Annual Securities Report

"Yukashoken Hokokusho"

(Excerpt)

for the fiscal year ended March 31, 2012

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

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

1. Key Financial Data and Trends

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

(Millions of yen, unless otherwise stated)

	Fiscal 2007 From April 1, 2007 to March 31, 2008	Fiscal 2008 From April 1, 2008 to March 31, 2009	Fiscal 2009 From April 1, 2009 to March 31, 2010	Fiscal 2010 From April 1, 2010 to March 31, 2011	Fiscal 2011 From April 1, 2011 to March 31, 2012
Consolidated ordinary income	5,083,631	4,240,043	3,515,787	3,209,835	3,295,914
Consolidated ordinary profit (loss)	794,409	(103,819)	458,286	849,766	931,709
Consolidated net income (loss)	591,452	(213,962)	362,886	719,795	544,324
Consolidated comprehensive income	-	-	-	390,207	782,932
Consolidated total equity	7,985,225	6,857,089	9,300,572	8,907,445	9,262,169
Consolidated total assets	155,801,981	160,826,160	165,095,177	163,123,183	171,663,939
Total equity per share (yen)	587.12	451.70	574.78	579.24	620.62
Net income (loss) per common share (yen)	56.93	(21.86)	30.16	56.78	42.57
Diluted net income per common share (yen)	56.79	-	30.16	-	42.57
Capital ratio (%)	4.06	3.45	4.69	4.63	4.70
Consolidated risk-adjusted capital ratio (under uniform international standards; %)	11.20	12.02	15.54	15.82	16.27
Consolidated return on equity (%)	8.99	(4.16)	5.63	9.82	7.08
Net cash provided by (used in) operating activities	(3,732,540)	5,488,114	13,339,631	7,875,448	6,618,372
Net cash provided by (used in) investing activities	5,015,761	(6,632,746)	(14,168,589)	(7,043,348)	(6,199,174)
Net cash provided by (used in) financing activities	(243,620)	1,069,287	1,006,620	(984,100)	(538,844)
Cash and cash equivalents at end of period	3,546,580	3,271,131	3,449,274	3,171,595	3,024,292
Number of employees [Besides the above, average number of temporary employees]	59,122 [7,363]	56,024 [7,140]	55,549 [25,300]	56,812 [22,900]	57,338 [21,000]

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

2. In calculating "Total equity per share," "Net income (loss) per share" and "Diluted net income per share" (hereinafter referred to as "Per Share Information"), the Bank has adopted the "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4).
The basis of calculation of Per Share Information is described in "Per share information" under Section "Notes to Consolidated Financial Statements" of "V. Financial Information."

3. Diluted net income per share was not stated for fiscal 2008 due to the recording of consolidated net loss, and for fiscal 2010 due to the absence of dilution effect despite existence of residual securities.

4. Capital ratio is calculated by dividing ("total equity at the end of fiscal year" - "subscription rights to shares at the end of fiscal year" - "minority interests at the end of fiscal year") by "total assets at the end of fiscal year."

5. 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. Consolidated price earnings ratio is not available as shares of the Bank are unlisted.
7. From 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 fiscal 2009 was 19,100, during fiscal 2010 was 16,600 and during fiscal 2011 was 14,700.

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

(Millions of yen, unless otherwise stated)

Fiscal period	3rd Term	4th Term	5th Term	6th Term	7th Term
Period of account	March 2008	March 2009	March 2010	March 2011	March 2012
Ordinary income	3,810,444	3,513,112	2,916,427	2,692,418	2,766,126
Ordinary profit (loss)	567,287	(199,439)	407,826	657,999	743,322
Net income (loss)	550,985	(366,392)	342,667	639,263	469,042
Capital stock	996,973	1,196,295	1,711,958	1,711,958	1,711,958
Total number of shares issued (thousands of shares)	Common stock 10,257,961 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 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000
Total equity	6,099,871	5,436,278	7,559,752	7,393,796	7,895,334
Total assets	139,661,343	148,971,788	153,924,815	153,453,411	161,441,406
Balance of deposits	101,861,554	100,208,977	103,976,222	105,854,679	106,680,877
Balance of loans and bills discounted	70,397,804	73,786,503	69,106,624	64,981,715	69,386,000
Balance of securities	33,191,095	38,731,570	52,068,380	58,303,309	63,452,246
Total equity per share (yen)	564.23	441.01	558.86	565.91	606.52
Dividends per share (yen) [Of the above, interim dividends per share (yen)]	Common stock 46.45 [28.83] 1st series Class 2 preferred stock 60.00 [30.00] 1st series Class 3 preferred stock 15.90 [7.95] 1st series Class 6 preferred stock 80.68	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 [6.57] 1st series Class 2 preferred stock 60.00 [30.00] 1st series Class 6 preferred stock 210.90 [105.45] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 19.96 [9.98] 1st series Class 6 preferred stock 210.90 [105.45] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 11.64 [5.89] 1st series Class 6 preferred stock 210.90 [105.45] 1st series Class 7 preferred stock 115.00 [57.50]
Net income (loss) per common share (yen)	53.09	(36.38)	28.37	50.29	36.50
Diluted net income per common share (yen)	52.95	-	-	-	-
Capital ratio (%)	4.36	3.64	4.91	4.81	4.89

Fiscal period	3rd Term	4th Term	5th Term	6th Term	7th Term
Period of account	March 2008	March 2009	March 2010	March 2011	March 2012
Non-consolidated risk-adjusted capital ratio (under uniform international standards; %)	11.44	12.74	16.34	16.61	17.41
Return on equity (%)	8.70	(7.16)	5.44	8.92	6.22
Dividend payout ratio (%)	87.48	-	63.29	39.68	31.88
Number of employees [Besides the above, average number of temporary employees]	33,280 [3,946]	33,827 [4,895]	34,902 [15,421]	34,797 [13,705]	35,480 [12,468]

(Notes)
1. National and local consumption taxes are accounted for using the tax-excluded method.
2. In calculating "Total equity per share," "Net income (loss) per share" and "Diluted net income per share," the Bank has adopted the "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4).
3. Diluted net income per share for the 4th Term and subsequent terms were not available as the 4th Term posted a net loss and subsequent terms had no dilutive shares.
4. The interim dividends for the 7th Term were resolved at the Board of Directors meeting held on November 14, 2011.
5. Capital ratio is calculated by dividing ("total equity at the end of fiscal year" - "subscription rights to shares at the end of fiscal year") by "total assets at the end of fiscal year."
6. 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.
7. Price earnings ratio is not available as shares of the Bank are unlisted.
8. Dividend payout ratio is calculated by dividing the total dividends on common stock by net income after the deduction of the total dividends on preferred stock.
9. The number of employees excludes employees loaned to other companies but includes employees loaned to the Bank and locally hired overseas staff members.
10. From the 5th Term, the average number of temporary employees has included dispatched employees. The number of dispatched employees counted as temporary employees during the 5th Term was 11,149, during the 6th Term was 9,631 and during the 7th Term was 8,559.

2. History

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

3. Business Outline

Under its parent company, Mitsubishi UFJ Financial Group, Inc., the Group (The Bank of Tokyo-Mitsubishi UFJ, Ltd. and its subsidiaries and affiliates) comprises the Bank, 133 consolidated subsidiaries, and 53 equity-method affiliates, and is engaged in banking and other financial services (including trading of financial instruments and leasing).

The Bank has established its business units according to the characteristics of customers and the nature of business. Each business unit engages in business activities based on comprehensive strategies developed for and aimed at respective targeted customers and businesses. Accordingly, the Bank's operation comprises segments classified by customers and business; namely, Retail Banking Business Unit, Corporate Banking Business Unit, Global Business Unit, Global Markets Unit and Other units.

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

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

(As of March 31, 2012)

*consolidated subsidiaries, **equity-method affiliates

Mitsubishi UFJ Financial Group, Inc. (Parent Company)

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

Retail Banking Business Unit	* kabu.com Securities Co., Ltd.	Financial instruments business
	* Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd.	Financial instruments business
	* MU Frontier Servicer Co., Ltd.	Servicing
	**JACCS CO., LTD.	Installment sales finance
	**Jibun Bank Corporation	Banking
	**MOBIT CO., Ltd.	Finance and credit guarantee
	**JALCARD, INC.	Credit cards
	**Mitsubishi UFJ Wealth Management Bank (Switzerland), Ltd.	Banking and securities business

Corporate Banking Business Unit	* NBL Co., Ltd.	Leasing
	* The Mitsubishi UFJ Factors Limited	Factoring
	* Mitsubishi UFJ Research and Consulting Co., Ltd.	Research, study and consulting
	**BOT Lease Co., LTD.	Leasing
	**Mitsubishi UFJ Capital Co., Ltd.	Venture capital

Global Business Unit	* UnionBanCal Corporation	Bank holding company
	* BTMU LF Capital LLC	Leasing
	* BTMU Capital Corporation	Leasing
	* BTMU Securities, Inc.	Securities-related business
	* BTMU Leasing & Finance, Inc.	Leasing
	* BTMU Lease (Deutschland) GmbH	Leasing
	* PT U Finance Indonesia	Consumer finance and leasing
	* PT. BTMU-BRI Finance	Consumer finance and leasing
	* BTMU Participation (Thailand) Co., Ltd.	Investment
	**Dah Sing Financial Holdings Limited	Bank holding company
	**PT. Bank Nusantara Parahyangan, Tbk.	Banking
	**Bangkok BTMU Limited	Finance
	**BTMU Holding (Thailand) Co., Ltd.	Investment

Global Markets Unit	

Other Units	**Senshu Ikeda Holdings, Inc.	Bank holding company
	**The Chukyo Bank, Limited	Banking

Mitsubishi UFJ Trust and Banking Corporation	Trust banking
Mitsubishi UFJ Securities Holdings Co., Ltd.	Securities business holding company
Mitsubishi UFJ NICOS Co., Ltd.	Credit cards
Mitsubishi UFJ Lease & Finance Company Limited	Leasing

4. Information on Subsidiaries and Affiliates

(Parent company)

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

(Consolidated subsidiaries)

Company name	Address	Ratio of voting rights holding (held) (%)
kabu.com Securities Co., Ltd.	Chiyoda-ku, Tokyo	44.3
Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd.	Chuo-ku, Tokyo	41.1
MU Frontier Servicer Co., Ltd.	Nakano-ku, Tokyo	96.4
TOKYO ASSOCIATES FINANCE CORPORATION	Chiyoda-ku, Tokyo	100.0
TOKYO CREDIT SERVICES, LIMITED	Chiyoda-ku, Tokyo	47.5 (42.5)
NBL Co., Ltd.	Chuo-ku, Tokyo	39.7 [20.2]
Japan Electronic Monetary Claim Organization	Chiyoda-ku, Tokyo	100.0
The Mitsubishi UFJ Factors Limited	Chiyoda-ku, Tokyo	100.0
Mitsubishi UFJ Research and Consulting Co., Ltd.	Minato-ku, Tokyo	44.9 (9.5)
MU Business Engineering, Ltd.	Chuo-ku, Tokyo	100.0
UnionBanCal Corporation	San Francisco, California, the United States	100.0
BTMU LF Capital LLC	New York, New York, the United States	100.0
BTMU Capital Corporation	Boston, Massachusetts, the United States	100.0
BTMU Securities, Inc.	New York, New York, the United States	100.0
BTMU Leasing & Finance, Inc.	New York, New York, the United States	100.0
Bank of Tokyo-Mitsubishi UFJ (Canada)	Toronto, Ontario, Canada	100.0
Banco de Tokyo-Mitsubishi UFJ Brasil S/A	Sao Paulo, Sao Paulo, Federative Republic of Brazil	99.6
Bank of Tokyo-Mitsubishi UFJ (Mexico), S.A.	Mexico City, United Mexican States	100.0 (20.0)
Bank of Tokyo-Mitsubishi UFJ (Holland) N.V.	Amsterdam, Kingdom of the Netherlands	100.0
ZAO Bank of Tokyo-Mitsubishi UFJ (Eurasia)	Moscow, the Russian Federation	100.0

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

(Equity-method affiliates)

Company name	Address	Ratio of voting rights holding (held) (%)
JACCS CO., LTD.	Hakodate City, Hokkaido	20.1 (0.0)
Jibun Bank Corporation	Shinjuku-ku, Tokyo	50.0
MOBIT CO. LTD.	Shinjuku-ku, Tokyo	50.0
Mitsubishi UFJ Personal Financial Advisers Co., Ltd.	Chuo-ku, Tokyo	34.5
Paygent Co., Ltd.	Shibuya-ku, Tokyo	40.0
JALCARD, INC.	Shinagawa-ku, Tokyo	49.3
BOT Lease Co., LTD.	Chuo-ku, Tokyo	17.5 (12.5)
Defined Contribution Plan Consulting of Japan Co., Ltd.	Chiyoda-ku, Tokyo	38.7
Mitsubishi UFJ Capital Co., Ltd.	Chuo-ku, Tokyo	27.8 (5.2)
The Mitsubishi Asset Brains Company, Limited	Chiyoda-ku, Tokyo	25.0
Senshu Ikeda Holdings, Inc.	Kita-ku, Osaka City	15.8
The Chukyo Bank, Limited	Naka-ku, Nagoya City	39.7 (0.0)

Company name	Address	Ratio of voting rights holding (held) (%)
THE TAISHO BANK, LTD.	Chuo-ku, Osaka City	22.4 (3.0)
Nippon Mutual Housing Loan Co., Ltd.	Taito-ku, Tokyo	4.7 [37.6]
Mitsubishi UFJ Wealth Management Bank (Switzerland), Ltd.	Geneva, Swiss Confederation	30.0
Dah Sing Financial Holdings Limited	Hong Kong, People's Republic of China	15.0
PT. Bank Nusantara Parahyangan, Tbk.	Bandung City, West Java, Republic of Indonesia	15.1
Bangkok BTMU Limited	Bangkok, Kingdom of Thailand	39.0
BTMU Holding (Thailand) Co., Ltd.	Bangkok, Kingdom of Thailand	11.1 [29.8]
34 Other Companies		

(Notes) 1. Of the above affiliates, BTMU Preferred Capital 1 Limited and BTMU Preferred Capital 9 Limited are classified as Specified Subsidiaries.

2. Of the above affiliates, Mitsubishi UFJ Financial Group, Inc., kabu.com Securities Co., Ltd. JACCS CO., LTD., Senshu Ikeda Holdings, Inc., The Chukyo Bank, Limited and THE TAISHO BANK, LTD. submit annual securities reports or securities registration statements.

3. ( ) in the "Ratio of voting rights holding (held)" column refers to indirect ownership via subsidiaries, while [ ] indicates the ratio of ownership by "persons who are found to exercise their voting rights in the same manner as the Company due to having a close relationship with the Company in terms of contribution, personnel affairs, funds, technology, transactions or other matters" or "persons who agree to exercise their voting rights in the same manner as the Company."

5. Employees

(1) Number of employees in consolidated companies

As of March 31, 2012

Segment	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Global Markets Unit	Other units	Total
Number of employees	14,698 [8,900]	10,504 [2,800]	21,549 [1,000]	1,070 [100]	9,517 [8,200]	57,338 [21,000]

(Notes) 1. Number of employees includes locally hired overseas staff members, but excludes 3,675 contract employees and 20,900 temporary employees.

2. Numbers within brackets indicate average number of temporary employees over the current fiscal year.

3. Number of temporary employees includes dispatched employees and is rounded to the nearest hundred for the end of the current fiscal year as well as for an average over the year.

4. Number of dispatched employees counted as temporary employees was 14,200 at the end of the current fiscal year while 14,700 on average over the year (both numbers are rounded to the nearest hundred).

(2) Employees of the Bank

As of March 31, 2012

Number of employees	Average age (years)	Average years of service (years)	Average annual salary (thousands of yen)
35,480 [12,468]	38.1	14.9	8,083

Segment	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Global Markets Unit	Other units	Total
Number of employees	13,105 [8,097]	9,162 [2,368]	6,781 [434]	1,070 [51]	5,362 [1,518]	35,480 [12,468]

(Notes) 1. Number of employees excludes employees loaned to other companies but includes employees loaned to the Bank, while it includes locally hired overseas staff members, but excludes 1,896 contract employees and 12,262 temporary employees.

2. Number within brackets indicates average number of temporary employees for the current fiscal year.

3. Number of temporary employees includes dispatched employees. Number of dispatched employees was 7,895 at the end of the current fiscal year and 8,559 on average over the year.

4. Number of employees excludes 75 Executive Officers (13 of whom serving as Directors concurrently).

5. Average age, average years of service and average annual salary reflect neither locally hired overseas staff members nor employees loaned to the Bank.

6. Average annual salary includes bonus and extra wages.

7. Employees union of the Bank is called The Bank of Tokyo-Mitsubishi UFJ Union with the membership of 23,266. 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 fiscal year, of the advanced economies overseas, euro zone sank significantly as the European debt problem escalated, while the recovery trend in the United States, which started to be seen from the latter half of the fiscal year, remained at modest pace under the ongoing influence of the structural adjustment policy. Meanwhile, in the emerging economies mainly in Asia, sense of stagnation became apparent across the board, as deceleration in European economies dragged down export activities, one of their primary driving forces. On the other hand, the Japanese economy, having started the fiscal year with negative growth in the aftermath of the Great East Japan Earthquake, showed temporary recovery in the summer, thanks primarily to the replenishment of capital stock and the restoration of supply chain that had been impaired by the earthquake, only to be followed by the negative growth towards the end of the fiscal year, as the impact of the deceleration of overseas economies along with the yen appreciation started to materialize. In the meantime, demands associated with post-earthquake restoration and reconstruction is emerging primarily in the affected areas, and along with it, we are beginning to see the signs that general economy is likely to pick up again.

On the financial front, policy rates were kept low in the United States and the United Kingdom while the euro zone managed small policy rate hikes in the first half of the fiscal year, which, however, were reversed in the latter half of the fiscal year by policy rate cuts along with massive supply of funds. Not a few emerging economies started to cut policy rates as well. In Japan, the Bank of Japan, while remaining committed to its zero-interest-rate policy, increased asset purchase fund three times during fiscal 2011, and furthermore, in February 2012 declared that it would engage in a monetary policy, temporarily targeting a positive 1% year-on-year rate of change in the consumer price index through the introduction of “the price stability goal in the medium to long term.” Under such circumstances, short-term market interest rates continued to remain low, while long-term interest rates, despite rallying momentarily, remained generally stabilized at lower level. Yen remained strong for a period on the back of the escalation of the European debt problem and the concern about the deceleration of overseas economies in general, but this trend was slightly reversed towards the end of the fiscal year. Meanwhile, the stock market, after a spell of stagnation due to many compounding negative factors, recovered towards the end of the fiscal year, keeping pace with the reversal of yen appreciation.

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, was helped by the solid sales of insurance products along with strong results from consumer finance business. Meanwhile, Corporate Banking Business Unit also suffered from the unfavorable income from lending operations, but achieved favorable results in the solution business. Additionally, in Global Business Unit, transactions with non-Japanese businesses in Asia along with the structured finance business were solid, while Global Markets Unit also recorded year-on-year increase in 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 is also aiming to earn customers’ complete confidence.

Under the above business circumstances, results for the current consolidated fiscal year are as follows.

Assets as of the end of the current fiscal year increased by ¥8,540.7 billion to ¥171,663.9 billion. Major components were loans and bills discounted of ¥74,827.7 billion and securities of ¥63,714.3 billion. Liabilities as of the end of the current fiscal year increased by ¥8,186.0 billion to ¥162,401.7 billion. Major components were deposits and negotiable certificates of deposit of ¥122,233.5 billion.

As for profits and losses, ordinary income increased by ¥86.0 billion compared to the previous fiscal year to ¥3,295.9 billion and ordinary expenses increased by ¥4.1 billion compared to the previous fiscal year to ¥2,364.2 billion. As a result, the Bank posted ordinary profit of ¥931.7 billion, with an increase of ¥81.9 billion from the previous fiscal year and net income of ¥544.3 billion, with a decrease of ¥175.4 billion from the previous fiscal year.

Results by reportable segment are as follows.

1. Retail Banking Business Unit
   Net operating income was ¥193.2 billion, with a decrease of ¥2.2 billion from the previous fiscal year.
2. Corporate Banking Business Unit
   Net operating income was ¥355.0 billion, with an increase of ¥0.7 billion from the previous fiscal year.
3. Global Business Unit
   Net operating income was ¥253.8 billion, with an increase of ¥21.2 billion from the previous fiscal year.
4. Global Markets Unit
   Net operating income was ¥532.7 billion, with an increase of ¥24.1 billion from the previous fiscal year.
5. Other units
   Net operating income (loss) was ¥(165.6) billion, with a decrease of ¥23.3 billion from the previous fiscal year.

With regard to cash flows, operating activities generated net cash of ¥6,618.3 billion, with a ¥1,257.0 billion decrease in cash inflows from the previous fiscal year. Investing activities used net cash of ¥6,199.1 billion, with a ¥844.1 billion decrease in expenses from the previous fiscal year. Financing activities used net cash of ¥538.8 billion, with a ¥445.2 billion decrease in expenses from the previous fiscal year.

Cash and cash equivalents at the end of the current fiscal year were ¥3,024.2 billion, with a ¥147.3 billion decrease from the previous fiscal year.

The consolidated risk-adjusted capital ratio based on uniform international standards as of March 31, 2012 was 16.27%.

(1) Income and expenses for domestic and overseas operations

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

The total amount of net interest income, net fees and commissions, net trading income and net other ordinary income for the current fiscal year was ¥2,494.0 billion, with a ¥15.7 billion increase from the previous fiscal year. Of this, domestic operations posted an income of ¥1,867.2 billion, with a decrease of ¥36.6 billion from the previous fiscal year, and overseas operations posted an income of ¥710.4 billion, with an increase of ¥46.4 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Net interest income	Previous fiscal year	1,097,827	452,509	(4,553)	1,545,783
	Current fiscal year	1,022,050	478,537	(4,045)	1,496,541
Of which, interest income	Previous fiscal year	1,366,026	646,273	(97,943)	1,914,356
	Current fiscal year	1,231,424	717,007	(92,372)	1,856,060
Of which, interest expenses	Previous fiscal year	268,198	193,764	(93,390)	368,572
	Current fiscal year	209,374	238,470	(88,326)	359,518
Net fees and commissions	Previous fiscal year	439,862	151,669	(80,067)	511,464
	Current fiscal year	432,679	161,288	(77,304)	516,662
Of which, fees and commissions income	Previous fiscal year	580,427	161,286	(103,460)	638,253
	Current fiscal year	571,496	169,730	(98,446)	642,781
Of which, fees and commissions expenses	Previous fiscal year	140,564	9,617	(23,393)	126,788
	Current fiscal year	138,817	8,442	(21,141)	126,118
Net trading income	Previous fiscal year	105,822	12,306	(3,926)	114,203
	Current fiscal year	101,960	28,307	(3,505)	126,762
Of which, trading income	Previous fiscal year	107,866	13,521	(5,182)	116,206
	Current fiscal year	101,961	28,370	(3,569)	126,762
Of which, trading expenses	Previous fiscal year	2,044	1,214	(1,256)	2,002
	Current fiscal year	0	62	(63)	-
Net other ordinary income	Previous fiscal year	260,354	47,532	(1,019)	306,867
	Current fiscal year	310,545	42,324	1,233	354,102
Of which, other ordinary income	Previous fiscal year	342,244	80,172	(25,110)	397,306
	Current fiscal year	451,202	82,083	(29,032)	504,253
Of which, Other ordinary expenses	Previous fiscal year	81,889	32,640	(24,090)	90,439
	Current fiscal year	140,657	39,758	(30,265)	150,150

(Notes) 1. "Domestic" includes offices of the Bank (excluding its overseas offices) and consolidated subsidiaries whose principal offices are located in Japan (hereinafter referred to as "domestic consolidated subsidiaries"). "Overseas" includes the Bank's overseas offices and consolidated subsidiaries whose principal offices are located abroad (hereinafter referred to as "overseas consolidated subsidiaries").

2. Interest expenses are stated excluding expenses related to money held in trust.

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

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

1) Domestic

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

The average balance of interest-earning assets in the current fiscal year increased by ¥1,482.2 billion compared to the previous fiscal year to ¥116,798.9 billion. Yield on interest-earning assets declined by 0.13% to 1.05% and total interest income stood at ¥1,231.4 billion, with a decrease of ¥134.6 billion from the previous fiscal year. The average balance of interest-bearing liabilities in the current fiscal year increased by ¥1,435.7 billion compared to the previous fiscal year to ¥113,152.7 billion. Yield on interest-bearing liabilities declined by 0.05% to 0.18% and total interest expenses stood at ¥209.3 billion, with a decrease of ¥58.8 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous fiscal year	115,316,708	1,366,026	1.18
	Current fiscal year	116,798,920	1,231,424	1.05
Of which, loans and bills discounted	Previous fiscal year	54,646,889	800,706	1.46
	Current fiscal year	52,990,352	731,381	1.38
Of which, securities	Previous fiscal year	54,172,247	411,616	0.75
	Current fiscal year	57,616,477	416,102	0.72
Of which, call loans and bills bought	Previous fiscal year	107,894	162	0.15
	Current fiscal year	92,712	176	0.19
Of which, receivables under resale agreements	Previous fiscal year	17,334	18	0.10
	Current fiscal year	19,516	18	0.09
Of which, receivables under securities borrowing transactions	Previous fiscal year	1,445,268	2,625	0.18
	Current fiscal year	1,058,085	2,166	0.20
Of which, due from banks	Previous fiscal year	1,450,018	3,505	0.24
	Current fiscal year	1,580,954	6,115	0.38
Interest-bearing liabilities	Previous fiscal year	111,717,035	268,198	0.24
	Current fiscal year	113,152,754	209,374	0.18
Of which, deposits	Previous fiscal year	92,911,574	87,633	0.09
	Current fiscal year	94,001,323	65,128	0.06
Of which, negotiable certificates of deposit	Previous fiscal year	4,332,100	8,497	0.19
	Current fiscal year	3,603,864	4,436	0.12
Of which, call money and bills sold	Previous fiscal year	1,140,260	2,736	0.24
	Current fiscal year	1,449,172	3,498	0.24
Of which, payables under repurchase agreements	Previous fiscal year	4,994,065	14,065	0.28
	Current fiscal year	5,568,289	16,394	0.29
Of which, payables under securities lending transactions	Previous fiscal year	668,294	1,460	0.21
	Current fiscal year	835,049	1,751	0.20
Of which, commercial paper	Previous fiscal year	-	-	-
	Current fiscal year	-	-	-
Of which, borrowed money	Previous fiscal year	5,026,799	94,808	1.88
	Current fiscal year	7,151,201	89,510	1.25

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

2) Overseas

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

The average balance of interest-earning assets in the current fiscal year increased by ¥2,973.7 billion compared to the previous fiscal year to ¥30,689.1 billion. Yield on interest-earning assets remained stable at 2.33% and total interest income stood at ¥717.0 billion, with an increase of ¥70.7 billion from the previous fiscal year. The average balance of interest-bearing liabilities in the current fiscal year increased by ¥3,250.0 billion compared to the previous fiscal year to ¥27,765.4 billion. Yield on interest-bearing liabilities increased by 0.06% to 0.85% and total interest expenses stood at ¥238.4 billion, with an increase of ¥44.7 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous fiscal year	27,715,326	646,273	2.33
	Current fiscal year	30,689,120	717,007	2.33
Of which, loans and bills discounted	Previous fiscal year	18,437,736	497,734	2.69
	Current fiscal year	20,172,925	541,508	2.68
Of which, securities	Previous fiscal year	3,172,486	67,575	2.13
	Current fiscal year	3,499,556	80,771	2.30
Of which, call loans and bills bought	Previous fiscal year	298,358	4,790	1.60
	Current fiscal year	264,769	6,297	2.37
Of which, receivables under resale agreements	Previous fiscal year	703,239	13,845	1.96
	Current fiscal year	649,888	27,085	4.16
Of which, receivables under securities borrowing transactions	Previous fiscal year	-	-	-
	Current fiscal year	-	-	-
Of which, due from banks	Previous fiscal year	4,033,184	27,052	0.67
	Current fiscal year	4,794,546	34,677	0.72
Interest-bearing liabilities	Previous fiscal year	24,515,353	193,764	0.79
	Current fiscal year	27,765,442	238,470	0.85
Of which, deposits	Previous fiscal year	14,106,894	78,629	0.55
	Current fiscal year	14,917,956	88,207	0.59
Of which, negotiable certificates of deposit	Previous fiscal year	5,135,680	32,747	0.63
	Current fiscal year	4,972,238	31,151	0.62
Of which, call money and bills sold	Previous fiscal year	305,292	2,051	0.67
	Current fiscal year	289,648	3,339	1.15
Of which, payables under repurchase agreements	Previous fiscal year	95,262	755	0.79
	Current fiscal year	379,392	2,452	0.64
Of which, payables under securities lending transactions	Previous fiscal year	-	-	-
	Current fiscal year	-	-	-
Of which, commercial paper	Previous fiscal year	134,090	604	0.45
	Current fiscal year	250,844	693	0.27
Of which, borrowed money	Previous fiscal year	1,339,975	21,285	1.58
	Current fiscal year	1,422,570	22,996	1.61

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

2. "Overseas" includes overseas offices of the Bank and overseas consolidated subsidiaries.

