Annual Securities Report

“Yukashoken Hokokusho”

(Excerpt)

for the fiscal year ended March 31, 2016

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 11th Fiscal Year (from April 1, 2015 to March 31, 2016)
[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 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	Fiscal 2015 From April 1, 2015 to March 31, 2016
Consolidated ordinary income	3,295,914	3,419,307	3,599,428	4,028,944	4,033,796
Consolidated ordinary profit	931,709	1,070,928	1,217,534	1,221,200	1,083,701
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	544,324	673,514	754,323	731,622	685,835
Consolidated comprehensive income	782,932	1,573,447	1,157,696	2,622,793	453,557
Consolidated total equity	9,262,169	10,658,841	11,741,453	13,201,844	13,118,288
Consolidated total assets	171,663,939	181,625,557	201,614,685	219,313,264	222,797,387
Total equity per share (yen)	620.62	729.93	798.38	954.03	952.16
Net income per common share (yen)	42.57	53.07	59.62	59.24	55.53
Diluted net income per common share (yen)	42.57	53.07	59.62	59.23	55.53
Capital ratio (%)	4.70	5.18	5.08	5.37	5.27
Consolidated return on equity (%)	7.08	7.85	7.79	6.75	5.82
Net cash provided by (used in) operating activities	6,618,372	(1,608,988)	(5,283,802)	(6,631,043)	1,382,275
Net cash provided by (used in) investing activities	(6,199,174)	3,123,896	6,257,777	7,237,326	2,580,849
Net cash used in financing activities	(538,844)	(992,372)	(918,046)	(1,061,490)	(82,996)
Cash and cash equivalents at end of period	3,024,292	3,692,657	3,998,556	3,712,330	7,513,181
Number of employees [Besides the above, average number of temporary employees]	57,338 [21,000]	59,057 [20,700]	78,105 [21,000]	79,146 [23,000]	80,088 [22,800]

(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 Standards Board of Japan (“ASBJ”) Statement No. 2 “Accounting Standard for Earnings Per Share” (September 13, 2013, ASBJ) and the ASBJ Guidance No. 4 “Guidance on Accounting Standard for Earnings Per Share” (September 13, 2013, ASBJ).
   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. Capital ratio is calculated by dividing (“total equity at the end of fiscal year” - “subscription rights to shares at the end of fiscal year” - “noncontrolling interests at the end of fiscal year”) by “total assets at the end of fiscal year.”
4. From the current fiscal year, the Bank has adopted the provisions set forth in Paragraph 39 of the ASBJ Statement No. 22 “Revised Accounting Standard for Consolidated Financial Statements” (September 13, 2013, ASBJ) and

others. In accordance with these provisions, “Consolidated net income” has been presented as “Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ.”

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 2011 was 14,700, during fiscal 2012 was 10,700, during fiscal 2013 was 6,700, during fiscal 2014 was 5,400 and during fiscal 2015 was 5,500.

(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	7th Term	8th Term	9th Term	10th Term	11th Term
Period of account	March 2012	March 2013	March 2014	March 2015	March 2016
Ordinary income	2,766,126	2,796,371	2,921,537	2,856,450	2,925,593
Ordinary profit	743,322	860,995	1,002,109	902,632	863,736
Net income	469,042	585,112	650,257	571,778	586,066
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	7,895,334	8,908,319	9,398,694	10,488,611	10,627,781
Total assets	161,441,406	169,305,125	181,692,063	194,652,431	200,261,895
Balance of deposits	106,680,877	112,154,287	119,636,522	124,590,909	131,986,582
Balance of loans and bills discounted	69,386,000	74,104,875	79,495,010	82,740,384	86,691,727
Balance of securities	63,452,246	63,071,374	56,790,753	52,873,408	48,913,432
Total equity per share (yen)	606.52	689.01	728.72	849.27	860.54
Dividends per share (yen) [Of the above, interim dividends per share (yen)]	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]	Common stock 30.00 [7.80]
Net income per common share (yen)	36.50	45.91	51.19	46.29	47.45
Diluted net income per common share (yen)	–	–	–	–	–
Capital ratio (%)	4.89	5.26	5.17	5.38	5.30
Return on equity (%)	6.22	7.08	7.21	5.86	5.55
Dividend payout ratio (%)	31.88	24.37	34.86	70.34	63.21
Number of employees [Besides the above, average number of temporary employees]	35,480 [12,468]	36,499 [12,283]	37,527 [12,603]	35,214 [12,486]	34,865 [12,399]

(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 ASBJ Statement No. 2 "Accounting Standard for Earnings Per Share" (September 13, 2013, ASBJ) and ASBJ Guidance No. 4 "Guidance on Accounting Standard for Earnings Per Share" (September 13, 2013, ASBJ).
3. Diluted net income per common share is not stated due to the absence of residual securities.
4. The interim dividends for the 11th Term were resolved at the Board of Directors meeting held on November 12, 2015.
5. Dividends per share for the 10th Term and the 11th Term include the special dividends of ¥6.27 and ¥13.64, respectively.
6. The Bank paid dividends in kind in the 9th Term and 11th Term but these dividends are not included in the dividends per share and dividend payout ratio.
7. 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."
8. Price earnings ratio is not available as shares of the Bank are unlisted.
9. 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.
10. The number of employees excludes employees loaned to other companies but includes employees loaned to the Bank and locally hired overseas staff members.
11. The average number of temporary employees includes contractors. The number of contractors counted as temporary employees during the 7th Term was 8,559, during the 8th Term was 4,558, during the 9th Term was 2,962, during the 10th Term was 2,839 and during the 11th Term was 2,814.

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.
June 2016	The Bank of Tokyo-Mitsubishi UFJ, Ltd. transformed its governance structure from a Company with Board of Corporate Auditors into a Company with an Audit & Supervisory Committee.

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, 128 consolidated subsidiaries, and 58 equity method investees, and is engaged in banking and other financial services (including 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, Global Markets Unit and Other units.

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

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

(As of March 31, 2016)
*consolidated subsidiaries, ** equity method investees

Mitsubishi UFJ Financial Group, Inc. (Parent Company)

The Bank of Tokyo-Mitsubishi UFJ, Ltd.		**Banking**
Retail Banking Business Unit	* 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 *1	* MUFG Americas Holdings Corporation	Bank holding company
	* MUFG Americas Capital Company *2	Securities-related business
	* BTMU LF Capital LLC	Leasing
	* BTMU Capital Corporation *2	Leasing
	* BTMU Securities, Inc. *2	Securities-related business
	* BTMU Leasing & Finance, Inc.	Leasing
	* BTMU Lease (Deutschland) GmbH	Leasing
	* Bank of Ayudhya Public Company Limited	Banking
	* 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
Global Markets Unit		
Other units	**The Chukyo Bank, Limited	Banking
Mitsubishi UFJ Trust and Banking Corporation *3		Trust banking
Mitsubishi UFJ Securities Holdings Co., Ltd. *3		Securities business holding company
Mitsubishi UFJ NICOS Co., Ltd. *3		Credit cards
Mitsubishi UFJ Lease & Finance Company Limited *3		Leasing

*1. As of April 1, 2016, Security Bank Corporation became an equity method investee.

*2. As of July 1, 2016, MUFG Americas Capital Company, BTMU Capital Corporation and BTMU Securities, Inc. are slated to become subsidiaries of MUFG Americas Holdings Corporation due to transfer of the ownership.

*3. 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) (%)
MU Frontier Servicer Co., Ltd.	Nakano-ku, Tokyo	96.4
Mitsubishi UFJ Personal Financial Advisers Co., Ltd.	Chuo-ku, Tokyo	47.3
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 (0.1)
AO 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
Bank of Tokyo-Mitsubishi UFJ (Polska) Spolka Akcyjna	Warsaw, Republic of Poland	100.0 (100.0)

Company name	Address	Ratio of voting rights holding (held) (%)
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
98 Other companies		

(Equity method investees)

Company name	Address	Ratio of voting rights holding (held) (%)
JACCS CO., LTD.	Hakodate City, Hokkaido	20.3
Jibun Bank Corporation	Chuo-ku, Tokyo	50.0
JALCARD, INC.	Shinagawa-ku, Tokyo	49.3
BOT Lease Co., LTD.	Chuo-ku, Tokyo	17.5 (12.5)
Defined Contribution Plan Consulting of Japan Co., Ltd.	Chiyoda-ku, Tokyo	38.7
Mitsubishi UFJ Capital Co., Ltd.	Chuo-ku, Tokyo	27.8 (5.2)
The Mitsubishi Asset Brains Company, Limited	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

Company name	Address	Ratio of voting rights holding (held) (%)
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]
44 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., JACCS CO., LTD. and The Chukyo Bank, Limited 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 ¥499,173 million, ¥61,414 million, ¥49,743 million, ¥1,575,401 million and ¥14,579,896 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, 2016

Segment	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Global Markets Unit	Other units	Total
Number of employees	15,911 [9,100]	9,316 [2,000]	45,035 [4,100]	1,257 [0]	8,569 [7,500]	80,088 [22,800]

(Notes) 1. Number of employees includes locally hired overseas staff members, but excludes 3,925 contract employees and 22,500 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 5,500 at the end of the current fiscal year while 5,500 on average over the year (both numbers are rounded to the nearest hundred).

(2) Employees of the Bank

As of March 31, 2016

Number of employees	Average age (Years)	Average years of service (Years)	Average annual salary (Thousands of yen)
34,865 [12,399]	37.8	14.5	7,873

Segment	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit	Global Markets Unit	Other units	Total
Number of employees	14,894 [8,518]	8,024 [1,596]	6,095 [400]	1,257 [47]	4,595 [1,838]	34,865 [12,399]

(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 1,730 contract employees and 12,244 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 2,760 at the end of the current fiscal year and 2,814 on average over the year.

4. Number of employees excludes 89 Executive Officers (16 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 31,688. No significant issues exist between the union and the management.

II. Business Overview

1. Summary of Results

(Financial and economic conditions)

The outlook has become increasingly uncertain even as the global economy – especially of developed countries – remained on a gradual recovery course in the current fiscal year. Share prices around the world dropped owing to concerns surrounding China, and weak oil and other resource prices. However, U.S. domestic demand, in particular, remained on a path of self-sustained recovery as the employment picture steadily improved, despite weakness in the energy industry and some other sectors. Europe's economy continued to pick up, propelled by the weak Euro and cheap oil, in spite of the Greek debt issue and NPLs in southern countries. In Asia, China continued to slow due to suppressed investment, while weak exports weighed on other Asian economies. Even so, private consumption remained firm throughout the region, bolstered by lower inflation. Against this backdrop, Japan's economy continued on a gradual recovery trajectory, even with some apparent weak spots. The warm winter dampened private consumption, which remained fairly flat overall despite higher incomes. Exports to the U.S. and Europe were strong overall, but exports to China and other emerging economies were weak, including resource-producing countries. On the other hand, capital expenditures continued to rise gradually due to robust corporate profits as the glut of capital stock was erased.

With regard to the financial situation, the U.S. Fed increased interest rates for the first time in nine-and-a-half years in December, as employment conditions improved. In the Eurozone, on the other hand, the ECB bolstered monetary easing, including cutting the deposit rate in December and again in March. The Bank of Japan introduced "Quantitative and Qualitative Monetary Easing with Negative Interest Rates" in January, and the benchmark yield turned and stayed negative through to the end of the current fiscal year. Share prices have fallen and the Japanese yen has rallied since the start of the year, reflecting heightened risk aversion around the globe.

(Management policy)

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 struggled in the sales of fund management products but remained solid in its consumer finance business. In addition, in the Corporate Banking Business Unit, the outstanding balance of loans grew steadily amid tight loan spreads. In the Global Business Unit, despite the impact of the economic slowdown in China and decline in resource prices, performance in Europe and the Americas was solid. In the Global Markets Unit, sales and trading were steady, and income from fund management services grew as a result of agile management in response to market changes.

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 fiscal year)

Results for the current fiscal year are as follows:

Assets as of the end of the current fiscal year increased by ¥3,484.1 billion to ¥222,797.3 billion. Major components were loans and bills discounted of ¥101,007.6 billion and securities of ¥50,234.1 billion. Liabilities as of the end of the current fiscal year increased by ¥3,567.6 billion to ¥209,679.0 billion. Major components were deposits and negotiable certificates of deposit of ¥154,814.7 billion.

As for profits and losses, ordinary income increased by ¥4.8 billion compared to the previous fiscal year to ¥4,033.7 billion and ordinary expenses increased by ¥142.3 billion compared to the previous fiscal year to ¥2,950.0 billion. As a result, the Bank posted ordinary profit of ¥1,083.7 billion, with a decrease of ¥137.4 billion from the previous fiscal year and net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ of ¥685.8 billion, with a decrease of ¥45.7 billion from the previous fiscal year.

Results by reportable segment are as follows:

1. Retail Banking Business Unit
   Net operating income was ¥96.2 billion, with a decrease of ¥42.2 billion from the previous fiscal year.
2. Corporate Banking Business Unit
   Net operating income was ¥332.1 billion, with a decrease of ¥36.4 billion from the previous fiscal year.
3. Global Business Unit
   Net operating income was ¥456.6 billion, with a decrease of ¥37.0 billion from the previous fiscal year.
4. Global Markets Unit
   Net operating income was ¥338.4 billion, with a decrease of ¥41.1 billion from the previous fiscal year.
5. Other units
   Net operating loss was ¥70.0 billion, with an increase of ¥89.7 billion from the previous fiscal year.

From the current fiscal year, the Bank has changed its classification of reportable segments and “Bank of Ayudhya,” which was separately reported as an independent reportable segment in the past, has been included in the “Global Business Unit.”

In addition, the Bank has changed the calculation method of business segment profit in accordance with the changes in its internal performance management methods such as the revision of the jurisdiction of each business unit and changes in the allocation method of income and expenses of business segments.

Segment information for the previous fiscal year that was prepared in accordance with the restated reportable segment and calculation method is provided in “Segment Information” under the Section entitled “Notes to Consolidated Financial Statements” of “V. Financial Information.”

(Summary of cash flows)

With regard to cash flows, operating activities generated net cash of ¥1,382.2 billion, with a ¥8,013.3 billion decrease in cash outflows from the previous fiscal year. Investing activities generated net cash of ¥2,580.8 billion, with a ¥4,656.4 billion decrease in cash inflows from the previous fiscal year. Financing activities used net cash of ¥82.9 billion, with a ¥978.4 billion decrease in cash outflows from the previous fiscal year.

Cash and cash equivalents at the end of the current fiscal year were ¥7,513.1 billion, with a ¥3,800.8 billion increase from the end of the previous fiscal year.

The consolidated total risk-adjusted capital ratio based on uniform international standards as of March 31, 2016 was 15.66%.

(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 ¥2,919.6 billion, with a ¥77.2 billion decrease from the previous fiscal year. Of this, domestic operations posted an income of ¥1,651.3 billion, with a decrease of ¥72.2 billion from the previous fiscal year, and overseas operations posted an income of ¥1,470.7 billion, with an increase of ¥48.9 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	962,321	961,602	(51,063)	1,872,860
	Current fiscal year	910,195	946,836	(68,872)	1,788,159
Of which, interest income	Previous fiscal year	1,090,799	1,434,973	(140,844)	2,384,928
	Current fiscal year	1,070,837	1,403,999	(151,063)	2,323,774
Of which, interest expenses	Previous fiscal year	128,478	473,370	(89,781)	512,067
	Current fiscal year	160,642	457,163	(82,190)	535,614
Net fees and commissions	Previous fiscal year	492,856	333,451	(93,503)	732,803
	Current fiscal year	463,319	386,858	(132,382)	717,796
Of which, fees and commissions income	Previous fiscal year	636,812	385,255	(137,244)	884,823
	Current fiscal year	610,744	443,235	(176,934)	877,046
Of which, fees and commissions expenses	Previous fiscal year	143,955	51,804	(43,740)	152,019
	Current fiscal year	147,425	56,376	(44,551)	159,249
Net trading income	Previous fiscal year	107,481	42,653	(822)	149,311
	Current fiscal year	104,868	30,142	618	135,629
Of which, trading income	Previous fiscal year	107,481	48,323	(6,493)	149,311
	Current fiscal year	104,868	47,688	(16,927)	135,629
Of which, trading expenses	Previous fiscal year	–	5,670	(5,670)	–
	Current fiscal year	–	17,545	(17,545)	–
Net other operating income	Previous fiscal year	161,011	84,085	(3,164)	241,932
	Current fiscal year	173,014	106,940	(1,867)	278,088
Of which, other operating income	Previous fiscal year	260,867	253,126	(160,287)	353,706
	Current fiscal year	304,794	332,815	(209,930)	427,679
Of which, other operating expenses	Previous fiscal year	99,855	169,040	(157,122)	111,774
	Current fiscal year	131,780	225,874	(208,063)	149,591

(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 ¥5,432.3 billion compared to the previous fiscal year to ¥135,548.1 billion. Yield on interest-earning assets declined by 0.04% to 0.79% and the total interest income stood at ¥1,070.8 billion, with a decrease of ¥19.9 billion from the previous fiscal year. The average balance of interest-bearing liabilities in the current fiscal year increased by ¥6,826.1 billion compared to the previous fiscal year to ¥130,919.5 billion. Yield on interest-bearing liabilities rose by 0.01% to 0.12% and total interest expenses stood at ¥160.6 billion, with an increase of ¥32.1 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous fiscal year	130,115,789	1,090,799	0.83
	Current fiscal year	135,548,172	1,070,837	0.79
Of which, loans and bills discounted	Previous fiscal year	59,150,606	599,624	1.01
	Current fiscal year	61,414,418	574,593	0.93
Of which, securities	Previous fiscal year	48,100,257	412,418	0.85
	Current fiscal year	43,748,161	422,697	0.96
Of which, call loans and bills bought	Previous fiscal year	85,333	169	0.19
	Current fiscal year	19,405	26	0.13
Of which, receivables under resale agreements	Previous fiscal year	24,595	9	0.03
	Current fiscal year	25,492	14	0.05
Of which, receivables under securities borrowing transactions	Previous fiscal year	307,705	3,340	1.08
	Current fiscal year	146,377	68	0.04
Of which, due from banks	Previous fiscal year	18,216,210	17,715	0.09
	Current fiscal year	26,008,411	25,667	0.09
Interest-bearing liabilities	Previous fiscal year	124,093,378	128,478	0.10
	Current fiscal year	130,919,534	160,642	0.12
Of which, deposits	Previous fiscal year	102,871,993	45,858	0.04
	Current fiscal year	106,846,000	45,457	0.04
Of which, negotiable certificates of deposit	Previous fiscal year	2,794,418	2,505	0.08
	Current fiscal year	2,802,956	2,105	0.07
Of which, call money and bills sold	Previous fiscal year	3,262,809	3,376	0.10
	Current fiscal year	2,434,174	2,492	0.10
Of which, payables under repurchase agreements	Previous fiscal year	7,737,460	13,422	0.17
	Current fiscal year	9,061,032	33,972	0.37
Of which, payables under securities lending transactions	Previous fiscal year	1,508,701	2,323	0.15
	Current fiscal year	1,265,595	1,007	0.07
Of which, commercial paper	Previous fiscal year	–	–	–
	Current fiscal year	–	–	–
Of which, borrowed money	Previous fiscal year	10,501,238	83,765	0.79
	Current fiscal year	12,477,032	89,308	0.71

(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 ¥1,297.8 billion compared to the previous fiscal year to ¥61,295.4 billion. Yield on interest-earning assets declined by 0.10% to 2.29% and total interest income stood at ¥1,403.9 billion, with a decrease of ¥30.9 billion from the previous fiscal year. The average balance of interest-bearing liabilities in the current fiscal year increased by ¥813.8 billion compared to the previous fiscal year to ¥58,643.1 billion. Yield on interest-bearing liabilities decreased by 0.03% to 0.77% and total interest expenses stood at ¥457.1 billion, with a decrease of ¥16.2 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Average balance	Interest	Yield
		Amount	Amount	(%)
Interest-earning assets	Previous fiscal year	59,997,685	1,434,973	2.39
	Current fiscal year	61,295,489	1,403,999	2.29
Of which, loans and bills discounted	Previous fiscal year	39,671,140	1,039,421	2.62
	Current fiscal year	40,294,082	1,030,421	2.55
Of which, securities	Previous fiscal year	6,469,780	145,940	2.25
	Current fiscal year	6,357,353	140,497	2.21
Of which, call loans and bills bought	Previous fiscal year	576,305	11,370	1.97
	Current fiscal year	713,004	9,729	1.36
Of which, receivables under resale agreements	Previous fiscal year	1,082,683	39,205	3.62
	Current fiscal year	731,009	27,337	3.73
Of which, receivables under securities borrowing transactions	Previous fiscal year	–	–	–
	Current fiscal year	–	–	–
Of which, due from banks	Previous fiscal year	8,171,762	51,569	0.63
	Current fiscal year	9,322,139	55,394	0.59
Interest-bearing liabilities	Previous fiscal year	57,829,327	473,370	0.81
	Current fiscal year	58,643,164	457,163	0.77
Of which, deposits	Previous fiscal year	33,061,527	231,482	0.70
	Current fiscal year	35,247,692	224,580	0.63
Of which, negotiable certificates of deposit	Previous fiscal year	8,297,958	32,515	0.39
	Current fiscal year	5,989,385	34,678	0.57
Of which, call money and bills sold	Previous fiscal year	291,459	1,753	0.60
	Current fiscal year	364,943	3,440	0.94
Of which, payables under repurchase agreements	Previous fiscal year	773,355	8,424	1.08
	Current fiscal year	599,862	7,331	1.22
Of which, payables under securities lending transactions	Previous fiscal year	–	–	–
	Current fiscal year	–	–	–
Of which, commercial paper	Previous fiscal year	1,374,853	2,439	0.17
	Current fiscal year	1,394,809	4,121	0.29
Of which, borrowed money	Previous fiscal year	1,771,571	27,217	1.53
	Current fiscal year	2,340,516	26,698	1.14

(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	190,113,475	(8,404,830)	181,708,644	2,525,772	(140,844)	2,384,928	1.31
	Current fiscal year	196,843,662	(8,140,300)	188,703,361	2,474,837	(151,063)	2,323,774	1.23
Of which, loans and bills discounted	Previous fiscal year	98,821,747	(2,512,038)	96,309,709	1,639,045	(72,189)	1,566,856	1.62
	Current fiscal year	101,708,500	(3,098,538)	98,609,961	1,605,297	(70,936)	1,534,360	1.55
Of which, securities	Previous fiscal year	54,570,037	(2,652,297)	51,917,740	558,358	(53,942)	504,416	0.97
	Current fiscal year	50,105,514	(2,855,793)	47,249,720	563,195	(69,130)	494,065	1.04
Of which, call loans and bills bought	Previous fiscal year	661,639	(20,800)	640,839	11,540	(58)	11,482	1.79
	Current fiscal year	732,410	(215,750)	516,660	9,756	(202)	9,553	1.84
Of which, receivables under resale agreements	Previous fiscal year	1,107,278	–	1,107,278	39,215	–	39,215	3.54
	Current fiscal year	756,502	–	756,502	27,351	–	27,351	3.61
Of which, receivables under securities borrowing transactions	Previous fiscal year	307,705	–	307,705	3,340	–	3,340	1.08
	Current fiscal year	146,377	–	146,377	68	–	68	0.04
Of which, due from banks	Previous fiscal year	26,387,972	(3,127,454)	23,260,518	69,284	(11,360)	57,924	0.24
	Current fiscal year	35,330,550	(1,640,757)	33,689,792	81,061	(9,285)	71,776	0.21
Interest-bearing liabilities	Previous fiscal year	181,922,706	(4,611,017)	177,311,688	601,848	(89,781)	512,067	0.28
	Current fiscal year	189,562,698	(5,314,941)	184,247,757	617,805	(82,190)	535,614	0.29
Of which, deposits	Previous fiscal year	135,933,521	(1,163,156)	134,770,364	277,341	(7,546)	269,794	0.20
	Current fiscal year	142,093,692	(1,198,069)	140,895,623	270,038	(4,523)	265,514	0.18
Of which, negotiable certificates of deposit	Previous fiscal year	11,092,376	–	11,092,376	35,020	–	35,020	0.31
	Current fiscal year	8,792,341	–	8,792,341	36,783	–	36,783	0.41
Of which, call money and bills sold	Previous fiscal year	3,554,268	(88,268)	3,465,999	5,129	(237)	4,891	0.14
	Current fiscal year	2,799,117	(78,027)	2,721,090	5,932	(219)	5,713	0.20
Of which, payables under repurchase agreements	Previous fiscal year	8,510,815	–	8,510,815	21,846	–	21,846	0.25
	Current fiscal year	9,660,894	–	9,660,894	41,303	–	41,303	0.42
Of which, payables under securities lending transactions	Previous fiscal year	1,508,701	–	1,508,701	2,323	–	2,323	0.15
	Current fiscal year	1,265,595	–	1,265,595	1,007	–	1,007	0.07
Of which, commercial paper	Previous fiscal year	1,374,853	–	1,374,853	2,439	–	2,439	0.17
	Current fiscal year	1,394,809	–	1,394,809	4,121	–	4,121	0.29
Of which, borrowed money	Previous fiscal year	12,272,810	(2,998,266)	9,274,543	110,983	(73,599)	37,384	0.40
	Current fiscal year	14,817,549	(3,367,546)	11,450,003	116,007	(71,843)	44,163	0.38

(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 ¥610.7 billion, with a decrease of ¥26.0 billion from the previous fiscal year. Fees and commissions expenses were ¥147.4 billion, with an increase of ¥3.4 billion from the previous fiscal year, resulting in a net fees and commissions income of ¥463.3 billion, with a decrease of ¥29.5 billion from the previous fiscal year. Fees and commissions income of overseas offices during the current fiscal year was ¥443.2 billion, with an increase of ¥57.9 billion from the previous fiscal year, while fees and commissions expenses were ¥56.3 billion, with an increase of ¥4.5 billion from the previous fiscal year, resulting in a net fees and commissions income of ¥386.8 billion, with an increase of ¥53.4 billion from the previous fiscal year.

