Items Disclosed on Internet Pursuant to

Laws and Regulations, and the Articles of Incorporation

1. Consolidated Statement of Changes in Net Assets
2. Notes to the Consolidated Financial Statements
3. Non-consolidated Statement of Changes in Net Assets
4. Notes to the Non-Consolidated Financial Statements

For the Tenth Fiscal Year (from April 1, 2015 to March 31, 2016)

Mitsubishi UFJ Financial Group, Inc.

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

(Translation)

Mitsubishi UFJ Financial Group, Inc.

Consolidated Statement of Changes in Net Assets

(In millions of yen)

For the fiscal year ended March 31, 2016

	Shareholders' equity					Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on other securities	Net deferred gains on hedging instruments	Land revaluation excess	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	2,141,513	1,428,403	7,860,410	(101,661)	11,328,666	2,835,091	83,194	172,350	951,547	(52,909)	3,989,274	8,271	1,961,322	17,287,533
Changes during the fiscal year														
Dividends from retained earnings			(251,392)		(251,392)									(251,392)
Profits attributable to owners of parent			951,402		951,402									951,402
Repurchase of treasury stock				(200,077)	(200,077)									(200,077)
Disposal of treasury stock		(1,182)		2,815	1,633									1,633
Reversal of land revaluation excess			3,042		3,042									3,042
Change of application of equity method			24,394		24,394									24,394
Changes in subsidiaries' equity		(1,584)			(1,584)									(1,584)
Changes in foreign affiliates' interests in their subsidiaries			(278)		(278)									(278)
Net changes of items other than shareholders' equity						(348,464)	254,103	4,013	(160,146)	(136,616)	(387,110)	(10)	(40,783)	(427,904)
Total changes during the fiscal year	-	(2,766)	727,168	(197,261)	527,140	(348,464)	254,103	4,013	(160,146)	(136,616)	(387,110)	(10)	(40,783)	99,236
Balance at the end of the fiscal year	2,141,513	1,425,637	8,587,578	(298,922)	11,855,806	2,486,627	337,297	176,364	791,401	(189,526)	3,602,163	8,260	1,920,538	17,386,769

Notes to the Consolidated Financial Statements

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

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

1. Scope of Consolidation

(1) Number of Consolidated Subsidiaries: 224

Principal companies:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Mitsubishi UFJ Trust and Banking Corporation
ACOM CO., LTD.
Mitsubishi UFJ Securities Holdings Co., Ltd.
Mitsubishi UFJ NICOS Co., Ltd.

In the current fiscal year, Mitsubishi UFJ Capital V, Limited Partnership and 12 other companies were newly consolidated following new establishments or for other reasons.
In the current fiscal year, Mitsubishi UFJ Venture Fund II, Limited Partnership and 14 other companies were excluded from the scope of consolidation because they were no longer subsidiaries due to liquidation or other reasons.

(2) Non-consolidated Subsidiaries: None

(3) Entities not Recognized as Subsidiaries even though Mitsubishi UFJ Financial Group, Inc. (“MUFG”) owns the Majority of Voting Rights:

Hygeia Co., Ltd.
OiDE CapiSEA, Inc.

These were not treated as subsidiaries because these were established as property management agents for land trust projects without any intent to control, or because MUFG’s consolidated venture capital subsidiaries owned 20% to 50% of voting rights primarily to benefit from the appreciation of their investments resulting from growth of the investees’ businesses without any intent to control.

2. Application of the Equity Method

(1) Number of Non-consolidated Subsidiaries Accounted for under the Equity Method: None

(2) Number of Affiliates Accounted for under the Equity Method: 65

Principal companies:

Mitsubishi UFJ Lease & Finance Company Limited

Morgan Stanley

In the current fiscal year, GOLDEN ASIA FUND II, L.P. and 2 other companies were newly included in the scope of application of the equity method following new establishments.

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

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

(5) Entities not Recognized as Affiliates in which MUFG owns 20% to 50% of their Voting Rights

TECHTOM Ltd.

Osteopharma Inc.

Hirosaki Co., Ltd.

EDP Corporation

ISLE Co.,Ltd.

Fun Place Co.,Ltd.

AKITAYA Co,.Ltd.

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

3. The Balance Sheet Dates of Consolidated Subsidiaries

(1) The balance sheet dates of consolidated subsidiaries were as follows:

August 31:	1	subsidiary
October 31:	1	subsidiary
December 31:	140	subsidiaries
January 24:	17	subsidiaries
March 31:	65	subsidiaries

(2) A subsidiary whose balance sheet date is August 31 was consolidated based on its preliminary financial statements as of February 29.

A subsidiary whose balance sheet date is October 31 was consolidated based on its preliminary financial statements as of January 31.

Subsidiaries other than those specified above were consolidated based on the financial statements as of their balance sheet dates.

Adjustments were made to the consolidated financial statements to reflect the significant transactions that occurred between the balance sheet dates of the subsidiaries and the consolidated balance sheet date.

4. Amortization of Goodwill

Goodwill was primarily amortized using the straight-line method over 20 years starting from the period of the acquisition. Other goodwill with insignificant balances was expensed as incurred.

5. Accounting Policies

(1) Trading Assets and Trading Liabilities; Trading Income and Expenses

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

Trading assets and trading liabilities are stated at their fair values on the consolidated balance sheet date.

(2) Securities

(A) Debt securities being held to maturity are stated at amortized cost (using the straight-line method) computed using the moving-average method. Other securities are primarily stated at their quoted market prices on the consolidated balance sheet date (cost of securities sold is calculated primarily using the moving-average method), and other securities whose fair value is extremely difficult to estimate are stated at acquisition costs computed using the moving-average method.

Net unrealized gains (losses) on other securities are included directly in net assets, net of applicable income taxes, except in the case of application of the fair value hedge accounting method, in which the change in fair value recognized is recorded in current earnings.

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

(3) Derivatives

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

(4) Depreciation and Amortization of Fixed Assets

(A) Tangible Fixed Assets (Except for Lease Assets)

Depreciation of tangible fixed assets of MUFG and its domestic consolidated banking subsidiaries and trust banking subsidiaries is computed using the declining-balance method.

The useful lives are primarily estimated as follows:

Buildings: 15 to 50 years

Equipment: 2 to 20 years

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

(B) Intangible Fixed Assets (Except for Lease Assets)

Amortization of intangible fixed assets is computed using the straight-line method. Development costs for internally used software are amortized using the straight-line method over the estimated useful lives of primarily 3 to 10 years.

(C) Lease Assets

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

(5) Deferred Assets

Bond issuance costs and stock issuance costs are expensed as incurred.

(6) Allowance for Credit Losses

Principal domestic consolidated subsidiaries provide an allowance for credit losses in accordance with the internal standards for self-assessment of asset quality and the internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses (“bankrupt borrowers”) or borrowers that are not legally or formally bankrupt but are regarded as substantially in a similar condition (“substantially bankrupt borrowers”), allowances are provided based on the amount of claims, after the write-offs as stated below, net of expected amounts to be collected through the disposal of collateral and the execution of guarantees.