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

3) Total

(Millions of yen)

Item	Fiscal year	Average balance			Interest			Yield (%)
		Subtotal	Amount of elimination	Total	Subtotal	Amount of elimination	Total	
Interest-earning assets	Previous fiscal year	143,032,035	(6,044,124)	136,987,911	2,012,299	(97,943)	1,914,356	1.39
	Current fiscal year	147,488,041	(5,646,033)	141,842,008	1,948,432	(92,372)	1,856,060	1.30
Of which, loans and bills discounted	Previous fiscal year	73,084,625	(2,873,990)	70,210,634	1,298,441	(84,064)	1,214,377	1.72
	Current fiscal year	73,163,277	(2,494,484)	70,668,792	1,272,890	(74,707)	1,198,182	1.69
Of which, securities	Previous fiscal year	57,344,733	(1,720,797)	55,623,936	479,191	(9,398)	469,793	0.84
	Current fiscal year	61,116,033	(1,701,742)	59,414,290	496,874	(9,472)	487,401	0.82
Of which, call loans and bills bought	Previous fiscal year	406,252	(35,415)	370,837	4,952	(52)	4,899	1.32
	Current fiscal year	357,482	(34,132)	323,350	6,474	(54)	6,419	1.98
Of which, receivables under resale agreements	Previous fiscal year	720,574	-	720,574	13,864	-	13,864	1.92
	Current fiscal year	669,405	-	669,405	27,103	-	27,103	4.04
Of which, receivables under securities borrowing transactions	Previous fiscal year	1,445,268	-	1,445,268	2,625	-	2,625	0.18
	Current fiscal year	1,058,085	-	1,058,085	2,166	-	2,166	0.20
Of which, due from banks	Previous fiscal year	5,483,203	(1,360,619)	4,122,583	30,557	(4,320)	26,236	0.63
	Current fiscal year	6,375,500	(1,370,250)	5,005,250	40,793	(5,210)	35,583	0.71
Interest-bearing liabilities	Previous fiscal year	136,232,389	(4,341,468)	131,890,920	461,962	(93,390)	368,572	0.27
	Current fiscal year	140,918,197	(4,023,677)	136,894,519	447,845	(88,326)	359,518	0.26
Of which, deposits	Previous fiscal year	107,018,469	(632,544)	106,385,924	166,263	(2,592)	163,671	0.15
	Current fiscal year	108,919,280	(752,517)	108,166,763	153,335	(4,169)	149,166	0.13
Of which, negotiable certificates of deposit	Previous fiscal year	9,467,780	(629,730)	8,838,050	41,244	(806)	40,438	0.45
	Current fiscal year	8,576,102	(573,687)	8,002,414	35,588	(479)	35,108	0.43
Of which, call money and bills sold	Previous fiscal year	1,445,553	(142,499)	1,303,054	4,788	(595)	4,193	0.32
	Current fiscal year	1,738,820	(76,308)	1,662,511	6,838	(190)	6,648	0.39
Of which, payables under repurchase agreements	Previous fiscal year	5,089,327	-	5,089,327	14,821	-	14,821	0.29
	Current fiscal year	5,947,681	-	5,947,681	18,847	-	18,847	0.31
Of which, payables under securities lending transactions	Previous fiscal year	668,294	-	668,294	1,460	-	1,460	0.21
	Current fiscal year	835,049	-	835,049	1,751	-	1,751	0.20
Of which, commercial paper	Previous fiscal year	134,090	-	134,090	604	-	604	0.45
	Current fiscal year	250,844	-	250,844	693	-	693	0.27
Of which, borrowed money	Previous fiscal year	6,366,775	(2,890,364)	3,476,410	116,094	(83,946)	32,147	0.92
	Current fiscal year	8,573,771	(2,542,695)	6,031,076	112,507	(75,224)	37,282	0.61

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

(3) Fees and commissions by domestic and overseas office

Net fees and commissions income are as follows:

Fees and commissions income of domestic offices for the current fiscal year was ¥571.4 billion, with a decrease of ¥8.9 billion from the previous fiscal year. Fees and commissions expenses were ¥138.8 billion, with a decrease of ¥1.7 billion from the previous fiscal year, resulting in a net fees and commissions income of ¥432.6 billion, with a decrease of ¥7.1 billion from the previous fiscal year. Fees and commissions income of overseas offices during the current fiscal year was ¥169.7 billion, with an increase of ¥8.4 billion from the previous fiscal year, while fees and commissions expenses were ¥8.4 billion, with a decrease of ¥1.1 billion from the previous fiscal year, resulting in a net fees and commissions income of ¥161.2 billion, with an increase of ¥9.6 billion from the previous fiscal year.

Consequently, total net fees and commissions income for the current fiscal year stood at ¥516.6 billion, with an increase of ¥5.1 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Fees and commissions income	Previous fiscal year	580,427	161,286	(103,460)	638,253
	Current fiscal year	571,496	169,730	(98,446)	642,781
Of which, domestic and foreign exchange services	Previous fiscal year	154,574	11,071	(344)	165,302
	Current fiscal year	152,135	10,317	(456)	161,996
Of which, other commercial banking services	Previous fiscal year	200,074	133,414	(2,627)	330,861
	Current fiscal year	211,839	140,207	(1,552)	350,494
Of which, guarantee services	Previous fiscal year	71,068	10,944	(18,353)	63,659
	Current fiscal year	65,300	11,780	(18,329)	58,751
Of which, securities-related services	Previous fiscal year	44,966	1,292	(46)	46,211
	Current fiscal year	34,784	854	(18)	35,620
Fees and commissions expenses	Previous fiscal year	140,564	9,617	(23,393)	126,788
	Current fiscal year	138,817	8,442	(21,141)	126,118
Of which, domestic and foreign exchange services	Previous fiscal year	32,018	391	(61)	32,348
	Current fiscal year	32,036	425	(193)	32,267

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

(4) Trading results by domestic and overseas office

Details of trading income and expenses

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

Trading income of domestic offices for the current fiscal year was ¥101.9 billion, with a decrease of ¥5.9 billion from the previous fiscal year. Trading expenses of domestic offices for the current fiscal year decreased by ¥2.0 billion from the previous fiscal year, resulting in a net trading income of ¥101.9 billion, with a decrease of ¥3.8 billion from the previous fiscal year. Trading income of overseas offices for the current fiscal year was ¥28.3 billion, with an increase of ¥14.8 billion from the previous fiscal year. Trading expenses of overseas offices decreased by ¥1.1 billion from the previous fiscal year. As a result, net trading income for the current fiscal year was ¥28.3 billion, with an increase of ¥16.0 billion from the previous fiscal year.

Consequently, total net trading income posted by both domestic and overseas offices for the current fiscal year stood at ¥126.7 billion, with an increase of ¥12.5 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Trading income	Previous fiscal year	107,866	13,521	(5,182)	116,206
	Current fiscal year	101,961	28,370	(3,569)	126,762
Of which, income from trading securities	Previous fiscal year	13,716	1,818	(0)	15,534
	Current fiscal year	14,959	1,868	(1)	16,827
Of which, income from securities related to trading transactions	Previous fiscal year	-	-	-	-
	Current fiscal year	2,513	(733)	(61)	1,718
Of which, income from trading-related financial derivatives	Previous fiscal year	89,446	11,702	(5,181)	95,967
	Current fiscal year	79,542	27,234	(3,505)	103,271
Of which, income from other trading transactions	Previous fiscal year	4,703	0	-	4,704
	Current fiscal year	4,945	-	(0)	4,945
Trading expenses	Previous fiscal year	2,044	1,214	(1,256)	2,002
	Current fiscal year	0	62	(63)	-
Of which, expenses on trading securities	Previous fiscal year	-	0	(0)	-
	Current fiscal year	0	0	(1)	-
Of which, expenses on securities related to trading transactions	Previous fiscal year	2,033	(30)	-	2,002
	Current fiscal year	-	61	(61)	-
Of which, expenses on trading-related financial derivatives	Previous fiscal year	11	1,244	(1,255)	-
	Current fiscal year	-	-	-	-
Of which, expenses on other trading transactions	Previous fiscal year	-	-	-	-
	Current fiscal year	-	0	(0)	-

(Notes) 1. "Domestic" includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries. "Overseas" includes the Bank's overseas offices and overseas consolidated subsidiaries.

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

(5) Balance of deposits by domestic and overseas office

・Deposits by classification (ending balance)

(Millions of yen)

Item	Fiscal year	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Total deposits	Previous fiscal year	97,373,641	15,445,189	(679,375)	112,139,455
	Current fiscal year	96,877,279	16,841,646	(646,320)	113,072,605
Of which, liquid deposits	Previous fiscal year	62,697,957	6,621,978	(150,668)	69,169,267
	Current fiscal year	62,527,273	6,825,898	(126,278)	69,226,893
Of which, fixed-term deposits	Previous fiscal year	30,098,497	8,639,671	(528,681)	38,209,487
	Current fiscal year	30,017,999	9,881,518	(517,415)	39,382,102
Of which, other deposits	Previous fiscal year	4,577,186	183,539	(25)	4,760,700
	Current fiscal year	4,332,006	134,229	(2,626)	4,463,610
Negotiable certificates of deposit	Previous fiscal year	3,970,885	4,844,380	(636,200)	8,179,066
	Current fiscal year	3,164,387	6,516,345	(519,800)	9,160,933
Total	Previous fiscal year	101,344,526	20,289,570	(1,315,575)	120,318,522
	Current fiscal year	100,041,667	23,357,991	(1,166,120)	122,233,538

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

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

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

Industry	Previous fiscal year		Current fiscal year	
	Loans and bills discounted (Millions of yen)	Composition ratio (%)	Loans and bills discounted (Millions of yen)	Composition ratio (%)
Domestic (excluding Japan offshore market account)	53,606,963	100.00	55,006,792	100.00
Manufacturing	6,923,863	12.92	7,108,270	12.92
Construction	931,903	1.74	867,052	1.58
Wholesale and retail	5,605,960	10.46	5,552,755	10.09
Finance and insurance	5,633,328	10.51	5,737,451	10.43
Real estate, goods rental and leasing	8,556,466	15.96	8,191,211	14.89
Services	2,655,136	4.95	2,733,789	4.97
Other industries	23,300,304	43.46	24,816,260	45.12
Overseas and Japan offshore market account	16,564,790	100.00	19,820,960	100.00
Governments and public organizations	427,939	2.58	469,886	2.37
Financial institutions	2,723,723	16.44	3,715,104	18.74
Others	13,413,127	80.98	15,635,969	78.89
Total	70,171,754	-	74,827,752	-

(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 fiscal year (A)	Current fiscal year (B)	Increase (decrease) (B) - (A)
Gross operating income	2,000,854	2,030,988	30,134
Expenses (excluding non-recurring expenses)	994,329	1,008,138	13,808
Personnel expenses	368,603	372,723	4,120
Non-personnel expenses	573,620	582,930	9,310
Taxes	52,106	52,484	378
Net business profit before provision for general allowance for credit losses and amortization of goodwill	1,006,524	1,022,958	16,434
Amortization of goodwill	-	108	108
Net business profit before provision for general allowance for credit losses	1,006,524	1,022,849	16,325
Provision for general allowance for credit losses	70,316	7,032	(63,283)
Net business profit	936,208	1,015,817	79,608
Of which, net gains (losses) on debt securities	206,458	252,605	46,146
Net non-recurring gains (losses)	(278,208)	(272,494)	5,714
Net gains (losses) on equity securities and other securities	(106,782)	(93,806)	12,975
Credit costs	136,090	152,611	16,520
Write-offs of loans	105,714	76,482	(29,231)
Provision for specific allowance for credit losses	30,022	75,174	45,151
Other credit costs	353	954	601
Gains on collection of bad debts	-	34,329	-
Other non-recurring gains (losses)	(35,335)	(60,406)	(25,070)
Ordinary profit	657,999	743,322	85,322
Net extraordinary gains (losses)	16,411	(3,769)	(20,181)
Of which, gains on collection of bad debts	36,414	-	-
Of which, impairment loss of long-lived assets	(5,439)	(8,582)	(3,143)
Income before income taxes	674,411	739,552	65,141
Income taxes-current	64,154	154,860	90,706
Income taxes-deferred	(29,006)	115,649	144,656
Total taxes	35,148	270,510	235,362
Net income	639,263	469,042	(170,221)

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

(2) Details of general and administrative expenses (non-consolidated)

(Millions of yen)

	Previous fiscal year (A)	Current fiscal year (B)	Increase (decrease) (B) - (A)
Salaries and allowances	308,923	314,746	5,823
Retirement benefit costs	51,959	51,901	(58)
Welfare expenses	53,068	54,667	1,599
Depreciation and amortization	123,558	127,840	4,281
Rent on land, buildings and machinery	73,244	68,431	(4,812)
Building and repair expenses	5,201	6,709	1,507
Supplies expenses	7,693	9,378	1,685
Utility charges	7,815	7,387	(427)
Traveling expenses	6,087	7,110	1,022
Communication expenses	16,286	15,502	(784)
Advertising expenses	7,582	7,364	(217)
Taxes and dues	52,829	53,181	351
Others	325,144	330,046	4,902
Total general and administrative expenses	1,039,395	1,054,269	14,873

(Note) This is the detail of the general and administrative expenses in the statements of income.

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

	Previous fiscal year (%) (A)	Current fiscal year (%) (B)	Increase (decrease) (B) - (A)
(1) Total average interest rate on interest-earning assets (i)	1.02	0.91	(0.10)
(a) Average interest rate on loans and bills discounted	1.47	1.39	(0.07)
(b) Average interest rate on securities	0.58	0.54	(0.03)
(2) Total average interest rate on interest-bearing liabilities (ii)	0.86	0.81	(0.05)
(a) Average interest rate on deposits and NCD	0.09	0.05	(0.03)
(b) Average interest rate on other liabilities	0.43	0.28	(0.14)
(3) Overall interest rate spread (i) - (ii)	0.15	0.10	(0.04)

(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 fiscal year (%) (A)	Current fiscal year (%) (B)	Increase (decrease) (B) - (A)
On a net business profit basis (before provision for general allowance for credit losses and amortization of goodwill)	14.20	13.86	(0.34)
On a net business profit basis (before provision for general allowance for credit losses)	14.20	13.86	(0.34)
On a net business profit basis	13.19	13.76	0.56
On a net income basis	8.92	6.22	(2.70)

(Note)

$$\text{ROE} = \frac{\text{(Profits - total amount of dividends on preferred stocks)}}{\left\{\left(\begin{matrix}\text{Total equity}\\ \text{at the beginning of}\\ \text{the fiscal year}\end{matrix} - \begin{matrix}\text{Number of preferred}\\ \text{stocks outstanding at}\\ \text{the beginning of the}\\ \text{fiscal year}\end{matrix} \times \begin{matrix}\text{Issue}\\ \text{price}\end{matrix}\right) + \left(\begin{matrix}\text{Total equity}\\ \text{at the end of}\\ \text{the fiscal year}\end{matrix} - \begin{matrix}\text{Number of preferred}\\ \text{stocks outstanding}\\ \text{at the end of}\\ \text{the fiscal year}\end{matrix} \times \begin{matrix}\text{Issue}\\ \text{price}\end{matrix}\right)\right\} \div 2} \times 100$$

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

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

Item	Previous fiscal year		Current fiscal year	
	Number of accounts	Amount (Millions of yen)	Number of accounts	Amount (Millions of yen)
Bill acceptances	1,114	39,470	1,255	42,763
Letters of credit	26,972	1,489,293	25,535	1,549,450
Guarantees	35,729	4,153,314	35,518	3,963,179
Total acceptances and guarantees	63,815	5,682,078	62,308	5,555,393

5. Domestic Exchange Transactions (non-consolidated)

Classification		Previous fiscal year		Current fiscal year	
		Number of accounts (thousands)	Amount (Millions of yen)	Number of accounts (thousands)	Amount (Millions of yen)
Exchange for remittance	Destined for various locations of the country	467,144	1,139,352,974	469,871	1,188,277,508
	Received from various locations of the country	459,408	1,156,222,078	458,810	1,197,938,457
Bill collections	Destined for various locations of the country	4,266	9,239,140	4,114	9,113,604
	Received from various locations of the country	5,026	10,976,067	4,810	11,007,803

6. Foreign Exchange Transactions (non-consolidated)

Classification		Previous fiscal year	Current fiscal year
		Amount (Millions of U.S. dollars)	Amount (Millions of U.S. dollars)
Outward exchanges	Foreign bills sold	2,184,228	2,741,253
	Foreign bills bought	795,530	757,022
Incoming exchanges	Foreign bills payable	3,657,241	4,206,734
	Foreign bills receivable	160,876	181,412
Total foreign exchange transactions		6,797,877	7,886,423

(Status of Risk-Adjusted Capital Ratio)

(Reference)

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

Upon the adoption of uniform international standards, the Bank applies the Advanced Internal Ratings-Based Approach for the computation of the value of credit risk-adjusted assets, as well as implementing the Market Risk Regulation. For the computation of the equivalent amount of operational risks, the Bank has employed the Standardized Approach for the fiscal year ended March 31, 2011, and the Advanced Measurement Approach for the fiscal year ended March 31, 2012 onward.

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

(Millions of yen)

Item		As of March 31, 2011	As of March 31, 2012
		Amount	Amount
Core equity capital (Tier 1)	Capital stock	1,711,958	1,711,958
	Of which, perpetual non-cumulative preferred stock	125,000	125,000
	Deposit for subscriptions to shares	-	-
	Capital surplus	3,878,275	3,878,275
	Retained earnings	2,299,904	2,635,211
	Treasury stock (decrease)	250,000	250,000
	Deposit for subscriptions to treasury stock	-	-
	Estimated distributed income (decrease)	132,531	80,303
	Losses on revaluation of available-for-sale securities (decrease)	-	-
	Foreign currency translation adjustments	(314,199)	(373,450)
	Subscription rights to shares	-	-
	Minority interests of consolidated subsidiaries	1,363,280	1,207,120
	Of which, preferred securities issued by overseas special purpose companies	1,262,771	1,107,741
	Business rights equivalent amount (decrease)	-	-
	Goodwill equivalent amount (decrease)	242,979	227,879
	Equivalent amount of intangible fixed assets recorded by business combinations, etc. (decrease)	14,087	14,263
	Equivalent amount of increased equity capital as a result of securitization transactions (decrease)	15,513	13,481
	50% equivalent of the excess amount of expected losses over qualifying reserves (decrease)	-	-
	Total Tier 1 capital before the deduction of deferred tax assets (aggregate sum of the above items)	8,284,107	8,473,186
	Deduction of deferred tax assets (decrease) (Note 1)	-	-
	Total Tier 1 Capital (A)	8,284,107	8,473,186
	Of which, preferred securities with step-up coupon clauses (Note 2)	755,371	600,341
Supplementary capital items (Tier 2)	45% of the total amount of available-for-sale securities recorded on the consolidated balance sheets after the deduction of the total book value of them.	76,803	218,110
	45% equivalent amount of the difference between the revaluated amount of land and its book value before the revaluation	178,588	174,294
	General allowance for credit losses	115,105	67,717
	The excess amount of qualifying reserves over expected losses	27,318	29,573
	Hybrid debt capital instruments, etc.	3,085,726	3,024,296
	Of which, perpetual subordinated debt (Note 3)	210,068	157,391
	Of which, limited-life subordinated debt and limited-life redeemable preferred stock (Note 4)	2,875,658	2,866,905
	Total Tier 2 Capital	3,483,542	3,513,991
	Of which, included as qualifying capital (B)	3,483,542	3,513,991
Quasi-supplementary capital items (Tier 3)	Short-term subordinated debt	-	-
	Of which, included as qualifying capital (C)	-	-

Item			As of March 31, 2011	As of March 31, 2012
			Amount	Amount
Deductions	Deduction items (Note 5)	(D)	297,945	271,020
Total qualifying capital	(A) + (B) + (C) - (D)	(E)	11,469,703	11,716,157
Risk-adjusted assets	Asset (on-balance sheet) items		55,751,105	50,876,567
	Off-balance transaction items		11,293,746	10,038,425
	Amount of credit risk-adjusted assets	(F)	67,044,851	60,914,992
	Amount of market risk equivalent assets ((H) / 8%)	(G)	859,453	567,791
	(Reference) Market risk equivalent amount	(H)	68,756	45,423
	Amount of operational risk equivalent assets ((J) / 8%)	(I)	4,581,247	2,930,710
	(Reference) Operational risk equivalent amount	(J)	366,499	234,456
	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)	-	7,579,981
	Total ((F) + (G) + (I) + (K))	(L)	72,485,552	71,993,476
Consolidated risk-adjusted capital ratio (under uniform international standards) = (E) / (L) × 100 (%)			15.82	16.27
(Reference) Tier 1 ratio = (A) / (L) × 100 (%)			11.42	11.76

(Notes)
1. Equivalent amount of the net deferred tax assets as of March 31, 2011 was ¥686,988 million, and the maximum amount of deferred tax assets allowed for the inclusion in core equity capital was ¥1,656,821 million.
   The equivalent amount of the net deferred tax assets as of March 31, 2012 was ¥445,737 million and the maximum allowable amount of deferred tax assets included in core equity capital was ¥1,694,637 million.
2. They are the assets specified by Article 5, Paragraph 2 of the Notification, that is, the shares (including preferred securities issued by overseas special purpose companies) that have the possibility of redemption (e.g. a special clause such as a step-up coupon, etc. is incorporated).
3. This is a hybrid debt capital instrument that is specified by Article 6, Paragraph 1, Item 4 of the Notification and satisfies all the following features:
   (1) It is unsecured, paid-up and subordinate to other debts
   (2) It is not redeemed except in certain circumstances
   (3) It is appropriable to cover losses while staying in business
   (4) The obligation of interest payment may be postponed
4. They are specified by Article 6, Paragraph 1, Items 5 and 6 of the Notification. However, the redemption period of the limited-life subordinated debt at the time of contract should be more than five years.
5. These items are specified in Article 8, Paragraph 1, Items 1 to 6 of the Notification. They include the equivalent amount of intentional holding of other financial institutions' capital instruments as specified in Item 1 of the said Article, and the equivalent amount of the investments in the institutions that fall under the category specified in Item 2 of the said Article.

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

(Millions of yen)

Item			As of March 31, 2011	As of March 31, 2012
			Amount	Amount
Core equity capital (Tier 1)	Capital stock		1,711,958	1,711,958
	Of which, perpetual non-cumulative preferred stock		125,000	125,000
	Deposit for subscriptions to shares		-	-
	Capital reserve		1,711,958	1,711,958
	Other capital surplus		2,166,317	2,166,317
	Legal reserve		190,044	190,044
	Other retained earnings		1,554,242	1,814,267
	Other		1,267,665	1,111,919
	Treasury stock (decrease)		250,000	250,000
	Deposit for subscriptions to treasury stock		-	-
	Estimated distributed income (decrease)		132,328	80,088
	Losses on revaluation of available-for-sale securities (decrease)		-	-
	Subscription rights to shares		-	-
	Business rights equivalent amount (decrease)		-	-
	Goodwill equivalent amount (decrease)		-	3,154
	Equivalent amount of intangible fixed assets recorded by business combinations (decrease)		-	-
	Equivalent amount of increased equity capital as a result of securitization transactions (decrease)		15,513	13,481
	50% equivalent of the excess amount of expected losses over qualifying reserves (decrease)		25,248	25,774
	Total Tier 1 capital before the deduction of deferred tax assets (aggregate sum of the above items)		8,179,095	8,333,965
	Deduction of deferred tax assets (decrease) (Note 1)		-	-
	Total Tier 1 Capital	(A)	8,179,095	8,333,965
	Of which, preferred securities with step-up coupon clauses (Note 2)		755,371	600,341
	Of which, preferred securities issued by overseas special purpose companies		1,262,771	1,107,741
Supplementary capital items (Tier 2)	45% of the total amount of available-for-sale securities recorded on the non-consolidated balance sheets after the deduction of the total book value of them.		85,183	217,917
	45% equivalent amount of the difference between the revaluated amount of land and its book value before the revaluation		178,588	174,294
	General allowance for credit losses		-	-
	The excess amount of qualifying reserves over expected losses		-	-
	Hybrid debt capital instruments, etc.		3,007,989	2,969,459
	Of which, perpetual subordinated debt (Note 3)		210,068	157,391
	Of which, limited-life subordinated debt and limited-life redeemable preferred stock (Note 4)		2,797,921	2,812,068
	Total Tier 2 Capital		3,271,762	3,361,671
	Of which, included as qualifying capital	(B)	3,271,762	3,361,671
Quasi-supplementary capital items (Tier 3)	Short-term subordinated debt		-	-
	Of which, included as qualifying capital	(C)	-	-
Deductions	Deduction items (Note 5)	(D)	212,345	181,306
Total qualifying capital	(A) + (B) + (C) - (D)	(E)	11,238,512	11,514,330

Item			As of March 31, 2011	As of March 31, 2012
			Amount	Amount
Risk-adjusted assets	Asset (on-balance sheet) items		53,820,042	48,871,572
	Off-balance transaction items		9,191,118	7,826,895
	Amount of credit risk-adjusted assets	(F)	63,011,160	56,698,467
	Amount of market risk equivalent assets ((H) / 8%)	(G)	856,923	560,011
	(Reference) Market risk equivalent amount	(H)	68,553	44,800
	Amount of operational risk equivalent assets ((J) / 8%)	(I)	3,767,230	2,208,808
	(Reference) Operational risk equivalent amount	(J)	301,378	176,704
	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)	-	6,659,008
	Total ((F) + (G) + (I) + (K))	(L)	67,635,313	66,126,296
Non-consolidated risk-adjusted capital ratio (under uniform international standards) = (E) / (L) × 100 (%)			16.61	17.41
(Reference) Tier 1 ratio = (A) / (L) × 100 (%)			12.09	12.60

(Notes)
1. Equivalent amount of the deferred tax assets as of March 31, 2011 was ¥663,663 million, and the maximum amount of deferred tax assets allowed for the inclusion in core equity capital was ¥1,635,819 million.
   The equivalent amount of the deferred tax assets as of March 31, 2012 was ¥442,759 million and the maximum allowable amount of deferred tax assets included in core equity capital was ¥1,666,793 million.
2. They are the assets specified by Article 17, Paragraph 2 of the Notification, that is, the shares (including preferred securities issued by overseas special purpose companies) that have the possibility of redemption (e.g. a special clause such as a step-up coupon, etc. is incorporated).
3. This is a hybrid debt capital instrument that is specified by Article 18, Paragraph 1, Item 4 of the Notification and satisfies all the following features:
   (1) It is unsecured, paid-up and subordinate to other debts
   (2) It is not redeemed except in certain circumstances
   (3) It is appropriable 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 balance sheets and classifies them as shown below, based on financial conditions and business performances, etc. of borrowers. These assets include corporate bonds (limited to the corporate bonds on which the payment of all or part of the principal and interest is guaranteed by financial institutions holding such bonds and which were issued through private placement as defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act (Act No. 25 of 1948)), loans and bills discounted, foreign exchange assets, other assets booked as accrued interests, suspense payments or customers' liabilities for acceptance and guarantee, and securities, if the Bank lent such securities which are required to be disclosed in a note to its balance sheets (they are limited to loans for use or lending under rental contract).

1. Claims against bankrupt or de facto bankrupt borrowers

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

2. Doubtful claims

Doubtful claims are those against borrowers who have not yet failed but their financial 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 categories.

2. Issues to be Addressed

Management environment remained challenging throughout fiscal 2011, in which the Japanese economy suffered massive impact from the Great East Japan Earthquake, while share prices and interest rates remained volatile around the globe as disturbed by the escalation of the European debt problems. Meanwhile, in November 2011, MUFG Group was selected as one of the global systematically important financial institutions (G-SIFIs) that are expected to be subject to more rigorous capital adequacy regulations, under the international banking regulations called Basel III. Under such circumstance, the Bank has been tackling the challenges including further enhancement of profitability and reinforcement of capital adequacy in the final year of the Medium-term Business Plan that started in fiscal 2009, while striving to help the restoration in the regions affected by the earthquake through performing its duties including the smooth supply of funds.

The new Medium-term Business Plan which covers another three year term, is starting from fiscal 2012. In this significantly changing economic and financial environment both at home and abroad, the Bank will thrust forward to become "a reliable financial group of choice on a global scale," by further moving ahead with its managerial orientation towards the goals including fulfillment of MUFG's integrated financial capabilities, further globalization and reinforcement of its financial position, while firmly keeping its established stronghold in the domestic market. The Bank positions fiscal 2012 as the first year of the new Medium-term Business Plan, in which various measures must be initiated preemptively. With an aim of becoming a desirable bank with the qualities as described above, to meet the trust and expectation of its customers both at home and abroad, the Bank will focus on the following priority tasks.

(Growth strategies)

The Bank, as the core bank of MUFG Group, will provide further enhanced quality services with precision and promptness, capitalizing on its operation network both at home and abroad which is the most extensive among the Japanese banks, along with further collaboration with other group companies, in order to satisfy increasingly diversified and sophisticated financial needs of customers. Specifically, for individual customers, we will provide services that meet the diversified needs of customers in the areas including asset management and borrowing that fit their individual life stages, taking advantages of capabilities of MUFG group companies including trust banking and securities business. For corporate customers, we will provide various CIB (Corporate & Investment Banking) products including syndicated loans, along with transaction-oriented banking and market-related services, through the presentation of proposals for solutions to their issues, focusing on the development stage of each customer, from promising startups to established large corporations.

(Strengthening of operation basis)

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

The Bank will strive to achieve adequate control and management of its own funds including their effective utilization, to meet the strengthening of global financial regulations not least capital adequacy regulations, while reinforcing governance outside Japan to keep pace with the expansion of its overseas operations.

