Mitsubishi UFJ Financial Group

MUFG

Basel III Disclosure

Fiscal 2012

Risk Management

Overview

Numerous changes in our business environment have occurred as a result of globalization of the financial industry, the advancement of information technology, and changes in economic conditions. We aim to be a global and comprehensive financial group encompassing leading commercial and trust banks, and securities firms. Risk management plays an increasingly important role as the risks faced by financial groups such as us increase in scope and variety.

We identify various risks arising from businesses based on uniform criteria, and implement integrated risk management to ensure a stronger financial condition and to maximize shareholder value. Based on this policy, we identify, measure, control and monitor a wide variety of risks so as to achieve a stable balance between earnings and risks. We undertake risk management to create an appropriate capital structure and to achieve optimal allocation of resources.

Risk Classification

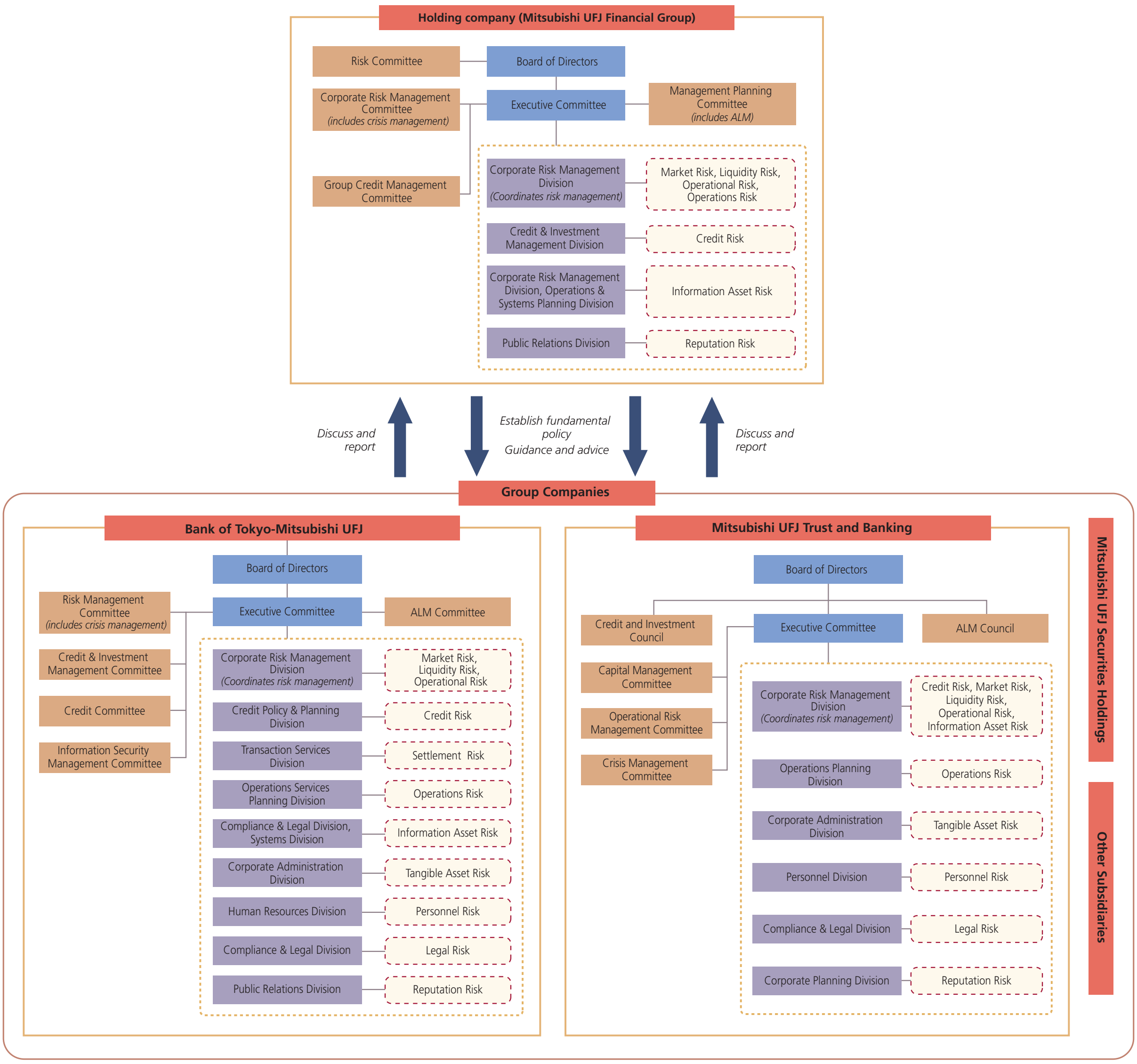
At the holding company level, we broadly classify and define risk categories faced by the Group including those that are summarized below. Group companies perform more detailed risk management based on their respective operations.

Type of Risk		*Definition*
Credit Risk		The risk of financial loss in credit assets (including off-balance sheet instruments) caused by deterioration in the credit conditions of counterparties. This category includes country risk.
Market Risk		Market risk is the risk of financial loss where the value of our assets and liabilities could be adversely affected by changes in market variables such as interest rates, securities prices and foreign exchange rates. Market liquidity risk is the risk of financial loss caused by the inability to secure market transactions at the required volume or price levels as a result of market turbulence or lack of trading liquidity.
Liquidity Risk		The risk of incurring loss if a poor financial position at a group company hampers the ability to meet funding requirements or necessitates fund procurement at interest rates markedly higher than normal.
Operational Risk		The risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.
	Operations Risk	The risk of incurring loss that might be caused by negligence of correct operational processing, or by incidents or misconduct by either officers or staff, as well as other similar risks.
	Information Asset Risk	The risk of loss caused by loss, alteration, falsification or leakage of information, or by destruction, disruption, errors or misuse of information systems, as well as other similar risks.
	Reputation Risk	The risk of loss due to deterioration in reputation as a consequence of the spread of rumors among customers or in the market, or as a consequence of inadequate response to a particular circumstance by MUFG, as well as other similar risks.

Risk Management System

We have adopted an integrated risk management system to promote close cooperation among the holding company and group companies. The holding company and the major subsidiaries (which include BTMU, MUTB and MUSHD) each appoint a chief risk officer and establish an independent risk management division. The board of directors of the holding company determines risk management policies for various type of risk based on the discussions at, and reports and recommendations from, committees established specially for risk management purposes. The holding company has established committees to assist management in managing risks relevant to the Group. For example, the Corporate Risk Management Committee and the Group Credit Management Committee each deliberate important issues regarding the risk management policy and framework for the Group and report to the Executive Committee. In addition, the Risk Committee also deliberates important issues regarding the risk management policy and framework for the Group and reports to the board of directors. Following the fundamental risk management policies determined by the board of directors, each group company establishes its own systems and procedures for identifying, analyzing and managing various types of risks from both quantitative and qualitative perspectives. The holding company seeks to enhance group wide risk identification, to integrate and improve the Group's risk management system and related methods, to maintain asset quality, and to eliminate concentrations of specific risks.

Risk Management System



Business Continuity Management

In order to have a clear critical response rationale and associated decision-making criteria, we have developed systems designed to ensure that our operations are not interrupted or can be restored to normal quickly in the event of a natural disaster or system failure so as to minimize any disruption to customers and markets. A crisis management team within the holding company is the central coordinating body in the event of any emergency. Based on information collected from crisis management personnel at the major subsidiaries, this central body would assess the overall impact of a crisis on the Group's business and establish task forces that could implement all countermeasures to restore full operations. We have business continuity plans to maintain continuous operational viability in the event of natural disasters, system failures and other types of emergencies. Regular training drills are conducted to upgrade the practical effectiveness of these systems.

The Great East Japan Earthquake created unprecedented and extreme circumstances, an electricity power supply shortage and a need for all companies in Japan, including us, to reduce their electricity consumption. We are conducting a comprehensive review of our existing business continuity plan to more effectively respond to these circumstances as well as further extreme scenarios, such as a sudden massive blackout in major metropolitan areas in Japan. In addition, recognizing that our operations particularly in Japan are subject to the risk of earthquakes and other natural disasters as well as accidents resulting from such disasters, and that our contingency plans may not address all eventualities that may occur in the event of a material disruption to our operations, we continue to contemplate and implement measures to augment our current business continuity management framework, including enhancing our off-site back-up data storage and other information technology systems.

Implementation of Basel Standards

Basel II, as adopted by the FSA, has been applied to Japanese banks since March 31, 2007. Certain provisions of Basel III were adopted by the FSA effective March 31, 2013 for Japanese banking institutions with international operations conducted by their foreign offices. Basel III is based on Basel II's comprehensive regulatory framework which is built on "three pillars": (1) minimum capital requirements, (2) the self-regulation of financial institutions based on supervisory review process, and (3) market discipline through the disclosure of information. Based on the Basel principles, MUFG has adopted the Advanced Internal Ratings-Based Approach to calculate its capital requirements for credit risk since March 31, 2009. The Standardized Approach is used for some subsidiaries that are considered to be immaterial to our overall capital requirements, and UNBC has adopted a phased rollout of the Internal Ratings-Based Approach. MUFG has adopted the Advanced Measurement Approach since March 31, 2012 to calculate its capital requirements for operational risk, except that we use the Basic Indicator Approach for entities that are deemed to be less important in the calculation of the operational risk equivalent amount and for entities that are still preparing to implement the Advanced Measurement Approach. As for market risk, MUFG has adopted the Internal Models Approach mainly to calculate general market risk and adopted the Standardized Measurement Method to calculate specific risk.

In response to the recent financial crisis, the Group of Central Bank Governors and Heads of Supervision has made a series of announcements regarding the new global regulatory framework, which has been referred to as "Basel III," to strengthen the regulation, supervision and risk management of the banking sector. Various Basel III measures are being phased in from the calendar year 2013, including those designed to raise the level of minimum capital requirements and to establish an internationally harmonized leverage ratio and a global minimum liquidity standard. In addition, the Basel Committee on Banking Supervision has proposed additional loss absorbency requirements to supplement the Common Equity Tier 1 capital requirement ranging from 1% to 3.5% for global systemically important banks, or G-SIBs, depending on the bank's systemic importance. The Financial Stability Board identified us as a G-SIB in its most recent annual report published in November 2012, and indicated that, as a G-SIB, we would be required to hold an additional 1.5% of Common Equity Tier 1. The group of banks identified as G-SIBs is expected to be updated annually, and the first group of G-SIBs to which the stricter capital requirements will initially be applied is expected to be identified in 2014. The stricter capital requirements are expected to be implemented in phases between January 1, 2016 and December 31, 2018 and will become fully effective on January 1, 2019.

Based on the Basel III framework, the Japanese capital ratio framework has been revised to implement the more stringent requirements, which are being implemented in phases beginning on March 31, 2013. Likewise, local banking regulators outside of Japan, such as those in the United States, are expected to revise the capital and liquidity requirements imposed on our subsidiaries and operations in those countries to implement the more stringent requirements of Basel III as adopted in those countries. We intend to carefully monitor further developments with an aim to enhance our corporate value and maximize shareholder value by integrating the various strengths within the MUFG Group.

Credit Risk Management

Credit risk is the risk of losses due to deterioration in the financial condition of a borrower. We have established risk management systems to maintain asset quality, manage credit risk exposure and achieve earnings commensurate with risk.

Our major banking subsidiaries (which include BTMU and MUTB) apply a uniform credit rating system for asset evaluation and assessment, loan pricing, and quantitative measurement of credit risk. This system also underpins the calculation of capital requirements and management of credit portfolios. We continually seek to upgrade credit portfolio management, or CPM, expertise to achieve an improved risk-adjusted return based on the Group's credit portfolio status and flexible response capability to economic and other external changes.

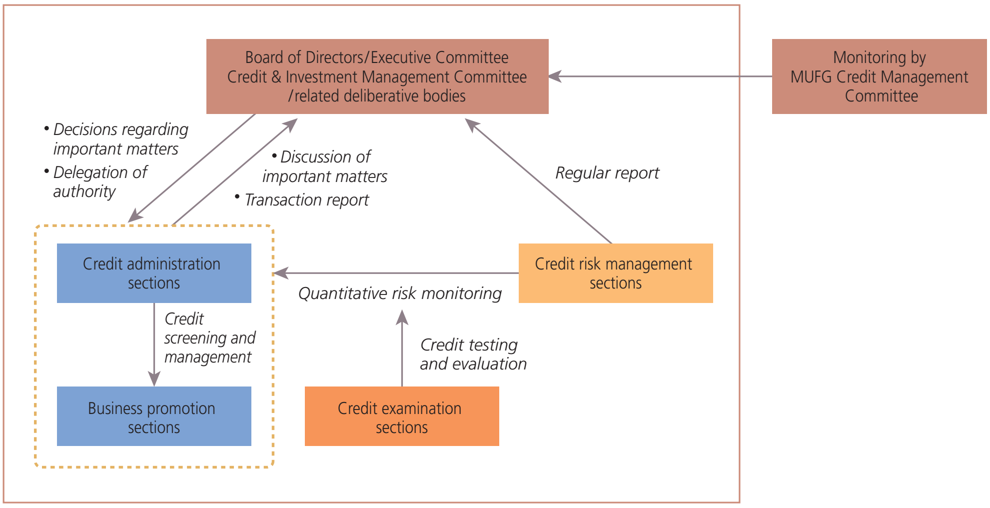
Credit Risk Management System

The credit portfolios of our major banking subsidiaries are monitored and assessed on a regular basis by the holding company to maintain and improve asset quality. A uniform credit rating and asset evaluation and assessment system is used to ensure timely and proper evaluation of all credit risks.

Under our credit risk management system, each of our subsidiaries in the banking, securities, consumer finance, and leasing businesses, manages its respective credit risk on a consolidated basis based on the attributes of the risk, while the holding company oversees and manages credit risk on an overall group-wide basis. The holding company also convenes regular committee meetings to monitor credit risk management at banking subsidiaries and to issue guidance where necessary.

Each major banking subsidiary has in place a system of checks and balances in which a credit administration section that is independent of the business promotion sections screens individual transactions and manages the extension of credit. At the management level, regular meetings of the Credit & Investment Management Committee and related deliberative bodies ensure full discussion of important matters related to credit risk management. Besides such checks and balances and internal oversight systems, credit examination sections also undertake credit testing and evaluation to ensure appropriate credit risk management.

Credit Risk Management Framework of the Major Banking Subsidiaries



Credit Rating System

MUFG and its major banking subsidiaries use an integrated credit rating system to evaluate credit risk. The credit rating system consists primarily of borrower rating, facility risk rating, structured finance rating and asset securitization rating.

Country risk is also rated on a uniform group-wide basis. Our country risk rating is reviewed periodically to take into account relevant political and economic factors, including foreign currency availability.

Risk exposure for small retail loans, such as residential mortgage loans, is managed by grouping loans into various pools and assigning ratings at the pool level.

Definitions of Borrower Ratings

<table>
<tr><th>Borrower Rating</th><th>Definition</th><th>Borrower category</th><th>NPL Classifications under FRL</th></tr>
<tr><td>1</td><td>The capacity to meet financial commitments is extremely certain, and the borrower has the highest level of creditworthiness.</td><td rowspan="9">Normal</td><td rowspan="12">Normal claims</td></tr>
<tr><td>2</td><td>The capacity to meet financial commitments is highly certain, but there are some elements that may result in lower creditworthiness in the future.</td></tr>
<tr><td>3</td><td>The capacity to meet financial commitments is sufficiently certain, but there is the possibility that creditworthiness may fall in the long run.</td></tr>
<tr><td>4</td><td>There are no problems concerning the capacity to meet financial commitments, but there is the possibility that creditworthiness may fall in the long run.</td></tr>
<tr><td>5</td><td>There are no problems concerning the capacity to meet financial commitments, and creditworthiness is in the middle range.</td></tr>
<tr><td>6</td><td>There are no problems concerning the capacity to meet financial commitments presently, but there are elements that require attention if the situation changes.</td></tr>
<tr><td>7</td><td>There are no problems concerning the capacity to meet financial commitments presently, but long-term stability is poor.</td></tr>
<tr><td>8</td><td>There are no problems concerning the capacity to meet financial commitments presently, but long-term stability is poor, and creditworthiness is relatively low.</td></tr>
<tr><td>9</td><td>The capacity to meet financial commitments is somewhat poor, and creditworthiness is the lowest among “Normal” customers.</td></tr>
<tr><td>10–12</td><td>Borrowers who must be closely monitored because of the following business performance and financial conditions:
(1) Borrowers who have problematic business performance, such as virtually delinquent principal repayment or interest payment;
(2) Borrowers whose business performance is unsteady, or who have unfavorable financial conditions;
(3) Borrowers who have problems with loan conditions, for whom interest rates have been reduced or shelved.</td><td rowspan="4">Close watch</td></tr>
<tr><td>10</td><td>Although business problems are not serious or their improvement is seen to be remarkable, there are elements of potential concern with respect to the borrower’s management, and close monitoring is required.</td></tr>
<tr><td>11</td><td>Business problems are serious, or require long-term solutions. Serious elements concerning business administration of the borrower have emerged, and subsequent debt repayment needs to be monitored closely.</td></tr>
<tr><td>12</td><td>Borrowers who fall under the criteria of Rating 10 or 11 and have “Restructured Loans.” Borrowers who have “Loans contractually past due 90 days or more.” (As a rule, delinquent borrowers are categorized as “Likely to Become Bankrupt,” but the definition here applies to borrowers delinquent for 90 days or more because of inheritance and other special reasons.)</td><td>Claims under close observation</td></tr>
<tr><td>13</td><td>Borrowers who pose a serious risk with respect to debt repayment, loss is likely to occur in the course of transactions. While still not bankrupt, these borrowers are in financial difficulty, with poor progress in achieving restructuring plans, and are likely to become bankrupt in the future.</td><td>Likely to become bankrupt</td><td>Doubtful claims</td></tr>
<tr><td>14</td><td>While not legally bankrupt, borrowers who are considered to be virtually bankrupt because they are in serious financial difficulty and have no prospects for an improvement in their business operations.</td><td>Virtually bankrupt</td><td rowspan="2">Claims over bankrupt or virtually bankrupt borrowers</td></tr>
<tr><td>15</td><td>Borrowers who are legally bankrupt (i.e., who have no prospects for continued business operations because of non-payment, suspension of business, voluntary liquidation, or filing for legal liquidation).</td><td>Bankrupt</td></tr>
</table>

• Borrower rating

Our borrower rating classifies borrowers into 15 grades based on evaluations of their expected debt-service capability over the next three to five years.

• Facility risk rating

Facility risk rating is used to evaluate and classify the quality of individual credit facilities, including guarantees and collateral. Ratings are assigned by quantitatively measuring the estimated loss rate of a facility in the event of a default.

• Structured finance rating and asset securitization rating

Structured finance rating and asset securitization rating are also used to evaluate and classify the quality of individual credit facilities, including guarantees and collateral, and focus on the structure, including the applicable credit period, of each credit facility. In evaluating the debt service potential of a credit facility, we scrutinize its underlying structure to determine the likelihood of the planned future cash flows being achieved.

• Pool assignment

Each major banking subsidiary has its own system for pooling and rating small retail loans designed to reflect the risk profile of its loan portfolios.

• Asset Evaluation and Assessment System

The asset evaluation and assessment system is used to classify assets held by us according to the probability of collection and the risk of any impairment in value based on borrower classifications consistent with the borrower ratings and the status of collateral, guarantees, and other factors.

The system is used to conduct write-offs and allocate allowances against credit risk in a timely and adequate manner.

• Quantitative Analysis of Credit Risk

MUFG and its major banking subsidiaries manage credit risk by monitoring credit amount and expected losses, and run simulations based on internal models to estimate the maximum amount of credit risk. These models are used for internal management purposes, including loan pricing and measuring economic capital.

When quantifying credit risk amounts using the internal models, MUFG and its major banking subsidiaries consider various parameters, including probability of default, or PD, loss given default, or LGD, and exposure at default, or EAD, used in their borrower ratings, facility risk ratings and pool assignments as well as any credit concentration risk in particular borrower groups or industry sectors. MUFG and its major banking subsidiaries also share credit portfolio data in appropriate cases.

Glossary of terms:

• PD (Probability of Default)
The estimated default rate or the probability that the borrower will default. The definition of default is nonperformance in payments of interest or principal in the narrow sense; however, in quantifying credit risk, a wider definition of default is used.