For claims on borrowers that are not yet legally or formally bankrupt but deemed to have a high possibility of becoming bankrupt (“potentially bankrupt borrowers”) excluding a portion of which principal and interest payment can be reasonably estimated from borrower’s cash flows, allowances are provided based on an overall solvency assessment of the claims, net of expected amounts to be collected through the disposal of collateral and the execution of guarantees.

For claims on potentially bankrupt borrowers and claims on borrowers requiring close monitoring, of which principal and interest payment can be reasonably estimated from borrower’s cash flows, allowances are provided in an amount equal to the difference between the book value of the claims and the relevant cash flows discounted by the initial contractual interest rates.

For other claims, allowances are provided based on historical credit loss experience.

For claims originated in specific foreign countries, additional allowances are provided based on an assessment of political and economic conditions of these countries.

All claims are assessed by branches and the credit supervision departments in accordance with the internal standards for self-assessment of asset quality. The credit review department, which is independent from those operating sections, subsequently audits these assessments.

For claims on bankrupt borrowers and substantially bankrupt borrowers, the amount of claims exceeding the estimated value of collateral or guarantees, which is deemed uncollectible, has been written-off. The total amount of write-offs was ¥397,076 million.

Consolidated subsidiaries, not adopting procedures stated above, provide allowances based on their historical credit loss experience for general claims and based on individual assessments of the possibility of collection for specific deteriorated claims.

(7) Reserve for Bonuses

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

(8) Reserve for Bonuses to Directors

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

(9) Reserve for Retirement Benefits to Directors

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

(10) Reserve for Loyalty Award Credits

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

(11) Reserve for Contingent Losses

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

(12) Reserves under Special Laws

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

(13) Retirement Benefits

In calculating benefit obligation, the portion of projected benefit obligation attributed to the current fiscal year is determined using the benefit formula basis.

Prior service cost is amortized using the straight-line method for a fixed period, primarily over 10 years, within the employees' average remaining service period.

Net actuarial gains (losses) are amortized using the straight-line method for a fixed period, primarily over 10 years, within the employees' average remaining service period, starting from the subsequent fiscal year after its occurrence.

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

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

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

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

(15) Leasing Transactions

(As Lessees)

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

(As Lessors)

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

(16) Hedge Accounting

(A) Hedge Accounting for Interest Rate Risks

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

With respect to hedging transactions to offset fluctuations in the fair value of fixed rate deposits, loans and other instruments, hedging instruments (e.g. interest rate swaps) are designated to hedged items individually or collectively by their maturities in accordance with JICPA Industry Audit Committee Report No. 24. With respect to hedging transactions to offset fluctuations in fair value of fixed rate bonds classified as other securities, hedging instruments (e.g. interest rate swaps) are designated to hedged items collectively by the type of bond. Since material terms related to hedged items and hedging instruments are substantially identical, and such hedging transactions are deemed highly effective, the assessment of effectiveness is based on the similarity of the terms.

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

(B) Hedge Accounting for Foreign Currency Risks

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

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

(C) Hedge Accounting for Stock Price Fluctuation Risks

Individual hedging is applied to hedge market fluctuation risks arising from strategic equity securities held by domestic consolidated banking subsidiaries. Instruments such as total return swaps are used as hedging instruments. The effectiveness of hedging transactions is assessed by the correlation between changes in fair value of hedged items and changes in fair value of hedging instruments. The fair value hedge accounting method is applied.

(D) Transactions among Consolidated Subsidiaries

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

(17) Consumption Taxes

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

(18) Adoption of Consolidated Taxation System

MUFG and some of its domestic consolidated subsidiaries adopt the consolidated taxation system.

(19) Accounting Standard for Foreign Subsidiaries

Financial statements of foreign subsidiaries are used for consolidated accounting as long as they are prepared in accordance with the International Financial Reporting Standards (“IFRS”) or Accounting Principles Generally Accepted in the United States (“U.S. GAAP”).

If they are prepared in accordance with generally accepted accounting principles in each domicile country and not in accordance with IFRS or U.S. GAAP, the financial statements of foreign subsidiaries are mainly rearranged in accordance with U.S. GAAP. They are also adjusted when necessary in the process of consolidation.

Changes in Method of Presentation

(Changes Due to Adoption of the “Accounting Standards for Business Combinations,” etc.)

Change in presentation for “Net income,” etc. as well as change in presentation from “Minority interests” to “Non-controlling interests” has been carried out, in compliance with the provisions, etc. in Article 39 of the “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 issued on September 13, 2013).

Notes to the Consolidated Balance Sheet

1. For borrowed securities under securities borrowing transactions and securities purchased under resale agreements that were permissible to be sold or re-pledged without restrictions, ¥12,388,598 million of such securities were re-pledged, ¥222,362 million were re-loaned and ¥3,091,874 million were held by MUFG as of the consolidated balance sheet date.

2. Loans to bankrupt borrowers: ¥54,913 million.
   Non-accrual delinquent loans: ¥1,110,576 million.
   Loans to bankrupt borrowers are loans, after write-offs, to bankrupt borrowers as defined in Article 96-1-3-1 to 5 and 96-1-4 of the Enforcement Ordinance of the Corporate Tax Law (No. 97 in 1965) on which accrued interest income is not recognized ("Non-accrual loans") as there is substantial doubt as to the collection of principal and/or interest because of delinquencies in payment of principal and/or interest for a significant period of time or for some other reasons.
   Non-accrual delinquent loans represent non-accrual loans other than loans to bankrupt borrowers and loans renegotiated at concessionary terms including reduction or deferral of interest due to borrowers' weakened financial condition.

3. Loans past due for 3 months or more: ¥51,620 million.
   Loans past due for 3 months or more represent loans whose principal and/or interest payments have been past due for 3 months or more excluding loans to bankrupt borrowers and non-accrual delinquent loans.

4. Restructured loans: ¥438,767 million.
   Restructured loans represent loans renegotiated at concessionary terms including reduction or deferral of interest or principal and waiver of the claims for the purpose of business reconstruction or support for the borrower, excluding loans to bankrupt borrowers, non-accrual delinquent loans and loans past due for 3 months or more.

5. The total amount of loans to bankrupt borrowers, non-accrual delinquent loans, loans past due for 3 months or more and restructured loans was ¥1,655,877 million.
   The amounts provided in Notes 2 to 5 represent gross amounts before the deduction of allowances for credit losses.

6. Bills discounted were accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. MUFG's banking subsidiaries and trust banking subsidiaries have rights to sell or pledge bank acceptances bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value of these bills was ¥1,088,768 million.

