Items Disclosed on Internet Pursuant to
Laws and Regulations, and the Articles of Incorporation

1. Notes to the Consolidated Financial Statements
2. Notes to the Non-Consolidated Financial Statements

For the Ninth Fiscal Year (from April 1, 2013 to March 31, 2014)

Mitsubishi UFJ Financial Group, Inc.

The items listed above are disclosed on our website (http://www.mufg.jp/) pursuant to
laws and regulations, and the provision of Article 25 of the Articles of Incorporation.
Notes to the Consolidated Financial Statements

Amounts of less than one million Japanese yen (“yen”) are rounded down.
“Subsidiaries” and “affiliates” are determined in accordance with Article 2-8 of the Banking Act and Article 4-2 of the Enforcement Ordinance of the Banking Act.

Notes to Significant Accounting Policies Applied in the Preparation of the Consolidated Financial Statements

1. Scope of Consolidation
   (1) Number of Consolidated Subsidiaries: 253
      Principal companies:
      The Bank of Tokyo-Mitsubishi UFJ, Ltd.   Mitsubishi UFJ Securities Holdings Co., Ltd.
      Mitsubishi UFJ Trust and Banking Corporation   Mitsubishi UFJ NICOS Co., Ltd.

      In the current fiscal year, Bank of Ayudhya Public Company Limited and 48 other companies were newly consolidated following the acquisition of their shares or for other reasons.
      In the current fiscal year, NBL Co., Ltd. and 15 other companies were excluded from the scope of consolidation because they were no longer subsidiaries due to sales of the investment or other reasons.

   (2) Non-consolidated Subsidiaries: None

   (3) Entities not Accounted for as Subsidiaries even though Mitsubishi UFJ Financial Group, Inc. (“MUFG”) Owns the Majority of Voting Rights:
       Hygeia Co., Ltd.

       It was not treated as a subsidiary because it was established as a property management agent for a land trust project without any intent to control.

2. Application of the Equity Method
   (1) Number of Non-consolidated Subsidiaries Accounted for under the Equity Method: None
(2) Number of Affiliates Accounted for under the Equity Method: 62
Principal companies:
Mitsubishi UFJ Lease & Finance Company Limited

In the current fiscal year, Vietnam Joint Stock Commercial Bank for Industry and Trade and 3 other companies were newly included in the scope of application of the equity method following investments in their shares or for other reasons.
In the current fiscal year, Mobit Co., LTD., and 2 other companies were excluded from the scope of application of the equity method because of sales of the investment or for other reasons.

(3) Number of Non-consolidated Subsidiaries not Accounted for under the Equity Method: None

(4) Affiliates not Accounted for under the Equity Method: None

(5) Entities not Recognized as Affiliates in which MUFG Owns 20% to 50% of their Voting Rights
- Kyoto Constella Technologies Co., Ltd.
- Pharma Frontier Co., Ltd.
- TECHTOM Ltd.
- ERIMAKEE Co., Ltd.
- Biovisiq Japan Co., Ltd.

These were not treated as affiliates because MUFG’s consolidated venture capital subsidiaries owned 20% to 50% of voting rights primarily to benefit from the appreciation of their investments resulting from growth or restructuring of the investees’ businesses, without any intent to control.

3. The Balance Sheet Dates of Consolidated Subsidiaries
(1) The balance sheet dates of consolidated subsidiaries were as follows:
- August 31: 1 subsidiary
- October 31: 1 subsidiary
- December 31: 165 subsidiaries
- January 24: 17 subsidiaries
- January 31: 1 subsidiary
- March 31: 68 subsidiaries
(2) A subsidiary whose balance sheet date is August 31 was consolidated based on its preliminary financial statements as of February 28.
A subsidiary whose balance sheet date is October 31 was consolidated based on its preliminary financial statements as of January 31.
Subsidiaries other than those specified above were consolidated based on the financial statements as of their balance sheet dates.
Adjustments were made to the consolidated financial statements to reflect the significant transactions that occurred between the balance sheet dates of the subsidiaries and the consolidated balance sheet date.

4. Amortization of Goodwill and Negative Goodwill
Goodwill and negative goodwill recognized on or before March 31, 2010 were primarily amortized using the straight-line method over 20 years starting from the period of the acquisition. Other goodwill with insignificant balances was expensed as incurred.

5. Accounting Policies
(1) Trading assets and trading liabilities; trading income and expenses
Transactions involving short-term fluctuations or arbitrage opportunities in interest rates, currency exchange rates, market prices of financial instruments or other market indices (“trading purposes”) are presented in “Trading assets” and “Trading liabilities” on the consolidated balance sheet on a trade-date basis, and gains and losses from trading transactions (interest and dividends, gains or losses on sales and gains or losses on valuation) are presented in “Trading income” and “Trading expenses” on the consolidated statement of income on a trade-date basis.
Trading assets and trading liabilities are stated at their fair values on the consolidated balance sheet date.

(2) Securities
(A) Debt securities being held to maturity are stated at amortized cost (using the straight-line method) computed using the moving average method. Other securities are primarily stated at their quoted market prices on the consolidated balance sheet date (cost of securities sold is calculated primarily using the moving average method), and other securities whose fair value is extremely difficult to estimate are stated at acquisition costs computed using the moving average method.
Net unrealized gains (losses) on other securities are included directly in net assets, net of applicable income taxes, except in the case of application of the fair value hedge accounting method, in which the change in fair value recognized is recorded in current earnings.

(B) Securities that are held as trust assets in money held in trust are accounted for under the same basis as noted above in Notes (1) and (2)(A). Unrealized gains and losses on securities in money held in trust, which are not held for trading purposes or held to maturity, are included directly in net assets, net of applicable income taxes.

(3) Derivatives
Derivative transactions (other than trading purposes) are calculated primarily based on fair value.

(4) Depreciation and Amortization of Fixed Assets
(A) Tangible Fixed Assets (Except for Lease Assets)
Depreciation of tangible fixed assets of MUFG and its domestic consolidated banking subsidiaries and trust
banking subsidiaries is computed using the declining-balance method. The useful lives are primarily estimated as follows:

- Buildings: 15 to 50 years
- Equipment: 2 to 20 years

Depreciation of tangible fixed assets of other consolidated subsidiaries is computed primarily using the straight-line method based on their estimated useful lives.

(B) Intangible Fixed Assets (Except for Lease Assets)
Amortization of intangible fixed assets is computed using the straight-line method. Development costs for internally used software are amortized using the straight-line method over the estimated useful lives of primarily 3 to 10 years.

(C) Lease Assets
Depreciation or amortization of lease assets in “Tangible fixed assets” or “Intangible fixed assets” of the finance leases other than those that are deemed to transfer the ownership of leased property to the lessees is computed using the straight-line method over the lease periods with zero residual value unless residual value is guaranteed by the corresponding lease contracts.

(5) Deferred Assets
Bond issuance costs and stock issuance costs are expensed as incurred.
Discount on bonds recognized prior to March 31, 2006 is amortized using the straight-line method over the life of corresponding bonds and the unamortized portion is deducted directly from bonds in accordance with Accounting Standards Board of Japan Practical Issues Task Force (“ASBJ PITF”) No. 19 “Tentative Solution on Accounting for Deferred Assets” (August 11, 2006).

(6) Allowance for Credit Losses
Principal domestic consolidated subsidiaries provide an allowance for credit losses in accordance with the internal standards for self-assessment of asset quality and the internal standards for write-offs and provisions. For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses (“bankrupt borrowers”) or borrowers that are not legally or formally bankrupt but are regarded as substantially in a similar condition (“substantially bankrupt borrowers”), allowances are provided based on the amount of claims, after the write-offs as stated below, net of expected amounts to be collected through the disposal of collateral and the execution of guarantees.
For claims on borrowers that are not yet legally or formally bankrupt but deemed to have a high possibility of becoming bankrupt (“potentially bankrupt borrowers”) excluding a portion of which principal and interest payment can be reasonably estimated from borrower’s cash flows, allowances are provided based on an overall solvency assessment of the claims, net of expected amounts to be collected through the disposal of collateral and the execution of guarantees.
For claims on potentially bankrupt borrowers and claims on borrowers requiring close monitoring, of which principal and interest payment can be reasonably estimated from borrower’s cash flows, allowances are provided in an amount equal to the difference between the book value of the claims and the relevant cash flows discounted by the initial contractual interest rates.
For other claims, allowances are provided based on historical credit loss experience.
For claims originated in specific foreign countries, additional allowances are provided based on an assessment of
political and economic conditions of these countries. All claims are assessed by branches and the credit supervision departments in accordance with the internal standards for self-assessment of asset quality. The credit review department, which is independent from those operating sections, subsequently audits these assessments. For claims on bankrupt borrowers and substantially bankrupt borrowers, the amount of claims exceeding the estimated value of collateral or guarantees, which is deemed uncollectible, has been written-off. The total amount of write-offs was ¥521,879 million. Consolidated subsidiaries, not adopting procedures stated above, provide allowances based on their historical credit loss experience for general claims and based on individual assessments of the possibility of collection for specific deteriorated claims.

