Annual Securities Report

"Yukashoken Hokokusho"

(Excerpt)

for the fiscal year ended March 31, 2015

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

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

1. Key Financial Data and Trends

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

(Millions of yen, unless otherwise stated)

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

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

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

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

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

(Millions of yen, unless otherwise stated)

Fiscal period	6th Term	7th Term	8th Term	9th Term	10th Term
Period of account	March 2011	March 2012	March 2013	March 2014	March 2015
Ordinary income	2,692,418	2,766,126	2,796,371	2,921,537	2,856,450
Ordinary profit	657,999	743,322	860,995	1,002,109	902,632
Net income	639,263	469,042	585,112	650,257	571,778
Capital stock	1,711,958	1,711,958	1,711,958	1,711,958	1,711,958
Total number of shares issued (thousands of shares)	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000	Common stock 12,350,038 1st series Class 2 preferred stock 100,000 1st series Class 4 preferred stock 79,700 1st series Class 6 preferred stock 1,000 1st series Class 7 preferred stock 177,000
Total equity	7,393,796	7,895,334	8,908,319	9,398,694	10,488,611
Total assets	153,453,411	161,441,406	169,305,125	181,692,063	194,652,431
Balance of deposits	105,854,679	106,680,877	112,154,287	119,636,522	124,590,909
Balance of loans and bills discounted	64,981,715	69,386,000	74,104,875	79,495,010	82,740,384
Balance of securities	58,303,309	63,452,246	63,071,374	56,790,753	52,873,408
Total equity per share (yen)	565.91	606.52	689.01	728.72	849.27
Dividends per share (yen) [Of the above, interim dividends per share (yen)]	Common stock 19.96 [9.98] 1st series Class 6 preferred stock 210.90 [105.45] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 11.64 [5.89] 1st series Class 6 preferred stock 210.90 [105.45] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 11.19 [5.60] 1st series Class 6 preferred stock 105.45 [105.45] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 17.85 [7.35] 1st series Class 7 preferred stock 115.00 [57.50]	Common stock 32.57 [13.18]
Net income per common share (yen)	50.29	36.50	45.91	51.19	46.29
Diluted net income per common share (yen)	–	–	–	–	–
Capital ratio (%)	4.81	4.89	5.26	5.17	5.38
Return on equity (%)	8.92	6.22	7.08	7.21	5.86
Dividend payout ratio (%)	39.68	31.88	24.37	34.86	70.34
Number of employees [Besides the above, average number of temporary employees]	34,797 [13,705]	35,480 [12,468]	36,499 [12,283]	37,527 [12,603]	35,214 [12,486]

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

2. In calculating “Total equity per share,” “Net income per common share” and “Diluted net income per common share,” the Bank has adopted the “Accounting Standard for Earnings Per Share” (ASBJ Statement No. 2) and “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No. 4).

3. Diluted net income per common share is not stated due to the absence of residual securities.

4. The interim dividends for the 10th Term were resolved at the Board of Directors meeting held on November 14, 2014.

5. Dividends per share for the 10th Term include special dividends of ¥6.27.

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

7. Price earnings ratio is not available as shares of the Bank are unlisted.

8. Dividend payout ratio is calculated by dividing the total dividends on common stock by net income after the deduction of the total dividends on preferred stock.

9. The number of employees excludes employees loaned to other companies but includes employees loaned to the Bank and locally hired overseas staff members.

10. The average number of temporary employees includes contractors. The number of contractors counted as temporary employees during the 6th Term was 9,631, during the 7th Term was 8,559, during the 8th Term was 4,558, during the 9th Term was 2,962 and during the 10th Term was 2,839.

2. History

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

3. Business Outline

Under its parent company, Mitsubishi UFJ Financial Group, Inc., the Group (The Bank of Tokyo-Mitsubishi UFJ, Ltd. and its subsidiaries and affiliates) comprises the Bank, 130 consolidated subsidiaries, and 58 equity-method affiliates, and is engaged in banking and other financial services (including trading of financial instruments and leasing).