7. Assets pledged as collateral were as follows:

Cash and due from banks	¥6,194 million
Trading assets	¥125,562 million
Securities	¥2,843,706 million
Loans and bills discounted	¥7,587,495 million

Liabilities related to pledged assets were as follows:

Deposits	¥755,683 million
Trading liabilities	¥25,015 million
Borrowed money	¥9,323,452 million
Bonds payable	¥19,301 million
Acceptances and guarantees	¥130,389 million

In addition to the items listed above, ¥3,425 million of cash and due from banks, ¥792,042 million of monetary claims bought, ¥273,007 million of trading assets, ¥7,231,961 million of securities, and ¥11,285,082 million of loans and bills discounted were pledged as collateral for cash settlements and other transactions or as deposits for margin accounts of futures and other transactions. ¥1,718,168 million of trading assets and ¥14,804,600 million of securities were sold under repurchase agreements or loaned under secured lending transactions with cash collateral. Payables corresponding to the assets sold or loaned under repurchase agreements and under securities lending transactions were ¥13,081,752 million and ¥3,069,990 million, respectively.
Bills rediscounted were accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. The total face value of bills of exchange rediscounted was ¥8,860 million.

8. Overdraft facilities and commitment lines of credit are binding contracts under which MUFG's consolidated subsidiaries have obligations to disburse funds up to predetermined limits upon the borrower's request as long as there have been no breach of contracts. The total amount of the unused portion of these facilities was ¥88,241,307 million.
The total amount of the unused portion does not necessarily represent actual future cash requirements because many of these contracts are expected to expire without being drawn upon. In addition, most of these contracts include clauses that allow MUFG's consolidated subsidiaries to decline the borrower's request for disbursement or decrease contracted limits for cause, such as changes in financial condition or deterioration in the borrower's creditworthiness. MUFG's consolidated subsidiaries may request the borrowers to pledge real property and/or securities as collateral upon signing of the contract and will perform periodic monitoring on the borrower's business conditions in accordance with internal procedures, which may lead to renegotiation of the terms and conditions of the contracts and/or initiate the request for additional collateral and/or guarantees.

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

Domestic consolidated banking subsidiaries	March 31, 1998
Domestic consolidated trust banking subsidiaries	March 31, 1998, December 31, 2001 and March 31, 2002

The method of revaluation as set forth in Article 3, Paragraph 3 of the "Law":
Fair values are determined based on (1) "published land price under the Land Price Publication Law" stipulated in Article 2-1 of the "Enforcement Ordinance of the Law concerning Revaluation of Land" ("Ordinance") (No. 119, March 31, 1998), (2) "standard land price determined on measurement spots

under the Enforcement Ordinance of National Land Planning Law" stipulated in Article 2-2 of the "Ordinance," (3) "land price determined by the method established and published by the Director General of the National Tax Agency in order to calculate land value that is used for determining taxable amounts subject to landholding tax articulated in Article 16 of the Landholding Tax Law" stipulated in Article 2-4 of the "Ordinance" with price adjustments by shape and time and (4) appraisal by certified real estate appraisers stipulated in Article 2-5 of the "Ordinance" with price adjustments for time.

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

10. Accumulated depreciation on tangible fixed assets: ¥1,218,922 million.

11. Deferred gains on tangible fixed assets deducted for tax purposes: ¥91,132 million.

12. Borrowed money included ¥616,500 million of subordinated borrowings.

13. Bonds payable included ¥2,579,457 million of subordinated bonds.

14. The principal amount of money trusts entrusted to domestic trust banking subsidiaries, for which repayment of the principal to the customers was guaranteed, was ¥7,111,058 million.

15. With regard to bonds and other securities in "Securities," guarantee obligations for private placement bonds (provided in accordance with the Article 2-3 of the Financial Instruments and Exchange Law) were ¥580,398 million.

Notes to the Consolidated Statement of Income

1. "Other ordinary income" included ¥230,415 million of equity in gains of the equity method investees and ¥145,347 million of gains on sales of equity securities.

2. "Other ordinary expenses" included ¥143,946 million of write-offs of loans and ¥101,239 million of provision for reserve for contingent losses.

Notes to the Consolidated Statement of Changes in Net Assets

1. Detailed Information regarding Outstanding Shares

(Thousand shares)

	Number of shares as of April 1, 2015	Number of shares increased	Number of shares decreased	Number of shares as of March 31, 2016	Note
Outstanding shares					
Common stock	14,168,853	-	-	14,168,853	
Total	14,168,853	-	-	14,168,853	
Treasury stock					
Common stock	151,014	232,946	3,706	380,255	Note
Total	151,014	232,946	3,706	380,255	

(Note) Increase in the number of common stock held in treasury by 232,946 thousand shares was mainly due to the acquisition pursuant to the provisions of Articles of Incorporation, repurchase of stocks in response to requests made by shareholders holding shares constituting less than a unit, and an increase in the number of shares held by affiliates accounted for under the equity method. Decrease in the number of common stock held in treasury by 3,706 thousand shares was mainly due to delivery of shares for exercising stock options, sale of stocks in response to requests made by shareholders holding shares constituting less than a unit, and a decrease in the number of shares held by affiliates accounted for under the equity method.

2. Information regarding Subscription Rights to Shares

Issuer	Type of subscription rights to shares	Type of stock to be issued	Number of shares subject to subscription rights				Balance as of March 31, 2016 (in millions of yen)
			As of April 1, 2015	Increase	Decrease	As of March 31, 2016	
MUFG	Stock options	-					8,260
Total		-					8,260

3. Detailed Information regarding Cash Dividends

(A) Dividends Paid in the Fiscal Year Ended March 31, 2016

Date of approval	Type of stock	Total Dividends (in millions of yen)	Dividend per share (¥)	Dividend record date	Effective date
Annual General Meeting of Shareholders on June 25, 2015	Common stock	126,179	9	March 31, 2015	June 25, 2015
Meeting of Board of Directors on November 13, 2015	Common stock	125,212	9	September 30, 2015	December 4, 2015

(B) Dividends with Record Dates on or before March 31, 2016 and Effective Dates after March 31, 2016

The following matters relating to dividends are planned to be brought up at the Annual General Meeting of Shareholders scheduled to be held on June 29, 2016.

Date of approval (scheduled)	Type of stock	Total Dividends (in millions of yen)	Source of dividends	Dividend per share (¥)	Dividend record date	Effective date
Annual General Meeting of Shareholders on June 29, 2016 (tentative)	Common stock	124,116	Retained earnings	9	March 31, 2016	June 29, 2016

Notes to Financial Instruments

1. Disclosure on Financial Instruments

(1) Policy on Financial Instruments

MUFG provides comprehensive financial services such as deposit-taking and lending services, securities investment and other securities services and foreign exchange services.

In order to prevent these businesses from being negatively affected by fluctuations in interest and foreign exchange rates, we conduct asset and liability management ("ALM") by adjusting market exposure and the balance between short-term and long-term assets and liabilities. To do so, among other things, we raise capital from the market and hedge risks through derivative transactions.

