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 Fourteenth Fiscal Year (from April 1, 2018 to March 31, 2019)

Mitsubishi UFJ Financial Group, Inc.

The items listed above are disclosed on our website (https://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

For the fiscal year ended March 31, 2019

(In millions of yen)

	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 (losses) on available-for-sale securities	Net deferred gains (losses) on hedging instruments	Land revaluation excess	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Debt value adjustments of foreign subsidiaries and affiliates	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	2,141,513	1,196,803	10,064,649	(522,158)	12,880,807	2,388,234	59,360	170,239	499,557	62,182	(35,743)	3,143,832	274	1,270,123	17,295,037
Cumulative effects due to revision of accounting standards for foreign subsidiaries and affiliates			(2,723)		(2,723)	(844)						(844)			(3,568)
Restated balance	2,141,513	1,196,803	10,061,926	(522,158)	12,878,084	2,387,390	59,360	170,239	499,557	62,182	(35,743)	3,142,987	274	1,270,123	17,291,469
Changes during the fiscal year															
Cash Dividends			(276,249)		(276,249)										(276,249)
Profits attributable to owners of parent			872,689		872,689										872,689
Repurchase of treasury stock				(160,985)	(160,985)										(160,985)
Disposal of treasury stock		(0)		3,775	3,774										3,774
Retirement of treasury shares		(162,720)		162,720	-										-
Reversal of land revaluation excess			2,557		2,557										2,557
Changes of application of equity method			(20,269)		(20,269)										(20,269)
Changes in subsidiaries' equity		557			557										557
Net changes of items other than shareholders' equity						(138,159)	63,155	(2,557)	(159,844)	(66,912)	40,446	(263,871)	(56)	(187,939)	(451,867)
Total changes during the fiscal year	-	(162,162)	578,729	5,509	422,075	(138,159)	63,155	(2,557)	(159,844)	(66,912)	40,446	(263,871)	(56)	(187,939)	(29,791)
Balance at the end of the fiscal year	2,141,513	1,034,641	10,640,655	(516,649)	13,300,160	2,249,231	122,516	167,681	339,713	(4,729)	4,702	2,879,115	217	1,082,184	17,261,677

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

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 222

Principal companies:

MUFG Bank, 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, MUFG Innovation Partners Co., Ltd. and seventeen other companies were newly included in the scope of consolidation due to new establishment or other reasons.
In the current fiscal year, MUFG Capital Finance 6 Limited and four other companies were excluded from the scope of consolidation due to liquidation or other reasons.

(2) Non-consolidated subsidiaries: None

(3) Entities not regarded as subsidiaries even though Mitsubishi UFJ Financial Group, Inc. ("MUFG") owns the majority of voting rights:

Hygeia Co., Ltd.
OiDE Adjubilee, Inc.
A&M Drug Development, LLC
OiDE RYO-UN Co, Inc.
OiDE BetaRevive, Inc.

(Reasons for excluding from the scope of consolidation)
These entities were not treated as subsidiaries because they were established as property management agents for land trust projects without any intent to control, or because MUFG's consolidated venture capital subsidiaries owned the majority 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 equity method affiliates: 55

Principal companies:

Mitsubishi UFJ Lease & Finance Company Limited
Morgan Stanley

In the current fiscal year, PT Bank Danamon Indonesia, Tbk. ("Danamon") and four other companies were newly included in the scope of application of the equity method due to acquisition of shares or other reasons.
In the current fiscal year, Dah Sing Financial Holdings Limited and five other companies were excluded from the scope of application of the equity method due to decreases in the ratios of voting rights held by MUFG resulting from the sale of shares or other reasons.

(Additional information)

(Equity method applied to Danamon due to additional share acquisition)

On August 3, 2018, MUFG Bank, Ltd. (“the Bank”), a consolidated subsidiary of MUFG, increased its equity interest in Danamon to 40.0% by acquiring an additional 20.1% of the outstanding shares of Danamon from Asia Financial (Indonesia) Pte. Ltd. (“AFI”) and other entities (together with AFI, the “Sellers”). As a result, Danamon became an equity method affiliate of both MUFG and the Bank.

1. Objectives of the transaction

The Bank intends to establish an integrated and comprehensive services platform that serves as a gateway for clients wishing to make inroads into Indonesia’s burgeoning economy as well as local companies keen on expanding into the region. This investment is also expected to strategically allow the Bank to benefit from Danamon’s foothold in the developing local retail and small and medium enterprises (SME) segments to deepen its banking franchise in Indonesia.

2. Outline of the proposed transaction

The Bank entered into conditional share purchase agreements with the Sellers on December 26, 2017, to acquire an aggregate equity interest of 73.8% in Danamon, subject to applicable regulatory approvals. The acquisition of shares by the Bank was executed through three steps.

Step1:	On December 29, 2017, the Bank acquired an initial 19.9% equity interest (1,907,344,030 shares) in Danamon from the Sellers, based on a price of IDR 8,323 (approximately ¥70) per share at an aggregate investment amount of IDR 15,875 billion (approximately ¥133.4 billion). The price was based on a price book-value ratio of 2.0 calculated on the basis of Danamon’s net assets as of September 30, 2017, with certain adjustments applied.
Step2:	On August 3, 2018, as stated above, the Bank acquired an additional 20.1% equity interest (1,926,513,316 shares) in Danamon from the Sellers, based on a price of IDR 8,921 (approximately ¥69) per share at an aggregate investment amount of IDR 17,187 billion (approximately ¥132.3 billion). The price was based on a price book-value ratio of 2.0 calculated on the basis of Danamon’s net assets as of June 30, 2018, with certain adjustments applied. As a result, Danamon became an equity method affiliate of both MUFG and the Bank.
Step3:	On April 29, 2019, the Bank acquired an additional 54.0% equity interest in Danamon. As a result, Danamon became a consolidated subsidiary of both MUFG and the Bank. For more information, see "Notes to Significant Subsequent Events" section.

3. Overview of Danamon

Corporate name	PT Bank Danamon Indonesia, Tbk.
Business description	Commercial banking
Application date of the equity method	August 3, 2018
Legal form of equity method affiliate acquisition	Shares acquisition
Acquired voting rights ratio	40%

4. Period for which the results of operations of the equity method investee are included in the consolidated financial statements

The fiscal year end of Danamon, the equity method investee, is December 31, which differs by three months from MUFG’s fiscal year-end. With the application date of the equity method to the equity method investee deemed to be June 30, 2018, the equity method investee’s results of operations for the period from July 1, 2018 to December 31, 2018 have been included in the consolidated statements of income for the fiscal year ended March 31, 2019.

5. Outline of the accounting treatment applied

(1) Acquisition cost relating to the equity method investee

Consideration for the acquired shares	Cash and due from banks	¥ 271,290 million
Direct expenses relating to the acquisition	Advisory fees, etc.	¥ 1,890 million
Acquisition cost		¥ 273,181 million

(2) Amount of goodwill recorded, reason for goodwill recorded, amortization method and amortization period

(a) Amount of goodwill recorded: ¥96,837 million

(b) Reason for goodwill recorded

The recorded goodwill reflected expected increases in profits from future business operations.

(c) Amortization method and amortization period

Straight-line method over 20 years.

