



Corporate Value Foundation

We explain our management system, including corporate governance and risk management framework, and outline our human resources and our approach to Corporate Social Responsibility.



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Strengthening a Governance Structure That Supports Corporate Value



MUFG Board of Directors Meeting held on June 29, 2016

Fundamental Concepts

MUFG will aim for sustainable growth and the increase of corporate value over the medium- to long-term, in consideration of the perspectives of its stakeholders, including shareholders as well as customers, employees and local communities. MUFG will aim to realize effective corporate governance through fair and highly transparent management based on the guidance provided by MUFG Corporate Governance Policies established in May 2015.

Steps to Improve Our Governance Structure

Since its establishment, MUFG has worked to build a stable and effective corporate governance structure, putting emphasis on ensuring external oversight. In June 2015, MUFG transitioned to the “company with three committees” governance structure. The functions of oversight and execution in the holding company are separated, thereby strengthening the oversight function of the Board of Directors and the committee system has also been reorganized for more effective governance. We are aiming for a governance

Corporate Governance Development

	October 2005 Establishment of MUFG	June 2013	June 2014	June 2015	May 2016
Governance Structure	Company with a Board of Corporate Auditors			Company with Three Committees	
Outside Directors	2005 Four	2006 Three	2012 Two	Three	Five
Committees under the Board of Directors				Governance Committee	
	2005 Nomination Committee		2008 Nomination and Compensation Committee		Nominating and Governance Committee (statutory Nominating Committee)
	2005 Compensation Committee				Compensation Committee (statutory)
	2005 Internal Audit and Compliance Committee			Audit Committee (statutory)	
	Risk Committee				
Advisory Board	2005 Advisory Board				
	Global Advisory Board			Integrated into the Global Advisory Board	
Board of Directors Operations	Evaluation of Board of Directors				
				Independent Outside Directors Meeting/ Appointment of Lead Independent Outside Director	
Policy				MUFG Corporate Governance Policies	
					U.S. Risk Committee

framework that will be more familiar and transparent to overseas stakeholders, in line with our status as a G-SIB (Global Systemically Important Bank).

In May 2016, MUFG established the U.S. Risk Committee, and in June, three of its core subsidiaries, namely, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Securities Holdings Co., Ltd., transitioned to the “company with audit and supervisory committee” governance structure. In the same month, MUFG Corporate Governance Policies were formulated to provide an overarching philosophy and framework guiding corporate governance at these and all other Group companies.

Outline of Board of Directors and Committees

The Board of Directors is composed of 17 members, of whom 7 (over one third) are outside directors with a high degree of independence. Of the 17 directors, the majority (9) are non-executive directors.

The outside directors are a balanced group (corporate management, a university professor, a lawyer and an accountant) with a diverse range of experience and expertise.

Nominating and Governance Committee

The Committee is composed of outside directors and the President & CEO, with an outside director as Chairperson. The Committee decides on proposals for the appointment or dismissal of directors that are submitted to the General Meetings of Shareholders. It also discusses matters related to the Chairman, Vice-Chairman, President, and other major management positions in the holding company or major subsidiaries and makes recommendations to the Board of Directors. It examines corporate governance policy and framework and makes recommendations to the Board of Directors.

Compensation Committee

The Committee is composed of outside directors and the President & CEO, with an outside director as Chairperson. The Committee decides the compensation policy for directors and corporate executive officers and also decides the details of individual compensation. It examines the compensation systems for senior management at the holding company and major subsidiaries and makes recommendations on establishment and reform to the Board of Directors.

Committee Membership

●: Chairperson ●: Member

		Nominating and Governance Committee	Compensation Committee	Audit Committee	Risk Committee	U.S. Risk Committee
Yuko Kawamoto	Outside Director	●	●		●	
Haruka Matsuyama	Outside Director	●	●			
Kunie Okamoto	Outside Director	●	●			
Tsutomu Okuda	Outside Director	●	●		●	
Hiroshi Kawakami	Outside Director	●	●	●		
Yukihiro Sato	Outside Director			●		
Akira Yamate	Outside Director			●		
Nobuyuki Hirano	President & Group CEO	●	●			
Tadashi Kuroda	Senior Managing Executive Officer, Group CSO & Group CHRO				●	
Kanetsugu Mike	Senior Managing Executive Officer, Group Head, Global Business Group, Regional Executive for the Americas					●
Masamichi Yasuda	Managing Executive Officer, Group CRO					●
Takashi Mikumo	Non-executive Director			●		
Takehiko Shimamoto	Non-executive Director			●		
Akira Ariyoshi	Outside expert, graduate school professor				●	
Kenzo Yamamoto	Outside expert				●	
Christine Garvey	MUAH* Outside Director					●
Dean A. Yoost	MUAH Outside Director					●
Ann F. Jaedicke	MUAH Outside Director					●
Stephen Cummings	MUAH President & CEO					●

* MUFG Americas Holdings Corporation (MUAH; U.S. intermediate holding company)

(As of July 1, 2016)

Strengthening a Governance Structure That Supports Corporate Value

Audit Committee

The Committee is composed of outside directors and non-executive directors, with an outside director as Chairperson. The Committee examines the execution of business by directors and corporate executive officers and prepares auditing reports. It also examines the business and financial situation of the holding company and subsidiaries, conducting fieldwork where necessary.

Risk Committee

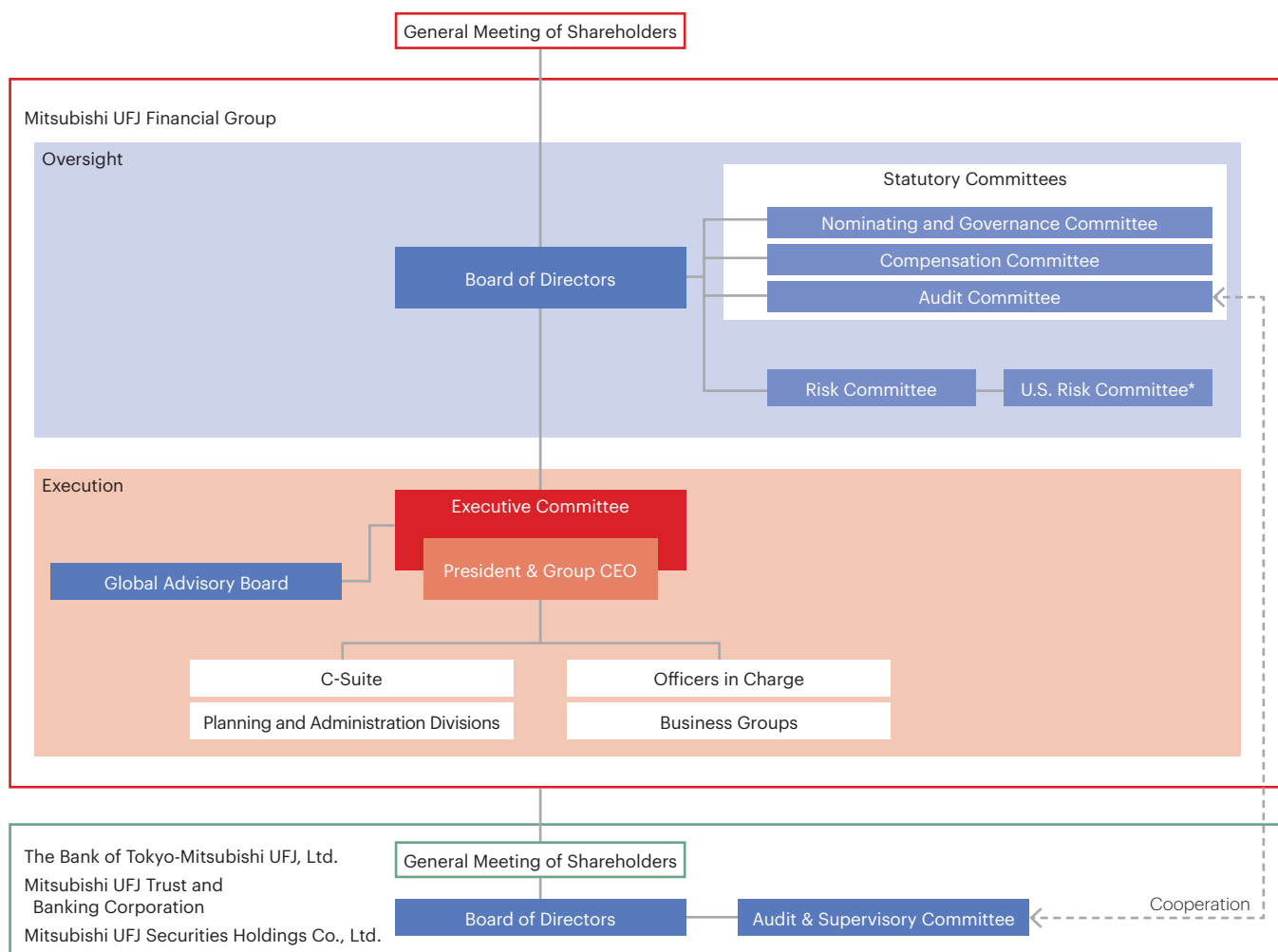
The Committee is composed of internal directors, outside directors and outside expert members, with an outside director as Chairperson. The Committee examines matters related to Groupwide risk management and reports to the Board of Directors. It examines important issues of the overall risk management matters and issues relating to the top risk matters (including critical compliance matters), as well as other issues

that need to be examined by the Risk Committee and makes recommendations to the Board of Directors.

U.S. Risk Committee

In May 2016, MUFG established the U.S. Risk Committee under the MUFG Risk Committee in order to comply with the Enhanced Prudential Standards. The U.S. Risk Committee is composed of the members of MUFG Americas Holdings Corporation (MUAH) Risk Committee, delegate(s) from MUFG, Regional Executive for the Americas and MUAH CEO.

The U.S. Risk Committee shall deliberate on all types of risk in the U.S. on a group basis, report and make recommendations to the MUFG Risk Committee as well as oversee the status, control and management of the material risks to which MUFG's operations in the U.S. may be exposed and overall risk management framework in respect of MUFG's operations in the U.S.



