

# **Semi-annual Securities Report**

“Hanki Hokokusho”

(Excerpt)

for the six-month period ended September 30, 2010

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

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[Semi-annual Period]	During the 6th Fiscal Year (from April 1, 2010 to September 30, 2010)
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## I. Overview of the Company

### 1. Key Financial Data and Trends

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

(Millions of yen, unless otherwise stated)

	Semi-annual Period of Fiscal 2008	Semi-annual Period of Fiscal 2009	Semi-annual Period of Fiscal 2010	Fiscal 2008	Fiscal 2009
	From April 1, 2008 to September 30, 2008	From April 1, 2009 to September 30, 2009	From April 1, 2010 to September 30, 2010	From April 1, 2008 to March 31, 2009	From April 1, 2009 to March 31, 2010
Consolidated ordinary income	2,238,656	1,811,156	1,655,514	4,240,043	3,515,787
Consolidated ordinary profit (loss)	135,132	142,185	481,546	(103,819)	458,286
Semi-annual consolidated net income	175,142	122,722	323,653	-	-
Consolidated net income (loss)	-	-	-	(213,962)	362,886
Consolidated total equity	7,267,061	8,011,306	9,097,354	6,857,089	9,300,572
Consolidated total assets	155,120,452	162,792,534	161,534,721	160,826,160	165,095,177
Total equity per share (yen)	529.02	530.98	579.63	451.70	574.78
Semi-annual net income per common share (yen)	17.00	10.21	25.47	-	-
Net income (loss) per common share (yen)	-	-	-	(21.86)	30.16
Diluted semi-annual net income per common share (yen)	16.96	10.21	25.47	-	-
Diluted net income per common share (yen)	-	-	-	-	30.16
Capital ratio (%)	3.67	3.93	4.68	3.45	4.69
Consolidated risk-adjusted capital ratio (under uniform international standards; %)	10.63	13.72	15.77	12.02	15.54
Net cash provided by (used in) operating activities	(2,252,017)	7,196,992	7,390,475	5,488,114	13,339,631
Net cash provided by (used in) investing activities	2,182,263	(6,929,720)	(6,882,833)	(6,632,746)	(14,168,589)
Net cash provided by (used in) financing activities	(65,080)	105,730	(839,413)	1,069,287	1,006,620
Cash and cash equivalents at end of semi-annual period	3,298,752	3,700,118	3,069,090	-	-
Cash and cash equivalents at end of period	-	-	-	3,271,131	3,449,274
Number of employees [Besides the above, average number of temporary employees]	56,515 [7,774]	57,697 [27,100]	56,223 [23,500]	56,024 [7,140]	55,549 [25,300]

- (Notes)
1. National and local consumption taxes of the Bank and its domestic consolidated subsidiaries are accounted for using the tax-excluded method.
  2. The basis of calculation of Per Share Information is described in “Per share information” under the following “Notes to Semi-annual Consolidated Financial Statements” in “Semi-annual Consolidated Financial Statements.”
  3. Diluted net income per common share for fiscal 2008 was not available as the Bank posted a consolidated net loss.
  4. Capital ratio is calculated by dividing (“total equity at the end of period” - “subscription rights to shares at the end of period” - “minority interests at the end of period”) by “total assets at the end of period.”
  5. The consolidated risk-adjusted capital ratio is calculated according to the formula specified in the Financial Services Agency Notification No. 19 of 2006, which is based on the provisions of Article 14-2 of the Banking Law. The Bank applies uniform international standards to the calculation of its risk-adjusted capital ratio.
  6. From the semi-annual period of fiscal 2009, the average number of temporary employees has included dispatched employees and figures have been rounded to the nearest hundred. The number of dispatched employees counted as temporary employees during the semi-annual period of fiscal 2009 was 20,300 (the figure is rounded to the nearest hundred), during fiscal 2009 was 19,100 (the figure is rounded to the nearest hundred) and during the semi-annual period of fiscal 2010 was 17,100 (the figure is rounded to the nearest hundred).

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

(Millions of yen, unless otherwise stated)

Fiscal period	4th Semi-annual Period	5th Semi-annual Period	6th Semi-annual Period	4th Term	5th Term
Period of account	September 2008	September 2009	September 2010	March 2009	March 2010
Ordinary income	1,769,495	1,486,004	1,389,980	3,513,112	2,916,427
Ordinary profit (loss)	37,892	125,032	394,401	(199,439)	407,826
Semi-annual net income	25,016	130,765	282,320	-	-
Net income (loss)	-	-	-	(366,392)	342,667
Capital stock	996,973	1,196,295	1,711,958	1,196,295	1,711,958
Total number of shares issued (thousands of shares)	Common stock 10,301,857 1st series Class 2 preferred stock 100,000 1st series Class 3 preferred stock 27,000 1st series Class 4 preferred stock 79,700 1st series Class 5 preferred stock 150,000 1st series Class 6 preferred stock 1,000	Common stock 10,833,384 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 10,833,384 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	5,399,955	6,211,509	7,354,130	5,436,278	7,559,752
Total assets	142,106,991	149,946,570	150,882,968	148,971,788	153,924,815
Balance of deposits	99,767,246	100,488,998	103,260,413	100,208,977	103,976,222
Balance of loans and bills discounted	72,228,207	69,443,777	63,649,511	73,786,503	69,106,624
Balance of securities	31,106,307	46,165,485	57,300,150	38,731,570	52,068,380
Total equity per share (yen)	499.35	512.64	562.69	441.01	558.86
Dividends per share (yen)	Common stock - 1st series Class 2 preferred stock - 1st series Class 3 preferred stock - 1st series Class 6 preferred stock -	Common stock 6.57 1st series Class 2 preferred stock 30.00 1st series Class 6 preferred stock 105.45 1st series Class 7 preferred stock 57.50	Common stock 9.98 1st series Class 2 preferred stock - 1st series Class 6 preferred stock 105.45 1st series Class 7 preferred stock 57.50	Common stock 5.45 1st series Class 2 preferred stock 60.00 1st series Class 6 preferred stock 210.90 1st series Class 7 preferred stock 43.00	Common stock 17.13 1st series Class 2 preferred stock 60.00 1st series Class 6 preferred stock 210.90 1st series Class 7 preferred stock 115.00
Semi-annual net income per common share (yen)	2.43	10.95	22.12	-	-
Net income (loss) per common share (yen)	-	-	-	(36.38)	28.37
Capital ratio (%)	3.79	4.14	4.87	3.64	4.91
Non-consolidated risk-adjusted capital ratio (under uniform international standards; %)	10.69	14.47	16.63	12.74	16.34
Number of employees [Besides the above, average number of temporary employees]	34,227 [4,967]	35,410 [16,037]	35,060 [14,108]	33,827 [4,895]	34,902 [15,421]

- (Notes)
1. National and local consumption taxes are accounted for using the tax-excluded method.
  2. Capital ratio is calculated by dividing (“total equity at the end of period” - “subscription rights to shares at the end of period”) by “total assets at the end of period.”
  3. The non-consolidated risk-adjusted capital ratio is calculated according to the formula specified in the Financial Services Agency Notification No. 19 of 2006, which is based on the provisions of Article 14-2 of the Banking Law. The Bank applies uniform international standards to the calculation of its risk-adjusted capital ratio.
  4. From the 5th Semi-annual Period, the average number of temporary employees has included dispatched employees. The number of dispatched employees counted as temporary employees during the 5th Semi-annual Period was 11,746, during the 5th Term was 11,149, and during the 6th Semi-annual Period was 9,905.

## **2. Business Outline**

Under its parent company, Mitsubishi UFJ Financial Group, Inc., the Group comprises the Bank, 141 subsidiaries (all consolidated), and 48 affiliates (of which 47 are equity-method affiliates and one is a non-equity-method affiliate), and is engaged in banking and other financial services (including trading of financial instruments and leasing).

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

## **3. Information on Subsidiaries and Affiliates**

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



#### 4. Employees

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

As of September 30, 2010

	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Global Markets Unit	Other units	Total
Number of employees	15,551 [10,500]	10,541 [3,000]	19,641 [1,000]	1,036 [100]	9,454 [8,900]	56,223 [23,500]

- (Notes)
1. Number of employees includes locally hired overseas staff members, but excludes 3,585 contract employees and 23,500 temporary employees.
  2. Numbers within brackets indicate average number of temporary employees over the current semi-annual period.
  3. Number of temporary employees includes dispatched employees and is rounded to the nearest hundred for the end of the current semi-annual period as well as for an average over the half year.
  4. Number of dispatched employees counted as temporary employees was 17,100 at the end of the current semi-annual period while 17,100 on average over the half year (both numbers are rounded to the nearest hundred).
  5. From the current semi-annual period, classifications of segment information have been changed according to the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information."

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

As of September 30, 2010

Number of employees	35,060 [14,108]
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- (Notes)
1. Number of employees includes locally hired overseas staff members, but excludes 1,994 contract employees and 13,837 temporary employees.
  2. Number within brackets indicates average number of temporary employees over the current semi-annual period.
  3. Number of temporary employees includes dispatched employees. Number of dispatched employees was 9,673 at the end of the current semi-annual period and 9,905 on average over the half year.
  4. Number of employees excludes 75 Executive Officers (13 of whom serving as Directors concurrently).
  5. Employees union of the Bank is called The Bank of Tokyo-Mitsubishi UFJ Union with the membership of 24,506. No significant issues exist between the union and the management.

## II. Business Overview

### 1. Summary of Results

With regard to financial and economic conditions during the current consolidated semi-annual period, overseas economies showed somewhat divergent pictures in which Asian economies remained solid on the back of the growing domestic demand, while the U.S. economy became increasingly stagnant due to the decelerating pace of recovery in employment market and the effect of stimulus policy package having run its course, along with the overall European economy suffering from the slowdown in Southern European countries as a result of the fiscal austerity. Meanwhile in Japan, sense of uncertainty was intensified due to the increasingly evident stagnancy in export and production associated with the slowdown in the overseas economies, along with the rising yen and falling stock market that held the recovery in capital expenditure and employment at unremarkable levels, overwhelming the rather temporal domestic buoyancy thanks to last-minute orders before the termination of the eco-car subsidies and the positive effect of the heat wave.

On the financial front, FRB in the US changed its policy from exit seeking (from quantitative easing framework) to positive monetary easing, in light of the increasingly prevalent market forecast of deflationary trend, while in Europe sovereign debt remained a serious issue as indicated by the declining financial rating of Southern European countries, despite the robust stock market in major economies on the back of weakening Euro. In Japan, on the other hand, short-term market interest rates declined moderately as the Bank of Japan retained its effectively zero-interest-rate policy along with enhanced operations to increase the supply of fixed-rate funds, while long-term market interest rates fluctuated at low levels around 1%, on the back of the stagnating capital expenditure and growing concerns over the decelerating economies both at home and abroad, let alone declining interest rates in Europe and the U.S. In the foreign exchange market, the yen's exchange rate against the U.S. dollar soared to the highest in around 15-years, reflecting the intensified anticipation of monetary easing in the U.S. as well as the narrowing spread between domestic and overseas interest rates.

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

Retail Banking Business Unit, while suffering from a lowered profit on deposits, remained robust in intermediate business of investment trusts and financial instruments. Corporate Banking Business Unit also suffered from declining profit on deposits as well as the stagnating outstanding balance of loans, but achieved favorable results in the performance of foreign exchange business and solutions business. On the other hand, Global Business Unit registered record profit in the Asian market, and Global Markets Unit also recorded excellent profits, thanks primarily to its effective asset and liability management (ALM) in adequate grasp of the interest rate trend.

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

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

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

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

Assets decreased by ¥1,257.8 billion compared to the same period of the previous fiscal year to ¥161,534.7 billion. Major components were loans and bills discounted of ¥69,294.3 billion and securities of ¥57,702.7 billion. Liabilities decreased by ¥2,343.8 billion compared to the same period of the previous fiscal year to ¥152,437.3 billion. Major components were deposits and negotiable certificates of deposit of ¥119,083.2 billion.

As for profits and losses, net business profit was ¥617.3 billion, ordinary profit increased by ¥339.3 billion compared to the same period of the previous fiscal year to ¥481.5 billion, and semi-annual net income increased by ¥200.9 billion compared to the same period of the previous fiscal year to ¥323.6 billion.

Results by reportable segment are as follows.

1. Retail Banking Business Unit  
Net business profit was ¥97.8 billion.
2. Corporate Banking Business Unit  
Net business profit was ¥176.9 billion.
3. Global Business Unit  
Net business profit was ¥109.0 billion.
4. Global Markets Unit  
Net business profit was ¥310.4 billion.
5. Other units  
Net business loss was ¥76.9 billion.

With regard to cash flows, operating activities generated net cash of ¥7,390.4 billion with a ¥193.4 billion decrease in expenses from the same period of the previous fiscal year. Investing activities used net cash of ¥6,882.8 billion, with a ¥46.8 billion decrease in expenses from the same period of the previous fiscal year. Financing activities used net cash of ¥839.4 billion, with a ¥945.1 billion increase in expenses from the same period of the previous fiscal year.

Cash and cash equivalents at the end of the current semi-annual period were ¥3,069.0 billion, with a ¥631.0 billion decrease from the same period of the previous fiscal year.

The consolidated risk-adjusted capital ratio based on uniform international standards as of September 30, 2010 was 15.77%.

(1) Income and expenses for domestic and overseas operations

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

The total amount of interest income and expenses, fees and commissions, trading income and expenses and other ordinary income and expenses for the current semi-annual period were ¥1,286.8 billion, with an increase of ¥94.0 billion from the same period of the previous fiscal year. Of this, domestic operations posted an income of ¥1,004.2 billion, with an increase of ¥111.5 billion from the same period of the previous fiscal year, and overseas operations posted an income of ¥327.1 billion, with a decrease of ¥15.2 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Interest income and expenses	Previous semi-annual period	586,196	261,086	438	847,721
	Current semi-annual period	547,728	224,576	(5,278)	767,026
Of which, interest income	Previous semi-annual period	785,425	405,678	(54,530)	1,136,574
	Current semi-annual period	691,764	325,828	(56,874)	960,718
Of which, interest expenses	Previous semi-annual period	199,229	144,591	(54,968)	288,852
	Current semi-annual period	144,035	101,251	(51,595)	193,691
Fees and commissions	Previous semi-annual period	232,001	79,856	(42,075)	269,781
	Current semi-annual period	217,436	70,642	(40,405)	247,673
Of which, fees and commissions income	Previous semi-annual period	301,608	84,528	(56,577)	329,559
	Current semi-annual period	287,014	75,825	(51,665)	311,174
Of which, fees and commissions expenses	Previous semi-annual period	69,606	4,671	(14,501)	59,777
	Current semi-annual period	69,577	5,183	(11,259)	63,501
Trading income and expenses	Previous semi-annual period	76,001	12,566	(8,537)	80,031
	Current semi-annual period	69,037	7,354	33	76,425
Of which, trading income	Previous semi-annual period	76,001	13,880	(9,843)	80,039
	Current semi-annual period	69,037	7,479	(91)	76,425
Of which, trading expenses	Previous semi-annual period	-	1,313	(1,306)	7
	Current semi-annual period	-	124	(124)	-
Other ordinary income and expenses	Previous semi-annual period	(1,501)	(11,094)	7,822	(4,773)
	Current semi-annual period	170,053	24,601	1,048	195,703
Of which, other ordinary income	Previous semi-annual period	135,069	90,533	(40,103)	185,499
	Current semi-annual period	198,102	43,502	(16,141)	225,463
Of which, Other ordinary expenses	Previous semi-annual period	136,570	101,628	(47,926)	190,272
	Current semi-annual period	28,048	18,901	(17,189)	29,760

- (Notes) 1. “Domestic” includes offices of the Bank (excluding its overseas offices) and consolidated subsidiaries whose principal offices are located in Japan (hereinafter referred to as “domestic consolidated subsidiaries”). “Overseas” includes the Bank’s overseas offices and consolidated subsidiaries whose principal offices are located abroad (hereinafter referred to as “overseas consolidated subsidiaries”).
2. Interest expenses are stated excluding expenses related to money held in trust.
3. “Amount of elimination” is the total amount of elimination associated with the internal transactions, etc. between consolidated companies.

(2) Interest-earning assets and interest-bearing liabilities for domestic and overseas offices

1) Domestic

Status of interest-earning assets and interest-bearing liabilities in domestic offices are shown below.

The average balance of interest-earning assets in the current semi-annual period increased by ¥5,378.1 billion compared to the same period of the previous fiscal year to ¥116,345.0 billion. Yield on interest-earning assets declined by 0.22% to 1.18% and total interest income stood at ¥691.7 billion, with a decrease of ¥93.6 billion from the same period of the previous fiscal year. The average balance of interest-bearing liabilities in the current semi-annual period increased by ¥1,984.4 billion compared to the same period of the previous fiscal year to ¥112,575.0 billion. Yield on interest-bearing liabilities declined by 0.10% to 0.25% and total interest expenses stood at ¥144.0 billion, with a decrease of ¥55.1 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous semi-annual period	110,966,880	785,425	1.41
	Current semi-annual period	116,345,078	691,764	1.18
Of which, loans and bills discounted	Previous semi-annual period	61,269,665	495,586	1.61
	Current semi-annual period	56,031,002	412,227	1.46
Of which, securities	Previous semi-annual period	40,850,329	180,777	0.88
	Current semi-annual period	53,757,435	195,946	0.72
Of which, call loans and bills bought	Previous semi-annual period	60,376	71	0.23
	Current semi-annual period	87,837	65	0.14
Of which, receivables under resale agreements	Previous semi-annual period	14,531	11	0.15
	Current semi-annual period	16,708	9	0.11
Of which, receivables under securities borrowing transactions	Previous semi-annual period	3,801,793	3,041	0.15
	Current semi-annual period	1,851,151	1,598	0.17
Of which, due from banks	Previous semi-annual period	1,193,375	3,418	0.57
	Current semi-annual period	1,116,961	1,538	0.27
Interest-bearing liabilities	Previous semi-annual period	110,590,645	199,229	0.35
	Current semi-annual period	112,575,062	144,035	0.25
Of which, deposits	Previous semi-annual period	92,015,180	81,719	0.17
	Current semi-annual period	93,607,063	51,014	0.10
Of which, negotiable certificates of deposit	Previous semi-annual period	4,312,633	8,584	0.39
	Current semi-annual period	4,720,457	5,524	0.23
Of which, call money and bills sold	Previous semi-annual period	1,087,903	749	0.13
	Current semi-annual period	1,249,566	1,482	0.23
Of which, payables under repurchase agreements	Previous semi-annual period	5,994,476	8,839	0.29
	Current semi-annual period	4,922,514	5,797	0.23
Of which, payables under securities lending transactions	Previous semi-annual period	1,503,513	1,272	0.16
	Current semi-annual period	771,286	807	0.20
Of which, commercial paper	Previous semi-annual period	25,000	67	0.53
	Current semi-annual period	-	-	-
Of which, borrowed money	Previous semi-annual period	4,859,183	56,268	2.30
	Current semi-annual period	4,544,565	48,197	2.11

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

## 2) Overseas

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

The average balance of interest-earning assets in the current semi-annual period decreased by ¥955.1 billion to ¥28,341.4 billion. Yield on interest-earning assets declined by 0.46% to 2.29% and total interest income stood at ¥325.8 billion, with a decrease of ¥79.8 billion from the same period of the previous fiscal year. The average balance of interest-bearing liabilities in the current semi-annual period, declined by ¥1,226.0 billion compared to the same period of the previous fiscal year to ¥24,885.0 billion. Yield on interest-bearing liabilities declined by 0.29% to 0.81% and total interest expenses stood at ¥101.2 billion, with a decrease of ¥43.3 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous semi-annual period	29,296,615	405,678	2.76
	Current semi-annual period	28,341,455	325,828	2.29
Of which, loans and bills discounted	Previous semi-annual period	22,180,943	317,175	2.85
	Current semi-annual period	18,752,499	252,349	2.68
Of which, securities	Previous semi-annual period	2,228,158	33,842	3.02
	Current semi-annual period	3,229,515	33,864	2.09
Of which, call loans and bills bought	Previous semi-annual period	395,494	1,784	0.89
	Current semi-annual period	324,945	2,222	1.36
Of which, receivables under resale agreements	Previous semi-annual period	181,007	1,424	1.56
	Current semi-annual period	648,627	4,867	1.49
Of which, receivables under securities borrowing transactions	Previous semi-annual period	381	4	2.49
	Current semi-annual period	-	-	-
Of which, due from banks	Previous semi-annual period	3,243,731	13,408	0.82
	Current semi-annual period	4,312,930	12,716	0.58
Interest-bearing liabilities	Previous semi-annual period	26,111,146	144,591	1.10
	Current semi-annual period	24,885,066	101,251	0.81
Of which, deposits	Previous semi-annual period	14,811,635	59,427	0.80
	Current semi-annual period	14,555,401	40,470	0.55
Of which, negotiable certificates of deposit	Previous semi-annual period	3,287,487	14,096	0.85
	Current semi-annual period	5,005,525	15,791	0.62
Of which, call money and bills sold	Previous semi-annual period	721,236	2,471	0.68
	Current semi-annual period	339,051	951	0.55
Of which, payables under repurchase agreements	Previous semi-annual period	200,686	460	0.45
	Current semi-annual period	95,502	303	0.63
Of which, payables under securities lending transactions	Previous semi-annual period	-	-	-
	Current semi-annual period	-	-	-
Of which, commercial paper	Previous semi-annual period	77,943	371	0.95
	Current semi-annual period	151,813	316	0.41
Of which, borrowed money	Previous semi-annual period	1,840,631	15,985	1.73
	Current semi-annual period	1,396,885	10,784	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 consolidated subsidiaries were calculated based on an average of month-end balances.
  2. "Overseas" includes overseas offices of the Bank and overseas consolidated subsidiaries.
  3. The amount of interest-earning assets is stated excluding the average balance of interest-free due from banks. The amount of interest-bearing liabilities is stated excluding the average balance of money held in trust and corresponding interest payments.