(3) Number of non-consolidated subsidiaries not accounted for under the equity method: None

(4) Number of affiliates not accounted for under the equity method: None

(5) Entities not regarded as affiliates in which MUFG owns 20% to 50% of their voting rights:

Hirosaki Co., Ltd.
EDP Corporation
ISLE Co., Ltd.
AKITAYA Co., Ltd.
Sanriku Resort Co., Ltd.
Fun Place Co., Ltd.
Shonai Paradiso Co., LTD
Kamui Pharma Co., Ltd.
GEXVal Inc.

(Reasons for excluding from the scope of affiliates)

These entities were not regarded 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:	134	subsidiaries
January 24:	7	subsidiaries
March 31:	79	subsidiaries

(2) A subsidiary whose balance sheet date is August 31 was consolidated based on its preliminary financial statements as of February 28.

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

The remaining subsidiaries were consolidated based on their financial statements as of their respective 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 beginning in the period of the acquisition. Other goodwill with insignificant balance was amortized 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 fair value 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. Available-for-sale 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 available-for-sale securities whose fair values cannot be reliably determined are stated at acquisition costs computed using the moving-average method.

Net unrealized gains (losses) on available-for-sale 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 the fair value recognized is recorded in current earnings.

(b) Securities included in trust assets in money held in trust are accounted for under the same basis as noted above in Notes (1) and (2)(a).

Net unrealized gains (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 (excluding those for trading purposes) are calculated primarily at 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 domestic consolidated 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, in which case the residual value equals the guaranteed amount.

(5) Deferred assets

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

(6) Allowance for credit losses

Principal domestic consolidated subsidiaries determine the amount of 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 ("virtually 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 ("likely to become bankrupt borrowers"), where the amounts of principal repayments and interest payments cannot be reasonably estimated from the 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 likely to become bankrupt borrowers and claims on borrowers requiring close monitoring, where the amounts of principal repayments and interest payments can be reasonably estimated from the 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 certain foreign countries, additional allowances are provided based on an assessment of political and economic conditions of these countries.

All claims are assessed by the relevant branches and 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 virtually bankrupt borrowers, the amount of claims exceeding the estimated value of collateral or guarantees, which is deemed uncollectible, is written off. The total amount of write-offs was ¥332,364 million.

Consolidated subsidiaries not adopting the procedures stated above provide for allowances based on their historical credit loss experience for collectively assessed 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, is recorded in the amount deemed to have accrued based on the estimated amount of bonuses as of 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, is recorded in the amount deemed to have accrued based on the estimated amount of bonuses as of the consolidated balance sheet date.

(9) Reserve for stocks payment

Reserve for stocks payment, which is provided for future payments of compensation under the stock compensation plan for directors and officers of MUFG and certain domestic consolidated subsidiaries, is recorded in the amount deemed to have accrued based on the estimated amount of compensation as of the consolidated balance sheet date.

(10) Reserve for retirement benefits to directors

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

(11) Reserve for loyalty award credits

Reserve for loyalty award credits, which is provided for the future redemption of points awarded to customers through Super IC Cards, etc., is calculated by rationally estimating an amount that will be redeemed in the future based on the monetary amount converted from the awarded but unused points, and is recorded in the appropriate amount as a reserve.

(12) Reserve for contingent losses

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

(13) Reserves under special laws

Reserves under special laws represent the reserve for contingent liabilities from derivative financial instruments transactions executed for clients, which are recorded in accordance with Article 46-5-1 of the Financial Instruments and Exchange Law and Article 175 of the Cabinet Office Ordinance on Financial Instruments Business.

(14) Retirement benefits

In calculating benefit obligation, the portion of the projected benefit obligation attributed to the fiscal year ended March 31, 2019 is determined using the benefit formula basis.

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

(15) 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.

(16) 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 of 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, in which case the residual value equals the guaranteed amount.

(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."

(17) 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 to hedge 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 the fair value of fixed rate bonds classified as available-for-sale securities, hedging instruments (e.g., interest rate swaps) are designated to hedged items collectively by 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 of forecasted transactions related to floating rate deposits, loans and other instruments 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 available-for-sale 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 available-for-sale 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 and domestic consolidated trust 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 the fair value of hedged items and changes in the 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 meet certain criteria under JICPA Industry Audit Committee Reports No. 24 and No. 25 and are regarded as equivalent to external third-party cover transactions.

(18) Consumption taxes

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

(19) Adoption of consolidated taxation system

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

(20) Accounting standards for foreign subsidiaries

If the financial statements of foreign subsidiaries are prepared in accordance with the International Financial Reporting Standards (“IFRS”) or the Generally Accepted Accounting Principles in the United States (“U.S. GAAP”), such financial statements are used in the consolidated accounting process.

If the financial statements of foreign subsidiaries 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.

Adjustments are also made when necessary in the consolidated accounting process.

Additional Information

(A Board Incentive Plan ("BIP") for directors and officers)

1. Outline of the plan

MUFG has implemented a performance-based director and officer stock compensation plan using a BIP trust. The plan is designed to prevent excessive risk-taking and raise motivation to contribute to both short-term and medium- to long-term improvement of financial results, thereby enabling sustainable growth and medium- to long-term enhancement of the enterprise value of the MUFG Group.

The plan's beneficiaries are directors and officers of MUFG and certain domestic consolidated subsidiaries who satisfy prescribed beneficiary requirements. The trust entrusted with funds approved by the Compensation Committee of MUFG, together with funds contributed by certain domestic consolidated subsidiaries (collectively, "Acquisition Funds"), acquired shares of MUFG in the stock market with the Acquisition Funds.

During the trust period, in accordance with the prescribed share delivery rules, points are allocated to the beneficiaries, and the beneficiaries receive the delivery of shares of MUFG in the number representing a certain percentage of their respective allocated points. In addition, in accordance with the provisions of the trust agreement, the shares of MUFG representing the remaining points are liquidated within the trust, and the beneficiaries receive cash in the amount equal to the liquidated share price.

2. Shares of MUFG remaining in the trust

At the end of the fiscal year ended March 31, 2019, the carrying amount and number of shares which remain in the trust are ¥22,422 million and 35,036 thousand shares, respectively, and are included in the treasury shares reported as part of total net assets.

Notes to the Consolidated Balance Sheet

1. "Securities" includes ¥20,024 million of unsecured securities loaned with respect to which borrowers have rights to sell or pledge. For borrowed securities under securities borrowing transactions and securities purchased under resale agreements that were permissible to be sold or re-pledged without restrictions, ¥14,078,149 million of such securities were re-pledged, ¥748,385 million were re-loaned and ¥5,271,579 million were held by MUFG as of the consolidated balance sheet date.

2. Loans to bankrupt borrowers: ¥46,597 million.
   Non-accrual delinquent loans: ¥586,487 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 payments, to assist borrowers in improving their financial condition.

3. Accruing loans contractually past due 3 months or more: ¥18,600 million.
   Accruing loans contractually past due 3 months or more represent loans whose principal and/or interest payments have been past due for 3 months or more, other than loans to bankrupt borrowers and non-accrual delinquent loans.