Consequently, total net fees and commissions income for the current fiscal year stood at ¥717.7 billion, with a decrease of ¥15.0 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	636,812	385,255	(137,244)	884,823
	Current fiscal year	610,744	443,235	(176,934)	877,046
Of which, domestic and foreign exchange services	Previous fiscal year	153,656	14,462	(369)	167,750
	Current fiscal year	152,255	14,079	(324)	166,010
Of which, other commercial banking services	Previous fiscal year	280,894	274,944	(2,628)	553,209
	Current fiscal year	256,019	277,583	(3,165)	530,438
Of which, guarantee services	Previous fiscal year	53,571	26,566	(17,688)	62,449
	Current fiscal year	50,782	25,333	(16,798)	59,316
Of which, securities-related services	Previous fiscal year	52,390	2,626	(63)	54,953
	Current fiscal year	54,391	9,969	(41)	64,319
Fees and commissions expenses	Previous fiscal year	143,955	51,804	(43,740)	152,019
	Current fiscal year	147,425	56,376	(44,551)	159,249
Of which, domestic and foreign exchange services	Previous fiscal year	34,024	7,230	(242)	41,012
	Current fiscal year	34,726	7,024	(313)	41,438

(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 ¥104.8 billion, with a decrease of ¥2.6 billion from the previous fiscal year, resulting in a net trading income of ¥104.8 billion, accompanied by a decrease of ¥2.6 billion from the previous fiscal year. Trading income of overseas offices for the current fiscal year was ¥47.6 billion, with a decrease of ¥0.6 billion from the previous fiscal year. Trading expenses of overseas offices were ¥17.5 billion, an increase of ¥11.8 billion from the previous fiscal year. As a result, net trading income for the current fiscal year was ¥30.1 billion, with a decrease of ¥12.5 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 ¥135.6 billion, with a decrease of ¥13.6 billion from the previous fiscal year.

(Millions of yen)

Item	Fiscal year	Domestic	Overseas	Amount of elimination	Total
		Amount	Amount	Amount	Amount
Trading income	Previous fiscal year	107,481	48,323	(6,493)	149,311
	Current fiscal year	104,868	47,688	(16,927)	135,629
Of which, income from trading securities	Previous fiscal year	2,631	4,810	(202)	7,238
	Current fiscal year	4,247	3,983	(41)	8,189
Of which, income from securities related to trading transactions	Previous fiscal year	4,337	(401)	(132)	3,803
	Current fiscal year	4,914	(431)	(138)	4,344
Of which, income from trading-related financial derivatives	Previous fiscal year	98,028	43,915	(6,154)	135,788
	Current fiscal year	93,235	44,135	(16,747)	120,623
Of which, income from other trading transactions	Previous fiscal year	2,483	–	(2)	2,481
	Current fiscal year	2,470	0	–	2,471
Trading expenses	Previous fiscal year	–	5,670	(5,670)	–
	Current fiscal year	–	17,545	(17,545)	–
Of which, expenses on trading securities	Previous fiscal year	–	202	(202)	–
	Current fiscal year	–	41	(41)	–
Of which, expenses on securities related to trading transactions	Previous fiscal year	–	132	(132)	–
	Current fiscal year	–	138	(138)	–
Of which, expenses on trading-related financial derivatives	Previous fiscal year	–	5,332	(5,332)	–
	Current fiscal year	–	17,366	(17,366)	–
Of which, expenses on other trading transactions	Previous fiscal year	–	2	(2)	–
	Current fiscal year	–	–	–	–

(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	106,783,494	35,517,686	(1,346,484)	140,954,695
	Current fiscal year	112,182,553	36,852,218	(1,250,425)	147,784,345
Of which, liquid deposits	Previous fiscal year	71,954,686	18,110,263	(569,678)	89,495,271
	Current fiscal year	78,507,388	20,482,713	(590,762)	98,399,339
Of which, fixed-term deposits	Previous fiscal year	28,696,228	17,269,980	(731,960)	45,234,248
	Current fiscal year	27,497,892	16,208,342	(647,309)	43,058,925
Of which, other deposits	Previous fiscal year	6,132,578	137,442	(44,845)	6,225,175
	Current fiscal year	6,177,271	161,162	(12,353)	6,326,080
Negotiable certificates of deposit	Previous fiscal year	3,206,773	8,048,996	–	11,255,770
	Current fiscal year	1,561,028	5,469,326	–	7,030,355
Total	Previous fiscal year	109,990,267	43,566,683	(1,346,484)	152,210,466
	Current fiscal year	113,743,581	42,321,545	(1,250,425)	154,814,701

(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)	58,922,049	100.00	60,941,476	100.00
Manufacturing	8,055,533	13.67	8,773,553	14.40
Construction	727,686	1.23	716,043	1.18
Wholesale and retail	5,668,317	9.62	5,535,199	9.08
Finance and insurance	5,848,247	9.93	6,059,939	9.94
Real estate, goods rental and leasing	7,897,547	13.40	8,060,369	13.23
Services	2,484,575	4.22	2,373,504	3.89
Other industries	28,240,143	47.93	29,422,866	48.28
Overseas and Japan offshore market account	38,694,144	100.00	40,066,204	100.00
Governments and public organizations	811,868	2.10	971,750	2.43
Financial institutions	7,828,221	20.23	8,558,125	21.36
Others	30,054,054	77.67	30,536,328	76.21
Total	97,616,193	–	101,007,681	–

(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, 2016
1. Consolidated Total Capital Ratio (4/7)	15.66
2. Consolidated Tier 1 Capital Ratio (5/7)	12.71
3. Consolidated Common Equity Capital Ratio (6/7)	11.08
4. Consolidated Total Capital	14,013.2
5. Consolidated Tier 1 Capital	11,375.2
6. Consolidated Common Equity Capital	9,917.7
7. Risk-weighted Assets	89,456.6
8. Consolidated Total Capital Requirements	7,156.5

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

(Billions of yen, %)

	As of March 31, 2016
1. Non-consolidated Total Capital Ratio (4/7)	17.51
2. Non-consolidated Tier 1 Capital Ratio (5/7)	14.25
3. Non-consolidated Common Equity Capital Ratio (6/7)	12.30
4. Non-consolidated Total Capital	12,833.3
5. Non-consolidated Tier 1 Capital	10,446.7
6. Non-consolidated Common Equity Capital	9,019.4
7. Risk-weighted Assets	73,277.9
8. Non-consolidated Total Capital Requirements	5,862.2

(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

In fiscal 2015, the outlook for the world economy grew more uncertain as markets were affected by the United States' exit strategy from quantitative easing and the large impact of China's economic slowdown on developing economies. Financial markets experienced large fluctuations, partly due to the Bank of Japan's adoption of negative interest rates early in 2016. Amid such circumstances and in the first year of the newly-commenced Medium-term Business Plan, the Bank made concerted and Group-wide efforts to advance and revolutionize its business model in anticipation of future structural changes.

(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.

For individual customers, the Group will work together to provide asset management, asset administration, and inheritance services and encourage the flow of assets from savings to investment while helping to stimulate consumption by strengthening payment and consumer finance businesses.

To address the needs of SME customers, we will work to provide smooth support for customers' funding needs while also implementing initiatives in new business fields. These include enhancing M&A advisory service functions to respond to the rising number of business successions and bolstering our ability to provide asset management solutions. At the same time, we will also accelerate efforts to contribute to the growth of customers through means such as offering business matching services.

Meanwhile, we will respond to the ever more advanced, diverse, and global needs of large companies through concerted efforts conducted on a Group-wide and global basis, and will establish a unique global Corporate & Investment Banking (CIB)[*1] model to aid in this endeavor. As part of this process, we will consolidate our sector-specific expertise while deepening strategic collaboration with Morgan Stanley.

In sales and trading operations[*2], we intend to advance integrated operations to boost our competitiveness. Specifically, we will push forward with efforts to strengthen our ability to provide products and services that address the diverse needs of various customers, such as corporations and institutional investors, on a global basis.

In transaction banking[*3] operations, we aim to build an unrivaled position in the domestic market. At the same time, we will redouble efforts to address cross-border business flows, and expand trade finance operations. In addition, we will bolster product competitiveness and step up inter-regional collaboration to increase deposit balances.

Outside Japan, we are working to establish and strengthen unique, comprehensive commercial banking platforms. These efforts are centered around Bank of Ayudhya Public Company Limited and MUFG Union Bank, N.A and also include developing our new capital and business alliance with Security Bank Corporation. The Bank's overseas operations have previously focused primarily on transactions with large companies, but in strengthening platforms we are branching out to accommodate local individual and SME customers.

*1 A business model that provides customers with end-to-end, comprehensive financial services including both Corporate Banking (e.g. deposits and loans) and Investment Banking (e.g. M&A advisory) services, in order to help customers increase their corporate value

*2 General term for sales operations involving the provision of financial products and solutions including foreign exchange and derivatives, and trading operations to buy and sell marketable products through inter-bank trading or trading on exchanges

*3 General term for deposit business, domestic exchange business, foreign exchange business, and related businesses such as cash management and trade finance

(Strengthening of operation basis)

We will take the following measures to strengthen the basis of operation:

The Bank aims to further strengthen its corporate governance structure mainly through the establishment of an effective structure for business supervision by the Board of Directors by transitioning to a Company with an Audit & Supervisory Committee, in addition to enhancing the corporate governance structure on a Group-wide and global basis.

At the same time, the Bank is developing more evolved and advanced comprehensive risk management practices that address new regulations and progress in businesses while placing emphasis on managing risks in an integrated and preventative manner.

We aim to strengthen and streamline our business platform, and this will be done in part through shared usage of systems, back-office functions, and facilities on a Group-wide basis.

Communication with external stakeholders and Group employees will be conducted strategically and in an integrated manner on a Group-wide and global basis to maximize the benefits of this communication. We recognize internal communication as a means of fostering a corporate culture and creating sense of cohesion within the Group. Meanwhile, communication with outside parties contributes to improving customer satisfaction and brand value and helps accomplish corporate social responsibility activities.

The Bank will further reinforce the strategies described in the Medium-term Business Plan and accelerate various measures while responding flexibly to changes in the operating environment. Through the above measures, the Bank will strive to maintain and enhance the MUFG brand so that it can be appreciated and supported by the wider general public.

3. Risks Related to Business

The Bank has described below the major matters that the Bank believes may have a material impact on your investment decision with respect to risks to its business, as well as other risks. In addition, to proactively disclose information to investors, the Bank has described matters that do not necessarily correspond to such risk factors, but that the Bank believes are material to you in making an investment decision. The Bank will, with the understanding that these risks may occur, endeavor to avoid the occurrence of such risks and to address such risks if they occur.

This section contains forward-looking statements, which unless specifically described otherwise, reflect the Bank's understanding as of the date of filing of this Annual Securities Report.

(1) Risks relating to the Bank's equity portfolio

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 relating to the Bank's lending business

1) Status of the Bank's 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, fluctuations in oil and other commodity prices, 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 the Bank's 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 the Bank's 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) The Bank's 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) Concentration of loan and other credit exposures to particular industries and counterparties

When the Bank makes loans and other extensions of credit, the Bank seeks to diversify its portfolio to avoid any concentration of exposure to a particular industry or counterparty. However, the Bank's credit exposures to the energy and real estate industries are relatively high in comparison to other industries. While the Bank continues to monitor and respond to changes in circumstances and other developments relating to particular industries and individual counterparties, their credit quality may deteriorate to an extent greater than expected due to changes in economic conditions in Japan and other countries and fluctuations in oil and other commodity prices and real estate prices. As a result, the Bank's credit costs may increase, adversely affecting the Bank's financial condition and results of operations.

7) Other factors that could affect the Bank's 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, or from borrowers whose results of operations are negatively impacted by declining oil and other commodity prices, 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 of Japanese government bonds may increase due to such factors as a heightened market expectation for tapering or cessation of the "quantitative and qualitative monetary easing with negative interest rates" 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 increase 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 faces and the Bank may realize actual losses that are greater than its estimated market risk exposure.

In addition, if the "quantitative and qualitative monetary easing with negative interest rates" program is maintained in Japan for an extended period, or if the negative interest rate is lowered from the current level, market rates may decline further, and the yield on the Japanese government bonds and other financial instruments that the Bank holds may also decline.

Furthermore, the Bank may voluntarily modify, or may be required by changes in accounting rules or otherwise to modify, the valuation method and other accounting treatment the Bank applies to the financial instruments it hold in connection with its markets operations. In such case, the Bank's results of operations may be adversely affected.

(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 ("MUAH") (including its bank subsidiary, MUFG Union Bank, N.A. ("MUB")) and Bank of Ayudhya Public Company Limited ("Krungsri"), 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 Bank's loan interest spread further narrows as a result of the "quantitative and qualitative monetary easing with negative interest rates" program being maintained in Japan for an extended period or the negative interest rate being lowered from the current level;
· 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, including political and social instability, terrorism and other conflicts, 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 oil and other natural resources and additional credit costs incurred as a result of such fluctuations, 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 due to internal control weaknesses and an inadequate compliance system at MUAH and its subsidiaries.

(10) Risks relating to Krungsri

Any adverse changes to the business or management of Krungsri, one of the Bank's major subsidiaries, may negatively affect its financial condition and results of operations. Factors that may negatively affect Krungsri's financial condition and results of operations include:

- adverse economic conditions, substantial competition in the banking industry, volatile political and social conditions, natural disasters including floods, terrorism and armed conflicts, restrictions under applicable financial systems and regulations, or significant fluctuations in interest rates, currency exchange rates, stock prices or commodity prices, in Southeast Asia, particularly in Thailand,
- the business performance of companies making investments in and entering into markets in the Southeast Asian region, as well as the conditions of economies, financial systems, laws and financial markets in the countries where such companies primarily operate,
- losses from legal proceedings involving Krungsri,
- credit rating downgrades and declines in stock prices of Krungsri's borrowers, and bankruptcies of Krungsri's borrowers resulting from such factors,
- defaults on Krungsri's loans to individuals,
- adverse changes in the cooperative relationship between us and the other major shareholder of Krungsri, and
- costs incurred due to weaknesses in the internal controls and regulatory compliance systems of Krungsri or any of its subsidiaries.

(11) Risks relating to the Bank's consumer lending business

The Bank has affiliates, etc. 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 remained stable, with domestic consumption being the primary driver of the economy, after the cessation of the central bank's qualitative easing program, uncertainty still remains because of such factors as concerns over potentially serious ramifications of the result of the U.K. recent referendum, where a majority voted to leave the European Union, on the Eurozone economy and the global economy, and the slowing economic growth in China in the midst of a shift in the government's economic policy and the economic stagnation in emerging countries and commodity-exporting countries caused by China's economic slowdown, as well as 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 credit crunch in the capital markets will deteriorate 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 income. 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, 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, abduction, health epidemics, and other disruptions caused by external events, which are beyond the Bank's 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 suffer loss of facility and human and other resources. 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 an increase in problem loans and 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 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, or flaws in, the information and communications systems, which may lead to errors and delays in transactions, information leakage and other adverse consequences. In addition, the Bank may be unable to enhance its financial transaction management systems as required under increasingly stricter regulations applicable to banks. Such failures and inability, 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 the limit on deposits that Japan Post Bank Co., Ltd. can accept from each depositor was raised. Competition is also expected to increase as a result of future mergers and alliances among financial institutions in Japan and abroad. 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 the Bank operate). In the current regulatory environment, the Bank are subject to various regulatory inquiries or investigations from time to time in connection with various aspects of its business and operations. 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. The Bank's ability to obtain regulatory approvals for future strategic initiatives may also be adversely affected.

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 as well as investigations into foreign exchange related practices of global financial institutions. 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 and global financial institutions have been named as defendants in a number of civil lawsuits, including putative class actions, in the United States. These developments or other similar events may expose the Bank to significant adverse financial and other consequences.

(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 revisions to methods of calculating the amount of risk-weighted assets as well as the review of the credit valuation adjustment risk framework and leverage ratio standards, 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 and results of operations.

In January 2016, the United States, other four United Nations member states and Iran announced suspension or lifting of some of the sanctions relating to Iran's nuclear development in accordance with the Joint Comprehensive Plan of Action, to which they agreed in July 2015. Some of the measures implemented in Japan under the Foreign Exchange and Foreign Trade Law were also lifted. However, the U.S. sanctions against Iran continue to prohibit, among other things, U.S. persons from conducting transactions relating to Iran, subject to limited exceptions. In addition, companies registered with the U.S. Securities and Exchange Commission (including non-U.S. companies) remain subject to the disclosure requirement relating to certain Iran-related transactions. Moreover, certain Japanese sanctions measures remain in effect, including freezing the assets of persons involved in Iran's sensitive nuclear activities and development of nuclear weapon delivery systems. The Bank has policies and procedures in place that are designed to comply with such Japanese regulatory requirements. There remains a risk of potential U.S. regulatory action against the Bank, however, if U.S. regulators perceive the Bank's policies and procedures 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 the Bank's customers or regulatory authorities."

(20) Risks relating to regulatory 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

·occurrence of other adverse events.

2) Regulatory developments

The Financial Stability Board (“FSB”) has 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 being implemented in phases from 2016. As the list of G-SIBs is expected to be updated annually, Mitsubishi UFJ Financial Group, Inc. may be required to meet stricter capital ratio requirements.

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’s capital ratio 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's capital could be reduced, and the Bank's capital ratio could decrease.

5) Total loss absorbing capacity in resolution

In November 2015, the Financial Stability Board issued the final Total Loss-Absorbing Capacity ("TLAC") standard for global systematically important banks, or G-SIBs, including us. The standard will require G-SIBs to hold TLAC above a minimum ratio starting in 2019. This standard will be applied in addition to the regulatory capital ratio standard and may have an adverse impact on business, financial condition and results of operations of Mitsubishi UFJ Financial Group, Inc.

In accordance with the FSA's explanatory paper published in April 2016 outlining its approach for the introduction of the TLAC framework in Japan, senior debt securities of Mitsubishi UFJ Financial Group, Inc. are intended to qualify as TLAC debt due in part to their structural subordination upon the implementation of regulations under legislation enacted to introduce the TLAC standard in Japan. However, specific requirements of such legislation and regulations have not yet been finalized, and the FSA's approach may be modified as a result of international regulatory discussions and other developments.

(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 and the Act on the Use of Personal Identification Numbers in the Administration of Government Affairs.

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 penalties, administrative sanctions and other 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 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. Significant Contracts for Management, Etc.

(Share Acquisition of Security Bank)

The Bank has concluded the Subscription Agreement with Security Bank Corporation (“Security Bank”), a leading commercial bank in Republic of the Philippines (“the Philippines”) on January 14, 2016, and on April 1, 2016, the Bank acquired 20% of Security Bank’s common shares and preferred shares and appointed 2 directors of Security Bank’s Board of Directors, and Security Bank became an equity method affiliate of the Bank.

1) Outline of Shares Acquisition

(i) Investment structure:	The Bank acquired 20.0% of Security Bank’s common shares and preferred shares with voting rights through a private placement of newly issued shares. The Bank became the second largest shareholder next to Dy Group, the largest shareholder group of Security Bank (a shareholder group led by Mr. Frederick Y. Dy, chairman emeritus of Security Bank), designating Security Bank as an equity method affiliate. In forming this alliance, the Bank entered into the shareholders agreement with Dy Group, the current largest shareholder of Security Bank.
(ii) Total number of shares acquired:	150,707,778 shares of common shares 200,000,000 shares of preferred shares
(iii) Acquisition rate:	20% of Security Bank’s common shares and preferred shares with voting rights
(iv) Acquisition price:	PHP 245 per common share PHP 0.1 per preferred share
(v) Investment amount:	PHP 36,943 million
(vi) Board representation:	The Bank has already appointed 2 directors to the Security Bank’s Board of Directors.

2) Outline of Business Alliance

Leveraging both banks’ expertise and customer base, the Bank and Security Bank will enhance its services offered to the enlarged customer base in the Philippines through promoting the collaboration in the areas described below:

[Main collaboration areas]

(i) Work-site business to Japanese corporate employees
(ii) Trade finance
(iii) Project finance
(iv) Reciprocal long-term funding support
(v) Capturing Japan-related business opportunities including large-size projects Japanese corporates are engaged in
(vi) Exchange of knowledge and technological expertise
(vii) Explore other collaboration areas between MUFG’s key subsidiaries/affiliates companies, including leasing, securities, and asset management.

3) Overview of Security Bank

(i) Name: Security Bank Corporation

(ii) Type of business: Commercial bank

(iii) Year of establishment: 1951

(iv) Headquarters: Makati City, Republic of the Philippines

(v) Representative: Mr. Alfonso L. Salcedo, Jr., President and CEO

(vi) Capital Stock: PHP 6,089 million (as of December 31, 2015)

(vii) Relationship with the Bank:

The Bank, on one hand, and Security Bank, on the other, do not have any capital, personal or transactional relationship that are required to be disclosed.

(viii) Number of employees: 4,328 (as of December 31, 2015)

(ix) Number of branches: 268 (as of May 6, 2016)

(x) Business sizes (for the fiscal year ended December 31, 2015)

(in millions of PHP)

Total operating income	18,308
Income before income tax	8,302
Net income attributable to equity holders of the Parent Company	7,536
Total assets	532,200
Total equity	53,214

(Notes) 1. The amount of "Income before income tax" is the difference between "Total operating income" and "Total operating expenses."

2. The above figures are based on the Form 17-C of Security Bank prepared in accordance with the Securities Regulation Code of the Philippines.

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

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

Consolidated gross operating income for the current fiscal year decreased by ¥76.6 billion from the previous fiscal year, primarily reflecting a decrease in interest income. Meanwhile, general and administrative expenses also decreased by ¥37.6 billion from the previous fiscal year. As a result, consolidated net business profit (before provision for general allowance for credit losses) for the current fiscal year was ¥1,189.5 billion, with a decrease of ¥38.9 billion from the previous fiscal year.

Meanwhile, net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ was ¥685.8 billion, with a decrease of ¥45.7 billion from the previous fiscal year.

The main items for the current 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)	2,384.9	2,323.7	(61.1)
Interest expenses (after deduction of expenses related to money held in trust)	(2)	512.0	535.6	23.5
Trust fees	(3)	12.5	13.1	0.5
Of which, credit costs for trust accounts	(4)	–	–	–
Fees and commissions income	(5)	884.8	877.0	(7.7)
Fees and commissions expenses	(6)	152.0	159.2	7.2
Trading income	(7)	149.3	135.6	(13.6)
Trading expenses	(8)	–	–	–
Other operating income	(9)	353.7	427.6	73.9
Other operating expenses	(10)	111.7	149.5	37.8
Consolidated gross operating income (= (1) - (2) + (3) + (5) - (6) + (7) - (8) + (9) - (10))	(11)	3,009.4	2,932.8	(76.6)
General and administrative expenses (after deduction of non-recurring expenses)	(12)	1,780.9	1,743.3	(37.6)
Consolidated net business profit (loss) (before provision for general allowance for credit losses = (11) + (4) - (12))		1,228.5	1,189.5	(38.9)
Other ordinary expenses (Provision for general allowance for credit losses)	(13)	83.1	(169.6)	(252.8)
Consolidated net business profit (loss) (= (11) - (12) - (13))		1,145.3	1,359.1	213.8
Other ordinary income	(14)	243.6	256.5	12.9
Of which, reversal of allowance for credit losses		–	–	–
Of which, gains on collection of bad debts		43.9	39.1	(4.7)
Of which, gains on sales of equity securities and other securities		77.2	126.0	48.8
Interest expenses (expenses related to money held in trust)	(15)	0.1	0.0	(0.0)
General and administrative expenses (non-recurring expenses)	(16)	26.7	20.1	(6.5)
Other ordinary expenses (after deduction of provision for general allowance for credit losses)	(17)	140.8	511.8	370.9
Of which, credit costs		78.2	413.3	335.0
Of which, losses on sales of equity securities and other securities		11.4	28.8	17.3
Of which, losses on write-down of equity securities and other securities		3.7	23.2	19.5
Net non-recurring gains (losses) (= (14) - (15) - (16) - (17))		75.8	(275.4)	(351.3)
Ordinary profit		1,221.2	1,083.7	(137.4)
Net extraordinary gains (losses)		(68.2)	15.7	84.0
Of which, impairment loss of long-lived assets		(4.2)	(11.0)	(6.7)
Income before income taxes		1,152.9	1,099.4	(53.4)
Total income taxes		347.2	350.2	2.9
Net income before attribution of noncontrolling		805.6	749.1	(56.4)

	Previous fiscal year (A)	Current fiscal year (B)	Change (B - A)
interests			
Net income attributable to noncontrolling interests	74.0	63.3	(10.6)
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	731.6	685.8	(45.7)

1. Analysis of Results of Operations

(1) Credit costs

Total credit costs for the current fiscal year increased by ¥87.9 billion compared to the previous fiscal year to ¥204.4 billion, primarily reflecting an increase of specific 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)	–	–	–
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)	43.9	39.1	(4.7)
Of other ordinary expenses, provision for general allowance for credit losses	(5)	83.1	(169.6)	(252.8)
Of other ordinary expenses, credit costs	(6)	78.2	413.3	335.0
Write-offs of loans		90.9	82.6	(8.2)
Provision for specific allowance for credit losses		(26.7)	288.0	314.7
Other credit costs		14.0	42.5	28.5
Total credit costs (= (1) - (2) - (3) - (4) + (5) + (6))		116.4	204.4	87.9
Consolidated net business profit (loss) (before credit costs for trust accounts and provision for general allowance for credit losses)		1,228.5	1,189.5	(38.9)
Consolidated net business profit (loss) (after deduction of total credit costs)		1,112.0	985.0	(126.9)

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

The Bank posted ¥73.9 billion gains on equity securities and other securities for the current fiscal year with an increase of ¥11.9 billion from the previous fiscal year.

