

# Financial Highlights under Japanese GAAP for the First Half of Fiscal Year Ending March 31, 2023

**November 14, 2022**

Mitsubishi UFJ Financial Group, Inc.



# FY2022 H1 financial results summary

## (for Fiscal Year Ending March 31, 2023)

【Consolidated】

- FY2022 H1 NOP was ¥895.2bn (up by ¥257.7bn YoY), and progress ratio for the FY2022 target of ¥1.3tn was 69%. NOP in customer segments increased by ¥218.4bn YoY as a result of progress of strategies for growth.
- Profits attributable to owners of parent decreased YoY significantly to ¥231.0bn mainly due to losses associated with accounting treatment related to the sale of all shares of MUB. However, considering gains of ¥448.1bn among these losses that will be recorded as an extraordinary gains upon MUB's transfer, profits attributable to owners of parent was ¥679.2bn (progress ratio was 68%) making good progress toward full year target.
- FY22 target of profits attributable to owners of parent remained unchanged at ¥1tn, but the breakdown is revised as follows;
  - NOP +¥200.0bn : Revised upward mainly due to strong NOP performance in H1.
  - Total credit costs ¥(500.0)bn, Ordinary profits ¥(650.0)bn : Reflected valuation losses associated with accounting treatment in connection with our decision to sell all shares of MUB.

MUG consolidated (¥bn)	FY2021 H1	FY2022 H1		FY2022 full year	
	Results	Results	YoY	Revised target	Comparison with initial target
1 <b>Gross profits</b>	1,980.8	<b>2,323.4</b>	+342.5	–	–
2 <b>G&amp;A expenses</b>	1,343.2	<b>1,428.1</b>	+84.8	–	–
3 <b>Net operating profits</b>	637.5	<b>895.2</b>	+257.7	<b>1,500.0</b>	+200.0
4 <b>Total credit costs</b>	17.9	<b>(243.8)</b>	(261.7)	<b>(800.0)</b>	(500.0)
5 <b>Ordinary profits</b>	986.0	<b>591.0</b>	(394.9)	<b>600.0</b>	(650.0)
6 <b>Profits attributable to owners of parent</b>	781.4	<b>231.0</b>	(550.3)	<b>1,000.0</b>	±0
7 <b>Considering reversal on MUB transfer</b>	781.4	<b>679.2</b>	(102.2)	–	–
8 <b>ROE</b>	10.91%	<b>2.91%<sup>*2</sup></b>	(8.00)%	FY2023 target : <b>7.5%</b>	
9 <b>Common Equity Tier 1 capital ratio<sup>*1</sup></b>	10.4% <sup>*3</sup>	<b>9.9%</b>	(0.4)% <sup>*4</sup>	Target range : <b>9.5%-10.0%</b>	

Financial target in the medium-term business plan

\*1 Estimated RWA on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities.

\*2 ROE considering reversal on MUB transfer was approximately 8.4%.

\*3 As of end of March 2022. \*4 Change from end of March 2022.

\* Definitions of figures and abbreviations used in this document can be found on the last page

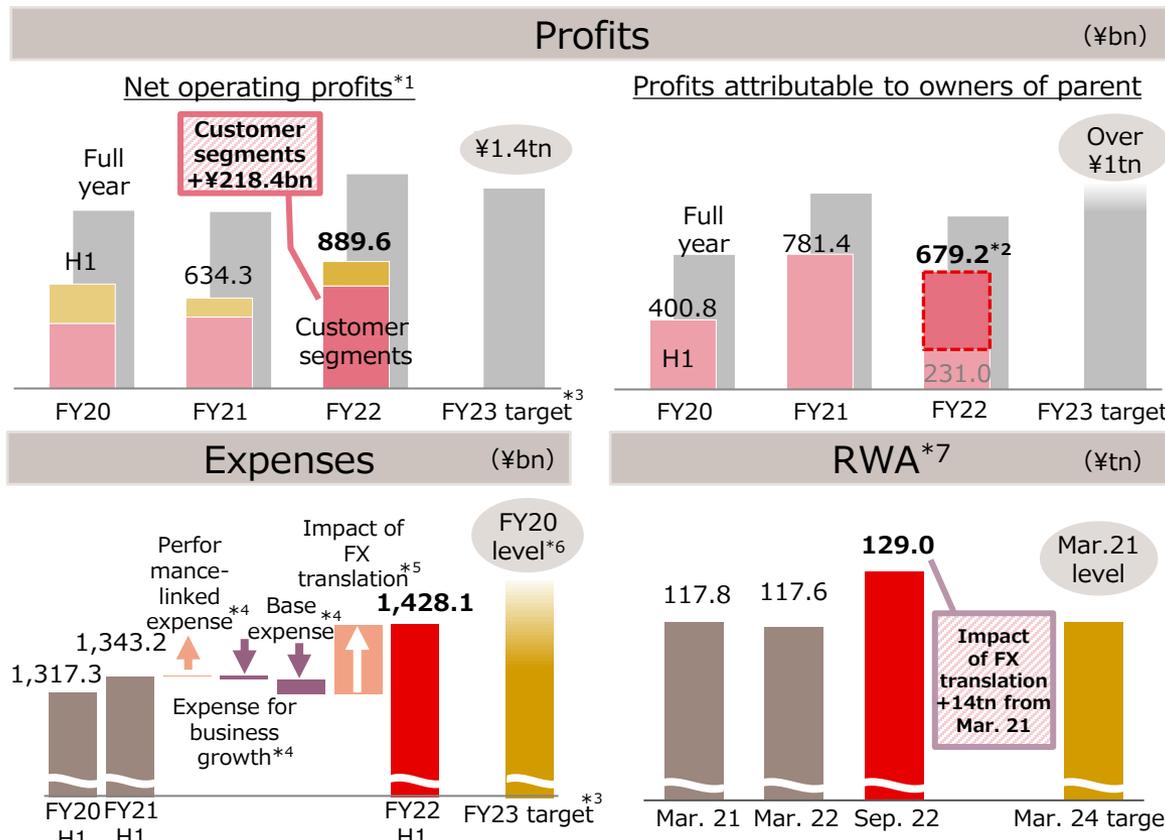
# Progress on medium-term business plan

【Consolidated】

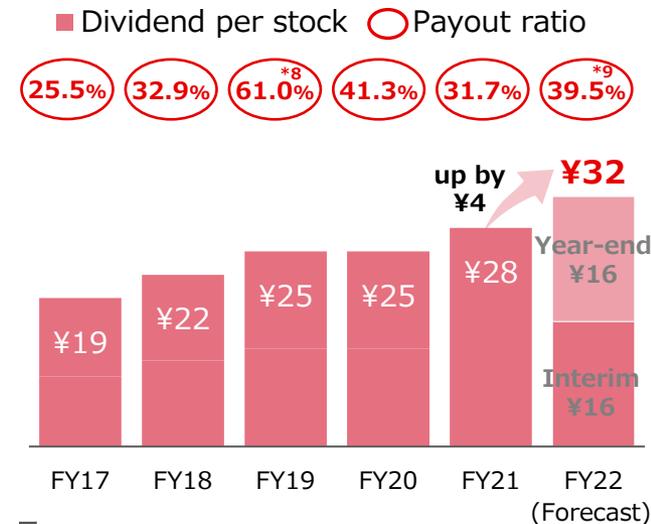
## ① Financial targets / Shareholder returns

- Net operating profits in customer segments increased by ¥218.4bn YoY as a result of progress of strategies for growth. We further progressed our resource management such as expenses and RWA.
- FY22 dividend forecast per common stock is ¥32, up by ¥4 from FY21. In addition, considering the impact of capital release associated with the sale of MUB which is expected to occur in this year, repurchase of own shares up to ¥150.0bn was resolved.