■ Membership includes outside directors and committee members

* Established based on the U.S. Prudential Regulations



Strengthening the Function of the Board of Directors

Having transitioned to the “company with three committees” structure in 2015, MUFG is striving to strengthen its corporate governance and the function of the Board of Directors.

Operational Status of the Board of Directors

The Board of Directors decides on basic management policies while taking on the supervision of management activities. In principle, business matters other than those reserved for the Board of Directors in accordance with the law are delegated to and decided on by corporate executive officers. However, particularly important matters (listed below) are discussed and decided on solely by the Board of Directors.

- Management strategy, risk management policy, capital policy, resource allocation and other basic management policies for the entire Group
- Supervision of directors and corporate executive officers who take on business execution
- Internal control systems for the Group and the monitoring of the development and operation of such systems
- Appointment of corporate executive officers
- Oversight of initiatives to develop a corporate governance structure and to facilitate a sound corporate culture

Having transitioned to the “company with three committees” structure in June 2015, MUFG reviewed the agenda discussed

at Board of Directors meetings while examining the operation of the Board (including the frequency of such meetings). As a result, the number of meetings was decreased by half, and the number of agenda items was cut by approximately 60%. On the other hand, the duration of regular Board of Directors meetings increased from 2.5 hours to 5 hours due to a longer time being allocated to discussions.

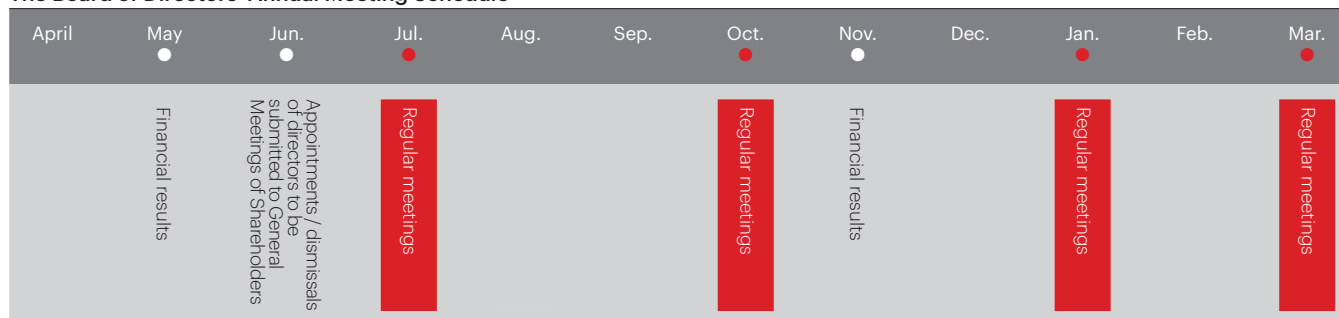
Status of the Board of Directors’ Operations

	Fiscal 2014 (June 2014 to March 2015)	Fiscal 2015 (June 2015 to March 2016) After a transition to the “company with three commit- tees” system
Number of meetings held	14	7
Number of agenda items	210	86
Average duration of regular Board of Directors meetings	2.5 hours	5 hours
Volume of pages included in meeting materials (annual total)	Approx. 1,200	Approx. 300

Board of Directors meetings are followed by Independent Outside Directors Meetings attended only by outside directors. At these meetings, attendees engage in deliberations regarding such matters as the operation of the Board of Directors and committees, collaboration between the Board and corporate executive officers, and possible measures to enhance the function of outside directors. Conclusions reached at this meeting are reported to the chairman, who heads the Board of Directors, and the president by a Lead Independent Outside Director.

Strengthening a Governance Structure That Supports Corporate Value

The Board of Directors' Annual Meeting Schedule



Example of Timetable for a Regular Board of Directors Meeting

	Topics	Presenter or Attendees
10:00	CEO Report	Group CEO
	CSO Report	Group CSO
	CFO Report	Group CFO
Lunch break		
	CRO Report	Group CRO
	Risk Committee Report	Chairperson of Risk Committee
	CCO Report	Group CCO
	Audit Committee Report	Chairperson of Audit Committee
	Nominating and Governance Committee Report	Chairperson of Nominating and Governance Committee
	Compensation Committee Report	Chairperson of Compensation Committee
	Break	

	Topics	Presenter or Attendees
	Specific issue (1)	Officer in charge of the issue
	Specific issue (2)	Officer in charge of the issue
	Specific issue (3)	Officer in charge of the issue
	Specific issue (4)	Officer in charge of the issue
16:30	Independent Outside Directors Meeting	All outside directors
	Report on the conclusions reached at the aforementioned meeting	Lead Independent Outside Director, Chairman of the Board and President, Group CEO
17:30	Close (7.5 hours in total)	

CEO: Chief Executive Officer	CCO: Chief Compliance Officer
COO: Chief Operating Officer	CLO: Chief Legal Officer
CSO: Chief Strategy Officer	CAO: Chief Audit Officer
CFO: Chief Financial Officer	CIO: Chief Information Officer
CRO: Chief Risk Officer	CDO: Chief Data Officer
CHRO: Chief Human Resources Officer	

Stepping Up Support for Outside Directors

Board Educational Sessions are held to support independent outside directors by providing necessary information beyond the scope of the discussion agendas of the Board of Directors meetings. Outside directors attend these sessions to be apprised of MUFG's business operations and the management environment surrounding it, immediately after their appointment and on a regular basis during the term of their service.

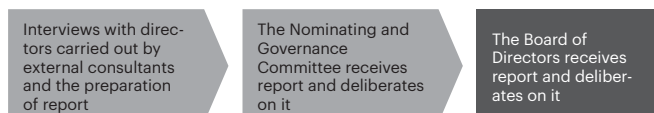
In fiscal 2015, MUFG held four such sessions. Themes for these sessions were selected based on opinions voiced at the Board of Directors meetings and Independent Outside Directors Meetings and included such matters as MUFG's strategies for the Americas business, the operations of Morgan Stanley and the Bank of Ayudhya and the outline of IT systems as well as business plans for fiscal 2016.

Separately, MUFG held a Board Educational Session for newly appointed outside directors in July 2015 under such themes as MUFG's governance structure, management vision and its medium-term business plan.

Evaluation Framework of the Working Practices of the Board of Directors' Operations

Since 2013, with the aim of enhancing the function of its Board of Directors, MUFG has introduced a framework to regularly evaluate the Board of Directors' working practices through implementation of a PDCA cycle.

External consultants interview each director on the composition of the Board of Directors, the content of agendas, the discussions at Board Directors meetings, the operations of the Board, and the Board's contributions. Results of these interviews and assessments by consultants are reported and discussed by the Nominating and Governance Committee and the Board of Directors.



Measures Aimed at Securing Responsiveness to Japan's Corporate Governance Code (Excerpts)

MUFG has determined that the design and operation of a corporate governance framework based on the concepts outlined above is one of its most important issues. MUFG implements all of these individual principles in compliance with MUFG Corporate Governance Policies.

[Disclosure Based on the Principles of the Corporate Governance Code] [Principle 1-4]

Strategic shareholdings policy

- The circumstances surrounding strategic shareholdings*¹ have changed greatly in recent years due to, among other things, the tightening of international financial regulations and the introduction of the Corporate Governance Code in Japan.
- Based on these changes, MUFG has adopted a basic policy that its Group banks,*² taking into account shareholding risk, capital efficiency and international financial regulations, shall reduce the amount of shares held for the purpose of strategic investment,*³ following sufficient consultation with the relevant corporate business clients.
- Shares held for the purpose of strategic investment will be examined for their significance and economic rationale from the perspectives of our corporate business clients' growth and earnings and the strengthening of business relations. We shall proceed with selling those shareholdings for which there is insufficient rationale, after securing an understanding of the relevant corporate business clients. Even where there is sufficient rationale, we may sell those shareholdings in accordance with our basic policy of reducing strategic shareholdings, taking into account, among other things, the market environment and our business and financial strategy.
- In fiscal year 2015, MUFG reduced its strategic shareholdings by approximately 120 billion yen (simple combined revenue of Group banks, acquisition cost basis), and its ratio of equity holdings at acquisition price over Tier1 capital declined from 19.7% to 17.9% as of March 31, 2016. MUFG aims to lower this to around 10% by the end of the next Medium-term Business Plan (March 31, 2021).

*1 "Strategic shareholdings" refers to shares excluding trading investments (shares of subsidiaries and affiliates are not included). These are classified into three categories: 1. strategic investments, 2. business strategy and 3. revitalization support, with most falling under 1.

*2 "Group banks" refers to The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corporation, consolidated subsidiaries of MUFG.

*3 "Shares held for the purpose of strategic investment" refers to shares held for the purpose of increasing the medium- to long-term economic profits of MUFG and Group banks through maintaining and expanding comprehensive business relations with our corporate business clients.

Examination of significance and economic rationale of shareholdings

- At each Group bank, all shares held for the purpose of strategic investment are being confirmed for their significance and economic rationale (risk-return) over the medium- to long-term from the perspectives of our corporate business clients' growth and earnings and the strengthening of business relations. Based on Principle 1-4 of the Corporate Governance Code, the most important strategic shareholdings*⁴ are examined by MUFG's Board of Directors.
- Economic rationale is examined based on MUFG's overall business RORA, which is based on its ROE target, as a target value. The results of the March 31, 2016 validations are as follows.
 - We confirmed the validity of the significance of these shareholdings as all of the validation targets were held with the aim of enhancing the medium- to long-term economic interests of MUFG and Group banks. Regarding economic rationality, the overall business RORA of all of the verification targets as a whole exceeded the target value.
 - By company, approx. 80 percent of business partners exceeded the target value.*⁵ The approx. 20 percent that fell below the target value are aiming to improve profitability, but if they do not improve within a set period, we will consider selling.

*4 The aggregate market value of validation targets held as of March 31, 2016 was approx. 3.2 trillion yen (book value: approx. 1.8 trillion yen), covering approx. 70 percent of the total market value of the (listed) equities held by Group banks for the purpose of strategic investment.

*5 *6 In the previous fiscal year, whether a business partner exceeded the target profitability value was determined on either a parent company basis or a group basis, but from this fiscal year it is being determined on a group basis for each business partner. As a result, both this fiscal year and last fiscal year approx. 80 percent of business partners exceeded the target value, but for listed equities that were not validation targets, last fiscal year approx. 80 percent of business partners exceeded the target value, and this fiscal year approx. 70 percent exceeded the target value.