## 3) Total

(Millions of yen)

Item	Semi-annual period	Average balance			Interest			Yield (%)
		Subtotal	Amount of elimination	Total	Subtotal	Amount of elimination	Total	
Interest-earning assets	Previous semi-annual period	140,263,495	(6,394,701)	133,868,794	1,191,104	(54,530)	1,136,574	1.69
	Current semi-annual period	144,686,534	(6,144,227)	138,542,307	1,017,592	(56,874)	960,718	1.38
Of which, loans and bills discounted	Previous semi-annual period	83,450,609	(3,214,568)	80,236,041	812,761	(48,886)	763,875	1.89
	Current semi-annual period	74,783,502	(2,948,083)	71,835,418	664,576	(42,618)	621,958	1.72
Of which, securities	Previous semi-annual period	43,078,487	(1,762,404)	41,316,083	214,620	(2,086)	212,533	1.02
	Current semi-annual period	56,986,951	(1,738,039)	55,248,912	229,811	(6,742)	223,068	0.80
Of which, call loans and bills bought	Previous semi-annual period	455,871	(100,808)	355,062	1,855	(206)	1,649	0.92
	Current semi-annual period	412,783	(33,368)	379,415	2,287	(22)	2,265	1.19
Of which, receivables under resale agreements	Previous semi-annual period	195,539	-	195,539	1,435	-	1,435	1.46
	Current semi-annual period	665,335	-	665,335	4,877	-	4,877	1.46
Of which, receivables under securities borrowing transactions	Previous semi-annual period	3,802,175	-	3,802,175	3,046	-	3,046	0.15
	Current semi-annual period	1,851,151	-	1,851,151	1,598	-	1,598	0.17
Of which, due from banks	Previous semi-annual period	4,437,107	(1,259,053)	3,178,053	16,827	(4,684)	12,142	0.76
	Current semi-annual period	5,429,892	(1,371,651)	4,058,240	14,255	(2,257)	11,997	0.58
Interest-bearing liabilities	Previous semi-annual period	136,701,792	(4,713,449)	131,988,342	343,821	(54,968)	288,852	0.43
	Current semi-annual period	137,460,129	(4,451,561)	133,008,568	245,287	(51,595)	193,691	0.29
Of which, deposits	Previous semi-annual period	106,826,816	(660,169)	106,166,646	141,146	(2,641)	138,505	0.26
	Current semi-annual period	108,162,464	(665,545)	107,496,919	91,484	(1,198)	90,285	0.16
Of which, negotiable certificates of deposit	Previous semi-annual period	7,600,121	(618,694)	6,981,426	22,681	(1,471)	21,209	0.60
	Current semi-annual period	9,725,983	(627,950)	9,098,033	21,316	(523)	20,792	0.45
Of which, call money and bills sold	Previous semi-annual period	1,809,139	(114,536)	1,694,602	3,220	(414)	2,806	0.33
	Current semi-annual period	1,588,617	(145,292)	1,443,325	2,433	(343)	2,090	0.28
Of which, payables under repurchase agreements	Previous semi-annual period	6,195,162	-	6,195,162	9,300	-	9,300	0.29
	Current semi-annual period	5,018,016	-	5,018,016	6,100	-	6,100	0.24
Of which, payables under securities lending transactions	Previous semi-annual period	1,503,513	-	1,503,513	1,272	-	1,272	0.16
	Current semi-annual period	771,286	-	771,286	807	-	807	0.20
Of which, commercial paper	Previous semi-annual period	102,943	-	102,943	438	-	438	0.85
	Current semi-annual period	151,813	-	151,813	316	-	316	0.41
Of which, borrowed money	Previous semi-annual period	6,699,815	(3,273,505)	3,426,309	72,254	(49,161)	23,092	1.34
	Current semi-annual period	5,941,451	(2,961,253)	2,980,197	58,982	(42,605)	16,377	1.09

(Note) "Amount of elimination" is the total amount of elimination associated with the internal transactions, etc. between consolidated companies.

(3) Fees and commissions by domestic and overseas office

Fees and commissions income and expenses are as follows.

Fees and commissions income of domestic offices for the current semi-annual period was ¥287.0 billion, with a decrease of ¥14.5 billion from the same period of the previous fiscal year. Fees and commissions expenses were ¥69.5 billion, with a decrease of ¥0.0 billion from the same period of the previous fiscal year, resulting in a net fees and commissions income of ¥217.4 billion, with a decrease of ¥14.5 billion from the same period of the previous fiscal year. Fees and commissions income of overseas offices during the current semi-annual period were ¥75.8 billion, with a decrease of ¥8.7 billion from the same period of the previous fiscal year, while fees and commissions expenses were ¥5.1 billion, with an increase of ¥0.5 billion from the same period of the previous fiscal year, resulting in a net fees and commissions income of ¥70.6 billion, with a decrease of ¥9.2 billion from the same period of the previous fiscal year.

Consequently, total net fees and commissions income for the current semi-annual period stood at ¥247.6 billion, with a decrease of ¥22.1 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Fees and commissions income	Previous semi-annual period	301,608	84,528	(56,577)	329,559
	Current semi-annual period	287,014	75,825	(51,665)	311,174
Of which, domestic and foreign exchange services	Previous semi-annual period	78,708	5,533	(269)	83,972
	Current semi-annual period	77,089	5,596	(163)	82,521
Of which, other commercial banking services	Previous semi-annual period	105,252	70,757	(2,018)	173,992
	Current semi-annual period	98,469	61,985	(1,395)	159,059
Of which, guarantee services	Previous semi-annual period	41,588	5,271	(11,723)	35,135
	Current semi-annual period	35,744	5,149	(8,583)	32,310
Of which, securities-related services	Previous semi-annual period	20,970	461	(19)	21,412
	Current semi-annual period	23,128	859	(19)	23,968
Fees and commissions expenses	Previous semi-annual period	69,606	4,671	(14,501)	59,777
	Current semi-annual period	69,577	5,183	(11,259)	63,501
Of which, domestic and foreign exchange services	Previous semi-annual period	16,703	156	(55)	16,805
	Current semi-annual period	15,889	192	(26)	16,055

- (Notes)
1. “Domestic” includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries. “Overseas” includes the Bank’s overseas offices and overseas consolidated subsidiaries.
  2. “Other commercial banking services” includes deposit-taking and lending services, agency services, custody and safe deposit services, trust-related services and others.
  3. “Amount of elimination” is the total amount of elimination associated with the internal transactions, etc. between consolidated companies.

(4) Trading results by domestic and overseas office

Details of trading income and expenses

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

Trading income of domestic offices for the current semi-annual period was ¥69.0 billion, with a decrease of ¥6.9 billion from the same period of the previous fiscal year, resulting in a net trading income of ¥69.0 billion, with a decrease of ¥6.9 billion from the same period of the previous fiscal year. Meanwhile the trading income of overseas offices for the current semi-annual period was ¥7.4 billion, with a decrease of ¥6.4 billion from the same period of the previous fiscal year. Trading expenses of overseas offices were ¥0.1 billion, with a decrease of ¥1.1 billion from the same period of the previous fiscal year. As a result, net trading income for the current semi-annual period was ¥7.3 billion, with a decrease of ¥5.2 billion from the same period of the previous fiscal year.

Consequently, total net trading income posted by both domestic and overseas offices for the current semi-annual period stood at ¥76.4 billion, with a decrease of ¥3.6 billion from the same period of the previous fiscal year.

(Millions of yen)

Item	Semi-annual period	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Trading income	Previous semi-annual period	76,001	13,880	(9,843)	80,039
	Current semi-annual period	69,037	7,479	(91)	76,425
Of which, income from trading securities	Previous semi-annual period	11,411	1,288	-	12,700
	Current semi-annual period	7,499	1,129	-	8,629
Of which, income from securities related to trading transactions	Previous semi-annual period	681	(674)	(7)	-
	Current semi-annual period	1,801	376	(123)	2,055
Of which, income from trading-related financial derivatives	Previous semi-annual period	57,506	13,265	(9,835)	60,936
	Current semi-annual period	57,090	5,973	33	63,097
Of which, income from other trading transactions	Previous semi-annual period	6,401	0	-	6,402
	Current semi-annual period	2,645	-	(1)	2,644
Trading expenses	Previous semi-annual period	-	1,313	(1,306)	7
	Current semi-annual period	-	124	(124)	-
Of which, expenses on trading securities	Previous semi-annual period	-	-	-	-
	Current semi-annual period	-	-	-	-
Of which, expenses on securities related to trading transactions	Previous semi-annual period	-	15	(7)	7
	Current semi-annual period	-	123	(123)	-
Of which, expenses on trading-related financial derivatives	Previous semi-annual period	-	1,298	(1,298)	-
	Current semi-annual period	-	-	-	-
Of which, expenses on other trading transactions	Previous semi-annual period	-	-	-	-
	Current semi-annual period	-	1	(1)	-

- (Notes) 1. “Domestic” includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries.  
“Overseas” includes the Bank’s overseas offices and overseas consolidated subsidiaries.  
2. “Amount of elimination” is the total amount of elimination associated with the internal transactions, etc. between consolidated companies.

(5) Balance of deposits by domestic and overseas office  
 ・ Deposits by classification (ending balance)

(Millions of yen)

Item	Semi-annual period	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Total deposits	Previous semi-annual period	92,812,992	17,076,881	(618,688)	109,271,184
	Current semi-annual period	94,901,241	16,114,790	(674,151)	110,341,880
Of which, liquid deposits	Previous semi-annual period	55,396,724	7,443,034	(165,596)	62,674,162
	Current semi-annual period	59,738,597	7,188,197	(131,555)	66,795,239
Of which, fixed-term deposits	Previous semi-annual period	32,157,400	9,487,703	(428,465)	41,216,638
	Current semi-annual period	30,462,570	8,786,065	(512,548)	38,736,088
Of which, other deposits	Previous semi-annual period	5,258,867	146,142	(24,626)	5,380,384
	Current semi-annual period	4,700,073	140,526	(30,046)	4,810,552
Negotiable certificates of deposit	Previous semi-annual period	4,091,609	4,063,241	(620,050)	7,534,801
	Current semi-annual period	4,222,780	5,149,559	(631,000)	8,741,340
Total	Previous semi-annual period	96,904,601	21,140,122	(1,238,738)	116,805,985
	Current semi-annual period	99,124,022	21,264,349	(1,305,151)	119,083,220

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

(6) Balance of loans and bills discounted at domestic and overseas offices  
 ・ Loans by type of industry (outstanding balances, composition ratios)

Industry	As of September 30, 2009		As of September 30, 2010	
	Loans and bills discounted (Millions of yen)	Composition ratio (%)	Loans and bills discounted (Millions of yen)	Composition ratio (%)
Domestic (excluding Japan offshore market account)	59,352,535	100.00	53,362,482	100.00
Manufacturing	8,273,948	13.94	7,235,235	13.56
Construction	1,166,573	1.97	982,008	1.84
Wholesale and retail	6,171,961	10.40	5,701,450	10.68
Finance and insurance	6,234,442	10.50	5,599,247	10.49
Real estate, goods rental and leasing	9,359,246	15.77	8,684,742	16.28
Services	3,111,869	5.24	2,697,737	5.06
Other industries	25,034,493	42.18	22,462,059	42.09
Overseas and Japan offshore market account	18,229,315	100.00	15,931,915	100.00
Governments and public organizations	302,970	1.66	319,285	2.01
Financial institutions	2,516,148	13.80	2,352,035	14.76
Others	15,410,196	84.54	13,260,594	83.23
Total	77,581,851	-	69,294,398	-

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

(Reference)

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

1. Results of Operations (non-consolidated)

(1) Summary of Operations (non-consolidated)

(Millions of yen)

	Previous semi-annual period (A)	Current semi-annual period (B)	Increase (decrease) (B) - (A)
Gross profit	917,994	1,045,470	127,475
General and administrative expenses, excluding non-recurring expenses	509,915	500,949	(8,966)
Personnel expenses	188,844	188,464	(379)
Non-personnel expenses	294,832	286,068	(8,764)
Taxes	26,238	26,416	178
Net business profit before provision for general allowance for credit losses	408,078	544,520	136,441
Provision for general allowance for credit losses	24,929	33,330	8,401
Net business profit	433,008	577,851	144,842
Of which, net gains on debt securities	33,084	153,575	120,490
Net non-recurring gains (losses)	(307,975)	(183,449)	124,525
Net gain (losses) on equity securities	(16,480)	(72,222)	(55,742)
Credit costs	238,607	97,331	(141,275)
Write-offs of loans	133,292	55,553	(77,739)
Provision for specific allowance for credit losses	99,950	42,897	(57,052)
Other credit costs	5,363	(1,119)	(6,483)
Other non-recurring gains (losses)	(52,887)	(13,895)	38,992
Ordinary profit	125,032	394,401	269,368
Net extraordinary gains	12,291	569	(11,722)
Of which, gain on collection of bad debts	17,731	19,031	1,300
Of which, impairment loss of long-lived assets	(3,586)	(2,936)	649
Income before income taxes	137,324	394,971	257,646
Income taxes-current	20,252	16,031	(4,220)
Refund of income taxes	(6,328)	-	6,328
Income taxes-deferred	(7,364)	96,619	103,983
Total taxes	6,559	112,650	106,091
Net income	130,765	282,320	151,555

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

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

	Previous semi-annual period (%) (A)	Current semi-annual period (%) (B)	Increase (decrease) (B) - (A)
(1) Total average interest rate on interest-earning assets (i)	1.18	1.02	(0.16)
(a) Average interest rate on loans and bills discounted	1.59	1.48	(0.11)
(b) Average interest rate on securities	0.67	0.55	(0.11)
(2) Total average interest rate on interest-bearing liabilities (ii)	0.99	0.88	(0.11)
(a) Average interest rate on deposits and NCD	0.16	0.10	(0.06)
(b) Average interest rate on other liabilities	0.62	0.50	(0.12)
(3) Overall interest rate spread (i) - (ii)	0.19	0.14	(0.05)

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

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

## 3. ROE (non-consolidated)

	Previous semi-annual period (%) (A)	Current semi-annual period (%) (B)	Increase (decrease) (B) - (A)
On a net business profit basis (before provision for general allowance for credit losses)	15.29	15.43	0.14
On a net business profit basis	16.25	16.40	0.14
On a net income basis	4.58	7.87	3.29

(Note)

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

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

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

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

Item	Previous semi-annual period		Current semi-annual period	
	Number of accounts	Amount (Millions of yen)	Number of accounts	Amount (Millions of yen)
Bill acceptances	1,046	31,646	1,039	36,221
Letters of credit	27,668	1,436,382	27,795	1,371,041
Guarantees	37,073	4,653,671	35,393	4,021,274
Total acceptances and guarantees	65,787	6,121,701	64,227	5,428,538

(Reference)

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

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

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

(Millions of yen)

Item		As of September 30, 2009	As of September 30, 2010
		Amount	Amount
Core equity capital (Tier 1)	Capital stock	1,196,295	1,711,958
	Of which, perpetual non-cumulative preferred stock	125,000	125,000
	Deposit for subscriptions to shares	-	-
	Capital surplus	3,362,612	3,878,275
	Retained earnings	1,692,777	2,034,336
	Treasury stock (decrease)	-	250,000
	Deposit for subscriptions to treasury stock	-	-
	Estimated distributed income (decrease)	83,250	132,328
	Losses on revaluation of available-for-sale securities (decrease)	-	-
	Foreign currency translation adjustments	(150,853)	(240,559)
	Subscription rights to shares	-	-
	Minority interests of consolidated subsidiaries	1,615,908	1,548,990
	Of which, preferred investment securities issued by overseas special purpose companies	1,501,257	1,438,513
	Business rights equivalent amount (decrease)	-	-
	Goodwill equivalent amount (decrease)	295,272	270,981
	Equivalent amount of intangible fixed assets recorded by business combinations, etc. (decrease)	28,274	14,809
	Equivalent amount of increased equity capital as a result of securitization transactions (decrease)	22,371	17,739
	50% equivalent of the excess amount of expected losses over qualifying reserves (decrease)	-	3,583
Total Tier 1 capital before the deduction of deferred tax assets (aggregate sum of the above items)	7,287,570	8,243,558	
Deduction of deferred tax assets (decrease) (Note 1)	-	-	
Total Tier 1 Capital (A)	7,287,570	8,243,558	
Of which, preferred investment securities with step-up coupon clauses (Note 2)	988,857	931,113	
Supplementary capital items (Tier 2)	45% of the total amount of available-for-sale securities recorded on the semi-annual consolidated balance sheets after the deduction of the total book value of them.	107,215	205,947
	45% equivalent amount of the difference between the revaluated amount of land and its book value before the revaluation	183,257	179,918
	General allowance for credit losses	138,510	127,109
	The excess amount of qualifying reserves over expected losses	17,851	-
	Hybrid debt capital instruments, etc.	3,340,507	2,933,349
	Of which, perpetual subordinated debt (Note 3)	318,923	289,529
	Of which, limited-life subordinated debt and limited-life redeemable preferred stock (Note 4)	3,021,583	2,643,820
	Total Tier 2 Capital	3,787,342	3,446,325
Of which, included as qualifying capital (B)	3,787,342	3,446,325	