(2) Types of and Risks Associated with Financial Instruments

We hold various types of financial instruments such as loans, investment securities, and derivatives and are thus exposed to credit and market risks.

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

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

(3) Risk Management Relating to Financial Instruments

(A) Credit Risk Management

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

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

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

We hold regular management committee meetings to ensure full reporting and discussion of important credit

risk management and administration matters.
In addition to providing a check-and-balance between different functions and conducting management level deliberations, the audit department also undertakes to validate credit operations to ensure appropriate credit administration.

(B) Market Risk Management

(a) Risk Management System

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

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

(b) Market Risk Management

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

We administer risks at each business unit at our group companies by hedging against interest rate and exchange rate fluctuation risks associated with marketable assets and liabilities with various hedging transactions using marketable securities and derivatives as appropriate. With respect to trading account transactions and their administration, we document the process and periodically verify through internal audits that the valuation methods and operation of such transactions are appropriate.

(c) Market Risk Measurement Model

Since the daily variation in market risk is significantly greater than that in other types of risks, we measure and manage market risk using the Value at Risk (“VaR”), Value at Idiosyncratic Risk (“VaI”) and other methods.

Market risk for both trading and banking activities (excluding strategic equity securities) is measured using a uniform market risk measurement model. The principal method used for the model is the historical simulation method (holding period — 10 business days; confidence interval — 99%; and observation period — 701 business days).

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

* The historical simulation method calculates the VaR and VaI amount by estimating the profit and loss on the current portfolio by applying actual fluctuations in market rates and prices that occurred over a fixed period in the past. The noted features of the historical simulation method include the ability to directly reflect the

characteristics of the market fluctuations and the ability to rigorously measure the risk arising from options. However, because VaR and VaI measure market risks with a fixed event probability calculated statistically based on past market changes, they may not be able to ascertain risks when market volatility reaches abnormal levels.

(d) Quantitative Information in Respect of Market Risk

(i) Amount of Market Risk Associated with Trading Activities

The amount of consolidated market risk associated with trading activities across the Group was ¥21.2 billion as of March 31, 2016.

(ii) Amount of Market Risk Associated with Banking Activities

The amount of consolidated market risk associated with banking activities (excluding strategic equity securities) across the Group was ¥540.3 billion as of March 31, 2016. As an appropriate identification of interest rate risk is vital to banking activities (excluding strategic equity securities), the risk is managed based on the following assumptions for appropriate measurement of core deposit and prepayment in loans and deposits.

For a certain portion of the deposits without contractual maturities (so-called core deposits), interest rate risk is recognized by allocating maturities of various terms (no longer than 10 years) according to the features of deposits, taking into account the results of the statistical analysis using the data on the transition of balance by product, prospective of deposit interest rate and other business judgments. The amount of core deposits and the method of allocating maturities are reviewed on a regular basis. Meanwhile, the deposits and loans with contractual maturities involve risks associated with premature repayment or cancellation. These risks are reflected in interest rate risks by estimating the ratio of cancellations through the statistical analysis based on factors including interest rate fluctuation and actual repayments and cancellations.

(iii) Risks Associated with the Strategic Equity Securities

For the strategic equity securities (publicly traded) as of March 31, 2016, we have determined that the total market capitalization across the Group would fluctuate by ¥3.6 billion per one point change in TOPIX.

(e) Backtesting

In order to test the accuracy of the market risk measurement model, we conduct backtestings to compare the VaR with one-day holding period computed by the model with the daily assumptive profit or loss.

As part of the backtesting, we also ensure the accuracy of the market risk measurement model by verifying the characteristics of the market risk model in use from various perspectives, including testing of adequacy of the assumptions used by the market risk measurement model.

With regard to trading activities, the backtesting on the business days of the fiscal year 2015 indicated that the virtual loss exceeded VaR zero (0) time.

As the case of the actual loss exceeding VaR proved to be as infrequent as four times or less in a year, the VaR measurement model used by each of the group companies is believed to have sufficient accuracy in measuring market risks.

(f) Stress Testing

The historical simulation method, in which the potential loss for a certain period (10 business days) is calculated by applying market fluctuations over a fixed period in the past (701 business days, approximately 3 years) to the current portfolio held, is adopted for VaR measured by a market risk measurement model. For this reason, losses greater than VaR may arise in cases where a market fluctuation before the observation period occurs or each risk factors such as interest rates and exchange rates show different moves from historical correlations.

As a means to measure expected losses that cannot be captured by these current risk measurement method models, the Group conducts stress testing using various scenarios. The amount of losses expected when the greatest fluctuation in each risk factor of the last 10 years or actual market fluctuations of more than 10 years ago are applied to the current portfolio on a quarterly basis is observed regularly.

By conducting stress testing as appropriate using various scenarios in view of future forecasts, each of the group companies makes an effort to apprehend where risks lie and aim to manage its assets more stably and securely.

(C) Management of Liquidity Risk Associated with Funding Activities

Our major group companies strive to secure appropriate liquidity in both yen and foreign currencies by managing the sources of funding and liquidity gap, liquidity-supplying products such as commitment lines, as well as buffer assets that help maintain liquidity level.

Specifically, the Board of Directors provides the framework for liquidity risk management, operates businesses on various stages according to the urgency of funding needs and exercises management on each such stage. The department responsible for liquidity risk management is designed to perform checking functions independent of other departments. The department reports to the ALM Committee and the Board of Directors the results of its activities such as evaluation of funding urgency and monitoring of compliance with quantitative limits. The department responsible for funding management performs funding and management activities, and regularly reports the current funding status and forecast as well as the current liquidity risk status to the department responsible for liquidity risk management and other appropriate bodies such as the ALM Committee.

(4) Supplementary Explanation on Fair Value and other matters of Financial Instruments

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

2. Disclosure on the Fair Value and Other Matters of Financial Instruments

The following table summarizes the amount stated on the consolidated balance sheet and the fair value of financial instruments as of March 31, 2016 together with their differences. Note that the following table does not include non-listed equity securities and certain other securities of which fair value is extremely difficult to determine (see Note 2).