Gains on sales of equity securities and other securities increased by ¥48.8 billion compared to the previous fiscal year to ¥126.0 billion while losses on sales of equity securities and other securities increased by ¥17.3 billion compared to the previous fiscal year to ¥28.8 billion. Losses on write-down of equity securities and other securities increased by ¥19.5 billion compared to the previous fiscal year to ¥23.2 billion.

(Billions of yen)

	Previous fiscal year (A)	Current fiscal year (B)	Change (B - A)
Net gains (losses) on equity securities and other securities	62.0	73.9	11.9
Of other ordinary income, gains on sales of equity securities and other securities	77.2	126.0	48.8
Of other ordinary expenses, losses on sales of equity securities and other securities	11.4	28.8	17.3
Of other ordinary expenses, losses on write-down of equity securities and other securities	3.7	23.2	19.5

2. Analysis of Financial Position

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

Claims disclosed under the Financial Reconstruction Act increased by ¥86.1 billion from the end of the previous fiscal year to ¥1,263.1 billion.

The percentage of disclosed claims to total claims rose by 0.04 percentage points from the end of the previous fiscal year to 1.32%.

Claims by borrowers' classification show claims against bankrupt or de facto bankrupt borrowers rose by ¥28.8 billion, doubtful claims rose by ¥265.5 billion, and claims in need of special attention decreased by ¥208.3 billion.

With regard to the status of coverage at the end of the current fiscal year for these disclosed claims totaling ¥1,263.1 billion, the amount secured by allowance for credit losses was ¥447.0 billion and the amount secured by collaterals, guarantees and others was ¥612.7 billion, representing a percentage of covered claims to total disclosed claims (coverage ratio) of 83.89%.

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	116.8 (87.9)	17.3 (1.1)	99.5 (86.7)	100.00% (100.00%)	100.00% (100.00%)
Doubtful claims	815.2 (549.6)	345.3 (147.0)	331.4 (288.7)	71.38% (56.35%)	83.01% (79.28%)
Claims in need of special attention	331.0 (539.3)	84.3 (160.2)	181.7 (221.6)	56.51% (50.44%)	80.39% (70.80%)
Subtotal	1,263.1 (1,176.9)	447.0 (308.4)	612.7 (597.1)	68.73% (53.20%)	83.89% (76.94%)
Normal claims	94,370.4 (91,117.0)	–	–	–	–
Total	95,633.5 (92,293.9)	–	–	–	–
Percentage of disclosed claims to total claims	1.32% (1.27%)	–	–	–	–

(Note) The upper figures are as of March 31, 2016. The lower figures with parentheses are as of March 31, 2015.

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 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.)
Of which, 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	Bank of Ayudhya (Note 2)	Global Markets Unit	Other units (Note 3)	Total
Gross operating income	514.1	653.9	1,257.5	437.9	261.6	419.1	38.7	2,883.6
Non-consolidated	470.0	631.7	449.1	–	–	375.2	83.9	2,010.0
Net interest income	337.5	277.2	209.6	–	–	175.2	155.7	1,155.3
Net non-interest income	132.5	354.5	239.4	–	–	200.0	(71.7)	854.7
Subsidiaries	44.1	22.2	808.3	437.9	261.6	43.9	(45.1)	873.5
Expenses	417.8	321.8	800.9	318.0	131.1	80.7	108.8	1,730.3
Net operating income (Note 1)	96.2	332.1	456.6	119.9	130.4	338.4	(70.0)	1,153.3

(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. Amounts related to Bank of Ayudhya are calculated based on the accounting standards in Thailand.
3. 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

In addition to decrease in income from customer deposits in yen due to declining market rates, income from the sales of fund management products decreased, while income from the consumer finance business continued to be strong and the unit continued its efforts to reduce expenses.

(2) Corporate Banking Business Unit

Income from customer deposits in yen and income from loans decreased due to the impact of declining market rates and continued declines in loan spreads, while income from the solutions business remained strong and the unit continued its efforts to reduce expenses.

(3) Global Business Unit

Though gross operating income in Asia fell below that of the previous fiscal year mainly due to decreases in income from loans and fees and commissions, gross operating income in the Americas and Bank of Ayudhya exceeded that of the previous fiscal year.

(4) Global Markets Unit

The unit suffered lower income than that of the previous fiscal year due to the impact of rising interest rates in Europe and increased interest rates in the U.S. in the first half of the current fiscal year and rising interest rates in the U.S., but strived for 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 back-office operations, the Bank made information system investment to enhance offering of our products and services, apart from the investment for refurbishment of head office building/center, relocation, reconstruction and renovation of branches, and measures against disasters.

Primarily due to the above measures, the total capital investment for the current fiscal year amounted to ¥222.8 billion, including investment for intangible fixed assets such as software.

There were no retirements or sales, etc. of equipment and facilities that are important and worth stating in the current fiscal year.

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, 2016)	Number of shares issued as of the date of submission (June 29, 2016)	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, 2016

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, 2016

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, 2016

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, 2016

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. According to the provisions in each item of Article 459, Paragraph 1 of the Companies Act, the Bank provides in its Articles of Incorporation that the Bank may, by the resolution of the Board of Directors, purchase its treasury stock and offer dividends from surplus. The amounts of dividends are decided by the Board of Directors' meeting for an interim dividend and by the Ordinary General Meeting of Shareholders or Board of Directors' meeting for other dividends.

In respect of dividends for the current fiscal year, it was decided, in accordance with the dividend policy as described above, to pay an annual dividend of ¥16.36 per share for common stock (comprising an interim dividend of ¥7.80 and a year-end dividend of ¥8.56). In line with the capital policy of Mitsubishi UFJ Financial Group, Inc., the Bank distributed the special dividends of ¥6.27 per share for common stock and ¥7.37 per share for common stock as of August 3, 2015 and February 2, 2016, respectively. Furthermore, in accordance with the business investment strategies of the Bank and Mitsubishi UFJ Financial Group, Inc., the Bank distributed dividends in kind in respect of the common stock of Mitsubishi UFJ Asset Management Co., Ltd. as of June 24, 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 12, 2015 Resolution by the Board of Directors' meeting	¥96,330 million	Common stock	¥7.80
May 16, 2016 Resolution by the Board of Directors' meeting	¥105,716 million	Common stock	¥8.56

Date of resolution	Aggregate amount of dividend	Dividend per share	
July 30, 2015 Resolution by the Board of Directors' meeting	¥77,434 million	Common stock	¥6.27
January 28, 2016 Resolution by the Board of Directors' meeting	¥91,019 million	Common stock	¥7.37

Date of resolution	Aggregate amount of dividend	Property dividends	Dividend per share	
June 24, 2015 Resolution by the Ordinary General Meeting of Shareholders	¥2,226 million	8,300 shares of common stock of Mitsubishi UFJ Asset Management Co., Ltd. (currently, Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)	Common stock	All of the property dividends were distributed to Mitsubishi UFJ Financial Group, Inc., the sole shareholder of common stock of the Bank, and per share amount was not defined.

3. Changes in Share Prices

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

4. Directors and Corporate Auditors

Men: 25 Women: 0 (Proportion of female Directors and Corporate Auditors is 0%)

Title	Position	Name	Date of birth	Term	Number of shares of the Company held	Major concurrent positions
Chairman	(Representative Director)	Nobuyuki Hirano	October 23, 1951	One year from June 2016	-	Director & President & CEO of Mitsubishi UFJ Financial Group, Inc.
Deputy Chairman	(Representative Director) CAO (In charge of Internal Audit & Credit Examination Division)	Kiyoshi Sono	April 18, 1953	One year from June 2016	-	Director & Chairman of Mitsubishi UFJ Financial Group, Inc.
President & CEO	(Representative Director)	Takashi Oyamada	November 2, 1955	One year from June 2016	-	Director of Mitsubishi UFJ Financial Group, Inc.
Deputy President (Director)	(Representative Director) In charge of Western Region of Japan	Hidekazu Fukumoto	November 6, 1955	One year from June 2016	-	-
Deputy President (Director)	(Representative Director) Chief Executive, Corporate Banking Business Unit	Saburo Araki	August 6, 1957	One year from June 2016	-	Senior Managing Executive Officer & Group Head, Corporate Banking Business Group of Mitsubishi UFJ Financial Group, Inc.
Deputy President (Director)	(Representative Director) Co-Chief Executive, Global Business Unit (Mainly in charge of MUFG Americas Holdings) and Chief Executive Officer for the Americas	Kanetsugu Mike	November 4, 1956	One year from June 2016	-	Senior Managing Executive Officer & Group Head, Global Business Group of Mitsubishi UFJ Financial Group, Inc.
Deputy President (Director)	(Representative Director) In charge of Central Region of Japan	Takehiko Yamana	January 26, 1956	One year from June 2016	-	-
Senior Managing Director	(Representative Director) Chief Executive, Global Markets Unit	Naoto Hirota	June 4, 1958	One year from June 2016	-	Senior Managing Executive Officer & Group Head, Global Markets Business Group of Mitsubishi UFJ Financial Group, Inc.
Senior Managing Director	(Representative Director) CSO (In charge of Corporate Planning Division (excluding Budget & Resource Management Department)), in charge of Corporate Administration Division and Corporate Communications Division	Tadashi Kuroda	June 7, 1958	One year from June 2016	-	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 Information Systems Group)	Satoshi Murabayashi	November 8, 1958	One year from June 2016	-	Senior Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Senior Managing Director	(Representative Director) Co-Chief Executive, Global Business Unit (Mainly in charge of Headquarters for Europe, Middle East and Africa, Headquarters for Asia & Oceania, Headquarters for East Asia, and Headquarters for Krungsri)	Eiichi Yoshikawa	July 14, 1956	One year from June 2016	-	Senior Managing Executive Officer & Deputy Group Head, Global Business Group of Mitsubishi UFJ Financial Group, Inc.
Senior Managing Director	(Representative Director) CFO (In charge of Corporate Planning Division (Budget & Resource Management Department) and Financial Planning Division)	Muneaki Tokunari	March 6, 1960	One year from June 2016	-	Director & Senior Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Managing Director	(Representative Director) CCO (In charge of Global Compliance Division and Global Financial Crimes Intelligence Division) and CLO (In charge of Legal Division)	Akira Hamamoto	May 19, 1960	One year from June 2016	-	Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.

Title	Position	Name	Date of birth	Term	Number of shares of the Company held	Major concurrent positions
Managing Director	(Representative Director) CHRO (In charge of Human Resources Division)	Naoki Hori	January 27, 1961	One year from June 2016	-	Managing Officer of Mitsubishi UFJ Financial Group, Inc.
Managing Director	(Representative Director) Chief Executive, Retail Banking Business Unit	Atsushi Murakami	May 9, 1961	One year from June 2016	-	Managing Executive Officer & Group Head, Retail Banking Business Group 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 2016	-	Director & Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Director (Audit & Supervisory Committee Member)		Masahito Monguchi	January 1, 1946	Two years from June 2016	-	Of Counsel of Anderson Mori & Tomotsune LPC Auditor of NEW KANSAI INTERNATIONAL AIRPORT COMPANY, LTD. Board of trustees of Showa Women's University
Director (Full-time Audit & Supervisory Committee Member)		Hitoshi Suzuki	January 8, 1954	Two years from June 2016	-	-
Director (Full-time Audit & Supervisory Committee Member)		Yukiyasu Nishio	September 15, 1961	Two years from June 2016	-	-
Director (Full-time Audit & Supervisory Committee Member)		Kenichi Nakamatsu	June 12, 1961	Two years from June 2016	-	-
Director (Full-time Audit & Supervisory Committee Member)		Fumikazu Tatsumi	July 16, 1964	Two years from June 2016	-	-
Director (Full-time Audit & Supervisory Committee Member)		Michiyoshi Sakamoto	October 27, 1947	Two years from June 2016	-	-
Director (Audit & Supervisory Committee Member)		Makoto Ebata	February 23, 1947	Two years from June 2016	-	Associate of Hitachi, Ltd.
Director (Audit & Supervisory Committee Member)		Kenji Matsuo	June 22, 1949	Two years from June 2016	-	Senior Advisor of Meiji Yasuda Life Insurance Company
Director (Audit & Supervisory Committee Member)		Shuzo Sumi	July 11, 1947	Two years from June 2016	-	Counselor of Tokio Marine & Nichido Fire Insurance Co., Ltd. Chairman of the Board of Tokio Marine Holdings, Inc.
Total		25 members				

(Notes)

1. In accordance with the amendments to the Articles of Incorporation, which were resolved at the Ordinary General Meeting of Shareholders held on June 28, 2016, the Bank transitioned to a Company with an Audit & Supervisory Committee as of the same date.
2. Directors Masahito Monguchi, Michiyoshi Sakamoto, Makoto Ebata, Kenji Matsuo and Shuzo Sumi are all Outside Directors stipulated under Article 2, Item 15 of the Companies Act.
3. We have an executive officer system, and the Bank has 92 Executive Officers as of the submission date of the

Annual Securities Report. All the Directors listed above, except for Chairman Nobuyuki Hirano, Directors Masahito Monguchi, Hitoshi Suzuki, Yukiyasu Nishio, Kenichi Nakamatsu, Fumikazu Tatsumi, Michiyoshi Sakamoto, Makoto Ebata, Kenji Matsuo and Shuzo Sumi, serve concurrently as Executive Officers.

4. The structure of the Audit & Supervisory Committee is as follows:
   Audit & Supervisory Committee: Masahito Monguchi (Chairperson), Hitoshi Suzuki, Yukiyasu Nishio, Kenichi Nakamatsu, Fumikazu Tatsumi, Michiyoshi Sakamoto, Makoto Ebata, Kenji Matsuo and Shuzo Sumi

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 the 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 to a company with three committees in June 2015 in order to give priority to an external perspective, to further promote the enhancement of its corporate governance structure such as the appointment of Outside Directors, which MUFG had implemented, and to establish a corporate structure to support the medium-to-long-term growth of the MUFG Group. The purpose of the transition to a company with three committees is to enhance a governance structure that is more visible and acceptable to its global stakeholders while 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. MUFG has established statutory committees including the Nomination and Governance Committee (nomination committee under the Companies Act), the Compensation Committee and the Internal Audit and Compliance Committee, along with the Risk Committee and the U.S. Risk Committee as voluntary committees under the Board of Directors.

The Bank made a transition from a Company with Corporate Auditors to a Company with an Audit & Supervisory Committee, based on the resolution at the General Meeting of Shareholders held in June 2016. The Bank has established a system to ensure quick decision-making through the delegation of authority to make a large portion of important decisions on business executions from the Board of Directors to the Executive Committee, and to strengthen the supervisory function of the Board of Directors through the monitoring of the delegated matters. Furthermore, the Bank has established a highly effective and efficient corporate governance structure by integrating the functions of the former Board of Corporate Auditors and voluntary Internal Audit and Compliance Committee into the Audit & Supervisory Committee. The Bank has also improved the transparency and objectivity of management by assigning the audit and supervisory functions to the Audit & Supervisory Committee, the majority of whose members are Outside Directors. 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 25 Directors, including 9 Directors who are Members of the Audit & Supervisory Committee, as of the submission date of the Annual Securities Report. All of 5 Outside Directors are Directors who are Members of the Audit & Supervisory Committee.

b) Audit & Supervisory Committee

The Bank is a Company with an Audit & Supervisory Committee. The Audit & Supervisory Committee consists of 9 Members, including 5 Outside Members, as of the submission date of the Annual Securities Report.

In accordance with the audit policies and audit plans formulated by the Audit & Supervisory Committee, the Audit & Supervisory Committee audits Directors' executions of duties and other matters through attendance to important meetings by the Members appointed by the Committee and investigation on status of business operations and assets.

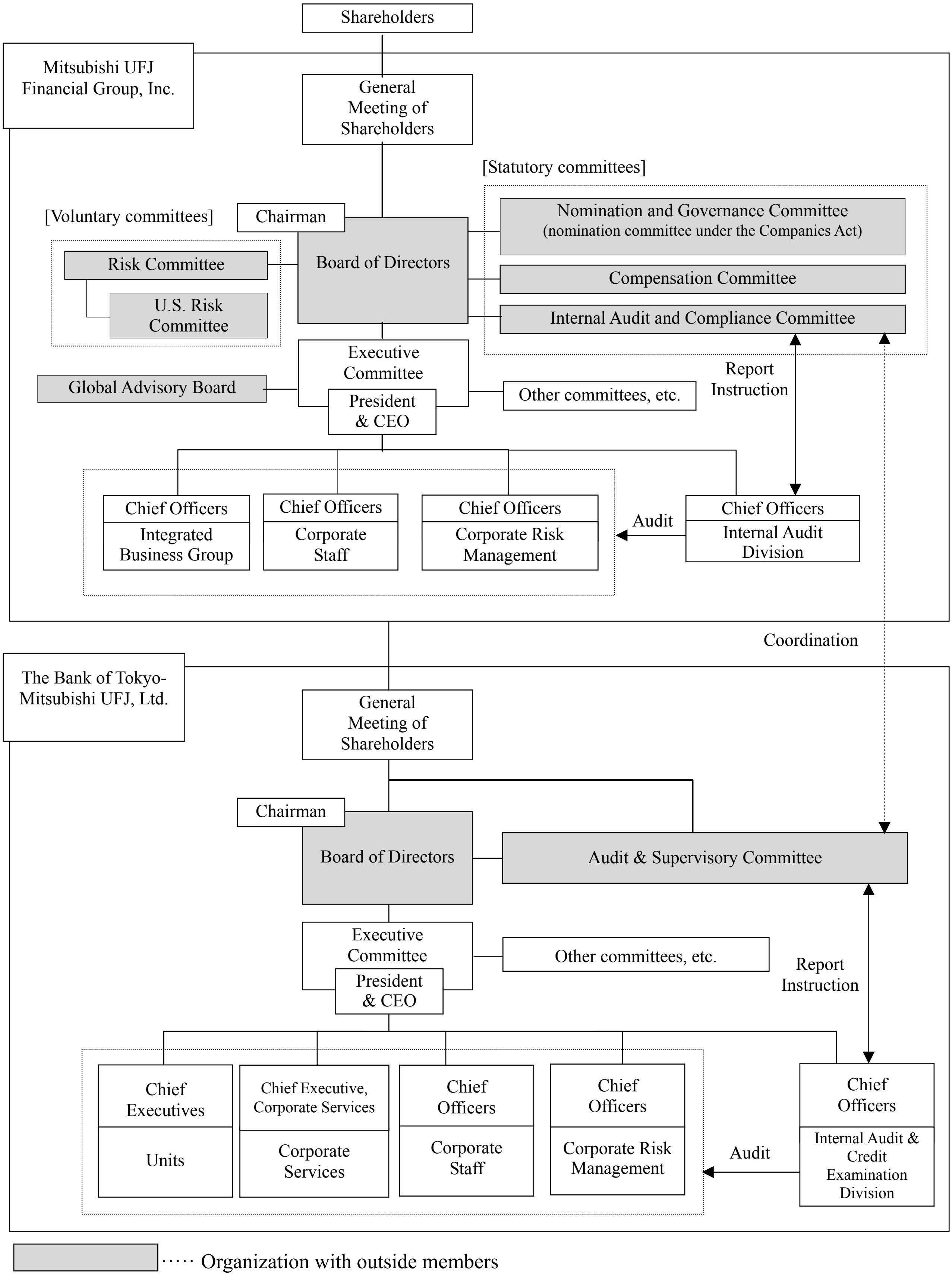
c) Executive Committee

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.

d) Other Committees, etc. 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]
[Voluntary committees]
Chairman
Board of Directors
Nomination and Governance Committee
(nomination committee under the Companies Act)
Compensation Committee
Internal Audit and Compliance Committee
Risk Committee
U.S. Risk Committee
Executive Committee
Global Advisory Board
President & CEO
Other committees, etc.
Report
Instruction
Chief Officers
Integrated Business Group
Chief Officers
Corporate Staff
Chief Officers
Corporate Risk Management
Audit
Chief Officers
Internal Audit Division
Coordination
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
General Meeting of Shareholders
Chairman
Board of Directors
Audit & Supervisory Committee
Executive Committee
Other committees, etc.
President & CEO
Report
Instruction
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 Global 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 Global Compliance Division as a division to administer compliance as well as the Compliance Committee chaired by the CCO to deliberate important matters for the development and strengthening of compliance structure and thus ensures effectiveness of compliance. Furthermore, the Bank has established 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. In line with the transition to a Company with an Audit & Supervisory Committee in June 2016, the Bank resolved to review its Internal Control System in accordance with Article 399-13, Paragraph 1, Item 1, (b) and (c) and Article 399-13, Paragraph 2 of the Act and Article 110-4, Paragraphs 1 and 2 of the Ordinance.

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 Officers

	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	976	630	163	170	12	19
Outside Director	40	40	-	-	-	3
Inside Corporate Auditor	226	226	-	-	-	6
Outside Corporate Auditor	97	97	-	-	-	4

(Notes) 1. No payment of compensation for Officers of the Bank is made by the consolidated subsidiaries.

2. In addition to the above, the Bank paid retirement pension of ¥192 million and ¥10 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 Officers

1. The Context of these Policies

- 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 Officers, etc." (hereinafter "MUFG Policy") set out by the Compensation Committee of the Bank's parent company, Mitsubishi UFJ Financial Group, Inc. (hereinafter "MUFG").

2. Principles and Objectives

- The Bank, as the core bank of the MUFG Group, will provide the highest quality services properly and timely to satisfy the increasingly diversified and sophisticated financial needs of customers in the face of turbulent changes in the business environment, 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, and enhancing collaboration with other Group companies.
- Our policies on the compensation for Officers 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. Furthermore, in determining the amount of compensation, the business performance and financial soundness at the Bank as well as regulatory constraints, etc. on executive remuneration both at home and abroad are also considered.

3. Compensation Level

- The Amount of compensation for Directors and Executive Officers (hereinafter, "Officers, etc.") are determined at appropriate level for the Bank in consideration of various factors including the economic and social conditions and the local labor market condition in the countries where they are appointed or employed.

4. Decision-making Organizations

- Total amount of each category of compensation to be paid to Directors (excluding Directors who are Audit & Supervisory Committee Members) 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 the Compensation Committee of MUFG. Contents of compensation, etc. for each individual Executive Officer is decided by the Board of Directors.

- 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 determines, 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 MUFG 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 MUFG makes decisions on contents of the establishment, revision and abolition of systems related to the compensation, etc. for its own Officers, etc. and deliberates contents of the establishment, revision and abolition of systems related to the compensation, etc. for the Bank's Officers, etc. as well as the compensation, etc. for chairman, deputy chairman and president at major subsidiaries, including the Bank, of MUFG and makes suggestions to its Board of Directors.
- Total amount of annual compensation to be paid to Corporate Auditors/Directors who are Audit & Supervisory Committee Members of the Bank is determined at the General Meeting of Shareholders. The amount of compensation for each individual Corporate Auditor/Director who is an Audit & Supervisory Committee Member is decided within such determined amount, through discussions of Corporate Auditors/Directors who are Audit & Supervisory Committee Members.

5. Contents of Compensation, etc.

- Compensation, etc. for Officers, etc. of the Bank is paid, in principle, in three different forms of compensation: annual compensation, stock compensation and bonuses. The respective percentage of each compensation is determined appropriately in consideration of the aforementioned principles and objectives. Outside Directors and Corporate Auditors/Directors who are Members of the Audit & Supervisory Committee are excluded from the recipients of stock compensation and bonuses, in light of the nature of their duties.
- Annual compensation is determined according to the rank, the location of workplace, etc. of individual Officers, etc. and is paid, in principle, every month in cash.
- Stock compensation was introduced in fiscal 2016 as a new medium-to-long-term incentive plan in place of existing compensation in the form of subscription rights to share as stock options, aiming at further motivating Officers, etc. to contribute to the improvement of medium-to-long-term financial performance of the MUFG Group and to share an interest with MUFG's shareholders. For stock compensation, shares of MUFG, etc. are granted to individual Officers, etc. as follows, using a trust structure:

  i) Performance-based portion

  Shares of MUFG, etc. (see "Note") corresponding to the "base amount determined according to the rank × performance factor (within the range of 0 to 150%) based on the degree of achievement of performance targets of the Medium-term Business Plan" are granted, in principle, upon the termination of the MUFG Medium-term Business Plan.

  ii) Non-performance-based portion:

  Shares of MUFG, etc. (see "Note") corresponding to the "base amount determined according to the rank" are granted, in principle, at the time of the termination of individual Officers, etc.

  (Note) The number of shares is calculated based on the average per-share acquisition cost of share of MUFG incurred by the trust.

  The existing stock option plan is abolished, and no new stock options will be granted in the future.

- Bonuses, as a performance-based compensation to further motivate Officers, etc. to contribute to the improvement of each fiscal year's financial performance, are determined based on the Bank's performance and performance of individual Officers, etc. in execution of duties for the previous fiscal year, and are paid, in principle, once a year in cash. The amount of bonuses varies between

0 and 150% of the base amount fixed by rank.

