Semi-annual Securities Report

"Hanki Hokokusho"

(Excerpt)

for the six-month period ended September 30, 2014

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Table of Contents

Page

[Cover]

[Document Submitted]	Semi-annual Securities Report (“Hanki Hokokusho”)
[Submitted to]	Director, Kanto Local Finance Bureau
[Date of Submission]	November 28, 2014
[Accounting Period]	During the 10th Fiscal Year (from April 1, 2014 to September 30, 2014)
[Company Name]	Kabushiki-Kaisha Mitsubishi Tokyo UFJ Ginko
[Company Name in English]	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
[Position and Name of Representative]	Nobuyuki Hirano, President
[Location of Head Office]	2-7-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
[Phone No.]	03-3240-1111 (main)
[Contact for Communications]	Akira Narumi, Chief Manager of Corporate Administration Division
[Nearest Contact]	2-7-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
[Phone No.]	03-3240-1111 (main)
[Contact for Communications]	Akira Narumi, Chief Manager of Corporate Administration Division
[Place Available for Public Inspection]	Available only at the Head Office

I. Overview of the Company

1. Key Financial Data and Trends

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

(Millions of yen, unless otherwise stated)

	Semi-annual Period of Fiscal 2012	Semi-annual Period of Fiscal 2013	Semi-annual Period of Fiscal 2014	Fiscal 2012	Fiscal 2013
	From April 1, 2012 to September 30, 2012	From April 1, 2013 to September 30, 2013	From April 1, 2014 to September 30, 2014	From April 1, 2012 to March 31, 2013	From April 1, 2013 to March 31, 2014
Consolidated ordinary income	1,710,908	1,765,676	1,951,743	3,419,307	3,599,428
Consolidated ordinary profit	439,463	574,599	663,401	1,070,928	1,217,534
Semi-annual consolidated net income	227,569	339,525	405,496	–	–
Consolidated net income	–	–	–	673,514	754,323
Semi-annual consolidated comprehensive income	207,897	520,098	928,855	–	–
Consolidated comprehensive income	–	–	–	1,573,447	1,157,696
Consolidated total equity	9,358,460	11,124,540	11,866,186	10,658,841	11,741,453
Consolidated total assets	169,554,150	192,147,651	204,103,429	181,625,557	201,614,685
Total equity per share (yen)	628.73	763.27	842.68	729.93	798.38
Semi-annual net income per common share (yen)	17.69	26.76	32.83	–	–
Net income per common share (yen)	–	–	–	53.07	59.62
Diluted semi-annual net income per common share (yen)	17.69	26.76	32.83	–	–
Diluted net income per common share (yen)	–	–	–	53.07	59.62
Capital ratio (%)	4.81	5.11	5.09	5.18	5.08
Net cash used in operating activities	(1,915,540)	(394,082)	(4,094,924)	(1,608,988)	(5,283,802)
Net cash provided by investing activities	2,435,131	560,911	4,243,307	3,123,896	6,257,777
Net cash used in financing activities	(825,252)	(534,784)	(658,447)	(992,372)	(918,046)
Cash and cash equivalents at end of semi-annual period	2,721,630	3,469,125	3,452,257	–	–
Cash and cash equivalents at end of period	–	–	–	3,692,657	3,998,556
Number of employees [Besides the above, average number of temporary employees]	58,378 [20,700]	59,750 [20,800]	77,727 [23,000]	59,057 [20,700]	78,105 [21,000]

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

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

3. Capital ratio is calculated by dividing ("total equity at the end of (semi-annual) period" - "subscription rights to

shares at the end of (semi-annual) period" - "minority interests at the end of (semi-annual) period") by "total assets at the end of (semi-annual) period."

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

(2) Key non-consolidated financial data and trends of the Bank over the recent three semi-annual periods and two fiscal years

(Millions of yen, unless otherwise stated)

Fiscal period	8th Semi-annual Period	9th Semi-annual Period	10th Semi-annual Period	8th Term	9th Term
Period of account	September 2012	September 2013	September 2014	March 2013	March 2014
Ordinary income	1,423,476	1,431,853	1,496,665	2,796,371	2,921,537
Ordinary profit	326,466	455,168	547,253	860,995	1,002,109
Semi-annual net income	171,416	269,962	354,458	–	–
Net income	–	–	–	585,112	650,257
Capital stock	1,711,958	1,711,958	1,711,958	1,711,958	1,711,958
Total number of shares issued (thousands of shares)	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000
Total equity	7,919,138	9,087,127	9,706,403	8,908,319	9,398,694
Total assets	159,267,825	177,492,440	184,976,644	169,305,125	181,692,063
Balance of deposits	107,025,577	114,284,127	119,175,824	112,154,287	119,636,522
Balance of loans and bills discounted	69,074,738	76,327,721	79,977,449	74,104,875	79,495,010
Balance of securities	61,564,851	61,260,401	54,659,402	63,071,374	56,790,753
Dividends per share (yen)	Common stock 5.60 1st series Class 6 preferred stock 105.45 1st series Class 7 preferred stock 57.50	Common stock 7.35 1st series Class 7 preferred stock 57.50	Common stock 13.18	Common stock 11.19 1st series Class 6 preferred stock 105.45 1st series Class 7 preferred stock 115.00	Common stock 17.85 1st series Class 7 preferred stock 115.00
Capital ratio (%)	4.97	5.11	5.24	5.26	5.17
Number of employees [Besides the above, average number of temporary employees]	36,631 [12,294]	37,798 [12,512]	36,518 [12,626]	36,499 [12,283]	37,527 [12,603]

(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 (semi-annual) period" - "subscription rights to shares at the end of (semi-annual) period") by "total assets at the end of (semi-annual) period."

3. The average number of temporary employees includes contractors.

2. Business Outline

Under its parent company, Mitsubishi UFJ Financial Group, Inc., the Group (The Bank of Tokyo-Mitsubishi UFJ, Ltd. and its subsidiaries and affiliates) comprises the Bank, 155 consolidated subsidiaries, and 60 equity-method affiliates, 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 during the current semi-annual period.

Additionally, there were also no changes in the major subsidiaries and affiliates.

3. Information on Subsidiaries and Affiliates

There were no significant changes in the subsidiaries and affiliates during the current semi-annual period.

4. Employees

(1) Number of employees in consolidated companies

As of September 30, 2014

	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Bank of Ayudhya	Global Markets Unit	Other units	Total
Number of employees	15,951 [9,100]	9,850 [2,300]	22,202 [1,400]	19,230 [2,300]	1,229 [100]	9,265 [7,900]	77,727 [23,000]

(Notes)
1. Number of employees includes locally hired overseas staff members, but excludes 3,864 contract employees and 22,700 temporary employees.
2. Numbers within brackets indicate average number of temporary employees over the current semi-annual period.
3. Number of temporary employees includes contractors and is rounded to the nearest hundred for the end of the current semi-annual period as well as for an average over the half year.
4. Number of contractors counted as temporary employees was 5,200 at the end of the current semi-annual period while 5,400 on average over the half year (both numbers are rounded to the nearest hundred).

(2) Employees of the Bank

As of September 30, 2014

	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Bank of Ayudhya	Global Markets Unit	Other units	Total
Number of employees	14,841 [8,382]	8,684 [1,917]	6,607 [465]	– [–]	1,229 [53]	5,157 [1,809]	36,518 [12,626]

(Notes)
1. Number of employees excludes employees loaned to other companies but includes employees loaned to the Bank, while it includes locally hired overseas staff members, but excludes 1,856 contract employees and 12,536 temporary employees.
2. Number within brackets indicates average number of temporary employees for the current semi-annual period.
3. Number of temporary employees includes contractors. Number of contractors was 2,889 at the end of the current semi-annual period and 2,985 on average over the half year.
4. Number of employees excludes 80 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 30,956. 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 semi-annual period, a general recovery trend was seen mainly among developed countries. In the United States, domestic demand grew steadily and stock prices remained high, as the employment environment improved and manufacturing activities were revitalized. In Europe, economic recovery mainly among the Southern European countries slowed down somewhat. In Asia, while the underlying trend in China inclined towards slowing down, the economies in the ASEAN countries, shored up by strong consumer spending, remained firm, which contributed to stable growth overall in Asia. Under these circumstances, the Japanese economy as a whole, despite the negative impact of the consumption tax hike, continued on its moderate recovery trend. While consumer spending struggled to recover under the impact of the consumption tax hike compounded with the unseasonable weather during the summer months, household income, the basis for consumer spending, continued to increase. Capital expenditures also regained momentum in the wake of improved corporate performance due to factors including the weaker yen.

On the financial front, the United States moved ahead with the gradual tapering of its quantitative easing policy, while maintaining key interest rates at historically low levels. In addition, certain emerging markets raised interest rates as a measure to deal with upward pressure on consumer prices. Meanwhile, the euro zone, out of concerns for deflation, implemented further monetary easing policies, including lowering key interest rates and the application of negative interest rates to banks' excess reserves deposited at central banks. In Japan, the Bank of Japan continued its policy of "quantitative and qualitative monetary easing," with the aim of achieving a "consumer price stability goal" of a positive 2% year-on-year rate of change in the consumer price index. In light of the aforementioned, long-term market interest rates remained at a low level. In the foreign exchange markets, the yen, which had mostly been traded within the narrow range around 102 yen to the dollar, weakened further, reaching 109 yen to the dollar in September. Additionally, stock prices were strong as a result of improved corporate performance as well as the rise in stock prices in the United States.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. (hereinafter referred to as the "Bank") continued its efforts to achieve its vision of becoming "a reliable financial group of choice on a global scale." In order to realize this goal and respond to the expectations and trust of its customers and other concerned parties, 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.

The Retail Banking Business Unit performed strongly in the sales of fund management products and its consumer finance business; while the Corporate Banking Business Unit, despite struggling under squeezed loan spread, also achieved positive results in its investment banking business. In the Global Business Unit, despite the weak performance reflecting the slowed-down economic situation in Europe, performance in China and the Americas was solid; while in the Global Markets Unit, income from banking services and fund management services grew as a result of carrying out agile ALM management in response to changes in the external environment.

In addition, the Bank set out the "Principles of Ethics and Conduct" as the guidelines on decisions and actions for officers and employees to carry out in order to fulfill the management vision of the MUFG Group, under which each and every employee is instilled with the concept of "Customer Focus," "Responsibility as a Corporate Citizen" and "Ethical and Dynamic Workplace" in order to contribute to customers and the society. 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 on initiatives such as 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.

Results for the current consolidated semi-annual period are as follows.

Assets increased by ¥11,955.7 billion compared to the same period of the previous fiscal year to ¥204,103.4 billion. Major components were loans and bills discounted of ¥91,455.8 billion and securities of ¥55,382.1 billion. Liabilities increased by ¥11,214.1 billion compared to the same period of the previous fiscal year to ¥192,237.2 billion. Major components were deposits and negotiable certificates of deposit of ¥143,781.0 billion.

As for profits and losses, net operating income increased by ¥84.8 billion compared to the same period of the previous fiscal year to ¥586.6 billion, ordinary profit increased by ¥88.8 billion compared to the same period of the previous fiscal year to ¥663.4 billion, and semi-annual net income increased by ¥65.9 billion compared to the same period of the previous fiscal year to ¥405.4 billion.

Results by reportable segment are as follows.

1. Retail Banking Business Unit

   Net operating income was ¥68.2 billion, with a decrease of ¥2.0 billion from the same period of the previous fiscal year.

2. Corporate Banking Business Unit

   Net operating income was ¥184.4 billion, with an increase of ¥3.2 billion from the same period of the previous fiscal year.

3. Global Business Unit

   Net operating income was ¥193.0 billion, with an increase of ¥25.4 billion from the same period of the previous fiscal year.

4. Bank of Ayudhya

   Net operating income was ¥47.3 billion.

5. Global Markets Unit

   Net operating income was ¥192.4 billion, with an increase of ¥41.6 billion from the same period of the previous fiscal year.

6. Other units

   Net operating loss was ¥98.8 billion, with a decrease of ¥30.7 billion from the same period of the previous fiscal year.

With regard to cash flows, operating activities used net cash of ¥4,094.9 billion, with a ¥3,700.8 billion increase in cash outflows from the same period of the previous fiscal year. Investing activities generated net cash of ¥4,243.3 billion, with a ¥3,682.3 billion increase in cash inflows from the same period of the previous fiscal year. Financing activities used net cash of ¥658.4 billion, with a ¥123.6 billion increase in cash outflows from the same period of the previous fiscal year.

Cash and cash equivalents at the end of the current semi-annual period were ¥3,452.2 billion, with a ¥16.8 billion decrease from the same period of the previous fiscal year.

The consolidated risk-adjusted capital ratio based on uniform international standards as of September 30, 2014 was 15.41%.

(1) Income and expenses for domestic and overseas operations

Details of income and expenses for domestic and overseas operations are as follows:

The total amount of net interest income, net fees and commissions, net trading income and net other operating income for the current semi-annual period was ¥1,425.2 billion, with a ¥182.1 billion increase from the same period of the previous fiscal year. Of this, domestic operations posted an income of ¥901.3 billion, with an increase of ¥79.6 billion from the same period of the previous fiscal year, and overseas operations posted an income of ¥605.9 billion, with an increase of ¥142.5 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Net interest income	Previous semi-annual period	451,160	310,798	(5,090)	756,867
	Current semi-annual period	493,594	429,516	(46,401)	876,710
Of which, interest income	Previous semi-annual period	523,578	468,291	(51,056)	940,812
	Current semi-annual period	556,206	646,032	(92,011)	1,110,226
Of which, interest expenses	Previous semi-annual period	72,418	157,492	(45,965)	183,944
	Current semi-annual period	62,611	216,515	(45,610)	233,516
Net fees and commissions	Previous semi-annual period	228,291	92,255	(32,938)	287,608
	Current semi-annual period	238,077	129,543	(33,253)	334,367
Of which, fees and commissions income	Previous semi-annual period	300,144	98,832	(45,719)	353,257
	Current semi-annual period	308,857	150,262	(53,033)	406,085
Of which, fees and commissions expenses	Previous semi-annual period	71,853	6,576	(12,781)	65,648
	Current semi-annual period	70,779	20,718	(19,779)	71,718
Net trading income	Previous semi-annual period	45,748	13,547	(2,004)	57,292
	Current semi-annual period	48,421	(3,299)	(848)	44,272
Of which, trading income	Previous semi-annual period	45,962	14,619	(2,208)	58,374
	Current semi-annual period	49,049	16,308	(21,085)	44,272
Of which, trading expenses	Previous semi-annual period	213	1,072	(204)	1,081
	Current semi-annual period	628	19,608	(20,236)	–
Net other operating income	Previous semi-annual period	96,467	46,843	(1,991)	141,320
	Current semi-annual period	121,257	50,215	(1,553)	169,919
Of which, other operating income	Previous semi-annual period	184,964	75,232	(24,582)	235,613
	Current semi-annual period	163,970	97,888	(40,954)	220,904
Of which, other operating expenses	Previous semi-annual period	88,496	28,388	(22,591)	94,293
	Current semi-annual period	42,712	47,672	(39,400)	50,984

(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 increased by ¥1,190.1 billion compared to the same period of the previous fiscal year to ¥127,237.8 billion. Yield on interest-earning assets rose by 0.04% to 0.87% and total interest income stood at ¥556.2 billion, with an increase of ¥32.6 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 ¥115.1 billion compared to the same period of the previous fiscal year to ¥121,559.2 billion. Yield on interest-bearing liabilities declined by 0.01% to 0.10% and total interest expenses stood at ¥62.6 billion, with a decrease of ¥9.8 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	126,047,706	523,578	0.82
	Current semi-annual period	127,237,876	556,206	0.87
Of which, loans and bills discounted	Previous semi-annual period	57,111,655	322,036	1.12
	Current semi-annual period	59,106,625	305,186	1.02
Of which, securities	Previous semi-annual period	56,863,739	171,823	0.60
	Current semi-annual period	47,506,887	213,799	0.89
Of which, call loans and bills bought	Previous semi-annual period	55,875	58	0.20
	Current semi-annual period	86,507	98	0.22
Of which, receivables under resale agreements	Previous semi-annual period	33,027	10	0.06
	Current semi-annual period	29,009	5	0.04
Of which, receivables under securities borrowing transactions	Previous semi-annual period	662,152	1,300	0.39
	Current semi-annual period	335,762	1,644	0.97
Of which, due from banks	Previous semi-annual period	7,639,458	3,404	0.08
	Current semi-annual period	16,314,189	7,845	0.09
Interest-bearing liabilities	Previous semi-annual period	121,444,129	72,418	0.11
	Current semi-annual period	121,559,283	62,611	0.10
Of which, deposits	Previous semi-annual period	99,049,185	24,757	0.04
	Current semi-annual period	102,089,141	22,590	0.04
Of which, negotiable certificates of deposit	Previous semi-annual period	2,787,382	1,405	0.10
	Current semi-annual period	2,675,975	1,261	0.09
Of which, call money and bills sold	Previous semi-annual period	3,121,327	1,667	0.10
	Current semi-annual period	3,013,214	1,556	0.10
Of which, payables under repurchase agreements	Previous semi-annual period	9,874,171	8,239	0.16
	Current semi-annual period	7,637,885	6,922	0.18
Of which, payables under securities lending transactions	Previous semi-annual period	250,333	719	0.57
	Current semi-annual period	374,460	809	0.43
Of which, commercial paper	Previous semi-annual period	–	–	–
	Current semi-annual period	–	–	–
Of which, borrowed money	Previous semi-annual period	8,810,011	44,679	1.01
	Current semi-annual period	9,792,120	41,797	0.85

(Notes) 1. The average balance of each asset and liability was generally computed based on an average of daily balances, but figures for certain consolidated subsidiaries were calculated based on an average of month-end balances.

2. "Domestic" includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries.

3. The amount of interest-earning assets is stated excluding the average balance of interest-free due from banks. The amount of interest-bearing liabilities is stated excluding the average balance of money held in trust and the corresponding interest payments.

2) Overseas

Status of interest-earning assets and interest-bearing liabilities in overseas offices are shown below:

The average balance of interest-earning assets in the current semi-annual period increased by ¥10,880.6 billion compared to the same period of the previous fiscal year to ¥54,345.1 billion. Yield on interest-earning assets rose by 0.22% to 2.37% and total interest income stood at ¥646.0 billion, with an increase of ¥177.7 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 ¥10,646.6 billion compared to the same period of the previous fiscal year to ¥52,383.9 billion. Yield on interest-bearing liabilities increased by 0.07% to 0.82% and total interest expenses stood at ¥216.5 billion, with an increase of ¥59.0 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	43,464,524	468,291	2.14
	Current semi-annual period	54,345,197	646,032	2.37
Of which, loans and bills discounted	Previous semi-annual period	28,743,991	355,276	2.46
	Current semi-annual period	35,718,710	456,727	2.55
Of which, securities	Previous semi-annual period	5,427,469	56,144	2.06
	Current semi-annual period	5,975,528	66,937	2.23
Of which, call loans and bills bought	Previous semi-annual period	380,264	4,208	2.20
	Current semi-annual period	465,911	5,137	2.19
Of which, receivables under resale agreements	Previous semi-annual period	1,060,674	16,632	3.12
	Current semi-annual period	1,179,749	20,155	3.40
Of which, receivables under securities borrowing transactions	Previous semi-annual period	–	–	–
	Current semi-annual period	–	–	–
Of which, due from banks	Previous semi-annual period	5,880,753	17,212	0.58
	Current semi-annual period	7,399,584	22,708	0.61
Interest-bearing liabilities	Previous semi-annual period	41,737,310	157,492	0.75
	Current semi-annual period	52,383,964	216,515	0.82
Of which, deposits	Previous semi-annual period	22,989,896	54,937	0.47
	Current semi-annual period	29,621,446	101,330	0.68
Of which, negotiable certificates of deposit	Previous semi-annual period	7,352,873	13,571	0.36
	Current semi-annual period	7,924,565	15,089	0.37
Of which, call money and bills sold	Previous semi-annual period	314,917	1,221	0.77
	Current semi-annual period	258,908	893	0.68
Of which, payables under repurchase agreements	Previous semi-annual period	463,870	1,837	0.79
	Current semi-annual period	715,148	3,467	0.96
Of which, payables under securities lending transactions	Previous semi-annual period	–	–	–
	Current semi-annual period	–	–	–
Of which, commercial paper	Previous semi-annual period	930,765	931	0.19
	Current semi-annual period	1,225,308	1,093	0.17
Of which, borrowed money	Previous semi-annual period	1,256,825	11,327	1.79
	Current semi-annual period	1,638,208	13,488	1.64

(Notes) 1. The average balance of each asset and liability was generally computed based on an average of daily balances, but figures for certain consolidated subsidiaries were calculated based on an average of month-end balances.
2. "Overseas" includes overseas offices of the Bank and overseas consolidated subsidiaries.
3. The amount of interest-earning assets is stated excluding the average balance of interest-free due from banks. The amount of interest-bearing liabilities is stated excluding the average balance of money held in trust and the corresponding interest payments.