The Bank has established its business units according to the characteristics of its customers and the nature of its business. Each business unit engages in business activities based on comprehensive strategies developed for and aimed at respective targeted customers and businesses. Accordingly, the Bank's operations comprise segments classified by customers and business; namely, the Retail Banking Business Unit, Corporate Banking Business Unit, Global Business Unit, Bank of Ayudhya Public Company Limited (hereinafter referred to as "Bank of Ayudhya"), Global Markets Unit and Other units.

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

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

(As of March 31, 2015)

*consolidated subsidiaries, **equity-method affiliates

Mitsubishi UFJ Financial Group, Inc. (Parent Company)

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

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

Mitsubishi UFJ Trust and Banking Corporation *2	Trust banking
Mitsubishi UFJ Securities Holdings Co., Ltd. *2	Securities business holding company
Mitsubishi UFJ NICOS Co., Ltd. *2	Credit cards
Mitsubishi UFJ Lease & Finance Company Limited *2	Leasing

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

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

4. Information on Subsidiaries and Affiliates

(Parent company)

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

(Consolidated subsidiaries)

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

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

(Equity-method affiliates)

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

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

(Notes)

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

5. Employees

(1) Number of employees in consolidated companies

As of March 31, 2015

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

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

(2) Employees of the Bank

As of March 31, 2015

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

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

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

II. Business Overview

1. Summary of Results

(Financial and economic conditions)

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

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

(Management policy)

The Bank of Tokyo-Mitsubishi UFJ, Ltd. (hereinafter referred to as the "Bank") continued its efforts to achieve its vision of becoming "a reliable financial group of choice on a global scale." In order to realize this goal and respond to the expectations and trust of its customers and other concerned parties, the Bank achieved the results set out below in collaboration with Mitsubishi UFJ Financial Group, Inc. (hereinafter referred to as "MUFG") and MUFG Group companies.

The Retail Banking Business Unit performed strongly in the sales of fund management products and its consumer finance business, and the Corporate Banking Business Unit increased its outstanding balance of loans in addition to achieving positive results in its investment banking business. In the Global Business Unit, despite the impact of the sluggish economic situation in Europe, performance in China and the Americas was solid; while in the Global Markets Unit, domestic sales were steady, and income from fund management services grew as a result of carrying out agile management in response to changes in the external environment.

In addition, the Bank set out the "Principles of Ethics and Conduct" as the guidelines on decisions and actions for officers and employees to carry out in order to fulfill the management vision of the MUFG Group, under which each and every employee is instilled with the concept of "Customer Focus," "Responsibility as a Corporate Citizen" and "Ethical and Dynamic Workplace" in order to contribute to customers and the society. Furthermore, the Bank intends to gain greater customer satisfaction by swiftly responding to the opinions and requests of customers collected through call centers or “customer voice cards” put in the lobby of each business office or elsewhere.

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

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

(Results for the current consolidated fiscal year)

Results for the current consolidated fiscal year are as follows.

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

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

Results by reportable segment are as follows.

1. Retail Banking Business Unit

   Net operating income was ¥138.2 billion, with an increase of ¥0.6 billion from the previous fiscal year.

2. Corporate Banking Business Unit

   Net operating income was ¥388.5 billion, with an increase of ¥22.9 billion from the previous fiscal year.

3. Global Business Unit

   Net operating income was ¥463.3 billion, with an increase of ¥90.8 billion from the previous fiscal year.

4. Bank of Ayudhya

   Net operating income was ¥116.6 billion.

5. Global Markets Unit

   Net operating income was ¥342.3 billion, with an increase of ¥46.7 billion from the previous fiscal year.

6. Other units

   Net operating loss was ¥216.7 billion, with a decrease of ¥79.9 billion from the previous fiscal year.

(Summary of cash flows)

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

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

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

(1) Income and expenses for domestic and overseas operations

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

The total amount of net interest income, net fees and commissions, net trading income and net other operating income for the current fiscal year was ¥2,996.9 billion, with a ¥459.4 billion increase from the previous fiscal year. Of this, domestic operations posted an income of ¥1,723.6 billion, with an increase of ¥85.7 billion from the previous fiscal year, and overseas operations posted an income of ¥1,421.7 billion, with an increase of ¥434.7 billion from the previous fiscal year.