(in millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	49,158,293	49,158,293	-
(2) Call loans and bills bought	660,015	660,015	-
(3) Receivables under resale agreements	7,466,633	7,466,633	-
(4) Receivables under securities borrowing transactions	6,041,983	6,041,983	-
(5) Monetary claims bought (*1)	4,733,393	4,730,669	(2,723)
(6) Trading assets	4,569,638	4,569,638	-
(7) Money held in trust	679,678	679,243	(435)
(8) Securities			
Debt securities being held to maturity	2,334,278	2,399,033	64,754
Other securities	64,843,522	64,843,522	-
(9) Loans and bills discounted	113,756,325		
Allowance for credit losses (*1)	(921,546)		
	112,834,779	114,507,040	1,672,261
(10) Foreign exchanges (*1)	1,792,888	1,792,888	-
Total assets	255,115,104	256,848,961	1,733,857
(1) Deposits	160,965,056	161,003,509	38,452
(2) Negotiable certificates of deposit	11,591,578	11,596,148	4,569
(3) Call money and bills sold	1,360,238	1,360,238	-
(4) Payables under repurchase agreements	23,515,240	23,515,240	-
(5) Payables under securities lending transactions	4,710,407	4,710,407	-
(6) Commercial papers	2,292,282	2,292,282	-
(7) Trading liabilities	1,655,277	1,655,277	-
(8) Borrowed money	12,482,277	12,527,811	45,533
(9) Foreign exchanges	2,054,937	2,054,937	-
(10) Short-term bonds payable	752,492	752,492	-
(11) Bonds payable	9,190,542	9,342,105	151,563
(12) Due to trust accounts	13,296,033	13,296,033	-
Total liabilities	243,866,364	244,106,483	240,118

(in millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
Derivative transactions (*2)			
Activities not qualifying for hedge accounting	345,179	345,179	-
Activities qualifying for hedge accounting	513,695	513,695	-
Total derivative transactions	858,875	858,875	-

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

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

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

Assets

(1) Cash and due from Banks

For deposits without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For deposits with maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the remaining maturity period of the majority of such deposits is short (maturity within 1 year).

(2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements and (4) Receivables under Securities Borrowing Transactions

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

(5) Monetary Claims Bought

The fair value of monetary claims bought is determined based on the price quoted by the financial institutions from which these claims are purchased or on the amount reasonably calculated according to our reasonable estimate.

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

For certain monetary claims bought for which these methods do not apply, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(6) Trading Assets

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

(7) Money Held in Trust

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

See “Money Held in Trust” for notes on cash in trust by categories based on each purpose of holding the cash in trust.

(8) Securities

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

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

The fair value of floating rate Japanese government bonds is determined based on the present value as calculated by discounting the expected future cash flow, estimated based on factors such as the yield of government bonds and discounted at a rate based on such yield of government bonds adjusted for the value of embedded options and the liquidity premium based on the actual market premiums observed in the past.

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

(9) Loans and Bills Discounted

With respect to loans, for each category of loans based on types of loans, internal ratings and maturity period, the fair value is determined based on the present value of expected future cash flow, which is adjusted to reflect default risk and the expected amount to be collected from collateral and guarantees and discounted at an interest rate based on the market interest rate as of the date of evaluation with certain adjustments. For loans with floating interest rates such as certain residential loans provided to individual home owners, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount, unless the creditworthiness of the borrower has changed significantly since the loan origination.

For receivables from bankrupt, de facto bankrupt, and potentially bankrupt borrowers, credit loss is estimated based on factors such as the present value of expected future cash flow or the expected amount to be collected from collateral and guarantees. Since the fair value of these items approximates the net amount of receivables after the deduction of allowance for credit losses on the consolidated balance sheet as of the consolidated balance sheet date, such amount is presented as the fair value. The fair value of loans qualifying for special hedge accounting treatment of interest rate swaps or designation of forward exchange contracts and other contracts under Generally Accepted Accounting Principles in Japan (“JGAAP”) reflects the fair value of such interest rate swaps or forward exchange contracts and other contracts.

(10) Foreign Exchanges

Foreign exchanges consist of foreign currency deposits with other banks that are “Due from foreign banks (our accounts),” short-term loans involving foreign currencies that are “Due from other foreign banks (their accounts),” export bills, traveler’s checks and other bills (purchased foreign bills), and loans on notes using import bills (foreign bills receivables). For these items, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because most of these items are deposits without maturity or have short contract terms (1 year or less).

Liabilities

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

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

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements, (5) Payables under Securities Lending Transactions and (6) Commercial Papers

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

(7) Trading Liabilities

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

(8) Borrowed Money

For floating rate borrowings, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. This is on the basis that the interest rate of such floating rate borrowings reflects the market interest rate in a short time and that there has been no significant change in our or our consolidated subsidiaries' creditworthiness after such borrowings were made. For fixed rate borrowings, the fair value is calculated as the present value of expected future cash flow from these borrowings grouped by certain maturity periods, which is discounted at an interest rate generally applicable to similar borrowings reflecting premium applicable to us or our consolidated subsidiaries.

(9) Foreign Exchanges

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

(10) Short-term Bonds Payable

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

(11) Bonds Payable

The fair value of corporate bonds issued by us and our consolidated subsidiaries is determined based on their market price. For certain corporate bonds, the fair value is calculated as the present value of expected future cash flow discounted at an interest rate generally applicable to issuance of similar corporate bonds. For floating rate corporate bonds without market prices, the carrying amount of such bonds is presented as the fair value, as the fair value approximates such carrying amount. This is on the basis that the interest rate of such floating rate corporate bonds reflects the market interest rate in a short time and that there has been no significant change in our or our consolidated subsidiaries' creditworthiness after the issuance. For fixed rate corporate bonds, the fair value is the present value of expected future cash flow from these borrowings, which is discounted at an interest rate generally applicable to similar borrowings reflecting premium applicable to us or our consolidated subsidiaries. The fair value of corporate bonds qualifying for special hedge accounting treatment of interest rate swaps under JGAAP reflects the fair value of such interest rate swaps.

(12) Due to Trust Accounts

Since these are cash deposits with no maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

Derivative Transactions

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

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

(in millions of yen)

Category	Carrying amount
(1) Non-listed equity securities (*1) (*2)	196,345
(2) Investments in partnerships and others (*2) (*3)	59,513
(3) Others (*2)	966
Total	256,825

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

(*2) With respect to non-listed equity securities, an impairment loss of ¥15,378 million was recorded in the current fiscal year.

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

Notes to Securities

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

1. Trading Securities (as of March 31, 2016) (in millions of yen)

	Net unrealized gains (losses) recorded on the consolidated statement of income during the current fiscal year
Trading securities	4,196

2. Debt Securities Being Held to Maturity (as of March 31, 2016)

(in millions of yen)

	Type of securities	Amount on consolidated balance sheet	Fair value	Difference
Securities of which the fair value exceeds the amount recorded on the consolidated balance sheet	Domestic bonds	1,101,107	1,159,115	58,008
	Government bonds	1,101,107	1,159,115	58,008
	Municipal bonds	-	-	-
	Corporate bonds	-	-	-
	Other securities	1,157,524	1,179,101	21,576
	Foreign bonds	714,485	727,290	12,805
	Other	443,039	451,810	8,771
	Subtotal	2,258,631	2,338,216	79,584
Securities of which the fair value does not exceed the amount recorded on the consolidated balance sheet	Domestic bonds	-	-	-
	Government bonds	-	-	-
	Municipal bonds	-	-	-
	Corporate bonds	-	-	-
	Other securities	1,627,607	1,612,541	(15,066)
	Foreign bonds	518,685	512,627	(6,058)
	Other	1,108,922	1,099,914	(9,007)
	Subtotal	1,627,607	1,612,541	(15,066)
Total		3,886,239	3,950,758	64,518