3) Total

(Millions of yen)

Item	Semi-annual period	Average balance			Interest			Yield (%)
		Subtotal	Amount of elimination	Total	Subtotal	Amount of elimination	Total	
Interest-earning assets	Previous semi-annual period	169,512,230	(5,641,155)	163,871,075	991,869	(51,056)	940,812	1.14
	Current semi-annual period	181,583,073	(6,631,246)	174,951,827	1,202,238	(92,011)	1,110,226	1.26
Of which, loans and bills discounted	Previous semi-annual period	85,855,646	(2,338,374)	83,517,271	677,312	(36,988)	640,323	1.52
	Current semi-annual period	94,825,335	(2,356,553)	92,468,782	761,913	(36,134)	725,779	1.56
Of which, securities	Previous semi-annual period	62,291,209	(1,852,911)	60,438,298	227,967	(7,210)	220,757	0.72
	Current semi-annual period	53,482,415	(2,564,565)	50,917,850	280,736	(48,211)	232,525	0.91
Of which, call loans and bills bought	Previous semi-annual period	436,139	(31,319)	404,819	4,266	(45)	4,221	2.08
	Current semi-annual period	552,419	(42,433)	509,986	5,235	(18)	5,217	2.04
Of which, receivables under resale agreements	Previous semi-annual period	1,093,701	–	1,093,701	16,642	–	16,642	3.03
	Current semi-annual period	1,208,758	–	1,208,758	20,160	–	20,160	3.32
Of which, receivables under securities borrowing transactions	Previous semi-annual period	662,152	–	662,152	1,300	–	1,300	0.39
	Current semi-annual period	335,762	–	335,762	1,644	–	1,644	0.97
Of which, due from banks	Previous semi-annual period	13,520,212	(1,339,808)	12,180,403	20,617	(2,364)	18,252	0.29
	Current semi-annual period	23,713,774	(1,552,862)	22,160,911	30,553	(4,731)	25,822	0.23
Interest-bearing liabilities	Previous semi-annual period	163,181,439	(3,989,660)	159,191,779	229,910	(45,965)	183,944	0.23
	Current semi-annual period	173,943,248	(4,149,864)	169,793,383	279,127	(45,610)	233,516	0.27
Of which, deposits	Previous semi-annual period	122,039,082	(895,610)	121,143,471	79,694	(1,546)	78,147	0.12
	Current semi-annual period	131,710,587	(1,055,192)	130,655,395	123,920	(3,410)	120,510	0.18
Of which, negotiable certificates of deposit	Previous semi-annual period	10,140,255	(266,540)	9,873,714	14,977	(35)	14,942	0.30
	Current semi-annual period	10,600,540	–	10,600,540	16,351	–	16,351	0.30
Of which, call money and bills sold	Previous semi-annual period	3,436,245	(123,280)	3,312,965	2,888	(145)	2,742	0.16
	Current semi-annual period	3,272,122	(89,523)	3,182,599	2,450	(123)	2,326	0.14
Of which, payables under repurchase agreements	Previous semi-annual period	10,338,041	–	10,338,041	10,076	–	10,076	0.19
	Current semi-annual period	8,353,034	–	8,353,034	10,390	–	10,390	0.24
Of which, payables under securities lending transactions	Previous semi-annual period	250,333	–	250,333	719	–	719	0.57
	Current semi-annual period	374,460	–	374,460	809	–	809	0.43
Of which, commercial paper	Previous semi-annual period	930,765	–	930,765	931	–	931	0.19
	Current semi-annual period	1,225,308	–	1,225,308	1,093	–	1,093	0.17
Of which, borrowed money	Previous semi-annual period	10,066,837	(2,557,977)	7,508,859	56,007	(37,257)	18,749	0.49
	Current semi-annual period	11,430,329	(2,890,400)	8,539,928	55,285	(36,358)	18,927	0.44

(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

Net fees and commissions income are as follows:

Fees and commissions income of domestic offices for the current semi-annual period was ¥308.8 billion, with an increase of ¥8.7 billion from the same period of the previous fiscal year. Fees and commissions expenses were ¥70.7 billion, with a decrease of ¥1.0 billion from the previous semi-annual period, resulting in a net fees and commissions income of ¥238.0 billion, with an increase of ¥9.7 billion from the same period of the previous fiscal year. Fees and commissions income of overseas offices during the current semi-annual period was ¥150.2 billion, with an increase of ¥51.4 billion from the same period of the previous fiscal year, while fees and commissions expenses were ¥20.7 billion, with an increase of ¥14.1 billion from the same period of the previous fiscal year, resulting in a net fees and commissions income of ¥129.5 billion, with an increase of ¥37.2 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 ¥334.3 billion, with an increase of ¥46.7 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	300,144	98,832	(45,719)	353,257
	Current semi-annual period	308,857	150,262	(53,033)	406,085
Of which, domestic and foreign exchange services	Previous semi-annual period	74,604	4,593	(163)	79,034
	Current semi-annual period	76,321	6,600	(177)	82,744
Of which, other commercial banking services	Previous semi-annual period	123,834	91,633	(1,401)	214,066
	Current semi-annual period	136,407	118,467	(1,337)	253,537
Of which, guarantee services	Previous semi-annual period	28,624	8,245	(9,044)	27,825
	Current semi-annual period	26,999	11,921	(8,820)	30,100
Of which, securities-related services	Previous semi-annual period	25,769	431	(34)	26,165
	Current semi-annual period	23,593	1,152	(29)	24,716
Fees and commissions expenses	Previous semi-annual period	71,853	6,576	(12,781)	65,648
	Current semi-annual period	70,779	20,718	(19,779)	71,718
Of which, domestic and foreign exchange services	Previous semi-annual period	16,720	274	(174)	16,820
	Current semi-annual period	16,890	3,041	(195)	19,736

(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

Net trading incomes of domestic and overseas offices are as follows:

Trading income of domestic offices for the current semi-annual period was ¥49.0 billion, with an increase of ¥3.0 billion from the same period of the previous fiscal year. Trading expenses of domestic offices for the current semi-annual period was ¥0.6 billion, showing an increase of ¥0.4 billion from the same period of the previous fiscal year, resulting in a net trading income of ¥48.4 billion, accompanied by an increase of ¥2.6 billion from the same period of the previous fiscal year. Trading income of overseas offices for the current semi-annual period was ¥16.3 billion, with an increase of ¥1.6 billion from the same period of the previous fiscal year. Trading expenses of overseas offices was ¥19.6 billion, an increase of ¥18.5 billion from the same period of the previous fiscal year. As a result, net trading expenses for the current semi-annual period was ¥3.2 billion, with a decrease of ¥16.8 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 ¥44.2 billion, with a decrease of ¥13.0 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	45,962	14,619	(2,208)	58,374
	Current semi-annual period	49,049	16,308	(21,085)	44,272
Of which, income from trading securities	Previous semi-annual period	6	1,788	(144)	1,651
	Current semi-annual period	12	1,699	(720)	991
Of which, income from securities related to trading transactions	Previous semi-annual period	–	–	–	–
	Current semi-annual period	2,028	(202)	(46)	1,779
Of which, income from trading-related financial derivatives	Previous semi-annual period	44,576	12,831	(2,004)	55,403
	Current semi-annual period	45,856	14,811	(20,314)	40,353
Of which, income from other trading transactions	Previous semi-annual period	1,379	–	(59)	1,319
	Current semi-annual period	1,151	–	(3)	1,147
Trading expenses	Previous semi-annual period	213	1,072	(204)	1,081
	Current semi-annual period	628	19,608	(20,236)	–
Of which, expenses on trading securities	Previous semi-annual period	144	–	(144)	–
	Current semi-annual period	628	91	(720)	–
Of which, expenses on securities related to trading transactions	Previous semi-annual period	69	1,012	–	1,081
	Current semi-annual period	–	46	(46)	–
Of which, expenses on trading-related financial derivatives	Previous semi-annual period	–	–	–	–
	Current semi-annual period	–	19,466	(19,466)	–
Of which, expenses on other trading transactions	Previous semi-annual period	–	59	(59)	–
	Current semi-annual period	–	3	(3)	–

(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	100,433,974	24,500,121	(1,055,162)	123,878,932
	Current semi-annual period	103,570,953	29,662,711	(1,189,080)	132,044,584
Of which, liquid deposits	Previous semi-annual period	64,544,013	11,189,427	(445,532)	75,287,908
	Current semi-annual period	68,195,125	14,356,505	(578,464)	81,973,166
Of which, fixed-term deposits	Previous semi-annual period	30,511,969	13,101,922	(528,877)	43,085,014
	Current semi-annual period	29,449,259	15,071,287	(577,146)	43,943,400
Of which, other deposits	Previous semi-annual period	5,377,991	208,771	(80,752)	5,506,009
	Current semi-annual period	5,926,568	234,918	(33,469)	6,128,017
Negotiable certificates of deposit	Previous semi-annual period	2,659,858	7,926,145	(90,000)	10,496,004
	Current semi-annual period	2,648,948	9,087,489	–	11,736,437
Total	Previous semi-annual period	103,093,833	32,426,266	(1,145,162)	134,374,937
	Current semi-annual period	106,219,901	38,750,201	(1,189,080)	143,781,022

(Notes)
1. "Domestic" includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries. "Overseas" includes the Bank's overseas offices and overseas consolidated subsidiaries.
2. "Amount of elimination" is the total amount of elimination associated with internal transactions, etc. between consolidated companies.
3. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice
4. Fixed-term deposits = Time deposits + Installment savings

(6) Balance of loans and bills discounted at domestic and overseas offices

・Loans by type of industry (outstanding balances, composition ratios)

Industry	Previous semi-annual period		Current semi-annual period	
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Domestic (excluding Japan offshore market account)	57,631,205	100.00	57,589,723	100.00
Manufacturing	7,436,409	12.90	8,106,809	14.08
Construction	769,654	1.33	739,693	1.28
Wholesale and retail	5,595,793	9.71	5,522,032	9.59
Finance and insurance	5,498,662	9.54	5,924,844	10.29
Real estate, goods rental and leasing	8,014,099	13.91	7,847,425	13.63
Services	2,666,837	4.63	2,441,603	4.24
Other industries	27,649,748	47.98	27,007,315	46.89
Overseas and Japan offshore market account	27,148,769	100.00	33,866,159	100.00
Governments and public organizations	560,129	2.06	774,336	2.29
Financial institutions	5,363,560	19.76	6,892,955	20.35
Others	21,225,079	78.18	26,198,867	77.36
Total	84,779,974	–	91,455,883	–

(Note) “Domestic” includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries. “Overseas” includes the Bank’s overseas offices and overseas consolidated subsidiaries.

(Status of Risk-Adjusted Capital Ratio)

(Reference)

In accordance with the provisions of Article 14-2 of the Banking Law, the Bank calculates both consolidated and non-consolidated risk-adjusted capital ratios, based on the computation method defined by the Standards to Determine the Adequacy of its Capital Base in Light of the Assets Held by the Bank (Financial Services Agency Notification No. 19, 2006, hereinafter referred to as the "Notification").

Upon the adoption of uniform international standards, the Bank applies the Advanced Internal Ratings-Based Approach for the computation of the value of credit risk-weighted assets. For the computation of the equivalent amount of operational risks, the Bank employs the Advanced Measurement Approach, as well as implementing the Market Risk Regulation.

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

(Billions of yen, %)

	As of September 30, 2014
1. Consolidated Total Capital Ratio (4/7)	15.41
2. Consolidated Tier 1 Capital Ratio (5/7)	11.95
3. Consolidated Common Equity Capital Ratio (6/7)	10.72
4. Consolidated Total Capital	12,696.9
5. Consolidated Tier 1 Capital	9,843.7
6. Consolidated Common Equity Capital	8,836.2
7. Risk-weighted Assets	82,367.0
8. Consolidated Total Capital Requirements	6,589.3

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

(Billions of yen, %)

	As of September 30, 2014
1. Non-consolidated Total Capital Ratio (4/7)	17.12
2. Non-consolidated Tier 1 Capital Ratio (5/7)	13.30
3. Non-consolidated Common Equity Capital Ratio (6/7)	11.57
4. Non-consolidated Total Capital	11,993.8
5. Non-consolidated Tier 1 Capital	9,321.8
6. Non-consolidated Common Equity Capital	8,105.3
7. Risk-weighted Assets	70,039.3
8. Non-consolidated Total Capital Requirements	5,603.1

(Reference information)

In accordance with Article 6 of the Act on Emergency Measures for the Reconstruction of the Financial Functions (Act No. 132 of 1998), the Bank assesses assets stated on its balance sheets and classifies them as shown below, based on the financial condition and business performance, etc. of the borrowers. These assets include corporate bonds (limited to the corporate bonds on which the payment of all or part of the principal and interest is guaranteed by financial institutions holding such bonds and which were issued through private placement as defined in Article 2, 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 balance sheets (they are limited to loans for use or lending under rental contract).

1. Claims against bankrupt or de facto bankrupt borrowers

Claims against bankrupt or de facto bankrupt borrowers represent claims held against borrowers who have been declared insolvent or in a substantially similar condition, on the grounds of the commencement of bankruptcy or restructuring proceedings, filing for the proceedings of rehabilitation or other similar legal proceedings.

2. Doubtful claims

Doubtful claims are those against borrowers who have not yet failed but their financial condition and business performance have deteriorated, with a high possibility that the principal and interest on these claims will not be received as per agreement.

3. Claims in need of special attention

These claims include those for which payments of principal or interest are three months or more in arrears or for which terms and conditions have been relaxed.

4. Normal claims

Claims held against borrowers who are not experiencing particular problems in respect of their financial position or management performance, hence classified as claims other than the preceding three categories.

2. Issues to be Addressed

The Bank regards fiscal 2014 as the year in which the Medium-term Business Plan that started in fiscal 2012 will culminate, and to be the year for further advancement under the next Medium-term Business Plan. The Bank will remain focused on the following priority tasks with the aim of achieving the goal of being "the world's most trusted financial group," through gaining the trust and meeting the expectations of its customers, both at home and abroad, while making contributions to Japan's economic growth as a financial institution.

(Growth strategies)

The Bank, as the core bank of MUFG Group, will provide the highest quality services with precision and promptness by demonstrating the Group's integrated strength by capitalizing on its operational network both at home and abroad, which is the most extensive among the Japanese banks. In addition, further collaboration with other group companies will be expanded upon, in order to satisfy the increasingly diversified and sophisticated financial needs of customers in the face of turbulent changes in the business environment. More specifically, for individual customers, we will provide services that meet their diversified needs in areas including asset management and borrowing that correspond to their individual life stages, taking full advantage of the capabilities of MUFG group companies including the trust banking and securities businesses, and we will promote balanced transactions that integrate "earnings base, business volume and income." For corporate customers, we will provide various CIB (Corporate & Investment Banking) products including syndicated loans, along with transaction-oriented banking and market-related services through active presentation of proposals for solutions to their issues, focusing on the development stage of each customer from promising startups to established large corporations. Furthermore, we will continue to strengthen our global business base through collaboration with Bank of Ayudhya Public Company Limited ("Bank of Ayudhya") and Vietnam Joint Stock Commercial Bank for Industry and Trade in Asia, and in the Americas through the business integration of MUFG Americas Holdings Corporation with the Bank, which was carried out in July 2014.

(Strengthening of operation basis)

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

The Bank will strive to achieve adequate control and management of its own funds including their effective utilization in order to meet the strengthening of global financial regulations not the least of which is capital adequacy regulations while reinforcing governance outside Japan to keep pace with the expansion of its overseas operations. In addition, the Bank will further refine its operational strategy from the perspective of improving productivity, risk-return profile, and cost effectiveness.

In terms of human resources as an element of competitive advantage, we will further focus on promoting professionalism and globalization. Meanwhile, enhancement of the internal controls, including compliance will be maintained in response to changes in the business environment and transformations in our business model.

(Pursuit of management based on CSR and strengthening of MUFG brand)

The Bank, as a member of MUFG Group, will be focused on corporate social responsibility (CSR) in its management, while endeavoring to enhance customer satisfaction (CS) by providing services unique to MUFG.

The Bank has established the two tasks of "Addressing Global Environmental Issues" and "Nurturing Society's Next Generation," as the priority areas of its CSR activities. Under the theme of "Addressing Global Environmental Issues," we will seek to utilize the financial functions of the Bank and provide products and services that contribute to reducing the burden on the environment. Under the theme of "Nurturing Society's Next Generation," as a member of the local community and society, we will focus our social contribution activities on employee participation in local activities.

Meanwhile, we will continue to act upon our commitment to providing restoration assistance to the areas affected by the Great East Japan Earthquake by utilizing resources from our main business as well as through our social contribution activities. The Bank established "MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund" in cooperation with National Federation of UNESCO Associations in JAPAN as part of our medium-to-long-term support for restoration related to the effects of the earthquake. This fund is operated through schools, providing primarily scholarship programs for elementary school, middle school and high school students whose parents have passed away as a result of the Great East Japan Earthquake, along with various related activities.

Through the above measures, the Bank will strive to maintain and enhance the MUFG brand that can be appreciated and supported by the wider general public.

3. Risks Related to Business

Of the risks related to business, as stated in the annual securities report of the previous fiscal year, the following are the emerging risks or significant changes in the existing risks deemed to be of importance to the investment decisions of investors as perceived by the Bank. Forward-looking statements contained in this section are, unless otherwise specifically stated, based on judgments of conditions as of the date of submission of this semi-annual securities report.

The numbers assigned to the following paragraphs correspond to the numbering of "II. Business Overview, 3. Risks Related to Business" of the annual securities report of the previous fiscal year.

(3) Risks associated with market activities

Engaging in a wide range of market activities such as dealing in various financial instruments including derivatives, the Bank holds substantial financial instruments. Accordingly, its financial position and results of operations are exposed to the risks associated with such activities and holdings, including interest rate risks both at home and abroad, foreign exchange risks, and risks associated with market fluctuations including securities prices. For example, rising interest rates at home or abroad could adversely impact the value of the Bank's bonds portfolio. A rise in interest rates at home or abroad can be expected to occur in the event of a decline in the credibility of the Japanese government's fiscal management, further issuances of government bonds in line with emergency economic measures, the rise in interest rates of Japanese government bonds due to concerns over excessive government intervention by the Bank of Japan, and the rise in interest rates of U.S. government bonds as a result of changes in monetary policies in the U.S. If interest rates at home or abroad rise for any reason including the aforementioned, losses upon sale or valuation losses may be realized on the Bank's very large government bond portfolio, etc. In addition, yen appreciation could reduce the financial statement value of the Bank's foreign currency-denominated investments, resulting in realized losses or unrealized losses.

