

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	September 30,2018	June 30,2018
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	13,196,671	13,002,436
1a	of which: capital and capital surplus	3,286,668	3,338,265
2	of which: retained earnings	10,581,941	10,245,686
1c	of which: treasury stock (-)	527,623	581,374
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	144,314	140
	of which: other than above	-	-
1b	Subscription rights to common shares	189	189
3	Accumulated other comprehensive income and other disclosed reserves	2,945,472	2,775,603
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	183,777	177,601
6	Common Equity Tier 1 capital: instruments and reserves (A)	16,326,110	15,955,831
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)	1,258,672	1,097,061
8	of which: goodwill (including those equivalent)	552,313	401,064
9	of which: other intangibles other than goodwill and mortgage servicing rights	706,359	695,997
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,619	1,867
11	Deferred gains or losses on derivatives under hedge accounting	△ 62,478	6,218
12	Shortfall of eligible provisions to expected losses	-	-
13	Securitisation gain on sale	14,810	14,725
14	Gains and losses due to changes in own credit risk on fair valued liabilities	1,144	1,063
15	Net defined benefit assets	650,798	637,208
16	Investments in own shares (excluding those reported in the Net assets section)	15,355	9,678
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)	1,879,923	1,767,822
Common Equity Tier 1 capital (CET1)			
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	14,446,186	14,188,008

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	September 30,2018	June 30,2018	
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	1,270,000	1,270,000
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent	-	-
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	159,330	155,768	
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	552,189	552,189	
33	of which: instruments issued by bank holding companies and their special purpose vehicles	552,000	552,000	
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	189	189	
36	Additional Tier 1 capital: instruments (D)	1,981,519	1,977,957	
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments	-	12,314	
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)	611	616	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	
43	Additional Tier 1 capital: regulatory adjustments (E)	611	12,931	
Additional Tier 1 capital				
44	Additional Tier 1 capital ((D)-(E)) (F)	1,980,907	1,965,026	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	16,427,094	16,153,035	

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	September 30,2018	June 30,2018
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	1,548,500	1,538,500
	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)	80,487	77,870
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	695,013	737,767
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)	695,013	737,767
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	283,262	326,795
50a	of which: provision for general allowance for credit losses	218,805	221,281
50b	of which: eligible provisions	64,457	105,513
51	Tier 2 capital: instruments and provisions (H)	2,607,263	2,680,933
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	22,774	12,944
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)	339	737
57	Tier 2 capital: regulatory adjustments (I)	23,114	13,681
Tier 2 capital (T2)			
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,584,149	2,667,251
Total capital (TC = T1 + T2)			
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	19,011,243	18,820,286

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	September 30,2018	June 30,2018
Risk weighted assets (5)			
60	Risk weighted assets (L)	120,127,129	114,714,694
Capital ratio (consolidated)			
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	12.02%	12.36%
62	Tier 1 capital ratio (consolidated)((G)/(L))	13.67%	14.08%
63	Total capital ratio (consolidated)((K)/(L))	15.82%	16.40%
Regulatory adjustments (6)			
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	921,478	872,603
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	1,133,320	1,079,474
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	16,345	11,169
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	87,128	96,465
Provisions included in Tier 2 capital: instruments and provisions (7)			
76	Provisions (general allowance for credit losses)	218,805	221,281
77	Cap on inclusion of provisions (general allowance for credit losses)	309,894	300,103
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")	64,457	105,513
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	360,497	362,037
Capital instruments subject to transitional arrangements (8)			
82	Current cap on AT1 instruments subject to phase out arrangements	663,012	663,012
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	1,059,989	1,059,989
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 September, 2018 is 1,481,365 million yen.