Item		As of September 30, 2009	As of September 30, 2010
		Amount	Amount
Quasi-supplementary capital items (Tier 3)	Short-term subordinated debt	-	-
	Of which, included as qualifying capital (C)	-	-
Deductions	Deduction items (Note 5) (D)	212,806	271,983
Total qualifying capital	(A) + (B) + (C) - (D) (E)	10,862,106	11,417,900
Risk-adjusted assets	Asset (on-balance sheet) items	61,974,958	55,770,021
	Off-balance transaction items	12,633,379	11,484,991
	Amount of credit risk-adjusted assets (F)	74,608,338	67,255,012
	Amount of market risk equivalent assets ((H) / 8%) (G)	345,604	526,374
	(Reference) Market risk equivalent amount (H)	27,648	42,109
	Amount of operational risk equivalent assets ((J) / 8%) (I)	4,183,439	4,612,132
	(Reference) Operational risk equivalent amount (J)	334,675	368,970
	Amount obtained by multiplying the excess amount of “formerly required capital multiplied by the rate prescribed by the Notification” over “the new required capital” by 12.5 (K)	-	-
	Total ((F) + (G) + (I) + (K)) (L)	79,137,383	72,393,520
Consolidated risk-adjusted capital ratio (under uniform international standards) = (E) / (L) × 100 (%)		13.72	15.77
(Reference) Tier 1 ratio = (A) / (L) × 100 (%)		9.20	11.38

- (Notes)
1. Equivalent amount of the net deferred tax assets as of September 30, 2009 was ¥741,148 million, and the maximum amount of deferred tax assets allowed for the inclusion in core equity capital was ¥1,457,514 million. The equivalent amount of the net deferred tax assets as of September 30, 2010 was ¥406,603 million and the maximum allowable amount of deferred tax assets included in core equity capital was ¥1,648,711 million.
  2. They are the assets specified by Article 5, Paragraph 2 of the Notification, that is, the shares (including preferred investment securities issued by overseas special purpose companies) that have the possibility of redemption (e.g. a special clause such as a step-up coupon, etc. is incorporated).
  3. This is a hybrid debt capital instrument that is specified by Article 6, Paragraph 1, Item 4 of the Notification and satisfies all the following features:
    - (1) It is unsecured, paid-up and subordinate to other debts
    - (2) It is not redeemed except in certain circumstances
    - (3) It is appropriate to cover losses while staying in business
    - (4) The obligation of interest payment may be postponed
  4. They are specified by Article 6, Paragraph 1, Items 5 and 6 of the Notification. However, the redemption period of the limited-life subordinated debt at the time of contract should be more than five years.
  5. These items are specified in Article 8, Paragraph 1, Items 1 to 6 of the Notification. They include the equivalent amount of intentional holding of other financial institutions' capital instruments as specified in Item 1 of the said Article, and the equivalent amount of the investments in the institutions that fall under the category specified in Item 2 of the said Article.

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

(Millions of yen)

Item	As of September 30, 2009	As of September 30, 2010	
	Amount	Amount	
Core equity capital (Tier 1)	Capital stock	1,196,295	1,711,958
	Of which, perpetual non-cumulative preferred stock	125,000	125,000
	Deposit for subscriptions to shares	-	-
	Capital reserve	1,196,295	1,711,958
	Other capital surplus	2,166,317	2,166,317
	Legal reserve	190,044	190,044
	Other retained earnings	1,055,908	1,327,872
	Other	1,506,580	1,443,884
	Treasury stock (decrease)	-	250,000
	Deposit for subscriptions to treasury stock	-	-
	Estimated distributed income (decrease)	83,250	132,328
	Losses on revaluation of available-for-sale securities (decrease)	-	-
	Subscription rights to shares	-	-
	Business rights equivalent amount (decrease)	-	-
	Goodwill equivalent amount (decrease)	-	-
	Equivalent amount of intangible fixed assets recorded by business combinations, etc. (decrease)	-	-
	Equivalent amount of increased equity capital as a result of securitization transactions (decrease)	22,371	17,739
	50% equivalent of the excess amount of expected losses over qualifying reserves (decrease)	21,354	43,419
	Total Tier 1 capital before the deduction of deferred tax assets (aggregate sum of the above items)	7,184,465	8,108,546
	Deduction of deferred tax assets (decrease) (Note 1)	-	-
Total Tier 1 Capital (A)	7,184,465	8,108,546	
Of which, preferred investment securities with step-up coupon clauses (Note 2)	988,857	931,113	
Of which, preferred investment securities issued by overseas special purpose companies	1,501,257	1,438,513	
Supplementary capital items (Tier 2)	45% of the total amount of available-for-sale securities recorded on the semi-annual non-consolidated balance sheets after the deduction of the total book value of them.	116,720	203,943
	45% equivalent amount of the difference between the revaluated amount of land and its book value before the revaluation	183,257	179,918
	General allowance for credit losses	-	-
	The excess amount of qualifying reserves over expected losses	-	-
	Hybrid debt capital instruments, etc.	3,200,037	2,840,332
	Of which, perpetual subordinated debt (Note 3)	318,923	289,529
	Of which, limited-life subordinated debt and limited-life redeemable preferred stock (Note 4)	2,881,113	2,550,803
	Total Tier 2 Capital	3,500,014	3,224,193
Of which, included as qualifying capital (B)	3,500,014	3,224,193	
Quasi-supplementary capital items (Tier 3)	Short-term subordinated debt	-	-
	Of which, included as qualifying capital (C)	-	-
Deductions	Deduction items (Note 5) (D)	252,104	217,465
Total qualifying capital	(A) + (B) + (C) - (D) (E)	10,432,375	11,115,275

Item		As of September 30, 2009	As of September 30, 2010
		Amount	Amount
Risk-adjusted assets	Asset (on-balance sheet) items	57,517,105	53,215,501
	Off-balance transaction items	10,321,703	9,291,902
	Amount of credit risk-adjusted assets (F)	67,838,809	62,507,403
	Amount of market risk equivalent assets ((H) / 8%) (G)	343,343	520,308
	(Reference) Market risk equivalent amount (H)	27,467	41,624
	Amount of operational risk equivalent assets ((J) / 8%) (I)	3,897,095	3,787,007
	(Reference) Operational risk equivalent amount (J)	311,767	302,960
	Amount obtained by multiplying the excess amount of “formerly required capital multiplied by the rate prescribed by the Notification” over “the new required capital” by 12.5 (K)	-	-
Total ((F) + (G) + (I) + (K)) (L)		72,079,248	66,814,719
Non-consolidated risk-adjusted capital ratio (under uniform international standards) = (E) / (L) × 100 (%)		14.47	16.63
(Reference) Tier 1 ratio = (A) / (L) × 100 (%)		9.96	12.13

- (Notes)
1. Equivalent amount of the deferred tax assets as of September 30, 2009 was ¥681,237 million, and the maximum amount of deferred tax assets allowed for the inclusion in core equity capital was ¥1,436,893 million.  
The equivalent amount of the deferred tax assets as of September 30, 2010 was ¥385,932 million and the maximum allowable amount of deferred tax assets included in core equity capital was ¥1,621,709 million.
  2. They are the assets specified by Article 17, Paragraph 2 of the Notification, that is, the shares (including preferred investment securities issued by overseas special purpose companies) that have the possibility of redemption (e.g. a special clause such as a step-up coupon, etc. is incorporated).
  3. This is a hybrid debt capital instrument that is specified by Article 18, Paragraph 1, Item 4 of the Notification and satisfies all the following features:
    - (1) It is unsecured, paid-up and subordinate to other debts
    - (2) It is not redeemed except in certain circumstances
    - (3) It is appropriate to cover losses while staying in business
    - (4) The obligation of interest payment may be postponed
  4. They are specified by Article 18, Paragraph 1, Items 5 and 6 of the Notification. However, the redemption period of the limited-life subordinated debt at the time of contract should be more than five years.
  5. These items are specified in Article 20, Paragraph 1, Items 1 to 5 of the Notification. They include the equivalent amount of intentional holding of other financial institutions' capital instruments as specified in Item 1 of the said Article.

(Reference information)

In accordance with Article 6 of the Act on Emergency Measures for the Reconstruction of the Financial Functions (Act No. 132 of 1998), the Bank assesses assets stated on its semi-annual non-consolidated balance sheets and classifies them as shown below, based on financial standings and the current business conditions of borrowers, etc. These assets include corporate bonds (limited to the corporate bonds on which the payment of all or part of the principal and interest is guaranteed by financial institutions holding such bonds and which were issued through private placement as defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act (Act No. 25 of 1948)), loans and bills discounted, foreign exchange assets, other assets booked as accrued interests, suspense payments or customers' liabilities for acceptance and guarantee, and securities, if the Bank lent such securities which are required to be disclosed in a note to its semi-annual non-consolidated balance sheets (they are limited to loans for use or lending under rental contract).

Of the classified corporate bonds, the amount of the bonds that are held for the purpose of "Available-for-sales securities" has been stated at fair value (i.e. semi-annual non-consolidated balance sheet amount).

1. Claims against bankrupt or de facto bankrupt borrowers

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

2. Doubtful claims

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

3. Claims in need of special attention

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

4. Normal claims

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

## 2. Issues to be Addressed

Fiscal year ending March 31, 2011 is the half way point in the Medium-term Business Plan which began in the fiscal year ended March 31, 2010. The Bank believes that this is a crucial year to shift from a phase of “management foundation restructuring to navigate the financial crisis” to a phase of “realizing sustainable growth.” In an efforts to achieve its vision of becoming “a strong bank with dignity” and “a bank with prestigious position on a global level,” we are committed to tackling the following priority issues.

(Growth strategies)

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

(Strengthening of operation basis)

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

We will redeploy head office staff onto field operations and strategically focused areas, through streamlining head office organization and operations, while further streamlining cost structure. In the meantime, we will further focus on developing fully professional staff talented with expertise and skills as well as great personality, since it is human resources that provide our competitiveness after all. Meanwhile, we will keep enhancing the internal control including compliance.

(Pursuit of management based on CSR)

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

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

### **3. Risks Related to Business**

Of the risks associated with business activities and other activities as stated in the annual securities report of the previous fiscal year, the followings are the emerging risks deemed to be of importance to the investment decision by investors, and the significant changes in the existing risks as perceived by the Bank. Forward-looking statements contained in this section are, unless otherwise stated specifically, based on the judgment of the situation as of the date of submission of this semi-annual securities report.

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

#### (16) Risks associated with transactions with the states harboring terrorists

The U.S. government recently enacted a new act that restricts economic and financial transactions with Iran, which along with the legal trend involving additional acts and regulations to the same effect, may bring constraint on the Bank’s business. Meanwhile the Japanese government since September 2010, has taken measures including imposition of an asset freeze on the banks and other institutions that could contribute to the Iranian nuclear activities, on the basis of the Foreign Exchange and Foreign Trade Act. Although we are taking measures in line with these regulations, in the event that such measures are judged by the U.S. government to be inadequate in complying with the Stateside regulations, we may possibly be the target of some regulations by the U.S. government.

#### 4. Analyses of Financial Position, Business Results and Cash Flows

The Bank's financial position, business results and cash flows for the current consolidated semi-annual period are as follows.

Consolidated gross profit for the current semi-annual period rose by ¥93.3 billion compared to the same period of the previous fiscal year to ¥1,292.6 billion, reflecting an improvement of net other ordinary income although net interest income worsened.

Consolidated net business profit (before provision for general allowance for credit losses) rose by ¥111.5 billion compared to the same period of the previous fiscal year to ¥644.4 billion, due to ¥18.1 billion decrease compared to the same period of the previous fiscal year in general and administrative expenses.

Meanwhile, semi-annual consolidated net income rose by ¥200.9 billion compared to the same period of the previous fiscal year to ¥323.6 billion, primarily reflecting a reduction in credit costs.

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

(Billions of yen)

		Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Interest income	(1)	1,136.5	960.7	(175.8)
Interest expenses (after deduction of expenses related to money held in trust)	(2)	288.8	193.6	(95.1)
Trust fees	(3)	6.5	5.8	(0.7)
Of which, credit costs for trust accounts	(4)	-	-	-
Fees and commissions income	(5)	329.5	311.1	(18.3)
Fees and commissions expenses	(6)	59.7	63.5	3.7
Trading income	(7)	80.0	76.4	(3.6)
Trading expenses	(8)	0.0	-	(0.0)
Other ordinary income	(9)	185.4	225.4	39.9
Other ordinary expenses	(10)	190.2	29.7	(160.5)
Consolidated gross profit (= (1) - (2) + (3) + (5) - (6) + (7) - (8) + (9) - (10))	(11)	1,199.2	1,292.6	93.3
General and administrative expenses (after deduction of non-recurring expenses)	(12)	666.3	648.1	(18.1)
Consolidated net business profit (before provision for general allowance for credit losses = (11) + (4) - (12))		532.9	644.4	111.5
Other expenses (Provision for general allowance for credit losses)	(13)	41.1	(6.0)	(47.2)
Consolidated net business profit (= (11) - (12) - (13))		491.8	650.5	158.7
Other income	(14)	72.9	75.9	2.9
Of which, gains on sales of equity securities and other securities		38.6	32.2	(6.3)
Interest expenses (expenses related to money held in trust)	(15)	0.0	0.0	(0.0)
General and administrative expenses (non-recurring expenses)	(16)	35.3	22.2	(13.0)
Other expenses (after deduction of provision for general allowance for credit losses)	(17)	387.1	222.6	(164.5)
Of which, credit costs		275.2	117.4	(157.8)
Of which, losses on sales of equity securities and other securities		33.7	21.8	(11.8)
Of which, losses on write-down of equity securities and other securities		26.2	45.4	19.2
Net non-recurring gains (losses) (= (14) - (15) - (16) - (17))		(349.6)	(169.0)	180.6
Ordinary profit		142.1	481.5	339.3
Net extraordinary gains		24.0	7.6	(16.3)
Of which, reversal of allowance for credit losses		-	-	-
Of which, gain on collection of bad debts		18.5	26.3	7.7
Of which, impairment loss of long-lived assets		(3.6)	(2.9)	0.6
Income before income taxes and minority interests		166.1	489.1	322.9
Total income taxes		12.8	131.9	119.1
Income before minority interests		153.3	357.2	203.8
Minority interests in net income		30.6	33.5	2.9
Net income		122.7	323.6	200.9

## 1. Analysis of Results of Operations

### (1) Credit costs

Total credit costs for the current semi-annual period decreased by ¥206.8 billion compared to the same period of the previous fiscal year to ¥109.5 billion.

Write-offs of loans decreased by ¥63.4 billion compared to the same period of the previous fiscal year, provision for specific allowance for credit losses decreased by ¥79.6 billion compared to the same period of the previous fiscal year and other credit costs decreased by ¥14.6 billion compared to the same period of the previous fiscal year, respectively.

(Billions of yen)

		Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Of the trust fees, credit costs for trust accounts	(1)	-	-	-
Of other expenses, provision for general allowance for credit losses	(2)	41.1	(6.0)	(47.2)
Of other expenses, credit costs	(3)	275.2	117.4	(157.8)
Write-offs of loans		138.7	75.2	(63.4)
Provision for specific allowance for credit losses		122.9	43.3	(79.6)
Other credit costs		13.5	(1.1)	(14.6)
Of the extraordinary gains, reversal of allowance for credit losses	(4)	-	-	-
Of the extraordinary gains, reversal of reserve for contingent losses	(5)	-	1.8	1.8
Total credit costs (= (1) + (2) + (3) - (4) - (5))		316.3	109.5	(206.8)
Consolidated net business profit (before credit costs for trust accounts and provision for general allowance for credit losses)		532.9	644.4	111.5
Consolidated net business profit (after deduction of total credit costs)		216.5	534.9	318.3

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

The Bank posted ¥35.0 billion losses on equity securities and other securities for the current semi-annual period with a decrease of ¥13.8 billion from the same period of the previous fiscal year.

Gains on sales of equity securities and other securities decreased by ¥6.3 billion compared to the same period of the previous fiscal year to ¥32.2 billion while losses on sales of equity securities and other securities decreased by ¥11.8 billion compared to the same period of the previous fiscal year to ¥21.8 billion. Losses on write-down of equity securities and other securities increased by ¥19.2 billion compared to the same period of the previous fiscal year to ¥45.4 billion.

(Billions of yen)

		Previous semi-annual period (A)	Current semi-annual period (B)	Change (B - A)
Net gains (losses) on equity securities and other securities		(21.2)	(35.0)	(13.8)
Of other income, gains on sales of equity securities and other securities		38.6	32.2	(6.3)
Of other expenses, losses on sales of equity securities and other securities		33.7	21.8	(11.8)
Of other expenses, losses on write-down of equity securities and other securities		26.2	45.4	19.2



## 2. Analysis of Financial Positions

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

Claims disclosed under the Financial Reconstruction Act increased by ¥84.5 billion from the end of the previous fiscal year to ¥1,340.4 billion. The percentage of disclosed claims to total claims rose by 0.25 percentage points from the end of the previous fiscal year to 1.84%.

Claims by borrowers' classification show claims against bankrupt or de facto bankrupt borrowers fell by ¥45.1 billion, while doubtful claims and claims in need of special attention rose by ¥19.3 billion and ¥110.2 billion, respectively.

With regard to the coverage situation at the end of the current semi-annual period for these disclosed claims totaling ¥1,340.4 billion, allowance for credit losses covered ¥354.6 billion claims and the covered amount by collaterals, guarantees and others was ¥682.7 billion, representing a percentage of covered claims to total disclosed claims (coverage ratio) of 77.39%.

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

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

(Billions of yen)

Category	Loan amount (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	137.8 (183.0)	2.6 (2.5)	135.1 (180.4)	100.00% (100.00%)	100.00% (100.00%)
Doubtful claims	802.1 (782.8)	269.4 (297.9)	329.9 (307.1)	57.04% (62.64%)	74.71% (77.29%)
Claims in need of special attention	400.4 (290.1)	82.5 (78.9)	217.6 (115.3)	45.18% (45.18%)	74.97% (66.98%)
Subtotal	1,340.4 (1,255.9)	354.6 (379.4)	682.7 (603.0)	53.92% (58.11%)	77.39% (78.22%)
Normal claims	71,410.1 (77,776.4)	-	-	-	-
Total	72,750.6 (79,032.4)	-	-	-	-
Percentage of disclosed claims to total claims	1.84% (1.58%)	-	-	-	-

(Note) The upper figures are as of September 30, 2010. The lower figures with parentheses are as of March 31, 2010.

### Securities

Securities at the end of the current semi-annual period increased by ¥5,136.9 billion to ¥57,702.7 billion, compared to the end of the previous fiscal year. Corporate bonds and equity securities reduced by ¥275.5 billion and ¥627.1 billion, respectively, but government bonds and other securities rose by ¥3,507.2 billion and ¥2,606.6 billion, respectively.