(7) Reserve for Bonuses
Reserve for bonuses, which is provided for future bonus payments to employees, reflects an estimated amount accrued on the consolidated balance sheet date.

(8) Reserve for Bonuses to Directors
Reserve for bonuses to directors, which is provided for future bonus payments to directors, reflects an estimated amount accrued on the consolidated balance sheet date.

(9) Reserve for Retirement Benefits to Directors
Reserve for retirement benefits to directors, which is provided for future payments of retirement benefits to directors of subsidiaries, is recorded in the amount deemed accrued on the consolidated balance sheet date based on the estimated amount of benefits.

(10) Reserve for Loyalty Award Credits
Reserve for loyalty award credits, which is provided to meet future use of credits granted to credit card (such as Super IC Card) customers, is recorded in the amount deemed necessary based on the estimated future use of unused credits.

(11) Reserve for Contingent Losses
Reserve for contingent losses, which is provided for possible losses from contingent events related to off-balance-sheet and other transactions, is calculated by estimating the impact of such contingent events and includes future claims for repayment of excess interest payments on consumer loans that are estimated based on the past and pending claims.

(12) Reserves under Special Laws
Reserves under special laws represent the reserve for contingent liabilities from financial instrument transactions set aside in accordance with Article 46-5-1 and Article 48-3-1 of the Financial Instruments and Exchange Law and Article 175 and Article 189 of the Cabinet Office Ordinance on Financial Instruments Business.

(13) Retirement Benefits
In calculating benefit obligation, the portion of projected benefit obligation attributed to the current fiscal year is determined using the straight-line method. Unrecognized prior service cost is amortized using the straight-line method for a fixed period, primarily over 10 years, within the employees’ average remaining service period.
Unrecognized net actuarial gains (losses) are amortized using the straight-line method for a fixed period, primarily over 10 years, within the employees’ average remaining service period, starting from the subsequent fiscal year after its occurrence.

For certain overseas branches of domestic consolidated subsidiaries and some of consolidated subsidiaries, net defined benefit liability and retirement benefit expenses are calculated by the simplified method.

(Additional Information)

Employees’ pension funds of MUFG’s domestic consolidated trust banking subsidiary obtained approval of the Minister of Health, Labour and Welfare, dated January 1, 2013, for returning the substitutional portion of the governmental pension program managed by the funds on behalf of the government that relates to past employee services. On February 17, 2014, the amount to be returned (minimum reserve for liabilities) was paid to the government. As a result, ¥372 million of “Gains on transfer of benefit obligation relating to employees’ pension fund” was recorded as part of extraordinary gains.

(14) Translation of Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies or booked at overseas branches of domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries are translated into yen primarily at exchange rates prevailing at the consolidated balance sheet date, except for investments in non-consolidated affiliates which are translated into yen at exchange rates prevailing at the acquisition dates.

Assets and liabilities denominated in foreign currencies of other consolidated subsidiaries are translated into yen at the exchange rates prevailing at the respective balance sheet date.

(15) Leasing Transactions

(As Lessees)

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

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

(As Lessor)

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

(16) Hedge Accounting

(A) Hedge Accounting for Interest Rate Risks

Domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries have adopted the deferred hedge accounting method for hedging transactions for interest rate risks arising from financial 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 JICPA Industry Audit Committee Report No. 24. With respect to hedging transactions to offset fluctuations in fair value of fixed rate bonds classified as other securities, hedging instruments (e.g. interest rate swaps) are designated to hedged items collectively by the type of bond. 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 related to floating rate deposits and loans as well as forecasted transactions related to short-term fixed rate deposits, loans and other instruments, hedging instruments (e.g. interest rate swaps) are designated to hedged items individually or collectively by interest rate indices and tenors in accordance with JICPA 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 correlation between factors that cause fluctuations in interest rates of hedged items and those of hedging instruments.

(B) Hedge Accounting for Foreign Currency Risks

Domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries have adopted the deferred hedge accounting method for hedging foreign currency risks arising from financial 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 currencies.

Portfolio hedging and individual hedging are applied to hedge foreign currency risks arising from equity investments in foreign subsidiaries and foreign affiliates, other securities (other than bonds) denominated in foreign currencies, and future equity investments in foreign subsidiaries. Monetary claims and liabilities denominated in the same foreign currencies or forward exchange contracts are used as hedging instruments. As for the hedge accounting method applied to equity investments in foreign subsidiaries and foreign affiliates, foreign currency translation differences arising from hedging instruments are recorded as foreign currency translation adjustments. The fair value hedge accounting method is applied to other securities (other than bonds) denominated in foreign currencies, and the deferred hedge accounting method is applied to future equity investments in foreign subsidiaries.

(C) Transactions among Consolidated Subsidiaries

Derivative transactions including interest rate swaps and currency swaps which are designated as hedging instruments among consolidated subsidiaries or between trading accounts and other accounts (or among internal sections) are not eliminated from the consolidated statements of income or valuation difference, but are recognized as related gains or losses 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 and they are regarded as equivalent to external third-party transactions.

(17) 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.

(18) Accounting Standard for Foreign Subsidiaries
Financial statements of foreign subsidiaries are used for consolidated accounting as long as they are prepared in accordance with the International Financial Reporting Standards (“IFRS”) or Accounting Principles Generally Accepted in the United States (“U.S. GAAP”).
If they are prepared in accordance with generally accepted accounting principles in each domicile country and not in accordance with IFRS or U.S. GAAP, the financial statements of foreign subsidiaries are mainly rearranged in accordance with U.S. GAAP. They were also adjusted when necessary in the process of consolidation.
Notes to Change in Accounting Policies
(Accounting standard for retirement benefits)

“Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 issued on May 17, 2012, hereinafter “Retirement Benefits Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued on May 17, 2012, hereinafter “Retirement Benefits Guidance”) are adopted from the end of the current fiscal year (with the exception of the main clause of Article 35 of the Retirement Benefits Accounting Standard and the main clause of Article 67 of the Retirement Benefits Guidance), and the difference between the benefit obligation and the plan asset is recorded as net defined benefit asset or net defined benefit liability.

The Retirement Benefits Accounting Standard is applied in accordance with the transitional handling set forth in Article 37 of the Retirement Benefits Accounting Standard, and unrecognized net actuarial gains (losses) and unrecognized prior service cost after adjusting tax effects are recorded as remeasurements of defined benefit plans under accumulated other comprehensive income as of the end of the current fiscal year.

Accordingly, ¥460,836 million and ¥51,651 million were recorded in net defined benefit asset and net defined benefit liability, respectively, as of the end of the current fiscal year. In addition, accumulated other comprehensive income decreased by ¥50,253 million.

As a result of the adoption of the Retirement Benefits Accounting Standard and the Retirement Benefits Guidance, “Pension liability adjustments of subsidiaries preparing financial statements under U.S. GAAP,” which was separately stated in the consolidated balance sheets for prior years, is included in “remeasurements of defined benefit plans” from the current fiscal year.

Additional Information
(Adoption of consolidated taxation system)

MUFG and some of its domestic consolidated subsidiaries received approval from the Commissioner of the National Tax Agency for the adoption of the consolidated taxation system effective from the fiscal year ending March 31, 2015. For this reason, accounting treatment assuming the adoption of the consolidated taxation system is implemented from the end of the current fiscal year in accordance with “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1)” (ASBJ PITF No. 5 issued on March 18, 2011) and “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2)” (ASBJ PITF No. 7 issued on June 30, 2010).
Notes to the Consolidated Balance Sheet

1. “Securities” also includes ¥58,512 million of unsecured securities loaned with respect to which borrowers have rights to sell or pledge. For borrowed securities under securities borrowing transactions and securities purchased under resale agreements which were permissible to be sold or re-pledged without restrictions, ¥11,577,421 million of such securities were re-pledged, ¥314,144 million were re-loaned and ¥3,420,610 million were held by MUFG as of the consolidated balance sheet date.

2. Loans to bankrupt borrowers: ¥27,479 million.
   Non-accrual delinquent loans: ¥1,046,663 million.
   Loans to bankrupt borrowers are loans, after write-offs, to bankrupt borrowers as defined in Article 96-1-3-1 to 5 and 96-1-4 of the Enforcement Ordinance of the Corporate Tax Law (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 including reduction or deferral of interest due to borrowers’ weakened financial condition.

3. Loans past due for 3 months or more: ¥50,076 million.
   Loans past due for 3 months or more represent loans whose principal and/or interest payments have been past due for 3 months or more excluding loans to bankrupt borrowers and non-accrual delinquent loans.

   Restructured loans represent loans renegotiated at concessionary terms including reduction or deferral of interest or principal and waiver of the claims for the purpose of business reconstruction or support for the borrower, excluding loans to bankrupt borrowers, non-accrual delinquent loans and loans past due for 3 months or more.

5. The total amount of loans to bankrupt borrowers, non-accrual delinquent loans, loans past due for 3 months or more and restructured loans was ¥1,705,529 million.
   The amounts provided in Notes 2 to 5 represent gross amounts before the deduction of allowances for credit losses.

6. Bills discounted were accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. MUFG’s banking subsidiaries and trust banking subsidiaries have rights to sell or pledge bank acceptances bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value of these bills was ¥1,205,491 million.