• LGD (Loss Given Default)
The percentage loss at time of default, or in other words, the estimated percentage of loss on loan when a borrower defaults due to bankruptcy or other reasons.

• EAD (Exposure at Default)
The amount expressed in relevant currency of exposure to loss at time of default, or in other words, the estimated amount of exposure to loss on loan when a borrower defaults due to bankruptcy or other reasons.

Outline of Rating Procedure

• Corporate exposures

Corporate exposures which are managed on a case-by-case basis using borrower rating and other methods consist of the following exposures.

Corporate Exposure Categories

Asset class under Basel III	*Details*
Corporate exposures	Include exposures to corporates on which borrower rating is assigned and retail business exposures.
Specialized lending	Exposures related to structured finance, including project finance, object finance, real estate finance, and others.
Exposures for eligible purchased corporate receivables	Exposures for eligible purchased corporate receivables include pools of small claims among securitized account receivables, leasing receivables or other receivables for which individual assessment is inappropriate. In some cases, these pools become underlying assets of securitization exposures related to the asset-backed commercial paper (ABCP) programme sponsor business.
Sovereign exposures	In addition to exposures to central government and central bank, sovereign exposures include exposure to local public authorities, land development public corporations, regional housing supply corporations, and regional road corporations.
Bank exposures	Bank exposures include total credit exposures including off-balance sheet transactions.

Equity Exposures under PD/LGD Approach

Equity exposures under PD/LGD approach	Includes strategic equity investments. Such investments made before the end of September 2004 are excluded from this category because of the grandfathering provisions stipulated in the FSA Notification on Basel III.

Borrower rating is assigned to these exposures by taking into consideration quantitative financial analysis, various risk adjustments, evaluation of business group, and external indexes and information.

In estimating an individual PD of each borrower rating, internal data regarding actual default records for each borrower rating are used. For the purpose of calculating capital requirements, measuring economic capital and loan pricing, PD is estimated with default defined as borrower rating 12 to 15 and any disposal that generates material economic loss. For the purpose of other internal risk management, including conducting write-offs and allocating allowances based on asset evaluation and assessments, PD is estimated with default defined as borrower rating 13 to 15.

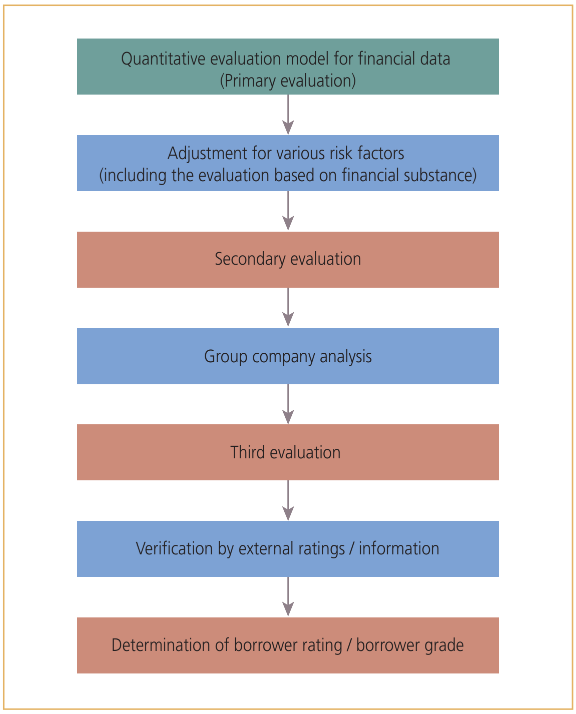
When assigning a structured finance rating to specialized lending, similar procedures are followed in adjusting for various risks after conducting quantitative financial analysis. In calculating capital requirements, ratings for certain real estate finance and object finance are mapped to supervisory slotting criteria; PD estimation is not used.

For eligible purchased corporate receivables, PD is estimated using external information and other factors. Evaluation of the external data with regard to explanation capability to default rates and other factors is conducted to ensure conservativeness.

For corporate exposures under the PD/LGD approach, facility ratings are assigned based on loan recoverability, taking into account factors specific to each loan (guarantees/collateral, etc.). LGD, which is estimated for each individual facility rating, is determined based on internal data concerning the actual loss record of default exposures, taking into account the recessionary period.

Furthermore, for undrawn commitments under off balance sheet exposures, EAD is estimated based on internal data regarding the amount drawn at the time of default.

Example of Borrower Rating Assignment Process



Glossary of terms:

- **PD/LGD approach**

A method of calculating capital requirements from estimation of both probability of default and loss given default. Other methods used to calculate capital requirements include the Market-Based Approach, which uses stock price volatility.

Retail Exposure Categories

Categories under Basel III	*Details*
Residential mortgage exposures	Include retail housing loans to individuals living in residential real estate to purchase the real estate
Qualifying revolving retail exposures	Include individual card loans that fulfill certain requirements
Other retail exposures	Include non-business related loans to individuals other than residential mortgage and qualifying revolving retail exposures, and small business exposures being managed in pools instead of by borrower rating

• Retail exposures

Retail exposures being managed based on pool are comprised of the exposures shown in the above table. In the pool assignment system, the exposures are first divided into pools by product type and then the pools are partitioned after analyzing delinquency status, transaction risk characteristics and borrower risk characteristics.

In estimating parameters such as PDs, internal data with regard to actual default result of each pool classification are used (where default is defined as claims more than 3 months in arrears, the borrower category of close observation or below, or repayment by subrogation).

Quantitative Analysis of Credit Risk

MUFG and its major banking subsidiaries manage credit risk by monitoring credit amount and expected losses, and run simulations based on internal models to estimate the maximum amount of credit risk. These models are used for internal management purposes, including loan pricing and measuring economic capital.

When quantifying credit risk amounts using the internal models, MUFG and its major banking subsidiaries consider various parameters, including probability of default, or PD, loss given default, or LGD, and exposure at default, or EAD, used in their borrower ratings, facility risk ratings and pool assignments as well as any credit concentration risk in particular borrower groups or industry sectors. MUFG and its major banking subsidiaries also share credit portfolio data in appropriate cases.

In calculating regulatory capital requirements under the Basel III framework, as with quantification of credit risk amounts for internal risk management, MUFG and its major banking subsidiaries basically use PD, LGD and EAD applicable to borrower rating, facility risk rating and pool assignment based on the AIRB Approach. (However, in calculating capital requirements based on the Standardized Approach as an exemption to the IRB Approach, a risk weight of 100% is used for corporate exposures continuously and uniformly while risk weights for bank and sovereign exposures are determined using external ratings of the rating agency R&I for domestic exposures and those of S&P for overseas exposures.)

Loan Portfolio Management

We aim to achieve and maintain levels of earnings commensurate with credit risk exposure. Products are priced to take into account expected losses, based on the internal credit ratings.

We assess and monitor loan amounts and credit exposure by credit rating, industry and region. Portfolios are managed to limit concentrations of risk in specific categories in accordance with our Large Credit Guidelines.

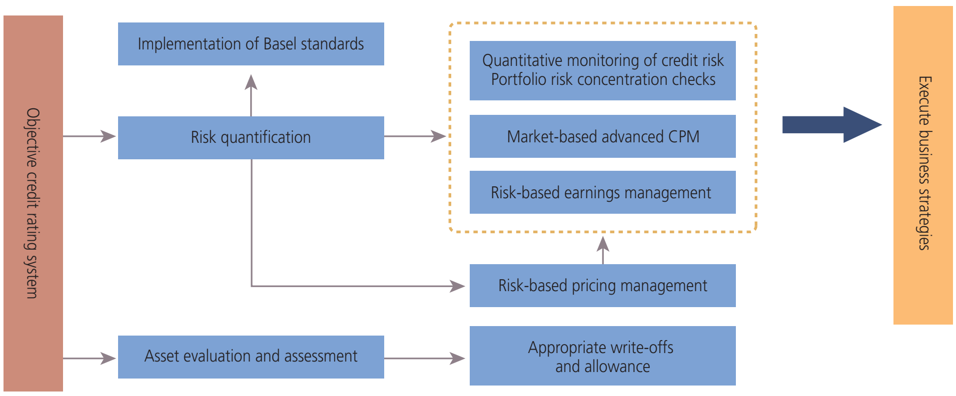
To manage country risk, we have established specific credit ceilings by country. These ceilings are reviewed when there is a material change in a country's credit standing, in addition to being subject to a regular periodic review.

Continuous CPM Improvement

With the prevalence of securitized products and credit derivatives in global markets, we seek to supplement conventional CPM techniques with advanced methods based on the use of such market-based instruments.

Through credit risk quantification and portfolio management, we aim to improve the risk return profile of the Group's credit portfolio, using financial markets to rebalance credit portfolios in a dynamic and active manner based on an accurate assessment of credit risk.

Credit Portfolio Management (CPM) Framework



Securitization Exposures

For the purposes of its portfolio management, MUFG securitizes portions of its loans and other assets. In addition, MUFG acts as an originator of securitization transactions in its Asset-Backed Commercial Paper (ABCP) sponsor business. Moreover, some of the securitization exposure that MUFG holds as an investor includes asset-backed securities.

Against the backdrop of the growing diversification in securitization and other factors, MUFG uses a variety of methods to quantify credit risk of the securitization exposures internally, such as a method based on rating combining the credit risk of the underlying assets and the transferor risk, a method focusing on the price volatility of the credit exposures, and a method based on the approach established in Basel III.

In calculating regulatory capital requirements for credit risk, MUFG uses both "the Ratings-Based Approach (RBA)" and "the Supervisory Formula (SF)." Where the securitization exposures are rated by qualified rating agency, MUFG uses RBA. Where external ratings are not available, MUFG uses the SF stipulated in the FSA Notification. In calculating capital requirements under the RBA, MUFG refers to the ratings of S&P, Moody's, Fitch, R&I, and JCR.

In calculating regulatory capital requirements for market risk, MUFG uses both the "Internal Models Approach," where the MUFG Group's market risk measurement model is adopted for calculations, and the "Standardized Method," where calculation methods stipulated in the FSA Notification are adopted.

The risk profiles of securitization exposures vary widely depending on involvement in schemes and the type and structure of underlying assets. In addition, the risk profile is more complex for re-securitization exposures because the underlying assets have a multi-level structure. In regard to the management of securitization exposures, MUFG strives for monitoring of conditions through various methods, including establishing a monitoring system for such risk profiles and performance based on management rules, etc., as well as regularly confirming information requiring monitoring.

MUFG holds securitized loans and other assets, as well as securitized products as a sponsor of ABCP programs, which are acquired from external investors, in principle. Normally, MUFG Group companies do not acquire such products directly from the originators.

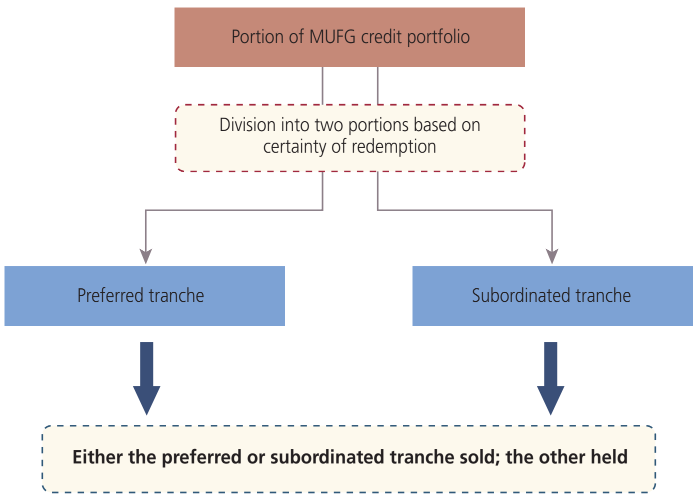
- **Securitization of loans and other assets held by MUFG**

MUFG securitizes some of its loans and other assets to transfer long-term interest rate risk on residential mortgage loans, and to transfer credit risk in its corporate loan portfolio.

Because the sections carrying out these types of transactions within MUFG are limited, the credit risk management sections directly collaborate with these sections to calculate the capital requirements.

As a credit risk control technique, the importance of securitization is growing. However, at this time, credit derivatives and guarantees account for a greater proportion of credit risk transfer transactions than securitization.

Example of Securitization of Loan Assets



• ABCP sponsor

MUFG serves as a sponsor of an ABCP conduit or similar asset securitization programme to offer solutions to its customers in order to utilize the customers' account receivables, note receivables and various types of assets.

Under such programmes, customers' account receivables, note receivables and other assets are transferred to a special purpose company (SPC) established in advance. The SPC then procures funds by issuing commercial paper backed by the transferred assets. A typical transaction involves separating the transferred assets into preferred and subordinated tranches. An ABCP is issued using only the preferred tranche as the underlying assets.

In cases where MUFG provides a liquidity support facility to the SPC which issues the ABCP, MUFG calculates regulatory capital requirements by treating the facility as an off-balance sheet transaction.

• Asset-backed securities investment

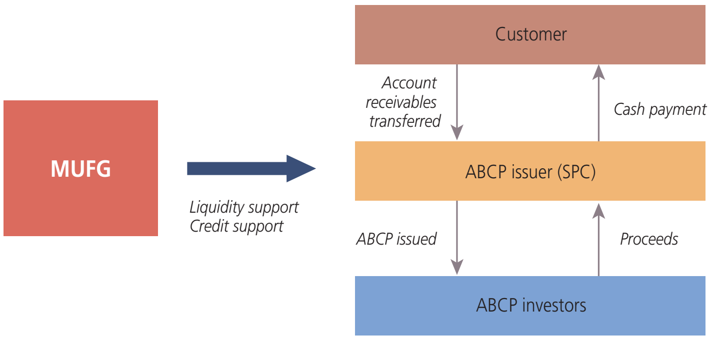
MUFG holds some asset-backed securities for investment purposes.

MUFG manages this type of transaction within the same framework as other securities investment and calculates the capital requirements accordingly.

• Accounting policy for securitization activities

MUFG complies with Accounting Standard Board of Japan Statement No. 10, Accounting Standard for Financial Instruments (Business Accounting Council, January 22, 1999) in recognizing, evaluating, and booking the occurrence or extinguishment of financial assets or liabilities related to securitization transactions.

Example of ABCP Sponsor Business



Derivatives and Long Settlement Transactions, and Credit Risk Mitigation Techniques (Collateral and guarantees)

While loan exposures are the main portion of the credit portfolio to be managed, a counterparty credit risk arising from derivatives and long settlement transactions (hereafter "derivatives transactions") is also included in the portfolio. In addition, when quantifying credit risk internally, MUFG takes into consideration an effect of credit risk mitigation (CRM) provided by collateral or guarantees.

1. Derivatives

Because counterparty credit risk of derivatives transactions generally can vary over time with the movement of underlying market factors, MUFG calculates exposures to counterparty credit risk by adding increases in future potential exposure to the balance of present exposure. Counterparty credit risk is not just recognized when calculating capital requirements, but significant exposures to counterparty credit risk are also managed in the same manner as loan exposures through allocation of capital for credit risk and setting limits for the purpose of internal risk management.

In addition, the establishment of collateral-based security and reserves for derivative transactions is, in principle, treated in the same manner as for loans.

Among generally used derivatives contracts, there are some contracts that provide for the requirement of additional collateral in the event that the credit capabilities of MUFG should deteriorate, and therefore, are a potential source of increased exposures.

2. Credit Risk Mitigation Techniques (Collateral, guarantees, and credit derivatives)

When quantifying credit risk and calculating capital requirements based on the AIRB Approach, MUFG basically takes into account the CRM effects of collateral, guarantees and credit derivatives using a method based on the amounts recovered in association with default exposures.

When using the Standardized Approach to calculate capital requirements, MUFG takes into consideration the effect of CRM techniques. Among these techniques are eligible financial collateral as typified by deposit collateral in our banks, or guarantees and credit derivatives.

The method for taking into account CRM effects based on the IRB Approach is tied to the internal risk management system. For example, through assessing real estate value accurately, MUFG endeavors to increase the sophistication of its internal risk management systems and use its advanced internal risk management systems in the calculation of capital requirements.

MUFG has a diversity of guarantors, such as local public authorities, credit guarantee corporations, financial institutions, and corporates, but its counterparties in credit derivative transactions are primarily financial institutions. When calculating capital requirements, guarantees and credit derivatives for which CRM effects are taken into account are limited to counterparties to whom MUFG continuously assigns borrower ratings and monitors creditworthiness.

With loans, MUFG mainly uses guarantees by Credit Guarantee Corporations or real estate collateral as CRM techniques. At this point of time, the use of CRM techniques has not led to excessive concentration of credit or market risk.

Other credit risk mitigation techniques

When calculating capital requirements for corporate exposures applicable to the AIRB Approach or exposures applicable to the Standardized Approach, MUFG recognizes the effect of on-balance netting of loans and deposits. For exposures applicable to the AIRB Approach, deposits eligible for the netting process are limited to call money.

For derivatives, such as interest rate swaps and currency options, and repo-style transactions with legally enforceable netting agreements, the CRM effects are taken into account when calculating capital requirements.

In addition, for collateralized derivatives (transactions based on CSA agreements), the CRM effects are also taken into account when calculating capital requirements.

Risk Management of Strategic Equity Portfolio

Strategic equity investment risk is the risk of loss caused by a decline in the prices of our equity investments.

We hold shares of various corporate clients for strategic purposes, in particular to maintain long-term relationships with these clients. These investments have the potential to increase business revenue and appreciate in value. At the same time, we are exposed to the risk of price fluctuation in the Japanese stock market. For that reason, in recent years, it has been a high priority for us to reduce our equity portfolio to limit the risks associated with holding a large equity portfolio, but also to respond to applicable regulatory requirements as well as increasing market expectation and demands for us to reduce our equity portfolio. We are required to comply with a regulatory framework that prohibits Japanese banks from holding an amount of shares in excess of their adjusted Tier 1 capital after September 2006.

We use quantitative analysis to manage the risks associated with the portfolio of equities held for strategic purposes. According to internal calculations, the market value of our strategically held (Tokyo Stock Exchange-listed) stocks (excluding foreign stock exchange-listed stocks) as of March 31, 2013 was subject to a variation of approximately ¥3.77 billion when TOPIX index moves one point in either direction.

We seek to manage and reduce strategic equity portfolio risk based on such types of simulation. The aim is to keep this risk at appropriate levels compared with Tier 1 capital while generating returns commensurate with the degree of risk exposure.

Market Risk Management

Market risk is the risk that the value of our assets and liabilities could be adversely affected by changes in market variables such as interest rates, securities prices, or foreign exchange rates.

Management of market risk at MUFG aims to control related risk exposure across the Group while ensuring that earnings are commensurate with levels of risk.

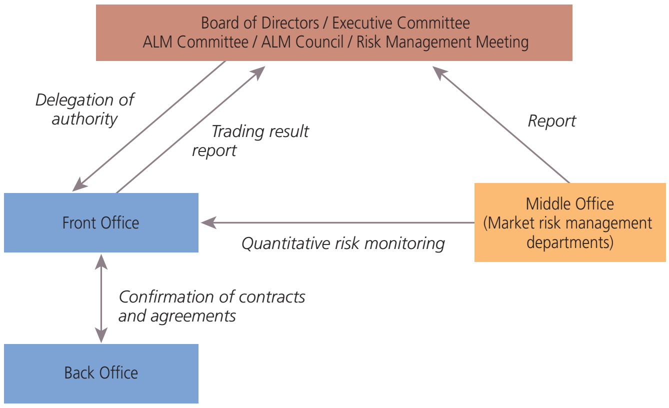
Market Risk Management System

We have adopted an integrated system to manage market risk from our trading and non-trading activities. The holding company monitors group-wide market risk, while each of the major subsidiaries manages its market risks on a consolidated and global basis.

At each of the major subsidiaries, checks and balances are maintained through each system in which back and middle offices operate independently from front offices. In addition, separate Asset-Liability Management, or ALM, Committee, ALM Council and Risk Management Meetings are held at each of the major subsidiaries every month to deliberate important matters related to market risk and control.

The holding company and the major subsidiaries allocate economic capital commensurate with levels of market risk and determined within the scope of their capital bases. The major subsidiaries have established quantitative limits relating to market risk based on their allocated economic capital. In addition, in order to keep losses within predetermined limits, the major subsidiaries have also set limits for the maximum amount of losses arising from market activities.

