Annual Securities Report

"Yukashoken Hokokusho"

(Excerpt)

for the fiscal year ended March 31, 2015

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Table of Contents

[Cover]

[Document Submitted]	Annual Securities Report ("Yukashoken Hokokusho")
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[Accounting Period]	The 10th Fiscal Year (from April 1, 2014 to March 31, 2015)
[Company Name]	Kabushiki-Kaisha Mitsubishi Tokyo UFJ Ginko
[Company Name in English]	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
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I. Overview of the Company

1. Key Financial Data and Trends

(1) Key consolidated financial data and trends over the current and previous four fiscal years

(Millions of yen, unless otherwise stated)

	Fiscal 2010 From April 1, 2010 to March 31, 2011	Fiscal 2011 From April 1, 2011 to March 31, 2012	Fiscal 2012 From April 1, 2012 to March 31, 2013	Fiscal 2013 From April 1, 2013 to March 31, 2014	Fiscal 2014 From April 1, 2014 to March 31, 2015
Consolidated ordinary income	3,209,835	3,295,914	3,419,307	3,599,428	4,028,944
Consolidated ordinary profit	849,766	931,709	1,070,928	1,217,534	1,221,200
Consolidated net income	719,795	544,324	673,514	754,323	731,622
Consolidated comprehensive income	390,207	782,932	1,573,447	1,157,696	2,622,793
Consolidated total equity	8,907,445	9,262,169	10,658,841	11,741,453	13,201,844
Consolidated total assets	163,123,183	171,663,939	181,625,557	201,614,685	219,313,264
Total equity per share (yen)	579.24	620.62	729.93	798.38	954.03
Net income per common share (yen)	56.78	42.57	53.07	59.62	59.24
Diluted net income per common share (yen)	–	42.57	53.07	59.62	59.23
Capital ratio (%)	4.63	4.70	5.18	5.08	5.37
Consolidated return on equity (%)	9.82	7.08	7.85	7.79	6.75
Net cash provided by (used in) operating activities	7,875,448	6,618,372	(1,608,988)	(5,283,802)	(6,631,043)
Net cash provided by (used in) investing activities	(7,043,348)	(6,199,174)	3,123,896	6,257,777	7,237,326
Net cash used in financing activities	(984,100)	(538,844)	(992,372)	(918,046)	(1,061,490)
Cash and cash equivalents at end of period	3,171,595	3,024,292	3,692,657	3,998,556	3,712,330
Number of employees [Besides the above, average number of temporary employees]	56,812 [22,900]	57,338 [21,000]	59,057 [20,700]	78,105 [21,000]	79,146 [23,000]

(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. In calculating "Total equity per share," "Net income per common share" and "Diluted net income per common share" (hereinafter referred to as "Per Share Information"), the Bank has adopted the "Accounting Standard for Earnings Per Share" (Accounting Standards Board of Japan ("ASBJ") Statement No. 2) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4).
   The basis of calculation of Per Share Information is described in "Per share information" under Section "Notes to Consolidated Financial Statements" of "V. Financial Information."
3. Diluted net income per common share is not stated for fiscal 2010 due to the absence of dilution effect despite existence of residual securities.
4. Capital ratio is calculated by dividing ("total equity at the end of fiscal year" - "subscription rights

to shares at the end of fiscal year" - "minority interests at the end of fiscal year") by "total assets at the end of fiscal year."

5. Consolidated price earnings ratio is not available as shares of the Bank are unlisted.
6. The average number of temporary employees includes contractors and figures are rounded to the nearest hundred. The number of contractors counted as temporary employees during fiscal 2010 was 16,600, during fiscal 2011 was 14,700, during fiscal 2012 was 10,700, during fiscal 2013 was 6,700 and during fiscal 2014 was 5,400.

(2) Key non-consolidated financial data and trends of the Bank over the current and previous four fiscal years

(Millions of yen, unless otherwise stated)

Fiscal period	6th Term	7th Term	8th Term	9th Term	10th Term
Period of account	March 2011	March 2012	March 2013	March 2014	March 2015
Ordinary income	2,692,418	2,766,126	2,796,371	2,921,537	2,856,450
Ordinary profit	657,999	743,322	860,995	1,002,109	902,632
Net income	639,263	469,042	585,112	650,257	571,778
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	7,393,796	7,895,334	8,908,319	9,398,694	10,488,611
Total assets	153,453,411	161,441,406	169,305,125	181,692,063	194,652,431
Balance of deposits	105,854,679	106,680,877	112,154,287	119,636,522	124,590,909
Balance of loans and bills discounted	64,981,715	69,386,000	74,104,875	79,495,010	82,740,384
Balance of securities	58,303,309	63,452,246	63,071,374	56,790,753	52,873,408
Total equity per share (yen)	565.91	606.52	689.01	728.72	849.27
Dividends per share (yen) [Of the above, interim dividends per share (yen)]	Common stock 19.96 [9.98] 1st series Class 6 preferred stock 210.90 [105.45] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 11.64 [5.89] 1st series Class 6 preferred stock 210.90 [105.45] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 11.19 [5.60] 1st series Class 6 preferred stock 105.45 [105.45] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 17.85 [7.35] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 32.57 [13.18]
Net income per common share (yen)	50.29	36.50	45.91	51.19	46.29
Diluted net income per common share (yen)	–	–	–	–	–
Capital ratio (%)	4.81	4.89	5.26	5.17	5.38
Return on equity (%)	8.92	6.22	7.08	7.21	5.86
Dividend payout ratio (%)	39.68	31.88	24.37	34.86	70.34
Number of employees [Besides the above, average number of temporary employees]	34,797 [13,705]	35,480 [12,468]	36,499 [12,283]	37,527 [12,603]	35,214 [12,486]

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

2. In calculating "Total equity per share," "Net income per common share" and "Diluted net income per common share," the Bank has adopted the "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4).
3. Diluted net income per common share is not stated due to the absence of residual securities.
4. The interim dividends for the 10th Term were resolved at the Board of Directors meeting held on November 14, 2014.
5. Dividends per share for the 10th Term include special dividends of ¥6.27.
6. Capital ratio is calculated by dividing ("total equity at the end of fiscal year" - "subscription rights to shares at the end of fiscal year") by "total assets at the end of fiscal year."
7. Price earnings ratio is not available as shares of the Bank are unlisted.
8. Dividend payout ratio is calculated by dividing the total dividends on common stock by net income after the deduction of the total dividends on preferred stock.
9. The number of employees excludes employees loaned to other companies but includes employees loaned to the Bank and locally hired overseas staff members.
10. The average number of temporary employees includes contractors. The number of contractors counted as temporary employees during the 6th Term was 9,631, during the 7th Term was 8,559, during the 8th Term was 4,558, during the 9th Term was 2,962 and during the 10th Term was 2,839.

2. History

August 1919	The Mitsubishi Bank, Limited was founded with capital of ¥50.00 million (of which ¥30.00 million was paid in), inheriting the business of the Banking Division of Mitsubishi Goshi Kaisha, and started operation on October 1, 1919.
December 1933	The Sanwa Bank, Limited was founded with capital of ¥107.20 million (of which ¥72.20 million was paid in), as a result of the merger of The Thirty-Fourth Bank Limited, The Yamaguchi Bank, Ltd. and The Konoike Bank, Limited.
June 1941	The Tokai Bank, Limited was founded with capital of ¥37.60 million (of which ¥27.25 million was paid in), as a result of the merger of The Aichi Bank, Ltd., The Bank of Nagoya, Ltd. and The Itoh Bank Limited.
December 1946	The Bank of Tokyo, Ltd. was founded with capital of ¥50.00 million (fully paid in), on the basis of business transfer from The Yokohama Specie Bank, Ltd. and started operation on January 4, 1947.
April 1996	The Mitsubishi Bank, Limited and The Bank of Tokyo, Ltd. were merged to become The Bank of Tokyo-Mitsubishi, Ltd.
April 2001	The Bank of Tokyo-Mitsubishi, Ltd., Nippon Trust Bank Limited and The Mitsubishi Trust and Banking Corporation jointly established by share transfer the wholly-owning parent company, Mitsubishi Tokyo Financial Group, Inc.
	The Sanwa Bank, Limited, The Tokai Bank, Limited and The Toyo Trust and Banking Company, Limited jointly established by share transfer the wholly-owning parent company, UFJ Holdings, Inc.
January 2002	The Sanwa Bank, Limited and The Tokai Bank, Limited were merged to become UFJ Bank Limited.
October 2005	Mitsubishi Tokyo Financial Group, Inc. and UFJ Holdings, Inc. were merged to become Mitsubishi UFJ Financial Group, Inc.
January 2006	The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Limited were merged to become The Bank of Tokyo-Mitsubishi UFJ, Ltd.

3. 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, 130 consolidated subsidiaries, and 58 equity-method affiliates, and is engaged in banking and other financial services (including trading of financial instruments and leasing).

The Bank has established its business units according to the characteristics of its customers and the nature of its 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 operations comprise segments classified by customers and business; namely, the Retail Banking Business Unit, Corporate Banking Business Unit, Global Business Unit, Bank of Ayudhya Public Company Limited (hereinafter referred to as "Bank of Ayudhya"), Global Markets Unit and Other units.

Positions of main subsidiaries and affiliates in relation to each business unit are illustrated in the following organizational chart. Classification of businesses in this chart corresponds to the reportable segments in "Notes to Consolidated Financial Statements" of "V. Financial Information."

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 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.

(As of March 31, 2015)

*consolidated subsidiaries, **equity-method affiliates

Mitsubishi UFJ Financial Group, Inc. (Parent Company)

The Bank of Tokyo-Mitsubishi UFJ, Ltd.		**Banking**
Retail Banking Business Unit	* kabu.com Securities Co., Ltd. *1	Financial instruments business
	* MU Frontier Servicer Co., Ltd.	Servicing
	**JACCS CO., LTD.	Intermediation of Credit Purchases
	**Jibun Bank Corporation	Banking
	**JALCARD, INC.	Credit cards
Corporate Banking Business Unit	* The Mitsubishi UFJ Factors Limited	Factoring
	* Mitsubishi UFJ Research and Consulting Co., Ltd.	Research, study and consulting
	**BOT Lease Co., LTD.	Leasing
	**Mitsubishi UFJ Capital Co., Ltd.	Venture capital
Global Business Unit	* MUFG Americas Holdings Corporation	Bank holding company
	* MUFG Americas Capital Company	Securities-related business
	* BTMU LF Capital LLC	Leasing
	* BTMU Capital Corporation	Leasing
	* BTMU Securities, Inc.	Securities-related business
	* BTMU Leasing & Finance, Inc.	Leasing
	* BTMU Lease (Deutschland) GmbH	Leasing
	* PT U Finance Indonesia	Consumer finance and leasing
	* PT. BTMU-BRI Finance	Consumer finance and leasing
	* BTMU Participation (Thailand) Co., Ltd.	Investment
	**Vietnam Joint Stock Commercial Bank for Industry and Trade	Banking
	**Dah Sing Financial Holdings Limited	Bank holding company
	**Bangkok BTMU Limited	Investment
	**BTMU Holding (Thailand) Co., Ltd.	Investment
Bank of Ayudhya	* Bank of Ayudhya Public Company Limited	Banking
Global Markets Unit		
Other units	**The Chukyo Bank, Limited	Banking
Mitsubishi UFJ Trust and Banking Corporation *2		Trust banking
Mitsubishi UFJ Securities Holdings Co., Ltd. *2		Securities business holding company
Mitsubishi UFJ NICOS Co., Ltd. *2		Credit cards
Mitsubishi UFJ Lease & Finance Company Limited *2		Leasing

*1. As of April 1, 2015 , kabu.com Securities Co., Ltd. became a subsidiary of Mitsubishi UFJ Securities Holdings Co., Ltd. and is no longer the Bank's subsidiary due to a change in shareholdings within the MUFG Group.

*2. Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Securities Holdings, Co., Ltd., Mitsubishi UFJ NICOS Co., Ltd., and Mitsubishi UFJ Lease & Finance Company Limited are the MUFG Group's major subsidiaries and affiliates.

4. Information on Subsidiaries and Affiliates

(Parent company)

Company name	Address	Ratio of voting rights holding (held) (%)
Mitsubishi UFJ Financial Group, Inc.	Chiyoda-ku, Tokyo	100.0

(Consolidated subsidiaries)

Company name	Address	Ratio of voting rights holding (held) (%)
kabu.com Securities Co., Ltd.	Chiyoda-ku, Tokyo	44.8
MU Frontier Servicer Co., Ltd.	Nakano-ku, Tokyo	96.4
TOKYO CREDIT SERVICES, LIMITED	Chiyoda-ku, Tokyo	47.5 (21.5)
Japan Electronic Monetary Claim Organization	Chiyoda-ku, Tokyo	100.0
The Mitsubishi UFJ Factors Limited	Chiyoda-ku, Tokyo	100.0
Mitsubishi UFJ Research and Consulting Co., Ltd.	Minato-ku, Tokyo	44.9 (9.5)
Mitsubishi UFJ Financial Partners Co., Ltd.	Minato-ku, Tokyo	100.0
MU Business Engineering, Ltd.	Chuo-ku, Tokyo	100.0
MUFG Americas Holdings Corporation	New York, New York, the United States	100.0
MUFG Americas Capital Company	New York, New York, the United States	100.0
BTMU LF Capital LLC	New York, New York, the United States	100.0
BTMU Capital Corporation	Boston, Massachusetts, the United States	100.0
BTMU Securities, Inc.	New York, New York, the United States	100.0
BTMU Leasing & Finance, Inc.	New York, New York, the United States	100.0
Bank of Tokyo-Mitsubishi UFJ (Canada)	Toronto, Ontario, Canada	100.0
Banco de Tokyo-Mitsubishi UFJ Brasil S/A	Sao Paulo, Sao Paulo, Federative Republic of Brazil	99.6
Bank of Tokyo-Mitsubishi UFJ (Mexico), S.A.	Mexico City, United Mexican States	100.0 (20.0)
ZAO Bank of Tokyo-Mitsubishi UFJ (Eurasia)	Moscow, the Russian Federation	100.0
Bank of Tokyo-Mitsubishi UFJ (Holland) N.V.	Amsterdam, Kingdom of the Netherlands	100.0

Company name	Address	Ratio of voting rights holding (held) (%)
Bank of Tokyo-Mitsubishi UFJ (Polska) Spolka Akcyjna	Warsaw, Republic of Poland	100.0 (100.0)
BTMU Lease (Deutschland) GmbH	Dusseldorf, Federal Republic of Germany	95.0
Bank of Tokyo-Mitsubishi UFJ (Turkey) Anonim Sirketi	Istanbul, Republic of Turkey	99.9
Bank of Ayudhya Public Company Limited	Bangkok, Kingdom of Thailand	76.8
Bank of Tokyo-Mitsubishi UFJ (China), Ltd.	Shanghai, People's Republic of China	100.0
Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad	Kuala Lumpur, Malaysia	100.0
PT U Finance Indonesia	Jakarta, Republic of Indonesia	65.0
PT. BTMU-BRI Finance	Jakarta, Republic of Indonesia	55.0
BTMU Participation (Thailand) Co., Ltd.	Bangkok, Kingdom of Thailand	12.2 (2.2) [57.3]
BTMU Preferred Capital 1 Limited	Grand Cayman, The Cayman Islands	100.0
BTMU Preferred Capital 9 Limited	Grand Cayman, The Cayman Islands	100.0
100 Other companies		

(Equity-method affiliates)

Company name	Address	Ratio of voting rights holding (held) (%)
JACCS CO., LTD.	Hakodate City, Hokkaido	20.3 (0.0)
Jibun Bank Corporation	Shinjuku-ku, Tokyo	50.0
Mitsubishi UFJ Personal Financial Advisers Co., Ltd.	Chuo-ku, Tokyo	34.5
JALCARD, INC.	Shinagawa-ku, Tokyo	49.3
MU Credit Guarantee Co., LTD.	Shinjuku-ku, Tokyo	49.9
BOT Lease Co., LTD.	Chuo-ku, Tokyo	17.5 (12.5)
Defined Contribution Plan Consulting of Japan Co., Ltd.	Chiyoda-ku, Tokyo	38.7
Mitsubishi UFJ Capital Co., Ltd.	Chuo-ku, Tokyo	27.8 (5.2)

Company name	Address	Ratio of voting rights holding (held) (%)
The Mitsubishi Asset Brains Company, Limited	Minato-ku, Tokyo	25.0
The Chukyo Bank, Limited	Naka-ku, Nagoya City	39.7 (0.0)
THE TAISHO BANK, LTD.	Chuo-ku, Osaka City	22.4 (3.0)
Nippon Mutual Housing Loan Co., Ltd.	Taito-ku, Tokyo	4.7 [37.6]
Vietnam Joint Stock Commercial Bank for Industry and Trade	Hanoi, the Socialist Republic of Vietnam	19.7
Dah Sing Financial Holdings Limited	Hong Kong, People's Republic of China	15.1
Bangkok BTMU Limited	Bangkok, Kingdom of Thailand	20.0 (10.0)
BTMU Holding (Thailand) Co., Ltd.	Bangkok, Kingdom of Thailand	11.1 [29.8]
42 Other companies		

(Notes)

1. Of the above affiliates, Bank of Ayudhya Public Company Limited, Bank of Tokyo-Mitsubishi UFJ (China), Ltd., BTMU Preferred Capital 1 Limited and BTMU Preferred Capital 9 Limited are classified as Specified Subsidiaries.
2. Of the above affiliates, Mitsubishi UFJ Financial Group, Inc., kabu.com Securities Co., Ltd., JACCS CO., LTD., The Chukyo Bank, Limited and THE TAISHO BANK, LTD. submit annual securities reports or securities registration statements.
3. Of the above affiliates, the ordinary income of MUFG Americas Holdings Corporation (excluding internal transactions between consolidated companies) represents more than 10% of the ordinary income in the consolidated financial statements.
   The ordinary income, ordinary profit, net income, total equity and total assets of MUFG Americas Holdings Corporation are ¥487,979 million, ¥119,345 million, ¥89,237 million, ¥1,532,092 million and ¥14,393,488 million, respectively.
   As for key information concerning the profit or loss of MUFG Americas Holdings Corporation, its consolidated figures including those of its subsidiaries rather than non-consolidated figures are presented.
4. ( ) in the "Ratio of voting rights holding (held)" column refers to indirect ownership via subsidiaries, while [ ] indicates the ratio of ownership by "persons who are found to exercise their voting rights in the same manner as the Company due to having a close relationship with the Company in terms of contribution, personnel affairs, funds, technology, transactions or other matters" or "persons who agree to exercise their voting rights in the same manner as the Company."

5. Employees

(1) Number of employees in consolidated companies

As of March 31, 2015

Segment	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Bank of Ayudhya	Global Markets Unit	Other units	Total
Number of employees	15,840 [9,100]	9,316 [2,200]	23,821 [1,400]	19,824 [2,300]	1,215 [100]	9,130 [7,900]	79,146 [23,000]

(Notes)
1. Number of employees includes locally hired overseas staff members, but excludes 3,943 contract employees and 22,900 temporary employees.
2. Numbers within brackets indicate average number of temporary employees over the current fiscal year.
3. Number of temporary employees includes contractors and is rounded to the nearest hundred for the end of the current fiscal year as well as for an average over the year.
4. Number of contractors counted as temporary employees was 5,400 at the end of the current fiscal year while 5,400 on average over the year (both numbers are rounded to the nearest hundred).

(2) Employees of the Bank

As of March 31, 2015

Number of employees	Average age (Years)	Average years of service (Years)	Average annual salary (Thousands of yen)
35,214 [12,486]	38.0	14.7	7,916

Segment	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Bank of Ayudhya	Global Markets Unit	Other units	Total
Number of employees	14,723 [8,432]	8,091 [1,832]	6,008 [342]	– [–]	1,215 [52]	5,177 [1,828]	35,214 [12,486]

(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 1,891 contract employees and 12,356 temporary employees.
2. Number within brackets indicates average number of temporary employees for the current fiscal year.
3. Number of temporary employees includes contractors. Number of contractors was 2,747 at the end of the current fiscal year and 2,839 on average over the year.
4. Number of employees excludes 78 Executive Officers (13 of whom serving as Directors concurrently).
5. Average age, average years of service and average annual salary reflect neither locally hired overseas staff members nor employees loaned to the Bank.
6. Average annual salary includes bonus and extra wages.
7. Employees union of the Bank is called The Bank of Tokyo-Mitsubishi UFJ Union with the membership of 30,796.
   No significant issues exist between the union and the management.

II. Business Overview

1. Summary of Results

(Financial and economic conditions)

With regard to financial and economic conditions during the current consolidated fiscal year, although uncertainty increased at some points, such as the sudden drop of crude oil prices, the gradual recovery trend has continued overall. In the United States, the economy continued to recover mainly in domestic demand backed by improvements in the employment environment and other factors, and stock prices generally exhibited an upward trend. Although Europe is showing signs of recovery at present, the overall economy remained weak, having many structural issues in terms of financial and monetary considerations. In Asia, while a downward trend was seen in China, the economies in the ASEAN (the Association of Southeast Asian Nations) 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. Personal consumption experienced a lag in the first half of the fiscal year from the effect of the consumption tax hike and other factors, but signs of recovery gradually became apparent. Capital expenditures also regained momentum in the wake of improved corporate performance due to certain factors, including the weaker yen.

On the financial front, the United States ended its asset purchase measures while maintaining record low policy interest rates. On the other hand, in the Euro-zone, concerns about deflation led to the introduction of a reduced policy interest rates and negative interest rates applied to excess reserves placed in central banks by various banks, as well as asset purchase measures, including the purchase of government bonds. In Japan, the Bank of Japan expanded its “quantitative and qualitative monetary easing” in October 2014 in an effort to achieve the “consumer price stability goal” of a positive 2% year-on-year rate of change in the consumer price index . Amidst all this, long-term rates progressed at a low level and the yield on the newly issued 10-year Japanese government bonds temporarily reached a record low in the 0.1% range in January 2015. In the foreign exchange market, the trend of a strong dollar and a weak yen intensified from the middle of the fiscal year. Stock prices were strong overall, affected by the improvement of corporate performance as well as the rise in stock prices in the United States, and the Nikkei Stock Average rose as high as the ¥19,000 level.

(Management policy)

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, and the Corporate Banking Business Unit increased its outstanding balance of loans in addition to achieving positive results in its investment banking business. In the Global Business Unit, despite the impact of the sluggish economic situation in Europe, performance in China and the Americas was solid; while in the Global Markets Unit, domestic sales were steady, and income from fund management services grew as a result of carrying out agile 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 providing products and services to assist customers in dealing with environmental issues, in addition to actively involving itself in various social welfare programs.

The Bank continues its commitment to enhancing and reinforcing the management, internal control and compliance, and is also aiming to earn customers’ further confidence.

(Results for the current consolidated fiscal year)

Results for the current consolidated fiscal year are as follows.

Assets as of the end of the current fiscal year increased by ¥17,698.5 billion to ¥219,313.2 billion. Major components were loans and bills discounted of ¥97,616.1 billion and securities of ¥54,169.9 billion. Liabilities as of the end of the current fiscal year increased by ¥16,238.1 billion to ¥206,111.4 billion. Major components were deposits and negotiable certificates of deposit of ¥152,210.4 billion.

As for profits and losses, ordinary income increased by ¥429.5 billion compared to the previous fiscal year to ¥4,028.9 billion and ordinary expenses increased by ¥425.8 billion compared to the previous fiscal year to ¥2,807.7 billion. As a result, the Bank posted ordinary profit of ¥1,221.2 billion, with an increase of ¥3.6 billion from the previous fiscal year and net income of ¥731.6 billion, with a decrease of ¥22.7 billion from the previous fiscal year.

Results by reportable segment are as follows.

1. Retail Banking Business Unit
   Net operating income was ¥138.2 billion, with an increase of ¥0.6 billion from the previous fiscal year.
2. Corporate Banking Business Unit
   Net operating income was ¥388.5 billion, with an increase of ¥22.9 billion from the previous fiscal year.
3. Global Business Unit
   Net operating income was ¥463.3 billion, with an increase of ¥90.8 billion from the previous fiscal year.
4. Bank of Ayudhya
   Net operating income was ¥116.6 billion.
5. Global Markets Unit
   Net operating income was ¥342.3 billion, with an increase of ¥46.7 billion from the previous fiscal year.
6. Other units
   Net operating loss was ¥216.7 billion, with a decrease of ¥79.9 billion from the previous fiscal year.

(Summary of cash flows)

With regard to cash flows, operating activities used net cash of ¥6,631.0 billion, with a ¥1,347.2 billion increase in cash outflows from the previous fiscal year. Investing activities generated net cash of ¥7,237.3 billion, with a ¥979.5 billion increase in cash inflows from the previous fiscal year. Financing activities used net cash of ¥1,061.4 billion, with a ¥143.4 billion increase in cash outflows from the previous fiscal year.

Cash and cash equivalents at the end of the current fiscal year were ¥3,712.3 billion, with a ¥286.2 billion decrease from the end of the previous fiscal year.

The consolidated total risk-adjusted capital ratio based on uniform international standards as of March 31, 2015 was 15.61%.

(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 fiscal year was ¥2,996.9 billion, with a ¥459.4 billion increase from the previous fiscal year. Of this, domestic operations posted an income of ¥1,723.6 billion, with an increase of ¥85.7 billion from the previous fiscal year, and overseas operations posted an income of ¥1,421.7 billion, with an increase of ¥434.7 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Net interest income	Previous fiscal year	913,211	666,523	(14,881)	1,564,852
	Current fiscal year	962,321	961,602	(51,063)	1,872,860
Of which, interest income	Previous fiscal year	1,053,261	1,009,965	(101,224)	1,962,002
	Current fiscal year	1,090,799	1,434,973	(140,844)	2,384,928
Of which, interest expenses	Previous fiscal year	140,049	343,442	(86,342)	397,149
	Current fiscal year	128,478	473,370	(89,781)	512,067
Net fees and commissions	Previous fiscal year	464,103	203,608	(68,943)	598,768
	Current fiscal year	492,856	333,451	(93,503)	732,803
Of which, fees and commissions income	Previous fiscal year	608,076	219,029	(94,587)	732,518
	Current fiscal year	636,812	385,255	(137,244)	884,823
Of which, fees and commissions expenses	Previous fiscal year	143,973	15,420	(25,644)	133,750
	Current fiscal year	143,955	51,804	(43,740)	152,019
Net trading income	Previous fiscal year	91,551	33,718	(880)	124,390
	Current fiscal year	107,481	42,653	(822)	149,311
Of which, trading income	Previous fiscal year	92,873	33,935	(2,418)	124,390
	Current fiscal year	107,481	48,323	(6,493)	149,311
Of which, trading expenses	Previous fiscal year	1,321	216	(1,538)	–
	Current fiscal year	–	5,670	(5,670)	–
Net other operating income	Previous fiscal year	169,084	83,200	(2,841)	249,443
	Current fiscal year	161,011	84,085	(3,164)	241,932
Of which, other operating income	Previous fiscal year	313,920	157,137	(57,715)	413,342
	Current fiscal year	260,867	253,126	(160,287)	353,706
Of which, other operating expenses	Previous fiscal year	144,836	73,936	(54,873)	163,899
	Current fiscal year	99,855	169,040	(157,122)	111,774

(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 fiscal year increased by ¥2,653.2 billion compared to the previous fiscal year to ¥130,115.7 billion. Yield on interest-earning assets rose by 0.01% to 0.83% and total interest income stood at ¥1,090.7 billion, with an increase of ¥37.5 billion from the previous fiscal year. The average balance of interest-bearing liabilities in the current fiscal year increased by ¥1,657.4 billion compared to the previous fiscal year to ¥124,093.3 billion. Yield on interest-bearing liabilities declined by 0.01% to 0.10% and total interest expenses stood at ¥128.4 billion, with a decrease of ¥11.5 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous fiscal year	127,462,569	1,053,261	0.82
	Current fiscal year	130,115,789	1,090,799	0.83
Of which, loans and bills discounted	Previous fiscal year	57,876,083	635,620	1.09
	Current fiscal year	59,150,606	599,624	1.01
Of which, securities	Previous fiscal year	56,117,133	355,476	0.63
	Current fiscal year	48,100,257	412,418	0.85
Of which, call loans and bills bought	Previous fiscal year	78,819	160	0.20
	Current fiscal year	85,333	169	0.19
Of which, receivables under resale agreements	Previous fiscal year	29,857	17	0.05
	Current fiscal year	24,595	9	0.03
Of which, receivables under securities borrowing transactions	Previous fiscal year	624,696	2,680	0.42
	Current fiscal year	307,705	3,340	1.08
Of which, due from banks	Previous fiscal year	9,044,132	8,707	0.09
	Current fiscal year	18,216,210	17,715	0.09
Interest-bearing liabilities	Previous fiscal year	122,435,942	140,049	0.11
	Current fiscal year	124,093,378	128,478	0.10
Of which, deposits	Previous fiscal year	99,663,658	46,660	0.04
	Current fiscal year	102,871,993	45,858	0.04
Of which, negotiable certificates of deposit	Previous fiscal year	2,680,416	2,709	0.10
	Current fiscal year	2,794,418	2,505	0.08
Of which, call money and bills sold	Previous fiscal year	2,986,248	3,148	0.10
	Current fiscal year	3,262,809	3,376	0.10
Of which, payables under repurchase agreements	Previous fiscal year	11,038,372	19,281	0.17
	Current fiscal year	7,737,460	13,422	0.17
Of which, payables under securities lending transactions	Previous fiscal year	345,586	1,462	0.42
	Current fiscal year	1,508,701	2,323	0.15
Of which, commercial paper	Previous fiscal year	–	–	–
	Current fiscal year	–	–	–
Of which, borrowed money	Previous fiscal year	8,886,284	86,879	0.97
	Current fiscal year	10,501,238	83,765	0.79