### 3 Drivers to achieve ROE target



### Dividend forecast



### Repurchase of own shares\*10

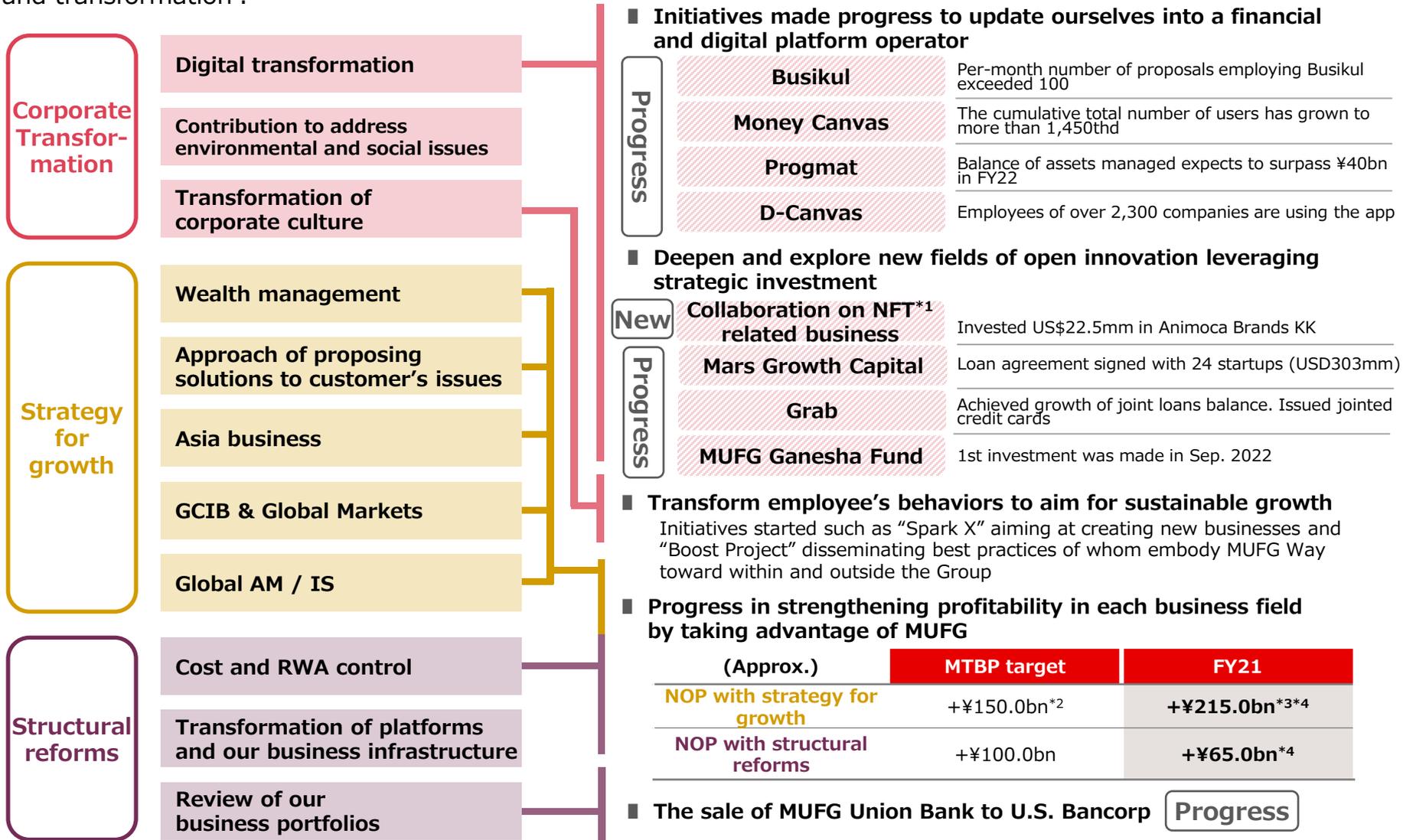
Aggregate amount of repurchase price	Up to ¥150.0bn
Aggregate number of shares to be repurchased	Up to 300mm shares

\*1 On a managerial accounting basis \*2 Considering reversal on MUB transfer \*3 Target as of announcement of the medium-term business plan  
 \*4 On a managerial accounting basis (after adjustment) \*5 Approximately +¥111.5bn \*6 Excluding performance-linked expenses \*7 Estimated RWA on the finalized Base III reforms basis. Includes net unrealized gains on AFS securities \*8 37.0% excluding the impact of net extraordinary losses resulting from one-time amortization of goodwill \*9 Estimation based on profits attributable to owners of parent of ¥1,000.0bn  
 \*10 As for details, please refer to the press release "Notice Regarding Repurchase and Cancellation of Common Stock" dated on November 14, 2022

# Progress on medium-term business plan

## ② key strategies

- Progress smoothly key strategies in medium-term business plan positioned the 3-year term as the “new challenges and transformation”.



\*1 Non-fungible token. Data that is unique, cannot be replaced, and can be transferred using blockchain technology

\*2 For Asia business, the estimated decrease in net operating profits during FY21 by the impact of market conditions, etc. such as the impact of policy rate cut, is not included in the MTBP target of strategy for growth. The growth from FY22 is included

\*3 Exclude losses overseas around (¥30.0bn) \*4 Excluding impact of FX translation

# Progress on medium-term business plan

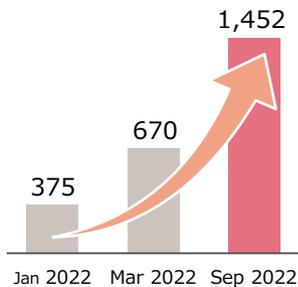
## ② key strategies

### Money Canvas: Asset management platform

Corporate Transformation

- Released functions associated with fractional shares in Jul 2022 and those associated with insurance in Oct 2022, respectively
- Since the release of the website (Dec 2021), the cumulative total number of users has grown to more than 1,450thd

■ No. of users (thd)



- Stock / mutual fund
- Jointly-managed money trust
- Crowd-funding
- Robo-advisor
- Insurance
- Investment using points

### Collaboration on NFT related business: Invests in Animoca Brands KK

Corporate Transformation  
Structural reforms

- In Aug 2022, invested US\$22.5mm in Animoca Brands KK which provides platform developing service utilizing block chain related to Web 3.0 and NFT and aim to create business opportunities.



- Customer network
- Expertise in safe and secure transactions

- Enabling and clarifying the digital ownership of contents
- Knowledge of the NFT marketplace

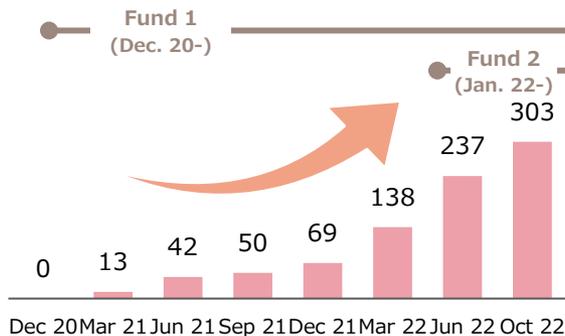
Contribution to the competitiveness of Japanese companies

### Mars Growth Capital: Provide finance to start-ups

Corporate Transformation

- Loan agreement signed with 24 startups
- Considering the further expansion of operations as well as the development of new businesses

■ Trend of net cash investment amount (US\$ mm)\*1



Fund total US\$500mm  
Number of loan application over 700 deals

24 deals closed

IRR\*2 12%

### The sale of MUFG Union Bank to U.S. Bancorp

Structural reforms

October 19, 2022	Obtained all required regulatory approvals
December 1, 2022	Closing of MUFG's sale of MUB to U.S. Bancorp (Expected)

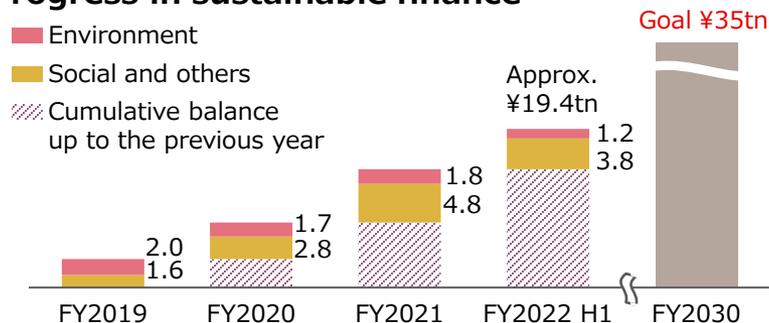
\*1 Aggregate net commitment amount of the transactions considering amortizations during investment period \*2 As of end Jun. 2022

# Approach to sustainability

## Approach to carbon neutrality

- Steady growth in sustainable finance. Communicate to stakeholders around the globe the necessity of supporting transition

### Progress in sustainable finance



### Transition finance

- Assisted ENEOS Holdings, Inc. in the issuance of transition-linked bonds, and JERA Co., Inc., Idemitsu Kosan Co., Ltd. and Mitsubishi Heavy Industries, Ltd. in the issuance of transition bonds as a lead manager and structuring agent

### Progress in decarbonization business

- Support of visualization of GHG emissions with Zeroboard Inc., - Collaborated cases : 251
- Released consulting service for TCFD disclosure
- Provide overseas voluntary carbon credits (Provide information, released a business matching service)

### New Rulemaking & Communicating our view

- Published NZBA Transition Finance Guide (chair of working group)
- Published Asia Transition Finance Guidelines
- Issued MUFG Transition Whitepaper

### Net-zero financed emissions

Next step

- Actual progress on Emission intensity of "Power" and "Oil & Gas" sector
- Interim targets of some sectors in NZBA 9 sectors\*1

"Progress Report" will be published in next spring

### Decarbonization through responsible investment

Disclosure of NZAM interim targets for 2030

- Scope: **55% of assets under management**\*2
- Reduce the volume of GHG emissions associated with them (in terms of economic-based emissions intensity) **by 50% from the 2019 level**

### Enhancing organizational structure (from Oct 2022)



\*1 Power, Oil & gas, coal, commercial and residential real estate, iron and steel, aluminum, cement, transport, agriculture

\*2 Approx. ¥41tn (as of end June 2022)