In the area of human resources as a source of competitive advantage, we will further focus on promoting professionalism let alone globalization. Meanwhile, we will keep enhancing the internal control including compliance.

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

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

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

Meanwhile, we will stay fully committed to providing assistance to those in need in the areas affected by the Great East Japan Earthquake. The Bank established "MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund," in cooperation with National Federation of UNESCO Associations in JAPAN, as part of the medium-to-long-term support for restoration from the earthquake. This fund is operated through schools, providing primarily a scholarship program for elementary, middle and high school students who have been orphaned as a result of the Great East Japan Earthquake, along with various related activities including restoration of flowerbeds in schools.

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

3. Risks Related to Business

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

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

(1) Risks associated with shareholdings

The Bank is holding sizable amount of shares that are subject to market fluctuation. Decline in share prices in the future could result in generation or escalation of impairment or valuation loss of the shares held by the Bank, with adverse impact on the Bank's financial position and results of operations, along with potential decline in risk-adjusted capital ratio.

(2) Risks associated with lending business

1) Status of non-performing loans

The Bank's non-performing loans which had been constantly decreasing for a while since its establishment in 2006, started to increase in recent years as adversely affected by the worsening economy after the so called Lehman Shock in September 2008. In the future, due to worsening economic situation both at home and abroad, falling prices of shares and real estates, increasing volatility in management conditions of the Bank's borrowers, as well as in the global economic environment, the Bank's non-performing loans and credit costs may further increase, with potential adverse impact on the Bank's financial position as well as results of operations, resulting in a reduction of its shareholders' equity.

2) Status of allowance for credit losses

The Bank records allowance for credit losses based on the conditions of each borrower, value of the collateral pledged as well as the assumptions and estimation of the general economic trend. Actual loan losses could far exceed the allowance for credit losses, as the initial assumption and estimation could prove inadequate with some discrepancy from the actual status. Also the initial assumption and estimation might have to be amended due to deterioration of the general economic conditions, where the Bank might be forced to increase allowance for credit losses in response to falling collateral value or other unexpected developments.

3) Status of poorly performing companies

Some of the Bank's borrowers are not performing adequately. These include companies under restructuring by legal arrangements, or by voluntary resolutions procedure including debt waiver via ADR (Alternative Dispute Resolution) for Business Restructuring.

The Bank's non-performing loans situation has been adversely impacted by these developments. In case the restructuring effort proves unsuccessful due to general economic deterioration, intensifying competition in the concerned sector, cancellation or downscaling of support by other creditors, concerned companies can go bankrupt. If financial distress and other troubles at such ailing borrowers should prolong or get aggravated, or the Bank is forced to waive loans to such borrowers, the Bank's credit costs could soar, further exacerbating the Bank's non-performing loans problems.

4) Action toward borrowers

In the event of a borrower's default, the Bank may not necessarily enforce all of the legal rights it has as creditor, in consideration of factors such as efficiency and effectiveness in debt collection.

Meanwhile, the Bank may waive its claim, or extend further support in the form of additional loans or investments to the troubled borrowers, if such actions are believed rational. Such support could result in a sizable increase in the outstanding balance of loans, as well as the credit costs, thus giving rise to risks of decline in its share price associated with such additional investments.

5) Difficulty in enforcing its rights

The Bank may find it practically impossible to cash out the encumbered real estate or securities, or to enforce execution on such assets held by the borrower, due to the circumstances such as lack of liquidity or falling prices in the real estate market, or decline in securities prices.

6) Other factors that could influence non-performing loans problems

i) Future increase in interest rates could result in falling value of the bond holdings including the Japanese government bonds, change in loan spread and increase in non-performing loans due to some borrowers becoming unable to service debts, which could adversely impact on the Bank's financial position and results of operations.

ii) Future large fluctuations in foreign exchange may cause deterioration in the financial performance of the Bank's borrowers due to the associated increases in costs coupled with decreases in sales, coupled with their financial burden triggered by valuation loss on foreign exchange derivatives (including currency options), and may also cause the increase in bad debt due to the borrowers' inability for settlement of the derivatives of this kind, all of which in turn should adversely affect the Bank's financial position and results of operations.

iii) Increase in non-performing loans mainly to the borrowers, that cannot sufficiently transfer to their sales prices the rise in costs of purchase and transport due to soaring raw materials costs including crude oil and steel, could adversely impact on the Bank's financial position and results of operations.

iv) Impairment of assets and other financial problems may remain unsolved at some of the Japanese financial institutions (including banks, non-banks, securities companies and insurance companies), which could further deteriorate in the future, or such new cases could emerge among them. If such financial difficulties at the Japanese financial institutions prolong, get worse or newly emerge, liquidity or solvency at such financial institutions may become questionable, which could have negative impact on the Bank's operation via the following potential development.

- A financial institution that developed such problem might cancel or reduce its commitment to its borrower which happens to be the Bank's borrower as well. As a result, such borrower could go bankrupt, and/or the Bank's non-performing loans in such borrower could increase.
- The Bank might be requested to participate in the collective support for failing financial institutions.
- The Bank holds shares in some of the Japanese financial institutions.
- The Bank might suffer competitive disadvantages, in case the government affords special treatments in regulatory, taxation, financing and other terms, for the purpose of reinforcing capital base or revenues of the financial institutions under governmental control.
- Deposit insurance premiums payable by the Bank could be increased, if the deposit insurance fund proved to be inadequate.
- In the event of bankruptcy of a financial institution, or the government taking over the controlling interest of a financial institution, depositors' confidence in financial institutions might be undermined or general management environment that surrounds financial institutions could be adversely impacted.
- Negative or skeptical media coverage against banking business (regardless of its authenticity or its relevance) could jeopardize the reputation of and confidence in the Bank.

(3) Risks associated with market activities

The Bank is engaged in a wide range of market activities dealing in various financial instruments including derivatives, where its financial position and results of operations is exposed to the risks associated with such activities, including interest rate risks both at home and abroad, foreign exchange risks, risks associated with market fluctuations including securities prices. For example, rising interest rates at home or abroad could adversely impact the value of the Bank's bonds portfolio including its massive government bond holdings, while yen appreciation could reduce financial statement value of the Bank's foreign currency-denominated investments, resulting in realized losses or valuation losses. The Bank defines market risk as the risk of losses associated with various market fluctuations including interest rates at home or abroad, exchange rates and securities prices, and classifies it into two subclasses, namely general market risk and specific risk. The former is defined as the risk of loss due to the general market volatility while the latter is defined as the risk of loss due to the volatility of specific financial instruments such as bonds and stocks irrespective of the general market trend. The Bank determines the size of such risk, by statistically estimating the maximum probable loss of the market value of its portfolio during a certain period to come, based on the past market fluctuations, where the aggregate of the value of general market risk and that of specific risk is defined as the value of market risk. However, effectiveness of measured value of the market risk has its own obvious limitation, and cannot always accurately represent the actual risk, where risks beyond such measured value could potentially materialize.

(4) Foreign exchange risks

The Bank's operation is affected by the fluctuation in exchange rates. When exchange rates fluctuate, yen equivalent of the assets and liabilities of the Bank's wholly-owned subsidiary, UnionBanCal Corporation (hereinafter referred to collectively as "UNBC" including its banking subsidiary, Union Bank, N.A.) will fluctuate as well. Furthermore, part of the Bank's assets and liabilities are foreign currency-denominated, where unless such assets happen to equal liabilities in each foreign currency, thus neutralizing the impact of fluctuations in exchange rates, or adequate currency hedging is arranged, the Bank's risk-adjusted capital ratio, financial position and results of operations may be adversely affected by the fluctuations in exchange rates.

(5) Risks of liquidity deterioration as a result of downgrading of the Bank's financial rating

In case the Bank's financial rating is downgraded by a rating agency, the Bank's activities including market activities may suffer. In the event of such downgrading, the Bank's market operation may be forced to accept disadvantageous trading terms, or may become unable to do certain transactions altogether, making it difficult for the Bank to raise capital or finance. In such event, profitability of the Bank's market and other activities may suffer, with knock-on effect on the Bank's financial position and results of operations.

(6) Risks of the Bank's business strategies not working

Although the Bank is implementing a range of business strategies on a global scale, with the purpose to enhance profitability, some of those strategies may not work out or fail to produce the originally anticipated results, or even have to be amended, due to various factors that may emerge, which include:

- Loan portfolio for profitable clients may not be boosted.
- Loan margin on the existing loans cannot be expanded.
- Fee revenues cannot be increased as targeted by the Bank.
- Expansion of overseas operations cannot progress as anticipated.
- Implementation of the streamlining strategies cannot progress as anticipated.
- Consolidation and restructuring of businesses within the Group under way or scheduled to be under way may be delayed, causing loss of customers and/or business opportunities, or incurring higher than anticipated costs, or failing to produce the originally envisaged results in the implementation of streamlining strategies and/or system integration.
- An investee of the Bank may become reluctant to progress or cancel collaboration with the Bank as a result of the company's financial or operational difficulties, change in its business strategies or its decision that it no longer sees the Bank as an attractive partner. Deterioration in the Bank's financial position may also necessitate the termination of collaboration with the investee.

(7) Risks associated with the expansion of the scope of activities

Insofar as permissible under the relevant laws and regulations and other restrictions, the Bank has been far expanding the scope of activities including those of subsidiaries and affiliates on a global scale. The further such expansion progresses, the more unfamiliar and complicated risks the Bank is exposed to. In some cases the Bank has limited or no experience at all in dealing with risks associated with the area of activities added by the expansion. Activities involving greater volatility mean potentially larger profit, which, however, comes with the risk of loss. Unless appropriate internal control system and risk management system are established, along with capital adequacy commensurate with the risks involved, the Bank's financial position and results of operations could be adversely affected. Besides, if the expansion of the scope of activities would not progress as anticipated, or if the profitability of the concerned activities would suffer as a result of severe competition, such expansion strategies of the Bank could prove unsuccessful at all.

(8) Risks associated with the exposure in the emerging markets

The Bank is operating in the emerging markets such as Asia, Latin America, Central and Eastern Europe, Middle East through the network of its branches and subsidiaries, thus is exposed to the various credit risks and market risks related to each local market. For example, further depreciation of the local currencies of these countries could adversely affect the credit status of the Bank's local borrowers. Loans provided to the borrowers in the emerging markets are often denominated in foreign currencies such as US dollars or Euros. As those borrowers usually do not bother to hedge their business against the fluctuation of their local currencies, depreciation of local currencies could make it difficult for them to repay the debt to their international lenders including the Bank. Furthermore, authorities in these countries may raise interest rates in an effort to support the value of local currencies, where borrowers will be forced to allocate more management resources to repay their domestic debt, potentially at the cost of their capacity to repay international debt to lenders including the Bank. Such circumstance or an associated credit crunch could adversely affect the local economy, with repercussions on the credit status of local borrowers and banks, which could eventually lead to losses at the Bank.

Moreover, materialization of various other risks unique to, or shared by each territory or country, could result in corresponding financial loss or other adverse effect at the Bank.

(9) Risks associated with UNBC

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

(10) Risks associated with consumer finance activities

The Bank has affiliates engaged in consumer finance business while lending money to consumer finance operators. In association with consumer finance business, there were a series of court decisions that facilitate borrowers' request for refund of excess interest, including one that rules on stricter definition of the so called constructive repayment, continuously giving rise to litigations involving the request for refund of excess interest. Furthermore, as part of the revisions of the Money Lending Business Act that have been implemented step-by-step since December 2007, a revision was enforced in June 2010, in which constructive repayment system was abolished while total volume control was introduced. Meanwhile, as a result of the revision of the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates, maximum interest rate for contract of cash loan for consumption was reduced from 29.2% to 20%. As such, business environment surrounding the consumer finance industry remains to be watched closely, given the level of volatility as seen in a number of bankruptcies including a few major players. Given these circumstances, if the Bank's subsidiaries and affiliates engaging in consumer finance business suffer similar management difficulty, the Bank's financial position and results of operations may be adversely affected. Furthermore, if the Bank's borrowers operating consumer finance business are adversely affected by these developments, the Bank's loans to them may be impaired.

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

Uncertainty remains in the world economy as it suffers increasingly serious impact from the fiscal crisis which started in Europe and the associated financial crisis. If this situation continues, part of the investment portfolio, as well as lending activities of the Bank may be adversely affected. For example, the Bank may suffer greater loss due to further decline in the market values of the securities it holds. Meanwhile, changing business environment in the credit market could cause financial difficulty and default at the Bank's borrowers, leading to an increase in the Bank's bad debt and credit costs. Moreover, decline in the value of securities, along with credit crunch in the capital market could lower the creditworthiness of financial institutions both at home and abroad, resulting in increase in bankruptcies of financial institutions via shortage of capital or liquidity crisis. The Bank may suffer loss resulting from the transactions with such failing financial institutions, which could adversely impact the Bank's financial position and results of operations. Furthermore, in case the global economy suffers prolonged aftermath of the recurrent global financial crisis due to turmoil in the market caused by remaining drastic volatility in the global bonds and stocks markets as well as the foreign exchange market, its impact on the Bank may become even more serious.

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

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

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

(12) Risks of operational disruption due to external events (disasters, terrorism and natural disasters, etc.)

External events such as conflicts (including serious political uncertainty), terrorism, natural disasters such as earthquakes, windstorm and flood damages, and pandemics, etc. may cause serious disturbance to the social infrastructure, or directly affect the Bank's branches, ATMs, system centers and other facilities, or otherwise make it difficult for the Bank to carry on its normal business, resulting in the whole or partial suspension of the Bank's operations.

The Bank is exposed to the risks of natural disasters, not least earthquakes. Although the Bank has developed a business continuity plan necessary to address such risks, which involves constant upgrading, it may not necessarily be able to cope with all future events. For example, tsunami, liquefaction, fire, rolling blackouts or power-saving initiatives in the aftermath of a future catastrophic event, such as the Great East Japan Earthquake that struck in March 2011, may adversely affect the operations of the Bank's branches, ATMs, system centers and other facilities. Power-saving initiatives triggered by the Great East Japan Earthquake, may continuously cause adverse effects to the operations of the Bank's branches, ATMs, and other facilities in the years to come.

Moreover, there are risks associated with the above circumstance, including further economic slowdown, management deterioration of the Bank's borrowers and decline in the stock market, which may increase the Bank's bad debt and credit costs or cause losses on impairment or valuation of the financial instruments held by the Bank.

Under any of the above circumstance, the Bank's financial position and results of operations may be adversely affected.

(13) Risks associated with Systems

Information and communications Systems play an extremely important part in the Bank's business, constituting the core of the Bank's operation and account, including customer services via the Internet or ATM. The system may suffer from malfunctions or breakdowns due to factors including human errors, accidents, power failures, hacking, computer virus, defective service provision by a third party such as a telecommunications carrier, along with external events and incidents including conflicts (including serious political uncertainty), terrorism, natural disasters such as earthquakes, windstorm and flood damages, and pandemics. These events, if severe enough, could disrupt the Bank's operation, giving rise to compensation for damages or similar losses. This could result in administrative punishment, let alone the possibility of compromising the Bank's reputation, adversely affecting its business, financial position and results of operations.

(14) Risks associated with competition

Competition in the financial services industry is getting even more strenuous, following the recent integration and restructuring across the industry. Various types of collaborations among the financial players are likely to keep emerging in the future, which could make competition even tougher. Meanwhile, change in the regulatory framework for financial institutions is being discussed on a global scale, which could change the competitive environment in the financial services industry. Unless the Bank can obtain competitive advantage in such competitive business environment, its financial position and results of operations may be adversely affected.

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

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

If the Bank is unable to wholly comply with applicable laws and regulations, it may be subject to fines, administrative surcharges, disciplinary sanctions, reputational degradation, operational improvement orders, business suspension orders, and even revocation of business license in extreme cases, as a result of which the Bank's business and its results of operations could be adversely affected. Record of such regulation-related penalty may have negative influence in case the Bank will need to apply for official approvals as prerequisite for strategic business development.

In December 2011, the Bank's equity-method affiliate JACCS CO., LTD. (hereinafter referred to as "JACCS"), received an administrative sanction (operational improvement order) from the Kanto Bureau of Economy, Trade and Industry, under the Ministry of Economy, Trade and Industry, according to the provisions of Article 35-3-21, Paragraph 1 and Article 35-3-31 of the Installment Sales Act, in respect of the violation in which JACCS, while its computer systems broke down, provided borrowers with credit in excess of the estimated repayable amount specifically applicable to such borrowers, without conducting credit investigations as required by the law. JACCS might be subject to additional penalty, if it fails to implement adequate improvement measures within a reasonable time frame, or if another statutory violation of similar nature is discovered by an additional inspection, or in the course of the implementation of the imposed improvement measures.

(16) Risks associated with changes in regulations

The Bank is operating subject to the current regulations, and thus exposed to risks associated with the regulations (including the impact from the changes in laws and regulations, accounting standards, government policies, business practices, interpretations, fiscal policies, etc. both at home and in the markets of other regions where the Bank has operations, and the global financial regulations). Future changes in laws and regulations, accounting standards, government policies, business practices, interpretations, fiscal policies and other policies, and developments derived therefrom may have adverse impact of the Bank's financial position and business performance, where it would be difficult to predict the nature, contents and severity of such adverse impact, and thus they would be beyond the Bank's control.

(17) Risks associated with transactions with the states harboring terrorists

The Bank has transactions with the legal entities in, or related to the countries designated by the U.S. Department of State as the "state sponsors of terrorism," including Islamic Republic of Iran (hereinafter referred to as "Iran"). Furthermore, the Bank has a representative office in Iran.

The United States law generally bars or restricts its citizen from dealing with the state sponsors of terrorism. Furthermore it is recognized that institutional investors in the U.S. including the U.S. government and pension funds are considering the restriction of transactions with or investment to the parties doing business with the state sponsors of terrorism such as Iran. Depending on the development of such situation, the Bank may no longer be able to acquire or maintain as its clients or investors the U.S. institutional investors including the U.S. government and pension funds, or otherwise those parties applicable to such restrictions. In addition, the Bank's reputation, in light of its social and political implication, could be undermined because of its relationship with those states in question. These developments could have adverse impact on the Bank's financial position and results of operations.

The United States further tightened restrictions on transactions with Iran through a series of legislations including the Comprehensive Iran Sanctions, Accountability, and Divestment Act enacted in July 2010, and the National Defense Authorization Act enacted in December 2011. The Japanese government has enforced sanctions including asset freeze against the banks and other institutions that may contribute to the Iranian nuclear development, on the basis of the Foreign Exchange and Foreign Trade Act. The Bank has followed up such government policy and taken measures accordingly. However, if such measures are believed by the U.S. government not to catch up fully with their sanctions, the Bank could be penalized by their regulatory measures in some way.

(18) Risks associated with capital adequacy ratio

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

The Bank is subject to the capital adequacy requirement based on the new Basel Accord (Basel II) for bank capital adequacy since fiscal year ended March 2007. As the Bank has overseas business operations, its consolidated as well as non-consolidated risk-adjusted capital ratio must meet the uniform international standards (i.e. maintenance of 8% or higher), as set out by the "Criteria for Judging Whether

A Financial Institution's Own Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law" (the Financial Services Agency Notification No. 19 of 2006).

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

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

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

· Increase in credit risk-adjusted assets or expected loss due to portfolio volatility that could result from the deteriorating creditworthiness of obligors, or issuing entities of stocks or bonds
· Increase in credit costs that could result from the disposal of bad debt, or deteriorating creditworthiness of obligors
· Decline in the value of securities portfolio
· Change in the criterion of bank capital adequacy requirement or its calculation method
· Reduction in the amount of deferred tax assets
· Difficulty in refinancing by converting the Bank's existing subordinated debt into other subordinated debt on equivalent terms
· Adverse fluctuations in foreign exchange
· Other adverse developments described herein

2) New regulation

The Basel Committee on Banking Supervision announced international standards governing bank capital adequacy and liquidity, as part of the comprehensive regulatory framework (Basel III), based on the lessons learned from the latest global financial crisis. The new regulations according to these standards involve enhancement of minimum capital adequacy requirement, introduction of the capital conservation buffer which, in the event of failure to meet the capital adequacy requirement, restricts capital outflow such as dividend payout, and quantitative liquidity regulations (minimum liquidity requirements), and are scheduled to be implemented step by step from 2013.

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

List of G-SIFIs will be updated annually, and the financial institutions subject to initial application will be identified by November 2014.

3) Deferred tax assets

The aforementioned FSA Notification restricts the types of deferred tax assets that may be included in the basic items of a bank's own capital for the purpose of calculating risk-adjusted capital ratio (hereinafter referred to as "Own Capital" in this 3) and the following 4)). In case the amount of deferred tax assets currently included in the basic items of the Bank's Own Capital is considered in conflict with such restriction, the Bank's risk-adjusted capital ratio may be lowered.

Current accounting standard in Japan, subject to certain conditions, allows tax benefits likely to be realized in the future to be recorded as deferred tax assets. Calculation of deferred tax assets involves various estimations and assumptions including those in respect of the future taxable income, where actual outcome could differ from such estimations and assumptions. Even in case the amount of deferred tax assets allowable to be included in the Bank's Own Capital is not affected by the aforementioned FSA Notification, if the Bank considers that part or whole of deferred tax assets cannot be realized based on the estimations and assumptions in respect of the future taxable income, the amount of deferred tax assets at the Bank will be reduced. Furthermore, change in the tax rate following the revision of law, may reduce the Bank's deferred tax assets. As a result of these changes, the Bank's financial position and results of operations may be adversely affected, while its risk-adjusted capital ratio may decline.

4) Subordinated debt

Subordinated debt meeting certain requirement can be included, within a certain limit, in the Bank's Own Capital as supplementary or quasi-supplementary item, for the purpose of calculating its risk-adjusted capital ratio. When the time limit arrives for the inclusion of such subordinated debt into the Bank's Own Capital, it may prove impossible for the Bank to refinance the existing subordinated debt on the equivalent terms, subject to the then market conditions. In such case, the Bank’s Own Capital will be reduced, resulting in a lower risk-adjusted capital ratio.

(19) Risks associated with retirement benefit obligation

In the event of decline in the fair value of the Bank’s plan assets, or its rate of return, or if there are changes in the actuarial premises and assumptions for the calculation of projected benefit obligation, losses may accrue. Also unrecognized prior service cost may accrue due to changes in the pension system. Furthermore, other factors such as changes in interest rate environment may have adverse impact on the unfunded pension obligation as well as annual funding amount. As a result of the above, the Bank’s financial position and results of operations may be adversely affected.

(20) Risks associated with leakage of information

The Bank is required to prudently handle customer information under the Banking Law as well as the Financial Instruments and Exchange Act. The Bank, as a business operator handling personal information, is also required to comply with the duty for the purpose of protecting personal information under the Act on the Protection of Personal Information (Personal Information Protection Act).

Leakage of customer information or the Bank’s classified information through illegal access by insiders or outsiders, or misuse of it, could constitute administrative punishment, potentially giving rise to direct loss of the Bank such as the payment of compensation for the financial and psychological damage the customers involved may suffer. In addition, the Bank’s business environment may become more severe if such incident is reported by the media, materializing the Bank’s reputation risk, causing the loss of confidence by its customers and in the market, where the Bank’s business operation, financial position and results of operations may be adversely affected.

(21) Reputation risk

The Bank’s reputation is a critically important asset in maintaining favorable relationship with customers, investors, supervising authorities and society at large, which, however, can be compromised as a result of violations of laws and regulations, misconduct of its employees, inappropriate handling of potential conflict of interest, litigations, system failures, action of the customers or counterparties, control of which is difficult or impossible, inappropriate trade practice or abuse of its superior bargaining position in dealing with customers, or other various events. If the Bank cannot preempt such events, or fails to adequately deal with them once they take place, it is likely to lose its existing or potential customers or investors, resulting in an adverse impact on the Bank’s business, financial position and results of operations.

(22) Risks of failing to recruit and develop adequate human resources

Despite the Bank’s constant effort to recruit and develop capable human resources, failure in this endeavor could result in an adverse impact on the Bank’s operation and business performance, etc.

4. Analyses of Financial Position, Results of Operations and Cash Flows

The Bank's financial position, results of operations and cash flows for the current consolidated fiscal year are as follows.

Consolidated gross operating income for the current fiscal year was ¥2,504.3 billion, with an increase of ¥15.1 billion from the previous fiscal year, reflecting an improvement of net other ordinary income although net interest income worsened.

Consolidated net business profit (before provision for general allowance for credit losses) was ¥1,209.4 billion, with an increase of ¥5.8 billion from the previous fiscal year, due to an increase of ¥9.3 billion from the previous fiscal year in general and administrative expenses.

Meanwhile, consolidated net income was ¥544.3 billion, with a decrease of ¥175.4 billion from the previous fiscal year, primarily reflecting an increase in income taxes.

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

(Billions of yen)

		Previous fiscal year (A)	Current fiscal year (B)	Change (B - A)
Interest income	(1)	1,914.3	1,856.0	(58.2)
Interest expenses (after deduction of expenses related to money held in trust)	(2)	368.5	359.5	(9.0)
Trust fees	(3)	10.8	10.2	(0.5)
Of which, credit costs for trust accounts	(4)	-	-	-
Fees and commissions income	(5)	638.2	642.7	4.5
Fees and commissions expenses	(6)	126.7	126.1	(0.6)
Trading income	(7)	116.2	126.7	10.5
Trading expenses	(8)	2.0	-	(2.0)
Other ordinary income	(9)	397.3	504.2	106.9
Other ordinary expenses	(10)	90.4	150.1	59.7
Consolidated gross operating income (= (1) - (2) + (3) + (5) - (6) + (7) - (8) + (9) - (10))	(11)	2,489.1	2,504.3	15.1
General and administrative expenses (after deduction of non-recurring expenses)	(12)	1,285.5	1,294.9	9.3
Consolidated net business profit (before provision for general allowance for credit losses = (11) + (4) - (12))		1,203.5	1,209.4	5.8
Other expenses (Provision for general allowance for credit losses)	(13)	94.7	(3.2)	(97.9)
Consolidated net business profit (= (11) - (12) - (13))		1,108.8	1,212.6	103.7
Other income	(14)	132.8	155.7	22.9
Of which, reversal of allowance for credit losses		-	-	-
Of which, gains on collection of bad debts		-	44.8	44.8
Of which, gains on sales of equity securities and other securities		52.8	35.2	(17.6)
Interest expenses (expenses related to money held in trust)	(15)	0.1	0.1	(0)
General and administrative expenses (non-recurring expenses)	(16)	45.0	46.1	1.0
Other expenses (after deduction of provision for general allowance for credit losses)	(17)	346.7	390.4	43.6
Of which, credit costs		178.2	183.3	5.1
Of which, losses on sales of equity securities and other securities		46.4	61.8	15.3
Of which, losses on write-down of equity securities and other securities		54.4	67.3	12.8
Net non-recurring gains (losses) (= (14) - (15) - (16) - (17))		(259.1)	(280.9)	(21.8)
Ordinary profit		849.7	931.7	81.9
Net extraordinary gains (losses)		11.2	(13.6)	(24.8)
Of which, reversal of allowance for credit losses		-	-	-
Of which, gains on collection of bad debts		49.5	-	(49.5)
Of which, impairment loss of long-lived assets		(5.4)	(18.2)	(12.7)

	Previous fiscal year (A)	Current fiscal year (B)	Change (B - A)
Income before income taxes and minority interests	861.0	918.0	57.0
Total income taxes	77.8	315.6	237.7
Minority interests in net income	63.3	58.0	(5.2)
Net income	719.7	544.3	(175.4)

1. Analysis of Results of Operations

(1) Credit costs

Total credit costs for the current fiscal year decreased by ¥87.6 billion compared to the previous fiscal year to ¥130.4 billion.

Write-offs of loans decreased by ¥37.9 billion, provision for specific allowance for credit losses increased by ¥43.4 billion and other credit costs decreased by ¥0.4 billion compared to the previous fiscal year.

(Billions of yen)

		Previous fiscal year (A)	Current fiscal year (B)	Change (B - A)
Of the trust fees, credit costs for trust accounts	(1)	-	-	-
Of other income, reversal of allowance for credit losses	(2)	-	-	-
Of other income, reversal of reserve for contingent losses	(3)	-	4.7	4.7
Of other income, gains on collection of bad debts	(4)	-	44.8	44.8
Of other expenses, provision for general allowance for credit losses	(5)	94.7	(3.2)	(97.9)
Of other expenses, credit costs	(6)	178.2	183.3	5.1
Write-offs of loans		143.9	106.0	(37.9)
Provision for specific allowance for credit losses		33.8	77.3	43.4
Other credit costs		0.3	(0)	(0.4)
Of the extraordinary gains, gains on collection of bad debts	(7)	49.5	-	(49.5)
Of the extraordinary gains, reversal of allowance for credit losses	(8)	-	-	-
Of the extraordinary gains, reversal of reserve for contingent losses	(9)	5.2	-	(5.2)
Total credit costs (= (1) - (2) - (3) - (4) + (5) + (6) – (7) – (8) – (9))		218.1	130.4	(87.6)
Consolidated net business profit (before credit costs for trust accounts and provision for general allowance for credit losses)		1,203.5	1,209.4	5.8
Consolidated net business profit (after deduction of total credit costs)		985.4	1,078.9	93.4

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

The Bank posted ¥93.9 billion losses on equity securities and other securities for the current fiscal year with a decrease of ¥45.8 billion from the previous fiscal year.