(Billions of yen)

	As of March 31, 2010 (A)	As of September 30, 2010 (B)	Change (B) - (A)
Securities	52,565.7	57,702.7	5,136.9
Government bonds	35,313.9	38,821.2	3,507.2
Municipal bonds	279.8	205.5	(74.2)
Corporate bonds	4,032.5	3,757.0	(275.5)
Equity securities	3,801.9	3,174.7	(627.1)
Other securities	9,137.4	11,744.0	2,606.6

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

### 3. Cash Flows

With regard to cash flows, operating activities generated net cash of ¥7,390.4 billion with a ¥193.4 billion increase in cash inflows from the same period of the previous fiscal year. Investing activities used net cash of ¥6,882.8 billion, as a result of ¥46.8 billion decrease in expenses compared to the same period of the previous fiscal year. Financing activities used net cash of ¥839.4 billion, with a ¥945.1 billion increase in expenses from the same period of the previous fiscal year.

Cash and cash equivalents at the end of the current semi-annual period were ¥3,069.0 billion, with a decrease of ¥631.0 billion from the same period of the previous fiscal year.

### 4. Results of Operations by Business Division

Results of operations for the current consolidated semi-annual period posted by business units which are segmented based on the internal management classification.

[Principal business conducted by each business unit]

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

(Billions of yen)

	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	UNBC	Global Markets Unit	Other units	Total
	Gross profit (loss)	335.6	348.8		286.8	141.2	332.1
Non-consolidated	283.4	335.4	115.2	—	330.5	(26.4)	1,038.1
Net interest income	238.9	192.1	61.2	—	124.6	(4.4)	612.6
Net non-interest income	44.5	143.2	54.0	—	205.8	(22.0)	425.5
Subsidiaries	52.2	13.4	171.5	141.2	1.6	7.0	245.9
General and administrative expenses	237.8	171.9	177.7	90.9	21.7	57.4	666.7
Net business profit (loss)	97.8	176.9	109.0	50.2	310.4	(76.9)	617.3

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

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

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

#### (1) Retail Banking Business Unit

Despite sluggish yen deposits in the face of lowering market rates, the unit saw strong investment trust sales and a solid performance of Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd. In addition, the unit kept up its effort to reduce costs.

#### (2) Corporate Banking Business Unit

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

(3) Global Business Unit

The unit's gross profit remained solid mainly from the operation of Union Bank, N.A., while expenses also increased. Increased lending in Asian markets as well as expansion in lending margins lifted the unit's earnings.

(4) Global Markets Unit

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

### III. Company Information

#### 1. Information on the Company's shares

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued
Common stock	33,000,000,000
Class 2 preferred stock	100,000,000
Class 4 preferred stock	79,700,000
Class 6 preferred stock	1,000,000
Class 7 preferred stock	177,000,000
Total	33,357,700,000

2) Total number of shares issued

Class	Number of shares issued as of the end of the current semi-annual period (September 30, 2010)	Number of shares issued as of the date of submission (November 29, 2010)	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 (thousands of yen)	Balance of capital stock (thousands of yen)	Change in capital reserve (thousands of yen)	Balance of capital reserve (thousands of yen)
From April 1, 2010 to September 30, 2010	-	12,707,738	-	1,711,958,103	-	1,711,958,103

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

As of September 30, 2010

Company name	Address	Number of shares held (thousands of shares)	Ratio of number of shares held against total number of shares issued (%)
Mitsubishi UFJ Financial Group, Inc.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	12,506,038	98.41
(Treasury stock) The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	200,700	1.57
Mitsubishi UFJ Trust and Banking Corporation	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	1,000	0.00
Total	-	12,707,738	100.00

By number of voting rights held

As of September 30, 2010

Company name	Address	Number of voting rights held	Ratio of number of voting rights held against total number of shareholders' voting rights (%)
Mitsubishi UFJ Financial Group, Inc.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	12,350,038	100.00
Total	-	12,350,038	100.00

(4) Status of voting rights  
1) Issued shares

As of September 30, 2010

Class	Number of shares	Number of voting rights	Description	
Shares with no voting rights	1st series of Class 2 preferred stock	100,000,000	As stated in 1. Information on the Company's Shares, (1) Total number of shares, etc.	
	1st series of Class 4 preferred stock	79,700,000		
	1st series of Class 6 preferred stock	1,000,000		
	1st series of Class 7 preferred stock	177,000,000		
Shares with restricted voting rights (treasury stock, etc.)	-	-	-	
Shares with restricted voting right (others)	-	-	-	
Shares with full voting rights (treasury stock, etc.)	-	-	-	
Shares with full voting rights (others)	Common stock	12,350,038,000	12,350,038	Standard stock involving no restriction on shareholders' rights
Shares of less than one unit	Common stock	122	-	-
Total number of shares issued		12,707,738,122	-	-
Total number of shareholders' voting rights		-	12,350,038	-

2) Treasury stock, etc.

As of September 30, 2010

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, and 21,000,000 shares of 1st series of Class 7 preferred stock are treasury stock.

## 2. Changes in Share Prices

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

## 3. Directors and Corporate Auditors

The changes of Directors and Corporate Auditors by the date of submission of this semi-annual securities report after the date of submission of the annual securities report for the previous fiscal year are as follows.

(1) Newly appointed Directors and Corporate Auditors

Not applicable

(2) Retired Directors and Corporate Auditors

Not applicable

(3) Change in titles and positions

New title and position	Former title and position	Name	Date of change
Senior Managing Director (Representative Director) Chief Executive, Corporate Services	Managing Director (Representative Director) Chief Executive, Corporate Services	Takehiko Nemoto	October 1, 2010



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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying semi-annual consolidated balance sheets of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank") and subsidiaries (together, the "Group") as of September 30, 2009 and 2010, and the related semi-annual consolidated statements of income, changes in equity, and cash flows for the six-month periods ended September 30, 2009 and 2010, all expressed in Japanese yen. These semi-annual consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express a conclusion on these semi-annual consolidated financial statements based on our reviews.

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

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying semi-annual consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2009 and 2010, and the consolidated results of their operations and their cash flows for the six-month periods ended September 30, 2009 and 2010, in conformity with accounting principles for semi-annual consolidated financial statements generally accepted in Japan.

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

*Deloitte Touche Tohmatsu LLC*

November 25, 2010

Member of  
Deloitte Touche Tohmatsu Limited



## Semi-annual Consolidated Financial Statements (Unaudited)

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

#### Semi-annual Consolidated Balance Sheets (Unaudited)

As of September 30, 2010 and 2009, and March 31, 2010

	Millions of Yen			Millions of
	September 30		March 31	U.S. Dollars
	2010	2009	2010	(Note 1)
				September 30
				2010
<b>ASSETS:</b>				
Cash and due from banks (Notes 3, 4, 12 and 20)	¥5,864,383	¥6,559,719	¥6,309,015	\$69,964
Call loans and bills bought (Note 20)	194,091	362,974	407,622	2,316
Receivables under resale agreements (Note 20)	771,025	251,519	610,605	9,199
Receivables under securities borrowing transactions (Note 20)	1,626,265	4,402,828	4,827,881	19,402
Monetary claims bought (Notes 4, 12 and 20)	2,727,546	3,108,684	2,915,209	32,541
Trading assets (Notes 12 and 20)	7,900,897	9,350,376	7,625,318	94,260
Money held in trust (Notes 5 and 20)	258,191	244,147	265,824	3,080
Securities (Notes 4, 6, 11, 12 and 20)	57,702,707	45,615,983	52,565,731	688,412
Allowance for investment loss	—	(31,646)	—	—
Loans and bills discounted (Notes 7, 12 and 20)	69,294,398	77,581,851	74,892,593	826,705
Foreign exchange assets (Note 20)	1,106,924	951,377	1,045,928	13,206
Tangible fixed assets (Notes 8 and 12)	1,085,720	1,127,231	1,094,776	12,953
Intangible fixed assets (Note 12)	628,793	640,533	632,398	7,502
Deferred tax assets	431,547	768,843	563,531	5,148
Customers' liabilities for acceptances and guarantees (Note 11)	7,012,322	7,906,343	7,753,270	83,659
Other assets (Note 12)	5,830,279	4,854,283	4,555,204	69,557
Allowance for credit losses	(900,374)	(902,517)	(969,733)	(10,742)
<b>Total assets</b>	<b>¥161,534,721</b>	<b>¥162,792,534</b>	<b>¥165,095,177</b>	<b>\$1,927,162</b>

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

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

**Semi-annual Consolidated Balance Sheets (Unaudited)  
As of September 30, 2010 and 2009, and March 31, 2010**

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	September 30		March 31	September 30
	2010	2009	2010	2010
<b>LIABILITIES:</b>				
Deposits (Notes 12 and 20)	¥110,341,880	¥109,271,184	¥111,605,569	\$1,316,416
Negotiable certificates of deposit (Note 20)	8,741,340	7,534,801	9,293,811	104,287
Call money and bills sold (Notes 12 and 20)	1,165,327	1,665,138	1,109,684	13,903
Payables under repurchase agreements (Note 20)	5,569,075	6,261,195	4,718,493	66,441
Payables under securities lending transactions (Note 20)	537,493	2,429,627	2,681,559	6,412
Commercial paper (Notes 12 and 20)	152,654	88,759	196,929	1,821
Trading liabilities (Notes 12 and 20)	5,950,755	5,298,057	4,927,159	70,994
Borrowed money (Notes 10, 12 and 20)	2,911,170	2,935,895	2,853,926	34,731
Foreign exchange liabilities (Note 20)	720,434	885,467	728,714	8,595
Short-term bonds payable (Note 20)	77,470	74,944	79,464	924
Bonds payable (Notes 10 and 20)	5,085,213	5,308,926	5,471,632	60,668
Reserve for bonuses	22,686	23,940	21,785	271
Reserve for bonuses to directors	46	74	140	1
Reserve for retirement benefits	32,718	58,617	33,010	390
Reserve for retirement benefits to directors	460	746	548	5
Reserve for loyalty award credits	1,221	1,078	857	15
Reserve for contingent losses	55,474	57,797	61,641	662
Reserve under special laws	857	1,233	1,237	10
Acceptances and guarantees (Notes 11 and 12)	7,012,322	7,906,343	7,753,270	83,659
Deferred tax liabilities	24,943	27,694	27,724	298
Deferred tax liabilities for land revaluation (Note 9)	181,393	185,330	182,300	2,164
Other liabilities (Note 12)	3,852,422	4,764,371	4,045,141	45,961
<b>Total liabilities</b>	<b>¥152,437,366</b>	<b>¥154,781,227</b>	<b>¥155,794,605</b>	<b>\$1,818,628</b>
<b>EQUITY (Notes 14 and 15):</b>				
Common stock,				
Authorized, 15,000,000 thousand shares;				
Issued, 12,350,038 thousand shares in 2010 and 10,833,384 thousand shares in 2009, with no stated value	¥1,586,958	¥1,071,295	¥1,586,958	\$18,933
Preferred stock,				
Authorized, 357,700 thousand shares;				
Issued, 357,700 thousand shares in 2010 and 2009, with no stated value	125,000	125,000	125,000	1,491
Capital surplus	3,878,275	3,362,612	3,878,275	46,269
Retained earnings	2,034,336	1,692,777	1,854,127	24,270
Unrealized gain on available-for-sale securities (Note 6)	147,577	19,400	226,987	1,761
Deferred gain on derivatives under hedge accounting	97,405	121,666	105,955	1,162
Land revaluation surplus (Note 9)	218,424	221,907	217,470	2,606
Foreign currency translation adjustments	(240,559)	(150,853)	(201,194)	(2,870)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries	(34,129)	(53,647)	(36,930)	(407)
Treasury stock—at cost				
100,000 thousand shares in 2010	(250,000)	—	—	(2,983)
<b>Total</b>	<b>7,563,287</b>	<b>6,410,158</b>	<b>7,756,650</b>	<b>90,232</b>
Minority interests	1,534,067	1,601,147	1,543,922	18,302
<b>Total equity</b>	<b>9,097,354</b>	<b>8,011,306</b>	<b>9,300,572</b>	<b>108,534</b>
<b>Total liabilities and equity</b>	<b>¥161,534,721</b>	<b>¥162,792,534</b>	<b>¥165,095,177</b>	<b>\$1,927,162</b>

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

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

**Semi-annual Consolidated Statements of Income (Unaudited)**

**For the Six-Month Period Ended September 30, 2010 and 2009, and Year Ended March 31, 2010**

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Year Ended March 31	Six-Month Period Ended September 30
	2010	2009	2010	2010
<b>INCOME:</b>				
Interest income:	¥960,718	¥1,136,574	¥2,151,556	\$11,462
Interest on loans and bills discounted	621,958	763,875	1,425,343	7,420
Interest and dividends on securities	223,068	212,533	424,379	2,661
Trust fees	5,809	6,532	12,433	69
Fees and commissions	311,174	329,559	655,449	3,712
Trading income	76,425	80,039	117,950	912
Other operating income	225,463	185,499	364,052	2,690
Other income (Note 16)	105,444	113,015	341,501	1,258
<b>Total income</b>	<b>1,685,036</b>	<b>1,851,218</b>	<b>3,642,943</b>	<b>20,103</b>
<b>EXPENSES:</b>				
Interest expenses:	193,755	288,942	505,649	2,312
Interest on deposits	90,285	138,505	244,098	1,077
Fees and commissions	63,501	59,777	121,555	758
Trading expenses	—	7	—	—
Other operating expenses	29,760	190,272	269,249	355
General and administrative expenses	670,423	701,662	1,374,153	7,998
Other expenses (Note 17)	238,409	444,364	816,221	2,844
<b>Total expenses</b>	<b>1,195,849</b>	<b>1,685,026</b>	<b>3,086,828</b>	<b>14,267</b>
<b>Income before income taxes and minority interests</b>	<b>489,187</b>	<b>166,192</b>	<b>556,114</b>	<b>5,836</b>
<b>Income taxes:</b>				
Current	33,261	19,253	52,310	397
Deferred	98,689	(6,423)	79,487	1,177
<b>Total income taxes</b>	<b>131,951</b>	<b>12,829</b>	<b>131,797</b>	<b>1,574</b>
<b>Income before minority interests</b>	<b>357,236</b>	<b>153,362</b>	<b>424,316</b>	<b>4,262</b>
<b>Minority interests in net income</b>	<b>33,582</b>	<b>30,640</b>	<b>61,430</b>	<b>401</b>
<b>Net income</b>	<b>¥323,653</b>	<b>¥122,722</b>	<b>¥362,886</b>	<b>\$3,861</b>
		<b>Yen</b>		<b>U.S. Dollars</b>
<b>Per common stock (Note 19):</b>				
Basic net income per common share	¥25.47	¥10.21	¥30.16	\$0.30
Diluted net income per common share	25.47	10.21	30.16	0.30
Cash dividends applicable to the reporting period per common share	9.98	6.57	17.13	0.12

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

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

Semi-annual Consolidated Statements of Changes in Equity (Unaudited)

For the Six-Month Period Ended September 30, 2010 and 2009, and Year Ended March 31, 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Year Ended March 31	Six-Month Period Ended September 30
	2010	2009	2010	2010
Capital stock (Note 15):				
Beginning of period	¥1,711,958	¥1,196,295	¥1,196,295	\$20,424
Issuance of common stock	—	—	515,662	—
End of period	¥1,711,958	¥1,196,295	¥1,711,958	\$20,424
Capital surplus:				
Beginning of period	¥3,878,275	¥3,362,612	¥3,362,612	\$46,269
Issuance of common stock	—	—	515,662	—
End of period	¥3,878,275	¥3,362,612	¥3,878,275	\$46,269
Retained earnings:				
Beginning of period	¥1,854,127	¥1,641,630	¥1,641,630	\$22,120
Net income	323,653	122,722	362,886	3,861
Cash dividends	(142,491)	(71,960)	(155,211)	(1,700)
Reversal of land revaluation surplus	(953)	2,304	6,742	(11)
Change in scope of application of the equity method	—	(1,919)	(1,919)	—
End of period	¥2,034,336	¥1,692,777	¥1,854,127	\$24,270
Unrealized gain (loss) on available-for-sale securities:				
Beginning of period	¥226,987	¥(712,608)	¥(712,608)	\$2,708
Net change during the period	(79,410)	732,009	939,596	(947)
End of period	¥147,577	¥19,400	¥226,987	\$1,761
Deferred gain on derivatives under hedge accounting:				
Beginning of period	¥105,955	¥127,312	¥127,312	\$1,264
Net change during the period	(8,549)	(5,645)	(21,356)	(102)
End of period	¥97,405	¥121,666	¥105,955	\$1,162
Land revaluation surplus:				
Beginning of period	¥217,470	¥224,212	¥224,212	\$2,595
Net change during the period	953	(2,304)	(6,742)	11
End of period	¥218,424	¥221,907	¥217,470	\$2,606
Foreign currency translation adjustments:				
Beginning of period	¥(201,194)	¥(234,987)	¥(234,987)	\$(2,400)
Net change during the period	(39,364)	84,134	33,793	(470)
End of period	¥(240,559)	¥(150,853)	¥(201,194)	\$(2,870)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries:				
Beginning of period	¥(36,930)	¥(51,822)	¥(51,822)	\$(440)
Net change during the period	2,800	(1,825)	14,891	33
End of period	¥(34,129)	¥(53,647)	¥(36,930)	\$(407)
Treasury stock				
Beginning of period	¥—	¥—	¥—	\$—
Purchase of treasury stock	(250,000)	—	—	(2,983)
End of period	¥(250,000)	¥—	¥—	\$(2,983)
Total:				
Beginning of period	¥7,756,650	¥5,552,645	¥5,552,645	\$92,540
Issuance of common stock	—	—	1,031,324	—
Net income	323,653	122,722	362,886	3,861
Cash dividends	(142,491)	(71,960)	(155,211)	(1,700)
Purchase of treasury stock	(250,000)	—	—	(2,983)
Reversal of land revaluation surplus	(953)	2,304	6,742	(11)
Change in scope of application of the equity method	—	(1,919)	(1,919)	—
Net change during the period	(123,571)	806,367	960,183	(1,475)
End of period	¥7,563,287	¥6,410,158	¥7,756,650	\$90,232
Minority interests:				
Beginning of period	¥1,543,922	¥1,304,444	¥1,304,444	\$18,420
Net change during the period	(9,855)	296,703	239,478	(118)
End of period	¥1,534,067	¥1,601,147	¥1,543,922	\$18,302
Total equity:				
Beginning of period	¥9,300,572	¥6,857,089	¥6,857,089	\$110,960
Issuance of common stock	—	—	1,031,324	—
Net income	323,653	122,722	362,886	3,861
Cash dividends	(142,491)	(71,960)	(155,211)	(1,700)
Purchase of treasury stock	(250,000)	—	—	(2,983)
Reversal of land revaluation surplus	(953)	2,304	6,742	(11)
Change in scope of application of the equity method	—	(1,919)	(1,919)	—
Net change during the period	(133,426)	1,103,071	1,199,661	(1,593)
End of period	¥9,097,354	¥8,011,306	¥9,300,572	\$108,534

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

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

Semi-annual Consolidated Statements of Cash Flows (Unaudited)

