

# **Semi-annual Securities Report**

“Hanki Hokokusho”

(Excerpt)

for the six-month period ended September 30, 2011

**The Bank of Tokyo-Mitsubishi UFJ, Ltd.**

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| [Company Name]                          | Kabushiki-Kaisha Mitsubishi Tokyo UFJ Ginko                              |
| [Company Name in English]               | The Bank of Tokyo-Mitsubishi UFJ, Ltd.                                   |
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## I. Overview of the Company

### 1. Key Financial Data and Trends

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

(Millions of yen, unless otherwise stated)

|  | Semi-annual<br>Period of Fiscal<br>2009           | Semi-annual<br>Period of Fiscal<br>2010           | Semi-annual<br>Period of Fiscal<br>2011           | Fiscal 2009                                   | Fiscal 2010                                   |
|--|---|---|---|---|---|
|  | From April 1,<br>2009<br>to September 30,<br>2009 | From April 1,<br>2010<br>to September 30,<br>2010 | From April 1,<br>2011<br>to September 30,<br>2011 | From April 1,<br>2009<br>to March 31,<br>2010 | From April 1,<br>2010<br>to March 31,<br>2011 |
| Consolidated ordinary income   | 1,811,156   | 1,655,514   | 1,714,655   | 3,515,787                                     | 3,209,835                                     |
| Consolidated ordinary profit   | 142,185   | 481,546   | 536,570   | 458,286                                       | 849,766                                       |
| Semi-annual consolidated net income  | 122,722   | 323,653   | 325,944   | -   | -   |
| Consolidated net income  | -   | -   | -   | 362,886                                       | 719,795                                       |
| Semi-annual consolidated comprehensive income  | -   | 232,443   | 346,696   | -   | -   |
| Consolidated comprehensive income  | -   | -   | -   | -   | 390,207                                       |
| Consolidated total equity  | 8,011,306   | 9,097,354   | 8,960,552   | 9,300,572                                     | 8,907,445                                     |
| Consolidated total assets  | 162,792,534                                       | 161,534,721                                       | 169,385,245                                       | 165,095,177                                   | 163,123,183                                   |
| Total equity per share (yen)   | 530.98  | 579.63  | 594.16  | 574.78  | 579.24  |
| Semi-annual net income per common share (yen)  | 10.21   | 25.47   | 25.65   | -   | -   |
| Net income per common share (yen)  | -   | -   | -   | 30.16   | 56.78   |
| Diluted semi-annual net income per common share (yen)                                | 10.21   | 25.47   | 25.65   | -   | -   |
| Diluted net income per common share (yen)  | -   | -   | -   | 30.16   | -   |
| Capital ratio (%)  | 3.93  | 4.68  | 4.57  | 4.69  | 4.63  |
| Consolidated risk-adjusted capital ratio (under uniform international standards; %)  | 13.72   | 15.77   | 16.90   | 15.54   | 15.82   |
| Net cash provided by operating activities  | 7,196,992   | 7,390,475   | 2,732,270   | 13,339,631                                    | 7,875,448                                     |
| Net cash used in investing activities  | (6,929,720)                                       | (6,882,833)                                       | (2,279,009)                                       | (14,168,589)                                  | (7,043,348)                                   |
| Net cash provided by (used in) financing activities                                  | 105,730   | (839,413)   | (510,741)   | 1,006,620                                     | (984,100)                                     |
| Cash and cash equivalents at end of semi-annual period                               | 3,700,118   | 3,069,090   | 3,117,382   | -   | -   |
| Cash and cash equivalents at end of period   | -   | -   | -   | 3,449,274                                     | 3,171,595                                     |
| Number of employees<br>[Besides the above, average number<br>of temporary employees] | 57,697<br>[27,100]                                | 56,223<br>[23,500]                                | 57,568<br>[21,200]                                | 55,549<br>[25,300]                            | 56,812<br>[22,900]                            |

(Notes) 1. National and local consumption taxes of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank") and its domestic consolidated subsidiaries are accounted for using the tax-excluded method.

2. The basis of calculation of Per Share Information is described in "19. Per share information" under the following "Notes to Semi-annual Consolidated Financial Statements" of "Semi-annual Consolidated Financial Statements."

3. Diluted net income per common share was not stated for fiscal 2010 due to the absence of dilution effect despite existence of residual securities.
4. Capital ratio is calculated by dividing (“total equity at the end of period” - “subscription rights to shares at the end of period” - “minority interests at the end of period”) by “total assets at the end of period.”
5. The consolidated risk-adjusted capital ratio is calculated according to the formula specified in the Financial Services Agency Notification No. 19 of 2006, which is based on the provisions of Article 14-2 of the Banking Law. The Bank applies uniform international standards to the calculation of its risk-adjusted capital ratio.
6. The average number of temporary employees includes dispatched employees and figures have been rounded to the nearest hundred.
7. In calculating the semi-annual consolidated comprehensive income for the semi-annual period of fiscal 2010, the Bank has applied the “Accounting Standard for Presentation of Comprehensive Income” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 25) retrospectively.

(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   | 5th Semi-annual Period  | 6th Semi-annual Period  | 7th Semi-annual Period  | 5th Term  | 6th Term  |
|---|---|---|---|---|---|
| Period of account   | September 2009  | September 2010  | September 2011  | March 2010  | March 2011  |
| Ordinary income   | 1,486,004   | 1,389,980   | 1,421,902   | 2,916,427   | 2,692,418   |
| Ordinary profit   | 125,032   | 394,401   | 416,514   | 407,826   | 657,999   |
| Semi-annual net income  | 130,765   | 282,320   | 271,900   | -   | -   |
| Net income  | -   | -   | -   | 342,667   | 639,263   |
| Capital stock   | 1,196,295   | 1,711,958   | 1,711,958   | 1,711,958   | 1,711,958   |
| Total number of shares issued (thousands of shares)                                     | Common stock<br>10,833,384<br>1st series Class 2 preferred stock<br>100,000<br>1st series Class 4 preferred stock<br>79,700<br>1st series Class 6 preferred stock<br>1,000<br>1st series Class 7 preferred stock<br>177,000 | Common stock<br>12,350,038<br>1st series Class 2 preferred stock<br>100,000<br>1st series Class 4 preferred stock<br>79,700<br>1st series Class 6 preferred stock<br>1,000<br>1st series Class 7 preferred stock<br>177,000 | Common stock<br>12,350,038<br>1st series Class 2 preferred stock<br>100,000<br>1st series Class 4 preferred stock<br>79,700<br>1st series Class 6 preferred stock<br>1,000<br>1st series Class 7 preferred stock<br>177,000 | Common stock<br>12,350,038<br>1st series Class 2 preferred stock<br>100,000<br>1st series Class 4 preferred stock<br>79,700<br>1st series Class 6 preferred stock<br>1,000<br>1st series Class 7 preferred stock<br>177,000 | Common stock<br>12,350,038<br>1st series Class 2 preferred stock<br>100,000<br>1st series Class 4 preferred stock<br>79,700<br>1st series Class 6 preferred stock<br>1,000<br>1st series Class 7 preferred stock<br>177,000 |
| Total equity  | 6,211,509   | 7,354,130   | 7,512,030   | 7,559,752   | 7,393,796   |
| Total assets  | 149,946,570   | 150,882,968   | 159,545,453   | 153,924,815   | 153,453,411   |
| Balance of deposits   | 100,488,998   | 103,260,413   | 103,847,500   | 103,976,222   | 105,854,679   |
| Balance of loans and bills discounted   | 69,443,777  | 63,649,511  | 64,386,916  | 69,106,624  | 64,981,715  |
| Balance of securities   | 46,165,485  | 57,300,150  | 61,839,746  | 52,068,380  | 58,303,309  |
| Semi-annual net income per common share (yen)   | 10.95   | 22.12   | 21.28   | -   | -   |
| Net income per common share (yen)   | -   | -   | -   | 28.37   | 50.29   |
| Diluted semi-annual net income per common share (yen)                                   | -   | -   | -   | -   | -   |
| Diluted net income per common share (yen)   | -   | -   | -   | -   | -   |
| Dividends per share (yen)   | Common stock<br>6.57<br>1st series Class 2 preferred stock<br>30.00<br>1st series Class 6 preferred stock<br>105.45<br>1st series Class 7 preferred stock<br>57.50  | Common stock<br>9.98<br>1st series Class 2 preferred stock<br>-<br>1st series Class 6 preferred stock<br>105.45<br>1st series Class 7 preferred stock<br>57.50  | Common stock<br>5.89<br>1st series Class 6 preferred stock<br>105.45<br>1st series Class 7 preferred stock<br>57.50   | Common stock<br>17.13<br>1st series Class 2 preferred stock<br>60.00<br>1st series Class 6 preferred stock<br>210.90<br>1st series Class 7 preferred stock<br>115.00  | Common stock<br>19.96<br>1st series Class 6 preferred stock<br>210.90<br>1st series Class 7 preferred stock<br>115.00   |
| Capital ratio (%)   | 4.14  | 4.87  | 4.70  | 4.91  | 4.81  |
| Non-consolidated risk-adjusted capital ratio (under uniform international standards; %) | 14.47   | 16.63   | 17.85   | 16.34   | 16.61   |
| Number of employees [Besides the above, average number of temporary employees]          | 35,410 [16,037]   | 35,060 [14,108]   | 35,589 [12,591]   | 34,902 [15,421]   | 34,797 [13,705]   |

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

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

3. Diluted semi-annual net income per common share was not stated due to the absence of residual securities.
4. The non-consolidated risk-adjusted capital ratio is calculated according to the formula specified in the Financial Services Agency Notification No. 19 of 2006, which is based on the provisions of Article 14-2 of the Banking Law. The Bank applies uniform international standards to the calculation of its risk-adjusted capital ratio.
5. The average number of temporary employees includes dispatched employees.

## 2. Business Outline

Under its parent company, Mitsubishi UFJ Financial Group, Inc., the Group (The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the “Bank”) and its subsidiaries and affiliates) comprises the Bank, 135 subsidiaries (all consolidated), and 50 affiliates (of which 49 are equity-method affiliates and one is a non-equity-method affiliate), and is engaged in banking and other financial services (including trading of financial instruments and leasing).

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

Additionally, changes in the major subsidiaries and affiliates are stated in “3. Information on Subsidiaries and Affiliates.”

## 3. Information on Subsidiaries and Affiliates

During the current semi-annual period, changes in the major subsidiaries and affiliates were as follows.

(New subsidiary)

During the current semi-annual period, the following company became a subsidiary of the Bank.

(Global Business Unit)

| Company name                                     | Address                                  | Ratio of voting rights holding (held) (%) |
|--|--|---|
| (Consolidated subsidiary)<br>BTMU LF Capital LLC | New York, New York,<br>the United States | 100.0                                     |

#### 4. Employees

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

As of September 30, 2011

|                     | Retail<br>Banking<br>Business Unit | Corporate<br>Banking<br>Business Unit | Global<br>Business Unit | Global<br>Markets Unit | Other units      | Total              |
|---------------------|------------------------------------|---------------------------------------|-------------------------|------------------------|------------------|--------------------|
| Number of employees | 15,336<br>[9,100]                  | 10,337<br>[2,800]                     | 21,169<br>[1,000]       | 1,054<br>[100]         | 9,672<br>[8,300] | 57,568<br>[21,200] |

- (Notes)
1. Number of employees includes locally hired overseas staff members, but excludes 3,697 contract employees and 20,877 temporary employees.
  2. Numbers within brackets indicate average number of temporary employees over the current semi-annual period.
  3. Number of temporary employees includes dispatched employees 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 dispatched employees counted as temporary employees was 14,700 at the end of the current semi-annual period while 15,000 on average over the half year (both numbers are rounded to the nearest hundred).

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

As of September 30, 2011

|                     | Retail<br>Banking<br>Business Unit | Corporate<br>Banking<br>Business Unit | Global<br>Business Unit | Global<br>Markets Unit | Other units      | Total              |
|---------------------|------------------------------------|---------------------------------------|-------------------------|------------------------|------------------|--------------------|
| Number of employees | 13,715<br>[8,194]                  | 8,945<br>[2,389]                      | 6,487<br>[454]          | 1,054<br>[52]          | 5,388<br>[1,502] | 35,589<br>[12,591] |

- (Notes)
1. Number of employees includes locally hired overseas staff members, but excludes 1,962 contract employees and 12,480 temporary employees.
  2. Number within brackets indicates average number of temporary employees for the current semi-annual period.
  3. Number of temporary employees includes dispatched employees. Number of dispatched employees was 8,715 at the end of the current semi-annual period and 8,804 on average over the half year.
  4. Number of employees excludes 75 Executive Officers (13 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 24,104. No significant issues exist between the union and the management.

## II. Business Overview

### 1. Summary of Results

With regard to financial and economic conditions during the current consolidated semi-annual period, overseas economies initially continued to exhibit expansionary trends from the previous fiscal year. Particularly, emerging economies, mainly China and the Asian nations, continued to show solid growth supported by robust internal demand throughout the period, while among advanced economies in Europe and the Americas, rapid deceleration became prevalent from the summer season onward, against the backdrop of a series of debt and fiscal problems and precipitous changes in the financial markets which ensued. Meanwhile the Japanese economy, which had plummeted immediately following the Great East Japan Earthquake, began to exhibit signs of gradual recovery and efforts to recover from the shock of the earthquake subsequently continued. However, a number of risk factors remained, including the effects of the rapidly appreciating yen, concerns over the electricity supply for the coming winter and next summer and delays in the passing of a full-scale earthquake recovery budget, which have fueled fears of a downward swing of the economy.

On the financial front, the United States and the United Kingdom kept their low interest-rate policies, while the euro zone only managed small interest rate hikes in April and July. Additionally, in emerging countries and resource-supplying countries, the rush to successively raise interest rates gradually settled down. In Japan, the Bank of Japan retained its zero-interest-rate policy, while in April it implemented operations to supply funding for financial institutions in the areas affected by the earthquake, in June set a new credit limit in the supply of funds to support growth-oriented infrastructure, and in August introduced measures for the increase of ¥10 trillion in the Asset Purchase Program. Under such circumstances, short-term market interest rates continued to remain low, while long-term interest rates, despite rallying momentarily, were influenced by the downward pressure overall. The yen's exchange rate against the U.S. dollar initially maintained a relatively narrow range in the lower ¥80 range, and then soared against the U.S. dollar from the latter half of July.

Under such economic and financial environments, the Bank continued efforts to achieve its vision of becoming a bank “with dignity and a solid footing” and “holding a proud position on the global level.” In order to realize this goal and respond to expectations and trust of customers and other concerned parties, the Bank extended further promotion for better financial facilitation. Consequently, the Bank achieved the results set out below in collaboration with Mitsubishi UFJ Financial Group, Inc. (hereinafter referred to as “MUFG”) and MUFG Group companies.

Retail Banking Business Unit, while suffering from activity in mortgage loans, remained robust in intermediate business of investment trusts and financial instruments. Corporate Banking Business Unit also suffered from stagnant outstanding balances of loans and other factors, but achieved favorable results in the solution business. Additionally, Global Business Unit performed solidly in transactions with non-Japanese businesses in Asia and in transactions with Japanese businesses in Europe and the U.S., while Global Markets Unit also recorded excellent profits, thanks to its effective asset and liability management (ALM), which was finely tuned to the fluctuations of the market.

In addition, toward the achievement of providing “customer-oriented” services, the Bank has set out “ten promises to customers” as its rules of conduct for customer service and ensured all employees act based on the principles of “customer-orientation” and “customer protection.” Furthermore, the Bank intends to gain greater customer satisfaction by swiftly responding to the opinions and requests of customers collected through call centers or “customer voice cards” put in the lobby of each business office or elsewhere.

Separately, in an effort to implement corporate social responsibility (CSR)-focused management in the financial sector, its main business, the Bank has been working to contribute to the creation of an environment-conscious society by providing products and services to assist customers in dealing with environmental issues and actively involving itself in various social welfare programs.

The Bank is committed to enhancing and reinforcing the management, internal control and compliance, and is also aiming to earn customers' complete confidence.

Under the above business circumstances, results for the current consolidated semi-annual period are as follows.

Assets increased by ¥7,850.5 billion compared to the same period of the previous fiscal year to ¥169,385.2 billion. Major components were loans and bills discounted of ¥69,703.0 billion and securities of ¥61,805.2 billion. Liabilities increased by ¥7,987.3 billion compared to the same period of the previous fiscal year to ¥160,424.6 billion. Major components were deposits and negotiable certificates of deposit of ¥117,087.1 billion.

As for profits and losses, net operating income increased by ¥11.8 billion compared to the same period of the previous fiscal year to ¥629.2 billion, ordinary profit increased by ¥55.0 billion compared to the same period of the previous fiscal year to ¥536.5 billion, and semi-annual net income increased by ¥2.2 billion compared to the same period of the previous fiscal year to ¥325.9 billion.

Results by reportable segment are as follows.

1. Retail Banking Business Unit

Net operating income was ¥100.1 billion, with an increase of ¥2.3 billion compared to the same period of the previous fiscal year.

2. Corporate Banking Business Unit

Net operating income was ¥176.4 billion, with a decrease of ¥0.4 billion compared to the same period of the previous fiscal year.

3. Global Business Unit

Net operating income was ¥116.4 billion, with an increase of ¥7.4 billion compared to the same period of the previous fiscal year.

4. Global Markets Unit

Net operating income was ¥310.4 billion, with an increase of ¥0 billion compared to the same period of the previous fiscal year.

5. Other units

Net operating income was ¥(74.4) billion, with an increase of ¥2.4 billion compared to the same period of the previous fiscal year.

With regard to cash flows, operating activities generated net cash of ¥2,732.2 billion with a ¥4,658.2 billion decrease in cash inflows compared to the same period of the previous fiscal year. Investing activities used net cash of ¥2,279.0 billion, with a ¥4,603.8 billion decrease in expenses compared to the same period of the previous fiscal year. Financing activities used net cash of ¥510.7 billion, with a ¥328.6 billion decrease in expenses compared to the same period of the previous fiscal year.

Cash and cash equivalents at the end of the current semi-annual period were ¥3,117.3 billion, with a ¥48.2 billion increase compared to the same period of the previous fiscal year.

The consolidated risk-adjusted capital ratio based on uniform international standards as of September 30, 2011 was 16.90%.

(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 interest income and expenses, fees and commissions, trading income and expenses and other ordinary income and expenses for the current semi-annual period were ¥1,289.1 billion, with a ¥2.3 billion increase from the same period of the previous fiscal year. Of this, domestic operations posted an income of ¥988.7 billion, with a decrease of ¥15.5 billion from the same period of the previous fiscal year, and overseas operations posted an income of ¥343.5 billion, with an increase of ¥16.3 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  |
| Interest income and expenses            | Previous semi-annual period | 547,728  | 224,576  | (5,278)               | 767,026 |
|   | Current semi-annual period  | 506,796  | 231,960  | (3,375)               | 735,380 |
| Of which, interest income               | Previous semi-annual period | 691,764  | 325,828  | (56,874)              | 960,718 |
|   | Current semi-annual period  | 617,934  | 336,061  | (43,904)              | 910,091 |
| Of which, interest expenses             | Previous semi-annual period | 144,035  | 101,251  | (51,595)              | 193,691 |
|   | Current semi-annual period  | 111,138  | 104,101  | (40,529)              | 174,710 |
| Fees and commissions                    | Previous semi-annual period | 217,436  | 70,642   | (40,405)              | 247,673 |
|   | Current semi-annual period  | 214,146  | 75,167   | (38,830)              | 250,483 |
| Of which, fees and commissions income   | Previous semi-annual period | 287,014  | 75,825   | (51,665)              | 311,174 |
|   | Current semi-annual period  | 284,404  | 79,517   | (49,577)              | 314,345 |
| Of which, fees and commissions expenses | Previous semi-annual period | 69,577   | 5,183    | (11,259)              | 63,501  |
|   | Current semi-annual period  | 70,258   | 4,349    | (10,746)              | 63,861  |
| Trading income and expenses             | Previous semi-annual period | 69,037   | 7,354    | 33                    | 76,425  |
|   | Current semi-annual period  | 49,408   | 11,979   | (838)                 | 60,549  |
| Of which, trading income                | Previous semi-annual period | 69,037   | 7,479    | (91)                  | 76,425  |
|   | Current semi-annual period  | 49,408   | 13,886   | (2,745)               | 60,549  |
| Of which, trading expenses              | Previous semi-annual period | -        | 124      | (124)                 | -       |
|   | Current semi-annual period  | -        | 1,906    | (1,906)               | -       |
| Other ordinary income and expenses      | Previous semi-annual period | 170,053  | 24,601   | 1,048                 | 195,703 |
|   | Current semi-annual period  | 218,377  | 24,408   | (22)                  | 242,763 |
| Of which, other ordinary income         | Previous semi-annual period | 198,102  | 43,502   | (16,141)              | 225,463 |
|   | Current semi-annual period  | 301,376  | 36,389   | (9,947)               | 327,818 |
| Of which, other ordinary expenses       | Previous semi-annual period | 28,048   | 18,901   | (17,189)              | 29,760  |
|   | Current semi-annual period  | 82,999   | 11,981   | (9,925)               | 85,055  |

- (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 declined by ¥1,939.4 billion compared to the same period of the previous fiscal year to ¥114,405.6 billion. Yield on interest-earning assets declined by 0.10% to 1.07% and total interest income stood at ¥617.9 billion, with a decrease of ¥73.8 billion from the same period of the previous fiscal year. The average balance of interest-bearing liabilities in the current semi-annual period declined by ¥993.5 billion compared to the same period of the previous fiscal year to ¥111,581.4 billion. Yield on interest-bearing liabilities declined by 0.05% to 0.19% and total interest expenses stood at ¥111.1 billion, with a decrease of ¥32.8 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 | 116,345,078     | 691,764  | 1.18  |
|  | Current semi-annual period  | 114,405,678     | 617,934  | 1.07  |
| Of which,<br>loans and bills discounted                          | Previous semi-annual period | 56,031,002      | 412,227  | 1.46  |
|  | Current semi-annual period  | 52,741,439      | 373,255  | 1.41  |
| Of which, securities   | Previous semi-annual period | 53,757,435      | 195,946  | 0.72  |
|  | Current semi-annual period  | 55,484,061      | 192,034  | 0.69  |
| Of which,<br>call loans and bills bought                         | Previous semi-annual period | 87,837          | 65       | 0.14  |
|  | Current semi-annual period  | 89,403          | 78       | 0.17  |
| Of which, receivables under<br>resale agreements                 | Previous semi-annual period | 16,708          | 9        | 0.11  |
|  | Current semi-annual period  | 18,069          | 8        | 0.09  |
| Of which, receivables under<br>securities borrowing transactions | Previous semi-annual period | 1,851,151       | 1,598    | 0.17  |
|  | Current semi-annual period  | 893,340         | 1,008    | 0.22  |
| Of which,<br>due from banks                                      | Previous semi-annual period | 1,116,961       | 1,538    | 0.27  |
|  | Current semi-annual period  | 1,787,448       | 3,567    | 0.39  |
| Interest-bearing liabilities                                     | Previous semi-annual period | 112,575,062     | 144,035  | 0.25  |
|  | Current semi-annual period  | 111,581,475     | 111,138  | 0.19  |
| Of which, deposits   | Previous semi-annual period | 93,607,063      | 51,014   | 0.10  |
|  | Current semi-annual period  | 93,865,608      | 33,023   | 0.07  |
| Of which,<br>negotiable certificates of deposit                  | Previous semi-annual period | 4,720,457       | 5,524    | 0.23  |
|  | Current semi-annual period  | 3,787,798       | 2,322    | 0.12  |
| Of which,<br>call money and bills sold                           | Previous semi-annual period | 1,249,566       | 1,482    | 0.23  |
|  | Current semi-annual period  | 1,062,315       | 1,848    | 0.34  |
| Of which, payables under<br>repurchase agreements                | Previous semi-annual period | 4,922,514       | 5,797    | 0.23  |
|  | Current semi-annual period  | 4,891,288       | 7,523    | 0.30  |
| Of which, payables under<br>securities lending transactions      | Previous semi-annual period | 771,286         | 807      | 0.20  |
|  | Current semi-annual period  | 872,811         | 917      | 0.20  |
| Of which,<br>commercial paper                                    | Previous semi-annual period | -               | -        | -     |
|  | Current semi-annual period  | -               | -        | -     |
| Of which,<br>borrowed money                                      | Previous semi-annual period | 4,544,565       | 48,197   | 2.11  |
|  | Current semi-annual period  | 6,336,688       | 44,654   | 1.40  |