Gains on sales of equity securities and other securities decreased by ¥17.6 billion compared to the previous fiscal year to ¥35.2 billion while losses on sales of equity securities and other securities increased by ¥15.3 billion compared to the previous fiscal year to ¥61.8 billion. Losses on write-down of equity securities and other securities increased by ¥12.8 billion compared to the previous fiscal year to ¥67.3 billion.

(Billions of yen)

	Previous fiscal year (A)	Current fiscal year (B)	Change (B - A)
Net gains (losses) on equity securities and other securities	(48.0)	(93.9)	(45.8)
Of other income, gains on sales of equity securities and other securities	52.8	35.2	(17.6)
Of other expenses, losses on sales of equity securities and other securities	46.4	61.8	15.3
Of other expenses, losses on write-down of equity securities and other securities	54.4	67.3	12.8

2. Analysis of Financial Position

Loans

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

Claims disclosed under the Financial Reconstruction Act increased by ¥135.6 billion from the end of the previous fiscal year to ¥1,514.3 billion. The percentage of disclosed claims to total claims rose by 0.07 percentage points from the end of the previous fiscal year to 1.93%.

Claims by borrowers' classification show claims against bankrupt or de facto bankrupt borrowers fell by ¥23.8 billion, while doubtful claims rose by ¥160.7 billion, and claims in need of special attention fell by ¥1.1 billion.

With regard to the coverage situation at the end of the current fiscal year for these disclosed claims totaling ¥1,514.3 billion, allowance for credit losses covered ¥374.7 billion claims and the covered amount by collaterals, guarantees and others was ¥814.1 billion, representing a percentage of covered claims to total disclosed claims (coverage ratio) of 78.50%.

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	103.3 (127.2)	1.5 (4.4)	101.8 (122.8)	100.00% (100.00%)	100.00% (100.00%)
Doubtful claims	873.3 (712.6)	250.8 (202.8)	394.4 (329.9)	52.37% (53.00%)	73.88% (74.76%)
Claims in need of special attention	537.6 (538.8)	122.4 (127.4)	317.8 (275.5)	55.69% (48.42%)	81.88% (74.80%)
Subtotal	1,514.3 (1,378.7)	374.7 (334.7)	814.1 (728.4)	53.52% (51.46%)	78.50% (77.10%)
Normal claims	76,648.9 (72,744.3)	-	-	-	-
Total	78,163.3 (74,123.1)	-	-	-	-
Percentage of disclosed claims to total claims	1.93% (1.86%)	-	-	-	-

(Note) The upper figures are as of March 31, 2012. The lower figures with parentheses are as of March 31, 2011.

Securities

Securities at the end of the current fiscal year increased by ¥5,257.1 billion to ¥63,714.3 billion compared to the end of the previous fiscal year. Corporate bonds and equity securities reduced by ¥526.0 billion and ¥154.5 billion, respectively, but government bonds and other securities rose by ¥2,537.0 billion and ¥3,419.3 billion, respectively.

(Billions of yen)

	As of March 31, 2011 (A)	As of March 31, 2012 (B)	Change (B) - (A)
Securities	58,457.1	63,714.3	5,257.1
Government bonds	40,138.3	42,675.3	2,537.0
Municipal bonds	199.1	180.5	(18.6)
Corporate bonds	3,489.8	2,963.8	(526.0)
Equity securities	3,252.5	3,097.9	(154.5)
Other securities	11,377.2	14,796.6	3,419.3

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

3. Cash Flows

With regard to cash flows, operating activities generated net cash of ¥6,618.3 billion with a ¥1,257.0 billion decrease in cash inflows from the previous fiscal year. Investing activities used net cash of ¥6,199.1 billion, as a result of ¥844.1 billion decrease in expenses compared to the previous fiscal year. Financing activities used net cash of ¥538.8 billion, with a ¥445.2 billion decrease in expenses from the previous fiscal year.

Cash and cash equivalents at the end of the current fiscal year were ¥3,024.2 billion, with a decrease of ¥147.3 billion from the previous fiscal year.

4. Results of Operations by Business Division

Results of operations for the current fiscal year posted by business units which are segmented based on the internal management classification.

[Principal business conducted by each business unit]

Retail Banking Business Unit	:	Providing financial services to individual customers in Japan
Corporate Banking Business Unit	:	Providing financial services to corporate customers in Japan
Global Business Unit	:	Providing financial services to overseas individual and corporate customers
Of which, UNBC	:	UnionBanCal Corporation (a bank holding company that controls U.S. Union Bank, N.A. as its subsidiary)
Global Markets Unit	:	Foreign exchange, funds and securities transactions for customers and markets, liquidity and cash management
Other units	:	Settlement and custody services, investments, internal coordination, etc.

(Billions of yen)

	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	UNBC	Global Markets Unit	Other units (Note 2)	Total
Gross operating income	652.4	693.5	616.7	251.9	577.0	(45.5)	2,494.3
Non-consolidated	553.9	665.2	292.7	-	570.4	(63.9)	2,018.3
Net interest income	450.7	367.1	158.1	-	215.0	0.1	1,191.2
Net non-interest income	103.1	298.0	134.6	-	355.4	(64.1)	827.1
Subsidiaries	98.5	28.3	323.9	251.9	6.6	18.4	475.9
Expenses	459.2	338.5	362.8	172.9	44.2	120.0	1,325.0
Net operating income (Note 1)	193.2	355.0	253.8	79.0	532.7	(165.6)	1,169.3

(Notes) 1. Net operating income is a consolidated net business profit (loss) before consolidation adjustments (eliminating dividends from subsidiaries only).
Above profits and losses are computed for the purpose of internal management and differ from those for financial accounting.
2. Other units' gross operating income excludes dividends from subsidiaries and income from the loans to Mitsubishi UFJ Financial Group, Inc.

(1) Retail Banking Business Unit

Income from yen deposit operations decreased due to declining market rates, while income from the sales of fund management products remained solid. In addition, the unit kept up its effort to reduce costs.

(2) Corporate Banking Business Unit

Despite the decrease in income from lending operations due to stagnating capital needs, the solutions business remained solid, and the unit kept up its effort to reduce costs.

(3) Global Business Unit

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

(4) Global Markets Unit

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

III. Equipment and Facilities

Overview of Capital Investment

With the purpose to improve our extensive customer services while rationalizing and streamlining internal operations, the Bank made information system investment to enhance our products and services, apart from the investment for relocation of head office functions from Otemachi Building, refurbishment of head office building/center, as well as elimination/consolidation, relocation, reconstruction and renovation of branches.

Primarily due to the above measures, the total capital investment for the current consolidated fiscal year amounted to ¥192.9 billion, including investment for intangible fixed assets such as software.

In addition, the Bank, in the current consolidated fiscal year, disposed the following major equipment and facilities with the details as described hereunder.

Name of the concerned entity	Name of the concerned branch/premises	Location	Description of the concerned equipment and facilities	Timing of exchange	Book value as of the end of the previous fiscal year (millions of yen)
The Bank	Otemachi Building	Chiyoda-ku, Tokyo	(Note)	January 2012	15,374

(Note) This disposal took place in the form of an exchange of the Bank's stake in the equity of Otemachi Building with a stake in the equity of Marunouchi Eiraku Building.

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

IV. Company Information

1. Information on the Company's shares

(1) Total number of shares, etc.

1) Total number of shares

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

2) Total number of shares issued

Class	Number of shares issued as of the end of the current fiscal year (March 31, 2012)	Number of shares issued as of the date of submission (June 28, 2012)	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) Changes in 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)
November 12, 2007	(Note 1)	1,000	10,615,661	-	996,973,118	5,700,000	2,773,290,244
August 1, 2008	(Note 2)	43,895	10,659,557	-	996,973,118	-	2,773,290,244
December 25, 2008	(Note 3)	496,960	11,156,517	186,360,000	1,183,333,118	186,360,000	2,959,650,244
January 30, 2009	(Note 4)	34,567	11,191,084	12,962,625	1,196,295,743	12,962,625	2,972,612,869
March 10, 2009	(Note 5)	-	11,191,084	-	1,196,295,743	(1,776,317,126)	1,196,295,743
December 28, 2009	(Note 6)	1,516,654	12,707,738	515,662,360	1,711,958,103	515,662,360	1,711,958,103

(Notes)
1. This was due to the issue of 1st series of Class 6 preferred stock, as a result of absorption-type demerger with Mitsubishi UFJ Trust and Banking Corporation, which involved no change in amount of capital stock.
2. This was due to the issue of common stock in consideration for the simultaneous acquisition of 1st series of Class 3 preferred stock.
3. This was due to the private placement (496,960 thousand shares of common stock), in which offering price and paid-in capital per share were ¥750 and ¥375, respectively.
4. This was due to the private placement (34,567 thousand shares of common stock), in which offering price and paid-in capital per share were ¥750 and ¥375, respectively.
5. This was due to the reversal of capital reserve into other capital surplus, according to the provisions of Article 448, Paragraph 1 of the Companies Act, with the purpose to allow our capital policy to operate in a flexible and agile way.
6. This was due to the private placement (1,516,654 thousand shares of common stock), in which offering price and paid-in capital per share were ¥680 and ¥340, respectively.
7. 27,000 thousand shares of 1st series of Class 3 preferred stock and 150,000 thousand shares of 1st series of Class 5 preferred stock were changed/integrated into 177,000 thousand shares of 1st series of Class 7 preferred stock on October 31, 2008, involving no change in total number of shares issued, amount of capital stock nor amount of capital reserve.

(3) Status of major shareholders

By number of shares held

As of March 31, 2012

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 March 31, 2012

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

(4) Status of voting rights

1) Issued shares

As of March 31, 2012

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 March 31, 2012

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

(Note) Of the shares with no voting rights above, 100,000,000 shares of 1st series Class 2 preferred stock, 79,700,000 shares of 1st series Class 4 preferred stock, and 21,000,000 shares of 1st series Class 7 preferred stock are treasury stock.

(5) Details of stock option plans

None applicable

2. Policy on Dividends

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

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

According to the dividend policy as described above, for common stock dividend for the current fiscal year ended March 31, 2012, it was decided to pay out year-end dividend of ¥5.75 per share, while interim dividend of ¥5.89 per share, amounting to annual dividend of ¥11.64 per share.

In the meantime, it was decided to pay out preferred stock dividend as scheduled by the rule, where year-end dividend of ¥105.45 per share and ¥57.50 were paid to 1st series of Class 6 preferred stock and 1st series of Class 7 preferred stock, respectively. Thus annual dividend of ¥210.90 (combined with interim dividend of ¥105.45) and ¥115.00 (combined with interim dividend of ¥57.50) were paid to 1st series of Class 6 preferred stock and 1st series of Class 7 preferred stock, respectively.

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

Date of resolution	Aggregate amount of dividend	Dividend per share	
November 14, 2011 Resolution by the Board of Directors' meeting	¥81,817 million	Common stock	¥ 5.89
		1st series of Class 6 preferred stock	105.45
		1st series of Class 7 preferred stock	57.50
June 27, 2012 Resolution by the Ordinary General Meeting of Shareholders	¥80,088 million	Common stock	¥ 5.75
		1st series of Class 6 preferred stock	105.45
		1st series of Class 7 preferred stock	57.50

3. Changes in Share Prices

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

4. Directors and Corporate Auditors

Title	Position	Name	Date of birth	Term	Number of shares of the Company held	Concurrent positions
Chairman	(Representative Director)	Katsunori Nagayasu	April 6, 1947	One year from June 2012	-	President & CEO of Mitsubishi UFJ Financial Group, Inc.
Deputy Chairman	(Representative Director) In charge of Internal Audit & Credit Examination Division	Takamune Okihara	July 11, 1951	One year from June 2012	-	Chairman of Mitsubishi UFJ Financial Group, Inc.
President	(Representative Director)	Nobuyuki Hirano	October 23, 1951	One year from June 2012	-	Director of Mitsubishi UFJ Financial Group, Inc.
Deputy President	(Representative Director) Chief Executive, Global Business Unit	Takashi Morimura	June 5, 1952	One year from June 2012	-	Managing Officer & Group Head, Integrated Global Business Group of Mitsubishi UFJ Financial Group, Inc.
Deputy President	(Representative Director) In charge of Western Region of Japan	Takashi Nagaoka	March 3, 1954	One year from June 2012	-	-
Deputy President	(Representative Director) Chief Executive, Corporate Banking Business Unit	Kiyoshi Sono	April 18, 1953	One year from June 2012	-	Managing Officer & Group Head, Integrated Corporate Banking Business Group of Mitsubishi UFJ Financial Group, Inc.
Deputy President	(Representative Director) In charge of Central Region of Japan	Takeshi Ogasawara	August 1, 1953	One year from June 2012	-	-
Deputy President	(Representative Director)	Hitoshi Suzuki	January 8, 1954	One year from June 2012	-	-
Senior Managing Director	(Representative Director) In charge of Human Resources Division	Hidekazu Fukumoto	November 6, 1955	One year from June 2012	-	-
Senior Managing Director	(Representative Director) Chief Executive, Global Markets Unit	Takashi Morisaki	January 1, 1955	One year from June 2012	-	-
Managing Director	(Representative Director) Chief Executive, Corporate Services	Kanetsugu Mike	November 4, 1956	One year from June 2012	-	Managing Officer of Mitsubishi UFJ Financial Group, Inc.
Managing Director	(Representative Director) Chief Executive, Retail Banking Business Unit	Tadachiyo Osada	October 26, 1956	One year from June 2012	-	Managing Officer & Group Head, Integrated Retail Banking Business Group of Mitsubishi UFJ Financial Group, Inc.
Managing Director	(Representative Director) In charge of Corporate Administration Division, Corporate Planning Division, Public Relations Division, CSR Promotion Division	Saburo Araki	August 6, 1957	One year from June 2012	-	Director of Mitsubishi UFJ Financial Group, Inc.
Managing Director	(Representative Director) In charge of Compliance & Legal Division (Chief Compliance Officer), and of Corporate Risk Management Division, Credit Policy & Planning Division	Takehiko Shimamoto	November 15, 1959	One year from June 2012	-	Managing Officer of Mitsubishi UFJ Financial Group, Inc.
Director		Taihei Yuki	October 3, 1952	One year from June 2012	-	Senior Managing Director of Mitsubishi UFJ Financial Group, Inc.
Director		Kunio Ishihara	October 17, 1943	One year from June 2012	-	Chairman of the Board of Tokio Marine Holdings, Inc. Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd.
Director		Teruo Ozaki	December 29, 1944	One year from June 2012	-	Managing Partner of Teruo Ozaki & Co. CEO, President of Andersen Business Associates Inc.
Corporate Auditor (full-time)		Shota Yasuda	July 23, 1948	Four years from June 2011	-	-
Corporate Auditor (full-time)		Mikiyasu Hiroi	September 21, 1955	Four years from June 2010	-	-
Corporate Auditor (full-time)		Hiroshi Matsuo	November 15, 1958	Four years from June 2012	-	-
Corporate Auditor (full-time)		Kanji Morioka	April 1, 1960	Four years from June 2011	-	-
Corporate Auditor (full-time)		Tsutomu Takasuka	February 11, 1942	Four years from June 2012	-	Corporate Auditor of Mitsubishi UFJ Financial Group, Inc.

Title	Position	Name	Date of birth	Term	Number of shares of the Company held	Concurrent positions
Corporate Auditor		Kotaro Muneoka	October 30, 1940	Four years from June 2009	-	Honorary Advisor of Hitachi, Ltd.
Corporate Auditor		Kenji Matsuo	June 22, 1949	Four years from June 2009	-	Director, Representative Executive Officer and President of Meiji Yasuda Life Insurance Company
Corporate Auditor		Tetsuya Nakagawa	September 24, 1951	Four years from June 2012	-	-
Total		25 members				

(Notes)
1. Directors Taihei Yuki, Kunio Ishihara, and Teruo Ozaki are all Outside Directors stipulated under Article 2, Item 15 of the Companies Act.
2. Corporate Auditors Tsutomu Takasuka, Kotaro Muneoka, Kenji Matsuo, and Tetsuya Nakagawa are all Outside Corporate Auditors stipulated under Article 2, Item 16 of the Companies Act.
3. We have an executive officer system, and the Bank has 75 Executive Officers as of the date of submission. All the Directors listed above, except for Chairman Katsunori Nagayasu, Directors Taihei Yuki, Kunio Ishihara, and Teruo Ozaki, serve concurrently as Executive Officers.

5. Corporate Governance

(1) Corporate governance

1) Status of corporate governance of the Submitting Company

A) Basic concept on the corporate governance

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

Mitsubishi UFJ Financial Group, Inc., the parent company of the Bank, is a company with Auditors which has both Corporate Auditors and Directors. Taking advantage of management supervisory function performed by the Corporate Auditors and by incorporating "external perspectives" through the three measures as mentioned below, the Group is striving to establish stable and highly effective corporate governance structure while improving transparency of its corporate management and enhancing accountability to its shareholders.

a) Half or more of the members of the Board of Corporate Auditors shall be Outside Corporate Auditors.

b) The Group actively appoints Outside Directors and has established the voluntary "Internal Audit and Compliance Committee" and "Nomination and Compensation Committee" chaired by Outside Directors and consisting mainly of external committee members as committees under the Board of Directors.

c) The Group has established the "Advisory Board" consisting of external experts to provide valuable guidance to the Executive Committee regarding overall corporate management from an independent standpoint.

Being the same company with corporate auditors as Mitsubishi UFJ Financial Group, Inc., the Bank strengthens audits conducted by Corporate Auditors and internal audit functions as its basis of corporate governance, while making efforts to enhance management supervisory function of the Board of Directors and realize proper corporate management structure through appointment of Outside Directors and establishment of voluntary "Internal Audit and Compliance Committee." The Bank also introduced the business unit system where management authorities are accompanied by management responsibilities in each business unit, along with executive officer system, in order to enhance and strengthen business operation function in each business or business unit.

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

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

a) Board of Directors

The board of Directors meets once a month in principle and makes decisions on the Bank's important business executions and oversees execution of duties by the Directors. The Bank has 17 Directors including 3 Outside Directors as of the submission date of this report.

b) Internal Audit and Compliance Committee

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

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

c) Corporate Auditor/Board of Corporate Auditors

The Bank is a company with Auditors. The Board of Corporate Auditors consists of 8 Corporate Auditors including 4 Outside Corporate Auditors (comprising a half of the committee) as of the submission date of this report.

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

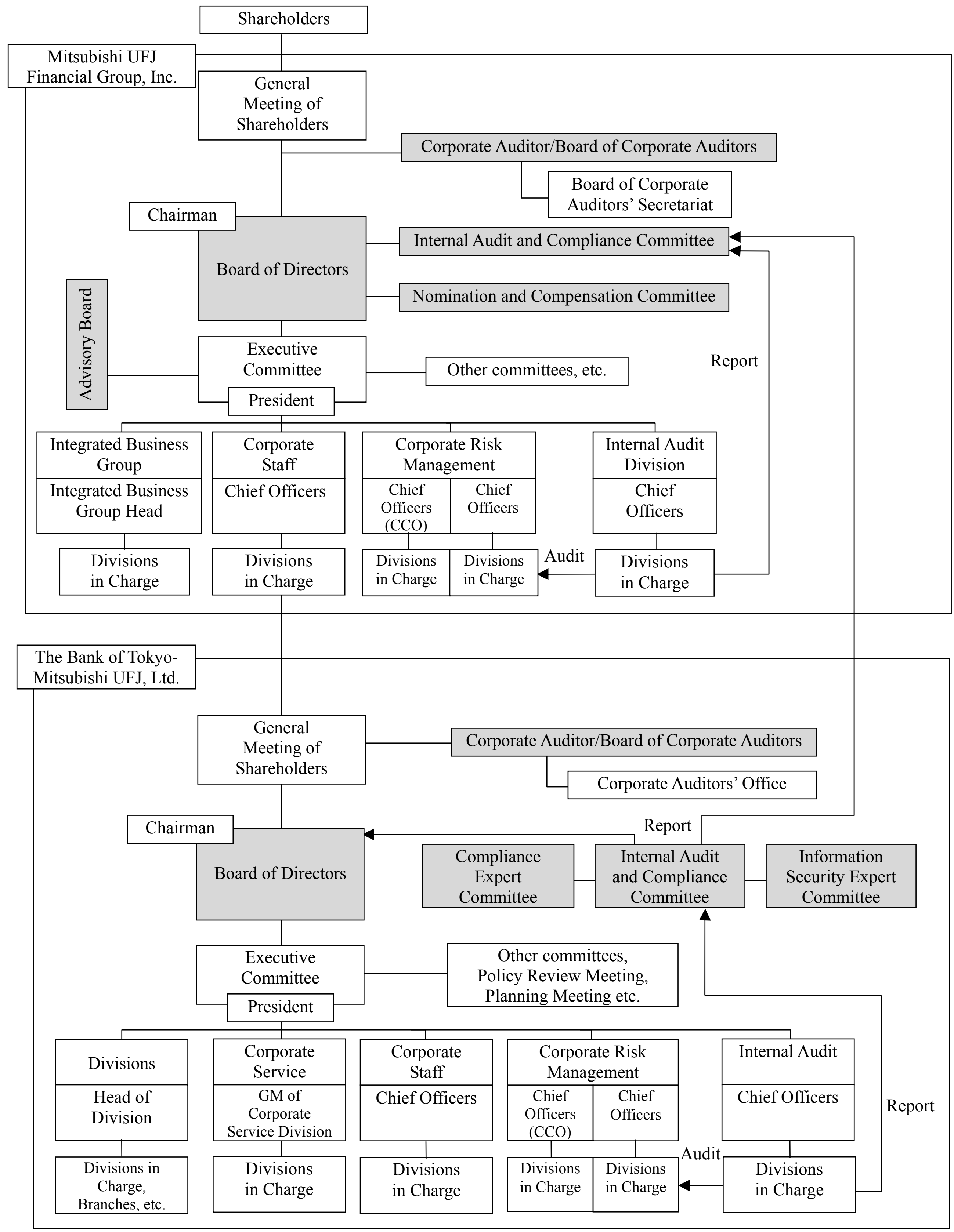
d) Executive Committee

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

e) Other Committees under the Executive Committee

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

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



[shaded box] ·······Organization with outside members

*CCO: Chief Compliance Officer

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

Mitsubishi UFJ Financial Group, Inc. has established the Compliance Division as a division to administer matters related to compliance, and also established the Group Compliance Committee and the Internal Audit and Compliance Committee as a voluntary committee consisting mainly of external committee members. Mitsubishi UFJ Financial Group, Inc. has also introduced the “Chief Compliance Officer (CCO),” enabling prompt reporting of group-wide compliance-related matters to the CCO. In addition, the “Group CCO Committee” has been established to strengthen sharing of compliance-related information among the Group companies and the Group’s incident prevention controls which realize the proactive response to problematic matters, as well as to improve compliance structure of the Group as a whole. Internal reporting system has been established, in addition to the ordinary reporting line within business organizations, and made available for officers and employees of the Group companies, in order to identify issues early and proactively rectify such issues through timely and proper reporting to the Group CCO Committee and other committees.

The Bank has also established the Compliance & Legal Division as a division to administer compliance as well as the Compliance Committee chaired by the CCO and the Compliance Expert Committee consisting of external experts such as experts of legal and accounting areas to deliberate important matters for the development and strengthening of compliance structure and thus ensure effectiveness of compliance. Furthermore, as the Bank adopts business unit system, it has established the structure to enable compliance management based on actual businesses by establishing department to be responsible for planning and supervision regarding compliance matters in each business unit in cooperation with the Compliance & Legal Division. To prevent money laundering, the Bank has also set up a specialized organization in the Compliance & Legal Division to consolidate related activities.

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

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

The Bank will continue to enhance its corporate governance through appropriate responses to enactments and revisions of laws and regulations in Japan and overseas, and other measures.

D) Compensation to Directors and Corporate Auditors

	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation by type (Millions of yen)				Number of recipients
		Annual compensation	Compensation in the form of subscription rights to share as stock options	Bonuses	Retirement benefits	
Inside Director	1,236	577	337	216	105	17
Outside Director	40	29	10	-	-	4
Inside Corporate Auditor	196	121	57	-	19	6
Outside Corporate Auditor	63	50	12	-	-	4

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

2. In addition to the above, the Bank paid retirement pension of ¥241 million and ¥12 million to the Inside Directors and Inside Corporate Auditors, respectively, who retired prior to June 2007.

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

- The Bank as the core bank of the MUFG Group is committed to providing quality products, services and advices on a global scale, in response to customer needs that are increasingly diversified and sophisticated, by capitalizing on the Group's extensive operation network both at home and abroad which is unrivalled among the Japanese banks.
- Our policies on compensation for Directors and Corporate Auditors are designed to enhance the executive motivation for contribution to the improvement in the Bank's performance, not only on short-term basis but also in medium-to-long-term perspective towards fulfilling management policies. Amounts of compensation are determined at appropriate level in light of the economic and societal circumstances at the time.
- These policies have been determined by the Board of Directors of the Bank in light of the basic policies of the parent Mitsubishi UFJ Financial Group, Inc. (hereinafter "MUFG"), which in turn had been determined by the Board of Directors of MUFG after the deliberation at its Nomination and Compensation Committee.
- The Nomination and Compensation Committee consisting of executives including primarily Outside Directors of MUFG deliberates implementation, revision and abolishment of the systems concerning compensation for Directors and Corporate Auditors of the MUFG, the Bank and relevant subsidiaries, as well as the general matters concerning compensation for Chairpersons, Vice-Chairpersons and Presidents of such relevant companies.
- The total amount of annual compensation, compensation in the form of subscription rights to share as stock options and bonuses to be paid to Directors of the Bank is determined at the General Meeting of Shareholders. The amount of compensation for each individual Director is decided by the Board of Directors within such determined amount, reflecting the contents of deliberation made by Nomination and Compensation Committee of the MUFG.
- Compensation, etc. for Directors is paid in three different forms: annual compensation, compensation in the form of subscription rights to share as stock options, and bonuses.
- The annual compensation is being paid every month in cash as fixed amount according to each rank.
- Compensation in the form of subscription rights to share as stock options, aiming at further motivating Directors to contribute to the improvement of stock price and medium-to-long-term financial performance of MUFG, is paid to the Directors according to each rank. It is being paid once a year by granting subscription rights to share issued by MUFG which can be exercised from the next day of the day the term of office is expired.
- Bonuses are paid as a performance-based compensation to further motivate Directors to contribute to the improvement of financial performance based on the Bank's performance and each Director's performance in execution of duties.
- Outside Directors are excluded from the recipients of the bonuses, in consideration of the nature of their duties.
- The total amount of annual compensation and compensation in the form of subscription rights to

share as stock options to be paid to Corporate Auditors of the Bank is determined at the General Meeting of Shareholders. The amount of compensation for each individual Corporate Auditor is decided within such determined amount, through discussions of Corporate Auditors. Corporate Auditors are excluded from the recipients of the bonuses, in consideration of the nature of their duties.

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

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

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

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

Basic matters regarding purposes, authorities and responsibilities, and implementation and reporting of internal audit are stipulated in the regulation established by the Board of Directors. The Bank has set up the Internal Audit Division under Chief Officers who do not have responsibility for functions other than internal audit, as a division independent of operational divisions. Internal Audit Division has 489 staff members as of the end of March 2012. The division has the Business Audit Office to conduct business audits and the Credit Audit Office to conduct credit audits. In addition, for overseas, the Bank established the Business Audit Office and the Credit Audit Office in the Americas and Europe, and Internal Corporate Auditors have been appointed to major business sites in Asia.

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

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

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

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

Mr. Taihei Yuki, an Outside Director, is the Representative Director of Mitsubishi UFJ Financial Group, Inc., the parent company of the Bank. The relationship between the Bank and Mitsubishi UFJ Financial Group, Inc. is described in "Related Party Transactions" under Section "Notes to Consolidated Financial Statements" of "V. Financial Information."

There is transactional relationship between Mr. Kunio Ishihara, an Outside Director, and the Bank. Details of such relationship are described in "Related Party Transactions" under Section "Notes to Consolidated Financial Statements" of "V. Financial Information."

Mr. Teruo Ozaki, an Outside Director, is the Representative Director of Andersen Business Associates Inc., which has deposit transaction relationship with the Bank.

Mr. Tsutomu Takasuka, an Outside Corporate Auditor, is an Outside Corporate Auditor of Mitsubishi UFJ Financial Group, Inc., the parent company of the Bank.

There is transactional relationship between Mr. Tetsuya Nakagawa, an Outside Corporate Auditor, and the Bank. Details of such relationship are described in “Related Party Transactions” under Section “Notes to Consolidated Financial Statements” of “V. Financial Information.”

Mr. Kenji Matsuo, an Outside Corporate Auditor, is Director and Representative Executive Officer of Meiji Yasuda Life Insurance Company, which has deposit transaction and other transactional relationship with the Bank.

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

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

The certified public accountants who have conducted accounting audit of the Bank are Mr. Kazutoshi Kogure, Mr. Takashi Nonaka, Mr. Ryota Fukui and Mr. Yukihiro Otani, who belong to Deloitte Touche Tohmatsu LLC. In addition, 64 certified public accountants, 66 assistant certified public accountants etc. and 35 other staff members have assisted the accounting audit of the Bank.

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

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

・The Bank shall have not more than 20 Directors.

・At the time of the election of the Bank’s Directors, there shall be in attendance shareholders who hold voting rights representing in the aggregate one-third or more of the total number of voting rights of all shareholders who are entitled to vote, and no cumulative voting shall be made for the election of Directors.