4. Restructured loans: ¥315,406 million.
   Restructured loans represent loans renegotiated at concessionary terms, including interest rate reductions, deferral of interest payments, deferral of principal repayments, waivers of loan claims, and other negotiated terms, that are favorable to the borrower, for the purpose of business reconstruction of or support for the borrower, other than loans to bankrupt borrowers, non-accrual delinquent loans and accruing loans contractually past due 3 months or more.

5. Total of loans to bankrupt borrowers, non-accrual delinquent loans, accruing loans contractually past due 3 months or more and restructured loans was ¥967,092 million.
   The amounts provided in Notes 2 to 5 above represent gross amounts before the deduction of allowance 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 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 ¥1,540,530 million.

7. Assets pledged as collateral were as follows:

Cash and due from banks	¥468 million
Trading assets	¥4,887 million
Securities	¥497,507 million
Loans and bills discounted	¥13,385,666 million

Liabilities related to pledged assets were as follows:

Deposits	¥557,560 million
Trading liabilities	¥8,372 million
Borrowed money	¥13,185,809 million
Other liabilities	¥2,442 million

In addition to the items listed above, ¥22,249 million of monetary claims bought, ¥1,313,203 million of trading assets, ¥12,765,258 million of securities, and ¥5,982,745 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. ¥1,793,620 million of trading assets and ¥13,338,925 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 ¥15,077,563 million and ¥34,392 million, respectively. In addition, ¥370,697 million of trading assets and ¥599,940 million of securities were pledged under general collateral repurchase agreements using the subsequent collateral allocation method.

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 ¥4,919 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 ¥85,398,697 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 MUFG affiliates that were accounted for under the equity method conducted a revaluation for land used for business operations on March 31, 2002.

10. Accumulated depreciation on tangible fixed assets: ¥1,199,589 million.

11. Deferred gains on tangible fixed assets deducted for tax purposes: ¥86,906 million.

12. Borrowed money included ¥293,825 million of subordinated borrowings with special contractual provisions which rank below other debts with regard to the fulfillment of obligations.

13. Bonds payable included ¥3,894,770 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 ¥7,617,688 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 ¥394,626 million.

16. Contingent liabilities
    In the ordinary course of business, MUFG is subject to various litigation and regulatory matters. In accordance with applicable accounting guidance, MUFG establishes a Reserve for Contingent Losses arising from litigation and regulatory matters when they are determined to be probable in their occurrences and the probable loss amount can be reasonably estimated. Based upon current knowledge and consultation with counsel, management believes the eventual outcome of such litigation and regulatory matters, where losses are probable and the probable loss amounts can be reasonably estimated, would not have a material adverse effect on MUFG's financial position, results of operations or cash flows.

    Management also believes the amount of loss that is reasonably possible, but not probable, from various litigation and regulatory matters is not material to MUFG's financial position, results of operations or cash flows.

Notes to the Consolidated Statement of Income

1. "Other ordinary income" included ¥284,389 million of equity in earnings of the equity method investees and ¥203,481 million of gains on sales of equity securities.

2. "Other ordinary expenses" included ¥154,941 million of write-offs of loans, ¥77,486 million of losses on sales of equity securities, ¥70,073 million of provision for reserve for contingent losses.

3. An impairment loss recorded by a domestic consolidated consumer finance subsidiary of MUFG was included in the "Losses on impairment of fixed assets." The consumer finance subsidiary determined to fundamentally review its current system integration plan, comprehensively taking into account the scale, complexity and the degree of difficulty for system development to respond to rapid changes in the payments market in an appropriate manner, at the meeting of the Board of Directors on March 25, 2019. As a result, an impairment loss of the following asset group was recorded.

Use	Categories	Place
System Integration Related Assets	Buildings, Other tangible fixed assets, Software, Other intangible fixed assets, Other assets	Inzai City of Chiba Prefecture
Credit Business Assets	Buildings, Land, Other tangible fixed assets, Software, Other intangible fixed assets, Other assets and Other liabilities	Inzai City of Chiba Prefecture, Toshima City of Tokyo, Tatebayashi City of Gunma Prefecture, Nagoya City of Aichi Prefecture, Kitanagoya City of Aichi Prefecture, Bunkyo City of Tokyo

Assets related to the Credit Business are grouped as one unit in the consumer finance subsidiary. Assets held to dispose and idle assets are grouped respectively. The consumer finance subsidiary considered System Integration Related Assets unlikely to have a cost reduction effect and remain in use in the future, and reevaluated the profitability of Credit Business Assets. As a result, it was determined that carrying amounts exceeded their fair values respectively, and impairment losses were recognized as extraordinary losses. The recoverable amount is measured based on value in use, and calculated as future cash flows discounted at 8.97%. Recoverable amount is valued as zero for the assets without potential future cash flows.

The impairment loss amount was ¥148,639 million. (¥1,518 million of buildings (¥189 million for system integration related assets), ¥2,515 million of land, ¥6,155 million of other tangible fixed assets (¥1,923 million for system integration related assets), ¥37,177 million of software (¥3,163 million for system integration related assets), ¥86,683 million of other intangible fixed assets (¥85,929 million for system integration related assets), ¥8,960 million of other assets (¥2,596 million for system integration related assets) and ¥5,628 million of other liabilities.)

Notes to the Consolidated Statement of Changes in Net Assets

1. Information on the class and number of issued shares and treasury stock

(Thousand shares)

	Number of shares as of April 1, 2018	Number of shares increased	Number of shares decreased	Number of shares as of March 31, 2019	Note
Issued shares					
Common stock	13,900,028	-	232,257	13,667,770	(Note 1)
Total	13,900,028	-	232,257	13,667,770	
Treasury stock					
Common stock	737,138	247,188	239,010	745,316	(Note 2&3)
Total	737,138	247,188	239,010	745,316	

(Note 1) The decrease in the number of shares of common stock by 232,257 thousand shares was due to the cancellation of shares.

(Note 2) The increase in the number of shares of common stock held in treasury by 247,188 thousand shares was mainly due to the acquisitions of shares pursuant to provisions of the Articles of Incorporation, the acquisition of shares for the BIP trust, the repurchases of shares in response to requests made by shareholders holding shares constituting less than one whole unit, the acquisitions of shares held by untraceable shareholders and an increase in the number of shares held by equity method affiliates. The decrease in the number of shares of common stock held in treasury by 239,010 thousand shares was mainly due to the cancellation of shares, the sale of shares for the BIP trust, the sale of shares in response to requests made by shareholders holding shares constituting less than one whole unit and a decrease in the number of shares held by equity method affiliates.

(Note 3) The number of shares of common stock as of April 1, 2018 and March 31, 2019 includes 28,733 thousand shares and 35,036 thousand shares held by the BIP trust, respectively. For the fiscal year ended March 31, 2019, the number of shares held by the BIP trust increased by 13,049 thousand shares and decreased by 6,747 thousand shares.

2. Information on share subscription rights

Issuer	Type of share subscription rights	Class of shares to be issued	Number of shares subject to subscription rights				Balance as of March 31, 2019 (in millions of yen)
			As of April 1, 2018	Increase	Decrease	As of March 31, 2019	
MUFG	Stock options	-					189
Consolidated subsidiaries	-	-					27
Total		-					217

3. Information on cash dividends

(A) Cash dividends paid in the fiscal year ended March 31, 2019.