(Millions of yen)

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

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

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

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

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

1) Domestic

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

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

(Millions of yen)

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

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

2. "Domestic" includes offices of the Bank (excluding its overseas offices) and domestic consolidated subsidiaries.
3. The amount of interest-earning assets is stated excluding the average balance of interest-free due from banks. The amount of interest-bearing liabilities is stated excluding the average balance of money held in trust and the corresponding interest payments.

2) Overseas

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

The average balance of interest-earning assets in the current fiscal year increased by ¥12,397.7 billion compared to the previous fiscal year to ¥59,997.6 billion. Yield on interest-earning assets rose by 0.27% to 2.39% and total interest income stood at ¥1,434.9 billion, with an increase of ¥425.0 billion from the previous fiscal year. The average balance of interest-bearing liabilities in the current fiscal year increased by ¥12,012.5 billion compared to the previous fiscal year to ¥57,829.3 billion. Yield on interest-bearing liabilities increased by 0.07% to 0.81% and total interest expenses stood at ¥473.3 billion, with an increase of ¥129.9 billion from the previous fiscal year.

(Millions of yen)

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

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

2. "Overseas" includes overseas offices of the Bank and overseas consolidated subsidiaries.
3. The amount of interest-earning assets is stated excluding the average balance of interest-free due from banks. The amount of interest-bearing liabilities is stated excluding the average balance of money held in trust and the corresponding interest payments.

3) Total

(Millions of yen)

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

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

(3) Fees and commissions by domestic and overseas office

Net fees and commissions income are as follows:

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

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

(Millions of yen)

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

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

2. "Other commercial banking services" includes deposit-taking and lending services, agency services, custody and safe deposit services, trust-related services and others.

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

(4) Trading results by domestic and overseas office

Details of trading income and expenses

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

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

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

(Millions of yen)

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

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

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

(5) Balance of deposits by domestic and overseas office

・Deposits by classification (ending balance)

(Millions of yen)

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

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

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

3. Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

4. Fixed-term deposits = Time deposits + Installment savings

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

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

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

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

(Status of Risk-Adjusted Capital Ratio)

(Reference)

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

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

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

(Billions of yen, %)

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

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

(Billions of yen, %)

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

(Assessment of asset quality)

(Reference information)

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

1. Claims against bankrupt or de facto bankrupt borrowers

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

2. Doubtful claims

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

3. Claims in need of special attention

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

4. Normal claims

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

2. Issues to be Addressed

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

From fiscal 2015, the Bank has commenced a new Medium-term Business Plan for the period of the next three years. The Bank will remain focused on the following priority tasks with the aim of achieving the goal of being "the world's most trusted financial group," through gaining the trust and meeting the expectations of its customers, both at home and abroad, while making contributions to Japan's economic growth as a financial institution.

(Growth strategies)

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

(Strengthening of operation basis)

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

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

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

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

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

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

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

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

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

3. Risks Related to Business

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

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

(1) Risks associated with shareholdings

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

(2) Risks associated with lending business

1) Status of problem loans and credit costs

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

2) Status of allowance for credit losses

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

3) Status of troubled borrowers

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

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

4) Response to borrowers

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

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

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

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

6) Other factors that could influence problem loan issues

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

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

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

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

·financial institutions that face problems may terminate or reduce financial support to borrowers. As a result, it may cause these borrowers to become distressed or the Bank's problem loans to these borrowers to increase;

·the Bank may be requested to participate in providing support to distressed financial institutions;

·the Bank is a shareholder of some financial institutions;

·if the government elects to provide regulatory, tax, funding or other benefits to financial institutions that the government controls to strengthen their capital, increase their profitability or for other purposes, it may adversely affect the Bank's competitiveness against them;

·the Bank's deposit insurance premiums may rise if deposit insurance funds prove to be inadequate;

·bankruptcies or government control of financial institutions may generally undermine the confidence of depositors in, or adversely affect the overall environment for, financial institutions; and

·negative or adverse media coverage of the banking industry, regardless of its accuracy and applicability to the Bank, may harm the Bank's reputation and market confidence.