3. Other Securities (as of March 31, 2016)

(in millions of yen)

	Type of securities	Amount on consolidated balance sheet	Acquisition cost	Difference
Securities of which the fair value exceeds the acquisition cost	Domestic equity securities	4,470,335	2,174,567	2,295,767
	Domestic bonds	25,972,881	25,251,159	721,722
	Government bonds	23,143,622	22,511,489	632,132
	Municipal bonds	412,716	401,093	11,623
	Corporate bonds	2,416,542	2,338,575	77,966
	Other securities	24,976,085	24,287,079	689,005
	Foreign equity securities	92,567	57,122	35,445
	Foreign bonds	23,029,536	22,484,665	544,870
	Other	1,853,981	1,745,292	108,689
	Subtotal	55,419,301	51,712,806	3,706,495
Securities of which the fair value does not exceed the acquisition cost	Domestic equity securities	402,877	493,219	(90,342)
	Domestic bonds	4,349,610	4,353,085	(3,475)
	Government bonds	4,112,375	4,112,607	(231)
	Municipal bonds	36,613	36,697	(84)
	Corporate bonds	200,621	203,780	(3,159)
	Other securities	5,346,690	5,474,071	(127,380)
	Foreign equity securities	56,509	68,134	(11,624)
	Foreign bonds	3,620,897	3,654,781	(33,883)
	Other	1,669,284	1,751,156	(81,872)
	Subtotal	10,099,178	10,320,377	(221,198)
Total		65,518,480	62,033,183	3,485,297

(Note) The total difference amount shown in the table above includes ¥5,480 million revaluation losses of securities by application of the fair value hedge accounting method, which were recorded in current earnings. “Net unrealized gains (losses) on other securities” was calculated by excluding the revaluation gains of securities by application of the fair value hedge accounting method from the total difference amount shown in the above table (which subtotal was ¥3,490,777 million), plus ¥8,659 million of unrealized gains on securities in investment limited partnerships (which subtotal was ¥3,499,436 million), less ¥1,020,576 million of “Deferred tax liabilities” (which subtotal was ¥2,478,860 million), plus ¥9,932 million of “Non-controlling interests,” and plus ¥15,098 million of MUFG’s ownership share of affiliates’ unrealized gains (losses) on other securities. The amount of “Net unrealized gains (losses) on other securities” determined in such manner was ¥2,503,891 million, and was reflected in “Net assets.”

4. Other Securities Sold during the Current Fiscal Year (from April 1, 2015 to March 31, 2016)

(in millions of yen)

	Amount sold	Gains on sales	Losses on sales
Domestic equity securities	226,737	109,614	1,846
Domestic bonds	41,274,799	123,202	29,464
Government bonds	41,035,107	121,845	29,234
Municipal bonds	68,124	293	107
Corporate bonds	171,568	1,063	122
Other securities	18,141,520	183,499	130,113
Foreign equity securities	13,692	1,066	1,164
Foreign bonds	16,918,883	142,276	102,273
Other	1,208,943	40,156	26,674
Total	59,643,057	416,315	161,424

5. Securities Incurred Impairment Losses

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

For the current fiscal year, impairment losses were ¥10,351 million consisting of ¥10,063 million of impairment losses on equity securities and ¥287 million of impairment losses on bonds and other securities in which securities whose fair value was extremely difficult to estimate were included.

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

Bankrupt, Substantially bankrupt or Potentially bankrupt issuers:

Fair value is lower than acquisition cost.

Issuers requiring close monitoring:

Fair value has declined 30% or more from acquisition cost.

Other issuers:

Fair value has declined 50% or more from acquisition cost.

"Bankrupt issuers" mean issuers who have entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses. "Substantially bankrupt issuers" mean issuers who are not legally or formally bankrupt but are regarded as substantially in a similar condition. "Potentially bankrupt issuers" mean issuers who are not yet legally or formally bankrupt but deemed to have a high possibility of becoming bankrupt. "Issuers requiring close monitoring" mean issuers who are financially weak and under close monitoring conducted by MUFG's subsidiaries. "Other issuers" mean issuers who do not correspond to any of the four categories of issuers mentioned above.

Notes to Money Held in Trust

1. Money Held in Trust for Trading Purpose (as of March 31, 2016)

(in millions of yen)

	Amount on consolidated balance sheet	Net unrealized gains (losses) recorded on the consolidated statement of income during the current fiscal year
Money held in trust for trading purpose	70,196	(222)

2. Money Held in Trust Being Held to Maturity (as of March 31, 2016)

(in millions of yen)

	(a) Amount on consolidated balance sheet	(b) Fair value	Difference (b) – (a)	Money held in trust with respect to which (b) exceeds (a)	Money held in trust with respect to which (b) does not exceed (a)
Money held in trust being held to maturity	46,266	46,761	494	494	-

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

3. Money Held in Trust not for Trading Purpose or Being Held to Maturity (as of March 31, 2016)

(in millions of yen)

	(a) Amount on consolidated balance sheet	(b) Acquisition cost	Difference (a) – (b)	Money held in trust with respect to which (a) exceeds (b)	Money held in trust with respect to which (a) does not exceed (b)
Money held in trust not for trading purpose or being held to maturity	563,215	561,853	1,361	1,361	-

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

2. ¥784 million was included in "Net unrealized gains (losses) on other securities," after the deduction of ¥147 million as "Non-controlling interests" from ¥932 million, which was calculated by excluding ¥429 million as "Deferred tax liabilities."

Notes to Per Share Information:

Net assets per common share	¥1,121.06
Basic earnings per common share	¥68.51
Diluted earnings per common share	¥68.17

Notes to Significant Subsequent Events

(Share Acquisition of Security Bank)

The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), a consolidated subsidiary of MUFG, has concluded the Subscription Agreement with Security Bank Corporation (Security Bank), a leading commercial bank in the Philippines on January 14, 2016, and on April 1, 2016, BTMU acquired approximately 20.0% of Security Bank's shares and appointed 2 directors of Security Bank's Board of Directors (BOD), and Security Bank became an equity method affiliate of BTMU.