Standards with respect to the exercise of voting rights

- In order to ensure the appropriate exercise of voting rights of shares held for the purpose of strategic investment, MUFG and Group banks will make comprehensive decisions on every proposal for the agenda of a shareholders meeting after confirming the following two points:
 - (1) Will it increase the medium- to long-term corporate value and lead to continuous growth of the relevant corporate business client?
 - (2) Will it increase the medium- to long-term economic profits of MUFG and Group banks?
- The status of the exercise of voting rights of the most important strategic shareholdings will be reported to MUFG's Board of Directors.

[Supplementary Principle 4.11.3]

Evaluation of the board of directors

- Every year, MUFG analyzes and evaluates the effectiveness of the Board of Directors, and then reviews and implements measures against any issues discovered. By using a PDCA cycle to review the progress in improvement, MUFG is engaged in the continual enhancement of the abilities of the Board of Directors.
- Following the advice of a third-party external consultant, MUFG conducted interviews of all directors on issues relating to the Board of Directors, including its structure, management, and contributions made, as well as how it conducts proposals and discussions.
- The summary of the results of the evaluation of the Board of Directors for fiscal year 2015 is as follows:
 - (1) As an evaluation of the first year of MUFG's transition into a company with three committees, the Board of Directors and Committee Members were evaluated to have appropriately established a system that leverages management oversight functions. They are also deemed to have made steady improvements to the management of the Board of Directors, such as the way it conducts proposals and discussions, contributions made from directors, and the progress of reform.
 - (2) In enhancing its monitoring model, MUFG recognizes that flexible response by the Board of Directors to environmental changes that affect management, such as further changes to the environment which enhance fundamental discussion, as well as events such as negative interest rates and irregularity in the global economy, is an important issue.

[Principle 5.1]

Policies for dialogue with shareholders

- Through dialogue with shareholders, MUFG seeks their understanding of MUFG's business strategy and so forth and strives to take appropriate actions based on an understanding of shareholders' perspectives.
- Dialogue with shareholders is achieved via appropriate exchange of information and organized cooperation between the divisions, such as Financial Planning Division, Corporate Administration Division, Corporate Planning Division, and Corporate Communications Division Media Relations Office. As the director responsible for the Financial Planning Division, Group CFO exercises comprehensive oversight over Investor Relations Office, which generally handles investor relations activities, Office of the CFO, which generally handles matters on financial policies, and Financial Accounting Office, which generally handles settlement and accounting.
- MUFG carries out the following initiatives in order to encourage constructive dialogue with shareholders:
 - Issuance of an Integrated Report to aid deeper understanding of MUFG's strategy and values
 - Individual visits to major institutional investors, both domestic and overseas, after the announcement of financial results
 - Provision of additional explanation on specific agenda items to major institutional investors, both domestic and overseas, before general meetings of shareholders
 - Periodic explanatory sessions for individual investors, attended by the President & CEO, etc.
 - Biannual meetings to explain financial results to analysts and institutional investors, conducted by President & CEO and Group CFO
- Comments and requests provided by major shareholders and investors in the course of dialogue are reported to the board of directors and to management.
- MUFG seeks to ensure that information is disclosed in a fair and timely manner. From the perspective of ensuring the fairness and soundness of the securities market, MUFG recognizes the importance of managing the security of undisclosed material information that would influence investment decisions and practices strict information security.



Tsutomu Okuda

Outside Director, Mitsubishi UFJ Financial Group, Inc.
Senior Advisor, J. Front Retailing Co., Ltd.

After joining The Daimaru, Inc. in 1964, Mr. Okuda assumed the office of president at Daimaru in 1997 and was appointed chairman & CEO in 2003. Having spearheaded the merger of this renowned department store group with its rival Matsuzakaya, he took the office of president & CEO at J. Front Retailing Co., Ltd., the merged entity, in 2007, becoming chairman & CEO of that firm in 2010. Since 2014, MR. Okuda has served as a senior advisor of J. Front Retailing. In the same year, he was appointed as an outside director at MUFG (current position).

Question:

What is your evaluation of MUFG's corporate governance?

Upon the approval of the General Meeting of Shareholders held in June 2015, MUFG transitioned from a "company with a board of corporate auditors" to a "company with three committees" governance system. In addition to the three statutory bodies, namely, the Nominating and Governance, Compensation, and Audit committees, MUFG voluntarily established the Risk Committee, a move that distinguishes its governance system. The outside directors appointed to its Board of Directors consist of three business managers, a lawyer, a corporate and tax accountant and an academic expert, ensuring the Board is well-balanced. Collectively, the membership boasts extensive experience and expertise in various fields of specialty. At Board of Directors meetings, every member of the Board actively engages in discussions with an open-minded attitude. I believe that the outside directors, with their diverse backgrounds and perspectives, are ensuring that the Board maintains lively discussions and executes a solid supervisory function.

Usually, Board of Directors meetings are followed by Independent Outside Directors Meetings that all outside directors attend. At these meetings, attendees engage in the frank exchange of opinions regarding such matters as the content of and progress in discussions held at the preceding Board of Directors meeting and executive members' briefings on agenda and materials used for such briefings, in addition to any forthcoming management issues. I am in charge of communicating conclusions reached at this

meeting to the chairman and president. I report our conclusions in detail. Also, I sometimes request briefing sessions for outside directors so that we may gain deeper understanding of specific problems. Thankfully, both chairman and president are quite open to our ideas and they quickly decide on concrete steps to be taken in response to our suggestions. The way the opinions of outside directors are reflected in management is impressive. I also admire that MUFG's top leaders take corporate governance very seriously.

Question:

As Chairperson of the Nominating and Governance Committee, what roles are you playing?

When it was inaugurated in 2005, MUFG adopted a "company with a board of corporate auditors" governance system while also appointing three non-mandatory committees. Moreover, MUFG has been performing the evaluation of the Board of Directors' effectiveness since 2014. Our experience in operating three committees and performing such evaluation enabled MUFG to execute a smooth transition to the "company with three committees" system. Because of this, I am convinced that the Nominating and Governance Committee has functioned very well from the first year of its inception.

As for management succession, we have been selecting candidates by focusing on personality, competence and background. Since its inception, the Nominating and Governance Committee has been engaged in exhaustive discussions to define the personal traits of ideal candidates

and to clearly describe their core duties. In April 2016, the committee nominated top management leaders of The Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking Corporation, along with key personnel who support them, in accordance with prescribed procedures. We are confident that our selection process is transparent, and every detail can be explained in a concrete manner. Moreover, not have we developed rules and procedures, we've appointed candidates and now are seeing the results of nomination. The committee has thus experienced a fruitful year, with a PDCA cycle being implemented to improve its operations one year after initiation.

Question:
What challenges are you facing in executing succession plans?

As for the selection of candidates, we must identify who is capable of pushing forward with aggressive expansion and who is excellent in enforcing protective measures. We also give consideration to whether a candidate is good at tackling major adversity or if their forte lies in building a long track record in stable circumstances. As MUFG employs a wealth of human resources with widely varying competencies and backgrounds, we are confident that we will be able to discover appropriate candidates. In line with a succession plan spanning five to ten years going forward, we are looking for ideal candidates throughout the Group and encourage said candidates to acquire additional business experience to best bolster their own competencies.

Of course, we are also aware of the need for a succession plan aimed at securing outside director candidates. Previously, discussions for appointing outside directors have centered on merely listing the names of promising available candidates. However, I believe that criteria for candidates' backgrounds and career accomplishments have to be defined in the upcoming discussions and applied to this selection process, just as when we are selecting executive successors. In addition, because MUFG is a global financial institution, we see the promotion of diversity as an important issue and are considering choosing those who have non-Japanese cultural backgrounds as candidates for both inside and outside director positions.

Question:
The Board of Directors will soon complete its third round of self-evaluation. What discussions have been under way?

We are confident that our evaluation skills have been improved by the experience of the preceding two rounds. Every member of the Board is committed to relentlessly enhancing corporate governance by employing this evaluation system.

In the third round, we have been deliberating on how to upgrade our monitoring system to better adapt to the evolving operating environment surrounding MUFG. Specifically, we are looking to establish clearer monitoring targets to ensure that the Board of Directors has as accurate a picture as possible of the status of operations. Such targets will include the monitoring of quantitative changes in management indicators over the course of business execution, spanning formulating strategies and implementing business plans to reaping operating results.

On the other hand, as we confront the rapidly changing business environment, discovering potentially critical issues that may affect future operations is as important as assessing current events. As some Board members have suggested that we need to allocate more time to deliberate on future issues, we will improve how we handle these matters. Priorities in and schedules for addressing such issues will be subject to discussion going forward. We will also consider the best way to glean input from every Board member, taking advantage of their individual interpretations of the business environment and awareness of potential problems.

In addition, our corporate culture has been a prevailing subject at many sessions of Board of Directors meetings. Corporate culture plays a key part in supporting the reliability and traditions of a company. On the other hand, an overly conservative corporate culture can present a barrier for those taking on ambitious challenges or striving to realize innovation. After all, the corporate culture has to be aligned to the objective of management. Although MUFG has a strong brand capability, the Group needs to enhance the positive aspect of its corporate culture to achieve sustainable growth into the future. I recognize this is one of important management issue.

I believe that corporate governance has twofold objectives. On the one hand, businesses are expected to ensure "protective" governance to avoid risk, misconduct and operational mistakes. The appointment of outside directors is intended to support this. On the other hand, businesses have a duty to stakeholders to achieve sustainable growth and improved corporate value over the medium to long term, this calls for "aggressive" governance. This is also a key factor stated in Japan's growth strategies. As a financial group engaged in operations in regions throughout the world, MUFG is clearly aware of its significant social responsibilities. Therefore, with a view to benefiting the greater public, we will endeavor to strike the optimal balance between securing shareholders' and other stakeholders' interests.

Although we feel some pressure as we face new challenges one after another, we are determined to fulfill our roles as outside directors by employing unbiased and broader viewpoints to monitor MUFG's operations.