(Notes) 1. The average balance of each asset and liability was generally computed based on an average of daily balances, but figures for certain 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 fiscal year increased by ¥12,397.7 billion compared to the previous fiscal year to ¥59,997.6 billion. Yield on interest-earning assets rose by 0.27% to 2.39% and total interest income stood at ¥1,434.9 billion, with an increase of ¥425.0 billion from the previous fiscal year. The average balance of interest-bearing liabilities in the current fiscal year increased by ¥12,012.5 billion compared to the previous fiscal year to ¥57,829.3 billion. Yield on interest-bearing liabilities increased by 0.07% to 0.81% and total interest expenses stood at ¥473.3 billion, with an increase of ¥129.9 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous fiscal year	47,599,935	1,009,965	2.12
	Current fiscal year	59,997,685	1,434,973	2.39
Of which, loans and bills discounted	Previous fiscal year	31,136,180	763,818	2.45
	Current fiscal year	39,671,140	1,039,421	2.62
Of which, securities	Previous fiscal year	5,779,745	124,669	2.15
	Current fiscal year	6,469,780	145,940	2.25
Of which, call loans and bills bought	Previous fiscal year	449,089	10,008	2.22
	Current fiscal year	576,305	11,370	1.97
Of which, receivables under resale agreements	Previous fiscal year	1,025,965	35,629	3.47
	Current fiscal year	1,082,683	39,205	3.62
Of which, receivables under securities borrowing transactions	Previous fiscal year	–	–	–
	Current fiscal year	–	–	–
Of which, due from banks	Previous fiscal year	7,029,137	39,530	0.56
	Current fiscal year	8,171,762	51,569	0.63
Interest-bearing liabilities	Previous fiscal year	45,816,737	343,442	0.74
	Current fiscal year	57,829,327	473,370	0.81
Of which, deposits	Previous fiscal year	25,476,128	131,480	0.51
	Current fiscal year	33,061,527	231,482	0.70
Of which, negotiable certificates of deposit	Previous fiscal year	7,756,503	27,388	0.35
	Current fiscal year	8,297,958	32,515	0.39
Of which, call money and bills sold	Previous fiscal year	324,114	2,357	0.72
	Current fiscal year	291,459	1,753	0.60
Of which, payables under repurchase agreements	Previous fiscal year	551,035	3,522	0.63
	Current fiscal year	773,355	8,424	1.08
Of which, payables under securities lending transactions	Previous fiscal year	–	–	–
	Current fiscal year	–	–	–
Of which, commercial paper	Previous fiscal year	1,066,138	2,040	0.19
	Current fiscal year	1,374,853	2,439	0.17
Of which, borrowed money	Previous fiscal year	1,313,575	23,065	1.75
	Current fiscal year	1,771,571	27,217	1.53

(Notes) 1. The average balance of each asset and liability was generally computed based on an average of daily balances, but figures for certain 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	Fiscal year	Average balance			Interest			Yield (%)
		Subtotal	Amount of elimination	Total	Subtotal	Amount of elimination	Total	
Interest-earning assets	Previous fiscal year	175,062,505	(6,047,910)	169,014,594	2,063,226	(101,224)	1,962,002	1.16
	Current fiscal year	190,113,475	(8,404,830)	181,708,644	2,525,772	(140,844)	2,384,928	1.31
Of which, loans and bills discounted	Previous fiscal year	89,012,263	(2,408,143)	86,604,119	1,399,439	(73,678)	1,325,761	1.53
	Current fiscal year	98,821,747	(2,512,038)	96,309,709	1,639,045	(72,189)	1,566,856	1.62
Of which, securities	Previous fiscal year	61,896,878	(2,076,023)	59,820,855	480,145	(18,424)	461,720	0.77
	Current fiscal year	54,570,037	(2,652,297)	51,917,740	558,358	(53,942)	504,416	0.97
Of which, call loans and bills bought	Previous fiscal year	527,909	(30,158)	497,750	10,169	(81)	10,087	2.02
	Current fiscal year	661,639	(20,800)	640,839	11,540	(58)	11,482	1.79
Of which, receivables under resale agreements	Previous fiscal year	1,055,823	–	1,055,823	35,647	–	35,647	3.37
	Current fiscal year	1,107,278	–	1,107,278	39,215	–	39,215	3.54
Of which, receivables under securities borrowing transactions	Previous fiscal year	624,696	–	624,696	2,680	–	2,680	0.42
	Current fiscal year	307,705	–	307,705	3,340	–	3,340	1.08
Of which, due from banks	Previous fiscal year	16,073,270	(1,473,292)	14,599,977	48,238	(5,813)	42,424	0.29
	Current fiscal year	26,387,972	(3,127,454)	23,260,518	69,284	(11,360)	57,924	0.24
Interest-bearing liabilities	Previous fiscal year	168,252,680	(4,120,541)	164,132,138	483,492	(86,342)	397,149	0.24
	Current fiscal year	181,922,706	(4,611,017)	177,311,688	601,848	(89,781)	512,067	0.28
Of which, deposits	Previous fiscal year	125,139,786	(1,044,506)	124,095,279	178,141	(3,772)	174,368	0.14
	Current fiscal year	135,933,521	(1,163,156)	134,770,364	277,341	(7,546)	269,794	0.20
Of which, negotiable certificates of deposit	Previous fiscal year	10,436,920	(136,120)	10,300,799	30,098	(35)	30,062	0.29
	Current fiscal year	11,092,376	–	11,092,376	35,020	–	35,020	0.31
Of which, call money and bills sold	Previous fiscal year	3,310,362	(123,075)	3,187,286	5,505	(317)	5,188	0.16
	Current fiscal year	3,554,268	(88,268)	3,465,999	5,129	(237)	4,891	0.14
Of which, payables under repurchase agreements	Previous fiscal year	11,589,407	–	11,589,407	22,804	–	22,804	0.19
	Current fiscal year	8,510,815	–	8,510,815	21,846	–	21,846	0.25
Of which, payables under securities lending transactions	Previous fiscal year	345,586	–	345,586	1,462	–	1,462	0.42
	Current fiscal year	1,508,701	–	1,508,701	2,323	–	2,323	0.15
Of which, commercial paper	Previous fiscal year	1,066,138	–	1,066,138	2,040	–	2,040	0.19
	Current fiscal year	1,374,853	–	1,374,853	2,439	–	2,439	0.17
Of which, borrowed money	Previous fiscal year	10,199,860	(2,655,016)	7,544,843	109,944	(74,399)	35,544	0.47
	Current fiscal year	12,272,810	(2,998,266)	9,274,543	110,983	(73,599)	37,384	0.40

(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 fiscal year was ¥636.8 billion, with an increase of ¥28.7 billion from the previous fiscal year. Fees and commissions expenses were ¥143.9 billion, with a decrease of ¥0.0 billion from the previous fiscal year, resulting in a net fees and commissions income of ¥492.8 billion, with an increase of ¥28.7 billion from the previous fiscal year. Fees and commissions income of overseas offices during the current fiscal year was ¥385.2 billion, with an increase of ¥166.2 billion from the previous fiscal year, while fees and commissions expenses were ¥51.8 billion, with an increase of ¥36.3 billion from the previous fiscal year, resulting in a net fees and commissions income of ¥333.4 billion, with an increase of ¥129.8 billion from the previous fiscal year.

Consequently, total net fees and commissions income for the current fiscal year stood at ¥732.8 billion, with an increase of ¥134.0 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Fees and commissions income	Previous fiscal year	608,076	219,029	(94,587)	732,518
	Current fiscal year	636,812	385,255	(137,244)	884,823
Of which, domestic and foreign exchange services	Previous fiscal year	150,707	9,974	(333)	160,349
	Current fiscal year	153,656	14,462	(369)	167,750
Of which, other commercial banking services	Previous fiscal year	253,538	200,068	(2,642)	450,964
	Current fiscal year	280,894	274,944	(2,628)	553,209
Of which, guarantee services	Previous fiscal year	56,558	16,679	(18,228)	55,008
	Current fiscal year	53,571	26,566	(17,688)	62,449
Of which, securities-related services	Previous fiscal year	49,731	1,352	(64)	51,019
	Current fiscal year	52,390	2,626	(63)	54,953
Fees and commissions expenses	Previous fiscal year	143,973	15,420	(25,644)	133,750
	Current fiscal year	143,955	51,804	(43,740)	152,019
Of which, domestic and foreign exchange services	Previous fiscal year	33,580	591	(343)	33,828
	Current fiscal year	34,024	7,230	(242)	41,012

(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 fiscal year was ¥107.4 billion, with an increase of ¥14.6 billion from the previous fiscal year. Trading expenses of domestic offices for the current fiscal year decreased by ¥1.3 billion from the previous fiscal year, resulting in a net trading income of ¥107.4 billion, accompanied by an increase of ¥15.9 billion from the previous fiscal year. Trading income of overseas offices for the current fiscal year was ¥48.3 billion, with an increase of ¥14.3 billion from the previous fiscal year. Trading expenses of overseas offices were ¥5.6 billion, an increase of ¥5.4 billion from the previous fiscal year. As a result, net trading income for the current fiscal year was ¥42.6 billion, with an increase of ¥8.9 billion from the previous fiscal year.

Consequently, total net trading income posted by both domestic and overseas offices for the current fiscal year stood at ¥149.3 billion, with an increase of ¥24.9 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Trading income	Previous fiscal year	92,873	33,935	(2,418)	124,390
	Current fiscal year	107,481	48,323	(6,493)	149,311
Of which, income from trading securities	Previous fiscal year	15	3,074	(1,442)	1,647
	Current fiscal year	2,631	4,810	(202)	7,238
Of which, income from securities related to trading transactions	Previous fiscal year	1,102	(760)	(79)	261
	Current fiscal year	4,337	(401)	(132)	3,803
Of which, income from trading-related financial derivatives	Previous fiscal year	89,130	31,621	(880)	119,871
	Current fiscal year	98,028	43,915	(6,154)	135,788
Of which, income from other trading transactions	Previous fiscal year	2,624	–	(15)	2,609
	Current fiscal year	2,483	–	(2)	2,481
Trading expenses	Previous fiscal year	1,321	216	(1,538)	–
	Current fiscal year	–	5,670	(5,670)	–
Of which, expenses on trading securities	Previous fiscal year	1,321	121	(1,442)	–
	Current fiscal year	–	202	(202)	–
Of which, expenses on securities related to trading transactions	Previous fiscal year	–	79	(79)	–
	Current fiscal year	–	132	(132)	–
Of which, expenses on trading-related financial derivatives	Previous fiscal year	–	–	–	–
	Current fiscal year	–	5,332	(5,332)	–
Of which, expenses on other trading transactions	Previous fiscal year	–	15	(15)	–
	Current fiscal year	–	2	(2)	–

(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	Fiscal year	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Total deposits	Previous fiscal year	103,697,866	30,127,916	(1,093,931)	132,731,852
	Current fiscal year	106,783,494	35,517,686	(1,346,484)	140,954,695
Of which, liquid deposits	Previous fiscal year	68,412,846	13,976,555	(608,174)	81,781,227
	Current fiscal year	71,954,686	18,110,263	(569,678)	89,495,271
Of which, fixed-term deposits	Previous fiscal year	29,867,559	15,991,413	(421,053)	45,437,919
	Current fiscal year	28,696,228	17,269,980	(731,960)	45,234,248
Of which, other deposits	Previous fiscal year	5,417,461	159,947	(64,703)	5,512,705
	Current fiscal year	6,132,578	137,442	(44,845)	6,225,175
Negotiable certificates of deposit	Previous fiscal year	2,673,035	8,093,028	–	10,766,064
	Current fiscal year	3,206,773	8,048,996	–	11,255,770
Total	Previous fiscal year	106,370,902	38,220,945	(1,093,931)	143,497,916
	Current fiscal year	109,990,267	43,566,683	(1,346,484)	152,210,466

(Notes)
1. "Domestic" includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries. "Overseas" includes the Bank's overseas offices and overseas consolidated subsidiaries.
2. "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 fiscal year		Current fiscal year	
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Domestic (excluding Japan offshore market account)	58,611,310	100.00	58,922,049	100.00
Manufacturing	7,489,447	12.78	8,055,533	13.67
Construction	730,078	1.24	727,686	1.23
Wholesale and retail	5,666,447	9.67	5,668,317	9.62
Finance and insurance	6,052,461	10.33	5,848,247	9.93
Real estate, goods rental and leasing	8,039,876	13.72	7,897,547	13.40
Services	2,499,908	4.26	2,484,575	4.22
Other industries	28,133,090	48.00	28,240,143	47.93
Overseas and Japan offshore market account	32,416,440	100.00	38,694,144	100.00
Governments and public organizations	681,744	2.10	811,868	2.10
Financial institutions	6,237,922	19.24	7,828,221	20.23
Others	25,496,772	78.66	30,054,054	77.67
Total	91,027,750	–	97,616,193	–

(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 March 31, 2015
1. Consolidated Total Capital Ratio (4/7)	15.61
2. Consolidated Tier 1 Capital Ratio (5/7)	12.33
3. Consolidated Common Equity Capital Ratio (6/7)	10.88
4. Consolidated Total Capital	13,730.7
5. Consolidated Tier 1 Capital	10,848.8
6. Consolidated Common Equity Capital	9,571.8
7. Risk-weighted Assets	87,932.1
8. Consolidated Total Capital Requirements	7,034.5

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

(Billions of yen, %)

	As of March 31, 2015
1. Non-consolidated Total Capital Ratio (4/7)	17.23
2. Non-consolidated Tier 1 Capital Ratio (5/7)	13.54
3. Non-consolidated Common Equity Capital Ratio (6/7)	11.90
4. Non-consolidated Total Capital	12,466.9
5. Non-consolidated Tier 1 Capital	9,791.8
6. Non-consolidated Common Equity Capital	8,611.2
7. Risk-weighted Assets	72,316.7
8. Non-consolidated Total Capital Requirements	5,785.3

(Assessment of asset quality)

(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

Fiscal 2014 in Japan was a year marked by a sense of gradually increasing momentum toward economic revitalization and an exit from deflation amid an upturn in corporate earnings, employment, and the income environment, in addition to the weakening of the yen and rising stock prices since the inauguration of the Abe administration. Meanwhile overseas, although the economy of the United States remained firm, a slowdown was seen in Asia, and a sense of stagnation further intensified in Europe amid increasing geopolitical risks. Under these circumstances, in this culminating year of the Medium-term Business Plan that commenced in fiscal 2012, the Bank made efforts toward even greater profit growth and capital adequacy, etc.

From fiscal 2015, the Bank has commenced a new Medium-term Business Plan for the period of the next three years. 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 retail 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, from promising startups to established large corporations in Japan and overseas, we will provide various solutions and products, including syndicated loans, along with transaction-oriented banking and market-related services, through active presentation of proposals for solutions to their issues. 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 by enhancing the effects of integration with MUFG Americas Holdings Corporation.

(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 three tasks of "Pursuing Customer-Centered Quality," "Contributing to the Community," and "Realizing a Sustainable Environment and Society" as the priority areas of its CSR activities. Under the theme of "Pursuing Customer-Centered

Quality," we will continue our efforts to promptly grasp customers' diverse needs, opinions, and requests and to reflect them in products and services, in order to be chosen by customers and to build lasting relationships with them. Under the theme of "Contributing to the Community," we will strengthen our ties with local communities, and will enhance the corporate value of MUFG by working to earn trust and confidence, not only from customers, but also from local communities in Japan and overseas. Under the theme of "Realizing a Sustainable Environment and Society," we will contribute to the realization of a sustainable environment and society through measures such as providing financial support to companies that consider the environment and society in dealing with constantly changing social issues.

Meanwhile, we will continue to act upon our commitment to providing reconstruction 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 reconstruction related to the aftermath 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

The following are the main risks associated with business activities and other activities of the Bank and its Group that are deemed to have potential significant impact on the judgment of investors. Items that do not necessarily involve such risks, but are deemed to be of importance to the investment decision by investors, are disclosed likewise for the purpose of active information disclosure to investors. Based on the awareness of these potential risks, the Bank is focused on the prevention of their materialization while preparing itself to deal with them in case they materialize.

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

(1) Risks associated with shareholdings

The Bank holds large amounts of marketable equity securities, including those held for strategic investment purposes. If stock prices decline due to factors, such as the acceleration of the trend toward further reduction of risk assets on a global basis, changes in governmental monetary and economic policies, and other general economic trends, as well as deterioration of operating results of its investees, its portfolio of equity securities will incur impairment losses or valuation losses, which will adversely affect its financial condition and results of operations and may also decrease its capital ratios.

(2) Risks associated with lending business

1) Status of problem loans and credit costs

The Bank's problem loans and credit costs may increase in the future due to deterioration of domestic and foreign economies, declines in real estate and stock prices, changes in the financial condition of its borrowers or in the global economic environment and other factors, which, as a result, may adversely affect its financial condition and results of operations and may result in a decrease in its capital ratios.

2) Status of allowance for credit losses

The Bank's allowance for credit losses is based on assumptions and estimates of the condition of borrowers, the value of the collateral provided and the economy as a whole. The Bank's actual loan losses may be different from the assumptions and estimates made at the time of the provision for credit losses, causing its actual loan losses to be significantly larger than its allowance. This may result in situations where our allowance is insufficient. In addition, because of a deterioration of the economy in general, the Bank may be required to change the assumptions and estimates that it initially made. The Bank may also need to increase its provision for credit losses due to a decrease in the value of collateral or other unforeseen reasons.

3) Status of troubled borrowers

The Bank has borrowers that are experiencing financial difficulties. Some of these borrowers are rehabilitating their businesses through legal proceedings or voluntary restructurings (e.g., Turnaround ADR (alternative dispute resolution)) that include debt forgiveness.

This has adversely affected the Bank's problem loan issue. If the borrowers are not successful in their rehabilitation because of the deterioration in the economy, heightened competition in the borrowers' industry or the termination of or decrease in support provided by other creditors, they may become distressed again. If the financial distress that these borrowers face or other problems continue or expand or the Bank is required to forgive its debt, its credit costs will increase and this may adversely affect its problem loan issue.

4) Response to borrowers

Even if a borrower defaults, based on the efficiency and effectiveness of collecting on loans and other factors, the Bank may not exercise all of its legal rights as a creditor against the borrower.

In addition, if the Bank determines that it is reasonable, it may forgive debt or provide additional loans or equity capital to support borrowers. If such support is provided, the Bank's outstanding loans would increase significantly, the Bank's credit costs may increase and the stock price of the additional equity purchased may decline.

5) Difficulty in exercising the Bank' rights with respect to collateral

Because of the illiquidity and decreases in prices in the real estate market and the decreases in prices of securities, the Bank may not be able to monetize the real estate and securities that it hold as collateral or enforce the Bank's rights on these assets as a practical matter.

6) Other factors that could influence problem loan issues

i) If interest rates rise in the future, the resulting decrease in the price of the bonds the Bank holds, including Japanese government bonds, change in the Bank's credit spread or increase in problem loans to borrowers that cannot bear the increase in interest payments may adversely affect its financial condition and results of operations.

ii) Significant fluctuations in foreign exchange rates could result in increases in costs, decreases in sales, valuation losses on foreign exchange derivatives (such as currency options) and other adverse financial consequences affecting the Bank's borrowers' results of operations, as well as borrowers losing financial resources to settle such derivative transactions. In such cases, the Bank's problem loans could increase, which could adversely affect the Bank's financial condition and results of operations.

iii) If the Bank's problem loans increase, mainly from borrowers facing increases in costs, including purchasing and transporting costs due to increases in raw material prices like oil and steel, who cannot add these additional costs to their final sales price, this may adversely affect the Bank's financial condition and results of operations.

iv) Declining asset quality and other financial problems may still continue to exist at some domestic financial institutions, including banks, non-bank lending and credit institutions, securities companies and insurance companies, and these problems may worsen or these problems may arise again as new issues. If the financial difficulties of these domestic financial institutions continue, worsen or arise, this may lead to liquidity and solvency problems for them and may adversely affect the Bank for the following reasons:

- financial institutions that face problems may terminate or reduce financial support to borrowers. As a result, it may cause these borrowers to become distressed or the Bank's problem loans to these borrowers to increase;
- the Bank may be requested to participate in providing support to distressed financial institutions;
- the Bank is a shareholder of some financial institutions;
- if the government elects to provide regulatory, tax, funding or other benefits to financial institutions that the government controls to strengthen their capital, increase their profitability or for other purposes, it may adversely affect the Bank's competitiveness against them;
- the Bank's deposit insurance premiums may rise if deposit insurance funds prove to be inadequate;
- bankruptcies or government control of financial institutions may generally undermine the confidence of depositors in, or adversely affect the overall environment for, financial institutions; and
- negative or adverse media coverage of the banking industry, regardless of its accuracy and applicability to the Bank, may harm the Bank's reputation and market confidence.

(3) Risks relating to the Bank's financial markets operations

The Bank undertakes extensive financial market operations involving a variety of financial instruments, including derivatives, and hold large volumes of such financial instruments. As a result, the Bank's financial condition and results of operations are subject to the risks relating to these operations and holdings. The primary risks are fluctuations in interest rates in and outside of Japan, foreign currency exchange rates and securities prices. For example, an increase in interest rates in and outside of Japan may adversely affect the value of the Bank's fixed income securities portfolio. Specifically, interest rates may increase in the event that Japanese government bonds decline in value due to such factors as a heightened market expectation for tapering or cessation of the quantitative and qualitative easing program in response to further progress in the anti-deflation measures in Japan and a decline in confidence in Japan's fiscal health and sovereign creditworthiness, or in the event that interest rates on U.S. Treasury securities rise due to such factors as changes in the economic or monetary policy in the United States. If interest rates in and outside of Japan rise for these or other reasons, the Bank may incur significant losses on sales of, and valuation losses on, the Bank's government bond portfolio. In addition, an appreciation of the Japanese yen will cause the value of the Bank's foreign currency-denominated investments on the Bank's financial statements to decline and may cause the Bank to recognize losses on sales or valuation losses.

The Bank manages market risk, which is the risk of incurring losses due to various market changes including interest rates in and outside of Japan, foreign currency exchange rates and securities prices, by separating market risk into "general market risk" and "specific risk". General market risk is the risk of incurring losses due to changes in overall markets, while specific risk is the risk of incurring losses due to changes in the prices of individual financial instruments, including stocks and bonds, which fluctuate separately from changes in the overall direction of the market. To measure these risks, the Bank uses a method that statistically estimates how much the market value of its portfolio may decline over a fixed period of time in the future based on past market changes, and the Bank considers the sum of its general market risk and specific risk calculated by this method as its market risk exposure. However, because of its inherent nature, the Bank's market risk exposure calculated in this manner cannot always reflect the actual risk that the Bank face, and the Bank may realize actual losses that are greater than its estimated market risk exposure.

(4) Risks relating to foreign exchange rate

The Bank's business operations are impacted by fluctuations in the foreign currency exchange rate. If foreign exchange rates fluctuate against the Japanese yen, the Japanese yen translation amounts of assets and liabilities of MUFG Americas Holdings Corporation (including its bank subsidiary, MUFG Union Bank, N.A. ("MUAH")) and Bank of Ayudhya Public Company Limited ("Ayudhya"), major subsidiaries of the Bank, which are denominated in foreign currencies, will also fluctuate. In addition, some of the Bank's assets and liabilities are denominated in foreign currencies. To the extent that the Bank's foreign currency denominated assets and liabilities are not matched in the same currency or appropriately hedged, fluctuations in foreign currency exchange rates against the Japanese yen may adversely affect the Bank's financial condition, including capital ratios, and results of operations.

(5) Risks relating to a deterioration of funding operations following a downgrade of the Bank's credit ratings

A downgrade of the Bank's credit ratings by one or more of the credit rating agencies may adversely affect the Bank's financial market operations and other aspects of its business. In the event of a downgrade of the Bank's credit ratings, the Bank may have to accept less favorable terms in its financial market transactions with counterparties or may be unable to enter into some transactions. A downgrade may also adversely affect the Bank's capital raising and funding activities. If the events described above occur, this will adversely affect the profitability of the Bank's financial market and other operations and adversely affect its financial condition and results of operations

(6) Risks relating to failures to achieve the Bank's certain business plans or operating targets

The Bank has been implementing various business strategies on a global basis in order to strengthen its profitability. However, these strategies may not succeed or produce the results it initially anticipated, or it may have to change these strategies because of various factors, including:

- ·the volume of loans made to highly rated borrowers does not increase as anticipated;
- ·the Bank's income from interest spreads on the existing loans does not improve as anticipated;
- ·the increase in fee income that the Bank is aiming to achieve is not achieved as anticipated;
- ·the Bank's strategy to expand overseas operations is not achieved as anticipated;
- ·the Bank's strategy to improve financial and operational efficiencies does not proceed as anticipated;
- ·customers and business opportunities are lost, costs and expenses significantly exceeding the Bank's expectations are incurred, or the Bank's strategies to increase efficiency or system integration plans are not achieved as expected, because of delays in the ongoing or planned intra-group integration or reorganization of the Bank's operations; and
- ·the Bank's investees encounter financial and operational difficulties, they change their strategies, or they decide that the Bank is no longer an attractive alliance partner, and as a result, they no longer desire to be the Bank's partner or they terminate or scale down the alliance with it, or the alliance with an investee is terminated or scaled down due to deterioration in the Bank's financial condition.

(7) Risks accompanying the expansion of operations and the range of products and services

The Bank is expanding the range of its business operations, including those of its subsidiaries and affiliates, on a global basis to the extent permitted by applicable laws and regulations and other conditions. As the Bank expands the range of its business operations, it will be exposed to new and increasingly complex risks. There may be cases where the Bank's experience with the risks relating to such expanded business operations is non-existent or limited. With respect to operations that are subject to volatility in the business environment, while large profits can be expected on the one hand, there is a risk of incurring large losses on the other. With respect to such expanded business operations, if the Bank does not have appropriate internal control and risk management systems in place and also does not have sufficient capital commensurate with the associated risks, its financial condition and results of operations may be adversely affected. Furthermore, if the expansion of its business operations does not proceed as expected, or if the profitability of such business operations is adversely affected by intense competition, the Bank may not succeed in its efforts to expand its range of business operations.

(8) Risks relating to the exposures to emerging market countries

The Bank is active in countries in Asia, Latin America, Central and Eastern Europe, the Middle East and other emerging market countries through a network of branches and subsidiaries and is exposed to a variety of credit and market risks associated with these countries. For example, further depreciation of local currencies in these countries may adversely affect the creditworthiness of some of its borrowers in these countries. The loans the Bank has made to borrowers in these countries are often denominated in U.S. dollars, Euro or other foreign currencies. These borrowers often do not hedge the loans to protect against fluctuations in the values of local currencies, and the depreciation of the local currency may make it difficult for borrowers to pay their debts to us and other lenders. In addition, some of these countries in which the Bank operates may attempt to support the value of their currencies by raising domestic interest rates. If this happens, the borrowers in these countries would have to devote more of their resources to repaying their domestic obligations, which may adversely affect their ability to repay their debts to the Bank and other foreign lenders. If these issues and related issues result in limited credit availability, it will adversely affect economic conditions in some countries and cause further deterioration of the credit quality of borrowers and banks in those countries, and as a result, it may cause the Bank to incur losses.

In addition, in each country and region, the Bank is exposed to risks specific to that country and region and risks that are common, which may cause the Bank to incur losses or suffer other adverse effects.

(9) Risks relating to MUAH

Any adverse changes to the business or management of MUAH, one of the Bank's major subsidiaries, may negatively affect the Bank's financial condition and results of operations. Factors that may negatively affect MUAH's financial condition and results of operations include adverse economic conditions, including a downturn in the real estate and housing industries in the United States, particularly in California, substantial competition in the banking market in the United States, particularly in California, uncertainty over the U.S. economy, the threat of terrorist attacks, fluctuating prices of natural resources including oil, rising interest rates, restrictions due to U.S. financial regulations, losses from litigation, credit rating downgrades and declines in stock prices of the Bank's borrowers, bankruptcies of companies that may occur because of these factors and costs arising because of internal control weaknesses and an inadequate compliance system at MUAH and its subsidiaries.

(10) Risks relating to Bank of Ayudhya

The Bank's financial position and results of operations may be adversely affected by the deterioration in the business or management of Bank of Ayudhya, which is one of the Bank's primary subsidiaries. Factors that could adversely affect Bank of Ayudhya's financial position and results of operations include the deterioration of the economy of Southeast Asia, mainly in Thailand as well as tough competition in the banking sector; political uncertainty and social instability; natural disasters such as floods; terrorism and conflicts; restrictions imposed by financial systems and laws; volatility in the interest rate, foreign exchange, stock prices and commodities markets; performance of the entities that invest or operate in the same region as well as the status of the economy, financial systems, laws and financial markets of the countries in which such entities are domiciled; losses associated with litigations; downgrading of credit ratings or declines in the stock prices of Bank of Ayudhya's borrowers and resultant potential bankruptcies; losses from personal loans; deterioration of relationships or cooperation with the other major shareholders; and accrual of costs associated with inadequate internal controls or compliance at Bank of Ayudhya or its subsidiaries.

(11) Risks relating to consumer lending business

The Bank has subsidiaries and affiliates in the consumer finance industry as well as loans outstanding to consumer finance companies. The results of recent court cases, including the strict interpretation of the requirements for deemed payment, or "minashi bensai," have made a borrowers' claim for reimbursement of previously collected interest payments in excess of the limits stipulated by the Interest Rate Restriction Law easier, and as a result, there have been a significant number of such claims. In addition, beginning in December 2007, amendments to the Law Concerning Lending Business came into effect in phases, and in June 2010, amendments abolishing the deemed payment system and limiting the total amount that individuals can borrow, among others, became effective. At the same time, an amendment to the Law Concerning Acceptance of Investment, Cash, Deposit and Interest Rate, etc. became effective, reducing the maximum permissible interest rate under a loan agreement from 29.2% per annum to 20% per annum. The business environment for the consumer finance industry continues to require close monitoring as a large number of consumer finance companies, including major consumer finance companies, have failed. If the Bank's affiliates, etc. in the consumer finance industry are adversely affected by various factors including those described above, the Bank's financial condition and results of operations may be adversely affected. In addition, if the Bank's borrowers in the consumer finance industry are adversely affected by the factors described above, the Bank's loans to the consumer finance companies may be impaired.

(12) Risks relating to losses affected by a global economic downturn and the recurrence of a financial crisis

Although economic conditions in the United States continued to gradually improve after the cessation of the central bank's qualitative easing program, uncertainty still remains because of such factors as the prolonged economic stagnation in Europe, slowing economic growth in China in the midst of a shift in the government's economic policy, and the political turmoil in various regions around the world. If the economic environment deteriorates again, the Bank's investment and loan portfolios could be adversely affected. For example, declines in the market prices of the securities that the Bank owns may increase its losses. In addition, changes in the credit market environment may be a factor in causing the Bank's borrowers to experience financial problems or to default, which may result in an increase in problem loans and credit costs. Furthermore, a decline in the market prices of securities and limited availability of credit in the capital markets will reduce the creditworthiness of domestic and foreign financial institutions and cause them capital adequacy or liquidity problems, which may increase the number of these institutions being forced into bankruptcies or liquidation. If this happens, the Bank would incur losses with respect to transactions with these financial institutions and its financial condition and results of operations may be adversely affected. In addition, if any instability in the markets, because of another global financial crisis causing the global debt, equity and foreign currency exchange markets to fluctuate significantly, has a long term impact on the global economy, the adverse effect on the Bank may be more severe.