For the Six-Month Period Ended September 30, 2010 and 2009, and Year Ended March 31, 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Year Ended March 31	Six-Month Period Ended September 30
	2010	2009	2010	2010
OPERATING ACTIVITIES:				
Income before income taxes and minority interests	¥489,187	¥166,192	¥556,114	\$5,836
Adjustments for:				
Income taxes—paid, net of refund	(35,921)	(25,456)	(70,107)	(429)
Depreciation and amortization	74,515	74,536	151,129	889
Impairment loss of long-lived assets	2,936	3,625	9,685	35
Amortization of goodwill	8,466	8,201	15,878	101
Equity in losses (gains) of the equity method investees	7,544	(432)	1,709	90
(Decrease) increase in allowance for credit losses	(61,694)	56,525	141,961	(736)
Decrease in allowance for investment loss	—	(4,894)	(34,058)	—
Increase in reserve for bonuses	901	2,822	1,559	11
(Decrease) increase in reserve for bonuses to directors	(93)	74	140	(1)
Increase (decrease) in reserve for retirement benefits	426	(9,870)	(24,744)	5
(Decrease) increase in reserve for retirement benefits to directors	(88)	(66)	8	(1)
Increase in reserve for loyalty award credits	363	227	59	4
(Decrease) increase in reserve for contingent losses	(5,509)	4,587	9,186	(66)
Interest income (accrual basis)	(960,718)	(1,136,574)	(2,151,556)	(11,462)
Interest expenses (accrual basis)	193,755	288,942	505,649	2,312
Gains on securities	(123,922)	(12,579)	(69,988)	(1,478)
(Gains) losses on money held in trust	(0)	3,957	3,849	(0)
Foreign exchange losses	660,588	444,328	215,363	7,881
Losses on disposition of fixed assets	2,201	8,013	11,598	26
Earnings from business divestiture	—	(10,843)	(10,843)	—
(Increase) decrease in trading assets	(278,791)	1,295,136	3,014,727	(3,326)
Increase (decrease) in trading liabilities	1,026,173	(813,206)	(1,179,063)	12,243
Adjustment of unsettled trading accounts	(98,349)	63,397	(102,895)	(1,173)
Net decrease in loans and bills discounted	5,373,992	4,408,221	5,086,870	64,113
Net (decrease) increase in deposits	(1,140,364)	1,539,926	6,025,537	(13,605)
Net (decrease) increase in negotiable certificates of deposit	(540,218)	1,262,310	3,047,831	(6,445)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	38,407	(944,738)	(917,443)	458
Net decrease (increase) in due from banks (excluding cash equivalents)	38,348	(880,278)	(878,268)	458
Net decrease (increase) in call loans and bills bought and receivables under resale agreements	245,693	36,616	(183,135)	2,931
Net decrease (increase) in receivables under securities borrowing transactions	3,201,616	76,170	(348,882)	38,196
Net increase (decrease) in call money and bills sold and payables under repurchase agreements	900,159	(1,091,711)	(3,153,558)	10,739
Net (decrease) increase in commercial paper	(36,534)	(59,046)	54,124	(436)
Net (decrease) increase in payables under securities lending transactions	(2,144,065)	964,537	1,291,749	(25,579)
Net (increase) decrease in foreign exchange assets	(60,419)	109,679	10,867	(721)
Net (decrease) increase in foreign exchange liabilities	(9,107)	75,395	(81,215)	(109)
Net (decrease) increase in short-term bonds payable	(1,994)	43,472	47,992	(24)
Increase in straight bonds issuance and redemption	78,497	212,272	399,612	936
Interest and dividends received (cash basis)	983,690	1,209,884	2,243,476	11,736
Interest paid (cash basis)	(213,264)	(300,784)	(529,455)	(2,544)
Other—net	(225,932)	128,421	228,165	(2,694)
Total adjustments	6,901,287	7,030,800	12,783,516	82,335
Net cash provided by operating activities	¥7,390,475	¥7,196,992	¥13,339,631	\$88,171

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

**Semi-annual Consolidated Statements of Cash Flows (Unaudited)**

**For the Six-Month Period Ended September 30, 2010 and 2009, and Year Ended March 31, 2010**

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Year Ended March 31	Six-Month Period Ended September 30
	2010	2009	2010	2010
<b>INVESTING ACTIVITIES:</b>				
Purchases of securities	¥(48,327,034)	¥(67,151,884)	¥(116,867,356)	\$(576,557)
Proceeds from sales of securities	20,189,841	37,554,869	61,820,372	240,871
Proceeds from redemption of securities	21,356,197	22,777,632	40,998,455	254,786
Increase in money held in trust	(187,335)	(127,183)	(678,483)	(2,235)
Decrease in money held in trust	196,563	120,386	698,240	2,345
Purchases of tangible fixed assets	(21,898)	(55,857)	(90,900)	(261)
Purchases of intangible fixed assets	(41,667)	(54,528)	(105,895)	(497)
Proceeds from sales of tangible fixed assets	10,032	3,169	11,293	120
Proceeds from sales of intangible fixed assets	114	1	1,384	1
Payments for business acquisitions	(57,388)	—	—	(685)
Proceeds from business transfers	—	5,200	4,682	—
Purchases of equity of subsidiaries	—	(1,526)	(2,716)	—
Proceeds from sales of equity of subsidiaries	—	—	42,334	—
Other—net	(259)	—	—	(2)
Net cash used in investing activities	(6,882,833)	(6,929,720)	(14,168,589)	(82,114)
<b>FINANCING ACTIVITIES:</b>				
Increase in subordinated borrowings	10,000	24,000	24,000	119
Decrease in subordinated borrowings	(40,000)	(261,500)	(261,500)	(477)
Proceeds from issuance of subordinated bonds and bonds with subscription rights to shares	71,700	375,000	437,300	855
Payments for redemption of subordinated bonds and bonds with subscription rights to shares	(452,374)	(171,198)	(245,831)	(5,397)
Proceeds from issuance of stock	—	—	1,031,324	—
Proceeds from issuance of common stock to minority shareholders	1,500	41	557	18
Repayments to minority shareholders	(333)	(1,037)	(1,463)	(4)
Proceeds from issuance of common stock to the parent company	—	370,000	370,000	—
Payments for redemption of preferred stock	—	(130,000)	(135,000)	—
Cash dividends paid	(142,491)	(71,960)	(155,211)	(1,700)
Cash dividends paid to minority shareholders	(33,304)	(27,691)	(57,631)	(397)
Purchases of treasury stock	(250,000)	—	—	(2,983)
Purchases of subsidiaries' treasury stock	(4,117)	(3)	(3)	(49)
Proceeds from sales of subsidiaries' treasury stock	8	80	80	0
Net cash (used in) provided by financing activities	(839,413)	105,730	1,006,620	(10,015)
Effect of foreign exchange rate changes on cash and cash equivalents	(48,412)	55,983	19,899	(578)
Net (decrease) increase in cash and cash equivalents	(380,183)	428,986	197,561	(4,536)
Cash and cash equivalents, beginning of period	3,449,274	3,271,131	3,271,131	41,151
Decrease in cash and cash equivalents due to a merger of subsidiaries	—	—	(19,418)	—
Cash and cash equivalents, end of period (Note 3)	¥3,069,090	¥3,700,118	¥3,449,274	\$36,615

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

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

### Notes to Semi-annual Consolidated Financial Statements (Unaudited) For the Six-Month Period Ended September 30, 2010 and 2009

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

The accompanying semi-annual consolidated financial statements of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank"), which is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc. ("MUFG"), have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations concerning preparation of semi-annual consolidated financial statements, Ordinance for Enforcement of Banking Law, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards ("IFRSs").

In preparing these semi-annual consolidated financial statements, certain reclassifications and rearrangements have been made to the semi-annual consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the semi-annual consolidated financial statements for the six-month period ended September 30, 2009 to conform to the classifications used in the semi-annual consolidated financial statements for the six-month period ended September 30, 2010.

In conformity with the Japanese Financial Instruments and Exchange Act and the other relevant regulations, all Japanese yen figures in the semi-annual consolidated financial statements have been rounded down to the nearest million yen, except for per share information. Accordingly, the total of each account may not be equal to the combined total of individual items.

The semi-annual consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.82 to U.S. \$1, the approximate rate of exchange as of September 30, 2010. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Consolidation

The semi-annual consolidated financial statements include the accounts of the Bank and its subsidiaries (together, the "Group"). There were 141 and 151 subsidiaries as of September 30, 2010 and 2009, 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 47 and 45 affiliates are accounted for using the equity method as of September 30, 2010 and 2009, respectively. Investments in the remaining affiliates are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying semi-annual consolidated financial statements would not be material.

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

##### (1) Scope of consolidation

##### (a) Major consolidated subsidiaries are as follows:

kabu.com Securities Co., Ltd.  
UnionBanCal Corporation

Changes in the subsidiaries for the six-month period ended September 30, 2010 were as follows:

Four companies including MU Business Partner Co., Ltd. were newly included in the scope of consolidation

due to incorporation and etc.

In addition, three companies including UFJ Preferred Capital 1 Limited were excluded from the scope of consolidation due to liquidation.

Changes in the subsidiaries for the six-month period ended September 30, 2009 were as follows:

BTMU Preferred Capital 9 Limited was newly included due to incorporation.

In addition, five companies including UFJ & Hitachi Systems Co., Ltd. were excluded due to mergers or liquidation.

- (b) There were no unconsolidated subsidiaries as of September 30, 2010 and 2009.
- (c) There were no companies which were not regarded as subsidiaries, although the majority of voting rights (execution rights) was owned by the Bank as of September 30, 2010 and 2009.
- (d) There were no special purpose entities which were excluded from the scope of consolidation pursuant to Article 8, Paragraph 7 of the Financial Statements Regulations for Terminology, Forms and Preparation of Financial Statements, which does not regard a special purpose entity as a subsidiary of an investor irrespective of indicators of control if the entity is established and operated for the purpose of asset securitization and satisfies certain eligible criteria as of September 30, 2010 and 2009.

(2) Application of the equity method

- (a) There were no unconsolidated subsidiaries which are accounted for using the equity method as of September 30, 2010.
- (b) Major affiliates accounted for using the equity method are as follows:
  - Senshu Ikeda Holdings, Inc.
  - The Chukyo Bank, Ltd.

Changes in the affiliates accounted for using the equity method for the six-month period ended September 30, 2010 were as follows:

Three companies including The Senshu Ikeda Bank, Ltd. were newly included in affiliates accounted for using the equity method due to an increase in the influence by the mergers.

In addition, The Senshu Bank, Ltd. was excluded from affiliates due to the merger into The Senshu Ikeda Bank, Ltd.

Changes in the affiliates accounted for using the equity method for the six-month period ended September 30, 2009 were as follows:

Morgan Stanley MUFG Loan Partners, LLC was newly included in affiliates due to incorporation.

In addition, three companies including The Gifu Bank, Ltd. were excluded from affiliates due to a decrease in the ownership of voting rights.

- (c) There were no unconsolidated subsidiaries which were not accounted for using the equity method as of September 30, 2010 and 2009.
- (d) Major affiliate not accounted for using the equity method is as follows:
  - SCB Leasing Public Company Limited

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

- (e) The following six companies of which the Group owns the voting rights (execution rights) between 20% and 50% were not recognized as affiliates accounted for using the equity method, since the Bank's subsidiaries hold such ownerships as venture capital for the purpose of incubating their investees or earning capital gains through business revitalization, not for the purpose of controlling those entities:
  - Kyoto Constella Technologies Co., Ltd.
  - Past Co., Ltd.



Pharma Frontier Co., Ltd.  
 Alter Buildings Japan Co., Ltd.  
 Spring Co., Ltd.  
 Beaunet Corporation Limited

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

	Number of subsidiaries	
	2010	2009
March 1	1	—
April 30	1	1
June 30	90	93
July 24	10	11
July 31	1	1
August 31	1	1
September 30	37	44

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

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

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

Adjustments are made in the semi-annual consolidated financial statements to reflect significant transactions occurring in the period between the six-month period ending dates of subsidiaries and September 30, 2010 and 2009, respectively.

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

Financial statements of foreign subsidiaries prepared in accordance with either IFRS or generally accepted accounting principles in the United States of America ("US GAAP") are used in the consolidation. However, when the financial statements of foreign subsidiaries are prepared in accordance with the generally accepted accounting principles in each domicile country which are different from IFRSs or US GAAP, they are adjusted to conform to US GAAP. In addition, necessary adjustments for consolidation are made, if any.

**c. Business Combinations and Business Divestitures**

The Bank adopted the revised the Accounting Standards Board of Japan ("ASBJ") Statement No. 21 "Accounting Standard for Business Combinations" (issued on December 26, 2008) effective April 1, 2010. Major accounting changes under the revised accounting standard are as follows:

- (1) The revised standard requires accounting for business combinations using the purchase method, while the pooling of interests method, which previously was allowed when certain specific criteria were met such that the business combination was essentially regarded as a uniting-of-interests, is no longer allowed.
- (2) Under the revised standard, in-process research and development (IPR&D) acquired in a business combination, which previously was charged to income as incurred, is capitalized as an intangible asset.
- (3) Under the revised standard, a bargain purchase gain (negative goodwill), which previously was amortized systematically within 20 years, is charged to income by the acquirer on the acquisition date after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed with review procedures.

**d. Cash and Cash Equivalents**

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

**e. Trading Assets or Liabilities, Securities and Money Held in Trust**

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

- (1) Trading assets or liabilities, which are held for the purpose of earning capital gains arising from short-term

fluctuations in interest rates, currency exchange rates or market prices and other market indices in the financial instruments or from variation among markets, are reported as “Trading assets” or “Trading liabilities” in the semi-annual consolidated balance sheets at fair value. The related unrealized or realized gains and losses are included in “Trading income (expenses)” in the semi-annual consolidated statements of income.

- (2) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost (using the straight-line method) based on the moving average method.
- (3) Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gain (loss), net of applicable taxes, reported in a separate component of equity, except for unrealized gain (loss) on embedded derivatives combined with the host contracts which are charged to income.

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

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

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

For other than recoverable declines in fair value, securities are reduced to net realizable value by a charge to income.

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

The components of trust assets in “Money held in trust” are accounted for based on the standard appropriate for each asset type. Instruments held in trust for trading purposes are recorded at fair value and unrealized gain (loss) is recorded in “Trading income (expenses)”. Securities as components of trust assets in “Money held in trust” which are held for purposes other than trading or held-to-maturity are recorded at fair value with the unrealized gain (loss) recorded in a separate component of equity. Instruments held in trust classified as held to maturity are carried at amortized cost.

**f. *Tangible Fixed Assets***

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

Depreciation of “Tangible fixed assets” of the subsidiaries is mainly computed using the straight-line method over the estimated useful lives.

(Accounting change)

In March 2008, the ASBJ published the new accounting standard for asset retirement obligations, ASBJ Statement No.18 “Accounting Standard for Asset Retirement Obligations” and ASBJ Guidance No.21 “Guidance on Accounting Standard for Asset Retirement Obligations”. Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard is effective for fiscal

years beginning on or after April 1, 2010. The Bank adopted this standard for the six-month period ended September 30, 2010. This change resulted in a ¥16,180 million (\$193 million) decrease “Income before income taxes and minority interests” for the six-month period ended September 30, 2010.

**g. *Intangible Fixed Assets***

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

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

**h. *Long-lived Assets***

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows from the continued use and salvage value. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and salvage value or the net selling price at disposition.

**i. *Deferred Charges***

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

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

**j. *Allowance for Credit Losses***

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

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in a similar situation (“virtually bankrupt borrowers”), an allowance is provided for 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 for in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For claims on likely to become bankrupt borrowers and borrowers requiring close monitoring whose cash flows from collection of principal and interest can be reasonably estimated, an allowance is provided for 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 for based on the historical credit losses ratio during the defined periods.

For specified overseas claims, an additional allowance is provided for based on the estimated loss resulting from the political and economic conditions of those countries.

The operating branches and assessment divisions implement the self-assessment for all claims in accordance with the Bank’s self-assessment standards. The Internal Audit & Credit Examination Division, which is independent from operating divisions, conducts verifications of these assessments, and additional reserves may be provided based on the verification results.

For collateralized or guaranteed claims of bankrupt borrowers or virtually bankrupt borrowers, the amount of claims less the expected amount of recoveries from collateral and guarantee is deemed to be uncollectible and written off against the outstanding amount of claims. The amount of write-offs was ¥869,133 million (\$10,369 million) and ¥930,933 million as of September 30, 2010 and 2009, 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.

**k. Allowance for Investment Loss**

“Allowance for investment loss” is provided for based on the possible loss amounts estimated considering the financial position of the issuers of the relevant securities.

**l. Reserve for Bonuses**

“Reserve for bonuses” is provided for estimated payment of bonuses to employees attributable to the respective semi-annual period.

**m. Reserve for Bonuses to Directors**

“Reserve for bonuses to directors” is provided for estimated payment of bonuses to directors attributable to the respective semi-annual period.

**n. Reserve for Retirement Benefits**

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

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

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

**o. Reserve for Retirement Benefits to Directors**

“Reserve for retirement benefits to directors,” which is provided for payments of retirement benefits to directors of certain subsidiaries, is recorded in the amount deemed accrued at the semi-annual consolidated balance sheet date based on the estimated amount of benefits.

**p. 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.

**q. 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.

**r. Reserve under Special Laws**

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

**s. Assets and Liabilities Denominated in Foreign Currencies**

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

Assets and liabilities denominated in foreign currencies of the subsidiaries are translated into Japanese yen at

the exchange rates in effect on the respective semi-annual period end dates.

**t. Leases**

(As lessee)

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

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

(As lessor)

Finance leases other than those that are deemed to transfer the ownership of leased property to the lessees are accounted for in a similar way to sales, and income and expenses related to such leases are recognized by allocating interest equivalents to applicable fiscal periods instead of recording sales and costs of goods sold.

**u. Income Taxes**

The provision for income taxes is computed based on the pretax income included in the semi-annual 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 bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

**v. Derivatives and Hedging Activities**

Derivatives are stated at fair value.

(1) Hedge accounting for interest rate risks

(a) The Bank has adopted the deferred hedge accounting method for hedging transactions for interest rate risks arising from monetary assets and liabilities. Individual hedging or portfolio hedging, as described in the Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24, "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (February 13, 2002) and JICPA Accounting Committee Report No. 14, "Practical Guidelines for Accounting for Financial Instruments" (January 31, 2000), are primarily applied to determine hedged items.

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

Since material terms related to hedged items and hedging instruments are substantially identical, and such hedging transactions are deemed highly effective, the assessment of effectiveness is based on the similarity of the terms.

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

(d) As of March 31, 2003, deferred hedge losses and gains were recorded in the consolidated balance sheet as a result of the application of macro hedge accounting based on JICPA Industry Audit Committee Report No. 15 "Tentative Treatment for Accounting and Auditing in Adoption of Accounting Standards for Banking Industry" (February 15, 2000), under which the overall interest rate risks arising from numerous deposits,

loans and other instruments are hedged collectively by derivative transactions. These losses and gains are amortized as expense or income over the remaining lives of the macro hedging instruments (for a maximum period of 14 years from April 1, 2003). Deferred hedge losses and gains attributable to macro hedge accounting were losses of ¥3,898 million (\$47 million) (before tax effect adjustment) and gains of ¥3,811 million (\$45 million) (before tax effect adjustment) as of September 30, 2010 and losses of ¥8,946 million (before tax effect adjustment) and gains of ¥12,962 million (before tax effect adjustment) as of September 30, 2009.