Date of approval	Type of stock	Total Dividends (in millions of yen)	Dividend per share (in yen)	Dividend record date	Effective date
Annual General Meeting of Shareholders on June 28, 2018	Common stock	131,934	10	March 31, 2018	June 29, 2018
Meeting of Board of Directors on November 13, 2018	Common stock	144,314	11	September 30, 2018	December 5, 2018

(Note) The total dividend amount as resolved by the Annual General Meeting of Shareholders on June 28, 2018 includes ¥287 million of dividends on the treasury shares held by the BIP trust, and the total dividend amount as resolved by the Meeting of the Board of Directors on November 13, 2018 includes ¥386 million of dividends on the treasury shares held by the BIP trust.

(B) Dividends the record date for which fell within the fiscal year and the effective date of which was after the fiscal year ended March 31, 2019.

The following matters relating to dividends are planned to be brought up at the Annual General Meeting of Shareholders scheduled to be held on June 27, 2019.

Date of approval (scheduled)	Type of stock	Total Dividends (in millions of yen)	Source of dividends	Dividend per share (in yen)	Dividend record date	Effective date
Annual General Meeting of Shareholders on June 27, 2019 (tentative)	Common stock	142,552	Retained earnings	11	March 31, 2019	June 28, 2019

(Note) The total dividend amount includes ¥385 million of dividends on the treasury shares held by the BIP trust.

Notes to Financial Instruments

1. Disclosure on financial instruments

(1) Policy for 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 and other market conditions, MUFG conducts 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, MUFG raises capital from the market and hedge risks through derivative transactions.

(2) Nature and extent of risks arising from financial instruments

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

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

Market risk mainly arises from changes in domestic and overseas interest rates, foreign exchange rates, and fluctuations in market prices of stocks and bonds. For example, an increase in domestic and overseas interest rates would reduce the value of MUFG's 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. MUFG also invests in marketable equity securities, and a fall in the market price would decrease the fair value of these securities. As part of MUFG's trading and ALM activities, MUFG holds derivative products such as interest rate swaps. A significant change in foreign exchange or interest rates may cause a significant fluctuation in the fair value of these derivative products. In conducting transactions for purposes of hedging risks associated with derivative products, MUFG hedges against interest rate risks with instruments including fixed rate deposits, loans and bonds, floating rate deposits, loans and bonds, and forecasted transactions involving fixed rate deposits and loans through designated hedging methods including interest rate swaps. MUFG hedges 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, MUFG designs hedging activities so that the material terms of the hedging instruments are almost identical to those of the hedged items. In limited circumstances, effectiveness of hedging activities is assessed by verification of the correlation between factors that cause fluctuations in interest rates.

(3) Risk management relating to financial instruments

(A) Credit risk management

MUFG regularly monitors and assesses the credit portfolios of MUFG's group companies and uses credit rating and asset evaluation and assessment systems to ensure timely and proper evaluation of credit risk.

Within the basic framework of MUFG's 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 MUFG monitors group-wide credit risk. MUFG provides training and advice when necessary in addition to monitoring credit risk management conducted by MUFG's 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.

MUFG holds regular management committee meetings to ensure full reporting and discussion on important credit risk management and administration matters.

In addition to providing check-and-balance between different 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

MUFG has adopted an integrated system to manage market risks associated with market activities for trading purposes (trading activities) and non-trading market activities (banking activities). MUFG monitors 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 (operating and administrative section) and middle (risk control section) offices operate independently from the front (the market department) office. As part of risk control by management, the Board of Directors, etc. establish the framework for the market risk management system and define responsibilities relating to market operations. MUFG allocates economic capital corresponding to levels of market risk within the scope of MUFG's capital base, and establishes quantitative limits on market risk based on the allocated economic capital as well as limits on losses to contain MUFG's exposure to risks and losses within a certain range.

(b) Market risk management

MUFG reports daily the status on group-wide exposure to market risk and compliance with quantitative limits on market risk and losses at each major group company to the Chief Risk Officer, while each major 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. MUFG and each major group company conduct comprehensive analyses on risk profiles, including stress testing, and regularly reports to their respective ALM Committees and Corporate Risk Management Committees.

MUFG administers risks at each business unit at MUFG's 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, MUFG documents the process and periodically verifies through internal audits that the valuation methods and operation of such transactions are appropriate.

(c) Market risk measurement model

Since the daily variation in market risk is significantly greater than that in other types of risks, MUFG measures and manages 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 method 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 ¥20.8 billion as of March 31, 2019.

(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 ¥315.6 billion as of March 31, 2019. 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) Risk of strategic equity portfolio

For the strategic equity securities (publicly traded) as of March 31, 2019, MUFG has determined that the total market capitalization across the Group would fluctuate by ¥3.0 billion per one point change in TOPIX.

(e) Backtesting

In order to test the accuracy of the market risk measurement model, MUFG conducts 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, MUFG also ensures 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 2018 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.

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

MUFG's 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, etc. provide the framework for liquidity risk management, operate businesses on various stages according to the urgency of funding needs and exercise 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, etc. 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 amounts stated on the consolidated balance sheet and the fair value of financial instruments as of March 31, 2019 together with their differences. Note that the following table does not include non-listed equity securities and certain other securities of which fair value cannot be reliably determined (see Note 2).

(in millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	74,206,895	74,206,895	-
(2) Call loans and bills bought	451,668	451,668	-
(3) Receivables under resale agreements	10,868,179	10,868,179	-
(4) Receivables under securities borrowing transactions	2,739,363	2,739,363	-
(5) Monetary claims bought (*1)	7,254,708	7,243,861	(10,847)
(6) Trading assets	6,722,866	6,722,866	-
(7) Money held in trust	912,961	913,318	356
(8) Securities			
Debt securities being held to maturity	2,314,249	2,335,727	21,478
Available-for-sale securities	58,735,655	58,735,655	-
(9) Loans and bills discounted	107,412,468		
Allowance for credit losses (*1)	(531,266)		
	106,881,202	107,758,349	877,147
(10) Foreign exchanges (*1)	2,134,807	2,134,807	-
Total assets	273,222,557	274,110,692	888,135
(1) Deposits	180,171,279	180,235,432	64,153
(2) Negotiable certificates of deposit	9,413,420	9,429,765	16,345
(3) Call money and bills sold	2,465,093	2,465,093	-
(4) Payables under repurchase agreements	25,112,121	25,112,121	-
(5) Payables under securities lending transactions	903,219	903,219	-
(6) Commercial papers	2,316,338	2,316,338	-
(7) Trading liabilities	2,493,030	2,493,030	-
(8) Borrowed money	16,268,170	16,277,719	9,549
(9) Foreign exchanges	2,271,145	2,271,145	-
(10) Short-term bonds payable	793,999	793,999	-
(11) Bonds payable	12,179,680	12,378,944	199,263
(12) Due to trust accounts	10,282,227	10,282,227	-
(13) Other liabilities (*2)	249,000	249,000	-
Total liabilities	264,918,726	265,208,038	289,312
Derivative transactions (*3)			
Activities not qualifying for hedge accounting	548,318	548,318	-
Activities qualifying for hedge accounting	73,867	73,867	-
Total derivative transactions	622,185	622,185	-

(*1) General and specific allowances 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 allowance for credit losses corresponding to these items is insignificant.