# Income statement summary

## Income statement

(¥bn)	FY21 H1	FY22 H1	YoY
1 <b>Gross profits</b> (before credit costs for trust accounts)	1,980.8	1 2,323.4	342.5
2 Net interest income	992.4	1,674.0	681.6
3 Trust fees	744.7	772.2	27.4
4 + Net fees and commissions			
Net trading profits	243.6	(122.8)	(366.5)
4 + Net other operating profits			
5 Net gains (losses) on debt securities	70.5	(497.1)	(567.7)
6 <b>G&amp;A expenses</b>	1,343.2	2 1,428.1	84.8
7 <b>Net operating profits</b>	637.5	895.2	257.7
8 <b>Total credit costs</b>	17.9	3 (243.8)	(261.7)
9 <b>Net gains (losses) on equity securities</b>	126.0	76.1	(49.9)
10 Net gains (losses) on sales of equity securities	131.2	131.6	0.3
11 Losses on write-down of equity securities	(5.2)	(55.5)	(50.3)
12 <b>Equity in earnings of equity method investees</b>	218.3	239.2	20.8
13 <b>Other non-recurring gains (losses)</b>	(13.9)	4 (375.7)	(361.8)
14 <b>Ordinary profits</b>	986.0	591.0	(394.9)
15 <b>Net extraordinary gains (losses)</b>	69.9	(57.3)	(127.2)
16 <b>Total of income taxes-current and income taxes-deferred</b>	(225.7)	(260.8)	(35.0)
17 <b>Profits attributable to owners of parent</b>	781.4	5 231.0	(550.3)
18 considering reversal on MUB transfer	781.4	679.2	(102.2)
19 EPS (¥)	60.87	18.50	(42.36)
<Reference>			
20 <b>ROE</b>	10.91%	2.91%*2	(8.00%)
21 <b>Expense ratio</b>	67.8%	2 61.4%	(6.3%)

### 1 Gross profits

- Net interest income increased due to improvement of lending spread as well as an increase of overseas interest income of lending and deposit during the period when interest rates in U.S. rose.
- Treasury recorded ¥490.1bn in gains on investment trusts cancellation (as net interest income) and also recorded ¥(497.1)bn in net losses on debt securities due to portfolio re-balance mainly in foreign bonds considering gains on hedges with derivatives.
- Thus, gross profits increased ¥342.5 bn YoY.

### 2 G&A expenses / Expense Ratio

- G&A expenses excluding the impact of FX translation\*1 decreased YoY.
- Expense ratio decreased to 61.4%.

### 3 Total credit costs

- Credit costs associated with accounting treatment in connection with our decision to sell all shares of MUB (valuation losses on loans held by MUB etc.) was recorded by ¥(231.9)bn.

### 4 Other non-recurring gains (losses)

- Losses associated with accounting treatment in connection with our decision to sell all shares of MUB (valuation losses on bonds held by MUB etc.) was recorded by ¥(331.8)bn.

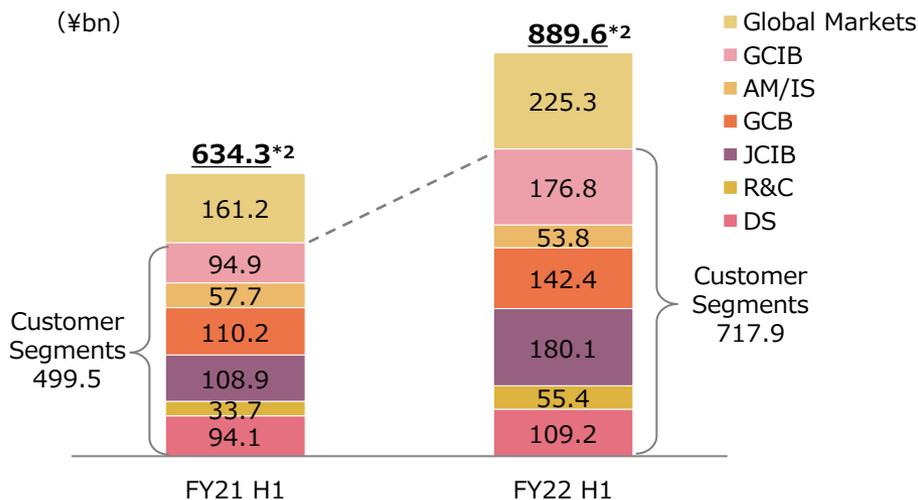
### 5 Profits attributable to owners of parent

- Although profits attributable to owners of parent decreased by ¥(550.3)bn to ¥231.0bn, it is making good progress toward the FY2022 target considering gains of ¥448.1bn that will be recorded as an extraordinary gains upon MUB's transfer.

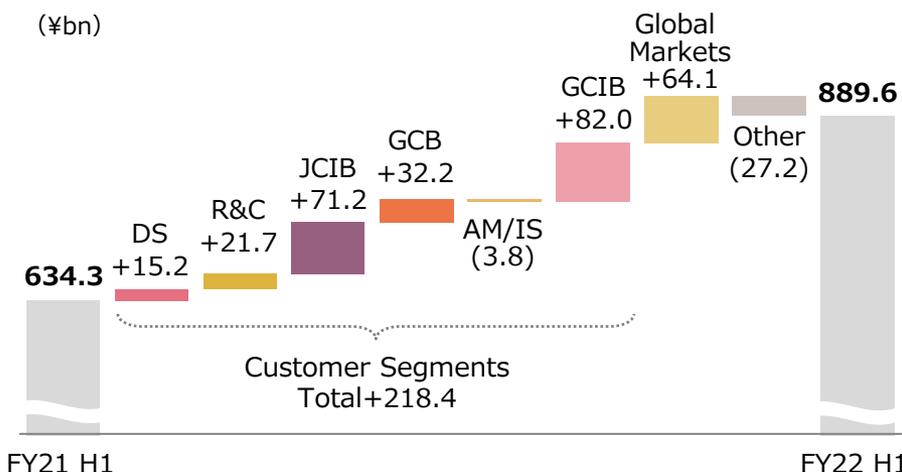
\*1 Impact of FX translation was approximately +¥111.5bn. \*2 ROE considering reversal on MUB transfer was approximately 8.4%.

# Outline of results by business segment①

## Net operating profits by business segment\*1



## Breakdown of changes in net operating profits



## Overview

- DS** Gross profits decreased mainly due to lower domestic exchange fees partially offset by CF\*3 and FX revenue. Profits increased due to a decrease in expense by channel reforms and lower deposit insurance premium.
- R&C** Profits increased due to improving interest margin, earnings on FX and FX derivatives that capture market fluctuations, and earnings on real estate.
- JCIB** Profits increased due to improving interest margin in domestic and foreign interest income, earnings on FX that capture market fluctuations, and earnings on fees related to real estate finance.
- GCB** Profits increased due to higher interest income due to higher policy interest rate in U.S. as well as strong loan revenue in Thailand.
- AM/IS** Despite strong pipeline in Global IS\*4, profits decreased due to lower performance fees in FSI and the impact of stock price declines due to weak market conditions.
- GCB** Profits increased due to higher loan revenue such as project finance etc., and a recovery in flow transactions that capture market fluctuations.
- Global Markets** Customer business increased due to increase in flow transactions that captured market fluctuations and the absence of losses in overseas securities in the previous year. Treasury business decreased due to the absence of net gains on debt securities in the previous year.

\*1 On a managerial accounting basis \*2 Include net operating profit for "Other" segment (FY21 H1: (¥26.4)bn, FY22 H1 : (¥53.6)bn)

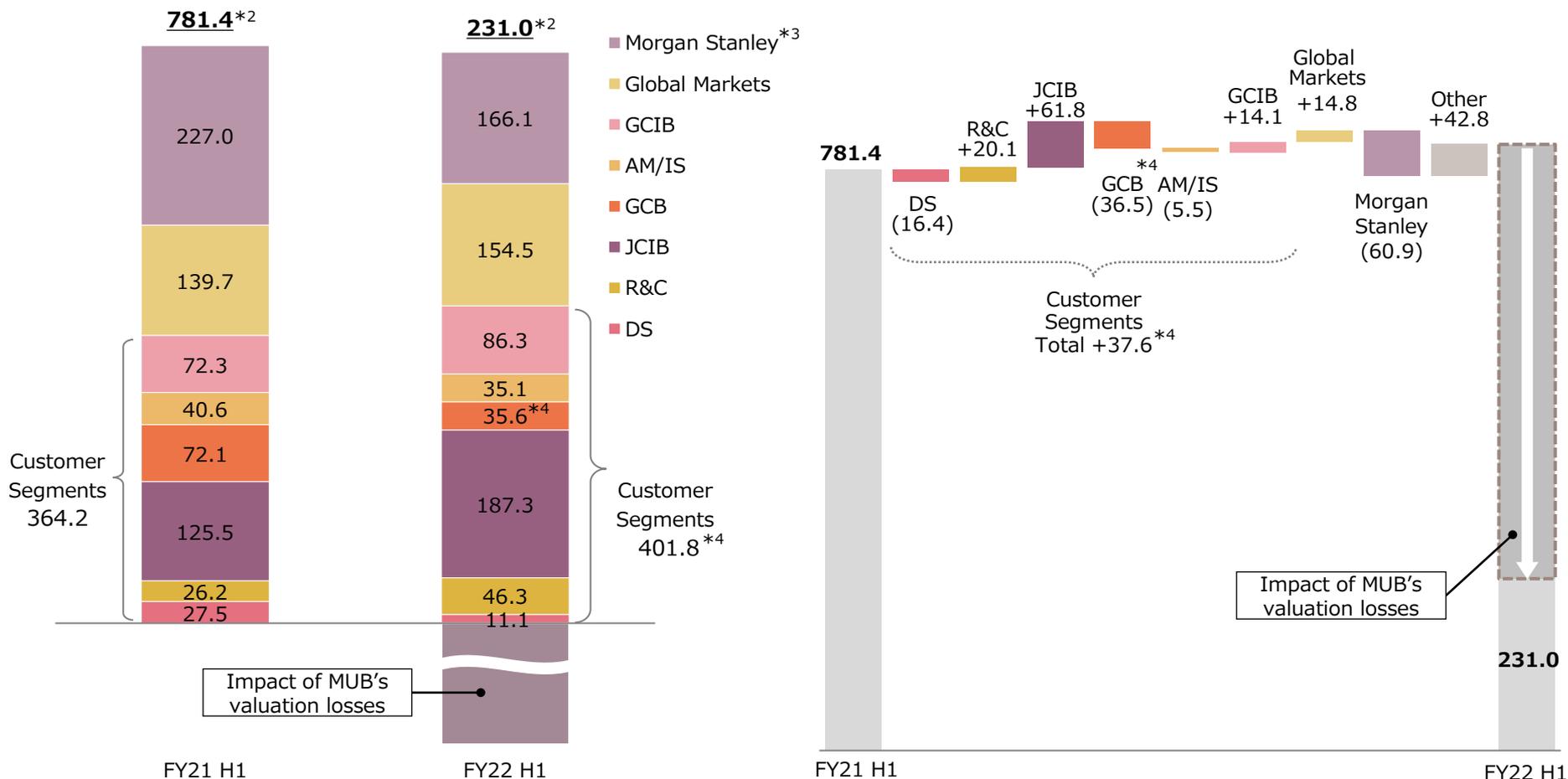
\*3 Consumer Finance \*4 Investor Services