- 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 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.) stipulating that, with respect to the damages set forth in Article 423, Paragraph 1 of the Companies Act, when a Director 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 the Audit & Supervisory Committee, and cooperation between internal audit, audit by the Audit & Supervisory Committee 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. The Internal Audit & Credit Examination Division has 300 staff members as of the end of March 2016. The division not only conducts business audits but also has established the Credit Examination Office within the division 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 reported to the Audit & Supervisory Committee and the Board of Directors from the Internal Audit & Credit Examination Division. 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 Audit & Supervisory Committee, in effective cooperation with internal audit divisions, etc., audits 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 Audit & Supervisory Committee, 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 the Submitting Company

The Outside Directors 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. Hidehito Goda, Mr. Hiroyuki Sono, Mr. Takashi Nonaka and Mr. Yukihiro Otani, who belong to Deloitte Touche Tohmatsu LLC. In addition, 72 certified public accountants, 63 assistant certified public accountants, etc. and 77 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 30 Directors.
- Aforementioned Directors shall include not more than 10 Directors who are Members of the Audit & Supervisory Committee.
- 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) 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 each item of Article 459, Paragraph 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	1,718	92	1,996	100
Consolidated subsidiaries	170	6	126	5
Total	1,889	98	2,122	105

2) Other important details concerning compensation

The Bank and some of its consolidated subsidiaries including MUFG 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 ¥3,035 million, and that for the current fiscal year was ¥2,765 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.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheets of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank") and its subsidiaries as of March 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended March 31, 2016, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries as of March 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2016, in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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

Deloitte Touche Tohmatsu LLC

June 27, 2016

Member of
Deloitte Touche Tohmatsu Limited

Consolidated Financial Statements

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

Consolidated Balance Sheets
March 31, 2016 and 2015

	Millions of Yen				Millions of U.S. Dollars (Note 1)	
	2016		2015		2016	
ASSETS:						
Cash and due from banks (Notes 3, 4, 11 and 25)	¥	37,163,259	¥	33,673,932	$	329,812
Call loans and bills bought (Note 25)		519,784		475,508		4,613
Receivables under resale agreements (Note 25)		655,956		890,453		5,821
Receivables under securities borrowing transactions (Note 25)		446,292		341,200		3,961
Monetary claims bought (Notes 4, 11 and 25)		4,722,160		4,529,624		41,908
Trading assets (Notes 4, 11 and 25)		6,611,558		6,129,468		58,676
Money held in trust (Notes 5 and 25)		57,656		509,848		512
Securities (Notes 4, 6, 10, 11 and 25)		50,234,169		54,169,900		445,813
Loans and bills discounted (Notes 7, 11, 12, 25 and 28)		101,007,681		97,616,193		896,412
Foreign exchange assets (Note 25)		1,756,170		2,162,950		15,585
Tangible fixed assets (Notes 8, 11 and 27):		1,082,499		1,091,778		9,607
Buildings		272,670		260,487		2,420
Land (Note 9)		601,993		615,445		5,343
Lease assets (Note 22)		7,932		9,969		70
Construction in progress		36,602		33,788		325
Other tangible fixed assets		163,301		172,087		1,449
Intangible fixed assets:		909,625		1,003,296		8,073
Software		363,942		353,301		3,230
Goodwill (Note 27)		258,760		293,225		2,296
Lease assets (Note 22)		198		258		2
Other intangible fixed assets		286,723		356,510		2,545
Asset for retirement benefits (Note 15)		161,850		217,781		1,436
Deferred tax assets (Note 21)		39,951		37,421		355
Customers' liabilities for acceptances and guarantees (Note 10)		8,416,209		8,861,416		74,691
Other assets (Notes 11 and 28)		9,934,479		8,461,903		88,165
Allowance for credit losses (Note 25)		(921,917)		(859,415)		(8,182)
Total assets	¥	222,797,387	¥	219,313,264	$	1,977,258

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

Consolidated Balance Sheets
March 31, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2016	2015	2016
LIABILITIES:			
Deposits (Notes 11 and 25)	¥ 147,784,345	¥ 140,954,695	$ 1,311,540
Negotiable certificates of deposit (Note 25)	7,030,355	11,255,770	62,392
Call money and bills sold (Notes 11 and 25)	336,305	1,189,037	2,985
Payables under repurchase agreements (Note 25)	10,571,873	9,069,496	93,822
Payables under securities lending transactions (Note 25)	1,892,928	2,450,901	16,799
Commercial paper (Notes 13 and 25)	1,565,614	1,578,138	13,894
Trading liabilities (Notes 11 and 25)	5,207,822	4,610,339	46,218
Borrowed money (Notes 11, 13 and 25)	10,635,990	10,976,409	94,391
Foreign exchange liabilities (Note 25)	2,148,680	1,555,703	19,069
Bonds payable (Notes 11, 14 and 25)	5,545,296	6,031,660	49,213
Reserve for employee bonuses	39,522	38,992	351
Reserve for bonuses to directors	110	143	1
Liability for retirement benefits (Note 15)	55,843	53,632	496
Reserve for retirement benefits to directors	480	404	4
Reserve for loyalty award credits	9,532	9,303	85
Reserve for contingent losses	59,983	53,533	532
Reserve under the special laws	–	2,046	–
Acceptances and guarantees (Notes 10 and 11)	8,416,209	8,861,416	74,691
Deferred tax liabilities (Note 21)	607,891	671,144	5,395
Deferred tax liabilities for land revaluation (Note 9)	122,901	133,940	1,091
Other liabilities (Notes 11, 13 and 28)	7,647,412	6,614,708	67,868
Total liabilities	¥ 209,679,099	¥ 206,111,420	$ 1,860,837
EQUITY (Notes 16, 17 and 24):			
Common stock:			
Authorized, 33,000,000 thousand shares; issued, 12,350,038 thousand shares in 2016 and 2015, with no stated value	¥ 1,586,958	¥ 1,586,958	$ 14,084
Preferred stock:			
Authorized, 1,157,700 thousand shares; issued, 357,700 thousand shares in 2016 and 2015, with no stated value	125,000	125,000	1,109
Capital surplus	3,657,605	3,657,632	32,460
Retained earnings	4,334,142	4,071,062	38,464
Treasury stock—at cost, 357,700 thousand shares in 2016 and 2015	(645,700)	(645,700)	(5,730)
Total shareholders' equity	9,058,006	8,794,952	80,387
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities (Notes 4 and 6)	1,811,614	2,099,172	16,077
Deferred gain on derivatives under hedge accounting	421,257	161,446	3,739
Land revaluation surplus (Note 9)	234,399	236,022	2,080
Foreign currency translation adjustments	392,298	578,523	3,482
Defined retirement benefit plans (Note 15)	(158,343)	(87,694)	(1,405)
Total accumulated other comprehensive income	2,701,226	2,987,470	23,973
Noncontrolling interests	1,359,055	1,419,421	12,061
Total equity	13,118,288	13,201,844	116,421
Total liabilities and equity	¥ 222,797,387	¥ 219,313,264	$ 1,977,258

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Income
Years Ended March 31, 2016, 2015 and 2014

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2016	2015	2014	2016
INCOME:				
Interest income:				
Interest on loans and bills discounted	¥ 1,534,360	¥ 1,566,856	¥ 1,325,761	$ 13,617
Interest and dividends on securities	494,065	504,416	461,720	4,385
Interest on call loans and bills bought	9,553	11,482	10,087	85
Interest on receivables under resale agreements	27,351	39,215	35,647	243
Interest on receivables under securities borrowing transactions	68	3,340	2,680	1
Interest on due from banks	71,776	57,924	42,424	637
Other interest income	186,598	201,693	83,679	1,656
Trust fees	13,150	12,562	14,243	117
Fees and commissions	877,046	884,823	732,518	7,783
Trading income	135,629	149,311	124,390	1,204
Other operating income	427,679	353,706	413,342	3,795
Other income (Note 19)	293,466	247,703	369,926	2,604
Total income	4,070,746	4,033,036	3,616,423	36,127
EXPENSES:				
Interest expenses:				
Interest on deposits	265,514	269,794	174,368	2,356
Interest on negotiable certificates of deposit	36,783	35,020	30,062	326
Interest on call money and bills sold	5,713	4,891	5,188	51
Interest on payables under repurchase agreements	41,303	21,846	22,804	367
Interest on payables under securities lending transactions	1,007	2,323	1,462	9
Interest on commercial paper	4,121	2,439	2,040	37
Interest on borrowed money	44,163	37,384	35,544	392
Interest on bonds payable	108,883	103,582	77,312	966
Other interest expenses	28,152	34,903	48,445	250
Fees and commissions	159,249	152,019	133,750	1,413
Other operating expenses	149,591	111,774	163,899	1,328
General and administrative expenses	1,763,459	1,807,710	1,532,459	15,650
Provision of allowance for credit losses	121,665	49,333	–	1,080
Other expenses (Note 20)	241,733	247,111	192,314	2,145
Total expenses	2,971,342	2,880,136	2,419,654	26,370
Income before income taxes	1,099,404	1,152,900	1,196,769	9,757
Income taxes (Note 21):				
Current	322,969	327,545	281,821	2,866
Deferred	27,237	19,690	98,280	242
Total income taxes	350,207	347,236	380,101	3,108
Net income before attribution of noncontrolling interests	749,196	805,663	816,667	6,649
Net income attributable to noncontrolling interests	63,360	74,041	62,344	562
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	¥ 685,835	¥ 731,622	¥ 754,323	$ 6,087

	Yen			U.S. Dollars
	2016	2015	2014	2016
Per share of common stock (Note 24):				
Basic net income per common share	¥ 55.53	¥ 59.24	¥ 59.62	$ 0.49
Diluted net income per common share	55.53	59.23	59.62	0.49
Cash dividends applicable to the year per common share	30.00	32.57	17.85	0.27

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Comprehensive Income
Years Ended March 31, 2016, 2015 and 2014

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2016	2015	2014	2016
Net income before attribution of noncontrolling interests	¥ 749,196	¥ 805,663	¥ 816,667	$ 6,649
Other comprehensive (loss) income (Note 23):				
Unrealized (loss) gain on available-for-sale securities	(289,857)	1,239,556	28,502	(2,572)
Deferred gain (loss) on derivatives under hedge accounting	259,582	122,159	(62,462)	2,304
Land revaluation surplus	6,811	13,667	(166)	60
Foreign currency translation adjustments	(199,099)	403,482	336,274	(1,767)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries	–	–	27,734	–
Defined retirement benefit plans	(69,794)	11,647	–	(620)
Share of other comprehensive income in associates accounted for using the equity method	(3,280)	26,617	11,147	(29)
Total other comprehensive (loss) income	(295,638)	1,817,129	341,029	(2,624)
Comprehensive income	¥ 453,557	¥ 2,622,793	¥ 1,157,696	$ 4,025
Total comprehensive income attributable to:				
The shareholders of The Bank of Tokyo-Mitsubishi UFJ	¥ 408,180	¥ 2,525,449	¥ 1,093,893	$ 3,622
Noncontrolling interests	45,377	97,344	63,802	403

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Changes in Equity
Years Ended March 31, 2016, 2015 and 2014

	Millions of Yen													
						Accumulated other comprehensive income								
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Pension liability adjustments under US GAAP recognized at foreign subsidiaries	Defined retirement benefit plans	Total accumulated other comprehensive income	Noncontrolling interests	Total equity
BALANCE, APRIL 1, 2013	¥ 1,711,958	¥ 3,878,275	¥ 3,150,671	¥ (255,700)	¥ 8,485,205	¥ 825,440	¥ 101,029	¥ 229,004	¥ (167,028)	¥ (59,902)	¥ –	¥ 928,542	¥ 1,245,093	¥ 10,658,841
Cash dividends	–	–	(181,649)	–	(181,649)	–	–	–	–	–	–	–	–	(181,649)
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	–	–	754,323	–	754,323	–	–	–	–	–	–	–	–	754,323
Reversal of land revaluation surplus	–	–	4,218	–	4,218	–	–	–	–	–	–	–	–	4,218
Changes in equity of consolidated subsidiaries	–	–	1,077	–	1,077	–	–	–	–	–	–	–	–	1,077
Other changes in the year	–	–	–	–	–	26,491	(62,162)	(4,385)	347,719	59,902	(100,200)	267,365	237,276	504,641
BALANCE, APRIL 1, 2014 (as previously reported)	1,711,958	3,878,275	3,728,642	(255,700)	9,063,175	851,931	38,866	224,619	180,691	–	(100,200)	1,195,908	1,482,369	11,741,453
Cumulative effects of changes in accounting policies	–	(209,273)	(12,613)	–	(221,886)	–	–	–	–	–	–	–	159	(221,727)
BALANCE, APRIL 1, 2014 (as restated)	1,711,958	3,669,001	3,716,029	(255,700)	8,841,288	851,931	38,866	224,619	180,691	–	(100,200)	1,195,908	1,482,529	11,519,726
Cash dividends	–	–	(378,853)	–	(378,853)	–	–	–	–	–	–	–	–	(378,853)
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	–	–	731,622	–	731,622	–	–	–	–	–	–	–	–	731,622
Purchase of treasury stock	–	–	–	(390,000)	(390,000)	–	–	–	–	–	–	–	–	(390,000)
Reversal of land revaluation surplus	–	–	2,264	–	2,264	–	–	–	–	–	–	–	–	2,264
Changes in equity of consolidated subsidiaries	–	(11,369)	–	–	(11,369)	–	–	–	–	–	–	–	–	(11,369)
Other changes in the year	–	–	–	–	–	1,247,241	122,579	11,403	397,832	–	12,505	1,791,562	(63,108)	1,728,454
BALANCE, APRIL 1, 2015	1,711,958	3,657,632	4,071,062	(645,700)	8,794,952	2,099,172	161,446	236,022	578,523	–	(87,694)	2,987,470	1,419,421	13,201,844
Dividends paid	–	–	(429,043)	–	(429,043)	–	–	–	–	–	–	–	–	(429,043)
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	–	–	685,835	–	685,835	–	–	–	–	–	–	–	–	685,835
Reversal of land revaluation surplus	–	–	8,434	–	8,434	–	–	–	–	–	–	–	–	8,434
Change in scope of consolidation	–	–	(170)	–	(170)	–	–	–	–	–	–	–	–	(170)
Changes in equity of consolidated subsidiaries	–	(26)	–	–	(26)	–	–	–	–	–	–	–	–	(26)
Adjustment on loss due to disposal of shares of equity method investee	–	–	(1,976)	–	(1,976)	–	–	–	–	–	–	–	–	(1,976)
Other changes in the year	–	–	–	–	–	(287,558)	259,811	(1,622)	(186,225)	–	(70,648)	(286,244)	(60,365)	(346,609)
BALANCE, MARCH 31, 2016	¥ 1,711,958	¥ 3,657,605	¥ 4,334,142	¥ (645,700)	¥ 9,058,006	¥ 1,811,614	¥ 421,257	¥ 234,399	¥ 392,298	¥ –	¥ (158,343)	¥ 2,701,226	¥ 1,359,055	¥ 13,118,288

	Millions of U.S. Dollars (Note 1)													
						Accumulated other comprehensive income								
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Pension liability adjustments under US GAAP recognized at foreign subsidiaries	Defined retirement benefit plans	Total accumulated other comprehensive income	Noncontrolling interests	Total equity
BALANCE, APRIL 1, 2015	$ 15,193	$ 32,460	$ 36,129	$ (5,730)	$ 78,052	$ 18,629	$ 1,433	$ 2,094	$ 5,135	$ –	$ (778)	$ 26,513	$ 12,597	$ 117,162
Dividends paid	–	–	(3,808)	–	(3,808)	–	–	–	–	–	–	–	–	(3,808)
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	–	–	6,087	–	6,087	–	–	–	–	–	–	–	–	6,087
Reversal of land revaluation surplus	–	–	75	–	75	–	–	–	–	–	–	–	–	75
Change in scope of consolidation	–	–	(1)	–	(1)	–	–	–	–	–	–	–	–	(1)
Changes in equity of consolidated subsidiaries	–	(0)	–	–	(0)	–	–	–	–	–	–	–	–	(0)
Adjustment on loss due to disposal of shares of equity method investee	–	–	(18)	–	(18)	–	–	–	–	–	–	–	–	(18)
Other changes in the year	–	–	–	–	–	(2,552)	2,306	(14)	(1,653)	–	(627)	(2,540)	(536)	(3,076)
BALANCE, MARCH 31, 2016	$ 15,193	$ 32,460	$ 38,464	$ (5,730)	$ 80,387	$ 16,077	$ 3,739	$ 2,080	$ 3,482	$ –	$ (1,405)	$ 23,973	$ 12,061	$ 116,421

See the accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows
Years Ended March 31, 2016, 2015 and 2014

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2016	2015	2014	2016
OPERATING ACTIVITIES:				
Income before income taxes	¥ 1,099,404	¥ 1,152,900	¥ 1,196,769	$ 9,757
Adjustments for:				
Income taxes paid	(382,454)	(374,217)	(152,884)	(3,394)
Income taxes refunds	27,945	11,741	47,081	248
Depreciation and amortization	212,656	224,836	181,469	1,887
Impairment loss on long-lived assets	11,011	4,249	3,758	98
Amortization of goodwill	15,943	16,920	18,374	141
Equity in earnings of the equity method investees	(25,000)	(24,691)	(14,169)	(222)
Increase (decrease) in allowance for credit losses	72,924	43,031	(139,038)	647
Increase in reserve for bonuses	1,106	11,283	899	10
(Decrease) increase in reserve for bonuses to directors	(33)	(3)	5	(0)
(Increase) decrease in asset for retirement benefits	(62,310)	(38,341)	8,623	(553)
Decrease in liability for retirement benefits	(1,038)	(904)	(36,769)	(9)
Increase (decrease) in reserve for retirement benefits to directors	56	(36)	20	0
Increase in reserve for loyalty award credits	946	1,334	57	8
Increase (decrease) in reserve for contingent losses	6,726	522	(462)	60
Interest income (accrual basis)	(2,323,774)	(2,384,928)	(1,962,002)	(20,623)
Interest expenses (accrual basis)	535,643	512,186	397,230	4,754
Gains on securities	(205,579)	(156,193)	(261,752)	(1,825)
(Gains) losses on money held in trust	(10,361)	1,286	2,505	(92)
Foreign exchange losses (gains)	972,403	(647,188)	(1,433,240)	8,630
(Gains) losses on disposition of fixed assets	(11,006)	1,276	(3,711)	(98)
(Increase) decrease in trading assets	(501,055)	(1,035,400)	1,121,258	(4,447)
Increase (decrease) in trading liabilities	616,234	1,085,635	(821,040)	5,469
Adjustment of unsettled trading accounts	63,757	9,471	(61,343)	566
Net increase in loans and bills discounted	(4,202,947)	(5,068,071)	(6,051,450)	(37,300)
Net increase in deposits	7,388,315	6,448,338	8,109,608	65,569
Net (decrease) increase in negotiable certificates of deposit	(4,225,550)	452,576	975,263	(37,500)
Net (decrease) increase in borrowed money (excluding subordinated borrowings)	(956,435)	2,573,806	1,626,170	(8,488)
Net decrease (increase) in due from banks (excluding cash equivalents)	272,560	(12,942,662)	(11,234,345)	2,419
Net increase in call loans, bills bought and receivables under resale agreements	(123,246)	(275,933)	(361,516)	(1,094)
Net (increase) decrease in receivables under securities borrowing transactions	(105,091)	2,351,129	(1,967,547)	(933)
Net increase (decrease) in call money, bills sold and payables under repurchase agreements	703,927	(2,026,924)	1,790,222	6,247
Net (decrease) increase in commercial paper	(12,679)	333,075	344,481	(113)
Net (decrease) increase in payables under securities lending transactions	(476,449)	342,781	968,393	(4,228)
Net decrease (increase) in foreign exchange assets	392,549	(120,794)	(564,971)	3,484
Net increase in foreign exchange liabilities	578,595	415,578	205,517	5,135
(Decrease) increase in straight bonds issuance and redemption	(171,238)	781,348	764,438	(1,520)
Interest and dividends received (cash basis)	2,386,627	2,428,479	2,034,134	21,181
Interest paid (cash basis)	(529,531)	(520,161)	(401,220)	(4,699)
Other-net	348,722	(218,376)	387,377	3,095
Total adjustments	282,871	(7,783,944)	(6,480,572)	2,510
Net cash provided by (used in) operating activities	¥ 1,382,275	¥ (6,631,043)	¥ (5,283,802)	$ 12,267

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

Consolidated Statements of Cash Flows
Years Ended March 31, 2016, 2015 and 2014

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2016	2015	2014	2016
INVESTING ACTIVITIES:				
Purchases of securities	¥ (77,155,763)	¥ (128,549,278)	¥ (122,240,818)	$ (684,733)
Proceeds from sales of securities	54,055,807	104,023,934	95,964,762	479,728
Proceeds from redemption of securities	25,840,658	31,862,333	33,693,044	229,328
Increase in money held in trust	(21,206)	(76,875)	(1,367,762)	(188)
Decrease in money held in trust	5,000	193,339	1,206,150	44
Purchases of tangible fixed assets	(78,894)	(150,099)	(125,081)	(700)
Purchases of intangible fixed assets	(134,956)	(144,208)	(157,602)	(1,198)
Proceeds from sales of tangible fixed assets	35,288	10,404	30,647	313
Proceeds from sales of intangible fixed assets	166	19	1,382	1
Payments for business acquisitions	–	–	(388,447)	–
Proceeds from business acquisitions	–	–	53,033	–
Payments for purchases of stocks of subsidiaries resulting in change in the scope of consolidation (Note 3)	–	–	(413,293)	–
Proceeds from purchases of stocks of subsidiaries resulting in change in the scope of consolidation	774	–	–	7
Proceeds from sales of stocks of subsidiaries resulting in change in the scope of consolidation (Note 3)	34,341	67,952	2,399	305
Other-net	(367)	(195)	(638)	(3)
Net cash provided by investing activities	2,580,849	7,237,326	6,257,777	22,904
FINANCING ACTIVITIES:				
Increase in subordinated borrowings	697,000	150,000	–	6,186
Decrease in subordinated borrowings	(26,500)	(10,000)	(79,500)	(235)
Proceeds from issuance of subordinated bonds and bonds with subscription rights to shares	377	–	–	3
Payments for redemption of subordinated bonds and bonds with subscription rights to shares	(270,960)	(229,324)	(601,993)	(2,405)
Proceeds from issuance of common stock to noncontrolling interests	3,442	4,411	3,498	31
Repayments to noncontrolling interests	–	(40)	(740)	–
Payments for redemption of preferred stocks and others	–	(137,400)	–	–
Cash dividends paid	(426,817)	(378,853)	(177,749)	(3,788)
Cash dividends paid to noncontrolling interests	(59,539)	(69,399)	(61,561)	(528)
Purchase of treasury stock	–	(390,000)	–	–
Payments for purchases of stocks of subsidiaries not resulting in change in the scope of consolidation	–	(884)	–	–
Net cash used in financing activities	(82,996)	(1,061,490)	(918,046)	(736)
Effect of foreign exchange rate changes on cash and cash equivalents	(79,277)	168,982	249,969	(704)
Net increase (decrease) in cash and cash equivalents	3,800,851	(286,225)	305,898	33,731
Cash and cash equivalents, beginning of year	3,712,330	3,998,556	3,692,657	32,946
Cash and cash equivalents, end of year (Note 3)	¥ 7,513,181	¥ 3,712,330	¥ 3,998,556	$ 66,677

See the accompanying notes to consolidated financial statements.

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the 2015 and 2014 consolidated financial statements to conform to the classifications used in 2016.

All Japanese yen figures in the consolidated financial statements have been rounded down to the nearest million yen, except for per share information. Accordingly, the total of each account may not be equal to the combined total of individual items.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥112.68 to U.S. $1, the approximate rate of exchange as of March 31, 2016. Such translations should not be construed as representations that the Japanese yen amounts can be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Consolidation

The consolidated financial statements include the accounts of the Bank and its subsidiaries (together, the "Group"). There were 128 and 130 subsidiaries as of March 31, 2016 and 2015, respectively.

Under the control or influence concept, the companies over which the Bank, directly or indirectly, is able to exercise control are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for using the equity method.

Investments in 58 affiliates were accounted for using the equity method as of March 31, 2016 and 2015.

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

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

1) Scope of consolidation

A) Major subsidiaries as of March 31, 2016 and 2015 were as follows:

As of March 31, 2016:
MU Frontier Servicer Co., Ltd.
Bank of Ayudhya Public Company Limited ("Bank of Ayudhya" or "Krungsri")

As of March 31, 2015:
kabu.com Securities Co., Ltd. ("kabu.com")
Bank of Ayudhya

Changes in the subsidiaries in the fiscal year ended March 31, 2016 were as follows:
Mitsubishi UFJ Capital V Limited Partnership and another company were newly included in the scope of consolidation due to new establishment. In addition, kabu.com and other three companies were excluded from the scope of consolidation due to the decrease in ownerships of voting rights resulting from the sales of shares.

Changes in the subsidiaries in the fiscal year ended March 31, 2015 were as follows:
Two companies including BTMU Liquidity Reserve Investment 2 Limited were newly included in the scope of consolidation due to new establishment. In addition, Beacon Rail Leasing, Inc. and other thirty-one companies were excluded from the scope of consolidation due to the decrease in ownerships of voting rights resulting from the sales of shares.

B) There were no unconsolidated subsidiaries as of March 31, 2016 and 2015.

C) There were no companies which were not regarded as subsidiaries, although the majority of voting rights were owned by the Bank as of March 31, 2016 and 2015.