The Bank defines market risk as the risk of losses associated with various market fluctuations including interest rates at home or abroad, exchange rates and securities prices, and classifies it into two subclasses, namely general market risk and specific risk. The former is defined as the risk of loss due to the general market volatility while the latter is defined as the risk of loss due to the volatility of specific financial instruments such as bonds and stocks, irrespective of the general market trend. The Bank determines the size of such risk, by statistically estimating the maximum probable loss in the market value of its portfolio during a certain future period, based on the past market fluctuations, where the aggregate of the value of general market risk and that of specific risk is defined as the value of market risk. However, the effectiveness of measured value of the market risk has its own obvious limitations and may not always accurately represent the actual risk, and losses beyond such measured value could potentially materialize.

(4) Foreign exchange risks

The Bank's operations are affected by the fluctuations in exchange rates. When exchange rates fluctuate, the yen equivalent of the assets and liabilities of the Bank's primary subsidiaries, MUFG Americas Holdings Corporation (hereinafter referred to collectively as "MUAH" including its banking subsidiary, MUFG Union Bank, N.A.) and Bank of Ayudhya will fluctuate as well. Furthermore, certain part of the Bank's assets and liabilities are foreign currency-denominated, and unless the amount of such assets happens to be equal to that of liabilities in each foreign currency, thus neutralizing the impact of fluctuations in exchange rates, or currency risk is adequately hedged, the Bank's risk-adjusted capital ratio, financial position and results of operations may be adversely affected by the fluctuations in exchange rates.

(9) Risks associated with MUAH

The Bank's financial position and results of operations may be adversely affected by the deterioration in the business or management of MUAH, one of the Bank's primary subsidiaries. Factors that adversely affect MUAH's financial position and results of operations include deterioration of the economy, mainly in California as well as the local real estate and housing market, tough competition in the banking sector in the U.S., especially in California, uncertainty in the U.S. economy, possible terrorists attack, volatility in the prices of resources including petroleum, increases in interest rates, restrictions imposed by the U.S. financial system, losses associated with litigations, downgrades in the credit rating of or declines in share price of MUAH's borrowers and resultant potential bankruptcies, and the accrual of costs associated with inadequate internal controls or compliance at MUAH or its subsidiaries.

(16) Risks of being criticized for unfair or inappropriate transactions or conducts, and of being penalized as a result

The Bank operates subject to the current regulations, and is thus exposed to compliance risk associated with these regulations (including the impact of changes in laws, government policies, voluntary regulations, etc. both at home and in the overseas markets where the Bank operates). The Bank's system and programs for compliance risk management may not always be effective enough to completely block violations of all laws and regulations.

If the Bank is unable to wholly comply with applicable laws and regulations, including those pertaining to money laundering, financial crimes and other fraudulent and inappropriate transactions, it may be subject to fines, administrative surcharges, disciplinary sanctions, reputational degradation, operational improvement orders, business suspension orders, and even revocation of business licenses in extreme cases, as a result of which the Bank's business environment may become more severe, tarnishing the Bank's reputation and resulting in a loss of its customers and the market's confidence, which, in turn, may adversely affect the Bank's business and its results of operations. Records of such regulation-related penalties may have a negative influence in the event the Bank needs to apply for official approvals as a prerequisite for strategic business development.

The Bank reached agreements with the Office of Foreign Assets Control of the United States (hereinafter referred to as "OFAC") in December 2012, whereby the Bank agreed to pay settlement money to OFAC for its conduct during the period from 2006 to 2007 that could be deemed a breach of the economic sanctions by the United States, and with the New York State Department of Financial Services (hereinafter referred to as "DFS") in June 2013, whereby the Bank agreed to pay settlement money to DFS for its inappropriate processing of U.S. dollar-denominated settlement transactions involving Iranian parties that it handled during the period from 2002 to 2007, and at the same time commission a third party organization to review its current internal control system over its compliance with the U.S. economic sanctions. In addition, in November 2014, the Bank entered into a consent agreement with the DFS to resolve issues relating to instructions given to PricewaterhouseCoopers LLP, or PwC, and the disclosures made to DFS in connection with the Bank's 2007 and 2008 voluntary investigation of the Bank's U.S. dollar clearing activity toward countries under U.S. economic sanctions. The Bank had hired PwC to conduct a historical transaction review report in connection with that investigation. Under the terms of the agreement with DFS, the Bank made a payment of the stipulated amount to DFS, and agreed to take actions on persons involved in the matter at that time, relocate its U.S. BSA/AML and OFAC sanctions compliance programs to New York, and extend, if regarded as necessary by DFS, the period during which an independent consultant is responsible for assessing the Bank's internal controls regarding compliance with applicable laws and regulations related to U.S. economic sanctions. The Bank continues to cooperate closely with all relevant regulators and is undertaking necessary actions relating to these matters. However, depending on the future development of this case or the occurrence of similar events, the Bank may be subject to further penalties from the authorities concerned, or may reach a separate agreement involving further payment of settlement money.

Separately, the Bank has been ordered to submit relevant information by the governments engaged in an investigation into the data submitted by the panel banks, including the Bank, to the entity that calculates various inter-bank benchmark interest rates. The Bank is cooperating with this investigation while conducting its own investigation into this issue. The Bank and other panel banks are among the defendants in a number of civil litigations involving the above issue, including class actions in the United States. Furthermore in June 2013, the Bank received an administrative penalty from the Monetary Authority of Singapore, in which questions were raised over the Bank's controls over the quotation of benchmark interest rates, along with an instruction to take remedial measures to improve the controls. Depending on the future development of this case or occurrence of similar events, the Bank may be subject to further penalties from the authorities concerned.

(19) Risks associated with capital adequacy ratio

1) Capital adequacy requirement and the factors that could cause its deterioration

The Bank is subject to the capital adequacy requirement based on the "Basel III: A global regulatory framework for more resilient banks and banking systems" (hereinafter referred to as "Basel III"), from the fiscal year ended March 31, 2013. Basel III is more focused on quality of capital than the prior capital adequacy requirement (Basel II), and is intended to improve the level of capital through the enhancement of the minimum capital adequacy requirement, while introducing the capital conservation buffer which restricts capital outflows such as dividend payouts if the capital adequacy requirement falls below a certain level. Basel III has been implemented step-by-step from the fiscal year ended March 31, 2013. As the Bank has overseas business operations, its consolidated as well as non-consolidated risk-adjusted capital ratio must meet the uniform international standards as set out by the “Criteria for Judging Whether A Financial Institution’s Own Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law” (the Financial Services Agency Notification No. 19 of 2006).

In the event of the Bank’s risk-adjusted capital ratio falling below the required level, orders of various degrees from the Financial Services Agency, including whole or partial business suspension orders, will ensue.

Meanwhile, as the Bank and some of its banking subsidiaries are subject to capital adequacy regulations in the United States and other countries, in the event of their capital adequacy falling below the required levels, orders of various degrees from the concerned local authorities will ensue.

Factors that affect the Bank’s risk-adjusted capital ratio include:

- Increase in credit risk-weighted assets or expected loss due to portfolio volatility that could result from the deteriorating creditworthiness of obligors, or issuers of stocks or bonds
- Difficulty in refinancing existing capital instruments or issuing such instruments on equivalent terms at the time of redemption or at maturity
- Decline in the value of securities portfolio
- Adverse fluctuations in foreign exchange
- Unfavorable amendments to the capital adequacy requirement
- Reduction in the amount of deferred tax assets
- Other adverse developments

2) Regulatory trend

The Financial Stability Board (FSB) in November 2014 designated Mitsubishi UFJ Financial Group, Inc. as one of the global systematically important banks (G-SIBs). A higher level of capital will be required for the G-SIBs in stages from 2016. The list of G-SIBs and the additional levels of capital required of the G-SIBs will be updated annually. Thus, Mitsubishi UFJ Financial Group, Inc. may be subject to even higher levels of capital adequacy going forward.

3) Deferred tax assets

Under the aforementioned FSA Notification, as amended following the implementation of Basel III, deferred tax assets may be included in a bank’s own capital up to a certain limit which is calculated based on core equity capital items of common equity Tier 1 capital, along with certain adjustments. Any amount in excess of this limit may not be included in the Bank’s common equity Tier 1 capital, which may reduce the Bank’s risk-adjusted capital ratio.

4) Capital instruments

The aforementioned FSA Notification, as amended following the implementation of Basel III, sets out transitional arrangements which allow for the inclusion of capital instruments issued in March 2013 or earlier (qualifying former capital instruments) in the Bank’s own capital within the scope of the transitional arrangements. These capital instruments may need to be refinanced when the time limit for their inclusion in the Bank’s own capital expires. However, the aforementioned FSA Notification requires as prerequisite to the inclusion of newly issued capital instruments in the Bank’s own capital (except for common stock, etc.), a special condition to be in place which prescribes that either principal reduction or conversion into common stock be carried out if the issuing financial institution is deemed effectively bankrupt or in similar circumstances. Under certain market conditions, refinancing or new capital issuance on the equivalent terms may not be possible. In such case, the Bank’s own capital will be reduced, resulting in a lower risk-adjusted capital ratio.

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 operating income for the current semi-annual period increased by ¥180.3 billion from the same period of the previous fiscal year, due to the effects of the consolidation of Bank of Ayudhya, as well as the improvement in interest income and fees and commissions income. Meanwhile, general and administrative expenses also increased by ¥100.0 billion from the same period of the previous fiscal year, primarily reflecting increases in expenses associated with overseas businesses and consumption taxes, as well as the effects of the consolidation of Bank of Ayudhya. As a result, consolidated net business profit (before provision for general allowance for credit losses) for the current semi-annual period was ¥591.2 billion, with an increase of ¥80.2 billion from the same period of the previous fiscal year.

Meanwhile, semi-annual consolidated net income was ¥405.4 billion, with an increase of ¥65.9 billion from the same period of the previous fiscal year.

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

(Billions of yen)

		Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Interest income	(1)	940.8	1,110.2	169.4
Interest expenses (after deduction of expenses related to money held in trust)	(2)	183.9	233.5	49.5
Trust fees	(3)	7.1	5.2	(1.8)
Of which, credit costs for trust accounts	(4)	–	–	–
Fees and commissions income	(5)	353.2	406.0	52.8
Fees and commissions expenses	(6)	65.6	71.7	6.0
Trading income	(7)	58.3	44.2	(14.1)
Trading expenses	(8)	1.0	–	(1.0)
Other operating income	(9)	235.6	220.9	(14.7)
Other operating expenses	(10)	94.2	50.9	(43.3)
Consolidated gross operating income (= (1) - (2) + (3) + (5) - (6) + (7) - (8) + (9) - (10))	(11)	1,250.2	1,430.5	180.3
General and administrative expenses (after deduction of non-recurring expenses)	(12)	739.3	839.3	100.0
Consolidated net business profit (loss) (before provision for general allowance for credit losses = (11) + (4) - (12))		510.9	591.2	80.2
Other ordinary expenses (Provision for general allowance for credit losses)	(13)	–	–	–
Consolidated net business profit (loss) (= (11) - (12) - (13))		510.9	591.2	80.2
Other ordinary income	(14)	170.4	164.9	(5.4)
Of which, reversal of allowance for credit losses		58.8	80.3	21.4
Of which, gains on collection of bad debts		17.2	17.6	0.4
Of which, gains on sales of equity securities and other securities		47.1	15.9	(31.1)
Interest expenses (expenses related to money held in trust)	(15)	0.0	0.0	0.0
General and administrative expenses (non-recurring expenses)	(16)	14.6	13.9	(0.7)
Other ordinary expenses (after deduction of provision for general allowance for credit losses)	(17)	92.0	78.7	(13.2)
Of which, credit costs		46.0	48.1	2.1
Of which, losses on sales of equity securities and other securities		2.3	5.7	3.3
Of which, losses on write-down of equity securities and other securities		11.9	2.4	(9.5)
Net non-recurring gains (losses) (= (14) - (15) - (16) - (17))		63.6	72.1	8.5
Ordinary profit		574.5	663.4	88.8
Net extraordinary gains (losses)		(26.7)	(39.6)	(12.8)
Of which, impairment loss of long-lived assets		(1.7)	(0.6)	1.1

	Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Income before income taxes and minority interests	547.8	623.7	75.9
Total income taxes	177.8	184.3	6.4
Net income before minority interests	369.9	439.4	69.5
Minority interests in net income	30.4	33.9	3.5
Net income	339.5	405.4	65.9

1. Analysis of Results of Operations

(1) Credit costs

Total credit costs for the current semi-annual period decreased by ¥21.5 billion compared to the same period of the previous fiscal year to a net reversal of ¥54.2 billion.

Write-offs of loans decreased by ¥7.7 billion compared to the same period of the previous fiscal year.

(Billions of yen)

		Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Of the trust fees, credit costs for trust accounts	(1)	–	–	–
Of other ordinary income, reversal of allowance for credit losses	(2)	58.8	80.3	21.4
Of other ordinary income, reversal of reserve for contingent losses	(3)	2.6	4.4	1.8
Of other ordinary income, gains on collection of bad debts	(4)	17.2	17.6	0.4
Of other ordinary expenses, provision for general allowance for credit losses	(5)	–	–	–
Of other ordinary expenses, credit costs	(6)	46.0	48.1	2.1
Write-offs of loans		41.8	34.0	(7.7)
Provision for specific allowance for credit losses		–	–	–
Other credit costs		4.1	14.1	9.9
Total credit costs (= (1) - (2) - (3) - (4) + (5) + (6))		(32.6)	(54.2)	(21.5)
Consolidated net business profit (loss) (before credit costs for trust accounts and provision for general allowance for credit losses)		510.9	591.2	80.2
Consolidated net business profit (loss) (after deduction of total credit costs)		543.5	645.4	101.8

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

The Bank posted ¥7.8 billion gains on equity securities and other securities for the current semi-annual period with a decrease of ¥25.0 billion from the same period of the previous fiscal year.

Gains on sales of equity securities and other securities decreased by ¥31.1 billion compared to the same period of the previous fiscal year to ¥15.9 billion while losses on sales of equity securities and other securities increased by ¥3.3 billion compared to the same period of the previous fiscal year to ¥5.7 billion. Losses on write-down of equity securities and other securities decreased by ¥9.5 billion compared to the same period of the previous fiscal year to ¥2.4 billion.

(Billions of yen)

	Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Net gains (losses) on equity securities and other securities	32.8	7.8	(25.0)
Of other ordinary income, gains on sales of equity securities and other securities	47.1	15.9	(31.1)
Of other ordinary expenses, losses on sales of equity securities and other securities	2.3	5.7	3.3
Of other ordinary expenses, losses on write-down of equity securities and other securities	11.9	2.4	(9.5)

2. Analysis of Financial Position

(1) Loans

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

Claims disclosed under the Financial Reconstruction Act decreased by ¥202.3 billion from the end of the previous fiscal year to ¥1,169.8 billion. The percentage of disclosed claims to total claims fell by 0.24 percentage points from the end of the previous fiscal year to 1.30%.

Claims by borrowers' classification show claims against bankrupt or de facto bankrupt borrowers fell by ¥5.1 billion, doubtful claims fell by ¥180.7 billion, and claims in need of special attention fell by ¥16.4 billion.

With regard to the status of coverage at the end of the current semi-annual period for these disclosed claims totaling ¥1,169.8 billion, the amount secured by allowance for credit losses was ¥296.4 billion and the amount secured by collaterals, guarantees and others was ¥620.2 billion, representing a percentage of covered claims to total disclosed claims (coverage ratio) of 78.35%.

The Bank has been addressing non-performing loans and other claims as an important issue. It continues efforts to reduce these assets through disposals, by write-offs and sales or the implementation of turnaround programs for recoverable borrowers.

Claims disclosed under the Financial Reconstruction Act (non-consolidated)

(Billions of yen)

Category	Loan amount (A)	Allowance for credit losses (B)	Covered by collateral and/or guarantees (C)	Allowance ratio for unsecured portion (B) / [(A) - (C)]	Coverage ratio [(B) + (C)] / (A)
Claims against bankrupt or de facto bankrupt borrowers	86.3 (91.5)	1.6 (1.1)	84.7 (90.3)	100.00% (100.00%)	100.00% (100.00%)
Doubtful claims	641.6 (822.4)	178.8 (244.5)	319.4 (389.6)	55.49% (56.51%)	77.65% (77.11%)
Claims in need of special attention	441.8 (458.2)	116.0 (120.0)	215.9 (223.2)	51.38% (51.08%)	75.14% (74.91%)
Subtotal	1,169.8 (1,372.2)	296.4 (365.7)	620.2 (703.3)	53.93% (54.67%)	78.35% (77.90%)
Normal claims	88,411.9 (86,906.3)	–	–	–	–
Total	89,581.8 (88,278.5)	–	–	–	–
Percentage of disclosed claims to total claims	1.30% (1.55%)	–	–	–	–

(Note) The upper figures are as of September 30, 2014. The lower figures with parentheses are as of March 31, 2014.

(2) Securities

Securities at the end of the current semi-annual period decreased by ¥2,040.2 billion to ¥55,382.1 billion compared to the end of the previous fiscal year. Government bonds, corporate bonds and other securities decreased by ¥662.6 billion, ¥150.9 billion and ¥1,679.4 billion, respectively, while equity securities rose by ¥462.0 billion.

(Billions of yen)

	As of March 31, 2014 (A)	As of September 30, 2014 (B)	Change (B) - (A)
Securities	57,422.3	55,382.1	(2,040.2)
Government bonds	33,857.0	33,194.3	(662.6)
Municipal bonds	197.7	188.5	(9.1)
Corporate bonds	2,123.0	1,972.0	(150.9)
Equity securities	3,805.0	4,267.0	462.0
Other securities	17,439.5	15,760.0	(1,679.4)

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

3. Cash Flows

With regard to cash flows, operating activities used net cash of ¥4,094.9 billion with a ¥3,700.8 billion increase in cash outflows from the same period of the previous fiscal year. Investing activities provided net cash of ¥4,243.3 billion, as a result of ¥3,682.3 billion increase in cash inflows compared to the same period of the previous fiscal year. Financing activities used net cash of ¥658.4 billion, with a ¥123.6 billion increase in cash outflows from the same period of the previous fiscal year.

Cash and cash equivalents at the end of the current semi-annual period were ¥3,452.2 billion, with a decrease of ¥16.8 billion from the end of the same period of the previous fiscal year.

4. Results of Operations by Business Unit

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

(Billions of yen)

	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	MUAH (Note 3)	Bank of Ayudhya (Note 4)	Global Markets Unit	Other units (Note 2)	Total
Gross operating income	293.4	348.2	479.5	184.8	98.8	226.5	(4.5)	1,442.1
Non-consolidated	256.1	338.3	237.5	–	–	216.7	27.0	1,075.8
Net interest income	181.1	154.1	127.8	–	–	77.2	80.9	621.4
Net non-interest income	74.9	184.2	109.7	–	–	139.4	(53.9)	454.4
Subsidiaries	37.2	9.9	242.0	184.8	98.8	9.7	(31.5)	366.2
Expenses	225.1	163.8	286.5	123.4	51.5	34.0	94.3	855.4
Net operating income (Note 1)	68.2	184.4	193.0	61.4	47.3	192.4	(98.8)	586.6

(Notes)
1. Net operating income is the consolidated net business profit (loss) before consolidation adjustments (eliminating dividends from subsidiaries only).
   Above profits and losses are computed for the purpose of internal management and differ from those for financial accounting.
2. Other units' gross operating income excludes dividends from subsidiaries and income from the loans to Mitsubishi UFJ Financial Group, Inc.
3. On July 1, 2014, UnionBanCal Corporation ("UNBC") changed its company name to MUAH.
4. Amounts from Bank of Ayudhya are calculated based on the accounting standards in Thailand.