Board of Directors



As of July 15, 2016

Director, Chairman Kiyoshi Sono ①

Deputy Chairman, Bank of Tokyo-Mitsubishi UFJ
Mr. Sono joined Sanwa Bank in 1976. In 2012, he became group head of MUFG's Integrated Corporate Banking Business Group, and he was made Chairman in 2014. He was appointed Director, Representative Corporate Executive Officer and Chairman of MUFG in June 2015 (incumbent).

Director, Deputy Chairman Takashi Nagaoka ②

President & CEO, Mitsubishi UFJ Securities Holdings Company
President & CEO, Mitsubishi UFJ Morgan Stanley Securities Company
Mr. Nagaoka joined Mitsubishi Bank in 1976. In 2011, he became Deputy President of Bank of Tokyo-Mitsubishi UFJ. In 2014, he became President & CEO of Mitsubishi UFJ Morgan Stanley Securities Company and President & CEO of Mitsubishi UFJ Securities Holdings Company (incumbent). In the same year, he was appointed as a Director of MUFG. In June 2015, he was appointed as Director, Representative Corporate Executive Officer and Deputy Chairman of MUFG (incumbent).

Director, Deputy Chairman Mikio Ikegaya ③

President & CEO, Mitsubishi UFJ Trust and Banking Corporation
Mr. Ikegaya joined Mitsubishi Trust and Banking in 1981. In June 2015, he became Senior Managing Director of MUTB, and Managing Officer of MUFG. In April 2016, he was appointed President & CEO of MUTB (incumbent). In June 2016, he became Director and Deputy Chairman of MUFG (incumbent).

Director, President & Group CEO Nobuyuki Hirano ④

President & Group CEO,
Chairman, Bank of Tokyo-Mitsubishi UFJ
Mr. Hirano joined Mitsubishi Bank in 1974. In 2012, he was appointed as President of Bank of Tokyo-Mitsubishi UFJ, and a year later, in 2013, he became President of MUFG. In June 2015, he was appointed as Director, Representative Corporate Executive Officer and President of MUFG (incumbent). In April 2016, he became Chairman of BTMU (incumbent).

Director, Senior Managing Executive Officer, Group CSO & Group CHRO Tadashi Kuroda ⑤

Mr. Kuroda joined Sanwa Bank in 1981. In 2014, he was appointed Managing Director of MUFG and in the same year a Director of Mitsubishi UFJ Trust and Banking (incumbent). In June 2015, he was appointed as a Director and Senior Managing Executive Officer of MUFG (incumbent) and a Senior Managing Director of Bank of Tokyo-Mitsubishi UFJ (incumbent).

Director, Senior Managing Executive Officer, Group CFO Muneaki Tokunari ⑥

Mr. Tokunari joined Mitsubishi Trust and Banking in 1982. He became Senior Managing Director of Mitsubishi UFJ Trust and Banking in 2013 and in 2014 Managing Officer of MUFG. In June 2016, he was appointed as Director and Senior Managing Executive Officer of MUFG (incumbent) and Senior Managing Director of Bank of Tokyo-Mitsubishi UFJ (incumbent).

Director, Managing Executive Officer, Group CRO Masamichi Yasuda ⑦

Mr. Yasuda joined the Bank of Tokyo in 1983. In 2014, he became Managing Officer of Bank of Tokyo-Mitsubishi UFJ. In June 2015, he was appointed as Managing Director of Bank of Tokyo-Mitsubishi UFJ (incumbent) and Director and Managing Executive Officer of MUFG (incumbent).

Director Takashi Oyamada ⑧

President & CEO, Bank of Tokyo-Mitsubishi UFJ
Mr. Oyamada joined Mitsubishi Bank in 1979. In June 2015, he was appointed Director, Representative Corporate Executive Officer, and Deputy President & Group COO of MUFG. In April 2016, he was appointed President & CEO of BTMU, and Director of MUFG (incumbent).

Director (non-executive) Takashi Mikumo ⑨

Mr. Mikumo joined Toyo Trust Bank in 1980. He became a Senior Managing Director of Mitsubishi UFJ Trust and Banking in 2012, and in June 2013, he was appointed as Corporate Auditor of MUFG. In June 2015, he was appointed as a Director of MUFG (incumbent).

Director (non-executive) Takehiko Shimamoto ⑩

Mr. Shimamoto joined Mitsubishi Bank in 1982. In 2012, he became a Managing Officer of MUFG and a Managing Director of Bank of Tokyo-Mitsubishi UFJ. In June 2015, he was appointed as a Director of MUFG (incumbent).

**Outside Director****Yuko Kawamoto 11**

Professor, Waseda Graduate School of Business and Finance

After working at Bank of Tokyo from 1982 to 1986, Ms. Kawamoto joined McKinsey & Company in 1988. At McKinsey, she was promoted to Senior Expert of the Tokyo branch in 2001. After leaving McKinsey, she took up a professorship of the Waseda Graduate School of Finance, Accounting and Law (current name: Business and Finance) in 2004 (incumbent). From 2006, Ms. Kawamoto has served as an Audit and Supervisory Board Member of Tokio Marine Holdings, Inc. In 2013, she became an Outside Director of MUFG (incumbent).

Outside Director**Haruka Matsuyama 12**

Partner, Hibiya Park Law Offices

Ms. Matsuyama became an Assistant Judge to the Tokyo District Court in 1995. Upon becoming an attorney-at-law and joining the Daini Tokyo Bar Association in 2000, she joined Hibiya Park Law Offices, where she was promoted to a Partner in 2002. Ms. Matsuyama has also been serving as a Corporate Auditor of Vitec Co., Ltd. since 2012, a Director of T&D Holdings, Inc. since 2013, and a Corporate Auditor of Mitsui & Co., Ltd. since 2014. In 2014, she became an Outside Director of MUFG (incumbent) and in 2015, became a Director of VITEC HOLDINGS CO., LTD (incumbent).

Outside Director**Kunie Okamoto 13**

Chairman, Nippon Life Insurance

Mr. Okamoto joined Nippon Life Insurance Company in 1969 and became President in 2005. In the same year, Mr. Okamoto was appointed as a Corporate Auditor of MUFG. He continues to serve as Chairman of Nippon Life Insurance, a position he has held since 2011. In June 2014, Mr. Okamoto was appointed as an Outside Director of MUFG (incumbent).

Outside Director**Tsutomu Okuda 14**

Senior Advisor, J. Front Retailing

Mr. Okuda joined The Daimaru, Inc. in 1964. In 1997, he was named President of Daimaru and in 2003 Chairman and Chief Executive Officer. In 2007, he assumed the Office of President and Chief Executive Officer of J. Front Retailing Co., Ltd., where he became Chairman and Chief Executive Officer in 2010. Since 2014, he has served as a Senior Advisor of the company. In 2014, Mr. Okuda was appointed as an Outside Director of MUFG (incumbent).

Outside Director**Hiroshi Kawakami 15**

Senior Advisor, Central Japan International Airport

Mr. Kawakami joined Toyota in 1972. He became Managing Executive Officer of Toyota in 2003, and Senior Managing Director in 2007. In 2008, he became Vice President of Toyota Tsusho Corp. and in 2009 he was appointed President of Central Japan International Airport Co., Ltd. In June 2015, he became a Senior Advisor of Central Japan International Airport and also an Outside Director of MUFG (incumbent).

Outside Director**Yukihiro Sato 16**

Adviser, Mitsubishi Electric

Mr. Sato joined Mitsubishi Electric Corporation in 1969, and was appointed Director, Representative Executive Officer, and Executive Vice President in 2007. In 2009, he became Senior Corporate Adviser. From 2013, he served as Special Adviser of Mitsubishi Electric. In 2014, he was appointed as a Corporate Auditor of MUFG and in the same year an Adviser to Mitsubishi Electric. In June 2015, he became an Outside Director of MUFG (incumbent).

Outside Director**Akira Yamate 17**

Certified Public Accountant

Mr. Yamate joined Price Waterhouse in 1977, becoming a certified public accountant in 1983. In 1991, he became a Representative Partner of Aoyama Audit Corporation and a Partner of Price Waterhouse. In 2000, he became a Representative Partner of Chuo Aoyama Audit Corporation and a Partner of Pricewaterhouse Coopers. From 2006 to 2013, he was a Representative Partner of Pricewaterhouse Coopers Aarata. In 2013, he was appointed as a Corporate Auditor of Nomura Real Estate Holdings and Nomura Real Estate. In June 2015, he was appointed as an Outside Director of MUFG and in the same year appointed as a Director of Nomura Real Estate Holdings, and a Corporate Auditor of Prudential Holdings of Japan (incumbent).

* Ms. Yuko Kawamoto, Ms. Haruka Matsuyama, Mr. Kunie Okamoto, Mr. Tsutomu Okuda, Mr. Hiroshi Kawakami, Mr. Yukihiro Sato and Mr. Akira Yamate are outside directors defined in Article 2, Item 15 of the Companies Act.