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

The Articles of Incorporation of the Bank set forth that unless otherwise provided for by laws or regulations, the Bank may determine by a resolution of the Board of Directors to acquire its own shares by obtaining consent of the shareholders as provided for in Article 459, Paragraph 1, Item 1 of the Companies Act, on condition that such acquisition is intended to allow its capital policy to operate in a flexible and agile way.

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

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

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

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

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

(2) Details of Compensation for Audits

1) Details of Compensation for Certified Public Accountants

(Millions of yen)

Classification	Previous fiscal year		Current fiscal year	
	Compensation for audit services	Compensation for non-audit services	Compensation for audit services	Compensation for non-audit services
The Bank	1,887	8	1,761	13
Consolidated subsidiaries	210	10	238	8
Total	2,097	18	1,999	21

2) Other important details concerning compensation

The Bank and some of its consolidated subsidiaries including UnionBanCal Corporation pay compensation for audit and non-audit services to audit firms which belong to the same network as the Accounting Auditor of the Bank. The total amount paid for the previous fiscal year was ¥1,343 million, and that for the current fiscal year was ¥1,350 million.

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

The non-audit services for which the Bank paid compensation to the certified public accountants include financial advisory services concerning capital restructuring of subsidiaries and affiliates, research on internal management systems with respect to calculation of capital adequacy ratio and other audit-related services.

4) Policies concerning compensation for auditors

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

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheets of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank") and subsidiaries as of March 31, 2012 and 2011, and the related consolidated statements of income for each of the three years in the period ended March 31, 2012, the consolidated statements of comprehensive income for each of the two years in the period ended March 31, 2012, and the consolidated statements of changes in equity and cash flows for each of the three years in the period ended March 31, 2012, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Bank and subsidiaries as of March 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2012, in conformity with accounting principles generally accepted in Japan.

Convenience Translation

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

Deloitte Touche Tohmatsu LLC

June 26, 2012

Consolidated Financial Statements

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

Consolidated Balance Sheets
March 31, 2012 and 2011

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2012	2011	2012
ASSETS:			
Cash and due from banks (Notes 3, 4 ,11 and 25)	¥6,866,983	¥8,034,314	$83,550
Call loans and bills bought (Note 25)	275,256	289,132	3,349
Receivables under resale agreements(Note25)	890,835	846,052	10,839
Receivables under securities borrowing transactions (Note 25)	307,498	751,482	3,741
Monetary claims bought (Notes 4, 11 and 25)	2,920,376	2,660,240	35,532
Trading assets (Notes 4, 11 and 25)	5,874,039	6,761,295	71,469
Money held in trust (Notes 5 and 25)	293,133	276,662	3,567
Securities (Notes 4, 6, 11 and 25)	63,714,303	58,457,111	775,207
Loans and bills discounted (Notes 7, 11, 25 and 28)	74,827,752	70,171,754	910,424
Foreign exchange assets (Note 25)	1,470,588	1,130,329	17,893
Tangible fixed assets (Note 8 and 27):	1,080,266	1,076,529	13,144
Buildings	220,993	235,052	2,689
Land (Note 9)	595,525	609,198	7,246
Lease assets (Note 22)	12,986	6,365	158
Construction in progress	17,264	12,966	210
Other tangible fixed assets	233,495	212,946	2,841
Intangible fixed assets:	601,093	602,842	7,313
Software	280,377	272,349	3,411
Goodwill (Note 27)	227,879	242,979	2,773
Lease assets (Note 22)	186	268	2
Other intangible fixed assets	92,649	87,245	1,127
Deferred tax assets (Note 21)	461,474	710,956	5,615
Customers’ liabilities for acceptances and guarantees (Note 10)	6,922,725	7,206,874	84,228
Other assets (Notes 11 and 28)	6,095,737	5,077,070	74,166
Allowance for credit losses(Note25)	(938,125)	(929,463)	(11,414)
Total assets	¥171,663,939	¥163,123,183	$2,088,623

See the accompanying notes to consolidated financial statements.

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

Consolidated Balance Sheets
March 31, 2012 and 2011

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2012	2011	2012
LIABILITIES:			
Deposits (Notes 11 and 25)	¥113,072,605	¥112,139,455	$1,375,747
Negotiable certificates of deposit (Note 25)	9,160,933	8,179,066	111,460
Call money and bills sold (Notes 11 and 25)	2,097,337	1,277,948	25,518
Payables under repurchase agreements (Note 25)	6,133,170	4,775,168	74,622
Payables under securities lending transactions (Note 25)	2,172,091	624,711	26,428
Commercial paper (Notes 13 and 25)	434,195	101,688	5,283
Trading liabilities (Notes 11 and 25)	4,183,123	4,301,567	50,896
Borrowed money (Notes 11, 13 and 25)	7,153,616	4,799,749	87,038
Foreign exchange liabilities (Note 25)	881,938	688,185	10,730
Short-term bonds payable (Note 14 and 25)	98,952	96,958	1,204
Bonds payable (Notes 14 and 25)	5,349,929	5,253,896	65,092
Reserve for bonuses	22,057	21,849	268
Reserve for bonuses to directors	145	141	2
Reserve for retirement benefits (Note 15)	57,065	33,458	694
Reserve for retirement benefits to directors	475	522	6
Reserve for loyalty award credits	897	902	11
Reserve for contingent losses	57,162	54,707	695
Reserve under special laws	809	863	10
Acceptances and guarantees (Notes 10 and 11)	6,922,725	7,206,874	84,228
Deferred tax liabilities (Note 21)	15,737	23,968	191
Deferred tax liabilities for land revaluation (Note 9)	154,420	180,195	1,879
Other liabilities (Notes 11, 13 and 28)	4,432,379	4,453,859	53,929
Total liabilities	¥162,401,770	¥154,215,738	$1,975,931
EQUITY (Notes 16, 17 and 24):			
Common stock,			
Authorized, 33,000,000 thousand shares;			
Issued, 12,350,038 thousand shares in 2012 and 2011, with no stated value	¥1,586,958	¥1,586,958	$19,308
Preferred stock,			
Authorized, 357,700 thousand shares;			
Issued, 357,700 thousand shares in 2012 and 2011, with no stated value	125,000	125,000	1,521
Capital surplus	3,878,275	3,878,275	47,187
Retained earnings	2,635,211	2,299,904	32,062
Treasury stock-at cost, 200,700 shares in 2012 and 2011	(250,000)	(250,000)	(3,042)
Total shareholders' equity	7,975,445	7,640,138	97,036
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities (Note 6)	227,725	2,568	2,771
Deferred gain on derivatives under hedge accounting	60,071	48,332	731
Land revaluation surplus (Note 9)	232,900	216,668	2,834
Foreign currency translation adjustments	(373,450)	(314,199)	(4,544)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries	(52,831)	(34,691)	(643)
Total accumulated other comprehensive income	94,414	(81,320)	1,149
Minority interests	1,192,309	1,348,627	14,507
Total equity	9,262,169	8,907,445	112,692
Total liabilities and equity	¥171,663,939	¥163,123,183	$2,088,623

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Income
Years Ended March 31, 2012, 2011 and 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2012	2011	2010	2012
INCOME:				
Interest income:				
Interest on loans and bills discounted	¥1,198,182	¥1,214,377	¥1,425,343	$14,578
Interest and dividends on securities	487,401	469,793	424,379	5,930
Interest on call loans and bills bought	6,419	4,899	3,795	78
Interest on receivables under resale agreements	27,103	13,864	4,546	330
Interest on receivables under securities borrowing transactions	2,166	2,625	6,210	26
Interest on due from banks	35,583	26,236	23,278	434
Other interest income	99,202	182,559	264,003	1,207
Trust fees	10,296	10,863	12,433	125
Fees and commissions	642,781	638,253	655,449	7,821
Trading income	126,762	116,206	117,950	1,542
Other operating income	504,253	397,306	364,052	6,135
Other income (Note 19)	168,738	194,306	341,501	2,053
Total income	3,308,892	3,271,292	3,642,943	40,259
EXPENSES:				
Interest expenses:				
Interest on deposits	149,166	163,671	244,098	1,815
Interest on negotiable certificates of deposit	35,108	40,438	41,003	427
Interest on call money and bills sold	6,648	4,193	5,228	81
Interest on payables under repurchase agreements	18,847	14,821	13,687	229
Interest on payables under securities lending transactions	1,751	1,460	2,032	21
Interest on commercial paper	693	604	745	8
Interest on borrowed money	37,282	32,147	38,117	454
Interest on short-term bonds payable	429	434	477	5
Interest on bonds payable	91,290	99,961	122,566	1,111
Other interest expenses	18,403	10,957	37,690	224
Fees and commissions	126,118	126,788	121,555	1,534
Trading expenses	-	2,002	-	-
Other operating expenses	150,150	90,439	269,249	1,827
General and administrative expenses	1,341,083	1,330,658	1,374,153	16,317
Provision of allowance for credit losses	75,180	130,919	270,665	915
Other expenses (Note 20)	338,677	360,787	545,555	4,121
Total expenses	2,390,833	2,410,285	3,086,828	29,089
Income before income taxes and minority interests	918,059	861,006	556,114	11,170
Income taxes (Note 21):				
Current	191,214	99,345	52,310	2,327
Deferred	124,462	(21,463)	79,487	1,514
Total income taxes	315,677	77,882	131,797	3,841
Net income before minority interests	602,382	783,124	424,316	7,329
Minority interests in net income	58,058	63,328	61,430	706
Net income	¥544,324	¥719,795	¥362,886	$6,623
	Yen			U.S. Dollars
Per common stock (Note 24):				
Basic net income per common share	¥42.57	¥56.78	¥30.16	$0.52
Diluted net income per common share	42.57	-	30.16	0.52
Cash dividends applicable to the year per common share	11.64	19.96	17.13	0.14

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Comprehensive Income
Years Ended March 31, 2012 and 2011

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2012	2011	2012
Net income before minority interests	¥602,382	¥783,124	$7,329
Other comprehensive income (Note 23):			
Unrealized gain (loss) on available-for-sale securities	222,668	(223,227)	2,709
Deferred gain (loss) on derivatives under hedge accounting	12,473	(57,690)	152
Land revaluation surplus	21,360	-	260
Foreign currency translation adjustments	(58,223)	(108,932)	(708)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries	(18,140)	2,239	(221)
Share of other comprehensive income in associates accounted for using the equity method	411	(5,306)	5
Total other comprehensive income	180,549	(392,917)	2,197
Comprehensive income	¥782,932	¥390,207	$9,526
Total comprehensive income attributable to:			
Owners of the parent	¥725,188	¥326,988	$8,823
Minority interests	57,743	63,218	703

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Changes in Equity
Years Ended March 31, 2012, 2011 and 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2012	2011	2010	2012
Capital stock:				
Beginning of year	¥1,711,958	¥1,711,958	¥1,196,295	$20,829
Issuance of common stock	-	-	515,662	-
End of year	¥1,711,958	¥1,711,958	¥1,711,958	$20,829
Capital surplus:				
Beginning of year	¥3,878,275	¥3,878,275	¥3,362,612	$47,187
Issuance of common stock	-	-	515,662	-
End of year	¥3,878,275	¥3,878,275	¥3,878,275	$47,187
Retained earnings:				
Beginning of year	¥2,299,904	¥1,854,127	¥1,641,630	$27,983
Cash dividends	(214,146)	(274,820)	(155,211)	(2,606)
Net income	544,324	719,795	362,886	6,623
Reversal of land revaluation surplus	5,128	802	6,742	62
Change in scope of application of the equity method	-	-	(1,919)	-
End of year	¥2,635,211	¥2,299,904	¥1,854,127	$32,062
Treasury stock				
Beginning of year	¥(250,000)	¥-	¥-	$(3,042)
Purchase of treasury stock	-	(250,000)	-	-
End of year	¥(250,000)	¥(250,000)	¥-	$(3,042)
Total shareholders' equity				
Beginning of year	¥7,640,138	¥7,444,361	¥6,200,539	$92,957
Issuance of common stock	-	-	1,031,324	-
Cash dividends	(214,146)	(274,820)	(155,211)	(2,606)
Net income	544,324	719,795	362,886	6,623
Purchase of treasury stock	-	(250,000)	-	-
Reversal of land revaluation surplus	5,128	802	6,742	62
Change in scope of application of the equity method	-	-	(1,919)	-
End of year	¥7,975,445	¥7,640,138	¥7,444,361	$97,036
Accumulated other comprehensive income:				
Unrealized gain (loss) on available-for-sale securities:				
Beginning of year	¥2,568	¥226,987	¥(712,608)	$32
Net change in the year	225,156	(224,418)	939,596	2,739
End of year	¥227,725	¥2,568	¥226,987	$2,771
Deferred gain on derivatives under hedge accounting:				
Beginning of year	¥48,332	¥105,955	¥127,312	$588
Net change in the year	11,738	(57,622)	(21,356)	143
End of year	¥60,071	¥48,332	¥105,955	$731
Land revaluation surplus:				
Beginning of year	¥216,668	¥217,470	¥224,212	$2,636
Net change in the year	16,231	(802)	(6,742)	198
End of year	¥232,900	¥216,668	¥217,470	$2,834
Foreign currency translation adjustments:				
Beginning of year	¥(314,199)	¥(201,194)	¥(234,987)	$(3,823)
Net change in the year	(59,251)	(113,004)	33,793	(721)
End of year	¥(373,450)	¥(314,199)	¥(201,194)	$(4,544)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries:				
Beginning of year	¥(34,691)	¥(36,930)	¥(51,822)	$(422)
Net change in the year	(18,140)	2,239	14,891	(221)
End of year	¥(52,831)	¥(34,691)	¥(36,930)	$(643)
Total accumulated other comprehensive income:				
Beginning of year	¥(81,320)	¥312,288	¥(647,894)	$(989)
Net change in the year	175,735	(393,609)	960,183	2,138
End of year	¥94,414	¥(81,320)	¥312,288	$1,149
Minority interests:				
Beginning of year	¥1,348,627	¥1,543,922	¥1,304,444	$16,409
Net change in the year	(156,318)	(195,294)	239,478	(1,902)
End of year	¥1,192,309	¥1,348,627	¥1,543,922	$14,507

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2012	2011	2010	2012
Total equity:				
Beginning of year	¥8,907,445	¥9,300,572	¥6,857,089	$108,377
Issuance of common stock	-	-	1,031,324	-
Cash dividends	(214,146)	(274,820)	(155,211)	(2,606)
Net income	544,324	719,795	362,886	6,623
Purchase of treasury stock	-	(250,000)	-	-
Reversal of land revaluation surplus	5,128	802	6,742	62
Change in scope of application of the equity method	-	-	(1,919)	-
Net change in the year	19,416	(588,904)	1,199,661	236
End of year	¥9,262,169	¥8,907,445	¥9,300,572	$112,692

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows
Years Ended March 31, 2012, 2011 and 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2012	2011	2010	2012
OPERATING ACTIVITIES:				
Income before income taxes and minority interests	¥918,059	¥861,006	¥556,114	$11,170
Adjustments for:				
Income taxes-paid, net of refund	(115,751)	(62,790)	(70,107)	(1,408)
Depreciation and amortization	155,843	151,352	151,129	1,896
Impairment loss on long-lived assets	18,211	5,439	9,685	221
Amortization of goodwill	14,344	37,891	15,878	175
Gain on negative goodwill	-	(1,540)	-	-
Equity in (earnings) losses of the equity method investees	(6,312)	3,615	1,709	(77)
Increase (decrease) in allowance for credit losses	14,036	(21,399)	141,961	171
Decrease in allowance for investment losses	-	-	(34,058)	-
Increase in reserve for bonuses	209	65	1,559	3
Increase in reserve for bonuses to directors	3	0	140	0
Increase (decrease) in reserve for retirement benefits	24,278	2,204	(24,744)	295
(Decrease) increase in reserve for retirement benefits to directors	(46)	(26)	8	(1)
(Decrease) increase in reserve for loyalty award credits	(4)	44	59	(0)
Increase (decrease) in reserve for contingent losses	3,169	(5,068)	9,186	39
Interest income (accrual basis)	(1,856,060)	(1,914,356)	(2,151,556)	(22,583)
Interest expenses (accrual basis)	359,623	368,689	505,649	4,376
Gains on securities	(170,122)	(166,540)	(69,988)	(2,070)
Losses on money held in trust	5,301	2,594	3,849	64
Foreign exchange (gains) losses	(172,828)	633,765	215,363	(2,103)
Losses on disposition of fixed assets	2,978	2,582	11,598	36
Earnings from business divestiture	-	-	(10,843)	-
Decrease in trading assets	879,726	854,840	3,014,727	10,704
Decrease in trading liabilities	(113,509)	(618,140)	(1,179,063)	(1,381)
Adjustment of unsettled trading accounts	93,188	(112,358)	(102,895)	1,134
Net (increase)decrease in loans and bills discounted	(4,919,442)	4,068,946	5,086,870	(59,855)
Net increase in deposits	1,235,515	1,217,529	6,025,537	15,032
Net increase (decrease) in negotiable certificates of deposit	991,356	(1,078,833)	3,047,831	12,062
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	2,368,478	1,881,642	(917,443)	28,817
Net decrease (increase) in due from banks (excluding cash equivalents)	1,010,616	(2,041,553)	(878,268)	12,296
Net (increase) decrease in call loans and bills bought and receivables under resale agreements	(313,702)	116,126	(183,135)	(3,817)
Net decrease (increase) in receivables under securities borrowing transactions	443,984	4,076,399	(348,882)	5,402
Net increase (decrease) in call money and bills sold and payables under repurchase agreements	2,183,516	231,429	(3,153,558)	26,567
Net increase (decrease) in commercial paper	337,186	(72,554)	54,124	4,103
Net increase (decrease) in payables under securities lending transactions	1,547,380	(2,056,848)	1,291,749	18,827
Net (increase) decrease in foreign exchange assets	(342,126)	(86,674)	10,867	(4,163)
Net increase (decrease) in foreign exchange liabilities	194,975	(39,248)	(81,215)	2,372
Net increase in short-term bonds payable	1,994	17,493	47,992	24
Increase in straight bonds issuance and redemption	273,999	178,806	399,612	3,334
Interest and dividends received (cash basis)	1,902,134	1,972,822	2,243,476	23,143
Interest paid (cash basis)	(376,768)	(394,800)	(529,455)	(4,584)
Other-net	24,933	(137,108)	228,165	304
Total adjustments	5,700,313	7,014,441	12,783,516	69,355
Net cash provided by operating activities	¥6,618,372	¥7,875,448	¥13,339,631	$80,525

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

Consolidated Statements of Cash Flows
Years Ended March 31, 2012, 2011 and 2010

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2012	2011	2010	2012
INVESTING ACTIVITIES:				
Purchases of securities	¥(177,686,053)	¥(95,313,917)	¥(116,867,356)	$(2,161,894)
Proceeds from sales of securities	158,468,779	63,915,971	61,820,372	1,928,079
Proceeds from redemption of securities	13,264,746	24,634,132	40,998,455	161,391
Increase in money held in trust	(546,824)	(404,654)	(678,483)	(6,653)
Decrease in money held in trust	477,127	362,563	698,240	5,805
Purchases of tangible fixed assets	(84,443)	(61,424)	(90,900)	(1,027)
Purchases of intangible fixed assets	(110,240)	(90,154)	(105,895)	(1,341)
Proceeds from sales of tangible fixed assets	17,132	18,283	11,293	208
Proceeds from sales of intangible fixed assets	272	129	1,384	3
Payments for business acquisitions	(230)	(103,964)	-	(3)
Proceeds from business transfers	-	-	4,682	-
Purchases of equity of subsidiaries	-	-	(2,716)	-
Proceeds from sales of equity of subsidiaries	1,600	-	42,334	19
Payments for purchases of subsidiaries' equity affecting scope of consolidation	(739)	-	-	(9)
Other-net	(300)	(314)	-	(3)
Net cash used in investing activities	(6,199,174)	(7,043,348)	(14,168,589)	(75,425)
FINANCING ACTIVITIES:				
Increase in subordinated borrowings	63,000	113,000	24,000	766
Decrease in subordinated borrowings	(55,500)	(55,000)	(261,500)	(675)
Proceeds from issuance of subordinated bonds and bonds with subscription rights to shares	465,500	386,600	437,300	5,664
Payments for redemption of subordinated bonds and bonds with subscription rights to shares	(622,196)	(666,592)	(245,831)	(7,570)
Proceeds from issuance of stocks	-	-	1,031,324	-
Proceeds from issuance of common stock to minority shareholders	637	2,500	557	8
Repayments to minority shareholders	(236)	(443)	(1,463)	(3)
Proceeds from issuance of preferred stock to the parent company		-	370,000	
Payments for redemption of preferred stock	(120,000)	(165,000)	(135,000)	(1,460)
Cash dividends paid	(214,146)	(274,820)	(155,211)	(2,606)
Cash dividends paid to minority shareholders	(55,902)	(65,625)	(57,631)	(680)
Purchase of treasury stock	-	(250,000)	-	-
Purchases of subsidiaries' treasury stock	-	(8,726)	(3)	-
Proceeds from sales of subsidiaries' treasury stock	-	8	80	-
Net cash (used in) provided by financing activities	(538,844)	(984,100)	1,006,620	(6,556)
Effect of foreign exchange rate changes on cash and cash equivalents	(27,657)	(125,678)	19,899	(337)
Net (decrease) increase in cash and cash equivalents	(147,303)	(277,679)	197,561	(1,793)
Cash and cash equivalents, beginning of year	3,171,595	3,449,274	3,271,131	38,589
Decrease in cash and cash equivalents due to deconsolidation of subsidiaries	-	-	(19,418)	-
Increase in cash and cash equivalents due to a merger of subsidiaries	-	-	0	-
Cash and cash equivalents, end of year (Note 4)	¥3,024,292	¥3,171,595	¥3,449,274	$36,796

See the accompanying notes to consolidated financial statements.

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank"), which is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc. ("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 consolidated financial statements, Ordinance for Enforcement of the Banking Law, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards ("IFRSs").

Under Japanese GAAP, a consolidated statement of comprehensive income is required from the fiscal year ended March 31, 2011 and has been prepared herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheet and the consolidated statement of changes in equity. "Net income before minority interests" is disclosed in the consolidated statements of income from the year ended March 31, 2011.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the 2011 and 2010 consolidated financial statements to conform to the classifications used in 2012.

In conformity with the Companies Act of Japan (the "Companies Act"), all Japanese yen figures in the consolidated financial statements have been rounded down to the nearest million yen, except for per share information. Accordingly, the total of each account may not be equal to the combined total of individual items.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥82.19 to U.S. $1, the approximate rate of exchange as of March 31, 2012. 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 consolidated financial statements include the accounts of the Bank and its subsidiaries (together, the "Group"). There were 133 and 135 subsidiaries as of March 31, 2012 and 2011, 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 53 and 48 affiliates are accounted for using the equity method as of March 2012 and 2011, respectively. Investments in the remaining affiliates are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

"Goodwill" is amortized using the straight-line method over a period of 20 years. Negative goodwill incurred on or before March 31, 2010 is amortized using the straight-line method over a period of 20 years. Insignificant amounts of goodwill are fully charged to income in the fiscal year when it is incurred.

Impairment loss on goodwill is recognized based on the provision of paragraph 32 of the Japanese Institute of Certified Public Accountants ("JICPA") Accounting Committee Report No. 7, "Practical Guidelines for Consolidation Procedures in the Consolidated Financial Statements" (issued on January 12, 2011).

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

(1) Scope of consolidation

(a) Major consolidated subsidiaries as of March 31, 2012 are as follows:

kabu.com Securities Co., Ltd.
UnionBanCal Corporation (“UNBC”)

Changes in the subsidiaries in the fiscal year ended March 31, 2012 were as follows:
Three companies including BTMU LF Capital LLC were newly included due to incorporation. In addition, five companies including BTMU Preferred Capital Limited were excluded from the scope of consolidation due to liquidation.

Changes in the subsidiaries in the fiscal year ended March 31, 2011 were as follows:
Four companies including MU Business Partner Co., Ltd. were newly included due to incorporation.
In addition, nine companies including UFJ Preferred Capital 1 Limited were excluded from the scope of consolidation due to mergers or liquidation.

(b) There were no unconsolidated subsidiaries as of March 31, 2012 and 2011.

(c) There were no companies which were not regarded as subsidiaries, although the majority of voting rights (execution rights) was owned by the Bank as of March 31, 2012 and 2011.

(d) There were no special purpose entities which were excluded from the scope of consolidation pursuant to Article 8, Paragraph 7 of the Financial Statements Regulations for Terminology, Forms and Preparation of Financial Statements (the “Financial Statements Regulations”), which does not regard a special purpose entity as a subsidiary of an investor irrespective of indicators of control if the entity is established and operated for the purpose of asset securitization and satisfies certain eligible criteria as of March 31, 2012 and 2011.

(2) Application of the equity method

(a) Major affiliates accounted for using the equity method as of March 31, 2012 are as follows:

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

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2012 were as follows:
Five companies including BOT Lease (Tianjin) Co., Ltd. were newly included in affiliates accounted for using the equity method due to incorporation, etc.

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2011 were as follows:
Four companies including the Senshu Ikeda Bank, Ltd. were newly included in affiliates accounted for using the equity method since their influence increased due to mergers. The Senshu Bank, Ltd. was excluded from affiliates accounted for using the equity method due to liquidation resulting from the merger.

(b) There were no unconsolidated subsidiaries which were not accounted for using the equity method as of March 31, 2012 and 2011.

(c) Major affiliate not accounted for using the equity method as of March 31, 2012 is as follows:

As of March 31, 2012

There was no affiliate not accounted for using the equity method.

As of March 31, 2011

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 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.

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

As of March 31, 2012
Kyoto Constella Technologies Co., Ltd.
Pharma Frontier Co., Ltd.
Spring Co., Ltd.
TECHTOM Ltd.
ERIMAKEE Co., Ltd.
Bio-VisiQ Japan, Inc.

As of March 31, 2011
Kyoto Constella Technologies Co., Ltd.
Past Co., Ltd.
Pharma Frontier Co., Ltd.
Spring Co., Ltd.
Beaunet Corporation Limited

(3) The fiscal year ending dates of subsidiaries

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

	Number of subsidiaries	
	2012	2011
September 1	1	1
October 31	1	1
December 31	87	88
January 24	8	10
January 31	1	1
March 31	35	33

(b) A subsidiary with fiscal year ending September 1 is consolidated based on the preliminary financial statements as of March 31.

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

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

Adjustments are made in the consolidated financial statements to reflect significant transactions occurring in the period between the fiscal year ending dates of subsidiaries and March 31, 2012 and 2011, respectively.

BTMU Financial Services, Inc. changed its fiscal year end date from December 31 to March 31 effective from the fiscal year ended March 31, 2011. Accordingly, the company's operating results for the fifteen months ended March 31, 2011 were included in the accompanying consolidated financial statements.

b. Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

The Accounting Standards Board of Japan (ASBJ) issued "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No.18, May 17, 2006). This PITF permits foreign subsidiaries' financial statements prepared in accordance with either IFRSs or generally accepted accounting principles in the United States of America ("US GAAP") to be used for the consolidation process with certain limitations. PITF No. 18 is applicable to fiscal years beginning on or after April 1, 2008, and the Group adopted this practical solution starting in the year ended March 31, 2009.

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

c. Cash and Cash Equivalents

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

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

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

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

(2) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost (using the straight-line method) based on the moving average method.

(3) Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gain (loss), net of applicable taxes, reported in a separate component of equity, except for unrealized gain (loss) on embedded derivatives combined with the host contracts which are charged to income.

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

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

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

For other than recoverable declines in fair value, securities are reduced to net realizable value by a charge to income.
Securities included in “Money held in trust” are also classified into the three categories outlined above.

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

e. Tangible Fixed Assets

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

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

f. Intangible Fixed Assets

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

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

g. Deferred Charges

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

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

h. Allowance for Credit Losses

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

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

For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy ("likely to become bankrupt borrowers"), where cash flows from collection of principal and interest cannot be reasonably estimated, an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For claims on likely to become bankrupt borrowers and borrowers requiring close monitoring whose cash flows from collection of principal and interest can be reasonably estimated, an allowance is provided based on the difference between the relevant cash flows discounted by the initial contractual interest rate and the carrying value of the claims.

For other claims, an allowance is provided based on the historical credit losses ratio during the defined periods.

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

The operating branches and assessment divisions implement the self-assessment for all claims in accordance with the Bank's self-assessment standards. The Internal Audit & Credit Examination Division, which is independent from operating divisions, conducts verifications of these assessments, and additional reserve 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 ¥550,845 million ($6,702 million), ¥798,744 million and ¥860,582 million as of March 31, 2012, 2011 and 2010, respectively.

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

i. Reserve for Bonuses

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

j. Reserve for Bonuses to Directors

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

k. Reserve for Retirement Benefits

"Reserve for retirement benefits," which is provided for future pension payments to employees, is recorded in the amount deemed accrued at the fiscal year end 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 using the straight-line method for a period within the employees' average remaining service period, primarily over ten years, commencing in 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 on the fiscal year immediately following the fiscal year in which the gain (loss) is incurred.

In accordance with ASBJ Statement No. 19 "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (issued on July 31, 2008), the Bank uses the discount rate determined by reference to market yields at the end of the fiscal year on high quality bonds such as long-term Japanese government bonds, government agency bonds and high quality corporate bonds.

l. Reserve for Retirement Benefits to Directors

"Reserve for retirement benefits to directors," which is provided for payments of retirement benefits to directors of certain subsidiaries, is recorded in the amount deemed accrued at the fiscal year end date based on the estimated amount of benefits.

m. Reserve for Loyalty Award Credits

"Reserve for loyalty award credits," which is provided to meet future use of points granted to "Super IC Card" customers, is recorded based on the estimated future use of unused points.

n. Reserve for Contingent Losses

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

o. Reserve under Special Laws

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

p. Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies and accounts of the overseas branches of the Bank are translated into Japanese yen primarily at exchange rates in effect on the fiscal year end date, except for investments in affiliates which are translated into Japanese yen at exchange rates in effect on the acquisition dates.