- (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 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 increased by ¥606.6 billion compared to the same period of the previous fiscal year to ¥28,948.0 billion. Yield on interest-earning assets increased by 0.02% to 2.31% and total interest income stood at ¥336.0 billion, with an increase of ¥10.2 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 ¥998.3 billion compared to the same period of the previous fiscal year to ¥25,883.4 billion. Yield on interest-bearing liabilities declined by 0.00% to 0.80% and total interest expenses stood at ¥104.1 billion, with an increase of ¥2.8 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 | 28,341,455      | 325,828  | 2.29  |
|  | Current semi-annual period  | 28,948,063      | 336,061  | 2.31  |
| Of which,<br>loans and bills discounted                          | Previous semi-annual period | 18,752,499      | 252,349  | 2.68  |
|  | Current semi-annual period  | 18,839,140      | 253,891  | 2.68  |
| Of which, securities   | Previous semi-annual period | 3,229,515       | 33,864   | 2.09  |
|  | Current semi-annual period  | 3,291,132       | 36,586   | 2.21  |
| Of which,<br>call loans and bills bought                         | Previous semi-annual period | 324,945         | 2,222    | 1.36  |
|  | Current semi-annual period  | 257,921         | 2,939    | 2.27  |
| Of which, receivables under<br>resale agreements                 | Previous semi-annual period | 648,627         | 4,867    | 1.49  |
|  | Current semi-annual period  | 796,775         | 13,420   | 3.35  |
| Of which, receivables under<br>securities borrowing transactions | Previous semi-annual period | -               | -        | -     |
|  | Current semi-annual period  | -               | -        | -     |
| Of which,<br>due from banks                                      | Previous semi-annual period | 4,312,930       | 12,716   | 0.58  |
|  | Current semi-annual period  | 4,609,991       | 17,065   | 0.73  |
| Interest-bearing liabilities                                     | Previous semi-annual period | 24,885,066      | 101,251  | 0.81  |
|  | Current semi-annual period  | 25,883,446      | 104,101  | 0.80  |
| Of which, deposits   | Previous semi-annual period | 14,555,401      | 40,470   | 0.55  |
|  | Current semi-annual period  | 14,222,797      | 40,790   | 0.57  |
| Of which,<br>negotiable certificates of deposit                  | Previous semi-annual period | 5,005,525       | 15,791   | 0.62  |
|  | Current semi-annual period  | 4,235,504       | 13,304   | 0.62  |
| Of which,<br>call money and bills sold                           | Previous semi-annual period | 339,051         | 951      | 0.55  |
|  | Current semi-annual period  | 301,240         | 1,635    | 1.08  |
| Of which, payables under<br>repurchase agreements                | Previous semi-annual period | 95,502          | 303      | 0.63  |
|  | Current semi-annual period  | 281,798         | 1,250    | 0.88  |
| Of which, payables under<br>securities lending transactions      | Previous semi-annual period | -               | -        | -     |
|  | Current semi-annual period  | -               | -        | -     |
| Of which,<br>commercial paper                                    | Previous semi-annual period | 151,813         | 316      | 0.41  |
|  | Current semi-annual period  | 128,514         | 184      | 0.28  |
| Of which,<br>borrowed money                                      | Previous semi-annual period | 1,396,885       | 10,784   | 1.53  |
|  | Current semi-annual period  | 1,424,737       | 11,430   | 1.60  |

(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 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 | 144,686,534     | (6,144,227)           | 138,542,307 | 1,017,592 | (56,874)              | 960,718 | 1.38      |
|   | Current semi-annual period  | 143,353,741     | (5,637,806)           | 137,715,935 | 953,996   | (43,904)              | 910,091 | 1.31      |
| Of which, loans and bills discounted                          | Previous semi-annual period | 74,783,502      | (2,948,083)           | 71,835,418  | 664,576   | (42,618)              | 621,958 | 1.72      |
|   | Current semi-annual period  | 71,580,579      | (2,494,226)           | 69,086,352  | 627,147   | (36,906)              | 590,240 | 1.70      |
| Of which, securities  | Previous semi-annual period | 56,986,951      | (1,738,039)           | 55,248,912  | 229,811   | (6,742)               | 223,068 | 0.80      |
|   | Current semi-annual period  | 58,775,194      | (1,697,768)           | 57,077,426  | 228,620   | (3,765)               | 224,855 | 0.78      |
| Of which, call loans and bills bought                         | Previous semi-annual period | 412,783         | (33,368)              | 379,415     | 2,287     | (22)                  | 2,265   | 1.19      |
|   | Current semi-annual period  | 347,324         | (23,647)              | 323,677     | 3,017     | (24)                  | 2,993   | 1.84      |
| Of which, receivables under resale agreements                 | Previous semi-annual period | 665,335         | -                     | 665,335     | 4,877     | -                     | 4,877   | 1.46      |
|   | Current semi-annual period  | 814,845         | -                     | 814,845     | 13,429    | -                     | 13,429  | 3.28      |
| Of which, receivables under securities borrowing transactions | Previous semi-annual period | 1,851,151       | -                     | 1,851,151   | 1,598     | -                     | 1,598   | 0.17      |
|   | Current semi-annual period  | 893,340         | -                     | 893,340     | 1,008     | -                     | 1,008   | 0.22      |
| Of which, due from banks                                      | Previous semi-annual period | 5,429,892       | (1,371,651)           | 4,058,240   | 14,255    | (2,257)               | 11,997  | 0.58      |
|   | Current semi-annual period  | 6,397,439       | (1,384,773)           | 5,012,665   | 20,633    | (2,608)               | 18,024  | 0.71      |
| Interest-bearing liabilities                                  | Previous semi-annual period | 137,460,129     | (4,451,561)           | 133,008,568 | 245,287   | (51,595)              | 193,691 | 0.29      |
|   | Current semi-annual period  | 137,464,921     | (3,946,379)           | 133,518,542 | 215,239   | (40,529)              | 174,710 | 0.26      |
| Of which, deposits  | Previous semi-annual period | 108,162,464     | (665,545)             | 107,496,919 | 91,484    | (1,198)               | 90,285  | 0.16      |
|   | Current semi-annual period  | 108,088,405     | (657,003)             | 107,431,402 | 73,814    | (2,052)               | 71,762  | 0.13      |
| Of which, negotiable certificates of deposit                  | Previous semi-annual period | 9,725,983       | (627,950)             | 9,098,033   | 21,316    | (523)                 | 20,792  | 0.45      |
|   | Current semi-annual period  | 8,023,302       | (614,391)             | 7,408,910   | 15,626    | (254)                 | 15,372  | 0.41      |
| Of which, call money and bills sold                           | Previous semi-annual period | 1,588,617       | (145,292)             | 1,443,325   | 2,433     | (343)                 | 2,090   | 0.28      |
|   | Current semi-annual period  | 1,363,556       | (127,446)             | 1,236,109   | 3,483     | (164)                 | 3,319   | 0.53      |
| Of which, payables under repurchase agreements                | Previous semi-annual period | 5,018,016       | -                     | 5,018,016   | 6,100     | -                     | 6,100   | 0.24      |
|   | Current semi-annual period  | 5,173,087       | -                     | 5,173,087   | 8,774     | -                     | 8,774   | 0.33      |
| Of which, payables under securities lending transactions      | Previous semi-annual period | 771,286         | -                     | 771,286     | 807       | -                     | 807     | 0.20      |
|   | Current semi-annual period  | 872,811         | -                     | 872,811     | 917       | -                     | 917     | 0.20      |
| Of which, commercial paper                                    | Previous semi-annual period | 151,813         | -                     | 151,813     | 316       | -                     | 316     | 0.41      |
|   | Current semi-annual period  | 128,514         | -                     | 128,514     | 184       | -                     | 184     | 0.28      |
| Of which, borrowed money                                      | Previous semi-annual period | 5,941,451       | (2,961,253)           | 2,980,197   | 58,982    | (42,605)              | 16,377  | 1.09      |
|   | Current semi-annual period  | 7,761,426       | (2,494,436)           | 5,266,989   | 56,084    | (37,042)              | 19,041  | 0.72      |

(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 office

Fees and commissions income and expenses are as follows:

Fees and commissions income of domestic offices for the current semi-annual period was ¥284.4 billion, with a decrease of ¥2.6 billion from the same period of the previous fiscal year. Fees and commissions expenses were ¥70.2 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 ¥214.1 billion, with a decrease of ¥3.2 billion from the same period of the previous fiscal year. Fees and commissions income of overseas offices during the current semi-annual period were ¥79.5 billion, with an increase of ¥3.6 billion from the same period of the previous fiscal year, while fees and commissions expenses were ¥4.3 billion, with a decrease of ¥0.8 billion from the same period of the previous fiscal year, resulting in a net fees and commissions income of ¥75.1 billion, with an increase of ¥4.5 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 ¥250.4 billion, with an increase of ¥2.8 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 | 287,014  | 75,825   | (51,665)              | 311,174 |
|  | Current semi-annual period  | 284,404  | 79,517   | (49,577)              | 314,345 |
| Of which, domestic and foreign exchange services | Previous semi-annual period | 77,089   | 5,596    | (163)                 | 82,521  |
|  | Current semi-annual period  | 76,572   | 4,985    | (175)                 | 81,382  |
| Of which, other commercial banking services      | Previous semi-annual period | 98,469   | 61,985   | (1,395)               | 159,059 |
|  | Current semi-annual period  | 104,239  | 66,104   | (894)                 | 169,449 |
| Of which, guarantee services                     | Previous semi-annual period | 35,744   | 5,149    | (8,583)               | 32,310  |
|  | Current semi-annual period  | 33,110   | 5,236    | (9,109)               | 29,237  |
| Of which, securities-related services            | Previous semi-annual period | 23,128   | 859      | (19)                  | 23,968  |
|  | Current semi-annual period  | 19,415   | 486      | (23)                  | 19,878  |
| Fees and commissions expenses                    | Previous semi-annual period | 69,577   | 5,183    | (11,259)              | 63,501  |
|  | Current semi-annual period  | 70,258   | 4,349    | (10,746)              | 63,861  |
| Of which, domestic and foreign exchange services | Previous semi-annual period | 15,889   | 192      | (26)                  | 16,055  |
|  | Current semi-annual period  | 16,345   | 183      | (62)                  | 16,466  |

- (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 office

Details of trading income and expenses

Trading income and expenses of domestic and overseas offices are as follows:

Trading income of domestic offices for the current semi-annual period was ¥49.4 billion, with a decrease of ¥19.6 billion from the same period of the previous fiscal year, resulting in a net trading income of ¥49.4 billion, with a decrease of ¥19.6 billion from the same period of the previous fiscal year. Trading income of overseas offices for the current semi-annual period was ¥13.8 billion, with an increase of ¥6.4 billion from the same period of the previous fiscal year. Trading expenses of overseas offices were ¥1.9 billion, with an increase of ¥1.7 billion from the same period of the previous fiscal year. As a result, net trading income for the current semi-annual period was ¥11.9 billion, with an increase of ¥4.6 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 ¥60.5 billion, with a decrease of ¥15.8 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 | 69,037   | 7,479    | (91)                  | 76,425 |
|  | Current semi-annual period  | 49,408   | 13,886   | (2,745)               | 60,549 |
| Of which, income from trading securities                         | Previous semi-annual period | 7,499    | 1,129    | -                     | 8,629  |
|  | Current semi-annual period  | 6,786    | 797      | (1)                   | 7,583  |
| Of which, income from securities related to trading transactions | Previous semi-annual period | 1,801    | 376      | (123)                 | 2,055  |
|  | Current semi-annual period  | 1,272    | (1,062)  | (36)                  | 172    |
| Of which, income from trading-related financial derivatives      | Previous semi-annual period | 57,090   | 5,973    | 33                    | 63,097 |
|  | Current semi-annual period  | 38,739   | 14,151   | (2,705)               | 50,185 |
| Of which, income from other trading transactions                 | Previous semi-annual period | 2,645    | -        | (1)                   | 2,644  |
|  | Current semi-annual period  | 2,610    | -        | (1)                   | 2,608  |
| Trading expenses   | Previous semi-annual period | -        | 124      | (124)                 | -      |
|  | Current semi-annual period  | -        | 1,906    | (1,906)               | -      |
| Of which, expenses on trading securities                         | Previous semi-annual period | -        | -        | -                     | -      |
|  | Current semi-annual period  | -        | 1        | (1)                   | -      |
| Of which, expenses on securities related to trading transactions | Previous semi-annual period | -        | 123      | (123)                 | -      |
|  | Current semi-annual period  | -        | 36       | (36)                  | -      |
| Of which, expenses on trading-related financial derivatives      | Previous semi-annual period | -        | -        | -                     | -      |
|  | Current semi-annual period  | -        | 1,866    | (1,866)               | -      |
| Of which, expenses on other trading transactions                 | Previous semi-annual period | -        | 1        | (1)                   | -      |
|  | Current semi-annual period  | -        | 1        | (1)                   | -      |

- (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 office  
 · 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 | 94,901,241 | 16,114,790 | (674,151)             | 110,341,880 |
|                                    | Current semi-annual period  | 94,316,798 | 16,219,449 | (775,873)             | 109,760,374 |
| Of which, liquid deposits          | Previous semi-annual period | 59,738,597 | 7,188,197  | (131,555)             | 66,795,239  |
|                                    | Current semi-annual period  | 59,345,894 | 6,331,116  | (129,731)             | 65,547,280  |
| Of which, fixed-term deposits      | Previous semi-annual period | 30,462,570 | 8,786,065  | (512,548)             | 38,736,088  |
|                                    | Current semi-annual period  | 30,338,590 | 9,762,111  | (640,845)             | 39,459,856  |
| Of which, other deposits           | Previous semi-annual period | 4,700,073  | 140,526    | (30,046)              | 4,810,552   |
|                                    | Current semi-annual period  | 4,632,312  | 126,222    | (5,296)               | 4,753,237   |
| Negotiable certificates of deposit | Previous semi-annual period | 4,222,780  | 5,149,559  | (631,000)             | 8,741,340   |
|                                    | Current semi-annual period  | 3,471,102  | 4,393,935  | (538,300)             | 7,326,737   |
| Total                              | Previous semi-annual period | 99,124,022 | 21,264,349 | (1,305,151)           | 119,083,220 |
|                                    | Current semi-annual period  | 97,787,900 | 20,613,384 | (1,314,173)           | 117,087,112 |

- (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 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                      |                       |
|---|---|-----------------------|---|-----------------------|
|   | Loans and bills discounted<br>(Millions of yen) | Composition ratio (%) | Loans and bills discounted<br>(Millions of yen) | Composition ratio (%) |
| Domestic<br>(excluding Japan offshore market account) | 53,362,482                                      | 100.00                | 52,418,752                                      | 100.00                |
| Manufacturing   | 7,235,235                                       | 13.56                 | 7,187,111                                       | 13.71                 |
| Construction  | 982,008   | 1.84                  | 892,789   | 1.70                  |
| Wholesale and retail                                  | 5,701,450                                       | 10.68                 | 5,403,837                                       | 10.31                 |
| Finance and insurance                                 | 5,599,247                                       | 10.49                 | 5,372,356                                       | 10.25                 |
| Real estate, goods rental and leasing                 | 8,684,742                                       | 16.28                 | 8,280,413                                       | 15.80                 |
| Services  | 2,697,737                                       | 5.06                  | 2,594,840                                       | 4.95                  |
| Other industries                                      | 22,462,059                                      | 42.09                 | 22,687,402                                      | 43.28                 |
| Overseas and Japan offshore market account            | 15,931,915                                      | 100.00                | 17,284,304                                      | 100.00                |
| Governments and public organizations                  | 319,285   | 2.01                  | 445,418   | 2.58                  |
| Financial institutions                                | 2,352,035                                       | 14.76                 | 2,867,225                                       | 16.59                 |
| Others  | 13,260,594                                      | 83.23                 | 13,971,660                                      | 80.83                 |
| Total   | 69,294,398                                      | -                     | 69,703,056                                      | -                     |

(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.

(Reference)

For reference, part of the Bank's non-consolidated financial data is set out below.

1. Results of Operations (non-consolidated)

(1) Summary of Operations (non-consolidated)

(Millions of yen)

|   | Previous semi-annual period<br>(A) | Current semi-annual period<br>(B) | Increase (decrease)<br>(B) - (A) |
|---|------------------------------------|-----------------------------------|----------------------------------|
| Gross profit  | 1,045,470                          | 1,050,755                         | 5,285                            |
| Expenses, excluding non-recurring expenses  | 500,949                            | 496,934                           | (4,015)                          |
| Personnel expenses  | 188,464                            | 186,484                           | (1,980)                          |
| Non-personnel expenses  | 286,068                            | 285,475                           | (592)                            |
| Taxes   | 26,416                             | 24,974                            | (1,441)                          |
| Net business profit before provision for general allowance for credit losses and amortization of goodwill | 544,520                            | 553,846                           | 9,325                            |
| Amortization of goodwill  | -                                  | 25                                | 25                               |
| Net business profit before provision for general allowance for credit losses                              | 544,520                            | 553,820                           | 9,300                            |
| Provision for general allowance for credit losses   | (33,330)                           | -                                 | 33,330                           |
| Net business profit   | 577,851                            | 553,820                           | (24,030)                         |
| Of which, net gains (losses) on debt securities   | 153,575                            | 203,048                           | 49,472                           |
| Net non-recurring gains (losses)  | (183,449)                          | (137,306)                         | 46,143                           |
| Net gains (losses) on equity securities and other securities  | (72,222)                           | (104,378)                         | (32,156)                         |
| Credit costs  | 97,331                             | 29,537                            | (67,793)                         |
| Write-offs of loans   | 55,553                             | 29,004                            | (26,549)                         |
| Provision for specific allowance for credit losses  | 42,897                             | -                                 | (42,897)                         |
| Other credit costs  | (1,119)                            | 533                               | 1,652                            |
| Reversal of allowance for credit losses   | -                                  | 5,422                             | 5,422                            |
| Gains on collection of bad debts  | -                                  | 16,567                            | 16,567                           |
| Other non-recurring gains (losses)  | (13,895)                           | (25,379)                          | (11,484)                         |
| Ordinary profit   | 394,401                            | 416,514                           | 22,113                           |
| Net extraordinary gains (losses)  | 569                                | (4,992)                           | (5,561)                          |
| Of which, gains on collection of bad debts  | 19,031                             | -                                 | (19,031)                         |
| Of which, impairment loss of long-lived assets  | (2,936)                            | (2,340)                           | 595                              |
| Income before income taxes  | 394,971                            | 411,522                           | 16,551                           |
| Income taxes-current  | 16,031                             | 73,922                            | 57,890                           |
| Income taxes-deferred   | 96,619                             | 65,699                            | (30,919)                         |
| Total taxes   | 112,650                            | 139,621                           | 26,971                           |
| Net income  | 282,320                            | 271,900                           | (10,419)                         |

- (Notes)
1. Gross profit = (net interest income + expenses related to money held in trust) + net fees and commissions income + net trading income + net other ordinary income.
  2. "Expenses related to money held in trust" represents interest expenses on the acquisition of money held in trust. As gains (losses) on money held in trust are recorded as non-recurring gains (losses), these expenses related to money held in trust are excluded from interest expenses.
  3. Net business profit = gross profit - expenses (excluding non-recurring expenses) - provision for general allowance for credit losses.
  4. Net non-recurring gains (losses) represent "Other income (expenses)" plus non-recurring portions of expenses related to money held in trust and retirement benefit costs, after deducting provision for general allowance for credit losses.
  5. Net gains (losses) on debt securities = gains on sales of bonds - losses on sales of bonds - losses on write-down of bonds
  6. Net gains (losses) on equity securities and other securities = gains on sales of equity securities and other securities - losses on sales of equity securities and other securities - losses on write-down of equity securities and other securities

## 2. Average Interest Rate Spread (Domestic Business Segment) (non-consolidated)

|  | Previous semi-annual period (%)<br>(A) | Current semi-annual period (%)<br>(B) | Increase (decrease)<br>(B) - (A) |
|--|--|---------------------------------------|----------------------------------|
| (1) Total average interest rate on interest-earning assets (i)       | 1.02                                   | 0.94                                  | (0.07)                           |
| (a) Average interest rate on loans and bills discounted              | 1.48                                   | 1.42                                  | (0.05)                           |
| (b) Average interest rate on securities                              | 0.55                                   | 0.56                                  | 0.00                             |
| (2) Total average interest rate on interest-bearing liabilities (ii) | 0.88                                   | 0.81                                  | (0.06)                           |
| (a) Average interest rate on deposits and NCD                        | 0.10                                   | 0.06                                  | (0.04)                           |
| (b) Average interest rate on other liabilities                       | 0.50                                   | 0.33                                  | (0.17)                           |
| (3) Overall interest rate spread (i) - (ii)                          | 0.14                                   | 0.13                                  | (0.00)                           |

(Notes) 1. "Domestic business segment" represents yen-denominated transactions at the Bank's offices in Japan.

2. "Other liabilities" = call money + bills sold + borrowed money

## 3. ROE (non-consolidated)

|  | Previous semi-annual period (%)<br>(A) | Current semi-annual period (%)<br>(B) | Increase (decrease)<br>(B) - (A) |
|--|--|---------------------------------------|----------------------------------|
| On a net business profit basis (before provision for general allowance for credit losses and amortization of goodwill) | 15.43                                  | 15.43                                 | (0.00)                           |
| On a net business profit basis (before provision for general allowance for credit losses)                              | 15.43                                  | 15.43                                 | (0.00)                           |
| On a net business profit basis   | 16.40                                  | 15.43                                 | (0.96)                           |
| On a net income basis  | 7.87                                   | 7.44                                  | (0.43)                           |

(Note)

(Profits - total amount of dividends on preferred stocks) × 2

$$\text{ROE} = \frac{((\text{Total equity at the beginning of the period} - \text{Number of preferred stocks outstanding at the beginning of the period} \times \text{Issue price}) + (\text{Total equity at the end of the period} - \text{Number of preferred stocks outstanding at the end of the period} \times \text{Issue price})) \div 2}{\text{Total equity at the beginning of the period}} \times 100$$

## 4. Status of Debt Guarantees (Acceptances and Guarantees) (non-consolidated)

· Breakdown of the balance of acceptances and guarantees (non-consolidated)

| Item                             | Previous semi-annual period |                          | Current semi-annual period |                          |
|----------------------------------|-----------------------------|--------------------------|----------------------------|--------------------------|
|                                  | Number of accounts          | Amount (Millions of yen) | Number of accounts         | Amount (Millions of yen) |
| Bill acceptances                 | 1,039                       | 36,221                   | 1,072                      | 35,305                   |
| Letters of credit                | 27,795                      | 1,371,041                | 27,187                     | 1,434,446                |
| Guarantees                       | 35,393                      | 4,021,274                | 35,631                     | 3,769,194                |
| Total acceptances and guarantees | 64,227                      | 5,428,538                | 63,890                     | 5,238,946                |

(Reference)

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 employs the Advanced Internal Ratings-Based Approach for the computation of the value of credit risk-adjusted assets and the Standardized Approach for the computation of the equivalent amount of operational risks, as well as implementing the Market Risk Regulation.