7. Assets pledged as collateral were as follows:
   - Cash and due from banks: ¥1,668 million
   - Trading assets: ¥248,463 million
   - Securities: ¥2,323,845 million
   - Loans and bills discounted: ¥6,470,882 million
   - Other assets: ¥42,066 million
Tangible fixed assets ¥45,742 million

Liabilities related to pledged assets were as follows:
- Deposits ¥441,252 million
- Call money and bills sold ¥699,451 million
- Trading liabilities ¥56,905 million
- Borrowed money ¥7,388,047 million
- Bonds payable ¥49,593 million

In addition to the items listed above, ¥2,840 million of cash and due from banks, ¥258,222 million of monetary claims bought, ¥122,103 million of trading assets, ¥11,612,328 million of securities, and ¥8,990,050 million of loans and bills discounted were pledged as collateral for cash settlements and other transactions or as deposits for margin accounts of futures and other transactions. ¥4,310,348 million of trading assets and ¥11,834,623 million of securities were sold under repurchase agreements or loaned under secured lending transactions with cash collateral. Payables corresponding to the assets sold or loaned under repurchase agreements and under securities lending transactions were ¥12,182,430 million and ¥4,947,741 million, respectively.

Bills rediscounted were accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. The total face value of bills of exchange rediscounted was ¥5,711 million.

8. Overdraft facilities and commitment lines of credit are binding contracts under which MUFG’s consolidated subsidiaries have obligations to disburse funds up to predetermined limits upon the borrower’s request as long as there have been no breach of contracts. The total amount of the unused portion of these facilities was ¥77,739,880 million.

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 MUFG’s consolidated subsidiaries to decline the borrower’s request for disbursement or decrease contracted limits for cause, such as changes in financial condition or deterioration in the borrower’s creditworthiness. MUFG’s consolidated subsidiaries may request the borrowers to pledge real property and/or securities as collateral upon signing of the contract and will perform periodic monitoring on the borrower’s business conditions in accordance with internal procedures, which may lead to renegotiation of the terms and conditions of the contracts and/or initiate the request for additional collateral and/or guarantees.

9. In accordance with the “Law concerning Revaluation of Land” (the “Law”) (No. 34, March 31, 1998), land used for business operations of domestic consolidated banking subsidiaries and domestic consolidated trust banking subsidiaries has been revalued as of the dates indicated below. The total excess from revaluation, net of income taxes corresponding to the excess which were recognized as “Deferred tax liabilities for land revaluation”, is stated as “Land revaluation excess” in net assets. Land revaluation excess includes MUFG’s share of affiliated companies’ land revaluation excess.

Dates of revaluation:
- Domestic consolidated banking subsidiaries March 31, 1998
- Domestic consolidated trust banking subsidiaries March 31, 1998, December 31, 2001 and March 31, 2002

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

Fair values are determined based on (1) “published land price under the Land Price Publication Law”
stipulated in Article 2-1 of the “Enforcement Ordinance of the Law concerning Revaluation of Land” (“Ordinance”) (No. 119, March 31, 1998), (2) “standard land price determined on measurement spots under the Enforcement Ordinance of National Land Planning Law” stipulated in Article 2-2 of the “Ordinance”, (3) “land price determined by the method established and published by the Director General of the National Tax Agency in order to calculate land value which is used for determining taxable amounts subject to landholding tax articulated in Article 16 of the Landholding Tax Law” stipulated in Article 2-4 of the “Ordinance” with price adjustments by shape and time and (4) appraisal by certified real estate appraisers stipulated in Article 2-5 of the “Ordinance” with price adjustments for time.

The difference between the fair value of land used for business operations revalued in accordance with Article 10 of the law as of the end of the current fiscal year and the book value of such land following the revaluation was ¥35,895 million.

In addition, some of our affiliates that were accounted for under the equity method performed a revaluation for land used for business operations on March 31, 2002.

10. Accumulated depreciation on tangible fixed assets: ¥1,219,821 million.

11. Deferred gains on tangible fixed assets deducted for tax purposes: ¥93,986 million.

12. Borrowed money included ¥690,800 million of subordinated borrowings.

13. Bonds payable included ¥2,166,467 million of subordinated bonds.

14. Goodwill and negative goodwill recognized on or before March 31, 2010 were netted and presented in “Goodwill”. The balances of goodwill and negative goodwill before netting were as follows:

<table>
<thead>
<tr>
<th></th>
<th>¥</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>575,335</td>
</tr>
<tr>
<td>Negative goodwill</td>
<td>22,680</td>
</tr>
<tr>
<td>Balance after net out</td>
<td>552,655</td>
</tr>
</tbody>
</table>

15. The principal amount of money trusts entrusted to domestic trust banking subsidiaries, for which repayment of the principal to the customers was guaranteed, was ¥1,324,411 million.

16. With regard to bonds and other securities in “Securities”, guarantee obligations for private placement bonds (provided in accordance with the Article 2-3 of the Financial Instruments and Exchange Law) were ¥773,729 million.
Notes to the Consolidated Statement of Income

1. “Other ordinary income” included ¥171,653 million of gains on sales of equity securities and ¥112,470 million of equity in gains of the equity method investees.

2. “Other ordinary expenses” included ¥125,989 million of write-offs of loans and ¥48,792 million of provision for reserve for contingent losses.

3. “Impairment loss” included an impairment loss of ¥110,198 million on goodwill of consolidated subsidiary Mitsubishi UFJ NICOS Co., Ltd. MUFG recognizes the company’s businesses as a single grouping unit. Due to the unexpectedly prolonged effects of the amendments to the Money Lending Business Act, the outstanding balance of card cash advance and loan card for the finance business has fallen short of the targets set forth in the Medium-term Business Plan, which was launched in the fiscal year 2011. As a result of the revision of the earnings forecast for the upcoming fiscal years, the carrying amount of goodwill was reduced to the recoverable amount, and the amount of such reduction was recorded as impairment loss. The recoverable amount was measured at its value in use based on future cash flows discounted by 9.3%.

4. “Civil monetary payment” was agreed upon with the New York State Department of Financial Services and paid by a domestic consolidated banking subsidiary, in connection with a settlement transaction with a country subject to U.S. economic sanctions.
Notes to the Consolidated Statement of Changes in Net Assets

1. Detailed Information regarding Outstanding Shares

<table>
<thead>
<tr>
<th></th>
<th>Number of shares as of April 1, 2013</th>
<th>Number of shares increased</th>
<th>Number of shares decreased</th>
<th>Number of shares as of March 31, 2014</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>14,158,585</td>
<td>5,440</td>
<td>-</td>
<td>14,164,026</td>
<td>(1)</td>
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<tr>
<td>First series of class 5 preferred stock</td>
<td>156,000</td>
<td>-</td>
<td>-</td>
<td>156,000</td>
<td></td>
</tr>
<tr>
<td>Class 11 preferred stock</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14,314,586</td>
<td>5,440</td>
<td>-</td>
<td>14,320,027</td>
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<tr>
<td>Treasury stock</td>
<td></td>
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<tr>
<td>Common stock</td>
<td>3,411</td>
<td>85</td>
<td>941</td>
<td>2,554</td>
<td>(2)</td>
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<tr>
<td>Total</td>
<td>3,411</td>
<td>85</td>
<td>941</td>
<td>2,554</td>
<td></td>
</tr>
</tbody>
</table>

(1) Increase in the number of common stock by 5,440 thousand shares was due to the exercise of stock options.

(2) Increase in the number of common stock held in treasury by 85 thousand shares was mainly due to repurchase of stocks in response to requests made by shareholders holding shares constituting less than a unit and an increase in the number of shares held by affiliates accounted for under the equity method. Decrease in the number of common stock held in treasury by 941 thousand shares was mainly due to sale of stocks in response to requests made by shareholders holding shares constituting less than a unit, sale of stocks by consolidated subsidiaries, sale of stocks by affiliates accounted for under the equity method and a decrease in the number of shares held by affiliates accounted for under the equity method.

2. Information regarding Subscription Rights to Shares

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Type of subscription rights to shares</th>
<th>Type of stock to be issued</th>
<th>Number of shares subject to subscription rights</th>
<th>Balance as of March 31, 2014 (in millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>As of April 1, 2013</td>
<td>Increase</td>
</tr>
<tr>
<td>MUFG</td>
<td>Stock options</td>
<td>-</td>
<td>-</td>
<td>8,732</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>-</td>
<td>-</td>
<td>8,732</td>
</tr>
</tbody>
</table>
3. Detailed Information regarding Cash Dividends

(A) Dividends Paid in the Fiscal Year Ended March 31, 2014

<table>
<thead>
<tr>
<th>Date of approval</th>
<th>Type of stock</th>
<th>Total Dividends (in millions of yen)</th>
<th>Dividend per share (¥)</th>
<th>Dividend record date</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First series of class 5 preferred stock</td>
<td>8,970</td>
<td>57.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Class 11 preferred stock</td>
<td>0</td>
<td>2.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting of Board of Directors on November 14, 2013</td>
<td>Common stock</td>
<td>99,145</td>
<td>7</td>
<td>September 30, 2013</td>
<td>December 6, 2013</td>
</tr>
<tr>
<td></td>
<td>First series of class 5 preferred stock</td>
<td>8,970</td>
<td>57.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Class 11 preferred stock</td>
<td>0</td>
<td>2.65</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The total amount of dividends above includes ¥10 million paid to consolidated subsidiaries.

