Major Borrowings

Creditors	Balance of Borrowings (millions of yen)	Creditor Investment in the Company

The MUFG Way and the Code of Conduct of MUFG

crimes, including money laundering and terrorism financing.

(3) Management Framework for Customer Protection, etc.

MUFG and the directly owned su

and follow up on the progress being made on the policies and quantitative plans.

The Members of the Audit Committee are entitled to attend the executive committee and other important committees, etc., as prescribed in the relevant company rules.

MUFG has provided in the Compliance Manual that the matters prescribed in the Audit Committee

Notes to the Consolidated Financial Statements

Amounts of less than one million Japanese yen ("yen") are rounded down.

(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

(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.

The Bank, a principal consolidated domestic banking subsidiary, determine loss rates primarily by calculating a rate of loss based on a historical average of the credit loss rate or a historical average of the default probability derived from actual credit loss experience or actual bankruptcy experience and making necessary adjustments based on future projections and other factors. When making adjustments based on future loss projections and other factors to loss rates calculated based on historical loss experience, the subsidiaries take into account the rate of increase in the credit loss rate or the default probability in a more recent period, especially in light of the sudden and significant deterioration in

(c) Effect on the consolidated financial statements for the following fiscal year

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Changes in Accounting Policies

(Additional Information)
(Adoption of ASU2016-13, “Measurement of Credit Losses on Financial Instruments”)
Certain overseas subsidiaries which apply U.S. GAAP adopted ASU2016-13, “Measurement of Credit Losses on Financial Instruments” from the beginning of the current fiscal year. This update replaces the incurred loss impairment methodology in

Notes to the Consolidated Balance Sheet

1. “Securities” includes ¥49,430 million of unsecured securities lent with respect to which borrowers have rights to sell or

In addition to the items listed above, ¥27,441 million of monetary claims bought, ¥1,757,709 million of trading assets, ¥13,659,016 million of securities, and ¥5,373,937 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. Trading assets of ¥2,328,320 million and securities of and ¥6,223,880 million were sold underthpurchase agreements or loaned undeh

Notes to the Consolidated Statement of Income

1. “Other ordinary income” included ¥321,761 million of equity in earnings of the equity method investees and ¥189,957

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, 2020	Number of shares increased	Number of shares decreased	Number of shares as of March 31, 2021	Note

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 hedges risks through derivative ttanand]TJ pia]T3.195 -(d)7.1 ( )]TJ0340003 1pn26.7Natu-2.6 (curi38 (gsties id)7-

(B) Market risk management

(a) Risk management system

For a certain portion of the deposits without contractual maturities (so-called core deposits), interest rate risk is

(Note 1) Description of the valuation techniques and inputs used to determine fair value

Monetary claims bought

The fair value of monetary claims bought is determined using prices obtained from third-party vendors (broker-dealers, etc.) or the prices estimated based on internal models.

With respect to some securitized products backed by general corporate loans, the fair value is measured by considering the estimated fairS0 gs8 (a)-2.3 (l0 0e)4amount6 (is determ .6 (used 0 g (djectimathe)6cashated f)6l6 (ae)4ows

Loans and bills discounted

(Note 2) Quantitative information about financial assets and liabilities measured and presented on the consolidated balance sheet at fair value and classified in Level 3

(1) Quantitative information on significant unobservable inputs

Category	Valuation technique	Signification unobservable inputs	Range	Weighted average(*1)
Monetary claims bought				
Securitized products	Internal model(*2)	Correlation between underlying assets	3.0%	3.0%
		Liquidity premium	1.3%~1.5%	1.3%
		Prepayment rate	18.3%	18.3%

(Translation)

3. Available-for-sale securities (as of March 31, 2021)

(in millions of yen)

	Type of securities	Amount on consolidated balance sheet	Acquisition cost	Difference

(Translation)

(Translation)

Notes to Business Combinations:

(Additional Information)

Notes to the Non-consolidated Financial Statements

(Translation)

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, 2020	Number of shares increased	Number of shares decreased	Number of shares as of