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

(Millions of yen)

| Item  |   | As of<br>September<br>30, 2010 | As of<br>September<br>30, 2011 |
|---|---|--------------------------------|--------------------------------|
|   |   | Amount                         | Amount                         |
| Core equity<br>capital<br>(Tier 1)                                  | Capital stock   | 1,711,958                      | 1,711,958                      |
|   | Of which, perpetual non-cumulative preferred stock  | 125,000                        | 125,000                        |
|   | Deposit for subscriptions to shares   | -                              | -                              |
|   | Capital surplus   | 3,878,275                      | 3,878,275                      |
|   | Retained earnings   | 2,034,336                      | 2,496,006                      |
|   | Treasury stock (decrease)   | 250,000                        | 250,000                        |
|   | Deposit for subscriptions to treasury stock   | -                              | -                              |
|   | Estimated distributed income (decrease)   | 132,328                        | 81,817                         |
|   | Losses on revaluation of available-for-sale securities (decrease)   | -                              | 49,863                         |
|   | Foreign currency translation adjustments  | (240,559)                      | (302,230)                      |
|   | Subscription rights to shares   | -                              | -                              |
|   | Minority interests of consolidated subsidiaries   | 1,548,990                      | 1,232,510                      |
|   | Of which, preferred securities issued by overseas special purpose companies   | 1,438,513                      | 1,132,453                      |
|   | Business rights equivalent amount (decrease)  | -                              | -                              |
|   | Goodwill equivalent amount (decrease)   | 270,981                        | 234,929                        |
|   | Equivalent amount of intangible fixed assets recorded by business combinations, etc. (decrease)   | 14,809                         | 13,470                         |
|   | Equivalent amount of increased equity capital as a result of securitization transactions (decrease)   | 17,739                         | 14,062                         |
|   | 50% equivalent of the excess amount of expected losses over qualifying reserves (decrease)  | 3,583                          | 6,301                          |
|   | Total Tier 1 capital before the deduction of deferred tax assets (aggregate sum of the above items)   | 8,243,558                      | 8,366,076                      |
|   | Deduction of deferred tax assets (decrease) (Note 1)  | -                              | -                              |
| Total Tier 1 Capital (A)  | 8,243,558   | 8,366,076                      |                                |
| Of which, preferred securities with step-up coupon clauses (Note 2) | 931,113   | 625,053                        |                                |
| Supplementary<br>capital items<br>(Tier 2)                          | 45% of the total amount of available-for-sale securities recorded on the consolidated balance sheets after the deduction of the total book value of them. | 205,947                        | -                              |
|   | 45% equivalent amount of the difference between the revaluated amount of land and its book value before the revaluation                                   | 179,918                        | 176,626                        |
|   | General allowance for credit losses   | 127,109                        | 73,153                         |
|   | The excess amount of qualifying reserves over expected losses   | -                              | -                              |
|   | Hybrid debt capital instruments, etc.   | 2,933,349                      | 2,974,166                      |
|   | Of which, perpetual subordinated debt (Note 3)  | 289,529                        | 195,984                        |
|   | Of which, limited-life subordinated debt and limited-life redeemable preferred stock (Note 4)   | 2,643,820                      | 2,778,182                      |
|   | Total Tier 2 Capital  | 3,446,325                      | 3,223,946                      |
| Of which, included as qualifying capital (B)                        | 3,446,325   | 3,223,946                      |                                |
| Quasi-supplementary<br>capital items<br>(Tier 3)                    | Short-term subordinated debt  | -                              | -                              |
|   | Of which, included as qualifying capital (C)  | -                              | -                              |
| Deductions  | Deduction items (Note 5) (D)  | 271,983                        | 300,810                        |

| Item   |   | As of<br>September<br>30, 2010 | As of<br>September<br>30, 2011 |
|--|---|--------------------------------|--------------------------------|
|  |   | Amount                         | Amount                         |
| Total qualifying capital   | (A) + (B) + (C) - (D) (E)   | 11,417,900                     | 11,289,213                     |
| Risk-adjusted assets   | Asset (on-balance sheet) items  | 55,770,021                     | 51,290,569                     |
|  | Off-balance transaction items   | 11,484,991                     | 10,137,622                     |
|  | Amount of credit risk-adjusted assets (F)   | 67,255,012                     | 61,428,191                     |
|  | Amount of market risk equivalent assets ((H) / 8%) (G)  | 526,374                        | 857,515                        |
|  | (Reference) Market risk equivalent amount (H)   | 42,109                         | 68,601                         |
|  | Amount of operational risk equivalent assets ((J) / 8%) (I)   | 4,612,132                      | 4,511,251                      |
|  | (Reference) Operational risk equivalent amount (J)  | 368,970                        | 360,900                        |
|  | Amount obtained by multiplying the excess amount of “formerly required capital multiplied by the rate prescribed by the Notification” over “the new required capital” by 12.5 (K) | -                              | -                              |
|  | Total ((F) + (G) + (I) + (K)) (L)   | 72,393,520                     | 66,796,959                     |
| Consolidated risk-adjusted capital ratio (under uniform international standards) = (E) / (L) × 100 (%) |   | 15.77                          | 16.90                          |
| (Reference) Tier 1 ratio = (A) / (L) × 100 (%)   |   | 11.38                          | 12.52                          |

- (Notes)
1. Equivalent amount of the net deferred tax assets as of September 30, 2010 was ¥406,603 million, and the maximum amount of deferred tax assets allowed for the inclusion in core equity capital was ¥1,648,711 million. The equivalent amount of the net deferred tax assets as of September 30, 2011 was ¥579,222 million and the maximum allowable amount of deferred tax assets included in core equity capital was ¥1,673,215 million.
  2. They are the assets specified by Article 5, Paragraph 2 of the Notification, that is, the shares (including preferred securities issued by overseas special purpose companies) that have the possibility of redemption (e.g. a special clause such as a step-up coupon, etc. is incorporated).
  3. This is a hybrid debt capital instrument that is specified by Article 6, Paragraph 1, Item 4 of the Notification and satisfies all the following features:
    - (1) It is unsecured, paid-up and subordinate to other debts
    - (2) It is not redeemed except in certain circumstances
    - (3) It is appropriable to cover losses while staying in business
    - (4) The obligation of interest payment may be postponed
  4. They are specified by Article 6, Paragraph 1, Items 5 and 6 of the Notification. However, the redemption period of the limited-life subordinated debt at the time of contract should be more than five years.
  5. These items are specified in Article 8, Paragraph 1, Items 1 to 6 of the Notification. They include the equivalent amount of intentional holding of other financial institutions' capital instruments as specified in Item 1 of the said Article, and the equivalent amount of the investments in the institutions that fall under the category specified in Item 2 of the said Article.

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

(Millions of yen)

| Item  |   | As of<br>September 30,<br>2010 | As of<br>September 30,<br>2011 |
|---|---|--------------------------------|--------------------------------|
|   |   | Amount                         | Amount                         |
| Core equity<br>capital<br>(Tier 1)  | Capital stock   | 1,711,958                      | 1,711,958                      |
|   | Of which, perpetual non-cumulative preferred stock  | 125,000                        | 125,000                        |
|   | Deposit for subscriptions to shares   | -                              | -                              |
|   | Capital reserve   | 1,711,958                      | 1,711,958                      |
|   | Other capital surplus   | 2,166,317                      | 2,166,317                      |
|   | Legal reserve   | 190,044                        | 190,044                        |
|   | Other retained earnings   | 1,327,872                      | 1,696,300                      |
|   | Other   | 1,443,884                      | 1,138,025                      |
|   | Treasury stock (decrease)   | 250,000                        | 250,000                        |
|   | Deposit for subscriptions to treasury stock   | -                              | -                              |
|   | Estimated distributed income (decrease)   | 132,328                        | 81,817                         |
|   | Losses on revaluation of available-for-sale securities (decrease)   | -                              | 15,463                         |
|   | Subscription rights to shares   | -                              | -                              |
|   | Business rights equivalent amount (decrease)  | -                              | -                              |
|   | Goodwill equivalent amount (decrease)   | -                              | 3,016                          |
|   | Equivalent amount of intangible fixed assets recorded by business combinations, etc. (decrease)   | -                              | -                              |
|   | Equivalent amount of increased equity capital as a result of securitization transactions (decrease)   | 17,739                         | 14,062                         |
|   | 50% equivalent of the excess amount of expected losses over qualifying reserves (decrease)  | 43,419                         | 46,373                         |
|   | Total Tier 1 capital before the deduction of deferred tax assets (aggregate sum of the above items)   | 8,108,546                      | 8,203,870                      |
|   | Deduction of deferred tax assets (decrease) (Note 1)  | -                              | -                              |
| Total Tier 1 Capital (A)  | 8,108,546   | 8,203,870                      |                                |
| Of which, preferred securities with step-up coupon clauses (Note 2)         | 931,113   | 625,053                        |                                |
| Of which, preferred securities issued by overseas special purpose companies | 1,438,513   | 1,132,453                      |                                |
| Supplementary<br>capital items<br>(Tier 2)                                  | 45% of the total amount of available-for-sale securities recorded on the non-consolidated balance sheets after the deduction of the total book value of them. | 203,943                        | -                              |
|   | 45% equivalent amount of the difference between the revaluated amount of land and its book value before the revaluation                                       | 179,918                        | 176,626                        |
|   | General allowance for credit losses   | -                              | -                              |
|   | The excess amount of qualifying reserves over expected losses   | -                              | -                              |
|   | Hybrid debt capital instruments, etc.   | 2,840,332                      | 2,909,759                      |
|   | Of which, perpetual subordinated debt (Note 3)  | 289,529                        | 195,984                        |
|   | Of which, limited-life subordinated debt and limited-life redeemable preferred stock (Note 4)   | 2,550,803                      | 2,713,775                      |
|   | Total Tier 2 Capital  | 3,224,193                      | 3,086,386                      |
| Of which, included as qualifying capital (B)                                | 3,224,193   | 3,086,386                      |                                |
| Quasi-supplementary<br>capital items<br>(Tier 3)                            | Short-term subordinated debt  | -                              | -                              |
|   | Of which, included as qualifying capital (C)  | -                              | -                              |
| Deductions  | Deduction items (Note 5) (D)  | 217,465                        | 211,600                        |
| Total<br>qualifying<br>capital  | (A) + (B) + (C) - (D) (E)   | 11,115,275                     | 11,078,656                     |

| Item   |   | As of<br>September 30,<br>2010 | As of<br>September 30,<br>2011 |
|--|---|--------------------------------|--------------------------------|
|  |   | Amount                         | Amount                         |
| Risk-adjusted<br>assets  | Asset (on-balance sheet) items  | 53,215,501                     | 49,416,579                     |
|  | Off-balance transaction items   | 9,291,902                      | 8,035,159                      |
|  | Amount of credit risk-adjusted assets (F)   | 62,507,403                     | 57,451,738                     |
|  | Amount of market risk equivalent assets ((H) / 8%) (G)  | 520,308                        | 854,377                        |
|  | (Reference) Market risk equivalent amount (H)   | 41,624                         | 68,350                         |
|  | Amount of operational risk equivalent assets ((J) / 8%) (I)   | 3,787,007                      | 3,726,421                      |
|  | (Reference) Operational risk equivalent amount (J)  | 302,960                        | 298,113                        |
|  | Amount obtained by multiplying the excess amount of “formerly required capital multiplied by the rate prescribed by the Notification” over “the new required capital” by 12.5 (K) | -                              | -                              |
| Total ((F) + (G) + (I) + (K)) (L)  |   | 66,814,719                     | 62,032,538                     |
| Non-consolidated risk-adjusted capital ratio (under uniform international standards) = (E) / (L) × 100 (%) |   | 16.63                          | 17.85                          |
| (Reference) Tier 1 ratio = (A) / (L) × 100 (%)   |   | 12.13                          | 13.22                          |

- (Notes)
1. Equivalent amount of the deferred tax assets as of September 30, 2010 was ¥385,932 million, and the maximum amount of deferred tax assets allowed for the inclusion in core equity capital was ¥1,621,709 million.  
The equivalent amount of the deferred tax assets as of September 30, 2011 was ¥567,365 million and the maximum allowable amount of deferred tax assets included in core equity capital was ¥1,640,774 million.
  2. They are the assets specified by Article 17, Paragraph 2 of the Notification, that is, the shares (including preferred securities issued by overseas special purpose companies) that have the possibility of redemption (e.g. a special clause such as a step-up coupon, etc. is incorporated).
  3. This is a hybrid debt capital instrument that is specified by Article 18, Paragraph 1, Item 4 of the Notification and satisfies all the following features:
    - (1) It is unsecured, paid-up and subordinate to other debts
    - (2) It is not redeemed except in certain circumstances
    - (3) It is appropriate to cover losses while staying in business
    - (4) The obligation of interest payment may be postponed
  4. They are specified by Article 18, Paragraph 1, Items 5 and 6 of the Notification. However, the redemption period of the limited-life subordinated debt at the time of contract should be more than five years.
  5. These items are specified in Article 20, Paragraph 1, Items 1 to 5 of the Notification. They include the equivalent amount of intentional holding of other financial institutions' capital instruments as specified in Item 1 of the said Article.

(Reference information)

In accordance with Article 6 of the Act on Emergency Measures for the Reconstruction of the Financial Functions (Act No. 132 of 1998), the Bank assesses assets stated on its semi-annual non-consolidated balance sheets and classifies them as shown below, based on financial standings and the current business conditions of borrowers, etc. These assets include corporate bonds (limited to the corporate bonds on which the payment of all or part of the principal and interest is guaranteed by financial institutions holding such bonds and which were issued through private placement as defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act (Act No. 25 of 1948)), loans and bills discounted, foreign exchange assets, other assets booked as accrued interests, suspense payments or customers' liabilities for acceptance and guarantee, and securities, if the Bank lent such securities which are required to be disclosed in a note to its semi-annual non-consolidated 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 conditions and business performances have deteriorated, with a high possibility that the principal and interest on these claims are not 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 positions or management performances, hence classified as claims other than the preceding three categorizes.

## 2. Issues to be Addressed

Fiscal 2011 is the final year of the Medium-term Business Plan that started in fiscal 2009, and is expected to be the year to successfully conclude the Plan. The Bank is focused on the following agenda with a view to becoming “a strong bank with dignity” as well as “a bank with prestigious position on a global level”, while maintaining our commitment as a leading Japanese financial institution to provide support to restoration efforts in the areas affected by the Great East Japan Earthquake through facilitating smooth supply of funds and other financial means.

### (Growth strategies)

The Bank, as the core bank of MUFG, will keep providing quality products, services and advices on a global scale leveraging its operation network both at home and abroad which is the most extensive among the Japanese banks, to satisfy the customer needs that are increasingly diversified and sophisticated. Specifically, for individual customers, we will provide products that meet the diversified needs of customers in the areas including asset management and borrowing that fit their individual life stages, taking advantages of capabilities of MUFG group companies including trust banking and securities business. For corporate customers, we will vigorously seek business by providing solutions through our consulting and banking services along with CIB (Corporate & Investment Banking) strategies in cooperation with Morgan Stanley, while actively developing overseas businesses including those in Asia as well as transactions with non-Japanese firms.

### (Strengthening of operation basis)

We will stay engaged in the effort to strengthen the basis of management.

We will redeploy head office staff onto field operations and strategically focused areas, through streamlining head office organization and operations, while further streamlining cost structure. The Bank will remain focused on smooth supply of funds, while maintaining effective control and management of its own funds and closely watching reform trends of the international regulations on capital adequacy, along with the ongoing challenge to reduce the stock it holds and enhance control over the credit risk it is exposed to. In the meantime, we will further focus on developing fully professional staff talented with expertise and skills as well as great personality, since it is human resources that provide our competitiveness after all. Meanwhile, we will keep enhancing the internal control including compliance.

### (Pursuit of management based on CSR)

The Bank, as a member of MUFG, will be focused on corporate social responsibility (CSR) in its management, while endeavoring to enhance customer satisfaction (CS) by providing services unique to MUFG. To this end, each and every employee will think and act on his or her own initiative, with customer-oriented as well as field-oriented mind.

The Bank has put up the two tasks of “addressing the global environmental issues” and “developing leaders that sustain the next generation of society,” as the priority areas of its CSR activities. For the former in particular, the Bank has formulated the MUFG Environmental Action Policy to specifically address each environmental problem. We are committed to providing financial support as needed by the corporations and individuals seriously tackling social and environmental issues, along with products and services that directly assist our customers’ activities in the areas of social contribution and environment conservation.

We will also be fully committed to providing assistance to those in need in the areas affected by the earthquake.

### 3. Risks Related to Business

Of the risks associated with business activities and other activities as stated in the annual securities report of the previous fiscal year, the followings are the emerging risks and the significant changes in the existing risks deemed to be of importance to the investment decision by investors as perceived by the Bank.

Forward-looking statements contained in this section are, unless otherwise stated specifically, based on the judgment of the situation as of the date of submission of this semi-annual securities report.

The item number given to the following headline is corresponding to the item number in “II. Business Overview, 3. Risks Related to Business,” as in the annual securities report of the previous fiscal year.

#### (11) Risks associated with deterioration in the world economy and/or recurrence of financial crises resulting in the Bank’s financial loss

The world economy is being seriously affected by the fiscal crisis which started in Europe and the associated financial crisis, and advanced economies are still sharing structural issues such as stagnant employment and fiscal deflation. The world economy is also exposed to new uncertainties as emerging economies are facing the risks of overheating and inflationary pressure, as well as the recent adverse impact of stagnation in advanced economies. Thus if another recession occurs, parts of investments as well as loan portfolios of the Bank may be adversely affected. For example, the Bank may suffer greater loss due to further decline in the market values of the securities it holds. A changing business environment in the credit market could cause financial difficulty and default at the Bank’s borrowers, resulting in a credit crunch. Moreover, further decline in the market value of those securities, along with a credit crunch in the capital market could lower the creditworthiness of financial institutions both at home and abroad, resulting in an increase in bankruptcies of financial institutions via shortage of capital or liquidity. The Bank may suffer loss resulting from the transactions with such failing financial institutions, which could adversely impact the Bank’s financial position and results of operations. Furthermore, in case the global economy suffers a prolonged aftermath of the recurrent global financial crisis due to turmoil in the market caused by remaining drastic volatility in the global bonds and stocks markets as well as the foreign exchange market, its impact on the Bank may become even more serious.

Various measures for stabilizing the economy are being implemented or considered by governments and central banks around the globe, which, however, may not be effective enough and conditions of both Japanese and global financial markets and economies may deteriorate. In the future, the Japanese and global management environment could become even tougher than currently anticipated by the Bank, where the Bank’s financial position and results of operations could get even worse.

Moreover, the Bank’s balance sheet assets largely comprise financial instruments recorded at fair value which is generally determined in reference to their market value. In the event of decline in the value of financial instruments recorded at fair value, a corresponding impairment may be recognized for the purpose of the statements of operations. Under the recurrence of a global financial crisis and the associated simultaneous recession, the market is increasingly exposed to a situation in which the market value of financial instruments significantly falls and such valuation becomes practically impossible. Thus, significant volatility in, or serious malfunction of the financial markets may have an adverse impact on the fair value of financial instruments held by the Bank.

Additionally, international accounting standard setters are discussing the need to review current accounting treatment of the fair value of financial instruments, and the potential revisions of related systems and standards may have a significant impact on the fair value of financial instruments held by the Bank.

#### (18) Risks associated with capital adequacy ratio

##### 2) New regulation

The Basel Committee on Banking Supervision announced international standards governing bank capital adequacy and liquidity, as part of the comprehensive regulatory framework (Basel III), based on the lessons learned from the latest global financial crisis. These standards involve new capital adequacy regulations more rigorous than those currently applied, and are scheduled to be implemented step-by-step from 2013.

Additionally, the Financial Stability Board (FSB) in November 2011 named Mitsubishi UFJ Financial Group, Inc. as one of the global systematically important financial institutions (G-SIFIs). A higher level of capital adequacy will be required for the G-SIFIs, and it will be applied in stages from 2016. The group of G-SIFIs will be updated annually and the financial institutions subject to initial application will be identified by November 2014.

#### 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 consolidated semi-annual period are as follows.

Consolidated gross profit for the current semi-annual period was ¥1,294.7 billion, with an increase of ¥2.0 billion from the same period of the previous fiscal year, reflecting an improvement of net other ordinary income although net interest income worsened.

Consolidated net business profit (before provision for general allowance for credit losses) was ¥652.9 billion, with an increase of ¥8.5 billion from the same period of the previous fiscal year, due to a decrease of ¥6.4 billion from the same period of the previous fiscal year in general and administrative expenses.

Meanwhile, semi-annual consolidated net income was ¥325.9 billion, with an increase of ¥2.2 billion from the same period of the previous fiscal year, primarily reflecting a reduction in credit costs.

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

| (Billions of yen)   |      |                                    |                                   |                   |
|---|------|------------------------------------|-----------------------------------|-------------------|
|   |      | Previous semi-annual period<br>(A) | Current semi-annual period<br>(B) | Change<br>(B - A) |
| Interest income   | (1)  | 960.7                              | 910.0                             | (50.6)            |
| Interest expenses (after deduction of expenses related to money held in trust)  | (2)  | 193.6                              | 174.7                             | (18.9)            |
| Trust fees  | (3)  | 5.8                                | 5.5                               | (0.2)             |
| Of which, credit costs for trust accounts   | (4)  | -                                  | -                                 | -                 |
| Fees and commissions income   | (5)  | 311.1                              | 314.3                             | 3.1               |
| Fees and commissions expenses   | (6)  | 63.5                               | 63.8                              | 0.3               |
| Trading income  | (7)  | 76.4                               | 60.5                              | (15.8)            |
| Trading expenses  | (8)  | -                                  | -                                 | -                 |
| Other ordinary income   | (9)  | 225.4                              | 327.8                             | 102.3             |
| Other ordinary expenses   | (10) | 29.7                               | 85.0                              | 55.2              |
| Consolidated gross profit<br>(= (1) - (2) + (3) + (5) - (6) + (7) - (8) + (9) - (10))                                 | (11) | 1,292.6                            | 1,294.7                           | 2.0               |
| General and administrative expenses<br>(after deduction of non-recurring expenses)                                    | (12) | 648.1                              | 641.7                             | (6.4)             |
| Consolidated net business profit<br>(before provision for general allowance for credit losses<br>= (11) + (4) - (12)) |      | 644.4                              | 652.9                             | 8.5               |
| Other expenses<br>(Provision for general allowance for credit losses)   | (13) | (6.0)                              | -                                 | 6.0               |
| Consolidated net business profit (= (11) - (12) - (13))   |      | 650.5                              | 652.9                             | 2.4               |
| Other income  | (14) | 75.9                               | 96.3                              | 20.3              |
| Of which, reversal of allowance for credit losses   |      | -                                  | 20.1                              | 20.1              |
| Of which, gains on collection of bad debts  |      | -                                  | 22.9                              | 22.9              |
| Of which, gains on sales of equity securities and other securities  |      | 32.2                               | 14.7                              | (17.4)            |
| Interest expenses<br>(expenses related to money held in trust)  | (15) | 0.0                                | 0.0                               | (0.0)             |
| General and administrative expenses<br>(non-recurring expenses)   | (16) | 22.2                               | 22.8                              | 0.5               |
| Other expenses (after deduction of provision for general allowance for credit losses)                                 | (17) | 222.6                              | 189.8                             | (32.7)            |
| Of which, credit costs  |      | 117.4                              | 44.5                              | (72.8)            |
| Of which, losses on sales of equity securities and other securities   |      | 21.8                               | 10.5                              | (11.3)            |
| Of which, losses on write-down of equity securities and other securities  |      | 45.4                               | 105.0                             | 59.5              |
| Net non-recurring gains (losses) (= (14) - (15) - (16) - (17))  |      | (169.0)                            | (116.4)                           | 52.5              |
| Ordinary profit   |      | 481.5                              | 536.5                             | 55.0              |
| Net extraordinary gains (losses)  |      | 7.6                                | (4.3)                             | (11.9)            |
| Of which, reversal of allowance for credit losses   |      | -                                  | -                                 | -                 |
| Of which, gains on collection of bad debts  |      | 26.3                               | -                                 | (26.3)            |
| Of which, impairment loss of long-lived assets  |      | (2.9)                              | (2.5)                             | 0.3               |

|   | Previous semi-annual period<br>(A) | Current semi-annual period<br>(B) | Change<br>(B - A) |
|---|------------------------------------|-----------------------------------|-------------------|
| Income before income taxes and minority interests | 489.1                              | 532.2                             | 43.0              |
| Total income taxes                                | 131.9                              | 175.8                             | 43.9              |
| Net income before minority interests              | 357.2                              | 356.3                             | (0.8)             |
| Minority interests in net income                  | 33.5                               | 30.4                              | (3.1)             |
| Net income  | 323.6                              | 325.9                             | 2.2               |

(Note)

Starting with the accounting changes and error corrections made after the beginning of the current semi-annual period, the Bank has adopted the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009).

Although the Bank has reported “Reversal of allowance for credit losses” and “Gains on collection of bad debts” for the current semi-annual period under “Other income,” based on the Accounting Practice Committee Statement No. 14, “Practical Guidelines on Accounting Standard for Financial Instruments” (The Japanese Institute of Certified Public Accountants (JICPA), January 31, 2000), retrospective adjustments have not been made for the previous semi-annual period.

## 1. Analysis of Results of Operations

### (1) Total credit costs

Total credit costs for the current semi-annual period decreased by ¥86.5 billion compared to the same period of the previous fiscal year to ¥3.3 billion reversal.

Write-offs of loans decreased by ¥29.5 billion and provision for specific allowance for credit losses decreased by ¥43.3 billion compared to the same period of the previous fiscal year.

(Billions of yen)

|   | Previous semi-annual period<br>(A) | Current semi-annual period<br>(B) | Change<br>(B - A) |
|---|------------------------------------|-----------------------------------|-------------------|
| Of the trust fees, credit costs for trust accounts (1)  | -                                  | -                                 | -                 |
| Of other income, reversal of allowance for credit losses (2)  | -                                  | 20.1                              | 20.1              |
| Of other income, reversal of reserve for contingent losses (3)  | -                                  | 4.8                               | 4.8               |
| Of other income, gains on collection of bad debts (4)   | -                                  | 22.9                              | 22.9              |
| Of other expenses, provision for general allowance for credit losses (5)  | (6.0)                              | -                                 | 6.0               |
| Of other expenses, credit costs (6)   | 117.4                              | 44.5                              | (72.8)            |
| Write-offs of loans   | 75.2                               | 45.6                              | (29.5)            |
| Provision for specific allowance for credit losses  | 43.3                               | -                                 | (43.3)            |
| Other credit costs  | (1.1)                              | (1.1)                             | 0.0               |
| Of the extraordinary gains, gains on collection of bad debts (7)  | 26.3                               | -                                 | (26.3)            |
| Of the extraordinary gains, reversal of allowance for credit losses (8)   | -                                  | -                                 | -                 |
| Of the extraordinary gains, reversal of reserve for contingent losses (9)   | 1.8                                | -                                 | (1.8)             |
| Total credit costs (= (1) - (2) - (3) - (4) + (5) + (6) - (7) - (8) - (9))  | 83.2                               | (3.3)                             | (86.5)            |
| Consolidated net business profit (before credit costs for trust accounts and provision for general allowance for credit losses) | 644.4                              | 652.9                             | 8.5               |
| Consolidated net business profit (after deduction of total credit costs)  | 561.2                              | 656.3                             | 95.0              |

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

The Bank posted ¥100.7 billion losses on equity securities and other securities for the current semi-annual period with a decrease of ¥65.6 billion from the same period of the previous fiscal year.

Gains on sales of equity securities and other securities decreased by ¥17.4 billion compared to the same period of the previous fiscal year to ¥14.7 billion while losses on sales of equity securities and other securities decreased by ¥11.3 billion compared to the same period of the previous fiscal year to ¥10.5 billion. Losses on write-down of equity securities and other securities increased by ¥59.5 billion compared to the same period of the previous fiscal year to ¥105.0 billion.