(B) Dividends with Record Dates on or before March 31, 2014 and Effective Dates after March 31, 2014

The following matters relating to dividends are planned to be brought up at the Annual General Meeting of Shareholders scheduled to be held on June 27, 2014.

<table>
<thead>
<tr>
<th>Date of approval (scheduled)</th>
<th>Type of stock</th>
<th>Total Dividends (in millions of yen)</th>
<th>Source of dividends</th>
<th>Dividend per share (¥)</th>
<th>Dividend record date</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First series of class 5 preferred stock</td>
<td>8,970</td>
<td>Retained earnings</td>
<td>57.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Class 11 preferred stock</td>
<td>0</td>
<td>2.65</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to Financial Instruments

1. Disclosure on Financial Instruments

(1) Policy on Financial Instruments

MUFG 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, we conduct 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, we raise capital from the market and hedge risks through derivative transactions.

(2) Types of and Risks Associated with Financial Instruments

We hold various types of financial instruments such as loans, investment securities, and derivatives and are 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 our bond portfolio consisting of government and other bonds, and a rise in yen would reduce the value of foreign-currency-denominated securities and other assets when converted into yen. We also invest in marketable equity securities, and a fall in the market price would decrease the fair value of these securities. As part of our trading and ALM activities, we hold 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, we hedge against interest rate risks with instruments including fixed rate deposits, loans and bonds, floating rate deposits and loans, and forecasted transactions involving fixed rate deposits and loans through designated hedging methods including interest rate swaps. We hedge against exchange rate fluctuation risks with instruments such as foreign currency denominated monetary claims and liabilities through hedging methods including currency swap transactions and forward exchange contracts. In lieu of effectiveness determination, we design 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 based on the correlation between factors that cause fluctuations in interest rates.

(3) Risk Management Relating to Financial Instruments

(A) Credit Risk Management

We regularly monitor and assess the credit portfolios of our group companies and use uniform credit rating and asset evaluation and assessment systems to ensure timely and proper evaluation of credit risk.

Within the basic framework of our credit risk control system based on MUFG’s credit risk control rules, each group company has established a consolidated and global credit risk control system while we monitor group-wide credit risk. We provide training and advice when necessary in addition to monitoring credit risk management conducted by our group companies.

In screening individual transactions and managing credit risk, each major group company has in place a check-and-balance system in which the credit administration section and the business promotion section are kept separate.

We hold regular management committee meetings to ensure full reporting and discussion of important credit
risk management and administration matters.
In addition to providing a check-and-balance between different functions and conducting management level deliberations, the audit department also undertakes to validate credit operations to ensure appropriate credit administration.

(B) Market Risk Management

(a) Risk Management System

We have adopted an integrated system to manage market risks associated with market activities for trading purposes (trading activities) and non-trading market activities (banking activities). We monitor group-wide market risk while each of the major group companies has established a market risk management system on a consolidated and global basis.

At each of the major group companies, checks and balances are maintained through a system in which the back (administrative) and middle (risk management) offices operate independently from the front (trading) office. As part of risk control by management, the Board of Directors establishes the framework for the market risk management system while responsibilities relating to market operations are defined at management meetings. We allocate economic capital corresponding to levels of market risk within the scope of our capital base, and establish quantitative limits on market risk based on the allocated economic capital as well as limits on losses to contain our exposure to risks and losses within a certain range.

(b) Market Risk Management

We regularly report the status on group-wide exposure to market risk and compliance with quantitative limits on market risk and losses at each group company to the ALM Committees and the Corporate Risk Management Committee; while each group company internally reports daily to its risk management officer on the status of exposure to market risk and compliance with quantitative limits on market risk and losses, we conduct comprehensive analyses on risk profiles including stress testing.

We administer risks at each business unit at our group companies by hedging against interest rate and exchange rate fluctuation risks associated with marketable assets and liabilities with various hedging transactions using marketable securities and derivatives as appropriate. With respect to trading account transactions and their administration, we document the process and periodically verify 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, we measure and manage market risk using the Value at Risk (“VaR”), Value at Idiosyncratic Risk (“VaI”) and other methods.

Market risk for both trading and banking activities (excluding strategic equity securities) is measured using a uniform market risk measurement model. The principal method used for the model is the historical simulation method (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 stocks, 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 the VaR and VaI amount by estimating the profit and loss on the current portfolio by applying actual fluctuations in market rates and prices that occurred over a fixed period in the past. The noted features of the historical simulation method include the ability to directly reflect the
characteristics of the market fluctuations and the ability to rigorously measure the risk arising from options. However, because VaR and VaI measure market risks with a fixed event probability calculated statistically based on past market changes, they may not be able to ascertain risks when market volatility reaches abnormal levels.

(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 ¥18.1 billion as of March 31, 2014.

(ii) Amount of Market Risk Associated with Banking Activities
The amount of consolidated market risk associated with banking activities (excluding strategic equity securities) across the Group was ¥335.6 billion as of March 31, 2014. As an appropriate identification of interest rate risk is vital to banking activities (excluding strategic equity securities), the risk is managed based on the following assumptions for appropriate measurement of core deposit and prepayment in loans and deposits. For a certain portion of the deposits without contractual maturities (so-called core deposits), interest rate risk is recognized by allocating maturities of various terms (no longer than 10 years but approximately 4 years on average), taking into account the results of the statistical analysis using the data on the transition of balance by product, prospective of deposit interest rate and other business judgments. The amount of core deposits and the method of allocating maturities are reviewed on a regular basis. Meanwhile, the deposits and loans with contractual maturities involve risks associated with premature repayment or cancellation. These risks are reflected in interest rate risks by estimating the ratio of cancellations through the statistical analysis based on factors including interest rate fluctuation and actual repayments and cancellations.

(iii) Risks Associated with the Strategic Equity Securities
For the strategic equity securities (publicly traded) as of March 31, 2014, we have determined that the total market capitalization across the Group would fluctuate by ¥3.6 billion per one point change in TOPIX.

(e) Backtesting
In order to test the accuracy of the market risk measurement model, we conduct backtestings to compare the VaR with one-day holding period computed by the model with the daily assumptive profit or loss. As part of the backtesting, we also ensure the accuracy of the market risk measurement model by verifying the characteristics of the market risk model in use from various perspectives, including testing of adequacy of the assumptions used by the market risk measurement model. With regard to trading activities, the backtesting on the business days of the fiscal year 2013 indicated that the virtual loss exceeded VaR zero (0) time. As the case of the actual loss exceeding VaR proved to be as infrequent as four times or less in a year, the VaR measurement model used by each of the group companies is believed to have sufficient accuracy in measuring market risks.

(C) Management of Liquidity Risk Associated with Funding Activities
Our major group companies strive to secure appropriate liquidity in both yen and foreign currencies by managing the sources of funding 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 on various stages according to the urgency of funding needs and exercises management on each such stage. The department responsible for liquidity risk management is designed to perform checking functions independent of
other departments. The department reports to the ALM Committee and the Board of Directors the results of 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 other matters 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. Disclosure on the Fair Value and Other Matters of Financial Instruments

The following table summarizes the amount stated on the consolidated balance sheet and the fair value of financial instruments as of March 31, 2014 together with their differences. Note that the following table does not include non-listed equity securities and certain other securities of which fair value is extremely difficult to determine (see Note 2).