In addition, a substantial portion of the assets on the Bank's balance sheet are financial instruments that the Bank carries at fair value. Generally, Bank establishes the fair value of these instruments by relying on quoted market prices. If the value of these financial instruments declines, a corresponding impairment may be recognized in the Bank's statements of operations. In the event of another global financial crisis or recession, there may be circumstances where quoted market prices of financial instruments have declined significantly or were not properly quoted. These significant fluctuations in the market or market malfunctions may have an adverse effect on the fair value of the Bank's financial instruments.

Furthermore, with respect to the accounting treatment of the fair value of financial instruments, there are ongoing discussions on reviewing such treatment by international organizations that establish accounting principles. If the treatment is amended in the future, it may adversely affect the fair value of the Bank's financial instruments.

(13) Risks relating to external circumstances or events (such as conflicts, terrorist attacks and natural disasters)

As a major financial institution incorporated in Japan and operating in major international financial markets, the Bank's business operations, ATMs and other information technology systems, personnel, and facilities and other physical assets are subject to the risks of earthquakes, typhoons, floods and other natural disasters, terrorism and other political and social conflicts, health epidemics, and other disruptions caused by external events, which are beyond its control. As a consequence of such external events, the Bank may be required to incur significant costs and expenses for remedial measures or compensation to customers or transaction counterparties for resulting losses. The Bank may also suffer loss of business. In addition, such external events may have various other significant adverse effects, including deterioration in economic conditions, declines in the business performance of the Bank's borrowers and decreases in stock prices, which may result in higher credit costs or impairment or valuation losses on the financial instruments the Bank holds. These effects could materially and adversely affect the Bank's business, operating results and financial condition.

As with other Japanese companies, the Bank is exposed to heightened risks of large-scale natural disasters, particularly earthquakes. In particular, a large-scale earthquake occurring in the Tokyo metropolitan area could result in market disruptions or significant damage to or losses of tangible or human assets relating to the Bank's business and counterparties because many of the Bank's important business functions and many of the major Japanese companies and financial markets are located in the area. In addition, such earthquake could cause longer-term economic slowdown and a downgrade of Japan's sovereign credit rating due to increases in government spending for disaster recovery measures.

The Bank's risk management policies and procedures may be insufficient to address the consequences of these external events, resulting in the Bank's inability to continue to operate a part or the whole of its business. In addition, the Bank's redundancy and backup measures may not be sufficient to avoid a material disruption in its operations, and the Bank's contingency and business continuity plans may not address all eventualities that may occur in the event of a material disruption caused by a large-scale natural disaster such as the March 2011 Great East Japan Earthquake, which led to tsunamis, soil liquefaction and fires, as well as electricity power supply shortages and electricity power conservation measures resulting from the suspension of the operations of the nuclear power plants.

(14) Risks relating to the Bank's information systems

The Bank's information and communications systems constitute a critical part of its business operations. The Bank relies on these systems to provide its customers with services through the Internet and ATMs and also as the core infrastructure for its business operations and accounting system. In addition to external factors such as wars (including serious political instability), terrorist activities, earthquakes, severe weather conditions, floods, health epidemics, and other natural disasters and events, human errors, equipment malfunctions, power loss, and defects in services provided by communications service providers, may also cause failures of the information and communications systems, which may lead to errors and delays in transactions, information leakage and other adverse consequences. Such failures, if serious, could lead to the suspension of the Bank's business operations and financial losses such as those incurred in connection with compensation for damage caused by such suspension, subject the Bank to administrative sanctions, result in the Bank's incurring additional costs to deal with the consequences of these events, diminish confidence in the Bank, or harm its reputation, which could in turn adversely affect its business, financial condition and results of operations.

(15) Risks relating to cyber-attacks

The Bank's information and communications systems constitute a core infrastructure for its accounting and other business operations. Cyber-attacks and other forms of unauthorized access and computer viruses could cause disruptions to and malfunctions of such systems and result in unintended releases of information stored in the systems and other adverse consequences. Such consequences, if serious, could lead to the suspension of the Bank's business operations and financial losses such as those incurred in connection with compensation for damage caused by such suspension, subject the Bank to administrative sanctions, result in the Bank's incurring additional costs to deal with the consequences, diminish confidence in the Bank, or harm its reputation, which could in turn adversely affect its business, financial condition and results of operations.

(16) Risks relating to competitive pressures

Competition in the Japanese financial services industry may intensify as regional financial institutions further integrate and reorganize their operations and Japan Post Holdings Co., Ltd. and its two financial subsidiaries are expected to proceed with preparation for initial public offerings of their respective shares. Competition in financial markets outside of Japan are also expected to increase as U.S. and European financial institutions regain their competitive strength, while local financial institutions in Asia grow their business. In addition, recent advances in information and communication technology have allowed non-financial institutions to enter the financial services industry, and such new entrants could become substantial competition to the Bank. The ongoing global financial regulatory reforms may also lead to changes in the competitive environment for financial institutions. If the Bank is unable to compete effectively in the increasingly competitive business environment, its business, financial condition and results of operations may be adversely affected.

(17) Risks of receiving potential claims or sanctions regarding inappropriate or illegal practices or other conduct from the Bank's customers or regulatory authorities

The Bank conducts its business subject to ongoing regulations and associated compliance risks (including the effects of changes in laws, regulations, policies and voluntary codes of practice in Japan and other markets where we operate). The Bank's compliance risk management systems and programs may not be fully effective in preventing all violations of laws, regulations and rules.

The Bank's failure to comply with all applicable laws and regulations, including those relating to money laundering, financial crimes, and other inappropriate or illegal transactions, may lead to penalties, fines, public reprimands, damage to reputation, issuance of business improvement and other administrative orders, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate. These consequences may harm the Bank's reputation resulting in loss of customer or market confidence in the Bank or otherwise in deterioration of its business environment, and may adversely affect its business and results of operations. Regulatory matters may also adversely affect the Bank's ability to obtain regulatory approvals for future strategic initiatives.

In December 2012, the Bank agreed to make a payment to the Office of Foreign Assets Control of the U.S. Department of the Treasury, or OFAC, to settle potential civil liability for apparent violations of certain U.S. sanctions regulations from 2006 to 2007. In addition, in June 2013, the Bank entered into a consent agreement with the New York State Department of Financial Services, or DFS, to resolve issues relating to certain U.S. dollar payments that were routed through New York from 2002 to 2007. Under the terms of the agreement with DFS, the Bank agreed to make a civil monetary payment to DFS and retain an independent consultant to conduct a compliance review of the relevant controls and related matters in the Bank's current operations. 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 BTMU'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. These developments or other similar events may result in additional regulatory actions against the Bank or agreements to make significant settlement payments.

The Bank has received requests and subpoenas for information from government agencies in some jurisdictions that are conducting investigations into past submissions made by panel members, including the Bank, to the bodies that set various interbank benchmark rates. The Bank is cooperating with these investigations and has been conducting an internal investigation among other things. In connection with these matters, the Bank and other panel members have been named as defendants in a number of civil lawsuits, including putative class actions, in the United States.

(18) Risks relating to regulatory development or changes in laws or rules, including accounting rules, governmental policies and economic controls

The Bank conducts its business subject to current regulations (including laws, regulations, accounting standards, policies, customary business practices and interpretations in Japan and other regions where the Bank operate, as well as global financial regulatory standards) and risks associated with changes in such regulations. In light of the ongoing international discussions on various regulatory standards that could significantly affect banking operations, including the introduction of total loss-absorbing capacity requirements and capital requirements for the interest rate risk for the banking book as well as revisions to methods of calculating the amount of risk-weighted assets, future regulatory changes and situations arising as a result of such changes may adversely impact the Bank's business, financial condition and results of operations. However, the type, nature and extent of the impact of any regulatory changes and situations that may arise as a result are difficult to predict and beyond the Bank's control.

(19) Risks relating to transactions with counterparties in countries designated as state sponsors of terrorism

The Bank enters into transactions with entities in or affiliated with Iran and other countries designated by the U.S. Department of State as "state sponsors of terrorism." In addition, the Bank has a representative office in Iran.

U.S. law generally prohibits or limits U.S. persons from doing business with state sponsors of terrorism. In addition, the Bank is aware of initiatives by U.S. governmental entities and U.S. institutional investors, such as pension funds, to restrict transactions with or investments in entities doing business with Iran and other countries identified as state sponsors of terrorism. It is possible that such initiatives may result in the Bank being unable to gain or retain U.S. governmental entities, U.S. institutional investors, such as pension funds, and entities subject to such restrictions as customers or as investors in the Bank's shares. In addition, depending on socio-political developments, the Bank's reputation may suffer because of its associations with these countries. The above circumstances may adversely affect the Bank's financial condition, results of operations and the price of its shares.

In addition to the Comprehensive Iran Sanctions, Accountability and Divestment Act enacted in July 2010 and the National Defense Authorization Act enacted in December 2011, through the enactment of the Iran Threat Reduction and Syria Human Rights Act in August 2012, the U.S. government has further restricted transactions with Iran and, since February 2013, has required companies registered with the U.S. Securities and Exchange Commission (including non-U.S. companies) to disclose certain Iran-related transactions. The Japanese government has also implemented a series of measures under the Foreign Exchange and Foreign Trade Law, such as freezing the assets of designated financial institutions and others that could contribute to Iran's nuclear activities. The Bank has modified its policies and procedures in accordance with the new Japanese regulatory requirements. There remains a risk of potential U.S. regulatory action against the Bank, however, if U.S. regulators perceive the modifications not to be in compliance with applicable regulations. For more information on the relevant regulatory actions, please refer to "17. Risks of receiving potential claims or sanctions regarding inappropriate or illegal practices or other conduct from our customers or regulatory authorities."

(20) Risks relating to the Bank's capital ratio

1) Capital ratio requirements and adverse factors

Since the fiscal year ended March 31, 2013, the Bank have been subject to capital adequacy requirements adopted in Japan in accordance with "Basel III: A global regulatory framework for more resilient banks and banking systems" ("Basel III"). Compared to the previous capital adequacy requirements (Basel II), Basel III places greater importance on the quality of capital, and is designed, among other things, to increase capital levels by raising the level of minimum capital ratio requirements and introduce a framework to promote the conservation of capital where dividends and other distributions are constrained when capital levels fall within a prescribed buffer range. Basel III capital adequacy requirements are being introduced in Japan in phases starting in the fiscal year ended March 31, 2013. Since the Bank has international operations, its consolidated and non-consolidated capital ratios are subject to the capital requirements applicable to internationally active banks on a consolidated and non-consolidated basis under the capital adequacy guidelines adopted by the Financial Services Agency of Japan for banks (the Financial Services Agency of Japan Public Notice No. 19 released in 2006).

If the Bank's capital ratios fall below required levels, the Financial Services Agency of

Japan will require the Bank to take a variety of corrective actions, including the suspension of all or a part of its business operations.

In addition, the Bank and some of its bank subsidiaries are subject to the capital adequacy rules of various foreign countries, including the United States, and if their capital ratios fall below the required levels, the local regulators will require them to take a variety of corrective actions.

Factors that will affect the Bank's capital ratios, including the capital ratios of its bank subsidiaries, include:

- increases in the Bank and its banking subsidiaries' credit risk assets and expected losses because of fluctuations in the Bank's or its banking subsidiaries' portfolios due to deterioration in the creditworthiness of borrowers and the issuers of equity and debt securities,
- difficulty in refinancing or issuing instruments upon redemption or at maturity of such instruments to raise capital under terms and conditions similar to prior financings or issuances,
- declines in the value of the Bank's or its banking subsidiaries' securities portfolios,
- adverse changes in foreign currency exchange rates,
- adverse revisions to the capital ratio requirements,
- reductions in the value of the Bank's or its banking subsidiaries' deferred tax assets, and
- other adverse developments.

2) Regulatory developments

In November 2014, the Financial Stability Board identified Mitsubishi UFJ Financial Group, Inc. as one of the globally systemically important banks ("G-SIBs"). The banks that are included in the list of G-SIBs will be subject to a capital surcharge to varying degrees depending on the bucket to which each bank is allocated, and the capital surcharge requirement is expected to be implemented in phases from 2016. As the list of G-SIBs will be updated annually, Mitsubishi UFJ Financial Group, Inc. may be required to meet the capital surcharge requirement.

3) Deferred tax assets

Under the capital adequacy guidelines which have been revised in connection with the adoption of Basel III as discussed above, deferred tax assets can be included as a capital item when calculating capital ratios up to an amount calculable based on Common Equity Tier 1 instrument and reserve items and regulatory adjustment items. If and to the extent the amount of deferred tax assets exceeds this limit and cannot be included in Common Equity Tier 1 capital, the Bank and its banking subsidiaries' capital ratios can decrease.

4) Capital raising

Under the capital adequacy guidelines which have been revised in connection with the adoption of Basel III as discussed above, there is a transition measure relating to the inclusion as a capital item of capital raising instruments issued in or prior to March 2013 (qualifying prior capital raising instruments), and such instruments can be included as a capital item when calculating capital ratios to the extent permitted by the transition measure. Such capital raising instruments may require refinancing upon the expiration of the transition period during which such instruments can be included as a capital item in the calculation of capital ratios. However, in order for newly issued capital raising instruments, other than common stock, to be included as a capital item in the calculation of capital ratios under the above capital adequacy guidelines, such instruments must have a clause in their terms and conditions that requires them to be written off or converted into common stock upon the occurrence of certain events, including when the issuing financial institution is deemed non-viable or when the issuing financial institution's capital ratios decline below prescribed levels. As a result, under certain market conditions, the Bank may be unable to refinance or issue capital raising instruments under terms and conditions similar to those of qualifying prior capital raising instruments. If such circumstances arise, the Bank and its banking subsidiaries' capital could be reduced, and the Bank and its bank subsidiaries' capital ratio could decrease.

(21) Risks relating to the Bank's pension plans

If the fair value of the Bank's pension plan assets declines or its investment return decreases, if there is a change in the actuarial assumptions on which the calculations of the projected pension obligations are based, or if a revision is made to the accounting standards applicable to pension plans, the Bank may incur losses. In addition, unrecognized prior service costs may be incurred if the Bank's pension plans are amended. Changes in the interest rate environment and other factors may also adversely affect the amount of the Bank's unfunded pension obligations and annual funding costs. Any of the foregoing may adversely affect the Bank's financial condition and results of operations.

(22) Risks relating to loss or leakage of confidential information

The Bank is required to appropriately handle customer information in accordance with the Banking Law and the Financial Instruments and Exchange Law of Japan. In addition, as an institution possessing personal information, the Bank is required to protect personal information in compliance with the Personal Information Protection Law of Japan.

In the event that customer information or the Bank's confidential information is lost or leaked due to such causes as inappropriate management, cyber-attacks or other forms of unauthorized access, or computer viruses, the Bank may be subject to administrative sanctions and direct losses such as compensation paid to customers who suffer economic losses and emotional distress. In addition, news coverage of such an incident will expose the Bank to reputational risk, resulting in loss of customer and market confidence. If the Bank's business environment deteriorates as a result of the foregoing, its business, financial condition and results of operations may suffer.

(23) Risks relating to the Bank's reputation

The Bank's reputation is critical in maintaining its relationships with customers, investors, regulators and the general public. The Bank's reputation may be damaged because of various causes, including compliance failures, misconduct or inappropriate act by a director, officer or employee, failure to properly address potential conflicts of interest, litigation, system problems, criminal activities and other misconduct committed by third parties fraudulently using the names of the Bank's group companies, the actions of customers and counterparties over which the Bank has limited or no control, and inappropriate customary practices, and abuses of the Bank's dominant bargaining position in its dealings with customers. If the Bank is unable to prevent or properly address these issues, it may lose existing or prospective customers and investors, and its business, financial condition and results of operations may be adversely affected.

(24) Risks of relating to retaining qualified employees

The Bank aims to hire and retain highly skilled personnel and train them, but its failure to hire and retain the personnel that the Bank need or train them may adversely affect its operations and operating results.

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 fiscal year are as follows:

Consolidated gross operating income for the current fiscal year increased by ¥457.7 billion from 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 ¥276.7 billion from 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 fiscal year was ¥1,228.5 billion, with an increase of ¥180.9 billion from the previous fiscal year.

Meanwhile, consolidated net income was ¥731.6 billion, with a decrease of ¥22.7 billion from the previous fiscal year.

The main items for the current consolidated fiscal year are shown in the table below.

(Billions of yen)

		Previous fiscal year (A)	Current fiscal year (B)	Change (B - A)
Interest income	(1)	1,962.0	2,384.9	422.9
Interest expenses (after deduction of expenses related to money held in trust)	(2)	397.1	512.0	114.9
Trust fees	(3)	14.2	12.5	(1.6)
Of which, credit costs for trust accounts	(4)	–	–	–
Fees and commissions income	(5)	732.5	884.8	152.3
Fees and commissions expenses	(6)	133.7	152.0	18.2
Trading income	(7)	124.3	149.3	24.9
Trading expenses	(8)	–	–	–
Other operating income	(9)	413.3	353.7	(59.6)
Other operating expenses	(10)	163.8	111.7	(52.1)
Consolidated gross operating income (= (1) - (2) + (3) + (5) - (6) + (7) - (8) + (9) - (10))	(11)	2,551.6	3,009.4	457.7
General and administrative expenses (after deduction of non-recurring expenses)	(12)	1,504.1	1,780.9	276.7
Consolidated net business profit (loss) (before provision for general allowance for credit losses = (11) + (4) - (12))		1,047.5	1,228.5	180.9
Other ordinary expenses (Provision for general allowance for credit losses)	(13)	–	83.1	83.1
Consolidated net business profit (loss) (= (11) - (12) - (13))		1,047.5	1,145.3	97.7
Other ordinary income	(14)	352.9	243.6	(109.3)
Of which, reversal of allowance for credit losses		74.5	–	(74.5)
Of which, gains on collection of bad debts		40.8	43.9	3.0
Of which, gains on sales of equity securities and other securities		133.9	77.2	(56.6)
Interest expenses (expenses related to money held in trust)	(15)	0.0	0.1	0.0
General and administrative expenses (non-recurring expenses)	(16)	28.2	26.7	(1.5)
Other ordinary expenses (after deduction of provision for general allowance for credit losses)	(17)	154.5	140.8	(13.6)
Of which, credit costs		80.0	78.2	(1.8)
Of which, losses on sales of equity securities and other securities		8.7	11.4	2.6
Of which, losses on write-down of equity securities and other securities		13.4	3.7	(9.7)

	Previous fiscal year (A)	Current fiscal year (B)	Change (B - A)
Net non-recurring gains (losses) (= (14) - (15) - (16) - (17))	170.0	75.8	(94.1)
Ordinary profit	1,217.5	1,221.2	3.6
Net extraordinary gains (losses)	(20.7)	(68.2)	(47.5)
Of which, impairment loss of long-lived assets	(3.7)	(4.2)	(0.4)
Income before income taxes and minority interests	1,196.7	1,152.9	(43.8)
Total income taxes	380.1	347.2	(32.8)
Minority interests in net income	62.3	74.0	11.6
Net income	754.3	731.6	(22.7)

1. Analysis of Results of Operations

(1) Credit costs

Total credit costs for the current fiscal year increased by ¥151.7 billion compared to the previous fiscal year to ¥116.4 billion, primarily reflecting an increase of general allowance for credit losses.

(Billions of yen)

		Previous fiscal year (A)	Current fiscal year (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)	74.5	–	(74.5)
Of other ordinary income, reversal of reserve for contingent losses	(3)	–	1.0	1.0
Of other ordinary income, gains on collection of bad debts	(4)	40.8	43.9	3.0
Of other ordinary expenses, provision for general allowance for credit losses	(5)	–	83.1	83.1
Of other ordinary expenses, credit costs	(6)	80.0	78.2	(1.8)
Write-offs of loans		72.2	90.9	18.6
Provision for specific allowance for credit losses		–	(26.7)	(26.7)
Other credit costs		7.8	14.0	6.2
Total credit costs (= (1) - (2) - (3) - (4) + (5) + (6))		(35.3)	116.4	151.7
Consolidated net business profit (loss) (before credit costs for trust accounts and provision for general allowance for credit losses)		1,047.5	1,228.5	180.9
Consolidated net business profit (loss) (after deduction of total credit costs)		1,082.8	1,112.0	29.1

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

The Bank posted ¥62.0 billion gains on equity securities and other securities for the current fiscal year with a decrease of ¥49.5 billion from the previous fiscal year.

Gains on sales of equity securities and other securities decreased by ¥56.6 billion compared to the previous fiscal year to ¥77.2 billion while losses on sales of equity securities and other securities increased by ¥2.6 billion compared to the previous fiscal year to ¥11.4 billion. Losses on write-down of equity securities and other securities decreased by ¥9.7 billion compared to the previous fiscal year to ¥3.7 billion.

(Billions of yen)

	Previous fiscal year (A)	Current fiscal year (B)	Change (B - A)
Net gains (losses) on equity securities and other securities	111.6	62.0	(49.5)
Of other ordinary income, gains on sales of equity securities and other securities	133.9	77.2	(56.6)
Of other ordinary expenses, losses on sales of equity securities and other securities	8.7	11.4	2.6
Of other ordinary expenses, losses on write-down of equity securities and other securities	13.4	3.7	(9.7)

2. Analysis of Financial Position

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

Claims disclosed under the Financial Reconstruction Act decreased by ¥195.3 billion from the end of the previous fiscal year to ¥1,176.9 billion. The percentage of disclosed claims to total claims fell by 0.28 percentage points from the end of the previous fiscal year to 1.27%.

Claims by borrowers' classification show claims against bankrupt or de facto bankrupt borrowers fell by ¥3.5 billion, doubtful claims fell by ¥272.7 billion, and claims in need of special attention increased by ¥81.0 billion.

With regard to the status of coverage at the end of the current fiscal year for these disclosed claims totaling ¥1,176.9 billion, the amount secured by allowance for credit losses was ¥308.4 billion and the amount secured by collaterals, guarantees and others was ¥597.1 billion, representing a percentage of covered claims to total disclosed claims (coverage ratio) of 76.94%.

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	87.9 (91.5)	1.1 (1.1)	86.7 (90.3)	100.00% (100.00%)	100.00% (100.00%)
Doubtful claims	549.6 (822.4)	147.0 (244.5)	288.7 (389.6)	56.35% (56.51%)	79.28% (77.11%)
Claims in need of special attention	539.3 (458.2)	160.2 (120.0)	221.6 (223.2)	50.44% (51.08%)	70.80% (74.91%)
Subtotal	1,176.9 (1,372.2)	308.4 (365.7)	597.1 (703.3)	53.20% (54.67%)	76.94% (77.90%)
Normal claims	91,117.0 (86,906.3)	–	–	–	–
Total	92,293.9 (88,278.5)	–	–	–	–
Percentage of disclosed claims to total claims	1.27% (1.55%)	–	–	–	–

(Note) The upper figures are as of March 31, 2015. The lower figures with parentheses are as of March 31, 2014.

3. Cash Flows

As stated in "II. Business Overview, 1. Summary of Results (Summary of cash flows)."

4. Results of Operations by Business Unit

Results of operations for the current consolidated fiscal year 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 2)	Bank of Ayudhya (Note 3)	Global Markets Unit	Other units (Note 4)	Total
Gross operating income	587.7	716.6	1,089.2	442.3	240.3	410.8	(20.7)	3,023.9
Non-consolidated	511.6	694.3	511.2	–	–	385.1	(2.4)	2,099.9
Net interest income	354.9	313.4	265.6	–	–	164.3	130.5	1,228.9
Net non-interest income	156.7	380.8	245.6	–	–	220.7	(133.0)	870.9
Subsidiaries	76.0	22.2	577.9	442.3	240.3	25.7	(18.3)	924.0
Expenses	449.4	328.0	625.8	298.0	123.6	68.5	195.9	1,791.6
Net operating income (Note 1)	138.2	388.5	463.3	144.3	116.6	342.3	(216.7)	1,232.3

(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. On July 1, 2014, UnionBanCal Corporation ("UNBC") changed its company name to MUAH.
3. Amounts related to Bank of Ayudhya are calculated based on the accounting standards in Thailand.
4. Other units' gross operating income excludes dividends from subsidiaries and income from the loans to Mitsubishi UFJ Financial Group, Inc.

(1) Retail Banking Business Unit

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

(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 the market environment primarily reflecting the political instability, gross operating income increased as a result of the increasing amount of loan balance.

(5) Global Markets Unit

Despite a decrease in net gains related to bonds, the unit's income exceeded that of the previous year thanks to agile management in response to changes in the external environment.

III. Equipment and Facilities

Overview of Capital Investment

With the purpose of improving our extensive customer services as well as rationalizing and streamlining internal operations, the Bank made information system investment to enhance our products and services, apart from the investment for refurbishment of head office building /center, construction of a new training center, relocation, reconstruction and renovation of branches, and measures against disasters.

Primarily due to the above measures, the total capital investment for the current consolidated fiscal year amounted to ¥286.2 billion, including investment for intangible fixed assets such as software.

The three companies below are no longer the Bank's subsidiaries, thus their equipment and facilities are excluded from the Group's equipment and facilities in the current consolidated fiscal year.

Company name	Branch name and others	Location	Details of equipment and facilities	Date of sale	Book value as of the end of the previous fiscal year (Millions of yen)
Beacon Rail Leasing, Inc.	–	–	Locomotives and freight cars	May 2014	35,534
Beacon Intermodal Leasing, LLC	–	–	Cargo containers etc.	November 2014	99,813
Engine Lease Finance Corporation	–	–	Aircraft engines etc.	November 2014	141,009

As the Group's assets have not been allocated to each segment, no asset-related statement has been made in the segment information.

IV. 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 fiscal year (March 31, 2015)	Number of shares issued as of the date of submission (June 25, 2015)	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)
December 28, 2009 (Note)	1,516,654	12,707,738	515,662	1,711,958	515,662	1,711,958

(Note) This was due to the private placement (1,516,654 thousand shares of common stock), in which offering price and paid-in capital per share were ¥680 and ¥340, respectively.

(3) Status of major shareholders

By number of shares held

As of March 31, 2015

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 March 31, 2015

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 March 31, 2015

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 rights (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 March 31, 2015

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.

(5) Details of stock option plans

None applicable.

2. Policy on Dividends

The Bank makes it a principle to pay out constant dividend, with consideration to the strengthening of its financial position including the building up of adequate internal reserves, to ensure sound bank management necessitated by the public nature of banking business, along with consideration to the reinforcement of the capital base of its parent company Mitsubishi UFJ Financial Group, Inc.

According to the provisions in Article 454, Paragraph 5 of the Companies Act, the Bank, by its Articles of Incorporation, is allowed to offer dividends from surplus, with the record date set on September 30 each year, based on the resolution of the Board of Directors. The Bank may also offer dividends from surplus with the record date set on March 31 each year, in accordance with its Articles of Incorporation. Thus, the Bank makes it a principle to pay out dividend from surplus twice a year, namely interim dividend and year-end dividend, whose amounts are decided by the Board of Directors' meeting for interim dividend and the Ordinary General Meeting of Shareholders for other dividends.

In respect of dividends for the current fiscal year ended March 31, 2015, it was decided, in accordance with the dividend policy as described above, to pay an annual dividend of ¥26.30 per share for common stock (comprising an interim dividend of ¥13.18 and a year-end dividend of ¥13.12). Furthermore, in line with the capital policy of Mitsubishi UFJ Financial Group, Inc., the Bank distributed special dividends of ¥6.27 per share for common stock as of February 5, 2015.

In the meantime, internal reserves shall be utilized for the continuous enhancement of corporate value and further reinforcement of the corporate structure.

(Note) Dividends from surplus whose record dates belong to the current fiscal year were as follows.

Date of resolution	Aggregate amount of dividend	Dividend per share	
November 14, 2014 Resolution by the Board of Directors' meeting	¥162,773 million	Common stock	¥ 13.18
June 24, 2015 Resolution by the Ordinary General Meeting of Shareholders	¥162,032 million	Common stock	¥ 13.12

Date of resolution	Aggregate amount of dividend	Dividend per share	
February 5, 2015 Resolution by the Extraordinary General Meeting of Shareholders	¥77,434 million	Common stock	¥ 6.27

3. Changes in Share Prices

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

4. Directors and Corporate Auditors

Men: 26 Women: 0 (Proportion of women among Directors and Corporate Auditors is 0%)

Title	Position	Name	Date of birth	Term	Number of shares of the Company held	Concurrent positions
Chairman	(Representative Director)	Katsunori Nagayasu	April 6, 1947	One year from June 2015	-	-
Deputy Chairman	(Representative Director) CAO In charge of Internal Audit & Credit Examination Division	Kiyoshi Sono	April 18, 1953	One year from June 2015	-	Director & Chairman of Mitsubishi UFJ Financial Group, Inc.
President & CEO	(Representative Director)	Nobuyuki Hirano	October 23, 1951	One year from June 2015	-	Director & President & CEO of Mitsubishi UFJ Financial Group, Inc.
Deputy President	(Representative Director) Chief Executive, Global Business Unit	Takashi Morimura	June 5, 1952	One year from June 2015	-	Senior Managing Executive Officer & Group Head, Integrated Global Business Group of Mitsubishi UFJ Financial Group, Inc.
Deputy President	(Representative Director) In charge of Central Region of Japan	Takeshi Ogasawara	August 1, 1953	One year from June 2015	-	-
Deputy President	(Representative Director) Chief Executive, Corporate Banking Business Unit	Hidekazu Fukumoto	November 6, 1955	One year from June 2015	-	Senior Managing Executive Officer & Group Head, Integrated Corporate Banking Business Group of Mitsubishi UFJ Financial Group, Inc.
Deputy President	(Representative Director) In charge of Western Region of Japan	Takashi Morisaki	January 1, 1955	One year from June 2015	-	-
Deputy President	(Representative Director)	Takashi Oyamada	November 2, 1955	One year from June 2015	-	Director & Deputy President of Mitsubishi UFJ Financial Group, Inc.
Senior Managing Director	(Representative Director) In charge of Corporate Administration Division, Public Relations Division, CSR Promotion Division	Saburo Araki	August 6, 1957	One year from June 2015	-	Senior Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Senior Managing Director	(Representative Director) Chief Executive, Global Markets Unit	Naoto Hirota	June 4, 1958	One year from June 2015	-	Senior Managing Executive Officer & Group Head, Integrated Global Markets Business Group of Mitsubishi UFJ Financial Group, Inc.
Senior Managing Director	(Representative Director) CSO (In charge of Corporate Planning Division (management planning operations))	Tadashi Kuroda	June 7, 1958	One year from June 2015	-	Director & Senior Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Senior Managing Director	(Representative Director) Chief Executive, Corporate Services and CIO (In charge of Systems Division)	Satoshi Murabayashi	November 8, 1958	One year from June 2015	-	Senior Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Managing Director	(Representative Director) CHRO (In charge of Human Resources Division)	Shuzo Iwasaki	December 9, 1959	One year from June 2015	-	Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Managing Director	(Representative Director) CFO (In charge of Corporate Planning Division (financial planning operations))	Muneaki Tokunari	March 6, 1960	One year from June 2015	-	Director & Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Managing Director	(Representative Director) Chief Executive, Retail Banking Business Unit	Takahiro Yanai	May 4, 1958	One year from June 2015	-	Managing Executive Officer & Group Head, Integrated Retail Banking Business Group of Mitsubishi UFJ Financial Group, Inc.