(*2) Derivative transactions are excluded. Financial instruments that are subject to fair value disclosure and are classified as other liabilities are shown in the table.

(*3) 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 obtained from external parties (brokers, etc.) or on the amount reasonably calculated according to the 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 from their qualitative viewpoint.

(6) Trading assets

For securities such as bonds that are held for trading purposes, the fair value is determined based on the 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 money held in trust by categories based on each purpose of holding the money held 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 market price 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 MUFG's 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 collateral 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 categories based on each purpose 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, virtually bankrupt and likely to become bankrupt borrowers, credit loss is estimated based on factors such as the present value of expected future cash flow or the expected amount to be collected from collateral and guarantees. Since the fair value of these items approximates the net amount of receivables after the deduction of allowance for credit losses on the consolidated balance 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 have 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 MUFG's or MUFG's 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 the premium applicable to MUFG's or MUFG's 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 have short contract terms (1 year or less).

(11) Bonds payable

The fair value of corporate bonds issued by MUFG and MUFG's 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 MUFG's or MUFG's 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 the premium applicable to MUFG or MUFG's 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.

(13) Other liabilities

For other liabilities, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because they have short contract terms (1 year or less).

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 cannot be reliably determined. These securities are not included in the amount presented under the line item "(8) Securities: Available-for-sale securities" in the table summarizing the fair value of financial instruments.

(in millions of yen)

Category	Carrying amount
(1) Unlisted equity securities (*1) (*2)	198,434
(2) Investments in partnerships and others (*2) (*3)	51,064
(3) Others (*2)	664
Total	250,163

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

(*2) With respect to non-listed equity securities, an impairment loss of ¥3,259 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 fair values of these securities cannot be reliably determined, their fair values are not disclosed.

Notes to Securities

In addition to "Securities" on the consolidated balance sheet, 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," beneficial interests in trusts in "Monetary claims bought" and others.

1. Trading securities (as of March 31, 2019)

(in millions of yen)

	Net unrealized gains (losses) recorded on the consolidated statement of income during the current fiscal year
Trading securities	(8,314)

2. Debt securities being held to maturity (as of March 31, 2019)

(in millions of yen)

	Type of securities	Amount on consolidated balance sheet	Fair value	Difference
Securities whose fair value exceeds amount on the consolidated balance sheet	Domestic bonds	1,100,701	1,142,320	41,618
	Government bonds	1,100,701	1,142,320	41,618
	Municipal bonds	-	-	-
	Corporate bonds	-	-	-
	Other securities	847,676	852,422	4,746
	Foreign bonds	392,592	395,923	3,330
	Other	455,083	456,499	1,415
	Subtotal	1,948,377	1,994,742	46,365
Securities whose fair value does not exceed amount on the consolidated balance sheet	Domestic bonds	-	-	-
	Government bonds	-	-	-
	Municipal bonds	-	-	-
	Corporate bonds	-	-	-
	Other securities	2,499,789	2,464,472	(35,317)
	Foreign bonds	820,955	797,484	(23,471)
	Other	1,678,834	1,666,987	(11,846)
	Subtotal	2,499,789	2,464,472	(35,317)
Total		4,448,167	4,459,215	11,047

3. Available-for-sale securities (as of March 31, 2019)

(in millions of yen)

	Type of securities	Amount on consolidated balance sheet	Acquisition cost	Difference
Securities whose fair value exceeds the acquisition cost	Domestic equity securities	4,722,446	1,895,377	2,827,068
	Domestic bonds	22,822,098	22,463,006	359,092
	Government bonds	17,471,174	17,191,370	279,803
	Municipal bonds	2,207,913	2,185,320	22,593
	Corporate bonds	3,143,010	3,086,315	56,695
	Other securities	17,444,398	16,990,459	453,939
	Foreign equity securities	104,061	51,462	52,598
	Foreign bonds	14,461,138	14,175,824	285,313
	Other	2,879,199	2,763,171	116,027
	Subtotal	44,988,943	41,348,843	3,640,100
Securities whose fair value does not exceed the acquisition cost	Domestic equity securities	230,946	293,653	(62,706)
	Domestic bonds	4,439,107	4,440,707	(1,600)
	Government bonds	4,071,160	4,071,994	(833)
	Municipal bonds	18,651	18,656	(4)
	Corporate bonds	349,294	350,057	(762)
	Other securities	10,919,656	11,159,758	(240,101)
	Foreign equity securities	10,817	10,829	(11)
	Foreign bonds	7,071,776	7,183,441	(111,665)
	Other	3,837,062	3,965,486	(128,424)
	Subtotal	15,589,710	15,894,119	(304,408)
Total		60,578,654	57,242,962	3,335,691

(Note) The total difference amount shown in the table above consisted of the following :

(in millions of yen)

Total difference	3,335,691
Revaluation gains (losses) on securities as a result of application of the fair value hedge accounting method, which are recorded in current earnings	101,289
Subtotal excluding the revaluation gains (losses) on securities as a result of the application of the fair value hedge accounting method	3,234,402
Unrealized gains (losses) on available-for-sale securities in investment limited partnerships	(437)
Unrealized gains (losses) as a result of foreign exchange adjustments related to available-for-sale securities denominated in foreign currencies whose fair value cannot be reliably determined	(4,677)
Net unrealized gains (losses) on available-for-sale securities	3,229,286
Deferred tax assets (liabilities)	(942,582)
Net unrealized gains (losses) on available-for-sale securities, net of deferred tax liabilities (before adjustments for non-controlling interests)	2,286,704
Non-controlling interests	(6,032)
MUFG’s ownership share in equity method investees’ unrealized gains (losses) on available-for-sale securities	(21,469)
Total net unrealized gains (losses) on available-for-sale securities	2,259,202

4. Available-for-sale securities sold during the current fiscal year (from April 1, 2018 to March 31, 2019)

(in millions of yen)

	Amount sold	Gains on sales	Losses on sales
Domestic equity securities	298,209	150,829	4,105
Domestic bonds	17,423,162	42,316	10,820
Government bonds	17,311,372	42,164	10,723
Municipal bonds	33,131	1	76
Corporate bonds	78,659	149	21
Other securities	15,591,097	140,197	150,496
Foreign equity securities	103,201	27,857	45,437
Foreign bonds	14,047,126	86,383	86,166
Other	1,440,769	25,956	18,893
Total	33,312,469	333,343	165,423

5. Securities reclassified due to change of purposes to be held

An overseas subsidiary whose fiscal year end is December 31 reclassified its securitized products of ¥213,512 million at the market value which had been previously classified as “Available-for-sale securities” to “Debt securities being held to maturity” during the fiscal year ended March 31, 2019 in accordance with Accounting Standards Codification (ASC) 320 Investments ー Debt Securities” released by the Financial Accounting Standards Board of the U.S. This change was made because their management considered it to be more appropriate to classify these securities as “Debt securities being held to maturity” as they have the ability and intent to hold to maturity.