Assets and liabilities denominated in foreign currencies of the subsidiaries are translated into Japanese yen at the exchange rates in effect on the respective fiscal year end date.

q. Leases

(As lessee)

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

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

(As lessor)

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

r. Income Taxes

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

s. 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 ¥235 million ($3 million) (before tax effect adjustment) and gains of ¥314 million ($4 million) (before tax adjustment) as of March 31, 2012, losses of ¥2,322 million (before tax effect adjustment) and gains of ¥1,801 million (before tax effect adjustment) as of March 31, 2011 and losses of ¥5,654 million (before tax effect adjustment) and gains of ¥6,478 million (before tax effect adjustment) as of March 31, 2010.

(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 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.

t. 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.

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

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

Cash dividends per common share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

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

(1) Changes in Accounting Policies:
When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in Presentations:
When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates:
A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior Period Errors:
When an error in prior period financial statements is discovered, those statements are restated.

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

w. New Accounting Pronouncements

Accounting Standard for Retirement Benefits - On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits", which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with effective date of April 1, 2000 and the other related practical guidance , being followed by partial amendments from time through 2009.

Major changes from current requirements are as follows:

(1) Treatment of actuarial gains and losses and past service costs

(a) Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, “deficit or surplus”), adjusted by such unrecognized amounts, are recognized as a liability or asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss would be recognized within equity (accumulated other comprehensive income (AOCI), after adjusting for tax effects, and the deficit or surplus would be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits) without any adjustments.

(b) Treatment in the statement of income and the statement of comprehensive income (or the statement of income and comprehensive income)

The revised accounting standard would not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period not longer than the expected average remaining working lives of the employees, as before.

However, actuarial gains and losses and past service costs that arose in the current period and yet to be recognized in profit or loss would be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in AOCI in prior periods and then recognized in profit or loss in the current period would be treated as reclassification adjustments.

(2) Others changes

Other changes include the method of determination of retirement benefit obligations and current service costs, enhanced disclosures such as the analysis of changes in retirement benefit obligations and amendments to the treatment of multi-employer plans, etc.

The accounting standard and the guidance are effective for the end of annual periods beginning on or after April 1, 2013 with earlier adoption being permitted from the beginning of annual periods beginning on or after April 1, 2013. No retrospective application to financial statements in prior periods is required.

3. CASH AND CASH EQUIVALENTS

The reconciliation of "Cash and cash equivalents" at the end of the fiscal year and "Cash and due from banks" in the consolidated balance sheets as of March 31, 2012 and 2011 is as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2012	2011	2012
Cash and due from banks	¥6,866,983	¥8,034,314	$83,550
Less: Time deposits and negotiable certificates of deposit included in due from banks	(3,842,691)	(4,862,718)	(46,754)
Cash and cash equivalents at the end of year	¥3,024,292	¥3,171,595	$36,796

4. TRADING ASSETS OR LIABILITIES AND SECURITIES

Securities as of March 31, 2012 and 2011 include equity securities in affiliates of ¥190,042 million ($2,312 million) and ¥174,389 million, respectively and capital subscriptions to entities such as limited liability companies of ¥5,645 million ($69 million) and ¥6,880 million, respectively. They also include investments in jointly controlled entities in the amounts of ¥14,521 million ($177 million) and ¥11,834 million as of March 31, 2012 and 2011, respectively.

Securities loaned under unsecured securities lending transactions amounted to ¥79,936 million ($973 million) and ¥249,875 million as of March 31, 2012 and 2011, respectively.

For securities borrowed and purchased under resale agreements where the secured parties are permitted to sell or re-pledge the securities without restrictions, ¥221,105 million ($2,690 million) and ¥256,055 million of such securities were re-pledged as of March 31, 2012 and 2011, respectively. ¥117 million ($1 million) and ¥845 million were re-loaned as of March 31, 2012 and 2011, respectively. The remaining ¥1,856,351 million ($22,586 million) and ¥2,107,336 million of these securities were held without disposition as of March 31, 2012 and 2011, respectively.

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

a. Trading securities:

Net unrealized gains (losses) on trading securities were ¥ 182 million ($2 million) and ¥ (317) million for the years ended March 31, 2012 and 2011, respectively.

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

	Millions of Yen				
	2012				
March 31	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥250,048	¥251,425	¥1,376	¥1,376	¥-
Foreign bonds	2,343	3,526	1,182	1,182	-
Other	1,141,844	1,179,080	37,236	39,201	(1,964)
Total	¥1,394,236	¥1,434,032	¥39,795	¥41,760	¥(1,964)

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

	Millions of U.S. Dollars				
	2012				
March 31	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	$3,042	$3,059	$17	$17	$-
Foreign bonds	29	43	14	14	-
Other	13,893	14,346	453	477	(24)
Total	$16,964	$17,448	$484	$508	$(24)

Note: Fair value is stated using mainly quoted market prices at fiscal year end date.

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

	Millions of Yen				
	2012				
March 31	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥2,658,593	¥2,544,844	¥113,748	¥496,223	¥(382,474)
Domestic bonds	45,569,335	45,391,687	177,648	189,912	(12,264)
Japanese government bonds	42,425,331	42,307,452	117,878	120,782	(2,903)
Municipal bonds	180,502	172,774	7,728	7,728	-
Corporate bonds	2,963,501	2,911,460	52,040	61,401	(9,360)
Foreign equity securities	162,348	111,869	50,478	50,493	(14)
Foreign bonds	13,171,227	13,018,271	152,956	167,153	(14,196)
Other	1,476,865	1,466,841	10,024	30,385	(20,360)
Total	¥63,038,370	¥62,533,514	¥504,856	¥934,167	¥(429,310)

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

March 31	Millions of U.S. Dollars 2012 Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	$32,347	$30,963	$1,384	$6,038	$(4,654)
Domestic bonds	554,439	552,278	2,161	2,310	(149)
Japanese government bonds	516,186	514,752	1,434	1,469	(35)
Municipal bonds	2,196	2,102	94	94	-
Corporate bonds	36,057	35,424	633	747	(114)
Foreign equity securities	1,975	1,361	614	614	(0)
Foreign bonds	160,253	158,392	1,861	2,034	(173)
Other	17,969	17,847	122	370	(248)
Total	$766,983	$760,841	$6,142	$11,366	$(5,224)

Notes:

1. Carrying amount, which is recorded on the consolidated balance sheet, is determined based on the fair value calculated using mainly quoted market price.

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 consolidated balance sheets. Impairment losses for the years ended March 31, 2012 and 2011 were ¥64,434 million ($784 million) consisting of ¥56,840 million ($692 million) on equity securities and ¥7,594 million ($92 million) on bonds and ¥53,564 million, consisting of ¥44,935 million on equity securities and ¥8,628 million on bonds, respectively.

The criteria for determining whether the fair value is "significantly declined" are defined based on the asset classification of the issuer in the Bank's internal standards for asset quality self-assessment as follows:
(a) Bankrupt, virtually bankrupt, likely to become bankrupt issuers: Fair value is lower than acquisition cost.
(b) Issuers requiring close monitoring: Fair value has declined by 30% or more of the acquisition cost.
(c) Normal issuers: Fair value has declined by 50% or more of the acquisition cost.

"Bankrupt 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)" excludes losses of ¥144 million ($2 million) and ¥12,444 million for the years ended March 31, 2012 and 2011, respectively, resulting from the accounting treatment of embedded derivatives, which are not separated from underlying securities. However, "Unrealized gain (loss)" in the above table includes unrealized gains of ¥4,457 million ($54 million) and ¥6,127 million on available-for-sale securities invested in limited partnerships for the years ended March 31, 2012 and 2011, respectively.

d. Proceeds from sales of available-for-sale securities and related realized gains and losses for the years ended March 31, 2012 and 2011 were as follows:

March 31	Millions of Yen 2012	Millions of Yen 2011	Millions of U.S. Dollars 2012
Sales proceeds	¥158,489,406	¥63,670,925	$1,928,330
Realized gains	418,195	328,577	5,088
Realized losses	183,711	103,954	2,235

Floating-rate Japanese government bonds included in "Securities," previously evaluated based on market prices, are 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 by the ASBJ) 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.

Securitized products which were collateralized by corporate loans reclassified to "Held-to-maturity debt securities" or some of those classified as "Available-for-sale securities" were previously valued based on prices quoted by brokers, information vendors or other sources as a substitute for market values. Such securitized products are now evaluated based on reasonably estimated amounts derived using the Bank's models.

Such securitized products were reclassified to "Held-to-maturity debt securities" based on reasonably estimated amounts.

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

Other securitized products are reported at fair value 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.

5. MONEY HELD IN TRUST

"Money held in trust" classified as trading as of March 31, 2012 and 2011 was as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2012	2011	2012
Carrying amount	¥57,986	¥48,615	$706
Net unrealized gain (loss)	115	(273)	1

"Money held in trust" classified as other than trading and held-to-maturity as of March 31, 2012 and 2011 was as follows:

	Millions of Yen				
	2012				
March 31	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	¥235,146	¥234,978	¥167	¥167	¥-

	Millions of Yen				
	2011				
March 31	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	¥228,046	¥227,824	¥222	¥381	¥(158)

	Millions of U.S. Dollars				
	2012				
March 31	Acquisition cost	Carrying amount	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	$2,861	$2,859	$2	$2	$-

Note: Carrying amount on the consolidated balance sheets is determined based on the fair value calculated using quoted market prices and other information.

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

Unrealized gain (loss) on available-for-sale securities as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
March 31	2012	2011	2012
Unrealized gain:	¥411,487	¥79,460	$5,007
Available-for-sale securities	509,462	199,389	6,199
Money held in trust except for trading and held-to-maturity purpose	167	222	2
Securities reclassified from available-for-sale securities into held-to-maturity debt securities	(98,143)	(120,151)	(1,194)
Deferred tax liabilities:	(184,083)	(74,730)	(2,240)
Unrealized gain on available-for-sale securities before adjustments by ownership share	227,403	4,730	2,767
Minority interests	14,810	14,652	180
Bank's ownership share in unrealized gain (loss) on available-for-sale securities held by companies accounted for using the equity method	(14,488)	(16,814)	(176)
Unrealized gain on available-for-sale securities	¥227,725	¥2,568	$2,771

Notes:

1. Unrealized gain (loss) in the above table excludes ¥144 million ($2 million) and ¥12,444 million of losses resulting from the accounting treatment for embedded derivatives as of March 31, 2012 and 2011, respectively.
2. Unrealized gain (loss) in the above table includes ¥4,457 million ($54 million) and ¥6,127 million of unrealized gain on available-for-sale securities invested in limited partnerships as of March 31, 2012 and 2011, respectively.

7. LOANS AND BILLS DISCOUNTED

Bills discounted and rediscounted are accounted for as financial transactions in accordance with "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No. 24). The Bank has rights to sell or pledge these bills discounted. The total face value of bills discounted was ¥1,055,095 million ($12,837 million) and ¥820,081 million as of March 31, 2012 and 2011, respectively. The total face value of banker's acceptance bills, commercial bills, documentary bills and foreign exchanges bills bought which were transferred due to rediscounting those bills amounted to ¥5,788 million ($70 million) and ¥8,045 million as of March 31, 2012 and 2011, respectively.

"Loans and bills discounted" as of March 31, 2012 and 2011 included the following loans:

	Millions of Yen		Millions of U.S. Dollars
March 31	2012	2011	2012
Loans to bankrupt borrowers	¥32,491	¥46,476	$395
Non-accrual delinquent loans	957,130	842,888	11,646
Loans past due for three months or more	74,361	138,892	905
Restructured loans	495,958	428,396	6,034
Total	¥1,559,942	¥1,456,653	$18,980

Note: Above amounts are stated before the reduction of the allowance for credit losses.

Loans to bankrupt borrowers are loans, after write-offs, to bankrupt borrowers as defined in Article 96-1-3-1 to 5 or 96-1-4 of the Order for Enforcement of the Corporation Tax Act (No. 97 in 1965) on which accrued interest income is not recognized ("Non-accrual loans") as there is substantial doubt as to the collection of principal and/or interest because of delinquencies in payment of principal and/or interest for a significant period of time or for some other reasons.
Non-accrual delinquent loans represent non-accrual loans other than loans to bankrupt borrowers and loans renegotiated at concessionary terms, which includes reduction or deferral of interest due to the borrower's weakened financial condition.

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

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

8. TANGIBLE FIXED ASSETS

The accumulated depreciation of "Tangible fixed assets" as of March 31, 2012 and 2011 amounted to ¥893,893 million ($10,876 million) and ¥869,040 million, respectively.

Deferred gains on "Tangible fixed assets" not recognized for tax purposes as of March 31, 2012 and 2011 amounted to ¥79,070 million ($962 million) and ¥80,015 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 of assets 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 2-1of "Order for Enforcement on Law on Revaluation of Land" ("Order") (No. 119, March 31, 1998), (2) "Standard land price determined on measurement spots under Order for Enforcement of the National Land Planning Law" stipulated in Article 2-2 of the "Order," (3) "Land price determined using the method established and published by the Director General of the National Tax Agency in order to calculate land value which is used for determining taxable amounts subject to landholding tax articulated in Article 16 of the Landholding Tax Law" stipulated in Article 2-4 of "Order" with price adjustments by shape and time.

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 March 31, 2012 and 2011 was ¥59,063 million ($719 million) and ¥55,517 million, respectively.

10. 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 March 31, 2012 and 2011 were ¥1,577,107 million ($19,189 million) and ¥2,151,991 million, respectively.

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

11. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and their relevant liabilities as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Assets pledged as collateral:			
Cash and due from banks	¥13,134	¥4,015	$160
Securities	1,044,587	908,674	12,709
Loans and bills discounted	5,748,094	3,207,136	69,937
Other assets	73,377	73,066	893
Total	¥6,879,194	¥4,192,892	$83,699
Relevant liabilities to above assets:			
Deposits	¥175,975	¥285,157	$2,141
Call money and bills sold	530,000	480,000	6,448
Trading liabilities	80,449	62,999	979
Borrowed money	5,654,423	3,041,261	68,797
Other liabilities	56,191	56,200	684
Acceptances and guarantees	467	597	6
Total	¥6,497,507	¥3,926,217	$79,055

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
	2012	2011	2012
Assets pledged as collateral:			
Cash and due from banks	¥1,372	¥10,851	$17
Monetary claims bought	223,731	116,977	2,722
Trading assets	-	390	-
Securities	9,520,364	18,546,216	115,834
Loans and bills discounted	3,354,773	3,346,386	40,817
Total	¥13,100,242	¥22,020,820	$159,390

Furthermore, trading assets and securities sold under repurchase agreements or loaned under securities lending with cash collateral were ¥772,502 million ($9,399 million) and ¥6,744,560 million ($82,061 million), respectively as of March 31, 2012 and ¥846,106 million and ¥4,486,614 million as of March 31, 2011.

Relevant payables under resale agreements were ¥6,119,171 million ($74,452 million) and ¥4,763,735 million as of March 31, 2012 and 2011, respectively.

Relevant payables under securities lending transactions were ¥2,154,100 million ($26,209 million) and ¥614,479 million as of March 31, 2012 and 2011, respectively.

12. LOAN COMMITMENTS

Overdraft facilities and commitment lines of credit are binding contracts under which the Group has obligations to disburse funds up to predetermined limits upon the borrower's request as long as there has been no breach of contract. The total amount of the unused portion of these facilities were ¥58,391,247 million ($710,442 million) and ¥56,226,104 million as of March 31, 2012 and 2011, respectively.

The total amount of the unused portion does not necessarily represent actual future cash requirements because many of these contracts are expected to expire without being drawn upon. In addition, most of these contracts include clauses which allow the Group to decline the borrower's request for disbursement or decrease contracted limits for cause, such as changes in financial conditions or deterioration in the borrower's creditworthiness. The Group may request the borrowers to pledge real property and/or securities as collateral upon signing of the contract and will perform periodic monitoring on the borrower's business conditions in accordance with internal procedures, which may lead to renegotiation of the terms and conditions of the contracts and/or initiate the request for additional collateral and/or guarantees.

13. BORROWED MONEY, LEASE LIABILITIES AND COMMERCIAL PAPER

"Borrowed money," "Lease liabilities" and "Commercial paper" as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2012	2011	2012
Borrowings from banks and other, due 2011-2027, 0.52% on the average	¥7,153,616	¥4,799,749	$87,038
Bills rediscounted	-	-	-
Total borrowed money	¥7,153,616	¥4,799,749	$87,038
Lease liabilities, due 2011-2032	13,871	7,032	169
Commercial paper, 0.250% on the average	434,195	101,688	5,283

Notes:

1. The above interest rates are calculated using the weighted average method based on the interest rate and balance as of March 31. The average interest rate of lease liabilities is not presented above because lease liabilities are recorded on the accompanying consolidated balance sheet at the total amount of lease payments including interest.
2. Above borrowings include subordinated borrowings in the amounts of ¥508,000 million ($6,181 million) and ¥500,500 million as of March 31, 2012 and 2011, respectively.
3. Lease liabilities are included in "Other liabilities" in the accompanying consolidated balance sheets.
4. "Commercial paper" is issued in the form of promissory notes as a fund raising activity.

Annual maturities of borrowings as of March 31, 2012 were as follows:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2013	¥5,941,106	$72,285
2014	130,009	1,582
2015	343,679	4,182
2016	186,099	2,264
2017	4,902	60
2018 and thereafter	547,819	6,665
Total	¥7,153,616	$87,038

Annual maturities of lease liabilities as of March 31, 2012 are as follows:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2013	¥3,856	$47
2014	3,278	40
2015	2,262	28
2016	1,362	17
2017	854	10
2018 and thereafter	2,256	27
Total	¥13,871	$169

14. BONDS PAYABLE

Short-term and long-term bonds payable as of March 31, 2012 and 2011 consisted of the following:

Description	Issued	Millions of Yen 2012	Millions of Yen 2011	Millions of U.S. Dollars 2012	Coupon rate (%)	Secured or unsecured	Due
The Bank;							
9th-132nd series of Straight bonds payable in yen	Feb. 2000-Jan. 2012	¥1,565,000 [390,000]	¥1,515,000 [280,000]	$19,041 [4,745]	0.26-2.69	Unsecured	Apr. 2011-Apr. 2027
Euro bonds payable in US$	Jul. 27, 2009	29,588 (USD360 million) [29,588]	29,934 (USD360 million) [-]	360 [360]	2.51	Unsecured	Jul.27, 2012
Euro bonds payable in A$	Jul.27, 2009	17,090 (AUD200 million) [17,090]	17,216 (AUD200 million) [-]	208 [208]	5.40	Unsecured	Jul.27, 2012
Senior bonds payable in US$	Jan.22, 2010	82,187 (USD1,000 million) [82,187]	83,144 (USD1,000 million) [-]	1,000 [1,000]	2.60	Unsecured	Jan.22, 2013
Senior bonds payable in US$	Jan.22, 2010	82,171 (USD1,000 million)	83,124 (USD1,000 million)	1,000	3.85	Unsecured	Jan.22, 2015
Senior bonds payable in US$	Sep. 15, 2010	61,640 (USD750 million)	62,359 (USD750 million)	750	1.60	Unsecured	Sep. 11, 2013
Senior bonds payable in US$	Sep. 15, 2010	102,609 (USD1,248 million)	103,770 (USD1,248 million)	1,248	2.45	Unsecured	Sep. 11, 2015
Euro senior bonds payable in A$	Jan. 24, 2011	46,997 (AUD550 million)	47,344 (AUD550 million)	572	5.58	Unsecured	Jan. 24, 2014
Senior bonds payable in US$	Feb. 24, 2011	41,095 (USD500 million)	41,575 (USD500 million)	500	1.15	Unsecured	Feb. 24, 2014
Senior bonds payable in US$	Feb. 24, 2011	41,092 (USD500 million)	41,571 (USD500 million)	500	2.25	Unsecured	Feb. 24, 2014
Euro senior bonds payable in A$	Jul. 27, 2011	23,071 (AUD270 million)	-	281	4.87	Unsecured	Jul. 25, 2014
Euro senior bonds payable in US$	Jul. 27, 2011	13,972 (USD170 million)	-	170	2.13	Unsecured	Jul. 25, 2016
Euro senior bonds payable in A$	Sep. 29, 2011	11,963 (AUD140 million)	-	146	4.23	Unsecured	Sep. 16, 2014
Euro senior bonds payable in US$	Sep. 29, 2011	8,219 (USD100 million)	-	100	1.67	Unsecured	Sep. 16, 2016
Euro senior bonds payable in A$	Jan. 24, 2012	14,526 (AUD170 million)	-	177	4.91	Unsecured	Jan. 19, 2016
Euro senior bonds payable in US$	Jan. 24, 2012	12,328 (USD150 million)	-	150	1.82	Unsecured	Jan. 19, 2017
Senior bonds payable in US$	Feb. 23, 2012	82,145 (USD1,000 million)	-	1,000	2.35	Unsecured	Feb. 23, 2017
Senior bonds payable in A$	Mar. 16, 2012	25,635 (AUD300 million)	-	312	5.77	Unsecured	Mar. 16, 2015
Subordinated bonds payable in US$	Jun. 15, 2001	-	166,272 (USD2,000 million) [166,272]	-	7.40	Unsecured	Jun. 15, 2011
2nd series of Subordinated bonds payable in yen	Jul. 31, 2001	-	50,000 [50,000]	-	1.93	Unsecured	Jul. 29, 2011
3rd series of Subordinated bonds payable in yen	Jun. 25, 2002	50,000 [50,000]	50,000 [-]	608	2.39	Unsecured	Jun. 25, 2012
3rdNo. 2 series of Subordinated bonds payable in yen	Jun. 26, 2003	80,000	80,000	973	1.30	Unsecured	Jun. 26, 2013
4th series of Subordinated bonds payable in yen	May 22, 2003	100,000	100,000	1,217	1.13	Unsecured	May 22, 2013
6th series of Subordinated bonds payable in yen	Dec. 22, 2004	70,000	70,000	852	1.73	Unsecured	Dec. 22, 2014
7th series of Subordinated bonds payable in yen	Dec. 22, 2004	30,000	30,000	365	2.11	Unsecured	Dec. 20, 2019
8th series of Subordinated bonds payable in yen	Jul. 22, 2005	60,000	60,000	730	1.64	Unsecured	Jul. 22, 2015
9th series of Subordinated bonds payable in yen	Jul. 22, 2005	20,000	20,000	243	2.01	Unsecured	Jul. 22, 2020
11th series of Subordinated bonds payable in yen	Oct. 31, 2006	50,000	50,000	608	2.28	Unsecured	Oct. 31, 2016
12th series of Subordinated bonds payable in yen	Jul. 30, 2007	50,000	50,000	608	2.16	Unsecured	Jul. 28, 2017
13th series of Subordinated bonds payable in yen	Nov. 16, 2007	10,000	10,000	122	2.04	Unsecured	Nov. 16, 2022
14th series of Subordinated bonds payable in yen	Apr. 15, 2008	40,000	40,000	487	0.91	Unsecured	Apr. 16, 2018
15th series of Subordinated bonds payable in yen	Aug. 29, 2008	-	170,000	-	2.30	Unsecured	Aug. 26, 2016
16th series of Subordinated bonds payable in yen	Dec. 26, 2008	34,000	34,000	414	2.49	Unsecured	Dec. 26, 2018
17th series of Subordinated bonds payable in yen	Dec. 18, 2008	35,300	35,300	429	2.49	Unsecured	Dec. 18, 2018
18th series of Subordinated bonds payable in yen	Dec, 18, 2008	22,700	22,700	276	1.73	Unsecured	Dec. 18, 2018
19th series of Subordinated bonds payable in yen	Mar. 13, 2009	450,000	450,000	5,475	2.75	Unsecured	Apr. 25, 2017
20th series of Subordinated bonds payable in yen	Jun.10, 2009	52,000	52,000	633	1.99	Unsecured	Jun. 10, 2019
21st series of Subordinated bonds payable in yen	Jun.10, 2009	31,000	31,000	377	1.33	Unsecured	Jun. 10, 2019
22nd series of Subordinated bonds payable in yen	Aug.28, 2009	250,000	250,000	3,042	2.20	Unsecured	Aug. 28, 2017
23rd series of Subordinated bonds payable in yen	Oct.16, 2009	30,000	30,000	365	2.91	Unsecured	Oct. 16, 2029
24th series of Subordinated bonds payable in yen	Sep. 27, 2010	25,000	25,000	304	2.27	Unsecured	Sep. 27, 2030
25th series of Subordinated bonds payable in yen	Nov. 12, 2010	55,000	55,000	669	1.31	Unsecured	Nov. 12, 2020
26th series of Subordinated bonds payable in yen	Nov. 12, 2010	42,000	42,000	511	1.95	Unsecured	Nov. 12, 2025

27th series of Subordinated bonds payable in yen	Nov. 12, 2010	23,000	23,000	280	2.28	Unsecured	Nov. 12, 2030
28th series of Subordinated bonds payable in yen	Jan. 20, 2011	65,000	65,000	791	1.56	Unsecured	Jan. 20, 2021
29th series of Subordinated bonds payable in yen	Jan. 20, 2011	20,000	20,000	243	2.16	Unsecured	Jan. 20, 2026
30th series of Subordinated bonds payable in yen	Jan. 20, 2011	16,000	16,000	195	2.46	Unsecured	Jan. 20, 2031
31st series of Subordinated bonds payable in yen	Mar. 11, 2011	85,000	85,000	1,034	1.77	Unsecured	Mar. 11, 2021
32nd series of Subordinated bonds payable in yen	Jun. 9, 2011	50,000	-	608	1.62	Unsecured	Jun. 9, 2021
33rdt series of Subordinated bonds payable in yen	Jun. 9, 2011	20,000	-	243	2.21	Unsecured	Jun. 9, 2026
34th series of Subordinated bonds payable in yen	Jul. 28, 2011	160,000	-	1,947	1.11	Unsecured	Jul. 28, 2021
35th series of Subordinated bonds payable in yen	Jan. 26, 2012	65,000	-	791	1.52	Unsecured	Jan. 26, 2022
36th series of Subordinated bonds payable in yen	Feb. 22, 2012	152,000	-	1,849	1.10	Unsecured	Feb. 22, 2022

		Millions of Yen		Millions of U.S. Dollars	Coupon rate (%)	Secured or unsecured	
Description	Issued	2012	2011	2012			Due
Subsidiaries[*1];							
Short-term bonds payable[*2]	Nov. 2010-Mar. 2012	98,952 [98,952]	96,958 [96,958]	1,204	0.15-0.51	Unsecured	Apr. 2011-Jul. 2012
Straight bonds payable	Jun. 1997-Jun. 2011	167,547 (USD 1,908 million (CNY 1,000million) [57,180]	134,046 (USD 1,408 million (CNY 1,000million) [81,490]	2,039	0.06-6.03	*2	Mar. 2011-Dec. 2017
Subordinated bonds payable	Mar. 1997-Mar. 2012	536,656 (USD 2,850 million) (EUR 100 million) (-) [-]	718,470 (USD 144,729 million) (EUR 10,847 million) (GBP 34,834 million) [3,800]	6,529	0.40-10.87	*3	May 2011- Mar. 2035
Undated subordinated bonds payable	Jan. 2002-Nov. 2009	141,391 (USD 100 million)	194,068 (USD 12,168 million)	1,720	0.72-5.82	Unsecured	-
Total		¥5,448,882	¥5,350,855	$66,296			

Notes:

1. Above bonds payable include subordinated bonds payable in the amounts of ¥2,921,047 million ($35,540 million) and ¥3,094,811 million as of March 31, 2012 and 2011, respectively.
2. *1 Subsidiaries include UNBC, BTMU (Curacao) Holdings N.V., UFJ Finance Aruba A.E.C., Bank of Tokyo Mitsubishi UFJ (China), Ltd., Nihon Business Lease and Tokyo Godo Finance.
3. *2 The straight bonds payable include four issues of secured straight bonds payable issued by a subsidiary. Other issues are unsecured.
4. *3 The subordinated bonds payable include four issues of secured subordinated bonds payable issued by the subsidiaries. All other bonds payable are unsecured.
5. ( ) denotes the amounts of foreign currency denominated bonds payable.
6. [ ] denotes the amounts expected to be redeemed within one year.
7. The following is a summary of maturities of bonds subsequent to March 31, 2012:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2013	¥724,999	$8,821
2014	778,557	9,473
2015	526,773	6,409
2016	417,136	5,075
2017	509,604	6,200
2018 and thereafter	2,491,812	30,318
Total	¥5,448,882	$66,296

15. RESERVE FOR RETIREMENT BENEFITS

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

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

"Reserve for retirement benefits" as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
March 31	2012	2011	2012
Projected benefit obligation	¥(1,484,671)	¥(1,409,320)	$(18,064)
Plan assets	1,376,844	1,428,277	16,752
Overfunded projected benefit obligation	(107,827)	18,957	(1,312)
Unrecognized actuarial gain	366,527	265,559	4,460
Unrecognized prior service cost	(28,158)	(9,873)	(343)
Net amount recorded on the consolidated balance sheets	230,541	274,643	2,805
Prepaid pension cost	287,606	308,101	3,499
Reserve for retirement benefits	¥(57,065)	¥(33,458)	$(694)

Note: Some overseas branches of the Bank and some overseas subsidiaries adopt the shortcut method in calculating the projected benefit obligation.