(2) Hedge accounting for foreign currency risks

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

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

(3) Transactions among consolidated companies

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

w. **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.

x. **Per Share Information**

Basic net income per common share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period.

Diluted net income per common share reflects the potential dilution that could occur if securities were exercised or converted into common shares. Diluted net income per common share assumes full conversion of the outstanding convertible notes and bonds at the beginning of the fiscal year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per common share presented in the accompanying semi-annual consolidated statements of income are dividends applicable to the respective semi-annual period including dividends to be paid after the end of the semi-annual period.

y. **New Accounting Pronouncements**

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

(1) Changes in Accounting Policies:

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

(2) Changes in Presentations

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

(3) Changes in Accounting Estimates

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

(4) Corrections of Prior Period Errors

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

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

**Presentation of Comprehensive Income**—In June 2010, the ASBJ issued ASBJ Statement No. 25 “Accounting Standard for Presentation of Comprehensive Income”. This standard requires the entities to present comprehensive income which refers to the change in equity in an entity’s financial statements for a period, other than those changes resulting from direct transactions with equity holders in the entity’s equity in either of a format composed of the statement of income that presents net income and the statement of comprehensive income that presents calculation of comprehensive income (two-statement format) or a format using one statement (statement of income and comprehensive income) that presents net income and comprehensive income (one-statement format). Calculation of comprehensive income for consolidated financial statements shall present net income before adjusting minority interests and additions or deductions of other comprehensive income consisting of unrealized gain or loss on available-for-sale securities, deferred gains or losses on derivatives under hedge accounting and translation adjustments.

This standard is applicable for fiscal years ending on or after March 31, 2011, except for disclosures of the items required as notes which are applied to consolidated financial statements for the fiscal year ending on or after March 31, 2012, with early adoption permitted for the fiscal year ending on or after September 30, 2010

**Quantitative Information on Market Risk**—On March 10, 2008, the ASBJ revised ASBJ Statement No.10 “Accounting Standard for Financial Instruments” and issued ASBJ Guidance No.19 “Guidance on Disclosures about Fair Value of Financial Instruments.” This accounting standard and the guidance are applicable to financial instruments and related disclosures for the fiscal years ending on or after March 31, 2010. One-year deferral is permitted for certain quantitative disclosures of market risk and a company may elect to adopt the related provisions for the fiscal years on or after March 31, 2011.

### 3. CASH AND CASH EQUIVALENTS

The reconciliation of “Cash and cash equivalents” in the semi-annual consolidated statements of cash flows and “Cash and due from banks” in the semi-annual consolidated balance sheets as of September 30, 2010 and 2009 is as follows:

September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Cash and due from banks	¥5,864,383	¥6,559,719	\$69,964
Less: Time deposits and negotiable certificates of deposit included in due from banks	(2,795,292)	(2,859,601)	(33,349)
Cash and cash equivalents	¥3,069,090	¥3,700,118	\$36,615

### 4. SECURITIES

Securities as of September 30, 2010 and 2009 include equity securities in affiliates of ¥174,138 million (\$2,078 million) and ¥143,295 million respectively and capital subscriptions to entities such as limited liability companies of ¥6,918 million (\$83 million) and ¥2,531 million, respectively.

Securities loaned under unsecured securities lending transactions amounted to ¥149,925 million (\$1,789 million) and ¥219,966 million as of September 30, 2010 and 2009, respectively.

For securities borrowed and purchased under resale agreements where the secured parties are permitted to sell

or repledge the securities without restrictions, ¥356,915 million (\$4,258 million) and ¥576,622 million of such securities were re-pledged as of September 30, 2010 and 2009, respectively. ¥4,177 million (\$50 million) were re-loaned as of September 30, 2010.

The remaining ¥4,840,037 million (\$57,743 million) and ¥11,495,185 million of these securities were held without disposition as of September 30, 2010 and 2009, respectively.

Securities repledged, which the Bank has the rights to sell or repledge without restrictions amounted to ¥356,915 million (\$4,258 million) and ¥576,622 million as of September 30, 2010 and 2009, respectively.

Securities reloaned amounted to ¥4,177 million (\$50 million) as of September 30, 2010.

Securities held without disposition are in the amounts of ¥4,840,037 million (\$57,743 million) and ¥11,495,185 million as of September 30, 2010 and 2009, respectively.

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

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

Millions of Yen					
2010					
September 30	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥250,144	¥254,225	¥4,080	¥4,080	¥ —
Foreign bonds	5,483	6,658	1,174	1,174	—
Other	1,012,825	1,067,024	54,200	54,956	756
Total	¥1,268,454	¥1,327,909	¥59,454	¥60,211	¥756

Millions of Yen			
2009			
September 30	Carrying amount	Fair value	Net unrealized gain (loss)
Japanese government bonds	¥514,865	¥518,964	¥4,098
Foreign bonds	7,766	8,860	1,094
Other	1,112,880	1,122,075	9,194
Total	¥1,635,512	¥1,649,900	¥14,387

Millions of U.S. Dollars					
2010					
September 30	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	\$2,984	\$3,033	\$49	\$49	\$—
Foreign bonds	65	79	14	14	—
Other	12,084	12,730	646	655	9
Total	\$15,133	\$15,842	\$709	\$718	\$9

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

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

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



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

Millions of Yen					
2010					
September 30	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥2,763,870	¥2,840,473	¥(76,603)	¥422,426	¥499,029
Domestic bonds	42,533,651	42,229,496	304,155	327,168	23,013
Japanese government bonds	38,571,123	38,336,954	234,168	239,673	5,505
Municipal bonds	205,569	195,651	9,917	9,917	—
Corporate bonds	3,756,959	3,696,890	60,070	77,577	17,507
Foreign equity securities	162,706	95,783	66,923	66,925	2
Foreign bonds	10,332,836	10,142,648	190,187	208,877	18,690
Other	1,292,885	1,318,367	(25,483)	47,893	73,376
Total	¥57,085,952	¥56,626,772	¥459,180	¥1,073,292	¥614,112

Millions of Yen			
2009			
September 30	Carrying amount	Acquisition cost	Net unrealized gain (loss)
Domestic equity securities	¥3,408,783	¥3,171,261	¥237,521
Domestic bonds	28,970,568	28,852,633	117,934
Japanese government bonds	27,478,800	27,382,936	95,863
Municipal bonds	284,507	276,032	8,475
Corporate bonds	1,207,260	1,193,664	13,595
Foreign equity securities	133,297	96,921	36,375
Foreign bonds	7,693,635	7,650,290	43,345
Other	1,387,326	1,580,934	(193,607)
Total	¥41,593,611	¥41,352,041	¥241,570

Millions of U.S. Dollars					
2010					
September 30	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	\$32,974	\$33,888	\$(914)	\$5,041	5,955
Domestic bonds	507,440	503,811	3,629	3,903	274
Japanese government bonds	460,166	457,372	2,794	2,859	65
Municipal bonds	2,452	2,334	118	118	—
Corporate bonds	44,822	44,105	717	926	209
Foreign equity securities	1,941	1,143	798	798	0
Foreign bonds	123,274	121,005	2,269	2,492	223
Other	15,425	15,729	(304)	571	875
Total	\$681,054	\$675,576	\$5,478	\$12,805	\$7,327

Notes:

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

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

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

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

2. Securities with the fair value determined using the quoted market prices or reasonable estimates, whose fair value significantly declined compared with the acquisition cost, and is considered to be other than recoverable decline, are written down to the respective fair value which is recorded as the carrying amount on the semi-annual consolidated balance sheets.

The amount of write-down of securities for the six-month period ended September 30, 2010 was ¥45,448 million (\$542 million), consisting of equity securities in an amount of ¥40,186 million (\$479 million) and debt securities and others in an amount of ¥5,262 million (\$63 million).

The criteria for determining whether the fair value is “significantly declined” are defined based on the asset classification of the issuer in the Bank’s internal standards for asset quality self-assessment as follows:

- (a) Bankrupt, virtually bankrupt, likely to become bankrupt issuers: Fair value is lower than acquisition cost.
- (b) Issuers requiring close monitoring: Fair value has declined by 30% or more of the acquisition cost.
- (c) Normal issuers: Fair value has declined by 50% or more of the acquisition cost.

“Bankrupt issuer” means an issuer who has entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses. “Virtually bankrupt issuer” means an issuer who is not legally or formally bankrupt but regarded as substantially in a similar condition. “Likely to become bankrupt issuer” means an issuer who is not legally bankrupt but deemed to have high possibility of becoming bankrupt. “Issuer requiring close monitoring” means an issuer who requires close monitoring of the management. “Normal issuer” means an issuer other than “bankrupt issuer,” “virtually bankrupt issuer,” “likely to become bankrupt issuer” or “Issuer requiring close monitoring”.

3. “Unrealized gain (loss)” includes losses of ¥18,518 million (\$221 million) and ¥17,156 million for the six-month period ended September 30, 2010 and 2009, respectively, resulting from the accounting treatment of embedded derivatives, which are not separated from underlying securities.

c. Major securities stated at acquisition cost and amortized cost as of September 30, 2009 were as follows:

	<u>Millions of Yen</u>
Held-to-maturity debt securities:	
Foreign bonds	¥104
Available-for-sale securities:	
Domestic equity securities	285,792
Corporate bonds	3,034,831
Foreign equity securities	59,283
Foreign bonds	383,940

d. Reclassification of securities:

For the six-month period ended September 30, 2009

Certain overseas subsidiaries which close their accounts in December reclassified securitized products from “Available-for-sale” to “Held-to-maturity” securities using the fair value of ¥112,356 million on February 28, 2009 pursuant to US GAAP. The foregoing reclassification has been made because the Group considered the reclassification of these securities into “Held-to-maturity” securities to be more appropriate since the Group has the intent and ability to hold them until maturity.

Securities reclassified from available-for-sale securities into held-to-maturity debt securities as of September 30, 2009 are as follows:

	<u>Millions of Yen</u>		
	Fair value	Carrying amount	Net unrealized gain (loss) on available-for- sale securities
Other (monetary claims bought)	¥106,841	¥112,464	¥(46,493)

e. Securities reclassified prior to April 1, 2009

Securities reclassified from available-for-sale securities into held-to-maturity debt securities prior to April 1, 2009 and outstanding as of September 30, 2009 are as follows:

	<u>Millions of Yen</u>		
	Fair value	Carrying amount	Net unrealized gain (loss) on available-for- sale securities
Other (monetary claims bought)	¥994,667	¥979,849	¥(78,982)

Floating-rate Japanese government bonds included in “Securities,” previously evaluated based on market prices, are now valued based on reasonable estimates in accordance with ASBJ PITF No. 25 “Practical Solution on Measurement of Fair Value for Financial Assets” (issued on October 28, 2008) since market prices cannot be deemed as fair value due to the struggling market environment.

The estimated values of floating-rate Japanese government bonds are calculated by discounting the future cash flows using the yields of government bonds, with adjustments made based on implied option value and liquidity premiums.

## 5. MONEY HELD IN TRUST

“Money held in trust” classified as other than trading and held-to-maturity as of September 30, 2010 and 2009 were as follows:

September 30	Millions of Yen				
	2010				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	¥206,586	¥205,957	¥629	¥631	¥ 2

September 30	Millions of Yen		
	2009		
	Carrying amount	Acquisition cost	Net unrealized gain
Money held in trust classified as other than trading and held-to-maturity	¥216,597	¥215,902	¥694

September 30	Millions of U.S. Dollars				
	2010				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	\$2,465	\$2,457	\$8	\$8	\$0

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

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

Unrealized gain (loss) on available-for-sale securities as of September 30, 2010 and 2009 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Unrealized gain (loss):	¥346,374	¥93,081	\$4,132
Available-for-sale securities	482,814	266,715	5,759
Money held in trust except for trading and held-to-maturity purpose	629	694	8
Securities reclassified from available-for-sale securities into held-to-maturity debt securities	(137,069)	(174,328)	(1,635)
Deferred tax assets (liabilities):	(199,617)	(74,701)	(2,381)
Unrealized gain (loss) on available-for-sale securities before adjustments by ownership share	146,756	18,380	1,751
Minority interests	14,923	14,760	178
Bank's ownership share in unrealized gain (loss) on available-for-sale securities held by companies accounted for using the equity method	(14,102)	(13,740)	(168)
Unrealized gain (loss) on available-for-sale securities	¥ 147,577	¥ 19,400	\$1,761

Notes:

1. Unrealized gain (loss) in the above table excludes ¥18,518 million (\$221 million) and ¥17,156 million of losses resulting from the accounting treatment for embedded derivatives as of September 30, 2010 and 2009, respectively.
2. Unrealized gain (loss) in the above table includes ¥5,115 million (\$61 million) and ¥7,988 million of unrealized gain on available-for-sale securities invested in limited partnerships.

## 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 ¥763,644 million (\$9,111million) and ¥722,057 million as of September 30, 2010 and 2009, respectively. The total face value of banker’s acceptance bills, commercial bills, documentary bills and foreign exchanges bills bought which were transferred due to rediscounts of bills amounted to ¥10,386 million (\$124 million) and ¥17,416 million as of September 30, 2010 and 2009, respectively.

“Loans and bills discounted” as of September 30, 2010 and 2009 included the following loans:

	Millions of Yen		Millions of
	2010	2009	U.S. Dollars
Loans to bankrupt borrowers	¥56,139	¥118,359	\$670
Non-accrual delinquent loans	982,403	888,156	11,720
Loans past due for three months or more	43,915	12,297	524
Restructured loans	358,992	269,957	4,283
<b>Total</b>	<b>¥1,441,450</b>	<b>¥1,288,770</b>	<b>\$17,197</b>

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 Order for Enforcement of the Corporation Tax Act (No. 97 in 1965) on which accrued interest income is not recognized (“Non-accrual loans”) as there is substantial doubt as to the collection of principal and/or interest because of delinquencies in payment of principal and/or interest for a significant period of time or for some other reasons.

Non-accrual delinquent loans represent non-accrual loans other than loans to bankrupt borrowers and loans renegotiated at concessionary terms, which includes reduction or deferral of interest due to the borrower’s weakened financial condition.

Loans past due for three months or more represent loans whose principal and/or interest payments have been past due for three months or more, excluding loans to bankrupt borrowers and non-accrual delinquent loans.

Restructured loans represent loans renegotiated at concessionary terms, including reduction or deferral of interest or principal and waiver of the claims, due to the borrower’s weakened financial condition, excluding loans to bankrupt borrowers, non-accrual delinquent loans and loans past due for three months or more.

## 8. TANGIBLE FIXED ASSETS

The accumulated depreciation of “Tangible fixed assets” as of September 30, 2010 and 2009 amounted to ¥861,640 million (\$10,280 million) and ¥859,498 million, respectively.

## 9. LAND REVALUATION SURPLUS

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

Date of revaluation: March 31, 1998

The method of revaluation asset forth in Article 3, Paragraph 3 of the “Law”:

Fair values are determined based on (1) “published land price under the Land Price Publication Law” stipulated in Article 2-1 of the “Order for Enforcement on Law on Revaluation of Land” (“Ordinance”) (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 “Ordinance,” (3) “land price determined using the method established and published by the Director General of the National Tax Agency in order to calculate land value which is used for determining taxable amounts subject to landholding tax articulated in Article 16 of the Landholding Tax Law” stipulated in Article 2-4 of the “Ordinance” 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 “Law” and book value after revaluation of the relevant land as of September 30, 2010 and 2009 was

¥50,011 million (\$597 million) and ¥29,046 million, respectively.

## 10. BORROWED MONEY AND BONDS PAYABLE

“Borrowed money” and “Bonds payable” included the following subordinated loans or subordinated bonds as of September 30, 2010 and 2009:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Subordinated loans included in “Borrowed money”	¥412,500	¥450,500	\$4,921
Subordinated bonds included in “Bonds payable”	3,019,438	3,502,249	36,023

## 11. CUSTOMERS’ LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in “Acceptances and guarantees.” “Customers’ liabilities for acceptances and guarantees” are shown as contra assets, representing the Bank’s right to receive indemnity from the applicants.

Guarantee obligations for private placement bonds included in “Securities” (provided in accordance with the Article 2-3 of the Financial Instruments and Exchange Act) as of September 30, 2010 and 2009 were ¥2,381,479 million (\$28,412 million) and ¥2,715,051 million, respectively.

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

## 12. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and their relevant liabilities as of September 30, 2010 and 2009 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Assets pledged as collateral:			
Cash and due from banks	¥1,778	¥1,743	\$21
Trading assets	—	921,508	—
Securities	914,501	1,045,757	10,910
Loans and bills discounted	1,434,513	632,952	17,114
Tangible fixed assets	—	481	—
Intangible fixed assets	—	511	—
Other assets	72,911	71,854	871
Total	¥2,423,703	¥2,674,806	\$28,916
Relevant liabilities to above assets:			
Deposits	¥296,405	¥325,907	\$3,536
Call money and bills sold	440,000	558,000	5,249
Commercial paper	—	25,000	—
Trading liabilities	66,969	61,993	799
Borrowed money	1,267,914	1,342,381	15,127
Acceptances and guarantees	781	1,073	9
Other liabilities	56,208	56,162	671
Total	¥2,128,277	¥2,370,516	\$25,391

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

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Assets pledged as collateral:			
Cash and due from banks	¥12,246	¥20,375	\$146
Monetary claims bought	131,268	363,406	1,566
Trading assets	—	38,280	—
Securities	7,647,127	5,810,283	91,232
Loans and bills discounted	3,818,965	4,097,401	45,562
Total	¥11,609,606	¥10,329,745	\$138,506

Furthermore, trading assets and securities sold under repurchase agreements or loaned under securities lending with cash collateral were ¥689,102 million (\$8,221 million) and ¥7,104,958 million (\$84,764 million), respectively as of September 30, 2010 and ¥1,701,759 million and ¥8,183,835 million as of September 30, 2009.

Relevant payables under resale agreements were ¥5,565,419 million (\$66,397 million) and ¥6,258,349 million as of September 30, 2010 and 2009, respectively.

Relevant payables under securities lending transactions were ¥524,976 million (\$6,263 million) and ¥2,406,567 million as of September 30, 2010 and 2009, respectively.

### 13. LOAN COMMITMENTS

Overdraft facilities and commitment lines of credit are binding contracts under which the Bank and its subsidiaries have 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 ¥55,813,838 million (\$665,877 million) and ¥55,779,302 million as of September 30, 2010 and 2009, 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 Bank and its subsidiaries 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 Bank and its subsidiaries may request the borrowers to pledge real property and/or securities as collateral upon signing of the contract and will perform periodic monitoring on the borrower's business conditions in accordance with internal procedures, which may lead to renegotiation of the terms and conditions of the contracts and/or initiate the request for additional collateral and/or guarantees.

### 14. CAPITAL REQUIREMENT

Japanese banks are subject to the Banking Law and to the Companies Act.

The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

#### a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all of the above criteria. The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to

shareholders subject to certain limitations and additional requirements. Semi-annual dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Bank can do so because it stipulates this in its articles of incorporation. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of equity after dividends must be maintained at no less than ¥3 million.