(1) Retail Banking Business Unit

Income from customer deposits in yen continued to decrease due to declining market rates, while income from the consumer finance business and income from the sales of fund management products remained strong.

(2) Corporate Banking Business Unit

Income from customer deposits in yen continued to decrease due to declining market rates, while income from investment banking business including the solutions business remained competitive.

(3) Global Business Unit

The unit saw continued growth in gross operating income mainly because income from lending operations and income from Corporate Investment Banking increased in each area of Asia, the Americas and Europe.

(4) Bank of Ayudhya

Despite a decrease in net non-interest income due to changes in market environment primarily reflecting the political instability, gross operating income increased as a result of the increasing number of loans provided.

(5) Global Markets Unit

The unit's income exceeded that of the previous year thanks to agile management in response to declining interest rates and rising stock prices.

III. Company Information

1. Information on the Company's shares

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued
Common stock	33,000,000,000
Class 2 preferred stock	100,000,000
Class 4 preferred stock	79,700,000
Class 6 preferred stock	1,000,000
Class 7 preferred stock	177,000,000
1st series of Class 8 preferred stock	400,000,000 (Note 1)
2nd series of Class 8 preferred stock	400,000,000 (Note 1)
3rd series of Class 8 preferred stock	400,000,000 (Note 1)
4th series of Class 8 preferred stock	400,000,000 (Note 1)
1st series of Class 9 preferred stock	200,000,000 (Note 2)
2nd series of Class 9 preferred stock	200,000,000 (Note 2)
3rd series of Class 9 preferred stock	200,000,000 (Note 2)
4th series of Class 9 preferred stock	200,000,000 (Note 2)
1st series of Class 10 preferred stock	200,000,000 (Note 3)
2nd series of Class 10 preferred stock	200,000,000 (Note 3)
3rd series of Class 10 preferred stock	200,000,000 (Note 3)
4th series of Class 10 preferred stock	200,000,000 (Note 3)
Total	34,157,700,000

(Notes) 1. Total number of shares authorized to be issued in a class of the 1st to 4th series of Class 8 preferred stock shall not exceed 400,000,000.
2. Total number of shares authorized to be issued in a class of the 1st to 4th series of Class 9 preferred stock shall not exceed 200,000,000.
3. Total number of shares authorized to be issued in a class of the 1st to 4th series of Class 10 preferred stock shall not exceed 200,000,000.

2) Total number of shares issued

Class	Number of shares issued as of the end of the current semi-annual period (September 30, 2014)	Number of shares issued as of the date of submission (November 28, 2014)	Financial instruments exchange on which the stock is listed or other market	Description
Common stock	12,350,038,122	Same as left	–	(Notes) 1, 2, 3
1st series of Class 2 preferred stock	100,000,000	Same as left	–	(Notes) 1, 2
1st series of Class 4 preferred stock	79,700,000	Same as left	–	(Notes) 1, 2
1st series of Class 6 preferred stock	1,000,000	Same as left	–	(Notes) 1, 2
1st series of Class 7 preferred stock	177,000,000	Same as left	–	(Notes) 1, 2
Total	12,707,738,122	Same as left	–	–

(Notes) 1. Number of shares constituting one unit is 1,000 for both common stock and preferred stock, and there are no provisions in the Articles of Incorporation in respect of Article 322, 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 (Millions of yen)	Balance of capital stock (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
From April 1, 2014 to September 30, 2014	–	12,707,738	–	1,711,958	–	1,711,958

(3) Status of major shareholders

By number of shares held

As of September 30, 2014

Company name	Address	Number of shares held (Thousands of shares)	Ratio of number of shares held against total number of shares issued (%)
Mitsubishi UFJ Financial Group, Inc.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	12,350,038	97.18
(Treasury stock) The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	357,700	2.81
Total	–	12,707,738	100.00

By number of voting rights held

As of September 30, 2014

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, 2014

Class	Number of shares		Number of voting rights	Description
Shares with no voting rights	1st series of Class 2 preferred stock	100,000,000	–	As stated in “1. Information on the Company’s Shares, (1) Total number of shares, etc.”
	1st series of Class 4 preferred stock	79,700,000	–	
	1st series of Class 6 preferred stock	1,000,000	–	
	1st series of Class 7 preferred stock	177,000,000	–	
Shares with restricted voting rights (treasury stock, etc.)	–		–	–
Shares with restricted voting 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, 2014

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 of Class 2 preferred stock, 79,700,000 shares of 1st series of Class 4 preferred stock, 1,000,000 shares of 1st series of Class 6 preferred stock, and 177,000,000 shares of 1st series of Class 7 preferred stock are treasury stock.

2. Changes in Share Prices

Not applicable as the Bank's stock is not listed.

3. Directors and Corporate Auditors

There are no changes in Directors 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.

Deloitte.

Deloitte Touche Tohmatsu LLC
Shinagawa Intercity
2-15-3, Konan
Minato-ku, Tokyo 108-6221
Japan

Tel:+81 (3) 6720 8200
Fax:+81 (3) 6720 8205
www.deloitte.com/jp

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying semi-annual consolidated balance sheet of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank") and its subsidiaries as of September 30, 2014, 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, 2014 and 2013, all expressed in Japanese yen, and the related notes.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these semi-annual consolidated financial statements in accordance with accounting principles for semi-annual consolidated financial statements generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of semi-annual consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to express a conclusion on these semi-annual consolidated financial statements based on our reviews. We conducted our reviews in accordance with review standards for semi-annual financial statements generally accepted in Japan. A review of semi-annual financial statements consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We believe that we have obtained the evidence to provide a basis for our review conclusion.

Accountant's Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying semi-annual consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries as of September 30, 2014, and the consolidated results of their operations and their cash flows for the six-month periods ended September 30, 2014 and 2013, in accordance with accounting principles for semi-annual consolidated financial statements generally accepted in Japan.

We have previously audited, in accordance with auditing standards generally accepted in Japan, the consolidated balance sheet of the Bank and its subsidiaries as of March 31, 2014, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended (not presented herein); and in our report dated June 27, 2014, 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, 2014, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Our reviews also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, based upon our reviews, nothing has come to our attention that causes us to believe that such translation has not been made in accordance with the basis stated in Note 1 to the semi-annual consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

November 27, 2014

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

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

Semi-annual Consolidated Balance Sheet (Unaudited) as of September 30, 2014 and Consolidated Balance Sheet as of March 31, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30 2014	March 31 2014	September 30 2014
ASSETS:			
Cash and due from banks (Notes 3, 4, 12 and 20)	¥ 25,718,074	¥ 21,016,862	$ 234,976
Call loans and bills bought (Note 20)	458,629	500,097	4,190
Receivables under resale agreements (Note 20)	924,060	1,060,045	8,443
Receivables under securities borrowing transactions (Note 20)	517,989	2,692,330	4,733
Monetary claims bought (Notes 4, 12 and 20)	4,158,240	3,947,695	37,992
Trading assets (Notes 12 and 20)	5,239,602	5,064,384	47,872
Money held in trust (Notes 5 and 20)	498,348	412,263	4,553
Securities (Notes 4, 6, 11, 12 and 20)	55,382,111	57,422,371	506,004
Loans and bills discounted (Notes 7, 12, 13 and 20)	91,455,883	91,027,750	835,595
Foreign exchange assets (Note 20)	2,238,552	2,033,021	20,453
Tangible fixed assets (Notes 8 and 12)	1,299,667	1,283,040	11,874
Intangible fixed assets	923,976	1,125,208	8,442
Asset for retirement benefits	183,832	221,498	1,680
Deferred tax assets	15,009	50,008	137
Customers' liabilities for acceptances and guarantees (Note 11)	8,344,361	7,697,201	76,239
Other assets (Note 12)	7,462,606	6,866,026	68,183
Allowance for credit losses	(717,518)	(805,120)	(6,556)
Total assets	¥ 204,103,429	¥ 201,614,685	$ 1,864,810

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

Semi-annual Consolidated Balance Sheet (Unaudited) as of September 30, 2014 and Consolidated Balance Sheet as of March 31, 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	September 30 2014	March 31 2014	September 30 2014
LIABILITIES:			
Deposits (Notes 12 and 20)	¥ 132,044,584	¥ 132,731,852	$ 1,206,437
Negotiable certificates of deposit (Note 20)	11,736,437	10,766,064	107,231
Call money and bills sold (Notes 12 and 20)	2,011,155	1,907,740	18,375
Payables under repurchase agreements (Note 20)	7,651,774	10,361,024	69,911
Payables under securities lending transactions (Note 20)	1,508,863	2,108,120	13,786
Commercial paper (Note 20)	1,414,582	1,206,790	12,924
Trading liabilities (Notes 12 and 20)	4,249,232	3,502,134	38,824
Borrowed money (Notes 10, 12 and 20)	10,026,028	8,447,777	91,604
Foreign exchange liabilities (Note 20)	1,231,856	1,128,713	11,255
Bonds payable (Notes 10, 12 and 20)	5,736,216	5,366,219	52,409
Reserve for bonuses	25,798	28,612	236
Reserve for bonuses to directors	47	147	0
Liability for retirement benefits	41,797	43,679	382
Reserve for retirement benefits to directors	350	440	3
Reserve for loyalty award credits	7,764	7,104	71
Reserve for contingent losses	75,807	51,764	693
Reserve under special laws	1,760	1,521	16
Acceptances and guarantees (Note 11)	8,344,361	7,697,201	76,239
Deferred tax liabilities	400,102	153,173	3,656
Deferred tax liabilities for land revaluation (Note 9)	149,353	149,763	1,365
Other liabilities	5,579,365	4,213,385	50,976
Total liabilities	¥ 192,237,243	¥ 189,873,232	$ 1,756,393
EQUITY (Notes 14, 15 and 19):			
Common stock, Authorized, 33,000,000 thousand shares; Issued, 12,350,038 thousand shares as of September 30 and March 31, 2014, with no stated value	¥ 1,586,958	¥ 1,586,958	$ 14,499
Preferred stock, Authorized, 1,157,700 thousand shares; Issued, 357,700 thousand shares as of September 30 and March 31, 2014, with no stated value	125,000	125,000	1,142
Capital surplus	3,668,854	3,878,275	33,521
Retained earnings	3,983,620	3,728,642	36,397
Treasury stock—at cost 357,700 thousand shares as of September 30, 2014 and 201,700 thousand shares as of March 31, 2014	(645,700)	(255,700)	(5,899)
Total shareholders' equity	8,718,732	9,063,175	79,660
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities (Note 6)	1,330,038	851,931	12,152
Deferred gain on derivatives under hedge accounting	114,969	38,866	1,050
Land revaluation surplus (Note 9)	223,878	224,619	2,045
Foreign currency translation adjustments	111,648	180,691	1,020
Defined retirement benefit plans	(92,033)	(100,200)	(840)
Total accumulated other comprehensive income	1,688,501	1,195,908	15,427
Minority interests	1,458,951	1,482,369	13,330
Total equity	11,866,186	11,741,453	108,417
Total liabilities and equity	¥ 204,103,429	¥ 201,614,685	$ 1,864,810

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, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	2014	2013	2014
INCOME:			
Interest income:	¥ 1,110,226	¥ 940,812	$ 10,144
Interest on loans and bills discounted	725,779	640,323	6,631
Interest and dividends on securities	232,525	220,757	2,124
Trust fees	5,286	7,157	48
Fees and commissions	406,085	353,257	3,710
Trading income	44,272	58,374	405
Other operating income	220,904	235,613	2,018
Other income (Note 16)	166,077	175,879	1,517
Total income	1,952,854	1,771,095	17,842
EXPENSES:			
Interest expenses:	233,573	183,984	2,134
Interest on deposits	120,510	78,147	1,101
Fees and commissions	71,718	65,648	655
Trading expenses	–	1,081	–
Other operating expenses	50,984	94,293	466
General and administrative expenses	853,269	753,982	7,796
Other expenses (Note 17)	119,509	124,295	1,092
Total expenses	1,329,055	1,223,287	12,143
Income before income taxes and minority interests	623,798	547,807	5,699
Income taxes:			
Current	156,789	133,065	1,432
Deferred	27,563	44,811	252
Total income taxes	184,353	177,876	1,684
Net income before minority interests	439,445	369,931	4,015
Minority interests in net income	33,949	30,405	310
Net income	¥ 405,496	¥ 339,525	$ 3,705

	Yen		U.S. Dollars
Per share of common stock (Notes 19 and 24):			
Basic net income per common share	¥ 32.83	¥ 26.76	$ 0.30
Diluted net income per common share	32.83	26.76	0.30
Cash dividends applicable to the reporting period per common share	13.18	7.35	0.12

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, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	2014	2013	2014
Net income before minority interests	¥ 439,445	¥ 369,931	$ 4,015
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	474,614	(7,602)	4,336
Deferred gain (loss) on derivatives under hedge accounting	75,986	(41,299)	694
Land revaluation surplus	–	(111)	–
Foreign currency translation adjustments	(67,468)	202,233	(616)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries	–	(5,645)	–
Remeasurements of defined retirement benefit plans	8,102	–	74
Share of other comprehensive income (loss) in associates accounted for using the equity method	(1,824)	2,592	(16)
Total other comprehensive income	489,409	150,167	4,472
Comprehensive income	¥ 928,855	¥ 520,098	$ 8,487
Total comprehensive income attributable to:			
Owners of the parent	¥ 898,830	¥ 488,571	$ 8,212
Minority interests	30,024	31,527	275

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

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

Semi-annual Consolidated Statements of Changes in Equity (Unaudited)
For the Six Months Ended September 30, 2014 and 2013

	Millions of Yen													
						Accumulated other comprehensive income								
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Pension liability adjustments under US GAAP recognized at foreign subsidiaries	Defined retirement benefit plans	Total accumulated other comprehensive income	Minority interests	Total equity
BALANCE, APRIL 1, 2013	¥ 1,711,958	¥ 3,878,275	¥ 3,150,671	¥ (255,700)	¥ 8,485,205	¥ 825,440	¥ 101,029	¥ 229,004	¥ (167,028)	¥ (59,902)	¥ –	¥ 928,542	¥ 1,245,093	¥ 10,658,841
Cash dividends	–	–	(78,006)	–	(78,006)	–	–	–	–	–	–	–	–	(78,006)
Net income	–	–	339,525	–	339,525	–	–	–	–	–	–	–	–	339,525
Reversal of land revaluation surplus	–	–	2,909	–	2,909	–	–	–	–	–	–	–	–	2,909
Change in scope of application of the equity method	–	–	1,077	–	1,077	–	–	–	–	–	–	–	–	1,077
Other changes in the period	–	–	–	–	–	(9,313)	(40,837)	(3,020)	204,998	(5,645)	–	146,181	54,011	200,193
BALANCE, SEPTEMBER 30, 2013	¥ 1,711,958	¥ 3,878,275	¥ 3,416,177	¥ (255,700)	¥ 8,750,710	¥ 816,126	¥ 60,192	¥ 225,983	¥ 37,970	¥ (65,548)	¥ –	¥ 1,074,724	¥ 1,299,105	¥ 11,124,540
BALANCE, APRIL 1, 2014 (as previously reported)	¥ 1,711,958	¥ 3,878,275	¥ 3,728,642	¥ (255,700)	¥ 9,063,175	¥ 851,931	¥ 38,866	¥ 224,619	¥ 180,691	¥ –	¥ (100,200)	¥ 1,195,908	¥ 1,482,369	¥ 11,741,453
Cumulative effects of changes in accounting policies	–	(209,273)	(12,613)	–	(221,886)	–	–	–	–	–	–	–	159	(221,727)
BALANCE, APRIL 1, 2014 (as restated)	1,711,958	3,669,001	3,716,029	(255,700)	8,841,288	851,931	38,866	224,619	180,691	–	(100,200)	1,195,908	1,482,529	11,519,726
Cash dividends	–	–	(138,645)	–	(138,645)	–	–	–	–	–	–	–	–	(138,645)
Net income	–	–	405,496	–	405,496	–	–	–	–	–	–	–	–	405,496
Purchase of treasury stock	–	–	–	(390,000)	(390,000)	–	–	–	–	–	–	–	–	(390,000)
Reversal of land revaluation surplus	–	–	740	–	740	–	–	–	–	–	–	–	–	740
Changes in equity of consolidated subsidiaries	–	(147)	–	–	(147)	–	–	–	–	–	–	–	–	(147)
Other changes in the period	–	–	–	–	–	478,107	76,103	(740)	(69,042)	–	8,166	492,593	(23,578)	469,015
BALANCE, SEPTEMBER 30, 2014	¥ 1,711,958	¥ 3,668,854	¥ 3,983,620	¥ (645,700)	¥ 8,718,732	¥ 1,330,038	¥ 114,969	¥ 223,878	¥ 111,648	¥ –	¥ (92,033)	¥ 1,688,501	¥ 1,458,951	¥ 11,866,186

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

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

Semi-annual Consolidated Statements of Changes in Equity (Unaudited)
For the Six Months Ended September 30, 2014 and 2013

	Millions of U.S. Dollars (Note 1)													
						Accumulated other comprehensive income								
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Pension liability adjustments under US GAAP recognized at foreign subsidiaries	Defined retirement benefit plans	Total accumulated other comprehensive income	Minority interests	Total equity
BALANCE, APRIL 1, 2014 (as previously reported)	$ 15,641	$ 35,434	$ 34,067	$ (2,336)	$ 82,806	$ 7,784	$ 355	$ 2,052	$ 1,651	$ –	$ (915)	$ 10,927	$ 13,544	$ 107,277
Cumulative effects of changes in accounting policies	–	(1,912)	(115)	–	(2,027)	–	–	–	–	–	–	–	1	(2,026)
BALANCE, APRIL 1, 2014 (as restated)	15,641	33,522	33,952	(2,336)	80,779	7,784	355	2,052	1,651	–	(915)	10,927	13,545	105,251
Cash dividends	–	–	(1,267)	–	(1,267)	–	–	–	–	–	–	–	–	(1,267)
Net income	–	–	3,705	–	3,705	–	–	–	–	–	–	–	–	3,705
Purchase of treasury stock	–	–	–	(3,563)	(3,563)	–	–	–	–	–	–	–	–	(3,563)
Reversal of land revaluation surplus	–	–	7	–	7	–	–	–	–	–	–	–	–	7
Changes in equity of consolidated subsidiaries	–	(1)	–	–	(1)	–	–	–	–	–	–	–	–	(1)
Other changes in the period	–	–	–	–	–	4,368	695	(7)	(631)	–	75	4,500	(215)	4,285
BALANCE, SEPTEMBER 30, 2014	$ 15,641	$ 33,521	$ 36,397	$ (5,899)	$ 79,660	$ 12,152	$ 1,050	$ 2,045	$ 1,020	$ –	$ (840)	$ 15,427	$ 13,330	$ 108,417