# Outline of results by business segment②

## Net income by business segment\*1

(¥bn)

(¥bn)



\*1 On a managerial accounting basis (preliminary results). Local currency basis

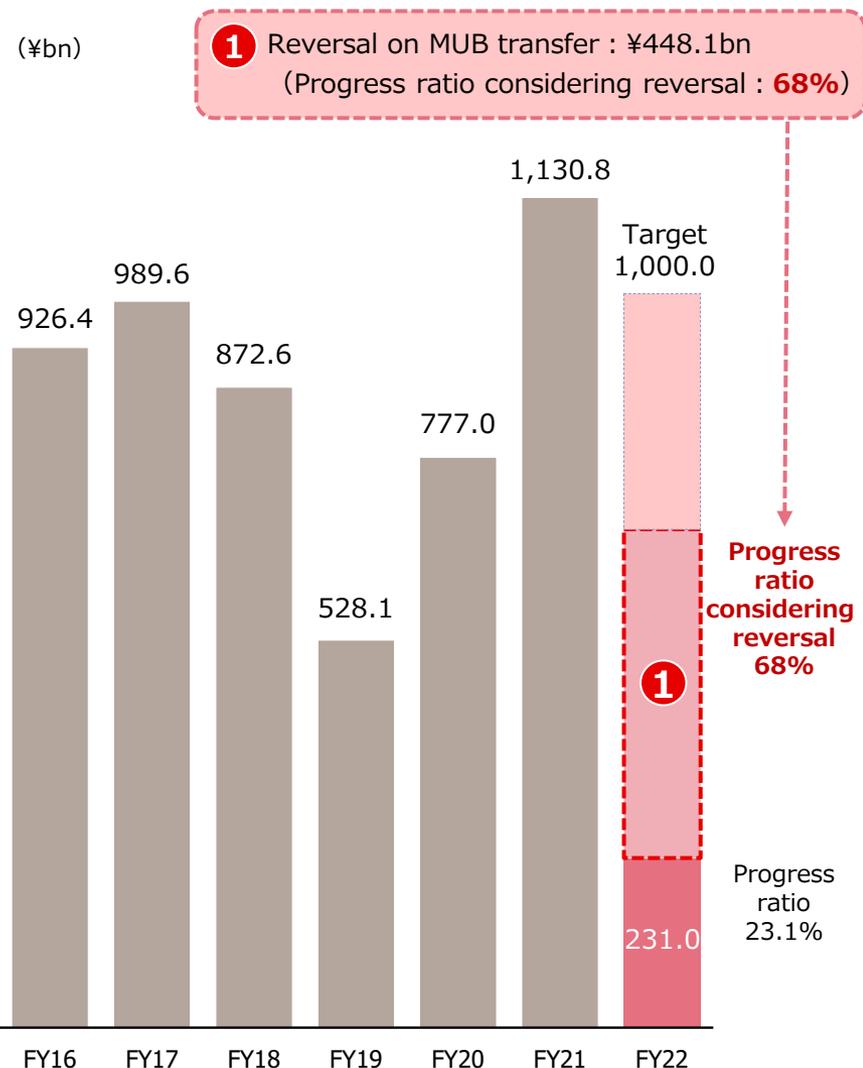
\*2 Include other net income (FY21 H1: ¥50.5bn, FY22 H1 : ¥93.3bn)

\*3 These figures include gains/losses on change in equity (FY21 H1 : ¥36.8bn, FY22 H1 : ¥(23.7)bn)

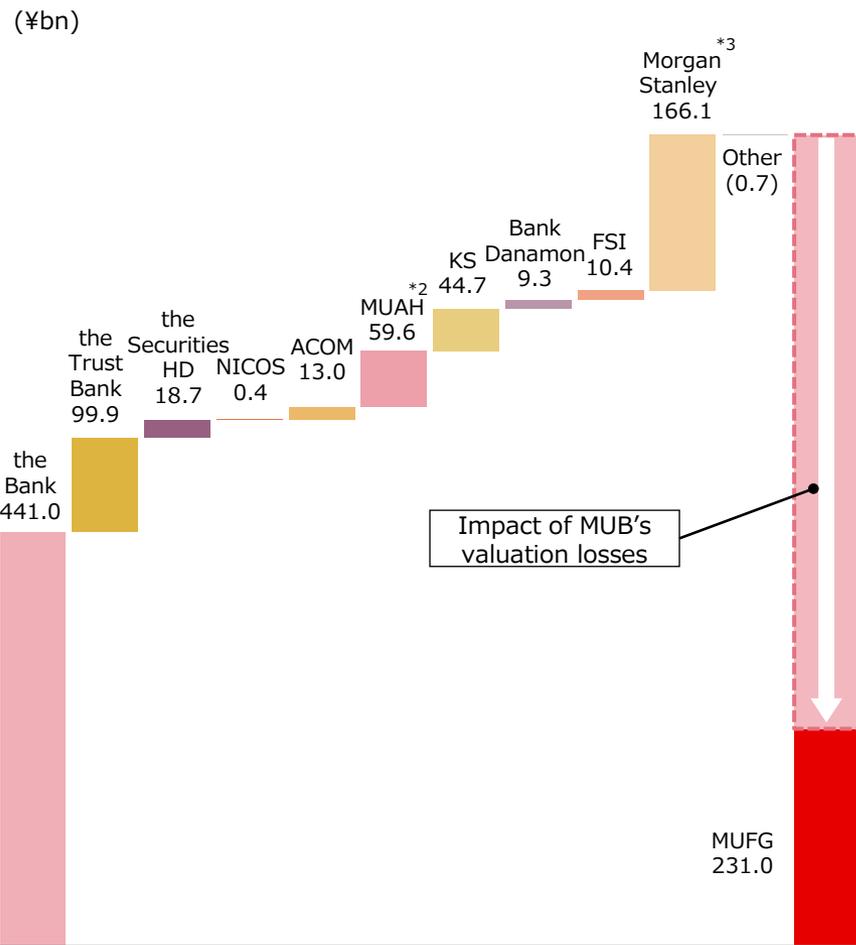
\*4 Exclude the impact of MUB's valuation losses

# Progress ratio of FY22 and breakdown by entity

## History of profits attributable to owners of parent



## Breakdown of profits attributable to owners of parent\*1



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

\*2 Exclude the impact of MUB's valuation losses \*3 The figure includes ¥(23.7)bn of losses on change in equity