Corporate Executive Officers and Executive Officers (As of July 15, 2016)

Corporate Executive Officers

Kiyoshi Sono
Director
Chairman

Takashi Nagaoka
Director
Deputy Chairman

Mikio Ikegaya
Director
Deputy Chairman

Nobuyuki Hirano
Director
President & CEO
Group CEO

Satoshi Murabayashi
Senior Managing Executive Officer
Group CIO

Junichi Okamoto
Senior Managing Executive Officer
Group Head, Trust Assets Business Group

Naoto Hirota
Senior Managing Executive Officer
Group Head, Global Markets Business Group

Tadashi Kuroda
Director
Senior Managing Executive Officer
Group CSO & Group CHRO

Saburo Araki
Senior Managing Executive Officer
Group Head, Corporate Banking Business Group

Kanetsugu Mike
Senior Managing Executive Officer
Group Head, Global Business Group and Regional
Executive for the Americas

Muneaki Tokunari
Director
Senior Managing Executive Officer
Group CFO

Eiichi Yoshikawa
Senior Managing Executive Officer
Deputy Group Head, Global Business Group

Akira Hamamoto
Managing Executive Officer
Group CCO & Group CLO

Masamichi Yasuda
Director
Managing Executive Officer
Group CRO

Atsushi Murakami
Managing Executive Officer
Group Head, Retail Banking Business Group

Shigeru Yoshifuji
Managing Executive Officer
Group CAO and General Manager,
Internal Audit Division

Executive Officers

Managing Officers

Hiroshi Naruse
Shigeru Asai
Hironori Kamezawa
Koji Nishimoto
Takami Onodera
Akihiko Nakamura
Iwao Nagashima
Makoto Hayashi
Masahiro Hosomi
Hisashi Ito
Akio Ninomiya
Yukio Yahagi
Toshihiko Mori
Takayoshi Futae
Naoki Hori
Hidekazu Horikoshi
Masahiro Kuwahara
Tetsuya Nakamura
Tetsuro Shinohara
Satoshi Takizawa
Hitoshi Usui
Tetsuya Yonehana
Masato Miyachi
Stephen Cummings

Executive Officers

Kazuo Koshi
Ritsuo Ogura
Kazuto Uchida
Randall Chafetz
Makoto Kobayashi
Hiroki Kameda
Toshiya Kaneko
Takanori Sazaki
Naomi Hayashi
Yasushi Itagaki
Hideki Kishimoto
Yasushi Ishikawa
Masaki Miyazaki
Tsuyoshi Nakagawa
Kazuaki Tanaka
Hiroshi Takekawa
Minoru Soutome
Hiroyuki Ogata
Yutaka Miyashita
Yoshiaki Nakajima
Shigeharu Sanada
Hiroyuki Seki
Jun Togawa
Takayuki Yasuda

Shuichi Yokoyama
Takenobu Inaba
Masatsune Okada
Toshikazu Mukohara
Yukihiro Yamamoto
Ichiei Kuki
Junichi Narikawa
Eiji Ihori
Sunao Yokokawa
Junichi Hanzawa
Atsushi Miyata
Koji Ishizaki
Hisashi Kanamori
Kazuji Tanikawa
John Woods
Johannes Worsoe
Tsutomu Sambai
Satoshi Matsumura
Shuji Umabayashi
Michael Coyne
Masaki Enomoto
Jiro Omori
Masayuki Tanaka
Toshihiro Sasaki

Global Advisory Board

In April 2016, MUFG integrated its Global Advisory Board, which comprises specialists from abroad, with the Advisory Board, which comprises Japanese external experts. The new Global Advisory Board consists of nine members: three from Japan, two from Europe, two from the Americas and two from Asia.

With the interrelationship of domestic and overseas operations gaining in importance, MUFG will proactively solicit suggestions and advice from the newly established Global Advisory Board in its Group operations to strengthen its governance structure while stepping up its business strategies.

Members of the Global Advisory Board (As of July 1, 2015)



Mr. John C. Dugan

Partner, Covington Burling LLP
Former Comptroller of the Currency,
United States Treasury Department



Dr. Victor K Fung

Group Chairman, Fung Group,
Hong Kong
Former Honorary Chairman, the
International Chamber of
Commerce



**Ambassador John V.
Roos**

Former United States Ambassador
to Japan



**Lord (James)
Sassoon, Kt**

Director, Jardine Matheson Holdings
Limited
Former Commercial Secretary to
the Treasury, United Kingdom



**Associate Professor
Simon S.C. Tay**

Chairman of the Singapore Institute
of International Affairs
Former Member of Parliament,
Singapore



**Dr. Gertrude
Tumpel-Gugerell**

Member of Supervisory Board,
Österreichische Bundesbahnen-
Holding AG
Former Member of Executive Board,
European Central Bank



Mr. Toshio Iwamoto

Representative Director,
President and
Chief Executive Officer,
NTT DATA Corporation



Mr. Toru Nagashima

Senior Advisor,
Teijin Limited



Mr. Akio Mimura

Senior Advisor, Honorary Chairman,
Nippon Steel &
Sumitomo Metal Corporation

Human Resources Strategy



Implementing various human resource development programs and personnel system reforms, we are striving to ensure that all 147,000 employees, who have diverse nationalities and values, remain highly motivated and can constantly develop their skills. By doing so, we are nurturing employees capable of providing high-value-added services to customers.

Human Resources Strategy

The MUFG Human Resources Principles serve as the basic policy to enable the Mitsubishi UFJ Financial Group (MUFG) to build a human resources management platform that aligns with MUFG's Corporate Vision.

As we work to create one MUFG globally, the MUFG Human Resources Division has developed these Principles to provide the framework for delivering consistent, industry-leading Human Resources management practices across our entities around the globe.

The goal is for every colleague to experience employment with MUFG in the same way, no matter where they may be located in the world. The MUFG Human Resources Principles provide the foundation for establishing an inclusive, global team.

Shared Values

The MUFG Human Resources Principles will be implemented globally across MUFG in alignment with our shared organizational VALUES:

1. Integrity and Responsibility
Strive to be fair, transparent, and honest. Always act responsibly in the best interest of customers and society as a whole, building long-term stakeholder relationships and giving back to our communities.
2. Professionalism and Teamwork
Respect the diversity of our fellow workers and foster a strong spirit of teamwork. Expect the highest levels of professionalism.
3. Challenge Ourselves to Grow
Adopt a global perspective to anticipate trends and opportunities for growth. Create and sustain a responsive and dynamic workplace where everyone can focus on providing outstanding customer service and embrace new challenges.

HR Mission

The MUFG Human Resources Principles support the achievement of the following HR mission:

1. Create a corporate culture that provides colleagues with opportunities for career growth, challenging them to perform well in a professional environment, where the highest standards of integrity are expected.
2. Appointing the right person to the right job, in the right place to allow each colleague to maximize his/her career potential.
3. Develop talent capable of contributing to the long-term and sustainable growth of our global society.

HR Vision

Be the industry leader in HR management to help MUFG realize its Corporate Vision: Be the world's most trusted financial group.

HR Philosophy

Leverage the following HR philosophies to create consistent HR management practices across all MUFG entities:

Talent Acquisition

Globally attract and recruit diverse talent that share and live OUR VALUES as members of MUFG. Create a strong Employer Brand that fosters recognition of MUFG as an Employer of Choice.

Performance Evaluation

Evaluate performance fairly and objectively, considering not only the goals achieved, but also the competencies demonstrated to get the job done. Recognize the importance of factors, such as customer-centric focus, global mindset, and teamwork, to balancing short-term results with sustained long-term performance. Provide feedback and coaching on an ongoing basis to each colleague to foster ongoing development.

Total Rewards

Reward colleagues competitively and appropriately in alignment with their contributions to MUFG's growth and success—in effect, pay for performance. In addition to colleague performance, rewards will be reflective of the overall stability of the company and the economy.

Talent Management

Assess the capabilities and career path of each colleague to place the right person in the right job, to maximize colleague and MUFG success. Develop strong succession plans and build a pipeline of inclusive leadership to appoint and promote our diverse colleagues from within.

Learning and Development

Provide ongoing learning and development opportunities to help each colleague enhance his/her knowledge, skills and experience and improve his/her capability to impact achievement of the Corporate Vision.



Human Resource Development

At MUFG, each Group company is striving to help employees achieve growth in their careers by implementing a variety of training programs tailored to participants' job roles and qualifications, including skills and leadership programs.

In March 2015, we established the MUFG Global Learning Center as a core human resource training facility for promoting MUFG's Groupwide training initiatives for employees from locations around the world.

The Bank of Tokyo-Mitsubishi UFJ (BTMU) implements job-level based training on a Companywide basis to develop trainees' interpersonal capabilities while executing department-specific training programs aimed at imparting skills and expertise necessary to provide sophisticated financial services. For employees hired overseas, we established the Relationship Managers Academy, a program for junior and mid-level employees from locations worldwide, and the Global Analyst Program, designed for new graduates who have just entered workforce, while providing leadership training for managerial persons.

In addition, we encourage self-motivated learning by employees who want to continue developing their skills outside of working hours. Optimized to address challenges

each participant is facing and the stage of his/her growth, the Extended Learning Program (ELP) is in place for domestic employees, with sessions covering such subjects as basic financial knowledge and management skills being hosted in weekday nights as well as on Saturdays and Sundays throughout the year. From fiscal 2016, ELP sessions are rolled out in multiple companies within the Group.

Responding to Globalization

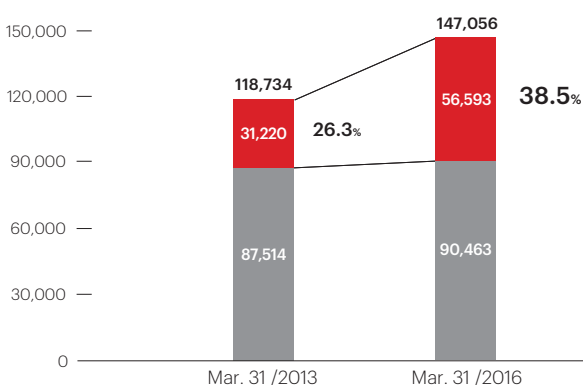
Optimal Staffing on a Global Basis

As of March 31, 2016, MUFG has approximately 147,000 employees, with around 57,000, or nearly 40%, being assigned to locations overseas.

BTMU is endeavoring to ensure optimal staffing on a global basis and to foster a sense of unity among Group employees through human resource exchange. To this end, BTMU provides employees who were hired overseas with opportunities to work at locations other than those where they joined the Company via, for example, its Global Job Posting Framework, an in-house job posting scheme specially designed for overseas employees. Currently, more than 80 employees have taken on assignments in other countries and regions. Of those, 30 employees are working in Japan.

Number of Group Employees

■ Those hired in Japan ■ Those hired overseas



MUFG's Human Resource Development and Training Systems

Yvonne Corpuz
Global Human Resources Office
Global Chief Learning Officer



The establishment of Global Learning demonstrates the strong commitment to employee development and to creating a culture of personal and professional growth that will enable MUFG to succeed in its business aspirations. Globalization, technological advancements and an increasingly complex marketplace have transformed the financial industry worldwide, placing greater demands on the knowledge and skills of our staff. We are committed to providing practical and relevant learning opportunities that support business priorities and staff development needs.



Nurturing Globally Capable Management Candidates

MUFG recognizes that nurturing those who have management know-how in the area of international business as well as highly specialized expertise is key to the success of its global business strategy. To select candidates for key managerial positions, MUFG Global Talent Review, a council headed by the human resources division of the holding company, is engaged in Groupwide discussions to determine if we have sufficient human resources for implementing our current business strategies while formulating succession plans and other countermeasures.