D) There were no special purpose entities which were excluded from the scope of consolidation pursuant to Article 8, Paragraph 7 of the "Financial Statements Regulations for Terminology, Forms and Preparation of Financial Statements," which does not regard a special purpose entity as a subsidiary of an investor irrespective of indicators of control if the entity was established and operated for the purpose of asset securitization and satisfied certain eligible criteria as of March 31, 2016 and 2015.

2) Application of the equity method

A) Major affiliates accounted for using the equity method as of March 31, 2016 and 2015 were as follows:

The Chukyo Bank, Ltd.
Jibun Bank Corporation

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2016 were as follows:
GOLDEN ASIA FUND II, L.P. and another company were newly included in affiliates accounted for using the equity method due to new establishment. In addition, MU Credit Guarantee Co., Ltd. and another company were excluded from affiliates accounted for using the equity method since these companies have not met the definition of affiliates due to the decrease in ownerships resulting from the sales of shares.

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2015 were as follows:
BOTL Factoring (Shanghai) Co., Ltd. was newly included in affiliates accounted for using the equity method due to new establishment. In addition, two companies including Emerald Engine Leasing Limited were excluded from affiliates accounted for using the equity method since these companies have not met the definition of affiliates due to the decrease in ownerships resulting from the sales of shares.

B) There were no unconsolidated subsidiaries which were not accounted for using the equity method as of March 31, 2016 and 2015.

C) There were no affiliates not accounted for using the equity method as of March 31, 2016 and 2015.

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

As of March 31, 2016:
TECHTOM Ltd.
Osteopharma, Inc.
Fun Place Co., Ltd.
EDP Corporation
Eil Inc.

As of March 31, 2015:
Kyoto Constella Technologies Co., Ltd.
TECHTOM Ltd.
Osteopharma, Inc.
EDP Corporation

3) The fiscal year ending dates of subsidiaries

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

	Number of subsidiaries	
	2016	2015
October 31	1	1
December 31	87	87
January 24	8	8
March 31	32	34

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

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

Adjustments were made in the consolidated financial statements to reflect significant transactions occurring in the period between the fiscal year ending dates of subsidiaries and March 31, 2016 and 2015.

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

The Accounting Standards Board of Japan ("ASBJ") issued Practical Issues Task Force ("PITF") No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, May 17, 2006). This PITF permits foreign subsidiaries' financial statements prepared in accordance with either IFRSs or accounting principles generally accepted in the United States of America ("US GAAP") to be used for the consolidation process with certain adjustments.

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

(3) Cash and Cash Equivalents

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

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

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

1) Trading assets or liabilities which are held for the purpose of earning capital gains arising from short-term fluctuations in interest rates, currency exchange rates or market prices and other market indices in the financial instruments or from variation among markets are reported as "Trading assets" or "Trading liabilities" in the consolidated balance sheets at fair value. The related unrealized or realized gains and losses are included in "Trading income (expenses)" in the consolidated statements of income.
2) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost (using the straight-line method) based on the moving-average method.
3) Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gain (loss), net of applicable taxes, reported in a separate component of equity, except for unrealized gain (loss) which is recognized in profit or loss by applying the fair value hedge accounting.

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

Available-for-sale securities whose fair value cannot be reliably determined are reported at acquisition cost or amortized cost using the moving-average method.

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

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

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

(5) *Tangible Fixed Assets*

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

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

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

(6) *Intangible Fixed Assets*

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

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

(7) Deferred Charges

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

(8) Allowance for Credit Losses

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

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

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

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

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

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

The operating branches and assessment divisions implement self-assessments for all claims in accordance with the Bank's self-assessment standards. The Internal Audit & Credit Examination Division, which is independent from operating divisions, conducts verifications of these assessments.

For collateralized or guaranteed claims of bankrupt borrowers or virtually bankrupt borrowers, the amount of claims less estimated value of collateral or guarantees is deemed to be uncollectible and written off against the outstanding amount of claims. The amount of write-offs was ¥353,042 million ($3,133 million), ¥390,549 million and ¥413,523 million as of March 31, 2016, 2015 and 2014, respectively.

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

(9) Reserve for Employee Bonuses

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

(10) Reserve for Bonuses to Directors

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

(11) Retirement Benefits and Pension Plans

Effective April 1, 2000, the Bank adopted a new accounting standard for retirement benefits and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the consolidated balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis.
Past service costs are amortized on a straight-line basis for a period within the employees' average remaining service period primarily over 10 years, commencing in the fiscal year in which the cost is incurred.

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

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

(12) Reserve for Retirement Benefits to Directors

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

(13) Reserve for Loyalty Award Credits

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

(14) Reserve for Contingent Losses

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

(15) Reserve under the Special Laws

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

(16) Assets and Liabilities Denominated in Foreign Currencies

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

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

(17) Leases

(As lessee)

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

(As lessor)

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

(18) Income Taxes

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

(19) Derivatives and Hedging Activities

Derivatives are stated at fair value.

1) Hedge accounting for interest rate risks

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

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

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

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

2) Hedge accounting for foreign currency risks

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

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

3) Hedge accounting for share price fluctuation risks

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

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

4) Transactions among consolidated companies

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

(20) Consumption Taxes

National and local consumption taxes are excluded from transaction amounts. Non-deductible portions of consumption taxes on the purchases of "Tangible fixed assets" are expensed when incurred.

(21) Application of Consolidated Taxation System

The Bank and certain domestic subsidiaries applied the consolidated taxation system with MUFG as the parent for tax consolidation purposes.

(22) Per Share Information

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

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

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

(23) Changes in Accounting Policies

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

Accounting Standard for Retirement Benefits—The ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" (revised on May 17, 2012) and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," (revised on March 26, 2015) which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and were followed by partial amendments from time to time through 2009.

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

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

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

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

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

The Bank also applied the revised accounting standard and guidance for retirement benefits for (c) above effective from April 1, 2014, and changed the method of determining the portion of projected benefit obligation attributed to periods from a straight-line basis to a benefit formula basis. In addition, the method of determining the discount rates applied in the calculation of projected benefit obligation was changed from the method using the average period up to estimated benefit payment date to the method using the single-weighted average discount rate that reflects the estimated period and amount of benefit payment in each period. The revised accounting standard and guidance for retirement benefits were applied in accordance with the transitional treatment set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the amount of the change in calculation methods for retirement benefit obligation and service cost were reflected in retained earnings as of April 1, 2014. As a result, asset for retirement benefits decreased by ¥57,266 million, liability for retirement benefits decreased by ¥1,729 million, and retained earnings decreased by ¥35,862 million as of April 1, 2014. Income before income taxes for the year ended March 31, 2015 increased by ¥1,266 million. The effect on per share information is stated in Note 24 "PER SHARE INFORMATION."

Accounting Standards for Business Combinations—As ASBJ Statement No. 21, "Revised Accounting Standard for Business Combinations" (issued on September 13, 2013, hereinafter "Business Combinations Accounting Standard"), ASBJ Statement No. 22, "Revised Accounting Standard for Consolidated Financial Statements" (issued on September 13, 2013, hereinafter "Consolidation Accounting Standard"), ASBJ Statement No. 7, "Revised Accounting Standard for Business Divestitures" (issued on September 13, 2013, hereinafter "Business Divestitures Accounting Standard") and other standards became effective for the fiscal years beginning on or after April 1, 2014, these standards were adopted from the reporting period ended March 31, 2015 (except for the provisions set forth in Paragraph 39 of the Consolidation Accounting Standard). Accordingly, the accounting method was changed to record the difference arising from changes in the Bank's equity interest in subsidiaries which the Bank continues to control as capital surplus and to record business acquisition costs as expenses in the fiscal year in which they occur. For business combinations which became or will become effective on or after April 1, 2014, the accounting method was changed to reflect adjustments to the amount allocated to acquisition cost under provisional accounting treatment on the consolidated financial statements of the interim reporting period in which the relevant business combinations became or will become effective.

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

As a result, goodwill under intangible fixed assets decreased by ¥180,657 million, capital surplus decreased by ¥209,273 million, and retained earnings increased by ¥23,249 million as of April 1, 2014. In addition, income before income taxes for the year ended March 31, 2015 increased by ¥12,926 million. The effect on per share information is stated in Note 24 "PER SHARE INFORMATION."

As for the consolidated statement of cash flows for the year ended March 31, 2015, cash flows related to purchases or sales of stocks of subsidiaries not resulting in change in the scope of consolidation are classified into "FINANCING ACTIVITIES." Cash flows related to expenses arising from purchases of stocks of subsidiaries resulting in change in the scope of consolidation, or cash flows related to expenses arising from purchases or sales of stocks of subsidiaries not resulting in change in the scope of consolidation are classified into "OPERATING ACTIVITIES." The effect on per share information is stated in Note 24 "PER SHARE INFORMATION."

(24) Changes in Presentation

The Bank applied the provision set forth in Paragraph 39 of ASBJ Statement No. 22, "Revised Accounting Standard for Consolidated Financial Statements" (issued on September 13, 2013) and changed the presentation of net income and other certain items and also changed the presentation of minority interests to noncontrolling interests. In order to reflect these changes, consolidated financial statements for the previous fiscal years were reclassified.

(25) New Accounting Pronouncements

On March 28, 2016, the ASBJ issued ASBJ Guidance No. 26, “Implementation Guidance on Recoverability of Deferred Tax Assets.” The ASBJ revised the guideline regarding the recoverability of deferred tax assets based on the JICPA Report No. 66, “Audit Treatment on Determining the Recoverability of Deferred Tax Assets” which was issued on November 9, 1999.

The Bank expects to apply the new guidance effective April 1, 2016 and is in the process of measuring the effects of applying the new guidance.

3. CASH AND CASH EQUIVALENTS

The reconciliation of “Cash and cash equivalents” at the end of the fiscal year and “Cash and due from banks” in the consolidated balance sheets as of March 31, 2016 and 2015 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Cash and due from banks	¥ 37,163,259	¥ 33,673,932	$ 329,812
Less: Time deposits and negotiable certificates of deposit included in due from banks	(29,650,078)	(29,961,602)	(263,135)
Cash and cash equivalents at the end of year	¥ 7,513,181	¥ 3,712,330	$ 66,677

Supplemental Information about Cash Flows for the Year ended March 31, 2016

Major components of assets and liabilities of a company excluded from the scope of consolidation due to sales of shares:

The major components of assets and liabilities, the reconciliation between sales value of shares and the net proceeds from sales of shares of kabu.com which were excluded from the scope of consolidation due to partial sales of shares were as follows:

	Millions of Yen	Millions of U.S. Dollars
Assets	¥ 881,419	$ 7,822
Goodwill	2,316	21
Liabilities	(829,538)	(7,362)
Noncontrolling interests	(28,623)	(254)
Carrying amount of investment after sales of shares	(2,986)	(26)
Others	(664)	(6)
Gain on sales of shares	15,595	138
Sales value of shares of kabu.com	37,518	333
Cash and cash equivalents of kabu.com	(3,176)	(28)
Net proceeds from sales of shares of kabu.com	¥ 34,341	$ 305

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

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

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

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

4. TRADING ASSETS OR LIABILITIES AND SECURITIES

Securities as of March 31, 2016 and 2015 include equity securities in affiliates of ¥303,738 million ($2,696 million) and ¥300,836 million, respectively and capital subscriptions to entities such as limited liability companies of ¥1,460 million ($13 million) and ¥1,729 million, respectively.

Securities loaned under unsecured securities lending transactions amounted to ¥370,645 million ($3,289 million) and ¥270,155 million as of March 31, 2016 and 2015, respectively.

For securities borrowed and purchased under resale agreements where the secured parties are permitted to sell or re-pledge the securities without restrictions, ¥2,494,747 million ($22,140 million) and ¥2,448,461 million of such securities were re-pledged as of March 31, 2016 and 2015, respectively, and nil and ¥70,978 million was re-loaned as of March 31, 2016 and 2015, respectively.

The remaining ¥1,356,077 million ($12,035 million) and ¥2,333,331 million of these securities were held without disposition as of March 31, 2016 and 2015, respectively.

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

(1) Trading securities:

Net unrealized gains on trading securities were ¥228 million ($2 million) for the year ended March 31, 2016 and net unrealized losses on trading securities were ¥514 million for the year ended March 31, 2015.

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

	Millions of Yen				
	March 31, 2016				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ 1,101,082	¥ 1,159,090	¥ 58,007	¥ 58,007	¥ –
Foreign bonds	1,228,966	1,235,775	6,809	12,794	(5,985)
Other	1,551,961	1,551,725	(236)	8,771	(9,007)
Total	¥ 3,882,009	¥ 3,946,590	¥ 64,581	¥ 79,573	¥ (14,992)

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

	Millions of U.S. Dollars				
	March 31, 2016				
	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	$ 9,772	$ 10,287	$ 515	$ 515	$ –
Foreign bonds	10,907	10,967	60	113	(53)
Other	13,773	13,771	(2)	78	(80)
Total	$ 34,452	$ 35,025	$ 573	$ 706	$ (133)

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

	Millions of Yen				
	March 31, 2016				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥ 3,945,084	¥ 2,282,621	¥ 1,662,463	¥ 1,752,426	¥ (89,962)
Domestic bonds	23,355,657	22,735,542	620,115	621,139	(1,024)
Japanese government bonds	20,884,914	20,346,823	538,090	538,451	(360)
Municipal bonds	409,516	398,351	11,164	11,192	(27)
Corporate bonds	2,061,227	1,990,367	70,859	71,495	(635)
Foreign equity securities	148,944	127,096	21,848	34,182	(12,333)
Foreign bonds	17,861,692	17,577,073	284,619	308,552	(23,933)
Other	2,736,292	2,789,644	(53,351)	25,896	(79,248)
Total	¥ 48,047,672	¥ 45,511,977	¥ 2,535,694	¥ 2,742,198	¥ (206,503)

Note:

Net unrealized gain (loss) in the table above includes a loss of ¥3,624 million which was recognized in profit or loss by applying the fair value hedge accounting.

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

Note:

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

	Millions of U.S. Dollars				
	March 31, 2016				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	$ 35,011	$ 20,257	$ 14,754	$ 15,552	$ (798)
Domestic bonds	207,274	201,771	5,503	5,512	(9)
Japanese government bonds	185,347	180,572	4,775	4,778	(3)
Municipal bonds	3,634	3,535	99	99	(0)
Corporate bonds	18,293	17,664	629	635	(6)
Foreign equity securities	1,322	1,128	194	303	(109)
Foreign bonds	158,517	155,991	2,526	2,739	(213)
Other	24,284	24,757	(473)	230	(703)
Total	$ 426,408	$ 403,904	$ 22,504	$ 24,336	$ (1,832)

Note:

Net unrealized gain (loss) in the table above includes a loss of $32 million which was recognized in profit or loss by applying the fair value hedge accounting.

(4) Proceeds from sales of available-for-sale securities and related realized gains and losses for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Sales proceeds	¥ 53,416,979	¥ 101,238,206	$ 474,059
Realized gains	354,786	291,293	3,149
Realized losses	133,402	97,725	1,184

(5) Reclassified securities

There were no securities reclassified during the years ended March 31, 2016 and 2015.

(6) Impairment loss on securities

Securities other than trading securities and investments in affiliates (excluding those securities whose fair value cannot be reliably determined), whose fair value significantly declined compared with the acquisition cost, and is considered to be other than recoverable decline, were written down to the respective fair value which is recorded as the carrying amount on the consolidated balance sheets.
Impairment losses for the years ended March 31, 2016 and 2015 were ¥8,557 million ($76 million) consisting of ¥8,282 million ($74 million) on equity securities and ¥275 million ($2 million) on debt securities and others and ¥3,815 million consisting of ¥1,434 million on equity securities and ¥2,380 million on debt securities and others, respectively.

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

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

"Bankrupt issuers" mean issuers who have entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses. "Virtually bankrupt issuers" mean issuers who are not legally or formally bankrupt but are regarded as substantially in a similar condition. "Likely to become bankrupt issuers" mean issuers who are not legally bankrupt but deemed to have high possibility of becoming bankrupt. "Issuers requiring close watch" mean issuers who require close watch of the management. "Normal issuers" mean issuers other than "Bankrupt issuers," "Virtually bankrupt issuers," "Likely to become bankrupt issuers" or "Issuers requiring close watch."

5. MONEY HELD IN TRUST

"Money held in trust" classified as trading as of March 31, 2016 and 2015 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Carrying amount	¥ 57,156	¥ 30,632	$ 507
Net unrealized loss	(222)	(305)	(2)

There was no "Money held in trust" classified as held-to-maturity as of March 31, 2016 and 2015.

"Money held in trust" classified as other than trading and held-to-maturity as of March 31, 2016 and 2015 was as follows:

	Millions of Yen				
	March 31, 2016				
	Carrying amount	Acquisition cost	Net unrealized gain	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	¥ 500	¥ 500	¥ –	¥ –	¥ –

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

	Millions of U.S. Dollars				
	March 31, 2016				
	Carrying amount	Acquisition cost	Net unrealized gain	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	$ 4	$ 4	$ –	$ –	$ –

6. UNREALIZED GAIN ON AVAILABLE-FOR-SALE SECURITIES

Unrealized gain on available-for-sale securities as of March 31, 2016 and 2015 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Unrealized gain:	¥ 2,531,011	¥ 2,995,850	$ 22,462
Available-for-sale securities	2,558,503	3,041,951	22,706
Money held in trust except for trading and held-to-maturity purpose	–	885	–
Securities reclassified from available-for-sale securities into held-to-maturity debt securities	(27,492)	(46,986)	(244)
Deferred tax liabilities:	(738,497)	(910,672)	(6,554)
Unrealized gain on available-for-sale securities before adjustments by ownership share	1,792,513	2,085,177	15,908
Noncontrolling interests	13,407	9,673	119
Bank's ownership share in unrealized gain on available-for-sale securities held by affiliates accounted for using the equity method	5,693	4,321	50
Unrealized gain on available-for-sale securities	¥ 1,811,614	¥ 2,099,172	$ 16,077

Notes:

1. Unrealized gain in the table above excludes ¥3,624 million ($32 million) of losses which were recognized in profit or loss by the fair value hedge accounting as of March 31, 2016 and ¥64,106 million of gains which were recognized in profit or loss by the fair value hedge accounting as of March 31, 2015.
2. Unrealized gain in the table above includes ¥19,184 million ($170 million) and ¥23,257 million of unrealized gain on available-for-sale securities invested in limited partnerships as of March 31, 2016 and 2015, respectively.

7. LOANS AND BILLS DISCOUNTED

Bills discounted and rediscounted are accounted for as financial transactions in accordance with "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No. 24). The Bank has rights to sell or pledge these bills discounted. The total face value of bills discounted was ¥1,087,578 million ($9,652 million) and ¥1,369,332 million as of March 31, 2016 and 2015, respectively. The total face value of foreign exchange bills bought which were transferred due to rediscounts of bills amounted to ¥8,860 million ($79 million) and ¥8,167 million as of March 31, 2016 and 2015, respectively.

"Loans and bills discounted" as of March 31, 2016 and 2015 included the following loans:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Loans to bankrupt borrowers	¥ 49,639	¥ 19,058	$ 441
Non-accrual delinquent loans	992,716	709,481	8,810
Loans past due for three months or more	47,156	46,404	418
Restructured loans	350,666	545,120	3,112
Total	¥ 1,440,177	¥ 1,320,064	$ 12,781

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

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

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

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

8. TANGIBLE FIXED ASSETS

The accumulated depreciation of "Tangible fixed assets" as of March 31, 2016 and 2015 amounted to ¥957,094 ($8,494 million) and ¥947,736 million, respectively.

Deferred gains on "Tangible fixed assets" not recognized for tax purposes as of March 31, 2016 and 2015 amounted to ¥75,059 million ($666 million) and ¥75,841 million, respectively.

9. LAND REVALUATION SURPLUS

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

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

The difference between the total fair value of land used for business operations revalued pursuant to Article 10 of the “Act” and book value after revaluation of the relevant land as of March 31, 2016 and 2015 was nil and ¥13,892 million, respectively.

10. CUSTOMERS’ LIABILITIES FOR ACCEPTANCES AND GUARANTEES

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

Guarantee obligations for private placement bonds included in “Securities” (provided in accordance with the Article 2-3 of the “Financial Instruments and Exchange Act”) as of March 31, 2016 and 2015 were ¥563,956 million ($5,005 million) and ¥687,951 million, respectively.

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

11. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and their relevant liabilities as of March 31, 2016 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Assets pledged as collateral:			
Securities	¥ 919,736	¥ 2,885,541	$ 8,162
Loans and bills discounted	7,587,495	7,824,567	67,337
Total	¥ 8,507,231	¥ 10,710,108	$ 75,499
Relevant liabilities to above assets:			
Deposits	¥ 720,683	¥ 685,940	$ 6,396
Call money and bills sold	–	530,000	–
Trading liabilities	24,681	22,131	219
Borrowed money	7,562,283	9,144,831	67,113
Total	¥ 8,307,647	¥ 10,382,903	$ 73,728

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

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Assets pledged as collateral:			
Cash and due from banks	¥ 3,425	¥ 2,571	$ 30
Monetary claims bought	792,042	1,438,879	7,029
Trading assets	808	–	7
Securities	4,353,740	9,597,735	38,638
Loans and bills discounted	10,356,475	7,596,070	91,911
Total	¥ 15,506,493	¥ 18,635,257	$ 137,615

Furthermore, trading assets and securities sold under repurchase agreements or loaned under securities lending with cash collateral were ¥130,544 million ($1,159 million) and ¥10,301,891 million ($91,426 million) respectively, as of March 31, 2016 and ¥990,998 million and ¥8,807,623 million respectively, as of March 31, 2015.

Relevant payables under repurchase agreements were ¥8,194,345 million ($72,722 million) and ¥6,802,379 million as of March 31, 2016 and 2015, respectively.

Relevant payables under securities lending transactions were ¥1,885,302 million ($16,731 million) and ¥2,364,519 million as of March 31, 2016 and 2015, respectively.

12. LOAN COMMITMENTS

Overdraft facilities and commitment lines of credit are binding contracts under which the Group has obligations to disburse funds up to predetermined limits upon the borrower's request as long as there has been no breach of contract. The total amount of the unused portion of these facilities was ¥76,220,271 million ($676,431 million) and ¥72,638,234 million as of March 31, 2016 and 2015, respectively.

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

13. BORROWED MONEY, LEASE LIABILITIES AND COMMERCIAL PAPER

"Borrowed money," "Lease liabilities" and "Commercial paper" as of March 31, 2016 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Borrowings from banks and other, due 2015-2031, 0.57% on the average	¥ 10,635,990	¥ 10,976,409	$ 94,391
Bills rediscounted	–	–	–
Total borrowed money	¥ 10,635,990	¥ 10,976,409	$ 94,391
Lease liabilities, due 2015-2038	8,593	10,605	76
Commercial paper, 0.52% on the average	1,565,614	1,578,138	13,894

Notes:

1. The interest rates above are calculated using the weighted-average method based on the interest rate and balance as of March 31. The average interest rate of lease liabilities is not presented above because lease liabilities are recorded on the consolidated balance sheets at the total amount of lease payments including interest.
2. The borrowings above include subordinated borrowings in the amounts of ¥1,200,000 million ($10,650 million) and ¥529,500 million as of March 31, 2016 and 2015, respectively.
3. The borrowings above include perpetual subordinated borrowings without the repayment term.
4. Lease liabilities are included in "Other liabilities" in the consolidated balance sheets.
5. "Commercial paper" is issued in the form of promissory notes as a fund raising activity.