Securities reclassified from “Available-for-sale securities” to “Debt securities being held to maturity” as of March 31, 2019 were as follows:

(in millions of yen)

	Fair value	Amount on consolidated balance sheet	Net unrealized gains (losses) on available-for-sale securities on the consolidated balance sheet
Foreign bonds	193,888	193,306	(6,043)

The securities of PT Bank Danamon Indonesia, Tbk. which had been previously held for “Available-for-sale securities” was reclassified to “Investment in affiliates” (amount on the consolidated balance sheet was ¥263,021 million) because PT Bank Danamon Indonesia, Tbk. were newly included in the scope of application of the equity method due to additional share acquisition during the fiscal year ended March 31, 2019.

6. Securities with impairment losses

Securities other than those held for trading purposes and investments in affiliates (excluding certain securities whose fair value cannot be reliably determined) are subject to write-downs when their fair value significantly declines and it is determined as of the end of the reporting period that it is not probable that the value will recover to the acquisition cost. In such case, the fair value is recorded on the consolidated balance sheet and the difference between the fair value and the acquisition cost is recognized as losses for the reporting period (referred to as "impairment losses").

For the current fiscal year, impairment losses were ¥10,755 million consisting of ¥9,549 million of impairment losses on equity securities and ¥1,205 million of impairment losses on bonds and other securities.

Whether there is any “significant decline in the fair value” is determined for each category of issuers in accordance with the internal standards for self-assessment of asset quality as provided below:

Bankrupt issuers, virtually bankrupt issuers and likely to become bankrupt issuers:

The fair value is lower than the acquisition cost.

Issuers requiring close watch:

The fair value has declined 30% or more from the acquisition cost.

Normal issuers:

The fair value has declined 50% or more from the acquisition cost.

“Bankrupt issuers” means issuers who have entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses. “Virtually bankrupt issuers” means issuers who are not legally or formally bankrupt but are regarded as substantially in a similar condition. “Likely to become bankrupt issuers” means issuers who are not yet legally or formally bankrupt but deemed to have a high possibility of becoming bankrupt. “Issuers requiring close watch” means issuers who are financially weak and are under close monitoring by our subsidiaries. “Normal issuers” means issuers other than those who are categorized in the four categories mentioned above.

Notes to Money Held in Trust

1. Money held in trust for trading purpose (as of March 31, 2019)

(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	41,715	46

2. Money held in trust being held to maturity (as of March 31, 2019)

(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	47,167	48,158	990	990	-

(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, 2019)

(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	824,079	821,739	2,340	2,340	-

(Note1) “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).
(Note2) The total difference amount shown in the table above consisted of the following :

(in millions of yen)

Total difference	2,340
Deferred tax assets (liabilities)	(722)
Net unrealized gains (losses) on available-for-sale securities, net of deferred tax liabilities (before adjustments for non-controlling interests)	1,617
Non-controlling interests	(108)
Total net unrealized gains (losses) on available-for-sale securities	1,509

Notes to Per Share Information:

Total equity per common share	¥1,252.02
Basic earnings per common share	¥66.91
Diluted earnings per common share	¥66.61

The shares of MUFG common stock remaining in the BIP trust, which were included in the treasury stock as part of shareholders' equity, were deducted from the average total number of issued shares for the fiscal year ended March 31, 2019 used for the calculation of earnings per common share and from the total number of issued shares as of March 31, 2019 used for the calculation of total equity per common share. The average number of such treasury stock deducted from the calculation of earnings per common share for the fiscal year ended March 31, 2019 was 36,064 thousand shares, and the number of such treasury stock deducted from the calculation of total equity per common share as of March 31, 2019 was 35,036 thousand shares.

Notes to Business Combinations:

None.

(Additional information)

(Acquisition of shares of firm)

On October 31, 2018, Mitsubishi UFJ Trust and Banking Corporation ("the Trust Bank"), a consolidated subsidiary of MUFG, entered into a Share Sale Deed with Australian financial group Commonwealth Bank of Australia ("CBA") and its wholly-owned subsidiary Colonial First State Group Limited (the "Seller") to acquire 100% of the shares in each of nine subsidiaries of the Seller, which collectively represent CBA's global asset management business known as Colonial First State Global Asset Management ("CFSGAM"), from the Seller (the "Proposed Transaction"), subject to applicable regulatory and other approvals and certain other conditions.

1. Objectives of the transaction

MUFG has stated in the current Medium-Term Business Plan that its Asset Management & Investor Services Business Group aims to become "the unparalleled industry leader in Japan as well as a global player boasting significant presence overseas". To achieve this goal of becoming a major player in the global asset management market, MUFG has been pursuing growth through inorganic investments, while endeavoring to enhance its asset management capabilities and product competitiveness, with the Trust Bank being the core subsidiary in the Business Group.

CFSGAM is a global asset management group with approximately AUD 210 billion in assets under management ("AuM") and is currently the third largest asset management group by AuM in Asian markets excluding Japan. CFSGAM offers a wide range of products including equities, fixed income and alternatives, and has specialist capabilities in Asian and emerging equity markets, alternatives (property and infrastructure), as well as passive and other products.

Through this Proposed Transaction, MUFG expects to be able to meet various client needs by expanding its product lineup and enhancing its presence as the largest asset management firm in the Asia and Oceania region. MUFG aims to work together with CFSGAM to continue delivering value to our current and future clients.

2. Name of the Seller in the Proposed Transaction

Colonial First State Group Limited

3. Names, business description and scale of the entities to be acquired

(1) Names	Colonial First State Asset Management (Australia) Limited
	Colonial First State Infrastructure Holdings Limited
	Colonial First State Managed Infrastructure Limited
	First State Investment Managers (Asia) Limited
	First State Investments (UK Holdings) Limited
	First State Investments (US) LLC
	Realindex Investments Pty Limited
	CFSGAM IP Holdings Pty Limited
	CFSGAM Services Pty Ltd
(2) Business description	Asset Management, etc.
(3) Assets under management	Approximately AUD 210 billion (as of December 31, 2017)
(4) Operating income	AUD 343 million (for the fiscal year ended June 30, 2018)

4. Expected date of the stock acquisition

MUFG expects to close the Proposed Transaction in the middle of 2019.

5. Acquisition price and the ratio of equity interest after the acquisition

Subject to the satisfaction of conditions precedent (including obtaining necessary regulatory approvals) set out in the Share Sale Deed, the Trust Bank expects to acquire a 100% equity interest in each of the CFSGAM entities for a total acquisition price of approximately AUD 4.0 billion.

(Acquisition of DVB Bank SE's aviation finance division)

1. Outline of the acquisition

MUFG Bank, Ltd. (“the Bank”), a consolidated subsidiary of MUFG, entered into an agreement for the purchase and transfer of DVB Bank SE’s (“DVB”) aviation finance division to the Bank and BOT Lease Co., Ltd. (“BOT Lease”), an equity method affiliate of both MUFG and the Bank on March 1, 2019.

Closing of the transaction is subject to the approvals of relevant authorities, as well as other conditions. This transaction is expected to be closed during the second half of 2019.

The asset purchase agreement provides for the entire aviation finance client lending portfolio (approximately €5.6billion as of 30 June 2018, which is equivalent to approximately ¥716.3billion at the rate of ¥127.91 to the euro), employees and other parts of the operating infrastructure to be transferred to the Bank. The transaction also includes the acquisition of DVB’s aviation investment management and asset management businesses which will be transferred to a newly established subsidiary of BOT Lease.

