7,981	6,467	(80)	(80)
Total		–	–	\$ (24)	\$ (24)

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 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, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	¥ 25,584	¥ 14,584	¥ (448)	¥ 2,336
	Bought	25,946	14,584	813	(1,164)
SVF Wrap Products	Sold	1,945,804	1,081,456	(5)	(5)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	4,775	4,775	628	628
Total		–	–	¥ 987	¥ 1,794

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

		Millions of U.S. Dollars			
		September 30, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	\$ 253	\$ 144	\$ (4)	\$ 23
	Bought	257	144	8	(11)
SVF Wrap Products	Sold	19,243	10,695	(0)	(0)
	Bought	-	-	-	-
Other	Sold	-	-	-	-
	Bought	47	47	6	6
Total		-	-	\$ 10	\$ 18

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 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 COMBINATION

Transactions under Common Control

(Change of Bank of Tokyo-Mitsubishi UFJ (Canada) into a branch)

The business of Bank of Tokyo-Mitsubishi UFJ (Canada), the Bank's consolidated subsidiary, was transferred to Canada branch of the Bank, which was newly established, on April 18, 2016. The overview of the transaction is as follows:

1. Overview of the transaction

(1) Name of the business transferred and its detail

Name of the business transferred: Bank of Tokyo-Mitsubishi UFJ (Canada)

Detail of the business: Commercial bank

(2) Date of the business combination

April 18, 2016

(3) Legal form of the business combination

Business transfer in exchange for cash

(4) Name of the company after the business combination

No change

(5) Other matters related to the overview of the transaction

This transaction was executed in order to meet the changes in banking regulations and management environment in Canada.

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).

(Transfer of business of Brussels branch of the Bank to MUFG Bank (Europe))

The Bank made a contribution in kind using the business of the Brussels branch of the Bank (“former Brussels branch”) to MUFG Bank (Europe) N.V. (“MUFG Bank (Europe)”), the Bank’s consolidated subsidiary, on May 1, 2016 and transferred the former Brussels branch to Brussels branch of MUFG Bank (Europe). The overview of the transaction is as follows:

1. Overview of the transaction

(1) Name of the business transferred and its detail

Name of the business transferred: Former Brussels branch

Detail of the business: Commercial bank

(2) Date of the business combination

May 1, 2016

(3) Legal form of the business combination

Contribution in kind

(4) Name of the company after the business combination

MUFG Bank (Europe) N.V. (changed its name from Bank of Tokyo-Mitsubishi UFJ (Holland) N.V.)

(5) Other matters related to the overview of the transaction

This transaction was executed in order to strengthen the operational management system which enables to respond to needs of customers developing wide businesses in EU through further commitment to European market and society.

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, 2016 and 2015 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
	2016	2015	U.S. Dollars
Ordinary profit:	¥ 534,474	¥ 637,926	\$ 5,286
Gain on disposal of fixed assets	8,153	1,234	81
Gain on sales of shares of a subsidiary	–	15,595	–
Gain on change in equity	–	112	–
Loss on disposal of fixed assets	(3,205)	(5,895)	(32)
Impairment loss on long-lived assets	(2,601)	(1,101)	(26)
Loss on exchange of shares of affiliates	(4,007)	–	(40)
Loss on liquidation of subsidiaries	(3,236)	–	(32)
Loss on sales of shares of subsidiaries	(226)	–	(2)
Income before income taxes	¥ 529,349	¥ 647,871	\$ 5,235

For the six-month periods ended September 30, 2016 and 2015:

(1) Reportable segments

The reportable segments of the Bank are subject to the periodical review by the Executive Committee, which

is the decision maker of the business execution, to determine the allocation of management resources and assess performance.

The Bank has established its business units according to the characteristics of customers and the nature of business. Each business unit engages in business activities based on comprehensive strategies developed for and aimed at respective targeted customers and businesses. Accordingly, the Bank's operation comprises segments classified by customers and business, and "Retail Banking Business Unit," "Corporate Banking Business Unit," "Global Business Unit," "Global Markets Unit" and "Other units" are identified as the reportable segments.