1. Outline of Share Acquisition

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

(2) Acquisition rate: Approximately 20.0% of Security Bank's common shares and preferred shares with voting rights

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

(4) Investment Amount: PHP 36,943 million

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

2. Outline of Business Alliance

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

<Main collaboration areas>

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

3. Overview of Security Bank

(1) Name: Security Bank Corporation
(2) Type of business: Commercial Bank
(3) Year of establishment: 1951
(4) Headquarters: Makati City, Republic of the Philippines
(5) Representative: Mr. Alfonso L. Salcedo, Jr. President and CEO
(6) Capital Stock: PHP 6,089 million (as of September 30, 2015)
(7) Relationship with MUFG and BTMU:
MUFG and BTMU, on one hand, and Security Bank, on the other, do not have any capital, personal or transactional relationship that are required to be disclosed.
(8) Number of Employees: 4,014 (as of December 31, 2014)
(9) Number of branches: 262 (as of January 13, 2016)
(10) Business sizes (for the fiscal year ended December 31, 2015)

(in millions of PHP)

Total operating income	18,308
Income before income tax	8,302
Profits attributable to owners of parent	7,536
Total assets	532,200
Net assets	53,214

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

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

(Capital and Business Alliance of Hitachi Capital)

MUFG and Mitsubishi UFJ Lease & Finance Company Limited (MUL), an affiliate accounted for under the equity method of MUFG, has concluded the Share Purchase Agreement to transfer common shares of Hitachi Capital Corporation (Hitachi Capital) held by Hitachi, Ltd. (Hitachi) on May 13, 2016 and the five companies, MUFG, BTMU, MUL, Hitachi, and Hitachi Capital have agreed to execute a capital and business alliance as follows. MUFG will acquire approximately 23.0% of Hitachi Capital's shares, subject to the execution of the definitive agreement on business alliance and approval of relevant regulatory authorities, and will appoint a director of Hitachi Capital's Board of Directors (BOD). Hitachi Capital will become an equity method affiliate of MUFG.

1. Outline of Capital Alliance

(1) Acquisition structure:	MUFG will acquire 26,884,484 shares of Hitachi Capital's common shares (approximately 23.0%) from Hitachi, the parent company of Hitachi Capital, through off-market trading and Hitachi Capital will become an equity method affiliate of MUFG. In addition, MUFG and MUL signed the Agreement on Capital Alliance with Hitachi Capital.
(2) Acquisition Price:	JPY 3,400 per common share
(3) Acquisition Amount:	Approximately JPY 91,400 million
(4) Implementation Date:	The transaction is expected to close in August 2016, subject to regulatory approval and other conditions precedents.
(5) Board Representation:	MUFG will appoint a director to the Hitachi Capital's BOD.

2. Outline of Business Alliance

The five companies, MUFG, BTMU, MUL, Hitachi, and Hitachi Capital will make a discussion on building an open financial platform, mainly operated by MUL and Hitachi Capital through promoting the collaboration, in order to provide support for infrastructure industry from financial perspective. The areas of main collaboration are as follows:

<Main collaboration areas>

(1) Environment and energy
(2) Urban infrastructure and public facilities
(3) Real estate
(4) Overseas market mainly in the Americas, ASEAN, and China

3. Overview of Hitachi Capital

(1) Name:	Hitachi Capital Corporation
(2) Type of business:	General leasing business
(3) Year of establishment:	1957
(4) Headquarters:	Nishi-Shimbashi Square, 3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo
(5) Representative:	Mr. Seiji Kawabe
(6) Capital Stock:	JPY 9,983 million (as of March 31, 2016)

(7) Relationship with MUFG:
MUFG and Hitachi Capital, on the other, do not have any capital, personal or transactional relationship that are required to be disclosed.

(8) Number of Employees: 5,397 (consolidated, as of March 31, 2015)

(9) Business sizes (for the fiscal year ended March 31, 2016)

(in millions of JPY)

Gross profit	130,014
Adjusted operating income	45,230
Net income attributable to owners of the parent	32,694
Total assets	3,081,201
Total equity	347,559

(Notes) (1) The amount of “Adjusted operating income” is the difference between “Gross profit” and “Selling, general and administrative expenses.”

(2) The above figures are based on the consolidated earnings report of Hitachi Capital prepared in accordance with IFRS.

(Translation)

Mitsubishi UFJ Financial Group, Inc.

Non-consolidated Statement of Changes in Net Assets

(In millions of yen) — **For the fiscal year ended March 31, 2016**

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity
				Other retained earnings			
		Capital reserve	Other capital surplus	Other reserve	Earned surplus brought forward		
Balance at the beginning of the fiscal year	2,141,513	2,141,524	1,470,006	150,000	2,682,257	(100,147)	8,485,153
Changes during the fiscal year							
Dividends from retained earnings					(251,392)		(251,392)
Net income					545,738		545,738
Repurchase of treasury stock						(200,053)	(200,053)
Disposal of treasury stock			(1,182)			2,815	1,633
Net changes of items other than shareholders' equity							
Total changes during the fiscal year	—	—	(1,182)	—	294,346	(197,237)	95,926
Balance at the end of the fiscal year	2,141,513	2,141,524	1,468,824	150,000	2,976,603	(297,385)	8,581,079

	Valuation and translation adjustments	Subscription rights to shares	Total net assets
	Net deferred gains on hedging instruments		
Balance at the beginning of the fiscal year	(135,474)	8,271	8,357,950
Changes during the fiscal year			
Dividends from retained earnings			(251,392)
Net income			545,738
Repurchase of treasury stock			(200,053)
Disposal of treasury stock			1,633
Net changes of items other than shareholders' equity	28,463	(10)	28,453
Total changes during the fiscal year	28,463	(10)	124,379
Balance at the end of the fiscal year	(107,010)	8,260	8,482,329

Notes to the Non-consolidated Financial Statements

Notes to Significant Accounting Policies

1. Securities

   Investments in subsidiaries and affiliates are stated at cost computed under the moving-average method.

2. Depreciation and Amortization of Fixed Assets

   (1) Tangible Fixed Assets

   Depreciation of tangible fixed assets is computed using the declining-balance method. The useful lives are primarily estimated as follows:

Buildings	5 to 15 years
Equipment and furniture	2 to 6 years

   (2) Intangible Fixed Assets (Except for Lease Assets)

   Amortization of intangible fixed assets is computed using the straight-line method. Development costs for internally used software are amortized using the straight-line method over the estimated useful lives of 5 years.

   (3) Lease Assets

   Amortization of lease assets in "Intangible fixed assets" of the finance leases other than those that are deemed to transfer the ownership of leased property to the lessees is computed using the straight-line method over the lease periods with zero residual value.

3. Reserves and Allowances

   (1) Allowance for credit losses reflects an amount of loans multiplied by expected rate of loss.

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

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

4. Other Significant Accounting Policies Applied in the Preparation of the Non-Consolidated Financial Statements

   (1) Deferred Assets

   Bond issuance costs and stock issuance costs are expensed as incurred.

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

   Assets and liabilities denominated in foreign currencies are translated into Japanese yen ("yen") equivalents at exchange rates prevailing at the balance sheet date, except for investments in subsidiaries and affiliates that are translated into yen at exchange rates prevailing at the acquisition dates.

   (3) Hedge Accounting

   The deferred hedge accounting method is applied to hedging transactions for foreign currency risks arising from investments in affiliates denominated in foreign currencies. Individual hedging is applied and financial liabilities denominated in foreign currencies are used as hedging instruments.

   (4) Consumption Taxes

   National and local consumption taxes are excluded from transaction amounts.