Market Risk Management System of Our Major Subsidiaries



Market Risk Management and Control

At the holding company and the major subsidiaries, market risk exposure is reported to the Chief Risk Management Officers on a daily basis. At the holding company, the Chief Risk Management Officer monitors market risk exposure across the Group as well as the major subsidiaries' control over their quantitative limits for market risk and losses. Meanwhile, the Chief Risk Management Officers at the major subsidiaries monitor their own market risk exposure and their control over their quantitative limits for market risk and losses. In addition, various analyses on risk profiles, including stress testing, are conducted and reported to the Executive Committees and the Corporate Risk Management Committees on a regular basis. At the business unit levels in the major subsidiaries, the market risks on their marketable assets and liabilities, such as interest rate risk and foreign exchange rate risk, are controlled by entering into various hedging transactions using marketable securities and derivatives.

As part of our market risk management activities, we use certain derivative financial instruments to manage our interest rate and currency exposures. We maintain an overall interest rate risk management strategy that incorporates the use of interest rate contracts to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. We enter into interest rate swaps and other contracts as part of our interest rate risk management strategy primarily to alter the interest rate sensitivity of our loans, investment securities and deposit liabilities. Our principal objectives in risk management include asset and liability management. Asset and liability management is viewed as one of the methods for us to manage our interest rate exposures on interest-earning assets and interest-bearing liabilities. Interest rate contracts, which are generally non-leveraged generic interest rate and basis swaps, options and futures, allow us to effectively manage our interest rate risk position. Option contracts primarily consist of caps, floors, swaptions and options on index futures. Futures contracts used for asset and liability management activities are primarily index futures providing for cash payments based upon the movement of an underlying rate index. We enter into forward exchange contracts, currency swaps and other contracts in response to currency exposures resulting from on-balance sheet assets and liabilities denominated in foreign currencies in order to limit the net foreign exchange position by currency to an appropriate level.

These market risk management activities are performed in accordance with the predetermined rules and procedures. The internal auditors regularly verify the appropriateness of the management controls over these activities and the risk evaluation models adopted.

Market Risk Measurement Model

Market risks consist of general risks and specific risks. General market risks result from changes in entire markets, while specific risks relate to changes in the prices of individual stocks and bonds which are independent of the overall direction of the market.

To measure market risks, MUFG uses the VaR method which estimates changes in the market value of portfolios within a certain period by statistically analyzing past market data. Since the daily variation in market risk is significantly greater than that in other types of risk, MUFG measures and manages market risk using VaR on a daily basis.

Market risk for trading and non-trading activities is measured using a uniform market risk measurement model. The principal model used for these activities is historical simulation, or HS, model (holding period, 10 business days; confidence interval, 99%; and observation period, 701 business days). The HS model calculates VaR amounts by estimating the profit and loss on the current portfolio by applying actual fluctuations in market rates and prices over a fixed period in the past. This method is designed to capture certain statistically infrequent movements, such as a fat tail, and accounts for the characteristics of financial instruments with non-linear behavior. The holding company and banking subsidiaries also use the HS model to calculate as part of the calculation of their Basel III regulatory capital adequacy ratios.

In calculating VaR using the HS method, we have implemented an integrated market risk measurement system throughout the Group. Our major subsidiaries calculate their VaR based on the risk and market data prepared by the information systems of their front offices and other departments. The major subsidiaries provide this risk data to the holding company, which calculates overall VaR, taking into account the diversification effect among all portfolios of the major subsidiaries.

For the purpose of internally evaluating capital adequacy on an economic capital basis in terms of market risk, we use this market risk measurement model to calculate risk amounts based on a holding period of one year and a confidence interval of 99%.

Monitoring and managing our sensitivity to interest rate fluctuations is the key to managing market risk in MUFG's non-trading activities. The major banking subsidiaries take the following approach to measuring risks concerning core deposits, loan prepayments and early deposit withdrawals.

To measure interest rate risk relating to deposits without contract-based fixed maturities, the amount of "core deposits" is calculated through a statistical analysis based on deposit balance trend data and the outlook for interest rates on deposits, business decisions, and other factors. The amount of "core deposit" is categorized into various groups of maturity terms of up to five years (2.5 years on average) to recognize interest rate risk. The calculation assumptions and methods to determine the amount of core deposits and maturity term categorization are regularly reviewed.

Meanwhile, deposits and loans with contract-based maturities are sometimes cancelled or repaid before their maturity dates. To measure interest rate risk for these deposits and loans, we reflect these early termination events mainly by applying early termination rates calculated based on a statistical analysis of historical repayment and cancellation data together with historical market interest rate data.

Summaries of Market Risks (Fiscal Year Ended March 31, 2013)

• Trading activities

The aggregate VaR for our total trading activities as of March 31, 2013 was ¥12.94 billion, comprising interest rate risk exposure of ¥12.38 billion, foreign exchange risk exposure of ¥3.19 billion, and equity-related risk exposure of ¥1.17 billion. Compared with the VaR as of March 31, 2012, we experienced an increase in market risk during the fiscal year ended March 31, 2013, primarily due to increase in yen interest rate and foreign exchange risks.

Our average daily VaR for the fiscal year ended March 31, 2013 was ¥9.86 billion. Based on a simple sum of figures across market risk categories, interest rate risk accounted for approximately 64%, foreign exchange risk for approximately 26% and equity-related risk for approximately 6%, of our total trading activity market risks.

Due to the nature of trading operations which involves frequent changes in trading positions, market risk varied substantially during the fiscal year, depending on our trading positions.

VaR for Trading Activities

April 1, 2011~March 31, 2012 — Billions of Yen

	Average	Maximum*	Minimum*	Mar 31, 2012
Overall	12.62	22.46	6.37	6.37
Interest rate	12.71	19.23	6.79	6.79
Yen	5.92	9.48	3.23	3.54
U.S. dollars	6.70	10.44	2.06	2.23
Foreign exchange	4.79	14.11	0.76	0.82
Equities	0.81	2.43	0.13	0.13
Commodities	0.43	1.43	0.15	0.29
Less diversification effect	(6.12)	—	—	(1.66)

April 1, 2012~March 31, 2013 — Billions of Yen

	Average	Maximum*	Minimum*	Mar 31, 2013
Overall	9.86	15.32	6.55	12.94
Interest rate	8.44	12.38	6.42	12.38
Yen	4.37	8.35	2.55	8.35
U.S. dollars	3.34	6.98	1.89	2.69
Foreign exchange	3.40	7.72	0.34	3.19
Equities	0.79	3.50	0.12	1.17
Commodities	0.48	1.06	0.15	0.51
Less diversification effect	(3.25)	—	—	(4.31)

Assumptions for VaR calculations:

Historical simulation method
Holding period: 10 business days
Confidence interval: 99%
Observation period: 701 business days

* The maximum and minimum VaR for each category and overall were taken from different days.

• **Non-trading Activities**

The aggregate VaR for our total non-trading activities as of March 31, 2013, excluding market risks related to our strategic equity portfolio and measured using the same standards as trading activities, was ¥413.0 billion. Market risks related to interest rates equaled ¥422.3 billion and equities-related risks equaled ¥108.5 billion. Compared with the VaR for MUFG at March 31, 2012, the decrease in the overall market risk was ¥58.3 billion. Market risks related to interest rates decreased ¥31.0 billion. Equity related risks increased ¥29.3 billion.

Based on a simple sum of figures across market risk categories, interest rate risks accounted for approximately 80% of our total non-trading activity market risks. Looking at a breakdown of interest rate related risk by currency, at March 31, 2013, the yen accounted for approximately 44% while the U.S. dollar accounted for approximately 40%, and the Euro approximately 16%.

The following tables set forth the VaR related to our non-trading activities by risk category for the periods indicated:

VaR for Non-trading Activities

April 1, 2011~March 31, 2012 — Billions of Yen

	Average	Maximum*	Minimum*	Mar 31, 2012
Interest rate	472.5	546.3	386.3	453.3
Yen	209.2	262.4	159.4	191.2
U.S. dollars	323.4	376.3	268.0	311.5
Euro	42.3	61.6	25.2	54.5
Equities	126.7	177.5	78.8	79.2
Foreign exchange	0.2	1.3	0.0	0.1
Total	505.5	572.2	415.7	471.3

April 1, 2012~March 31, 2013 — Billions of Yen

	Average	Maximum*	Minimum*	Mar 31, 2013
Interest rate	443.1	500.0	402.3	422.3
Yen	216.4	247.7	184.3	227.9
U.S. dollars	268.5	300.2	203.4	206.6
Euro	55.7	98.7	9.0	85.2
Equities	74.8	110.4	57.9	108.5
Foreign exchange	0.4	1.7	0.0	0.3
Total	446.3	499.8	413.0	413.0

Assumptions for VaR calculations:

Historical simulation method
Holding period: 10 business days
Confidence interval: 99%
Observation period: 701 business days

* The maximum and minimum VaR for each category and in total were taken from different days.
The equities-related risk figures do not include market risk exposure from our strategic equity portfolio.

• Outlier ratio

To monitor interest rate risk in its banking activities in accordance with the Second Pillar of the Basel III Framework, MUFG measures the "outlier ratio" of the holding company as well as of the two major banking subsidiaries. At March 31, 2013, the outlier ratios of the holding company, BTMU and MUTB were all less than 20%.

Outlier Ratio

	Mar 31, 2012	Mar 31, 2013
MUFG	9.49%	8.97%
Bank of Tokyo-Mitsubishi UFJ	10.75%	10.50%
Mitsubishi UFJ Trust and Banking	6.03%	7.01%

Assumptions for outlier ratio calculations:

Measurement method:	Interest rate sensitivity method
Interest rate shock range:	1st and 99th percentile of observed interest changes using one-year holding period and five-year observation period

Glossary of terms:

• Outlier ratio

An indicator for managing interest rate risk in the banking book, of which most of the products held are not measured at fair value. As part of measuring interest rate risk in the banking book, MUFG and the major banking subsidiaries monitor the "outlier ratio," the ratio of expected losses resulting from an interest rate shock in a certain range to capital. The capital is broadly defined as the sum of Tier 1 + Tier 2 capital. In case an outlier ratio for a bank exceeds 20%, the FSA, as part of its early warning framework, will conduct a preliminary interview with the bank to determine the appropriateness of bank's risk management and its improvement measures, if any. However, an outlier ratio of over 20% does not necessarily mean that a management improvement order is immediately issued by the FSA.

Backtesting

We conduct backtesting in which a VaR is compared with actual realized and unrealized losses on a daily basis to verify the accuracy of our VaR measurement model. We also conduct additional backtesting using other methods, including testing VaR against hypothetical losses and testing VaR by various changing parameters such as confidence intervals and observation periods used in the model.

Actual losses exceeded VaR one time in the fiscal year ended March 31, 2013 (one time in the fiscal year ended March 31, 2012). This means that our VaR model provided reasonably accurate measurements of market risk during the fiscal year.

Market Risk Backtesting

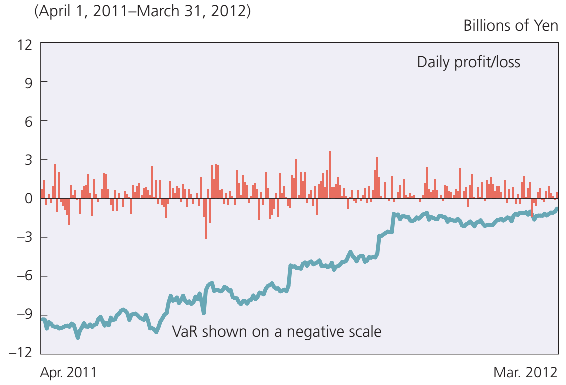
(April 1, 2011–March 31, 2012)

Market Risk Backtesting

(April 1, 2012–March 31, 2013)

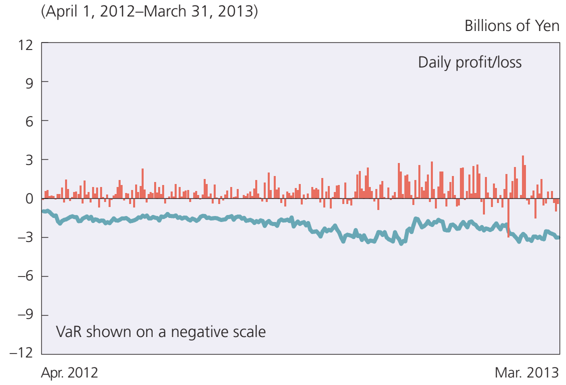
VaR and Daily Profit/Loss for Trading Activities

(April 1, 2011–March 31, 2012)



VaR and Daily Profit/Loss for Trading Activities

(April 1, 2012–March 31, 2013)



Stress Testing

We have adopted an HS-VaR model, which calculates a VaR as a statistically possible amount of losses in a fixed confidence interval based on historical market volatility. However, the HS-VaR model is not designed to capture certain abnormal market fluctuations. In order to complement this weakness of the model, MUFG conducts portfolio stress testing to measure potential losses using a variety of scenarios.

The holding company and the major subsidiaries conduct stress testing on a daily, monthly and quarterly basis to monitor their overall portfolio risk by applying various scenarios. For example, daily stress testing at the holding company estimates maximum potential losses in each market on the current trading portfolio based on the worst ten-day historical volatility recorded during the VaR observation period of 701 days.

In light of increased market volatility since the second half of the calendar year 2007, we have implemented additional tests under various stress scenarios to supplement VaR and are applying the test results to risk management.

Liquidity Risk Management

Liquidity risk is the risk of incurring losses if a poor financial position hampers the ability to meet funding requirements, or necessitates fund procurement at interest rates markedly higher than normal.

Our major subsidiaries maintain appropriate liquidity in both Japanese yen and foreign currencies by managing their funding sources and mechanism, such as liquidity gap, liquidity-supplying products such as commitment lines, and buffer assets.

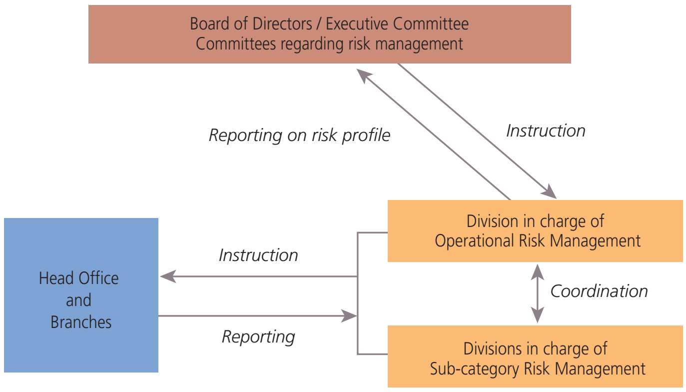
We have established a group-wide system for managing liquidity risk by categorizing the risk in the following three stages: Normal, With-Concern, and Critical. The front offices and risk management offices of the major subsidiaries and the holding company exchange information and data on liquidity risk even at the Normal stage. At higher alert stages, we centralize information about liquidity risk and discuss issues relating to group-wide liquidity control actions among group companies, if necessary. We have also established a system for liaison and consultation on funding in preparation for contingency, such as natural disasters, wars and terrorist attacks. The holding company and the major subsidiaries conduct group-wide contingency preparedness drills on a regular basis to ensure smooth implementation in the event of an emergency.

Operational Risk Management

Operational risk refers to the risk of loss caused by either internal control issues, such as inadequate operational processes or misconduct, system failures, or external factors such as serious political instability, major terrorist activity, health epidemics and natural disasters. The term includes a broad range of risks that could lead to losses, including operations risk, information asset risk, reputation risk, legal risk, and tangible asset risk. These risks that comprise operational risk are referred to as sub-category risks.

MUFG's board of directors has approved the MUFG Operational Risk Management Policy as a group-wide policy for managing operational risk. This policy sets forth the core principles regarding operational risk management, including the definition of operational risk, and the risk management system and processes. The policy also requires the board of directors and the Executive Committee to formulate fundamental principles of operational risk management and establish and maintain an appropriate risk management system. The Chief Risk Management Officer is responsible for recognizing, evaluating, and appropriately managing operational risk in accordance with the fundamental principles formulated by the board of directors and the Executive Committee. A division in charge of operational risk management must be established that is independent of business promotion sections to manage overall operational risk in a comprehensive manner. These fundamental principles have also been approved by the boards of directors of the major subsidiaries, providing a consistent framework for operational risk management of the Group.

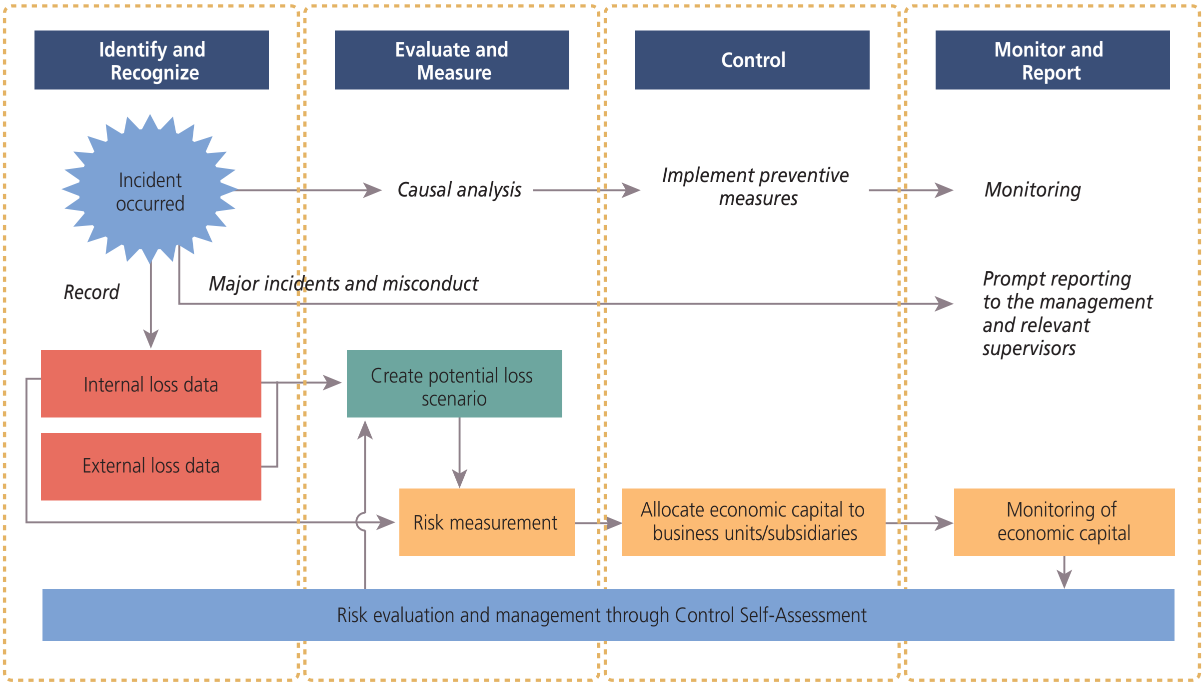
Operational Risk Management System of Our Major Banking Subsidiaries



As set forth in the following diagram, we have established a risk management framework for loss data collection, control self assessment, or CSA, and measurement of operational risk in order to appropriately identify, recognize, evaluate, measure, control, monitor and report operational risk.

We have also established group-wide reporting guidelines with respect to loss data collection and its monitoring. We focus our efforts on ensuring accurate assessment of the status of operational risk losses and the implementation of appropriate countermeasures, while maintaining databases of internal and external loss events.

Operational Risk Management Framework



Operations Risk Management

Operations risk refers to the risk of loss that is attributable to the actions of executives or employees, whether accidental or the result of neglect or deliberate misconduct. The Group companies offer a wide range of financial services, ranging from commercial banking products such as deposits, exchange services and loans to trust and related services covering pensions, securities, real estate and securitization, as well as transfer agent services. Cognizant of the potentially significant impact that operations risk-related events could have in terms of both economic losses and damage to our reputation, our banking subsidiaries continue to improve their management systems to create and apply appropriate operations risk-related controls.

Specific ongoing measures to reduce operations risk include the development of databases to manage, analyze and prevent the recurrence of related loss events; efforts to tighten controls over administrative procedures and related operating authority, while striving to improve human resources management; investments in systems to improve the efficiency of administrative operations; and programs to expand and upgrade internal auditing and operational guidance systems.

Senior management receives regular reports on the status of our businesses from an operations risk management perspective. We work to promote the sharing within the Group of information and expertise concerning any operational incidents and the measures implemented to prevent any recurrence.

Efforts to upgrade the management of operations risk continue with the aim of providing our customers with a variety of high-quality services.