**b. *Increases/Decreases and Transfer of Capital Stock, Reserve and Surplus***

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

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

**c. *Treasury Stock and Treasury Stock Acquisition Rights***

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

**15. CAPITAL STOCK AND DIVIDENDS PAID**

Capital stock consists of common stock and preferred stock. The changes in the number of issued shares of common stock and preferred stock during the six-month period ended September 30, 2010 and 2009 were as follows:

	Number of shares in thousands			
	April 1, 2010	Increase	Decrease	September 30, 2010
Outstanding shares issued:				
Common stock	12,350,038	—	—	12,350,038
Preferred stock-first series of Class 2	100,000	—	—	100,000
Preferred stock-first series of Class 4	79,700	—	—	79,700
Preferred stock-first series of Class 6	1,000	—	—	1,000
Preferred stock-first series of Class 7	177,000	—	—	177,000
Total	12,707,738	—	—	12,707,738
Treasury stock:				
Preferred stock-first series of Class 2	—	100,000	—	100,000
Preferred stock-first series of Class 4	79,700	—	—	79,700
Preferred stock-first series of Class 7	21,000	—	—	21,000
Total	100,700	100,000	—	200,700

Note

	Number of shares in thousands			
	April 1, 2009	Increase	Decrease	September 30, 2009
Outstanding shares issued:				
Common stock	10,833,384	—	—	10,833,384
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	11,191,084	—	—	11,191,084
Treasury stock:				
Preferred stock-first series of Class 4	79,700	—	—	79,700
Preferred stock-first series of Class 7	21,000	—	—	21,000
Total	100,700	—	—	100,700

Note:

For the six-month period ended September 30, 2010

Increase in treasury stock of preferred stock-first series of Class 2 (100,000 thousand shares) was due to the acquisition based on the acquisition clause.

The Bank paid the following cash dividends during the six-month period ended September 30, 2010 and 2009:

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

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

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

	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Year-end cash dividends:				
Common stock	\$1,556	\$0.13	Mar. 31, 2010	Jun. 28, 2010
Preferred stock-first series of Class 2	36	0.36	Mar. 31, 2010	Jun. 28, 2010
Preferred stock-first series of Class 6	1	1.26	Mar. 31, 2010	Jun. 28, 2010
Preferred stock-first series of Class 7	107	0.69	Mar. 31, 2010	Jun. 28, 2010
Total	\$1,700			

For the six-month period ended September 30, 2009:

The following cash dividend payments were approved at the shareholders' meeting held on June 25, 2009:

	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Year-end cash dividends:				
Common stock	¥59,041	¥5.45	Mar. 31, 2009	Jun. 25, 2009
Preferred stock-first series of Class 2	6,000	60.00	Mar. 31, 2009	Jun. 25, 2009
Preferred stock-first series of Class 6	210	210.90	Mar. 31, 2009	Jun. 25, 2009
Preferred stock-first series of Class 7	6,708	43.00	Mar. 31, 2009	Jun. 25, 2009
Total	¥71,959			



## 16. OTHER INCOME

Other income for the six-month period ended September 30, 2010 and 2009 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Gains on sales of equity securities and other securities	¥32,265	¥38,665	\$385
Gains on collection of bad debts	26,304	18,567	314
Earnings from business divestiture	—	10,843	—
Leasing income	12,540	10,478	150
Other	34,335	34,461	409
Total	¥105,444	¥113,015	\$1,258

## 17. OTHER EXPENSES

Other expenses for the six-month period ended September 30, 2010 and 2009 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Provision of allowance for credit losses	¥40,042	¥164,655	\$478
Write-offs of loans	75,249	138,710	898
Losses on sales of equity securities and other securities	21,852	33,736	261
Effect from adoption of accounting standard for asset retirement obligations	15,833	—	189
Losses on write-down of equity securities and other securities	45,497	26,205	543
Other	39,935	81,058	475
Total	¥238,409	¥444,364	\$2,844

## 18. LEASES

### a. Lessee

#### *Finance leases*

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

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

Pro forma information of leased property such as acquisition cost, accumulated depreciation, liabilities under finance leases and depreciation expense of finance leases that existed 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 six-month period ended September 30, 2010 and 2009 was as follows:

September 30	Millions of Yen					
	2010			2009		
	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	¥69,381	¥51,393	¥17,987	¥95,248	¥62,890	¥32,358
Intangible fixed assets	1,512	1,191	320	2,039	1,431	608
Total	¥70,893	¥52,585	¥18,307	¥97,288	¥64,321	¥32,966

September 30	Millions of U.S. Dollars		
	2010		
	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	\$828	\$613	\$215
Intangible fixed assets	18	14	4
Total	\$846	\$627	\$219

Note: The acquisition costs include interest expense since the future lease payments are immaterial when compared with the balance of the “tangible fixed assets” as of September 30, 2010.

Future lease payments:

September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Due within one year	¥9,456	¥14,657	\$113
Due after one year	9,041	18,506	108
Total	¥18,498	¥33,164	\$221

Note: Future lease payments include interest expense since the future lease payments are immaterial when compared with the balance of the “tangible fixed assets” as of September 30, 2010.

Total lease payments under finance leases for the six-month period ended September 30, 2010 and 2009 were ¥6,413 million (\$77 million) and ¥8,695 million, respectively.

Depreciation expense under finance leases:

Six-month period ended September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Depreciation expense	¥6,413	¥8,699	\$77

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

*Operating leases*

Future lease payments including interest expense under non-cancelable operating leases as of September 30, 2010 and 2009 were as follows:

September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Due within one year	¥22,781	¥20,641	\$272
Due after one year	129,782	131,360	1,548
Total	¥152,563	¥152,002	\$1,820

**b. Lessor**

*Operating leases*

Future lease receivables including interest receivables under non-cancelable operating leases as of September 30, 2010 and 2009 were as follows:

September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Due within one year	¥15,702	¥7,703	\$187
Due after one year	51,305	59,581	612
Total	¥67,008	¥67,284	\$799

**19. PER SHARE INFORMATION**

September 30	Yen		U.S. Dollars
	2010	2009	2010
Total equity per share	¥579.63	¥530.98	\$6.92

Six-month period ended September 30	Yen		U.S. Dollars
	2010	2009	2010
Net income per common share	¥25.47	¥10.21	\$0.30
Diluted net income per common share	25.47	10.21	0.30

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

Six-month period ended September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Net income	¥323,653	¥122,722	\$3,861
Amount not attributable to common shareholders	(9,075)	(12,075)	(108)
Preferred dividends	(9,075)	(12,075)	(108)
Net income attributable to common shares	314,578	110,646	3,753

	Number of shares in thousands	
	2010	2009
Average number of common shares during the period	12,350,038	10,833,384

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

Six-month period ended September 30, 2010  
- Stock options issued by a subsidiary  
kabu.com Securities Co., Ltd.

2006 Stock Option	
Date of grant	Mar. 31, 2006
Expiry date	Jun. 30, 2012
Exercise price	¥1,636 (\$20)
Number of options initially granted	1,438
Outstanding number of options as of September 30, 2010	834

Six-month period ended September 30, 2009  
- Stock options issued by a subsidiary  
kabu.com Securities Co., Ltd.

2006 Stock Option	
Date of grant	Mar. 31, 2006
Expiry date	Jun. 30, 2012
Exercise price	¥327,022
Number of options initially granted	1,438
Outstanding number of options as of September 30, 2009	1,067

Total equity per share is calculated based on the following:

September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Total equity	¥9,097,354	¥8,011,306	\$108,534
Deductions from total equity:			
Minority interests	1,534,067	1,601,147	18,302
Preferred shares	395,700	645,700	4,721
Preferred dividends	9,075	12,075	108
Total	1,938,842	2,258,923	23,131
Total equity attributable to common shares	7,158,511	5,752,383	85,403

	Number of shares in thousands	
	2010	2009
Number of common shares used in computing total equity per share	12,350,038	10,833,384

## 20. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### Fair value of financial instruments

The following table summarizes the carrying amount and the fair value of financial instruments as of September 30, 2010 together with their differences. Note that the following table does not include unlisted equity securities and certain other securities for which fair value is extremely difficult to determine (see Note 2).

September 30, 2010	Millions of Yen		
	Carrying amount	Fair value	Difference
(1) Cash and due from banks	¥5,864,383	¥5,864,383	¥—
(2) Call loans and bills bought	194,091	194,091	—
(3) Receivables under resale agreements	771,025	771,025	—
(4) Receivables under securities borrowing transactions	1,626,265	1,626,265	—
(5) Monetary claims bought (*1)	2,727,546	2,781,746	54,199
(6) Trading assets	1,738,839	1,738,839	—
(7) Money held in trust	258,191	258,191	—
(8) Securities:			
Held-to-maturity securities	255,629	260,884	5,255
Available-for-sale securities	56,746,645	56,746,645	—
(9) Loans and bills discounted	69,294,398		
Allowance for credit losses (*1)	(774,229)		
	<u>68,520,168</u>	<u>69,173,763</u>	<u>653,594</u>
(10) Foreign exchange assets (*1)	1,106,924	1,106,924	—
Total assets	<u>¥139,809,712</u>	<u>¥140,522,761</u>	<u>¥713,048</u>
(1) Deposits	¥110,341,880	¥110,395,378	¥53,498
(2) Negotiable certificates of deposit	8,741,340	8,746,745	5,405
(3) Call money and bills sold	1,165,327	1,165,327	—
(4) Payables under repurchase agreements	5,569,075	5,569,075	—
(5) Payables under securities lending transactions	537,493	537,493	—
(6) Commercial paper	152,654	152,654	—
(7) Trading liabilities	27,704	27,704	—
(8) Borrowed money	2,911,170	2,940,764	29,593
(9) Foreign exchange liabilities	720,434	720,434	—
(10) Short-term bonds payable	77,470	77,470	—
(11) Bonds payable	5,085,213	5,237,688	152,474
Total liabilities	<u>¥135,329,766</u>	<u>¥135,570,738</u>	<u>¥240,972</u>
Derivatives (*2):			
To which hedge accounting is not applied	¥10,765	¥10,765	¥—
To which hedge accounting is applied	502,385	502,385	—
Total derivatives	<u>¥513,151</u>	<u>¥513,151</u>	<u>¥—</u>

September 30, 2010	Millions of U.S. Dollars		
	Carrying amount	Fair value	Difference
(1) Cash and due from banks	\$69,964	\$69,964	\$—
(2) Call loans and bills bought	2,316	2,316	—
(3) Receivables under resale agreements	9,199	9,199	—
(4) Receivables under securities borrowing transactions	19,402	19,402	—
(5) Monetary claims bought (*1)	32,541	33,187	646
(6) Trading assets	20,745	20,745	—
(7) Money held in trust	3,080	3,080	—
(8) Securities:			
Held-to-maturity securities	3,049	3,112	63
Available-for-sale securities	677,006	677,006	—
(9) Loans and bills discounted	826,705		
Allowance for credit losses (*1)	(9,237)		
	817,468	825,266	7,798
(10) Foreign exchange assets (*1)	13,206	13,206	—
Total assets	\$1,667,976	\$1,676,483	\$8,507
(1) Deposits	\$1,316,416	\$1,317,054	\$638
(2) Negotiable certificates of deposit	104,287	104,352	65
(3) Call money and bills sold	13,903	13,903	—
(4) Payables under repurchase agreements	66,441	66,441	—
(5) Payables under securities lending transactions	6,412	6,412	—
(6) Commercial paper	1,821	1,821	—
(7) Trading liabilities	330	330	—
(8) Borrowed money	34,731	35,084	353
(9) Foreign exchange liabilities	8,595	8,595	—
(10) Short-term bonds payable	924	924	—
(11) Bonds payable	60,668	62,487	1,819
Total liabilities	\$1,614,528	\$1,617,403	\$2,875
Derivatives (*2):			
To which hedge accounting is not applied	\$128	\$128	\$—
To which hedge accounting is applied	5,994	5,994	—
Total derivatives	\$6,122	\$6,122	\$—

(\*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.

(Note 1) Method used for determining the fair value of financial instruments

Assets

(1) “Cash and due from banks”

For deposits without maturity, the carrying amount is presented as the fair value as the fair value approximates such carrying amount. For deposits with maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the remaining maturity 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 monetary claims bought for which these methods do not apply, the carrying amount is presented as the fair value as the fair value

approximates such carrying value.

(6) "Trading assets"

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

(7) "Money held in trust"

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

See Note 5 "Money Held in Trust" for notes on money held in trust by categories based on different holding purposes.

(8) "Securities"

The fair value of equity securities is determined based on the price quoted by the exchange and the fair value of bonds is determined based on the price quoted by the exchange or the financial institutions from which they were purchased. The fair value of investment trusts is determined based on the publicly available price. For privately placed guaranteed bonds held by the Bank, the fair value is determined based on the present value of expected future cash flows, which is adjusted to reflect default risk, amount to be collected from collateral and guarantees and 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 Practical Issue Task Force No. 25 "Practical Solution on Measurement of Fair Value for Financial Assets" (issued on October 28, 2008 by the ASBJ), as the Bank determined that taking into account the current market conditions, the market price of these securities as of the semi-annual consolidated balance sheet date cannot be regarded as the fair value. The value of variable rate Japanese government bonds calculated on a reasonable basis is determined by discounting the expected future cash flow, estimated based on factors such as the yield of government bonds and discounted at a rate based on such yield of government bonds adjusted for the value of embedded options and the liquidity premium based on the actual market premiums observed in the past.

For certain securitized products whose underlying assets are corporate loan receivables, the fair value is determined by taking into account both an amount calculated by discounting the expected future cash flow, which is derived from such factors as default probability and prepayment rate derived from analyses of the underlying assets and discounted at a rate, which is the yield of such securitized products adjusted for the liquidity premium based on the actual historical market data, as well as the price obtained from external parties (brokers or information vendors). For other securitized products, the fair value is determined based on the price obtained from external parties after considering the result of periodic confirmation of the current status of these products, including price comparison with similar products, time series data comparison of the same product, and analysis of consistency with publicly available market indices. See Note 4 "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 carrying amount net of the currently expected credit loss amount, such carrying amount is presented as the fair value.

(10) "Foreign exchange assets"

"Foreign exchange assets" consist of foreign currency deposits with other banks (due from foreign banks (our accounts)), short-term loans involving foreign currencies (due from foreign banks (their accounts)), export bills and traveler's checks, etc. (foreign bills bought), and loans on notes using import bills (foreign bills receivable). For these items, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because most of these items are deposits without maturity or have short contract terms (one year or less).

### Liabilities

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

For demand deposits, the amount payable on demand as of the semi-annual consolidated balance sheet date (i.e., the carrying amount) is considered to be the fair value. For variable rate time deposits, the carrying amount is presented as the fair value as the fair value approximates such carrying amount because the market interest rate is reflected in such deposits within a short time period. Fixed rate time deposits are grouped by certain maturity lengths. The fair value of such deposits is the present value of discounted expected future cash flow. The discount rate used is the interest rate that would be applied to newly accepted deposits.

(3) "Call money and bills sold", (4) "Payables under repurchase agreements", (5) "Payables under securities lending transactions" and (6) "Commercial paper"

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

(7) "Trading liabilities"

For securities such as bonds that are sold short for trading purposes, the fair value is determined based on the price quoted by the exchange or the financial institutions to which these securities were sold.

(8) "Borrowed money"

For floating rate borrowings, the carrying amount is presented as the fair value as the fair value approximates such carrying

amount. This is done so on the basis that the market interest rate is reflected in the interest rate set within a short time period for such floating rate borrowings and that there has been no significant change in the Bank's nor the subsidiaries' creditworthiness before and after such borrowings were made. For fixed rate borrowings, the fair value is calculated as the present value of expected future cash flow from these borrowings grouped by certain maturity lengths, which is discounted at an interest rate generally applicable to similar borrowings reflecting the premium applicable to the Bank or subsidiaries.

(9) "Foreign exchange liabilities"

Among foreign exchange contracts, foreign currency deposits accepted from other banks and non-resident Japanese yen deposits are deposits without maturity (due to other foreign banks). Moreover, foreign currency short-term borrowings have short contract terms (one year or less). Thus, the carrying amount is presented as the fair value for these contracts as the fair value approximates such carrying amount.

(10) "Short-term bonds payable"

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

(11) "Bonds payable"

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

(Note 2) The following table summarizes financial instruments whose fair value is extremely difficult to estimate. These securities are not included in the amount presented under the line item "Assets – Available-for-sale securities" in the table summarizing fair value of financial instruments.

September 30, 2010	Carrying amount	
	Millions of Yen	Millions of U.S. Dollars
Unlisted equity securities (*1) (*2)	¥327,701	\$3,909
Investment in partnerships, etc. (*2) (*3)	191,579	2,286
Other (*2)	96	1
Total	¥519,376	\$6,196

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

(\*2) With respect to unlisted equity securities, an impairment loss of ¥5,261 million (\$63 million) was recorded in the current fiscal year.

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

## 21. DERIVATIVES

The Bank has the following derivative contracts outstanding as of September 30, 2010 and 2009:

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

With respect to derivatives to which hedge accounting is not applied, contract amount or notional principal, fair value and the related valuation gain (loss) at the semi-annual consolidated balance sheet date by transaction type and valuation method of fair value are as follows: Note that contract amounts do not represent the market risk exposure associated with derivatives. Derivatives to which hedge accounting is applied were not required to be disclosed for the six-month period ended September 30, 2009.