2. Objectives of the transaction

The transaction intends to improve MUFG’s ability to offer bespoke solutions to MUFG’s clients by enhancing MUFG’s Global CIB Business platform in terms of higher returns, portfolio diversification, broadening MUFG’s customer base and securing experienced professionals through the transaction.

DVB is part of Germany's second-largest banking group as a subsidiary of DZ BANK AG Deutsche Zentral-Genossenschaftsbank. DVB, headquartered in Germany, specializes in the international finance business in the market of aviation, land transportation and shipping. DVB is a leading player of originating loans to passenger and freighter aircraft including narrow-body aircraft and wide-body aircraft in aviation finance section. DVB offers integrated financing solutions and advisory services.

Notes to Significant Subsequent Events

(PT Bank Danamon Indonesia, Tbk. became a consolidated subsidiary through additional share acquisition)

On April 29, 2019, MUFG Bank, Ltd. ("the Bank"), a consolidated subsidiary of MUFG, acquired an additional 54.0% equity interest (5,174,089,400 shares) in PT Bank Danamon Indonesia, Tbk. ("Danamon"), from the Asia Financial (Indonesia) Pte. Ltd. and other shareholders, based on a price of IDR 9,590 (approximately USD 0.68 / approximately ¥77) per share at an aggregate investment amount of IDR 49,620 billion (approximately USD 3.51 billion / approximately ¥397 billion).

Simultaneously, the Bank acquired an additional 92.1% equity interest (736,578,439 shares) in PT Bank Nusantara Parahyangan, Tbk. ("BNP") from ACOM CO., LTD., a consolidated subsidiary of MUFG, and other shareholders, based on a price of IDR 4,088 (approximately USD 0.29 / approximately ¥33) per share at an aggregate investment amount of IDR 3,011 billion (approximately USD 0.21 billion / approximately ¥24.1 billion). As a result of that the Bank held 94.0% shares of Danamon and 99.9% shares of BNP, Danamon and BNP became consolidated subsidiaries of both MUFG and the Bank.

In addition, Danamon and BNP completed an absorption-type merger on May 1, 2019, in which Danamon was the surviving bank and BNP was the absorbed bank. As a result of this merger, the Bank acquired 188,908,055 ordinary shares of Danamon in exchange for BNP shares which the Bank had, and the amount of the Bank's ordinary shares of Danamon became 9,196,854,792 which is equivalent to 94.1% equity interest in Danamon.

Objectives and outline of the transaction are described in "Equity method applied to Danamon due to additional shares acquisition" of "Additional information".

Financial summary of Danamon for the fiscal year ended December 31, 2018:

(millions of IDR)

Operating income:	23,868,444
Net operating income:	5,158,037
Net income attributable to shareholders:	3,922,172
Total assets:	186,762,189
Net equity:	41,939,821

(Notes)

1. "Operating income" refers to the total of "Interest income" and "Other operating income."
2. The above figures are presented based on Regulation of Financial Service Authority ("POJK") No. 6/POJK.03/2015 dated 31 March 2015 regarding "Transparency and Publication of Bank Reports" and its amendment of POJK No. 32/POJK.03/2016 dated 8 August 2016, and the Copy of Circular Letter of Financial Service Authority ("SEOJK") No. 43/SEOJK.03/2016 dated 28 September 2016.

(In millions of yen)

For the fiscal year ended March 31, 2019

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Other retained earnings			
				Other reserve	Earned surplus brought forward		
Balance at the beginning of the fiscal year	2,141,513	2,141,524	1,277,737	150,000	3,608,538	(520,790)	8,798,523
Changes during the fiscal year							
Cash dividends					(276,249)		(276,249)
Profits					139,767		139,767
Repurchase of treasury stock						(160,984)	(160,984)
Disposal of treasury stock			(0)			3,774	3,774
Cancellation of treasury stock			(162,720)			162,720	
Net changes of items other than shareholders' equity							
Total changes during the fiscal year	–	–	(162,720)	–	(136,481)	5,510	(293,692)
Balance at the end of the fiscal year	2,141,513	2,141,524	1,115,016	150,000	3,472,056	(515,280)	8,504,830

	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	(85,405)	254	8,713,373
Changes during the fiscal year			
Cash dividends			(276,249)
Profits			139,767
Repurchase of treasury stock			(160,984)
Disposal of treasury stock			3,774
Cancellation of treasury stock			
Net changes of items other than shareholders' equity	(9,639)	(65)	(9,704)
Total changes during the fiscal year	(9,639)	(65)	(303,396)
Balance at the end of the fiscal year	(95,044)	189	8,409,976

Notes to the Non-consolidated Financial Statements

Notes to Significant Accounting Policies

1. Securities

Equity securities of subsidiaries and affiliates are stated at cost computed under the moving-average method.

2. Depreciation and Amortization of Fixed Assets

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

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

Buildings	10 to 15 years
Equipment and furniture	2 to 6 years

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

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

(3) Lease Assets

Depreciation or amortization of lease assets in “Tangible fixed assets” 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, is recorded in the amount deemed to have accrued based on the estimated amount of bonuses as of the balance sheet date.

(3) Reserve for bonuses to directors, which is provided for future bonus payments to directors and officers, is recorded in the amount deemed to have accrued based on the estimated amount of bonuses as of the balance sheet date.

(4) Reserve for stocks payment, which is provided for future payments of compensation under the stock compensation plan for directors and officers, is recorded in the amount deemed to have accrued based on the estimated amount of compensation as of 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 yen at exchange rates prevailing at the balance sheet date, except for equity securities of subsidiaries and affiliates which are translated into yen at exchange rates prevailing at the acquisition dates.

(3) Hedge Accounting

The deferred hedge accounting method is applied to hedging transactions for foreign currency risks arising from equity securities of 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

MUFG, as the parent company for the consolidated tax payment, adopts the consolidated taxation system.

Notes to Changes in Method of Presentation

MUFG adopted the statement “Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 issued on February 16, 2018) on April 1, 2018. In presentaion, Deferred tax assets are classified to Investments and other assets, and Deferred tax liabilities are classified to Fixed liabilities.

Additional Information

A Board Incentive Plan ("BIP") for Directors and Officers

Notes are omitted as they are identical to those made in Notes to the Consolidated Financial Statements (Additional Information) in the consolidated financial statements.

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: ¥1,412 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 MUFG Bank(Europe)N.V., a subsidiary of MUFG, in accordance with regulations of The Deposit Protection Fund of Germany. The amount indemnified by MUFG was ¥280,109 million.
   (2) MUFG guaranteed bank loans and others borrowed from financial institutions and other organizations by MUFG Securities EMEA plc, a subsidiary of MUFG. The amount guaranteed by MUFG was ¥30,152 million.