(Billions of yen)

|   | Previous semi-annual period<br>(A) | Current semi-annual period<br>(B) | Change<br>(B - A) |
|---|------------------------------------|-----------------------------------|-------------------|
| Net gains (losses) on equity securities and other securities                      | (35.0)                             | (100.7)                           | (65.6)            |
| Of other income, gains on sales of equity securities and other securities         | 32.2                               | 14.7                              | (17.4)            |
| Of other expenses, losses on sales of equity securities and other securities      | 21.8                               | 10.5                              | (11.3)            |
| Of other expenses, losses on write-down of equity securities and other securities | 45.4                               | 105.0                             | 59.5              |

## 2. Analysis of Financial Position

### Loans

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

Claims disclosed under the Financial Reconstruction Act increased by ¥34.4 billion from the end of the previous fiscal year to ¥1,413.1 billion. The percentage of disclosed claims to total claims rose by 0.07 percentage points from the end of the previous fiscal year to 1.93%.

Claims by borrowers' classification show claims against bankrupt or de facto bankrupt borrowers and claims in need of special attention fell by ¥10.5 billion and ¥15.0 billion, respectively, while doubtful claims rose by ¥59.9 billion.

With regard to the coverage situation at the end of the current semi-annual period for these disclosed claims totaling ¥1,413.1 billion, allowance for credit losses covered ¥329.7 billion claims and the covered amount by collaterals, guarantees and others was ¥789.7 billion, representing a percentage of covered claims to total disclosed claims (coverage ratio) of 79.22%.

The Bank has been addressing non-performing loans and other claims as a management issue of importance. It continues making 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<br>(A)     | Allowance for<br>credit losses<br>(B) | Covered by<br>collateral and/or<br>guarantees (C) | Allowance ratio for<br>unsecured portion<br>(B) / [(A) - (C)] | Coverage ratio<br>[(B) + (C)] / (A) |
|--|------------------------|---------------------------------------|---|---|-------------------------------------|
| Claims against<br>bankrupt or de facto<br>bankrupt borrowers | 116.7<br>(127.2)       | 1.6<br>(4.4)                          | 115.0<br>(122.8)                                  | 100.00%<br>(100.00%)  | 100.00%<br>(100.00%)                |
| Doubtful claims  | 772.5<br>(712.6)       | 207.9<br>(202.8)                      | 366.6<br>(329.9)                                  | 51.22%<br>(53.00%)  | 74.36%<br>(74.76%)                  |
| Claims in need of<br>special attention                       | 523.8<br>(538.8)       | 120.1<br>(127.4)                      | 308.0<br>(275.5)                                  | 55.67%<br>(48.42%)  | 81.74%<br>(74.80%)                  |
| Subtotal   | 1,413.1<br>(1,378.7)   | 329.7<br>(334.7)                      | 789.7<br>(728.4)                                  | 52.89%<br>(51.46%)  | 79.22%<br>(77.10%)                  |
| Normal claims  | 71,508.2<br>(72,744.3) | -                                     | -   | -   | -                                   |
| Total  | 72,921.4<br>(74,123.1) | -                                     | -   | -   | -                                   |
| Percentage of<br>disclosed claims to<br>total claims         | 1.93%<br>(1.86%)       | -                                     | -   | -   | -                                   |

(Note) The upper figures are for the current semi-annual period. The lower figures with parentheses are for the previous fiscal year.

### Securities

Securities at the end of the current semi-annual period increased by ¥3,348.1 billion to ¥61,805.2 billion compared to the end of the previous fiscal year. Corporate bonds and equity securities reduced by ¥156.3 billion and ¥322.4 billion, respectively, but government bonds and other securities rose by ¥1,628.2 billion and ¥2,194.7 billion, respectively.

(Billions of yen)

|                   | Previous fiscal year<br>(A) | Current semi-annual period<br>(B) | Change<br>(B) - (A) |
|-------------------|-----------------------------|-----------------------------------|---------------------|
| Securities        | 58,457.1                    | 61,805.2                          | 3,348.1             |
| Government bonds  | 40,138.3                    | 41,766.5                          | 1,628.2             |
| Municipal bonds   | 199.1                       | 203.1                             | 3.9                 |
| Corporate bonds   | 3,489.8                     | 3,333.5                           | (156.3)             |
| Equity securities | 3,252.5                     | 2,930.0                           | (322.4)             |
| Other securities  | 11,377.2                    | 13,572.0                          | 2,194.7             |

(Note) "Other securities" include foreign bonds and equity securities.

### 3. Cash Flows

With regard to cash flows, operating activities generated net cash of ¥2,732.2 billion with a ¥4,658.2 billion decrease in cash inflows from the same period of the previous fiscal year. Investing activities used net cash of ¥2,279.0 billion, as a result of ¥4,603.8 billion decrease in expenses compared to the same period of the previous fiscal year. Financing activities used net cash of ¥510.7 billion, with a ¥328.6 billion decrease in expenses from the same period of the previous fiscal year.

Cash and cash equivalents at the end of the current semi-annual period were ¥3,117.3 billion, with an increase of ¥48.2 billion from the same period of the previous fiscal year.

### 4. Results of Operations by Business Division

Results of operations for the current consolidated 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 corporations in Japan   |
| Global Business Unit            | : Providing financial services to overseas individual customers and corporations  |
| Of which, UNBC                  | : UnionBanCal Corporation (a bank holding company that controls U.S. Union Bank, N.A. as its subsidiary)                    |
| Global Markets Unit             | : Trading of foreign exchange, funds, securities with customers and in the market and management of liquidity and financing |
| Other units                     | : Inter-unit adjustments, funds flows management, administration, settlement, custody services, etc.                        |

(Billions of yen)

|                         | Retail Banking Business Unit | Corporate Banking Business Unit | Global Business Unit | UNBC  | Global Markets Unit | Other units | Total   |
|-------------------------|------------------------------|---------------------------------|----------------------|-------|---------------------|-------------|---------|
|                         | Gross operating income       | 329.8                           | 345.9                | 300.5 | 135.6               | 332.1       | (18.4)  |
| Non-consolidated        | 280.2                        | 332.4                           | 129.2                | -     | 329.4               | (28.1)      | 1,043.2 |
| Net interest income     | 228.4                        | 185.9                           | 67.2                 | -     | 89.6                | 4.8         | 576.1   |
| Net non-interest income | 51.7                         | 146.5                           | 61.9                 | -     | 239.8               | (32.9)      | 467.0   |
| Subsidiaries            | 49.6                         | 13.4                            | 171.2                | 135.6 | 2.7                 | 9.6         | 246.8   |
| Expenses                | 229.6                        | 169.4                           | 184.0                | 90.5  | 21.7                | 55.9        | 660.8   |
| Net operating income    | 100.1                        | 176.4                           | 116.4                | 45.1  | 310.4               | (74.4)      | 629.2   |

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

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

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

#### (1) Retail Banking Business Unit

Despite sluggish yen deposits in the face of lowering market rates, the unit saw strong investment trust and insurance sales. In addition, the unit kept up its effort to reduce costs.

#### (2) Corporate Banking Business Unit

Although the unit suffered from sluggish deposit-taking and lending operations due to low market rates and stagnating capital needs, its solutions business remained solid mainly in the area of structured finance, along with ongoing effort to reduce costs.

(3) Global Business Unit

The unit witnessed continued growth in gross profit due to the increase in income from lending operations mainly to non-Japanese businesses in Asia, and the increase in income relating to Corporate Investment Banking in Europe and the Americas.

(4) Global Markets Unit

The unit accumulated income and trading profits from active position management along with exercising timely operations amid the steadily low yen and foreign currency interest rates.

### 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                                    |
| Total                   | 33,357,700,000                                 |

2) Total number of shares issued

| Class                              | Number of shares issued as of the end of the current semi-annual period (September 30, 2011) | Number of shares issued as of the date of submission (November 29, 2011) | 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 Class 2 preferred stock | 100,000,000  | Same as left   | -   | (Notes) 1, 2    |
| 1st series Class 4 preferred stock | 79,700,000   | Same as left   | -   | (Notes) 1, 2    |
| 1st series Class 6 preferred stock | 1,000,000  | Same as left   | -   | (Notes) 1, 2    |
| 1st series Class 7 preferred stock | 177,000,000  | Same as left   | -   | (Notes) 1, 2    |
| Total                              | 12,707,738,122   | Same as left   | -   | -               |

(Notes) 1. Number of shares constituting one unit is 1,000 for both common stock and preferred stock, and there are no provisions in the Articles of Incorporation in respect of Article 322, Paragraph 2 of the Companies Act.

2. Different provisions in respect of matters including voting rights apply to common stock and preferred stock, to allow our financial policy to operate in a flexible manner.

3. Standard stock involving no restriction on shareholders' rights.

(2) Status of 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 (thousands of yen) | Balance of capital stock (thousands of yen) | Change in capital reserve (thousands of yen) | Balance of capital reserve (thousands of yen) |
|--|---|---|--|---|--|---|
| From April 1, 2011 to September 30, 2011 | -   | 12,707,738  | -  | 1,711,958,103                               | -  | 1,711,958,103                                 |

(3) Status of major shareholders  
By number of shares held

As of September 30, 2011

| 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 | 12,506,038                                  | 98.41  |
| (Treasury stock)<br>The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2-7-1, Marunouchi, Chiyoda-ku, Tokyo | 200,700                                     | 1.57   |
| Mitsubishi UFJ Trust and Banking Corporation               | 1-4-5, Marunouchi, Chiyoda-ku, Tokyo | 1,000                                       | 0.00   |
| Total  | -                                    | 12,707,738                                  | 100.00   |

By number of voting rights held

As of September 30, 2011

| 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, 2011

| Class   | Number of shares                               | Number of voting rights | Description   |
|---|--|-------------------------|---|
| Shares with no voting rights                                | 1st series 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 Class 4 preferred stock 79,700,000  | -                       |   |
|   | 1st series Class 6 preferred stock 1,000,000   | -                       |   |
|   | 1st series Class 7 preferred stock 177,000,000 | -                       |   |
| Shares with restricted voting rights (treasury stock, etc.) | -  | -                       | -   |
| Shares with restricted voting right (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, 2011

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

(Note) Of the shares with no voting rights above, 100,000,000 shares of 1st series Class 2 preferred stock, 79,700,000 shares of 1st series Class 4 preferred stock, and 21,000,000 shares of 1st series 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 and 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 consolidated subsidiaries as of September 30, 2011, 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, 2011 and 2010, 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 review. We conducted our review 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 review, 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 consolidated subsidiaries as of September 30, 2011, and the consolidated results of their operations and their cash flows for the six-month periods ended September 30, 2011 and 2010, in conformity 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 consolidated subsidiaries as of March 31, 2011, 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 28, 2011, 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, 2011 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Our review also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, based upon our review, nothing has come to our attention that causes us to believe that such translation has not been made in conformity 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, 2011

## Semi-annual Consolidated Financial Statements (Unaudited)

### The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries Semi-annual Consolidated Balance Sheets (Unaudited) As of September 30, 2011 and March 31, 2011

|   | Millions of Yen     |                     | Millions of<br>U.S. Dollars<br>(Note 1) |
|---|---------------------|---------------------|---|
|   | September 30        | March 31            | September 30                            |
|   | 2011                | 2011                | 2011                                    |
| <b>ASSETS:</b>  |                     |                     |   |
| Cash and due from banks (Notes 3, 4, 12 and 20)                 | ¥7,822,682          | ¥8,034,314          | \$102,057                               |
| Call loans and bills bought (Note 20)                           | 276,409             | 289,132             | 3,606                                   |
| Receivables under resale agreements (Note 20)                   | 950,862             | 846,052             | 12,405                                  |
| Receivables under securities borrowing transactions (Note 20)   | 2,034,740           | 751,482             | 26,546                                  |
| Monetary claims bought (Notes 4, 12 and 20)                     | 2,689,123           | 2,660,240           | 35,083                                  |
| Trading assets (Notes 12 and 20)                                | 6,730,697           | 6,761,295           | 87,811                                  |
| Money held in trust (Notes 5 and 20)                            | 257,491             | 276,662             | 3,359                                   |
| Securities (Notes 4, 6, 11, 12 and 20)                          | 61,805,299          | 58,457,111          | 806,331                                 |
| Loans and bills discounted (Notes 7, 12 and 20)                 | 69,703,056          | 70,171,754          | 909,368                                 |
| Foreign exchange assets (Note 20)                               | 1,220,387           | 1,130,329           | 15,922                                  |
| Tangible fixed assets (Note 8)                                  | 1,074,407           | 1,076,529           | 14,017                                  |
| Intangible fixed assets   | 599,367             | 602,842             | 7,820                                   |
| Deferred tax assets   | 609,143             | 710,956             | 7,947                                   |
| Customers' liabilities for acceptances and guarantees (Note 11) | 6,722,969           | 7,206,874           | 87,710                                  |
| Other assets (Note 12)  | 7,752,627           | 5,077,070           | 101,143                                 |
| Allowance for credit losses                                     | (864,020)           | (929,463)           | (11,272)                                |
| <b>Total assets</b>   | <b>¥169,385,245</b> | <b>¥163,123,183</b> | <b>\$2,209,853</b>                      |

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

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

**Semi-annual Consolidated Balance Sheets (Unaudited)  
As of September 30, 2011 and March 31, 2011**

|   | Millions of Yen     |                     | Millions of<br>U.S. Dollars<br>(Note 1) |
|---|---------------------|---------------------|---|
|   | September 30        | March 31            | September 30                            |
|   | 2011                | 2011                | 2011                                    |
| <b>LIABILITIES:</b>   |                     |                     |   |
| Deposits (Notes 12 and 20)  | ¥109,760,374        | ¥112,139,455        | \$1,431,968                             |
| Negotiable certificates of deposit (Note 20)  | 7,326,737           | 8,179,066           | 95,587                                  |
| Call money and bills sold (Notes 12 and 20)   | 1,332,796           | 1,277,948           | 17,388                                  |
| Payables under repurchase agreements (Note 20)  | 7,123,063           | 4,775,168           | 92,930                                  |
| Payables under securities lending transactions (Note 20)  | 1,830,868           | 624,711             | 23,886                                  |
| Commercial paper (Note 20)  | 280,511             | 101,688             | 3,660                                   |
| Trading liabilities (Notes 12 and 20)   | 4,656,704           | 4,301,567           | 60,753                                  |
| Borrowed money (Notes 10, 12 and 20)  | 6,237,479           | 4,799,749           | 81,376                                  |
| Foreign exchange liabilities (Note 20)  | 677,966             | 688,185             | 8,845                                   |
| Short-term bonds payable (Note 20)  | 111,951             | 96,958              | 1,461                                   |
| Bonds payable (Notes 10 and 20)   | 5,038,041           | 5,253,896           | 65,728                                  |
| Reserve for bonuses   | 22,943              | 21,849              | 299                                     |
| Reserve for bonuses to directors  | 48                  | 141                 | 1                                       |
| Reserve for retirement benefits   | 32,876              | 33,458              | 429                                     |
| Reserve for retirement benefits to directors  | 420                 | 522                 | 5                                       |
| Reserve for loyalty award credits   | 1,227               | 902                 | 16                                      |
| Reserve for contingent losses   | 47,719              | 54,707              | 623                                     |
| Reserve under special laws  | 806                 | 863                 | 11                                      |
| Acceptances and guarantees (Notes 11 and 12)  | 6,722,969           | 7,206,874           | 87,710                                  |
| Deferred tax liabilities  | 29,921              | 23,968              | 390                                     |
| Deferred tax liabilities for land revaluation (Note 9)  | 178,321             | 180,195             | 2,326                                   |
| Other liabilities (Note 12)   | 9,010,941           | 4,453,859           | 117,559                                 |
| <b>Total liabilities</b>  | <b>¥160,424,693</b> | <b>¥154,215,738</b> | <b>\$2,092,951</b>                      |
| <b>EQUITY (Notes 14 and 15):</b>  |                     |                     |   |
| Common stock,   |                     |                     |   |
| Authorized, 33,000,000 thousand shares;   |                     |                     |   |
| Issued, 12,350,038 thousand shares as of September 30 and<br>March 31, 2011, with no stated value | ¥1,586,958          | ¥1,586,958          | \$20,704                                |
| Preferred stock,  |                     |                     |   |
| Authorized, 357,700 thousand shares;  |                     |                     |   |
| Issued, 357,700 thousand shares as of September 30 and<br>March 31, 2011, with no stated value    | 125,000             | 125,000             | 1,631                                   |
| Capital surplus   | 3,878,275           | 3,878,275           | 50,597                                  |
| Retained earnings   | 2,496,006           | 2,299,904           | 32,564                                  |
| Treasury stock — at cost 200,700 shares as of September 30 and<br>March 31, 2011                  | (250,000)           | (250,000)           | (3,262)                                 |
| Accumulated other comprehensive income:   |                     |                     |   |
| Unrealized (loss) gain on available-for-sale securities (Note 6)                                  | (33,208)            | 2,568               | (433)                                   |
| Deferred gain on derivatives under hedge accounting   | 60,022              | 48,332              | 783                                     |
| Land revaluation surplus (Note 9)   | 214,182             | 216,668             | 2,794                                   |
| Foreign currency translation adjustments  | (302,230)           | (314,199)           | (3,943)                                 |
| Pension liability adjustments under US GAAP recognized at foreign<br>subsidiaries                 | (32,230)            | (34,691)            | (420)                                   |
| <b>Total</b>  | <b>7,742,776</b>    | <b>7,558,817</b>    | <b>101,015</b>                          |
| Minority interests  | 1,217,776           | 1,348,627           | 15,887                                  |
| <b>Total equity</b>   | <b>8,960,552</b>    | <b>8,907,445</b>    | <b>116,902</b>                          |
| <b>Total liabilities and equity</b>   | <b>¥169,385,245</b> | <b>¥163,123,183</b> | <b>\$2,209,853</b>                      |

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

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

**Semi-annual Consolidated Statements of Income (Unaudited)  
For the Six-Month Periods Ended September 30, 2011 and 2010**

|  | Millions of Yen                         |                  | Millions of<br>U.S. Dollars<br>(Note 1)   |
|--|---|------------------|---|
|  | Six-Month Periods Ended<br>September 30 |                  | Six-Month<br>Period Ended<br>September 30 |
|  | 2011                                    | 2010             | 2011                                      |
| <b>INCOME:</b>   |   |                  |   |
| Interest income:   | ¥910,091                                | ¥960,718         | \$11,873                                  |
| Interest on loans and bills discounted                             | 590,240                                 | 621,958          | 7,700                                     |
| Interest and dividends on securities                               | 224,855                                 | 223,068          | 2,934                                     |
| Trust fees   | 5,531                                   | 5,809            | 72  |
| Fees and commissions   | 314,345                                 | 311,174          | 4,101                                     |
| Trading income   | 60,549                                  | 76,425           | 790                                       |
| Other operating income   | 327,818                                 | 225,463          | 4,277                                     |
| Other income (Note 16)   | 99,026                                  | 105,444          | 1,292                                     |
| <b>Total income</b>  | <b>1,717,362</b>                        | <b>1,685,036</b> | <b>22,405</b>                             |
| <b>EXPENSES:</b>   |   |                  |   |
| Interest expenses:   | 174,763                                 | 193,755          | 2,280                                     |
| Interest on deposits   | 71,762                                  | 90,285           | 936                                       |
| Fees and commissions   | 63,861                                  | 63,501           | 833                                       |
| Other operating expenses   | 85,055                                  | 29,760           | 1,110                                     |
| General and administrative expenses                                | 664,541                                 | 670,423          | 8,670                                     |
| Other expenses (Note 17)   | 196,882                                 | 238,409          | 2,568                                     |
| <b>Total expenses</b>  | <b>1,185,104</b>                        | <b>1,195,849</b> | <b>15,461</b>                             |
| <b>Income before income taxes and minority interests</b>           | <b>532,257</b>                          | <b>489,187</b>   | <b>6,944</b>                              |
| <b>Income taxes:</b>   |   |                  |   |
| Current  | 93,265                                  | 33,261           | 1,217                                     |
| Deferred   | 82,619                                  | 98,689           | 1,078                                     |
| <b>Total income taxes</b>  | <b>175,884</b>                          | <b>131,951</b>   | <b>2,295</b>                              |
| <b>Net income before minority interests</b>                        | <b>356,372</b>                          | <b>357,236</b>   | <b>4,649</b>                              |
| <b>Minority interests in net income</b>                            | <b>30,428</b>                           | <b>33,582</b>    | <b>397</b>                                |
| <b>Net income</b>  | <b>¥325,944</b>                         | <b>¥323,653</b>  | <b>\$4,252</b>                            |
|  | <b>Yen</b>                              |                  | <b>U.S. Dollars</b>                       |
| Per common stock (Note 19):  |   |                  |   |
| Basic net income per common share                                  | ¥25.65                                  | ¥25.47           | \$0.33                                    |
| Diluted net income per common share                                | 25.65                                   | 25.47            | 0.33                                      |
| Cash dividends applicable to the reporting period per common share | 5.89                                    | 9.98             | 0.08                                      |

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, 2011 and 2010**

|   | Millions of Yen                         |                  | Millions of<br>U.S. Dollars<br>(Note 1)   |
|---|---|------------------|---|
|   | Six-Month Periods Ended<br>September 30 |                  | Six-Month<br>Period Ended<br>September 30 |
|   | 2011                                    | 2010             | 2011                                      |
| Net income before minority interests  | ¥356,372                                | ¥357,236         | \$4,649                                   |
| Other comprehensive income:   |   |                  |   |
| Unrealized loss available-for-sale securities   | (37,483)                                | (81,208)         | (489)                                     |
| Deferred gain (loss) on derivatives under hedge accounting                              | 12,252                                  | (8,678)          | 160                                       |
| Foreign currency translation adjustments  | 11,928                                  | (37,018)         | 156                                       |
| Pension liability adjustments under US GAAP recognized at foreign subsidiaries          | 2,460                                   | 2,800            | 32  |
| Share of other comprehensive income in associates accounted for using the equity method | 1,165                                   | (686)            | 15  |
| Total other comprehensive income  | <u>(9,676)</u>                          | <u>(124,792)</u> | <u>(126)</u>                              |
| Comprehensive income  | <u>¥346,696</u>                         | <u>¥232,443</u>  | <u>\$4,523</u>                            |
| Total comprehensive income attributable to:   |   |                  |   |
| Owners of the parent  | ¥316,287                                | ¥199,129         | \$4,126                                   |
| Minority interests  | 30,409                                  | 33,314           | 397                                       |

See the accompanying notes to consolidated financial statements.