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, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	2014	2013	2014
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 623,798	¥ 547,807	$ 5,699
Adjustments for:			
Income taxes-paid, net of refund	(214,121)	(41,014)	(1,956)
Depreciation and amortization	105,743	88,469	966
Impairment loss on long-lived assets	689	1,791	6
Amortization of goodwill	7,177	8,768	66
Equity in earnings of the equity method investees	(13,549)	(5,182)	(124)
Decrease in allowance for credit losses	(84,678)	(100,123)	(774)
Decrease in reserve for bonuses	(2,561)	(779)	(23)
Decrease in reserve for bonuses to directors	(99)	(43)	(1)
Decrease in reserve for retirement benefits	–	(35,012)	–
Increase in asset for retirement benefits	(12,261)	–	(112)
Increase in liability for retirement benefits	650	–	6
Decrease in reserve for retirement benefits to directors	(89)	(42)	(1)
Increase in reserve for loyalty award credits	807	314	7
Increase (decrease) in reserve for contingent losses	24,352	(8,393)	223
Interest income (accrual basis)	(1,110,226)	(940,812)	(10,144)
Interest expenses (accrual basis)	233,573	183,984	2,134
Gains on securities	(95,187)	(110,130)	(870)
Losses on money held in trust	1,317	4,213	12
Foreign exchange gains	(407,410)	(552,857)	(3,722)
Losses (gains) on disposition of fixed assets	915	(2,030)	8
(Increase) decrease in trading assets	(184,775)	966,243	(1,688)
Increase (decrease) in trading liabilities	753,975	(857,869)	6,889
Adjustment of unsettled trading accounts	(39,627)	(27,856)	(362)
Net increase in loans and bills discounted	(881,285)	(2,484,118)	(8,052)
Net (decrease) increase in deposits	(166,220)	2,519,316	(1,519)
Net increase in negotiable certificates of deposit	980,244	730,683	8,956
Net increase in borrowed money (excluding subordinated borrowings)	1,637,338	1,253,403	14,960
Net increase in due from banks (excluding cash equivalents)	(5,263,525)	(7,079,940)	(48,091)
Net (increase) decrease in call loans, and bills bought and receivables under resale agreements	(60,261)	86,285	(551)
Net decrease in receivables under securities borrowing transactions	2,174,340	185,944	19,866
Net (decrease) increase in call money, and bills sold and payables under repurchase agreements	(2,592,288)	4,143,020	(23,685)
Net increase in commercial paper	217,965	305,451	1,992
Net decrease in payables under securities lending transactions	(599,256)	(517,171)	(5,475)
Net increase in foreign exchange assets	(210,212)	(82,796)	(1,921)
Net increase in foreign exchange liabilities	112,342	123,163	1,027
Increase in straight bonds issuance and redemption	526,296	263,175	4,809
Interest and dividends received (cash basis)	1,155,922	967,214	10,561
Interest paid (cash basis)	(239,367)	(188,989)	(2,187)
Other-net	(475,366)	261,831	(4,343)
Total adjustments	(4,718,723)	(941,890)	(43,113)
Net cash used in operating activities	¥ (4,094,924)	¥ (394,082)	$ (37,414)

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, 2014 and 2013

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	Six-Month Periods Ended September 30		Six-Month Period Ended September 30
	2014	2013	2014
INVESTING ACTIVITIES:			
Purchases of securities	¥ (74,020,788)	¥ (61,130,092)	$ (676,298)
Proceeds from sales of securities	64,209,092	45,777,180	586,652
Proceeds from redemption of securities	14,093,374	16,505,516	128,765
Increase in money held in trust	(70,438)	(838,483)	(644)
Decrease in money held in trust	145,731	725,000	1,332
Purchases of tangible fixed assets	(68,993)	(59,872)	(630)
Purchases of intangible fixed assets	(71,404)	(74,039)	(652)
Proceeds from sales of tangible fixed assets	3,646	16,814	33
Proceeds from sales of intangible fixed assets	31	223	0
Payments for business acquisitions	–	(363,384)	–
Proceeds from sales of subsidiaries' equity affecting the scope of consolidation	23,155	2,399	212
Other-net	(99)	(350)	(1)
Net cash provided by investing activities	4,243,307	560,911	38,769
FINANCING ACTIVITIES:			
Increase in subordinated borrowings	50,000	–	457
Decrease in subordinated borrowings	(10,000)	(6,500)	(91)
Payments for redemption of subordinated bonds and bonds with subscription rights to shares	(125,000)	(421,887)	(1,142)
Proceeds from issuance of common stock to minority shareholders	745	1,721	7
Repayments to minority shareholders	(40)	(710)	(0)
Payments for redemption of preferred stocks and others	(7,400)	–	(68)
Cash dividends paid	(138,645)	(78,006)	(1,267)
Cash dividends paid to minority shareholders	(37,221)	(29,401)	(340)
Purchase of treasury stock	(390,000)	–	(3,563)
Payments for purchases of subsidiaries' equity not affecting the scope of consolidation	(884)	–	(8)
Net cash used in financing activities	(658,447)	(534,784)	(6,015)
Effect of foreign exchange rate changes on cash and cash equivalents	(36,234)	144,422	(331)
Net decrease in cash and cash equivalents	(546,298)	(223,532)	(4,991)
Cash and cash equivalents, beginning of period	3,998,556	3,692,657	36,533
Cash and cash equivalents, end of period (Note 3)	¥ 3,452,257	¥ 3,469,125	$ 31,542

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

Notes to Semi-annual Consolidated Financial Statements (Unaudited) for the six months ended September 30, 2014 and 2013 and Consolidated Financial Statements for the year ended March 31, 2014

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., have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations concerning preparation of semi-annual consolidated financial statements, Ordinance for Enforcement of the Banking Law, and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards ("IFRSs").

In preparing these semi-annual consolidated financial statements, certain reclassifications and rearrangements have been made to the semi-annual consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the consolidated balance sheet as of March 31, 2014 and the semi-annual consolidated financial statements for the six-month period ended September 30, 2013 (except for balance sheet related items) to conform to the classifications used in the semi-annual consolidated financial statements as of September 30, 2014 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, 2014.

In accordance 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 ¥109.45 to U.S. $1, the approximate rate of exchange as of September 30, 2014. Such translations should not be construed as representations that the Japanese yen amounts can be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Consolidation

The semi-annual consolidated financial statements include the accounts of the Bank and its subsidiaries (together, the "Group"). There were 155 and 160 subsidiaries as of September 30, 2014 and March 31, 2014, respectively.

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 60 and 59 affiliates were accounted for using the equity method as of September 30, 2014 and March 31, 2014, respectively. 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 were eliminated.

1) Scope of consolidation

A) Major subsidiaries as of September 30, 2014 and March 31, 2014 were as follows:

kabu.com Securities Co., Ltd.
Bank of Ayudhya Public Company Limited ("Bank of Ayudhya")

Changes in the subsidiaries for the six-month period ended September 30, 2014 were as follows:
Five companies including Beacon Rail Leasing, Inc. were excluded from the scope of consolidation from the six-month period ended September 30, 2014 mainly due to a decrease in the ownership ratio of voting rights resulting from sales of shares.

Changes in the subsidiaries in the fiscal year ended March 31, 2014 were as follows:
Twenty-one companies including Bank of Ayudhya were newly included in the scope of consolidation due to acquisition of shares or for other reasons. In addition, five companies including NBL Co., Ltd. were excluded from the scope of consolidation due to the decrease in ownerships of voting rights resulting from the sales of shares.

B) There were no unconsolidated subsidiaries as of September 30, 2014 and March 31, 2014.

C) There were no companies which were not regarded as subsidiaries, although the majority of voting rights was owned by the Bank as of September 30, 2014 and March 31, 2014.

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 was established and operated for the purpose of asset securitization and satisfied certain eligible criteria as of September 30, 2014 and March 31, 2014.

2) Application of the equity method

A) Major affiliates accounted for using the equity method as of September 30, 2014 and March 31, 2014 were as follows:

The Chukyo Bank, Ltd.
Jibun Bank Corporation

Changes in the affiliates accounted for using the equity method for the six-month period ended September 30, 2014 were as follows:
BOTL Factoring (Shanghai) Co., Ltd. was newly included in affiliates accounted for using the equity method from the six-month period ended September 30, 2014 due to new establishment.

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2014 were as follows:
Six companies including Vietnam Joint Stock Commercial Bank for Industry and Trade were newly included in affiliates accounted for using the equity method due to new investments or for other reasons. In addition, four companies including Mobit Co., Ltd. were excluded from affiliates accounted for using the equity method since these companies have not met the definition of affiliates due to the decrease in ownerships resulting from the sales of shares.

B) There were no unconsolidated subsidiaries which were accounted for using the equity method as of September 30, 2014 and March 31, 2014.

C) There were no unconsolidated subsidiaries which were not accounted for using the equity method as of September 30, 2014 and March 31, 2014.

D) There were no affiliates which were not accounted for using the equity methods as of September 30, 2014 and March 31, 2014.

E) The following companies as of September 30, 2014 and March 31, 2014 of which the Group owned the voting rights between 20% and 50% were not recognized as affiliates accounted for using the equity method, since the Bank's subsidiaries held such ownerships as venture capital for the purpose of incubating their investees or earning capital gains through business revitalization, not for the purpose of controlling those entities:

As of September 30, 2014
Kyoto Constella Technologies Co., Ltd.
Pharma Frontier Co., Ltd.
TECHTOM Ltd.
Osteopharma Inc.

As of March 31, 2014
Kyoto Constella Technologies Co., Ltd.
Pharma Frontier Co., Ltd.
TECHTOM Ltd.
ERIMAKEE Co., Ltd.
Bio-VisiQ Japan, Inc.

3) The first six-month period ending dates and fiscal year ending dates of subsidiaries

A) The first six-month period ending dates of subsidiaries as of September 30, 2014 were as follows:

	Number of subsidiaries
April 30	1
June 30	112
July 24	8
September 30	34

The fiscal year ending dates of subsidiaries as of March 31, 2014 were as follows:

	Number of subsidiaries
October 31	1
December 31	116
January 24	8
January 31	1
March 31	34

B) The subsidiary with first six-month period ending April 30 is consolidated based on the preliminary financial statements for the six-month period ended July 31. The subsidiary with fiscal year ending October 31 is consolidated based on the preliminary financial statements for the fiscal year ended July 31.

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

Adjustments were made in the semi-annual consolidated financial statements to reflect significant transactions occurring in the period between the six-month period ending dates of subsidiaries and September 30, 2014, and in the consolidated financial statement to reflect significant transactions occurring in the period between the fiscal year ending dates of subsidiaries and March 31, 2014.

(2) Accounting Policies Applied to Foreign Subsidiaries for the Semi-annual Consolidated Financial Statements

Financial statements of foreign subsidiaries prepared in accordance with either IFRSs 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.

(3) Cash and Cash Equivalents

For the purpose of the semi-annual consolidated statements of cash flows, "Cash and cash equivalents" represent "Cash and due from banks" excluding time deposits and negotiable certificates of deposit included in "Due from banks."

(4) *Trading Assets or Liabilities, Securities and Money Held in Trust*

Securities other than investments in affiliates are classified into three categories, based principally on the Group's intent, as follows:

1) Trading assets or liabilities, which are held for the purpose of earning capital gains arising from short-term fluctuations in interest rates, currency exchange rates or market prices and other market indices in the financial instruments or from variation among markets, are reported as "Trading assets" or "Trading liabilities" in the semi-annual consolidated balance 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 principally at fair value, with unrealized gain (loss), net of applicable taxes, reported in a separate component of equity, except for unrealized gain (loss) which is recognized in profit or loss by applying the fair value hedge accounting.

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

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

For declines in fair value that are not recoverable, securities are reduced to net realizable value by a charge to income.

Securities included in "Money held in trust" are also classified into the three categories outlined above.

The components of trust assets in "Money held in trust" are accounted for based on the standard appropriate for each asset type. Instruments held in trust for trading purposes are recorded at fair value and unrealized gain (loss) is recorded in "Other income (expenses)." 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.

(5) *Tangible Fixed Assets*

"Tangible fixed assets" are stated at cost less accumulated depreciation. Depreciation of "Tangible fixed assets" of the Bank, except for "Lease assets," is recorded based on the semi-annual period allocation of the estimated depreciation amount for the full year computed using the declining-balance method over the estimated useful lives of the assets. The range of useful lives is principally from 15 to 50 years for "Buildings" and from 2 to 20 years for 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.

Amortization of "Lease assets" included in "Tangible fixed assets" is mainly computed using the straight-line method over respective lease periods. The residual value of "Lease Assets" is determined using the guaranteed residual value provided by the lease contracts or otherwise no value.

(6) *Intangible Fixed Assets*

Amortization of "Intangible fixed assets," except for "Lease assets," is calculated using the straight-line method. The capitalized cost of computer software developed/obtained for internal use is amortized using the straight-line method over the estimated useful lives (mainly 3 to 10 years) determined by the Bank or its subsidiaries.

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

(7) *Deferred Charges*

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

(8) *Allowance for Credit Losses*

The Bank and its domestic subsidiaries determine the amount of the "Allowance for credit losses" in accordance with the predetermined self-assessment standards and internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("Bankrupt borrowers") or borrowers that are not legally or formally insolvent but are regarded as substantially in a similar situation ("Virtually bankrupt borrowers"), an allowance is provided based on the amount of claims, after the write-offs as stated below, net of the expected amounts of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy ("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 borrowers that are likely to become bankrupt 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 self-assessments for all claims in accordance with the Bank's self-assessment standards. The Internal Audit & Credit Examination Division, which is independent from operating divisions, conducts verifications of these assessments.

For collateralized or guaranteed claims of bankrupt borrowers or virtually bankrupt borrowers, the amount of claims less 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 ¥392,409 million ($3,585 million) and ¥413,523 million as of September 30, 2014 and March 31, 2014, respectively.

Other subsidiaries determine the "Allowance for credit losses" based on the necessary amounts considering the historical loss ratio for general claims and the uncollectible amount estimated considering the specific collectability for specific deteriorated claims.

(9) *Reserve for Bonuses*

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

(10) *Reserve for Bonuses to Directors*

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

(11) *Retirement Benefits and Pension Plans*

Effective April 1, 2000, the Company adopted a new accounting standard for retirement benefits and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a straight-line basis. Actuarial gains and losses are amortized on a straight-line basis over 10 years within the average remaining service period. Past service costs are amortized on a straight-line basis over 10 years within the average remaining service period.

Some overseas branches of the Bank and some subsidiaries adopt the simplified method in determining liability for retirement benefits and net periodic benefit costs.

(12) 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.

(13) 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.

(14) 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.

(15) 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 Articles 175 and 189 of the Cabinet Office Ordinance on Financial Instruments Business.

(16) Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies and accounts of the overseas branches of the Bank are translated into Japanese yen primarily at exchange rates in effect on the semi-annual consolidated balance sheet date, except for investments in affiliates which are translated into Japanese yen at exchange rates in effect on the acquisition dates.

Assets and liabilities denominated in foreign currencies of the subsidiaries are translated into Japanese yen at the exchange rates in effect on the respective semi-annual period end dates.

(17) Leases

(As lessee)

The Bank's and its domestic subsidiaries' finance leases, other than those that are deemed to transfer the ownership of leased property to the lessees which commenced in fiscal years beginning on or after April 1, 2008, are accounted for in a similar way to purchases, and depreciation of "Lease assets" is computed using the straight-line method over the lease term with zero residual value unless residual value is guaranteed in the corresponding lease contracts.

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.

(18) Derivatives and Hedging Activities

Derivatives are stated at fair value.

1) Hedge accounting for interest rate risks

The Bank has adopted the deferred hedge accounting method for hedging transactions for interest rate risks arising from monetary assets and liabilities. 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 Standards for Financial Instruments in Banking Industry" (February 13, 2002) and JICPA Accounting Committee Report No. 14 "Practical Guidelines for Accounting for Financial Instruments" (January 31, 2000), are primarily applied to determine hedged items.

With respect to hedging transactions to offset fluctuations in the fair value of fixed rate deposits, loans and other instruments, hedging instruments (e.g. interest rate swaps) are designated to hedged items individually or collectively by their maturities in accordance with Industry Audit Committee Report No. 24. With respect to hedging transactions to offset fluctuations in fair value of fixed rate bonds classified

as available-for-sale securities, hedging instruments (e.g. interest rate swaps) are designated to hedged items collectively by bond type.
Since material terms related to hedged items and hedging instruments are substantially identical, and such hedging transactions are deemed highly effective, the assessment of effectiveness is based on the similarity of the terms.

With respect to hedging transactions to fix the cash flows of forecasted transactions related to floating rate deposits and loans as well as short-term fixed rate deposits, loans and other instruments, hedging instruments (e.g. interest rate swaps) are designated to hedged items collectively by interest rate indices and definite interest rate reset terms in accordance with Industry Audit Committee Report No. 24. Since material terms related to hedged items and hedging instruments are substantially identical, and such hedging transactions are deemed highly effective, the assessment of effectiveness is based on the similarity of the terms. The effectiveness of hedging transactions is also assessed by verifying the correlation of interest rate movement factors.

2) Hedge accounting for foreign currency risks
The Bank has adopted the deferred hedge accounting method for hedging transactions for foreign currency risks arising from monetary assets and liabilities denominated in foreign currencies. Portfolio hedging is applied to determine hedged items as described in JICPA Industry Audit Committee Report No. 25 “Treatment of Accounting and Auditing concerning Accounting for Foreign Currency Transactions in the Banking Industry” (July 29, 2002). Hedging instruments (e.g. currency swaps and forward exchange contracts) are designated to hedged items collectively by currency.

The Bank has applied portfolio hedging and individual hedging using monetary assets and liabilities denominated in the same foreign currencies and forward exchange contracts for the purpose of hedging foreign currency risks arising from investments in interests in foreign subsidiaries and affiliates, foreign currency denominated securities (other than bonds). The Bank has recorded foreign currency translation differences arising from hedging instruments for investments in interests in foreign subsidiaries and affiliates in the account of foreign currency translation adjustments under other comprehensive income and has applied the fair value hedge accounting to foreign currency denominated securities (other than bonds).

3) Hedge accounting for share price fluctuation risks
The Bank has applied individual hedging using total return swaps for the purpose of hedging share price fluctuation risks arising from shares that are held for the purpose of strategic investment under available-for-sale securities. The effectiveness of hedging transactions is assessed by verifying the correlation of fair value fluctuations, etc. of hedged items and hedging instruments.

The Bank has applied the fair value hedge accounting method for these hedging transactions.

4) Transactions among consolidated companies
Derivative transactions, including interest rate swaps and currency swaps which are designated as hedging instruments, among consolidated companies or between trading accounts and other accounts (or among internal sections) are not eliminated from the semi-annual consolidated statements of income and related gains and losses are recognized or deferred under hedge accounting because these derivative transactions are executed, meeting certain criteria under JICPA Industry Audit Committee Reports No. 24 and No. 25 to be regarded as equivalent to external third party transactions.

(19) Consumption Taxes
National and local consumption taxes are excluded from transaction amounts. Non-deductible portions of consumption taxes on the purchases of “Tangible fixed assets” are expensed when incurred.

(20) Application of Consolidated Taxation System
The Bank and certain domestic subsidiaries applied the consolidated taxation system with Mitsubishi UFJ Financial Group, Inc. as the parent for tax consolidation purposes from the six-month period ended September 30, 2014.

(21) 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.

(22) Changes in Accounting Policies

(Changes in Accounting Policies due to revision of Accounting Standards)

***Accounting Standards for Retirement Benefits*—**In May 2012, the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the accounting standard for retirement benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and were followed by partial amendments from time to time through 2009.

(a) Under the revised accounting standard, actuarial gains and losses and past service cost that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus is recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) The revised accounting standard does not change how to recognize actuarial gains and losses and past service cost in profit or loss. Those amounts are recognized in profit or loss over a certain period no longer than the expected average remaining service period of the employees. However, actuarial gains and losses and past service cost that arose in the current period and have not yet been recognized in profit or loss are included in other comprehensive income and actuarial gains and losses and past service cost that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

(c) The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of fiscal years beginning on or after April 1, 2013, and for (c) above are effective for the beginning of fiscal years beginning on or after April 1, 2014, or for the beginning of fiscal years beginning on or after April 1, 2015, subject to certain disclosure in March 2015, both with earlier application being permitted from the beginning of fiscal years beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Bank applied the revised accounting standard and guidance for retirement benefits for (a) and (b) above, effective from March 31, 2014.