Information Asset Risk Management

Information asset risk refers to the risk of loss caused by loss, alteration, falsification or leakage of information, or by destruction, disruption, errors or misuse of information systems, as well as risks similar to this risk. In order to ensure proper handling of information and prevent loss or leakage of information, our major banking subsidiaries strive to better manage and reduce such risks through the appointment of managers with specific responsibilities for information security issues, the establishment of internal procedures, training courses designed for all staff, and the implementation of measures to ensure stable IT systems control. We have also formulated the Personal Information Protection Policy as the basis for ongoing programs to protect the confidentiality of personal information.

Systems planning, development and operations include appropriate design and extensive testing phases to ensure that systems are designed to help prevent failures while providing sufficient safeguards for the security of personal information. The status of the development of any mission-critical IT systems is reported regularly to senior management. We have developed disaster countermeasures systems and have also been investing in duplication of the Group's IT infrastructure to minimize damage in the event of any system failure. Emergency drills are conducted to help increase staff preparedness.

With the aim of preventing any recurrence, we also work to promote sharing of information within the Group related to the causes of any loss or leakage of information, or system failure.

Reputation Risk Management

Reputation risk refers to the risk of loss due to deterioration in reputation as a consequence of the spread of rumors among customers or in the market, or as a consequence of our inadequate response to particular situations, as well as risks similar to this risk.

We recognize the potentially significant impact reputation risk-related events can have on the management and execution of the Group's businesses, which in turn can result in economic losses to, or diminished market confidence in, the Group. Accordingly, we continue to improve our risk control framework designed to appropriately manage such risk.

Specifically, in order to manage our reputation risk effectively on a group-wide basis, we have established a risk management system designed to ensure mutual consultation and reporting if a reputation risk-related event occurs or is anticipated and, through this system, share relevant information within the Group.

Through the risk control framework and risk management system, we seek to minimize damage to the reputation and credibility of, and the market confidence in, the Group by promptly obtaining an accurate understanding of relevant facts relating to reputation risk-related events and disclosing information concerning the events and the measures we take in response to such events in an appropriate and timely manner.

Risk Management for Other Risks

In addition to the risks discussed above, the MUFG Group companies define and manage sub-category risks as appropriate, including tangible asset risk, personnel risk and legal risk as set forth in the "Operational Risk Management System of Our Major Banking Subsidiaries" diagram on P24.

Regulatory Capital Requirements for Operational Risk

(1) Adoption of the Advanced Measurement Approach (AMA)

We have employed the AMA since March 31, 2012, in place of the Standardized Approach that we had been using previously, for calculation of the operational risk equivalent amount in connection with measuring capital adequacy ratios based on the Basel Standards. On the other hand, we use the Basic Indicator Approach, or BIA, for entities that are deemed to be less important in the calculation of the operational risk equivalent amount and for entities that are still preparing to implement the AMA.

(2) Outline of AMA

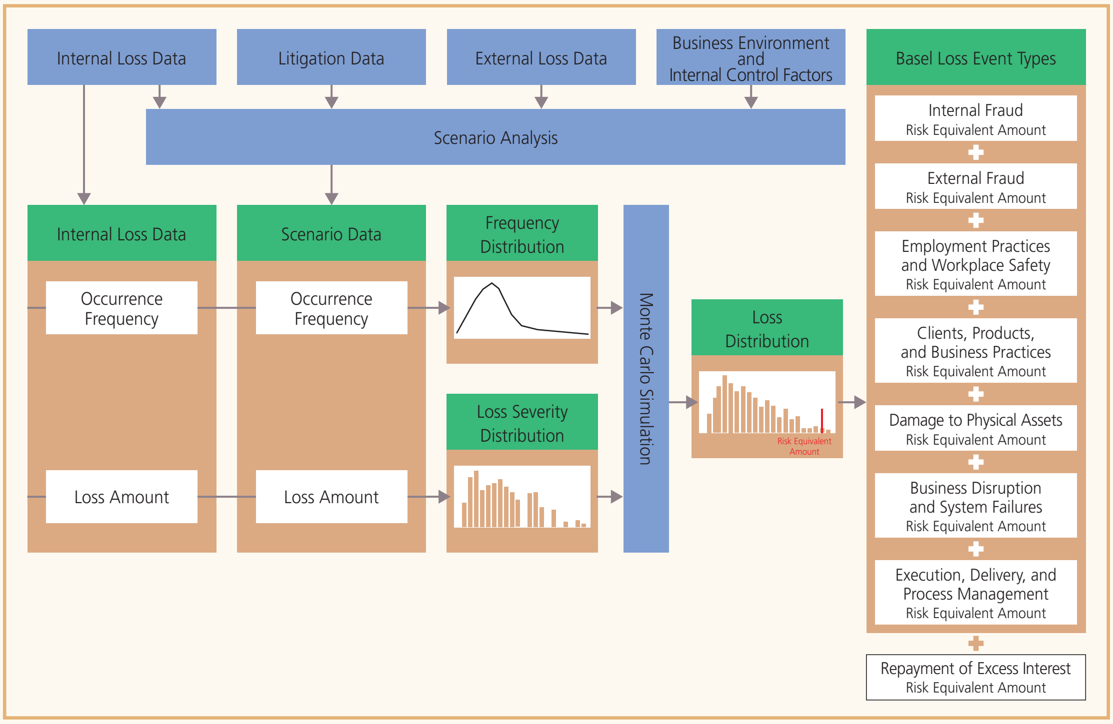
We have established a measurement model designed to account for four data elements—internal loss data, external loss data, scenario analysis, and business environment and internal control factors, or BEICFs—and calculate the operational risk equivalent amount by estimating the maximum loss using a 99.9th percentile one-tailed confidence interval and a one-year holding period.

In calculating the operational risk equivalent amount, we exclude expected losses relating to the amount of allowance for repayment of excess interest associated with the consumer finance business of a subsidiary. We do not exclude any other expected losses and do not reflect the risk mitigating impact of insurance. In addition, we take into account credit risk-related events that are not reflected in the measurement of the credit risk equivalent amount.

(3) Outline of Measurement Model

Our operational risk equivalent amount measured under the AMA is a simple sum of the amounts calculated separately for BTMU on a consolidated basis, MUTB on a consolidated basis, and the total amount for other Group companies (including the holding company, MUSHD and Mitsubishi UFJ NICOS). For each of BTMU and MUTB on consolidated basis, the operational risk equivalent amount is a simple sum of the amounts calculated based on the seven loss event types defined by the Basel Standards. For other Group companies, the operational risk equivalent amount is a simple sum of the amounts calculated based on eight loss event types consisting of the seven loss event types defined by the Basel Standards and an additional loss event type representing losses relating to repayment of excess interest associated with the consumer finance business of a subsidiary. We do not reflect the correlation effects among the loss event types in the calculation of our operational risk equivalent amount.

Outline of Measurement Model



The risk equivalent amount for each loss event type represents the amount of maximum loss estimated with a 99.9th percentile one-tailed confidence interval and a one-year holding period based on the distribution of losses arising from all relevant risk events for a one-year period (Loss Distribution). A Loss Distribution combines a Frequency Distribution (through which the frequency of occurrence of risk events is expressed) and a Loss Severity Distribution (through which the amounts of losses resulting from risk events are expressed) through Monte Carlo simulations. The data used for this purpose include internal loss data and scenario data. Scenario data are generated through a scenario analysis. External data and BEICFs are taken into account in the scenario analysis and reflected in scenario data. The Frequency Distribution is derived from the occurrence frequency information in internal loss data and scenario data expressed through a Poisson Distribution. The Loss Severity Distribution is derived from the amount information in internal loss data and scenario data expressed in a non-parametric manner (where no underlying distribution is assumed).

With respect to the risk of losses relating to repayment of excess interest associated with the consumer finance business of a subsidiary, the risk equivalent amount represents the amount of maximum loss estimated with a 99.9th percentile one-tailed confidence interval and a one-year holding period based on a normal distribution assumed by applying data on losses that arose in a given period, excluding any related expected losses.

We confirm the appropriateness of the measurement models by periodic verification and back testing.

(4) Outline of Scenario Analysis

As an initial step of our scenario analysis, we identify potential severe loss events that we have not experienced but may potentially experience in the future. In this identification process, we seek to ensure exhaustive coverage of potential severe loss events by comprehensively examining our experience relating to loss events and legal proceedings, external loss data, the control self-assessment results and other relevant information.

In the next step, we prepare scenario data for each identified severe loss event by quantifying the values depending on its occurrence frequency and loss severity, taking into account relevant transaction amounts and restructuring costs as well as BEICFs. In preparing scenario data, we apply an analysis method we deem appropriate for the type and nature of the operational risk involved.

In order to obtain an operational risk equivalent amount that is commensurate with, and appropriate for, our risk profile, we assess the need for an additional scenario or modification to our existing scenarios semi-annually. We then reflect, as necessary, new risks arising as a result of changes in the business environment and the results of the implementation of measures to enhance our internal controls in response to newly identified risks in our scenario data.

Mitsubishi UFJ Financial Group

Basel III Data (Consolidated)

Fiscal 2012

Contents

In accordance with the provisions of Article 52-25 of the Banking Law of Japan, Mitsubishi UFJ Financial Group (MUFG) adopts the "International regulatory framework" to calculate its capital adequacy ratio based on formulas contained in the standards for the consolidated capital adequacy ratio of bank holding companies (Notification of the Financial Services Agency No. 20, 2006; referred to hereinafter as the "FSA Holding Company Capital Adequacy Notification") to assess capital adequacy in light of the assets we own on a consolidated basis.

With regard to the calculation of the consolidated capital adequacy ratio, MUFG received an independent audit by Deloitte Touche Tohmatsu (DTT) LLC in accordance with "Treatment of Inspection of the Capital Ratio Calculation Framework Based on Agreed-Upon Procedures" (JICPA Industry Committee Report No. 30). With regard to part of the internal controls structure governing calculation of the consolidated capital adequacy ratio, MUFG received a report from DTT LLC, which conducted certain procedures as deemed necessary by MUFG. The procedures conducted by the independent auditor were not part of an accounting audit of the consolidated financial statements, and we did not receive any audit opinion with regard to our internal controls structure governing the calculation of the consolidated capital adequacy ratio or the related consolidated capital adequacy ratio.

Scope of Consolidation

Notes on the scope of consolidation

Differences between those companies belonging to the corporate group (hereinafter, the "holding company group") to which the calculation of consolidated capital adequacy ratio as stipulated in Articles 3 or 15 of the FSA Holding Company Capital Adequacy Notification is applicable and those companies that are included in the scope of consolidation for accounting purposes	Paragraph 1 of Article 3 of the FSA Holding Company Capital Adequacy Notification states that "the provisions of Paragraph 2 of Article 5 of the Japanese regulations pertaining to consolidated financial statements shall not apply" to "financial subsidiaries" of a bank holding company. Moreover, Paragraph 2 of the said Article 3 states that "insurance-related subsidiaries" of a bank holding company "shall not be included in the scope of consolidation." In addition, with regard to affiliated companies engaged in financial operations, the FSA Consolidated Capital Adequacy Notification states that, provided certain conditions are met, such companies "can be included in the scope of consolidation and in the calculation of the consolidated capital adequacy ratio using pro rata consolidation" (under which only those portions of the affiliated company's assets, liabilities, income and expenditures that are attributable to the bank holding company or any consolidated subsidiaries with investments in the said affiliated company are included in the scope of consolidation). MUFG Group had no companies to which the above exception applied as of March 31, 2012, or March 31, 2013, and there were no differences between those companies belonging to the "holding company group" and those companies that are included in the "scope of consolidation for accounting purposes."
Number of consolidated subsidiaries, and names and principal businesses of major consolidated subsidiaries of the holding company group	224 companies as of March 31, 2012; 220 companies as of March 31, 2013 The Bank of Tokyo-Mitsubishi UFJ, Ltd. (banking business), Mitsubishi UFJ Trust and Banking Corporation (trust/banking business), Mitsubishi UFJ Securities Holdings Co., Ltd. (securities business), etc.
Number of affiliated companies engaged in financial operations which are subject to Articles 9 or 21 of the FSA Holding Company Capital Adequacy Notification, and names, amounts of total assets and net assets shown on the balance sheet and principal businesses of affiliated companies engaged in these financial operations	Not applicable as of March 31, 2012 and 2013
Names, amounts of total assets and net assets shown on the balance sheet, and principal businesses of companies belonging to the holding company group that are not included in the scope of consolidation for accounting purposes, and of companies not belonging to the holding company group but included in the scope of consolidation for accounting purposes	Not applicable as of March 31, 2012 and 2013

Outline of restrictions on transfer of funds or equity capital within the holding company group	As of March 31, 2012 and 2013, transfer of funds or capital within the MUFG Group is conducted with all due consideration given to the appropriateness of each action. We give priority in ensuring that each group company maintains sufficient capital level for legal and regulatory compliance purposes. Care is also taken to ensure that actions do not compromise sound and proper operations, while eliminating negative effects on payment capacity, liquidity or profitability.

Companies that are deficient in regulatory capital and total regulatory capital deficiencies

Names of any other financial institutions, etc., classified as subsidiaries or other members of the bank holding company that are deficient in regulatory capital, and corresponding total regulatory capital deficiencies	Not applicable as of March 31, 2012 and 2013

Composition of Equity Capital

Capital structure

Billions of yen

		March 31, 2012
Tier 1 (core) capital	(A)	10,522.2
Capital stock		2,138.4
Stock subscription advances		—
Capital surplus		2,175.3
Retained earnings		5,602.3
Treasury stock		(6.5)
Treasury stock subscription advances		—
Planned distribution		(94.1)
Net unrealized losses on securities available for sale		—
Foreign currency translation adjustments		(494.1)
Subscription rights to shares		7.9
Minority interests in consolidated subsidiaries and affiliates (Note 1)		1,691.6
Amount equivalent to goodwill		(418.4)
Intangible assets acquired via business combinations		(46.7)
Amount equivalent to capital increase due to securitization transactions		(13.4)
Amount equivalent to 50% of expected losses in excess of qualifying allowances		(19.9)
Deductions for deferred tax assets (Note 2)		—
Qualified Tier 2 (supplementary) and Tier 3 (quasi-supplementary) capital (Note 3)	(B)	4,038.7
Deductions from total qualifying capital (Note 4)	(C)	1,818.4
Total capital	(A) + (B) – (C)	12,742.5

Notes: 1. The amount of stocks and other securities with some probability of being redeemed pursuant to special provisions for stepped-up interests, etc., as stipulated in Paragraph 2 of Article 5 of the FSA Consolidated Capital Adequacy Notification was 699.9 billion yen as of March 31, 2012, all of which was contained within "minority interests in consolidated subsidiaries and affiliates." The amount of these instruments accounted for 6% of Tier 1 capital.

2. As of March 31, 2012, the amount equivalent to net deferred tax assets totaled 438.1 billion yen and the regulatory ceiling on the net amount of deferred tax assets allowable for capital inclusion equaled 2,104.4 billion yen.

3. As stipulated in Articles 6 and 7 of the FSA Consolidated Capital Adequacy Notification. (Before revision in March 2013)

4. As stipulated in Article 8 of the FSA Consolidated Capital Adequacy Notification. (Before revision in March 2013)

Composition of Capital Disclosure

Millions of yen

Items		March 31, 2013	Amounts excluded under transitional arrangements	Basel III Template No.
Common Equity Tier 1 capital: instruments and reserves (1)				
Directly issued qualifying common share capital plus related capital surplus and retained earnings		10,080,276	／	1a+2–1c–26
of which: capital and capital surplus		3,922,308	／	1a
of which: retained earnings		6,267,976	／	2
of which: treasury stock		(1,929)	／	1c
of which: national specific regulatory adjustments (earnings to be distributed)		(108,079)	／	26
of which: other than above		—	／	
Subscription rights to common shares		8,884	／	1b
Accumulated other comprehensive income and other disclosed reserves		—	1,158,261	3
Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)		59,358	／	5
Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements		152,038	／	
of which: common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)		152,038	／	
Common Equity Tier 1 capital: instruments and reserves	(A)	10,300,557	／	6
Common Equity Tier 1 capital: regulatory adjustments (2)				
Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)		—	998,063	8+9
of which: goodwill (including those equivalent)		—	611,980	8
of which: other intangibles other than goodwill and mortgage servicing rights		—	386,083	9
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		—	1,804	10
Deferred gains or losses on derivatives under hedge accounting		—	111,861	11
Shortfall of eligible provisions to expected losses		—	—	12
Securitization gain on sale		—	13,245	13
Gains and losses due to changes in own credit risk on fair valued liabilities		—	—	14
Defined-benefit pension fund net assets (prepaid pension costs)		—	286,349	15
Investments in own shares (excluding those reported in the Net assets section)		—	2,409	16
Reciprocal cross-holdings in common equity		—	—	17
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)		—	—	18
Amount exceeding the 10% threshold on specified items		—	—	19+20+21
of which: significant investments in the common stock of financials		—	—	19
of which: mortgage servicing rights		—	—	20
of which: deferred tax assets arising from temporary differences (net of related tax liability)		—	—	21

Composition of Capital Disclosure (continued)

Millions of yen

Items		March 31, 2013	Amounts excluded under transitional arrangements	Basel III Template No.
Amount exceeding the 15% threshold on specified items		—	—	22
of which: significant investments in the common stock of financials		—	—	23
of which: mortgage servicing rights		—	—	24
of which: deferred tax assets arising from temporary differences (net of related tax liability)		—	—	25
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		—	⁄	27
Common Equity Tier 1 capital: regulatory adjustments	(B)	—	⁄	28
Common Equity Tier 1 capital (CET1)				
Common Equity Tier 1 capital (CET1)	((A) – (B)) (C)	10,300,557	⁄	29
Additional Tier 1 capital: instruments (3)				
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards		—	⁄	31a 30
Subscription rights to Additional Tier 1 instruments		—	⁄	31b 30
Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards		—	⁄	32 30
Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities		—	⁄	30
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)		130,488	⁄	34–35
Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments		1,491,777	⁄	33+35
of which: instruments issued by bank holding companies and their special purpose vehicles		1,491,777	⁄	33
of which: instruments issued by subsidiaries		—	⁄	35
Total of items included in Additional Tier 1 capital: instruments subject to transitional arrangements		(195,421)	⁄	
of which: foreign currency translation adjustments		(195,421)	⁄	
Additional Tier 1 capital: instruments	(D)	1,426,844	⁄	36
Additional Tier 1 capital: regulatory adjustments				
Investments in own Additional Tier 1 instruments		—	1,169	37
Reciprocal cross-holdings in Additional Tier 1 instruments		—	—	38
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		—	—	39
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		—	10,240	40

Composition of Capital Disclosure (continued)

Millions of yen

		March 31, 2013		
Items			Amounts excluded under transitional arrangements	Basel III Template No.
Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements		512,586		
of which: goodwill (net of related tax liability, including those equivalent)		467,414		
of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)		31,926		
of which: securitization gain on sale		13,245		
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		—		42
Additional Tier 1 capital: regulatory adjustments	(E)	512,586		43
Additional Tier 1 capital				
Additional Tier 1 capital	((D) – (E)) (F)	914,257		44
Tier 1 capital	**(T1 = CET1 + AT1)**			
Tier 1 capital	(T1 = CET1 + AT1) ((C) + (F)) (G)	11,214,815		45
Tier 2 capital: instruments and provisions (4)				
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards		—		46
Subscription rights to Tier 2 instruments		—		46
Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards		—		46
Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities		—		46
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		37,835		48–49
Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions		2,384,976		47+49
of which: instruments issued by bank holding companies and their special purpose vehicles		—		47
of which: instruments issued by subsidiaries		2,384,976		49
Total of general allowance for credit losses and eligible provisions included in Tier 2		235,057		50
of which: provision for general allowance for credit losses		105,314		50a
of which: eligible provisions		129,743		50b
Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements		958,784		
of which: amounts equivalent to 45% of unrealized gains on other securities		845,868		
of which: deferred gains or losses on derivatives under hedge accounting		(30,022)		
of which: amounts equivalent to 45% of land revaluation excess		142,938		
Tier 2 capital: instruments and provisions	(H)	3,616,654		51

Composition of Capital Disclosure (continued)

Millions of yen

Items		March 31, 2013	Amounts excluded under transitional arrangements	Basel III Template No.
Tier 2 capital: regulatory adjustments				
Investments in own Tier 2 instruments		—	18,870	52
Reciprocal cross-holdings in Tier 2 instruments		—	—	53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		—	—	54
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		—	4,922	55
Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements		157,518	/	
of which: goodwill (net of related tax liability, including those equivalent)		144,565	/	
of which: significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		12,952	/	
Tier 2 capital: regulatory adjustments	(I)	157,518	/	57
Tier 2 capital (T2)				
Tier 2 capital (T2)	((H) – (I)) (J)	3,459,135	/	58
Total capital (TC = T1 + T2)				
Total capital (TC = T1 + T2)	((G) + (J)) (K)	14,673,951	/	59
Risk weighted assets (5)				
Total of items included in risk weighted assets subject to transitional arrangements		669,851	/	
of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)		354,156	/	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		1,804	/	
of which: defined-benefit pension fund net assets (prepaid pension costs)		286,349	/	
of which: investments in own shares (excluding those reported in the Net assets section)		4,963	/	
of which: significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		22,577	/	
Risk weighted assets	(L)	87,968,639	/	60
Capital ratio (consolidated)				
Common Equity Tier 1 capital ratio (consolidated)	((C) / (L))	11.70%	/	61
Tier 1 capital ratio (consolidated)	((G) / (L))	12.74%	/	62
Total capital ratio (consolidated)	((K) / (L))	16.68%	/	63

Composition of Capital Disclosure (continued)

Millions of yen

Items	March 31, 2013	Amounts excluded under transitional arrangements	Basel III Template No.
Regulatory adjustments (6)			
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	830,715	/	72
Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	584,687	/	73
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	267	/	74
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	169,159	/	75
Provisions included in Tier 2 capital: instruments and provisions (7)			
Provisions (general allowance for credit losses)	105,314	/	76
Cap on inclusion of provisions (general allowance for credit losses)	168,644	/	77
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	129,743	/	78
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	372,083	/	79
Capital instruments subject to transitional arrangements (8)			
Current cap on AT1 instruments subject to phase out arrangements	1,491,777	/	82
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	165,753	/	83
Current cap on T2 instruments subject to transitional arrangements	2,384,976	/	84
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	264,997	/	85

Note: Capital instruments, approved by the commissioner of Japanese Financial Services Agency, subject to the provision to Paragraph 12 of Article 8 of the notification of Japanese Financial Services Agency No. 20, 2006, hereinafter referred to as the "FSA Consolidated Capital Adequacy Notification," are excluded from the calculation of figures stipulated in Paragraph 8 of Article 8, 9-1, and 10-1 of FSA Consolidated Capital Adequacy Notification, for 10 years from March 31, 2013 to March 30, 2023. The approved amount will decrease by 20% each year from March 31, 2019. The amount approved at the end of March, 2013 is 944,568 million yen.