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

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

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

(4) Risks relating to foreign exchange rate

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

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

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

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

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

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

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

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

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

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

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

(9) Risks relating to MUAH

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

(10) Risks relating to Bank of Ayudhya

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

(11) Risks relating to consumer lending business

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

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

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

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

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

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

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

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

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

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

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

(15) Risks relating to cyber-attacks

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

(16) Risks relating to competitive pressures

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

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

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

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

In December 2012, the Bank agreed to make a payment to the Office of Foreign Assets Control of the U.S. Department of the Treasury, or OFAC, to settle potential civil liability for apparent violations of certain U.S. sanctions regulations from 2006 to 2007. In addition, in June 2013, the Bank entered into a consent agreement with the New York State Department of Financial Services, or DFS, to resolve issues relating to certain U.S. dollar payments that were routed through New York from 2002 to 2007. Under the terms of the agreement with DFS, the Bank agreed to make a civil monetary payment to DFS and retain an independent consultant to conduct a compliance review of the relevant controls and related matters in the Bank's current operations. In addition, in November 2014, the Bank entered into a consent agreement with the DFS to resolve issues relating to instructions given to PricewaterhouseCoopers LLP, or PwC, and the disclosures made to DFS in connection with the Bank's 2007 and 2008 voluntary investigation of BTMU's U.S. dollar clearing activity toward countries under U.S. economic sanctions. The Bank had hired PwC to conduct a historical transaction review report in connection with that investigation. Under the terms of the agreement with DFS, the Bank made a payment of the stipulated amount to DFS, and agreed to take actions on persons involved in the matter at that time, relocate its U.S. BSA/AML and OFAC sanctions compliance programs to New York, and extend, if regarded as necessary by DFS, the period during which an independent consultant is responsible for assessing the Bank's internal controls regarding compliance with applicable laws and regulations related to U.S. economic sanctions. The Bank continues to cooperate closely with all relevant regulators and is undertaking necessary actions relating to these matters. These developments or other similar events may result in additional regulatory actions against the Bank or agreements to make significant settlement payments.

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

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

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

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

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

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

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

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

1) Capital ratio requirements and adverse factors

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

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

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

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

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

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

2) Regulatory developments

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

3) Deferred tax assets

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

4) Capital raising

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

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

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

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

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

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

(23) Risks relating to the Bank's reputation

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

(24) Risks of relating to retaining qualified employees

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

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

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

Consolidated gross operating income for the current fiscal year increased by ¥457.7 billion from the previous fiscal year, due to the effects of the consolidation of Bank of Ayudhya, as well as the improvement in interest income and fees and commissions income. Meanwhile, general and administrative expenses also increased by ¥276.7 billion from the previous fiscal year, primarily reflecting increases in expenses associated with overseas businesses and consumption taxes, as well as the effects of the consolidation of Bank of Ayudhya. As a result, consolidated net business profit (before provision for general allowance for credit losses) for the current fiscal year was ¥1,228.5 billion, with an increase of ¥180.9 billion from the previous fiscal year.

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

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

(Billions of yen)

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

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

1. Analysis of Results of Operations

(1) Credit costs

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

(Billions of yen)

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

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

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

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

(Billions of yen)

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

2. Analysis of Financial Position

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

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

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

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

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

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

(Billions of yen)

Category	Loan amount (A)	Allowance for credit losses (B)	Covered by collateral and/or guarantees (C)	Allowance ratio for unsecured portion (B) / [(A) - (C)]	Coverage ratio [(B) + (C)] / (A)
Claims against bankrupt or de facto bankrupt borrowers	87.9 (91.5)	1.1 (1.1)	86.7 (90.3)	100.00% (100.00%)	100.00% (100.00%)
Doubtful claims	549.6 (822.4)	147.0 (244.5)	288.7 (389.6)	56.35% (56.51%)	79.28% (77.11%)
Claims in need of special attention	539.3 (458.2)	160.2 (120.0)	221.6 (223.2)	50.44% (51.08%)	70.80% (74.91%)
Subtotal	1,176.9 (1,372.2)	308.4 (365.7)	597.1 (703.3)	53.20% (54.67%)	76.94% (77.90%)
Normal claims	91,117.0 (86,906.3)	–	–	–	–
Total	92,293.9 (88,278.5)	–	–	–	–
Percentage of disclosed claims to total claims	1.27% (1.55%)	–	–	–	–

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

3. Cash Flows

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

4. Results of Operations by Business Unit

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

[Principal business conducted by each business unit]

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

(Billions of yen)

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

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

(1) Retail Banking Business Unit

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

(2) Corporate Banking Business Unit

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

(3) Global Business Unit

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

(4) Bank of Ayudhya

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

(5) Global Markets Unit

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

III. Equipment and Facilities

Overview of Capital Investment

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

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

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

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

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

IV. Company Information

1. Information on the Company's shares

(1) Total number of shares, etc.