The components of net periodic retirement benefit costs for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	2012	2011	2012
Service cost	¥32,121	¥32,196	$391
Interest cost	33,587	35,141	409
Expected return on plan assets	(50,082)	(49,739)	(609)
Amortization of unrecognized prior service cost	(7,905)	(5,341)	(96)
Amortization of unrecognized actuarial gain	41,835	33,234	509
Other (additional severance benefits temporary)	13,034	11,611	158
Net periodic retirement benefit costs	¥62,591	¥57,103	$762

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

Assumptions used for the years ended March 31, 2012 and 2011 are set forth as follows:

Years ended March 31		2012	2011
Discount rate	The Bank and domestic subsidiaries	0.60%-2.20%	1.00%-2.20%
	Overseas subsidiaries	4.60%-7.00%	5.00%-9.00%
Expected return on plan assets	The Bank and domestic subsidiaries	1.21%-3.80%	1.26%-3.34%
	Overseas subsidiaries	4.00%-8.50%	4.00%-8.50%
Interperiod allocation method of estimated retirement benefits		Straight-line method over the period	
Amortization period of unrecognized prior service costs		Mainly ten years (using the straight-line method within the employees' average remaining service period upon the incurrence)	
Amortization period of unrecognized actuarial gain (loss)		Mainly ten years (using the straight-line method within the employees' average remaining service period, commencing on the fiscal year immediately following the fiscal year in which the services were provided)	

16. CAPITAL REQUIREMENT

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

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

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

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.

17. CAPITAL STOCK AND DIVIDENDS PAID

Capital stock consists of common stock and preferred stock. The changes in the number of issued shares of common stock and preferred stock during the years ended March 31, 2012 and 2011 were as follows:

	Number of shares in thousands				
	April 1, 2011	Increase	Decrease	March 31, 2012	Note
Outstanding shares issued:					
Common stock	12,350,038	-	-	12,350,038	
Preferred stock-first series of Class 2	100,000	-	-	100,000	
Preferred stock-first series of Class 4	79,700	-	-	79,700	
Preferred stock-first series of Class 6	1,000	-	-	1,000	
Preferred stock-first series of Class 7	177,000	-	-	177,000	
Total	12,707,738	-	-	12,707,738	
Treasury stock:					
Preferred stock-first series of Class 2	100,000	-	-	100,000	
Preferred stock-first series of Class 4	79,700	-	-	79,700	
Preferred stock-first series of Class 7	21,000	-	-	21,000	
Total	200,700	-	-	200,700	

	Number of shares in thousands				
	April 1, 2010	Increase	Decrease	March 31, 2011	Note
Outstanding shares issued:					
Common stock	12,350,038	-	-	12,350,038	
Preferred stock-first series of Class 2	100,000	-	-	100,000	
Preferred stock-first series of Class 4	79,700	-	-	79,700	
Preferred stock-first series of Class 6	1,000	-	-	1,000	
Preferred stock-first series of Class 7	177,000	-	-	177,000	
Total	12,707,738	-	-	12,707,738	
Treasury stock:					
Preferred stock-first series of Class 2	-	100,000	-	100,000	1
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	

Notes:
1. Increase in treasury stock of preferred stock-first series of Class 2 results from acquisition of all the shares of 100,000 thousand pursuant to the provision of acquisition.
2. There was no issuance of stock acquisition rights and treasury stock acquisition rights.

The Bank paid the following cash dividends during the fiscal years ended March 31, 2012 and 2011:

Year ended March 31, 2012:

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

Cash dividends approved at the shareholders' meeting held on June 28, 2011:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥123,253	¥9.98	Mar. 31, 2011	Jun. 28, 2011
Preferred stock-first series of Class 6	105	105.45	Mar. 31, 2011	Jun. 28, 2011
Preferred stock-first series of Class 7	8,970	57.50	Mar. 31, 2011	Jun. 28, 2011
Total	¥132,328			

Cash dividends approved at the Board of Directors' meeting held on November 14, 2011:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥72,741	¥5.89	Sep. 30, 2011	Nov. 15, 2011
Preferred stock-first series of Class 6	105	105.45	Sep. 30, 2011	Nov. 15, 2011
Preferred stock-first series of Class 7	8,970	57.50	Sep. 30, 2011	Nov. 15, 2011
Total	¥81,817			

Year ended March 31, 2011:

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

Cash dividends approved at the shareholders' meeting held on June 28, 2010:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
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			

Cash dividends approved at the Board of Directors' meeting held on November 15, 2010:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥123,253	¥9.98	Sep. 30, 2010	Nov. 16, 2010
Preferred stock-first series of Class 6	105	105.45	Sep. 30, 2010	Nov. 16, 2010
Preferred stock-first series of Class 7	8,970	57.50	Sep. 30, 2010	Nov. 16, 2010
Total	¥132,328			

18. STOCK OPTIONS

The stock options are granted by kabu.com Securities Co., Ltd. (the "Company"), which is a subsidiary.

The stock options outstanding as of March 31, 2012 are as follows:

	2006 Stock Option
Persons granted	1 director 1 officer 31 employees
Number of options granted*1 and 2	Common stock: 862,800 shares
Date of grant	Mar. 31, 2006
Vesting conditions	Those who were granted stock options shall be in the position of a director, an officer or an employee at the time of exercise.
Eligible service period	Not defined
Exercise period	Jul. 1, 2007-Jun. 30, 2012

Notes:

*1 The number is shown in the number of shares of the Company.

*2 The number of 2006 Stock Option was adjusted by reflecting the 200 for one stock splits effective on April 1, 2010.

The stock option activity is as follows:

a. Number of stock options (in shares)	2006 Stock Option
Non-vested:	
March 31, 2010-Outstanding	-
Granted	-
Forfeited	-
Vested	-
March 31, 2011-Outstanding	-
Granted	-
Forfeited	-
Vested	-
March 31, 2012-Outstanding	-
Vested:	
March 31, 2010-Outstanding	3,150
After adjustment of stock splits	630,000
Vested	-
Exercised	-
Forfeited	129,600
March 31, 2011-Outstanding	500,400
Vested	-
Exercised	-
Forfeited	26,400
March 31, 2012-Outstanding	474,000

b. Price information (in Japanese yen per share)	
Exercise price*1	¥1,636
Average stock price at exercise*1	-
Fair value at grant date*2	-

Notes:

*1 The exercise price was adjusted by reflecting the 200 for one stock splits effective on April 1, 2010.

*2 The fair value at grant date is not presented since these options were granted before the enforcement of the Companies Act.

19. OTHER INCOME

Other income for the years ended March 31, 2012, 2011 and 2010 consisted of the following:

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2012	2011	2010	2012
Gains on sales of equity securities and other securities	¥35,234	¥52,885	¥131,103	$429
Gains on sales of shares of affiliates	7,713	-	13,361	94
Gains on collection of bad debts	44,892	49,593	51,345	546
Other	80,897	91,827	145,692	984
Total	¥168,738	¥194,306	¥341,501	$2,053

20. OTHER EXPENSES

Other expenses for the years ended March 31, 2012, 2011 and 2010 consisted of the following:

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2012	2011	2010	2012
Losses on write-down or sales of equity securities and other securities	¥129,185	¥100,941	¥86,673	$1,572
Write-offs of loans	106,060	143,960	263,483	1,290
Loss on disposal of fixed assets	8,189	7,310	18,421	100
Impairment loss recognized for goodwill	-	21,524	-	-
Effect of applying the new accounting standard for asset retirement obligations	-	15,834	-	-
Other	95,242	71,214	176,978	1,159
Total	¥338,677	¥360,787	¥545,555	$4,121

21. INCOME TAXES

The Group is subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 40.57% for the years ended March 31, 2012, 2011 and 2010.

The tax effects of significant temporary differences which resulted in "Deferred tax assets and liabilities" as of March 31, 2012, 2011 and 2010 were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2012	2011	2010	2012
Deferred tax assets:				
Excess over deductible limit of provision of allowance for credit losses and written-off of loans	¥448,483	¥579,667	¥578,288	$5,457
Revaluation loss on securities	181,123	274,761	290,931	2,204
Unrealized losses on available-for-sale securities	87,701	125,131	115,780	1,067
Reserve for retirement benefits	90,168	96,130	88,836	1,097
Tax loss carryforwards	25,056	50,425	296,164	305
Other	510,598	561,505	532,676	6,212
Subtotal	1,343,131	1,687,621	1,902,678	16,342
Less valuation allowances	(344,045)	(489,898)	(714,277)	(4,186)
Total	¥999,086	¥1,197,723	¥1,188,400	$12,156
Deferred tax liabilities:				
Unrealized gains on available-for-sale securities	¥(261,025)	¥(178,797)	¥(276,904)	$(3,176)
Gain on establishment of retirement benefit trust	(57,971)	(65,984)	(65,996)	(705)
Unrealized gain on lease transactions	(54,717)	(61,993)	(63,227)	(666)
Revaluation gain on securities at merger	(40,654)	(49,505)	(68,617)	(495)
Deferred gains on derivatives under hedge accounting	(45,624)	(44,702)	(77,811)	(555)
Retained earnings of overseas subsidiaries	(21,141)	(21,127)	(18,160)	(257)
Other	(72,214)	(88,624)	(81,876)	(879)
Total	¥(553,349)	¥(510,735)	¥(652,594)	$(6,733)
Net deferred tax assets	¥445,737	¥686,988	¥535,806	$5,423

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2012, 2011 and 2010 was as follows:

	2012	2011	2010
Normal effective statutory tax rate	40.57%	40.57%	40.57%
Change in valuation allowances	(6.69)	(30.14)	(13.61)
Tax rate difference of overseas subsidiaries	(3.33)	(3.68)	(5.01)
Permanent non-taxable differences (e.g. Non-taxable dividend income)	(1.83)	(2.08)	(2.56)
Foreign taxes	(1.00)	3.34	1.94
Elimination of dividends received from subsidiaries	0.26	0.36	0.25
Reduction of deferred tax assets resulting from tax rate changes	4.99	-	-
Other-net	1.41	0.67	2.11
Actual effective tax rate	34.38%	9.04%	23.69%

Following the promulgation on December 2, 2011, of the "Act for Partial Amendment to the Income Tax Act, etc. for the purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011), effective from the fiscal year beginning on or after April 1, 2012, the corporate tax rate will be reduced and the special corporate tax for reconstruction will be imposed. In accordance with this tax reform, the effective statutory tax rate, which is used to measure deferred tax assets and deferred tax liabilities, has been reduced from 40.57% to 38.01% for temporary differences that are expected to be eliminated during the period from April 1, 2012 through March 31, 2015 and 35.64% for temporary differences to be eliminated on or after April

1, 2015. As a result, “Deferred tax assets” (after deducting deferred tax liabilities) decreased by ¥16,435 million ($200 million) and “Unrealized gain on available-for-sale securities”, “Deferred gain on derivatives under hedge accounting” and “Income taxes-deferred” increased by ¥23,067 million ($281 million), ¥6,311 million ($77 million) and ¥45,814 million ($557 million), respectively. “Deferred tax liabilities on land revaluation” decreased by ¥21,360 million ($260 million) and “Land revaluation surplus” increased by the same amount.

22. LEASES

a. Lessee

Finance leases

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

The Bank and domestic subsidiaries 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 years ended March 31, 2012 and 2011 was as follows:
Note that leased property of certain foreign subsidiaries which account for finance leases as purchase transactions is excluded from the following table:

	Millions of Yen					
	2012			2011		
March 31	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	¥24,235	¥17,888	¥6,346	¥56,555	¥43,349	¥13,205
Intangible fixed assets	249	181	67	1,231	1,056	174
Total	¥24,484	¥18,070	¥6,414	¥57,786	¥44,405	¥13,380

	Millions of U.S. Dollars		
	2012		
March 31	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	$ 295	$218	$77
Intangible fixed assets	3	2	1
Total	$298	$220	$78

Note1: The acquisition costs include interest expense since the future lease payments are immaterial when compared to the balance of the “Tangible fixed assets” as of March 31, 2012 and 2011.
Note2: Future lease payments include interest expense since the future lease payments are immaterial when compared to the balance of the “Tangible fixed assets” as of March 31, 2012 and 2011.

Liabilities under finance leases:

	Millions of Yen		Millions of U.S. Dollars
March 31	2012	2011	2012
Due within one year	¥2,777	¥6,686	$34
Due after one year	3,636	6,704	44
Total	¥6,414	¥13,391	$78

Total lease payments under finance leases for the years ended March 31, 2012 and 2011 were ¥6,252 million ($76 million) and ¥12,087 million, respectively.

Depreciation expense under finance leases:

	Millions of Yen		Millions of U.S. Dollars
Year ended March 31	2012	2011	2012
Depreciation expense	¥6,252	¥12,087	$76

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

Operating leases

Future lease payments including interest expense under non-cancelable operating leases as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2012	2011	2012
Due within one year	¥24,731	¥24,652	$301
Due after one year	130,278	125,380	1,585
Total	¥155,009	¥150,033	$1,886

b. Lessor

Operating leases

Future lease receivables including interest receivables under non-cancelable operating leases as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2012	2011	2012
Due within one year	¥18,374	¥16,882	$224
Due after one year	65,918	57,242	802
Total	¥84,293	¥74,124	$1,026

23. COMPREHENSIVE INCOME

The components of other comprehensive income for the year ended March 31, 2012 were as follows:

	Millions of Yen	Millions of U.S. Dollars
Unrealized gain (loss) on available-for-sale securities:		
Gain arising during the year	¥508,929	$6,192
Reclassification adjustments to profit or loss	(164,550)	(2,002)
Amount before income tax effect	344,378	4,190
Income tax effect	(121,710)	(1,481)
Total	222,668	2,709
Deferred gain on derivatives under hedge accounting:		
Gain arising during the year	43,592	530
Reclassification adjustments to profit or loss	(29,197)	(355)
Amount before income tax effect	14,394	175
Income tax effect	(1,921)	(23)
Total	12,473	152
Land revaluation surplus:		
Gain arising during the year	-	-
Reclassification adjustments to profit or loss	-	-
Amount before income tax effect	-	-
Income tax effect	21,360	260
Total	21,360	260
Foreign currency translation adjustments:		
Loss arising during the year	(61,174)	(744)
Reclassification adjustments to profit or loss	2,950	36
Amount before income tax effect	(58,223)	(708)
Income tax effect	-	-
Total	(58,223)	(708)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries		
Loss arising during the year	(36,563)	(445)
Reclassification adjustments to profit or loss	5,473	67
Amount before income tax effect	(31,089)	(378)
Income tax effect	12,949	157
Total	(18,140)	(221)
Share of other comprehensive income in associates accounted for using the equity method		
Gain arising during the year	1,277	16
Reclassification adjustments to profit or loss	(866)	(11)
Total	411	5
Total other comprehensive income	¥180,549	$2,197

The corresponding information for the years ended March 31, 2011 was not required under the accounting standard for presentation of comprehensive income as an exemption for the first year of adopting that standard and not disclosed herein.

24. PER SHARE INFORMATION

	Yen			U.S. Dollars
March 31	2012	2011	2010	2012
Total equity per share	¥620.62	¥579.24	¥574.78	$7.55

	Yen			U.S. Dollars
Years ended March 31	2012	2011	2010	2012
Net income per common share	¥42.57	¥56.78	¥30.16	$0.52
Diluted net income per common share	42.57	-	30.16	0.52

*Diluted net income per share for the year ended March 31, 2011 was not recorded since the potential shares do not have dilutive effect.

Notes:

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

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2012	2011	2010	2012
Net income	¥544,324	¥719,795	¥362,886	$6,623
Amount not attributable to common shareholders	(18,478)	(18,540)	(24,353)	(225)
Of which, preferred dividends	(18,478)	(18,540)	(24,353)	(225)
Net income attributable to common shares	525,846	701,255	338,532	6,398

	Number of shares in thousands		
Years ended March 31	2012	2011	2010
Average number of common shares during the year	12,350,038	12,350,038	11,223,974

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:

Year ended March 31, 2012

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

	2006 Stock Option
Date of grant	March 31, 2006
Expiry date	June 30, 2012
Exercise price	¥1,636 ($19.91)
Number of options initially granted	1,438
Outstanding number of options as of March 31, 2012	790

Year ended March 31, 2011

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

	2006 Stock Option
Date of grant	March 31, 2006
Expiry date	June 30, 2012
Exercise price	¥1,636
Number of options initially granted	1,438
Outstanding number of options as of March 31, 2011	834

Year ended March 31, 2010

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

	2006 Stock Option
Date of grant	March 31, 2006
Expiry date	June 30, 2012
Exercise price	¥327,022
Number of options initially granted	1,438
Outstanding number of options as of March 31, 2010	1,050

2. Total equity per share is calculated based on the following:

	Millions of Yen			Millions of U.S. Dollars
March 31	2012	2011	2010	2012
Total equity	¥9,262,169	¥8,907,445	¥9,300,572	$112,692
Deductions from total equity:				
Minority interests	1,192,309	1,348,627	1,543,922	14,507
Preferred shares	395,700	395,700	645,700	4,814
Preferred dividends	9,402	9,464	12,278	114
Total	1,597,411	1,753,792	2,201,900	19,435
Total equity attributable to common shares	7,664,757	7,153,652	7,098,671	93,257

	Number of shares in thousands		
March 31	2012	2011	2010
Number of common shares used in computing total equity per share at the fiscal year end	12,350,038	12,350,038	12,350,038

25. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

1. Disclosures on Financial Instruments

(1) Policy on Financial Instruments

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

(2) Nature and Extent of Risks Arising from Financial Instruments

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

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

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

(3) Risk Management for Financial Instruments

Credit Risk Management

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

Market Risk Management

(a) Risk Management System

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

(b) Market Risk Management

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

(c) Market Risk Measurement Model

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

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

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

* For banking activities of UNBC, the market risk volume is identified using EaR (Earnings at Risk).

* EaR is an index presenting the volatility of NII (net interest income) associated with the changes in

interest rates and presented by the variance ratios (%) against NII of the standard scenario. UNBC sets two types of scenarios of +200 basis points (+2.00%) and -100 basis points (-1.00%) of interest rate changes in making a trial calculation of EaR.

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

(d) Qualitative Information in Respect of Market Risk

(i) Amount of Market Risk Associated with Trading Activities

The amount of consolidated market risk associated with trading activities across the Group was ¥3,812 million ($46 million) and ¥3,985 million as of March 31, 2012 and 2011, respectively.

(ii) Amount of Market Risk Associated with Banking Activities

The amount of consolidated market risk associated with banking activities (excluding strategic equity securities) across the Group was ¥424,758 million ($5,168 million) and ¥488,611 million as of March 31, 2012 and 2011, respectively. As an appropriate identification of interest rate risk is vital to banking activities (excluding strategic equity securities and UNBC), the risk is managed based on the following assumptions for appropriate measurement of core deposit and prepayment in loans and deposits. For a certain part of the deposits without contractual maturities (so called core deposit), interest rate risk is recognized by allocating maturities of various terms (no longer than five years but approximately two and a half years on an average), taking into account the results of the statistical analysis using the data on the transition of balance by product, prospective of deposit interest rate and other business judgments. The amount of core deposits and the method of allocating maturities are reviewed on a regular basis. Meanwhile, the deposits and loans with contractual maturities involve risks associated with premature repayment or cancellation. These risks are reflected in interest rate risks by estimating the ratio of cancellations through the statistical analysis based on the factors including interest rate change and actual repayments and cancellations.

EaR of banking activities of UNBC as of December 31, 2011 and 2010 was +3.98% and +4.75%, respectively, at the time of interest rate changes of +200 basis points (+2.00%) and -2.55% and -2.83%, respectively, at the time of interest rate changes of -100 basis points (-1.00%).

(iii) Risk of strategic equity portfolio

The market value of the strategically held stocks (publicly traded) of the Bank as of March 31, 2012 and 2011 was subject to a variation of approximately ¥3,098 million ($38 million) and ¥3,225 million, respectively, when the TOPIX index moves one point in either direction.

(e) Backtesting

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

The results of backtesting for the year ended March 31, 2012 in the trading activities of the Bank showed that actual losses exceeded VaR twice. Since the frequency of the excess falls within four times, it is considered that the Bank's VaR model provided reasonably accurate measurements of market risk.

(f) Stress Testing

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

Management of Liquidity Risk Associated with Fund Raising Activities

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

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

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

2. Fair value of financial instruments

The following table summarizes the carrying amount and the fair value of financial instruments as of March 31, 2012 and 2011 together with their differences. Note that the following table does not include unlisted equity securities and certain other securities for which fair value is extremely difficult to determine (see Note 2).

	Millions of Yen		
March 31, 2012	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	¥6,866,983	¥6,866,983	¥-
(2) Call loans and bills bought	275,256	275,256	-
(3) Receivables under resale agreements	890,835	890,835	-
(4) Receivables under securities borrowing transactions	307,498	307,498	-
(5) Monetary claims bought (*1)	2,920,376	2,957,612	37,236
(6) Trading assets	1,670,340	1,670,340	-
(7) Money held in trust	293,133	293,133	-
(8) Securities:			
Held-to-maturity securities	252,392	254,951	2,559
Available-for-sale securities	62,765,346	62,765,346	-
(9) Loans and bills discounted	74,827,752		
Allowance for credit losses (*1)	(767,053)		
	74,060,699	74,800,945	740,245
(10) Foreign exchange assets (*1)	1,470,588	1,470,588	-
Total assets	¥151,773,450	¥152,553,492	¥780,041
(1) Deposits	¥113,072,605	¥113,114,603	¥41,997
(2) Negotiable certificates of deposit	9,160,933	9,166,704	5,771
(3) Call money and bills sold	2,097,337	2,097,337	-
(4) Payables under repurchase agreements	6,133,170	6,133,170	-
(5) Payables under securities lending transactions	2,172,091	2,172,091	-
(6) Commercial paper	434,195	434,195	-
(7) Trading liabilities	27,810	27,810	-
(8) Borrowed money	7,153,616	7,181,717	28,100
(9) Foreign exchange liabilities	881,938	881,938	-
(10) Short-term bonds payable	98,952	98,952	-
(11) Bonds payable	5,349,929	5,439,950	90,020
Total liabilities	¥146,582,581	¥146,748,471	¥165,890
Derivatives (*2):			
To which hedge accounting is not applied	¥208,612	¥208,612	¥-
To which hedge accounting is applied	(65,871)	(65,871)	-
Total derivatives	¥142,740	¥142,740	¥-

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

March 31, 2012	Millions of U.S. Dollars Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	$83,550	$83,550	$-
(2) Call loans and bills bought	3,349	3,349	-
(3) Receivables under resale agreements	10,839	10,839	-
(4) Receivables under securities borrowing transactions	3,741	3,741	-
(5) Monetary claims bought (*1)	35,532	35,985	453
(6) Trading assets	20,323	20,323	-
(7) Money held in trust	3,567	3,567	-
(8) Securities:			
Held-to-maturity securities	3,071	3,102	31
Available-for-sale securities	763,661	763,661	-
(9) Loans and bills discounted	910,424		
Allowance for credit losses(*1)	(9,333)		
	901,091	910,098	9,007
(10) Foreign exchange assets (*1)	17,893	17,893	-
Total assets	$1,846,617	$1,856,108	$9,491
(1) Deposits	$1,375,747	$1,376,258	$511
(2) Negotiable certificates of deposit	111,460	111,530	70
(3) Call money and bills sold	25,518	25,518	-
(4) Payables under repurchase agreements	74,622	74,622	-
(5) Payables under securities lending transactions	26,428	26,428	-
(6) Commercial paper	5,283	5,283	-
(7) Trading liabilities	338	338	-
(8) Borrowed money	87,038	87,380	342
(9) Foreign exchange liabilities	10,730	10,730	-
(10) Short-term bonds payable	1,204	1,204	-
(11) Bonds payable	65,092	66,187	1,095
Total liabilities	$1,783,460	$1,785,478	$2,018
Derivatives (*2):			
To which hedge accounting is not applied	$2,538	$2,538	$-
To which hedge accounting is applied	(801)	(801)	-
Total derivatives	$1,737	$1,737	$-

(*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 purposes, the fair value is determined based on the price quoted by the exchange or the financial institutions from which these securities are purchased.

(7) "Money held in trust"

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

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

(8) "Securities"

The fair value of equity securities is determined based on the price quoted by the exchange and the fair value of bonds is determined based on the price quoted by the exchange or the financial institutions from which they were purchased. The fair value of investment trusts is determined based on the publicly available price. For privately placed guaranteed bonds held by the Bank, the fair value is determined based on the present value of expected future cash flows, which is adjusted to reflect default risk, amount to be collected from collateral, guarantees, guarantee fees, and discounted at an interest rate based on the market interest rate as of the date of evaluation with certain adjustments. With respect to variable rate Japanese government bonds that are included in "Securities" in the table above, the Bank values them at an amount calculated on a reasonable basis according to ASBJ PITF No. 25 "Practical Solution on Measurement of Fair Value for Financial Assets" (issued on October 28, 2008 by the ASBJ), as the Bank determined that taking into account the struggling market conditions, the market price of these securities as of the fiscal year end date cannot be regarded as the fair value. The value of variable rate Japanese government bonds calculated on a reasonable basis is determined by discounting the expected future cash flow, estimated based on factors such as the yield of government bonds and 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).

<u>Liabilities</u>

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

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

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

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

(7) "Trading liabilities"

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

(8) “Borrowed money”

For floating rate borrowings, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. This is done so on the basis that the market interest rate is reflected in the 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 Group before and after the issuance. For fixed rate corporate bonds, the fair value is the present value of expected future cash flow from these borrowings, which is discounted at an interest rate generally applicable to similar borrowings reflecting the premium applicable to the Group.

(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.

	Carrying amount	
March 31, 2012	Millions of Yen	Millions of U.S. Dollars
Unlisted equity securities (*1) (*2)	¥336,709	$4,097
Investment in partnerships, etc. (*2) (*3)	163,770	1,992
Other (*2)	396	5
Total	¥500,877	$6,094

	Carrying amount
March 31, 2011	Millions of Yen
Unlisted equity securities (*1) (*2)	¥354,321
Investment in partnerships, etc. (*2) (*3)	194,048
Other (*2)	129
Total	¥548,498

(*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 ¥10,321 million ($126 million) and ¥9,512 million was recorded in the fiscal years ended March 31, 2012 and 2011, respectively.

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

(Note 3) Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen					
March 31, 2012	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Securities (*1)(*2):	¥15,791,718	¥11,289,999	¥18,895,466	¥2,467,831	¥5,054,308	¥6,954,746
Held-to-maturity securities:	250,056	4,454	34,759	74,585	623,560	370,777
Japanese government bonds	250,048	-	-	-	-	-
Foreign bonds	7	-	-	-	2,336	-
Other	-	4,454	34,759	74,585	621,223	370,777
Available-for-sale securities with contractual maturities:	15,541,662	11,285,544	18,860,707	2,393,245	4,430,748	6,583,969
Japanese government bonds	14,002,289	8,122,509	14,704,399	189,677	3,779,681	1,626,773
Municipal bonds	4,383	48,500	19,296	98,189	9,736	397
Corporate bonds	339,860	901,629	568,221	277,876	91,512	784,708
Foreign bonds	1,195,128	2,204,744	3,369,643	1,790,021	517,026	4,074,926
Other	0	8,161	199,147	37,479	32,791	97,163
Loans (*1)(*3)	34,768,249	11,680,146	8,873,837	3,813,525	3,734,710	10,967,660
Total	¥50,559,967	¥22,970,145	¥27,769,304	¥6,281,356	¥8,789,018	¥17,922,407

	Millions of U.S. Dollars					
March 31, 2012	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Securities (*1)(*2):	$192,137	$137,364	$229,900	$30,026	$61,496	$84,618
Held-to-maturity securities:	3,043	54	423	907	7,587	4,511
Japanese government bonds	3,043	-	-	-	-	-
Foreign bonds	0	-	-	-	29	-
Other	-	54	423	907	7,558	4,511
Available-for-sale securities with contractual maturities:	189,094	137,310	229,477	29,119	53,909	80,107
Japanese government bonds	170,365	98,826	178,907	2,308	45,987	19,793
Municipal bonds	53	590	235	1,195	119	5
Corporate bonds	4,135	10,970	6,914	3,381	1,113	9,548
Foreign bonds	14,541	26,825	40,998	21,779	6,291	49,579
Other	0	99	2,423	456	399	1,182
Loans (*1) (*3)	423,023	142,112	107,967	46,399	45,440	133,443
Total	$615,160	$279,476	$337,867	$76,425	$106,936	$218,061

(*1) The above amounts are stated using the carrying amounts.
(*2) Securities include trust beneficiaries of "Monetary claims bought."
(*3) Loans do not include those amounts whose repayment schedules cannot be determined including due from "bankrupt" borrowers, "virtually bankrupt" borrowers and "likely to become bankrupt" borrowers amounting to ¥989,621million ($12,041 million).