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

**Semi-annual Consolidated Statements of Changes in Equity (Unaudited)  
For the Six-Month Periods Ended September 30, 2011 and 2010**

|   | Millions of Yen                         |            | Millions of<br>U.S. Dollars<br>(Note 1)   |
|---|---|------------|---|
|   | Six-Month Periods Ended<br>September 30 |            | Six-Month<br>Period Ended<br>September 30 |
|   | 2011                                    | 2010       | 2011                                      |
| Capital stock (Note 15):  |   |            |   |
| Beginning of period   | ¥1,711,958                              | ¥1,711,958 | \$22,335                                  |
| End of period   | ¥1,711,958                              | ¥1,711,958 | \$22,335                                  |
| Capital surplus:  |   |            |   |
| Beginning of period   | ¥3,878,275                              | ¥3,878,275 | \$50,597                                  |
| End of period   | ¥3,878,275                              | ¥3,878,275 | \$50,597                                  |
| Retained earnings:  |   |            |   |
| Beginning of period   | ¥2,299,904                              | ¥1,854,127 | \$30,006                                  |
| Cash dividends  | (132,328)                               | (142,491)  | (1,726)                                   |
| Net income  | 325,944                                 | 323,653    | 4,252                                     |
| Reversal of land revaluation surplus  | 2,485                                   | (953)      | 32  |
| End of period   | ¥2,496,006                              | ¥2,034,336 | \$32,564                                  |
| Treasury stock  |   |            |   |
| Beginning of period   | ¥(250,000)                              | ¥—         | \$(3,262)                                 |
| Purchase of treasury stock  | —                                       | (250,000)  | —   |
| End of period   | ¥(250,000)                              | ¥250,000   | \$(3,262)                                 |
| Accumulated other comprehensive income:   |   |            |   |
| Unrealized gain (loss) on available-for-sale securities:                        |   |            |   |
| Beginning of period   | ¥2,568                                  | ¥226,987   | \$34                                      |
| Net change during the period  | (35,776)                                | (79,410)   | (467)                                     |
| End of period   | ¥(33,208)                               | ¥147,577   | \$(433)                                   |
| Deferred gain on derivatives under hedge accounting:                            |   |            |   |
| Beginning of period   | ¥48,332                                 | ¥105,955   | \$631                                     |
| Net change during the period  | 11,689                                  | (8,549)    | 152                                       |
| End of period   | ¥60,022                                 | ¥97,405    | \$783                                     |
| Land revaluation surplus:   |   |            |   |
| Beginning of period   | ¥216,668                                | ¥217,470   | \$2,826                                   |
| Net change during the period  | (2,485)                                 | 953        | (32)                                      |
| End of period   | ¥214,182                                | ¥218,424   | \$2,794                                   |
| Foreign currency translation adjustments:                                       |   |            |   |
| Beginning of period   | ¥(314,199)                              | ¥(201,194) | \$(4,099)                                 |
| Net change during the period  | 11,968                                  | (39,364)   | 156                                       |
| End of period   | ¥(302,230)                              | ¥(240,559) | \$(3,943)                                 |
| Pension liability adjustments under US GAAP recognized at foreign subsidiaries: |   |            |   |
| Beginning of period   | ¥(34,691)                               | ¥(36,930)  | \$(452)                                   |
| Net change during the period  | 2,460                                   | 2,800      | 32  |
| End of period   | ¥(32,230)                               | ¥(34,129)  | \$(420)                                   |
| Total accumulated other comprehensive income                                    |   |            |   |
| Beginning of period   | ¥(81,320)                               | ¥312,288   | \$(1,060)                                 |
| Net change during the period  | (12,143)                                | (123,571)  | (159)                                     |
| End of period   | ¥(93,464)                               | ¥(188,718) | \$(1,219)                                 |
| Total:  |   |            |   |
| Beginning of period   | ¥7,558,817                              | ¥7,756,650 | \$98,616                                  |
| Cash dividends  | (132,328)                               | (142,491)  | (1,726)                                   |
| Net income  | 325,944                                 | 323,653    | 4,252                                     |
| Purchase of treasury stock  | —                                       | (250,000)  | —   |
| Reversal of land revaluation surplus  | 2,485                                   | (953)      | 32  |
| Net change during the period  | (12,143)                                | (123,571)  | (159)                                     |
| End of period   | ¥7,742,776                              | ¥7,563,287 | \$101,015                                 |
| Minority interests:   |   |            |   |
| Beginning of period   | ¥1,348,627                              | ¥1,543,922 | \$17,594                                  |
| Net change during the period  | (130,851)                               | (9,855)    | (1,707)                                   |
| End of period   | ¥1,217,776                              | ¥1,534,067 | \$15,887                                  |
| Total equity:   |   |            |   |
| Beginning of period   | ¥8,907,445                              | ¥9,300,572 | \$116,210                                 |
| Cash dividends  | (132,328)                               | (142,491)  | (1,726)                                   |
| Net income  | 325,944                                 | 323,653    | 4,252                                     |
| Purchase of treasury stock  | —                                       | (250,000)  | —   |
| Reversal of land revaluation surplus  | 2,485                                   | (953)      | 32  |
| Net change during the period  | (142,995)                               | (133,426)  | (1,866)                                   |
| End of period   | ¥8,960,552                              | ¥9,097,354 | \$116,902                                 |

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, 2011 and 2010**

|  | Millions of Yen                         |             | Millions of<br>U.S. Dollars<br>(Note 1)   |
|--|---|-------------|---|
|  | Six-Month Periods Ended<br>September 30 |             | Six-Month<br>Period Ended<br>September 30 |
|  | <u>2011</u>                             | <u>2010</u> | <u>2011</u>                               |
| OPERATING ACTIVITIES:  |   |             |   |
| Income before income taxes and minority interests  | ¥532,257                                | ¥489,187    | \$6,944                                   |
| Adjustments for:   |   |             |   |
| Income taxes—paid, net of refund   | (61,693)                                | (35,921)    | (805)                                     |
| Depreciation and amortization  | 76,025                                  | 74,515      | 992                                       |
| Impairment loss on long-lived assets   | 2,560                                   | 2,936       | 33  |
| Amortization of goodwill   | 7,292                                   | 8,466       | 95  |
| Equity in (gains) losses of the equity method investees  | (4,320)                                 | 7,544       | (56)                                      |
| Decrease in allowance for credit losses  | (64,631)                                | (61,694)    | (843)                                     |
| Increase in reserve for bonuses  | 1,092                                   | 901         | 14  |
| Decrease in reserve for bonuses to directors   | (93)                                    | (93)        | (1)                                       |
| (Decrease) increase in reserve for retirement benefits   | (472)                                   | 426         | (6)                                       |
| Decrease in reserve for retirement benefits to directors                                       | (101)                                   | (88)        | (1)                                       |
| Increase in reserve for loyalty award credits  | 324                                     | 363         | 4   |
| Decrease in reserve for contingent losses  | (6,905)                                 | (5,509)     | (90)                                      |
| Interest income (accrual basis)  | (910,091)                               | (960,718)   | (11,873)                                  |
| Interest expenses (accrual basis)  | 174,763                                 | 193,755     | 2,280                                     |
| Gains on securities  | (106,390)                               | (123,922)   | (1,388)                                   |
| Gains on money held in trust   | (289)                                   | (0)         | (4)                                       |
| Foreign exchange losses  | 550,899                                 | 660,588     | 7,187                                     |
| Losses on disposition of fixed assets  | 1,809                                   | 2,201       | 24  |
| Decrease (increase) in trading assets  | 30,907                                  | (278,791)   | 403                                       |
| Increase in trading liabilities  | 355,266                                 | 1,026,173   | 4,635                                     |
| Adjustment of unsettled trading accounts   | 14,562                                  | (98,349)    | 190                                       |
| Net decrease in loans and bills discounted   | 511,960                                 | 5,373,992   | 6,679                                     |
| Net decrease in deposits   | (2,424,012)                             | (1,140,364) | (31,624)                                  |
| Net decrease in negotiable certificates of deposit   | (850,405)                               | (540,218)   | (11,095)                                  |
| Net increase in borrowed money (excluding subordinated borrowings)                             | 1,411,401                               | 38,407      | 18,414                                    |
| Net decrease in due from banks (excluding cash equivalents)                                    | 206,588                                 | 38,348      | 2,695                                     |
| Net (increase) decrease in call loans and bills bought and receivables under resale agreements | (115,440)                               | 245,693     | (1,506)                                   |
| Net (increase) decrease in receivables under securities borrowing transactions                 | (1,283,258)                             | 3,201,616   | (16,742)                                  |
| Net increase in call money and bills sold and payables under repurchase agreements             | 2,393,823                               | 900,159     | 31,231                                    |
| Net increase (decrease) in commercial paper  | 179,771                                 | (36,534)    | 2,345                                     |
| Net increase (decrease) in payables under securities lending transactions                      | 1,206,157                               | (2,144,065) | 15,736                                    |
| Net increase in foreign exchange assets  | (87,681)                                | (60,419)    | (1,144)                                   |
| Net (decrease) increase in foreign exchange liabilities  | (12,125)                                | (9,107)     | (158)                                     |
| Net increase (decrease) in short-term bonds payable  | 14,993                                  | (1,994)     | 196                                       |
| Increase in straight bonds issuance and redemption   | 38,761                                  | 78,497      | 506                                       |
| Interest and dividends received (cash basis)   | 988,254                                 | 983,690     | 12,893                                    |
| Interest paid (cash basis)   | (191,325)                               | (213,264)   | (2,496)                                   |
| Other—net  | 152,034                                 | (225,932)   | 1,983                                     |
| Total adjustments  | 2,200,012                               | 6,901,287   | 28,702                                    |
| Net cash provided by operating activities  | ¥2,732,270                              | ¥7,390,475  | \$35,646                                  |

**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, 2011 and 2010**

|   | Millions of Yen                         |                    | Millions of<br>U.S. Dollars<br>(Note 1)   |
|---|---|--------------------|---|
|   | Six-Month Periods Ended<br>September 30 |                    | Six-Month<br>Period Ended<br>September 30 |
|   | <u>2011</u>                             | <u>2010</u>        | <u>2011</u>                               |
| INVESTING ACTIVITIES:   |   |                    |   |
| Purchases of securities   | ¥(92,191,343)                           | ¥(48,327,034)      | \$(1,202,757)                             |
| Proceeds from sales of securities   | 85,196,733                              | 20,189,841         | 1,111,503                                 |
| Proceeds from redemption of securities  | 4,786,497                               | 21,356,197         | 62,446                                    |
| Increase in money held in trust   | (224,567)                               | (187,335)          | (2,930)                                   |
| Decrease in money held in trust   | 226,137                                 | 196,563            | 2,950                                     |
| Purchases of tangible fixed assets  | (27,533)                                | (21,898)           | (359)                                     |
| Purchases of intangible fixed assets  | (52,204)                                | (41,667)           | (681)                                     |
| Proceeds from sales of tangible fixed assets  | 7,424                                   | 10,032             | 97  |
| Proceeds from sales of intangible fixed assets  | 0                                       | 114                | 0   |
| Payments for business acquisitions  | —                                       | (57,388)           | —   |
| Other—net   | (155)                                   | (259)              | (2)                                       |
| Net cash used in investing activities   | <u>(2,279,009)</u>                      | <u>(6,882,833)</u> | <u>(29,733)</u>                           |
| FINANCING ACTIVITIES:   |   |                    |   |
| Increase in subordinated borrowings   | 40,000                                  | 10,000             | 522                                       |
| Decrease in subordinated borrowings   | (35,500)                                | (40,000)           | (463)                                     |
| Proceeds from issuance of subordinated bonds and bonds with<br>subscription rights to shares  | 239,000                                 | 71,700             | 3,118                                     |
| Payments for redemption of subordinated bonds and bonds with<br>subscription rights to shares | (471,381)                               | (452,374)          | (6,149)                                   |
| Proceeds from issuance of common stock to minority shareholders                               | 637                                     | 1,500              | 8   |
| Repayments to minority shareholders   | (130)                                   | (333)              | (2)                                       |
| Payments for redemption of preferred stock  | (120,000)                               | —                  | (1,566)                                   |
| Cash dividends paid   | (132,328)                               | (142,491)          | (1,726)                                   |
| Cash dividends paid to minority shareholders  | (31,038)                                | (33,304)           | (405)                                     |
| Purchases of treasury stock   | —                                       | (250,000)          | —   |
| Purchases of subsidiaries' treasury stock   | —                                       | (4,117)            | —   |
| Proceeds from sales of subsidiaries' treasury stock   | —                                       | 8                  | —   |
| Net cash used in financing activities   | <u>(510,741)</u>                        | <u>(839,413)</u>   | <u>(6,663)</u>                            |
| Effect of foreign exchange rate changes on cash and cash equivalents                          | <u>3,268</u>                            | <u>(48,412)</u>    | <u>42</u>                                 |
| Net decrease in cash and cash equivalents   | (54,213)                                | (380,183)          | (708)                                     |
| Cash and cash equivalents, beginning of period  | <u>3,171,595</u>                        | <u>3,449,274</u>   | <u>41,378</u>                             |
| Cash and cash equivalents, end of period (Note 3)   | <u>¥3,117,382</u>                       | <u>¥3,069,090</u>  | <u>\$40,670</u>                           |

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)

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

The accompanying 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 conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), 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, 2011 and the semi-annual consolidated financial statements for the six-month period ended September 30, 2010 (except for balance sheet related items) to conform to the classifications used in the semi-annual consolidated financial statements as of September 30, 2011 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 year ended March 31, 2011.

In conformity with the Japanese Financial Instruments and Exchange Act and the other relevant regulations, 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 ¥76.65 to U.S. \$1, the approximate rate of exchange as of September 30, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *a. Consolidation*

The semi-annual consolidated financial statements include the accounts of the Bank and its subsidiaries (together, the “Group”). There were 135 subsidiaries as of September 30, 2011.

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 49 are accounted for using the equity method as of September 30, 2011. Investments in the remaining affiliates are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying semi-annual consolidated financial statements would not be material.

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

(1) Scope of consolidation

(a) Major consolidated subsidiaries as of September 30, 2011 are as follows:

kabu.com Securities Co., Ltd.  
UnionBanCal Corporation

Changes in the subsidiaries for the six-month period ended September 30, 2011 were as follows:

Two companies including BTMU LF Capital LLC were newly included due to incorporation.

In addition, two companies including BTMU Preferred Capital Limited were deconsolidated due to liquidation.

(b) There were no unconsolidated subsidiaries as of September 30, 2011.

(c) There were no companies which were not regarded as subsidiaries, although the majority of voting rights (execution rights) was owned by the Bank as of September 30, 2011.

(d) There were no special purpose entities which were excluded from the scope of consolidation pursuant to Article 8, Paragraph 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 is established and operated for the purpose of asset securitization and satisfies certain eligible criteria as of September 30, 2011.

(2) Application of the equity method

(a) Major affiliates accounted for using the equity method as of September 30, 2011 are as follows:

Senshu Ikeda Holdings, Inc.  
The Chukyo Bank, Ltd.

Changes in the affiliates accounted for using the equity method for the six-month period ended September 30, 2011 were as follows:

BOT Lease (Tianjin) Co., Ltd. was newly included in affiliates accounted for using the equity method due to incorporation.

(b) There were no unconsolidated subsidiaries which are accounted for using the equity method as of September 30, 2011.

(c) There were no unconsolidated subsidiaries which were not accounted for using the equity method as of September 30, 2011.

(d) Major affiliate not accounted for using the equity method is as follows:

SCB Leasing Public Company Limited

Affiliates not accounted for using the equity method are excluded from the scope of application of the equity method since the impact on the semi-annual consolidated financial statements is not material considering the attributable share of net income (loss), retained earnings and deferred gain on derivatives under hedge accounting in equity.

(e) The following seven companies of which the Group owns the voting rights (execution rights) between 20% and 50% were not recognized as affiliates accounted for using the equity method, since the Bank's subsidiaries hold 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, 2011

Kyoto Constella Technologies Co., Ltd.

Past Co., Ltd.

Pharma Frontier Co., Ltd.

Spring Co., Ltd.

TECHTOM Ltd.

ERIMAKEE Co., Ltd.

Consumer Open Center Ltd.

- (3) The first six-month period ending dates of subsidiaries  
(a) The first six-month period ending dates of subsidiaries are as follows:

|              | Number of<br>subsidiaries |
|--------------|---------------------------|
| January 24   | 1                         |
| March 1      | 1                         |
| April 30     | 1                         |
| June 30      | 87                        |
| July 24      | 8                         |
| July 31      | 1                         |
| August 31    | 1                         |
| September 30 | 35                        |

- (b) The subsidiary with the first six-month period ending January 24 is consolidated based on the financial information for the six-month period ended July 24.

The subsidiary with the first six-month period ending March 1 is consolidated based on the financial information for the six-month period ended September 30.

The subsidiary with the first six-month period ending April 30 is consolidated based on the financial information for the six-month period ended July 31.

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

Adjustments are 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, 2011.

**b. *Accounting Policies Applied to Foreign Subsidiaries for the Semi-annual Consolidated Financial Statements***

Financial statements of foreign subsidiaries prepared in accordance with either IFRS or generally accepted accounting principles in the United States of America (“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.

**c. *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.”

**d. *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 sheets 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) on embedded derivatives combined with the host contracts which are charged to income.

Investments in affiliates included in “Securities” not accounted for using the equity method are reported at cost based on the moving average method.

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

Available-for-sale securities without readily determinable fair value are reported at acquisition cost or amortized cost based on the moving average method.

For other than recoverable declines in fair value, 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 “Trading income (expenses)”. 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. Instruments held in trust classified as held to maturity are carried at amortized cost.

**e. *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 equipment included in “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.

**f. *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 three to ten years) determined by the Bank or its subsidiaries.

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

**g. *Deferred Charges***

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

Discounts on bonds issued prior to March 31, 2006 are amortized using the straight-line method over the terms of the bonds. The unamortized portion is deducted from the bonds in accordance with Accounting Standards Board of Japan (“ASBJ”) Practical Issues Task Force (“PITF”) No. 19 “Tentative Solution on Accounting for Deferred Assets” (issued on August 11, 2006 by the ASBJ).

**h. *Allowance for Credit Losses***

The Bank and 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 (“likely to become bankrupt borrowers”), 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 likely to become bankrupt borrowers and borrowers requiring close monitoring 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 the self-assessment 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, and additional reserves may be provided based on the verification results.

For collateralized or guaranteed claims of bankrupt borrowers or virtually bankrupt borrowers, the amount of claims less the expected amount of recoveries from collateral and guarantee is deemed to be uncollectible and written off against the outstanding amount of claims. The amount of write-offs was ¥646,527 million (\$8,435 million) and ¥798,744 million as of September 30, 2011 and March 31, 2011, 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.

**i. Reserve for Bonuses**

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

**j. 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.

**k. Reserve for Retirement Benefits**

"Reserve for retirement benefits," which is provided for future pension payments to employees, is recorded in the amount deemed accrued at the semi-annual consolidated balance sheet date based on the projected benefit obligation and the estimated plan asset amount at the end of each fiscal year.

Unrecognized prior service cost is amortized under the straight-line method for a period within the employees' average remaining service period, primarily over ten years, commencing on the fiscal year in which the cost is incurred.

Unrecognized net actuarial gain (loss) is amortized using the straight-line method for a period within the employees' average remaining service period, primarily over ten years, commencing in the fiscal year immediately following the fiscal year in which the gain (loss) is incurred.

**l. 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.

**m. 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.

**n. Reserve for Contingent Losses**

"Reserve for contingent losses," which is provided for possible losses from contingent events related to off-balance sheet and other transactions, is calculated by estimating the impact of such contingent events.

***o. Reserve under Special Laws***

“Reserve under special laws” represents a reserve for contingent liabilities from financial instruments transactions set aside in accordance with Article 46-5-1 and Article 48-3-1 of the Financial Instruments and Exchange Act and Article 175 and 189 of the Cabinet Office Ordinance on Financial Instruments Business.

***p. 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.

***q. Leases***

(As lessee)

The Bank’s and domestic subsidiaries’ finance leases other than those that are deemed to transfer the ownership of leased property to the lessees, which commenced in fiscal years beginning on or after April 1, 2008, are accounted for in a similar way to purchases, and depreciation for “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.

Finance leases other than those that are deemed to transfer the ownership of leased property to the lessees, which commenced in fiscal years beginning prior to April 1, 2008, are accounted for in a similar way to operating leases.

(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.

***r. Derivatives and Hedging Activities***

Derivatives are stated at fair value.

**(1) Hedge accounting for interest rate risks**

(a) The Bank has adopted the deferred hedge accounting method for hedging transactions for interest rate risks arising from monetary assets and liabilities. Individual hedging or portfolio 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.

(b) 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.

(c) 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.

(d) As of March 31, 2003, deferred hedge losses and gains were recorded in the consolidated balance sheet as a result of the application of macro hedge accounting based on JICPA Industry Audit Committee Report No. 15 “Tentative Treatment for Accounting and Auditing in Adoption of Accounting Standards for Banking Industry” (February 15, 2000), under which the overall interest rate risks arising from numerous deposits, loans and other instruments are hedged collectively by derivative transactions. These losses and gains are amortized as expense or income over the remaining lives of the macro hedging instruments (for a maximum period of 14 years from April 1, 2003). Deferred hedge losses and gains attributable to macro hedge accounting were losses of ¥912 million (\$12 million) (before tax effect adjustment) and gains of ¥782 million (\$10 million) (before tax effect adjustment) as of September 30, 2011 and losses of ¥2,322 million (before tax effect adjustment) and gains of ¥1,801 million (before tax effect adjustment) as of March 31, 2011.

(2) Hedge accounting for foreign currency risks

(a) 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.

(b) The Bank also has adopted the deferred hedge accounting method for hedging transactions for foreign currency risks arising from investments in affiliates denominated in foreign currencies while adopting the fair value hedge accounting method for hedging transactions for foreign currency risks arising from foreign currency denominated securities (other than bonds). Portfolio hedging and individual hedging are applied to specific hedged items. Liabilities denominated in foreign currencies and forward exchange contracts are used as hedging instruments.

(3) 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.

**s. 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.

**t. Per Share Information**

Basic net income per common share is computed by dividing net income available 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 accompanying 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.

**u. Accounting Changes and Error Corrections**

In December 2009, the ASBJ issued ASBJ Statement No. 24 “Accounting Standard for Accounting Changes and Error Corrections” and ASBJ Guidance No. 24 “Guidance on Accounting Standard for Accounting Changes and Error Corrections.” Accounting treatments under this standard and guidance are as follows:

(1) Changes in Accounting Policies:

When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in Presentations:

When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates:

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior Period Errors:

When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance were applicable to accounting changes and corrections of prior period errors which were made from the beginning of the fiscal year that began on or after April 1, 2011.

Effective April 1, 2011, the Group adopted this accounting standard.

**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, 2011 and 2010 is as follows:

| September 30  | Millions of Yen |             | Millions of U.S. Dollars |
|---|-----------------|-------------|--------------------------|
|   | 2011            | 2010        | 2011                     |
| Cash and due from banks   | ¥7,822,682      | ¥5,864,383  | \$102,057                |
| Less: Time deposits and negotiable certificates of deposit included in due from banks | (4,705,300)     | (2,795,292) | (61,387)                 |
| Cash and cash equivalents   | ¥3,117,382      | ¥3,069,090  | \$40,670                 |

**4. SECURITIES**

Securities as of September 30, 2011 and March 31, 2011 include equity securities in affiliates of ¥185,935 million (\$2,426 million) and ¥174,389 million respectively and capital subscriptions to entities such as limited liability companies of ¥6,567 million (\$86 million) and ¥6,880 million, respectively.

Securities loaned under unsecured securities lending transactions amounted to ¥59,985 million (\$783 million) and ¥249,875 million as of September 30, 2011 and March 31, 2011, respectively.

For securities borrowed and purchased under resale agreements where the secured parties are permitted to sell or repledge the securities without restrictions, ¥546,675 million (\$7,132 million) and ¥256,055 million of such securities were re-pledged as of September 30, 2011 and March 31, 2011, respectively. ¥135 million (\$2 million) and ¥845 million were re-loaned as of September 30, 2011 and March 31, 2011, respectively.

The remaining ¥5,650,749 million (\$73,721 million) and ¥2,107,336 million of these securities were held without disposition as of September 30, 2011 and March 31, 2011, 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.”

a. Held-to-maturity debt securities with fair value:

| Millions of Yen           |                 |            |                            |                 |                 |
|---------------------------|-----------------|------------|----------------------------|-----------------|-----------------|
| September 30, 2011        |                 |            |                            |                 |                 |
|                           | Carrying amount | Fair value | Net unrealized gain (loss) | Unrealized gain | Unrealized loss |
| Japanese government bonds | ¥250,080        | ¥252,375   | ¥2,294                     | ¥2,294          | ¥—              |
| Foreign bonds             | 2,426           | 3,431      | 1,005                      | 1,005           | —               |
| Other                     | 1,070,857       | 1,114,956  | 44,099                     | 47,063          | (2,964)         |
| Total                     | ¥1,323,364      | ¥1,370,764 | ¥47,399                    | ¥50,364         | ¥(2,964)        |

| Millions of Yen           |                 |            |                            |                 |                 |
|---------------------------|-----------------|------------|----------------------------|-----------------|-----------------|
| March 31, 2011            |                 |            |                            |                 |                 |
|                           | Carrying amount | Fair value | Net unrealized gain (loss) | Unrealized gain | Unrealized loss |
| Japanese government bonds | ¥250,112        | ¥253,100   | ¥2,987                     | ¥2,987          | ¥—              |
| Foreign bonds             | 2,592           | 3,592      | 1,000                      | 1,000           | —               |
| Other                     | 1,017,648       | 1,045,862  | 28,214                     | 32,144          | (3,929)         |
| Total                     | ¥1,270,353      | ¥1,302,555 | ¥32,202                    | ¥36,132         | ¥(3,929)        |

| Millions of U.S. Dollars  |                 |            |                            |                 |                 |
|---------------------------|-----------------|------------|----------------------------|-----------------|-----------------|
| September 30, 2011        |                 |            |                            |                 |                 |
|                           | Carrying amount | Fair value | Net unrealized gain (loss) | Unrealized gain | Unrealized loss |
| Japanese government bonds | \$3,263         | \$3,293    | \$30                       | \$30            | \$—             |
| Foreign bonds             | 32              | 45         | 13                         | 13              | —               |
| Other                     | 13,970          | 14,545     | 575                        | 614             | (39)            |
| Total                     | \$17,265        | \$17,883   | \$618                      | \$657           | \$(39)          |

Note: Fair value is stated using mainly quoted market prices at semi-annual period end.

Securitized products which were collateralized by corporate loans are evaluated based on reasonably estimated amounts derived using the Bank’s models.