Title	Position	Name	Date of birth	Term	Number of shares of the Company held	Concurrent positions
Managing Director	(Representative Director) CCO (In charge of Compliance Division, Global Compliance Division, and Anti-Money Laundering Office) and CLO (In charge of Legal Division)	Akira Hamamoto	May 19, 1960	One year from June 2015	-	Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Managing Director	(Representative Director) CRO (In charge of Corporate Risk Management Division and Credit Policy & Planning Division)	Masamichi Yasuda	August 22, 1960	One year from June 2015	-	Director & Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Director		Teruo Ozaki	December 29, 1944	One year from June 2015	-	Managing Partner of Teruo Ozaki & Co.
Director		Shuzo Sumi	July 11, 1947	One year from June 2015	-	Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. Chairman of the Board of Tokio Marine Holdings, Inc.
Corporate Auditor (full-time)		Hitoshi Suzuki	January 8, 1954	Four years from June 2014	-	-
Corporate Auditor (full-time)		Kenichi Nakamatsu	June 12, 1961	Four years from June 2014	-	-
Corporate Auditor (full-time)		Tatsuo Nakazawa	February 25, 1964	Four years from June 2015	-	-
Corporate Auditor (full-time)		Michiyoshi Sakamoto	October 27, 1947	Four years from June 2013	-	-
Corporate Auditor		Makoto Ebata	February 23, 1947	Four years from June 2013	-	Associate of Hitachi, Ltd.
Corporate Auditor		Kenji Matsuo	June 22, 1949	Four years from June 2013	-	Senior Advisor of Meiji Yasuda Life Insurance Company
Corporate Auditor		Tetsuya Nakagawa	September 24, 1951	Four years from June 2012	-	-
Total		26 members				

(Notes)
1. Directors Teruo Ozaki and Shuzo Sumi are all Outside Directors stipulated under Article 2, Item 15 of the Companies Act.
2. Corporate Auditors Michiyoshi Sakamoto, Makoto Ebata, Kenji Matsuo, and Tetsuya Nakagawa are all Outside Corporate Auditors stipulated under Article 2, Item 16 of the Companies Act.
3. We have an executive officer system, and the Bank has 89 Executive Officers as of the date of submission. All the Directors listed above, except for Chairman Katsunori Nagayasu, Directors Teruo Ozaki and Shuzo Sumi, serve concurrently as Executive Officers.

5. Corporate Governance

(1) Corporate governance

1) Status of corporate governance of the Submitting Company

A) Basic concept on the corporate governance

The Bank is making efforts to enhance corporate governance as a member of MUFG Group based on the concept described in the "Management Vision" and the "Principles of Ethics and Conduct."

Mitsubishi UFJ Financial Group, Inc., the parent company of the Bank, made a transition from a company with a board of corporate auditors, to a company with three committees, based on the resolution at the General Meeting of Shareholders held in June 2015. While the Group has long been committed to the enhancement of its governance structure, including the introduction of Outside Directors, and the establishment of Global Advisory Board and Advisory Board consisting of external experts from Japan as well as from overseas as advisory bodies to the Executive Committee, transition to a company with three committees further contributes to the development of a governance structure that is more visible and acceptable to its international stakeholders, strengthening the supervisory function of the Board of Directors through the separation of execution and oversight at the holding company as part of the effort to enhance Group management. The Company has established statutory committees including the Nomination and Governance Committee (nomination committee under the Companies Act), the Compensation Committee, the Internal Audit and Compliance Committee, along with the Risk Committee as a voluntary committee under the Board of Directors.

As a company with corporate auditors, the Bank strives, based on the reinforcement of audits by Corporate Auditors along with internal audit functions, to materialize adequate corporate management structure, by strengthening the supervisory function of the Board of Directors through the measures, including the appointment of Outside Directors and establishment of the voluntary Internal Audit and Compliance Committee. The Bank also introduced the business unit structure where management authorities are accompanied by management responsibilities in each business unit, along with executive officer structure in order to enhance and strengthen business operation function in each line of business or business unit.

B) Status of corporate management organizations regarding management decision making, execution and supervision, and other corporate governance systems

The Bank's principal corporate management organizations regarding management decision making, execution and supervision are as follows.

a) Board of Directors

The Board of Directors meets once a month in principle and makes decisions on the Bank's important business executions and oversees execution of duties by the Directors. The Bank has 19 Directors including 2 Outside Directors as of the submission date of this report.

b) Internal Audit and Compliance Committee

Aiming at strengthening management supervisory function from an external perspective and improving transparency of management, the Bank has established the Internal Audit and Compliance Committee as an organization under the Board of Directors consisting mainly of external committee members. To contribute to discussion by the Board of Directors, the Internal Audit and Compliance Committee has the function to deliberate matters relating to internal audit, compliance, and information security and make reports and suggestions to the Board of Directors. In addition, matters discussed at the Internal Audit and Compliance Committee are reported to the Internal Audit and Compliance Committee of Mitsubishi UFJ Financial Group, Inc.

Furthermore, in order to establish more advanced compliance structure, the Bank has set up the Compliance Expert Committee. The Compliance Expert Committee consists of two or more external experts such as attorneys at law and certified public accountants, and conducts exhaustive discussion in each area from the viewpoints of expert, which is reported through the Internal Audit and Compliance Committee to the Board of Directors.

c) Corporate Auditor/Board of Corporate Auditors

The Bank is a company with Auditors. The Board of Corporate Auditors consists of 7 Corporate Auditors including 4 Outside Corporate Auditors as of the submission date of this report.

In accordance with the audit policies and audit plans formulated by the Board of Corporate Auditors, each Corporate Auditor audits Directors' executions of duties and other matters through attendance to important meetings including the Board of Directors' meetings and investigation on status of business operations and assets.

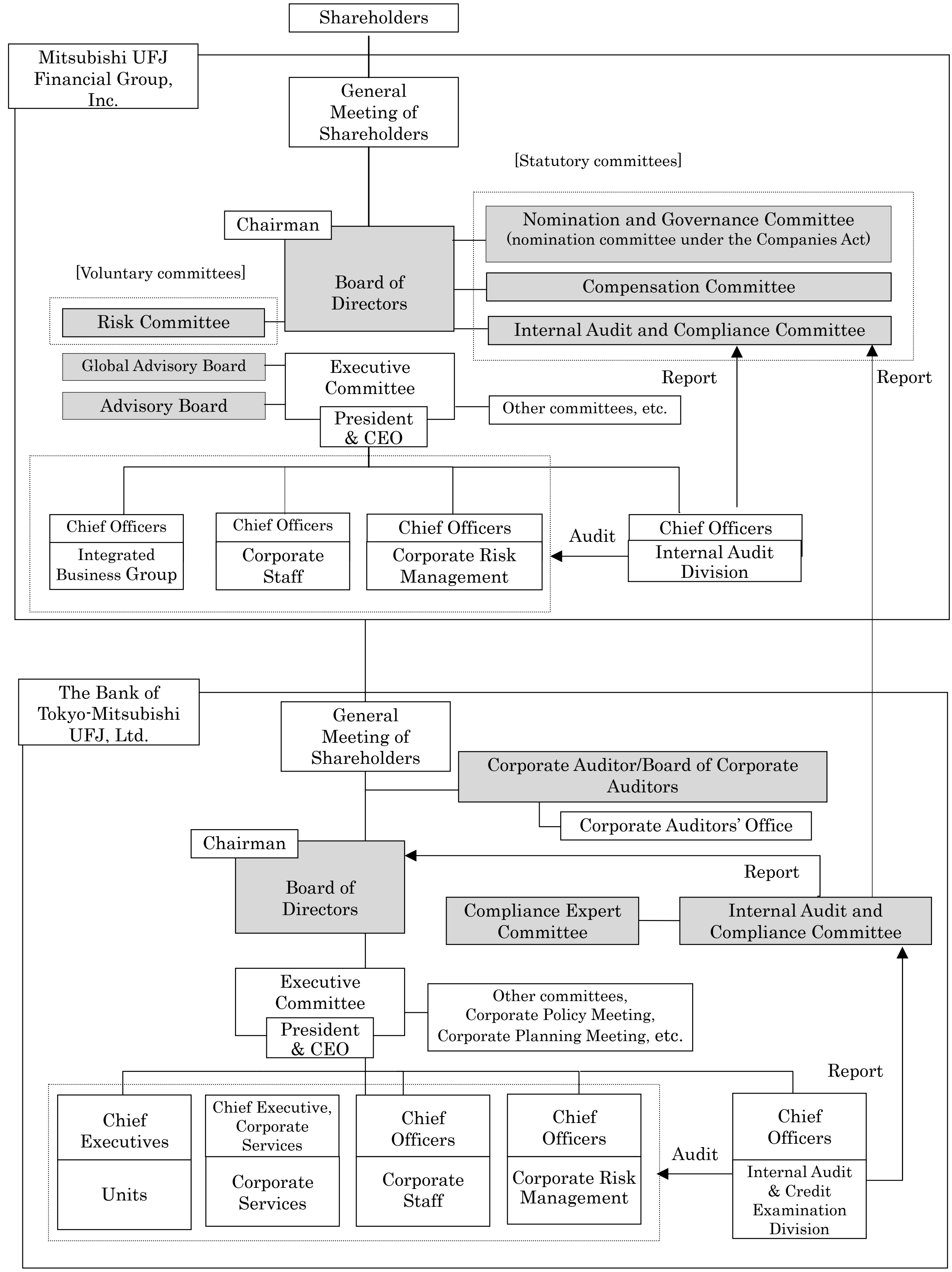
d) Executive Committee

The Bank has established the Executive Committee under the Board of Directors. The Executive Committee discusses and decides important matters including policies on the execution of entire management control based on the basic policies determined by the Board of Directors. The Executive Committee meets once a week in principle.

e) Other Committees under the Executive Committee

To contribute to discussions at the Executive Committee, various committees under the Executive Committee have been established, and important matters relating to risk management, business operations, personnel/labor and other issues have been discussed regularly at such committees. For example, Risk Management Committee, Compliance Committee, Customer Protection Promotion Committee, Credit Committee, Asset-Liability Management ("ALM") Committee, Disclosure Committee, and CSR Promotion Committee have been established.

In addition, as forums to contribute to the discussions at the Executive Committee, the Corporate Policy Meeting that deliberates from time to time important matters regarding overall management and operation and the Corporate Planning Meeting that deliberates regularly annual and semi-annual business/profit plans and other matters have been established.



...... Organization with outside members

C) Status of implementation of initiatives to enhance the Bank's corporate governance and development of internal control system

Mitsubishi UFJ Financial Group, Inc. has established the Compliance Division as a division to administer matters related to compliance, and also established the Group Compliance Committee and the Group CCO (Chief Compliance Officer) Committee to promote sharing of compliance-related information among the Group companies and to strengthen the Group's incident prevention controls which realize the proactive response to problematic matters, while further enhancing compliance structure of the Group as a whole. Internal reporting system has been established, in addition to the ordinary reporting line within business organizations, and made available for officers and employees of the Group companies, in order to identify issues early and proactively rectify such issues through timely and proper reporting to the Group CCO Committee and other committees.

The Bank has also established the Compliance & Legal Division as a division to administer compliance as well as the Compliance Committee chaired by the CCO and the Compliance Expert Committee consisting of external experts such as experts of legal and accounting areas to deliberate important matters for the development and strengthening of compliance structure and thus ensure effectiveness of compliance. Furthermore, the Bank established Global Compliance Division as an organizational unit placed directly under the supervision of the CCO, with a view to enhancing capabilities to comply with regulations both at home and abroad, in line with the global business expansion, along with establishing the departments responsible for planning and supervision regarding compliance matters within each business unit. To strengthen the management system to prevent money laundering, the Bank has also consolidated specialized organizations within the Global Compliance Division to centrally manage money laundering-related activities in an integrated manner globally.

The Bank has introduced the Balanced Score Card (BSC) as a common platform for all the branches to improve effectiveness of management control and internal control and makes efforts to disseminate it firmly in the Head Office as well as its branches. By utilizing BSC, the Bank aims at the target setting and performance evaluation where "short-term and long-term" as well as "offense and defense" are well-balanced.

In accordance with Article 362, Paragraph 4, Item 6 and Article 362, Paragraph 5 of the Companies Act (hereinafter, the "Act") and Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Act (hereinafter, the "Ordinance"), "systems to ensure the properness of operations of the Company (Internal Control System)" was resolved at the Board of Directors' meeting held in April 2006.

The Bank is committed to enhancing its corporate governance through appropriate responses to address enactments and revisions of laws and regulations in Japan and overseas, and other measures.

D) Compensation to Directors and Corporate Auditors

	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation by type (Millions of yen)				Number of recipients
		Annual compensation	Compensation in the form of subscription rights to share as stock options	Bonuses	Retirement benefits	
Inside Director	1,261	780	216	205	60	17
Outside Director	50	43	-	-	7	4
Inside Corporate Auditor	222	222	-	-	0	6
Outside Corporate Auditor	95	95	-	-	-	4

(Notes) 1. No payment of compensation for Directors and Corporate Auditors of the Bank is made by the consolidated subsidiaries.

2. In addition to the above, the Bank paid retirement pension of ¥213 million and ¥11 million to the Inside Directors and Inside Corporate Auditors, respectively, who retired prior to June 2007.

E) Policies on determination of amount or calculation method of compensation for Directors and Corporate Auditors.

- The Bank, as the core bank of MUFG Group, will provide the highest quality services properly and timely 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. Additionally 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.
- Our policies on the compensation for Directors and Corporate Auditors are designed to enhance the executive motivation for contributing to the improvement in the Bank's performance, not only on a short-term basis but also from a medium-to-long-term perspective, while discouraging excessive risk-taking, with the aim of materializing the aforementioned management policies and supporting sustainable growth as well as medium to long-term enhancement of our corporate value. Amounts of compensation are determined at appropriate level in view of the business performance and financial soundness at the Bank, as well as regulatory constraints, etc. on executive remuneration both at home and abroad.
- These policies have been determined by the Board of Directors of the Bank, based on the "Policy for the Decisions on the Contents of the Remunerations, etc. for Individual Directors and Corporate Auditors" (hereinafter "MUFG Policy") set out by the Compensation Committee of the Bank's parent company, Mitsubishi UFJ Financial Group, Inc. (hereinafter "MUFG").
- MUFG has established the Compensation Committee chaired by an independent Outside Director, comprising Directors concurrently serving as independent Outside Directors and Director & President & CEO as members, which has determined, in accordance with the "MUFG Policy," contents of compensation, etc. for individual Directors and Executive Officers, or the combined amount of compensation, etc. between those determined by Mitsubishi UFJ Financial Group and those determined by its subsidiaries (where, however, bonuses are subject to fixed standard) including the Bank, as officers and employees of such subsidiaries, in the case where they serve concurrently as officers and employees of such subsidiaries.
- Furthermore, the Compensation Committee of Mitsubishi UFJ Financial Group, Inc. makes decisions on contents of the establishment, revision and abolition of systems related to the compensation, etc. for its own Directors and Corporate Auditors, etc., and deliberates contents of the establishment, revision and abolition of systems related to the compensation, etc. for the Bank's Directors and Corporate Auditors,

etc., as well as the compensation, etc. for chairman, deputy chairman and president at each Group company, making suggestions to its Board of Directors.

- Total amount of each category of annual compensation, compensation in the form of subscription rights to share as stock options and bonuses to be paid to Directors of the Bank is determined at the General Meeting of Shareholders. The amount of compensation for each individual Director is decided by the Board of Directors within such determined amount, reflecting the contents of deliberation made by Compensation Committee of Mitsubishi UFJ Financial Group, Inc.
- Compensation, etc. for Directors is paid in three different forms: annual compensation, compensation in the form of subscription rights to share as stock options, and bonuses.
- The annual compensation is being paid, in principle, every month in cash according to each rank.
- Compensation in the form of subscription rights to share as stock options, aiming at further motivating Directors to contribute to the improvement of stock price and medium-to-long-term financial performance of MUFG, is paid to the Directors according to each rank. It is being paid once a year by granting subscription rights to shares issued by MUFG which can be exercised from the next day after the day that the term of office expired.
- Outside Directors are excluded from the recipients of subscription rights to share as stock options, in consideration of the nature of their duties.
- Bonuses are paid as a performance-based compensation to further motivate Directors to contribute to the improvement of financial performance based on the Bank's performance and each Director's performance in execution of duties during each fiscal year.
- Outside Directors are excluded from the recipients of the bonuses, in consideration of the nature of their duties.
- The total amount of annual compensation to be paid to Corporate Auditors of the Bank is determined at the General Meeting of Shareholders. The amount of compensation for each individual Corporate Auditor is decided within such determined amount, through discussions of Corporate Auditors.
- Corporate Auditors are excluded from being recipients of subscription rights to shares such as stock options and bonuses, in light of the nature of their duties.
- Notwithstanding the aforementioned items, compensation, etc. for executives locally hired outside Japan is designed individually in order to prevent excessive risk-taking, in consideration of the factors including description and characteristics of job, local compensation regulations and practices, local market standard.

F) The contents of agreement stipulated in Article 427, Paragraph 1 of the Companies Act (the liability limitation agreements) in case the Bank has entered into such agreement with its Directors, Corporate Auditors or Accounting Auditors

In accordance with Article 427, Paragraph 1 of the Companies Act, the Bank has entered into agreements with Directors (excluding persons who are Executive Directors, etc.) and also with all of the Corporate Auditors stipulating that, with respect to the damages set forth in Article 423, Paragraph 1 of the Companies Act, when a Director or a Corporate Auditor acts in good faith and is not grossly negligent in executing their duties, he/she shall assume liability for damages limited by the greater of ¥10 million or the total of the amounts prescribed in each Items of Article 425, Paragraph 1 of the Companies Act.

2) Organization, personnel and procedures of internal audit and audit by Corporate Auditors, and cooperation between internal audit, audit by Corporate Auditors and accounting audit

The Bank defines role of internal audit to "verify and evaluate internal management practices with focus on effectiveness and efficiency of business operation, reliability of financial reporting and compliance with laws and regulations, and report on the evaluation of internal management practices and propose measures to improve problem areas to the management of the Bank."

Basic matters regarding purposes, authorities and responsibilities, and implementation and reporting of internal audit are stipulated in the regulation established by the Board of Directors. The Bank has set up the Internal Audit & Credit Examination Division under Chief Officers who do not have responsibility for functions other than internal audit, as a division independent of operational divisions. Internal Audit & Credit Examination Division has 417 staff members as of the end of March 2015. The division has the Internal Audit Office to conduct business audits and the Credit Examination Office to conduct credit audits. In addition, for overseas, the Bank established the Internal Audit Office and the Credit Examination Office in the Americas and Europe, and Internal Corporate Auditors have been appointed to major business sites in Asia.

Important matters including basic policies on internal audit plan and result of internal audit implemented are directly reported to the Internal Audit and Compliance Committee from internal audit divisions, and then reported to the Board of Directors after deliberation by the Internal Audit and Compliance Committee. For the implementation of internal audit, the risk-based audit method is adopted to allocate audit resources and to determine scope and degree of verification by type and degree of risks.

The Board of Corporate Auditors and Corporate Auditors, including Outside Corporate Auditors, closely share information and exchange opinions with each other, and audit the Directors' execution of duties in accordance with the audit policies and audit plans, as described in "B) Status of corporate management organizations regarding management decision making, execution and supervision, and other corporate governance systems " above.

In addition, the Corporate Auditors, the Accounting Auditor and the Internal Audit & Credit Examination Division hold meetings for mutual reporting and exchange of opinion among them and share information regarding audit measures and audit results, and strive to strengthen mutual cooperation.

3) Personal relationship, capital relationship, transactional relationship and other conflicts of interests between Outside Directors and Outside Corporate Auditors and the Submitting Company

The Outside Directors and Outside Corporate Auditors have no special conflict of interests with the Bank.

4) Names of certified public accountants who have conducted audit, name of auditing firm to which they belong, and structure of assistant regarding audit

The certified public accountants who have conducted accounting audit of the Bank are Mr. Yoshiyuki Higuchi, Mr. Hiroyuki Sono, Mr. Takashi Nonaka and Mr. Yukihiro Otani, who belong to Deloitte Touche Tohmatsu LLC. In addition, 114 certified public accountants, 98 assistant certified public accountants, etc. and 63 other staff members have assisted the accounting audit of the Bank.

5) Content of provisions in case the Articles of Incorporation of the Bank set forth provisions regarding the number of Directors or limitation on qualification of Directors, and in case provisions regarding requirements for the resolution on appointment and termination of Directors are different from the Companies Act

The Bank's Articles of Incorporation set forth the following provisions.

- The Bank shall have not more than 20 Directors.
- At the time of the election of the Bank's Directors, there shall be in attendance shareholders who hold voting rights representing in the aggregate one-third or more of the total number of voting rights of all shareholders who are entitled to vote, and

no cumulative voting shall be made for the election of Directors.

6) Among matters to be resolved at the General Meeting of Shareholders, those allowed to be resolved by the Board of Directors and the reasons for such provision

The Articles of Incorporation of the Bank stipulate that in accordance with Article 426, Paragraph 1 of the Companies Act, the Bank may exempt Directors (including former Directors) and Corporate Auditors (including former Corporate Auditors) from the liability for damages prescribed under Article 423, Paragraph 1 of the Act, to the extent as stipulated under the relevant laws and regulations, by the resolution of the Board of Directors, if such Directors act in good faith without any gross negligence, for the purpose of encouraging them to fully perform their expected roles.

To enable payment of interim dividend to shareholders without holding the General Meeting of Shareholders, the Bank's Articles of Incorporation set forth that by a resolution of the Board of Directors, the Bank may distribute cash dividends from surplus pursuant to Article 454, Paragraph 5 of the Companies Act to the shareholders or registered share pledgees whose names have been entered or recorded in the latest register of shareholders as of September 30 each year.

The Articles of Incorporation of the Bank set forth that unless otherwise provided for by laws or regulations, the Bank may determine by a resolution of the Board of Directors to acquire its own shares and offer dividends from surplus by obtaining consent of the shareholders as provided for in Article 459, Paragraph 1, Item 1 of the Companies Act, in order to secure flexibility in the implementation of the Bank's capital policy.

7) In case requirements for special resolutions of the General Meeting of Shareholders have been changed, detail of such changes and their reasons

For the purpose of smooth operation of the General Meeting of Shareholders, the Bank's Articles of Incorporation set forth that resolutions of a general meeting of shareholders provided for in Article 309, Paragraph 2 of the Companies Act and resolutions of a general meeting of shareholders for which the method of resolution provided for in the said Paragraph shall be applied mutatis mutandis pursuant to the Companies Act and other laws and regulations shall be adopted by an affirmative vote of two-thirds or more of the voting rights of the shareholders in attendance who hold in the aggregate not less than one-third of the total number of voting rights of all shareholders who are entitled to vote.

8) In case the company issues different classes of shares and there are shares with or without voting rights or there are differences in voting rights by class of shares, their details and reasons

To secure flexibility for the Bank's financial policy, the Bank issues preferred stock without voting rights which is different from common stock regarding the contents set forth in Article 108, Paragraph 1, Item 3 of the Companies Act (limitation on voting rights).

(2) Details of Compensation for Audits

1) Details of Compensation for Certified Public Accountants

(Millions of yen)

Classification	Previous fiscal year		Current fiscal year	
	Compensation for audit services	Compensation for non-audit services	Compensation for audit services	Compensation for non-audit services
The Bank	1,673	15	1,718	92
Consolidated subsidiaries	164	5	170	6
Total	1,837	20	1,889	98

2) Other important details concerning compensation

The Bank and some of its consolidated subsidiaries including Mitsubishi UFJ Americas Holdings pay compensation for audit and non-audit services to audit firms which belong to the same network as the Accounting Auditor of the Bank. The total amount paid for the previous fiscal year was ¥2,299 million, and that for the current fiscal year was ¥3,035 million.

3) Details of non-audit services for the Submitting Company by certified public accountants

The non-audit services for which the Bank paid compensation to the certified public accountants in the previous fiscal year and the current fiscal year include research on internal management with respect to calculation of capital adequacy ratio.

4) Policies concerning compensation for auditors

The compensation for audit is determined by verifying adequacy of audit plan, including audit system, processes and schedules, and estimated hours for audit, etc. submitted by the Accounting Auditors, and with the approval of the Board of Corporate Auditors.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheets of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank") and its subsidiaries as of March 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended March 31, 2015, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries as of March 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2015, in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 23, 2015

Member of
Deloitte Touche Tohmatsu Limited

Consolidated Financial Statements

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

Consolidated Balance Sheets
March 31, 2015 and 2014

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2015	2014	2015
ASSETS:			
Cash and due from banks (Notes 3, 4, 11 and 25)	¥ 33,673,932	¥ 21,016,862	$ 280,219
Call loans and bills bought (Note 25)	475,508	500,097	3,957
Receivables under resale agreements (Note 25)	890,453	1,060,045	7,410
Receivables under securities borrowing transactions (Note 25)	341,200	2,692,330	2,839
Monetary claims bought (Notes 4, 11 and 25)	4,529,624	3,947,695	37,694
Trading assets (Notes 4 and 25)	6,129,468	5,064,384	51,007
Money held in trust (Notes 5 and 25)	509,848	412,263	4,243
Securities (Notes 4, 6, 10, 11 and 25)	54,169,900	57,422,371	450,777
Loans and bills discounted (Notes 7, 11, 12, 25 and 28)	97,616,193	91,027,750	812,318
Foreign exchange assets (Note 25)	2,162,950	2,033,021	17,999
Tangible fixed assets (Notes 8, 11 and 27):	1,091,778	1,283,040	9,085
Buildings	260,487	251,777	2,168
Land (Note 9)	615,445	613,719	5,121
Lease assets (Note 22)	9,969	12,928	83
Construction in progress	33,788	27,483	281
Other tangible fixed assets	172,087	377,132	1,432
Intangible fixed assets:	1,003,296	1,125,208	8,349
Software	353,301	300,422	2,940
Goodwill (Note 27)	293,225	451,668	2,440
Lease assets (Note 22)	258	348	2
Other intangible fixed assets	356,510	372,769	2,967
Asset for retirement benefits (Note 15)	217,781	221,498	1,812
Deferred tax assets (Note 21)	37,421	50,008	311
Customers' liabilities for acceptances and guarantees (Note 10)	8,861,416	7,697,201	73,741
Other assets (Notes 11 and 28)	8,461,903	6,866,026	70,416
Allowance for credit losses (Note 25)	(859,415)	(805,120)	(7,152)
Total assets	¥ 219,313,264	¥ 201,614,685	$ 1,825,025

Consolidated Balance Sheets
March 31, 2015 and 2014

	Millions of Yen 2015	Millions of Yen 2014	Millions of U.S. Dollars (Note 1) 2015
LIABILITIES:			
Deposits (Notes 11 and 25)	¥ 140,954,695	¥ 132,731,852	$ 1,172,961
Negotiable certificates of deposit (Note 25)	11,255,770	10,766,064	93,665
Call money and bills sold (Notes 11 and 25)	1,189,037	1,907,740	9,895
Payables under repurchase agreements (Note 25)	9,069,496	10,361,024	75,472
Payables under securities lending transactions (Note 25)	2,450,901	2,108,120	20,395
Commercial paper (Notes 13 and 25)	1,578,138	1,206,790	13,133
Trading liabilities (Notes 11 and 25)	4,610,339	3,502,134	38,365
Borrowed money (Notes 11, 13 and 25)	10,976,409	8,447,777	91,341
Foreign exchange liabilities (Note 25)	1,555,703	1,128,713	12,946
Bonds payable (Notes 11, 14 and 25)	6,031,660	5,366,219	50,193
Reserve for employee bonuses	38,992	28,612	324
Reserve for bonuses to directors	143	147	1
Liability for retirement benefits (Note 15)	53,632	43,679	446
Reserve for retirement benefits to directors	404	440	3
Reserve for loyalty award credits	9,303	7,104	77
Reserve for contingent losses	53,533	51,764	445
Reserve under the special laws	2,046	1,521	17
Acceptances and guarantees (Notes 10 and 11)	8,861,416	7,697,201	73,741
Deferred tax liabilities (Note 21)	671,144	153,173	5,585
Deferred tax liabilities for land revaluation (Note 9)	133,940	149,763	1,115
Other liabilities (Notes 11, 13 and 28)	6,614,708	4,213,385	55,045
Total liabilities	¥ 206,111,420	¥ 189,873,232	$ 1,715,165
EQUITY (Notes 16, 17 and 24):			
Common stock:			
Authorized, 33,000,000 thousand shares;			
Issued, 12,350,038 thousand shares in 2015 and 2014, with no stated value	¥ 1,586,958	¥ 1,586,958	$ 13,206
Preferred stock:			
Authorized, 1,157,700 thousand shares;			
Issued, 357,700 thousand shares in 2015 and 2014, with no stated value	125,000	125,000	1,040
Capital surplus	3,657,632	3,878,275	30,437
Retained earnings	4,071,062	3,728,642	33,878
Treasury stock—at cost, 357,700 thousand shares in 2015 and 201,700 thousand shares in 2014	(645,700)	(255,700)	(5,373)
Total shareholders' equity	8,794,952	9,063,175	73,188
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities (Notes 4 and 6)	2,099,172	851,931	17,468
Deferred gain on derivatives under hedge accounting	161,446	38,866	1,344
Land revaluation surplus (Note 9)	236,022	224,619	1,964
Foreign currency translation adjustments	578,523	180,691	4,814
Defined retirement benefit plans (Note 15)	(87,694)	(100,200)	(730)
Total accumulated other comprehensive income	2,987,470	1,195,908	24,860
Minority interests	1,419,421	1,482,369	11,812
Total equity	13,201,844	11,741,453	109,860
Total liabilities and equity	¥ 219,313,264	¥ 201,614,685	$ 1,825,025

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Income
Years Ended March 31, 2015, 2014 and 2013