<table>
<thead>
<tr>
<th>Amount on consolidated balance sheet</th>
<th>Fair value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Cash and due from banks</td>
<td>23,969,883</td>
<td>23,969,883</td>
</tr>
<tr>
<td>(2) Call loans and bills bought</td>
<td>826,851</td>
<td>826,851</td>
</tr>
<tr>
<td>(3) Receivables under resale agreements</td>
<td>7,237,125</td>
<td>7,237,125</td>
</tr>
<tr>
<td>(4) Receivables under securities borrowing transactions</td>
<td>4,181,660</td>
<td>4,181,660</td>
</tr>
<tr>
<td>(5) Monetary claims bought (*1)</td>
<td>3,972,145</td>
<td>4,003,153</td>
</tr>
<tr>
<td>(6) Trading assets</td>
<td>8,753,423</td>
<td>8,753,423</td>
</tr>
<tr>
<td>(7) Money held in trust</td>
<td>583,692</td>
<td>583,692</td>
</tr>
<tr>
<td>(8) Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt securities being held to maturity</td>
<td>1,046,616</td>
<td>1,040,171</td>
</tr>
<tr>
<td>Other securities</td>
<td>71,014,478</td>
<td>71,014,478</td>
</tr>
<tr>
<td>(9) Loans and bills discounted</td>
<td>101,938,907</td>
<td></td>
</tr>
<tr>
<td>Allowance for credit losses (*1)</td>
<td>(911,146)</td>
<td></td>
</tr>
<tr>
<td>(10) Foreign exchanges (*1)</td>
<td>2,040,406</td>
<td>2,040,406</td>
</tr>
<tr>
<td>Total assets</td>
<td>224,654,044</td>
<td>226,116,561</td>
</tr>
<tr>
<td>(1) Deposits</td>
<td>144,760,294</td>
<td>144,796,417</td>
</tr>
<tr>
<td>(2) Negotiable certificates of deposit</td>
<td>15,548,170</td>
<td>15,552,351</td>
</tr>
<tr>
<td>(3) Call money and bills sold</td>
<td>3,465,414</td>
<td>3,465,414</td>
</tr>
<tr>
<td>(4) Payables under repurchase agreements</td>
<td>21,626,590</td>
<td>21,626,590</td>
</tr>
<tr>
<td>(5) Payables under securities lending transactions</td>
<td>5,534,643</td>
<td>5,534,643</td>
</tr>
<tr>
<td>(6) Commercial papers</td>
<td>1,473,631</td>
<td>1,473,631</td>
</tr>
<tr>
<td>(7) Trading liabilities</td>
<td>3,896,258</td>
<td>3,896,258</td>
</tr>
<tr>
<td>(8) Borrowed money</td>
<td>10,828,601</td>
<td>10,867,143</td>
</tr>
<tr>
<td>(9) Foreign exchanges</td>
<td>1,109,198</td>
<td>1,109,198</td>
</tr>
<tr>
<td>(10) Short-term bonds payable</td>
<td>435,808</td>
<td>435,808</td>
</tr>
<tr>
<td>(11) Bonds payable</td>
<td>7,165,577</td>
<td>7,299,183</td>
</tr>
<tr>
<td>(12) Due to trust accounts</td>
<td>1,945,151</td>
<td>1,945,151</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>217,789,339</td>
<td>218,001,792</td>
</tr>
</tbody>
</table>

*1 Includes foreign exchange contract liabilities.
<table>
<thead>
<tr>
<th>Derivative transactions (*2)</th>
<th>Amount on consolidated balance sheet</th>
<th>Fair value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities not qualifying for hedges</td>
<td>421,488</td>
<td>421,488</td>
<td>-</td>
</tr>
<tr>
<td>Activities qualifying for hedges</td>
<td>(183,074)</td>
<td>(183,074)</td>
<td>-</td>
</tr>
<tr>
<td>Total derivative transactions</td>
<td>238,413</td>
<td>238,413</td>
<td>-</td>
</tr>
</tbody>
</table>

(*1) General and specific reserves for credit losses corresponding to loans are deducted. However, with respect to items other than loans, the amount stated on the consolidated balance sheet is shown since the amount of reserve for credit losses corresponding to these items is insignificant.

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

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

**Assets**

1. **Cash and due from Banks**
   For deposits without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For deposits with maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the remaining maturity period of the majority of such deposits is short (maturity within 1 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 contract terms of the majority of the transactions are short (1 year or less). Thus, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

3. **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 are purchased or on the amount reasonably calculated according to our reasonable estimate. For certain monetary claims bought for which these methods do not apply, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

4. **Trading Assets**
   For securities such as bonds that are held for trading purposes, the fair value is determined based on the price quoted by stock exchanges or by the financial institutions from which these securities are purchased, or determined at the present value of the expected future cash flow discounted at an interest rate based on the market interest rate as of the date of evaluation with certain adjustments.

5. **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 are purchased.
   See “Money Held in Trust” for notes on cash in trust by categories based on each purpose of holding the cash in trust.
(8) Securities

The fair value of equity securities is determined based on the price quoted by stock exchanges and the fair value of bonds is determined based on the price quoted by stock exchanges or the financial institutions from which they are purchased. The fair value of investment trusts is determined based on the publicly available price.

For privately placed guaranteed bonds held by our bank or trust subsidiaries, the fair value is determined based on the present value of expected future cash flow, which is adjusted to reflect default risk, amount to be collected from collaterals and guarantees and guarantee fees, and discounted at an interest rate based on the market interest rate as of the date of evaluation with certain adjustments.

With respect to floating rate Japanese government bonds that are included in the amount presented under the line item “Securities” in the table above, our major group companies value them at an amount calculated on a reasonable basis according to “Practical Solution on Measurement of Fair Value for Financial Assets” (ASBJ PITF No. 25 issued on October 28, 2008), as we determined that taking into account the current market conditions, the market price of these securities as of the consolidated balance sheet date cannot be regarded as the fair value.

The reasonably estimated value of floating 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 discounted at a rate based on such yield of government bonds adjusted for the value of embedded options and the liquidity premium based on the actual market premiums observed in the past.

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

See “Notes to Securities” for notes on securities by category based on purposes of holding the securities.

(9) Loans and Bills Discounted

With respect to loans, for each category of loans based on types of loans, internal ratings and maturity period, the fair value is determined based on the present value of expected future cash flow, which is adjusted to reflect default risk and the expected amount to be collected from collateral and guarantees and discounted at an interest rate based on the market interest rate as of the date of evaluation with certain adjustments. For loans with floating interest rates such as certain residential loans provided to individual home owners, 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, de facto bankrupt, and potentially 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 sheet as of the consolidated balance sheet date, such amount is presented as the fair value. The fair value of loans qualifying for special hedge accounting treatment of interest rate swaps or designation of forward exchange contracts and other contracts under Generally Accepted Accounting Principles in Japan (“JGAAP”) reflects the fair value of such interest rate swaps or forward exchange contracts and other contracts.
(10) Foreign Exchanges

Foreign exchanges consist of foreign currency deposits with other banks which are “Due from foreign banks (our accounts),” short-term loans involving foreign currencies which are “Due from other foreign banks (their accounts),” export bills, traveler’s checks and other bills (purchased foreign bills), and loans on notes using import bills (foreign bills receivables). 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 (1 year or less).

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

For demand deposits, the amount payable on demand as of the consolidated balance sheet date (i.e., the carrying amount) is considered to be the fair value. For floating rate time deposits, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the market interest rate is reflected in such deposits within a short time period. Fixed rate time deposits are grouped by certain maturity periods. The fair value of such deposits is the present value discounted by 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 Papers

For each of these items, the majority of transactions are short contract terms (1 year or less). Thus, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(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 stock exchanges 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 on the basis that the interest rate of such floating rate borrowings reflects the market interest rate in a short time and that there has been no significant change in our or our consolidated 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 periods, which is discounted at an interest rate generally applicable to similar borrowings reflecting premium applicable to us or our consolidated subsidiaries.

(9) Foreign Exchanges

Among foreign exchange contracts, foreign currency deposits accepted from other banks and non-resident yen deposits are deposits without maturity (due to other foreign banks). Moreover, foreign currency short-term borrowings have short contract terms (1 year or less). Thus, the carrying amount is presented as the fair value of these contracts, as the fair value approximates such carrying amount.

(10) Short-term Bonds Payable

For short-term bonds payable, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because they carried short contract terms (1 year or less).

(11) Bonds Payable

The fair value of corporate bonds issued by us and our consolidated subsidiaries 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 floating 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 interest rate of such floating rate
corporate bonds reflects the market interest rate in a short time and that there has been no significant change in our or our consolidated subsidiaries’ creditworthiness 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 premium applicable to us or our consolidated subsidiaries. The fair value of corporate bonds qualifying for special hedge accounting treatment of interest rate swaps under JGAAP reflects the fair value of such interest rate swaps.

(12) Due to Trust Accounts
Since these are cash deposits with no maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

Derivative Transactions
Derivative transactions are ones involving interest rates (interest futures, interest options, interest swaps and other transactions), ones involving foreign currencies (currency futures, currency options, currency swaps and other transactions), and ones involving bonds (bond futures, bond future options and other transactions). The fair value of these transactions is based on factors such as the price posted by exchanges, the discounted present value, or amount calculated under the option-price calculation model.

(Note 2) The following table summarizes financial instruments on the consolidated balance sheet whose fair value is extremely difficult to estimate. These securities are not included in the amount presented under the line item “Assets – (8) Other securities” in the table summarizing fair value of financial instruments.

<table>
<thead>
<tr>
<th>Category</th>
<th>Carrying amount (in millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Non-listed equity securities (*1) (*2)</td>
<td>174,938</td>
</tr>
<tr>
<td>(2) Investments in partnerships and others (*2) (*3)</td>
<td>166,639</td>
</tr>
<tr>
<td>(3) Others (*2)</td>
<td>1,103</td>
</tr>
<tr>
<td>Total</td>
<td>342,680</td>
</tr>
</tbody>
</table>

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

(*2) With respect to non-listed equity securities, an impairment loss of ¥6,950 million was recorded in the current fiscal year.

(*3) Investments in partnerships and others mainly include silent partnerships and investment partnerships and other partnerships, and they do not carry quoted market prices. Since it is extremely difficult to estimate the fair value of these securities, their fair value is not disclosed.
Notes to Securities

In addition to “Securities” on the consolidated balance sheet, the figures in the following tables include trading account securities, securities related to trading transactions and short-term corporate bonds classified as “Trading assets”, negotiable certificates of deposit in “Cash and due from banks” and beneficiary certificates of commodities investment trusts in “Monetary claims bought” and others.