Facilitating a Diversity-Oriented Corporate Culture

MUFG has established the Principles of Ethics and Conduct and compliance manuals that clarify its commitment to non-discrimination no matter the race, nationality, belief, religion, gender, sexual orientation, gender identity or other grounds, and to abstaining from human rights violations. Guided by this commitment, MUFG recognizes the creation of a diversity-oriented corporate culture as key to ensuring that employees with diverse values, backgrounds and perceptions of work, have appreciation for their jobs and the organization and that they can realize their full potential.

To create such a corporate culture on a Groupwide basis, MUFG issues the annual Diversity Report, featuring messages from top management and diversity initiatives and best practices undertaken by Group companies. Moreover, we host the MUFG Global Diversity Forum in which Group employees with diverse nationalities, ages, genders and fields of expertise convened from locations around the world with the aim of enhancing their understanding of diversity and globalization.

Assisting Women with Their Career Development

Removing the career restrictions imposed on women is one of our most urgent diversity issues. MUFG has set the goal of raising the ratio of female managers for the Group in Japan to 20%* by the end of March 2018. Furthermore, each Group company has set its own numerical target for the active promotion of its female workers. Thanks to these efforts, the ratio of female managers at MUFG improved to 17.4% as of April 2016. As part of this initiative, in June 2016 Mitsubishi UFJ Trust and Banking Corporation (MUTB) appointed its first female corporate executive officer (concurrently serving as the General Manager of the Corporate Consulting Services Division) in Japan. At the same time, BTMU appointed a female corporate executive officer to both its U.S. and Hong Kong operations.

To help women develop their potential and find success in their careers, each Group company is implementing a variety of supportive initiatives, for example, providing opportunities to interact with executives and build networks with fellow female employees, implementing career development training and mentoring support for women, and adopting personnel systems allowing women to convert job categories and helping those who left workforce to get reinstated.

We also provide managers with dedicated training programs to impart methods regarding the oversight of diverse human resources, including working mothers, aiming at raising employees' awareness of the career development assistance that those in managerial positions can provide.

* Combined target of The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Morgan Stanley Securities (MUMSS)

Targeted Ratio or Number of Female Managers and Executives (domestic Group companies)

		March 31, 2015	March 31, 2016	Targets
Bank of Tokyo-Mitsubishi UFJ (BTMU)	Executive officer	0	0	At least 1
	General Manager	4.9%	4.5%	At least 6%
	Chief/Senior Manager	10.9%	14.2%	At least 14%
	Ratio of female managerial staff	16.4%	18.1%	At least 22%
Mitsubishi UFJ Trust and Banking Corporation (MUTB)	Line manager	4.3%	6.1%	At least 8%
	Managerial Staff	19.3%	20.5%	At least 22%
Mitsubishi UFJ Morgan Stanley Securities (MUMSS)	Section Manager Class or Above	62	71	At least 120
	Assistant Manager Class or Above	9.3%	10.9%	At least 13%

Note: Target figures for BTMU, MUTB and MUMSS are set to be achieved by March 31, 2018, 2019 and 2021, respectively.



Work-Life Balance

MUFG believes that higher employee satisfaction is reflected in work performance and leads to increased customer satisfaction. MUFG also believes that an employee's job fulfillment is reflected in society and at home, fostering better communities. Therefore, MUFG is striving to help employees strike a good work-life balance in order to create an even more rewarding workplace environment.

Helping Strike a Balance between Work and Child Rearing

Each MUFG Group company is working to help employees strike a balance between work and child rearing by, for example, providing reinstatement support programs, such as training and counseling sessions for employees prior to taking maternity or childcare leave and for employees who are about to be or have been reinstated to the workforce. Each Group company also provides subsidy for childcare and babysitter expenses while enhancing its personnel systems, such as a system to allow eligible employees to shorten working hours.

Thanks to these and other initiatives, each MUFG Group company has obtained the Kurumin Certification, a symbol of authorization under Japan's Act on Advancement of Measures to Support Raising Next-Generation Children. Employers satisfying certain requirements such as putting a proper employer action plan in place and supporting the work-life balance of employees, are able to obtain certification from the directors general of prefectural labor bureaus. In addition, BTMU has acquired the Platinum Kurumin Certification, a special labeling for Kurumin-certified corporations that engage in more advanced initiatives, in February 2016.



-Promoting Male Participation in Child Rearing-

In general, few men choose to take long-term childcare leave in Japan. Nevertheless, each MUFG Group company offers male workers short-term paid childcare leave to encourage them to participate in child rearing. We also distribute tips for and benefits of child rearing so that men can play significant roles. As such, we are actively helping them take childcare leave.

Helping Strike a Balance between Work and Nursing Care

With the rapid aging of Japan's society, nursing care is an issue that any employee might one day confront. To help employees strike a balance between work and nursing care, MUFG holds seminars aimed at raising their awareness of the importance of being ready to prepare for this issue even before it emerges and imparting basic knowledge on nursing care. By doing so, we help employees smoothly engage in nursing care whenever necessary.

Working Style Reforms

Each MUFG Group company promotes Working Style Reforms employing feedback from employees gleaned in town meetings and working group meetings. Specifically, we are striving to realize more flexible working styles, including earlier shifts, flextime and staggered working time, while allowing eligible employees to work at home. By doing so, we strive to improve productivity and prevent long working hours at the same time.

Employment for People with Disabilities

Utilizing its special subsidiary, MUFG is proactively hiring people with disabilities. At each MUFG Group company, people with disabilities are actively working in various offices. As for staffing these people, we work closely with them in order to match their duties to the capabilities and aptitudes of each according to their individual circumstances.

	BTMU	MUTB	MUMSS
Ratio of employees with disabilities (As of April 1, 2016)	2.09%	2.22%	2.03%

Introduction

Since the 2008 financial crisis, financial institutions have been compelled to adopt more comprehensive and sophisticated risk management systems. This risk management function has also grown in importance for MUFG as a global bank with subsidiaries spanning the commercial, trust and investment banking sectors.

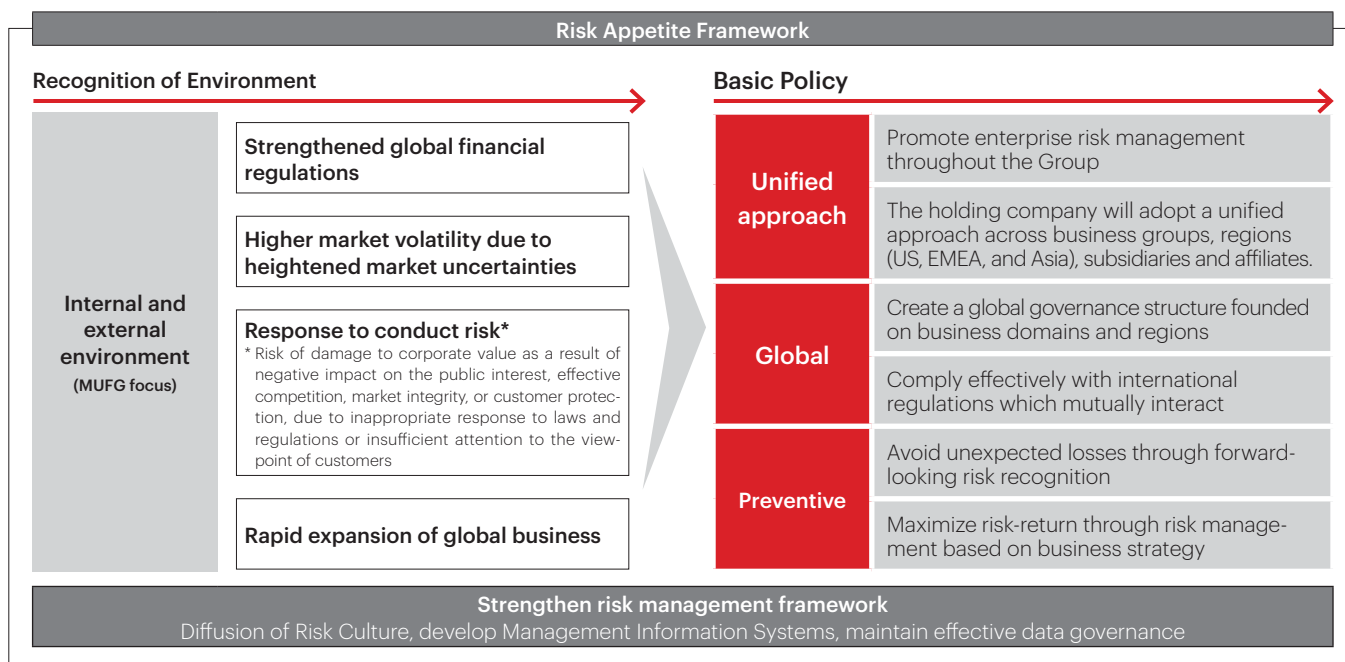
MUFG aims to strengthen its group risk management through the diffusion of a Risk Culture which is unified, global and preventive in its approach. Our goal is effective risk governance which is consistent across regions, subsidiaries and the holding company.

The new Risk Appetite Framework provides a guideline for effective risk management to support our business strategy and will strengthen the Group's overall risk-return management.

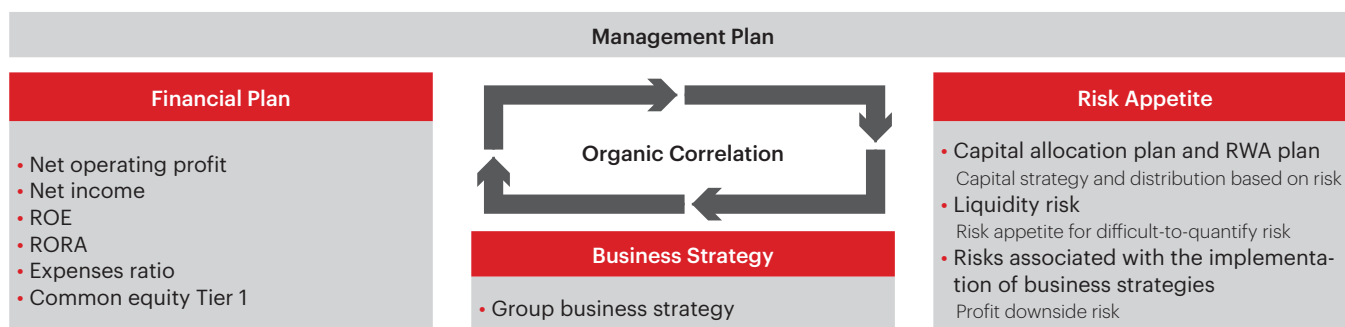
Risk Appetite Framework

The Risk Appetite Framework aims to clarify MUFG's risk appetite (types and amount of risks that it is willing to accept) as it works to achieve its business strategy and financial plan. The framework is designed to increase management transparency and generate more profit opportunities in an environment where risk is properly controlled.