Retail Banking Business Unit	: Providing financial services to individual customers in Japan
Corporate Banking Business Unit	: Providing financial services to corporate customers in Japan
Global Business Unit	: Providing financial services to overseas individual and corporate customers
Global Markets Unit	: Foreign exchange, funds and securities transactions for customers and markets, liquidity and cash management
Other units	: Settlement and custody services, investments, internal coordination, and other services

(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 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 based on the internal management accounting standards which are based on the market values.

(Changes in calculation method of operating income (loss)):

From the six-month period ended September 30, 2016, the Bank has changed the method of calculating business segment profit according to the changes in the internal performance management methods such as changes in the method of allocating income and expenses of business segments.

Accordingly, reportable segment information for the six-month period ended September 30, 2015 stated below in "(3) Reportable segment information" has been restated based on the calculation method reflecting such changes.

(3) Reportable segment information

Millions of Yen										
Six-month period ended	Retail	Corporate	Global Business Unit			Customer	Global	Other	Total	
	Banking	Banking	Total	(of which	(of which	business	Markets	units		
September 30, 2016	Business	Business		MUAH)	Bank of	Ayudhya)	units	Unit	units	
	Unit	Unit				subtotal				
Gross operating income	¥ 235,020	¥ 383,860	¥ 562,861	¥ 192,285	¥ 122,561	¥ 1,102,698	¥ 244,987	¥ 12,096	¥ 1,359,783	
Non-consolidated	212,485	340,871	200,683	–	–	707,828	225,383	35,726	968,938	
Net interest income	161,150	150,156	92,222	–	–	385,161	102,923	65,249	553,334	
Net non-interest income	51,335	190,715	108,460	–	–	322,667	122,459	(29,522)	415,604	
Subsidiaries	22,534	42,988	362,178	192,285	122,561	394,870	19,604	(23,629)	390,844	
Expenses	207,182	231,342	366,703	137,104	59,661	731,106	41,857	47,301	820,265	
Net operating income	¥ 27,837	¥ 152,517	¥ 196,158	¥ 55,181	¥ 62,900	¥ 371,592	¥ 203,130	¥ (35,204)	¥ 539,517	

Millions of Yen										
Six-month period ended	Retail	Corporate	Global Business Unit			Customer	Global	Other	Total	
	Banking	Banking	Total	(of which	(of which	business	Markets	units		
September 30, 2015	Business	Business		MUAH)	Bank of	Ayudhya)	units	Unit	units	
	Unit	Unit				subtotal				
Gross operating income	¥ 264,156	¥ 418,118	¥ 638,337	¥ 218,279	¥ 137,957	¥ 1,224,256	¥ 221,254	¥ 10,761	¥ 1,456,272	
Non-consolidated	242,015	364,509	226,161	–	–	779,502	199,528	66,051	1,045,082	
Net interest income	168,826	163,803	108,807	–	–	417,741	78,686	110,780	607,208	
Net non-interest income	73,188	200,706	117,354	–	–	361,760	120,841	(44,729)	437,873	
Subsidiaries	22,140	53,609	412,175	218,279	137,957	444,754	21,725	(55,289)	411,190	
Expenses	208,732	241,191	409,159	158,084	68,431	779,254	41,483	54,948	875,686	
Net operating income	¥ 55,423	¥ 176,927	¥ 229,177	¥ 60,195	¥ 69,525	¥ 445,002	¥ 179,770	¥ (44,186)	¥ 580,586	