Annual maturities of borrowings as of March 31, 2016 were as follows:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2017	¥ 3,987,864	$ 35,391
2018	226,587	2,011
2019	2,988,453	26,521
2020	1,085,319	9,632
2021	560,093	4,971
2022 and thereafter	1,787,670	15,865
Total	¥ 10,635,990	$ 94,391

Annual maturities of lease liabilities as of March 31, 2016 were as follows:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2017	¥ 2,443	$ 21
2018	1,327	12
2019	698	6
2020	424	4
2021	307	3
2022 and thereafter	3,390	30
Total	¥ 8,593	$ 76

14. BONDS PAYABLE

Bonds payable as of March 31, 2016 and 2015 consisted of the following:

Description	Issued	Millions of Yen 2016	Millions of Yen 2015	Millions of U.S. Dollars 2016	Coupon rate (%)	Secured or unsecured	Due
The Bank:							
9th-160th series of Straight bonds payable in yen	Feb. 2000- Jul. 2014	¥ 741,900 [262,700]	¥ 1,021,500 [279,600]	$ 6,584 [2,331]	0.14-2.69	Unsecured	Apr. 2015- Apr. 2027
Senior bonds payable in US$	Sep. 2010- Sep. 2015	2,112,360 (USD18,746 million) [490,096]	2,282,444 (USD18,993 million) [270,348]	18,746 [4,349]	0.63-4.70	Unsecured	Sep. 2015- Mar. 2044
Euro senior bonds payable in US$	Jul. 2011- Feb. 2016	204,195 (USD1,812 million) [47,325]	80,538 (USD670million) [−]	1,812 [420]	0.00-2.13	Unsecured	Jul. 2016- Feb. 2046
Senior bonds payable in Euro	Mar. 11. 2015	95,409 (EUR747 million)	97,303 (EUR746 million)	847	0.87	Unsecured	Mar. 11. 2022
Senior bonds payable in A$	Sep. 2013	56,062 (AUD650 million)	59,839 (AUD650 million)	497	3.41	Unsecured	Sep. 19, 2017
Euro senior bonds payable in A$	Jan. 2012- Jul. 2012	15,525 (AUD180 million) [−]	32,221 (AUD350 million) [15,650]	138 [−]	4.05-4.91	Unsecured	Jan. 2016- Jul. 2017
Euro senior bonds payable in RMB	Jun. 24, 2015	6,086 (CNH350 million)	– [–]	54	3.64	Unsecured	Jun. 26, 2017
7th -38th series of Subordinated bonds payable in yen	Dec. 2004- Sep. 2012	1,073,000 [50,000]	1,218,000 [60,000]	9,523 [444]	0.93-2.91	Unsecured	Jul. 2015- Jan. 2031
Subsidiaries[*1]:							
Straight bonds payable	Dec. 1997- Dec. 2015	1,023,478 (USD6,546 million) (THB55,843 million) (CNY1,000 million) [303,069]	884,221 (USD4,370 million (THB91,062 million) (CNY1,000 million) [254,390]	9,083 [2,690]	0.73-4.50	Unsecured	Jan. 2015- Feb. 2025
Subordinated bonds payable	Aug. 1997- Dec. 2013	207,279 (USD739 million) (THB14,843 million) [84,836]	342,392 (USD749 million (THB34,871 million [–]	1,840 [753]	0.27-5.95	Unsecured	Jun. 2015- Sep. 2036
Undated subordinated bonds payable	Nov. 2005- Dec. 2008	10,000	13,200	89	2.36-3.26	Unsecured	–
Total		¥ 5,545,296	¥ 6,031,660	$ 49,213			

Notes:

1. *1 Subsidiaries include MUFG Americas Holdings Corporation ("MUAH"), BTMU (Curacao) Holdings N.V., Bank of Ayudhya, Bank of Tokyo-Mitsubishi UFJ (China), Ltd. and Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad.
2. (   ) denotes the amounts of foreign currency denominated bonds payable.
3. [   ] denotes the amounts expected to be redeemed within one year.
4. The following is a summary of maturities of bonds payable subsequent to March 31, 2016:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2017	¥ 1,238,028	$ 10,987
2018	961,306	8,531
2019	587,732	5,216
2020	617,042	5,476
2021	272,542	2,419
2022 and thereafter	1,868,643	16,584
Total	¥ 5,545,296	$ 49,213

15. LIABILITY FOR RETIREMENT BENEFITS

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

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

Defined Benefit Plans:

(1) The changes in defined benefit obligation for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Balance at beginning of year	¥ 1,907,348	¥ 1,646,915	$ 16,927
[of which foreign exchange translation adjustments]	*[7,717]*	*[(45,562)]*	*[68]*
Cumulative effects of accounting change	–	55,536	–
Balance at beginning of year, as restated	–	1,702,452	–
Service cost	50,297	43,685	446
Interest cost	31,465	33,984	279
Actuarial losses	13,893	237,760	123
Benefits paid	(82,866)	(80,500)	(735)
Past service cost	(175)	(23,930)	(1)
Others	(3,745)	1,612	(33)
Balance at end of year	¥ 1,916,218	¥ 1,915,066	$ 17,006

Note:

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

(2) The changes in plan assets for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Balance at beginning of year	¥ 2,073,222	¥ 1,827,841	$ 18,399
[of which foreign exchange translation adjustments]	*[5,992]*	*[(48,668)]*	*[53]*
Expected return on plan assets	64,187	59,906	569
Actuarial gains (losses)	(111,088)	215,045	(986)
Contributions from the employer	67,030	43,115	595
Benefits paid	(68,775)	(66,914)	(610)
Others	(2,351)	219	(21)
Balance at end of year	¥ 2,022,225	¥ 2,079,215	$ 17,946

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

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Funded defined benefit obligation	¥ 1,873,232	¥ 1,872,201	$ 16,624
Plan assets	(2,022,225)	(2,079,215)	(17,946)
	(148,992)	(207,013)	(1,322)
Unfunded defined benefit obligation	42,985	42,864	382
Net liability (asset) arising from defined benefit obligation	¥ (106,006)	¥ (164,149)	$ (940)

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Liability for retirement benefits	¥ 55,843	¥ 53,632	$ 496
Asset for retirement benefits	(161,850)	(217,781)	(1,436)
Net liability (asset) arising from defined benefit obligation	¥ (106,006)	¥ (164,149)	$ (940)

(4) The components of net periodic retirement benefit costs for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Service cost	¥ 50,297	¥ 43,685	$ 446
Interest cost	31,465	33,984	279
Expected return on plan assets	(64,187)	(59,906)	(569)
Amortization of past service cost	(6,878)	(6,247)	(61)
Recognized actuarial losses	30,673	30,912	272
Others (additional temporary severance benefits)	6,514	9,345	58
Net periodic retirement benefit costs	¥ 47,886	¥ 51,774	$ 425

Note:

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

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Past service cost	¥ (6,740)	¥ 17,366	$ (60)
Actuarial losses	(93,504)	(1,270)	(830)
Total	¥ (100,245)	¥ 16,095	$ (890)

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Unrecognized past service cost	¥ 27,052	¥ 33,793	$ 240
Unrecognized actuarial losses	(279,981)	(186,477)	(2,485)
Total	¥ (252,929)	¥ (152,684)	$ (2,245)

(7) Plan assets

a. *Components of plan assets*

Plan assets consisted of the following:

	2016	2015
Domestic equity investments	28.19%	31.13%
Domestic debt investments	18.78	20.28
Foreign equity investments	23.80	22.72
Foreign debt investments	9.82	8.82
General account of life insurance	10.15	7.24
Others	9.26	9.81
Total	100.00	100.00

Note:

Total plan assets include retirement benefit trust of 15.49% and 17.02% which was set up on corporate pension plans as of March 31, 2016 and 2015, respectively.

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

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

(8) Assumptions used for the years ended March 31, 2016 and 2015 were set forth as follows:

	2016	2015
Discount rate:		
Domestic	0.00%-0.74%	0.00%-1.00%
Overseas	2.40%-13.10%	3.30%-10.77%
Expected salary increase rate:		
Domestic	2.90%-6.20%	3.20%-6.20%
Overseas	2.25%-9.00%	0.60%-10.00%
Expected rate of return on plan assets:		
Domestic	0.34%-2.74%	0.59%-2.82%
Overseas	2.40%-13.10%	3.60%-10.77%

Defined Contribution Plans:

The amounts of the required contribution to the defined contribution plans, including defined benefit corporate pension plans of the multiemployer plans of the Bank and subsidiaries, were ¥12,373 million ($110 million) and ¥9,666 million for the years ended March 31, 2016 and 2015, respectively.

16. CAPITAL REQUIREMENT

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

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

(1) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all of the above criteria. The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to certain limitations and additional requirements. Interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Bank can do so because it stipulates this in its articles of incorporation. The Companies Act provides certain limitations on the amounts available for dividends or the purchases of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of equity after dividends must be maintained at no less than ¥3 million.

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

The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as capital reserve (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of legal reserve and capital reserve equals 100% of capital stock.
Under the Companies Act and the Banking Law, the aggregate amount of capital reserve and legal reserve that exceeds 100% of the capital stock may be made available for dividends by resolution of the shareholders after transferring such excess to other capital surplus and other retained earnings in accordance with the Companies Act. Under the Companies Act, the total amount of capital reserve and legal reserve may be reversed without limitation. The Companies Act also provides that capital stock, legal reserve, capital reserve, other capital surplus and other retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(3) Treasury Stock and Treasury Stock Acquisition Rights

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

17. CAPITAL STOCK AND DIVIDENDS PAID

Capital stock consists of common stock and preferred stock. The changes in the number of issued shares of common stock and preferred stock during the years ended March 31, 2016 and 2015 were as follows:

	Number of shares in thousands			
	April 1, 2015	Increase	Decrease	March 31, 2016
Outstanding shares issued:				
Common stock	12,350,038	–	–	12,350,038
Preferred stock–first series of Class 2	100,000	–	–	100,000
Preferred stock–first series of Class 4	79,700	–	–	79,700
Preferred stock–first series of Class 6	1,000	–	–	1,000
Preferred stock–first series of Class 7	177,000	–	–	177,000
Total	12,707,738	–	–	12,707,738
Treasury stock:				
Preferred stock–first series of Class 2	100,000	–	–	100,000
Preferred stock–first series of Class 4	79,700	–	–	79,700
Preferred stock–first series of Class 6	1,000	–	–	1,000
Preferred stock–first series of Class 7	177,000	–	–	177,000
Total	357,700	–	–	357,700

	Number of shares in thousands				
	April 1, 2014	Increase	Decrease	March 31, 2015	
Outstanding shares issued:					
Common stock	12,350,038	–	–	12,350,038	
Preferred stock–first series of Class 2	100,000	–	–	100,000	
Preferred stock–first series of Class 4	79,700	–	–	79,700	
Preferred stock–first series of Class 6	1,000	–	–	1,000	
Preferred stock–first series of Class 7	177,000	–	–	177,000	
Total	12,707,738	–	–	12,707,738	
Treasury stock:					
Preferred stock–first series of Class 2	100,000	–	–	100,000	
Preferred stock–first series of Class 4	79,700	–	–	79,700	
Preferred stock–first series of Class 6	1,000	–	–	1,000	
Preferred stock–first series of Class 7	21,000	156,000	–	177,000	Note
Total	201,700	156,000	–	357,700	

Note:

An increase of 156,000 thousand shares in treasury stock of preferred-first series of Class 7 during the year ended March 31, 2015 was due to acquisition of a part of preferred stock pursuant to the acquisition clause.

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

The Bank paid the following cash dividends and distributed dividends in kind (securities) during the fiscal years ended March 31, 2016 and 2015:

Year ended March 31, 2016:

1. Cash dividends

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

Cash dividends approved at the shareholders' meeting held on June 24, 2015:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	$ 1,438	$ 0.12	Mar. 31, 2015	Jun. 24, 2015

Cash dividends approved at the Board of Directors' meeting held on July 30, 2015:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 77,434	¥ 6.27	–	Aug. 3, 2015

Cash dividends approved at the Board of Directors' meeting held on July 30, 2015:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	$ 687	$ 0.06	–	Aug. 3, 2015

Cash dividends approved at the Board of Directors' meeting held on November 12, 2015:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 96,330	¥ 7.80	Sep. 30, 2015	Nov. 13, 2015

Cash dividends approved at the Board of Directors' meeting held on November 12, 2015:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	$ 855	$ 0.07	Sep. 30, 2015	Nov. 13, 2015

Cash dividends approved at the Board of Directors' meeting held on January 28, 2016:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 91,019	¥ 7.37	—	Feb. 2, 2016

Cash dividends approved at the Board of Director' meeting held on January 28, 2016:	Total amount (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	$ 808	$ 0.07	—	Feb. 2, 2016

2. Dividends in kind

Dividends in kind approved at the shareholders' meeting held on June 24, 2015:	Property dividends	Total carrying amount of property dividends (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	Securities	¥ 2,226	¥ –	–	Jun. 24, 2015

Dividends in kind approved at the shareholders' meeting held on June 24, 2015:	Property dividends	Total carrying amount of property dividends (Millions of U.S. Dollars)	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	Securities	$ 19	$ –	–	Jun. 24, 2015

Note:
All of the property dividends were distributed to Mitsubishi UFJ Financial Group, a sole shareholder of common stock (12,350,038 thousand shares) of the Bank, and per share amount was not defined.

Year ended March 31, 2015:

Cash dividends approved at the shareholders' meeting held on June 26, 2014:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 129,675	¥ 10.50	Mar. 31, 2014	Jun. 26, 2014
Preferred stock–first series of Class 7	8,970	57.50	Mar. 31, 2014	Jun. 26, 2014
Total	¥ 138,645			

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

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

Subject to approval at the Board of Directors' meeting, the Bank paid the following cash dividends on May 17, 2016, to shareholders of record as of March 31, 2016:

Cash dividends approved at the Board of Directors' meeting held on May 16, 2016:	Total amount (Millions of Yen)	Dividend resource	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 105,716	Retained earnings	¥ 8.56	Mar. 31, 2016	May 17, 2016

Cash dividends approved at the Board of Directors' meeting held on May 16, 2016:	Total amount (Millions of U.S. Dollars)	Dividend resource	Per share amount (U.S. Dollar)	Dividend record date	Effective date
Common stock	$ 938	Retained earnings	$ 0.08	Mar. 31, 2016	May 17, 2016

18. STOCK OPTIONS

There was no stock option outstanding as of March 31, 2016 and 2015.

19. OTHER INCOME

Other income for the years ended March 31, 2016, 2015 and 2014 consisted of the following:

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2016	2015	2014	2016
Gains on sales of equity securities and other securities	¥ 126,056	¥ 77,253	¥ 133,904	$ 1,119
Equity in earnings of the equity method investees	25,000	24,691	14,169	222
Lease income of consolidated subsidiaries operating leasing business	6,105	37,038	33,633	54
Gain on disposal of fixed assets	21,243	4,091	10,099	189
Gain on sales of shares of a subsidiary	15,595	—	—	138
Gain on sales of shares of affiliates	—	—	6,895	—
Gain on change in equity	112	—	—	1
Gain on reversal of allowance for credit losses	—	—	74,570	—
Gains on collection of bad debts	39,170	43,900	40,817	347
Other	60,183	60,726	55,836	534
Total	¥ 293,466	¥ 247,703	¥ 369,926	$ 2,604

20. OTHER EXPENSES

Other expenses for the years ended March 31, 2016, 2015 and 2014 consisted of the following:

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2016	2015	2014	2016
Losses on write-down or sales of equity securities and other securities	¥ 52,083	¥ 15,183	¥ 22,267	$ 462
Settlement package	—	37,097	24,537	—
Loss on sales of shares of subsidiaries	—	25,151	2,172	—
Loss on sales of shares of affiliates	—	—	330	—
Outsourcing expenses of consolidated subsidiaries operating information services	22,030	24,710	27,004	195
Lease expenses of consolidated subsidiaries operating leasing business	1,492	17,665	15,578	13
Write-offs of loans	82,670	90,946	72,268	734
Provision for reserve under the special laws	—	525	573	—
Losses on forgiveness of loans and others	42,371	17,129	9,497	376
Loss on disposal of fixed assets	10,236	5,368	6,388	91
Impairment loss on long-lived assets	11,011	4,249	3,758	98
Other	19,837	9,083	7,938	176
Total	¥ 241,733	¥ 247,111	¥ 192,314	$ 2,145

Note:

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

21. INCOME TAXES

The Bank and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 33.06%, 35.64% and 38.01% for the years ended March 31, 2016, 2015 and 2014, respectively.

The tax effects of significant temporary differences which resulted in "Deferred tax assets and liabilities" as of March 31, 2016, 2015 and 2014 were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2016	2015	2014	2016
Deferred tax assets:				
Excess over deductible limit of provision of allowance for credit losses and write-offs of loans	¥ 366,832	¥ 367,286	¥ 381,906	$ 3,256
Liability for retirement benefits	185,707	165,865	155,354	1,648
Revaluation loss on securities	103,545	77,645	103,862	919
Unrealized losses on available-for-sale securities	30,648	24,651	51,813	272
Tax loss carryforwards	7,482	11,473	11,812	66
Other	281,953	294,742	312,739	2,502
Subtotal	976,168	941,665	1,017,488	8,663
Less valuation allowances	(174,711)	(147,818)	(207,181)	(1,550)
Total	¥ 801,456	¥ 793,847	¥ 810,307	$ 7,113
Deferred tax liabilities:				
Unrealized gains on available-for-sale securities	¥ (758,670)	¥ (928,473)	¥ (472,776)	$ (6,733)
Deferred gains on derivatives under hedge accounting	(187,713)	(74,866)	(24,878)	(1,666)
Unrealized gain on lease transactions	(87,757)	(80,235)	(82,665)	(779)
Revaluation gain on securities at merger	(62,040)	(69,628)	(70,688)	(551)
Gain on establishment of retirement benefit trust	(49,862)	(52,651)	(58,082)	(442)
Retained earnings of overseas subsidiaries	(40,585)	(33,603)	(28,714)	(360)
Other	(182,766)	(188,111)	(175,665)	(1,622)
Total	¥ (1,369,396)	¥ (1,427,570)	¥ (913,472)	$ (12,153)
Net deferred tax liabilities	¥ (567,939)	¥ (633,723)	¥ (103,165)	$ (5,040)

The reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the consolidated statements of income for the years ended March 31, 2016, 2015 and 2014 was as follows:

	2016	2015	2014
Normal effective statutory tax rate	33.06 %	35.64 %	38.01%
Change in valuation allowances	1.25	(1.04)	(5.44)
Tax rate difference of overseas subsidiaries	(2.43)	(2.40)	(2.48)
Permanent non-taxable differences (e.g., non-taxable dividend income)	(2.56)	(2.46)	(1.91)
Addition of deferred tax liabilities resulting from tax rate changes	1.42	2.87	1.01
Elimination of dividends received from subsidiaries	1.71	1.32	0.27
Equity in earnings of the equity method investees	(0.75)	(0.74)	(0.44)
Foreign taxes	0.14	(0.60)	0.19
Other	0.01	(2.48)	2.55
Actual effective tax rate	31.85 %	30.11 %	31.76%

As of March 31, 2016

"Partial amendments to Income Tax Act, etc." (Act No. 15, 2016) and "Partial amendments to Local Tax Act, etc." (Act No.13, 2016) were enacted at the National Diet on March 29, 2016, and the corporate income tax rates were reduced from the fiscal year beginning on or after April 1, 2016. As a result, the effective statutory tax rate to be used in computing deferred tax assets and liabilities was reduced from approximately 32.34% to 30.86% for the temporary differences estimated to be reversed in the fiscal years beginning on April 1, 2016 and 2017 and 30.62% for the temporary differences estimated to be reversed from the fiscal year beginning on April 1, 2018. The effect of this change was a decrease in deferred tax liabilities (net of deferred tax assets) by ¥12,992 million ($115 million) and unrealized gain on available-for-sale securities and deferred gain on derivatives under hedge accounting increased by ¥20,522 million ($182 million) and ¥10,417 million ($92 million), respectively. Accumulated other comprehensive income on defined retirement benefit plans decreased by ¥2,045 million ($18 million) and income taxes – deferred increased by ¥15,697 million ($139 million). Deferred tax liabilities for land revaluation decreased by ¥6,903 million ($61 million) and land revaluation surplus increased by the same amount.

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

As of March 31, 2014
"Partial amendments to Income Tax Act, etc." (Act No. 10, 2014) was proclaimed on March 31, 2014, and the Earthquake Recovery Special Tax will be abolished from the fiscal year beginning on or after April 1, 2014. As a result, the effective statutory tax rate to be used in computing deferred tax assets and liabilities was reduced from approximately 38.01% to 35.64% for the temporary differences estimated to be reversed in the fiscal year beginning on or after April 1, 2014. The effect of this change was a decrease in deferred tax assets by ¥198 million and an increase in deferred tax liabilities by ¥11,966 million and unrealized gain on available-for-sale securities by ¥32 million in the consolidated balance sheet as of March 31, 2014, and an increase in income taxes – deferred in the consolidated statement of income for the fiscal year ended March 31, 2014 by ¥12,197 million.

22. LEASES

Operating Leases

(1) Lessee

Future lease payments including interest payables under non-cancelable operating leases as of March 31, 2016 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Due within one year	¥ 48,905	¥ 47,902	$ 434
Due after one year	245,588	270,088	2,180
Total	¥ 294,493	¥ 317,991	$ 2,614

(2) Lessor

Future lease receivables including interest receivables under non-cancelable operating leases as of March 31, 2016 and 2015 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2016
Due within one year	¥ 12,831	¥ 3,809	$ 114
Due after one year	75,552	84,126	670
Total	¥ 88,383	¥ 87,935	$ 784

23. COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2016, 2015 and 2014 were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2016	2015	2014	2016
Unrealized gain (loss) on available-for-sale securities:				
Gain (loss) arising during the year	¥ (217,579)	¥ 1,938,811	¥ 233,302	$ (1,931)
Reclassification adjustments to loss	(242,320)	(216,947)	(207,820)	(2,150)
Amount before income tax effect	(459,900)	1,721,863	25,482	(4,081)
Income tax effect	170,042	(482,307)	3,019	1,509
Total	(289,857)	1,239,556	28,502	(2,572)
Deferred gain (loss) on derivatives under hedge accounting:				
Gain (loss) arising during the year	363,629	157,615	(104,332)	3,227
Reclassification adjustments to profit	5,436	18,910	17,423	48
Adjustments to acquisition costs of assets	—	—	(9,905)	—
Amount before income tax effect	369,065	176,525	(96,813)	3,275
Income tax effect	(109,483)	(54,366)	34,350	(971)
Total	259,582	122,159	(62,462)	2,304
Land revaluation surplus:				
Gain arising during the year	—	—	—	—
Reclassification adjustments to profit or loss	—	—	—	—
Amount before income tax effect	—	—	—	—
Income tax effect	6,811	13,667	(166)	60
Total	6,811	13,667	(166)	60
Foreign currency translation adjustments:				
Gain (loss) arising during the year	(204,500)	403,175	336,274	(1,815)
Reclassification adjustments to profit or loss	—	307	0	—
Amount before income tax effect	(204,500)	403,482	336,274	(1,815)
Income tax effect	5,400	—	—	48
Total	(199,099)	403,482	336,274	(1,767)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries:				
Gain arising during the year	—	—	41,009	—
Reclassification adjustments to profit	—	—	14,101	—
Amount before income tax effect	—	—	55,110	—
Income tax effect	—	—	(27,376)	—
Total	—	—	27,734	—
Defined retirement benefit plans:				
Loss arising during the year	(124,040)	(8,569)	—	(1,101)
Reclassification adjustments to profit	23,795	24,664	—	211
Amount before income tax effect	(100,245)	16,095	—	(890)
Income tax effect	30,450	(4,448)	—	270
Total	(69,794)	11,647	—	(620)
Share of other comprehensive income in affiliates accounted for using the equity method:				
Gain (loss) arising during the year	(2,679)	25,643	12,474	(24)
Reclassification adjustments to profit or loss	(600)	974	(1,327)	(5)
Total	(3,280)	26,617	11,147	(29)
Total other comprehensive (loss) income	¥ (295,638)	¥ 1,817,129	¥ 341,029	$ (2,624)

24. PER SHARE INFORMATION

	Yen			U.S. Dollars
Years ended March 31	2016	2015	2014	2016
Net income per common share	¥ 55.53	¥ 59.24	¥ 59.62	$ 0.49
Diluted net income per common share	55.53	59.23	59.62	0.49

	Yen			U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2016
Total equity per common share	¥ 952.16	¥ 954.03	¥ 798.38	$ 8.45

Notes:

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

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2016	2015	2014	2016
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	¥ 685,835	¥ 731,622	¥ 754,323	$ 6,087
Amount not attributable to common shareholders	–	–	(17,940)	–
Of which, preferred dividends	–	–	(17,940)	–
Net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ related to common shares	685,835	731,622	736,383	6,087

	Number of shares in thousands		
Years ended March 31	2016	2015	2014
Average number of common shares during the year	12,350,038	12,350,038	12,350,038

	Millions of Yen			Millions of U.S. Dollars
Years ended March 31	2016	2015	2014	2016
Diluted net income per common share				
Adjustment to net income attributable to the shareholders of The Bank of Tokyo-Mitsubishi UFJ	¥ (12)	¥ (7)	¥ (3)	$ (0)

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

	Millions of Yen			Millions of U.S. Dollars
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2016
Total equity	¥ 13,118,288	¥ 13,201,844	¥ 11,741,453	$ 116,421
Deductions from total equity:				
Noncontrolling interests	1,359,055	1,419,421	1,482,369	12,061
Preferred shares	–	–	390,000	–
Preferred dividends	–	–	8,970	–
Total	1,359,055	1,419,421	1,881,339	12,061
Total equity attributable to common shares	¥ 11,759,232	¥ 11,782,423	¥ 9,860,113	$ 104,360

	Number of shares in thousands		
	March 31, 2016	March 31, 2015	March 31, 2014
Number of common shares used in computing total equity per common share at the fiscal year end	12,350,038	12,350,038	12,350,038

3. As noted in Note 2 (23) "Changes in Accounting Policies," the Bank has applied ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," effective March 31, 2014 and followed the transitional treatment prescribed in Paragraph 37 of the Accounting Standard. As a result, total equity per common share as of March 31, 2014 decreased by ¥5.50.
4. As noted in Note 2 (23) "Changes in Accounting Policies," the Bank has applied ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," effective March 31, 2014 and followed the transitional treatment prescribed in Paragraph 37 of the Accounting Standard. As a result, total equity per common share as of April 1, 2014 decreased by ¥2.90. The effect on net income per common share and diluted net income per common share for the year ended March 31, 2015 is immaterial.
5. As noted in Note 2 (23) "Changes in Accounting Policies," the Bank has applied the Accounting Standard for Business Combinations effective April 1, 2014 and followed the transitional treatment set forth in Paragraph 58-2 (3) of the Business Combinations Accounting Standard, Paragraph 44-5 (3) of the Consolidation Accounting Standard and Paragraph 57-4 (3) of the Business Divestitures Accounting Standard. As a result, total equity per common share as of April 1, 2014 decreased by ¥15.06. In addition, the effect on net income per common share and diluted net income per common share for the year ended March 31, 2015 increased by ¥1.04, respectively.

25. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Disclosures on Financial Instruments

1) Policy for Financial Instruments

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

2) Nature and Extent of Risks Arising from Financial Instruments

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

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

Market risk mainly arises from changes in domestic and overseas interest rates, foreign exchange rates and fluctuations in market prices of stocks and bonds. For example, an increase in domestic and overseas interest rates would reduce the value of the Bank's bond portfolio consisting of government and other bonds, and a rise in Japanese yen would reduce the value of foreign currency denominated securities and other assets when converted into Japanese yen. The Bank also invests in marketable equity securities, and a fall in the market price would decrease the fair value of these securities. As part of trading and ALM activities, the Bank holds derivative products such as interest rate swaps. A significant change in foreign exchange or interest rates may cause a significant fluctuation in the fair value of these derivative products.