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2015	2014	2013	2015
INCOME:				
Interest income:				
Interest on loans and bills discounted	¥ 1,566,856	¥ 1,325,761	¥ 1,263,266	$ 13,039
Interest and dividends on securities	504,416	461,720	493,926	4,198
Interest on call loans and bills bought	11,482	10,087	7,379	96
Interest on receivables under resale agreements	39,215	35,647	29,052	326
Interest on receivables under securities borrowing transactions	3,340	2,680	2,398	28
Interest on due from banks	57,924	42,424	26,899	482
Other interest income	201,693	83,679	83,677	1,678
Trust fees	12,562	14,243	10,276	105
Fees and commissions	884,823	732,518	687,006	7,363
Trading income	149,311	124,390	142,756	1,242
Other operating income	353,706	413,342	514,666	2,943
Other income (Note 19)	247,703	369,926	174,473	2,061
Total income	4,033,036	3,616,423	3,435,779	33,561
EXPENSES:				
Interest expenses:				
Interest on deposits	269,794	174,368	156,518	2,245
Interest on negotiable certificates of deposit	35,020	30,062	40,365	291
Interest on call money and bills sold	4,891	5,188	5,611	41
Interest on payables under repurchase agreements	21,846	22,804	22,792	182
Interest on payables under securities lending transactions	2,323	1,462	1,975	19
Interest on commercial paper	2,439	2,040	1,837	20
Interest on borrowed money	37,384	35,544	30,901	311
Interest on short-term bonds payable	–	–	456	–
Interest on bonds payable	103,582	77,312	82,848	862
Other interest expenses	34,903	48,445	59,631	291
Fees and commissions	152,019	133,750	125,956	1,265
Other operating expenses	111,774	163,899	160,717	930
General and administrative expenses	1,807,710	1,532,459	1,425,385	15,043
Provision of allowance for credit losses	49,333	–	20,752	411
Other expenses (Note 20)	247,111	192,314	227,113	2,056
Total expenses	2,880,136	2,419,654	2,362,866	23,967
Income before income taxes and minority interests	1,152,900	1,196,769	1,072,913	9,594
Income taxes (Note 21):				
Current	327,545	281,821	143,588	2,726
Deferred	19,690	98,280	195,654	164
Total income taxes	347,236	380,101	339,242	2,890
Net income before minority interests	805,663	816,667	733,670	6,704
Minority interests in net income	74,041	62,344	60,156	616
Net income	¥ 731,622	¥ 754,323	¥ 673,514	$ 6,088

	Yen			U.S. Dollars
	2015	2014	2013	2015
Per share of common stock (Note 24):				
Basic net income per common share	¥ 59.24	¥ 59.62	¥ 53.07	$ 0.49
Diluted net income per common share	59.23	59.62	53.07	0.49
Cash dividends applicable to the year per common share	32.57	17.85	11.19	0.27

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Comprehensive Income
Years Ended March 31, 2015, 2014 and 2013

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2015	2014	2013	2015
Net income before minority interests	¥ 805,663	¥ 816,667	¥ 733,670	$ 6,704
Other comprehensive income (Note 23):				
Unrealized gain on available-for-sale securities	1,239,556	28,502	588,952	10,315
Deferred gain (loss) on derivatives under hedge accounting	122,159	(62,462)	42,254	1,017
Land revaluation surplus	13,667	(166)	(143)	114
Foreign currency translation adjustments	403,482	336,274	202,877	3,358
Pension liability adjustments under US GAAP recognized at foreign subsidiaries	–	27,734	(7,071)	–
Defined retirement benefit plans	11,647	–	–	97
Share of other comprehensive income in associates accounted for using the equity method	26,617	11,147	12,907	221
Total other comprehensive income	1,817,129	341,029	839,776	15,122
Comprehensive income	¥ 2,622,793	¥ 1,157,696	¥ 1,573,447	$ 21,826
Total comprehensive income attributable to:				
Owners of the parent	¥ 2,525,449	¥ 1,093,893	¥ 1,511,394	$ 21,016
Minority interests	97,344	63,802	62,053	810

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Changes in Equity
Years Ended March 31, 2015, 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, 2012	¥ 1,711,958	¥ 3,878,275	¥ 2,635,211	¥ (250,000)	¥ 7,975,445	¥ 227,725	¥ 60,071	¥ 232,900	¥ (373,450)	¥ (52,831)	¥ –	¥ 94,414	¥ 1,192,309	¥ 9,262,169
Cash dividends	–	–	(158,323)	–	(158,323)	–	–	–	–	–	–	–	–	(158,323)
Net income	–	–	673,514	–	673,514	–	–	–	–	–	–	–	–	673,514
Purchase of treasury stock	–	–	–	(5,700)	(5,700)	–	–	–	–	–	–	–	–	(5,700)
Reversal of land revaluation surplus	–	–	3,752	–	3,752	–	–	–	–	–	–	–	–	3,752
Changes in equity of consolidated subsidiaries	–	–	(3,482)	–	(3,482)	–	–	–	–	–	–	–	–	(3,482)
Other changes in the year	–	–	–	–	–	597,714	40,958	(3,895)	206,422	(7,071)	–	834,127	52,784	886,912
BALANCE, MARCH 31, 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	–	–	(181,649)	–	(181,649)	–	–	–	–	–	–	–	–	(181,649)
Net income	–	–	754,323	–	754,323	–	–	–	–	–	–	–	–	754,323
Reversal of land revaluation surplus	–	–	4,218	–	4,218	–	–	–	–	–	–	–	–	4,218
Changes in equity of consolidated subsidiaries	–	–	1,077	–	1,077	–	–	–	–	–	–	–	–	1,077
Other changes in the year	–	–	–	–	–	26,491	(62,162)	(4,385)	347,719	59,902	(100,200)	267,365	237,276	504,641
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	–	–	(378,853)	–	(378,853)	–	–	–	–	–	–	–	–	(378,853)
Net income	–	–	731,622	–	731,622	–	–	–	–	–	–	–	–	731,622
Purchase of treasury stock	–	–	–	(390,000)	(390,000)	–	–	–	–	–	–	–	–	(390,000)
Reversal of land revaluation surplus	–	–	2,264	–	2,264	–	–	–	–	–	–	–	–	2,264
Changes in equity of consolidated subsidiaries	–	(11,369)	–	–	(11,369)	–	–	–	–	–	–	–	–	(11,369)
Other changes in the year	–	–	–	–	–	1,247,241	122,579	11,403	397,832	–	12,505	1,791,562	(63,108)	1,728,454
BALANCE, MARCH 31, 2015	¥ 1,711,958	¥ 3,657,632	¥ 4,071,062	¥ (645,700)	¥ 8,794,952	¥ 2,099,172	¥ 161,446	¥ 236,022	¥ 578,523	¥ –	¥ (87,694)	¥ 2,987,470	¥ 1,419,421	¥ 13,201,844

	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)	$ 14,246	$ 32,273	$ 31,028	$ (2,128)	$ 75,419	$ 7,089	$ 324	$ 1,869	$ 1,504	$ –	$ (834)	$ 9,952	$ 12,336	$ 97,707
Cumulative effects of changes in accounting policies	–	(1,741)	(105)	–	(1,846)	–	–	–	–	–	–	–	1	(1,845)
BALANCE, APRIL 1, 2014 (as restated)	14,246	30,532	30,923	(2,128)	73,573	7,089	324	1,869	1,504	–	(834)	9,952	12,337	95,862
Cash dividends	–	–	(3,152)	–	(3,152)	–	–	–	–	–	–	–	–	(3,152)
Net income	–	–	6,088	–	6,088	–	–	–	–	–	–	–	–	6,088
Purchase of treasury stock	–	–	–	(3,245)	(3,245)	–	–	–	–	–	–	–	–	(3,245)
Reversal of land revaluation surplus	–	–	19	–	19	–	–	–	–	–	–	–	–	19
Changes in equity of consolidated subsidiaries	–	(95)	–	–	(95)	–	–	–	–	–	–	–	–.	(95)
Other changes in the year	–	–	–	–	–	10,379	1,020	95	3,310	–	104	14,908	(525)	14,383
BALANCE, MARCH 31, 2015	$ 14,246	$ 30,437	$ 33,878	$ (5,373)	$ 73,188	$ 17,468	$ 1,344	$ 1,964	$ 4,814	$ –	$ (730)	$ 24,860	$ 11,812	$ 109,860

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows
Years Ended March 31, 2015, 2014 and 2013

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2015	2014	2013	2015
OPERATING ACTIVITIES:				
Income before income taxes and minority interests	¥ 1,152,900	¥ 1,196,769	¥ 1,072,913	$ 9,594
Adjustments for:				
Income taxes-paid, net of refund	(362,476)	(105,802)	(249,626)	(3,017)
Depreciation and amortization	224,836	181,469	170,397	1,871
Impairment loss on long-lived assets	4,249	3,758	5,142	35
Amortization of goodwill	16,920	18,374	14,867	141
Equity in earnings of the equity method investees	(24,691)	(14,169)	(15,665)	(205)
Increase (decrease) in allowance for credit losses	43,031	(139,038)	(26,940)	358
Increase in reserve for bonuses	11,283	899	1,122	94
(Decrease) increase in reserve for bonuses to directors	(3)	5	(4)	(0)
Increase in reserve for retirement benefits	–	–	1,200	–
(Increase) decrease in asset for retirement benefits	(38,341)	8,623	–	(319)
Decrease in liability for retirement benefits	(904)	(36,769)	–	(8)
(Decrease) increase in reserve for retirement benefits to directors	(36)	20	(11)	(0)
Increase in reserve for loyalty award credits	1,334	57	263	11
Increase (decrease) in reserve for contingent losses	522	(462)	(7,308)	4
Interest income (accrual basis)	(2,384,928)	(1,962,002)	(1,906,599)	(19,846)
Interest expenses (accrual basis)	512,186	397,230	402,939	4,262
Gains on securities	(156,193)	(261,752)	(255,102)	(1,300)
Losses on money held in trust	1,286	2,505	2,219	11
Foreign exchange gains	(647,188)	(1,433,240)	(1,710,143)	(5,386)
Losses (gains) on disposition of fixed assets	1,276	(3,711)	3,653	11
(Increase) decrease in trading assets	(1,035,400)	1,121,258	(216,090)	(8,616)
Increase (decrease) in trading liabilities	1,085,635	(821,040)	75,633	9,034
Adjustment of unsettled trading accounts	9,471	(61,343)	69,375	79
Net increase in loans and bills discounted	(5,068,071)	(6,051,450)	(5,068,172)	(42,174)
Net increase in deposits	6,448,338	8,109,608	5,795,599	53,660
Net increase in negotiable certificates of deposit	452,576	975,263	532,096	3,766
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	2,573,806	1,626,170	(516,415)	21,418
Net increase in due from banks (excluding cash equivalents)	(12,942,662)	(11,234,345)	(1,863,025)	(107,703)
Net increase in call loans, bills bought and receivables under resale agreements	(275,933)	(361,516)	(721,366)	(2,296)
Net decrease (increase) in receivables under securities borrowing transactions	2,351,129	(1,967,547)	(417,284)	19,565
Net (decrease) increase in call money, bills sold and payables under repurchase agreements	(2,026,924)	1,790,222	2,123,632	(16,867)
Net increase in commercial paper	333,075	344,481	380,063	2,772
Net increase (decrease) in payables under securities lending transactions	342,781	968,393	(1,032,364)	2,852
Net (increase) decrease in foreign exchange assets	(120,794)	(564,971)	51,491	(1,005)
Net increase in foreign exchange liabilities	415,578	205,517	24,145	3,458
Net increase in short-term bonds payable	–	–	10,993	–
Increase in straight bonds issuance and redemption	781,348	764,438	11,872	6,502
Interest and dividends received (cash basis)	2,428,479	2,034,134	1,968,597	20,209
Interest paid (cash basis)	(520,161)	(401,220)	(420,547)	(4,329)
Other-net	(218,376)	387,377	99,457	(1,817)
Total adjustments	(7,783,944)	(6,480,572)	(2,681,901)	(64,775)
Net cash used in operating activities	¥ (6,631,043)	¥ (5,283,802)	¥ (1,608,988)	$ (55,181)

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

Consolidated Statements of Cash Flows
Years Ended March 31, 2015, 2014 and 2013

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2015	2014	2013	2015
INVESTING ACTIVITIES:				
Purchases of securities	¥ (128,549,278)	¥ (122,240,818)	¥ (152,670,963)	$ (1,069,728)
Proceeds from sales of securities	104,023,934	95,964,762	139,099,789	865,640
Proceeds from redemption of securities	31,862,333	33,693,044	17,049,139	265,144
Increase in money held in trust	(76,875)	(1,367,762)	(718,988)	(640)
Decrease in money held in trust	193,339	1,206,150	587,199	1,609
Purchases of tangible fixed assets	(150,099)	(125,081)	(117,700)	(1,249)
Purchases of intangible fixed assets	(144,208)	(157,602)	(120,298)	(1,200)
Proceeds from sales of tangible fixed assets	10,404	30,647	29,209	87
Proceeds from sales of intangible fixed assets	19	1,382	197	0
Payments for business acquisitions	–	(388,447)	(1,084)	–
Proceeds from business acquisitions	–	53,033	72,430	–
Purchases of equity of subsidiaries	–	–	(14,711)	–
Payments for purchases of subsidiaries' equity affecting the scope of consolidation (Note 3)	–	(413,293)	(67,765)	–
Proceeds from sales of subsidiaries' equity affecting the scope of consolidation	67,952	2,399	–	565
Other-net	(195)	(638)	(2,555)	(2)
Net cash provided by investing activities	7,237,326	6,257,777	3,123,896	60,226
FINANCING ACTIVITIES:				
Increase in subordinated borrowings	150,000	–	32,001	1,248
Decrease in subordinated borrowings	(10,000)	(79,500)	(71,000)	(83)
Proceeds from issuance of subordinated bonds and bonds with subscription rights to shares	–	–	190,000	–
Payments for redemption of subordinated bonds and bonds with subscription rights to shares	(229,324)	(601,993)	(914,066)	(1,908)
Proceeds from issuance of common stock to minority shareholders	4,411	3,498	1,069	37
Repayments to minority shareholders	(40)	(740)	(1,177)	(0)
Payments for redemption of preferred stocks and others	(137,400)	–	–	(1,143)
Cash dividends paid	(378,853)	(177,749)	(158,323)	(3,153)
Cash dividends paid to minority shareholders	(69,399)	(61,561)	(64,206)	(578)
Purchase of treasury stock	(390,000)	–	(5,700)	(3,246)
Purchases of subsidiaries' treasury stock	–	–	(970)	–
Payments for purchases of subsidiaries' equity not affecting the scope of consolidation	(884)	–	–	(7)
Net cash used in financing activities	(1,061,490)	(918,046)	(992,372)	(8,833)
Effect of foreign exchange rate changes on cash and cash equivalents	168,982	249,969	153,105	1,406
Net (decrease) increase in cash and cash equivalents	(286,225)	305,898	675,641	(2,382)
Cash and cash equivalents, beginning of year	3,998,556	3,692,657	3,024,292	33,274
Decrease in cash and cash equivalents due to deconsolidation of subsidiaries	–	–	(7,275)	–
Cash and cash equivalents, end of year (Note 3)	¥ 3,712,330	¥ 3,998,556	¥ 3,692,657	$ 30,892

See the accompanying notes to consolidated financial statements.

1.BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying 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 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 consolidated financial statements, certain reclassifications and rearrangements have been made to the 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 2014 and 2013 consolidated financial statements to conform to the classifications used in 2015.

All Japanese yen figures in the 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 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 ¥120.17 to U.S. $1, the approximate rate of exchange as of March 31, 2015. 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 consolidated financial statements include the accounts of the Bank and its subsidiaries (together, the "Group"). There were 130 and 160 subsidiaries as of March 31, 2015 and 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 58 and 59 affiliates were accounted for using the equity method as of March 31, 2015 and 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 consolidated financial statements would not be material.

"Goodwill" is amortized using the straight-line method over a period of 20 years. Insignificant amounts of goodwill are fully charged to income in the fiscal year when it is incurred.

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 March 31, 2015 and 2014 were as follows:

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

Changes in the subsidiaries in the fiscal year ended March 31, 2015 were as follows:
Two companies including BTMU Liquidity Reserve Investment 2 Limited were newly included in the

scope of consolidation due to new establishment. In addition, Beacon Rail Leasing, Inc. and other thirty-one companies were excluded from the scope of consolidation due to the decrease in ownerships of voting rights resulting from the 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 March 31, 2015 and 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 March 31, 2015 and 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" (the "Financial Statements Regulations"), 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 March 31, 2015 and 2014.

2) Application of the equity method

A) Major affiliates accounted for using the equity method as of March 31, 2015 and 2014 were as follows:

The Chukyo Bank, Ltd.
Jibun Bank Corporation

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2015 were as follows:
BOTL Factoring (Shanghai) Co., Ltd. was newly included in affiliates accounted for using the equity method due to new establishment. In addition, two companies including Emerald Engine Leasing Limited 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.

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 not accounted for using the equity method as of March 31, 2015 and 2014.

C) There were no affiliates not accounted for using the equity method as of March 31, 2015 and 2014.

D) The following companies of which the Group owns 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 March 31, 2015:
Kyoto Constella Technologies Co., Ltd.
Osteopharma, Inc.
TECHTOM Ltd.
EDB, 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 fiscal year ending dates of subsidiaries

A) The fiscal year ending dates of subsidiaries are as follows:

	Number of subsidiaries	
	2015	2014
October 31	1	1
December 31	87	116
January 24	8	8
January 31	—	1
March 31	34	34

B) The subsidiary with fiscal year ending October 31 is consolidated based on the preliminary financial statements as of January 31.

Other subsidiaries are consolidated based on the financial information as of their fiscal year ending dates.

Adjustments were made in the consolidated financial statements to reflect significant transactions occurring in the period between the fiscal year ending dates of subsidiaries and March 31, 2015 and 2014.

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

The Accounting Standards Board of Japan ("ASBJ") issued Practical Issues Task Force ("PITF") No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, May 17, 2006). This PITF permits foreign subsidiaries' financial statements prepared in accordance with either IFRSs or generally accepted accounting principles in the United States of America ("US GAAP") to be used for the consolidation process with certain limitations.
Financial statements of foreign subsidiaries prepared in accordance with either IFRSs or 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 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 consolidated balance sheets at fair value. The related unrealized or realized gains and losses are included in "Trading income (expenses)" in the consolidated statements of income.
2) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost (using the straight-line method) based on the moving-average method.
3) Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gain (loss), net of applicable taxes, reported in a separate component of equity, except for unrealized gain (loss) 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 whose fair value cannot be reliably determined are reported at acquisition cost or amortized cost using the moving-average method.

Net unrealized gains (losses) on other securities are included directly in net assets, net of applicable income taxes, except in the case of application of the fair value hedge accounting method, in which the change in fair value recognized is recorded in current earnings.

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 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.

Depreciation of "Lease assets" included in "Tangible fixed assets" is 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 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 ¥390,549 million ($3,250 million), ¥413,523 million and ¥501,617 million as of March 31, 2015, 2014 and 2013, 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 Employees Bonuses

"Reserve for employees bonuses" is provided for estimated payment of bonuses to employees attributable to the respective fiscal year.

(10) Reserve for Bonuses to Directors

"Reserve for bonuses to directors" is provided for estimated payment of bonuses to directors attributable to the respective fiscal year.

(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 benefit formula basis.

Past service costs are amortized on a straight-line basis for a period within the employees' average remaining service period primarily over 10 years, commencing in the fiscal year in which the cost is incurred.

Actuarial gains and losses are amortized on a straight-line basis for a period within the employees' average remaining service period, primarily over 10 years, commencing in the fiscal year immediately following the fiscal year in which the gains or losses incurred.

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 fiscal year end 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 the Special Laws

"Reserve under the 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 fiscal year end 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 fiscal year end date.

(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) Income Taxes

The provision for "Income taxes" is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

(19) 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. Portfolio hedging or individual hedging, as described in the Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24, "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (February 13, 2002) and JICPA Accounting Committee Report No. 14, "Practical Guidelines for Accounting for Financial Instruments" (January 31, 2000), are primarily applied to determine hedged items.

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 and 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 as hedging instruments 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 or others 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 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.

(20) 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.

(21) 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 year ended March 31, 2015.

(22) 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 consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

(23) Changes in Accounting Policies

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

Accounting Standard for Retirement Benefits—The ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" (revised on May 17, 2012) and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," (revised on March 26, 2015) 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 year 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 year 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 prospective 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.

As a result, assets for retirement benefits of ¥221,498 million and liability for retirement benefits of ¥43,679 million was recorded as of March 31, 2014, and accumulated other comprehensive income for the year ended March 31, 2014, decreased by ¥68,031 million. The effect on Note 24 "Per share information" is stated in the respective section.

"Pension liability adjustments under US GAAP recognized at foreign subsidiaries" was separately presented as a component of "Accumulated other comprehensive income" in the consolidated balance sheet as of March 31, 2013, but this account has been included in "Accumulated adjustments for retirement benefits" as of 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 ($477 million), liability for retirement benefits decreased by ¥1,729 million ($14 million), and retained earnings decreased by ¥35,862 million ($298 million) as of April 1, 2014. Income before income taxes and minority interests for the year ended March 31, 2015 increased by ¥1,266 million ($11 million). The effect on Per Share Information is stated in Note 24 "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 effective for the fiscal years beginning on or after April 1, 2014, these standards were adopted from the reporting period ended March 31, 2015 (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 the Bank's equity interest 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 ($1,503 million), capital surplus decreased by ¥209,273 million ($1,741 million), and retained earnings increased by ¥23,249 million ($193 million) as of April 1, 2014. In addition, income before income taxes and minority interests for the year ended March 31, 2015 increased by ¥12,926 million ($108 million). The effect on Per Share Information is stated in Note 24 "Per share information."

As for the consolidated statement of cash flows for the year ended March 31, 2015, cash flows related to purchases or sales of subsidiaries' equity not affecting the scope of consolidation are classified into "FINANCING ACTIVITIES." Cash flows related to expenses arising from purchases of subsidiaries' equity affecting the scope of consolidation, or cash flows related to expenses arising from purchases or sales of subsidiaries' equity not affecting the scope of consolidation are classified into "OPERATING ACTIVITIES." The effect on Per Share Information is stated in Note 24 "Per share information."

3. CASH AND CASH EQUIVALENTS

The reconciliation of "Cash and cash equivalents" at the end of the fiscal year and "Cash and due from banks" in the consolidated balance sheets as of March 31, 2015 and 2014 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Cash and due from banks	¥ 33,673,932	¥ 21,016,862	$ 280,219
Less: Time deposits and negotiable certificates of deposit included in due from banks	(29,961,602)	(17,018,306)	(249,327)
Cash and cash equivalents at the end of year	¥ 3,712,330	¥ 3,998,556	$ 30,892

Supplemental Information about Cash Flows for the Year ended March 31, 2014

Major components of assets and liabilities of a new subsidiary through acquisition of shares:

Major components of assets and liabilities of Bank of Ayudhya which became a new subsidiary at the inception of consolidation (December 31, 2013) and the reconciliation between acquisition cost of shares of Bank of Ayudhya and net payment for acquisition of Bank of Ayudhya are as follows:

	Millions of Yen
	March 31, 2014
Assets	¥ 4,122,741
Liabilities	(3,592,066)
Minority interests	(149,202)
Foreign currency translation adjustments	(9,905)
Goodwill	166,634
Acquisition cost of shares of Bank of Ayudhya	538,200
Cash and cash equivalents of Bank of Ayudhya	(124,907)
Net payment for acquisition of Bank of Ayudhya	¥ 413,293

4. TRADING ASSETS OR LIABILITIES AND SECURITIES

Securities as of March 31, 2015 and 2014 include equity securities in affiliates of ¥300,836 million ($2,503 million) and ¥265,836 million, respectively and capital subscriptions to entities such as limited liability companies of ¥1,729 million ($14 million) and ¥2,871 million, respectively.

Securities loaned under unsecured securities lending transactions amounted to ¥270,155 million ($2,248 million) and ¥39,996 million as of March 31, 2015 and 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, ¥2,448,461 million ($20,375 million) and ¥2,301,006 million of such securities were re-pledged as of March 31, 2015 and 2014, respectively, and ¥70,978 million ($591 million) and ¥17,585 million was re-loaned as of March 31, 2015 and 2014, respectively. The remaining ¥2,333,331 million ($19,417 million) and ¥5,704,644 million of these securities were held without disposition as of March 31, 2015 and 2014, respectively.

The following tables include trading securities, short-term bonds, and other accounts in "Trading assets," negotiable certificates of deposit in "Cash and due from banks" and beneficial interests in trusts in "Monetary claims bought" in addition to "Securities."

(1) Trading securities:

Net unrealized gains on trading securities were ¥514 million ($4 million) for the year ended March 31, 2015 and net unrealized losses on trading securities were ¥1,237 million for the year ended March 31, 2014.

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

	Millions of Yen				
	March 31, 2015				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ 1,101,209	¥ 1,115,710	¥ 14,500	¥ 16,036	¥ (1,535)
Foreign bonds	1,003,298	1,019,071	15,773	17,200	(1,426)
Other	2,001,043	2,024,402	23,359	25,745	(2,386)
Total	¥ 4,105,550	¥ 4,159,184	¥ 53,633	¥ 58,982	¥ (5,348)

	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				
	March 31, 2015				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	$ 9,164	$ 9,285	$ 121	$ 134	$ (13)
Foreign bonds	8,349	8,480	131	143	(12)
Other	16,652	16,846	194	214	(20)
Total	$ 34,165	$ 34,611	$ 446	$ 491	$ (45)

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

	Millions of Yen				
	March 31, 2015				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥ 4,685,372	¥ 2,384,148	¥ 2,301,223	¥ 2,339,652	¥ (38,428)
Domestic bonds	29,969,246	29,694,073	275,173	278,043	(2,870)
Japanese government bonds	27,854,683	27,631,476	223,206	224,599	(1,392)
Municipal bonds	188,152	182,788	5,363	5,431	(67)
Corporate bonds	1,926,411	1,879,809	46,602	48,012	(1,410)
Foreign equity securities	192,017	134,693	57,323	58,252	(928)
Foreign bonds	13,855,636	13,502,210	353,425	377,113	(23,688)
Other	3,411,837	3,316,181	95,655	125,209	(29,554)
Total	¥ 52,114,110	¥ 49,031,308	¥ 3,082,801	¥ 3,178,271	¥ (95,469)

Note:

Net unrealized gain (loss) in the table above includes a gain of ¥64,106 million which was recognized in profit or loss by applying the fair value hedge accounting.

	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)

Note:

Net unrealized gain (loss) in the table above includes a gain of ¥2,586 million which was recognized in profit or loss by applying the fair value hedge accounting.

	Millions of U.S. Dollars				
	March 31, 2015				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	$ 38,989	$ 19839	$ 19,150	$ 19,469	$ (319)
Domestic bonds	249,391	247,101	2,290	2,314	(24)
Japanese government bonds	231,794	229,937	1,857	1,869	(12)
Municipal bonds	1,566	1,521	45	45	(0)
Corporate bonds	16,031	15,643	388	400	(12)
Foreign equity securities	1,598	1,121	477	485	(8)
Foreign bonds	115,300	112,359	2,941	3,138	(197)
Other	28,392	27,596	796	1,042	(246)
Total	$ 433,670	$ 408,016	$ 25,654	$ 26,448	$ (794)

Note:

Net unrealized gain (loss) in the table above includes a gain of $533 million which was recognized in profit or loss by applying the fair value hedge accounting.

(4) Proceeds from sales of available-for-sale securities and related realized gains and losses for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Sales proceeds	¥ 101,238,206	¥ 94,089,322	$ 842,458
Realized gains	291,293	420,155	2,424
Realized losses	97,725	145,127	813

(5) Reclassified securities

An overseas subsidiary whose fiscal year end is December 31 reclassified its securitized products of ¥444,487 million at the market value which had been previously classified as “Available-for-sale securities” to “Held-to-maturity debt securities” during the year ended March 31, 2014 in accordance with Accounting Standards Codification (ASC) 320 “Investments－Debt and Equity Securities” released by the Financial Accounting Standards Board of the U.S. and International Accounting Standard (IAS) No. 39 “Financial Instruments: Recognition and measurement.”
This change was made because their management considered it to be more appropriate to classify these securities as “Held-to-maturity debt securities” as they have the ability and intent to hold to maturity.

The following securities were reclassified from “Available-for-sale securities” to “Held-to-maturity securities” as of March 31, 2014:

	Millions of Yen		
	March 31, 2014		
	Fair value	Carrying amount	Unrealized gain (loss) on available-for-sale securities recorded on the consolidated balance sheet
Foreign debt securities	¥ 420,870	¥ 425,841	¥ (10,775)

There were no securities reclassified during the year ended March 31, 2015.

(6) Impairment loss on securities

Securities other than trading securities and investments in affiliates (excluding those securities whose fair value cannot be readily determined), whose fair value significantly declined compared with the acquisition cost, and is considered to be other than recoverable decline, were written down to the respective fair value which is recorded as the carrying amount on the consolidated balance sheets.
Impairment losses for the years ended March 31, 2015 and 2014 were ¥3,815 million ($32 million) consisting of ¥1,434 million ($12 million) on equity securities and ¥2,380 million ($20 million) on debt

securities and others and ¥9,108 million consisting of ¥7,101 million on equity securities and ¥2,007 million on debt securities and others, respectively.

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 issuers" mean issuers who have 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 issuers" mean issuers who are not legally or formally bankrupt but are regarded as substantially in a similar condition. "Likely to become bankrupt issuers" mean issuers who are not legally bankrupt but deemed to have high possibility of becoming bankrupt. "Issuers requiring close monitoring" mean issuers who require close monitoring of the management. "Normal issuers" mean issuers other than "Bankrupt issuers," "Virtually bankrupt issuers," "Likely to become bankrupt issuers" or "Issuers requiring close monitoring."

5. MONEY HELD IN TRUST

"Money held in trust" classified as trading as of March 31, 2015 and 2014 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Carrying amount	¥ 30,632	¥ 61,589	$ 255
Net unrealized loss	(305)	(88)	(3)

There was no "Money held in trust" classified as held-to-maturity as of March 31, 2015 and 2014.