1. Trading Securities (as of March 31, 2014)  

<table>
<thead>
<tr>
<th>Type of securities</th>
<th>Amount on consolidated balance sheet</th>
<th>Fair value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading securities</td>
<td>(58,065)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Debt Securities Being Held to Maturity (as of March 31, 2014)

<table>
<thead>
<tr>
<th>Type of securities</th>
<th>Amount on consolidated balance sheet</th>
<th>Fair value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities</td>
<td>214,969</td>
<td>215,838</td>
<td>868</td>
</tr>
<tr>
<td>Government bonds</td>
<td>214,969</td>
<td>215,838</td>
<td>868</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other securities</td>
<td>1,414,666</td>
<td>1,452,931</td>
<td>38,265</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>185,698</td>
<td>188,056</td>
<td>2,358</td>
</tr>
<tr>
<td>Other</td>
<td>1,228,967</td>
<td>1,264,874</td>
<td>35,907</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,629,636</td>
<td>1,668,769</td>
<td>39,133</td>
</tr>
<tr>
<td>Securities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other securities</td>
<td>1,149,022</td>
<td>1,136,971</td>
<td>(12,050)</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>645,948</td>
<td>636,276</td>
<td>(9,671)</td>
</tr>
<tr>
<td>Other</td>
<td>503,074</td>
<td>500,694</td>
<td>(2,379)</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,149,022</td>
<td>1,136,971</td>
<td>(12,050)</td>
</tr>
<tr>
<td>Total</td>
<td>2,778,658</td>
<td>2,805,741</td>
<td>27,082</td>
</tr>
</tbody>
</table>
3. Other Securities (as of March 31, 2014)

<table>
<thead>
<tr>
<th>Type of securities</th>
<th>Amount on consolidated balance sheet</th>
<th>Acquisition cost</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities of which the fair value exceeds the acquisition cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic equity securities</td>
<td>3,965,842</td>
<td>2,315,547</td>
<td>1,650,295</td>
</tr>
<tr>
<td>Domestic bonds</td>
<td>32,127,706</td>
<td>31,900,583</td>
<td>227,123</td>
</tr>
<tr>
<td>Government bonds</td>
<td>29,703,398</td>
<td>29,534,041</td>
<td>169,356</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>185,372</td>
<td>178,669</td>
<td>6,703</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>2,238,935</td>
<td>2,187,872</td>
<td>51,063</td>
</tr>
<tr>
<td>Other securities</td>
<td>11,793,061</td>
<td>11,489,600</td>
<td>303,461</td>
</tr>
<tr>
<td>Foreign equity securities</td>
<td>199,591</td>
<td>117,879</td>
<td>81,712</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>9,543,755</td>
<td>9,412,757</td>
<td>130,997</td>
</tr>
<tr>
<td>Other</td>
<td>2,049,714</td>
<td>1,958,963</td>
<td>90,750</td>
</tr>
<tr>
<td>Subtotal</td>
<td>47,886,610</td>
<td>45,705,730</td>
<td>2,180,880</td>
</tr>
<tr>
<td>Securities of which the fair value does not exceed the acquisition cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic equity securities</td>
<td>418,347</td>
<td>508,944</td>
<td>(90,596)</td>
</tr>
<tr>
<td>Domestic bonds</td>
<td>10,995,947</td>
<td>11,000,210</td>
<td>(4,262)</td>
</tr>
<tr>
<td>Government bonds</td>
<td>10,731,551</td>
<td>10,733,154</td>
<td>(1,603)</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>12,554</td>
<td>12,578</td>
<td>(23)</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>251,840</td>
<td>254,476</td>
<td>(2,636)</td>
</tr>
<tr>
<td>Other securities</td>
<td>12,421,101</td>
<td>12,637,204</td>
<td>(216,103)</td>
</tr>
<tr>
<td>Foreign equity securities</td>
<td>17,921</td>
<td>17,958</td>
<td>(36)</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>11,056,136</td>
<td>11,240,157</td>
<td>(184,021)</td>
</tr>
<tr>
<td>Other</td>
<td>1,347,043</td>
<td>1,379,087</td>
<td>(32,044)</td>
</tr>
<tr>
<td>Subtotal</td>
<td>23,835,396</td>
<td>24,146,358</td>
<td>(310,962)</td>
</tr>
<tr>
<td>Total</td>
<td>71,722,006</td>
<td>69,852,089</td>
<td>1,869,917</td>
</tr>
</tbody>
</table>

(Note) The total difference amount shown in the table above includes ¥11,869 million revaluation gains of securities by application of the fair value hedge accounting method, which were recorded in current earnings. “Net unrealized gains (losses) on other securities” was calculated by excluding the revaluation gains of securities by application of the fair value hedge accounting method from the total difference amount shown in the above table (which subtotal was ¥1,858,048 million), plus ¥15,067 million of unrealized gains on securities in investment limited partnerships (which subtotal was ¥1,873,116 million), less ¥624,787 million of “Deferred tax liabilities” (which subtotal was ¥1,248,328 million), plus ¥14,079 million of “Minority interests,” and less ¥4,413 million of MUFG’s ownership share of affiliates’ unrealized gains (losses) on other securities. The amount of “Net unrealized gains (losses) on other securities” determined in such manner was ¥1,257,994 million, and was reflected in “Net assets.”
4. Other Securities Sold during the Fiscal Year (from April 1, 2013 to March 31, 2014) (in millions of yen)

<table>
<thead>
<tr>
<th>Securities</th>
<th>Amount sold</th>
<th>Gains on sales</th>
<th>Losses on sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equity securities</td>
<td>798,483</td>
<td>141,465</td>
<td>10,192</td>
</tr>
<tr>
<td>Domestic bonds</td>
<td>68,758,325</td>
<td>155,697</td>
<td>66,351</td>
</tr>
<tr>
<td>Government bonds</td>
<td>68,412,958</td>
<td>151,891</td>
<td>66,013</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>115,401</td>
<td>541</td>
<td>179</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>229,964</td>
<td>3,265</td>
<td>158</td>
</tr>
<tr>
<td>Other securities</td>
<td>37,145,709</td>
<td>210,654</td>
<td>130,525</td>
</tr>
<tr>
<td>Foreign equity securities</td>
<td>16,484</td>
<td>14,968</td>
<td>280</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>36,713,634</td>
<td>178,693</td>
<td>125,817</td>
</tr>
<tr>
<td>Other</td>
<td>415,589</td>
<td>16,992</td>
<td>4,426</td>
</tr>
<tr>
<td>Total</td>
<td>106,702,518</td>
<td>507,817</td>
<td>207,069</td>
</tr>
</tbody>
</table>

5. Change in Classification of Securities by Purpose of Holding

In the current fiscal year, classification of securitized products held by some of the foreign subsidiaries closing accounts at the end of December, which had previously been classified as “Other securities”, was changed to “Debt securities being held to maturity” at fair value (¥444,487 million) in accordance with the U.S. Financial Accounting Standards Board’s Accounting Standards Codification 320 “Investments - Debt and Equity Securities” and the International Accounting Standards 39 “Financial Instruments: Recognition and Measurement”.

This change was conducted based on the judgment that it would be more appropriate to reclassify securitized products as “Debt securities being held to maturity” since the subsidiaries had capability as well as intention to hold them to maturity.

Other securities changed to debt securities being held to maturity (as of March 31, 2014) (in millions of yen)

<table>
<thead>
<tr>
<th>Securities</th>
<th>Fair value</th>
<th>Amount on consolidated balance sheet</th>
<th>Amount of net unrealized gains (losses) on other securities recorded on consolidated balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign bonds</td>
<td>420,870</td>
<td>425,841</td>
<td>(10,775)</td>
</tr>
</tbody>
</table>
6. Securities Incurred Impairment Losses

Securities other than those held for trading purposes and investment in affiliates (excluding certain securities of which fair value is extremely difficult to determine) are subject to write-downs when their fair value has been impaired considerably and it is not probable that the value will recover to the acquisition cost as of the end of the current fiscal year. In such case, the fair value is recorded on the consolidated balance sheet and the difference between fair value and acquisition cost is recognized as losses for the fiscal year (referred to as “impairment losses”).

For the current fiscal year, impairment losses were ¥8,079 million consisting of ¥6,023 million of impairment losses on equity securities and ¥2,055 million of impairment losses on bonds and other securities in which securities whose fair value was extremely difficult to estimate were included.

“Considerable decline in fair value” was determined based on the classification of issuers in accordance with the internal standards for self-assessment of asset quality as follows:

- **Bankrupt, Substantially bankrupt or Potentially bankrupt issuers:**
  - Fair value is lower than acquisition cost.
- **Issuers requiring close monitoring:**
  - Fair value has declined 30% or more from acquisition cost.
- **Other issuers:**
  - Fair value has declined 50% or more from acquisition cost.