# Balance sheet summary

## Balance sheet

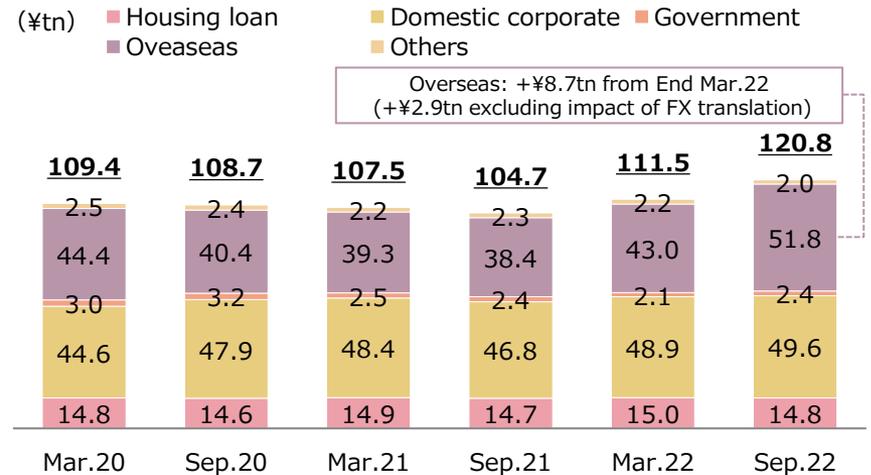
(¥bn)	End Sep.22	Changes from End Mar.22
1 <b>Total assets</b>	391,800.5	18,068.6
2 Loans (Banking + Trust accounts)	120,885.3	9,338.7
3 Loans (Banking accounts)	119,771.1	9,344.9
4 Housing loans <sup>*1</sup>	14,864.3	(206.6)
5 Domestic corporate loans <sup>*1*2</sup>	49,620.9	680.5
6 Overseas loans <sup>*3</sup>	51,843.0	8,743.2
7 Investment securities (Banking accounts)	84,451.5	4,890.9
8 Domestic equity securities	5,070.2	(374.9)
9 Japanese government bonds	36,419.9	3,260.0
10 Foreign bonds	23,730.0	1,464.8
11 <b>Total liabilities</b>	373,949.5	18,205.9
12 Deposits	222,062.6	6,635.3
13 Domestic Individuals <sup>*4</sup>	89,763.2	1,494.3
14 Domestic corporates etc. <sup>*4</sup>	77,936.3	(2,070.5)
15 Overseas and others	54,363.0	7,211.5
16 <b>Total net assets</b>	17,850.9	(137.3)
17 <b>Non-performing loans</b>	1,478.9	7.0
18 <b>NPL ratio</b>	1.09%	(0.09%)
19 <b>Net unrealized gains (losses) on available-for-sale securities</b>	769.3	(1,622.5)

\*1 Non-consolidated + trust accounts \*2 Excluding loans to government and governmental institutions and including foreign currency-denominated loans (Excluding impact of FX translation: ¥(0.1)tn from the end of Mar.22)

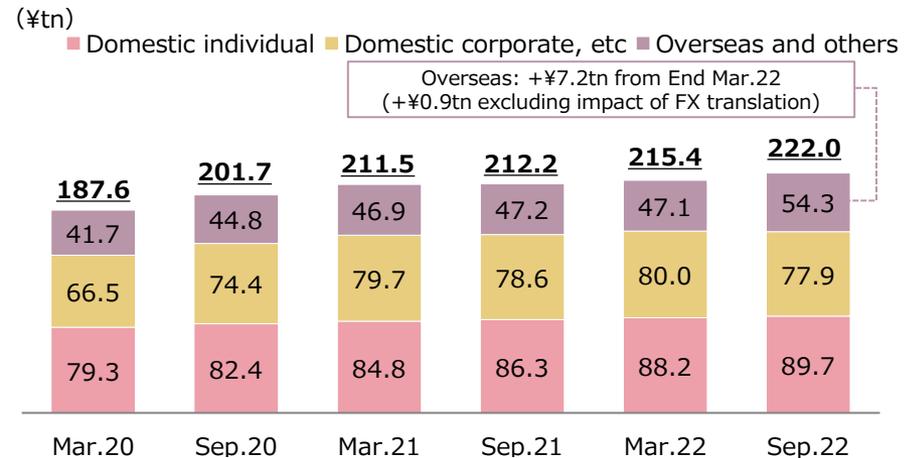
\*3 Loans booked in overseas branches, MUAH, KS, Bank Danamon, the Bank (China), the Bank (Malaysia) and the Bank (Europe)

\*4 Non-consolidated

## Loans (Period end balance)



## Deposits (Period end balance)

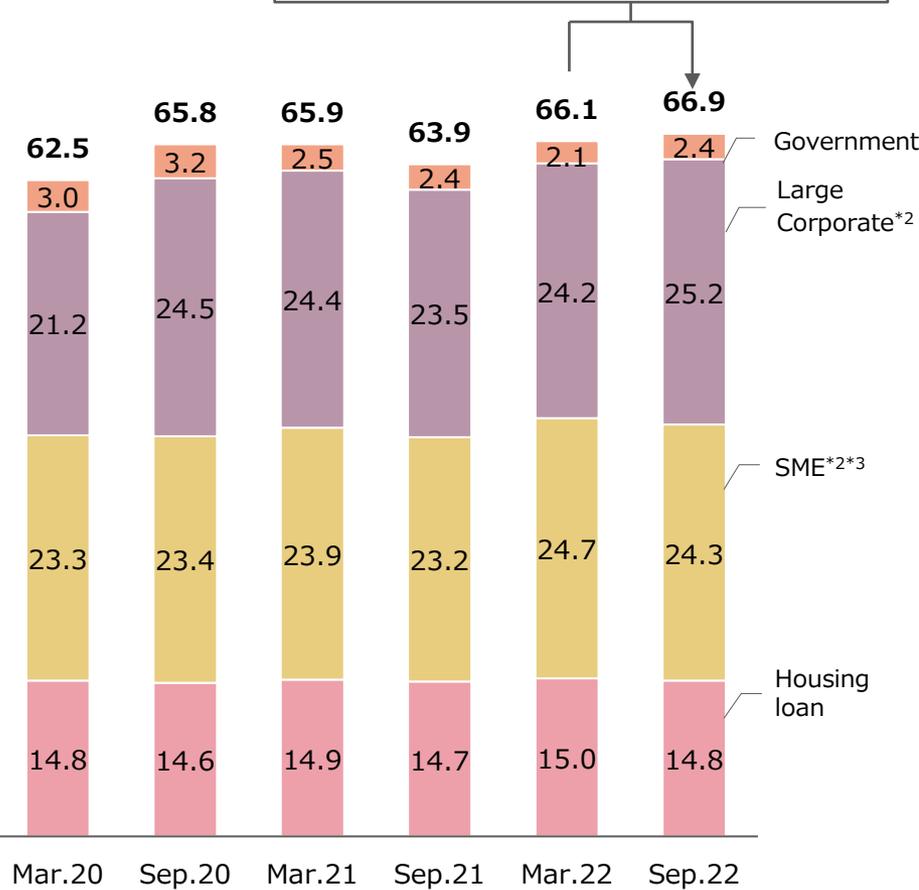


# Domestic loans

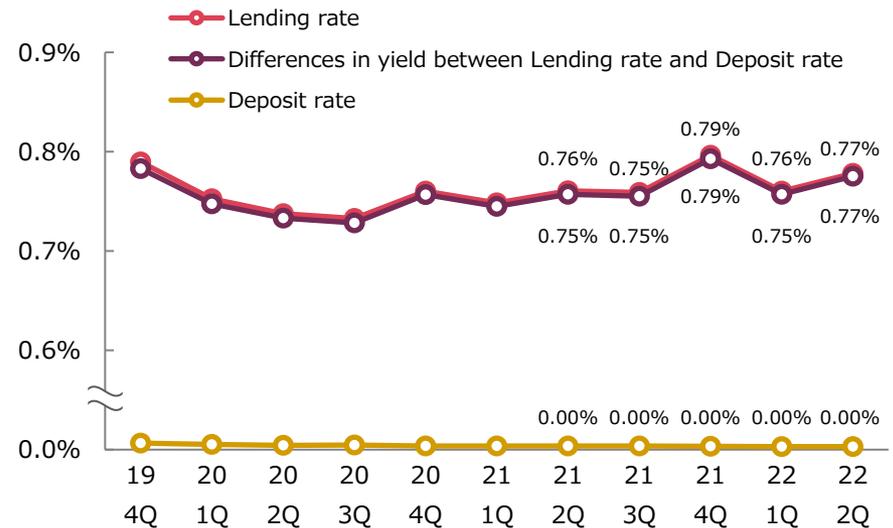
## Loan balance (Period end balance)\*1

(¥tn)

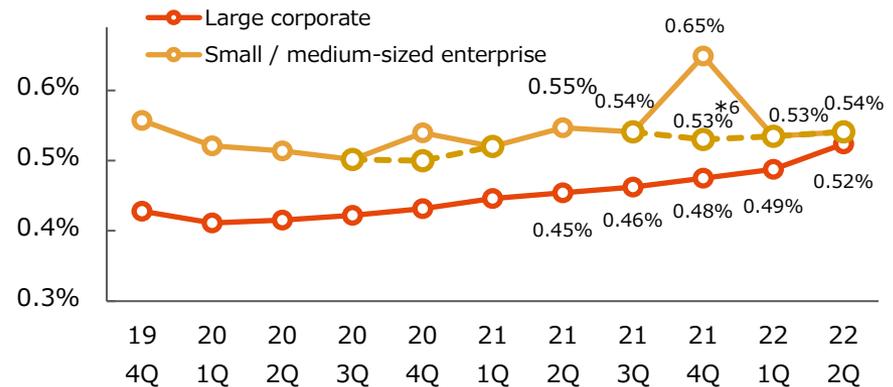
+¥0.8tn from end Mar 2022  
((¥0.0)tn excluding impact of FX fluctuation)



## Changes in domestic deposit / lending rates\*4



## Domestic corporate lending spread\*2 \*4 \*5



\*1 Bank + trust accounts \*2 Including foreign currency-denominated loans

\*3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)

\*4 Excluding loans to government \*5 On a managerial accounting basis. Non-consolidated