The Bank also applied the revised accounting standard and guidance for retirement benefits for (c) above, effective from April 1, 2014, and changed the method of determining the portion of projected benefit obligation attributed to periods from a straight-line basis to a benefit formula basis. In addition, the method of determining the discount rates applied in the calculation of projected benefit obligation was changed from the method using the average period up to estimated benefit payment date to the method using the single-weighted average discount rate that reflects the estimated period and amount of benefit payment in each period. The revised accounting standard and guidance for retirement benefits were applied in accordance with the transitional treatment set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the amount of the change in calculation methods for retirement benefit obligation and service cost were reflected in retained earnings as of April 1, 2014. As a result, asset for retirement benefits decreased by ¥57,266 million ($523 million), liability for retirement benefits decreased by ¥1,729 million ($16 million), and retained earnings decreased by ¥35,862 million ($328 million) as of April 1, 2014. Income before income taxes and minority interests for the six months ended September 30, 2014 increased by ¥633 million ($6 million). The effect on Per Share Information is stated in Note 19 "Per share information."

Accounting Standards for Business Combinations—As the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on September 13, 2013, hereinafter "Business Combinations Accounting Standard"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on September 13, 2013, hereinafter "Consolidation Accounting Standard"), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 issued on September 13, 2013, hereinafter "Business Divestitures Accounting Standard") and other standards became applicable from the fiscal year beginning on or after April 1, 2014, these standards were adopted from the interim reporting period ended September 30, 2014 (except for the provisions set forth in Paragraph 39 of the Consolidation Accounting Standard). Accordingly, the accounting method was changed to record the difference arising from changes in equity in subsidiaries which the Bank continues to control as capital surplus and to record business acquisition costs as expenses in the fiscal year in which they occur. For business combinations which became or will become effective on or after April 1, 2014, the accounting method was changed to reflect adjustments to the amount allocated to acquisition cost under provisional accounting treatment on the consolidated financial statements of the interim reporting period in which the relevant business combinations became or will become effective.

The Business Combinations Accounting Standard and other standards were applied in accordance with the transitional treatment set forth in Paragraph 58-2 (3) of the Business Combinations Accounting Standard, Paragraph 44-5 (3) of the Consolidation Accounting Standard and Paragraph 57-4 (3) of the Business Divestitures Accounting Standard. The cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were added to or deducted from capital surplus and retained earnings as of April 1, 2014.

As a result, goodwill under intangible fixed assets decreased by ¥180,657 million ($1,651 million), capital surplus decreased by ¥209,273 million ($1,912 million), and retained earnings increased by ¥23,249 million ($213 million) as of April 1, 2014. In addition, income before income taxes and minority interests for the six months ended September 30, 2014 increased by ¥6,510 million ($59 million). The effect on Per Share Information is stated in Note 19 "Per share information."

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, 2014 and 2013 was as follows:

	Millions of Yen		Millions of U.S. Dollars
September 30	2014	2013	2014
Cash and due from banks	¥ 25,718,074	¥ 16,306,710	$ 234,976
Less: Time deposits and negotiable certificates of deposit included in due from banks	(22,265,816)	(12,837,585)	(203,434)
Cash and cash equivalents	¥ 3,452,257	¥ 3,469,125	$ 31,542

4. SECURITIES

Securities as of September 30, 2014 and March 31, 2014 included equity securities in affiliates of ¥260,997 million ($2,385 million) and ¥265,836 million, respectively and capital subscriptions to entities such as limited liability companies of ¥1,811 million ($17 million) and ¥2,871 million, respectively.

Securities loaned under unsecured securities lending transactions amounted to ¥179,982 million ($1,644 million) and ¥39,996 million as of September 30, 2014 and March 31, 2014, respectively.

For securities borrowed and purchased under resale agreements where the secured parties are permitted to sell or re-pledge the securities without restrictions, ¥2,520,030 million ($23,024 million) and ¥2,301,006 million of such securities were re-pledged as of September 30, 2014 and March 31, 2014, respectively. ¥51,296 million ($469 million) and ¥17,585 million were re-loaned as of September 30, 2014 and March 31, 2014.
The remaining ¥2,892,975 million ($26,432 million) and ¥5,704,644 million of these securities were held without disposition as of September 30, 2014 and March 31, 2014, respectively.

The following tables include negotiable certificates of deposit in "Cash and due from banks" and beneficial interests in trusts in "Monetary claims bought" in addition to "Securities."

(1) Held-to-maturity debt securities with fair value:

	Millions of Yen				
	September 30, 2014				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ 600,440	¥ 604,980	¥ 4,539	¥ 4,548	¥ (9)
Foreign bonds	837,427	845,930	8,502	10,484	(1,981)
Other	1,775,957	1,804,116	28,159	30,022	(1,862)
Total	¥ 3,213,825	¥ 3,255,026	¥ 41,201	¥ 45,054	¥ (3,853)

	Millions of Yen				
	March 31, 2014				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ –	¥ –	¥ –	¥ –	¥ –
Foreign bonds	708,053	701,793	(6,260)	2,326	(8,586)
Other	1,732,042	1,765,569	33,527	35,907	(2,379)
Total	¥ 2,440,095	¥ 2,467,363	¥ 27,267	¥ 38,233	¥ (10,965)

	Millions of U.S. Dollars				
	September 30, 2014				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	$ 5,486	$ 5,527	$ 41	$ 41	$ (0)
Foreign bonds	7,651	7,729	78	96	(18)
Other	16,226	16,483	257	274	(17)
Total	$ 29,363	$ 29,739	$ 376	$ 411	$ (35)

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 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.

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

	Millions of Yen				
	September 30, 2014				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥ 4,009,497	¥ 2,400,122	¥ 1,609,374	¥ 1,684,012	¥ (74,638)
Domestic bonds	34,754,361	34,559,730	194,631	197,895	(3,264)
Japanese government bonds	32,593,942	32,452,723	141,219	142,977	(1,758)
Municipal bonds	188,535	182,049	6,486	6,489	(3)
Corporate bonds	1,971,883	1,924,957	46,926	48,428	(1,502)
Foreign equity securities	217,851	132,362	85,488	86,173	(685)
Foreign bonds	11,600,932	11,539,089	61,843	115,820	(53,977)
Other	3,405,422	3,335,819	69,603	89,365	(19,761)
Total	¥ 53,988,065	¥ 51,967,124	¥ 2,020,941	¥ 2,173,268	¥ (152,327)

	Millions of Yen									
	March 31, 2014									
	Carrying amount		Acquisition cost		Net unrealized gain (loss)		Unrealized gain		Unrealized loss	
Domestic equity securities	¥	3,557,683	¥	2,406,094	¥	1,151,588	¥	1,240,928	¥	(89,339)
Domestic bonds		36,177,563		36,006,203		171,359		175,527		(4,168)
Japanese government bonds		33,857,011		33,736,953		120,058		121,790		(1,731)
Municipal bonds		197,725		191,060		6,665		6,689		(23)
Corporate bonds		2,122,825		2,078,190		44,635		47,048		(2,412)
Foreign equity securities		217,275		137,345		79,929		80,810		(880)
Foreign bonds		13,987,742		14,093,459		(105,716)		56,043		(161,760)
Other		2,886,848		2,867,616		19,232		48,402		(29,169)
Total	¥	56,827,113	¥	55,510,720	¥	1,316,393	¥	1,601,712	¥	(285,318)

	Millions of U.S. Dollars									
	September 30, 2014									
	Carrying amount		Acquisition cost		Net unrealized gain (loss)		Unrealized gain		Unrealized loss	
Domestic equity securities	$	36,633	$	21,929	$	14,704	$	15,386	$	(682)
Domestic bonds		317,536		315,758		1,778		1,808		(30)
Japanese government bonds		297,797		296,507		1,290		1,306		(16)
Municipal bonds		1,723		1,664		59		59		(0)
Corporate bonds		18,016		17,587		429		443		(14)
Foreign equity securities		1,991		1,210		781		787		(6)
Foreign bonds		105,993		105,428		565		1,058		(493)
Other		31,114		30,478		636		817		(181)
Total	$	493,267	$	474,803	$	18,464	$	19,856	$	(1,392)

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 or for other methods.

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.
   Impairment loss for the six-month period ended September 30, 2014 was ¥1,674 million ($15 million), consisting of equity securities in an amount of ¥611 million ($5 million) and debt securities and others in an amount of ¥1,062 million ($10 million).
   Impairment loss for the year ended March 31, 2014 was ¥9,108 million, consisting of equity securities in an amount of ¥7,101 million and debt securities and others in an amount of ¥2,007 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)" included gains of ¥20,843 million ($190 million) and ¥2,586 million for the six-month period ended September 30, 2014 and for the year ended March 31, 2014, respectively, which were recognized in profit by applying the fair value hedge accounting.

5. MONEY HELD IN TRUST

There was no "Money held in trust" classified as held-to-maturity as of September 30, 2014 and March 31, 2014.

"Money held in trust" classified as other than trading and held-to-maturity as of September 30, 2014 and March 31, 2014 was as follows:

	Millions of Yen				
	September 30, 2014				
	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	¥ 429,089	¥ 428,371	¥ 717	¥ 717	¥ –

	Millions of Yen				
	March 31, 2014				
	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	¥ 350,674	¥ 350,181	¥ 493	¥ 493	¥ –

	Millions of U.S. Dollars				
	September 30, 2014				
	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	$ 3,920	$ 3,914	$ 6	$ 6	$ –

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 ON AVAILABLE-FOR-SALE SECURITIES

Unrealized gain on available-for-sale securities as of September 30, 2014 and March 31, 2014 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2014	March 31, 2014	September 30, 2014
Unrealized gain:	¥ 1,982,935	¥ 1,273,233	$ 18,117
Available-for-sale securities	2,032,835	1,333,431	18,573
Available-for-sale money held in trust	717	493	7
Securities reclassified from available-for-sale securities into held-to-maturity debt securities	(50,616)	(60,691)	(463)
Deferred tax liabilities:	(662,699)	(428,404)	(6,055)
Unrealized gain on available-for-sale securities before adjustments by ownership share	1,320,236	844,829	12,062
Minority interests	11,912	11,557	109
Bank's ownership share in unrealized loss on available-for-sale securities held by affiliates accounted for using the equity method	(2,110)	(4,456)	(19)
Unrealized gain on available-for-sale securities	¥ 1,330,038	¥ 851,931	$ 12,152

Notes:
1. Unrealized gain in the table above excludes ¥20,843 million ($190 million) and ¥2,586 million of gains recognized in profit or loss by the fair value hedge accounting as of September 30, 2014 and March 31, 2014, respectively.
2. Unrealized gain in the table above includes ¥32,738 million ($299 million) and ¥19,625 million of unrealized gain on available-for-sale securities invested in limited partnerships as of September 30, 2014 and March 31, 2014, 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 Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No. 24). The Bank has the right to sell or pledge these bills discounted. The total face value of bills discounted was ¥1,442,870 million ($13,183 million) and ¥1,202,038 million as of September 30, 2014 and March 31, 2014, respectively. The total face value of foreign exchange bills bought which were transferred due to rediscounts of bills amounted to ¥5,371 million ($49 million) and ¥5,711 million as of September 30, 2014 and March 31, 2014, respectively.

"Loans and bills discounted" as of September 30, 2014 and March 31, 2014 included the following loans:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2014	March 31, 2014	September 30, 2014
Loans to bankrupt borrowers	¥ 19,209	¥ 21,643	$ 176
Non-accrual delinquent loans	788,634	948,163	7,205
Loans past due for three months or more	46,635	45,690	426
Restructured loans	443,432	468,846	4,051
Total	¥ 1,297,911	¥ 1,484,343	$ 11,858

Note: Amounts above are stated before the reduction of the allowance for credit losses.

Loans to bankrupt borrowers are loans, after write-offs, to bankrupt borrowers as defined in Article 96-1-3-1 to 5 or 96-1-4 of "the Order for Enforcement of the Corporation Tax Act" (No. 97 in 1965) on which accrued interest income is not recognized ("Non-accrual loans") as there is substantial doubt as to the collection of principal and/or interest because of delinquencies in payment of principal and/or interest for a significant period of time or for some other reasons.
Non-accrual delinquent loans represent non-accrual loans other than loans to bankrupt borrowers and loans renegotiated at concessionary terms, which 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, 2014 and March 31, 2014 amounted to ¥958,146 million ($8,754 million) and ¥963,102 million, respectively.

9. LAND REVALUATION SURPLUS

In accordance with the "Act on Revaluation of Land" (the "Act") (No. 34, March 31, 1998), land used for business operations of the Bank has been revalued as of the dates indicated below. The excess of revaluation to carrying value at the time of revaluation, net of income taxes corresponding to the excess which are recognized as "Deferred tax liabilities for land revaluation," is stated as "Land revaluation surplus" in equity.

Date of revaluation: March 31, 1998

The method of revaluation of assets is set forth in Article 3, Paragraph 3 of the "Act":
Fair values are determined based on (1) "Published land price under the Land Price Publication Law" stipulated in Article 2-1 of the "Order for Enforcement on Law on Revaluation of Land" ("Order") (No. 119, March 31, 1998), (2) "Standard land price determined on measurement spots under Order for Enforcement of the National Land Planning Law" stipulated in Article 2-2 of the "Order," (3) "Land price determined using the method established and published by the Commissioner of National Tax Agency of Japan in order to calculate land value which is used for determining taxable amounts subject to landholding tax articulated in Article 16 of the Landholding Tax Law" stipulated in Article 2-4 of "Order" with price adjustments by shape and time.

10. BORROWED MONEY AND BONDS PAYABLE

"Borrowed money" and "Bonds payable" included the following subordinated loans or subordinated bonds as of September 30, 2014 and March 31, 2014:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2014	March 31, 2014	September 30, 2014
Subordinated loans included in "Borrowed money"	¥ 429,500	¥ 389,500	$ 3,924
Subordinated bonds included in "Bonds payable"	1,643,976	1,775,587	15,020

11. CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in "Customers' liabilities for acceptances and guarantees." "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, 2014 and March 31, 2014 were ¥694,104 million ($6,342 million) and ¥768,614 million, respectively.

12. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and their relevant liabilities as of September 30, 2014 and March 31, 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2014	March 31, 2014	September 30, 2014
Assets pledged as collateral:			
Cash and due from banks	¥ 920	¥ 1,668	$ 8
Securities	1,968,617	1,230,266	17,986
Loans and bills discounted	7,428,355	6,415,353	67,870
Other assets	2,702	42,066	25
Tangible fixed assets	28,011	45,742	256
Total	¥ 9,428,607	¥ 7,735,097	$ 86,145
Relevant liabilities to above assets:			
Deposits	¥ 359,696	¥ 441,252	$ 3,286
Call money and bills sold	530,000	530,000	4,842
Trading liabilities	25,947	56,905	237
Borrowed money	8,133,784	6,390,841	74,315
Bonds payable	20,959	23,123	192
Total	¥ 9,070,387	¥ 7,442,123	$ 82,872

In addition to the above, the following assets were pledged as collateral for cash settlements and other transactions or as deposits for margin accounts of futures and other transactions:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2014	March 31, 2014	September 30, 2014
Assets pledged as collateral:			
Cash and due from banks	¥ 2,517	¥ 2,840	$ 23
Monetary claims bought	1,245,610	258,222	11,381
Securities	9,179,831	9,323,397	83,872
Loans and bills discounted	6,178,858	8,482,498	56,454
Total	¥ 16,606,818	¥ 18,066,959	$ 151,730

Furthermore, assets sold under repurchase agreements or loaned under securities lending with cash collateral were ¥40,783 million ($373 million) as cash and due from banks, ¥798,742 million ($7,298 million) as trading assets, and ¥6,663,025 million ($60,877 million) as securities as of September 30, 2014 and ¥942,507 million as trading assets and ¥8,718,761 million as securities as of March 31, 2014.

Relevant payables under repurchase agreements were ¥5,297,672 million ($48,403 million) and ¥8,233,042 million as of September 30, 2014 and March 31, 2014, respectively.

Relevant payables under securities lending transactions were ¥1,444,269 million ($13,196 million) and ¥2,048,950 million as of September 30, 2014 and March 31, 2014, 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 ¥68,476,936 million ($625,646 million) and ¥66,687,419 million as of September 30, 2014 and March 31, 2014, 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:

(1) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria such as: (1) having the Board of Directors, (2) having independent auditors, (3) having 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.

(2) Increases/Decreases and Transfer of Capital Stock, Reserve and Surplus

The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as capital reserve (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of legal reserve and capital reserve equals 100% of capital stock.

Under the Companies Act and the Banking Law, the aggregate amount of capital reserve and legal reserve that exceeds 100% of the capital stock may be made available for dividends by resolution of the shareholders after transferring such excess to other capital surplus and other retained earnings in accordance with the Companies Act. Under the Companies Act, the total amount of capital reserve and legal reserve may be reversed without limitation. The Companies Act also provides that capital stock, legal reserve, capital reserve, other capital surplus and other retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(3) Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. Under the Companies Act, stock acquisition rights, 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, 2014 and 2013 were as follows:

	Number of shares in thousands				
	April 1, 2014	Increase	Decrease	September 30, 2014	Note
Outstanding shares issued:					
Common stock	12,350,038	–	–	12,350,038	
Preferred stock—first series of Class 2	100,000	–	–	100,000	
Preferred stock—first series of Class 4	79,700	–	–	79,700	
Preferred stock—first series of Class 6	1,000	–	–	1,000	
Preferred stock—first series of Class 7	177,000	–	–	177,000	
Total	12,707,738	–	–	12,707,738	
Treasury stock:					
Preferred stock—first series of Class 2	100,000	–	–	100,000	
Preferred stock—first series of Class 4	79,700	–	–	79,700	
Preferred stock—first series of Class 6	1,000	–	–	1,000	
Preferred stock—first series of Class 7	21,000	156,000	–	177,000	1
Total	201,700	156,000	–	357,700	

Note 1: Increase in treasury stock of preferred stock-first series of Class 7 during the six-month period ended September 30, 2014 resulted from acquisition of the shares of 156,000 thousand pursuant to the provision of call.

	Number of shares in thousands				
	April 1, 2013	Increase	Decrease	September 30, 2013	Note
Outstanding shares issued:					
Common stock	12,350,038	–	–	12,350,038	
Preferred stock—first series of Class 2	100,000	–	–	100,000	
Preferred stock—first series of Class 4	79,700	–	–	79,700	
Preferred stock—first series of Class 6	1,000	–	–	1,000	
Preferred stock—first series of Class 7	177,000	–	–	177,000	
Total	12,707,738	–	–	12,707,738	
Treasury stock:					
Preferred stock—first series of Class 2	100,000	–	–	100,000	
Preferred stock—first series of Class 4	79,700	–	–	79,700	
Preferred stock—first series of Class 6	1,000	–	–	1,000	
Preferred stock—first series of Class 7	21,000	–	–	21,000	
Total	201,700	–	–	201,700	

The Bank paid the following cash dividends during the six-month periods ended September 30, 2014 and 2013:

For the six-month period ended September 30, 2014:
The following cash dividend payments were approved at the shareholders' meeting held on June 26, 2014:

	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Year-end cash dividends:				
Common stock	¥ 129,675	¥ 10.50	Mar. 31, 2014	Jun. 26, 2014
Preferred stock—first series of Class 7	8,970	57.50	Mar. 31, 2014	Jun. 26, 2014
Total	¥ 138,645			

	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Year-end cash dividends:				
Common stock	$ 1,185	$ 0.10	Mar. 31, 2014	Jun. 26, 2014
Preferred stock—first series of Class 7	82	0.53	Mar. 31, 2014	Jun. 26, 2014
Total	$ 1,267			

For the six-month period ended September 30, 2013:
The following cash dividend payments were approved at the shareholders' meeting held on June 26, 2013:

	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Year-end cash dividends:				
Common stock	¥ 69,036	¥ 5.59	Mar. 31, 2013	Jun. 26, 2013
Preferred stock—first series of Class 7	8,970	57.50	Mar. 31, 2013	Jun. 26, 2013
Total	¥ 78,006			

There was no issuance of stock acquisition rights and treasury stock acquisition rights during the six-month periods ended September 30, 2014 and 2013.