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

March 31, 2012	Millions of Yen Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Time deposits and negotiable certificates of deposit (*1)	¥43,835,929	¥5,235,813	¥862,167	¥94,345	¥60,896	¥2,294
Borrowed money (*1)(*2)(*3)	5,941,106	473,689	191,001	172,727	62,907	312,184
Bonds (*1)(*2)	626,046	1,305,330	926,740	1,112,821	982,600	396,390
Total	¥50,403,082	¥7,014,833	¥1,979,909	¥1,379,893	¥1,106,404	¥710,870

March 31, 2012	Millions of U.S. Dollars Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Time deposits and negotiable certificates of deposit(*1)	$533,349	$63,704	$10,490	$1,148	$741	$28
Borrowed money(*1) (*2) (*3)	72,285	5,763	2,324	2,101	765	3,798
Bonds(*1) (*2)	7,617	15,882	11,275	13,540	11,955	4,823
Total	$613,251	$85,349	$24,089	$16,789	$13,461	$8,649

(*1) The above amounts are stated at the carrying amount.
(*2) "Borrowed money" and "Bonds" whose maturities are not defined are recorded under "Due after ten years."
(*3) There was no outstanding balance of rediscounted bills as of March 31, 2012.

26. DERIVATIVES

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

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

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

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

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

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

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

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

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

The Bank has the following derivative contracts outstanding as of March 31, 2012, 2011 and 2010:

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 fiscal year end date by transaction type and valuation method of fair value are as follows: Note that contract amounts do not represent the market risk exposure associated with derivatives.

(1) Interest rate related derivatives

		Millions of Yen			
		2012			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥2,028,885	¥1,546,519	¥(1,120)	¥(1,120)
	Bought	888,993	405,789	361	361
Interest rate options	Sold	37,546,493	63,864	(5,198)	5,283
	Bought	19,775,285	63,864	7,059	(4,433)
OTC transactions:					
Forward rate agreements	Sold	640,342	-	-	-
	Bought	731,573	-	-	-
Interest rate swaps	Receivable fixed rate/ Payable floating rate	101,642,641	72,884,681	3,158,847	3,158,847
	Receivable floating rate/ Payable fixed rate	97,651,382	71,271,048	(3,041,762)	(3,041,762)
	Receivable floating rate/ Payable floating rate	30,529,981	23,026,585	40,164	40,164
	Receivable fixed rate/ Payable fixed rate	433,234	289,927	(788)	(788)
Interest rate swaptions	Sold	11,278,963	3,627,181	(119,374)	(69,272)
	Bought	5,650,818	3,172,496	87,512	60,435
Other	Sold	2,062,349	1,650,559	(8,093)	(1,613)
	Bought	1,850,434	1,675,404	13,919	3,706
Total		-	-	¥131,525	¥149,806

March 31		Millions of Yen 2011 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥639,112	¥140,512	¥244	¥244
	Bought	818,082	217,703	145	145
Interest rate options	Sold	2,062,061	-	(469)	69
	Bought	2,736,602	-	528	(380)
OTC transactions:					
Forward rate agreements	Sold	1,694,430	-	81	81
	Bought	1,464,022	-	(173)	(173)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	125,562,897	85,180,691	3,094,243	3,094,243
	Receivable floating rate/ Payable fixed rate	125,155,579	85,541,044	(2,980,416)	(2,980,416)
	Receivable floating rate/ Payable floating rate	28,184,954	21,542,726	27,198	27,198
	Receivable fixed rate/ Payable fixed rate	335,784	291,257	(916)	(916)
Interest rate swaptions	Sold	6,526,954	3,248,896	(111,078)	(84,361)
	Bought	4,686,255	2,344,238	101,463	79,378
Other	Sold	1,617,888	1,177,554	(8,208)	(4,593)
	Bought	1,214,959	868,912	10,391	8,170
Total		-	-	¥133,030	¥138,688

March 31		Millions of Yen 2010 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥821,481	¥325,735	¥(178)	¥(178)
	Bought	1,284,520	364,181	1,402	1,402
Interest rate options	Sold	3,645,623	-	(1,409)	(8)
	Bought	3,163,366	-	1,415	(343)
OTC transactions:					
Forward rate agreements	Sold	1,611,266	-	16	16
	Bought	1,661,415	-	(72)	(72)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	152,837,664	109,558,043	3,926,511	3,926,511
	Receivable floating rate/ Payable fixed rate	153,633,702	109,677,738	(3,714,965)	(3,714,965)
	Receivable floating rate/ Payable floating rate	27,797,396	20,543,675	(78,598)	(78,598)
	Receivable fixed rate/ Payable fixed rate	363,860	331,627	(1,286)	(1,286)
Interest rate swaptions	Sold	7,019,308	4,373,317	(106,342)	(77,729)
	Bought	5,974,967	3,665,579	108,879	84,556
Other	Sold	1,946,756	1,457,652	(10,071)	(5,408)
	Bought	1,609,023	1,075,405	10,425	8,441
Total		-	-	¥135,727	¥142,338

March 31		Millions of U.S. Dollars 2012 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	$24,685	$18,816	$(14)	$(14)
	Bought	10,816	4,937	4	4
Interest rate options	Sold	456,826	777	(63)	65
	Bought	240,605	777	86	(54)
OTC transactions:					
Forward rate agreements	Sold	7,791	-	-	-
	Bought	8,901	-	-	-
Interest rate swaps	Receivable fixed rate/ Payable floating rate	1,236,679	886,783	38,433	38,433
	Receivable floating rate/ Payable fixed rate	1,188,118	867,150	(37,009)	(37,009)
	Receivable floating rate/ Payable floating rate	371,456	280,163	489	489
	Receivable fixed rate/ Payable fixed rate	5,271	3,528	(10)	(10)
Interest rate swaptions	Sold	137,230	44,132	(1,452)	(843)
	Bought	68,753	38,600	1,065	736
Other	Sold	25,092	20,082	(98)	(19)
	Bought	22,514	20,385	169	45
Total		-	-	$1,600	$1,823

Notes:

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

(2) Currency related derivatives

March 31		Millions of Yen 2012 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	¥21,645	¥-	¥27	¥27
	Bought	14,970	-	58	58
OTC transactions:					
Currency swaps		23,948,764	17,470,952	28,884	28,884
Forward contracts on	Sold	31,753,388	1,052,850	(330,948)	(330,948)
foreign exchange	Bought	29,533,455	1,111,327	229,208	229,208
Currency options	Sold	6,919,640	3,286,726	(265,475)	60,293
	Bought	6,755,766	3,351,053	409,078	124,652
Total		-	-	¥70,833	¥112,176

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

March 31		Millions of Yen 2010 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	¥23,621	¥-	¥147	¥147
	Bought	11,292	-	(18)	(18)
OTC transactions:					
Currency swaps		27,239,544	22,360,903	(175,147)	(175,147)
Forward contracts on	Sold	17,044,362	249,908	(10,652)	(10,652)
foreign exchange	Bought	34,788,525	910,610	(63,069)	(63,069)
Currency options	Sold	9,448,228	5,029,829	(448,818)	30,570
	Bought	9,049,860	4,863,275	659,212	267,839
Total		-	-	¥(38,347)	¥49,668

March 31		Millions of U.S. Dollars 2012 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	$263	$-	$0	$0
	Bought	182	-	1	1
OTC transactions:					
Currency swaps		291,383	212,568	352	352
Forward contracts on	Sold	386,341	12,810	(4,027)	(4,027)
foreign exchange	Bought	359,331	13,521	2,789	2,789
Currency options	Sold	84,191	39,989	(3,230)	733
	Bought	82,197	40,772	4,977	1,517
Total		-	-	$862	$1,365

Notes:

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

(3) Equity related derivatives

March 31		Millions of Yen 2012 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥-	¥-	¥-	¥-
	Bought	252	-	0	0
OTC transactions:					
OTC options on securities	Sold	118,208	114,676	(6,746)	(5,561)
	Bought	118,208	114,676	6,746	5,561
Total		-	-	¥0	¥0

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

March 31		Millions of Yen 2010 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
OTC options on securities	Sold	¥11,713	¥11,713	¥(1,301)	¥(519)
	Bought	11,713	11,713	1,301	519
Total		-	-	¥-	¥-

March 31		Millions of U.S. Dollars 2012 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	$-	$-	$-	$-
	Bought	3	-	0	0
OTC transactions:					
OTC options on securities	Sold	1,438	1,395	(82)	(68)
	Bought	1,438	1,395	82	68
Total		-	-	$0	$0

Notes:

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

(4) Bond related derivatives

		Millions of Yen			
		2012			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥809,619	¥-	¥(209)	¥(209)
	Bought	777,102	-	1,101	1,101
Bond futures options	Sold	533,702	-	(1,836)	(378)
	Bought	648,232	-	1,763	(1,734)
OTC transactions:					
Bond forward contracts	Sold	¥82,190	-	(391)	(391)
	Bought	152,051	-	(424)	(424)
Total		-	-	¥3	¥(2,036)

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

		Millions of Yen			
		2010			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥627,022	¥-	¥677	¥677
	Bought	580,592	-	(595)	(595)
Bond futures options	Sold	159,039	-	(314)	60
	Bought	165,731	-	730	2
Total		-	-	¥496	¥144

		Millions of U.S. Dollars			
		2012			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	$9,851	$-	$(3)	$(3)
	Bought	9,455	-	13	13
Bond futures options	Sold	6,494	-	(22)	(5)
	Bought	7,887	-	21	(21)
OTC transactions:					
Bond forward contracts	Sold	1,000	-	(4)	(4)
	Bought	1,850	-	(5)	(5)
Total		-	-	$0	$(25)

Notes:

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

(5) Commodity related derivatives

March 31		Millions of Yen 2012 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥124,326	¥96,393	¥(39,150)	¥(39,150)
	Receivable floating rate/ Payable index volatility	142,683	108,162	39,610	39,610
Commodity options	Sold	136,664	130,340	(6,319)	(6,303)
	Bought	136,661	130,340	6,325	6,310
Total		-	-	¥466	¥467

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

March 31		Millions of Yen 2010 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥200,611	¥134,594	¥(59,076)	¥(59,076)
	Receivable floating rate/ Payable index volatility	224,307	165,588	63,256	63,256
Commodity options	Sold	84,461	46,485	(6,060)	(5,944)
	Bought	84,461	46,485	6,060	5,952
Total		-	-	¥4,179	¥4,187

March 31		Millions of U.S. Dollars 2012 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	$1,513	$1,173	$(476)	$(476)
	Receivable floating rate/ Payable index volatility	1,736	1,316	482	482
Commodity options	Sold	1,663	1,586	(77)	(77)
	Bought	1,663	1,586	77	77
Total		-	-	$6	$6

Notes:

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

(6) Credit related derivatives

March 31		Millions of Yen 2012 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥703,392	¥426,590	¥1,108	¥1,108
	Bought	1,163,370	654,010	4,675	4,675
Total		-	-	¥5,783	¥5,783

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

March 31		Millions of Yen 2010 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥3,221,430	¥1,943,322	¥(6,561)	¥(6,561)
	Bought	3,817,308	2,269,999	8,371	8,371
Total		-	-	¥1,810	¥1,810

March 31		Millions of U.S. Dollars 2012 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	$8,558	$5,190	$13	$13
	Bought	14,155	7,957	57	57
Total		-	-	$70	$70

Notes:

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

(7) Other

March 31		Millions of Yen 2011 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Weather derivatives	Sold	¥5	¥-	¥(1)	¥1
	Bought	-	-	-	-
Total		-	-	¥(1)	¥1

March 31		Millions of Yen 2010 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Weather derivatives	Sold	¥19	¥-	¥(1)	¥(0)
	Bought	14	-	1	1
Total		-	-	¥-	¥1

Notes:
1. The above transactions are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values are calculated using option pricing models or other methods.
3. There was no outstanding transaction as of March 31, 2012.

Derivatives to which hedge accounting is applied:

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

(1) Interest rate related derivatives

March 31 Hedge accounting method	Transaction type	Major hedged item	Millions of Yen 2012 Contract amount	Contract amount due after one year	Fair value
Principal method	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits, etc.	¥4,041,462	¥3,178,676	¥165,598
	Receivable floating rate/ Payable fixed rate		3,479,337	3,230,265	(72,728)
	Receivable floating rate/ Payable floating rate		20,000	20,000	611
	Interest rate futures		584,055	35,950	288
	Other		310,960	272,090	16
Total			-	-	¥93,788

March 31 Hedge accounting method	Transaction type	Major hedged item	Millions of Yen 2011 Contract amount	Contract amount due after one year	Fair value
Principal method	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits, etc.	¥5,220,549	¥4,151,979	¥124,549
	Receivable floating rate/ Payable fixed rate		3,050,220	2,925,080	(45,696)
	Receivable floating rate/ Payable floating rate		20,000	20,000	971
	Interest rate futures		1,494,994	24,344	1,649
	Other		325,960	325,960	536
Note 3	Interest rate swaps:				
	Receivable floating rate/ Payable fixed rate	Borrowed money	336	-	Note 3
Total			-	-	¥82,010

			Millions of Yen		
March 31			2010		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principal method	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits, etc.	¥12,740,888	¥4,892,903	¥257,459
	Receivable floating rate/ Payable fixed rate		2,630,086	1,445,014	(55,243)
	Receivable floating rate/ Payable floating rate		20,000	20,000	1,138
	Interest rate futures		2,047,073	198,685	879
	Other		534,180	414,450	8,675
Note 3	Interest rate swaps:				
	Receivable floating rate/ Payable fixed rate	Borrowed money	918	336	Note 3
Total			-	-	¥212,910

			Millions of U.S. Dollars		
March 31			2012		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principal method	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits, etc.	$49,172	$38,675	$2,015
	Receivable floating rate/ Payable fixed rate		42,333	39,302	(885)
	Receivable floating rate/ Payable floating rate		243	243	7
	Interest rate futures		7,106	437	4
	Other		3,783	3,311	0
Total			-	-	$1,141

Notes:

1. These derivatives are mainly accounted for using hedge accounting in accordance with JICPA Industry Audit Committee Report No. 24 "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry."
2. Fair values of transactions listed on exchange are calculated using the last quoted market price at the Tokyo Financial Exchange, Inc. or other exchanges at the fiscal year end date.
   Fair values of OTC transactions are calculated using the discounted present value, the option pricing models or other methods.
3. The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expenses of "Borrowed money" as hedged items. Accordingly, the fair value of the interest rate swaps is considered to be included in the fair value of "Borrowed money."

(2) Currency related derivatives

			Millions of Yen		
March 31			2012		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principal method	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥9,111,841	¥4,953,090	¥(159,212)

			Millions of Yen		
March 31			2011		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principal method	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥7,810,762	¥4,078,637	¥44,114
	Forward foreign currency contracts		192,921	-	26,501
Total			-	-	¥70,615

March 31			Millions of Yen 2010		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principal method	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥5,064,331	¥1,070,863	¥67,127
	Forward foreign currency contracts		413,856	-	27,563
Total			-	-	¥94,691

March 31			Millions of U.S. Dollars 2012		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principal method	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	$110,863	$60,264	$(1,937)

Notes:

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

(3) Equity related derivatives

There were no equity related derivatives as of March 31, 2012, 2011 and 2010.

(4) Bond related derivatives

There were no bond related derivatives as of March 31, 2011.

March 31			Millions of Yen 2012		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principal method	OTC bond options	Available-for-sale securities (debt securities)	¥1,708,000	¥-	¥(447)

March 31			Millions of Yen 2010		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principal method	OTC bond options	Available-for-sale securities (debt securities)	¥3,220,000	¥-	¥2,343

March 31			Millions of U.S. Dollars 2012		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principal method	OTC bond options	Available-for-sale securities (debt securities)	$20,781	$-	$(5)

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

27. BUSINESS COMBINATIONS OR DIVESTITURES

There was neither significant business combination nor business divestiture to be disclosed for the years ended March 31, 2012 and 2011.

28. RELATED PARTY TRANSACTION

***Related party transactions*:**
Related party transactions for the years ended March 31, 2012 , 2011and 2010 were as follows:

(1) Transactions between the Bank and its related parties

a. Parent company and major shareholders

Year ended March 31, 2012

Type	Name:	Location	Capital (Millions of Yen)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Parent	Mitsubishi UFJ Financial Group, Inc.	Tokyo	¥2,138,487	Bank holding company	Direct: 100.00%	Loans or others, Directors or others	Loans (Note 1) Receipt of interest (Note 1)	¥- 21,536	Loans and bills discounted Other assets	¥1,833,117 1,596

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

Year ended March 31, 2011

Type	Name:	Location	Capital (Millions of Yen)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Parent	Mitsubishi UFJ Financial Group, Inc.	Tokyo	¥2,137,476	Bank holding company	Direct: 100.00%	Loans or others, Directors or others	Loans (Note 1) Receipt of interest (Note 1)	¥314,984 26,002	Loans and bills discounted Other assets	¥1,942,026 1,968

Terms and conditions on transactions and transaction policy:
Note:
The interest rate on loans is reasonably determined considering the market rate. Repayment term is the lump sum payment method at maturity or installment method annually after a six year grace period. No pledged assets are received.

Year ended March 31, 2010

Type	Name:	Location	Capital (Millions of Yen)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Parent	Mitsubishi UFJ Financial Group, Inc.	Tokyo	¥2,136,582	Bank holding company	Direct: 99.94% Indirect: 0.05% Total 100.00%	Loans or others, Directors or others	Loans (Note 1) Receipt of interest (Note 1)	¥143,855 30,317	Loans and bills discounted Other assets Other liabilities	¥1,800,150 2,198 506

Terms and conditions on transactions and transaction policy:
Note:
The interest rate on loans is reasonably determined considering the market rate. Repayment term is the lump sum payment method at maturity or installment method annually after a six year grace period. No pledged assets are received.

Year ended March 31, 2012

Type	Name:	Location	Capital (Millions of U.S. Dollars)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of U.S. Dollars)	Account	Outstanding balance (Millions of U.S. Dollars)
Parent	Mitsubishi UFJ Financial Group, Inc.	Tokyo	$26,019	Bank holding company	Direct: 100.00%	Loans or others, Directors or others	Loans (Note 1) Receipt of interest (Note 1)	$- 262	Loans and bills discounted Other assets	$22,303 19

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

b. Unconsolidated subsidiaries and affiliates
There was no applicable transaction to be reported for the years ended March 31, 2012, 2011 and 2010.

c. Companies which are owned by the same parent company with the Bank ("sister company") and other affiliates' subsidiaries
There was no applicable transaction to be reported for the years ended March 31, 2012, 2011 and 2010.

d. Directors or major individual shareholders

Year ended March 31, 2012

Type	Name:	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	¥- 1	Loans and bills discounted Other assets	¥49 0
Director	Tetsuya Nakagawa	Corporate auditor of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	- 0	Loans and bills discounted Other assets	18 0

Terms and conditions on transactions and transaction policy:
Notes:
1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 19 years and six months.

Year ended March 31, 2011

Type	Name:	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	¥- 1	Loans and bills discounted Other assets	¥51 0
Director	Tetsuya Nakagawa	Corporate auditor of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	- 0	Loans and bills discounted Other assets	20 0

Terms and conditions on transactions and transaction policy:
Notes:
1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 19 years and six months.

Year ended March 31, 2010

Type	Name:	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1)	¥-	Loans and bills discounted	¥53
					Receipt of interest (Note 1)	1	Other assets	0
					Loan (Note 2)	-	Loans and bills discounted	5
					Receipt of interest (Note 2)	0	Other assets	0
Director	Tetsuya Nakagawa	Corporate auditor of the Bank	None	Loans	Loan (Note 3)	-	Loans and bills discounted	22
					Receipt of interest (Note 3)	0	Other assets	0

Terms and conditions on transactions and transaction policy:
Notes:
1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the lump sum payment method at maturity (one year).
3. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 19 years and six months.

Year ended March 31, 2012

Type	Name:	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of U.S. Dollars)	Account	Outstanding balance (Millions of U.S. Dollars)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1)	$-	Loans and bills discounted	$1
					Receipt of interest (Note 1)	0	Other assets	0
Director	Tetsuya Nakagawa	Corporate auditor of the Bank	None	Loans	Loan (Note 2)	-	Loans and bills discounted	$0
					Receipt of interest (Note 2)	0	Other assets	0

Terms and conditions on transactions and transaction policy:
Notes:
1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 19 years and six months.

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

There was no applicable transaction to be reported for the years ended March 31, 2012, 2011 and 2010.

Information about the parent company or significant affiliates:

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

(2) Condensed financial information of significant affiliates:
There was no applicable information to be reported for the years ended March 31, 2012, 2011 and 2010.

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

2. A reconciliation of the ordinary profit (loss) under the internal management reporting system for the years ended March 31, 2012, 2011 and 2010 to income before income taxes and minority interests shown on the accompanying consolidated statements of income is as follows:

	Millions of Yen			Millions of U.S. Dollars
March 31	2012	2011	2010	2012
Ordinary profit (loss):	¥931,709	¥849,766	¥458,286	$11,336
Gain on sales of fixed assets	5,210	4,728	6,822	63
Gain on negative goodwill	-	1,540	-	-
Gain on collection of bad debts	-	49,593	51,345	-
Reversal of reserve under special laws	54	373	238	1
Gain on sales of shares of affiliates	7,713	-	-	94
Gain on sales of shares of subsidiaries	-	-	13,361	-
Reversal of allowance for investment loss	-	-	34,027	-
Gain on business divestiture	-	-	10,843	-
Gain on changes in interest	-	-	10,516	-
Loss on disposal of fixed assets	(8,189)	(7,310)	(18,421)	(100)
Impairment loss	(18,211)	(5,439)	(9,685)	(221)
Loss on sales of shares of subsidiaries	(228)	-	(1,220)	(3)
Impairment loss recognized for goodwill	-	(21,524)	-	-
Effect from adoption of the accounting standard for asset retirement obligations	-	(15,834)	-	-
Other-net	-	5,113	-	-
Income before income taxes and minority interests	¥918,059	¥861,006	¥556,114	$11,170

For the years ended March 31, 2012, 2011 and 2010:

1. Reportable segments

The reportable segments of the Bank are subject to the periodical review by the Board of Directors which is the chief operating decision maker to determine the allocation of management resources and assess performances.
The Bank has established its business units according to the characteristics of customers and the nature of business. Each business unit engages in business activities based on comprehensive strategies developed for and aimed at respective targeted customers and businesses. Accordingly, the Bank's operation comprises segments classified by customers and business, and "Retail Banking Business Unit," "Corporate Banking Business Unit," "Global Business Unit," "Global Markets Unit" and "Other units" are identified as the reportable segments.

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

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

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

3. Reportable segment information for the years ended March 31, 2012, 2011 and 2010

	Millions of Yen						
Year ended March 31, 2012	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit Total	Global Business Unit (of which UNBC)	Global Markets Unit	Other units	Total
Gross operating income	¥652,498	¥693,563	¥616,774	¥251,990	¥577,047	¥(45,525)	¥2,494,358
Non-consolidated	553,905	665,226	292,796	-	570,418	(63,955)	2,018,391
Net interest income	450,765	367,153	158,125	-	215,015	198	1,191,259
Net non-interest income	103,140	298,072	134,670	-	355,402	(64,154)	827,132
Subsidiaries	98,592	28,337	323,978	251,990	6,629	18,429	475,967
Expenses	459,267	338,536	362,889	172,990	44,249	120,083	1,325,026
Net operating income	¥193,231	¥355,027	¥253,884	¥79,000	¥532,798	¥(165,609)	¥1,169,332

	Millions of Yen						
Year ended March 31, 2011	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit Total	Global Business Unit (of which UNBC)	Global Markets Unit	Other units	Total
Gross operating income	¥669,955	¥698,765	¥577,761	¥267,221	¥551,637	¥(32,939)	¥2,465,181
Non-consolidated	567,090	670,758	250,627	-	548,043	(50,240)	1,986,278
Net interest income	476,802	377,389	130,396	-	250,253	(1,722)	1,233,120
Net non-interest income	90,287	293,368	120,230	-	297,790	(48,518)	753,158
Subsidiaries	102,865	28,007	327,133	267,221	3,593	17,301	478,902
Expenses	474,444	344,509	345,147	174,918	42,996	109,277	1,316,375
Net operating income	¥195,511	¥354,256	¥232,613	¥92,303	¥508,641	¥(142,216)	¥1,148,805

	Millions of Yen						
Year ended March 31, 2010	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit Total	Global Business Unit (of which UNBC)	Global Markets Unit	Other units	Total
Gross operating income	¥693,314	¥688,476	¥564,696	¥265,261	¥472,552	¥(45,736)	¥2,373,304
Non-consolidated	586,134	660,642	231,638	-	471,258	(86,403)	1,863,271
Net interest income	502,621	388,680	143,418	-	297,730	(36,698)	1,295,752
Net non-interest income	83,513	271,962	88,219	-	173,528	(49,704)	567,518
Subsidiaries	107,180	27,834	333,058	265,261	1,294	40,666	510,033
Expenses	483,052	348,349	336,579	168,072	42,732	133,188	1,343,901
Net operating income	¥210,262	¥340,127	¥228,117	¥97,189	¥429,820	¥(178,924)	¥1,029,402

	Millions of U.S. Dollars						
Year ended March 31, 2012	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit Total	Global Business Unit (of which UNBC)	Global Markets Unit	Other units	Total
Gross operating income	$7,939	$8,439	$7,504	$3,066	$7,021	$(554)	$30,349
Non-consolidated	6,739	8,094	3,562	-	6,941	(778)	24,558
Net interest income	5,484	4,467	1,923	-	2,617	3	14,494
Net non-interest income	1,255	3,627	1,639	-	4,324	(781)	10,064
Subsidiaries	1,200	345	3,942	3,066	80	224	5,791
Expenses	5,588	4,119	4,415	2,105	539	1,461	16,122
Net operating income	$2,351	$4,320	$3,089	$961	$6,482	$(2,015)	$14,227

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 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:

March 31	Millions of Yen 2012	2011	2010	Millions of U.S. Dollars 2012
Net operating income per reportable segment information	¥1,169,332	¥1,148,805	¥1,029,402	$14,227
Net operating income of consolidated subsidiaries excluded from the reportable segment information	52,685	61,808	57,957	641
Provision of general allowance for credit losses	3,213	(94,713)	(80,125)	39
Credit related expenses	(183,333)	(178,218)	(477,626)	(2,231)
Reversal of reserve for contingent losses (credit related)	4,763	-	-	58
Gain on collection of bad debts	44,892	-	-	546
Losses on equity securities and other securities	(93,950)	(48,056)	(1,049)	(1,143)
Equity in losses (gains) of the equity method investees	6,312	(3,615)	(1,709)	77
Amortization of unrecognized actuarial gain	(41,835)	(33,234)	(58,207)	(509)
Other	(30,370)	(3,008)	(10,356)	(369)
Ordinary profit under the internal management reporting system	¥931,709	¥849,766	¥458,286	$11,336

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

Year ended March 31, 2012	Millions of Yen Banking	Other	Total
Ordinary income from external customers	¥3,201,101	¥94,812	¥3,295,914

Year ended March 31, 2011	Millions of Yen Banking	Other	Total
Ordinary income from external customers	¥3,117,423	¥92,412	¥3,209,835

Year ended March 31, 2012	Millions of U.S. Dollars Banking	Other	Total
Ordinary income from external customers	$38,948	$1,153	$40,101

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

b. Information by geographic region

(1) Ordinary income

Millions of Yen — Year ended March 31, 2012

Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥2,376,314	¥429,226	¥6,152	¥13,633	¥157,326	¥313,261	¥3,295,914

Millions of Yen — Year ended March 31, 2011

Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥2,388,352	¥438,906	¥6,151	¥11,846	¥133,745	¥230,833	¥3,209,835

Millions of U.S. Dollars — Year ended March 31, 2012

Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
$28,913	$5,222	$75	$166	$1,914	$3,811	$40,101

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 March 31, 2012						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥862,875	¥206,115	¥72	¥649	¥3,680	¥6,872	¥1,080,266

Millions of Yen						
As of March 31, 2011						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥880,395	¥185,284	¥69	¥342	¥4,397	¥6,040	¥1,076,529

Millions of U.S. Dollars						
As of March 31, 2012						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
$10,498	$2,508	$1	$8	$45	$84	$13,144

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 ¥18,211 million ($221million) and ¥5,439 million for the years ended March 31, 2012 and 2011, respectively.

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

	Millions of Yen						
Year ended March 31, 2012	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	(of which UNBC)	Global Markets Unit	Other units	Total
Amortization	¥185	¥1	¥14,062	¥13,927	¥-	¥-	¥14,249
Unamortized balance	2,872	42	224,965	224,965	-	-	227,879

	Millions of Yen						
Year ended March 31, 2011	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	(of which UNBC)	Global Markets Unit	Other units	Total
Amortization	¥23,867	¥1	¥13,972	¥13,972	¥-	¥0	¥37,841
Unamortized balance	3,057	1	239,919	239,919	-	-	242,979

	Millions of U.S. Dollars						
Year ended March 31, 2012	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	(of which UNBC)	Global Markets Unit	Other units	Total
Amortization	$2	$0	$171	$169	$-	$-	$173
Unamortized balance	35	1	2,737	2,737	-	-	2,773

Amortization of goodwill which was not allocated to the reportable segments was ¥95 million ($1 million) and ¥50 million for the years ended March 31, 2012 and 2011, respectively.

30. SUBSEQUENT EVENTS

Appropriations of Retained Earnings

The following appropriation of retained earnings as of March 31, 2012 was approved at the Shareholders' meeting held on June 27, 2012.

	Millions of Yen	Millions of U.S. Dollars
Year-end cash dividends:		
Common stock, ¥5.75 ($0.07) per share	¥71,012	$864
Preferred stock-first series of Class 6, ¥105.45 ($1.28) per share	105	1
Preferred stock-first series of Class 7, ¥57.50 ($0.70) per share	8,970	109
Total	¥80,088	$974

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