“Bankrupt issuer” means an issuer who has entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses. “Substantially bankrupt issuer” means an issuer who is not legally or formally bankrupt but is regarded as substantially in a similar condition. “Potentially bankrupt issuer” means an issuer who is not yet legally or formally bankrupt but deemed to have a high possibility of becoming bankrupt. “Issuer requiring close monitoring” means an issuer who is financially weak and under close monitoring conducted by MUFG’s subsidiaries. “Other issuer” means an issuer who does not correspond to any of the four categories of issuers mentioned above.
Notes to Money Held in Trust

1. Money Held in Trust for Trading Purpose (as of March 31, 2014) (in millions of yen)

<table>
<thead>
<tr>
<th>Money held in trust for trading purpose</th>
<th>Amount on consolidated balance sheet</th>
<th>Net unrealized gains (losses) recorded on the consolidated statement of income during this period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>75,388</td>
<td>(88)</td>
</tr>
</tbody>
</table>

2. Money Held in Trust Being Held to Maturity (as of March 31, 2014): None

3. Money Held in Trust not for Trading Purpose or Being Held to Maturity (as of March 31, 2014) (in millions of yen)

<table>
<thead>
<tr>
<th>Money held in trust not for trading purpose or being held to maturity</th>
<th>(a) Amount on consolidated balance sheet</th>
<th>(b) Acquisition cost</th>
<th>Difference (a) – (b)</th>
<th>Money held in trust with respect to which (a) exceeds (b)</th>
<th>Money held in trust with respect to which (a) does not exceed (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>508,304</td>
<td>507,811</td>
<td>493</td>
<td>493</td>
<td>0</td>
</tr>
</tbody>
</table>

(Note) 1. “Money held in trust with respect to which (a) exceeds (b)” and “Money held in trust with respect to which (a) does not exceed (b)” show the breakdown of the difference between (a) and (b).

2. ¥317 million was included in “Net unrealized gains (losses) on other securities”, after the deduction of ¥175 million as “Deferred tax liabilities”.

(Translation)  Mitsubishi UFJ Financial Group, Inc.
Notes to Business Combinations

Business combination through acquisition
(Bank of Ayudhya Public Company Limited became a subsidiary through acquisition of its shares)
MUFG and its consolidated subsidiary, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”), each resolved at their meeting of the Board of Directors on July 2, 2013 on the implementation of voluntary tender offer by BTMU (the “Voluntary Tender Offer”) to acquire a majority of the common stock of Bank of Ayudhya Public Company Limited (“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, BTMU acquired 4,373,714,120 shares of common stock of Bank of Ayudhya, which accounted for a majority of its voting rights, and the Bank of Ayudhya became a consolidated subsidiary of MUFG and BTMU.

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 the diverse needs of customers operating in Thailand through an investment in Bank of Ayudhya
   (3) Date of the business combination
       December 18, 2013
   (4) Legal form of the business combination
       Making the company a subsidiary through acquisition of its shares
   (5) Acquired voting rights ratio
       72.01%

2. Period of business results of the acquired company included in the consolidated financial statements
   As the date of the business combination is deemed to be December 31, 2013 and the subsidiary is consolidated based on its financial statements as of December 31, 2013, the business results of the acquired company are not included in the consolidated financial statements for the current fiscal 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 future business development.
   (3) Amortization method and amortization period
       Straight-line method, 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 fiscal year assuming that the business combination was completed on the beginning date of the current fiscal year

   Ordinary income
   ¥5,477,241 million
   Ordinary profits
   ¥1,716,498 million
   Net income
   ¥990,245 million

   (Method used for determining the estimated amount)
   The estimated amount is determined to be the effect on ordinary income, ordinary profits and net income, calculated on the assumption that the business combination was completed on the beginning date of the current fiscal 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 fiscal year.
   The estimated amount has not been audited.
Notes to Per Share Information:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets per common share</td>
<td>¥893.76</td>
</tr>
<tr>
<td>Net income per common share</td>
<td>¥68.28</td>
</tr>
<tr>
<td>Diluted net income per common share</td>
<td>¥68.03</td>
</tr>
</tbody>
</table>

Notes to Significant Subsequent Events

(Acquisition and cancellation of preferred stock)

As part of the capital policies, MUFG resolved at the meeting of the Board of Directors held on February 3, 2014 on the following execution concerning all of its first series of class 5 preferred stock: (i) acquisition pursuant to Article 18, Paragraph 1 of the Articles of Incorporation and Article 14 of the Issuance Guidelines for the preferred stock; (ii) cancellation pursuant to Article 178 of the Companies Act, subject to the acquisition; and (iii) effective date of the acquisition and cancellation to be April 1, 2014. Listed below are the details.

According to the resolution above, MUFG acquired and cancelled the entire first series of class 5 preferred stock on April 1, 2014.

<table>
<thead>
<tr>
<th>Method of acquisition</th>
<th>Acquisition pursuant to the clause on the acquisition of first series of class 5 preferred stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of stock acquired/cancelled</td>
<td>First series of class 5 preferred stock</td>
</tr>
<tr>
<td>Total number of stock acquired/cancelled</td>
<td>156,000,000 shares</td>
</tr>
<tr>
<td>Total amount of stock acquired/cancelled</td>
<td>¥390,000,000,000 (¥2,500 per share)</td>
</tr>
<tr>
<td>Date of acquisition</td>
<td>April 1, 2014</td>
</tr>
<tr>
<td>Method of cancellation</td>
<td>Deduct from capital surplus</td>
</tr>
</tbody>
</table>
Notes to the Non-consolidated Financial Statements

Notes to Significant Accounting Policies

1. Securities
   Other securities that are similar to deposits in nature are stated at cost computed under the moving-average method.
   Investments in subsidiaries and affiliates are stated at cost computed under the moving-average method.

2. Depreciation and Amortization of Fixed Assets
   (1) Tangible Fixed Assets (Except for Lease Assets)
      Depreciation of tangible fixed assets is computed using the declining-balance method. The useful lives are primarily estimated as follows:
      - Buildings: 5 to 15 years
      - Equipment and furniture: 2 to 6 years
   (2) Intangible Fixed Assets (Except for Lease Assets)
      Amortization of intangible fixed assets is computed using the straight-line method. Development costs for internally used software are amortized using the straight-line method over the estimated useful lives of 5 years.
   (3) Lease Assets
      Depreciation or amortization of lease assets in “Tangible fixed assets” or “Intangible fixed assets” of the finance leases other than those that are deemed to transfer the ownership of leased property to the lessees is computed using the straight-line method over the lease periods with zero residual value.

3. Reserves and Allowances
   (1) Reserve for bonuses, which is provided for future bonus payments to employees, reflects an estimated amount accrued on the balance sheet date.
   (2) Reserve for bonuses to directors, which is provided for future bonus payments to directors, reflects an estimated amount accrued on the balance sheet date.

4. Other Significant Accounting Policies Applied in the Preparation of the Non-Consolidated Financial Statements
   (1) Deferred Assets
      Stock issuance costs are expensed as incurred.
   (2) Translation of Assets and Liabilities Denominated in Foreign Currencies
      Assets and liabilities denominated in foreign currencies are translated into Japanese yen (“yen”) equivalents at exchange rates prevailing at the balance sheet date, except for investments in subsidiaries and affiliates which are translated into yen at exchange rates prevailing at the acquisition dates.
   (3) Hedge Accounting
      The deferred hedge accounting method is applied to hedging transactions for foreign currency risks arising from investments in affiliates denominated in foreign currencies. Individual hedging is applied and financial liabilities denominated in foreign currencies are used as hedging instruments.
   (4) Consumption Taxes
      National and local consumption taxes are excluded from transaction amounts.
Additional Information

(Adoption of consolidated taxation system)
MUFG received approval from the Commissioner of the National Tax Agency for the adoption of the consolidated taxation system effective from the fiscal year ending March 31, 2015. For this reason, accounting treatment assuming the adoption of the consolidated taxation system is implemented from the end of the current fiscal year in accordance with “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1)” (Accounting Standards Board of Japan Practical Issues Task Force (“ASBJ PITF”) No. 5 issued on March 18, 2011) and “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2)” (ASBJ PITF No. 7 issued on June 30, 2010).

Notes to the Non-consolidated Balance Sheet

1. Amounts of less than one million yen are rounded down.
2. Accumulated depreciation on tangible fixed assets: ¥696 million.
3. Guarantees and Items of Similar Nature
   (1) MUFG indemnified The Association of German Banks for the deposit liabilities of the branches in Germany of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), a subsidiary of MUFG, in accordance with regulations of The Deposit Protection Fund of Germany. The amount indemnified by MUFG was ¥234,855 million.
   (2) With respect to the preferred securities, MUFG entered into subordinated guarantee contracts with their issuers, MUFG Capital Finance 1 Limited and MUFG Capital Finance 2 Limited, and the paying agent.