"Money held in trust" classified as other than trading and held-to-maturity as of March 31, 2015 and 2014 was as follows:

	Millions of Yen				
	March 31, 2015				
	Carrying amount	Acquisition cost	Net unrealized gain	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	¥ 479,216	¥ 478,330	¥ 885	¥ 885	¥ –

	Millions of Yen				
	March 31, 2014				
	Carrying amount	Acquisition cost	Net unrealized gain	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				
	March 31, 2015				
	Carrying amount	Acquisition cost	Net unrealized gain	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	$ 3,988	$ 3,981	$ 7	$ 7	$ –

6. UNREALIZED GAIN ON AVAILABLE-FOR-SALE SECURITIES

Unrealized gain on available-for-sale securities as of March 31, 2015 and 2014 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Unrealized gain:	¥ 2,995,850	¥ 1,273,233	$ 24,930
Available-for-sale securities	3,041,951	1,333,431	25,314
Money held in trust except for trading and held-to-maturity purpose	885	493	7
Securities reclassified from available-for-sale securities into held-to-maturity debt securities	(46,986)	(60,691)	(391)
Deferred tax liabilities:	(910,672)	(428,404)	(7,578)
Unrealized gain on available-for-sale securities before adjustments by ownership share	2,085,177	844,829	17,352
Minority interests	9,673	11,557	80
Bank's ownership share in unrealized gain (loss) on available-for-sale securities held by affiliates accounted for using the equity method	4,321	(4,456)	36
Unrealized gain on available-for-sale securities	¥ 2,099,172	¥ 851,931	$ 17,468

Notes:

1. Unrealized gain in the table above excludes ¥64,106 million ($533 million) of gains which were recognized in profit or loss by the fair value hedge accounting as of March 31, 2015 and ¥2,586 million of gains which were recognized in profit or loss by the fair value hedge accounting as of March 31, 2014, respectively.
2. Unrealized gain in the table above includes ¥23,257 million ($194 million) and ¥19,625 million of unrealized gain on available-for-sale securities invested in limited partnerships as of March 31, 2015 and 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 Standard for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No. 24). The Bank has rights to sell or pledge these bills discounted. The total face value of bills discounted was ¥1,369,332 million ($11,395 million) and ¥1,202,038 million as of March 31, 2015 and 2014, respectively. The total face value of foreign exchange bills bought which were transferred due to rediscounts of bills amounted to ¥8,167 million ($68 million) and ¥5,711 million as of March 31, 2015 and 2014, respectively.

"Loans and bills discounted" as of March 31, 2015 and 2014 included the following loans:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Loans to bankrupt borrowers	¥ 19,058	¥ 21,643	$ 159
Non-accrual delinquent loans	709,481	948,163	5,904
Loans past due for three months or more	46,404	45,690	386
Restructured loans	545,120	468,846	4,536
Total	¥ 1,320,064	¥ 1,484,343	$ 10,985

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 include 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 March 31, 2015 and 2014 amounted to ¥947,736 million ($7,887 million) and ¥963,102 million, respectively.

Deferred gains on "Tangible fixed assets" not recognized for tax purposes as of March 31, 2015 and 2014 amounted to ¥75,841 million ($631 million) and ¥77,728 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.

The difference between the total fair value of land used for business operations revalued pursuant to Article 10 of the "Act" and book value after revaluation of the relevant land as of March 31, 2015 and 2014 was ¥13,892 million ($116 million) and ¥35,970 million, respectively.

10. 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 March 31, 2015 and 2014 were ¥687,951 million ($5,725 million) and ¥768,614 million, respectively.

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

11. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and their relevant liabilities as of March 31, 2015 and 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Assets pledged as collateral:			
Cash and due from banks	¥ –	¥ 1,668	$ –
Securities	2,885,541	1,230,266	24,012
Loans and bills discounted	7,824,567	6,415,353	65,113
Other assets	–	42,066	–
Tangible fixed assets	–	45,742	–
Total	¥ 10,710,108	¥ 7,735,097	$ 89,125
Relevant liabilities to above assets:			
Deposits	¥ 685,940	¥ 441,252	$ 5,708
Call money and bills sold	530,000	530,000	4,411
Trading liabilities	22,131	56,905	184
Borrowed money	9,144,831	6,390,841	76,099
Bonds payable	–	23,123	–
Total	¥ 10,382,903	¥ 7,442,123	$ 86,402

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
	March 31, 2015	March 31, 2014	March 31, 2015
Assets pledged as collateral:			
Cash and due from banks	¥ 2,571	¥ 2,840	$ 21
Monetary claims bought	1,438,879	258,222	11,974
Securities	9,597,735	9,323,397	79,868
Loans and bills discounted	7,596,070	8,482,498	63,211
Total	¥ 18,635,257	¥ 18,066,959	$ 155,074

Furthermore, trading assets and securities sold under repurchase agreements or loaned under securities lending with cash collateral were ¥990,998 million ($8,247 million) and ¥8,807,623 million ($73,293 million) respectively, as of March 31, 2015 and ¥942,507 million and ¥8,718,761 million respectively, as of March 31, 2014.

Relevant payables under repurchase agreements were ¥6,802,379 million ($56,606 million) and ¥8,233,042 million as of March 31, 2015 and 2014, respectively.

Relevant payables under securities lending transactions were ¥2,364,519 million ($19,676 million) and ¥2,048,950 million as of March 31, 2015 and 2014, respectively.

12. 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 ¥72,638,234 million ($604,462 million) and ¥66,687,419 million as of March 31, 2015 and 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.

13. BORROWED MONEY, LEASE LIABILITIES AND COMMERCIAL PAPER

"Borrowed money," "Lease liabilities" and "Commercial paper" as of March 31, 2015 and 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Borrowings from banks and other, due 2014-2031, 0.31% on the average	¥ 10,976,409	¥ 8,447,777	$ 91,341
Bills rediscounted	–	–	–
Total borrowed money	¥ 10,976,409	¥ 8,447,777	$ 91,341
Lease liabilities, due 2014-2038	10,605	13,582	88
Commercial paper, 0.19% on the average	1,578,138	1,206,790	13,133

Notes:

1. The interest rates above are calculated using the weighted-average method based on the interest rate and balance as of March 31. The average interest rate of lease liabilities is not presented above because lease liabilities are recorded on the accompanying consolidated balance sheets at the total amount of lease payments including interest.
2. The borrowings above include subordinated borrowings in the amounts of ¥529,500 million ($4,406 million) and ¥389,500 million as of March 31, 2015 and 2014, respectively.
3. Lease liabilities are included in "Other liabilities" in the accompanying consolidated balance sheets.
4. "Commercial paper" is issued in the form of promissory notes as a fund raising activity.

Annual maturities of borrowings as of March 31, 2015 were as follows:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2016	¥ 5,222,202	$ 43,457
2017	1,246,916	10,376
2018	254,405	2,117
2019	3,432,337	28,562
2020	50,437	420
2021 and thereafter	770,109	6,409
Total	¥ 10,976,409	$ 91,341

Annual maturities of lease liabilities as of March 31, 2015 were as follows:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2016	¥ 2,925	$ 24
2017	2,195	18
2018	1,195	10
2019	478	4
2020	251	2
2021 and thereafter	3,557	30
Total	¥ 10,605	$ 88

14. BONDS PAYABLE

Bonds payable as of March 31, 2015 and 2014 consisted of the following:

Description	Issued	Millions of Yen		Millions of U.S. Dollars	Coupon rate (%)	Secured or unsecured	Due
		2015	2014	2015			
The Bank:							
9th-160th series of Straight bonds payable in yen	Feb. 2000- Jul. 2014	¥ 1,021,500 [279,600]	¥ 1,325,000 [290,000]	$ 8,501 [2,327]	0.14-2.69	Unsecured	Apr. 2014- Apr. 2027
Senior bonds payable in US$	Jan. 2010- Mar. 2015	2,282,444 (USD18,993 million) [270,348]	1,285,309 (USD12,488 million) [102,913]	18,993 [2,250]	0.57-4.70	Unsecured	Jan. 2015- Mar. 2044
Euro senior bonds payable in US$	Jul. 2011- Jan. 2015	80,538 (USD670 million)	58,664 (USD570 million)	670	0.00-2.13	Unsecured	Jul. 2016- Jan. 2045
Senior bonds payable in Euro	Mar. 11. 2015	97,303 (EUR746 million)	— —	810	0.87	Unsecured	Mar. 11. 2022
Senior bonds payable in A$	Mar. 2012- Sep. 2013	59,839 (AUD650 million) [−]	90,430 (AUD950 million) [28,557]	498 [−]	3.37-3.99	Unsecured	Mar. 2015- Sep. 2017
Euro senior bonds payable in A$	Jul. 2011- Jul. 2012	32,221 (AUD350 million) [15,650]	72,344 (AUD760 million) [39,027]	268 [130]	4.05-4.91	Unsecured	Jul. 2014- Jul. 2017
6th -38th series of Subordinated bonds payable in yen	Dec. 2004- Sep. 2012	1,218,000 [60,000]	1,371,000 [70,000]	10,136 [499]	0.93-2.91	Unsecured	Jun. 2014- Jan. 2031
Subsidiaries*1:							
Straight bonds payable	Dec. 1997- Dec. 2014	884,221 (USD4,370 million (THB91,062 million) (CNY1,000 million) [254,390]	758,884 (USD4,123 million) (THB101,212 million) [252,646]	7,358 [2,117]	0.64-6.03	*2	Jan. 2014- Jun. 2022
Subordinated bonds payable	Aug. 1997- Dec. 2012	342,392 (USD749 million) (THB34,871 million)	342,587 (USD769 million) (THB34,900 million)	2,849	0.31-5.95	Unsecured	May 2014- Sep. 2036
Undated subordinated bonds payable	Nov. 2005- Nov. 2009	13,200	62,000	110	1.40-3.26	Unsecured	–
Total		¥ 6,031,660	¥ 5,366,219	$ 50,193			

Notes:

1. *1 Subsidiaries include MUFG Americas Holdings Corporation (“MUAH”), BTMU (Curacao) Holdings N.V., BTMU Capital Corporation, Bank of Ayudhya Public Company Limited, Bank of Tokyo-Mitsubishi UFJ (China), Ltd. and Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad.
2. *2 The straight bonds payable include one issue of secured straight bonds payable issued by a subsidiary. Other issues are unsecured.
3. (   ) denotes the amounts of foreign currency denominated bonds payable.
4. [   ] denotes the amounts expected to be redeemed within one year.
5. The following is a summary of maturities of bonds subsequent to March 31, 2015:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2016	¥ 879,989	$ 7,323
2017	1,224,122	10,187
2018	866,214	7,208
2019	481,892	4,010
2020	514,782	4,284
2021 and thereafter	2,064,659	17,181
Total	¥ 6,031,660	$ 50,193

15. LIABILITY FOR RETIREMENT BENEFITS

The Bank and its domestic subsidiaries have retirement benefit plans with defined benefits, such as defined benefit corporate pension plans, welfare pension funds and lump-sum severance payment plans. In certain cases of severance of employees, additional severance benefits may be paid which are not included in retirement benefit obligations calculated actuarially pursuant to applicable accounting standard for retirement benefits.

Certain overseas branches of the Bank and certain overseas subsidiaries also have benefit plans with defined benefits.

Defined Benefit Plans:

(1) The changes in defined benefit obligation for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Balance at beginning of year	¥ 1,646,915	¥ 1,647,395	$ 13,705
[of which foreign exchange translation adjustments]	(45,562)	(59,666)	(379)
Cumulative effects of accounting change	55,536	–	462
Balance at beginning of year, as restated	1,702,452	1,647,395	14,167
Service cost	43,685	42,118	364
Interest cost	33,984	30,710	283
Actuarial gains (losses)	237,760	(58,838)	1,978
Benefits paid	(80,500)	(75,549)	(670)
Past service cost	(23,930)	963	(199)
Others	1,612	14,553	13
Balance at end of year	¥ 1,915,066	¥ 1,601,353	$ 15,936

Note:
Some overseas branches of the Bank and some overseas subsidiaries have adopted the simplified method in calculating the projected benefit obligation.

(2) The changes in plan assets for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Balance at beginning of year	¥ 1,827,841	¥ 1,608,148	$ 15,210
[of which foreign exchange translation adjustments]	(48,668)	(48,625)	(405)
Expected return on plan assets	59,906	55,491	499
Actuarial gains	215,045	106,304	1,789
Contributions from the employer	43,115	68,232	359
Benefits paid	(66,914)	(63,472)	(557)
Others	219	4,468	2
Balance at end of year	¥ 2,079,215	¥ 1,779,172	$ 17,302

(3) A reconciliation between liability for retirement benefits and asset for retirement benefits recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets was as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Funded defined benefit obligation	¥ 1,872,201	¥ 1,569,253	$ 15,579
Plan assets	(2,079,215)	(1,779,172)	(17,302)
	(207,013)	(209,919)	(1,723)
Unfunded defined benefit obligation	42,864	32,099	357
Net liability (asset) arising from defined benefit obligation	¥ (164,149)	¥ (177,819)	$ (1,366)

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Liability for retirement benefits	¥ 53,632	¥ 43,679	$ 446
Asset for retirement benefits	(217,781)	(221,498)	(1,812)
Net liability (asset) arising from defined benefit obligation	¥ (164,149)	¥ (177,819)	$ (1,366)

(4) The components of net periodic retirement benefit costs for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Service cost	¥ 43,685	¥ 42,118	$ 364
Interest cost	33,984	30,710	283
Expected return on plan assets	(59,906)	(55,491)	(499)
Amortization of past service cost	(6,247)	(4,222)	(52)
Recognized actuarial losses	30,912	38,544	257
Others (additional temporary severance benefits)	9,345	7,336	78
Net periodic retirement benefit costs	¥ 51,774	¥ 58,996	$ 431

Note:
Retirement benefit costs of some overseas branches of the Bank and some overseas subsidiaries which have adopted the simplified method are included in "Service cost."

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2015 and 2014

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Past service cost	¥ 17,366	¥ −	$ 145
Actuarial gains	(1,270)	−	(11)
Total	¥ 16,095	¥ −	$ 134

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2015 and 2014

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Unrecognized past service cost	¥ 33,793	¥ 16,426	$ 281
Unrecognized actuarial gains	(186,477)	(185,206)	(1,552)
Total	¥ (152,684)	¥ (168,779)	$ (1,271)

(7) Plan assets

a. Components of plan assets

Plan assets consisted of the following:

	2015	2014
Domestic equity investments	31.13%	27.88%
Domestic debt investments	20.28	25.95
Foreign equity investments	22.72	23.08
Foreign debt investments	8.82	7.90
General account of life insurance	7.24	8.41
Others	9.81	6.78
Total	100.00	100.00

Note:
Total plan assets include retirement benefit trust of 17.02% and 14.90% which was set up on corporate pension plans as of March 31, 2015 and 2014, respectively.

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering allocation of the plan assets expected currently and in the future and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2015 and 2014 were set forth as follows:

	2015	2014
Discount rate:		
Domestic	0.00%-1.00%	0.40%-1.50%
Overseas	3.30%-10.77%	3.30%-11.29%
Expected salary increase rate:		
Domestic	3.20%-6.20%	3.20%-5.60%
Overseas	0.60%-10.00%	0.60%-10.00%
Expected rate of return on plan assets:		
Domestic	0.59%-2.82%	0.68%-3.24%
Overseas	3.60%-10.77%	3.60%-8.68%

Defined Contribution Plans:

The amounts of the required contribution to the defined contribution plans, including welfare pension fund of the multiemployer plans of the Bank and subsidiaries, were ¥9,666 million ($80 million) and ¥6,867 million for the years ended March 31, 2015 and 2014, respectively.

16. 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. Interim 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 purchases 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.

17. 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 years ended March 31, 2015 and 2014 were as follows:

	Number of shares in thousands				
	April 1, 2014	Increase	Decrease	March 31, 2015	
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	Note
Total	201,700	156,000	−	357,700	

Note:
An increase of 156,000 thousand shares in treasury stock of preferred-first series of Class 7 is due to acquisition of a part of preferred stock pursuant to the acquisition clause.

	Number of shares in thousands			
	April 1, 2013	Increase	Decrease	March 31, 2014
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

There was no issuance of stock acquisition rights and treasury stock acquisition rights.

The Bank paid the following cash dividends during the fiscal years ended March 31, 2015 and 2014:

Year ended March 31, 2015:

Cash dividends approved at the shareholders' meeting held on June 26, 2014:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
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			

Cash dividends approved at the shareholders' meeting held on June 26, 2014:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	$ 1,079	$ 0.09	Mar. 31, 2014	Jun. 26, 2014
Preferred stock–first series of Class 7	75	0.48	Mar. 31, 2014	Jun. 26, 2014
Total	$ 1,154			

Cash dividends approved at the Board of Directors' meeting held on November 14, 2014:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 162,773	¥ 13.18	Sep. 30, 2014	Nov. 17, 2014

Cash dividends approved at the Board of Directors' meeting held on November 14, 2014:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	$ 1,355	$ 0.11	Sep. 30, 2014	Nov. 17, 2014

Cash dividends approved at the extraordinary shareholders' meeting held on February 5, 2015:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 77,434	¥ 6.27	—	Feb. 5, 2015

Cash dividends approved at the extraordinary shareholders' meeting held on February 5, 2015:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	$ 644	$ 0.05	—	Feb. 5, 2015

Year ended March 31, 2014:

Cash dividends approved at the shareholders' meeting held on June 26, 2013:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
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			

Cash dividends approved at the Board of Directors' meeting held on November 14, 2013:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 90,772	¥ 7.35	Sep. 30, 2013	Nov. 15, 2013
Preferred stock–first series of Class 7	8,970	57.50	Sep. 30, 2013	Nov. 15, 2013
Total	¥ 99,742			

The following dividends in kind (equity securities owned by the Bank) to be distributed to Mitsubishi UFJ Financial Group were approved at the extraordinary shareholders' meeting held on March 3, 2014 and executed on March 7, 2014.

Dividends in kind approved at the extraordinary shareholders' meeting held on March 3, 2014:	Total carrying amount of property dividends (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 3,899	¥ 0.31	—	March 7, 2014

Subject to approval at the Bank's shareholders' meeting, the Bank will pay the following cash dividends on June 24, 2015, to shareholders of record as of March 31, 2015:

Cash dividends to be approved at the shareholders' meeting to be held on June 24, 2015:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 162,032	¥ 13.12	Mar. 31, 2015	Jun. 24, 2015

Cash dividends to be approved at the shareholders' meeting to be held on June 24, 2015:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	$ 1,348	$ 0.11	Mar. 31, 2015	Jun. 24, 2015

18. STOCK OPTIONS

There was no stock option outstanding as of March 31, 2015 and 2014.

19. OTHER INCOME

Other income for the years ended March 31, 2015, 2014 and 2013 consisted of the following:

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2015	2014	2013	2015
Gains on sales of equity securities and other securities	¥ 77,253	¥ 133,904	¥ 20,917	$ 643
Lease income of consolidated subsidiaries operating leasing business	37,038	33,633	30,967	308
Gains on sales of shares of affiliates	—	6,895	12,047	—
Gain on reversal of allowance for credit losses	—	74,570	—	—
Gains on collection of bad debts	43,900	40,817	34,260	365
Other	89,510	80,105	76,281	745
Total	¥ 247,703	¥ 369,926	¥ 174,473	$ 2,061

20. OTHER EXPENSES

Other expenses for the years ended March 31, 2015, 2014 and 2013 consisted of the following:

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2015	2014	2013	2015
Losses on write-down or sales of equity securities and other securities	¥ 15,183	¥ 22,267	¥ 81,680	$ 126
Settlement package	37,097	24,537	—	309
Loss on sales of shares of affiliates	—	330	1,099	—
Outsourcing expenses of consolidated subsidiaries operating information services	24,710	27,004	22,375	206
Lease expenses of consolidated subsidiaries operating leasing business	17,665	15,578	16,150	147
Write-offs of loans	90,946	72,268	72,737	757
Loss on disposal of fixed assets	5,368	6,388	8,078	45
Other	56,138	23,940	24,991	466
Total	¥ 247,111	¥ 192,314	¥ 227,113	$ 2,056

Note:

"Settlement package" refers to payments based on a consent agreement entered into with the New York State Department of Financial Service ("DFS") regarding settlement transactions for countries under U.S. economic sanctions and a payment for which is expected to be reached with DFS in relation to the Bank's voluntary investigation, reporting and other compliance procedures regarding settlement transactions for countries under U.S. economic sanctions in the fiscal years ended March 31, 2015 and 2014.

21. INCOME TAXES

The Bank and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 35.64% for the year ended March 31, 2015 and 38.01% for the years ended March 31, 2014 and 2013.

The tax effects of significant temporary differences which resulted in "Deferred tax assets and liabilities" as of March 31, 2015, 2014 and 2013 were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2015	2014	2013	2015
Deferred tax assets:				
Excess over deductible limit of provision of allowance for credit losses and written-off of loans	¥ 367,286	¥ 381,906	¥ 441,402	$ 3,056
Liability for retirement benefits	165,865	155,354	—	1,380
Revaluation loss on securities	77,645	103,862	137,570	646
Unrealized losses on available-for-sale securities	24,651	51,813	38,922	205
Tax loss carryforwards	11,473	11,812	9,181	96
Reserve for retirement benefits	—	—	97,302	—
Other	294,742	312,739	349,964	2,453
Subtotal	941,665	1,017,488	1,074,344	7,836
Less valuation allowances	(147,818)	(207,181)	(267,833)	(1,230)
Total	¥ 793,847	¥ 810,307	¥ 806,510	$ 6,606
Deferred tax liabilities:				
Unrealized gains on available-for-sale securities	¥ (928,473)	¥ (472,776)	¥ (464,842)	$ (7,726)
Unrealized gain on lease transactions	(80,235)	(82,665)	(59,845)	(668)
Deferred gains on derivatives under hedge accounting	(74,866)	(24,878)	(62,310)	(623)
Revaluation gain on securities at merger	(69,628)	(70,688)	(67,615)	(580)
Gain on establishment of retirement benefit trust	(52,651)	(58,082)	(57,962)	(438)
Retained earnings of overseas subsidiaries	(33,603)	(28,714)	(24,416)	(280)
Other	(188,111)	(175,665)	(74,331)	(1,565)
Total	¥ (1,427,570)	¥ (913,472)	¥ (811,324)	$ (11,880)
Net deferred tax assets	¥ (633,723)	¥ (103,165)	¥ (4,813)	$ (5,274)

The reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2015, 2014 and 2013 was as follows:

	2015	2014	2013
Normal effective statutory tax rate	35.64 %	38.01 %	38.01%
Change in valuation allowances	(1.04)	(5.44)	(3.36)
Tax rate difference of overseas subsidiaries	(2.40)	(2.48)	(2.44)
Permanent non-taxable differences (e.g., non-taxable dividend income)	(2.46)	(1.91)	(1.59)
Addition of deferred tax liabilities resulting from tax rate changes	2.87	1.01	–
Elimination of dividends received from subsidiaries	1.32	0.27	0.12
Equity in earnings of the equity method investees	(0.74)	(0.44)	0.55
Foreign taxes	(0.60)	0.19	(0.36)
Other	(2.48)	2.55	0.68
Actual effective tax rate	30.11 %	31.76 %	31.61%

"Partial amendments to Income Tax Act, etc." (Act No. 9, 2015) and "Partial amendments to Local Tax Act, etc." (Act No.2, 2015) were proclaimed on March 31, 2015, and the corporate income tax rates were reduced from the fiscal year beginning on or after April 1, 2015. As a result, the statutory tax rate to be used in computing deferred tax assets and liabilities will be reduced from approximately 35.64% to 33.1% for the temporary differences estimated to be eliminated in the fiscal year beginning on April 1, 2015 and 32.34% for the temporary differences estimated to be eliminated from the fiscal year beginning on April 1, 2016. The effect of this change was a decrease in deferred tax assets by ¥68,619 million ($571 million) and unrealized gain on available-for-sale securities, deferred gain on derivatives under hedge accounting, accumulated other income on defined retirement benefit plans and income taxes – deferred increased by ¥93,505 million ($778 million), ¥7,664 million ($64 million), ¥645 million ($5 million) and ¥33,195 million ($276 million), respectively. Deferred tax liabilities for land revaluation decreased by ¥13,667 million ($114 million) and land revaluation surplus increased by the same amount.

22. 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 at 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 for the years ended March 31, 2015 and 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					
	March 31, 2015			March 31, 2014		
	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	¥ 5,270	¥ 4,985	¥ 284	¥ 12,287	¥ 10,553	¥ 1,733
Intangible fixed assets	—	—	—	182	182	—
Total	¥ 5,270	¥ 4,985	¥ 284	¥ 12,469	¥ 10,736	¥ 1,733

	Millions of U.S. Dollars		
	March 31, 2015		
	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	$ 44	$ 42	$ 2
Intangible fixed assets	—	—	—
Total	$ 44	$ 42	$ 2

Note:
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 March 31, 2015 and 2014.

Future lease payments under finance leases were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Due within one year	¥ 283	¥ 1,445	$ 2
Due after one year	1	287	0
Total	¥ 284	¥ 1,733	$ 2

Notes:
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 March 31, 2015 and 2014.

Total lease payments under finance leases for the years ended March 31, 2015 and 2014 were ¥1,254 million ($10 million) and ¥1,757 million, respectively.

Depreciation expense under finance leases:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	2015	2014	2015
Depreciation expense	¥ 1,254	¥ 1,757	$ 10

Depreciation expense, which is not reflected in the accompanying 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 March 31, 2015 and 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Due within one year	¥ 47,902	¥ 40,286	$ 399
Due after one year	270,088	226,072	2,247
Total	¥ 317,991	¥ 266,359	$ 2,646

(2) Lessor

Operating leases

Future lease receivables including interest receivables under non-cancelable operating leases as of March 31, 2015 and 2014 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Due within one year	¥ 3,809	¥ 28,637	$ 32
Due after one year	84,126	95,216	700
Total	¥ 87,935	¥ 123,854	$ 732

23. COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2015, 2014 and 2013 were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2015	2014	2013	2015
Unrealized gain on available-for-sale securities:				
Gain arising during the year	¥ 1,938,811	¥ 233,302	¥ 1,079,320	$ 16,134
Reclassification adjustments to loss	(216,947)	(207,820)	(235,970)	(1,805)
Amount before income tax effect	1,721,863	25,482	843,349	14,329
Income tax effect	(482,307)	3,019	(254,397)	(4,014)
Total	1,239,556	28,502	588,952	10,315
Deferred gain (loss) on derivatives under hedge accounting:				
Gain (loss) arising during the year	157,615	(104,332)	46,954	1,312
Reclassification adjustments to profit	18,910	17,423	19,401	158
Adjustments to acquisition costs of assets	–	(9,905)	–	–
Amount before income tax effect	176,525	(96,813)	66,356	1,469
Income tax effect	(54,366)	34,350	(24,101)	(452)
Total	122,159	(62,462)	42,254	1,017
Land revaluation surplus:				
Gain arising during the year	–	–	–	–
Reclassification adjustments to profit or loss	–	–	–	–
Amount before income tax effect	–	–	–	–
Income tax effect	13,667	(166)	(143)	114
Total	13,667	(166)	(143)	114
Foreign currency translation adjustments:				
Gain arising during the year	403,175	336,274	202,899	3,355
Reclassification adjustments to profit or loss	307	0	(22)	3
Amount before income tax effect	403,482	336,274	202,877	3,358
Income tax effect	–	–	–	–
Total	403,482	336,274	202,877	3,358
Pension liability adjustments under US GAAP recognized at foreign subsidiaries:				
Gain (loss) arising during the year	–	41,009	(17,500)	–
Reclassification adjustments to profit	–	14,101	10,233	–
Amount before income tax effect	–	55,110	(7,267)	–
Income tax effect	–	(27,376)	195	–
Total	–	27,734	(7,071)	–
Defined retirement benefit plans				
Loss arising during the year	(8,569)	–	–	(71)
Reclassification adjustments to profit	24,664	–	–	205
Amount before income tax effect	16,095	–	–	134
Income tax effect	(4,448)	–	–	(37)
Total	11,647	–	–	97
Share of other comprehensive income in affiliates accounted for using the equity method:				
Gain arising during the year	25,643	12,474	14,163	213
Reclassification adjustments to profit or loss	974	(1,327)	(1,255)	8
Total	26,617	11,147	12,907	221
Total other comprehensive income	¥ 1,817,129	¥ 341,029	¥ 839,776	$ 15,122

24. PER SHARE INFORMATION

	Yen			U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2015
Total equity per common share	¥ 954.03	¥ 798.38	¥ 729.93	$ 7.94

	Yen			U.S. Dollars
Years ended March 31	2015	2014	2013	2015
Net income per common share	¥ 59.24	¥ 59.62	¥ 53.07	$ 0.49
Diluted net income per common share	59.23	59.62	53.07	0.49

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

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2015	2014	2013	2015
Net income	¥ 731,622	¥ 754,323	¥ 673,514	$ 6,088
Amount not attributable to common shareholders	–	(17,940)	(18,045)	–
Of which, preferred dividends	–	(17,940)	(18,045)	–
Net income attributable to common shares	731,622	736,383	655,468	6,088

	Number of shares in thousands		
Years ended March 31	2015	2014	2013
Average number of common shares during the year	12,350,038	12,350,038	12,350,038

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2015	2014	2013	2015
Diluted net income per common share				
Adjustment to net income	¥ (7)	¥ (3)	¥ (3)	$ (0)

Total equity per common share is calculated based on the following:

	Millions of Yen			Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2015
Total equity	¥ 13,201,844	¥ 11,741,453	¥ 10,658,841	$ 109,860
Deductions from total equity:				
Minority interests	1,419,421	1,482,369	1,245,093	11,812
Preferred shares	–	390,000	390,000	–
Preferred dividends	–	8,970	8,970	–
Total	1,419,421	1,881,339	1,644,063	11,812
Total equity attributable to common shares	¥ 11,782,423	¥ 9,860,113	¥ 9,014,777	$ 98,048

	Number of shares in thousands		
	March 31, 2015	March 31, 2014	March 31, 2013
Number of common shares used in computing total equity per common share at the fiscal year end	12,350,038	12,350,038	12,350,038

Notes:

1. As noted in Note 2 (23) "Changes in Accounting Policies," the Bank has applied ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," effective March 31, 2014 and followed the transitional treatment prescribed in Paragraph 37 of the Accounting Standard. As a result, total equity per share as of March 31, 2014 decreased by ¥5.50.
2. As noted in Note 2 (23) "Changes in Accounting Policies," the Bank has applied ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," effective March 31, 2014 and followed the transitional treatment prescribed in Paragraph 37 of the Accounting Standard. As a result, total equity per common share as of April 1, 2014 decreased by ¥2.90 ($0.02). The effect on net income per common share and diluted net income per common share is immaterial.

3. As noted in Note 2 (23) "Changes in Accounting Policies," the Bank has applied the Accounting Standards for Business Combinations and followed 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 common share as of April 1, 2014 decreased by ¥15.06 ($0.13). In addition, the effect on net income per common share and diluted net income per common share for the year ended March 31, 2015 increased by ¥1.04 ($0.01), respectively.

25. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Disclosures on Financial Instruments

1) Policy for Financial Instruments

The Group provides comprehensive financial services such as deposit-taking and lending services, securities investment and other securities services and foreign exchange services. In order to prevent these businesses from being negatively affected by fluctuations in interest and foreign exchange rates, the Group conducts comprehensive asset and liability management ("ALM") by adjusting market exposure and the balance between short-term and long-term assets and liabilities. To do so, among other things, the Group raises capital from the market and hedges risks through derivative transactions.