In conducting transactions for purposes of hedging risks associated with derivative products, the Bank hedges against interest rate risks with items including forecasted transactions involving fixed and variable rate deposits, loans and bonds through designated hedging instruments including interest rate swaps. The Bank hedges against foreign exchange rate fluctuation risks associated with instruments such as foreign currency denominated monetary assets and liabilities through hedging instruments including currency swap transactions and forward exchange contracts. In lieu of effectiveness determination, the Bank designs hedging activities so that the material terms of the hedging instruments are almost identical to those of the hedged items. In limited circumstances, effectiveness of hedging activities is assessed by verification of the correlation between factors that cause changes in interest rates.

3) Risk Management for Financial Instruments

Credit Risk Management

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

Market Risk Management

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

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

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

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

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

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

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

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

D) Quantitative Information in Respect of Market Risk
(i) Amount of Market Risk Associated with Trading Activities
The amount of consolidated market risk associated with trading activities across the Group was ¥11,266 million ($100 million) and ¥11,328 million as of March 31, 2016 and 2015, respectively.
(ii) Amount of Market Risk Associated with Banking Activities
The amount of consolidated market risk associated with banking activities (excluding strategic

equity securities, MUAH and Bank of Ayudhya) across the Group was ¥440,914 million ($3,913 million) and ¥334,694 million as of March 31, 2016 and 2015, respectively. As an appropriate identification of interest rate risk is vital to banking activities (excluding strategic equity securities, MUAH and Bank of Ayudhya), the risk is managed based on the following assumptions for appropriate measurement of core deposit and prepayment in loans and deposits. For a certain part of the deposits without contractual maturities (so called core deposit), interest rate risk is recognized by allocating maturities of various terms (no longer than ten years), taking into account the results of the statistical analysis using the data on the transition of balance by product, prospective of deposit interest rate and other business judgments. The amount of core deposits and the method of allocating maturities are reviewed on a regular basis. Meanwhile, the deposits and loans with contractual maturities involve risks associated with premature repayment or cancellation. These risks are reflected in interest rate risks by estimating the ratio of cancellations through the statistical analysis based on the factors including interest rate change and actual repayments and cancellations.

EaR of banking activities of MUAH as of December 31, 2015 and 2014 was +1.92% and +3.88%, respectively, at the time of interest rate changes of +200 basis points (+2.00%) and -1.37% and -2.48%, respectively, at the time of interest rate changes of -100 basis points (-1.00%).

EaR of banking activities of Bank of Ayudhya as of December 31, 2015 and 2014 was -1.58% and -1.47%, respectively, at the time of interest rate changes of +100 basis points (+1.00%) and +1.55% and +1.45% , respectively, at the time interest changes of -100 basis points (-1.00%).

(iii) Risk of strategic equity portfolio

The market value of the strategically held stocks (publicly traded) of the Bank as of March 31, 2016 and 2015 was subject to a variation of approximately ¥2,927 million ($26 million) and ¥3,029 million, respectively, when the TOPIX index moves one point in either direction.

E) Backtesting

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

The results of backtesting for the years ended March 31, 2016 and 2015 in the trading activities of the Bank showed that hypothetical loss never exceeded VaR. Since the frequency of the excess falls within four times, it is considered that the Bank's VaR model provided reasonably accurate measurements of market risk.

F) Stress Testing

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

Management of Liquidity Risk Associated with Fund Raising Activities

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

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

(2) Fair value of financial instruments

The following table summarizes the carrying amount and the fair value of financial instruments as of March 31, 2016 and 2015 together with their differences. Note that the following table does not include unlisted equity securities or certain other securities whose fair value cannot be reliably determined (see Note 2).

	Millions of Yen		
	March 31, 2016		
	Carrying amount	Fair value	Difference
(1) Cash and due from banks	¥ 37,163,259	¥ 37,163,259	¥ –
(2) Call loans and bills bought	519,784	519,784	–
(3) Receivables under resale agreements	655,956	655,956	–
(4) Receivables under securities borrowing transactions	446,292	446,292	–
(5) Monetary claims bought (*1)	4,722,160	4,721,924	(236)
(6) Trading assets	1,303,905	1,303,905	–
(7) Money held in trust	57,656	57,656	–
(8) Securities:			
Held-to-maturity securities	2,330,048	2,394,865	64,817
Available-for-sale securities	47,373,236	47,373,236	–
(9) Loans and bills discounted	101,007,681		
Allowance for credit losses (*1)	(820,053)		
	100,187,627	101,299,905	1,112,277
(10) Foreign exchange assets (*1)	1,756,170	1,756,170	–
Total assets	¥ 196,516,099	¥ 197,692,958	¥ 1,176,858
(1) Deposits	¥ 147,784,345	¥ 147,810,065	¥ 25,719
(2) Negotiable certificates of deposit	7,030,355	7,034,823	4,468
(3) Call money and bills sold	336,305	336,305	–
(4) Payables under repurchase agreements	10,571,873	10,571,873	–
(5) Payables under securities lending transactions	1,892,928	1,892,928	–
(6) Commercial paper	1,565,614	1,565,614	–
(7) Trading liabilities	7,479	7,479	–
(8) Borrowed money	10,635,990	10,707,306	71,316
(9) Foreign exchange liabilities	2,148,680	2,148,680	–
(10) Bonds payable	5,545,296	5,665,101	119,805
Total liabilities	¥ 187,518,869	¥ 187,740,179	¥ 221,310
Derivatives (*2):			
To which hedge accounting is not applied	¥ 46,338	¥ 46,338	¥ –
To which hedge accounting is applied	584,748	584,748	–
Total derivatives	¥ 631,087	¥ 631,087	¥ –

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

	Millions of U.S. Dollars		
	March 31, 2016		
	Carrying amount	Fair value	Difference
(1) Cash and due from banks	$ 329,812	$ 329,812	$ –
(2) Call loans and bills bought	4,613	4,613	–
(3) Receivables under resale agreements	5,821	5,821	–
(4) Receivables under securities borrowing transactions	3,961	3,961	–
(5) Monetary claims bought (*1)	41,908	41,906	(2)
(6) Trading assets	11,572	11,572	–
(7) Money held in trust	512	512	–
(8) Securities:			
Held-to-maturity securities	20,678	21,254	576
Available-for-sale securities	420,423	420,423	–
(9) Loans and bills discounted	896,412		
Allowance for credit losses (*1)	(7,278)		
	889,134	899,005	9,871
(10) Foreign exchange assets (*1)	15,585	15,585	–
Total assets	$ 1,744,019	$ 1,754,464	$ 10,445
(1) Deposits	$ 1,311,540	$ 1,311,768	$ 228
(2) Negotiable certificates of deposit	62,392	62,432	40
(3) Call money and bills sold	2,985	2,985	–
(4) Payables under repurchase agreements	93,822	93,822	–
(5) Payables under securities lending transactions	16,799	16,799	–
(6) Commercial paper	13,894	13,894	–
(7) Trading liabilities	67	67	–
(8) Borrowed money	94,391	95,024	633
(9) Foreign exchange liabilities	19,069	19,069	–
(10) Bonds payable	49,213	50,276	1,063
Total liabilities	$ 1,664,172	$ 1,666,136	$ 1,964
Derivatives (*2):			
To which hedge accounting is not applied	$ 411	$ 411	$ –
To which hedge accounting is applied	5,190	5,190	–
Total derivatives	$ 5,601	$ 5,601	$ –

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

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

Notes:

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

Assets

(1) "Cash and due from banks"

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

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

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

(5) "Monetary claims bought"

The fair value of "Monetary claims bought" is determined based on the price quoted by the financial institutions from which these claims were purchased or on the amount reasonably calculated based on the reasonable estimation.

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

For other monetary claims bought to which these methods do not apply, the carrying amount is presented as the fair value, as the fair value approximates such carrying value from their qualitative viewpoint.

(6) “Trading assets”

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

(7) “Money held in trust”

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

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

(8) “Securities”

The fair value of equity securities is determined based on the price quoted by the exchange. The fair value of bonds is determined based on the price quoted by the exchange or the financial institutions from which they were purchased, or on the amount that can be reasonably calculated. The fair value of investment trusts is determined based on the publicly available price. For privately placed guaranteed bonds held by the Bank, the fair value is determined based on the present value of expected future cash flows, which is adjusted to reflect default risk, amount to be collected from collateral, guarantees, guarantee fees and discounted at an interest rate based on the market rate as of the date of evaluation with certain adjustments. The fair value of variable rate Japanese government bonds is determined by discounting the expected future cash flow estimated based on factors such as the yield of government bonds, and the discounting rate is based on the yield of such government bonds, the value of embedded options and the liquidity premium based on the actual market premiums observed in the past.

See Note 4 “TRADING ASSETS OR LIABILITIES AND SECURITIES” for notes on securities by categories based on holding purposes.

(9) “Loans and bills discounted”

With respect to loans, for each category of loans based on types of loans, internal ratings and maturity length, the fair value is determined based on the present value of expected future cash flows, which is adjusted to reflect default risk and expected amount to be collected from collateral and guarantees and discounted at an interest rate based on the market rate as of the date of evaluation with certain adjustments. For loans with variable interest rates such as certain residential loans provided to individual homeowners, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount, unless the creditworthiness of the borrower has changed significantly since the loan origination. For receivables from “bankrupt,” “virtually bankrupt” and “likely to become bankrupt” borrowers, credit loss is estimated based on factors such as the present value of expected future cash flow or the expected amount to be collected from collateral and guarantees. Since the fair value of these items approximates the net amount of receivables after the deduction of allowance for credit losses on the consolidated balance sheets as of the consolidated balance sheet date, such amount is presented as the fair value.

(10) “Foreign exchange assets”

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

Liabilities

(1) “Deposits” and (2) “Negotiable certificates of deposit”

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

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

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

(7) “Trading liabilities”

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

(8) “Borrowed money”

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

(9) “Foreign exchange liabilities”

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

(10) “Bonds payable”

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

2. The following table summarizes financial instruments whose fair value cannot be reliably determined: These securities are not included in the amount presented under the line item “Assets-Available-for-sale securities” in the table summarizing fair value of financial instruments.

	Carrying amount	
	March 31, 2016	
	Millions of Yen	Millions of U.S. Dollars
Unlisted equity securities (*1) (*2)	¥ 153,843	$ 1,365
Investment in partnerships and others (*2) (*3)	71,438	634
Other (*2)	403	4
Total	¥ 225,685	$ 2,003

	Carrying amount
	March 31, 2015
	Millions of Yen
Unlisted equity securities (*1) (*2)	¥ 110,507
Investment in partnerships and others (*2) (*3)	179,351
Other (*2)	302
Total	¥ 290,162

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

(*2) With respect to unlisted equity securities, an impairment loss of ¥14,930 million ($132 million) and ¥2,301 million was recorded in the fiscal years ended March 31, 2016 and 2015, respectively.

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

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

	Millions of Yen					
	March 31, 2016					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Securities (*1) (*2):	¥ 11,911,948	¥ 5,637,748	¥ 6,805,582	¥ 3,757,292	¥ 8,377,355	¥ 9,255,037
Held-to-maturity securities:	237	21	131,263	396,629	2,045,459	1,292,853
Japanese government bonds	—	—	—	—	1,101,082	—
Foreign bonds	237	21	68,520	122,888	11,864	1,025,432
Other	—	—	62,742	273,740	932,512	267,420
Available-for-sale securities with contractual maturities:	11,911,710	5,637,726	6,674,318	3,360,663	6,331,896	7,962,183
Japanese government bonds	9,377,044	3,288,740	1,709,579	1,223,299	2,256,788	3,029,462
Municipal bonds	10,160	90,845	15,997	—	292,183	329
Corporate bonds	116,382	284,665	208,602	72,384	379,394	1,000,056
Foreign bonds	2,373,545	1,769,586	4,727,379	2,044,019	3,188,801	3,740,332
Other	34,577	203,889	12,759	20,958	214,728	192,002
Loans (*1) (*3)	44,789,550	16,853,510	13,868,027	5,399,877	5,178,483	13,875,876
Total	¥ 56,701,498	¥ 22,491,259	¥ 20,673,609	¥ 9,157,170	¥ 13,555,839	¥ 23,130,913

	Millions of U.S. Dollars					
	March 31, 2016					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Securities (*1) (*2):	$ 105,715	$ 50,033	$ 60,397	$ 33,345	$ 74,347	$ 82,136
Held-to-maturity securities:	2	0	1,165	3,520	18,153	11,474
Japanese government bonds	—	—	—	—	9,772	—
Foreign bonds	2	0	608	1,091	105	9,101
Other	—	—	557	2,429	8,276	2,373
Available-for-sale securities with contractual maturities:	105,713	50,033	59,232	29,825	56,194	70,662
Japanese government bonds	83,218	29,187	15,172	10,857	20,028	26,886
Municipal bonds	90	806	142	—	2,593	3
Corporate bonds	1,033	2,526	1,851	642	3,367	8,875
Foreign bonds	21,065	15,705	41,954	18,140	28,300	33,194
Other	307	1,809	113	186	1,906	1,704
Loans (*1) (*3)	397,493	149,570	123,075	47,922	45,957	123,144
Total	$ 503,208	$ 199,603	$ 183,472	$ 81,267	$ 120,304	$ 205,280

(*1) The amounts above are stated using the carrying amounts.

(*2) Securities include trust beneficiaries of "Monetary claims bought."

(*3)Loans do not include those amounts whose repayment schedules cannot be determined including due from "bankrupt" borrowers, "virtually bankrupt" borrowers and "likely to become bankrupt" borrowers amounting to ¥1,042,355 million ($9,251 million).

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

	Millions of Yen					
	March 31, 2016					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Time deposits and negotiable certificates of deposit (*1)	¥ 44,103,400	¥ 6,022,876	¥ 850,503	¥ 50,963	¥ 76,609	¥ 1,083
Borrowed money (*1) (*2) (*3)	3,987,864	3,215,041	1,645,413	308,314	731,269	748,086
Bonds (*1) (*2)	1,238,028	1,549,039	889,584	1,065,137	408,033	395,472
Total	¥ 49,329,294	¥ 10,786,957	¥ 3,385,501	¥ 1,424,416	¥ 1,215,912	¥ 1,144,642

	Millions of US Dollars					
	March 31, 2016					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Time deposits and negotiable certificates of deposit(*1)	$ 391,404	$ 53,451	$ 7,548	$ 452	$ 680	$ 9
Borrowed money(*1) (*2) (*3)	35,391	28,533	14,602	2,736	6,490	6,639
Bonds(*1) (*2)	10,987	13,747	7,895	9,453	3,621	3,510
Total	$ 437,782	$ 95,731	$ 30,045	$ 12,641	$ 10,791	$ 10,158

(*1) The amounts above are stated at the carrying amount.
(*2) "Borrowed money" and "Bonds" whose maturities are not defined are recorded under "Due after ten years."
(*3) There was no outstanding balance of rediscounted bills as of March 31, 2016.

26. DERIVATIVES

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

The Group enters into futures contracts on interest rate, currency, equity and bonds, forward contracts on interest rate and foreign exchange and equity, swaps contracts on interest rate, currency, equity and commodity and option contracts on interest rate, currency, equity, bond futures, commodity and credit default options.

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

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

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

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

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

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

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

The Bank has the following derivative contracts outstanding as of March 31, 2016, 2015 and 2014:

Derivatives to which hedge accounting is not applied:

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

(1) Interest rate-related derivatives

		Millions of Yen — March 31, 2016 — Contract amount: Total	Contract amount: Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥ 856,927	¥ 534,186	¥ (1,091)	¥ (1,091)
	Bought	367,005	149,256	233	233
Over-the-counter ("OTC") transactions:					
Forward rate agreement	Sold	17,329,398	–	579	579
	Bought	18,356,986	–	(597)	(597)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	160,769,183	142,233,884	6,506,812	6,506,812
	Receivable floating rate/ Payable fixed rate	160,959,882	141,449,307	(6,322,395)	(6,322,395)
	Receivable floating rate/ Payable floating rate	48,002,292	40,666,565	47,794	47,794
	Receivable fixed rate/ Payable fixed rate	174,359	154,359	3,057	3,057
Interest rate swaptions	Sold	4,753,714	2,969,366	(148,435)	(81,265)
	Bought	4,951,435	2,317,736	52,946	27,769
Other	Sold	1,587,207	1,027,309	(1,948)	3,552
	Bought	1,816,042	1,246,546	11,471	7,120
Total		–	–	¥ 148,427	¥ 191,570

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

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

		Millions of U.S. Dollars			
		March 31, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	$ 7,605	$ 4,741	$ (10)	$ (10)
	Bought	3,257	1,325	2	2
OTC transactions:					
Forward rate agreement	Sold	153,793	–	5	5
	Bought	162,913	–	(5)	(5)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	1,426,777	1,262,282	57,746	57,746
	Receivable floating rate/ Payable fixed rate	1,428,469	1,255,319	(56,109)	(56,109)
	Receivable floating rate/ Payable floating rate	426,005	360,903	424	424
	Receivable fixed rate/ Payable fixed rate	1,547	1,370	27	27
Interest rate swaptions	Sold	42,188	26,352	(1,318)	(721)
	Bought	43,942	20,569	470	246
Other	Sold	14,086	9,117	(17)	32
	Bought	16,117	11,063	102	63
Total		–	–	$ 1,317	$ 1,700

Notes:

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

(2) Currency-related derivatives

		Millions of Yen March 31, 2016 Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	¥ 411,256	¥ 9,116	¥ (3,061)	¥ (3,061)
	Bought	566,313	330,122	10,865	10,865
OTC transactions:					
Currency swaps		31,237,505	23,624,138	(190,281)	(190,281)
Forward contracts on	Sold	46,563,936	2,256,354	265,614	265,614
foreign exchange	Bought	45,909,208	2,112,509	(151,333)	(151,333)
Currency options	Sold	6,696,632	2,714,934	(240,718)	69,524
	Bought	6,718,548	2,584,779	195,523	(57,394)
Total		–	–	¥ (113,390)	¥ (56,065)

		Millions of Yen March 31, 2015 Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	¥ 190,462	¥ –	¥ 860	¥ 860
	Bought	96,078	–	(494)	(494)
OTC transactions:					
Currency swaps		27,986,410	22,778,667	(150,827)	(150,827)
Forward contracts on	Sold	43,144,079	2,557,939	32,552	32,552
foreign exchange	Bought	42,421,779	2,386,251	79,416	79,416
Currency options	Sold	6,969,525	3,041,495	(466,671)	(81,070)
	Bought	6,983,360	3,026,135	305,334	(1,708)
Total		–	–	¥ (199,828)	¥ (121,270)

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

		Millions of U.S. Dollars March 31, 2016 Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Currency futures	Sold	$ 3,650	$ 81	$ (27)	$ (27)
	Bought	5,026	2,930	96	96
OTC transactions:					
Currency swaps		277,223	209,657	(1,689)	(1,689)
Forward contracts on	Sold	413,240	20,024	2,357	2,357
foreign exchange	Bought	407,430	18,748	(1,343)	(1,343)
Currency options	Sold	59,431	24,094	(2,136)	617
	Bought	59,625	22,939	1,735	(509)
Total		–	–	$ (1,007)	$ (498)

Notes:

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

(3) Equity-related derivatives

		Millions of Yen March 31, 2016 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥ 312	¥ –	¥ (4)	¥ (4)
	Bought	197	–	4	4
Stock index options	Sold	–	–	–	–
	Bought	517	–	1	(10)
OTC transactions:					
OTC options on securities	Sold	202,088	137,640	(26,693)	(26,693)
	Bought	202,088	137,640	26,755	26,755
Forward trading on OTC securities index	Sold	467	–	13	13
	Bought	–	–	–	–
Total return swaps	Sold	–	–	–	–
	Bought	8,056	–	(186)	(186)
Total		–	–	¥ (109)	¥ (120)

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

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

		Millions of U.S. Dollars March 31, 2016 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	$ 3	$ –	$ (0)	$ (0)
	Bought	2	–	0	0
Stock index options	Sold	–	–	–	–
	Bought	5	–	0	(0)
OTC transactions:					
OTC options on securities	Sold	1,793	1,222	(237)	(237)
	Bought	1,793	1,222	237	237
Forward trading on OTC securities index	Sold	4	–	0	0
	Bought	–	–	–	–
Total return swaps	Sold	–	–	–	–
	Bought	71	–	(1)	(1)
Total		–	–	$ (1)	$ (1)

Notes:

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

(4) Bond-related derivatives

		Millions of Yen			
		March 31, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 209,415	¥ –	¥ (219)	¥ (219)
	Bought	122,682	–	(6)	(6)
Bond futures options	Sold	55,004	–	(94)	13
	Bought	160,295	–	322	19
Total		–	–	¥ 2	¥ (192)

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

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

		Millions of U.S. Dollars			
		March 31, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	$ 1,858	$ –	$ (2)	$ (2)
	Bought	1,089	–	(0)	(0)
Bond futures options	Sold	488	–	(1)	0
	Bought	1,423	–	3	0
Total		–	–	$ 0	$ (2)

Notes:

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

(5) Commodity-related derivatives

		Millions of Yen March 31, 2016 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	¥ 140,732	¥ 60,773	¥ (24,530)	¥ (24,530)
	Receivable floating rate/ Payable index volatility	184,215	74,858	30,427	30,427
Commodity options	Sold	117,106	71,740	(9,062)	(9,059)
	Bought	117,106	71,740	9,068	9,066
Total		–	–	¥ 5,903	¥ 5,904

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

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

		Millions of U.S. Dollars March 31, 2016 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Commodity swaps	Receivable index volatility/ Payable floating rate	$ 1,249	$ 539	$ (218)	$ (218)
	Receivable floating rate/ Payable index volatility	1,635	664	270	270
Commodity options	Sold	1,039	637	(80)	(80)
	Bought	1,039	637	80	80
Total		–	–	$ 52	$ 52

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values of transactions listed on exchange are determined using the closing price at Inter Continental Exchange Futures and others at the fiscal year end date.
   Fair values of OTC transactions are calculated using the prices of the underlying transactions, contract periods and other factors composing the transactions.
3. Commodity is mainly related to oil.

(6) Credit-related derivatives

		Millions of Yen, March 31, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 657,849	¥ 556,649	¥ 5,343	¥ 5,343
	Bought	914,429	715,315	(1,112)	(1,112)
Total		–	–	¥ 4,231	¥ 4,231

		Millions of Yen, March 31, 2015			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 616,724	¥ 539,963	¥ 8,469	¥ 8,469
	Bought	849,300	676,078	(9,130)	(9,130)
Total		–	–	¥ (660)	¥ (660)

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

		Millions of U.S. Dollars, March 31, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	$ 5,838	$ 4,940	$ 48	$ 48
	Bought	8,115	6,348	(10)	(10)
Total		–	–	$ 38	$ 38

Notes:

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

(7) Other derivatives

		Millions of Yen, March 31, 2016			
		Contract amount			
		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	¥ 33,775	¥ 15,451	¥ (505)	¥ (164)
	Bought	34,478	15,813	1,214	323
SVF Wrap Products	Sold	2,102,876	1,261,963	(1)	(1)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	5,321	5,321	566	566
Total		–	–	¥ 1,273	¥ 724

		Millions of Yen March 31, 2015 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	¥ 34,823	¥ 27,823	¥ (1,615)	¥ (72)
	Bought	34,823	27,823	1,615	670
SVF Wrap Products	Sold	2,214,874	1,228,514	(0)	(0)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	5,674	3,571	408	408
Total		–	–	¥ 408	¥ 1,005

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

		Millions of U.S. Dollars March 31, 2016 Contract amount Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	$ 300	$ 137	$ (5)	$ (2)
	Bought	306	140	11	3
SVF Wrap Products	Sold	18,662	11,200	(0)	(0)
	Bought	–	–	–	–
Other	Sold	–	–	–	–
	Bought	47	47	5	5
Total		–	–	$ 11	$ 6

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values are calculated using option-pricing models or other methods.
3. SVF Wrap Products are derivative instruments that the Bank guarantees payment of the principal to the 401(k) investors who invest in Stable Value Fund.