1) Total number of shares

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

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

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

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

2) Total number of shares issued

Class	Number of shares issued as of the end of the current fiscal year (March 31, 2015)	Number of shares issued as of the date of submission (June 25, 2015)	Financial instruments exchange on which the stock is listed or other market	Description
Common stock	12,350,038,122	Same as left	–	(Notes) 1, 2, 3
1st series of Class 2 preferred stock	100,000,000	Same as left	–	(Notes) 1, 2
1st series of Class 4 preferred stock	79,700,000	Same as left	–	(Notes) 1, 2
1st series of Class 6 preferred stock	1,000,000	Same as left	–	(Notes) 1, 2
1st series of Class 7 preferred stock	177,000,000	Same as left	–	(Notes) 1, 2
Total	12,707,738,122	Same as left	–	–

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

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

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

(2) Status of the total number of shares issued and the amount of capital stock and other

Date	Change in total number of shares issued (Thousands of shares)	Total number of shares issued (Thousands of shares)	Change in capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
December 28, 2009 (Note)	1,516,654	12,707,738	515,662	1,711,958	515,662	1,711,958

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

(3) Status of major shareholders

By number of shares held

As of March 31, 2015

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

By number of voting rights held

As of March 31, 2015

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

(4) Status of voting rights

1) Issued shares

As of March 31, 2015

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

2) Treasury stock, etc.

As of March 31, 2015

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

(Note) Of the shares with no voting rights above, 100,000,000 shares of 1st series of Class 2 preferred stock, 79,700,000 shares of 1st series of Class 4 preferred stock, 1,000,000 shares of 1st series of Class 6 preferred stock, and 177,000,000 shares of 1st series of Class 7 preferred stock are treasury stock.

(5) Details of stock option plans

None applicable.