Risk Management Overview



Overview of Risk Appetite Framework



Risk Appetite Framework Management Process

In the formulation and execution of its business strategy and financial plan, MUFG will set the appropriate level of risk appetite and proceed to monitor and analyze risk volume. The process to set and manage risk appetite is set out below. In order to effectively implement the Risk Appetite

Framework, risk evaluation and verification procedures (capital allocation system, stress tests, Top Risk management) will be applied at every stage of the management planning process.

Risk Appetite Setting and Management Process



Enterprise Risk Management

MUFG makes every effort to recognize the risks that emerge in the course of business execution, assessing them according to uniform criteria. Enterprise risk management is then conducted while maintaining business stability and striving to maximize shareholder value. Enterprise risk management is a dynamic approach, promoting stable profits commensurate with risk as well as the appropriate allocation of resources.

Enterprise risk management is composed of three main strands: the capital allocation system, stress tests and Top Risk management.

Capital Allocation System

In this framework, latent losses associated with risk are converted to a required capital amount, and capital is then allocated across group companies and between different risk categories according to business strategy and the profit plan. The framework is intended to allow the appropriate distribution of capital throughout the Group as MUFG monitors to preserve financial soundness, evaluate capital adequacy versus risk, and judge impact on overall capital strategy.

Stress Tests

Stress tests for capital adequacy assessment

In formulating its business strategy, MUFG regularly assesses its internal capital adequacy through stress tests based on two perspectives: regulatory capital, based on capital adequacy regulations (Basel III), and its own economic capital, based on internal risk assessment.

Stress tests analyze both the internal and external environment, and use three-year-period preventative scenarios.

Liquidity stress test

In liquidity stress tests, the impact of MUFG-specific or overall market stress on the balance sheet is assessed so as to implement MUFG's business strategy and financial plan. Various options are examined to respond to short term fund outflows or long-term structural changes in the balance sheet with a view to ensuring there is no funding shortage.

Top Risk Management

The potential losses that emerge from scenario analysis are classified as risks and then their relative importance is weighed according to degree of impact and probability (internal and external factors). The risks that need to be watched most closely over the next year are classified as Top Risks* and a risk map is created to allow preventive risk management.

By identifying Top Risks, MUFG and its affiliates can discuss countermeasures to mitigate the potential impact and then respond dynamically when they actually emerge. As Top Risks are discussed Groupwide, including management, consistent risk recognition is maintained widely throughout the Group and effective solutions implemented. As an example, in the Top Risk report submitted to our Board of Directors via the Corporate Risk Management Committee in March 2016, "Lower Net Interest Income (NII)" was cited as a major Top Risk.

Establishment of Risk Committee

In enhancing its corporate governance and risk management, MUFG places a special emphasis on stakeholders who can view the Company from the outside. To that end,

in 2013, the Company established the Risk Committee, composed of independent external directors and external specialists, which reports directly to the Board of Directors on Groupwide risk management matters.

Enhancing the Effectiveness of Risk Management

Effective risk management and a strong Risk Appetite Framework depend on a Risk Culture which enables meaningful discussion and clear communication throughout the Group.

Developing and diffusing a Risk Culture

MUFG defines a Risk Culture as the basic approach which specifies how to take risks and risk management for MUFG's organizational and individual behaviors. This standard of conduct on risk taking is then spread throughout the Company. A Risk Culture is established for credit business, market business and overall business and then formulated in the Risk Appetite Statement. In order to share this Risk Culture throughout the Company, management issues regular strategic messages and schedules regular global meetings.

Risk Appetite Statement

The Risk Appetite Statement elucidates the Risk Appetite Framework which embodies MUFG's attempts to achieve an integrated group strategy along with effective risk management. The Risk Appetite Statement contains an overview of the Risk Appetite Framework (basic policy and management process) as well as specific business strategies, financial plans and risk appetite details.

A summary of the Risk Appetite Statement is distributed throughout the Group in an effort to spread the basic philosophy behind the Risk Appetite Framework.

Risk Culture Outline

Points of view to keep in mind in taking on risk		
Credit business	Market business	Overall business
<ul style="list-style-type: none"> • Stability • Profitability • Growth • Public nature 	<ul style="list-style-type: none"> • Secure earnings based on fair transactions • Contribute to maintenance of soundness of the market • Pursue adequate risk management 	<ul style="list-style-type: none"> • Sincerity • Accuracy • Promptness • Efficiency

Basic Policy

We have clarified our Group mission, long-term vision and shared values in the Corporate Vision and expressed our commitment to meeting the expectations of customers and society as a whole. Furthermore, we have established the Principles of Ethics and Conduct as the guidelines for how the Group's directors and employees act to realize the Corporate Vision. This expresses our commitment to complying with laws and regulations globally, to acting with honesty and integrity, and to behaving in a manner that supports and strengthens the trust and confidence of society.

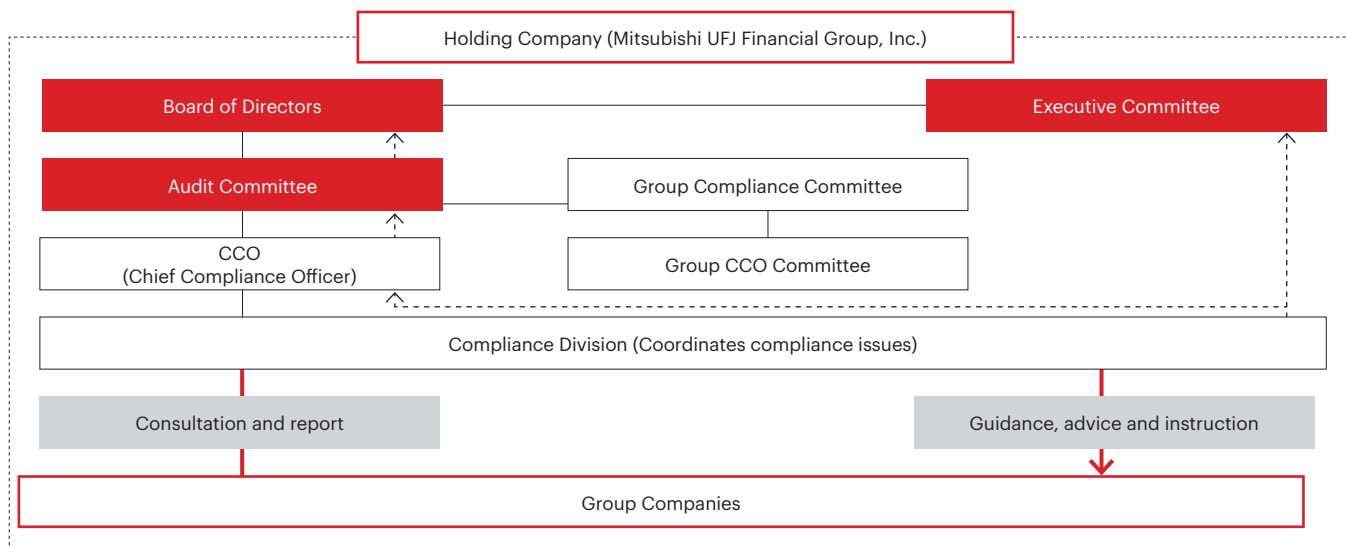
In addition, as we expand our business globally, we are committed to keeping abreast with developments in the laws and regulations of the jurisdictions in which we operate, including those targeting money laundering and bribery, as well as competition laws, while paying attention to trends in financial crimes.

Compliance System

Compliance management divisions have been established at the holding company Mitsubishi UFJ Financial Group, and at Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, and Mitsubishi UFJ Securities Holdings (referred to as the three companies below). Each compliance management division formulates compliance programs and organizes training courses to promote compliance, and regularly reports to each company's board of directors and Executive Committee on the status of compliance activities.

The holding company has the Group Compliance Committee while the three companies have Compliance Committees which deliberate important matters related to compliance. Additionally, the holding company has the Group Chief Compliance Officer (CCO) Committee composed of the CCO of the holding company and CCOs of the three companies. This committee deliberates important matters related to compliance and compliance-related issues for which the Group should share a common understanding.

Compliance System*



FOCUS: Fostering a Compliance-Oriented Corporate Culture

As a financial institution, MUFG is well aware of its obligation to strictly comply with corporate ethics and to abstain from business conduct that goes against its principles, even when clearly defined rules are not provided. MUFG is therefore striving to foster a corporate culture that does not tolerate unjust behaviors by periodically holding training sessions aimed at instilling its Corporate Vision and Principles of Ethics and Conduct. Not merely lectures to facilitate the understanding of in-house rules

among employees, these training sessions are designed to encourage participants to allow such vision and principles to guide every action they make. To that end, participants are asked to reflect on their own experience. At the same time, they hear their peers' views on the subject and take time to think about what they learn. Often, these sessions involve lively discussions that, in turn, afford them valuable insights into what is it like to apply compliance principles in the course of day-to-day operations.

Role of Internal Audit

Internal audit functions within MUFG seek to verify the adequacy and effectiveness of internal control systems from a standpoint independent of the operating functions. This includes monitoring the status of risk management and compliance systems, which are critical to the maintenance of sound and appropriate business operations. Internal audit results are reported to senior management. An additional role of internal audit is to make suggestions to help improve or rectify any issues or specific problems that are identified.