Explanation on reconciliation between balance sheet items and regulatory capital elements defined in the previous paragraph (March 31, 2013)

Note: 1. The amounts in the "Composition of capital disclosure" are based on those before considering transitional arrangements and includes "Amounts excluded under transitional arrangements" disclosed in "Composition of Capital Disclosure" as wells as the amounts included in regulatory capital. In addition, items included in regulatory capital under transitional arrangements are excluded from this table.
2. As of March 31, 2013, the regulatory scope of consolidation was the same as the accounting scope of consolidation.

1. Shareholders' equity

(1) Consolidated balance sheet

Millions of yen

Consolidated balance sheet items	Amount	Remarks
Capital stock	2,139,378	
Stock surplus	2,172,930	
Retained earnings	6,267,976	
Treasury stock	(1,929)	
Total shareholders' equity	10,578,356	

(2) Composition of capital

Millions of yen

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying common share capital plus related stock surplus and retained earnings	10,188,355	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))	
of which: capital and stock surplus	3,922,308		1a
of which: retained earnings	6,267,976		2
of which: treasury stock	(1,929)		1c
of which: other than above	—		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown	—	Shareholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effective bankruptcy	31a

2. Intangible assets

(1) Consolidated balance sheet

Millions of yen

Consolidated balance sheet items	Amount	Remarks
Intangible assets	1,091,392	
Securities	79,526,850	
of which: goodwill attributable to equity-method investees	144,565	Goodwill attributable to equity-method investees
Income taxes related to above	235,709	Income taxes related to intangibles other than goodwill and mortgage servicing rights

(2) Composition of capital

Millions of yen

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Goodwill (net of related tax liability, including those equivalent)	611,980		8
Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	386,083		9
Mortgage servicing rights	267		
Amount exceeding the 10% threshold on specified items	—		20
Amount exceeding the 15% threshold on specified items	—		24
Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	267		74

3. Defined-benefit pension fund net assets (prepaid pension costs)

(1) Consolidated balance sheet

Millions of yen

Consolidated balance sheet items	Amount	Remarks
Other assets	8,097,431	
Defined-benefit pension fund net assets (prepaid pension costs)	461,928	
Income taxes related to above	175,578	

(2) Composition of capital

Millions of yen

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Defined-benefit pension fund net assets (prepaid pension costs)	286,349		15

4. Deferred tax assets

(1) Consolidated balance sheet

Millions of yen

Consolidated balance sheet items	Amount	Remarks
Deferred tax assets	95,814	
Deferred tax liabilities	180,485	
Deferred tax liabilities for land revaluation	157,688	
Tax effects on other intangible assets	235,709	
Tax effects on defined-benefit pension fund net assets (prepaid pension costs)	175,578	

(2) Composition of capital

Millions of yen

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,804	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	10
Deferred tax assets that rely on future profitability arising from temporary differences (net of related tax liability)	169,159	This item does not agree with the amount reported on the balance sheet due to offsetting of assets and liabilities.	
Amount exceeding the 10% threshold on specified items	—		21
Amount exceeding the 15% threshold on specified items	—		25
Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	169,159		75

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Millions of yen

Consolidated balance sheet items	Amount	Remarks
Deferred gains or losses on derivatives under hedge accounting	45,146	

(2) Composition of capital

Millions of yen

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Deferred gains or losses on derivatives under hedge accounting	111,861	Excluding those items whose valuation differences arising from hedged items are recognized as "Accumulated other comprehensive income"	11

6. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet

Millions of yen

Consolidated balance sheet items	Amount	Remarks
Trading assets	20,570,422	Including trading account securities and derivatives for trading assets
Securities	79,526,850	
Loans and bills discounted	91,299,557	Including subordinated loans
Other assets	8,097,431	Including derivatives and investments in the capital
Trading liabilities	15,379,226	Including trading account securities sold and derivatives for trading-assets
Other liabilities	5,742,901	Including derivatives

(2) Composition of capital

Millions of yen

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Investments in own capital instruments	22,449		
Common equity Tier 1 capital	2,409		16
Additional Tier 1 capital	1,169		37
Tier 2 capital	18,870		52
Reciprocal cross-holdings in the capital of banking, financial and insurance entities	—		
Common equity Tier 1 capital	—		17
Additional Tier 1 capital	—		38
Tier 2 capital	—		53
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	830,715		
Common equity Tier 1 capital	—		18
Additional Tier 1 capital	—		39
Tier 2 capital	—		54
Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	830,715		72
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	599,851		
Amount exceeding the 10% threshold on specified items	—		19
Amount exceeding the 15% threshold on specified items	—		23
Additional Tier 1 capital	10,240		40
Tier 2 capital	4,922		55
Significant investments in the capital of financials that are below the thresholds for deduction (before risk weighting)	584,687		73

7. Minority interests

(1) Consolidated balance sheet

Millions of yen

Consolidated balance sheet items	Amount	Remarks
Minority interests	1,774,153	

(2) Composition of capital

Millions of yen

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	59,358	After reflecting amounts eligible for inclusion (after minority interest adjustments)	5
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards, or of which: classified as liabilities under applicable accounting standards Subscription rights to Additional Tier 1 instruments	—	After reflecting amounts eligible for inclusion (after minority interest adjustments)	30–31ab–32
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	130,488	After reflecting amounts eligible for inclusion (after minority interest adjustments)	34–35
Directly issued qualifying Tier 2 instruments plus related stock surplus	—	After reflecting amounts eligible for inclusion (after minority interest adjustments)	46
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	37,835	After reflecting amounts eligible for inclusion (after minority interest adjustments)	48–49

8. Other capital instruments

(1) Consolidated balance sheet

Millions of yen

Consolidated balance sheet items	Amount	Remarks
Borrowed money	10,758,136	
Bonds payable	6,114,578	
Total	16,872,714	

(2) Composition of capital

Millions of yen

Composition of capital disclosure	Amount	Remarks	Basel III Template No.
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	—		32
Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards and its breakdown	—		46

Description of agreements concerning methods of procuring capital

Details are shown on the MUFG website (Please see http://www.mufg.jp/english/ir/basel3/)

Capital Adequacy

Capital requirements for credit risk

Billions of yen

	March 31, 2012	March 31, 2013
Capital requirements for credit risk (excluding equity exposures under the IRB Approach and exposures relating to funds (Note 3))	6,793.2	6,517.0
IRB Approach (excluding securitization exposures)	5,645.7	5,228.6
Corporate exposures (excluding specialized lending exposures subject to supervisory slotting criteria)	3,880.3	3,727.9
Corporate exposures (specialized lending exposures subject to supervisory slotting criteria)	32.5	33.1
Sovereign exposures	86.9	71.6
Bank exposures	186.8	211.4
Residential mortgage exposures	618.7	517.7
Qualifying revolving retail exposures	226.7	200.0
Other retail exposures	313.5	266.3
Exposures related to unsettled transactions	0.0	0.1
Exposures for other assets	300.0	200.3
Standardized Approach (excluding securitization exposures)	904.3	1,079.3
Securitization exposures (Note 4)	243.2	209.0
Portfolios under the IRB Approach	216.3	183.2
Portfolios under the Standardized Approach	26.8	25.7
Capital requirements for credit risk of equity exposures under the IRB Approach	459.0	774.9
Exposures subject to transitional arrangements (grandfathering provisions) (Note 5)	286.8	329.4
Market-Based Approach (Simple Risk Weight Method) (Note 6)	68.4	76.2
Market-Based Approach (Internal Models Method) (Note 6)	—	—
PD/LGD Approach (Note 6)	103.7	245.1
Exposures related to specific items related to components not included in survey items	/	124.0
Capital requirements for exposures relating to funds	202.2	199.7
Required capital for CVA risk	/	266.8
Required capital for credit risk associated with exposures relating to central clearing houses	/	22.6
Total	7,454.6	7,781.1

Notes: 1. Credit risk-weighted assets were calculated using the AIRB approach. However, as an exemption to this approach, the Standardized Approach is used for calculations with credit risk-weighted assets at some subsidiaries in cases where the figures for such subsidiaries are expected to be minor compared with the total. In addition, the adoption of the IRB approach is due to be phased in from the end of March 2018 at UnionBanCal Corporation

2. Capital requirement for portfolios under the IRB Approach is calculated as "credit risk-weighted asset amount x 8% + expected losses." In this calculation, the amount of capital requirement is including any exposures qualifying as capital deduction, and the credit risk-weighted asset amount is multiplied by the scaling factor of 1.06. Capital requirements for portfolios under the Standardized Approach are calculated as "credit risk-weighted asset amount x 8%."

3. Exposures to calculate the amount of credit risk-weighted assets as stipulated in Article 145 of the FSA Holding Company Capital Adequacy Notification.

4. Including amounts equivalent to increase in equity capital resulting from a securitization exposure, as a deduction from Tier 1 capital elements.

5. Exposures to calculate the amount of credit risk-weighted assets as stipulated in Article 13 of the Supplementary Provisions to the FSA Holding Company Capital Adequacy Notification.

6. Exposures to calculate the amount of credit risk-weighted assets as stipulated in Article 144 of the FSA Holding Company Capital Adequacy Notification.

Capital requirements for market risk

Billions of yen

	March 31, 2012	March 31, 2013
Standardized Method	102.8	68.4
Interest rate risk	39.2	35.9
Equity position risk	58.1	28.1
Foreign exchange risk	3.1	3.7
Commodity risk	2.5	0.6
Options transactions	—	—
Internal Models Approach	87.5	130.4
Total	190.4	198.9

Note: As for market risk, the Internal Models Approach is mainly adopted to calculate general market risk (in some cases the Standardized Method is adopted) and the Standardized Method is adopted to calculate specific risk.
Stressed value-at-risk is included in the market risk equivalent amount based on the Internal Models Approach.

Capital requirements for operational risk

Billions of yen

	March 31, 2012	March 31, 2013
The Advanced Measurement Approach	269.6	311.7
The Standardized Approach	—	—
The Basic Indicator Approach	114.2	111.0
Total	383.8	422.7

Note: Operational risk was calculated using the Advanced Measurement Approach and Basic Indicator Approach.

Consolidated total capital adequacy ratio, Tier 1 capital adequacy ratio and total capital requirement (consolidated basis)

Billions of yen

	March 31, 2012	March 31, 2013
Consolidated total capital adequacy ratio	14.91%	/
Consolidated Tier 1 capital adequacy ratio	12.31%	/
Consolidated total capital requirements	6,836.5	7,037.4
8% of credit risk-weighted assets	5,733.7	6,329.9
Capital requirements for market risk	190.4	198.9
Capital requirements for operational risk	383.8	422.7
8% of the amount included in risk weighted assets using transitional arrangements	/	53.5
8% of the amount by which the capital floor value, which is obtained by multiplying the risk-weighted asset amount as calculated according to the Former Notification (Note) by a predetermined adjustment factor, exceeds the risk-weighted asset amount as calculated according to the FSA Consolidated Capital Adequacy Notification	528.4	32.2

Note: Hereafter, this refers to Ministry of Finance (MOF) Notification No. 62, 1998, which was based on the provisions of Article 52-25 of the Banking Law of Japan.

Credit Risk

Credit risk exposures and default exposures

(By approach)

Billions of yen

	March 31, 2012			
	Credit risk exposures (Note 1)			
	Loans, etc. (Note 2)	Debt securities	OTC derivatives	Total
The IRB Approach	121,696.8	67,441.1	3,931.3	212,177.4
The Standardized Approach	14,371.9	2,468.7	2,424.7	23,949.8
Total	136,068.8	69,909.9	6,356.0	236,127.2

Billions of yen

	March 31, 2013			
	Credit risk exposures (Note 1)			
	Loans, etc. (Note 2)	Debt securities	OTC derivatives	Total
The IRB Approach	125,187.9	66,892.2	4,320.6	217,888.2
The Standardized Approach	19,458.2	2,384.6	2,539.5	30,156.2
Total	144,646.2	69,276.9	6,860.2	248,044.5

Notes: 1. Figures are without taking into account the effects of credit risk mitigation techniques. Furthermore, figures do not include any securitization exposures or exposures relating to central clearing houses.
2. Loans, etc., include loans, commitments and other non-derivative off balance sheet exposures.
3. Regarding on balance sheet exposures to loans and debt securities, etc., and off balance sheet exposures to commitments, etc., no significant disparity was observed between the interim term-end position and the average risk positions during this period.

(By geographic area)

Billions of yen

	March 31, 2012				
	Credit risk exposures (Note 1)				Default exposures (Note 3)
	Loans, etc. (Note 2)	Debt securities	OTC derivatives	Total	
Domestic	103,570.1	63,859.1	5,690.4	191,021.4	2,502.6
Foreign	32,498.6	6,050.8	665.6	45,105.8	173.3
Total	136,068.8	69,909.9	6,356.0	236,127.2	2,676.0

Billions of yen

	March 31, 2013				
	Credit risk exposures (Note 1)				Default exposures (Note 3)
	Loans, etc. (Note 2)	Debt securities	OTC derivatives	Total	
Domestic	105,062.9	62,173.4	5,966.5	193,431.8	2,465.9
Foreign	39,583.3	7,103.5	893.6	54,612.6	190.4
Total	144,646.2	69,276.9	6,860.2	248,044.5	2,656.4

Notes: 1. Figures are without taking into account the effects of credit risk mitigation techniques. Furthermore, figures do not include any securitization exposures or exposures relating to central clearing houses.
2. Loans, etc., include loans, commitments and other non-derivative off balance sheet exposures.
3. Figures for exposures past due three months or more or default exposures correspond to exposures as of the period-end where the amount of the credit risk-weighted asset is computed assuming default in cases subject to the IRB Approach, and exposures where the amount of the credit risk-weighted asset is computed assuming past-due loan exposure in cases subject to the Standardized Approach. Figures do not include any securitization exposures or exposures relating to funds.
4. Geographic area refers to the locations of MUFG or our subsidiaries or the head and branch offices of our subsidiaries.

(By type of industry)

Billions of yen

March 31, 2012	Credit risk exposures (Note 1)				
	Loans, etc. (Note 2)	Debt securities	OTC derivatives	Total	Default exposures (Note 3)
Manufacturing	17,066.6	1,451.2	622.7	21,838.2	392.1
Wholesale and retail	10,443.2	556.6	550.0	12,662.1	431.4
Construction	1,533.2	124.6	21.2	1,784.6	77.1
Finance and insurance	26,297.1	1,534.1	3,801.1	35,333.8	56.4
Real estate	10,758.8	315.7	84.0	11,254.7	252.1
Services	6,461.1	325.8	230.8	7,107.1	241.6
Transport	4,470.0	224.2	242.0	5,265.6	67.0
Individuals	22,316.6	—	0.0	23,096.6	824.8
Governments and local authorities	19,399.9	63,177.2	53.8	85,560.8	0.0
Others	17,321.8	2,200.0	749.8	32,223.1	333.1
Total	136,068.8	69,909.9	6,356.0	236,127.2	2,676.0

Billions of yen

March 31, 2013	Credit risk exposures (Note 1)				
	Loans, etc. (Note 2)	Debt securities	OTC derivatives	Total	Default exposures (Note 3)
Manufacturing	19,036.0	1,260.9	696.2	23,897.1	418.1
Wholesale and retail	11,277.8	421.4	442.7	13,314.0	437.7
Construction	1,605.6	77.6	23.2	1,831.6	69.5
Finance and insurance	26,095.9	1,572.4	4,000.0	35,863.1	38.8
Real estate	11,019.0	256.5	106.3	11,522.3	253.1
Services	6,684.5	254.4	209.8	7,257.3	227.2
Transport	4,707.8	198.5	200.9	5,569.2	72.3
Individuals	21,866.4	—	0.0	22,665.9	798.6
Governments and local authorities	21,511.0	62,972.9	62.2	89,895.4	0.0
Others	20,841.8	2,262.0	1,118.4	36,228.1	340.7
Total	144,646.2	69,276.9	6,860.2	248,044.5	2,656.4

Notes: 1. Figures are without taking into account the effects of credit risk mitigation techniques. Furthermore, figures do not include any securitization exposures or exposures relating to central clearing houses.

2. Loans, etc., include loans, commitments and other non-derivative off balance sheet exposures.

3. Figures for exposures past due three months or more or default exposures correspond to exposures as of the period-end where the amount of the credit risk-weighted asset is computed assuming default in cases subject to the IRB Approach, and exposures where the amount of the credit risk-weighted asset is computed assuming past-due loan exposure in cases subject to the Standardized Approach. Figures do not include any securitization exposures or exposures relating to central clearing houses.

4. Exposures held by certain subsidiaries whose credit risk weighted assets are considered minor relative to the overall total are included in the "Others" category.

(By residual contractual maturity)

Billions of yen

	March 31, 2012			
	Credit risk exposures (Note 1)			
	Loans, etc. (Note 2)	Debt securities	OTC derivatives	Total
Due in 1 year or less	43,002.9	16,297.6	1,077.6	66,975.1
Due over 1 year to 3 years	16,308.1	15,558.9	1,287.3	33,231.1
Due over 3 years to 5 years	13,494.7	21,715.3	964.5	36,198.9
Due over 5 years to 7 years	5,308.8	3,104.4	326.7	8,740.2
Due over 7 years	14,705.1	10,870.3	268.0	25,843.6
Others (Note 3)	43,249.0	2,363.2	2,431.8	65,138.1
Total	136,068.8	69,909.9	6,356.0	236,127.2

Billions of yen

	March 31, 2013			
	Credit risk exposures (Note 1)			
	Loans, etc. (Note 2)	Debt securities	OTC derivatives	Total
Due in 1 year or less	43,194.4	16,508.7	977.4	67,298.4
Due over 1 year to 3 years	17,923.2	13,723.5	1,391.5	33,166.2
Due over 3 years to 5 years	16,136.6	22,018.1	1,154.1	39,332.5
Due over 5 years to 7 years	5,600.1	3,870.9	186.5	9,657.8
Due over 7 years	16,011.6	10,803.1	612.5	27,427.6
Others (Note 3)	45,780.1	2,352.4	2,537.8	71,161.7
Total	144,646.2	69,276.9	6,860.2	248,044.5

Notes: 1. Figures are without taking into account the effects of credit risk mitigation techniques. Furthermore, figures do not include any securitization exposures or exposures relating to central clearing houses.
2. Loans, etc., include loans, commitments and other non-derivative off balance sheet exposures.
3. The "Others" category includes exposures of indeterminate maturity, etc. Exposures held by certain subsidiaries whose credit risk weighted assets are considered minor relative to the overall total are included in the "Others" category.