<table>
<thead>
<tr>
<th>Guaranteed Party</th>
<th>Amount of issuance</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUFG Capital Finance 1 Limited</td>
<td>¥236,716 million</td>
</tr>
<tr>
<td>MUFG Capital Finance 2 Limited</td>
<td>¥106,237 million</td>
</tr>
</tbody>
</table>

4. Monetary Claims and Monetary Debts to Subsidiaries and Affiliates

<table>
<thead>
<tr>
<th>Monetary Claims and Debts to Subsidiaries and Affiliates</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term monetary claims to subsidiaries and affiliates</td>
<td>¥138,576 million</td>
</tr>
<tr>
<td>Long-term monetary claims to subsidiaries and affiliates</td>
<td>¥277 million</td>
</tr>
<tr>
<td>Short-term monetary debts to subsidiaries and affiliates</td>
<td>¥1,918,785 million</td>
</tr>
<tr>
<td>Long-term monetary debts to subsidiaries and affiliates</td>
<td>¥380,556 million</td>
</tr>
</tbody>
</table>

Notes to the Non-consolidated Statement of Income

1. Amounts of less than one million yen are rounded down.
2. Transactions with Subsidiaries and Affiliates

<table>
<thead>
<tr>
<th>Operating transactions</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>¥258,686 million</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>¥2,527 million</td>
</tr>
<tr>
<td>Non-operating transactions</td>
<td>¥57,347 million</td>
</tr>
</tbody>
</table>
Notes to the Non-consolidated Statement of Changes in Net Assets

1. Amounts of less than one million yen are rounded down.
2. Type and Number of Treasury Stocks are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Number of shares as of April 1, 2013</th>
<th>Number of shares increased</th>
<th>Number of shares decreased</th>
<th>Number of shares as of March 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>142</td>
<td>72</td>
<td>3</td>
<td>212</td>
</tr>
</tbody>
</table>

(Notes)
1. The increase in the number of common stocks held in treasury by 72 thousand shares was due to repurchase of stocks in response to requests made by shareholders holding shares constituting less than a unit.
2. The decrease in the number of common stocks held in treasury by 3 thousand shares was due to sale of stocks in response to requests made by shareholders holding shares constituting less than a unit.

Notes to Tax Effect Accounting

1. The breakdown of deferred tax assets and liabilities is shown with respect to each significant cause as follows:
   Current:
   Deferred tax assets:
   - Prepaid expenses ¥383 million
   - Reserve for bonuses ¥138 million
   - Tax loss carried forward ¥17,909 million
   - Others ¥30 million
   Subtotal ¥18,461 million
   Valuation allowance ¥(2,744) million
   Total deferred tax assets ¥15,717 million
   Deferred tax liability:
   - Accrued dividend receivable ¥95 million
   Total deferred tax liability ¥95 million
   Net deferred tax assets ¥15,621 million

   Fixed:
   Deferred tax assets:
   - Deferred hedge losses ¥33,621 million
   - Equity securities of subsidiaries and affiliates ¥41,960 million
   - Tax loss carried forward ¥4,154 million
   - Others ¥378 million
   Subtotal ¥80,114 million
   Valuation allowance ¥(54,747) million
   Total deferred tax assets ¥25,367 million
   Deferred tax liabilities:
   - Equity securities of subsidiaries and affiliates ¥7,412 million
   - Others ¥113 million
   Total deferred tax liabilities ¥7,525 million
   Net deferred tax assets ¥17,841 million
Notes to Transactions with Related Parties
A summary of transactions with material related parties was as follows:

<table>
<thead>
<tr>
<th>Status</th>
<th>Name</th>
<th>MUFG’s share of voting rights</th>
<th>Business</th>
<th>Transactions</th>
<th>Amount</th>
<th>Balance sheet amount as of March 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary</td>
<td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td>
<td>Directly 100.00% Indirectly - % Total 100.00%</td>
<td>Banking</td>
<td>Borrowings (*1)</td>
<td>-</td>
<td>Short-term borrowing 1,901,692</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Interest payments (*1)</td>
<td>13,020</td>
<td>Accrued expenses 168</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Guarantee (*2)</td>
<td>234,855</td>
<td></td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Mitsubishi UFJ Trust and Banking Corporation</td>
<td>Directly 100.00% Indirectly - % Total 100.00%</td>
<td>Trust banking</td>
<td>Fund management (*3)</td>
<td>-</td>
<td>Securities 111,300</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Interest income (*3)</td>
<td>72</td>
<td>Accrued income 3</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>MUFG Capital Finance 1 Limited</td>
<td>Directly 100.00% Indirectly - % Total 100.00%</td>
<td>SPC for issuance of preferred securities</td>
<td>Guarantee (*4)</td>
<td>236,716</td>
<td></td>
</tr>
</tbody>
</table>

---

(*1) Short-term borrowing
(*2) Accrued expenses
(*3) Securities
(*4) Accrued income
### Subsidiary: MUFG Capital Finance 2 Limited

<table>
<thead>
<tr>
<th>Directly</th>
<th>Indirectly</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00%</td>
<td>-%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The subsidiary’s share of MUFG’s voting rights

- **SPC for issuance of preferred securities**
- **Guarantee (**4**)** 106,237
- **-**
- **-**

### Subsidiary: MUFG Capital Finance 9 Limited

<table>
<thead>
<tr>
<th>Directly</th>
<th>Indirectly</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00%</td>
<td>-%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The subsidiary’s share of MUFG’s voting rights

- **SPC for issuance of preferred securities**
- **Interest payments (**5**)** 15,583
- **Accrued expenses** 2,841
- **Bonds payable** 380,500

Amount of transactions does not include consumption taxes.

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*(1) Short-term Borrowings:*

Interest rates on borrowings were determined based on the market interest rates or on the interest rates at which the funds were raised from The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU). The borrowings were non-collateralized with a lump-sum repayment.

*(2) MUFG indemnified The Association of German Banks for the deposit liabilities of the branches in Germany of BTMU, in accordance with regulations of The Deposit Protection Fund of Germany.*

*(3) The interest applicable to securities was determined in consideration of the market interest rate.*

*(4) MUFG entered into subordinated guarantee contracts with the issuers of the preferred securities and the paying agent relating to the preferred securities of MUFG Capital Finance 1 Limited and MUFG Capital Finance 2 Limited. MUFG received no guarantee fee.*

*(5) The coupon rate of the subordinated bond was determined based on that of preferred securities issued by MUFG Capital Finance 9 Limited; the coupon rate of the preferred securities was determined based on the market interest rate at the time of issuance.*
Notes to Per Share Information:

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets per common share</td>
<td>¥580.03</td>
</tr>
<tr>
<td>Net income per common share</td>
<td>¥15.80</td>
</tr>
<tr>
<td>Diluted net income per common share</td>
<td>¥15.77</td>
</tr>
</tbody>
</table>

Notes to Significant Subsequent Events

(Acquisition and cancellation of preferred stock)

As part of the capital policies, MUFG resolved at the meeting of Board of Directors held on February 3, 2014 on the following execution concerning all of its first series of class 5 preferred stock: (i) acquisition pursuant to Article 18, Paragraph 1 of the Articles of Incorporation and Article 14 of the Issuance Guidelines for the preferred stock; (ii) cancellation pursuant to Article 178 of the Companies Act, subject to the acquisition; and (iii) effective date of the acquisition and cancellation to be April 1, 2014. Listed below are the details.

According to the resolution above, MUFG acquired and cancelled the entire first series of class 5 preferred stock on April 1, 2014.

<table>
<thead>
<tr>
<th>Method of acquisition</th>
<th>Acquisition pursuant to the clause on the acquisition of first series of class 5 preferred stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of stock acquired/cancelled</td>
<td>First series of class 5 preferred stock</td>
</tr>
<tr>
<td>Total number of stock acquired/cancelled</td>
<td>156,000,000 shares</td>
</tr>
<tr>
<td>Total amount of stock acquired/cancelled</td>
<td>¥390,000,000,000 (¥2,500 per share)</td>
</tr>
<tr>
<td>Date of acquisition</td>
<td>April 1, 2014</td>
</tr>
<tr>
<td>Method of cancellation</td>
<td>Deduct from other capital surplus</td>
</tr>
</tbody>
</table>

Other Notes

1. Investments in Subsidiaries and Affiliates

<table>
<thead>
<tr>
<th></th>
<th>Amount on balance sheet</th>
<th>Fair value as of March 31, 2014</th>
<th>Net unrealized gains (losses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries</td>
<td>90,074</td>
<td>194,278</td>
<td>104,204</td>
</tr>
<tr>
<td>Affiliates</td>
<td>776,398</td>
<td>1,446,818</td>
<td>670,420</td>
</tr>
<tr>
<td>Total</td>
<td>866,473</td>
<td>1,641,097</td>
<td>774,624</td>
</tr>
</tbody>
</table>

(Note) Investments in subsidiaries and affiliates whose fair value was extremely difficult to estimate

<table>
<thead>
<tr>
<th></th>
<th>Amount on balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries</td>
<td>9,793,329</td>
</tr>
<tr>
<td>Affiliates</td>
<td>47,039</td>
</tr>
<tr>
<td>Total</td>
<td>9,840,368</td>
</tr>
</tbody>
</table>

(Note) Investments in subsidiaries and affiliates whose fair value was extremely difficult to estimate

Since there was no quoted market price available and it was extremely difficult to estimate the fair value of these securities, those figures were not included in the above.
2. Subordinated Borrowings
   “Long-term borrowings from subsidiaries and affiliates” were all subordinated borrowings.

3. Subordinated Bonds
   Bonds included in “Bonds Payable” were all subordinated bonds.