   (5) Adoption of Consolidated Taxation System

   Mitsubishi UFJ Financial Group, Inc. ("MUFG") adopts the consolidated taxation system and MUFG is the parent company for the consolidated tax payment.

Notes to Changes in Method of Presentation

"Accounts receivable" which was included in "Others" of "Current assets" on the Non-consolidated Balance Sheet in the previous fiscal year, has been separately presented from the current fiscal year, based on the judgment that it would be more appropriate to present separately due to its increase in amount following the adoption of consolidated taxation system.

"Accounts receivable" in the previous fiscal year stood at ¥147,935 million.

"Bond issuance costs" which was included in "Others" of "Non-operating expenses" on the Non-consolidated Statement of Income has been separately presented from the current fiscal year due to its increased materiality. "Bond issuance costs" in the previous fiscal year stood at ¥1,193 million.

Notes to the Non-consolidated Balance Sheet

1. Amounts of less than one million yen are rounded down.
2. Accumulated depreciation on tangible fixed assets: ¥929 million.
3. Guarantees and Items of Similar Nature
   (1) MUFG indemnified The Association of German Banks for the deposit liabilities of the branches in Germany of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), a subsidiary of MUFG, in accordance with regulations of The Deposit Protection Fund of Germany. The amount indemnified by MUFG was ¥264,367 million.
   (2) With respect to the preferred securities, MUFG entered into subordinated guarantee contracts with their issuers, MUFG Capital Finance 1 Limited and MUFG Capital Finance 2 Limited, and the paying agent.

Guaranteed Party	Amount of issuance
MUFG Capital Finance 1 Limited	¥259,164 million
MUFG Capital Finance 2 Limited	¥95,775 million

4. Monetary Claims and Monetary Debts to Subsidiaries and Affiliates

Short-term monetary claims to subsidiaries and affiliates	¥223,518 million
Long-term monetary claims to subsidiaries and affiliates	¥142 million
Short-term monetary debts to subsidiaries and affiliates	¥1,710,836 million
Long-term monetary debts to subsidiaries and affiliates	¥250,514 million

Notes to the Non-consolidated Statement of Income

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

Operating transactions	
Operating income	¥588,340 million
Operating expenses	¥3,088 million
Non-operating transactions	¥64,986 million

Notes to the Non-consolidated Statement of Changes in Net Assets

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

	Number of shares as of April 1, 2015	Number of shares increased	Number of shares decreased	Number of shares as of March 31, 2016
Treasury stock				
Common stock	148,872	232,922	3,705	378,088

(Note) The increase in the number of common stock held in treasury by 232,922 thousand shares was due to acquisition through open market purchases and repurchase of stocks in response to requests made by shareholders holding shares constituting less than a unit.
The decrease in the number of common stock held in treasury by 3,705 thousand shares was due to delivery of shares for exercising stock options and sale of stocks in response to requests made by shareholders holding shares constituting less than a unit.

Notes to Tax Effect Accounting

1. The breakdown of deferred tax assets and liabilities is shown with respect to each significant cause as follows:

Current:

Deferred tax assets:	
Prepaid expenses	¥344 million
Reserve for bonuses	¥175 million
Others	¥53 million
Subtotal	¥574 million
Valuation allowance	¥(119) million
Total deferred tax assets	¥454 million
Deferred tax liability:	
Accrued dividend receivable	¥147 million
Total deferred tax liability	¥147 million
Net deferred tax assets	¥307 million

Fixed:

Deferred tax assets:	
Deferred hedge losses	¥44,035 million
Equity securities of subsidiaries and affiliates	¥36,049 million
Tax loss carried forward	¥5,295 million
Others	¥522 million
Subtotal	¥85,903 million
Valuation allowance	¥(48,914) million
Total deferred tax assets	¥36,989 million
Deferred tax liabilities:	
Equity securities of subsidiaries and affiliates	¥6,368 million
Others	¥97 million
Total deferred tax liabilities	¥6,465 million
Net deferred tax assets	¥30,523 million

Notes to Transactions with Related Parties

A summary of significant transactions with related parties was as follows:

(in millions of yen)

Status	Name	MUFG's share of voting rights	Business	Transactions	Amount	Balance sheet amount as of March 31, 2016	
Subsidiary	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Directly 100.00% Indirectly - % Total 100.00% The subsidiary's share of MUFG's voting rights - %	Banking	Lendings (*1)	1,260,400	Long-term loans receivable from subsidiaries and associates	1,410,400
				Interest income (*1)	7,568	Accrued income	3,748
				Borrowings (*2)	-	Short-term borrowing	1,703,000
				Interest payments (*2)	13,380	Accrued expenses	152
				Guarantee (*3)	264,367		
Subsidiary	MUFG Capital Finance 1 Limited	Directly 100.00% Indirectly - % Total 100.00% The subsidiary's share of MUFG's voting rights - %	SPC for issuance of preferred securities	Guarantee (*4)	259,164	-	-
Subsidiary	MUFG Capital Finance 2 Limited	Directly 100.00% Indirectly - % Total 100.00% The subsidiary's share of MUFG's voting rights - %	SPC for issuance of preferred securities	Guarantee (*4)	95,775	-	-

Status	Name	MUFG's share of voting rights	Business	Transactions	Amount	Balance sheet amount as of March 31, 2016	
Subsidiary	MUFG Capital Finance 9 Limited	Directly 100.00% Indirectly - % Total 100.00% The subsidiary's share of MUFG's voting rights - %	SPC for issuance of preferred securities			Bonds payable	250,500
				Interest payments (*5)	10,479	Accrued expenses	1,925

Amount of transactions does not include consumption taxes.

(*1) Interest rate on long-term loans receivable from subsidiaries and associates was determined based on the coupon rate of the corporate bonds issued by MUFG in consideration of market interest rate. The long-term loans receivable from subsidiaries and associates was non-collateralized with a lump-sum repayment.

(*2) Short-term borrowings:

Interest rates on borrowings were determined based on the market interest rates or on the interest rates at which the funds were raised from BTMU. The borrowings were non-collateralized with a lump-sum repayment.

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

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

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

Notes to Per Share Information:

Net assets per common share	¥614.47
Net income per common share	¥39.29
Diluted net income per common share	¥39.24

Other Notes

1. Investments in Subsidiaries and Affiliates

(in millions of yen)

	Amount on balance sheet	Fair value as of March 31, 2016	Net unrealized gains
Subsidiaries	90,074	333,806	243,731
Affiliates	776,398	1,276,935	500,536
Total	866,473	1,610,741	744,268

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

(in millions of yen)

	Amount on balance sheet
Subsidiaries	9,273,329
Affiliates	47,039
Total	9,320,368

Since there was no quoted market price available and it was extremely difficult to estimate the fair value of these securities, they were not included in the table above.

2. Subordinated Borrowings

“Long-term borrowings from subsidiaries and affiliates” were all subordinated borrowings.

3. Subordinated Bonds

Bonds payable included ¥1,235,500 million of subordinated bonds.