

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	December 31,2016		September 30,2016	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Common Equity Tier 1 capital: instruments and reserves (1)					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	12,191,737		12,003,217	
1a	of which: capital and capital surplus	3,566,128		3,566,146	
2	of which: retained earnings	9,139,018		8,965,050	
1c	of which: treasury stock (-)	513,408		405,538	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	-		122,440	
	of which: other than above	-		-	
1b	Subscription rights to common shares	391		6,405	
3	Accumulated other comprehensive income and other disclosed reserves	1,483,428	988,952	1,695,622	1,130,414
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	157,084		144,662	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	76,268		83,557	
	of which: common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	76,268		83,557	
6	Common Equity Tier 1 capital: instruments and reserves (A)	13,908,909		13,933,465	
Common Equity Tier 1 capital: regulatory adjustments (2)					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	642,107	428,071	635,076	423,384
8	of which: goodwill (including those equivalent)	239,336	159,557	236,356	157,570
9	of which: other intangibles other than goodwill and mortgage servicing rights	402,771	268,514	398,719	265,813
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	621	414	802	535
11	Deferred gains or losses on derivatives under hedge accounting	158,757	105,838	270,318	180,212
12	Shortfall of eligible provisions to expected losses	-	-	-	-
13	Securitisation gain on sale	8,529	5,686	8,479	5,652
14	Gains and losses due to changes in own credit risk on fair valued liabilities	494	329	576	384
15	Net defined benefit assets	181,703	121,135	174,374	116,249
16	Investments in own shares (excluding those reported in the Net assets section)	10,402	6,935	4,374	2,916
17	Reciprocal cross-holdings in common equity	-	-	-	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-	-	-
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of financials	-	-	-	-
20	of which: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
22	Amount exceeding the 15% threshold on specified items	-	-	-	-
23	of which: significant investments in the common stock of financials	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	1,002,617		1,094,002	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	12,906,292		12,839,463	

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	December 31,2016		September 30,2016		
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements	
Additional Tier 1 capital: instruments (3)						
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards	-		-	
	31b	Subscription rights to Additional Tier 1 instruments	-		-	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	949,500		550,000	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-	
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	164,606		156,862		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	828,456		837,523		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	828,267		837,334		
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	189		189		
	Total of items included in Additional Tier 1 capital: instruments subject to transitional arrangements	(13,111)		3,647		
	of which: foreign currency translation adjustments	(13,111)		3,647		
36	Additional Tier 1 capital: instruments (D)	1,929,451		1,548,033		
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own Additional Tier 1 instruments	317	211	-	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	-	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	-	-	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	11,735	7,823	11,875	7,917	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	172,192		170,088		
	of which: goodwill (net of related tax liability)	94,756		93,233		
	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	71,749		71,202		
	of which: securitisation gain on sale	5,686		5,652		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-		
43	Additional Tier 1 capital: regulatory adjustments (E)	184,244		181,964		
Additional Tier 1 capital						
44	Additional Tier 1 capital ((D)-(E)) (F)	1,745,206		1,366,069		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	14,651,498		14,205,532		

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	December 31,2016		September 30,2016	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Tier 2 capital: instruments and provisions (4)					
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards	-		-	
	Subscription rights to Tier 2 instruments	-		-	
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	755,792		757,674	
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-	
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	75,647		70,893	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,414,245		1,440,235	
47	of which: instruments issued by bank holding companies and their special purpose vehicles	-		-	
49	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	1,414,245		1,440,235	
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	344,539		366,377	
50a	of which: provision for general allowance for credit losses	180,779		185,084	
50b	of which: eligible provisions	163,759		181,293	
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	620,748		660,385	
	of which: amounts equivalent to 45% of unrealized gains on other securities	568,564		621,968	
	of which: deferred gains or losses on derivatives under hedge accounting	(1,542)		(15,397)	
	of which: amounts equivalent to 45% of land revaluation excess	53,727		53,814	
51	Tier 2 capital: instruments and provisions (H)	3,210,972		3,295,565	
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	7,224	4,816	4,383	2,922
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	-	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	-	-	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	890	593	297	198
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	72,509		72,045	
	of which: goodwill (net of related tax liability, including those equivalent)	64,801		64,337	
	of which: significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	7,708		7,708	
57	Tier 2 capital: regulatory adjustments (I)	80,625		76,726	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	3,130,347		3,218,839	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	17,781,846		17,424,372	

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	December 31, 2016		September 30, 2016	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Risk weighted assets (5)					
	Total of items included in risk weighted assets subject to transitional arrangements	322,188		315,627	
	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	196,764		194,611	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	414		535	
	of which: net defined benefit assets	121,135		116,249	
	of which: investments in own shares (excluding those reported in the Net assets section)	3,374		3,741	
	of which: significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	499		490	
60	Risk weighted assets (L)	114,991,015		105,206,221	
Capital ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	11.22%		12.20%	
62	Tier 1 capital ratio (consolidated)((G)/(L))	12.74%		13.50%	
63	Total capital ratio (consolidated)((K)/(L))	15.46%		16.56%	
Regulatory adjustments (6)					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	930,892		719,948	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	931,519		846,193	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	1,400		1,304	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	51,908		42,381	
Provisions included in Tier 2 capital: instruments and provisions (7)					
76	Provisions (general allowance for credit losses)	180,779		185,084	
77	Cap on inclusion of provisions (general allowance for credit losses)	262,808		265,859	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	163,759		181,293	
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	387,558		364,509	
Capital instruments subject to transitional arrangements (8)					
82	Current cap on AT1 instruments subject to phase out arrangements	994,518		994,518	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		-	
84	Current cap on T2 instruments subject to transitional arrangements	1,589,984		1,589,984	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		-	

※1 Capital instruments, approved by the commissioner of Japanese Financial Services Agency, subject to the provision to Paragraph 12 of Article 8 of the notification of Japanese Financial Services Agency No. 20, 2006, hereinafter referred to as the "FSA Consolidated Capital Adequacy Notification", are excluded from the calculation of figures stipulated in Paragraph 8 of Article 8, 9-1, and 10-1 of FSA Consolidated Capital Adequacy Notification, for 10 years from March 31, 2013 to March 30, 2023. The approved amount will decrease by 20% each year from March 31, 2019. The amount approved at the end of December, 2016 is 1,291,946 million yen.