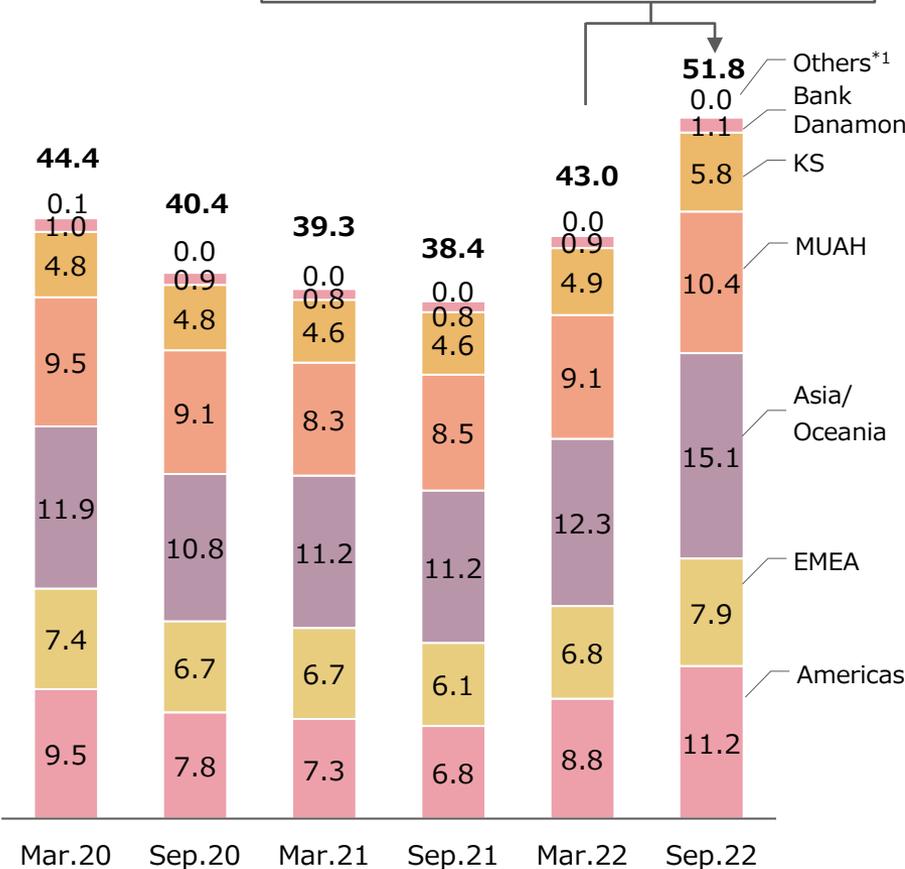
\*6 Excluding impact of the collective recording of interest received at fiscal year-end via subsidized interest payment programs

# Overseas loans

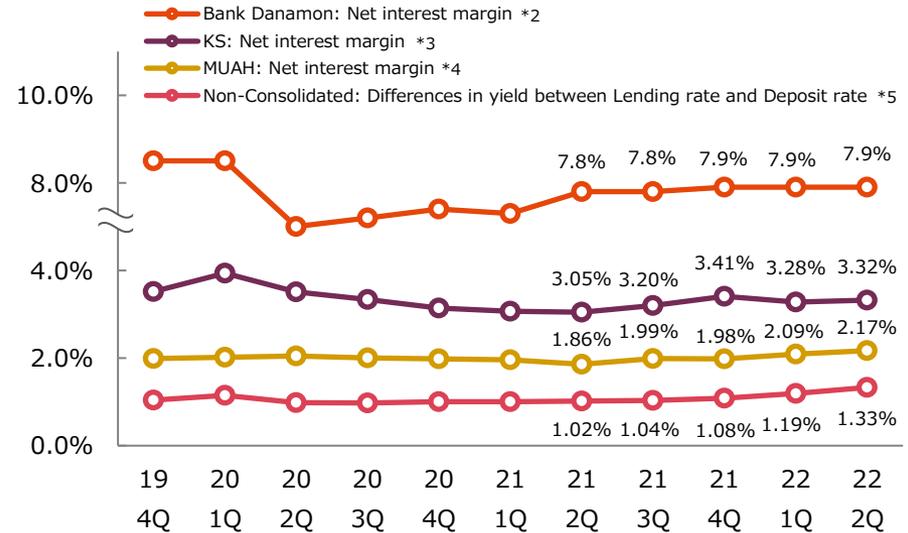
## Loan balance (Period end balance)

(¥tn)

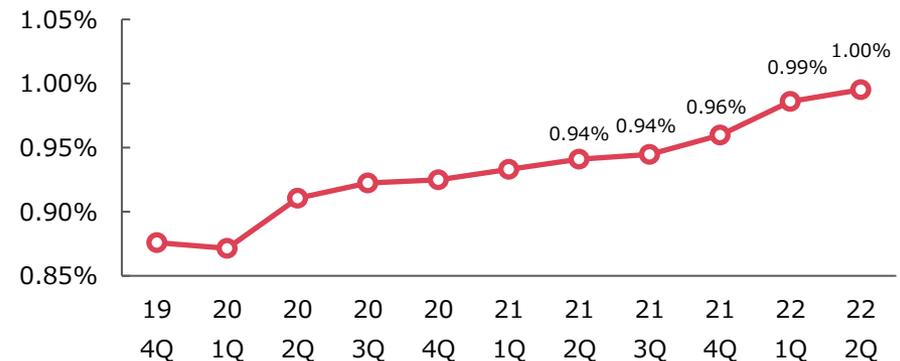
+¥8.7tn from end Mar 2022  
(+¥2.9tn excluding impact of FX fluctuation)



## Changes in overseas deposit / lending rates



## Overseas lending spread\*5



\*1 Loans booked at offshore markets etc. \*2 Financial results as disclosed in Bank Danamon's financial reports based on Indonesia GAAP.

Calculation method modified from FY21 and retroactively applied in this document

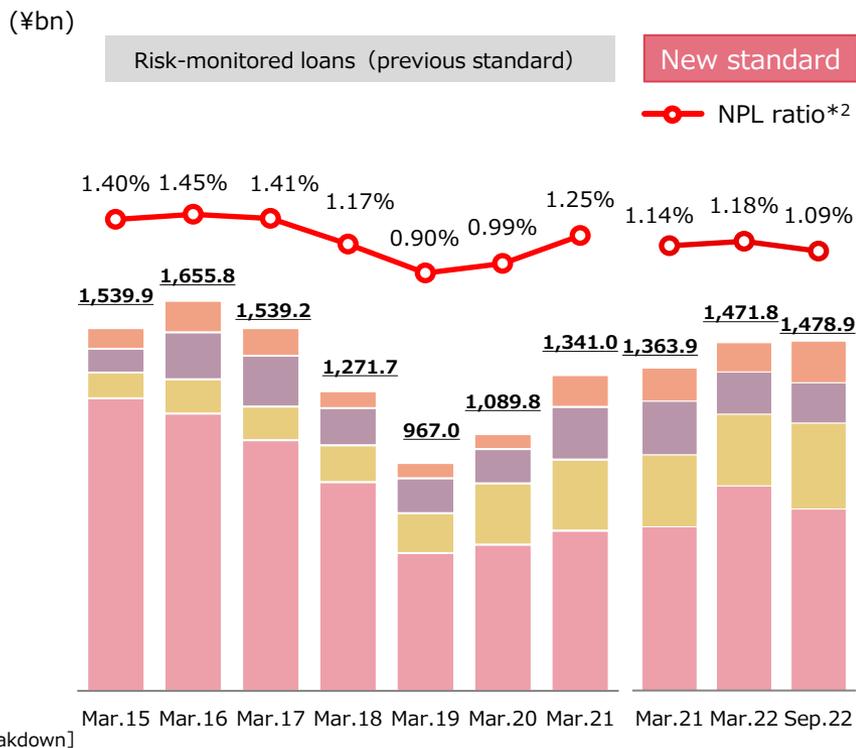
\*3 Financial results as disclosed in KS's financial reports based on Thai GAAP, and starting from January 1, 2020, Thailand adopted TFRS 9

\*4 Financial results based on U.S. GAAP including balance classified as held-for-sale account