4. Monetary Claims and Monetary Debts to Subsidiaries and Affiliates

Short-term monetary claims to subsidiaries and affiliates	¥210,914 million
Short-term monetary debts to subsidiaries and affiliates	¥1,495,647 million
Long-term monetary debts to subsidiaries and affiliates	¥250,500 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	¥325,795 million
Operating expenses	¥3,854 million
Non-operating transactions	¥1,065,606 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, 2018	Number of shares increased	Number of shares decreased	Number of shares as of March 31, 2019
Treasury stock				
Common stock	735,321	247,186	239,010	743,497

(Note1) The increase in the number of share of common stock held in treasury by 247,186 thousand shares was due to the acquisitions of shares pursuant to provisions of the Articles of Incorporation, the acquisition of shares for the BIP trust, the repurchases of shares in response to requests made by shareholders holding shares constituting less than one whole unit, and the sale of shares held by untraceable shareholders. The decrease in the number of shares of common stock held in treasury by 239,010 thousand shares was due to the cancellation of shares, the sale or delivery of shares for the BIP trust, the sales of shares in response to requests made by shareholders holding shares constituting less than one whole unit.

(Note2) The number of shares of common stock as of March 31, 2019 includes 35,036 thousand shares held by the BIP trust. For the fiscal year ended March 31, 2019, the number of shares held by the BIP trust increased by 13,049 thousand shares and decreased by 6,747 thousand shares.

Notes to Tax Effect Accounting

1. The breakdown of significant temporary differences which resulted in "Deferred tax assets and liabilities" as follows:

(in millions of yen)

Deferred tax assets:	
Tax loss carried forward	10,866
Deferred hedge losses	39,111
Equity securities of subsidiaries and affiliates	159,031
Others	1,502
Subtotal	210,511
Valuation allowance	(176,904)
Total deferred tax assets	33,606
Deferred tax liabilities:	
Equity securities of subsidiaries and affiliates	4,223
Deposits received(BIP trust)	163
Accrued dividend receivable	692
Others	97
Total deferred tax liabilities	5,177
Net deferred tax assets	28,429

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	Relationship	Transactions	Amount	Amount on balance sheet as of March 31, 2019	
Subsidiary	MUFG Bank, Ltd.	Directly 100.00% Indirectly - % Total 100.00% The subsidiary's share of MUFG's voting rights - %	Significant subsidiary (Banking)	Lendings (*1)	1,850,569	Long-term loans receivable from subsidiaries and affiliates	6,213,339
				Interest income (*1)	111,995	Accrued income	19,824
				Borrowings (*2)	-	Short-term borrowing	1,425,682
				Interest payments (*2)	17,341	Accrued expenses	154
Subsidiary	Mitsubishi UFJ Trust and Banking Corporation	Directly 100.00% Indirectly - % Total 100.00% The subsidiary's share of MUFG's voting rights - %	Significant subsidiary (Banking)	Lendings (*1)	50,000	Long-term loans receivable from subsidiaries and affiliates	650,970
				Interest income (*1)	11,433	Accrued income	1,728
				The sale of equity securities of Mitsubishi UFJ Trust and Banking Corporation (*6)			
				The amount of sale	299,999		
				Gains on the sale	171,269		
Subsidiary	Mitsubishi UFJ Securities Holdings Co., Ltd.	Directly 100.00% Indirectly - % Total 100.00% The subsidiary's share of MUFG's voting rights - %	Other subsidiary	Lendings (*1)	148,040	Long-term loans receivable from subsidiaries and affiliates	334,742
				Interest income (*1)	3,654	Accrued income	872
Subsidiary	MUFG Bank(Europe) N.V.	Directly - % Indirectly 100.00% Total 100.00% The subsidiary's share of MUFG's voting rights - %	Other subsidiary	Guarantee(*3)	280,109	-	-
Subsidiary	MUFG Securities EMEA plc	Directly - % Indirectly 100.00% Total 100.00% The subsidiary's share of MUFG's voting rights - %	Other subsidiary	Guarantee (*4)	30,152	-	-

(in millions of yen)

Status	Name	MUFG's share of voting rights	Relationship	Transactions	Amount	Amount on balance sheet as of March 31, 2019	
Subsidiary	MUFG Capital Finance 9 Limited	Directly 100.00% Indirectly - % Total 100.00% The subsidiary's share of MUFG's voting rights - %	Special Purpose companies for issuance of preferred securities	Interest payments (*5)	10,456	Bonds payable	250,500
						Accrued expenses	1,906
Affiliates	Morgan Stanley	Directly 24.01% Indirectly - % Total 24.01% The subsidiary's share of MUFG's voting rights - %	Affiliates	The sale of equity secrurities of Morgan Stanley(*7)		-	-
				The amount of sale	141,177		
				Gains on the sale	87,552		

Amount of transactions does not include consumption taxes.

Terms and conditions on transactions and transaction policy:

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

(*2) Short-term borrowings:
Interest rate on short-term borrowings were determined based on the market interest rates or on the interest rates at which the funds were raised from MUFG Bank, Ltd. The borrowings were non-collateralized with a lump-sum repayment method at maturity.

(*3) MUFG indemnified The Association of German Banks for the deposit liabilities of the branches in Germany of MUFG Bank(Europe) N.V., a subsidiary of MUFG, in accordance with regulations of The Deposit Protection Fund of Germany.

(*4) MUFG guaranteed bank loans and others borrowed from financial institutions and other organizations by MUFG Securities EMEA plc, a subsidiary of MUFG.

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

(*6) The amount of sale of equity securities of Mitsubishi UFJ Trust and Banking Corporation was determined as refered of the price calculated by third party institutions that were independent of both companies in calculation through discussions.

(*7) The amount of sale of equity securities of Morgan Stanley which MUFG sold through Morgan Stanley & Co.LLC as the agent of Morgan Stanley was determined based on the percentage of the number of shares Morgan Stanley had previously repurchased during certain period of time from other shareholders in the open market under its share repurchase program and the average price of those shares Morgan Stanley repurchased from other shareholders during such period.

Notes to Per Share Information:

Total equity per common share	¥650.69
Basic earnings per common share	¥10.71
Diluted earnings per common share	¥10.71

(Note)The shares of MUFG common stock remaining in the BIP trust, which were included in the treasury stock as part of shareholders' equity, were deducted from the average total number of issued shares for the fiscal year ended March 31, 2019 used for the calculation of earnings per common share and from the total number of issued shares as of March 31, 2019 used for the calculation of total equity per common share. The average number of such treasury stock deducted from the calculation of earnings per common share for the fiscal year ended March 31, 2019 was 35,064 thousand, and the number of such treasury stock deducted from the calculation of total equity per common share as of March 31, 2019 was 35,036 thousand.

Other Notes

1. Equity Securities of Subsidiaries and Affiliates

(in millions of yen)

	Amount on balance sheet	Fair value as of March 31, 2019	Net unrealized gains
Subsidiaries	90,074	232,545	142,471
Affiliates	822,220	2,032,996	1,210,775
Total	912,295	2,265,542	1,353,247

(Note) Equity securities of subsidiaries and affiliates whose fair value cannot be reliably determined.

(in millions of yen)

	Amount on balance sheet
Subsidiaries	8,803,789
Affiliates	47,039
Total	8,850,828

Since there was no quoted market price available and the fair value of these securities cannot be reliably determined, they were not included in the table above.

2. Subordinated Borrowings

“Long-term borrowings from subsidiaries and affiliates” were all subordinated borrowings with the special provision which ranks below other debts with regard to fulfillment of obligation.

3. Subordinated Bonds

Bonds payable included ¥3,190,500 million of subordinated bonds.