2. Policy on Dividends

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

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

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

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

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

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

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

3. Changes in Share Prices

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

4. Directors and Corporate Auditors

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

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

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

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

5. Corporate Governance

(1) Corporate governance

1) Status of corporate governance of the Submitting Company

A) Basic concept on the corporate governance

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

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

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

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

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

a) Board of Directors

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

b) Internal Audit and Compliance Committee

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

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

c) Corporate Auditor/Board of Corporate Auditors

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

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

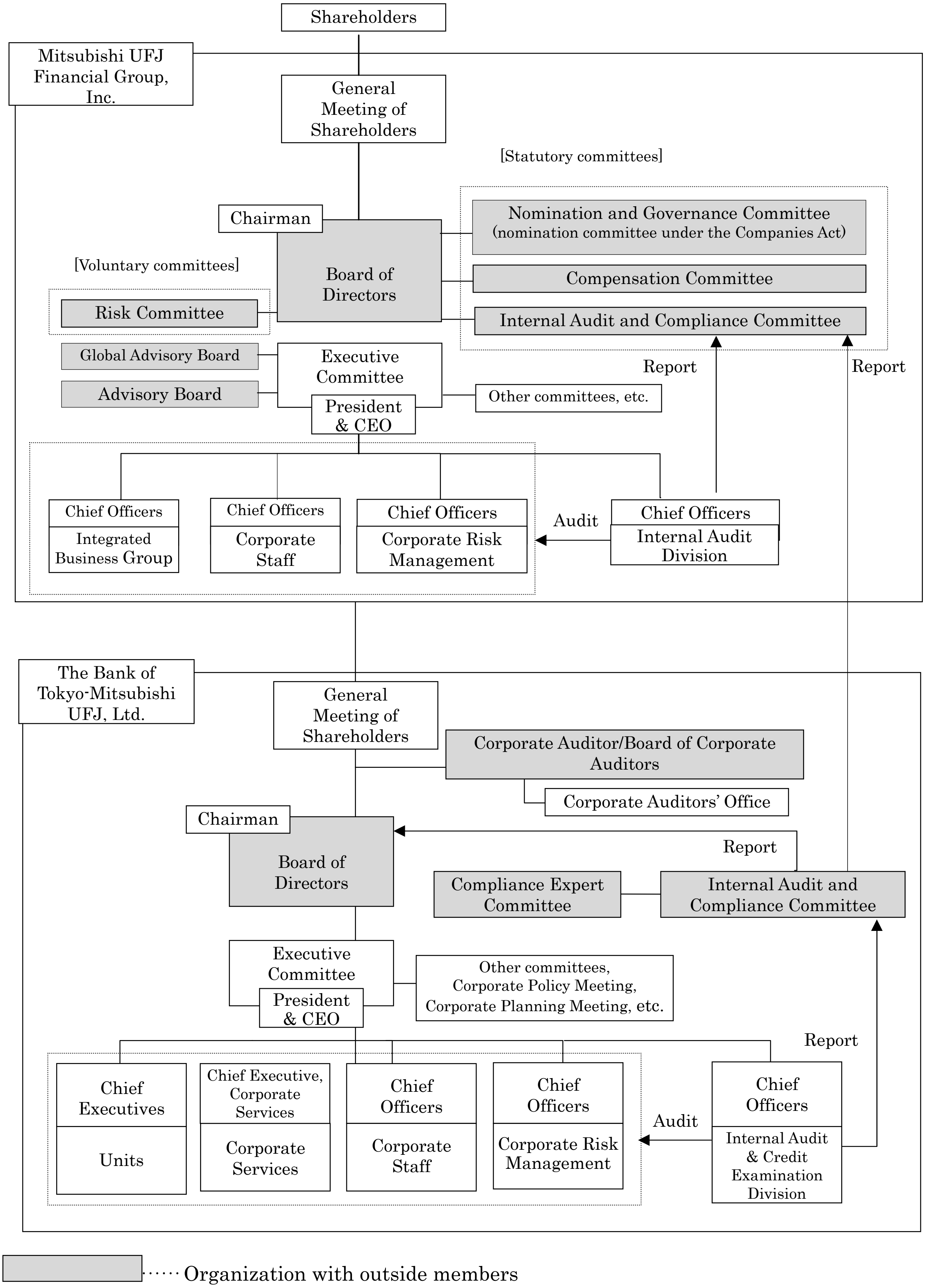
d) Executive Committee

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

e) Other Committees under the Executive Committee

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

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


Shareholders
Mitsubishi UFJ Financial Group, Inc.
General Meeting of Shareholders
[Statutory committees]
Chairman
Board of Directors
Nomination and Governance Committee (nomination committee under the Companies Act)
Compensation Committee
Internal Audit and Compliance Committee
[Voluntary committees]
Risk Committee
Global Advisory Board
Advisory Board
Executive Committee
President & CEO
Other committees, etc.
Report
Report
Chief Officers
Integrated Business Group
Chief Officers
Corporate Staff
Chief Officers
Corporate Risk Management
Audit
Chief Officers
Internal Audit Division
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
General Meeting of Shareholders
Corporate Auditor/Board of Corporate Auditors
Corporate Auditors' Office
Chairman
Board of Directors
Report
Compliance Expert Committee
Internal Audit and Compliance Committee
Executive Committee
President & CEO
Other committees, Corporate Policy Meeting, Corporate Planning Meeting, etc.
Report
Chief Executives
Units
Chief Executive, Corporate Services
Corporate Services
Chief Officers
Corporate Staff
Chief Officers
Corporate Risk Management
Audit
Chief Officers
Internal Audit & Credit Examination Division
······ Organization with outside members

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

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

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

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

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

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

D) Compensation to Directors and Corporate Auditors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Details of Compensation for Audits

1) Details of Compensation for Certified Public Accountants

(Millions of yen)

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

2) Other important details concerning compensation

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

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

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

4) Policies concerning compensation for auditors

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