The estimated values of the securitized products collateralized by corporate loans are obtained using both the amounts calculated using discounted future cash flows estimated based on the probability of default of the borrowers and prepayment on the loans and other factors such as liquidity premiums obtained from historical market data and prices quoted by brokers, information vendors or other sources.

b. Available-for-sale securities with fair value:

| Millions of Yen            |                 |                  |                            |                 |                 |
|----------------------------|-----------------|------------------|----------------------------|-----------------|-----------------|
| September 30, 2011         |                 |                  |                            |                 |                 |
|                            | Carrying amount | Acquisition cost | Net unrealized gain (loss) | Unrealized gain | Unrealized loss |
| Domestic equity securities | ¥2,486,943      | ¥2,606,644       | ¥(119,701)                 | ¥361,950        | ¥(481,652)      |
| Domestic bonds             | 45,052,866      | 44,878,148       | 174,717                    | 191,433         | (16,715)        |
| Japanese government bonds  | 41,516,495      | 41,406,444       | 110,050                    | 115,370         | (5,319)         |
| Municipal bonds            | 203,100         | 195,104          | 7,995                      | 8,000           | (4)             |
| Corporate bonds            | 3,333,270       | 3,276,599        | 56,670                     | 68,062          | (11,391)        |
| Foreign equity securities  | 129,114         | 110,551          | 18,563                     | 21,170          | (2,607)         |
| Foreign bonds              | 12,184,527      | 12,047,216       | 137,310                    | 161,862         | (24,551)        |
| Other                      | 1,260,931       | 1,327,100        | (66,168)                   | 24,252          | (90,420)        |
| Total                      | ¥61,114,383     | ¥60,969,661      | ¥144,721                   | ¥760,669        | ¥(615,947)      |

| Millions of Yen            |                 |                  |                            |                 |                 |
|----------------------------|-----------------|------------------|----------------------------|-----------------|-----------------|
| March 31, 2011             |                 |                  |                            |                 |                 |
|                            | Carrying amount | Acquisition cost | Net unrealized gain (loss) | Unrealized gain | Unrealized loss |
| Domestic equity securities | ¥2,814,682      | ¥2,734,952       | ¥79,729                    | ¥527,776        | ¥(448,047)      |
| Domestic bonds             | 43,577,049      | 43,517,472       | 59,577                     | 163,708         | (104,131)       |
| Japanese government bonds  | 39,888,218      | 39,873,442       | 14,776                     | 104,094         | (89,318)        |
| Municipal bonds            | 199,107         | 192,561          | 6,547                      | 6,553           | (6)             |
| Corporate bonds            | 3,489,721       | 3,451,468        | 38,254                     | 53,060          | (14,806)        |
| Foreign equity securities  | 173,557         | 97,824           | 75,734                     | 75,735          | (1)             |
| Foreign bonds              | 10,150,253      | 10,175,145       | (24,892)                   | 68,579          | (93,471)        |
| Other                      | 1,138,614       | 1,147,946        | (9,332)                    | 41,669          | (51,001)        |
| Total                      | ¥57,854,161     | ¥57,673,343      | ¥180,817                   | ¥877,469        | ¥(696,652)      |

| Millions of U.S. Dollars   |                 |                  |                            |                 |                 |
|----------------------------|-----------------|------------------|----------------------------|-----------------|-----------------|
| September 30, 2011         |                 |                  |                            |                 |                 |
|                            | Carrying amount | Acquisition cost | Net unrealized gain (loss) | Unrealized gain | Unrealized loss |
| Domestic equity securities | \$32,445        | \$34,007         | \$(1,562)                  | \$4,722         | \$(6,284)       |
| Domestic bonds             | 587,774         | 585,494          | 2,279                      | 2,497           | (218)           |
| Japanese government bonds  | 541,637         | 540,201          | 1,436                      | 1,505           | (69)            |
| Municipal bonds            | 2,650           | 2,545            | 104                        | 104             | (0)             |
| Corporate bonds            | 43,487          | 42,748           | 739                        | 888             | (149)           |
| Foreign equity securities  | 1,684           | 1,442            | 242                        | 276             | (34)            |
| Foreign bonds              | 158,963         | 157,172          | 1,791                      | 2,112           | (320)           |
| Other                      | 16,450          | 17,314           | (863)                      | 316             | (1,180)         |
| Total                      | \$797,317       | \$795,429        | \$1,888                    | \$9,924         | \$(8,036)       |

Notes:

1. Carrying amount, which is recorded on the semi-annual consolidated balance sheets, is determined based on the fair value calculated using mainly quoted market price at the semi-annual consolidated balance sheet date.

Securitized products which were collateralized by corporate loans are evaluated based on reasonably estimated amounts derived using the Bank's models.

The estimated values of the securitized products collateralized by corporate loans are obtained using both the amounts calculated using discounted future cash flows estimated based on the probability of default of the borrowers and pre-payment on the loans and other factors such as liquidity premiums obtained from historical market data and prices quoted by brokers, information vendors or other sources.

Other securitization products are reported at reasonably estimated amounts based on the price quoted by brokers or information vendors. For some instances, other sources are used as a substitute for market values and are based on various periodical monitoring methods, including price comparison among similar products, price trend analysis on individual products, compatibility analysis against market indices, etc.

2. Securities with the fair value determined using the 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 sheets.

The amount of write-down of securities for the six-month period ended September 30, 2011 was ¥105,485 million (\$1,376 million), consisting of equity securities in an amount of ¥101,400 million (\$1,323 million) and debt securities and others in an amount of ¥4,084 million (\$53 million).

The criteria for determining whether the fair value is "significantly declined" are defined based on the asset 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 monitoring: 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 issuer" means an issuer who has 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 issuer" means an issuer who is not legally or formally bankrupt but regarded as substantially in a similar condition. "Likely to become bankrupt issuer" means an issuer who is not legally bankrupt but deemed to have high possibility of becoming bankrupt. "Issuer requiring close monitoring" means an issuer who requires close monitoring of the management. "Normal issuer" means an issuer other than "bankrupt issuer," "virtually bankrupt issuer," "likely to become bankrupt issuer" or "Issuer requiring close monitoring".

3. "Unrealized gain (loss)" includes losses of ¥12,390 million (\$162 million) and ¥12,444 million for the six-month periods ended September 30, 2011 and for the year ended March 31, 2011, respectively, resulting from the accounting treatment of embedded derivatives, which are not separated from underlying securities.

## 5. MONEY HELD IN TRUST

“Money held in trust” classified as other than trading and held-to-maturity as of September 30, 2011 and March 31, 2011 was as follows:

|   | Millions of Yen    |                  |                            |                 |                 |
|---|--------------------|------------------|----------------------------|-----------------|-----------------|
|   | September 30, 2011 |                  |                            |                 |                 |
|   | 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 | ¥199,575           | ¥199,270         | ¥304                       | ¥309            | ¥(4)            |

|   | Millions of Yen |                  |                            |                 |                 |
|---|-----------------|------------------|----------------------------|-----------------|-----------------|
|   | March 31, 2011  |                  |                            |                 |                 |
|   | 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 | ¥228,046        | ¥227,824         | ¥222                       | ¥381            | ¥(158)          |

|   | Millions of U.S. Dollars |                  |                            |                 |                 |
|---|--------------------------|------------------|----------------------------|-----------------|-----------------|
|   | September 30, 2011       |                  |                            |                 |                 |
|   | Carrying amount          | Acquisition cost | Net unrealized gain (loss) | Unrealized gain | Unrealized loss |
| Money held in trust classified as other than trading and held-to-maturity | \$2,604                  | \$2,600          | \$4                        | \$4             | \$(0)           |

Note: Carrying amount on the semi-annual consolidated balance sheets is determined based on the fair value calculated using quoted market prices and other information at the semi-annual consolidated balance sheet date.

## 6. UNREALIZED GAIN (LOSS) ON AVAILABLE-FOR-SALE SECURITIES

Unrealized gain (loss) on available-for-sale securities as of September 30, 2011 and March 31, 2011 consisted of the following:

|   | Millions of Yen    |                | Millions of U.S. Dollars |
|---|--------------------|----------------|--------------------------|
|   | September 30, 2011 | March 31, 2011 | September 30, 2011       |
| Unrealized gain (loss):   | ¥60,544            | ¥79,460        | \$790                    |
| Available-for-sale securities   | 165,881            | 199,389        | 2,164                    |
| Available-for-sale money held in trust  | 304                | 222            | 4                        |
| Securities reclassified from available-for-sale securities into held-to-maturity debt securities  | (105,642)          | (120,151)      | (1,378)                  |
| Deferred tax assets (liabilities):  | (93,297)           | (74,730)       | (1,217)                  |
| Unrealized gain (loss) on available-for-sale securities before adjustments by ownership share   | (32,753)           | 4,730          | (427)                    |
| Minority interests  | 14,734             | 14,652         | 192                      |
| Bank’s ownership share in unrealized gain (loss) on available-for-sale securities held by companies accounted for using the equity method | (15,189)           | (16,814)       | (198)                    |
| Unrealized gain (loss) on available-for-sale securities   | ¥ (33,208)         | ¥ 2,568        | \$(433)                  |

Notes:

1. Unrealized gain (loss) in the above table excludes ¥12,390 million (\$162 million) and ¥12,444 million of losses resulting from the accounting treatment for embedded derivatives as of September 30, 2011 and March 31, 2011, respectively.
2. Unrealized gain (loss) in the above table includes ¥8,770 million (\$114 million) and ¥6,127 million of unrealized gain on available-for-sale securities invested in limited partnerships as of September 30, 2011 and March 31, 2011, 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 ¥853,021 million (\$11,129 million) and ¥820,081 million as of September 30, 2011 and March 31, 2011, respectively. The total face value of banker’s acceptance bills, commercial bills, documentary bills and foreign exchanges bills bought which were transferred due to rediscounts of bills amounted to ¥4,978 million (\$65 million) and ¥8,045 million as of September 30, 2011 and March 31, 2011, respectively.

“Loans and bills discounted” as of September 30, 2011 and March 31, 2011 included the following loans:

|   | Millions of Yen       |                   | Millions of<br>U.S. Dollars |
|---|-----------------------|-------------------|-----------------------------|
|   | September 30,<br>2011 | March 31,<br>2011 | September 30,<br>2011       |
| Loans to bankrupt borrowers             | ¥37,653               | ¥46,476           | \$491                       |
| Non-accrual delinquent loans            | 882,262               | 842,888           | 11,510                      |
| Loans past due for three months or more | 79,107                | 138,892           | 1,032                       |
| Restructured loans                      | 472,091               | 428,396           | 6,159                       |
| Total                                   | ¥1,471,114            | ¥1,456,653        | \$19,192                    |

Note: Above amounts 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 includes 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 waiver of the claims, 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, 2011 and March 31, 2011 amounted to ¥881,487 (\$11,500 million) and ¥869,040 million, respectively.

## 9. LAND REVALUATION SURPLUS

In accordance with the “Act on Revaluation of Land” (the “Law”) (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 asset forth in Article 3, Paragraph 3 of the “Law”:

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 “Order,” (3) “Land price determined using the method established and published by the Director General of the National Tax Agency 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 loans or subordinated bonds as of September 30, 2011 and March 31, 2011:

|   | Millions of Yen    |                | Millions of U.S. Dollars |
|---|--------------------|----------------|--------------------------|
|   | September 30, 2011 | March 31, 2011 | September 30, 2011       |
| Subordinated loans included in “Borrowed money” | ¥505,000           | ¥500,500       | \$6,588                  |
| Subordinated bonds included in “Bonds payable”  | 2,841,094          | 3,094,811      | 37,066                   |

## 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, 2011 and March 31, 2011 were ¥1,912,645 million (\$24,953 million) and ¥2,151,991 million, respectively.

In accordance with the Cabinet Office Ordinance for the Partial Revision of the Ordinance for Enforcement of the Banking Law (Cabinet Office Ordinance No. 38, April 17, 2007), “Customers’ liabilities for acceptances and guarantees” and “Acceptances and guarantees” of the bonds stated above are offset.

## 12. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and their relevant liabilities as of September 30, 2011 and March 31, 2011 were as follows:

|                                       | Millions of Yen    |                   | Millions of U.S. Dollars |
|---------------------------------------|--------------------|-------------------|--------------------------|
|                                       | September 30, 2011 | March 31, 2011    | September 30, 2011       |
| Assets pledged as collateral:         |                    |                   |                          |
| Cash and due from banks               | ¥2,255             | ¥4,015            | \$29                     |
| Securities                            | 1,919,357          | 908,674           | 25,041                   |
| Loans and bills discounted            | 3,571,986          | 3,207,136         | 46,601                   |
| Other assets                          | 73,218             | 73,066            | 955                      |
| <b>Total</b>                          | <b>¥5,566,817</b>  | <b>¥4,192,892</b> | <b>\$72,626</b>          |
| Relevant liabilities to above assets: |                    |                   |                          |
| Deposits                              | ¥157,327           | ¥285,157          | \$2,052                  |
| Call money and bills sold             | 530,000            | 480,000           | 6,915                    |
| Trading liabilities                   | 53,836             | 62,999            | 702                      |
| Borrowed money                        | 4,525,615          | 3,041,261         | 59,043                   |
| Other liabilities                     | 56,198             | 56,200            | 733                      |
| Acceptances and guarantees            | 519                | 597               | 7                        |
| <b>Total</b>                          | <b>¥5,323,497</b>  | <b>¥3,926,217</b> | <b>\$69,452</b>          |

In addition to the above, the following assets are 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<br>U.S. Dollars |
|-------------------------------|-----------------------|-------------------|-----------------------------|
|                               | September 30,<br>2011 | March 31,<br>2011 | September 30,<br>2011       |
| Assets pledged as collateral: |                       |                   |                             |
| Cash and due from banks       | ¥1,218                | ¥10,851           | \$16                        |
| Monetary claims bought        | 108,302               | 116,977           | 1,413                       |
| Trading assets                | —                     | 390               | —                           |
| Securities                    | 10,824,085            | 18,546,216        | 141,214                     |
| Loans and bills discounted    | 3,203,220             | 3,346,386         | 41,790                      |
| Total                         | ¥14,136,827           | ¥22,020,820       | \$184,433                   |

Furthermore, trading assets and securities sold under repurchase agreements or loaned under securities lending with cash collateral were ¥933,441 million (\$12,178 million) and ¥8,956,343 million (\$116,847 million), respectively as of September 30, 2011 and ¥846,106 million and ¥4,486,614 million as of March 31, 2011.

Relevant payables under resale agreements were ¥7,093,704 million (\$92,547 million) and ¥4,763,735 million as of September 30, 2011 and March 31, 2011, respectively.

Relevant payables under securities lending transactions were ¥1,810,695 million (\$23,623 million) and ¥614,479 million as of September 30, 2011 and March 31, 2011, 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 were ¥57,242,292 million (\$746,801 million) and ¥56,226,104 million as of September 30, 2011 and March 31, 2011, 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. 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:

#### *a. 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 the Board of Corporate Auditors, 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. 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. Semi-annual 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 purchase 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.

**b. *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.

**c. *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 specific formula. Under the Companies Act, stock acquisition rights, which were previously presented as a liability, are now 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.

**15. 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, 2011 and 2010 were as follows:

|   | Number of shares in thousands |          |          |                    |
|---|-------------------------------|----------|----------|--------------------|
|   | April 1, 2011                 | Increase | Decrease | September 30, 2011 |
| 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 7 | 21,000                        | —        | —        | 21,000             |
| Total                                   | 200,700                       | —        | —        | 200,700            |

|   | Number of shares in thousands |          |          |                    |
|---|-------------------------------|----------|----------|--------------------|
|   | April 1, 2010                 | Increase | Decrease | September 30, 2010 |
| 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 7 | 21,000                        | —        | —        | 21,000             |
| Total                                   | 100,700                       | 100,000  | —        | 200,700            |

Note:

For the six-month period ended September 30, 2010

Increase in treasury stock of preferred stock for first series of Class 2 results from acquisition of all the 100,000 thousand shares pursuant to the provision of acquisition on this preferred stock stipulated in the Articles of Incorporation.

The Bank paid the following cash dividends during the six-month periods ended September 30, 2011 and 2010:

For the six-month period ended September 30, 2011:

The following cash dividend payments were approved at the shareholders' meeting held on June 28, 2011:

|   | Total amount<br>(Millions of Yen) | Per share<br>amount (Yen) | Dividend record<br>date | Effective date |
|---|-----------------------------------|---------------------------|-------------------------|----------------|
| Year-end cash dividends:                |                                   |                           |                         |                |
| Common stock                            | ¥123,253                          | ¥9.98                     | Mar. 31, 2011           | Jun. 28, 2011  |
| Preferred stock-first series of Class 6 | 105                               | 105.45                    | Mar. 31, 2011           | Jun. 28, 2011  |
| Preferred stock-first series of Class 7 | 8,970                             | 57.50                     | Mar. 31, 2011           | Jun. 28, 2011  |
| Total                                   | ¥132,328                          |                           |                         |                |

|   | Total amount<br>(Millions of<br>U.S. Dollars) | Per share<br>amount<br>(U.S. Dollar) | Dividend record<br>date | Effective date |
|---|---|--------------------------------------|-------------------------|----------------|
| Year-end cash dividends:                |   |                                      |                         |                |
| Common stock                            | \$1,608                                       | \$0.13                               | Mar. 31, 2011           | Jun. 28, 2011  |
| Preferred stock-first series of Class 6 | 1   | 1.38                                 | Mar. 31, 2011           | Jun. 28, 2011  |
| Preferred stock-first series of Class 7 | 117   | 0.75                                 | Mar. 31, 2011           | Jun. 28, 2011  |
| Total                                   | \$1,726                                       |                                      |                         |                |

For the six-month period ended September 30, 2010:

The following cash dividend payments were approved at the shareholders' meeting held on June 28, 2010:

|   | Total amount<br>(Millions of Yen) | Per share<br>amount (Yen) | Dividend record<br>date | Effective date |
|---|-----------------------------------|---------------------------|-------------------------|----------------|
| Year-end cash dividends:                |                                   |                           |                         |                |
| Common stock                            | ¥130,416                          | ¥10.56                    | Mar. 31, 2010           | Jun. 28, 2010  |
| Preferred stock-first series of Class 2 | 3,000                             | 30.00                     | Mar. 31, 2010           | Jun. 28, 2010  |
| Preferred stock-first series of Class 6 | 105                               | 105.45                    | Mar. 31, 2010           | Jun. 28, 2010  |
| Preferred stock-first series of Class 7 | 8,970                             | 57.50                     | Mar. 31, 2010           | Jun. 28, 2010  |
| Total                                   | ¥142,491                          |                           |                         |                |

## 16. OTHER INCOME

Other income for the six-month periods ended September 30, 2011 and 2010 consisted of the following:

| Six-month periods ended September 30                     | Millions of Yen |          | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
|  | 2011            | 2010     | 2011                     |
| Gains on sales of equity securities and other securities | ¥14,780         | ¥32,265  | \$193                    |
| Gains on collection of bad debts                         | 22,948          | 26,304   | 299                      |
| Reversal of allowance for credit losses                  | 20,157          | —        | 263                      |
| Leasing income   | 12,328          | 12,540   | 161                      |
| Other  | 28,811          | 34,335   | 376                      |
| Total  | ¥99,026         | ¥105,444 | \$1,292                  |

## 17. OTHER EXPENSES

Other expenses for the six-month periods ended September 30, 2011 and 2010 consisted of the following:

| Six-month periods ended September 30   | Millions of Yen |          | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
|  | 2011            | 2010     | 2011                     |
| Provision of allowance for credit losses                                     | ¥—              | ¥40,042  | \$—                      |
| Write-offs of loans  | 45,682          | 75,249   | 596                      |
| Losses on sales of equity securities and other securities                    | —               | 21,852   | —                        |
| Effect from adoption of accounting standard for asset retirement obligations | —               | 15,833   | —                        |
| Losses on write-down of equity securities and other securities               | 105,012         | 45,497   | 1,370                    |
| Other  | 46,187          | 39,935   | 602                      |
| Total  | ¥196,882        | ¥238,409 | \$2,568                  |

## 18. LEASES

### a. Lessee

#### *Finance leases*

The Group leases various tangible and intangible fixed assets under finance lease arrangements.

The Group accounts for finance leases other than those that are deemed to transfer the ownership of leased property to the lessee, which commenced in fiscal years beginning before April 1, 2008, in a similar way to operating leases as permitted by the revised accounting standard.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, liabilities under finance leases and depreciation expense of finance leases that existed as of April 1, 2008 and other than those that are deemed to transfer the ownership of leased property to the lessee on an “as if capitalized” basis as of September 30, 2011 and March 31, 2011 was as follows:

Note that leased property of certain foreign subsidiaries which account for finance leases as purchase transactions is excluded from the following table:

|                         | Millions of Yen    |                          |                     |                  |                          |                     |
|-------------------------|--------------------|--------------------------|---------------------|------------------|--------------------------|---------------------|
|                         | September 30, 2011 |                          |                     | March 31, 2011   |                          |                     |
|                         | Acquisition cost   | Accumulated depreciation | Net leased property | Acquisition cost | Accumulated depreciation | Net leased property |
| Tangible fixed assets   | ¥41,604            | ¥32,682                  | ¥8,921              | ¥56,555          | ¥43,349                  | ¥13,205             |
| Intangible fixed assets | 332                | 239                      | 93                  | 1,231            | 1,056                    | 174                 |
| Total                   | ¥41,936            | ¥32,921                  | ¥9,014              | ¥57,786          | ¥44,405                  | ¥13,380             |

| Millions of U.S. Dollars |                  |                          |                     |
|--------------------------|------------------|--------------------------|---------------------|
| September 30, 2011       |                  |                          |                     |
|                          | Acquisition cost | Accumulated depreciation | Net leased property |
| Tangible fixed assets    | \$543            | \$426                    | \$117               |
| Intangible fixed assets  | 4                | 3                        | 1                   |
| Total                    | \$547            | \$429                    | \$118               |

Note: The acquisition costs include interest expense since the future lease payments are immaterial when compared with the balance of the “Tangible fixed assets” as of September 30, 2011.

Future lease payments:

|                     | Millions of Yen    |                | Millions of U.S. Dollars |
|---------------------|--------------------|----------------|--------------------------|
|                     | September 30, 2011 | March 31, 2011 | September 30, 2011       |
| Due within one year | ¥4,166             | ¥6,686         | \$55                     |
| Due after one year  | 4,847              | 6,704          | 63                       |
| Total               | ¥9,014             | ¥13,391        | \$118                    |

Note: Future lease payments include interest expense since the future lease payments are immaterial when compared with the balance of the “Tangible fixed assets” as of September 30, 2011.

Total lease payments under finance leases for the six-month periods ended September 30, 2011 and 2010 were ¥3,805 million (\$50 million) and ¥6,413 million, respectively.

Depreciation expense under finance leases:

| Six-month periods ended September 30 | Millions of Yen |        | Millions of U.S. Dollars |
|--------------------------------------|-----------------|--------|--------------------------|
|                                      | 2011            | 2010   | 2011                     |
| Depreciation expense                 | ¥3,805          | ¥6,413 | \$50                     |

Depreciation expense, which is not reflected in the accompanying semi-annual consolidated statements of income, is computed using the straight-line method over the lease term with zero residual value.