16. OTHER INCOME

Other income for the six-month periods ended September 30, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
Six-month periods ended September 30	2014	2013	2014
Gains on sales of equity securities and other securities	¥ 15,999	¥ 47,162	$ 146
Gains on collection of bad debts	17,680	17,240	162
Reversal of allowance for credit losses	80,325	58,858	734
Leasing income	18,868	14,702	172
Other	33,203	37,916	303
Total	¥ 166,077	¥ 175,879	$ 1,517

17. OTHER EXPENSES

Other expenses for the six-month periods ended September 30, 2014 and 2013 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
Six-month periods ended September 30	2014	2013	2014
Write-offs of loans	¥ 34,093	¥ 41,863	$ 311
Losses on write-down of equity securities and other securities	2,439	11,960	22
Losses on waiver of claims	15,935	5,598	146
Consignment expenses incurred in subsidiaries operating information service business	12,426	12,478	114
Leasing expenses	8,404	7,377	77
Reserve for contingent losses	34,477	–	315
Settlement package	–	24,537	–
Other	11,733	20,480	107
Total	¥ 119,509	¥ 124,295	$ 1,092

Notes:

1. "Reserve for contingent losses" is provided for a payment for which agreement is expected to be reached with the New York State Department of Financial Services ("DFS") in relation to the Bank's voluntary investigation, reporting and other compliance procedures regarding settlement transactions for countries under U.S. economic sanctions.
2. "Settlement package" refers to a payment based on a consent agreement entered into with DFS regarding settlement transactions for countries under U.S. economic sanctions.

18. LEASES

(1) Lessee

Finance leases

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

The Bank and its domestic subsidiaries account 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, 2014 and March 31, 2014 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, 2014			March 31, 2014		
	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	¥ 9,648	¥ 8,638	¥ 1,010	¥ 12,287	¥ 10,553	¥ 1,733
Intangible fixed assets	–	–	–	182	182	–
Total	¥ 9,648	¥ 8,638	¥ 1,010	¥ 12,469	¥ 10,736	¥ 1,733

	Millions of U.S. Dollars		
	September 30, 2014		
	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	$ 88	$ 79	$ 9
Intangible fixed assets	–	–	–
Total	$ 88	$ 79	$ 9

Notes:
1. The acquisition costs include interest expense since the future lease payments are immaterial when compared to the balance of the "Tangible fixed assets" as of September 30, 2014 and March 31, 2014.
2. Future lease payments include interest expense since the future lease payments are immaterial when compared to the balance of the "Tangible fixed assets" as of September 30, 2014 and March 31, 2014.

Liabilities under finance leases:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2014	March 31, 2014	September 30, 2014
Due within one year	¥ 1,008	¥ 1,445	$ 9
Due after one year	2	287	0
Total	¥ 1,010	¥ 1,733	$ 9

Total lease payments under finance leases for the six-month periods ended September 30, 2014 and 2013 were ¥715 million ($7 million) and ¥978 million, respectively.

Depreciation expense under finance leases:

	Millions of Yen		Millions of U.S. Dollars
Six-month periods ended September 30	2014	2013	2014
Depreciation expense	¥ 715	¥ 978	$ 7

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, 2014 and March 31, 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2014	March 31, 2014	September 30, 2014
Due within one year	¥ 33,184	¥ 40,286	$ 303
Due after one year	227,457	226,072	2,078
Total	¥ 260,641	¥ 266,359	$ 2,381

(2) Lessor

Operating leases

Future lease receivables including interest receivables under non-cancelable operating leases as of September 30, 2014 and March 31, 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2014	March 31, 2014	September 30, 2014
Due within one year	¥ 23,155	¥ 28,637	$ 212
Due after one year	104,086	95,216	951
Total	¥ 127,242	¥ 123,854	$ 1,163

19. PER SHARE INFORMATION

		Yen			U.S. Dollars
		September 30, 2014		March 31, 2014	September 30, 2014
Total equity per share	¥	842.68	¥	798.38	$ 7.70

		Yen			U.S. Dollars
Six-month periods ended September 30		2014		2013	2014
Net income per common share	¥	32.83	¥	26.76	$ 0.30
Diluted net income per common share		32.83		26.76	0.30

Notes:

1. As noted in Note 2, the Bank has applied the Accounting Standard for Retirement Benefits, etc. in accordance with the transitional treatment set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits.
   As a result, total equity per share as of April 1, 2014 decreased by ¥2.90 ($0.03). The effects of this change on net income per common share and diluted net income per common share for the six-month period ended September 30, 2014 were immaterial.

2. As noted in Note 2, the Bank has applied the Business Combinations Accounting Standard and other standards in accordance with the transitional treatment set forth in Paragraph 58-2 (3) of the Business Combinations Accounting Standard, Paragraph 44-5 (3) of the Consolidation Accounting Standard and Paragraph 57-4 (3) of the Business Divestitures Accounting Standard.
   As a result, total equity per share as of April 1, 2014 decreased by ¥15.06 ($0.14) and net income per common share and diluted net income per common share for the six-month period ended September 30, 2014 increased by ¥0.52 ($0.00).

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

		Millions of Yen			Millions of U.S. Dollars
Six-month periods ended September 30		2014		2013	2014
Net income	¥	405,496	¥	339,525	$ 3,705
Amount not attributable to common shareholders		–		(8,970)	–
Preferred dividends		–		(8,970)	–
Net income attributable to common shares		405,496		330,555	3,705

	Number of shares in thousands	
Six-month periods ended September 30	2014	2013
Average number of common shares during the period	12,350,038	12,350,038

		Millions of Yen			Millions of U.S. Dollars
Six-month periods ended September 30		2014		2013	2014
Diluted net income per share					
Adjustment to net income	¥	(2)	¥	(1)	$ (0)

Total equity per share is calculated based on the following:

		Millions of Yen			Millions of U.S. Dollars
		September 30, 2014		March 31, 2014	September 30, 2014
Total equity	¥	11,866,186	¥	11,741,453	$ 108,417
Deductions from total equity:					
Minority interests		1,458,951		1,482,369	13,330
Preferred shares		–		390,000	–
Preferred dividends		–		8,970	–
Total		1,458,951		1,881,339	13,330
Total equity attributable to common shares	¥	10,407,234	¥	9,860,113	$ 95,087

	Number of shares in thousands	
	September 30, 2014	March 31, 2014
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, 2014 and March 31, 2014 together with their differences. Note that the following table does not include unlisted equity securities or certain other securities whose fair value is extremely difficult to determine (see Note 2).

	Millions of Yen		
	September 30, 2014		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	¥ 25,718,074	¥ 25,718,074	¥ –
(2) Call loans and bills bought	458,629	458,629	–
(3) Receivables under resale agreements	924,060	924,060	–
(4) Receivables under securities borrowing transactions	517,989	517,989	–
(5) Monetary claims bought (*1)	4,158,240	4,186,399	28,159
(6) Trading assets	1,300,496	1,300,496	–
(7) Money held in trust	498,348	498,348	–
(8) Securities:			
Held-to-maturity securities	1,437,868	1,450,910	13,042
Available-for-sale securities	53,344,046	53,344,046	–
(9) Loans and bills discounted	91,455,883		
Allowance for credit losses (*1)	(623,265)		
	90,832,617	91,750,747	918,130
(10) Foreign exchange assets (*1)	2,238,552	2,238,552	–
Total assets	¥ 181,428,923	¥ 182,388,255	¥ 959,331
(1) Deposits	¥ 132,044,584	¥ 132,071,774	¥ 27,189
(2) Negotiable certificates of deposit	11,736,437	11,740,774	4,336
(3) Call money and bills sold	2,011,155	2,011,155	–
(4) Payables under repurchase agreements	7,651,774	7,651,774	–
(5) Payables under securities lending transactions	1,508,863	1,508,863	–
(6) Commercial paper	1,414,582	1,414,582	–
(7) Trading liabilities	18,649	18,649	–
(8) Borrowed money	10,026,028	10,053,442	27,413
(9) Foreign exchange liabilities	1,231,856	1,231,856	–
(10) Bonds payable	5,736,216	5,867,361	131,145
Total liabilities	¥ 173,380,148	¥ 173,570,233	¥ 190,085
Derivatives (*2):			
To which hedge accounting is not applied	¥ 341,365	¥ 341,365	¥ –
To which hedge accounting is applied	(371,092)	(371,092)	–
Total derivatives	¥ (29,726)	¥ (29,726)	¥ –

	Millions of Yen		
	March 31, 2014		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	¥ 21,016,862	¥ 21,016,862	¥ –
(2) Call loans and bills bought	500,097	500,097	–
(3) Receivables under resale agreements	1,060,045	1,060,045	–
(4) Receivables under securities borrowing transactions	2,692,330	2,692,330	–
(5) Monetary claims bought (*1)	3,947,695	3,981,222	33,527
(6) Trading assets	1,426,202	1,426,202	–
(7) Money held in trust	412,263	412,263	–
(8) Securities:			
Held-to-maturity securities	708,053	701,793	(6,260)
Available-for-sale securities	56,135,188	56,135,188	–
(9) Loans and bills discounted	91,027,750		
Allowance for credit losses (*1)	(694,743)		
	90,333,007	91,366,453	1,033,445
(10) Foreign exchange assets (*1)	2,033,021	2,033,021	–
Total assets	¥ 180,264,767	¥ 181,325,480	¥ 1,060,713
(1) Deposits	¥ 132,731,852	¥ 132,756,430	¥ 24,578
(2) Negotiable certificates of deposit	10,766,064	10,770,132	4,068
(3) Call money and bills sold	1,907,740	1,907,740	–
(4) Payables under repurchase agreements	10,361,024	10,361,024	–
(5) Payables under securities lending transactions	2,108,120	2,108,120	–
(6) Commercial paper	1,206,790	1,206,790	–
(7) Trading liabilities	10,214	10,214	–
(8) Borrowed money	8,447,777	8,482,579	34,801
(9) Foreign exchange liabilities	1,128,713	1,128,713	–
(10) Bonds payable	5,366,219	5,493,522	127,303
Total liabilities	¥ 174,034,517	¥ 174,225,270	¥ 190,752
Derivatives (*2):			
To which hedge accounting is not applied	¥ 270,563	¥ 270,563	¥ –
To which hedge accounting is applied	(44,744)	(44,744)	–
Total derivatives	¥ 225,818	¥ 225,818	¥ –

	Millions of U.S. Dollars		
	September 30, 2014		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	$ 234,976	$ 234,976	$ –
(2) Call loans and bills bought	4,190	4,190	–
(3) Receivables under resale agreements	8,443	8,443	–
(4) Receivables under securities borrowing transactions	4,733	4,733	–
(5) Monetary claims bought (*1)	37,992	38,249	257
(6) Trading assets	11,882	11,882	–
(7) Money held in trust	4,553	4,553	–
(8) Securities:			
Held-to-maturity securities	13,137	13,256	119
Available-for-sale securities	487,383	487,383	–
(9) Loans and bills discounted	835,595		
Allowance for credit losses (*1)	(5,695)		
	829,900	838,289	8,389
(10) Foreign exchange assets (*1)	20,453	20,453	–
Total assets	$ 1,657,642	$ 1,666,407	$ 8,765
(1) Deposits	$ 1,206,437	$ 1,206,686	$ 249
(2) Negotiable certificates of deposit	107,231	107,271	40
(3) Call money and bills sold	18,375	18,375	–
(4) Payables under repurchase agreements	69,911	69,911	–
(5) Payables under securities lending transactions	13,786	13,786	–
(6) Commercial paper	12,924	12,924	–
(7) Trading liabilities	171	171	–
(8) Borrowed money	91,604	91,854	250
(9) Foreign exchange liabilities	11,255	11,255	–
(10) Bonds payable	52,409	53,607	1,198
Total liabilities	$ 1,584,103	$ 1,585,840	$ 1,737
Derivatives (*2):			
To which hedge accounting is not applied	$ 3,119	$ 3,119	$ –
To which hedge accounting is applied	(3,391)	(3,391)	–
Total derivatives	$ (272)	$ (272)	$ –

(*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 was 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. Net liabilities are presented in parentheses.

Notes:

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

Assets

(1) "Cash and due from banks"

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

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

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

(5) "Monetary claims bought"

The fair value of "Monetary claims bought" is determined based on the price quoted by the financial institutions from which these claims were purchased or on the amount reasonably calculated based on the reasonable estimation. For certain "Monetary claims bought" to which these methods do not apply, the carrying amount is presented as the fair value, as the fair value approximates such carrying value.

(6) "Trading assets"

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

(7) “Money held in trust”

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

See Note 5 “Money held in trust” for notes on “Money held in trust” by categories based on different holding purposes.

(8) “Securities”

The fair value of equity securities is determined based on the price quoted by the exchange 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 recent 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 the discounting rate is based on the yield of such government bonds, the value of embedded options and the liquidity premium based on the actual market premiums observed in the past.

For certain securitized products whose underlying assets are corporate loan receivables, the fair value is determined by taking into account an amount calculated by discounting the expected future cash flow, which is derived from such factors as default probability and prepayment rate derived from analyses of the underlying assets and discounted at a rate, which is the yield of such securitized products adjusted for the liquidity premium based on the actual historical market data, as well as the price obtained from external parties (brokers or 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 net amount of receivables after the deduction of allowance for credit losses on the consolidated balance sheets as of the consolidated balance sheet date, such amount is presented as the fair value.

(10) “Foreign exchange assets”

“Foreign exchange assets” consist of foreign currency deposits with other banks (due from foreign banks (our accounts)), short-term loans involving foreign currencies (due from foreign banks (their accounts)), export bills 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 fair value set within a short time period for such floating rate borrowings and that there has been no significant change in the Bank’s nor the subsidiaries' creditworthiness after such borrowings were made. For fixed rate borrowings, the fair value is calculated as the present value of expected future cash flow from these borrowings grouped by certain maturity lengths, which is discounted at an interest rate generally applicable to similar borrowings reflecting the premium applicable to the Bank or subsidiaries.

(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) "Bonds payable"

The fair value of corporate bonds issued by the Group is determined based on their market price. For certain corporate bonds, the fair value is calculated as the present value of expected future cash flow discounted at an interest rate generally applicable to issuance of similar corporate bonds. For variable rate corporate bonds without market prices, the carrying amount of such bonds is presented as the fair value, as the fair value approximates such carrying amount. This is on the basis that the market interest rate is reflected in the fair value of such corporate bonds because such bond terms were set within a short time period and that there has been no significant change in the creditworthiness of the Group after the issuance. For fixed rate corporate bonds, the fair value is the present value of expected future cash flow from these borrowings, which is discounted at an interest rate generally applicable to similar borrowings reflecting the premium applicable to the Bank or its subsidiaries.

2. The following table summarizes financial instruments whose fair value 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 Yen		Millions of U.S. Dollars
	September 30, 2014	March 31, 2014	September 30, 2014
Unlisted equity securities (*1) (*2)	¥ 133,749	¥ 124,705	$ 1,222
Investment in partnerships, etc. (*2) (*3)	203,352	185,178	1,858
Other (*2)	286	538	3
Total	¥ 337,387	¥ 310,421	$ 3,083

(*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 ¥1,621 million ($15 million) and ¥6,370 million was recorded for the six-month period ended September 30, 2014 and for the year ended March 31, 2014, 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 had the following derivatives outstanding as of September 30, 2014 and March 31, 2014:

Derivatives 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, 2014 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥ 1,868,992	¥ 1,125,949	¥ (774)	¥ (774)
	Bought	932,712	565,132	192	192
Interest rate options	Sold	11,616,723	292,857	(468)	1,507
	Bought	12,185,583	160,113	865	(2,249)
Over-the-counter ("OTC") transactions:					
Forward rate agreements	Sold	–	–	–	–
	Bought	4,596	–	–	–
Interest rate swaps	Receivable fixed rate/ Payable floating rate	145,117,471	123,185,866	3,004,260	3,004,260
	Receivable floating rate/ Payable fixed rate	146,147,162	121,961,640	(2,785,920)	(2,785,920)
	Receivable floating rate/ Payable floating rate	41,580,593	34,209,502	18,958	18,958
	Receivable fixed rate/ Payable fixed rate	302,974	51,774	33	33
Interest rate swaptions	Sold	6,089,933	2,062,803	(74,095)	(61,371)
	Bought	4,096,710	1,380,672	37,840	29,436
Other	Sold	1,662,870	1,440,268	(2,760)	554
	Bought	1,740,848	1,511,395	8,122	5,731
Total		–	–	¥ 206,255	¥ 210,360

		Millions of Yen March 31, 2014 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥ 2,005,452	¥ 1,358,459	¥ (633)	¥ (633)
	Bought	723,078	299,135	135	135
Interest rate options	Sold	790,371	–	(190)	(66)
	Bought	858,786	–	279	103
OTC transactions:					
Forward rate agreements	Sold	10,292	–	–	–
	Bought	4,322	–	–	–
Interest rate swaps	Receivable fixed rate/ Payable floating rate	120,268,027	100,972,058	2,261,784	2,261,784
	Receivable floating rate/ Payable fixed rate	122,792,683	100,201,499	(2,074,902)	(2,074,902)
	Receivable floating rate/ Payable floating rate	39,116,427	30,623,868	23,456	23,456
	Receivable fixed rate/ Payable fixed rate	290,567	290,567	(230)	(230)
Interest rate swaptions	Sold	7,032,370	2,048,160	(77,164)	(53,310)
	Bought	4,390,031	1,303,754	49,551	32,372
Other	Sold	1,872,361	1,475,824	(4,133)	(469)
	Bought	1,884,495	1,612,170	8,740	6,506
Total		–	–	¥ 186,691	¥ 194,745

		Millions of U.S. Dollars			
		September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	$ 17,076	$ 10,287	$ (7)	$ (7)
	Bought	8,522	5,163	2	2
Interest rate options	Sold	106,137	2,676	(4)	14
	Bought	111,335	1,463	8	(20)
OTC transactions:					
Forward rate agreements	Sold	–	–	–	–
	Bought	42	–	–	–
Interest rate swaps	Receivable fixed rate/ Payable floating rate	1,325,879	1,125,499	27,449	27,449
	Receivable floating rate/ Payable fixed rate	1,335,287	1,114,314	(25,454)	(25,454)
	Receivable floating rate/ Payable floating rate	379,905	312,558	173	173
	Receivable fixed rate/ Payable fixed rate	2,768	473	0	0
Interest rate swaptions	Sold	55,641	18,847	(677)	(561)
	Bought	37,430	12,615	346	269
Other	Sold	15,193	13,159	(25)	5
	Bought	15,905	13,809	74	52
Total		–	–	$ 1,885	$ 1,922

Notes:

1. The transactions above 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, option-pricing models or other methods.

(2) Currency-related derivatives

		Millions of Yen			
		September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	¥ 218,616	¥ –	¥ 1,386	¥ 1,386
	Bought	75,889	–	757	757
OTC transactions:					
Currency swaps		25,995,577	21,628,046	79,733	79,733
Forward contracts on foreign exchange	Sold	45,743,017	1,998,238	(581,230)	(581,230)
	Bought	45,924,050	1,967,753	748,482	748,482
Currency options	Sold	6,891,659	3,209,015	(350,721)	(25,555)
	Bought	6,767,760	3,167,924	239,782	(35,311)
Total		–	–	¥ 138,190	¥ 188,262

		Millions of Yen			
		March 31, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	¥ 125,402	¥ –	¥ (3,669)	¥ (3,669)
	Bought	14,860	7	202	202
OTC transactions:					
Currency swaps		25,025,591	19,977,122	70,155	70,155
Forward contracts on foreign exchange	Sold	38,658,714	1,936,303	(538,958)	(538,958)
	Bought	37,219,687	1,896,072	635,632	635,632
Currency options	Sold	7,184,599	2,959,711	(293,625)	37,414
	Bought	7,255,049	3,010,257	213,973	(77,279)
Total		–	–	¥ 83,710	¥ 123,498

		Millions of U.S. Dollars			
		September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	$ 1,997	$ –	$ 13	$ 13
	Bought	693	–	7	7
OTC transactions:					
Currency swaps		237,511	197,607	728	728
Forward contracts on	Sold	417,935	18,257	(5,311)	(5,311)
foreign exchange	Bought	419,589	17,979	6,839	6,839
Currency options	Sold	62,966	29,319	(3,204)	(233)
	Bought	61,834	28,944	2,191	(323)
Total		–	–	$ 1,263	$ 1,720

Notes:

1. The transactions above 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, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥ 4,008	¥ –	¥ 23	¥ 23
	Bought	3,010	–	(33)	(33)
OTC transactions:					
OTC options on securities	Sold	204,445	182,316	(29,040)	(29,040)
	Bought	204,445	182,316	29,040	29,040
Total return swaps	Sold	–	–	–	–
	Bought	4,749	4,749	(335)	(335)
Total		–	–	¥ (345)	¥ (345)

		Millions of Yen			
		March 31, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥ 4,807	¥ –	¥ 14	¥ 14
	Bought	5,429	–	70	70
OTC transactions:					
OTC options on securities	Sold	212,183	199,003	(26,725)	(26,725)
	Bought	212,183	199,003	26,725	26,725
Total return swaps	Sold	–	–	–	–
	Bought	4,846	–	(262)	(262)
Total		–	–	¥ (177)	¥ (177)

		Millions of U.S. Dollars			
		September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	$ 37	$ –	$ 0	$ 0
	Bought	28	–	(0)	(0)
OTC transactions:					
OTC options on securities	Sold	1,868	1,666	(265)	(265)
	Bought	1,868	1,666	265	265
Total return swaps	Sold	–	–	–	–
	Bought	43	43	(3)	(3)
Total		–	–	$ (3)	$ (3)

Notes:

1. The transactions above 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 Osaka Exchange or other exchanges at the semi-annual consolidated balance sheet date. Fair values of OTC transactions are calculated using option-pricing models or other methods.