\*5 On a managerial accounting basis. Non-consolidated

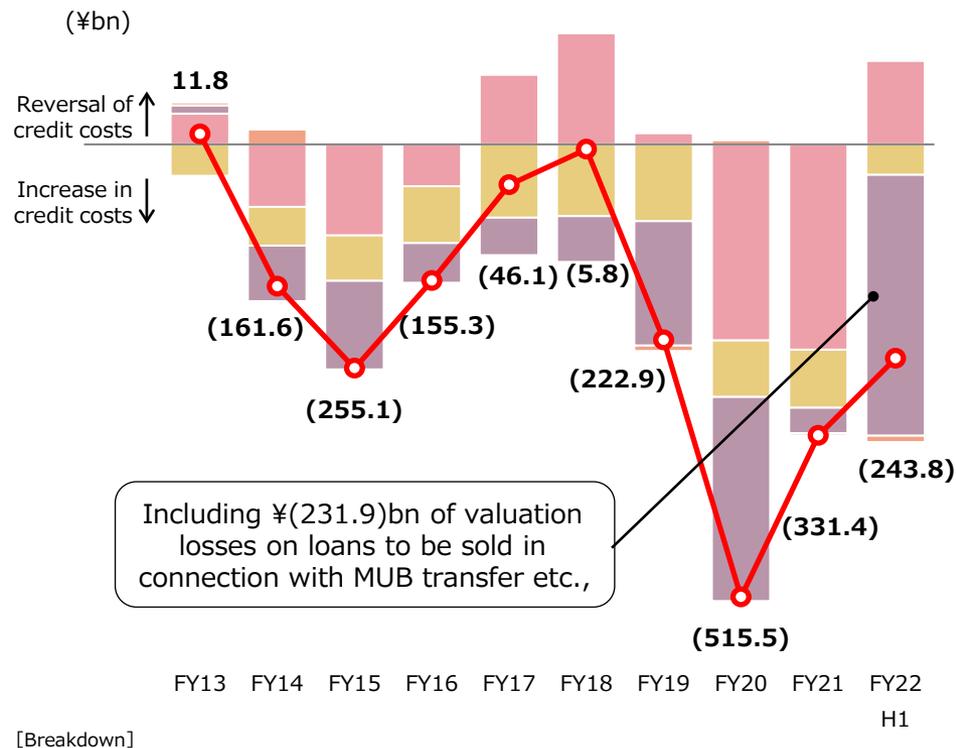
# Loan assets

## Non-performing loans\*1



\*1 Because the definition of risk-monitored loans became the same as the definition of FRA, it is disclosed as loans under the Japanese Banking Act and the FRA. Regions are based on the borrowers' location  
 \*2 Total non-performing loans ÷ Total loans (Previous standard : Total risk-monitored loans ÷ Total loans and bills discounted (banking accounts as of period end))  
 \*3 Sum of NICOS and ACOM on a consolidated basis  
 \*4 Sum of overseas subsidiaries of the Bank and the Trust Bank. It is currently estimated that the total credit costs of the major overseas subsidiaries (which were consolidated based on their financial statements for the fiscal year ended June 30, 2022) for the quarter ended September 30, 2022 will be approx. ¥240bn. The subsidiaries' total credit costs will be reflected in consolidated financial statements for the quarter ending December 31, 2022 \*5 Sum of other subsidiaries and consolidation adjustment

## Total credit costs

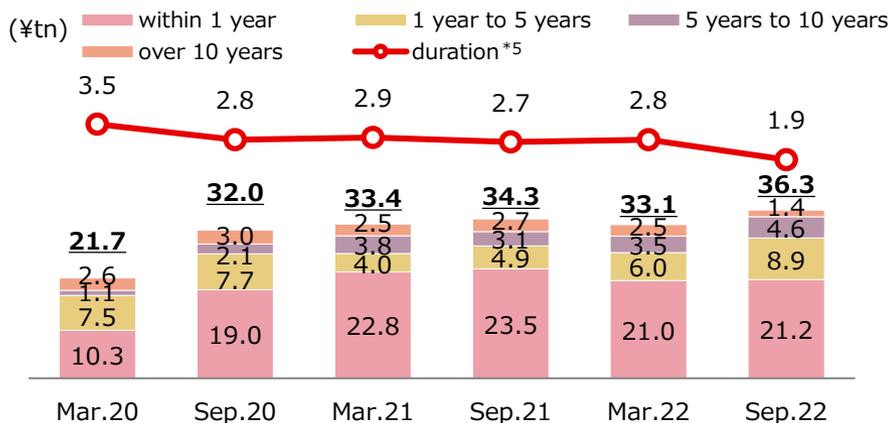


# Investment securities

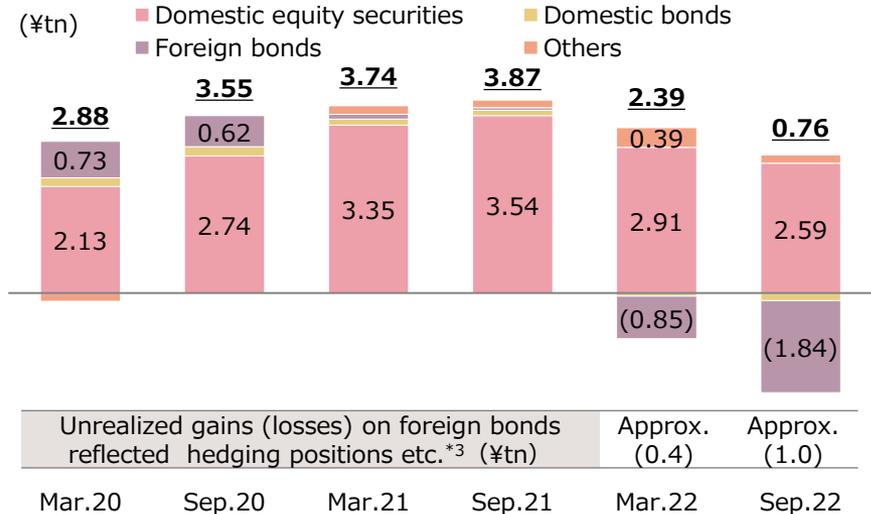
## Available-for-sale securities with fair value\*1

(¥bn)	Balance		Unrealized gains (losses)	
	End Sep.22	Changes from End Mar.22	End Sep.22	Changes from End Mar.22
1 Total	70,792.2	(4,117.4)	769.3	(1,622.5)
2 Domestic equity securities	4,235.7	(377.9)	2,592.4	(321.6)
3 Domestic bonds	36,936.2	(3,497.3)	(154.1)	(92.3)
4 Japanese government bonds	29,194.6	(2,217.2)	(120.0)	(64.6)
5 Others	29,620.2	(242.1)	(1,668.8)	(1,208.4)
6 Foreign equity securities	197.1	(21.4)	25.5	(2.2)
7 Foreign bonds	20,506.6	(1,523.8)	(1,840.9)	(988.0)*2
8 Others	8,916.4	1,303.2	146.5	(218.1)

## Balance of JGB portfolio by maturity\*4



## Unrealized gains (losses) on available-for-sale securities



## Selling amount of equity holdings (Approx.)\*6

(¥bn)	Amount of sale	Acquisition cost basis	Net gains (losses)
FY15-20 Total	1,545.0	870.0	675.0
FY21	470.0	169.0	301.0
FY22 H1	174.0	57.0	117.0
FY21-23 Target		500.0	
Agreed amount*7 (End Sep. 22)	-	201.0	-

\*1 Unrealized gains (losses) excludes ¥(385.2)bn that is reflected in gains (losses) in connection with the agreement to sale all shares of MUB

\*2 Approximately (0.7)tn excluding the impact of FX translation \*3 On a managerial accounting basis

\*4 Available-for-sale securities and held-to-maturity securities. Non-consolidated \*5 Available-for-sale securities. Non-consolidated. Unit : year

\*6 Sum of the Bank and the Trust Bank \*7 Amount planned to be sold until FY23

# Capital adequacy

## Major capital figures

(¥bn)	End Sep.22	Changes from End Mar.22
1 <b>Common Equity Tier 1 capital (CET1)</b>	12,984.2	(839.6)
2 Retained earnings	12,047.9	49.7
3 Other comprehensive income	2,549.2	(15.8)
4 Regulatory adjustments	(3,902.0)	(659.1)
5 <b>Tier 1 capital</b>	14,743.4	(732.8)
6 <b>Total capital</b>	17,234.2	(624.3)
7 <b>Total loss-absorbing capacity (TLAC) available</b>	29,922.6	2,141.7
8 <b>Risk weighted assets (RWA)</b>	132,159.3	7,245.1
9 Credit risk	100,044.5	8,117.3
10 Market risk	6,308.7	1,918.7
11 Operational risk	7,989.6	(0.5)
12 Floor adjustment*1	17,816.3	(2,790.5)
13 <b>Total exposures</b> *2	327,918.4	27,126.0

\*1 Adjustments made for the difference between risk-weighted assets under Basel I and Basel III

\*2 Deposits with the Bank of Japan is excluded in total exposures

\*3 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis

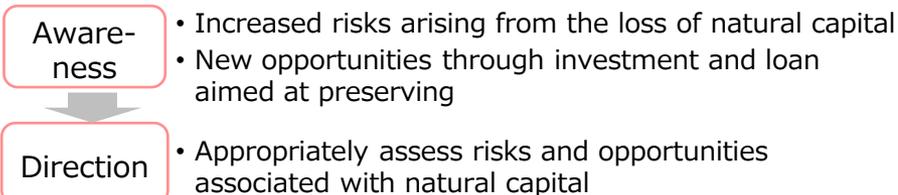
		End Sep.22	Changes from End Mar.22
1 <b>CET1 ratio</b> (Current method basis)	Including net unrealized gains on AFS securities	9.82%	(1.24%)
2	Excluding net unrealized gains on AFS securities	9.4%	(0.0%)
3 <b>CET1 ratio</b> (Finalized Basel III reforms basis*3)	Including net unrealized gains on AFS securities	10.0%	(1.6%)
4	Excluding net unrealized gains on AFS securities Target range 9.5%-10.0%	9.9%	(0.4%)
5 <b>Tier1 ratio</b>		11.15%	(1.23%)
6 <b>Total capital ratio</b>		13.04%	(1.25%)
7 <b>Leverage Ratio</b>		4.49%	(0.64%)
8 <b>External TLAC ratio</b>	Risk weighted asset basis	18.63%	0.40%
9	Total exposure basis*2	9.12%	(0.11%)