2) Nature and Extent of Risks Arising from Financial Instruments

The Bank holds various types of financial instruments such as loans, securities and derivatives and is thus exposed to credit and market risks.

Credit risk is the risk of loss on receivables such as loans due to nonperformance of contractual obligations caused by factors such as deterioration in the financial condition of a borrower.

Market risk mainly arises from changes in domestic and overseas interest rates, foreign exchange rates and fluctuations in market prices of stocks and bonds. For example, an increase in domestic and overseas interest rates would reduce the value of the Bank's bond portfolio consisting of government and other bonds, and a rise in Japanese yen would reduce the value of foreign currency denominated securities and other assets when converted into Japanese yen. The Bank also invests in marketable equity securities, and a fall in the market price would decrease the fair value of these securities. As part of trading and ALM activities, the Bank holds derivative products such as interest rate swaps. A significant change in foreign exchange or interest rates may cause a significant fluctuation in the fair value of these derivative products. In conducting transactions for purposes of hedging risks associated with derivative products, the Bank hedges against interest rate risks with items including forecasted transactions involving fixed and variable rate deposits, loans and bonds through designated hedging instruments including interest rate swaps. The Bank hedges against foreign exchange rate fluctuation risks associated with instruments such as foreign currency denominated monetary assets and liabilities through hedging instruments including currency swap transactions and forward exchange contracts. In lieu of effectiveness determination, the Bank designs hedging activities so that the material terms of the hedging instruments are almost identical to those of the hedged items. In limited circumstances, effectiveness of hedging activities is assessed by verification of the correlation between factors that cause changes in interest rates.

3) Risk Management for Financial Instruments

Credit Risk Management

The Bank regularly monitors and assesses the credit portfolios and uses credit rating systems and asset self-assessment systems to ensure timely and proper evaluation of credit risk. Based on the credit risk control rules, the Bank has established a credit risk control system throughout the Bank. In addition, the Bank controls credit risks of the whole Group through guidance to the Group companies on each credit risk control system. In screening individual transactions and managing credit risk, the Bank has in place a check-and-balance system in which the credit administration section and the business promotion section are kept separate. The Bank holds regular management committee meetings to ensure full reporting and discussion on important credit risk management and administration matters. In addition to providing check and balance between different sections and conducting management level deliberations, the audit department also undertakes to verify credit operations to ensure appropriate credit administration.

Market Risk Management

A) Risk Management System

The Bank has established back offices (the operations administration section) and middle offices (the risk control section) which are independent from front offices (the market department), by which checks and balances are maintained. As part of risk control by management, the Board of Directors establishes the framework for the market risk management system while authorities relating to market operations are defined at management meetings. Furthermore, the Bank allocates economic capital corresponding to the volume of market risk within the scope of the Bank's capital base and establishes quantitative limits on market risk based on the allocated economic capital as well as limits on losses to contain the Bank's exposure to risks and losses within a certain range.

B) Market Risk Management

The Bank reports daily the status on the exposure to market risk and compliance with quantitative limits on market risk and losses to its risk management officer and also regularly reports to the ALM Committee and the Corporate Risk Management Committee, conducting comprehensive analyses on risk profiles including stress testing. The Bank administers risks at each business unit by hedging against interest rate and exchange rate fluctuation risks associated with marketable assets and liabilities with various hedging transactions using securities and derivatives as appropriate. With respect to trading account transactions and their administration, the Bank documents the process and periodically verifies through internal audits that the valuation methods and operation of such transactions are appropriate.

C) Market Risk Measurement Model

Since the daily variation in market risk is significantly greater than that in other types of risks, the Bank measures and manages market risk using the Value at Risk (the "VaR"), and Value at Idiosyncratic Risk (the "VaI") on a daily basis. Market risk for both trading and banking activities (excluding strategic equity securities, MUAH and Bank of Ayudhya Public Company Limited ("Bank of Ayudhya") is measured using a uniform market risk measurement model. The principal model used for these activities is historical simulation model (holding period — 10 business days; confidence interval — 99%; and observation period — 701 business days).

* Market risk can be classified into "general market risk" defined as the risk of suffering loss due to the volatility in the general market trend, and "specific market risk" defined as the risk of suffering loss due to the volatility of specific financial instruments such as debt securities or shares, independent of the general market trend. The amount of general market risk calculated by a market risk measurement model is called VaR, while the amount of specific market risk is called VaI.

* The historical simulation method calculates VaR and VaI amount by estimating the profit and loss on the current portfolio by applying actual fluctuations in market rates and prices that occurred over a fixed period in the past. The noted features of the historical simulation method include the ability to directly reflect the characteristics of the market fluctuations and the ability to rigorously measure the risk arising from options. However, because VaR and VaI measure market risk volume with a fixed event probability calculated statistically based on past market changes, they may not be able to ascertain risks when market volatility reaches abnormal levels.

* For banking activities of MUAH and Bank of Ayudhya, the market risk volume is identified using earnings at risk ("EaR").

* EaR is an index presenting the volatility of net interest income ("NII") associated with the changes in interest rates and is presented by the percent change (%) against NII of the standard scenario. MUAH sets two types of scenarios of +200 basis points (+2.00%) and -100 basis points (-1.00%) of interest rate changes in making a trial calculation of EaR and Bank of Ayudhya sets two types of scenarios of +100 basis points (+1.00%) and -100 basis points (-1.00%) .

* NII represents the difference between interest income and interest expenses, which is net income generated from total fund.

D) Quantitative Information in Respect of Market Risk

(i) Amount of Market Risk Associated with Trading Activities

The amount of consolidated market risk associated with trading activities across the Group was ¥11,328 million ($94 million) and ¥7,000 million as of March 31, 2015 and 2014, respectively.

(ii) Amount of Market Risk Associated with Banking Activities

The amount of consolidated market risk associated with banking activities (excluding strategic equity securities, MUAH and Bank of Ayudhya) across the Group was ¥334,694 million

($2,785 million) and ¥270,511 million as of March 31, 2015 and 2014, respectively. As an appropriate identification of interest rate risk is vital to banking activities (excluding strategic equity securities, MUAH and Bank of Ayudhya), the risk is managed based on the following assumptions for appropriate measurement of core deposit and prepayment in loans and deposits. For a certain part of the deposits without contractual maturities (so called core deposit), interest rate risk is recognized by allocating maturities of various terms (no longer than ten years), taking into account the results of the statistical analysis using the data on the transition of balance by product, prospective of deposit interest rate and other business judgments. The amount of core deposits and the method of allocating maturities are reviewed on a regular basis. Meanwhile, the deposits and loans with contractual maturities involve risks associated with premature repayment or cancellation. These risks are reflected in interest rate risks by estimating the ratio of cancellations through the statistical analysis based on the factors including interest rate change and actual repayments and cancellations.

EaR of banking activities of MUAH as of December 31, 2014 and 2013 was +3.88% and +5.63%, respectively, at the time of interest rate changes of +200 basis points (+2.00%) and -2.48% and -2.31%, respectively, at the time of interest rate changes of -100 basis points (-1.00%).

EaR of banking activities of Bank of Ayudhya as of December 31, 2014 and 2013 was -1.47% and -1.09%, respectively, at the time of interest rate changes of +100 basis points (+1.00%) and +1.45% and -0.06% , respectively, at the time interest changes of -100 basis points (-1.00%).

(iii) Risk of strategic equity portfolio

The market value of the strategically held stocks (publicly traded) of the Bank as of March 31, 2015 and 2014 was subject to a variation of approximately ¥3,029 million ($25 million) and ¥2,950 million, respectively, when the TOPIX index moves one point in either direction.

E) Backtesting

The Bank conducts backtesting in which a one-day holding period of VaR computed by the model is compared with hypothetical profit or loss on a daily basis to verify the accuracy of the market risk measurement model. The Bank also endeavors to secure the accuracy by verifying the reasonableness of assumptions used by the market risk measurement model and identifying the characteristics of the market risk measurement model in use from diversified viewpoints.

The results of backtesting for the years ended March 31, 2015 and 2014 in the trading activities of the Bank showed that hypothetical loss never exceeded VaR. Since the frequency of the excess falls within four times, it is considered that the Bank's VaR model provided reasonably accurate measurements of market risk.

F) Stress Testing

The Bank's VaR measured using market risk measurement model measures the risk volume at a certain probability of incidence computed statistically based on the past market fluctuations and is not designed to capture the risk under certain abnormal market fluctuations. In order to provide for the risk, the Bank implements stress testing on potential losses using various scenarios. The Bank implements diversified stress testing considering the future prospects and endeavors to capture presence of the risk. In addition, daily stress testing at the Bank estimates maximum potential losses on the current trading portfolio based on the actual volatility in each market recorded during the ten-business-day VaR observation period.

Management of Liquidity Risk Associated with Fund Raising Activities

The Bank strives to secure appropriate liquidity in both Japanese yen and foreign currencies by managing the sources of capital and liquidity gap, liquidity-supplying products such as commitment lines, as well as buffer assets that help maintain liquidity level. Specifically, the Board of Directors provides the framework for liquidity risk management, operates businesses in various stages according to the urgency of funding needs and exercises management at each such stage. The liquidity risk management department independent from others is designed to perform checking functions. The department reports to the ALM Committee and the Board of Directors the results from its activities such as evaluation of funding urgency and monitoring of compliance with quantitative limits. The department responsible for funding management performs funding and management activities, and regularly reports the current funding status and forecast as well as the current liquidity risk status to the department responsible for liquidity risk management and other appropriate bodies such as the ALM Committee.

4) Supplementary Explanation on Fair Value, etc. of Financial Instruments

The fair value of financial instruments includes, in addition to the value determined based on the market price, a valuation calculated on a reasonable basis if no market price is available. Certain assumptions are used for the calculation of such amount. Accordingly, the result of such calculation may vary if different assumptions are used.

(2) Fair value of financial instruments

The following table summarizes the carrying amount and the fair value of financial instruments as of March 31, 2015 and 2014 together with their differences. Note that the following table does not include unlisted equity securities or certain other securities whose fair value cannot be reliably determined (see Note 2).

	Millions of Yen		
	March 31, 2015		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	¥ 33,673,932	¥ 33,673,932	¥ –
(2) Call loans and bills bought	475,508	475,508	–
(3) Receivables under resale agreements	890,453	890,453	–
(4) Receivables under securities borrowing transactions	341,200	341,200	–
(5) Monetary claims bought (*1)	4,529,624	4,552,984	23,359
(6) Trading assets	1,710,896	1,710,896	–
(7) Money held in trust	509,848	509,848	–
(8) Securities:			
Held-to-maturity securities	2,104,507	2,134,781	30,274
Available-for-sale securities	51,472,665	51,472,665	–
(9) Loans and bills discounted	97,616,193		
Allowance for credit losses (*1)	(732,685)		
	96,883,508	98,028,267	1,144,759
(10) Foreign exchange assets (*1)	2,162,950	2,162,950	–
Total assets	¥ 194,755,096	¥ 195,953,489	¥ 1,198,392
(1) Deposits	¥ 140,954,695	¥ 140,970,026	¥ 15,330
(2) Negotiable certificates of deposit	11,255,770	11,259,493	3,723
(3) Call money and bills sold	1,189,037	1,189,037	–
(4) Payables under repurchase agreements	9,069,496	9,069,496	–
(5) Payables under securities lending transactions	2,450,901	2,450,901	–
(6) Commercial paper	1,578,138	1,578,138	–
(7) Trading liabilities	18,185	18,185	–
(8) Borrowed money	10,976,409	11,012,506	36,096
(9) Foreign exchange liabilities	1,555,703	1,555,703	–
(10) Bonds payable	6,031,660	6,174,152	142,491
Total liabilities	¥ 185,079,998	¥ 185,277,641	¥ 197,642
Derivatives (*2):			
To which hedge accounting is not applied	¥ 406	¥ 406	¥ –
To which hedge accounting is applied	28,874	28,874	–
Total derivatives	¥ 29,281	¥ 29,281	¥ –

	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		
	March 31, 2015		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	$ 280,219	$ 280,219	$ –
(2) Call loans and bills bought	3,957	3,957	–
(3) Receivables under resale agreements	7,410	7,410	–
(4) Receivables under securities borrowing transactions	2,839	2,839	–
(5) Monetary claims bought (*1)	37,694	37,888	194
(6) Trading assets	14,237	14,237	–
(7) Money held in trust	4,243	4,243	–
(8) Securities:			
Held-to-maturity securities	17,513	17,765	252
Available-for-sale securities	428,332	428,332	–
(9) Loans and bills discounted	812,318		
Allowance for credit losses (*1)	(6,097)		
	806,221	815,747	9,526
(10) Foreign exchange assets (*1)	17,999	17,999	–
Total assets	$ 1,620,664	$ 1,630,636	$ 9,972
(1) Deposits	$ 1,172,961	$ 1,173,088	$ 127
(2) Negotiable certificates of deposit	93,665	93,696	31
(3) Call money and bills sold	9,895	9,895	–
(4) Payables under repurchase agreements	75,472	75,472	–
(5) Payables under securities lending transactions	20,395	20,395	–
(6) Commercial paper	13,133	13,133	–
(7) Trading liabilities	151	151	–
(8) Borrowed money	91,341	91,641	300
(9) Foreign exchange liabilities	12,946	12,946	–
(10) Bonds payable	50,193	51,379	1,186
Total liabilities	$ 1,540,152	$ 1,541,796	$ 1,644
Derivatives (*2):			
To which hedge accounting is not applied	$ 4	$ 4	$ –
To which hedge accounting is applied	240	240	–
Total derivatives	$ 244	$ 244	$ –

(*1) General and specific allowances for credit losses corresponding to loans are deducted. However, with respect to items other than loans, the carrying amount is shown because the amount of allowance for credit losses corresponding to these items is insignificant.

(*2) Derivatives in trading assets and liabilities and in other assets and liabilities are shown together. Assets and liabilities arising from derivative transactions are presented on a net basis.

Notes:

1. Methods 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 period of the majority of such deposits is 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 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.

For other 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 from their qualitative viewpoint.

(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 fiscal year end 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.

See Note 4 "Trading Assets or Liabilities and 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, 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).

<u>Liabilities</u>

(1) "Deposits" and (2) "Negotiable certificates of deposit"

For demand deposits, the amount payable on demand as of the fiscal year end 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 cannot be reliably determined (before deducting valuation allowance): 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 March 31, 2015 Millions of Yen	Carrying amount March 31, 2015 Millions of U.S. Dollars
Unlisted equity securities (*1) (*2)	¥ 110,507	$ 920
Investment in partnerships, etc. (*2) (*3)	179,351	1,492
Other (*2)	302	3
Total	¥ 290,162	$ 2,415

	Carrying amount March 31, 2014 Millions of Yen
Unlisted equity securities (*1) (*2)	¥ 124,705
Investment in partnerships, etc. (*2) (*3)	185,178
Other (*2)	538
Total	¥ 310,421

(*1) Unlisted equity securities do not carry quoted market prices. Since fair values of these securities cannot be reliably determined, their fair value is not disclosed.

(*2) With respect to unlisted equity securities, an impairment loss of ¥2,301 million ($19 million) and ¥6,370 million was recorded in the fiscal years ended March 31, 2015 and 2014, respectively.

(*3) Investments in partnerships mainly include anonymous partnerships and investment business partnerships, etc. Since fair values of these securities cannot be reliably determined, their fair value is not disclosed.

3. Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen					
	March 31, 2015					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Securities (*1) (*2):	¥ 14,576,064	¥ 7,258,774	¥ 7,705,784	¥ 3,918,386	¥ 7,367,536	¥ 8,051,520
Held-to-maturity securities:	309	—	114,169	408,752	2,059,321	1,499,428
Japanese government bonds	—	—	—	–	1,101,209	—
Foreign bonds	309	—	70,072	13,139	95,560	824,215
Other	—	—	44,096	395,613	862,551	675,213
Available-for-sale securities with contractual maturities:	14,575,755	7,258,774	7,591,615	3,509,633	5,308,215	6,552,091
Japanese government bonds	12,140,028	4,899,153	4,589,032	2,362,447	1,348,081	2,515,940
Municipal bonds	8,288	56,030	53,765	–	69,720	348
Corporate bonds	177,923	331,211	286,869	82,973	236,176	811,396
Foreign bonds	2,165,519	1,953,315	2,155,973	1,048,555	3,572,736	2,937,883
Other	83,996	19,063	505,974	15,656	81,500	286,522
Loans (*1) (*3)	42,152,281	16,627,538	13,661,404	5,252,591	5,216,546	13,977,291
Total	¥ 56,728,346	¥ 23,886,313	¥ 21,367,189	¥ 9,170,977	¥12,584,082	¥ 22,028,811

	Millions of U.S. Dollars					
	March 31, 2015					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Securities (*1)(*2):	$ 121,295	$ 60,404	$ 64,124	$ 32,607	$ 61,309	$ 67,001
Held-to-maturity securities:	2	—	950	3,401	17,137	12,478
Japanese government bonds	—	—	—	—	9,164	—
Foreign bonds	2	—	583	109	795	6,859
Other	—	—	367	3,292	7,178	5,619
Available-for-sale securities with contractual maturities:	121,293	60,404	63,174	29,206	44,172	54,523
Japanese government bonds	101,024	40,768	38,188	19,659	11,218	20,936
Municipal bonds	69	466	447	—	580	3
Corporate bonds	1,481	2,756	2,387	691	1,965	6,752
Foreign bonds	18,020	16,255	17,941	8,726	29,731	24,448
Other	699	159	4,211	130	678	2,384
Loans (*1) (*3)	350,772	138,367	113,684	43,710	43,410	116,313
Total	$ 472,067	$ 198,771	$ 177,808	$ 76,317	$ 104,719	$ 183,314

(*1) The amounts above are stated using the carrying amounts.
(*2) Securities include trust beneficiaries of "Monetary claims bought."
(*3) Loans do not include those amounts whose repayment schedules cannot be determined including due from "bankrupt" borrowers, "virtually bankrupt" borrowers and "likely to become bankrupt" borrowers amounting to ¥728,539 million ($6,063 million).

4. Maturity analysis for "Time deposits," "Negotiable certificates of deposit" and other interest bearing liabilities

	Millions of Yen					
	March 31, 2015					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Time deposits and negotiable certificates of deposit (*1)	¥ 50,758,345	¥ 5,909,753	¥ 907,306	¥ 66,720	¥ 69,630	¥ 172
Borrowed money (*1) (*2) (*3)	5,222,202	1,501,322	3,482,774	147,201	390,721	232,186
Bonds (*1) (*2)	879,989	2,090,336	996,674	1,056,428	698,199	310,031
Total	¥ 56,860,537	¥ 9,501,412	¥ 5,386,754	¥ 1,270,351	¥ 1,158,551	¥ 542,390

	Millions of U.S. Dollars					
	March 31, 2015					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Time deposits and negotiable certificates of deposit(*1)	$ 422,388	$ 49,178	$ 7,550	$ 555	$ 579	$ 1
Borrowed money(*1) (*2) (*3)	43,457	12,493	28,982	1,225	3,252	1,932
Bonds(*1) (*2)	7,323	17,395	8,294	8,791	5,810	2,580
Total	$ 473,168	$ 79,066	$ 44,826	$ 10,571	$ 9,641	$ 4,513

(*1) The amounts above are stated at the carrying amount.
(*2) "Borrowed money" and "Bonds" whose maturities are not defined are recorded under "Due after ten years."
(*3) There was no outstanding balance of rediscounted bills as of March 31, 2015.

26. DERIVATIVES

The Bank uses derivatives primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives to meet the needs of its clients and enters into derivative contracts as a part of its trading activities.

The Group enters into futures contracts on interest rate, currency, forward contracts on interest rate and currency, foreign exchange forward contracts, swaps contracts on interest rate, currency, and option contracts on interest rate, currency.

The Bank uses derivatives for the following purposes based on the internally defined risk management and operating policies.
- To provide clients with hedge instruments
- Trading based on the short-term prospect on foreign exchange, interest rate, etc.
- Adjustments or hedging of foreign exchange risk and interest rate risk associated with assets and liabilities

For hedging activities, the Bank classified instruments such as forecasted transactions involving fixed and variable rate deposits, loans, and bonds as hedged items, and instruments such as interest rate swaps as hedging instruments. Regarding effectiveness of hedging, since hedged items and hedging instruments may be almost identical, the Bank considers the hedges to be highly effective. In addition, the Bank may assess effectiveness based on the correlation of floating elements of interest rate.

Significant risk related to derivatives includes market risk and credit risk to be incurred in the course of transactions.

Market risk is the possibility that future changes in market indices make the financial instruments less valuable and credit risk is the possibility that a loss may result from a counterparty's failure to perform according to terms and conditions of the contract, which may exceed the value of underlying collateral. The Bank measures and manages its exposure on derivatives as well as other transactions using a uniform method as much as possible for market risk and credit risk.

As for market risk, the Management Committee grants an authority with VaR (risk index which estimates statistically maximum probable loss to be incurred in the portfolios within a holding period) to the Corporate Risk Management Division. The Corporate Risk Management Division measures and manages overall exposures across the Bank on a global and consolidation basis and reports directly to the Bank's management.

As for credit risk, the Bank identifies and manages credit balances considering the replacement cost and future changes in the replacement cost using a system based on the judgment of the credit risk management division independent from front office function.

Derivative transactions with the same counterparty are recorded in the financial statements on a gross basis without offsetting derivative assets and liabilities regardless of whether there is a legal valid master netting agreement between the two parties.

The Bank has the following derivative contracts outstanding as of March 31, 2015, 2014 and 2013:

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 fiscal year end 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.

(1) Interest rate-related derivatives

		Millions of Yen			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥ 921,436	¥ 391,699	¥ (2,069)	¥ (2,069)
	Bought	1,010,313	653,899	2,574	2,574
Interest rate options	Sold	613,891	–	(122)	4
	Bought	670,340	–	69	(108)
Over-the-counter ("OTC") transactions:					
Interest rate swaps	Receivable fixed rate/ Payable floating rate	156,452,154	133,438,080	3,864,342	3,864,342
	Receivable floating rate/ Payable fixed rate	156,591,537	131,728,890	(3,651,643)	(3,651,643)
	Receivable floating rate/ Payable floating rate	43,112,354	36,120,740	28,540	28,540
	Receivable fixed rate/ Payable fixed rate	290,616	39,416	(4,931)	(4,931)
Interest rate swaptions	Sold	4,310,788	2,095,665	(82,328)	(59,654)
	Bought	4,243,473	1,554,725	39,217	23,175
Other	Sold	1,783,765	1,484,344	(4,123)	1,310
	Bought	2,064,074	1,789,331	11,894	7,030
Total		–	–	¥ 201,421	¥ 208,572

		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 Yen			
		March 31, 2013			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥ 2,963,060	¥ 2,214,775	¥ (2,035)	¥ (2,035)
	Bought	1,597,109	1,045,958	(10)	(10)
Interest rate options	Sold	54,882,896	–	(2,775)	5,088
	Bought	28,032,446	865	2,706	(5,195)
OTC transactions:					
Forward rate agreements	Sold	–	–	–	–
	Bought	22,383	3,950	(52)	(52)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	90,289,342	70,049,902	3,278,337	3,278,337
	Receivable floating rate/ Payable fixed rate	93,098,005	71,293,209	(3,144,657)	(3,144,657)
	Receivable floating rate/ Payable floating rate	35,179,263	27,507,588	21,245	21,245
	Receivable fixed rate/ Payable fixed rate	434,435	289,927	(994)	(994)
Interest rate swaptions	Sold	7,899,443	3,031,241	(124,116)	(104,186)
	Bought	3,997,928	1,910,518	89,340	79,268
Other	Sold	2,035,616	1,792,217	(6,049)	(3,294)
	Bought	1,956,873	1,753,528	10,809	9,167
Total		–	–	¥ 121,747	¥ 132,680

		Millions of U.S. Dollars			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	$ 7,668	$ 3,260	$ (17)	$ (17)
	Bought	8,407	5,441	21	21
Interest rate options	Sold	5,109	–	(1)	0
	Bought	5,578	–	1	(1)
OTC transactions:					
Interest rate swaps	Receivable fixed rate/ Payable floating rate	1,301,924	1,110,411	32,157	32,157
	Receivable floating rate/ Payable fixed rate	1,303,083	1,096,188	(30,387)	(30,387)
	Receivable floating rate/ Payable floating rate	358,761	300,580	237	237
	Receivable fixed rate/ Payable fixed rate	2,418	328	(41)	(41)
Interest rate swaptions	Sold	35,872	17,439	(685)	(496)
	Bought	35,312	12,938	326	193
Other	Sold	14,844	12,352	(34)	11
	Bought	17,176	14,890	99	59
Total		–	–	$ 1,676	$ 1,736

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values of transactions listed on exchange are determined using the closing price at the Tokyo Financial Exchange ("TFX") or other exchanges at the fiscal year end 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			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	¥ 190,462	¥ –	¥ 860	¥ 860
	Bought	96,078	–	(494)	(494)
OTC transactions:					
Currency swaps		27,986,410	22,778,667	(150,827)	(150,827)
Forward contracts on foreign exchange	Sold	43,144,079	2,557,939	32,552	32,552
	Bought	42,421,779	2,386,251	79,416	79,416
Currency options	Sold	6,969,525	3,041,495	(466,671)	(81,070)
	Bought	6,983,360	3,026,135	305,334	(1,708)
Total		–	–	¥ (199,828)	¥ (121,270)

		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 Yen			
		March 31, 2013			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	¥ 88,041	¥ 4,954	¥ 267	¥ 267
	Bought	20,740	–	59	59
OTC transactions:					
Currency swaps		28,055,368	20,293,334	122,251	122,251
Forward contracts on	Sold	36,380,931	1,434,389	(769,916)	(769,916)
foreign exchange	Bought	34,675,049	1,484,990	870,134	870,134
Currency options	Sold	9,182,226	3,672,753	(316,101)	97,410
	Bought	8,830,059	3,617,165	288,372	(70,617)
Total		–	–	¥ 195,066	¥ 249,588

		Millions of U.S. Dollars			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	$ 2,078	$ –	$ 13	$ 13
	Bought	1,245	–	(0)	(0)
OTC transactions:					
Currency swaps		232,890	189,554	(1,255)	(1,255)
Forward contracts on	Sold	358,532	21,286	265	265
foreign exchange	Bought	352,569	19,857	657	657
Currency options	Sold	57,997	25,310	(3,884)	(675)
	Bought	58,112	25,182	2,541	(14)
Total		–	–	$ (1,663)	$ (1,009)

Notes:

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

(3) Equity-related derivatives

		Millions of Yen			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥ 881	¥ –	¥ (4)	¥ (4)
	Bought	1,774	–	18	18
OTC transactions:					
OTC options on securities	Sold	228,850	199,818	(36,004)	(36,004)
	Bought	228,850	199,818	36,146	36,146
Total return swaps	Sold	–	–	–	–
	Bought	6,723	6,723	(211)	(211)
Total		–	–	¥ (55)	¥ (55)

		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 Yen			
		March 31, 2013			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥ 1,283	¥ –	¥ (7)	¥ (7)
	Bought	901	–	4	4
OTC transactions:					
OTC options on securities	Sold	157,176	152,146	(8,941)	(7,180)
	Bought	157,176	152,146	8,904	7,142
Total return swaps	Sold	–	–	–	–
	Bought	2,836	2,836	(220)	(220)
Total		–	–	¥ (261)	¥ (261)

		Millions of U.S. Dollars			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	$ 7	$ –	$ (0)	$ (0)
	Bought	15	–	0	0
OTC transactions:					
OTC options on securities	Sold	1,904	1,663	(300)	(300)
	Bought	1,904	1,663	301	301
Total return swaps	Sold	–	–	–	–
	Bought	56	56	(2)	(2)
Total		–	–	$ (1)	$ (1)

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values of transactions listed on the exchanges are determined using the closing price at Osaka Exchange (Tokyo Stock Exchange in 2013) or other exchanges at the fiscal year end date.
   Fair values of OTC transactions are calculated using option-pricing models or other methods.

(4) Bond-related derivatives

		Millions of Yen			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 311,432	¥ –	¥ 161	¥ 161
	Bought	217,559	–	100	100
Bond futures options	Sold	428,772	–	(1,119)	105
	Bought	333,854	–	735	(1,485)
OTC transactions:					
Bond OTC options	Sold	207,440	–	(2,549)	(1,160)
	Bought	109,700	–	1,654	1,169
Total		–	–	¥ (1,017)	¥ (1,108)

		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 Yen March 31, 2013 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 704,406	¥ –	¥ (770)	¥ (770)
	Bought	2,024,027	–	3,569	3,569
Bond futures options	Sold	3,857,803	–	(5,564)	2,139
	Bought	2,936,304	–	2,572	(6,028)
OTC transactions:					
Bond OTC options	Sold	–	–	–	–
	Bought	450,000	–	417	(7)
Bond forward contracts	Sold	77,308	–	(91)	(91)
	Bought	133,503	–	50	50
Total		–	–	¥ 184	¥ (1,136)

		Millions of U.S. Dollars March 31, 2015 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	$ 2,592	$ –	$ 1	$ 1
	Bought	1,810	–	1	1
Bond futures options	Sold	3,568	–	(9)	1
	Bought	2,778	–	6	(12)
OTC transactions:					
Bond OTC options	Sold	1,726	–	(21)	(10)
	Bought	913	–	14	10
Total		–	–	$ (8)	$ (9)

Notes:
1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values of transactions listed on exchange are determined using the closing price at the Osaka Exchange or other exchanges.
   Fair values of OTC transactions are calculated using option-pricing models or other methods.