General allowance for credit losses, specific allowance for credit losses and allowance for loans to specific foreign borrowers

(Balances by geographic area)

Millions of yen

	March 31, 2012	Against March 31, 2011	March 31, 2013	Against March 31, 2012
General allowance for credit losses	748,128	(57,114)	729,080	(19,047)
Specific allowance for credit losses	375,017	36,988	357,625	(17,391)
Domestic	334,362	24,944	314,554	(19,808)
Foreign	40,655	12,044	43,071	2,416
Allowance for loans to specific foreign borrowers	626	(98)	751	124
Total	1,123,773	(20,224)	1,087,457	(36,315)

(Balances by type of industry)

Millions of yen

	March 31, 2012	Against March 31, 2011	March 31, 2013	Against March 31, 2012
General allowance for credit losses	748,128	(57,114)	729,080	(19,047)
Specific allowance for credit losses	375,017	36,988	357,625	(17,391)
Manufacturing	78,346	29,629	89,623	11,277
Wholesale and retail	75,622	17,512	83,474	7,852
Construction	8,617	(3,027)	8,756	139
Finance and insurance	16,390	2,112	18,038	1,647
Real estate	19,964	(5,705)	20,852	887
Services	24,842	1,538	23,646	(1,196)
Transport	14,469	9,872	16,215	1,745
Individuals	37,213	(11,356)	27,895	(9,317)
Governments and local authorities	5	(0)	4	(0)
Others	99,545	(3,586)	69,117	(30,428)
Allowance for loans to specific foreign borrowers	626	(98)	751	124
Total	1,123,773	(20,224)	1,087,457	(36,315)

Notes: 1. Although the specific allowance for credit losses does not include the allowance relating to any securitization exposures and exposures relating to funds, the allowance relating to these exposures is not excluded from both the general allowance for credit losses and the allowance for loans to specific foreign borrowers, owing to the fact that MUFG does not manage provisioning with respect to each asset class based on Basel III.

2. Industry classifications apply primarily to allowances related to exposures held by the Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking (both on a non-consolidated basis). The bulk of provisions relating to exposures held by other subsidiaries are included in the "Others" category.

Loan charge-offs

(By type of industry)

Millions of yen

	FY2011	FY2012
Manufacturing	22,054	14,784
Wholesale and retail	27,627	18,205
Construction	5,568	6,332
Finance and insurance	1,907	(104)
Real estate	6,441	3,017
Services	4,707	4,004
Transport	874	1,132
Individuals	26,927	22,022
Governments and local authorities	—	—
Others	35,366	26,981
Total	131,475	96,376

Note: Figures do not include loan charge-offs related to securitization exposures or exposures relating to funds.

Balances by risk weight category of exposures under the Standardized Approach

Billions of yen

	March 31, 2012		March 31, 2013	
	Balances	Of which: balances for which risk weights are determined by external rating	Balances	Of which: balances for which risk weights are determined by external rating
Risk weight: 0%	2,241.3	902.7	2,874.1	1,147.4
Risk weight: 10%	200.5	—	234.0	—
Risk weight: 20%	4,862.5	4,641.2	4,641.2	4,382.8
Risk weight: 35%	1,506.3	—	1,872.2	—
Risk weight: 50%	159.1	158.9	326.5	326.3
Risk weight: 75%	1,087.8	—	1,250.8	—
Risk weight: 100%	8,645.7	115.9	10,608.7	122.7
Risk weight: 150%	61.3	0.3	52.1	0.0
Risk weight: 625%	—	—	0.0	—
Risk weight: 937.5%	0.0	—	—	—
Risk weight: 1,250%	—	—	6.8	—
Capital deductions	11.1	—	—	—
Others (Note 3)	5.3	—	4.3	—
Total	18,781.4	5,819.3	21,871.1	5,979.3

Notes: 1. Figures are taking into account the effects of credit risk mitigation techniques.
2. Figures do not contain any securitization exposures.
3. "Others" includes investment funds leveraged by debt loans, etc., for which the weighted average risk weight was 220% as of March 31, 2012 and 224% as of March 31, 2013.

Exposures subject to the IRB Approach: specialized lending exposures subject to supervisory slotting criteria and equity exposures subject to the Market-Based Approach (simple risk weight method)

Billions of yen

	March 31, 2012	March 31, 2013
Specialized lending exposures subject to supervisory slotting criteria	272.2	320.7
Risk weight: 50%	27.0	10.0
Risk weight: 70%	82.4	106.4
Risk weight: 90%	13.0	86.3
Risk weight: 95%	49.3	28.7
Risk weight: 115%	45.0	24.5
Risk weight: 120%	3.8	1.0
Risk weight: 140%	1.1	37.4
Risk weight: 250%	50.1	26.0
Risk weight: 0%	0.0	—
Equity exposures subject to the Market-Based Approach (simple risk weight method)	212.9	241.0
Risk weight: 300%	44.0	64.5
Risk weight: 400%	168.8	176.4

Exposures subject to the IRB Approach: corporate exposures

Billions of yen

	March 31, 2012					
	EAD					
		On balance sheet EAD	Off balance sheet EAD			
Credit rating				Amount of undrawn commitments	Weighted average factor on undrawn commitments	Other off balance sheet EAD
Borrower ratings 1~3	25,691.4	17,070.8	8,620.6	10,594.7	56.92%	2,589.5
Borrower ratings 4~9	38,756.3	33,242.5	5,513.7	5,570.7	57.12%	2,331.8
Borrower ratings 10~11	4,899.9	4,230.9	669.0	313.8	57.47%	488.6
Borrower ratings 12~15	1,787.3	1,694.6	92.7	10.3	56.67%	86.8

	March 31, 2012			
Credit rating	Weighted average PD	Weighted average LGD	Weighted average EL default	Weighted average RW
Borrower ratings 1~3	0.15%	36.63%	—	26.51%
Borrower ratings 4~9	0.85%	32.66%	—	53.16%
Borrower ratings 10~11	13.03%	28.36%	—	132.90%
Borrower ratings 12~15	100.00%	47.10%	44.13%	41.29%

Billions of yen

	March 31, 2013					
	EAD					
		On balance sheet EAD	Off balance sheet EAD			
Credit rating				Amount of undrawn commitments	Weighted average factor on undrawn commitments	Other off balance sheet EAD
Borrower ratings 1~3	28,656.7	18,538.6	10,118.0	12,628.3	56.57%	2,974.0
Borrower ratings 4~9	40,412.4	34,254.6	6,157.7	6,679.4	56.75%	2,367.3
Borrower ratings 10~11	5,455.4	4,863.0	592.3	348.0	56.87%	394.4
Borrower ratings 12~15	1,857.7	1,800.7	57.0	11.3	56.51%	50.6

	March 31, 2013			
Credit rating	Weighted average PD	Weighted average LGD	Weighted average EL default	Weighted average RW
Borrower ratings 1~3	0.11%	35.10%	—	24.62%
Borrower ratings 4~9	0.85%	29.95%	—	49.56%
Borrower ratings 10~11	11.54%	25.82%	—	117.20%
Borrower ratings 12~15	100.00%	41.24%	38.07%	47.43%

Notes: 1. Figures exclude specialized lending exposures subject to supervisory slotting criteria and any exposures relating to funds.
2. Weighted average PD and weighted average LGD represent weighted average figures based on EAD.
3. RW stands for risk weight. Risk weight is calculated by dividing the amount of credit risk-weighted assets by EAD, and does not include any expected losses. Note that credit risk-weighted asset amounts are multiplied by 1.06.

Exposures subject to the IRB Approach: sovereign exposures

Billions of yen

March 31, 2012

Credit rating	EAD	On balance sheet EAD	Off balance sheet EAD	Amount of undrawn commitments	Weighted average factor on undrawn commitments	Other off balance sheet EAD
Borrower ratings 1~3	88,387.1	74,573.6	13,813.4	994.9	56.67%	13,249.6
Borrower ratings 4~9	370.0	339.6	30.3	25.1	56.67%	16.1
Borrower ratings 10~11	208.4	203.6	4.8	3.8	56.67%	2.6
Borrower ratings 12~15	23.7	22.7	0.9	—	—	0.9

March 31, 2012

Credit rating	Weighted average PD	Weighted average LGD	Weighted average EL default	Weighted average RW
Borrower ratings 1~3	0.00%	38.03%	—	0.71%
Borrower ratings 4~9	0.71%	32.24%	—	43.18%
Borrower ratings 10~11	17.73%	8.38%	—	46.23%
Borrower ratings 12~15	100.00%	46.48%	44.20%	31.45%

Billions of yen

March 31, 2013

Credit rating	EAD	On balance sheet EAD	Off balance sheet EAD	Amount of undrawn commitments	Weighted average factor on undrawn commitments	Other off balance sheet EAD
Borrower ratings 1~3	91,383.5	78,185.9	13,197.5	1,188.7	56.30%	12,528.2
Borrower ratings 4~9	418.2	366.7	51.4	63.9	56.30%	15.4
Borrower ratings 10~11	140.7	139.0	1.7	0.5	56.30%	1.4
Borrower ratings 12~15	54.7	53.8	0.8	—	—	0.8

March 31, 2013

Credit rating	Weighted average PD	Weighted average LGD	Weighted average EL default	Weighted average RW
Borrower ratings 1~3	0.00%	35.91%	—	0.57%
Borrower ratings 4~9	0.82%	30.33%	—	47.03%
Borrower ratings 10~11	15.77%	5.39%	—	30.25%
Borrower ratings 12~15	100.00%	14.62%	8.11%	22.19%

Exposures subject to the IRB Approach: bank exposures

Billions of yen

March 31, 2012

Credit rating	EAD	On balance sheet EAD	Off balance sheet EAD	Amount of undrawn commitments	Weighted average factor on undrawn commitments	Other off balance sheet EAD
Borrower ratings 1~3	5,753.4	3,012.7	2,740.6	175.0	56.67%	2,641.4
Borrower ratings 4~9	2,104.4	1,417.8	686.5	78.7	56.99%	641.6
Borrower ratings 10~11	266.7	131.9	134.7	0.5	60.85%	134.4
Borrower ratings 12~15	1.9	1.9	—	—	—	—

March 31, 2012

Credit rating	Weighted average PD	Weighted average LGD	Weighted average EL default	Weighted average RW
Borrower ratings 1~3	0.12%	32.32%	—	20.62%
Borrower ratings 4~9	0.40%	33.94%	—	34.19%
Borrower ratings 10~11	13.03%	33.54%	—	94.20%
Borrower ratings 12~15	100.00%	79.91%	78.77%	15.09%

Billions of yen

March 31, 2013

Credit rating	EAD	On balance sheet EAD	Off balance sheet EAD	Amount of undrawn commitments	Weighted average factor on undrawn commitments	Other off balance sheet EAD
Borrower ratings 1~3	4,804.7	2,535.1	2,269.5	287.5	56.30%	2,107.6
Borrower ratings 4~9	2,974.9	1,545.0	1,429.8	134.3	55.80%	1,354.9
Borrower ratings 10~11	149.5	30.5	118.9	—	—	118.9
Borrower ratings 12~15	1.5	1.5	—	—	—	—

March 31, 2013

Credit rating	Weighted average PD	Weighted average LGD	Weighted average EL default	Weighted average RW
Borrower ratings 1~3	0.10%	31.72%	—	24.75%
Borrower ratings 4~9	0.36%	29.50%	—	38.82%
Borrower ratings 10~11	13.31%	30.56%	—	158.82%
Borrower ratings 12~15	100.00%	79.08%	80.57%	22.52%

Exposures subject to the IRB Approach: equity exposures under PD/LGD Approach

Billions of yen

	March 31, 2012		
Credit rating	Amount of exposures	Weighted average PD	Weighted average RW
Borrower ratings 1~3	460.2	0.12%	145.55%
Borrower ratings 4~9	206.8	1.83%	262.68%
Borrower ratings 10~11	4.0	9.66%	460.00%
Borrower ratings 12~15	1.0	100.00%	/

Billions of yen

	March 31, 2013		
Credit rating	Amount of exposures	Weighted average PD	Weighted average RW
Borrower ratings 1~3	522.7	0.10%	152.20%
Borrower ratings 4~9	1,179.6	0.49%	188.01%
Borrower ratings 10~11	6.4	8.97%	557.52%
Borrower ratings 12~15	1.2	100.00%	1,192.50%

Note: Figures exclude any equity exposures based on calculations where credit risk asset values are assessed using the Market-Based Approach as well as any equity exposures where a 100% risk weight is applied based on the transitional arrangements stipulated in Article 13 of the Supplementary Provisions to the FSA Consolidated Capital Adequacy Notification.

Exposures subject to the IRB Approach: retail exposures

Billions of yen

	March 31, 2012					
	EAD					
		On balance sheet EAD	Off balance sheet EAD			
				Amount of undrawn commitments	Weighted average factor on undrawn commitments	Other off balance sheet EAD
Residential mortgage	14,064.0	13,708.7	355.3	—	—	355.3
Non-defaulted	13,698.3	13,347.6	350.6	—	—	350.6
Defaulted	365.7	361.1	4.6	—	—	4.6
Qualifying revolving retail	4,788.1	1,404.3	3,383.7	17,634.2	18.90%	51.4
Non-defaulted	4,641.1	1,257.7	3,383.4	17,630.2	18.90%	51.1
Defaulted	146.9	146.6	0.3	3.9	0.00%	0.3
Other retail (non-business)	2,215.3	928.9	1,286.4	4,377.3	14.44%	654.4
Non-defaulted	1,979.7	702.3	1,277.4	4,371.6	14.46%	645.3
Defaulted	235.6	226.6	9.0	5.7	0.05%	9.0
Other retail (business-related)	1,816.5	1,746.7	69.7	127.0	25.87%	36.8
Non-defaulted	1,805.1	1,735.8	69.2	127.0	25.87%	36.3
Defaulted	11.4	10.9	0.4	—	—	0.4

	March 31, 2012				
	Number of pools	Weighted average PD	Weighted average LGD	Weighted average EL default	Weighted average RW
Residential mortgage	91	3.52%	41.90%	—	38.02%
Non-defaulted	65	0.96%	41.95%	—	38.15%
Defaulted	26	99.43%	40.11%	37.45%	33.44%
Qualifying revolving retail	72	3.97%	74.91%	—	20.67%
Non-defaulted	55	0.93%	75.05%	—	21.16%
Defaulted	17	100.00%	70.54%	78.72%	5.05%
Other retail (non-business)	176	12.57%	40.74%	—	51.10%
Non-defaulted	107	2.17%	39.72%	—	55.30%
Defaulted	69	99.99%	49.26%	48.85%	15.76%
Other retail (business-related)	45	5.93%	28.50%	—	39.68%
Non-defaulted	29	5.33%	28.27%	—	39.63%
Defaulted	16	100.00%	65.02%	64.89%	47.95%

Note: In cases where purchased receivables are included, the weighted average PD reflects not only the PD but also a figure for which the annual expected loss corresponding to the dilution risk is prorated.

Exposures subject to the IRB Approach: retail exposures (continued)

Billions of yen

	March 31, 2013					
	EAD					
		On balance sheet EAD	Off balance sheet EAD			
				Amount of undrawn commitments	Weighted average factor on undrawn commitments	Other off balance sheet EAD
Residential mortgage	13,900.4	13,638.1	262.2	—	—	262.2
Non-defaulted	13,569.1	13,311.0	258.1	—	—	258.1
Defaulted	331.2	327.0	4.1	—	—	4.1
Qualifying revolving retail	4,278.9	1,326.6	2,952.3	17,433.2	16.65%	50.2
Non-defaulted	4,147.4	1,195.6	2,951.8	17,429.3	16.65%	49.7
Defaulted	131.4	131.0	0.4	3.9	0.00%	0.4
Other retail (non-business)	2,040.1	899.8	1,140.3	4,325.2	13.57%	553.3
Non-defaulted	1,830.2	696.9	1,133.3	4,319.2	13.59%	546.3
Defaulted	209.8	202.8	7.0	5.9	0.05%	7.0
Other retail (business-related)	1,649.2	1,587.5	61.7	114.9	24.92%	33.1
Non-defaulted	1,638.8	1,577.4	61.3	114.9	24.92%	32.7
Defaulted	10.4	10.0	0.4	—	—	0.4

	March 31, 2013				
	Number of pools	Weighted average PD	Weighted average LGD	Weighted average EL default	Weighted average RW
Residential mortgage	114	3.33%	35.79%	—	32.64%
Non-defaulted	77	0.97%	35.83%	—	32.93%
Defaulted	37	99.97%	34.48%	32.92%	20.88%
Qualifying revolving retail	72	3.91%	76.51%	—	20.20%
Non-defaulted	55	0.87%	76.60%	—	20.76%
Defaulted	17	100.00%	73.77%	78.55%	2.74%
Other retail (non-business)	177	12.28%	42.27%	—	53.48%
Non-defaulted	105	2.22%	41.59%	—	57.98%
Defaulted	72	99.99%	48.29%	47.86%	14.29%
Other retail (business-related)	43	4.52%	20.83%	—	27.98%
Non-defaulted	28	3.91%	20.53%	—	27.84%
Defaulted	15	100.00%	66.65%	63.14%	50.26%

Note: In cases where purchased receivables are included, the weighted average PD reflects not only the PD but also a figure for which the annual expected loss corresponding to the dilution risk is prorated.

Comparison of estimated and actual losses for exposures subject to the IRB Approach

Millions of yen

	Corporate exposures	Sovereign exposures	Bank exposures	Equity exposures under PD/LGD Approach	Residential mortgage exposures	Qualifying revolving retail exposures	Other retail exposures
FY2006 actual losses	23,025	(1,571)	(6,941)	84	26,725	—	5,940
FY2006 estimated losses	1,235,407	18,106	14,417	173,180	62,968	—	108,173
Initial EAD	72,143,293	43,809,530	16,865,540	375,755	14,985,264	—	5,648,325
Estimated weighted average PD	3.91%	0.09%	0.19%	51.21%	1.17%	—	5.21%
Estimated weighted average LGD	43.74%	44.79%	45.16%	90.00%	36.05%	—	36.78%
FY2007 actual losses	70,776	(499)	(52)	2,063	12,645	—	6,058
FY2007 estimated losses	1,200,881	13,051	15,572	96,176	76,518	—	121,380
Initial EAD	66,584,415	39,998,750	19,100,674	520,689	13,705,023	—	5,469,071
Estimated weighted average PD	4.12%	0.07%	0.17%	20.52%	1.50%	—	5.60%
Estimated weighted average LGD	43.75%	44.96%	45.28%	90.00%	37.78%	—	39.56%
FY2008 actual losses	367,111	(353)	24,309	66,906	26,218	—	52,879
FY2008 estimated losses	993,791	18,389	24,850	94,474	89,938	—	112,090
Initial EAD	70,710,242	37,890,290	19,877,135	632,858	14,243,086	—	5,099,330
Estimated weighted average PD	3.19%	0.10%	0.25%	16.58%	1.44%	—	5.27%
Estimated weighted average LGD	43.75%	44.96%	41.89%	90.00%	44.05%	—	41.63%
FY2009 actual losses	374,658	(118)	23,631	2,162	28,922	2,817	20,190
FY2009 estimated losses	1,040,595	47,332	39,863	27,827	101,070	11,784	86,698
Initial EAD	74,113,431	55,115,408	12,125,418	1,382,457	14,240,099	741,843	3,877,135
Estimated weighted average PD	3.78%	0.23%	0.88%	2.24%	1.66%	2.20%	5.98%
Estimated weighted average LGD	36.98%	38.47%	37.47%	90.00%	43.02%	72.32%	37.34%
FY2010 actual losses	161,997	(298)	(6,725)	238	27,687	62,514	23,460
FY2010 estimated losses	1,202,669	31,084	38,243	7,631	143,096	210,666	171,435
Initial EAD	70,981,831	65,386,649	11,189,296	1,531,399	14,527,802	5,354,803	4,809,516
Estimated weighted average PD	4.42%	0.12%	0.84%	0.55%	2.29%	4.74%	6.87%
Estimated weighted average LGD	38.14%	40.86%	40.48%	90.00%	43.13%	82.68%	44.89%
FY2011 actual losses	144,305	(214)	(4)	93	29,023	18,693	23,826
FY2011 estimated losses	1,125,141	29,294	29,545	7,597	216,949	164,990	182,613
Initial EAD	66,989,253	88,407,803	12,816,541	1,500,479	14,368,724	4,706,299	4,739,835
Estimated weighted average PD	4.39%	0.08%	0.58%	0.56%	3.27%	4.62%	7.89%
Estimated weighted average LGD	37.97%	41.17%	39.48%	90.00%	46.17%	75.77%	42.54%
Interim FY2012 actual losses	62,993	(201)	0	8,516	13,340	6,795	1,465
Interim FY2012 estimated losses (Note 4)	951,689	25,146	20,163	5,194	206,700	142,764	157,993
Initial EAD	71,463,314	88,940,300	10,391,449	672,201	14,064,062	4,788,117	4,022,364
Estimated weighted average PD	3.91%	0.08%	0.58%	0.86%	3.52%	3.97%	9.37%
Estimated weighted average LGD	34.13%	37.94%	33.47%	90.00%	41.83%	75.17%	35.19%
Interim FY2012: Discussion of the factors	Actual losses on exposures were lower than initial estimated losses, reflecting repayments on defaulted exposures and other factors such as loan normalization.						