# Appendix. Approach to natural capital & human capital

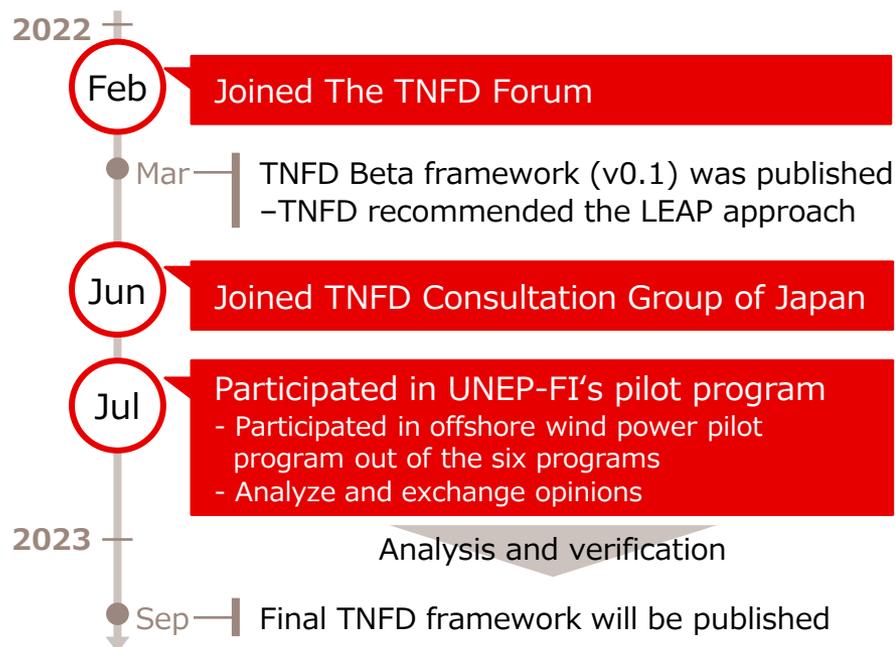
## Approach to natural capital & biodiversity

Initiated risk assessment of natural capital for TNFD\*1 disclosure from 2023 onward

### MUFG's awareness and direction



### Process for TNFD disclosure



## Approach to human capital investment

### Nurturing professionals/reskilling

Supporting "Growth & challenges "and "Own career development"

Results	FY2021 H2	FY2022 H1
Job Challenge applicants	1,240	1,429
Ratio of successful applicants (in total)	25%	32% (forecast)

A forward-looking approach to investment in officers and employees in anticipation of changes in the business environment

Results	FY2021	FY2022H1	FY2022 (Plan)
Training & Development*2	¥3.1bn	-	¥3.51bn
Mid-career hires (ratio of mid-career hires)	169 (22.4%)	191 (-)	338 (35.8%)

### Inclusion & Diversity

Result	Mar 2022	Oct 2022	Target
Ratio of women in management*3	18%	19%	20.0% by end Mar 2024



\*1 Taskforce on Nature-related Financial Disclosures \*2 Focused on enhancing "digital" and "global" capabilities

\*3 Ratio of mid-career hires to total number of new graduates and mid-career hires excluding promotion of temporary employees

\*4 Assist female managers in their efforts to resolve issues confronting them in the course of career development assigning executives as mentors

# Appendix. Valuation losses on bonds and other instruments held by MUB

## Fair value assessments of and accounting treatment applied to assets held by MUB

- Valuation losses totaling ¥631.8bn\*<sup>1</sup> on MUB's holding of bonds and other instruments were recorded in the first half of FY22. However, we have countered these losses through hedging and partially offset them by ¥68.0bn.
- As valuation losses have been increasing due to interest rate hikes since the end of June 2022, MUFG will record additional losses in 1-3Q (totaling approx. ¥1,040.0bn before considering hedging impact).
- Among these valuation losses, **1** tax effect of available-for-sale securities, **2** held-to-maturity securities, etc., and **3** loans will be recorded as an extraordinary gains\*<sup>2</sup> upon MUB's transfer.
- Valuation losses that will not be reversed have been countered through hedging\*<sup>3</sup>. MUFG thus forecasts that the impact on its full-year results of profits attributable to owners of parent will amount to approx. ¥(200.0)bn\*<sup>4</sup>.
- Although it has an impact on credit costs and ordinary profits, the full-year results has been included in the financial targets, therefore FY22 target for profits attributable to owners of parent of ¥1tn remains unchanged.

(¥bn)	Account	Impact on H1	Reversal on MUB transfer	Impact on 1-3Q (est, approx)	Reversal on MUB transfer* <sup>5</sup>	Impact on FY22 (est, approx)	Accounting treatment
<b>1</b>	<b>Available-for-sale securities</b>	Other non-recurring gains (losses)	(249.0)	65.2	(330.0)	90.0	<ul style="list-style-type: none"> <li>Valuation losses are reflected in income statement on a quarterly basis</li> <li>Tax effect will be recorded as an extraordinary gains on MUB transfer</li> </ul>
<b>2</b>	<b>Held-to-maturity bond, etc.</b>	Other non-recurring gains (losses)	(150.8)	150.8	(270.0)	270.0	<div style="border: 1px dashed gray; padding: 5px; display: inline-block;">Offset by extraordinary gains</div> <ul style="list-style-type: none"> <li>Valuation losses are reflected in income statement on a quarterly basis</li> <li>Full amount will be recorded as an extraordinary gains on MUB transfer</li> </ul>
<b>3</b>	<b>Loans</b>	Total credit costs	(231.9)	231.9	(440.0)	440.0	
<b>Subtotal</b>			<b>(631.8)</b>	<b>448.1</b>	<b>(1,040.0)</b>	<b>800.0</b>	
<b>4</b>	<b>Hedging effect</b>	Other non-recurring gains (losses)	68.0				
<b>Impact on MUFG PL</b>			<b>(563.8)</b>			<b>(200.0)</b>	

\*1 US\$1 = ¥136.68 for FY22 H1, US\$1 = ¥144.81 for FY22 1-3Q \*2 It is expected to be recorded as net extraordinary gains on MUB transfer mainly due to reduction of the book value of the assets to be sold by valuation losses \*3 Although a portion of risks cannot be hedged, the impact is expected to be kept up to several tens of billion yen of losses \*4 Based on the assumed exchange rate of US\$1 = ¥144.81; the figure may fluctuate in line with the exchange rates \*5 The amount of reversal is estimated as of now (approx.)

# Disclaimer

This document contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the company and/or the group as a whole (the “forward-looking statements”). The forward-looking statements are made based upon, among other things, the company’s current estimations, perceptions and evaluations. In addition, in order for the company to adopt such estimations, forecasts, targets and plans regarding future events, certain assumptions have been made. Accordingly, due to various risks and uncertainties, the statements and assumptions are inherently not guarantees of future performance, may be considered differently from alternative perspectives and may result in material differences from the actual result. For the main factors that may affect the current forecasts, please see Consolidated Summary Report, Annual Securities Report, Disclosure Book, Annual Report, and other current disclosures that the company has announced.

The financial information included in this financial highlights is prepared and presented in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”). Differences exist between Japanese GAAP and the accounting principles generally accepted in the United States (“U.S. GAAP”) in certain material respects. Such differences have resulted in the past, and are expected to continue to result for this period and future periods, in amounts for certain financial statement line items under U.S. GAAP to differ significantly from the amounts under Japanese GAAP. For example, differences in consolidation basis or accounting for business combinations, including but not limited to amortization and impairment of goodwill, could result in significant differences in our reported financial results between Japanese GAAP and U.S. GAAP. Readers should consult their own professional advisors for an understanding of the differences between Japanese GAAP and U.S. GAAP and how those differences might affect our reported financial results. We will publish U.S. GAAP financial results in a separate disclosure document when such information becomes available.

## Definitions of figures and abbreviations used in this document

Consolidated	: Mitsubishi UFJ Financial Group (consolidated)	the Bank	: MUFG Bank
Non-consolidated	: MUFG Bank (non-consolidated) + Mitsubishi UFJ Trust and Banking (non-consolidated) (without any adjustments)	the Trust Bank	: Mitsubishi UFJ Trust and Banking
DS	: Digital Service Business Group	the Securities HD	: Mitsubishi UFJ Securities Holdings
R&C	: Retail & Commercial Banking Business Group	NICOS	: Mitsubishi UFJ NICOS
JCIB	: Japanese Corporate & Investment Banking Business Group	MUAH	: MUFG Americas Holdings
GCB	: Global Commercial Banking Business Group	MUB	: MUFG Union Bank
AM/IS	: Asset Management & Investor Services Business Group	KS	: Bank of Ayudhya (Krungsri)
GCIB	: Global Corporate & Investment Banking Business Group	FSI	: First Sentier Investors
Global Markets	: Global Markets Business Group		

$$\text{ROE} = \frac{\text{Profits attributable to owners of parent for H1 of respective fiscal year} \times 2}{\{( \text{Total shareholders' equity at the beginning of the period} + \text{Foreign currency translation adjustments at the beginning of the period} ) + ( \text{Total shareholders' equity at the end of the period} + \text{Foreign currency translation adjustments at the end of the period} )\} \div 2}$$