#### *Operating leases*

Future lease payments including interest expense under non-cancelable operating leases as of September 30, 2011 and March 31, 2011 were as follows:

|                     | Millions of Yen    |                | Millions of U.S. Dollars |
|---------------------|--------------------|----------------|--------------------------|
|                     | September 30, 2011 | March 31, 2011 | September 30, 2011       |
| Due within one year | ¥23,013            | ¥24,652        | \$300                    |
| Due after one year  | 126,918            | 125,380        | 1,656                    |
| Total               | ¥149,932           | ¥150,033       | \$1,956                  |

#### **b. Lessor**

##### *Operating leases*

Future lease receivables including interest receivables under non-cancelable operating leases as of September 30, 2011 and March 31, 2011 were as follows:

|                     | Millions of Yen    |                | Millions of U.S. Dollars |
|---------------------|--------------------|----------------|--------------------------|
|                     | September 30, 2011 | March 31, 2011 | September 30, 2011       |
| Due within one year | ¥12,298            | ¥16,882        | \$160                    |
| Due after one year  | 41,687             | 57,242         | 544                      |
| Total               | ¥53,985            | ¥74,124        | \$704                    |

## 19. PER SHARE INFORMATION

|                        | Yen                   |                   | U.S. Dollars          |
|------------------------|-----------------------|-------------------|-----------------------|
|                        | September 30,<br>2011 | March 31,<br>2011 | September 30,<br>2011 |
| Total equity per share | ¥594.16               | ¥579.24           | \$7.75                |

  

| Six-month periods ended September 30 | Yen    |        | U.S. Dollars |
|--------------------------------------|--------|--------|--------------|
|                                      | 2011   | 2010   | 2011         |
| Net income per common share          | ¥25.65 | ¥25.47 | \$0.33       |
| Diluted net income per common share  | 25.65  | 25.47  | 0.33         |

Note: Net income per share and diluted net income per share are calculated based on the following:

| Six-month periods ended September 30           | Millions of Yen |          | Millions of<br>U.S. Dollars |
|--|-----------------|----------|-----------------------------|
|  | 2011            | 2010     | 2011                        |
| Net income                                     | ¥325,944        | ¥323,653 | \$4,252                     |
| Amount not attributable to common shareholders | (9,075)         | (9,075)  | (118)                       |
| Preferred dividends                            | (9,075)         | (9,075)  | (118)                       |
| Net income attributable to common shares       | 316,869         | 314,578  | 4,134                       |

| Six-month periods ended September 30              | Number of shares in thousands |            |
|---|-------------------------------|------------|
|   | 2011                          | 2010       |
| Average number of common shares during the period | 12,350,038                    | 12,350,038 |

Outline of dilutive shares which were not included in the calculation of "Diluted net income per share," since they do not have dilutive effect is as follows:

### Six-month period ended September 30, 2011

- Stock options issued by a subsidiary  
kabu.com Securities Co., Ltd.

| Six-month period ended September 30, 2011              | 2006 Stock Option |
|--|-------------------|
| Date of grant  | Mar. 31, 2006     |
| Expiry date  | Jun. 30, 2012     |
| Exercise price   | ¥1,636 (\$21.34)  |
| Number of options initially granted                    | 1,438             |
| Outstanding number of options as of September 30, 2011 | 790               |

### Six-month period ended September 30, 2010

- Stock options issued by a subsidiary  
kabu.com Securities Co., Ltd.

| Six-month period ended September 30, 2010              | 2006 Stock Option |
|--|-------------------|
| Date of grant  | Mar. 31, 2006     |
| Expiry date  | Jun. 30, 2012     |
| Exercise price   | ¥1,636            |
| Number of options initially granted                    | 1,438             |
| Outstanding number of options as of September 30, 2010 | 834               |

Total equity per share is calculated based on the following:

|  | Millions of Yen       |                   | Millions of<br>U.S. Dollars |
|--|-----------------------|-------------------|-----------------------------|
|  | September 30,<br>2011 | March 31,<br>2011 | September 30,<br>2011       |
| Total equity                               | ¥8,960,552            | ¥8,907,445        | \$116,902                   |
| Deductions from total equity:              |                       |                   |                             |
| Minority interests                         | 1,217,776             | 1,348,627         | 15,887                      |
| Preferred shares                           | 395,700               | 395,700           | 5,163                       |
| Preferred dividends                        | 9,075                 | 9,464             | 118                         |
| Total                                      | 1,622,551             | 1,753,792         | 21,168                      |
| Total equity attributable to common shares | 7,338,000             | 7,153,652         | 95,734                      |

|  | Number of shares in thousands |                   |
|--|-------------------------------|-------------------|
|  | September 30,<br>2011         | March 31,<br>2010 |
| Number of common shares used in computing total equity per share | 12,350,038                    | 12,350,038        |

## 20. 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, 2011 and March 31, 2011 together with their differences. Note that the following table does not include unlisted equity securities and certain other securities for which fair value is extremely difficult to determine (see Note 2).

| September 30, 2011                                      | Millions of Yen     |                     |                           |
|---|---------------------|---------------------|---------------------------|
|   | Carrying amount     | Fair value          | Unrealized gain<br>(loss) |
| (1) Cash and due from banks                             | ¥7,822,682          | ¥7,822,682          | ¥—                        |
| (2) Call loans and bills bought                         | 276,409             | 276,409             | —                         |
| (3) Receivables under resale agreements                 | 950,862             | 950,862             | —                         |
| (4) Receivables under securities borrowing transactions | 2,034,740           | 2,034,740           | —                         |
| (5) Monetary claims bought (*1)                         | 2,689,123           | 2,733,223           | 44,099                    |
| (6) Trading assets                                      | 1,784,533           | 1,784,533           | —                         |
| (7) Money held in trust                                 | 257,491             | 257,491             | —                         |
| (8) Securities:   |                     |                     |                           |
| Held-to-maturity securities                             | 252,506             | 255,806             | 3,300                     |
| Available-for-sale securities                           | 60,822,773          | 60,822,773          | —                         |
| (9) Loans and bills discounted                          | 69,703,056          |                     |                           |
| Allowance for credit losses (*1)                        | (701,560)           |                     |                           |
|   | <u>69,001,496</u>   | <u>69,572,999</u>   | <u>571,503</u>            |
| (10) Foreign exchange assets (*1)                       | 1,220,387           | 1,220,387           | —                         |
| Total assets  | <u>¥147,113,007</u> | <u>¥147,731,910</u> | <u>¥618,903</u>           |
| (1) Deposits  | ¥109,760,374        | ¥109,799,541        | ¥39,166                   |
| (2) Negotiable certificates of deposit                  | 7,326,737           | 7,330,662           | 3,924                     |
| (3) Call money and bills sold                           | 1,332,796           | 1,332,796           | —                         |
| (4) Payables under repurchase agreements                | 7,123,063           | 7,123,063           | —                         |
| (5) Payables under securities lending transactions      | 1,830,868           | 1,830,868           | —                         |
| (6) Commercial paper                                    | 280,511             | 280,511             | —                         |
| (7) Trading liabilities                                 | 11,953              | 11,953              | —                         |
| (8) Borrowed money                                      | 6,237,479           | 6,269,979           | 32,499                    |
| (9) Foreign exchange liabilities                        | 677,966             | 677,966             | —                         |
| (10) Short-term bonds payable                           | 111,951             | 111,951             | —                         |
| (11) Bonds payable                                      | 5,038,041           | 5,131,377           | 93,335                    |
| Total liabilities                                       | <u>¥139,731,746</u> | <u>¥139,900,673</u> | <u>¥168,927</u>           |
| Derivatives (*2):                                       |                     |                     |                           |
| To which hedge accounting is not applied                | ¥172,595            | ¥172,595            | ¥—                        |
| To which hedge accounting is applied                    | 376,998             | 376,998             | —                         |
| Total derivatives                                       | <u>¥549,593</u>     | <u>¥549,593</u>     | <u>¥—</u>                 |

| March 31, 2011   | Millions of Yen     |                     |                           |
|--|---------------------|---------------------|---------------------------|
|  | Carrying amount     | Fair value          | Unrealized gain<br>(loss) |
| (1) Cash and due from banks                                | ¥8,034,314          | ¥8,034,314          | ¥—                        |
| (2) Call loans and bills bought                            | 289,132             | 289,132             | —                         |
| (3) Receivables under resale agreements                    | 846,052             | 846,052             | —                         |
| (4) Receivables under securities borrowing<br>transactions | 751,482             | 751,482             | —                         |
| (5) Monetary claims bought (*1)                            | 2,660,240           | 2,688,455           | 28,214                    |
| (6) Trading assets   | 2,326,629           | 2,326,629           | —                         |
| (7) Money held in trust                                    | 276,662             | 276,662             | —                         |
| (8) Securities:  |                     |                     |                           |
| Held-to-maturity securities                                | 252,704             | 256,692             | 3,987                     |
| Available-for-sale securities                              | 57,474,638          | 57,474,638          | —                         |
| (9) Loans and bills discounted                             | 70,171,754          |                     |                           |
| Allowance for credit losses (*1)                           | (753,421)           |                     |                           |
|  | <u>69,418,332</u>   | <u>69,898,364</u>   | <u>480,031</u>            |
| (10) Foreign exchange assets (*1)                          | <u>1,130,329</u>    | <u>1,130,329</u>    | <u>—</u>                  |
| Total assets   | <u>¥143,460,518</u> | <u>¥143,972,752</u> | <u>¥512,233</u>           |
| (1) Deposits   | ¥112,139,455        | ¥112,171,926        | ¥32,470                   |
| (2) Negotiable certificates of deposit                     | 8,179,066           | 8,183,023           | 3,957                     |
| (3) Call money and bills sold                              | 1,277,948           | 1,277,948           | —                         |
| (4) Payables under repurchase agreements                   | 4,775,168           | 4,775,168           | —                         |
| (5) Payables under securities lending<br>transactions      | 624,711             | 624,711             | —                         |
| (6) Commercial paper                                       | 101,688             | 101,688             | —                         |
| (7) Trading liabilities                                    | 3,038               | 3,038               | —                         |
| (8) Borrowed money   | 4,799,749           | 4,824,310           | 24,560                    |
| (9) Foreign exchange liabilities                           | 688,185             | 688,185             | —                         |
| (10) Short-term bonds payable                              | 96,958              | 96,958              | —                         |
| (11) Bonds payable   | 5,253,896           | 5,346,857           | 92,960                    |
| Total liabilities  | <u>¥137,939,866</u> | <u>¥138,093,815</u> | <u>¥153,948</u>           |
| Derivatives (*2):  |                     |                     |                           |
| To which hedge accounting is not applied                   | ¥91,723             | ¥91,723             | ¥—                        |
| To which hedge accounting is applied                       | 152,625             | 152,625             | —                         |
| Total derivatives  | <u>¥244,349</u>     | <u>¥244,349</u>     | <u>¥—</u>                 |

Millions of U.S. Dollars

| September 30, 2011                                      | Carrying amount    | Fair value         | Unrealized gain<br>(loss) |
|---|--------------------|--------------------|---------------------------|
| (1) Cash and due from banks                             | \$102,057          | \$102,057          | \$—                       |
| (2) Call loans and bills bought                         | 3,606              | 3,606              | —                         |
| (3) Receivables under resale agreements                 | 12,405             | 12,405             | —                         |
| (4) Receivables under securities borrowing transactions | 26,546             | 26,546             | —                         |
| (5) Monetary claims bought (*1)                         | 35,083             | 35,658             | 575                       |
| (6) Trading assets                                      | 23,282             | 23,282             | —                         |
| (7) Money held in trust                                 | 3,359              | 3,359              | —                         |
| (8) Securities:   |                    |                    |                           |
| Held-to-maturity securities                             | 3,295              | 3,338              | 43                        |
| Available-for-sale securities                           | 793,513            | 793,513            | —                         |
| (9) Loans and bills discounted                          | 909,368            |                    |                           |
| Allowance for credit losses (*1)                        | (9,153)            |                    |                           |
|   | <u>900,215</u>     | <u>907,671</u>     | <u>7,456</u>              |
| (10) Foreign exchange assets (*1)                       | 15,922             | 15,922             | —                         |
| Total assets  | <u>\$1,919,283</u> | <u>\$1,927,357</u> | <u>\$8,074</u>            |
| (1) Deposits  | \$1,431,968        | \$1,432,479        | \$511                     |
| (2) Negotiable certificates of deposit                  | 95,587             | 95,638             | 51                        |
| (3) Call money and bills sold                           | 17,388             | 17,388             | —                         |
| (4) Payables under repurchase agreements                | 92,930             | 92,930             | —                         |
| (5) Payables under securities lending transactions      | 23,886             | 23,886             | —                         |
| (6) Commercial paper                                    | 3,660              | 3,660              | —                         |
| (7) Trading liabilities                                 | 155                | 155                | —                         |
| (8) Borrowed money                                      | 81,376             | 81,800             | 424                       |
| (9) Foreign exchange liabilities                        | 8,845              | 8,845              | —                         |
| (10) Short-term bonds payable                           | 1,461              | 1,461              | —                         |
| (11) Bonds payable                                      | 65,728             | 66,946             | 1,218                     |
| Total liabilities                                       | <u>\$1,822,984</u> | <u>\$1,825,188</u> | <u>\$2,204</u>            |
| Derivatives (*2):                                       |                    |                    |                           |
| To which hedge accounting is not applied                | \$2,252            | \$2,252            | \$—                       |
| To which hedge accounting is applied                    | 4,918              | 4,918              | —                         |
| Total derivatives                                       | <u>\$7,170</u>     | <u>\$7,170</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. Method used for determining the fair value of financial instruments

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 monetary claims bought for which these methods do not apply, the carrying amount is presented as the fair value, as the fair value approximates such carrying value.

(6) "Trading assets"

For securities such as bonds that are held for trading purpose, the fair value is determined based on the price quoted by the exchange or the financial institutions from which these securities are purchased.

(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 and the fair value of bonds is determined based on the price quoted by the exchange or the financial institutions from which they were purchased. 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. With respect to variable rate Japanese government bonds that are included in "Securities" in the table above, the Bank values them at an amount calculated on a reasonable basis according to ASBJ PITF No. 25 "Practical Solution on Measurement of Fair Value for Financial Assets" (issued on October 28, 2008 by the ASBJ), as the Bank determined that taking into account the current market conditions, the market price of these securities as of the consolidated balance sheet date cannot be regarded as the fair value. The value of variable rate Japanese government bonds calculated on a reasonable basis is determined by discounting the expected future cash flow, estimated based on factors such as the yield of government bonds and discounted at a rate based on such yield of government bonds adjusted for the value of embedded options and the liquidity premium based on the actual market premiums observed in the past.

For certain securitized products whose underlying assets are corporate loan receivables, the fair value is determined by taking into account both 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 information vendors). 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. 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 carrying amount net of the currently expected credit loss amount, such carrying 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 and traveler's checks, etc. (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 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 interest rate 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 before and 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 subsidiaries. For borrowed money hedged by interest rate swaps which qualify for hedge accounting and meet specific matching criteria, it reflects the fair value of the interest rate swaps.

(9) “Foreign exchange liabilities”

Among foreign exchange contracts, foreign currency deposits accepted from other banks and non-resident Japanese yen deposits are deposits without maturity (due to other foreign banks). 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) “Short-term bonds payable”

For “Short-term bonds payable”, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because they carry short contract terms (one year or less).

(11) “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 before and 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 Group.

2. The following table summarizes financial instruments whose fair value is extremely difficult to estimate. 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<br>U.S. Dollars |
|--|-----------------------|-------------------|-----------------------------|
|  | Millions of Yen       |                   |                             |
|  | September 30,<br>2011 | March 31,<br>2011 | September 30,<br>2011       |
| Unlisted equity securities (*1) (*2)       | ¥342,433              | ¥354,321          | \$4,468                     |
| Investment in partnerships, etc. (*2) (*3) | 194,789               | 194,048           | 2,541                       |
| Other (*2)                                 | 292                   | 129               | 4                           |
| Total                                      | ¥537,515              | ¥548,498          | \$7,013                     |

(\*1) Unlisted equity securities do not carry quoted market prices. Since it is extremely difficult to estimate the fair value of these securities, their fair value is not disclosed.

(\*2) With respect to unlisted equity securities, an impairment loss of ¥3,611 million (\$47 million) and ¥9,512 million was recorded for the six-month period ended September 30, 2011 and for the year ended March 31, 2011, respectively.

(\*3) Investments in partnerships mainly include anonymous partnerships and investment business partnerships, etc. Since it is extremely difficult to estimate the fair value of these securities, their fair value is not disclosed.

## 21. DERIVATIVES

The Bank has the following derivative contracts outstanding as of September 30, 2011 and March 31, 2011:

### Derivative contracts to which hedge accounting is not applied:

With respect to derivatives to which hedge accounting is not applied, contract amount or notional principal, 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, 2011 |               |             |                          |
|   |  | Contract amount    |               |             |                          |
|   |  | Total              | Over one year | Fair value  | Valuation gain<br>(loss) |
| <b>Transactions listed on exchange:</b> |  |                    |               |             |                          |
| Interest rate futures                   | Sold   | ¥1,235,005         | ¥300,111      | ¥(766)      | ¥(766)                   |
|   | Bought   | 743,787            | 161,998       | (27)        | (27)                     |
| Interest rate options                   | Sold   | 6,039,313          | —             | (1,185)     | 861                      |
|   | Bought   | 3,344,597          | —             | 1,131       | (890)                    |
| <b>OTC transactions:</b>                |  |                    |               |             |                          |
| Forward rate agreements                 | Sold   | 1,529,320          | —             | (34)        | (34)                     |
|   | Bought   | 1,462,098          | —             | 64          | 64                       |
| Interest rate swaps                     | Receivable fixed rate/<br>Payable floating rate    | 112,723,456        | 76,020,988    | 3,685,699   | 3,685,699                |
|   | Receivable floating rate/<br>Payable fixed rate    | 110,692,239        | 75,841,683    | (3,585,329) | (3,585,329)              |
|   | Receivable floating rate/<br>Payable floating rate | 28,477,561         | 21,279,945    | 35,772      | 35,772                   |
|   | Receivable fixed rate/<br>Payable fixed rate       | 332,547            | 290,847       | (10,654)    | (10,654)                 |
| Interest rate swaptions                 | Sold   | 8,792,489          | 3,577,677     | (141,449)   | (102,003)                |
|   | Bought   | 5,168,358          | 2,843,850     | 110,948     | 92,453                   |
| Other                                   | Sold   | 1,462,018          | 1,175,691     | (6,389)     | (2,334)                  |
|   | Bought   | 1,343,724          | 1,165,791     | 12,272      | 4,698                    |
| Total                                   |  | —                  | —             | ¥100,052    | ¥117,507                 |
|   |  | Millions of Yen    |               |             |                          |
|   |  | March 31, 2011     |               |             |                          |
|   |  | Contract amount    |               |             |                          |
|   |  | Total              | Over one year | Fair value  | Valuation gain<br>(loss) |
| <b>Transactions listed on exchange:</b> |  |                    |               |             |                          |
| Interest rate futures                   | Sold   | ¥639,112           | ¥140,512      | ¥244        | ¥244                     |
|   | Bought   | 818,082            | 217,703       | 145         | 145                      |
| Interest rate options                   | Sold   | 2,062,061          | —             | (469)       | 69                       |
|   | Bought   | 2,736,602          | —             | 528         | (380)                    |
| <b>OTC transactions:</b>                |  |                    |               |             |                          |
| Forward rate agreements                 | Sold   | 1,694,430          | —             | 81          | 81                       |
|   | Bought   | 1,464,022          | —             | (173)       | (173)                    |
| Interest rate swaps                     | Receivable fixed rate/<br>Payable floating rate    | 125,562,897        | 85,180,691    | 3,094,243   | 3,094,243                |
|   | Receivable floating rate/<br>Payable fixed rate    | 125,155,579        | 85,541,044    | (2,980,416) | (2,980,416)              |
|   | Receivable floating rate/<br>Payable floating rate | 28,184,954         | 21,542,726    | 27,198      | 27,198                   |
|   | Receivable fixed rate/<br>Payable fixed rate       | 335,784            | 291,257       | (916)       | (916)                    |
| Interest rate swaptions                 | Sold   | 6,526,954          | 3,248,896     | (111,078)   | (84,361)                 |
|   | Bought   | 4,686,255          | 2,344,238     | 101,463     | 79,378                   |
| Other                                   | Sold   | 1,617,888          | 1,177,554     | (8,208)     | (4,593)                  |
|   | Bought   | 1,214,959          | 868,912       | 10,391      | 8,170                    |
| Total                                   |  | —                  | —             | ¥133,030    | ¥138,688                 |

|   |  | Millions of U.S. Dollars |               |            |                          |
|---|--|--------------------------|---------------|------------|--------------------------|
|   |  | September 30, 2011       |               |            |                          |
|   |  | Contract amount          |               |            | Valuation gain<br>(loss) |
|   |  | Total                    | Over one year | Fair value |                          |
| <b>Transactions listed on exchange:</b> |  |                          |               |            |                          |
| Interest rate futures                   | Sold   | \$16,112                 | \$3,915       | \$(10)     | \$(10)                   |
|   | Bought   | 9,704                    | 2,113         | (0)        | (0)                      |
| Interest rate options                   | Sold   | 78,791                   | —             | (16)       | 11                       |
|   | Bought   | 43,635                   | —             | 15         | (12)                     |
| <b>OTC transactions:</b>                |  |                          |               |            |                          |
| Forward rate agreements                 | Sold   | 19,952                   | —             | (0)        | (0)                      |
|   | Bought   | 19,075                   | —             | 1          | 1                        |
| Interest rate swaps                     | Receivable fixed rate/<br>Payable floating rate    | 1,470,626                | 991,794       | 48,084     | 48,084                   |
|   | Receivable floating rate/<br>Payable fixed rate    | 1,444,126                | 989,454       | (46,775)   | (46,775)                 |
|   | Receivable floating rate/<br>Payable floating rate | 371,527                  | 277,625       | 467        | 467                      |
|   | Receivable fixed rate/<br>Payable fixed rate       | 4,339                    | 3,794         | (139)      | (139)                    |
| Interest rate swaptions                 | Sold   | 114,710                  | 46,675        | (1,845)    | (1,331)                  |
|   | Bought   | 67,428                   | 37,102        | 1,447      | 1,206                    |
| Other                                   | Sold   | 19,074                   | 15,338        | (84)       | (30)                     |
|   | Bought   | 17,531                   | 15,209        | 160        | 61                       |
| Total                                   |  | —                        | —             | \$1,305    | \$1,533                  |

Notes:

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

(2) Currency related derivatives

|   |        | Millions of Yen    |               |            |                          |
|---|--------|--------------------|---------------|------------|--------------------------|
|   |        | September 30, 2011 |               |            |                          |
|   |        | Contract amount    |               |            | Valuation gain<br>(loss) |
|   |        | Total              | Over one year | Fair value |                          |
| <b>Transactions listed on exchange:</b> |        |                    |               |            |                          |
| Currency futures                        | Sold   | ¥94,733            | ¥—            | ¥(194)     | ¥(194)                   |
|   | Bought | 13,846             | 154           | (23)       | (23)                     |
| <b>OTC transactions:</b>                |        |                    |               |            |                          |
| Currency swaps                          |        | 22,130,111         | 15,862,116    | (113,933)  | (113,933)                |
| Forward contracts on foreign exchange   | Sold   | 30,405,003         | 722,772       | 752,711    | 752,711                  |
|   | Bought | 30,189,234         | 744,029       | (875,912)  | (875,912)                |
| Currency options                        | Sold   | 7,512,077          | 3,502,981     | (322,724)  | 49,214                   |
|   | Bought | 7,576,031          | 3,705,957     | 621,418    | 285,696                  |
| Total                                   |        | —                  | —             | ¥61,342    | ¥97,559                  |

|   |        | Millions of Yen |               |            |                          |
|---|--------|-----------------|---------------|------------|--------------------------|
|   |        | March 31, 2011  |               |            |                          |
|   |        | Contract amount |               |            | Valuation gain<br>(loss) |
|   |        | Total           | Over one year | Fair value |                          |
| <b>Transactions listed on exchange:</b> |        |                 |               |            |                          |
| Currency futures                        | Sold   | ¥28,841         | ¥—            | ¥(137)     | ¥(137)                   |
|   | Bought | 12,035          | —             | (0)        | (0)                      |
| <b>OTC transactions:</b>                |        |                 |               |            |                          |
| Currency swaps                          |        | 25,632,906      | 18,530,397    | (110,151)  | (110,151)                |
| Forward contracts on foreign exchange   | Sold   | 29,452,001      | 736,516       | (167,197)  | (167,197)                |
|   | Bought | 29,489,991      | 774,117       | (41,970)   | (41,970)                 |
| Currency options                        | Sold   | 7,385,338       | 3,704,976     | (353,121)  | 31,508                   |
|   | Bought | 7,505,393       | 3,868,982     | 630,623    | 300,274                  |
| Total                                   |        | —               | —             | ¥(41,955)  | ¥12,325                  |

|   |        | Millions of U.S. Dollars |               |            |                          |
|---|--------|--------------------------|---------------|------------|--------------------------|
|   |        | September 30, 2011       |               |            |                          |
|   |        | Contract amount          |               |            | Valuation gain<br>(loss) |
|   |        | Total                    | Over one year | Fair value |                          |
| <b>Transactions listed on exchange:</b> |        |                          |               |            |                          |
| Currency futures                        | Sold   | \$1,236                  | \$—           | \$(3)      | \$(3)                    |
|   | Bought | 181                      | 2             | (0)        | (0)                      |
| <b>OTC transactions:</b>                |        |                          |               |            |                          |
| Currency swaps                          |        | 288,716                  | 206,942       | (1,486)    | (1,486)                  |
| Forward contracts on foreign exchange   | Sold   | 396,673                  | 9,430         | 9,820      | 9,820                    |
|   | Bought | 393,858                  | 9,707         | (11,427)   | (11,427)                 |
| Currency options                        | Sold   | 98,005                   | 45,701        | (4,210)    | 642                      |
|   | Bought | 98,839                   | 48,349        | 8,107      | 3,727                    |
| Total                                   |        | —                        | —             | \$801      | \$1,273                  |

Notes:

1. The above transactions are stated at fair value and the related valuation gain (loss) is reported in the 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, 2011 |               |            |                          |
|                           |        | Contract amount    |               |            | Valuation gain<br>(loss) |
|                           |        | Total              | Over one year | Fair value |                          |
| <b>OTC transactions:</b>  |        |                    |               |            |                          |
| OTC options on securities | Sold   | ¥86,677            | ¥84,813       | ¥(6,248)   | ¥(4,985)                 |
|                           | Bought | 86,677             | 84,813        | 6,248      | 4,985                    |
| Total                     |        | ¥—                 | ¥—            | ¥—         | ¥—                       |

|                           |        | Millions of Yen |               |            |                          |
|---------------------------|--------|-----------------|---------------|------------|--------------------------|
|                           |        | March 31, 2011  |               |            |                          |
|                           |        | Contract amount |               |            | Valuation gain<br>(loss) |
|                           |        | Total           | Over one year | Fair value |                          |
| <b>OTC transactions:</b>  |        |                 |               |            |                          |
| OTC options on securities | Sold   | ¥53,494         | ¥53,208       | ¥(4,063)   | ¥368                     |
|                           | Bought | 53,494          | 53,208        | 4,063      | (368)                    |
| Total                     |        | ¥—              | ¥—            | ¥—         | ¥—                       |

|                           |        | Millions of U.S. Dollars |               |            |                          |
|---------------------------|--------|--------------------------|---------------|------------|--------------------------|
|                           |        | September 30, 2011       |               |            |                          |
|                           |        | Contract amount          |               |            | Valuation gain<br>(loss) |
|                           |        | Total                    | Over one year | Fair value |                          |
| <b>OTC transactions:</b>  |        |                          |               |            |                          |
| OTC options on securities | Sold   | \$1,131                  | \$1,106       | \$(82)     | \$(65)                   |
|                           | Bought | 1,131                    | 1,106         | 82         | 65                       |
| Total                     |        | \$—                      | \$—           | \$—        | \$—                      |

Notes:

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

(4) Bond related derivatives

|   |        | Millions of Yen    |               |            |                          |
|---|--------|--------------------|---------------|------------|--------------------------|
|   |        | September 30, 2011 |               |            |                          |
|   |        | Contract amount    |               |            | Valuation gain<br>(loss) |
|   |        | Total              | Over one year | Fair value |                          |
| <b>Transactions listed on exchange:</b> |        |                    |               |            |                          |
| Bond futures                            | Sold   | ¥565,671           | ¥—            | ¥618       | ¥618                     |
|   | Bought | 415,452            | —             | (954)      | (954)                    |
| Bond futures options                    | Sold   | 721,628            | —             | (2,675)    | 617                      |
|   | Bought | 82,366             | —             | 657        | 42                       |
| <b>OTC transactions:</b>                |        |                    |               |            |                          |
| Bond forward agreements                 | Sold   | 30,660             | —             | (131)      | (131)                    |
|   | Bought | 479,062            | —             | (1,436)    | (1,436)                  |
| Total                                   |        | —                  | —             | ¥(3,922)   | ¥(1,244)                 |

|   |        | Millions of Yen |               |            |                          |
|---|--------|-----------------|---------------|------------|--------------------------|
|   |        | March 31, 2011  |               |            |                          |
|   |        | Contract amount |               |            | Valuation gain<br>(loss) |
|   |        | Total           | Over one year | Fair value |                          |
| <b>Transactions listed on exchange:</b> |        |                 |               |            |                          |
| Bond futures                            | Sold   | ¥264,014        | ¥—            | ¥63        | ¥63                      |
|   | Bought | 245,485         | —             | (210)      | (210)                    |
| Bond futures options                    | Sold   | 154,392         | —             | (243)      | 295                      |
|   | Bought | 105,266         | —             | 192        | 33                       |
| Total                                   |        | —               | —             | ¥(198)     | ¥182                     |

|   |        | Millions of U.S. Dollars |               |            |                          |
|---|--------|--------------------------|---------------|------------|--------------------------|
|   |        | September 30, 2011       |               |            |                          |
|   |        | Contract amount          |               |            | Valuation gain<br>(loss) |
|   |        | Total                    | Over one year | Fair value |                          |
| <b>Transactions listed on exchange:</b> |        |                          |               |            |                          |
| Bond futures                            | Sold   | \$7,380                  | \$—           | \$8        | \$8                      |
|   | Bought | 5,420                    | —             | (12)       | (12)                     |
| Bond futures options                    | Sold   | 9,415                    | —             | (35)       | 8                        |
|   | Bought | 1,075                    | —             | 9          | 1                        |
| <b>OTC transactions:</b>                |        |                          |               |            |                          |
| Bond forward agreements                 | Sold   | 400                      | —             | (2)        | (2)                      |
|   | Bought | 6,250                    | —             | (19)       | (19)                     |
| Total                                   |        | —                        | —             | \$(51)     | \$(16)                   |

Notes:

1. The above transactions are stated at fair value and the related valuation gain (loss) is reported in the semi-annual consolidated statements of income.
2. Fair values are calculated using the last quoted market price at the Tokyo Stock Exchange or others.