Notes: 1. Actual losses include the following amounts related to defaulted exposures: write-offs against allowances, losses on the disposal of claims, debt forgiveness or loan waivers, and impairment losses on securities. Actual losses incurred by Mitsubishi UFJ Trust and Banking Corporation equal the aggregate figures for the banking account and for trust accounts for which repayment of the principal to the customers is guaranteed.

2. The initial EAD under FY2006 estimated losses was used for a preliminary calculation under the FIRB Approach at the end of March 2006, and was not used to calculate an official figure of capital adequacy ratio.

3. Estimates for PD and LGD under FY2006 estimated losses were used for preliminary calculations under the FIRB Approach at the end of September 2006, and were not used to calculate official figures of capital adequacy ratio. Estimates for PD and LGD that were used for preliminary calculations under the FIRB Approach at the end of March 2006 were not used, because such estimates included temporary factors due to the merger of Mitsubishi Tokyo Financial Group, Inc. with UFJ Holdings, Inc.

4. Estimated losses for Interim FY2012 represent the anticipated losses for the full year estimated at the beginning of the fiscal year.

Credit Risk Mitigation

Exposures subject to application of credit risk mitigation techniques

Billions of yen

	March 31, 2012		
	Eligible financial collateral	Guarantees	Credit derivatives
Portfolios under the AIRB Approach	⁄	5,277.0	237.5
Corporate exposures	⁄	3,501.5	230.1
Sovereign exposures	⁄	553.3	4.9
Bank exposures	⁄	664.6	2.3
Residential mortgage exposures	⁄	—	—
Qualifying revolving retail exposures	⁄	—	—
Other retail exposures	⁄	557.4	—
Portfolios under the Standardized Approach	4,625.3	256.2	—

Billions of yen

	March 31, 2013		
	Eligible financial collateral	Guarantees	Credit derivatives
Portfolios under the AIRB Approach	⁄	5,415.5	168.3
Corporate exposures	⁄	3,753.4	158.4
Sovereign exposures	⁄	510.0	7.1
Bank exposures	⁄	669.5	2.7
Residential mortgage exposures	⁄	—	—
Qualifying revolving retail exposures	⁄	—	—
Other retail exposures	⁄	482.5	—
Portfolios under the Standardized Approach	7,628.9	181.2	—

Note: Eligible financial collateral includes collateral for repo transactions but does not include deposits in our banks subject to on balance sheet netting.

Derivative Transactions and Long Settlement Transactions

Matters relating to counterparty credit risk

Billions of yen

	March 31, 2012	March 31, 2013
Aggregated gross replacement costs	10,343.2	11,936.5
Credit equivalent amounts prior to credit risk mitigation benefits due to collateral	6,357.1	6,860.5
Foreign exchange and gold	4,763.0	6,341.5
Interest rate	11,079.8	11,370.5
Equity	85.6	141.5
Precious metals (except gold)	—	0.0
Other commodities	224.1	199.5
Credit derivative	447.3	439.0
Long settlement transactions	1.0	0.3
Netting benefits due to close-out netting agreements (Note 2)	(10,243.9)	(11,632.1)
Collateral held	1,555.6	1,493.9
Deposits	842.1	579.2
Marketable securities	480.9	611.5
Others	232.4	303.1
Credit equivalent amounts after credit risk mitigation benefits due to collateral	5,957.4	6,399.4
Notional principal amount of credit derivatives included in calculation of credit equivalent amounts	6,526.3	6,655.3
Purchased credit protection through credit default swaps	3,276.8	3,437.0
Purchased credit protection through total return swaps	0.0	18.0
Purchased credit protection through credit options	8.0	—
Purchased other credit protection	—	—
Provided credit protection through credit default swaps	3,241.4	3,200.3
Provided credit protection through total return swaps	—	—
Provided credit protection through credit options	—	—
Provided other credit protection	—	—
Notional principal amount of credit derivatives used for credit risk mitigation purposes	766.6	752.8

Notes: 1. Credit equivalent amounts are calculated using the Current Exposure Method.
2. These benefits are equal to the figure obtained by subtracting credit equivalent amounts prior to credit risk mitigation benefits due to collateral from the sum of aggregated gross replacement costs and total gross add-ons.

Securitization Exposures (Subject to calculation of credit risk assets)

Information on underlying assets

Billions of yen

	March 31, 2012		FY2011		
	Amount of underlying assets at period-end (Note 1)		Cumulative amount of underlying assets in default or contractually past due 3 months or more		
	Underlying assets relating to retained securitization exposures	Underlying assets relating to securitization transactions during this period with no retained securitization exposures (Note 2)	Underlying assets relating to retained securitization exposures	Underlying assets relating to securitization transactions during this period with no retained securitization exposures (Note 3)	Losses on underlying assets incurred during this period (Note 4)
Traditional securitizations (asset transfer type)	1,918.7	—	19.1	—	7.9
Residential mortgage	1,742.4	—	19.1	—	7.8
Apartment loan	118.5	—	—	—	0.0
Credit card receivables	—	—	—	—	—
Other assets	57.8	—	0.0	—	—
Synthetic securitizations	—	—	—	—	—
Residential mortgage	—	—	—	—	—
Apartment loan	—	—	—	—	—
Credit card receivables	—	—	—	—	—
Other assets	—	—	—	—	—
Sponsor of asset-backed commercial paper (ABCP) program	23,049.8	—	396.8	688.7	716.9
Residential mortgage	—	—	—	—	—
Apartment loan	—	—	—	—	—
Credit card receivables	13,624.5	—	221.3	306.5	582.5
Account receivables	6,357.8	—	166.5	365.9	124.9
Leasing receivables	772.3	—	0.0	0.0	4.6
Other assets	2,295.0	—	8.9	16.1	4.7
Total as an originator	24,968.5	—	416.0	688.7	724.8

Notes: 1. The amount of underlying assets relating to sponsor of ABCP programs includes underlying assets related to ABCP programs sponsored by multiple financial institutions, including certain consolidated subsidiaries of MUFG.

2. The amount of underlying assets refers only to those cases in which the securitization exposures associated with a securitization conducted during this period were wholly transferred to third parties.

3. Figures show cumulative totals for this period of underlying assets either in default or contractually past due 3 months or more arising from securitization transactions in cases where the securitization exposures associated with a transaction conducted during this period was wholly transferred to third parties, or where no exposure was retained at the end of this period from a securitization conducted during this period due to related maturity.

4. Losses with traditional or synthetic securitizations are based on the projected accounting losses for holding the underlying assets without conducting the relevant securitization. With sponsor of ABCP programs, since it is extremely rare for such schemes to result in losses on any retained securitization exposure, it is difficult to obtain generally relevant information relating to losses as based on certain definitions. These figures therefore aggregate cases where actual economic losses have been recognized with cases where the loss has been valued on the same basis as the underlying defaulted assets. Losses on underlying assets relating to sponsor of ABCP programs differ from losses incurred by MUFG.

Information on underlying assets (continued)

Billions of yen

	March 31, 2013		FY2012		
	Amount of underlying assets at period-end (Note 1)		Cumulative amount of underlying assets in default or contractually past due 3 months or more		
	Underlying assets relating to retained securitization exposures	Underlying assets relating to securitization transactions during this period with no retained securitization exposures (Note 2)	Underlying assets relating to retained securitization exposures	Underlying assets relating to securitization transactions during this period with no retained securitization exposures (Note 3)	Losses on underlying assets incurred during this period (Note 4)
Traditional securitizations (asset transfer type)	1,558.9	—	11.4	—	3.6
Residential mortgage	1,526.9	—	11.4	—	3.6
Apartment loan	—	—	—	—	—
Credit card receivables	—	—	—	—	—
Other assets	31.9	—	0.0	—	—
Synthetic securitizations	—	—	—	—	—
Residential mortgage	—	—	—	—	—
Apartment loan	—	—	—	—	—
Credit card receivables	—	—	—	—	—
Other assets	—	—	—	—	—
Sponsor of asset-backed commercial paper (ABCP) program	21,523.8	—	378.6	1,176.4	575.9
Residential mortgage	—	—	—	—	—
Apartment loan	—	—	—	—	—
Credit card receivables	8,151.4	—	126.9	656.7	386.4
Account receivables	7,890.6	—	239.2	482.2	150.6
Leasing receivables	1,298.8	—	1.3	0.7	3.3
Other assets	4,182.9	—	11.0	36.6	35.4
Total as an originator	23,082.8	—	390.0	1,176.4	579.6

Notes: 1. The amount of underlying assets relating to sponsor of ABCP programs includes underlying assets related to ABCP programs sponsored by multiple financial institutions, including certain consolidated subsidiaries of MUFG.

2. The amount of underlying assets refers only to those cases in which the securitization exposures associated with a securitization conducted during this period were wholly transferred to third parties.

3. Figures show cumulative totals for this period of underlying assets either in default or contractually past due 3 months or more arising from securitization transactions in cases where the securitization exposures associated with a transaction conducted during this period was wholly transferred to third parties, or where no exposure was retained at the end of this period from a securitization conducted during this period due to related maturity.

4. Losses with traditional or synthetic securitizations are based on the projected accounting losses for holding the underlying assets without conducting the relevant securitization. With sponsor of ABCP programs, since it is extremely rare for such schemes to result in losses on any retained securitization exposure, it is difficult to obtain generally relevant information relating to losses as based on certain definitions. These figures therefore aggregate cases where actual economic losses have been recognized with cases where the loss has been valued on the same basis as the underlying defaulted assets. Losses on underlying assets relating to sponsor of ABCP programs differ from losses incurred by MUFG.

Information on underlying assets (continued)

Billions of yen

	FY2011		FY2012	
	Cumulative amount of underlying assets securitized during the period	Recognized gains or losses in this period arising from securitization transactions	Cumulative amount of underlying assets securitized during the period	Recognized gains or losses in this period arising from securitization transactions
Traditional securitizations (asset transfer type)	—	—	—	—
Residential mortgage	—	—	—	—
Apartment loan	—	—	—	—
Credit card receivables	—	—	—	—
Other assets	—	—	—	—
Synthetic securitizations	—	⁄	—	⁄
Residential mortgage	—	⁄	—	⁄
Apartment loan	—	⁄	—	⁄
Credit card receivables	—	⁄	—	⁄
Other assets	—	⁄	—	⁄
Sponsor of asset-backed commercial paper (ABCP) program	107,962.0	⁄	128,119.8	⁄
Residential mortgage	—	⁄	—	⁄
Apartment loan	—	⁄	—	⁄
Credit card receivables	28,525.3	⁄	21,147.1	⁄
Account receivables	77,932.4	⁄	103,778.1	⁄
Leasing receivables	245.9	⁄	730.2	⁄
Other assets	1,258.2	⁄	2,464.3	⁄
Total as an originator	107,962.0	—	128,119.8	—

(Amount of assets held for the purpose of securitization)

Billions of yen

	March 31, 2012			March 31, 2013		
	Banking accounts	Specified trading accounts	Total	Banking accounts	Specified trading accounts	Total
Residential mortgage	5.4	—	5.4	3.6	—	3.6
Apartment loan	—	—	—	—	—	—
Credit card receivables	—	—	—	—	—	—
Account receivables	—	—	—	—	—	—
Leasing receivables	—	—	—	—	—	—
Other assets	—	—	—	—	—	—
Total	5.4	—	5.4	3.6	—	3.6

Information on securitization exposures retained
(By type of underlying asset)

Billions of yen

	March 31, 2012					
	Amount of securitization exposures				Amount of securitization exposures that have been deducted from Tier 1 capital (Amount equivalent to increase in capital) (Note 1)	Capital deductions related to securitization exposures (Note 2)
	Other than re-securitization exposure		Re-securitization exposure			
	On balance sheet	Off balance sheet	On balance sheet	Off balance sheet		
Total as an originator	3,841.4	472.6	—	—	13.4	7.0
Traditional securitizations (asset transfer type)	639.3	—	—	—	13.4	7.0
Residential mortgage	495.2	—	—	—	13.4	1.1
Apartment loan	123.1	—	—	—	—	—
Credit card receivables	—	—	—	—	—	—
Other assets	20.9	—	—	—	—	5.8
Synthetic securitizations	—	—	—	—	—	—
Residential mortgage	—	—	—	—	—	—
Apartment loan	—	—	—	—	—	—
Credit card receivables	—	—	—	—	—	—
Other assets	—	—	—	—	—	—
Sponsor of asset-backed commercial paper (ABCP) program	3,202.0	472.6	—	—	—	—
Residential mortgage	—	—	—	—	—	—
Apartment loan	—	—	—	—	—	—
Credit card receivables	561.0	173.9	—	—	—	—
Account receivables	1,190.6	247.6	—	—	—	—
Leasing receivables	347.8	8.1	—	—	—	—
Other assets	1,102.5	42.9	—	—	—	—
As an investor	2,201.1	1.3	495.9	—	/	18.4
Residential mortgage	778.3	—	5.5	—	/	0.4
Apartment loan	53.7	—	5.1	—	/	—
Credit card receivables	34.2	—	—	—	/	—
Corporate loans	943.6	1.3	478.8	—	/	3.1
Other assets	391.0	—	6.3	—	/	14.9

Notes: 1. The amount of securitization exposures that have been deducted from Tier 1 capital counts as deductions from Tier 1 capital, such as capital stock, as stipulated by Article 5 of the FSA Holding Company Capital Adequacy Notification, and includes any gains on disposal of the underlying assets relating to the securitization.

2. Figures listed refer to deductions as stipulated by Basel II. Securitization exposures qualifying as capital deductions include cases where the credit risk-weighted assets computed using the Supervisory Formula exceed 1,250% or where a rating is lower than a certain threshold when calculating credit risk-weighted assets under the Ratings-Based Approach.

Information on securitization exposures retained
(By type of underlying asset) (continued)

Billions of yen

March 31, 2013

	Amount of securitization exposures: Other than re-securitization exposure: On balance sheet	Amount of securitization exposures: Other than re-securitization exposure: Off balance sheet	Amount of securitization exposures: Re-securitization exposure: On balance sheet	Amount of securitization exposures: Re-securitization exposure: Off balance sheet	Amount of securitization exposures subject to a risk weight of 1,250% (Note 1)	Capital deductions related to securitization exposures (Note 2)
Total as an originator	4,145.0	539.9	—	—	3.2	13.2
Traditional securitizations (asset transfer type)	507.0	—	—	—	3.2	13.2
Residential mortgage	490.5	—	—	—	0.0	13.2
Apartment loan	—	—	—	—	—	—
Credit card receivables	—	—	—	—	—	—
Other assets	16.5	—	—	—	3.1	—
Synthetic securitizations	—	—	—	—	—	—
Residential mortgage	—	—	—	—	—	—
Apartment loan	—	—	—	—	—	—
Credit card receivables	—	—	—	—	—	—
Other assets	—	—	—	—	—	—
Sponsor of asset-backed commercial paper (ABCP) program	3,638.0	539.9	—	—	—	—
Residential mortgage	—	—	—	—	—	—
Apartment loan	—	—	—	—	—	—
Credit card receivables	635.9	85.5	—	—	—	—
Account receivables	1,402.9	306.3	—	—	—	—
Leasing receivables	315.5	51.8	—	—	—	—
Other assets	1,283.6	96.2	—	—	—	—
As an investor	2,966.3	—	560.0	—	12.9	/
Residential mortgage	831.9	—	5.2	—	0.3	/
Apartment loan	37.8	—	1.7	—	1.4	/
Credit card receivables	5.6	—	—	—	—	/
Corporate loans	1,447.4	—	547.3	—	—	/
Other assets	643.3	—	5.7	—	11.0	/

Notes: 1. Figures listed refer to the amounts of exposures subject to a 1,250% risk weight as stipulated in Article 225 of the FSA Holding Company Capital Adequacy Notification. Securitization exposures subject to a 1,250% risk weight include cases where the credit risk-weighted assets computed using the Supervisory Formula exceed 1,250% or where a rating is lower than a certain threshold when calculating credit risk-weighted assets under the Ratings-Based Approach.

2. Figures listed refer to deductions as stipulated by Basel II. Securitization exposures qualifying as capital deductions include cases where the credit risk-weighted assets computed using the Supervisory Formula exceed 1,250% or where a rating is lower than a certain threshold when calculating credit risk-weighted assets under the Ratings-Based Approach.

(Securitization exposures subject to early amortization provisions retained)

In line with the provisions of Articles 230 & 248 of the FSA Holding Company Capital Adequacy Notification, as of March 31, 2012 and 2013, there were no securitization exposures subject to early amortization treatment that are retained by external investors and are used to calculate credit risk-weighted assets.