(4) Bond-related derivatives

		Millions of Yen			
		September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 672,181	¥ –	¥ (762)	¥ (762)
	Bought	481,215	–	704	704
Bond futures options	Sold	152,705	–	(276)	0
	Bought	122,819	–	416	4
OTC transactions:					
Bond OTC options	Sold	15,500	–	(4)	4
	Bought	15,500	–	12	2
Total		–	–	¥ 90	¥ (46)

		Millions of Yen			
		March 31, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 515,771	¥ –	¥ 678	¥ 678
	Bought	262,188	–	(351)	(351)
Bond futures options	Sold	1,492,931	–	(2,326)	353
	Bought	1,353,055	–	4,557	860
OTC transactions:					
Bond OTC options	Sold	421,600	–	(608)	28
	Bought	721,600	–	749	(23)
Total		–	–	¥ 2,699	¥ 1,545

		Millions of U.S. Dollars			
		September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	$ 6,141	$ –	$ (7)	$ (7)
	Bought	4,397	–	7	7
Bond futures options	Sold	1,395	–	(3)	0
	Bought	1,122	–	4	0
OTC transactions:					
Bond OTC options	Sold	142	–	(0)	0
	Bought	142	–	0	0
Total		–	–	$ 1	$ (0)

Notes:
1. The transactions above 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 Osaka Exchange or other exchanges at the semi-annual consolidated balance sheet date. Fair values of OTC transactions are calculated using option-pricing models or other methods.

(5) Commodity-related derivatives

		Millions of Yen			
		September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥ 232,094	¥ 116,808	¥ 447	¥ 447
	Receivable floating rate/ Payable index volatility	227,424	110,049	(1,038)	(1,038)
Commodity options	Sold	156,013	82,947	(2,669)	(2,660)
	Bought	156,009	82,947	2,669	2,661
Total		–	–	¥ (590)	¥ (590)

		Millions of Yen			
		March 31, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥ 204,983	¥ 98,699	¥ (9,791)	¥ (9,791)
	Receivable floating rate/ Payable index volatility	210,446	93,362	10,233	10,233
Commodity options	Sold	188,917	89,133	(1,727)	(1,669)
	Bought	188,917	89,133	1,729	1,673
Total		–	–	¥ 444	¥ 446

		Millions of U.S. Dollars			
		September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	$ 2,121	$ 1,067	$ 4	$ 4
	Receivable floating rate/ Payable index volatility	2,078	1,005	(9)	(9)
Commodity options	Sold	1,425	758	(24)	(24)
	Bought	1,425	758	24	24
Total		–	–	$ (5)	$ (5)

Notes:

1. The transactions above 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, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 560,793	¥ 458,522	¥ 6,851	¥ 6,851
	Bought	771,257	546,977	(9,437)	(9,437)
Total		–	–	¥ (2,586)	¥ (2,586)

		Millions of Yen			
		March 31, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 559,403	¥ 487,908	¥ 5,471	¥ 5,471
	Bought	894,007	644,887	(8,544)	(8,544)
Other	Sold	–	–	–	–
	Bought	14,782	14,782	41	41
Total		–	–	¥ (3,032)	¥ (3,032)

		Millions of U.S. Dollars			
		September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	$ 5,124	$ 4,189	$ 62	$ 62
	Bought	7,047	4,998	(86)	(86)
Total		–	–	$ (24)	$ (24)

Notes:

1. The transactions above 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 discounted present value, option-pricing models or other methods.
3. "Sold" refers to transactions underwriting credit risk and "Bought" refers to transactions delivering credit risk.

(7) Other derivatives

		Millions of Yen September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	¥ 33,323	¥ 26,323	¥ (2,205)	¥ (765)
	Bought	33,323	26,323	2,205	1,309
SVF Wrap Products	Sold	1,957,338	1,418,378	(1)	(1)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	5,168	3,253	354	354
Total		–	–	¥ 353	¥ 897

		Millions of Yen March 31, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	¥ 24,689	¥ 24,689	¥ (2,170)	¥ 160
	Bought	24,689	24,689	2,170	433
SVF Wrap Products	Sold	1,700,128	1,700,128	(1)	(1)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	4,860	4,860	230	230
Total		–	–	¥ 228	¥ 822

		Millions of U.S. Dollars September 30, 2014			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	$ 304	$ 241	$ (20)	$ (7)
	Bought	304	241	20	12
SVF Wrap Products	Sold	17,883	12,959	(0)	(0)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	47	30	3	3
Total		–	–	$ 3	$ 8

Notes:
1. The transactions above 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.
3. "SVF Wrap Products" are derivative instruments which the Bank guarantees payment of the principal to the 401(k) investors who invest in Stable Value Fund.

22. BUSINESS COMBINATIONS OR DIVESTITURES

There was neither a business combination nor divestiture to be disclosed for the six-month periods ended September 30, 2014 and 2013.

23. SEGMENT INFORMATION

Notes:

(1) "Ordinary income (expenses)" and "Ordinary profit (loss)" are defined as follows:

1) "Ordinary profit (loss)" means "Ordinary income" less "Ordinary expenses."
2) "Ordinary income" means total income less certain special income included in "Other income" in the accompanying semi-annual consolidated statement of income.
3) "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, 2014 and 2013 to income before income taxes and minority interests shown on the accompanying semi-annual consolidated statements of income was as follows:

	Millions of Yen		Millions of U.S. Dollars
Six-month periods ended September 30	2014	2013	2014
Ordinary profit (loss):	¥ 663,401	¥ 574,599	$ 6,061
Gain on disposal of fixed assets	1,111	5,418	10
Loss on disposal of fixed assets	(2,026)	(3,387)	(19)
Impairment loss of long-lived assets	(689)	(1,791)	(6)
Provision for reserve under special laws	(239)	(320)	(2)
Reserve for contingent losses	(34,477)	–	(315)
Loss on sales of shares of subsidiaries	(3,280)	(2,172)	(30)
Settlement package	–	(24,537)	–
Income before income taxes and minority interests	¥ 623,798	¥ 547,807	$ 5,699

September 30, 2014 and 2013:

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

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

(2) Calculation method of gross operating income and net operating income

Accounting policies adopted by the reportable segments are almost the same as those described in Note 2 "Summary of Significant Accounting Policies," except for the scope of consolidation. The scope of consolidation is limited to the major subsidiaries. The figures used are based on the internal administration basis before consolidation adjustments including elimination of internal profits. The accounting methods for income and expenses over the multiple segments are based on the internal management accounting standards which are based on the market values.

(Changes in Accounting Standards for Business Combinations)

As noted in Note 2 (22) "Changes in Accounting Policies," the Bank has applied the Accounting Standard for Business Combinations and other standards in accordance with the transitional treatment set forth in Paragraph 58-2 (3) of the Accounting Standard for Business Combinations, Paragraph 44-5 (3) of the Accounting Standards for Consolidation and Paragraph 57-4 (3) of the Accounting Standard for Business Divestitures.

As a result, compared to the amount calculated using the previous accounting method, net operating income increased by ¥147 million ($1 million) and amortization of goodwill decreased by ¥147 million ($1 million) in "Retail Banking Business Unit," net operating income increased by ¥6,164 million ($56 million), amortization of goodwill decreased by ¥6,164 million ($56 million) and unamortized balance of goodwill decreased by ¥178,391 million ($1,630 million) in "Global Business Unit," and amortization of goodwill decreased by ¥55 million ($1 million) and unamortized balance of goodwill decreased by ¥2,154 million ($20 million) in "Other units" for the six months ended September 30, 2014.

(3) Reportable segment information

	Millions of Yen							
			Global Business Unit					
Six-month period ended September 30, 2014	Retail Banking Business Unit	Corporate Banking Business Unit	Total	(of which MUAH)	Bank of Ayudhya	Global Markets Unit	Other units	Total
Gross operating income	¥ 293,411	¥ 348,286	¥ 479,594	¥ 184,899	¥ 98,856	¥ 226,507	¥ (4,551)	¥ 1,442,103
Non-consolidated	256,163	338,320	237,552	–	–	216,768	27,014	1,075,818
Net interest income	181,179	154,107	127,847	–	–	77,288	80,991	621,413
Net non-interest income	74,983	184,212	109,705	–	–	139,479	(53,976)	454,404
Subsidiaries	37,248	9,966	242,041	184,899	98,856	9,739	(31,566)	366,284
Expenses	225,141	163,864	286,583	123,420	51,518	34,050	94,302	855,460
Net operating income	¥ 68,269	¥ 184,421	¥ 193,011	¥ 61,479	¥ 47,337	¥ 192,456	¥ (98,854)	¥ 586,642

	Millions of Yen						
			Global Business Unit				
Six-month period ended September 30, 2013	Retail Banking Business Unit	Corporate Banking Business Unit	Total	(of which UNBC)	Global Markets Unit	Other units	Total
Gross operating income	¥ 297,024	¥ 343,002	¥ 434,335	¥ 175,192	¥ 180,885	¥ (6,295)	¥ 1,248,952
Non-consolidated	256,331	333,447	209,937	–	176,076	(14,038)	961,754
Net interest income	192,056	167,223	109,837	–	56,427	33,197	558,742
Net non-interest income	64,275	166,224	100,099	–	119,648	(47,235)	403,011
Subsidiaries	40,692	9,554	224,398	175,192	4,809	7,743	287,197
Expenses	226,681	161,815	266,748	124,500	30,086	61,790	747,122
Net operating income	¥ 70,343	¥ 181,186	¥ 167,587	¥ 50,691	¥ 150,798	¥ (68,085)	¥ 501,830

	Millions of U.S. Dollars							
			Global Business Unit					
Six-month period ended September 30, 2014	Retail Banking Business Unit	Corporate Banking Business Unit	Total	(of which MUAH)	Bank of Ayudhya	Global Markets Unit	Other units	Total
Gross operating income	$ 2,681	$ 3,182	$ 4,382	$ 1,689	$ 903	$ 2,069	$ (41)	$ 13,176
Non-consolidated	2,340	3,091	2,171	–	–	1,980	247	9,829
Net interest income	1,655	1,408	1,168	–	–	706	740	5,677
Net non-interest income	685	1,683	1,003	–	–	1,274	(493)	4,152
Subsidiaries	341	91	2,211	1,689	903	89	(288)	3,347
Expenses	2,057	1,497	2,618	1,127	471	311	862	7,816
Net operating income	$ 624	$ 1,685	$ 1,764	$ 562	$ 432	$ 1,758	$ (903)	$ 5,360

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. UnionBanCal Corporation ("UNBC") is a bank holding company which owns Union Bank, N.A. in the United States of America as a subsidiary.
   In addition, it changed its company name from UNBC to MUFG Americas Holdings Corporation ("MUAH") on July 1, 2014.
   MUAH is a banking subsidiary established in the United States and is a financial holding company for local banking companies and the Bank's branches in the United States of America as well as local companies and the Bank's branches in Latin America and Canada and manages the Americas business of the Bank.
6. Figures from Bank of Ayudhya are calculated based on the accounting standards in Thailand.
7. Amortization of goodwill of MUAH (UNBC in 2013) is included in "Expenses" of "Global Business Unit," and amortization of goodwill of Bank of Ayudhya is included in "Expenses" of "Other units."

(4) A reconciliation of the ordinary profit under the internal management reporting system and "Net operating income" in the table above is as follows:

Six-month periods ended September 30	Millions of Yen 2014	Millions of Yen 2013	Millions of U.S. Dollars 2014
Net operating income per reportable segment information	¥ 586,642	¥ 501,830	$ 5,360
Net business profit of subsidiaries excluded from the reportable segment information	30,287	30,568	277
Credit related expenses	(48,194)	(46,056)	(441)
Reversal of allowance for credit losses	80,325	58,858	734
Reversal of reserve for contingent losses (credit related)	4,453	2,622	40
Gains on collection of bad debts	17,680	17,240	162
Gains on equity securities and other securities	7,802	32,815	71
Equity in earnings of the equity method investees	13,549	5,182	124
Amortization of net unrecognized actuarial gain or loss	(14,455)	(18,823)	(132)
Other	(14,690)	(9,638)	(134)
Ordinary profit under the internal management reporting system	¥ 663,401	¥ 574,599	$ 6,061

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

1) Information by service

Six-month period ended September 30, 2014	Millions of Yen Banking	Other	Total
Ordinary income from external customers	¥ 1,903,710	¥ 48,032	¥ 1,951,743

Six-month period ended September 30, 2013	Millions of Yen Banking	Other	Total
Ordinary income from external customers	¥ 1,708,937	¥ 56,739	¥ 1,765,676

Six-month period ended September 30, 2014	Millions of U.S. Dollars Banking	Other	Total
Ordinary income from external customers	$ 17,393	$ 439	$ 17,832

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

2) Information by geographic region

A) Ordinary income

Millions of Yen — Six-month period ended September 30, 2014						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 1,101,200	¥ 325,708	¥ 6,633	¥ 15,709	¥ 117,622	¥ 384,868	¥ 1,951,743

Millions of Yen — Six-month period ended September 30, 2013						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 1,143,886	¥ 296,745	¥ 6,412	¥ 17,492	¥ 97,337	¥ 203,803	¥ 1,765,676

Millions of U.S. Dollars — Six-month period ended September 30, 2014						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
$ 10,061	$ 2,976	$ 61	$ 143	$ 1,075	$ 3,516	$ 17,832

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.

B) Tangible fixed assets

Millions of Yen						
As of September 30, 2014						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 847,900	¥ 367,202	¥ 94	¥ 2,820	¥ 7,931	¥ 73,717	¥ 1,299,667

Millions of Yen						
As of September 30, 2013						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 851,688	¥ 317,700	¥ 99	¥ 2,274	¥ 5,912	¥ 10,663	¥ 1,188,339

Millions of U.S. Dollars						
As of September 30, 2014						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
$ 7,747	$ 3,355	$ 1	$ 26	$ 72	$ 673	$ 11,874

3) Information on impairment loss of fixed assets by reportable segment

Impairment loss of fixed assets is not allocated to the reportable segments. The impairment loss was ¥689 million ($6 million) and ¥1,791 million for the six-month periods ended September 30, 2014 and 2013, respectively.

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

	Millions of Yen							
Six-month period ended September 30, 2014	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit: Total	Global Business Unit: (of which MUAH)	Bank of Ayudhya	Global Markets Unit	Other units	Total
Amortization	¥ 92	¥ –	¥ 3,078	¥ –	¥ –	¥ –	¥ 4,006	¥ 7,177
Unamortized balance	2,410	24	97,245	–	–	–	156,252	255,933

	Millions of Yen						
Six-month period ended September 30, 2013	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit: Total	Global Business Unit: (of which UNBC)	Global Markets Unit	Other units	Total
Amortization	¥ 92	¥ –	¥ 8,675	¥ –	¥ –	¥ –	¥ 8,768
Unamortized balance	2,596	35	280,484	–	–	–	283,116

	Millions of U.S. Dollars							
Six-month period ended September 30, 2014	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit: Total	Global Business Unit: (of which MUAH)	Bank of Ayudhya	Global Markets Unit	Other units	Total
Amortization	$ 1	$ –	$ 28	$ –	$ –	$ –	$ 37	$ 66
Unamortized balance	22	0	888	–	–	–	1,428	2,338

Notes:

1. Amortization of goodwill not allocated to the reportable segment as of September 30, 2013 was ¥1 million ($0 million).
2. Amortization of goodwill and unamortized balance of goodwill of MUAH (UNBC in 2013) is included in "Global Business Unit," and amortization of goodwill and unamortized balance of goodwill of Bank of Ayudhya is included in "Other units."

24. SUBSEQUENT EVENTS

Redemption of Preferred Securities

At the Board of Directors' meeting held on November 27, 2014, the Bank resolved to approve the redemption of preferred securities issued by BTMU Preferred Capital 9 Limited, which is a subsidiary of the Bank, in full as follows:

(1) Summary of Preferred Securities to be Redeemed

Issuer	BTMU Preferred Capital 9 Limited
Type of Security	Non-cumulative, fixed/floating dividends, preferred securities The preferred securities rank, with respect to rights to liquidation preference, effectively pari passu with the preferred shares issued by the Bank which rank most senior in priority of payment with respect to liquidation distribution.
Maturity	Perpetual Provided, however, that the issuer may, at its discretion, redeem all or part of the preferred securities on a dividend payment date in January 2015 or thereafter.
Dividends	Non-cumulative, fixed/floating dividends (Fixed until January 2015)
Issue Amount	¥130.0 billion ($1.2 billion) [¥10,000,000 ($91,366) per preferred security]
Issue Date	July 29, 2009
Redemption Amount	¥130.0 billion ($1.2 billion)
Redemption Price	¥10,000,000 ($91,366) per preferred security

(2) Scheduled Redemption Date
January 26, 2015

Cash Dividends

The following cash dividends applicable to the reporting period ended September 30, 2014 were approved at the Board of Directors' meeting held on November 14, 2014:

	Millions of Yen	Millions of U.S. Dollars
Interim cash dividends:		
Common stock, ¥13.18 ($0.12) per share	¥ 162,773	$ 1,487
Total	¥ 162,773	$ 1,487

* * * * *