Millions of U.S. Dollars										
Six-month period ended	Retail	Corporate	Global Business Unit			Customer	Global	Other	Total	
	Banking	Banking	Total	(of which	(of which	business	Markets	units		
September 30, 2016	Business	Business		MUAH)	Bank of	Ayudhya)	units	Unit	units	
	Unit	Unit				subtotal				
Gross operating income	\$ 2,324	\$ 3,796	\$ 5,566	\$ 1,902	\$ 1,212	\$ 10,905	\$ 2,423	\$ 119	\$ 13,447	
Non-consolidated	2,101	3,371	1,985	–	–	7,000	2,229	353	9,582	
Net interest income	1,593	1,485	912	–	–	3,809	1,018	645	5,472	
Net non-interest income	508	1,886	1,073	–	–	3,191	1,211	(292)	4,110	
Subsidiaries	223	425	3,581	1,902	1,212	3,905	194	(234)	3,865	
Expenses	2,049	2,288	3,626	1,356	590	7,230	414	468	8,112	
Net operating income	\$ 275	\$ 1,508	\$ 1,940	\$ 546	\$ 622	\$ 3,675	\$ 2,009	\$ (349)	\$ 5,335	

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.
5. MUAH is a financial holding company for local banking companies and the Bank's branches in the United States of America as well as local companies and the Bank's branches in Latin America and Canada and manages the Americas business of the Bank.
6. Figures from Bank of Ayudhya are calculated based on the accounting standards in Thailand.
7. Amortization of goodwill of MUAH and Bank of Ayudhya are included in "Expenses" of "Total" of "Global Business Unit."
8. "Corporate Banking Business Unit" and "Global Business Unit" records revenue and expenses related to Japanese corporate transactions in overseas countries, but the same amounts are deducted at "Customer business units subtotal." Gross operating income, expenses and net operating income deducted in "Customer business units subtotal" are ¥79,043 million (\$781 million), ¥74,122 million (\$733 million) and ¥4,921 million (\$48 million) for the six-month period ended September 30, 2016 and ¥96,354 million, ¥79,828 million and ¥16,525 million for the six-month period ended September 30, 2015, respectively.

- (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
	2016	2015	2016
Net operating income per reportable segment information	¥ 539,517	¥ 580,586	\$ 5,335
Net business profit of subsidiaries excluded from the reportable segment information	26,611	29,178	263
Credit-related expenses	(79,016)	(77,327)	(781)
Reversal of allowance for credit losses	31,175	50,403	308
Gains on collection of bad debts	17,544	17,859	173
Gains on equity securities and other securities	23,686	36,785	235
Equity in earnings of the equity method investees	9,997	16,751	99
Amortization of net unrecognized actuarial gain or loss	(25,197)	(14,256)	(249)
Other	(9,846)	(2,055)	(97)
Ordinary profit under the internal management reporting system	¥ 534,474	¥ 637,926	\$ 5,286

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

Six-month period ended September 30, 2016	Millions of Yen		
	Banking	Other	Total
Ordinary income from external customers	¥ 1,949,176	¥ 13,992	¥ 1,963,169

Six-month period ended September 30, 2015	Millions of Yen		
	Banking	Other	Total
Ordinary income from external customers	¥ 2,051,027	¥ 23,259	¥ 2,074,286

Six-month period ended September 30, 2016	Millions of U.S. Dollars		
	Banking	Other	Total
Ordinary income from external customers	\$ 19,276	\$ 138	\$ 19,414

Note: “Ordinary income” corresponds to net sales of non-banking industries.

2) Information by geographic region

A) Ordinary income

Millions of Yen						
Six-month period ended September 30, 2016						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 1,106,436	¥ 331,739	¥ 16,164	¥ 40,927	¥ 111,080	¥ 356,820	¥ 1,963,169

Millions of Yen						
Six-month period ended September 30, 2015						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 1,171,252	¥ 373,659	¥ 6,929	¥ 20,123	¥ 96,216	¥ 406,104	¥ 2,074,286

Millions of U.S. Dollars						
Six-month period ended September 30, 2016						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
\$ 10,942	\$ 3,280	\$ 160	\$ 405	\$ 1,098	\$ 3,529	\$ 19,414