(5) Commodity-related derivatives

		Millions of Yen March 31, 2015 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Commodity futures	Sold	¥ –	¥ –	¥ –	¥ –
	Bought	145	–	(9)	(9)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	198,619	92,270	(23,803)	(23,803)
	Receivable floating rate/ Payable index volatility	247,841	104,108	23,946	23,946
Commodity options	Sold	163,798	98,904	(10,253)	(10,220)
	Bought	163,793	98,904	10,259	10,242
Total		–	–	¥ 139	¥ 155

		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 Yen							
		March 31, 2013							
		Contract amount							
		Total		Over one year		Fair value		Valuation gain (loss)	
OTC transactions:									
Commodity swaps	Receivable index volatility/ Payable floating rate	¥	134,199	¥	65,786	¥	(24,121)	¥	(24,121)
	Receivable floating rate/ Payable index volatility		149,960		67,751		24,515		24,515
Commodity options	Sold		162,508		91,771		(4,248)		(4,191)
	Bought		162,506		91,771		4,254		4,198
Total			–		–	¥	399	¥	400

		Millions of U.S. Dollars							
		March 31, 2015							
		Contract amount							
		Total		Over one year		Fair value		Valuation gain (loss)	
Transactions listed on exchange:									
	Sold	$	–	$	–	$	–	$	–
	Bought		1		–		(0)		(0)
OTC transactions:									
Commodity swaps	Receivable index volatility/ Payable floating rate	$	1,653	$	768	$	(198)	$	(198)
	Receivable floating rate/ Payable index volatility		2,062		866		199		199
Commodity options	Sold		1,363		823		(85)		(85)
	Bought		1,363		823		85		85
Total			–		–	$	1	$	1

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values of transactions listed on exchange are determined using the closing price at Inter Continental Exchange (ICE) Futures and others.
   Fair values of OTC transactions 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							
		March 31, 2015							
		Contract amount							
		Total		Over one year		Fair value		Valuation gain (loss)	
OTC transactions:									
Credit default options	Sold	¥	616,724	¥	539,963	¥	8,469	¥	8,469
	Bought		849,300		676,078		(9,130)		(9,130)
Total			–		–	¥	(660)	¥	(660)

		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 Yen			
		March 31, 2013			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 515,577	¥ 395,730	¥ (107)	¥ (107)
	Bought	911,564	572,289	(1,336)	(1,336)
Total		–	–	¥ (1,443)	¥ (1,443)

		Millions of U.S. Dollars			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	$ 5,132	$ 4,493	$ 71	$ 71
	Bought	7,067	5,626	(76)	(76)
Total		–	–	$ (5)	$ (5)

Notes:
1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the 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			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	¥ 34,823	¥ 27,823	¥ (1,615)	¥ (72)
	Bought	34,823	27,823	1,615	670
SVF Wrap Products	Sold	2,214,874	1,228,514	(0)	(0)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	5,674	3,571	408	408
Total		–	–	¥ 408	¥ 1,005

		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 Yen			
		March 31, 2013			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	¥ 7,000	¥ 7,000	¥ (309)	¥ 63
	Bought	7,000	7,000	309	(63)
SVF Wrap Products	Sold	802,463	802,463	(0)	(0)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	8,015	8,015	87	87
Total		–	–	¥ 86	¥ 86

		Millions of U.S. Dollars			
		March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	$ 290	$ 232	$ (13)	$ (1)
	Bought	290	232	13	6
SVF Wrap Products	Sold	18,431	10,223	(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 consolidated statements of income.
2. Fair values are calculated using the option-pricing models or other methods.
3. SVF Wrap Products are derivative instruments that the Bank guarantees payment of the principal to the 401(k) investors who invest in Stable Value Fund.

Derivatives to which hedge accounting is applied:

With respect to derivatives to which hedge accounting is applied, contract amount or notional principal and fair value at the fiscal year end date by transaction type and hedge accounting method and valuation method of fair value are as follows: Note that contract amounts do not represent the market risk exposure associated with derivatives.

(1) Interest rate-related derivatives

			Millions of Yen		
			March 31, 2015		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits	¥ 18,597,043	¥ 18,224,382	¥ 216,831
	Receivable floating rate/ Payable fixed rate		10,828,629	10,393,272	(64,174)
	Interest rate futures		1,254,975	657,612	(3,272)
Total			–	–	¥ 149,384

			Millions of Yen		
			March 31, 2014		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits	¥ 14,984,986	¥ 14,228,132	¥ 137,906
	Receivable floating rate/ Payable fixed rate		6,521,733	6,158,697	(22,701)
	Interest rate futures		2,600,111	829,232	(1,369)
Total			–	–	¥ 113,835

			Millions of Yen		
			March 31, 2013		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits	¥ 8,811,494	¥ 7,749,597	¥ 241,155
	Receivable floating rate/ Payable fixed rate		6,455,189	5,348,152	(57,398)
	Receivable floating rate/ Payable floating rate		20,000	–	305
	Interest rate futures		2,053,301	69,249	713
	Other		268,398	12,987	0
Total			–	–	¥ 184,775

			Millions of U.S. Dollars		
			March 31, 2015		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits	$ 154,756	$ 151,655	$ 1,804
	Receivable floating rate/ Payable fixed rate		90,111	86,488	(534)
	Interest rate futures		10,443	5,472	(27)
Total			–	–	$ 1,243

Notes:

1. These derivatives are mainly accounted for using the deferred hedge accounting in accordance with JICPA Industry Audit Committee Report No. 24 "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry."
2. Fair values of transactions listed on exchange are determined using the closing price at the TFX or other exchanges at the fiscal year end date.
   Fair values of OTC transactions are calculated using the discounted present value, the option-pricing models or other methods.

(2) Currency-related derivatives

			Millions of Yen		
			March 31, 2015		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥ 17,180,803	¥ 12,064,616	¥ (135,872)
	Foreign currency forward contracts	Investments in equity interests in foreign subsidiaries	194,435	194,435	3,308
Total			–	–	(132,563)

			Millions of Yen		
			March 31, 2014		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥ 14,846,245	¥ 9,235,369	¥ (159,097)

			Millions of Yen		
			March 31, 2013		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥ 10,490,858	¥ 6,726,293	¥ (269,688)

Hedge accounting method	Transaction type	Major hedged item	Millions of U.S. Dollars March 31, 2015 Contract amount		Contract amount due after one year		Fair value	
Deferred hedge accounting	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	$	142,971	$	100,396	$	(1,131)
	Forward contracts	Investments in equity interests in foreign subsidiaries		1,618		1,618		28
Total				–		–		(1,103)

Notes:

1. These derivatives are mainly accounted for using the deferred hedge accounting in accordance with JICPA Industry Audit Committee Report No. 25, "Accounting and Auditing Treatments for Foreign Currency Transactions in the Banking Industry."
2. Fair values are calculated using the discounted present value or other methods.

(3) Equity-related derivatives

Hedge accounting method	Transaction type	Major hedged item	Millions of Yen March 31, 2015 Contract amount		Contract amount due after one year		Fair value	
Fair value hedge accounting	Total return swaps	Available-for-sale securities (equity securities)	¥	338,086	¥	–	¥	7,144

Hedge accounting method	Transaction type	Major hedged item	Millions of Yen March 31, 2014 Contract amount		Contract amount due after one year		Fair value	
Fair value hedge accounting	Total return swaps	Available-for-sale securities (equity securities)	¥	39,561	¥	30,743	¥	(2,266)
	Other			495		–		(44)
Total				–		–	¥	(2,310)

Hedge accounting method	Transaction type	Major hedged item	Millions of Yen March 31, 2013 Contract amount		Contract amount due after one year		Fair value	
Fair value hedge accounting	Total return swaps	Available-for-sale securities (equity securities)	¥	8,720	¥	8,720	¥	(47)

Hedge accounting method	Transaction type	Major hedged item	Millions of U.S. Dollars March 31, 2015 Contract amount		Contract amount due after one year		Fair value	
Fair value hedge accounting	Total return swaps	Available-for-sale securities (equity securities)	$	2,813	$	–	$	59

Note: Fair values are calculated using the discounted present value or other methods.

(4) Bond-related derivatives

Hedge accounting method	Transaction type	Major hedged item	Millions of Yen March 31, 2015 Contract amount	 Contract amount due after one year	 Fair value
Deferred hedge accounting	OTC bond options	Available-for-sale securities (debt securities)	¥ 3,968,000	¥ –	¥ 4,908

Hedge accounting method	Transaction type	Major hedged item	Millions of Yen March 31, 2014 Contract amount	 Contract amount due after one year	 Fair value
Deferred hedge accounting	OTC bond options	Available-for-sale securities (debt securities)	¥ 2,159,400	¥ –	¥ 2,827

Hedge accounting method	Transaction type	Major hedged item	Millions of Yen March 31, 2013 Contract amount	 Contract amount due after one year	 Fair value
Deferred hedge accounting	OTC bond options	Available-for-sale securities (debt securities)	¥ 2,610,000	¥ –	¥ (13,201)

Hedge accounting method	Transaction type	Major hedged item	Millions of U.S. Dollars March 31, 2015 Contract amount	 Contract amount due after one year	 Fair value
Deferred hedge accounting	OTC bond options	Available-for-sale securities (debt securities)	$ 33,020	$ –	$ 41

Note: Fair values are calculated using the option-pricing models or other methods.

27. BUSINESS COMBINATIONS OR DIVESTITURES

Year ended March 31, 2015

Transactions Under Common Control
(Integration of BTMU Bangkok Branch and Bank of Ayudhya Public Company Limited)

In accordance with the Conditional Branch Purchase Agreement concluded on September 18, 2013 between the Bank and Bank of Ayudhya Public Company Limited ("Krungsri"), the Bank's consolidated subsidiary, the Bank integrated its Bangkok Branch (the "former BTMU Bangkok Branch") with Krungsri on January 5, 2015 through the contribution in kind of the former BTMU Bangkok Branch business to Krungsri. The brief overview is described as follows:

1. Overview of the transaction
   (1) Name and business description of the acquisition
   Name of business — Former BTMU Bangkok Branch
   Description of business — Commercial bank

   (2) Date of the business combination
   January 5, 2015

   (3) Legal form of the business combination
   Contribution in kind

   (4) Name of the company after the integration
   Bank of Ayudhya Public Company Limited

   (5) Other matters related to overview of the transaction
   The transaction was made in compliance with the Bank of Thailand's One Presence Policy, and intending collaboration in various fields to maximize the strategic partnership with Krungsri in accordance with the

Conditional Branch Purchase Agreement concluded between the Bank and Krungsri on September 18, 2013.

2. Outline of accounting treatment applied

The transaction is treated as a transaction under common control in accordance with "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on September 13, 2013) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 issued on September 13, 2013).

3. Matters related to changes in the Bank's equity interests related to the transactions with minority shareholders

As a result of acquisition of the common shares of Krungsri through the contribution in kind of the former BTMU Bangkok Branch business to Krungsri, capital surplus decreased ¥11,187 million ($93 million).

Year ended March 31, 2014

(Business Combinations)

Business combination through acquisition
(Bank of Ayudhya became a subsidiary through acquisition of its shares)
The Bank resolved at the meeting of Board of Directors on July 2, 2013 on the implementation of voluntary tender offer by the Bank (the "Voluntary Tender Offer") to acquire a majority of common stock of Bank of Ayudhya. The Voluntary Tender Offer was implemented from November 7, 2013 through December 13, 2013. As a result of the Voluntary Tender Offer, the Bank acquired 4,373,714,120 shares of common stock of Bank of Ayudhya, which accounted for a majority of its voting rights, and Bank of Ayudhya became a subsidiary of the Bank.

1. Overview of the business combination

(1) Name and business description of the acquired company

Name of the acquired company	Bank of Ayudhya Public Company Limited
Description of business	Commercial bank

(2) Main objectives of the business combination
To further strengthen financial services in Thailand and accommodate diverse needs of customers operating in Thailand through an investment in Bank of Ayudhya

(3) Date of the business combination
December 18, 2013

(4) Legal form of the business combination
Making the company a subsidiary through acquisition of its shares

(5) Acquired voting rights ratio
72.01%

2. Period of business results of the acquired company included in the consolidated financial statements

As the date of the business combination is deemed to be December 31, 2013 and the subsidiary is consolidated based on its financial statements as of December 31, 2013, the business results of the acquired company are not included in the consolidated financial statements for the current year.

3. Acquisition cost of the acquired company and its breakdown

Consideration for acquisition	¥535,934 million
Expense directly related to acquisition	¥2,266 million
Acquisition cost	¥538,200 million

4. Amount of goodwill incurred, causes, amortization method and amortization period

(1) Amount of goodwill incurred
¥166,634 million

(2) Causes
Incurred due to the future excess earnings capacity arising from the future business development

(3) Amortization method and amortization period
Straight-line method over 20 years

5. Amounts of assets received and liabilities accepted on the date of the business combination and their major breakdown

(1)	Amount of assets	Total assets	¥4,122,741 million
		Including loans and bills discounted	¥2,067,243 million
(2)	Amount of liabilities	Total liabilities	¥3,592,066 million
		Including deposits	¥2,488,862 million

In the allocation of acquisition cost, the amount allocated to intangible fixed assets other than goodwill was ¥206,314 million, which mainly consisted of ¥123,836 million of customer-related assets (amortization period of 11 years) and ¥59,891 million of core deposits (amortization period of 11 years).

6. Estimated amount and its calculation method of the effects on the consolidated statement of income for the current year assuming that the business combination was completed on the beginning date of the current year

Ordinary income (Unaudited)	¥3,900,567 million
Ordinary profits (Unaudited)	¥1,239,212 million
Net income (Unaudited)	¥759,722 million

(Method used for determining the estimated amount)
The estimated amount is determined as the effects on ordinary income, ordinary profits and net income which are calculated on the assumption that the business combination was completed on the beginning date of the current year. The amount of amortization is also calculated on the assumption that the goodwill and intangible fixed assets recognized at the time of the business combination incurred on the beginning date of the current year.

28. RELATED-PARTY TRANSACTION

***Related-party transactions*:**
Related-party transactions for the years ended March 31, 2015, 2014 and 2013 were as follows:

(1)Transactions between the Bank and its related parties

a. Parent company and major shareholders (limited to companies and others)
There was no applicable transaction with the parent company and major shareholders to be reported for the year ended March 31, 2015.

Year ended March 31, 2014

Type	Name	Location	Capital (Millions of Yen)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Parent	Mitsubishi UFJ Financial Group, Inc.	Chiyoda-ku, Tokyo	¥2,140,488	Bank holding company	Direct: 100.00%	Loans or others, Directors or others	Loans (Note 1)	¥ –	Loans and bills discounted	¥ 1,901,692
							Receipt of interest (Note 1)	12,995	Other assets	168

Terms and conditions on transactions and transaction policy:
Note 1: The interest rate on loans is reasonably determined considering the market rate. Repayment term is the lump-sum payment method at maturity. No pledged assets are received.

Year ended March 31, 2013

Type	Name	Location	Capital (Millions of Yen)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Parent	Mitsubishi UFJ Financial Group, Inc.	Chiyoda-ku, Tokyo	¥2,139,378	Bank holding company	Direct: 100.00%	Loans or others, Directors or others	Loans (Note 1) Receipt of interest (Note 1)	¥ – 14,628	Loans and bills discounted Other assets	¥ 1,857,381 253

Terms and conditions on transactions and transaction policy:

Note 1: The interest rate on loans is reasonably determined considering the market rate. Repayment term is the lump-sum payment method at maturity. No pledged assets are received.

b. Unconsolidated subsidiaries and affiliates

There was no applicable transaction to be reported for the years ended March 31, 2015, 2014 and 2013.

c. Companies that are owned by the same parent company with the Bank ("sister company") and other affiliates' subsidiaries

There was no applicable transaction to be reported for the years ended March 31, 2015 and 2013.

Year ended March 31, 2014

Type	Name	Location	Capital (Millions of Yen)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Sister company	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	Chiyoda-ku, Tokyo	¥ 40,500	Financial instruments transactions	None	Securities lending, borrowing, etc.	Bonds lending and borrowing (Note 1)	¥ – (Note 2)	Receivables under securities borrowing transactions	¥ 2,123,566

Terms and conditions on transactions and transaction policy:

Notes:

1. Terms and conditions are determined considering market trends.
2. For transaction amount, only the outstanding balance at the end of the fiscal year is disclosed due to repeated and large amount market transactions.

d. Directors or major individual shareholders (limited to individual shareholders)

Year ended March 31, 2015

Type	Name	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director's relative	Akira Koyama	Relative of representative director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	¥ ─ 0	Loans and bills discounted Other assets	¥ 15 0
Director's relative	Yoshiki Murabayashi	Relative of representative director of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	¥ ─ 0	Loans and bills discounted Other assets	¥ 33 0
Director's relative	Junnichi Domon	Relative of representative director of the Bank	None	Loans	Loan (Note 3) Receipt of interest (Note 3)	¥ ─ 0	Loans and bills discounted Other assets	¥ 27 0

Terms and conditions on transactions and transaction policy:

Notes:

1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 15 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 35 years.
3. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 20 years.

Year ended March 31, 2014

Type	Name	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	¥ – 1	Loans and bills discounted Other assets	¥ 45 0
Director's relative	Yoshiki Murabayashi	Relative of representative director of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	34 0	Loans and bills discounted Other assets	34 0

Terms and conditions on transactions and transaction policy:

Notes:

1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 35 years.

Year ended March 31, 2013

Type	Name	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	¥ – 1	Loans and bills discounted Other assets	¥ 47 0
Director	Tetsuya Nakagawa	Corporate auditor of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	– 0	Loans and bills discounted Other assets	– –

Terms and conditions on transactions and transaction policy:

Notes:

1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 19 years and six months.

Year ended March 31, 2015

Type	Name	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of U.S. Dollars)	Account	Outstanding balance (Millions of U.S. Dollars)
Director's relative	Akira Koyama	Relative of representative director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	$ — 0	Loans and bills discounted Other assets	$ 0 0
Director's relative	Yoshiki Murabayashi	Relative of representative director of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	$ — 0	Loans and bills discounted Other assets	$ 0 0
Director's relative	Junnichi Domon	Relative of representative director of the Bank	None	Loans	Loan (Note 3) Receipt of interest (Note 3)	$ — 0	Loans and bills discounted Other assets	$ 0 0

Terms and conditions on transactions and transaction policy:

Notes:

1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 15 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 35 years.
3. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 20 years.

(2) Transactions between subsidiaries of the Bank and its related parties

There was no applicable transaction to be reported for the years ended March 31, 2015, 2014 and 2013.

Information about the parent company or significant affiliates:

(1) Information about the parent company:
Mitsubishi UFJ Financial Group, Inc. (listed on Tokyo Stock Exchange, Nagoya Stock Exchange and New York Stock Exchange)

(2) Condensed financial information of significant affiliates:
There was no applicable information to be reported for the years ended March 31, 2015, 2014 and 2013.

29. 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 consolidated statements of income.
3) "Ordinary expenses" means total expenses less certain special expenses included in "Other expenses" in the accompanying consolidated statements of income.

(2) A reconciliation of the ordinary profit (loss) under the internal management reporting system for the years ended March 31, 2015, 2014 and 2013 to income before income taxes and minority interests shown in the accompanying consolidated statements of income was as follows:

	Millions of Yen			Millions of U.S. Dollars
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2015
Ordinary profit (loss):	¥ 1,221,200	¥ 1,217,534	¥ 1,070,928	$ 10,162
Gain on sales of fixed assets	4,091	10,099	4,424	34
Gain on sales of shares of affiliates	–	6,895	12,047	–
Loss on disposal of fixed assets	(5,368)	(6,388)	(8,078)	(45)
Impairment loss	(4,249)	(3,758)	(5,142)	(35)
Provision for reserve under the special laws	(525)	(573)	(166)	(4)
Settlement package	(37,097)	(24,537)	–	(309)
Loss on sales of shares of subsidiaries	(25,151)	(2,172)	–	(209)
Loss on sales of shares of affiliates	–	(330)	(1,099)	–
Income before income taxes and minority interests	¥ 1,152,900	¥ 1,196,769	¥ 1,072,913	$ 9,594

For the years ended March 31, 2015, 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, and other services

(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.

(Accounting changes on business combinations)

As noted in Note 2 (23) "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 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, compared to the amount calculated using the previous accounting method, net operating income increased by ¥168 million ($1 million) and amortization of goodwill decreased by ¥168 million ($1 million) in "Retail Banking Business Unit," net operating income increased by ¥12,328 million ($103 million) and amortization of goodwill and unamortized balance of goodwill decreased by ¥12,328 million ($103 million) and ¥166,063 million ($1,382 million), respectively in "Global Business Unit," and amortization of goodwill and unamortized balance of goodwill decreased by ¥143 million ($1 million) and ¥13,656 million ($114 million), respectively in "Other units."

(3) Reportable segment information for the years ended March 31, 2015, 2014 and 2013

	Millions of Yen							
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Bank of Ayudhya	Global Markets Unit	Other units	Total
Year ended March 31, 2015			Total	(of which MUAH)				
Gross operating income	¥ 587,711	¥ 716,609	¥ 1,089,272	¥442,368	¥240,313	¥410,856	¥(20,792)	¥3,023,970
Non-consolidated	511,657	694,323	511,283	–	–	385,100	(2,443)	2,099,922
Net interest income	354,921	313,479	265,649	–	–	164,357	130,579	1,228,987
Net non-interest income	156,736	380,844	245,634	–	–	220,743	(133,023)	870,934
Subsidiaries	76,053	22,285	577,988	442,368	240,313	25,756	(18,348)	924,048
Expenses	449,434	328,090	625,894	298,023	123,670	68,549	195,981	1,791,621
Net operating income	¥ 138,277	¥ 388,519	¥ 463,377	¥144,345	¥116,642	¥342,307	¥(216,774)	¥1,232,349

Year ended March 31, 2014	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit Total	Global Business Unit (of which UNBC)	Global Markets Unit	Other units	Total
	Millions of Yen						
Gross operating income	¥ 590,706	¥ 689,741	¥ 926,700	¥ 375,851	¥ 357,320	¥ (12,890)	¥ 2,551,577
Non-consolidated	510,695	668,844	443,076	–	344,042	(22,724)	1,943,934
Net interest income	378,854	325,321	235,757	–	154,659	53,875	1,148,468
Net non-interest income	131,841	343,522	207,318	–	189,382	(76,599)	795,465
Subsidiaries	80,010	20,897	483,623	375,851	13,278	9,833	607,643
Expenses	453,083	324,132	554,147	266,808	61,754	123,909	1,517,028
Net operating income	¥ 137,622	¥ 365,608	¥ 372,552	¥ 109,043	¥ 295,566	¥ (136,800)	¥ 1,034,548

Year ended March 31, 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
	Millions of Yen						
Gross operating income	¥ 595,801	¥ 665,672	¥ 742,710	¥ 288,488	¥ 580,564	¥ (13,788)	¥ 2,570,960
Non-consolidated	496,166	637,220	359,790	–	570,430	(18,244)	2,045,364
Net interest income	404,085	324,967	182,211	–	205,912	48,742	1,165,918
Net non-interest income	92,081	312,253	177,579	–	364,518	(66,986)	879,445
Subsidiaries	99,635	28,451	382,920	288,488	10,133	4,455	525,596
Expenses	456,145	335,418	442,605	205,410	51,293	120,453	1,405,916
Net operating income	¥ 139,656	¥ 330,253	¥ 300,105	¥ 83,077	¥ 529,271	¥ (134,242)	¥ 1,165,043

Year ended March 31, 2015	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
	Millions of U.S. Dollars							
Gross operating income	$ 4,891	$ 5,963	$ 9,064	$ 3,681	$ 2,000	$ 3,419	$ (173)	$ 25,164
Non-consolidated	4,258	5,778	4,254	–	–	3,205	(20)	17,475
Net interest income	2,953	2,609	2,210	–	–	1,368	1,087	10,227
Net non-interest income	1,305	3,169	2,044	–	–	1,837	(1,107)	7,248
Subsidiaries	633	185	4,810	3,681	2,000	214	(153)	7,689
Expenses	3,740	2,730	5,208	2,480	1,029	571	1,631	14,909
Net operating income	$ 1,151	$ 3,233	$ 3,856	$ 1,201	$ 971	$ 2,848	$ (1,804)	$ 10,255

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 segment 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 “Total 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 was as follows:

Year ended March 31	Millions of Yen 2015	2014	2013	Millions of U.S. Dollars 2015
Net operating income per reportable segment information	¥ 1,232,349	¥ 1,034,548	¥ 1,165,043	$ 10,255
Net business profit of subsidiaries excluded from the reportable segment information	64,255	61,977	56,965	535
Provision of general allowance for credit losses	(83,180)	–	6,554	(692)
Credit-related expenses	(78,253)	(80,085)	(109,634)	(651)
Reversal of allowance for credit losses	–	74,570	–	–
Reversal of reserve for contingent losses (credit related)	1,039	–	–	9
Gain on collection of bad debts	43,900	40,817	34,260	365
Gains (losses) on equity securities and other securities	62,070	111,636	(60,762)	516
Equity in earnings of the equity method investees	24,691	14,169	15,665	205
Amortization of net unrecognized actuarial gain or loss	(30,912)	(38,544)	(53,577)	(257)
Gain on cancellation of sleeping deposit accounts	14,728	15,435	15,790	122
Other	(29,488)	(16,990)	623	(245)
Ordinary profit under the internal management reporting system	¥ 1,221,200	¥ 1,217,534	¥ 1,070,928	$ 10,162

Notes:

1. "Credit related expenses" includes write-offs of loans and provision of specific allowance for credit losses for the fiscal year ended March 31, 2015, and includes write-off loans for the fiscal year ended March 31, 2014.
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

Year ended March 31, 2015	Millions of Yen Banking	Other	Total
Ordinary income from external customers	¥ 3,916,284	¥ 112,660	¥ 4,028,944

Year ended March 31, 2014	Millions of Yen Banking	Other	Total
Ordinary income from external customers	¥ 3,511,968	¥ 87,459	¥ 3,599,428

Year ended March 31, 2013	Millions of Yen Banking	Other	Total
Ordinary income from external customers	¥ 3,321,362	¥ 97,944	¥ 3,419,307

Year ended March 31, 2015	Millions of U.S. Dollars Banking	Other	Total
Ordinary income from external customers	$ 32,589	$ 938	$ 33,527

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

2) Information by geographic region

A) Ordinary income

Millions of Yen						
Year ended March 31, 2015						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 2,052,213	¥ 790,835	¥ 14,143	¥ 40,343	¥ 217,514	¥ 913,895	¥ 4,028,944

Millions of Yen						
Year ended March 31, 2014						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 2,209,057	¥ 656,538	¥ 13,118	¥ 40,085	¥ 210,075	¥ 470,552	¥ 3,599,428

Millions of Yen						
Year ended March 31, 2013						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 2,258,868	¥ 533,904	¥ 10,258	¥ 20,588	¥ 186,565	¥ 409,122	¥ 3,419,307

Millions of U.S. Dollars						
Year ended March 31, 2015						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
$ 17,077	$ 6,581	$ 118	$ 336	$ 1,810	$ 7,605	$ 33,527

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 March 31, 2015						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 857,753	¥ 135,201	¥ 138	¥ 2,527	¥ 8,883	¥ 87,272	¥ 1,091,778

Millions of Yen						
As of March 31, 2014						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 850,538	¥ 346,791	¥ 108	¥ 2,704	¥ 6,771	¥ 76,127	¥ 1,283,040

Millions of Yen						
As of March 31, 2013						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 855,030	¥ 275,765	¥ 81	¥ 1,411	¥ 4,575	¥ 9,326	¥ 1,146,190

Millions of U.S. Dollars						
As of March 31, 2015						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
$ 7,138	$ 1,125	$ 1	$ 21	$ 74	$ 726	$ 9,085

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

Loss on impairment of fixed assets is not allocated to the reportable segments. The loss on impairment was ¥4,249 million ($35 million), ¥3,758 and ¥5,142 million for the years ended March 31, 2015, 2014 and 2013, respectively.

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

	Millions of Yen							
Year ended March 31, 2015	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	¥ 185	¥ –	¥ 7,309	¥ –	¥ –	¥ –	¥ 9,425	¥ 16,920
Unamortized balance	2,317	19	111,804	–	–	–	179,084	293,225

	Millions of Yen							
Year ended March 31, 2014	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit: Total	Global Business Unit: (of which UNBC)	Bank of Ayudhya	Global Markets Unit	Other units	Total
Amortization	¥ 185	¥ –	¥ 18,175	¥ –	¥ –	¥ –	¥ –	¥ 18,361
Unamortized balance	2,503	30	282,500	–	–	–	166,634	451,668

	Millions of Yen						
Year ended March 31, 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	¥ 185	¥ 1	¥ 14,459	¥ –	¥ –	¥ 205	¥ 14,851
Unamortized balance	2,689	41	256,144	–	–	–	258,874

Year ended March 31, 2015	Millions of U.S. Dollars							
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Bank of Ayudhya	Global Markets Unit	Other units	Total
			Total	(of which MUAH)				
Amortization	$ 2	$ –	$ 61	$ –	$ –	$ –	$ 78	$ 141
Unamortized balance	19	0	930	–	–	–	1,491	2,440

Notes:

1. Amortization of goodwill and unamortized balance of goodwill of MUAH are included in “Total of Global Business Unit” and amortization of goodwill and unamortized balance of goodwill at “Bank of Ayudhya” are included in “Other Units” for the years ended March 31, 2015.
2. Amortization of goodwill and unamortized balance of goodwill of UNBC are included in “Total of Global Business Unit” and amortization of goodwill and unamortized balance of goodwill at “Bank of Ayudhya” are included in “Other Units” for the years ended March 31, 2014 and 2013, respectively.
3. Amortization of goodwill which was not allocated to the reportable segments was ¥13 million and ¥15 million for the years ended March 31, 2014 and 2013, respectively.

30. SUBSEQUENT EVENTS

Business Combination of a Subsidiary

The Bank has signed a share transfer agreement regarding kabu.com Securities Co., Ltd. ("kabu.com"), which was a consolidated subsidiary of the Bank, and Mitsubishi UFJ Securities Holdings Co., Ltd. ("MUSHD") as a part of efforts how to maximize growth and synergies to further MUFG Group's financial instruments business and on April 1, 2015, the transfer of those shares was completed. As a result, kabu.com became a subsidiary of MUSHD.

1. Overview of the business combination

   (1) Name and business description of the acquiring company and acquired company

Name of the acquiring company:	Mitsubishi UFJ Securities Holdings Co., Ltd.
Description of business:	Holding company of securities business
Name of the acquired company:	kabu.com Securities Co., Ltd.
Description of business:	Financial instruments business

   (2) Reason for the business combination

   As Japanese investors evolve their portfolios from savings to investment, by positioning kabu.com as a subsidiary of MUSHD, kabu.com can expand its business through MUSHD's know-how and customer base in the financial instruments business, which is expected to contribute to its growth and development over the long-term.

   (3) Date of the business combination

   April 1, 2015

   (4) Legal form of the business combination

   Transfer of shares in exchange for cash

2. Outline of accounting methods applied

   "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on September 13, 2013, hereinafter "Consolidation Accounting Standard") and the "Practical Guidance on Consolidation Procedures in the Consolidated Financial Statements" (JICPA Accounting System Committee Report No. 7, issued November 28, 2014) were applied. As a result, gain on sales of shares of subsidiaries of estimated to amount to ¥15,595 million ($130 million).

3. Name of the segment to which the acquired company belonged to in the disclosure of segment information

   Retail Banking Business Unit

4. Estimated amounts of profit or loss related to the acquired company included in the consolidated statements of income for the year ended March 31, 2015

   Net income ¥3,256 million ($27 million)

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