(Amount of securitization exposures retained and the associated capital requirement for these exposures broken down into a number of risk weight bands)

Billions of yen

	March 31, 2012			
	Other than re-securitization exposure			
	Amount of securitization exposures		Capital requirement	
	On balance sheet	Off balance sheet	On balance sheet	Off balance sheet
Total as an originator	3,841.4	472.6	160.2	6.8
Traditional securitizations (asset transfer type)	639.3	—	89.6	—
Risk weight: to 20%	—	—	—	—
Risk weight: over 20% to 50%	10.4	—	0.2	—
Risk weight: over 50% to 100%	149.6	—	11.1	—
Risk weight: over 100% to 250%	428.4	—	52.1	—
Risk weight: over 250% under 1,250%	43.7	—	19.0	—
Risk weight: 1,250%	7.0	—	7.0	—
Synthetic securitizations	—	—	—	—
Risk weight: to 20%	—	—	—	—
Risk weight: over 20% to 50%	—	—	—	—
Risk weight: over 50% to 100%	—	—	—	—
Risk weight: over 100% to 250%	—	—	—	—
Risk weight: over 250% under 1,250%	—	—	—	—
Risk weight: 1,250%	—	—	—	—
Sponsor of asset-backed commercial paper (ABCP) program	3,202.0	472.6	70.6	6.8
Risk weight: to 20%	2,418.8	407.5	17.6	3.4
Risk weight: over 20% to 50%	415.7	49.0	14.6	1.4
Risk weight: over 50% to 100%	204.5	9.5	11.5	0.7
Risk weight: over 100% to 250%	135.0	6.4	17.9	1.2
Risk weight: over 250% under 1,250%	27.8	0.0	8.7	0.0
Risk weight: 1,250%	—	—	—	—
As an investor	2,203.9	1.3	46.8	0.0
Risk weight: to 20%	1,918.7	1.3	13.9	0.0
Risk weight: over 20% to 50%	197.8	0.0	5.8	0.0
Risk weight: over 50% to 100%	43.9	—	3.2	—
Risk weight: over 100% to 250%	12.4	—	1.5	—
Risk weight: over 250% under 1,250%	12.4	—	3.7	—
Risk weight: 1,250%	18.4	—	18.4	—

(Amount of securitization exposures retained and the associated capital requirement for these exposures broken down into a number of risk weight bands) (continued)

Billions of yen

	March 31, 2012			
	Re-securitization exposure			
	Amount of securitization exposures		Capital requirement	
	On balance sheet	Off balance sheet	On balance sheet	Off balance sheet
Total as an originator	—	—	—	—
Traditional securitizations (asset transfer type)	—	—	—	—
Risk weight: to 30%	—	—	—	—
Risk weight: over 30% to 150%	—	—	—	—
Risk weight: over 150% to 350%	—	—	—	—
Risk weight: over 350% to 500%	—	—	—	—
Risk weight: over 500% under 1,250%	—	—	—	—
Risk weight: 1,250%	—	—	—	—
Synthetic securitizations	—	—	—	—
Risk weight: to 30%	—	—	—	—
Risk weight: over 30% to 150%	—	—	—	—
Risk weight: over 150% to 350%	—	—	—	—
Risk weight: over 350% to 500%	—	—	—	—
Risk weight: over 500% under 1,250%	—	—	—	—
Risk weight: 1,250%	—	—	—	—
Sponsor of asset-backed commercial paper (ABCP) program	—	—	—	—
Risk weight: to 30%	—	—	—	—
Risk weight: over 30% to 150%	—	—	—	—
Risk weight: over 150% to 350%	—	—	—	—
Risk weight: over 350% to 500%	—	—	—	—
Risk weight: over 500% under 1,250%	—	—	—	—
Risk weight: 1,250%	—	—	—	—
As an investor	495.9	—	15.7	—
Risk weight: to 30%	368.7	—	7.5	—
Risk weight: over 30% to 150%	115.4	—	5.6	—
Risk weight: over 150% to 350%	11.1	—	2.1	—
Risk weight: over 350% to 500%	—	—	—	—
Risk weight: over 500% under 1,250%	0.5	—	0.2	—
Risk weight: 1,250%	0.0	—	0.0	—

(Amount of securitization exposures retained and the associated capital requirement for these exposures broken down into a number of risk weight bands) (continued)

Billions of yen

	March 31, 2013			
	Other than re-securitization exposure			
	Amount of securitization exposures		Capital requirement	
	On balance sheet	Off balance sheet	On balance sheet	Off balance sheet
Total as an originator	4,145.0	539.9	122.9	6.5
Traditional securitizations (asset transfer type)	507.0	—	62.6	—
Risk weight: to 20%	—	—	—	—
Risk weight: over 20% to 50%	10.0	—	0.2	—
Risk weight: over 50% to 100%	71.8	—	4.8	—
Risk weight: over 100% to 250%	380.9	—	38.5	—
Risk weight: over 250% under 1,250%	40.9	—	15.7	—
Risk weight: 1,250%	3.2	—	3.2	—
Synthetic securitizations	—	—	—	—
Risk weight: to 20%	—	—	—	—
Risk weight: over 20% to 50%	—	—	—	—
Risk weight: over 50% to 100%	—	—	—	—
Risk weight: over 100% to 250%	—	—	—	—
Risk weight: over 250% under 1,250%	—	—	—	—
Risk weight: 1,250%	—	—	—	—
Sponsor of asset-backed commercial paper (ABCP) program	3,638.0	539.9	60.3	6.5
Risk weight: to 20%	3,065.6	477.3	21.3	3.9
Risk weight: over 20% to 50%	230.1	41.8	6.8	1.1
Risk weight: over 50% to 100%	231.5	19.9	12.7	1.3
Risk weight: over 100% to 250%	73.3	0.0	8.7	0.0
Risk weight: over 250% under 1,250%	37.3	0.8	10.5	0.2
Risk weight: 1,250%	—	—	—	—
As an investor	2,966.3	—	48.3	—
Risk weight: to 20%	2,683.8	—	20.3	—
Risk weight: over 20% to 50%	167.1	—	4.9	—
Risk weight: over 50% to 100%	73.3	—	4.8	—
Risk weight: over 100% to 250%	22.6	—	2.8	—
Risk weight: over 250% under 1,250%	7.6	—	2.8	—
Risk weight: 1,250%	11.8	—	12.4	—

(Amount of securitization exposures retained and the associated capital requirement for these exposures broken down into a number of risk weight bands) (continued)

Billions of yen

	March 31, 2013			
	Re-securitization exposure			
	Amount of securitization exposures		Capital requirement	
	On balance sheet	Off balance sheet	On balance sheet	Off balance sheet
Total as an originator	—	—	—	—
Traditional securitizations (asset transfer type)	—	—	—	—
Risk weight: to 30%	—	—	—	—
Risk weight: over 30% to 150%	—	—	—	—
Risk weight: over 150% to 350%	—	—	—	—
Risk weight: over 350% to 500%	—	—	—	—
Risk weight: over 500% under 1,250%	—	—	—	—
Risk weight: 1,250%	—	—	—	—
Synthetic securitizations	—	—	—	—
Risk weight: to 30%	—	—	—	—
Risk weight: over 30% to 150%	—	—	—	—
Risk weight: over 150% to 350%	—	—	—	—
Risk weight: over 350% to 500%	—	—	—	—
Risk weight: over 500% under 1,250%	—	—	—	—
Risk weight: 1,250%	—	—	—	—
Sponsor of asset-backed commercial paper (ABCP) program	—	—	—	—
Risk weight: to 30%	—	—	—	—
Risk weight: over 30% to 150%	—	—	—	—
Risk weight: over 150% to 350%	—	—	—	—
Risk weight: over 350% to 500%	—	—	—	—
Risk weight: over 500% under 1,250%	—	—	—	—
Risk weight: 1,250%	—	—	—	—
As an investor	560.0	—	17.9	—
Risk weight: to 30%	486.9	—	10.0	—
Risk weight: over 30% to 150%	57.5	—	3.8	—
Risk weight: over 150% to 350%	13.7	—	2.4	—
Risk weight: over 350% to 500%	—	—	—	—
Risk weight: over 500% under 1,250%	0.7	—	0.3	—
Risk weight: 1,250%	1.1	—	1.1	—

(Application of credit risk mitigation methods to re-securitization exposures)

Not applicable as of March 31, 2012 and 2013.

(Credit risk-weighted asset amount calculated using transitional arrangements for securitization exposures)

Billions of yen

	March 31, 2012	March 31, 2013
As an originator	3.7	1.8
As an investor	29.1	28.1
Total	32.9	29.9

Note: Figures refer to credit risk-weighted assets calculated using transitional arrangements as stipulated in Article 15 of the Supplementary Provisions to the FSA Holding Company Capital Adequacy Notification. Specifically, in those cases where the standardized approach is applied as an exception that includes securitization exposures, figures refer to credit risk-weighted assets calculated using a transitional arrangement whereby such assets values are capped at the greater of the value based on the Former Notification as stipulated in the Supplementary Provisions to the FSA Holding Company Capital Adequacy Notification or the value if the underlying assets were retained.

Securitization Exposures (Subject to calculation of market risk equivalent amount)

Information on underlying assets

There were no securitization exposures during fiscal 2011 and as of March 31, 2012, and during fiscal 2012 and as of March 31, 2013.

(Amount of assets held for the purpose of securitization)

There were no assets held for the purpose of securitization transactions as of March 31, 2012 and 2013.

Information on securitization exposures retained
(By type of underlying asset)

There were no assets held as an originator as of March 31, 2012 and 2013.

Billions of yen

	March 31, 2012				March 31, 2013			
	Amount of securitization exposures		Amount of securitization exposures that have been deducted from Tier 1 capital (Amount equivalent to increase in capital) (Note 1)	Capital deductions related to securitization exposures (Note 2)	Amount of securitization exposures		Amount of securitization exposures that have been deducted from Tier 1 capital (Amount equivalent to increase in capital) (Note 1)	Capital deductions related to securitization exposures (Note 2)
	Other than re-securitization exposures	Re-securitization exposures			Other than re-securitization exposures	Re-securitization exposures		
As an investor	24.0	—	／	—	23.0	—	／	—
Residential mortgage	0.0	—	／	—	0.0	—	／	—
Apartment loan	0.0	—	／	—	0.0	—	／	—
Credit card receivables	0.0	—	／	—	0.0	—	／	—
Corporate loans	0.0	—	／	—	0.0	—	／	—
Other assets	24.0	—	／	—	23.0	—	／	—

Notes: 1. The amounts equivalent to increase in equity capital resulting from securitization correspond to Tier 1 capital deductions in line with Article 5 of the FSA Holding Company Capital Adequacy Notification, and include any gains on disposal of the underlying assets relating to the securitization.
2. Figures listed refer to capital deductions as stipulated in Article 280-5, Paragraph 2 of the FSA Holding Company Capital Adequacy Notification.

(Securitization exposures subject to early amortization provisions as an originator)

There were no securitization exposures subject to early amortization provisions as an originator as of March 31, 2012 and 2013.

(Amount of securitization exposures retained and the associated capital requirement for these exposures broken down into a number of risk weight bands)

There was no securitization exposure as an originator as of March 31, 2012 and 2013.

Billions of yen

	March 31, 2012			
	Other than re-securitization exposures		Re-securitization exposures	
	Amount of securiti-zation exposures	Capital requirement	Amount of securiti-zation exposures	Capital requirement
As an investor	24.0	1.0	—	—
Risk weight: to 1.6%	0.0	0.0	—	—
Risk weight: over 1.6% to 4%	11.0	0.3	—	—
Risk weight: over 4% to 8%	11.0	0.5	—	—
Risk weight: over 8% to 20%	2.0	0.2	—	—
Risk weight: over 20% under 100%	0.0	0.0	—	—
Risk weight: 100%	0.0	0.0	—	—

Billions of yen

	March 31, 2013			
	Other than re-securitization exposures		Re-securitization exposures	
	Amount of securiti-zation exposures	Capital requirement	Amount of securiti-zation exposures	Capital requirement
As an investor	23.0	0.2	—	—
Risk weight: to 1.6%	21.0	0.1	—	—
Risk weight: over 1.6% to 4%	2.0	0.0	—	—
Risk weight: over 4% to 8%	0.0	0.0	—	—
Risk weight: over 8% to 20%	0.0	0.0	—	—
Risk weight: over 20% under 100%	0.0	0.0	—	—
Risk weight: 100%	0.0	0.0	—	—

(Securitization exposures subject to measurement of comprehensive risk)

There were no securitization exposures subject to measurement of comprehensive risk as of March 31, 2012 and 2013.

Market Risk

Value-at-risk (VaR): maximum, minimum and average values by disclosure period and period-end

• *VaR for trading activities*

Billions of yen

	FY2011				FY2012			
	Average	Maximum	Minimum	Mar 31, 2012	Average	Maximum	Minimum	Mar 31, 2013
Overall	12.62	22.46	6.37	6.37	9.86	15.32	6.55	12.94
Interest rate	12.71	19.23	6.79	6.79	8.44	12.38	6.42	12.38
Yen	5.92	9.48	3.23	3.54	4.37	8.35	2.55	8.35
U.S. dollar	6.70	10.44	2.06	2.23	3.34	6.98	1.89	2.69
Foreign exchange	4.79	14.11	0.76	0.82	3.40	7.72	0.34	3.19
Equities	0.81	2.43	0.13	0.13	0.79	3.50	0.12	1.17
Commodities	0.43	1.43	0.15	0.29	0.48	1.06	0.15	0.51
Less diversification effect	(6.12)	—	—	(1.66)	(3.25)	—	—	(4.31)

Assumptions for VaR calculations:

Historical simulation method
Holding period: 10 business days
Confidence interval: 99%
Observation period: 701 business days

- The maximum and minimum VaR overall and for various risk categories were taken from different days.
- Figures for stressed value-at-risk (VaR) are not included.

Stressed value-at-risk (VaR): maximum, minimum and average values by disclosure period and period-end

Billions of yen

	FY2011				FY2012			
	Average	Maximum	Minimum	Mar 31, 2012	Average	Maximum	Minimum	Mar 31, 2013
Stressed VaR	21.71	31.73	13.58	26.27	21.49	32.77	12.98	28.20

Assumptions for VaR calculations:

Historical simulation method
Holding period: 10 business days
Confidence interval: 99%

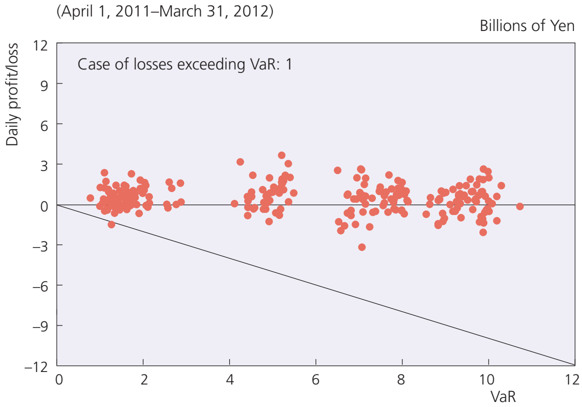
The amount of required capital related to additional risk and comprehensive risk as of the period-end, as well as the maximum, minimum and average values for the amount of required capital for additional risk and comprehensive risk during the disclosure period

Not applicable in fiscal 2011 and 2012.

Results of market risk backtesting and explanations of any actual trading losses significantly in excess of VaR

Market Risk Backtesting

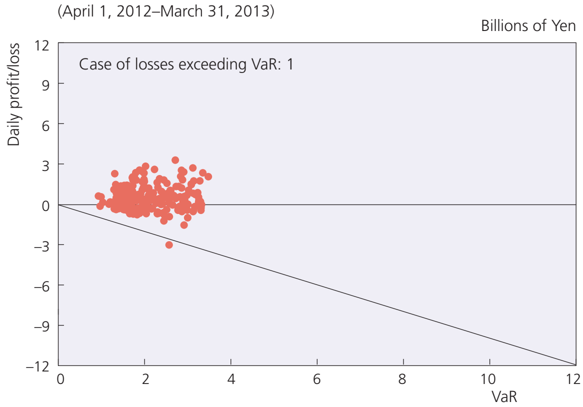
(April 1, 2011–March 31, 2012)



Note: *Actual trading losses never significantly exceeded VaR throughout the period studied.*

Market Risk Backtesting

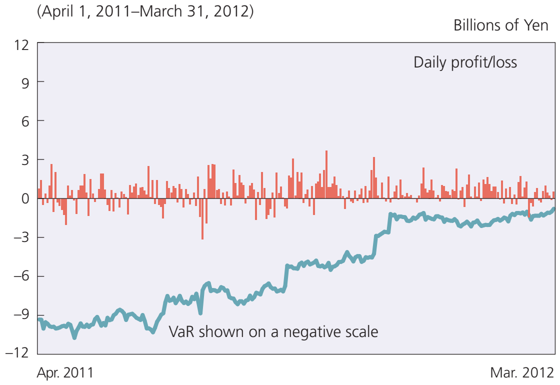
(April 1, 2012–March 31, 2013)



Note: *Actual trading losses never significantly exceeded VaR throughout the period studied.*

VaR and Daily Profit/Loss for Trading Activities

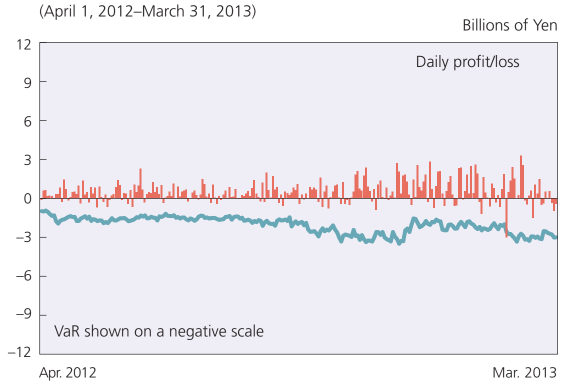
(April 1, 2011–March 31, 2012)



Note: *Actual trading losses never significantly exceeded VaR throughout the period studied.*

VaR and Daily Profit/Loss for Trading Activities

(April 1, 2012–March 31, 2013)



Note: *Actual trading losses never significantly exceeded VaR throughout the period studied.*

Equity Exposures in Banking Book

Amount on consolidated balance sheet and market values

• *Exposures to publicly traded equities*

Billions of yen

	March 31, 2012		March 31, 2013	
	Amount on consolidated balance sheet	Market value	Amount on consolidated balance sheet	Market value
Exposures to publicly traded equities	3,504.2	3,504.2	4,105.7	4,105.7

Notes: 1. Figures only count Japanese and foreign equities held within securities available for sale with quoted market value.
2. There is no significant disparity between the share prices of publicly quoted share values and fair value.

• *Equity exposures other than above*

Billions of yen

	March 31, 2012	March 31, 2013
	Amount on consolidated balance sheet	Amount on consolidated balance sheet
Equity exposures other than above	411.0	363.3

Note: Figures only count Japanese and foreign equities held within securities available for sale whose market values are not readily determinable.

Cumulative gains or losses arising from sales or write-offs of exposures to equities

Millions of yen

	FY2011			FY2012		
	Gains on sales	Losses on sales	Write-offs	Gains on sales	Losses on sales	Write-offs
Exposures to equities	56,410	(65,844)	(79,251)	53,169	(19,471)	(87,357)

Note: Figures refer to net gains or losses on equity securities within net non-recurring gains or losses.

Unrealized gains or losses recognized on consolidated balance sheet but not on consolidated statement of income

Billions of yen

	March 31, 2012			March 31, 2013		
	Acquisition cost	Amount on consolidated balance sheet	Unrealized gains or losses	Acquisition cost	Amount on consolidated balance sheet	Unrealized gains or losses
Exposures to equities	3,132.2	3,504.2	371.9	2,965.0	4,105.7	1,140.6

Note: Figures only count Japanese and foreign equities held within securities available for sale with quoted market value.

Unrealized gains or losses not recognized either on consolidated balance sheet or on consolidated statement of income

Not applicable as of March 31, 2012 and 2013.

Equity exposures subject to transitional arrangements (grandfathering provisions)

Billions of yen

	March 31, 2012	March 31, 2013
Exposures to publicly traded equities subject to transitional arrangements	3,158.9	3,668.3
Equity exposures other than above subject to transitional arrangements	223.5	217.1
Total	3,382.4	3,885.4

Note: Based on the transitional arrangements as stipulated in Article 13 of the Supplementary Provisions to the FSA Consolidated Capital Adequacy Notification, figures refer to the amount of equity exposures for which a 100% risk weight is used to calculate credit risk-weighted assets.

Exposures Relating to Funds

Exposures relating to funds

Billions of yen

	March 31, 2012	March 31, 2013
Exposures relating to funds	1,671.9	2,557.1
Exposures where fund components are identifiable (look-through approach) (Note 1)	1,468.4	2,499.4
Exposures not included above where equity exposures constitute majority of total value of fund components (Note 2)	32.9	35.9
Exposures not included in any category above where investment mandates of funds are known (Note 3)	11.8	9.9
Exposures not included in any category above where the internal models approach is applied (Note 4)	130.2	9.6
Exposures not included in any category above where there is a high probability of the weighted average risk weight applied to fund components being less than 400% (Note 5)	27.4	1.4
Exposures not included in any category above (Note 5)	0.8	0.7

Notes: 1. As stipulated in Paragraph 1 of Article 145 of the FSA Consolidated Capital Adequacy Notification.
2. As stipulated in Paragraph 2 of Article 145 of the FSA Consolidated Capital Adequacy Notification.
3. As stipulated in Paragraph 3 of Article 145 of the FSA Consolidated Capital Adequacy Notification.
4. As stipulated in Paragraph 4 of Article 145 of the FSA Consolidated Capital Adequacy Notification.
5. As stipulated in Paragraph 5 of Article 145 of the FSA Consolidated Capital Adequacy Notification.

Interest Rate Risk in the Banking Book (IRRBB)

Decline in economic values for applied interest rate shocks according to internal risk management

• *VaR for non-trading activities*

Billions of yen

	FY2011				FY2012			
	Average	Maximum	Minimum	Mar 31, 2012	Average	Maximum	Minimum	Mar 31, 2013
Interest rate	472.5	546.3	386.3	453.3	443.1	500.0	402.3	422.3
Yen	209.2	262.4	159.4	191.2	216.4	247.7	184.3	227.9
U.S. dollar	323.4	376.3	268.0	311.5	268.5	300.2	203.4	206.6
Euro	42.3	61.6	25.2	54.5	55.7	98.7	9.0	85.2
Equities	126.7	177.5	78.8	79.2	74.8	110.4	57.9	108.5
Overall	505.5	572.2	415.7	471.3	446.3	499.8	413.0	413.0

Assumptions for VaR calculations:

Historical simulation method
Holding period: 10 business days
Confidence interval: 99%
Observation period: 701 business days

- The maximum and minimum VaR overall and for various risk categories were taken from different days.
- The equity-related risk figures do not include market risk exposure from our strategic equity portfolio.