Derivatives to which hedge accounting is applied:

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

(1) Interest rate-related derivatives

			Millions of Yen		
			March 31, 2016		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits	¥ 16,483,390	¥ 15,579,692	¥ 503,949
	Receivable floating rate/ Payable fixed rate		6,992,430	6,814,670	(143,319)
	Interest rate futures		2,192,633	1,441,979	1,278
Total			–	–	¥ 361,909

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

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

			Millions of U.S. Dollars		
			March 31, 2016		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits	$ 146,285	$ 138,265	$ 4,473
	Receivable floating rate/ Payable fixed rate		62,056	60,478	(1,272)
	Interest rate futures		19,459	12,797	11
Total			–	–	$ 3,212

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

(2) Currency-related derivatives

			Millions of Yen		
			March 31, 2016		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥ 16,130,098	¥ 11,359,349	¥ 213,633
	Foreign currency forward contracts	Investments in equity interests in foreign subsidiaries	182,316	–	9,853
Total			–	–	¥ 223,487

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

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

			Millions of U.S. Dollars		
			March 31, 2016		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	$ 143,150	$ 100,811	$ 1,896
	Forward contracts	Investments in equity interests in foreign subsidiaries	1,618	–	87
Total			–	–	$ 1,983

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

(3) Equity-related derivatives

Hedge accounting method	Transaction type	Major hedged item	Millions of Yen March 31, 2016 Contract amount	Contract amount due after one year	Fair value
Fair value hedge accounting	Total return swaps	Available-for-sale securities (equity securities)	¥ 363,210	¥ 46,936	¥ 272

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

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

Hedge accounting method	Transaction type	Major hedged item	Millions of U.S. Dollars March 31, 2016 Contract amount	Contract amount due after one year	Fair value
Fair value hedge accounting	Total return swaps	Available-for-sale securities (equity securities)	$ 3,223	$ 417	$ 2

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

(4) Bond-related derivatives

Hedge accounting method	Transaction type	Major hedged item	Millions of Yen March 31, 2016 Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	OTC bond options	Available-for-sale securities (debt securities)	¥ 652,200	¥ –	¥ (920)

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

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

			Millions of U.S. Dollars		
			March 31, 2016		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferred hedge accounting	OTC bond options	Available-for-sale securities (debt securities)	$ 5,788	$ –	$ (8)

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

27. BUSINESS COMBINATIONS OR DIVESTITURES

Year ended March 31, 2016

Business Combination of a Subsidiary

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

1. Overview of the business combination

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

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

(2) Main objectives of the business combination

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

(3) Date of the business combination

April 1, 2015

(4) Legal form of the business combination

Transfer of shares in exchange for cash

2. Outline of accounting treatment applied

ASBJ Statement No. 22, "Revised Accounting Standard for Consolidated Financial Statements" (issued on September 13, 2013) and JICPA Accounting System Committee Report No. 7, "Practical Guidance on Consolidation Procedures in the Consolidated Financial Statements" (issued on November 28, 2014) were applied. As a result, gain on sales of shares of a subsidiary amounted to ¥15,595 million ($138 million).

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

Retail Banking Business Unit

Year ended March 31, 2015

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

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

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

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

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

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

   (5) Other matters related to overview of the transaction
   The transaction was made in compliance with the Bank of Thailand's One Presence Policy, and intending collaboration in various fields to maximize the strategic partnership with Krungsri in accordance with the Conditional Branch Purchase Agreement concluded between the Bank and Krungsri on September 18, 2013.

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

3. Matters related to changes in the Bank's equity interests related to the transactions with noncontrolling interests
   As a result of acquisition of the common shares of Krungsri through the contribution in kind of the former BTMU Bangkok Branch business to Krungsri, capital surplus decreased ¥11,187 million.

Year ended March 31, 2014

(Business Combinations)

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

1. Overview of the business combination

   (1) Name and business description of the acquired company
   Name of the acquired company Bank of Ayudhya Public Company Limited
   Description of business Commercial bank

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

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

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

(5) Acquired voting rights ratio
72.01%

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

3. Acquisition cost of the acquired company and its breakdown

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

4. Amount of goodwill incurred, causes, amortization method and amortization period
(1) Amount of goodwill incurred
¥166,634 million

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

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

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

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

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

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

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

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

28. RELATED-PARTY TRANSACTION

***Related-party transactions*:**
Related-party transactions for the years ended March 31, 2016, 2015 and 2014 were as follows:

(1)Transactions between the Bank and its related parties

a. Parent company and major shareholders (limited to companies and others)
There was no applicable transaction with the parent company and major shareholders to be reported for the years ended March 31, 2016 and 2015.

Year ended March 31, 2014

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

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

b. Unconsolidated subsidiaries and affiliates
There was no applicable transaction to be reported for the years ended March 31, 2016, 2015 and 2014.

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

There was no applicable transaction to be reported for the years ended March 31, 2016 and 2015.

Year ended March 31, 2014

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

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

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

Year ended March 31, 2016

Type	Name	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director's relative	Akira Koyama	Relative of representative director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	¥ — 0	Loans and bills discounted Other assets	¥ 12 0
Director's relative	Yoshiki Murabayashi	Relative of representative director of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	¥ — 0	Loans and bills discounted Other assets	¥ 32 0
Director's relative	Junichi Domon	Relative of representative director of the Bank	None	Loans	Loan (Note 3) Receipt of interest (Note 3)	¥ — 0	Loans and bills discounted Other assets	¥ 26 0

Terms and conditions on transactions and transaction policy:
Notes:
1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method

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

Year ended March 31, 2015

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

Terms and conditions on transactions and transaction policy:
Notes:
1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 15 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 35 years.
3. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 20 years.

Year ended March 31, 2014

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

Terms and conditions on transactions and transaction policy:
Notes:
1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 35 years.

Year ended March 31, 2016

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

Terms and conditions on transactions and transaction policy:
Notes:
1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 15 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 35 years.

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

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

There was no applicable transaction to be reported for the years ended March 31, 2016, 2015 and 2014.

Information about the parent company or significant affiliates:

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

(2) Condensed financial information of significant affiliates:
There was no applicable information to be reported for the years ended March 31, 2016, 2015 and 2014.

29. SEGMENT INFORMATION

Notes:

(1) "Ordinary income (expenses)" and "Ordinary profit" are defined as follows:
1) "Ordinary profit" means "Ordinary income" less "Ordinary expenses."
2) "Ordinary income" means total income less certain special income included in "Other income" in the consolidated statements of income.
3) "Ordinary expenses" means total expenses less certain special expenses included in "Other expenses" in the consolidated statements of income.

(2) A reconciliation of the ordinary profit under the internal management reporting system for the years ended March 31, 2016, 2015 and 2014 to income before income taxes shown in the consolidated statements of income was as follows:

	Millions of Yen			Millions of U.S. Dollars
	2016	2015	2014	2016
Ordinary profit:	¥ 1,083,701	¥ 1,221,200	¥ 1,217,534	$ 9,618
Gain on disposal of fixed assets	21,243	4,091	10,099	189
Gain on sales of shares of a subsidiary	15,595	–	–	138
Gain on sales of shares of affiliates	–	–	6,895	–
Gain on change in equity	112	–	–	1
Loss on disposal of fixed assets	(10,236)	(5,368)	(6,388)	(91)
Impairment loss on long-lived assets	(11,011)	(4,249)	(3,758)	(98)
Provision for reserve under the special laws	–	(525)	(573)	–
Settlement package	–	(37,097)	(24,537)	–
Loss on sales of shares of subsidiaries	–	(25,151)	(2,172)	–
Loss on sales of shares of affiliates	–	–	(330)	–
Income before income taxes	¥ 1,099,404	¥ 1,152,900	¥ 1,196,769	$ 9,757

For the years ended March 31, 2016, 2015 and 2014:

(1) Reportable segments

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

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

(Changes in reportable segments):

From the year ended March 31, 2016, the Bank has changed the segmentation method and "Bank of Ayudhya," which was separately reported as an independent reportable segment in the past, has been included in "Global Business Unit."
Accordingly, segment information for the year ended March 31, 2015 and 2014 stated below in "(3) Reportable segment information" is prepared based on the segmentation method after the change.

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

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

(Changes in calculation method of operating income (loss)):

From the year ended March 31, 2016, the Bank has changed the calculation method of business segment profit according to the changes in the internal performance management methods such as revision of jurisdiction of each business unit and changes in allocation method of income and expenses of business segments.
Accordingly, reportable segment information for the year ended March 31, 2015 and 2014 stated below in "(3) Reportable segment information" has been restated based on the calculation method reflecting such changes.

(Accounting changes on business combinations)

As noted in Note 2 (23) "Changes in Accounting Policies," the Bank applied the Accounting Standard for Business Combinations and other standards in accordance with the transitional treatment set forth in Paragraph 58-2 (3) of the Business Combinations Accounting Standard, Paragraph 44-5 (3) of the Consolidation Accounting Standard and Paragraph 57-4 (3) of the Business Divestitures Accounting Standard effective April 1, 2014.
As a result, compared to the amount calculated using the previous accounting method, net operating income increased by ¥168 million and amortization of goodwill decreased by ¥168 million in "Retail Banking Business Unit," net operating income increased by ¥12,328 million and amortization of goodwill and unamortized balance of goodwill decreased by ¥12,328 million and ¥166,063 million, respectively in "Global Business Unit," and amortization of goodwill and unamortized balance of goodwill decreased by ¥143 million and ¥13,656 million, respectively in "Other units" for the year ended March 31, 2015.

(3) Reportable segment information for the years ended March 31, 2016, 2015 and 2014

Year ended March 31, 2016	Millions of Yen							
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit			Global Markets Unit	Other units	Total
			Total	(of which MUAH)	(of which Bank of Ayudhya)			
Gross operating income	¥ 514,133	¥ 653,978	¥ 1,257,562	¥ 437,932	¥ 261,608	¥ 419,165	¥ 38,799	¥ 2,883,639
Non-consolidated	470,018	631,702	449,162	–	–	375,236	83,928	2,010,049
Net interest income	337,512	277,201	209,675	–	–	175,222	155,713	1,155,325
Net non-interest income	132,506	354,501	239,487	–	–	200,013	(71,785)	854,724
Subsidiaries	44,114	22,275	808,399	437,932	261,608	43,928	(45,128)	873,589
Expenses	417,867	321,877	800,952	318,022	131,158	80,735	108,886	1,730,319
Net operating income	¥ 96,265	¥ 332,100	¥ 456,610	¥ 119,909	¥ 130,449	¥ 338,429	¥ (70,087)	¥ 1,153,320

Year ended March 31, 2015	Millions of Yen							
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit			Global Markets Unit	Other units	Total
			Total	(of which MUAH)	(of which Bank of Ayudhya)			
Gross operating income	¥ 577,340	¥ 699,939	¥ 1,275,101	¥ 442,421	¥ 240,313	¥ 460,508	¥ (11,295)	¥ 3,001,595
Non-consolidated	510,570	678,075	480,912	–	–	421,807	8,557	2,099,922
Net interest income	354,833	302,227	236,082	–	–	197,176	138,666	1,228,987
Net non-interest income	155,736	375,847	244,829	–	–	224,630	(130,109)	870,934
Subsidiaries	66,770	21,864	794,189	442,421	240,313	38,701	(19,852)	901,673
Expenses	438,843	331,426	781,490	306,068	123,670	80,970	148,583	1,781,314
Net operating income	¥ 138,497	¥ 368,513	¥ 493,611	¥ 136,353	¥ 116,642	¥ 379,538	¥ (159,878)	¥ 1,220,281

Year ended March 31, 2014	Millions of Yen							
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit			Global Markets Unit	Other units	Total
			Total	(of which UNBC)	(of which Bank of Ayudhya)			
Gross operating income	¥ 579,519	¥ 676,273	¥ 897,596	¥ 375,851	¥ –	¥ 395,344	¥ (7,277)	¥ 2,541,455
Non-consolidated	509,719	655,287	419,902	–	–	374,260	(15,236)	1,943,934
Net interest income	378,836	310,426	212,205	–	–	180,810	66,189	1,148,468
Net non-interest income	130,883	344,861	207,696	–	–	193,450	(81,425)	795,465
Subsidiaries	69,800	20,985	477,693	375,851	–	21,083	7,958	597,521
Expenses	438,247	326,960	547,568	266,808	–	69,720	123,348	1,505,844
Net operating income	¥ 141,272	¥ 349,312	¥ 350,028	¥ 109,043	¥ –	¥ 325,623	¥ (130,625)	¥ 1,035,611

Year ended March 31, 2016	Millions of U.S. Dollars							
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit			Global Markets Unit	Other units	Total
			Total	(of which MUAH)	(of which Bank of Ayudhya)			
Gross operating income	$ 4,563	$ 5,804	$ 11,160	$ 3,886	$ 2,322	$ 3,720	$ 344	$ 25,591
Non-consolidated	4,171	5,606	3,986	–	–	3,330	745	17,838
Net interest income	2,995	2,460	1,861	–	–	1,555	1,382	10,253
Net non-interest income	1,176	3,146	2,125	–	–	1,775	(637)	7,585
Subsidiaries	392	198	7,174	3,886	2,322	390	(401)	7,753
Expenses	3,709	2,857	7,108	2,822	1,164	716	966	15,356
Net operating income	$ 854	$ 2,947	$ 4,052	$ 1,064	$ 1,158	$ 3,004	$ (622)	$ 10,235

Notes:

1. "Gross operating income" corresponds to net sales of non-banking industries.
2. "Gross operating income" includes net interest income, net fees and commission, net trading income and net other operating income.
3. "Expenses" includes personnel expenses and premise expenses.
4. Assets or liabilities by reportable segment are not shown since the Bank does not allocate assets or liabilities to segments for the purpose of internal control.
5. UnionBanCal Corporation ("UNBC") was a bank holding company which owned Union Bank, N.A. in the United States of America as a subsidiary.
   In addition, it changed its company name from UNBC to MUAH on July 1, 2014.
   MUAH is a financial holding company for local banking companies and the Bank's branches in the United States of America as well as local companies and the Bank's branches in Latin America and Canada and manages the Americas business of the Bank.

6. Figures from Bank of Ayudhya are calculated based on the accounting standards in Thailand.
   Bank of Ayudhya and the former BTMU Bangkok branch were integrated on January 5, 2015, but the figures of the former Bangkok branch for the years ended March 31, 2015 and 2014 are not included in "of which Bank of Ayudhya."
   Figures of the former Bangkok branch for the years ended March 31, 2015 and 2014 are included in "Total" of "Global Business Unit" and "Global Markets Unit." Gross operating income, expenses and net operating income of the former Bangkok branch for the year ended March 31, 2015 were ¥21,970 million, ¥7,543 million and ¥14,427 million, respectively.
7. Amortization of goodwill of MUAH and Bank of Ayudhya are included in "Expenses" of "Total" of "Global Business Unit."

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

	Millions of Yen			Millions of U.S. Dollars
Year ended March 31	2016	2015	2014	2016
Net operating income per reportable segment information	¥ 1,153,320	¥ 1,220,281	¥ 1,035,611	$ 10,235
Net business profit of subsidiaries excluded from the reportable segment information	56,366	64,255	61,977	500
Provision (reversal) of general allowance for credit losses	169,662	(83,180)	–	1,506
Credit-related expenses	(413,323)	(78,253)	(80,085)	(3,668)
Reversal of allowance for credit losses	–	–	74,570	–
Reversal of reserve for contingent losses (credit related)	–	1,039	–	–
Gains on collection of bad debts	39,170	43,900	40,817	347
Gains on equity securities and other securities	73,973	62,070	111,636	657
Equity in earnings of the equity method investees	25,000	24,691	14,169	222
Amortization of net unrecognized actuarial gain or loss	(30,673)	(30,912)	(38,544)	(272)
Gain on cancellation of sleeping deposit accounts	18,774	14,728	15,435	167
Other	(8,568)	(17,421)	(18,053)	(76)
Ordinary profit under the internal management reporting system	¥ 1,083,701	¥ 1,221,200	¥ 1,217,534	$ 9,618

Notes:

1. "Credit related expenses" includes write-offs of loans and provision of specific allowance for credit losses for the years ended March 31, 2016 and 2015, and includes write-offs of loans for the year ended March 31, 2014.
2. "Gains on equity securities and other securities" includes gains or losses on sales of equity securities and losses on write-down of equity securities.

(5) Other segment related information

1) Information by service

Year ended March 31, 2016	Millions of Yen		
	Banking	Other	Total
Ordinary income from external customers	¥ 3,992,919	¥ 40,876	¥ 4,033,796

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

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

Year ended March 31, 2016	Millions of U.S. Dollars		
	Banking	Other	Total
Ordinary income from external customers	$ 35,436	$ 363	$ 35,799

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

2) Information by geographic region

A) Ordinary income

Millions of Yen						
Year ended March 31, 2016						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 2,150,524	¥ 779,111	¥ 13,448	¥ 40,308	¥ 202,873	¥ 847,530	¥ 4,033,796

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

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

Millions of U.S. Dollars						
Year ended March 31, 2016						
Japan	USA	North America (except for USA)	Latin America	Europe/Middle East	Asia/Oceania	Total
$ 19,085	$ 6,914	$ 119	$ 358	$ 1,801	$ 7,522	$ 35,799

Notes:

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

B) Tangible fixed assets

Millions of Yen													
As of March 31, 2016													
	Japan		USA		North America (except for USA)		Latin America		Europe/Middle East		Asia/Oceania		Total
¥	844,231	¥	144,674	¥	194	¥	1,951	¥	7,283	¥	84,164	¥	1,082,499

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

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

Millions of U.S. Dollars													
As of March 31, 2016													
	Japan		USA		North America (except for USA)		Latin America		Europe/Middle East		Asia/Oceania		Total
$	7,492	$	1,284	$	2	$	17	$	65	$	747	$	9,607

3) Information by major customer

There was no applicable information to be reported for the years ended March 31, 2016, 2015 and 2014.

4) Information on impairment loss on long-lived assets by reportable segment

Impairment loss on long-lived assets is not allocated to the reportable segments. The impairment loss was ¥11,011 million ($98 million), ¥4,249 million and ¥3,758 million for the years ended March 31, 2016, 2015 and 2014, respectively.

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

	Millions of Yen							
Year ended March 31, 2016	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit: Total	Global Business Unit: (of which MUAH)	Global Business Unit: (of which Bank of Ayudhya)	Global Markets Unit	Other units	Total
Amortization	¥ –	¥ –	¥ 15,878	¥ –	¥ –	¥ –	¥ –	¥ 15,878
Unamortized balance	0	8	258,751	–	–	–	–	258,760

	Millions of Yen							
Year ended March 31, 2015	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit: Total	Global Business Unit: (of which MUAH)	Global Business Unit: (of which Bank of Ayudhya)	Global Markets Unit	Other units	Total
Amortization	¥ 185	¥ –	¥ 16,735	¥ –	¥ –	¥ –	¥ –	¥ 16,920
Unamortized balance	2,317	19	290,888	–	–	–	–	293,225

	Millions of Yen							
Year ended March 31, 2014	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit: Total	Global Business Unit: (of which UNBC)	Global Business Unit: (of which Bank of Ayudhya)	Global Markets Unit	Other units	Total
Amortization	¥ 185	¥ –	¥ 18,175	¥ –	¥ –	¥ –	¥ –	¥ 18,361
Unamortized balance	2,503	30	449,134	–	–	–	–	451,668

Year ended March 31, 2016		Retail Banking Business Unit		Corporate Banking Business Unit	Global Business Unit						Global Markets Unit		Other units		Total
						Total		(of which MUAH)		(of which Bank of Ayudhya)					
Amortization	$	–	$	–	$	141	$	–	$	–	$	–	$	–	$ 141
Unamortized balance		0		0		2,296		–		–		–		–	2,296

Millions of U.S. Dollars

Notes:

1. Amortization of goodwill and unamortized balance of goodwill of MUAH and Bank of Ayudhya are included in "Total" of "Global Business Unit" for the years ended March 31, 2016 and 2015.
2. Amortization of goodwill and unamortized balance of goodwill of UNBC and Bank of Ayudhya are included in "Total" of "Global Business Unit" for the year ended March 31, 2014.
3. Amortization of goodwill which was not allocated to the reportable segments was ¥65 million ($1 million) and ¥13 million for the years ended March 31, 2016 and 2014, respectively.

6) Information on gain on negative goodwill by reportable segment

There was no applicable information to be reported for the years ended March 31, 2016, 2015 and 2014.

30. SUBSEQUENT EVENTS

1. Share Acquisition of Security Bank

The Bank has concluded the Subscription Agreement with Security Bank Corporation ("Security Bank"), a leading commercial bank in the Philippines on January 14, 2016, and on April 1, 2016, the Bank acquired 20.0% of Security Bank's newly issued common shares and preferred shares and appointed 2 directors of Security Bank's Board of Directors ("BOD"), and Security Bank became an equity method affiliate of the Bank.

(1) Outline of Share Acquisition

1) Total number of shares acquired: 150,707,778 shares of common shares
200,000,000 shares of preferred shares

2) Acquisition rate: The Bank acquired 20.0% of Security Bank's common shares and preferred shares with voting rights through a private placement of newly issued shares.

3) Acquisition Price: PHP 245 per common share
PHP 0.1 per preferred share

4) Investment Amount: PHP 36,943 million

5) Board Representation: The Bank has already appointed 2 directors to the Security Bank's BOD

(2) Outline of Business Alliance

Leveraging both banks' expertise and customer base, the Bank and Security Bank will enhance its services offered to the enlarged customer base in the Philippines through promoting the collaboration in the areas described below:

<Main collaboration areas>

1) Work-site business to Japanese corporate employees
2) Trade Finance
3) Project Finance
4) Reciprocal long-term funding support
5) Capture Japan-related business opportunities including large-size projects Japanese corporates are engaged in
6) Exchange of knowledge and technological expertise
7) Explore other collaboration areas between MUFG's key subsidiaries/affiliates companies, including leasing, securities, and asset management.

(3) Overview of Security Bank

1) Name: Security Bank Corporation
2) Type of business: Commercial Bank
3) Year of establishment: 1951
4) Headquarters: Makati City, Republic of the Philippines
5) Representative: Mr. Alfonso L. Salcedo, Jr. President and CEO
6) Capital Stock: PHP 6,089 million (as of December 31, 2015)
7) Relationship with the Bank:
The Bank, on one hand, and Security Bank, on the other, do not have any capital, personal or transactional relationship that are required to be disclosed.
8) Number of Employees: 4,328 (as of December 31, 2015)
9) Number of branches: 268 (as of May 6, 2016)
10) Business sizes (for the year ended December 31, 2015)

(in millions of PHP)

Total operating income	18,308
Income before income tax	8,302
Net income attributable to equity holders of the Parent Company	7,536
Total assets	532,200
Total equity	53,214

Notes

1. The amount of "Income before income tax" is the difference between "Total operating income" and "Total operating expenses."
2. The above figures are based on the Form 17-C of Security Bank prepared in accordance with the Securities Regulation Code of the Philippines.

2. Redemption of Preferred Securities

On May 30, 2016, the Bank decided the redemption of preferred securities (“Preferred Securities”) issued by overseas special purpose companies, which are subsidiaries of the Bank, in full as stated below.

(1) Summary of Preferred Securities to be Redeemed

<table>
<tr><td>Issuer</td><td>BTMU Preferred Capital 1 Limited</td><td>BTMU Preferred Capital 2 Limited</td></tr>
<tr><td rowspan="2">Type of Security</td><td>US dollar-denominated
fixed/floating rate non-cumulative
preferred securities</td><td>Euro-denominated
fixed/floating rate non-cumulative
preferred securities</td></tr>
<tr><td colspan="2">The Preferred Securities rank, as to rights to a liquidation preference, effectively pari passu with the preferred shares issued by the Bank which rank most senior in priority of payment as to liquidation distribution.</td></tr>
<tr><td>Maturity</td><td colspan="2">Perpetual
Provided, however, that the issuer may, at its discretion, redeem all or part of the Preferred Securities on a dividend payment date in July 2016 or thereafter.</td></tr>
<tr><td>Dividends</td><td>Dividend Rate 6.346% per annum
(Fixed rate until July 2016)
Floating rate after July 2016</td><td>Dividend Rate 4.850% per annum
(Fixed rate until July 2016)
Floating rate after July 2016</td></tr>
<tr><td>Issue Amount</td><td>USD 2,300,000,000</td><td>EUR 750,000,000</td></tr>
<tr><td>Issue Date</td><td colspan="2">March 17, 2006</td></tr>
<tr><td>Redemption Amount</td><td>USD 2,300,000,000</td><td>EUR 750,000,000</td></tr>
<tr><td>Redemption Price</td><td>USD 1,000 per preferred security
(equal to the issue price)</td><td>EUR 1,000 per preferred security
(equal to the issue price)</td></tr>
</table>

(2) Scheduled Redemption Date

July 25, 2016

31. ADDITIONAL INFORMATION

Transactions under Common Control

(Transfer of the Ownership of U.S. Subsidiaries and Affiliate in Compliance with U.S. Enhanced Prudential Standards)

MUFG has decided to designate MUAH, a U.S. subsidiary of the Bank, as its U.S. intermediate holding company which is required to be established under the U.S. Enhanced Prudential Standards. Subject to all required regulatory approvals and necessary decisions by MUFG's subsidiaries in Japan and the U.S., the Bank, Mitsubishi UFJ Trust and Banking Corporation ("MUTB"), and MUSHD will transfer the ownership of their U.S. subsidiaries and affiliates to MUAH. The overview is as follows

1. Overview of the transaction
   (1) Name and business description of the involved companies
   Name of the involved companies: Mitsubishi UFJ Securities (USA), Inc.
   (wholly owned subsidiary of MUSHD)
   MUFG Fund Services (USA) LLC*
   (wholly owned subsidiary of MUTB)
   *MUTB owns the company through Mitsubishi UFJ Fund Services Holdings Limited (located in Bermuda, British overseas territory).

Description of business:		
	Mitsubishi UFJ Securities (USA), Inc.	Securities business
	MUFG Fund Services (USA) LLC	Fund administration business

   (2) Planned date of the business combination
   July 1, 2016

   (3) Legal form of the business combination
   MUTB and MUSHD will execute a distribution-in-kind of the shares and ownership interests in MUFG Fund Services (USA) LLC and Mitsubishi UFJ Securities (USA), Inc. to MUFG. Thereafter, MUFG will transfer such shares and ownership interests to MUAH as a contribution-in-kind.

   (4) Name of the company after the business combination
   Mitsubishi UFJ Securities (USA), Inc. will change its name to MUFG Securities Americas Inc.

2. Outline of accounting treatment to be applied
   The transaction will be treated as a transaction under common control in accordance with ASBJ Statement No. 21, "Revised Accounting Standard for Business Combinations" (issued on September 13, 2013) and ASBJ Guidance No. 10, "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (issued on September 13, 2013).