(5) Commodity related derivatives

|                          |   | Millions of Yen    |               |            |                          |
|--------------------------|---|--------------------|---------------|------------|--------------------------|
|                          |   | September 30, 2011 |               |            |                          |
|                          |   | Contract amount    |               |            | Valuation gain<br>(loss) |
|                          |   | Total              | Over one year | Fair value |                          |
| <b>OTC transactions:</b> |   |                    |               |            |                          |
| Commodity swaps          | Receivable index volatility/<br>Payable floating rate | ¥141,384           | ¥97,382       | ¥(16,205)  | ¥(16,205)                |
|                          | Receivable floating rate/<br>Payable index volatility | 155,785            | 106,285       | 18,582     | 18,582                   |
| Commodity options        | Sold  | 132,188            | 113,082       | (7,759)    | (7,752)                  |
|                          | Bought  | 132,188            | 113,082       | 7,762      | 7,755                    |
| Total                    |   | —                  | —             | ¥2,380     | ¥2,380                   |

|                          |   | Millions of Yen |               |            |                          |
|--------------------------|---|-----------------|---------------|------------|--------------------------|
|                          |   | March 31, 2011  |               |            |                          |
|                          |   | Contract amount |               |            | Valuation gain<br>(loss) |
|                          |   | Total           | Over one year | Fair value |                          |
| <b>OTC transactions:</b> |   |                 |               |            |                          |
| Commodity swaps          | Receivable index volatility/<br>Payable floating rate | ¥134,504        | ¥90,620       | ¥(53,054)  | ¥(53,054)                |
|                          | Receivable floating rate/<br>Payable index volatility | 158,157         | 109,372       | 54,772     | 54,772                   |
| Commodity options        | Sold  | 125,398         | 94,018        | (6,990)    | (6,977)                  |
|                          | Bought  | 125,398         | 94,018        | 6,990      | 6,977                    |
| Total                    |   | —               | —             | ¥1,718     | ¥1,718                   |

|                          |   | Millions of U.S. Dollars |               |            |                          |
|--------------------------|---|--------------------------|---------------|------------|--------------------------|
|                          |   | September 30, 2011       |               |            |                          |
|                          |   | Contract amount          |               |            | Valuation gain<br>(loss) |
|                          |   | Total                    | Over one year | Fair value |                          |
| <b>OTC transactions:</b> |   |                          |               |            |                          |
| Commodity swaps          | Receivable index volatility/<br>Payable floating rate | \$1,845                  | \$1,270       | \$(211)    | \$(211)                  |
|                          | Receivable floating rate/<br>Payable index volatility | 2,032                    | 1,387         | 242        | 242                      |
| Commodity options        | Sold  | 1,725                    | 1,475         | (101)      | (101)                    |
|                          | Bought  | 1,725                    | 1,475         | 101        | 101                      |
| Total                    |   | —                        | —             | \$31       | \$31                     |

Notes:

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

(6) Credit related derivatives

|                          |        | Millions of Yen    |               |            |                          |
|--------------------------|--------|--------------------|---------------|------------|--------------------------|
|                          |        | September 30, 2011 |               |            |                          |
|                          |        | Contract amount    |               |            | Valuation gain<br>(loss) |
|                          |        | Total              | Over one year | Fair value |                          |
| <b>OTC transactions:</b> |        |                    |               |            |                          |
| Credit default options   | Sold   | ¥1,088,908         | ¥519,410      | ¥(8,977)   | ¥(8,977)                 |
|                          | Bought | 1,640,166          | 804,956       | 22,382     | 22,382                   |
| Other                    | Sold   | 4,843              | 4,843         | (662)      | (662)                    |
|                          | Bought | —                  | —             | —          | —                        |
| Total                    |        | —                  | —             | ¥12,742    | ¥12,742                  |

|                          |        | Millions of Yen |               |            |                          |
|--------------------------|--------|-----------------|---------------|------------|--------------------------|
|                          |        | March 31, 2011  |               |            |                          |
|                          |        | Contract amount |               |            | Valuation gain<br>(loss) |
|                          |        | Total           | Over one year | Fair value |                          |
| <b>OTC transactions:</b> |        |                 |               |            |                          |
| Credit default options   | Sold   | ¥1,781,600      | ¥677,570      | ¥5,794     | ¥5,794                   |
|                          | Bought | 2,262,031       | 820,329       | (5,498)    | (5,498)                  |
| Other                    | Sold   | 4,889           | 4,889         | (1,166)    | (1,166)                  |
|                          | Bought | —               | —             | —          | —                        |
| Total                    |        | —               | —             | ¥(870)     | ¥(870)                   |

|                          |        | Millions of U.S. Dollars |               |            |                          |
|--------------------------|--------|--------------------------|---------------|------------|--------------------------|
|                          |        | September 30, 2011       |               |            |                          |
|                          |        | Contract amount          |               |            | Valuation gain<br>(loss) |
|                          |        | Total                    | Over one year | Fair value |                          |
| <b>OTC transactions:</b> |        |                          |               |            |                          |
| Credit default options   | Sold   | \$14,206                 | \$6,776       | \$(117)    | \$(117)                  |
|                          | Bought | 21,398                   | 10,502        | 292        | 292                      |
| Other                    | Sold   | 63                       | 63            | (9)        | (9)                      |
|                          | Bought | —                        | —             | —          | —                        |
| Total                    |        | —                        | —             | \$166      | \$166                    |

Notes:

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

(7) Other

|                          |        | Millions of Yen    |               |            |                          |
|--------------------------|--------|--------------------|---------------|------------|--------------------------|
|                          |        | September 30, 2011 |               |            |                          |
|                          |        | Contract amount    |               |            | Valuation gain<br>(loss) |
|                          |        | Total              | Over one year | Fair value |                          |
| <b>OTC transactions:</b> |        |                    |               |            |                          |
| Weather derivatives      | Sold   | ¥—                 | ¥—            | ¥—         | ¥—                       |
|                          | Bought | —                  | —             | —          | —                        |
| Total                    |        | —                  | —             | ¥—         | ¥—                       |

|                          |        | Millions of Yen |               |            |                          |
|--------------------------|--------|-----------------|---------------|------------|--------------------------|
|                          |        | March 31, 2011  |               |            |                          |
|                          |        | Contract amount |               |            | Valuation gain<br>(loss) |
|                          |        | Total           | Over one year | Fair value |                          |
| <b>OTC transactions:</b> |        |                 |               |            |                          |
| Weather derivatives      | Sold   | ¥5              | ¥—            | ¥(1)       | ¥1                       |
|                          | Bought | —               | —             | —          | —                        |
| Total                    |        | —               | —             | ¥(1)       | ¥1                       |

|                          |        | Millions of U.S. Dollars |               |            |                          |
|--------------------------|--------|--------------------------|---------------|------------|--------------------------|
|                          |        | 2011                     |               |            |                          |
|                          |        | Contract amount          |               |            | Valuation gain<br>(loss) |
|                          |        | Total                    | Over one year | Fair value |                          |
| September 30             |        |                          |               |            |                          |
| <b>OTC transactions:</b> |        |                          |               |            |                          |
| Weather derivatives      | Sold   | \$—                      | \$—           | \$—        | \$—                      |
|                          | Bought | —                        | —             | —          | —                        |
| Total                    |        | —                        | —             | \$—        | \$—                      |

Notes:

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

## 22. BUSINESS COMBINATIONS OR DIVESTITURES

There was neither business combination nor divestiture to be disclosed for the six-month periods ended September 30, 2011 and 2010.

## 23. SEGMENT INFORMATION

Notes:

1. “Ordinary income (expenses)” and “Ordinary profit (loss)” are defined as follows:
  - (a). “Ordinary profit (loss)” means “Ordinary income” less “Ordinary expenses.”
  - (b). “Ordinary income” means total income less certain special income included in “Other income” in the accompanying semi-annual consolidated statement of income.
  - (c). “Ordinary expenses” means total expenses less certain special expenses included in “Other expenses” in the accompanying semi-annual consolidated statement of income.
2. A reconciliation of the ordinary profit under the internal management reporting system for the six-month periods ended September 30, 2011 and 2010 to income before income taxes and minority interests shown on the accompanying semi-annual consolidated statements of income is as follows:

| Six-month periods ended September 30   | Millions of Yen |          | Millions of<br>U.S. Dollars |
|--|-----------------|----------|-----------------------------|
|  | 2011            | 2010     | 2011                        |
| Ordinary profit:   | ¥536,570        | ¥481,546 | \$7,000                     |
| Gain on disposition of fixed assets  | 2,648           | 909      | 34                          |
| Gain on collection of bad debts  | —               | 26,304   | —                           |
| Reversal of reserve under special laws   | 57              | 379      | 1                           |
| Loss on disposition of fixed assets  | (4,458)         | (3,111)  | (58)                        |
| Impairment loss of long-lived assets   | (2,560)         | (2,936)  | (33)                        |
| Effect from adoption of the accounting standard for asset retirement obligations | —               | (15,833) | —                           |
| Other  | —               | 1,928    | —                           |
| Income before income taxes and minority interests                                | ¥532,257        | ¥489,187 | \$6,944                     |

Note: “Reversal of allowance for credit losses” and “Gains on collection of bad debts” are recorded under “Other income” in accordance with JICPA Accounting Committee Report No. 14, “Practical Guidelines for Accounting for Financial Instruments” (January 31, 2000) for the six-month period ended September 30, 2011, but they were not retroactively restated for the six-month period ended September 30, 2010.

### September 30, 2011 and 2010:

#### 1. Reportable segments

The reportable segments of the Bank are subject to the periodical review by the Board of Directors which is the chief operating decision maker to determine the allocation of management resources and assess performances.

The Bank has established operating segments according to the characteristics of customers and operating activities. Each operating segment designs its comprehensive strategy for its customers and operating activities and is engaged in respective operating activities. Accordingly, the Bank is composed of operating segments by customers and operating activities and “Retail”, “Corporate”, “International”, “Market” and “Other” segments are identified as the reportable segments.

“Retail”: Financial services for domestic individual customers

“Corporate”: Financial services for domestic corporate customers

“International”: Financial services for overseas individual and corporate customers

“Market”: Foreign exchange, money and securities transactions for customers and markets, liquidity and fund management

“Other”: Settlement and custody business, investments, internal coordination, etc.

#### 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.

### 3. Reportable segment information

| Six-month period ended<br>September 30, 2011 | Millions of Yen |           |               |                    |          |           |            |
|--|-----------------|-----------|---------------|--------------------|----------|-----------|------------|
|  | Retail          | Corporate | International |                    | Market   | Other     | Total      |
|  |                 |           | Total         | (of which<br>UNBC) |          |           |            |
| Gross operating income                       | ¥329,867        | ¥345,934  | ¥300,500      | ¥135,661           | ¥332,197 | ¥(18,457) | ¥1,290,042 |
| Non-consolidated                             | 280,237         | 332,467   | 129,208       | —                  | 329,418  | (28,115)  | 1,043,216  |
| Net interest income                          | 228,462         | 185,942   | 67,286        | —                  | 89,615   | 4,872     | 576,179    |
| Net non-interest<br>income                   | 51,774          | 146,525   | 61,922        | —                  | 239,803  | (32,988)  | 467,036    |
| Subsidiaries                                 | 49,629          | 13,467    | 171,292       | 135,661            | 2,778    | 9,658     | 246,826    |
| Expenses                                     | 229,698         | 169,439   | 184,011       | 90,513             | 21,719   | 55,961    | 660,829    |
| Net operating income                         | ¥100,168        | ¥176,495  | ¥116,489      | ¥45,148            | ¥310,477 | ¥(74,418) | ¥629,213   |

| Six-month period ended<br>September 30, 2010 | Millions of Yen |           |               |                    |          |           |            |
|--|-----------------|-----------|---------------|--------------------|----------|-----------|------------|
|  | Retail          | Corporate | International |                    | Market   | Other     | Total      |
|  |                 |           | Total         | (of which<br>UNBC) |          |           |            |
| Gross operating income                       | ¥335,697        | ¥348,867  | ¥286,824      | ¥141,220           | ¥332,175 | ¥(19,419) | ¥1,284,145 |
| Non-consolidated                             | 283,440         | 335,425   | 115,245       | —                  | 330,505  | (26,464)  | 1,038,151  |
| Net interest income                          | 238,939         | 192,194   | 61,231        | —                  | 124,688  | (4,448)   | 612,604    |
| Net non-interest<br>income                   | 44,500          | 143,231   | 54,014        | —                  | 205,816  | (22,015)  | 425,546    |
| Subsidiaries                                 | 52,257          | 13,442    | 171,578       | 141,220            | 1,670    | 7,045     | 245,993    |
| Expenses                                     | 237,869         | 171,955   | 177,746       | 90,994             | 21,718   | 57,497    | 666,786    |
| Net operating income                         | ¥97,827         | ¥176,912  | ¥109,078      | ¥50,225            | ¥310,457 | ¥(76,916) | ¥617,359   |

| Six-month period ended<br>September 30, 2011 | Millions of U.S. Dollars |           |               |                    |         |         |          |
|--|--------------------------|-----------|---------------|--------------------|---------|---------|----------|
|  | Retail                   | Corporate | International |                    | Market  | Other   | Total    |
|  |                          |           | Total         | (of which<br>UNBC) |         |         |          |
| Gross operating income                       | \$4,304                  | \$4,513   | \$3,920       | \$1,770            | \$4,334 | \$(241) | \$16,830 |
| Non-consolidated                             | 3,656                    | 4,337     | 1,686         | —                  | 4,298   | (367)   | 13,610   |
| Net interest income                          | 2,981                    | 2,426     | 878           | —                  | 1,169   | 63      | 7,517    |
| Net non-interest<br>income                   | 675                      | 1,911     | 808           | —                  | 3,129   | (430)   | 6,093    |
| Subsidiaries                                 | 647                      | 176       | 2,235         | 1,770              | 36      | 126     | 3,220    |
| Expenses                                     | 2,997                    | 2,211     | 2,400         | 1,181              | 283     | 730     | 8,621    |
| Net operating income                         | \$1,307                  | \$2,302   | \$1,520       | \$589              | \$4,051 | \$(971) | \$8,209  |

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 or liabilities by reportable segments are not shown since the Bank does not allocate assets or liabilities to segments for the purpose of internal control.
- (5) UNBC (UnionBanCal Corporation) is a bank holding company which owns Union Bank, N.A. in the United States of America as a subsidiary.

4. A reconciliation of the ordinary profit under the internal management reporting system and “Net operating income” on the above table is as follows:

| Six-month periods ended September 30  | Millions of Yen |           | Millions of U.S. Dollars |
|---|-----------------|-----------|--------------------------|
|   | 2011            | 2010      | 2011                     |
| Net operating income per reportable segment information   | ¥629,213        | ¥617,359  | \$8,209                  |
| Net business profit of consolidated subsidiaries excluded from the reportable segment information | 28,437          | 31,969    | 371                      |
| Provision of general allowance for credit losses  | —               | 6,079     | —                        |
| Credit related expenses   | (44,574)        | (117,437) | (581)                    |
| Reversal of allowance for credit losses   | 20,157          | —         | 263                      |
| Reversal of reserve for contingent losses (credit related)  | 4,801           | —         | 63                       |
| Gains on collection of bad debts  | 22,948          | —         | 299                      |
| Losses on equity securities and other securities  | (100,780)       | (35,085)  | (1,315)                  |
| Equity in losses (gains) of the equity method investees   | 4,320           | (7,544)   | 56                       |
| Amortization of unrecognized actuarial gain   | (20,969)        | (17,440)  | (274)                    |
| Other   | (6,983)         | 3,646     | (91)                     |
| Ordinary profit under the internal management reporting system                                    | ¥536,570        | ¥481,546  | \$7,000                  |

Notes:

1. “Credit related expenses” includes write-offs of loans.
2. “Losses 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

##### a. Information by services

| Six-month period ended September 30, 2011 | Millions of Yen |         |            |
|---|-----------------|---------|------------|
|   | Banking         | Other   | Total      |
| Ordinary income from external customers   | ¥1,666,261      | ¥48,394 | ¥1,714,655 |

| Six-month period ended September 30, 2010 | Millions of Yen |         |            |
|---|-----------------|---------|------------|
|   | Banking         | Other   | Total      |
| Ordinary income from external customers   | ¥1,608,415      | ¥47,098 | ¥1,655,514 |

| Six-month period ended September 30, 2011 | Millions of U.S. Dollars |       |          |
|---|--------------------------|-------|----------|
|   | Banking                  | Other | Total    |
| Ordinary income from external customers   | \$21,739                 | \$631 | \$22,370 |

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

b. Information by geographic region

(1) Ordinary income

| Millions of Yen                           |          |               |               |                    |              |            |
|---|----------|---------------|---------------|--------------------|--------------|------------|
| Six-month period ended September 30, 2011 |          |               |               |                    |              |            |
| Japan                                     | USA      | North America | Latin America | Europe/Middle East | Asia/Oceania | Total      |
| ¥1,261,457                                | ¥235,829 | ¥3,471        | ¥6,717        | ¥69,004            | ¥138,175     | ¥1,714,655 |

| Millions of Yen                           |          |               |               |                    |              |            |
|---|----------|---------------|---------------|--------------------|--------------|------------|
| Six-month period ended September 30, 2010 |          |               |               |                    |              |            |
| Japan                                     | USA      | North America | Latin America | Europe/Middle East | Asia/Oceania | Total      |
| ¥1,246,606                                | ¥231,146 | ¥2,804        | ¥5,888        | ¥64,587            | ¥104,480     | ¥1,655,514 |

| Millions of U.S. Dollars                  |         |               |               |                    |              |          |
|---|---------|---------------|---------------|--------------------|--------------|----------|
| Six-month period ended September 30, 2011 |         |               |               |                    |              |          |
| Japan                                     | USA     | North America | Latin America | Europe/Middle East | Asia/Oceania | Total    |
| \$16,457                                  | \$3,077 | \$45          | \$88          | \$900              | \$1,803      | \$22,370 |

Notes:

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

(2) Tangible fixed assets

| Millions of Yen          |          |               |               |                    |              |            |
|--------------------------|----------|---------------|---------------|--------------------|--------------|------------|
| As of September 30, 2011 |          |               |               |                    |              |            |
| Japan                    | USA      | North America | Latin America | Europe/Middle East | Asia/Oceania | Total      |
| ¥869,546                 | ¥194,942 | ¥85           | ¥405          | ¥3,637             | ¥5,790       | ¥1,074,407 |

| Millions of Yen          |          |               |               |                    |              |            |
|--------------------------|----------|---------------|---------------|--------------------|--------------|------------|
| As of September 30, 2010 |          |               |               |                    |              |            |
| Japan                    | USA      | North America | Latin America | Europe/Middle East | Asia/Oceania | Total      |
| ¥889,415                 | ¥185,123 | ¥74           | ¥612          | ¥4,657             | ¥5,835       | ¥1,085,720 |

| Millions of U.S. Dollars |         |               |               |                    |              |          |
|--------------------------|---------|---------------|---------------|--------------------|--------------|----------|
| As of September 30, 2011 |         |               |               |                    |              |          |
| Japan                    | USA     | North America | Latin America | Europe/Middle East | Asia/Oceania | Total    |
| \$11,345                 | \$2,543 | \$1           | \$5           | \$47               | \$76         | \$14,017 |

c. Information on loss on impairment of fixed assets by reportable segment

Loss on impairment of fixed assets is not allocated to the reportable segments. The loss on impairment was ¥2,560 million (\$33 million) and ¥2,936 million for the six-month periods ended September 30, 2011 and 2010, respectively.

d. Information on amortization and unamortized balance of goodwill by reportable segment

Millions of Yen

| Six-month period ended<br>September 30, 2011 | Retail | Corporate | International |                    | Market | Other | Total   |
|--|--------|-----------|---------------|--------------------|--------|-------|---------|
|  |        |           | Total         | (of which<br>UNBC) |        |       |         |
| Amortization                                 | ¥92    | ¥0        | ¥7,109        | ¥6,975             | ¥—     | ¥—    | ¥7,203  |
| Unamortized balance                          | 2,965  | 0         | 231,963       | 231,963            | —      | —     | 234,929 |

Millions of Yen

| Six-month period ended<br>September 30, 2010 | Retail | Corporate | International |                    | Market | Other | Total   |
|--|--------|-----------|---------------|--------------------|--------|-------|---------|
|  |        |           | Total         | (of which<br>UNBC) |        |       |         |
| Amortization                                 | ¥1,499 | ¥0        | ¥6,966        | ¥6,966             | ¥—     | ¥—    | ¥8,466  |
| Unamortized balance                          | 25,327 | 2         | 245,651       | 245,651            | —      | —     | 270,981 |

Millions of U.S. Dollars

| Six-month period ended<br>September 30, 2011 | Retail | Corporate | International |                    | Market | Other | Total |
|--|--------|-----------|---------------|--------------------|--------|-------|-------|
|  |        |           | Total         | (of which<br>UNBC) |        |       |       |
| Amortization                                 | \$1    | \$0       | \$93          | \$91               | \$—    | \$—   | \$94  |
| Unamortized balance                          | 38     | 0         | 3,026         | 3,026              | —      | —     | 3,064 |

Note: Amortization of goodwill not allocated to the reportable segment as of September 30, 2011 was ¥88 million (\$1 million).

## 24. SUBSEQUENT EVENTS

### Cash dividends

The following cash dividends applicable to the reporting period ended September 30, 2011 were approved at the Board of Directors' meeting held on November 14, 2011:

|   | Millions of<br>Yen | Millions of<br>U.S. Dollars |
|---|--------------------|-----------------------------|
| Interim cash dividends:   |                    |                             |
| Common stock, ¥5.89 (\$0.08) per share                              | ¥72,741            | \$949                       |
| Preferred stock-first series of Class 6, ¥105.45 (\$1.38) per share | 105                | 1                           |
| Preferred stock-first series of Class 7, ¥57.50 (\$0.75) per share  | 8,970              | 117                         |
| Total   | ¥81,817            | \$1,067                     |

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