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, 2016							
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total	
¥ 840,934	¥ 114,513	¥ 219	¥ 1,915	¥ 5,714	¥ 72,201	¥ 1,035,499	

Millions of Yen							
As of September 30, 2015							
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total	
¥ 854,796	¥ 139,669	¥ 136	¥ 2,228	¥ 9,119	¥ 86,299	¥ 1,092,251	

Millions of U.S. Dollars							
As of September 30, 2016							
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total	
\$ 8,316	\$ 1,132	\$ 2	\$ 19	\$ 57	\$ 714	\$ 10,240	

3) Information by major customer

There was no applicable information to be reported for the six-month periods ended September 30, 2016 and 2015.

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 ¥2,601 million (\$26 million) and ¥1,101 million for the six-month periods ended September 30, 2016 and 2015, respectively.

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

Millions of Yen									
Six-month period ended September 30, 2016	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit			Customer business units subtotal	Global Markets Unit	Other units	Total
			Total	(of which MUAH)	(of which Bank of Ayudhya)				
Amortization	¥ 0	¥ 8	¥ 6,881	¥ -	¥ -	¥ 6,890	¥ -	¥ -	¥ 6,890
Unamortized balance	-	-	217,743	-	-	217,743	-	-	217,743

Millions of Yen									
Six-month period ended September 30, 2015	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit			Customer business units subtotal	Global Markets Unit	Other units	Total
			Total	(of which MUAH)	(of which Bank of Ayudhya)				
Amortization	¥ -	¥ -	¥ 8,353	¥ -	¥ -	¥ 8,353	¥ -	¥ -	¥ 8,353
Unamortized balance	0	13	281,627	-	-	281,641	-	-	281,641

Millions of U.S. Dollars									
Six-month period ended September 30, 2016	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit			Customer business units subtotal	Global Markets Unit	Other units	Total
			Total	(of which MUAH)	(of which Bank of Ayudhya)				
Amortization	\$ 0	\$ 0	\$ 68	\$ -	\$ -	\$ 68	\$ -	\$ -	\$ 68
Unamortized balance	-	-	2,153	-	-	2,153	-	-	2,153

Note:

Amortization of goodwill and unamortized balance of goodwill of MUAH and Bank of Ayudhya are included in "Total" of "Global Business Unit."

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, 2016 and 2015.

25. SUBSEQUENT EVENT

Transactions under Common Control

(Transfer of the Ownership of U.S. Subsidiaries and Affiliate in Compliance with U.S. Enhanced Prudential Standards)

MUFG designated MUAH, a U.S. subsidiary of the Bank, as its U.S. intermediate holding company which is required to be established under the U.S. Enhanced Prudential Standards. The Bank, Mitsubishi UFJ Trust and Banking Corporation (“MUTB”), and Mitsubishi UFJ Securities Holding, Inc. (“MUSHD”) transferred the ownership of their U.S. subsidiaries and affiliates to MUAH. The overview is as follows.

1. Overview of the transaction

(1) Name of the business transferred and its detail

Name of the business transferred: Mitsubishi UFJ Securities (USA), Inc. (transferred from MUSHD)
MUFG Fund Services (USA) LLC (transferred from MUTB)

Detail of the business: Mitsubishi UFJ Securities (USA), Inc. Securities business
MUFG Fund Services (USA) LLC Fund administration business

(2) Date of the business combination

July 1, 2016

(3) Legal form of the business combination

MUSHD and MUTB executed a distribution in kind of the shares and ownership interests in Mitsubishi UFJ Securities (USA), Inc. and MUFG Fund Services (USA) LLC to MUFG. Thereafter, MUFG transferred such shares and ownership interests to MUAH as a contribution in kind.

(4) Name of the company after the business combination

Mitsubishi UFJ Securities (USA), Inc. changed its name to MUFG Securities Americas Inc. on the same date as the date of the business combination.

2. Outline of accounting treatment to be applied

The transaction will be 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).

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