## (1) Interest rate derivatives

		Millions of Yen			
		2010			
		Contract amount			Valuation gain (loss)
September 30		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Interest rate futures	Sold	¥569,077	¥100,767	¥(374)	¥(374)
	Bought	1,152,343	206,030	1,439	1,439
Interest rate options	Sold	2,022,149	—	(691)	411
	Bought	2,395,987	—	746	(554)
<b>OTC transactions:</b>					
Forward rate agreements	Sold	621,441	—	66	66
	Bought	460,926	—	(61)	(61)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	141,549,282	98,696,107	5,027,275	5,027,275
	Receivable floating rate/ Payable fixed rate	138,567,373	97,773,383	(4,831,453)	(4,831,453)
	Receivable floating rate/ Payable floating rate	28,373,023	21,741,634	(68,487)	(68,487)
	Receivable fixed rate/ Payable fixed rate	366,802	333,303	(31,402)	(31,402)
Interest rate swaptions	Sold	6,323,016	3,950,187	(136,182)	(116,959)
	Bought	5,249,839	3,298,544	126,492	110,100
Other	Sold	1,945,238	1,383,205	(6,995)	(3,724)
	Bought	1,319,738	832,134	8,342	6,737
Total		—	—	¥88,711	¥93,012

		Millions of Yen		
		2009		
		Contract amount	Fair value	Valuation gain (loss)
September 30				
<b>Transactions listed on exchange:</b>				
Interest rate futures		¥5,187,517	¥123	¥123
Interest rate options		18,791,868	1,922	686
<b>OTC transactions:</b>				
Forward rate agreements		1,591,123	(301)	(301)
Interest rate swaps		361,387,104	271,685	271,685
Interest rate swaptions		14,161,361	4,327	6,447
Other		4,317,223	3,435	5,725
Total		—	¥281,191	¥284,366

		Millions of U.S. Dollars			
		2010			
		Contract amount			Valuation gain (loss)
September 30		Total	Over one year	Fair value	
<b>Transactions listed on exchange:</b>					
Interest rate futures	Sold	\$6,789	\$1,202	\$(4)	\$(4)
	Bought	13,748	2,458	17	17
Interest rate options	Sold	24,125	—	(8)	5
	Bought	28,585	—	9	(7)
<b>OTC transactions:</b>					
Forward rate agreements	Sold	7,414	—	1	1
	Bought	5,499	—	(1)	(1)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	1,688,729	1,177,477	59,977	59,977
	Receivable floating rate/ Payable fixed rate	1,653,154	1,166,468	(57,641)	(57,641)
	Receivable floating rate/ Payable floating rate	338,499	259,385	(817)	(817)
	Receivable fixed rate/ Payable fixed rate	4,376	3,976	(375)	(375)
Interest rate swaptions	Sold	75,436	47,127	(1,626)	(1,395)
	Bought	62,632	39,353	1,509	1,314
Other	Sold	23,207	16,502	(83)	(44)
	Bought	15,745	9,928	100	80
Total		—	—	\$1,058	\$1,110



Notes:

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

(2) Currency derivatives

		Millions of Yen			
		2010			Valuation gain (loss)
September 30		Contract amount		Fair value	
		Total	Over one year		
<b>Transactions listed on exchange:</b>					
Currency futures	Sold	¥19,895	¥—	¥(60)	¥(60)
	Bought	9,880	—	4	4
<b>OTC transactions:</b>					
Currency swaps		24,108,008	19,549,873	(156,658)	(156,658)
Forward contracts on foreign exchange	Sold	18,327,442	222,655	346,988	346,988
	Bought	35,664,563	972,474	(602,202)	(602,202)
Currency options	Sold	7,911,992	4,348,878	(382,560)	40,292
	Bought	7,711,720	4,277,590	712,828	358,984
Total		—	—	¥(81,660)	¥(12,651)

		Millions of Yen		
		2009		Valuation gain (loss)
September 30		Contract amount	Fair value	
<b>Transactions listed on exchange:</b>				
Currency futures		¥17,333	¥(3)	¥(3)
<b>OTC transactions:</b>				
Currency swaps		29,459,289	(137,388)	(137,388)
Forward contracts on foreign exchange		45,530,101	(108,790)	(108,790)
Currency options		21,972,327	339,872	433,361
Total		—	¥93,689	¥187,178

		Millions of U.S. Dollars			
		2010			Valuation gain (loss)
September 30		Contract amount		Fair value	
		Total	Over one year		
<b>Transactions listed on exchange:</b>					
Currency futures	Sold	\$237	\$—	\$(1)	\$(1)
	Bought	118	—	0	0
<b>OTC transactions:</b>					
Currency swaps		287,616	233,236	(1,869)	(1,869)
Forward contracts on foreign exchange	Sold	218,652	2,656	4,140	4,140
	Bought	425,490	11,602	(7,184)	(7,184)
Currency options	Sold	94,393	51,884	(4,564)	481
	Bought	92,003	51,033	8,504	4,282
Total		—	—	\$(974)	\$(151)

Notes:

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

(3) Equity related derivatives

		Millions of Yen			
		2010			Valuation gain (loss)
September 30		Contract amount		Fair value	
		Total	Over one year		
<b>OTC transactions:</b>					
OTC options on securities	Sold	¥31,068	¥31,068	¥(1,646)	¥(262)
	Bought	31,068	31,068	1,646	262
Total		—	—	¥—	¥—

		Millions of Yen		
		2009		
September 30		Contract amount	Fair value	Valuation gain (loss)
<b>OTC transactions:</b>				
	OTC options on securities	¥14,231	¥ —	¥ —

  

		Millions of U.S. Dollars			
		2010			
		Contract amount			
September 30		Total	Over one year	Fair value	Valuation gain (loss)
<b>OTC transactions:</b>					
	OTC options on securities	\$371	\$371	\$(20)	\$(3)
		371	371	20	3
	Total	—	—	\$—	\$—

Notes:

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

#### (4) Bond related derivatives

		Millions of Yen			
		2010			
		Contract amount			
September 30		Total	Over one year	Fair value	Valuation gain (loss)
<b>Transactions listed on exchange:</b>					
	Bond futures	¥1,117,306	¥—	¥(2,663)	¥(2,663)
		544,048	—	1,895	1,895
	Bond futures options	136,837	—	(356)	24
		80,200	—	528	(38)
	Total	—	—	¥(595)	¥(781)

  

		Millions of Yen		
		2009		
September 30		Contract amount	Fair value	Valuation gain (loss)
<b>Transactions listed on exchange:</b>				
	Bond futures	¥ 889,117	¥396	¥396
	Bond futures options	210,655	133	(65)
	Total	—	¥530	¥331

  

		Millions of U.S. Dollars			
		2010			
		Contract amount			
September 30		Total	Over one year	Fair value	Valuation gain (loss)
<b>Transactions listed on exchange:</b>					
	Bond futures	\$13,330	\$—	\$(32)	\$(32)
		6,491	—	23	23
	Bond futures options	1,633	—	(4)	0
		957	—	6	(0)
	Total	—	—	\$(7)	\$(9)

Notes:

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

(5) Commodity derivatives

		Millions of Yen			
		2010			
		Contract amount			Valuation gain (loss)
September 30		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥176,947	¥127,380	¥(46,024)	¥(46,024)
	Receivable floating rate/ Payable index volatility	209,261	156,887	48,351	48,351
Commodity options	Sold	86,759	68,073	(5,909)	(5,883)
	Bought	86,758	68,073	5,909	5,883
Total		—	—	¥2,326	¥2,326

		Millions of Yen		
		2009		
September 30		Contract amount	Fair value	Valuation gain (loss)
<b>OTC transactions:</b>				
Commodity swaps		¥433,290	¥4,730	¥4,730
Commodity options		214,354	—	7
Total		—	¥4,730	¥4,738

		Millions of U.S. Dollars			
		2010			
		Contract amount			Valuation gain (loss)
September 30		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Commodity swaps	Receivable index volatility/ Payable floating rate	\$2,111	\$1,520	\$(549)	\$(549)
	Receivable floating rate/ Payable index volatility	2,497	1,872	577	577
Commodity options	Sold	1,035	812	(70)	(70)
	Bought	1,035	812	70	70
Total		—	—	\$28	\$28

Notes:

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

(6) Credit derivatives

		Millions of Yen			
		2010			
		Contract amount			Valuation gain (loss)
September 30		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Credit default options	Sold	¥2,234,886	¥1,042,969	¥(612)	¥(612)
	Bought	2,740,739	1,220,197	2,596	2,596
Total		—	—	¥1,984	¥1,984

		Millions of Yen		
		2009		
September 30		Contract amount	Fair value	Valuation gain (loss)
<b>OTC transactions:</b>				
Credit default options		¥8,554,084	¥10,832	¥10,832

		Millions of U.S. Dollars			
		2010			

September 30		Contract amount			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Credit default options	Sold	\$26,663	\$12,443	\$(7)	\$(7)
	Bought	32,698	14,557	31	31
Total		—	—	\$24	\$24

Notes:

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

## (7) Other

September 30		Millions of Yen 2010			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Weather derivatives	Sold	¥5	¥—	¥(1)	¥1
	Bought	—	—	—	—
Total		—	—	¥(1)	¥1

September 30		Millions of Yen 2009		
		Contract amount	Fair value	Valuation gain (loss)
<b>OTC transactions:</b>				
Weather derivatives		¥29	¥ —	¥ —

September 30		Millions of U.S. Dollars 2010			Valuation gain (loss)
		Total	Over one year	Fair value	
<b>OTC transactions:</b>					
Weather derivatives	Sold	\$0	\$—	\$(0)	\$0
	Bought	—	—	—	—
Total		—	—	\$(0)	\$0

Notes:

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

## 22. BUSINESS COMBINATIONS OR DIVESTITURES

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

There were no significant business combinations or divestitures to be noted for the six-month period ended September 30, 2010.

### For the six-month period ended September 30, 2009

(Business combination between companies under common control of the parent company)

On July 21, 2009, Mitsubishi UFJ Home Loan CREDIT CO., LTD. (“MULC”), which is a subsidiary of the Bank, entered into an absorption-type company split agreement with ACOM CO., LTD. (“ACOM”), which is a consolidated subsidiary of MUFG. On September 1, 2009, the unsecured card loan guarantee business was succeeded to ACOM after the company split. This absorption-type company split was treated as a business divestiture between companies under common control.

#### 1. Summary information

##### a. Companies involved and business to be split

- Name of the company which is a splitting company:  
Mitsubishi UFJ Home Loan CREDIT CO., LTD.

- (2) Name of the company which is a succeeding company: ACOM CO., LTD.  
 (3) Nature of the business transferred: Guarantee business of unsecured card loan issued by the Bank
- b. Legal form: Absorption-type company split  
 c. Purpose of the transaction: Under an agreement among the Bank, MUFG and ACOM, to further strengthen its strategic business and capital alliance on September 8, 2008, this company split is conducted as part of the business reorganization within the MUFG.
2. Accounting method

The Bank adopted ASBJ Statement No.7 “Accounting Standard for Business Divestitures” and ASBJ Guidance No.10 “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (issued on December 27, 2005). As a result of this adoption, profit on transfer in the business divestiture was incurred for the six-month period ended September 30, 2009 as follows:

	Millions of yen
Liabilities for guarantee	¥188,234
Profit on transfer in the business divestiture	10,843
Details of the profit:	
Consideration for business transfer due to the company split	4,682
Reversal of allowance for credit losses	6,161
Profit on transfer in the business divestiture	<u>¥10,843</u>

## 23. SEGMENT INFORMATION

Notes:

1. “Ordinary income (expenses)” and “Ordinary profit (loss)” are defined as follows:  
 (a). “Ordinary profit (loss)” means “Ordinary income” less “Ordinary expenses.”  
 (b). “Ordinary income” means total income less certain special income included in “Other income” in the accompanying semi-annual consolidated statement of income.  
 (c). “Ordinary expenses” means total expenses less certain special expenses included in “Other expenses” in the accompanying semi-annual consolidated statement of income.
2. A reconciliation of the ordinary profit under the internal management reporting system for the six-month period ended September 30, 2010 and 2009 to income before income taxes and minority interests shown on the accompanying semi-annual consolidated statements of income is as follows:

Six-month period ended September 30	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Ordinary profit:	¥481,546	¥142,185	\$5,745
Gain on disposition of fixed assets	909	4,417	11
Gain on collection of bad debts	26,304	18,567	314
Reversal of reserve under special laws	379	241	5
Reversal of allowance for investment loss	—	4,848	—
Earnings from business divestiture	—	10,843	—
Loss on disposition of fixed assets	(3,111)	(12,430)	(37)
Impairment loss of long-lived assets	(2,936)	(3,625)	(35)
Effect from adoption of the accounting standard for asset retirement obligations	(15,833)	—	(189)
Other	1,928	1,143	22
Income before income taxes and minority interests	<u>¥489,187</u>	<u>¥166,192</u>	<u>\$5,836</u>

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

(Accounting Change)

In March 2008, the ASBJ revised ASBJ Statement No. 17 “Accounting Standard for Disclosures about Segments of an Enterprise and Related information” and issued ASBJ Guidance No.20 “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information.” Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how

to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010. The Bank adopted this standard for the six-month period ended September 30, 2010.

### 1. Reportable segments

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

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

“Retail”: Financial services for domestic individual customers

“Corporate”: Financial services for domestic corporate customers

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

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

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

### 2. Calculation method of gross operating income and net operating income

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

### 3. Reportable segment information

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

  

Six-month period ended September 30, 2010	Millions of U.S. Dollars						
	Retail	Corporate	International		Market	Other	Total
			Total	(of which UNBC)			
Gross operating income	\$4,005	\$4,162	\$3,422	\$1,685	\$3,963	\$(232)	\$15,320
Non-consolidated	3,382	4,002	1,375	—	3,943	(317)	12,385
Net interest income	2,851	2,293	731	—	1,488	(54)	7,309
Net non-interest income	531	1,709	644	—	2,455	(263)	5,076
Subsidiaries	623	160	2,047	1,685	20	85	2,935
Expenses	2,838	2,051	2,121	1,086	259	686	7,955
Net operating income	\$1,167	\$2,111	\$1,301	\$599	\$3,704	\$(918)	\$7,365

Notes:

(1) “Gross operating income” corresponds to “Net Sales” of non-banking industries.

(2) Gross operating income includes “Net interest income”, “Net fees and commission”, “Net trading income” and “Net other operating income”.

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

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

Six-month period ended September 30, 2010	Millions of Yen	Millions of U.S.
		Dollars
Net operating income per reportable segment information	¥617,359	\$7,365
Net operating income of consolidated subsidiaries excluded from the reportable segment information	31,969	381
Provision of general allowance for credit losses	6,079	73
Credit related expenses	(117,437)	(1,401)
Losses on equity securities and other securities	(35,085)	(419)
Equity in losses (gains) of the equity method investees	(7,544)	(90)
Amortization of unrecognized actuarial gain	(17,440)	(208)
Other	3,646	44
Ordinary profit under the internal management reporting system	¥481,546	\$5,745

Notes:

1. “Credit related expenses” includes write-offs of loans and provision of specific allowance for credit losses.  
2. “Losses on equity securities and other securities” includes gains or losses on sales of equity securities and losses on write-down of equity securities.

5. Other segment related information

- a. Information by services

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

Six-month period ended September 30, 2010	Millions of U.S. Dollars		
	Banking	Other	Total
Ordinary income from external customers	\$19,189	\$562	\$19,751

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

- b. Information by geographic region

- (1) Ordinary income

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

Millions of U.S. Dollars							
Six-month period ended September 30, 2010							
Europe/Middle							
Japan	USA	North America	Latin America	East	Asia/Oceania	Total	
\$14,873	\$2,758	\$33	\$70	\$771	\$1,246	\$19,751	

Notes:

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

## (2) Tangible fixed assets

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

  

Millions of U.S. Dollars						
As of September 30, 2010						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
\$10,610	\$2,209	\$1	\$7	\$56	\$70	\$12,953

c. Information on loss on impairment of fixed assets by reportable segment  
 Loss on impairment of fixed assets is not allocated to the reportable segments. The loss on impairment was ¥2,936 million (\$35 million) for the six-month period ended September 30, 2010.

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

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

  

Millions of U.S. Dollars							
Six-month period ended September 30, 2010	Retail	Corporate	International (UNBC)		Market	Other	Total
Amortization	\$18	\$0	\$83	\$83	\$—	\$—	\$101
Unamortized balance	302	0	2,931	2,931	—	—	3,233

For the six-month period ended September 30, 2009:

**(1) Business Segment Information**

Information about operations in different business segments of the Group for the six-month period ended September 30, 2009 is as follows:

Millions of Yen					
Six-month period ended September 30	Banking	Other	Total	Elimination/Corporate	Consolidated
Ordinary income					
(1) External customers	¥1,754,566	¥56,589	¥1,811,156	¥—	¥1,811,156
(2) Intersegment	6,692	3,984	10,676	(10,676)	—
Total	1,761,259	60,573	1,821,833	(10,676)	1,811,156
Ordinary expenses	1,632,484	49,719	1,682,204	(13,233)	1,668,970
Ordinary profit	¥128,774	¥10,854	¥139,629	¥2,556	¥142,185

Notes:

- “Ordinary income” and “Ordinary profit” correspond to “Net sales” and “Operating profits” on the statement of operations of companies in non-banking industries.
- “Other” includes the credit card business, securities business, leasing business and other business.



## (2) Geographic Segment Information

The geographic segments of the Bank and its subsidiaries for the six-month period ended September 30, 2009 are summarized as follows:

Millions of Yen								
Six-month period ended September 30	Japan	North America	Latin America	Europe/ Middle East	Asia/ Oceania	Total	Eliminations/ Corporate	Consolidated
Ordinary income								
(1) External customers	¥1,295,135	¥276,735	¥6,410	¥98,940	¥133,935	¥1,811,156	¥—	¥1,811,156
(2) Intersegment	32,513	13,793	46,145	16,778	18,193	127,423	(127,423)	—
Total	1,327,648	290,528	52,555	115,718	152,128	1,938,580	(127,423)	1,811,156
Ordinary expenses	1,263,114	324,605	24,053	86,649	102,042	1,808,465	(131,494)	1,668,970
Ordinary profit (loss)	¥64,534	¥(34,076)	¥28,501	¥29,069	¥50,085	¥138,115	¥4,070	¥142,185

Notes:

- The above geographic segments have been determined considering various factors, including geographic proximity, similarity in economic activities involved and relevance in terms of business operations. “Ordinary income” and “Ordinary profit” correspond to “Net sales” and “Operating profits” on the statement of operations of companies in non-banking industries.
- “North America” includes the United States and Canada. “Latin America” primarily includes Caribbean countries and Brazil. “Europe / Middle East” primarily includes the United Kingdom, Germany and the Netherlands. “Asia / Oceania” primarily includes Hong Kong, Singapore and China.

## (3) Ordinary Income from Overseas Operations

Six-month period ended September 30, 2009	Millions of Yen
I Consolidated ordinary income from overseas operations (A)	¥516,021
II Consolidated ordinary income (B)	1,811,156
III Percentage (A)/(B)	28.49%

Notes:

- “Ordinary income from overseas operations” corresponds to “Net sales from overseas operations” on the statement of income of companies in non-banking industries.
- “Ordinary income from overseas operations” consists of income from operations of the Bank’s overseas branches and subsidiaries (excluding ordinary income from internal transactions). Geographic segment information regarding ordinary income from overseas is not available as such a number of transactions are not geographically categorized on a counterparty basis.

## 24. SUBSEQUENT EVENTS

### (1) Redemption of preferred securities

The Bank resolved at the Board of Directors’ meeting held on November 15, 2010 that the full amounts of the following preferred securities issued by BTMU Preferred Capital Limited, which is a subsidiary of the Bank, be redeemed:

#### a. Outline of preferred securities to be redeemed

Issuer	BTMU Preferred Capital Limited
Type of securities issued	Series 1 Non-cumulative and fixed/variable dividends payable preferred securities The holders of the preferred securities have preferential rights to claim for distribution of residual property to be treated as being substantially pari passu with the preferred shares which have the most preferential rights for distribution of residual property issued by the Bank.
Redemption due date	Undated However, the issuer may redeem a part or all of the preferred securities at its own discretion on the date of dividends payment after January 2011.
Dividend	Non-cumulative and fixed/variable dividends payable Fixed dividends payable for the first ten years (however, variable dividends and step-up dividends are payable for the applicable period after January 2016.)
Total amounts issued	¥165 billion (\$1,969 million) (Issue price: ¥10,000,000 (\$119,303) per unit)
Payment date	August 24, 2005
Total redeemable amount	¥165 billion (\$1,969 million)
Redemption price	¥10,000,000 (\$119,303) per unit

b. Expected date of redemption: January 25, 2011

**(2) Cash dividends**

The following cash dividends applicable to the reporting period ended September 30, 2010 were approved at the Board of Directors' meeting held on November 15, 2010:

	Millions of Yen	Millions of U.S. Dollars
Interim cash dividends:		
Common stock, ¥9.98 (\$0.11) per share	¥123,253	\$1,471
Preferred stock-first series of Class 6, ¥105.45 (\$1.26) per share	105	1
Preferred stock-first series of Class 7, ¥57.50 (\$0.69) per share	8,970	107
Total	¥132,328	\$1,579

\* \* \* \* \*