Group Internal Audit Framework

The holding company has instituted MUFG's internal audit policy to define the policy, function, and organizational position of internal audits. Separate internal audit divisions have been created within the holding company and certain subsidiaries. Through close cooperation and collaboration among the internal audit divisions of the holding company and these subsidiaries, these internal audit divisions provide coverage for the Group and also support the board of directors in monitoring and overseeing all MUFG operations.

In addition to having primary responsibility for initiating and preparing plans and proposals related to internal audits of the Group, the internal audit division at the holding company monitors and, as necessary, guides, advises, and administers the internal audit divisions of subsidiaries and affiliated companies.

The internal audit divisions within the major subsidiaries conduct audits of the respective head office and branch operations of these companies. In addition, each of these

internal audit divisions undertakes direct audits of their respective subsidiaries, and monitors and oversees the separate internal audit functions established within them. This helps to evaluate and verify the adequacy and effectiveness of internal controls within MUFG on a consolidated basis.

Implementing Effective and Efficient Internal Audits

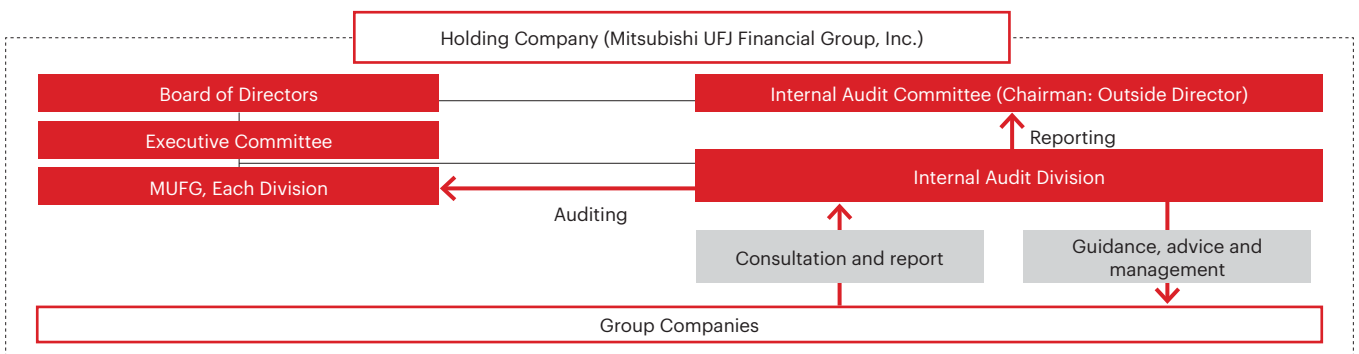
To ensure that internal audit processes use available resources with optimal effectiveness and efficiency, the internal audit divisions implement risk-focused internal audits in which the nature and magnitude of the associated risks are considered in determining audit priorities and the frequency and depth of internal audit activities. The internal audit divisions ensure that audit personnel attend key meetings, collect important internal control documents and access databases to facilitate efficient off-site monitoring.

Reports to the Internal Audit Committee

The holding company has an audit committee within its board of directors as required by the Companies Act of Japan, and each of the major subsidiaries has an Audit & Supervisory Committee or a voluntarily established internal audit and compliance committee.

Within each of the holding company and the major subsidiaries, the internal division reports to the committee on important matters including the results of the internal audits and basic policies for planning internal audits.

Internal Audit Framework



FOCUS: Enhancing the Quality of Internal Audits

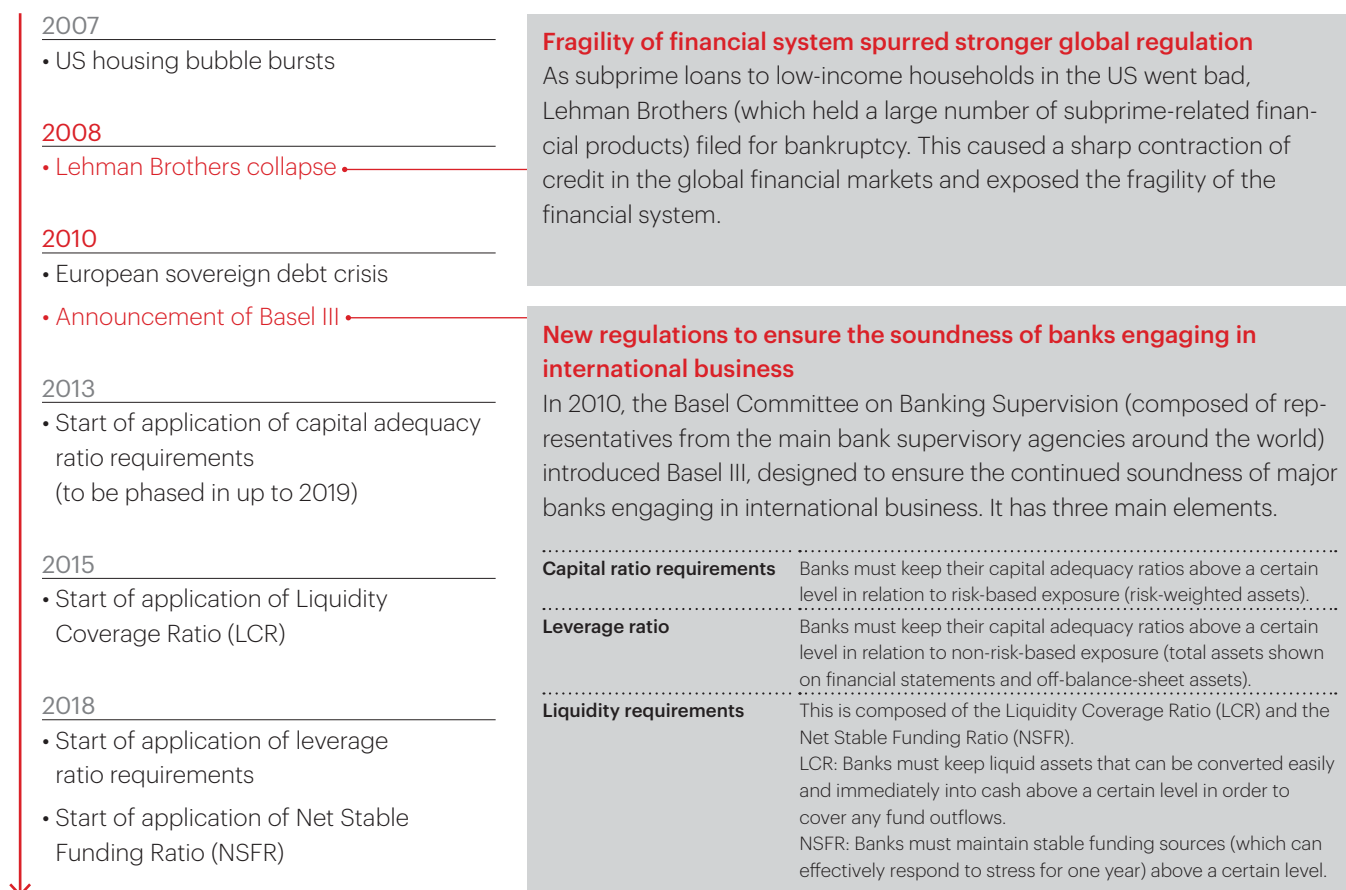
Affected by the introduction of international financial regulations and the emergence of new risk factors, the operating environment surrounding MUFG is rapidly changing. With this in mind, a variety of initiatives are being carried out by the internal audit divisions within the Group to constantly upgrade their auditing structure. For example, we hold periodic training sessions for internal audit division members under such themes as the latest cyber

security countermeasures and financial regulation trends, with external specialists serving as lecturers. We also encourage employees to acquire such international certificates as Certified Internal Auditor (CIA) and Certified Information Systems Auditor (CISA), with the aim of enhancing the specialist skills of members of these divisions and accumulating relevant expertise.

Responding to Global Financial Regulation

Since the global financial crisis of 2008, financial institutions have been required to hold to stricter standards of financial soundness and management discipline. New regulations have been introduced and existing regulations, including capital adequacy ratios, have been tightened in the quest to establish a more stable financial system. At the same time, new challenges and issues have been thrown up in the process. In this section we look at the trend for global financial regulation and our response.

Trend in Global Financial Regulation



MUFG's Response

MUFG has already achieved levels required by the end of March 2019

As the table at right shows, MUFG is in compliance with the levels required by end-March 2016 and it has already reached the levels required by end-March 2019.

In addition, calculation methodologies for capital and leverage ratios are at the center of global discussion. (See also the next page for details.)

	Results		Required level	
	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2019
Common Equity Tier1 Capital Ratio	11.63%	5.5%	5.5%	8.5%
Tier1 Capital Ratio	13.24%	7.0%	7.0%	10.0%
Total Capital Ratio	16.01%	9.0%	9.0%	12.0%
Liquidity Coverage Ratio	130.0%	70.0%	70.0%	100.0%
	Results		Required level	
	March 31, 2016	From 2019 onward		
Leverage Ratio	4.79%	3.0%		

Note: Surcharges on G-SIBs' required leverage ratios are being discussed internationally. (See also the next page for details.)

G-SIBs Facing Demand for Ever More Stringent Compliance

1. Surcharge on required capital ratio

G-SIBs refer to Global Systemically Important Banks, institutions whose failure would have a major impact on the global financial system according to the Financial Stability Board whose membership derives from financial supervisory authorities around the world. Basel III stipulates a surcharge on the required capital ratio of G-SIBs (from 1.0% to 3.5%) to be phased in from 2016. This would represent a surcharge of 1.5% for MUFG up to 2019 under the current bucket allocation

Bucket 5 (3.5% capital surcharge)	Empty	Bucket 2 (1.5% capital surcharge)	Bank of America (U.S.) Credit Suisse (Switzerland) Goldman Sachs (U.S.) MUFG (Japan) Morgan Stanley (U.S.)
Bucket 4 (2.5% capital surcharge)	HSBC (U.K.) JP Morgan Chase (U.S.)		
Bucket 3 (2.0% capital surcharge)	Barclays (U.K.) BNP Paribas (France) Citigroup (U.S.) Deutsche Bank (Germany)	Bucket 1 (1.0% capital surcharge)	19 Banks

2. Requirement to secure greater Total Loss Absorbing Capacity (TLAC)

In addition to Basel III capital requirements, the upcoming regulations, which will be enforced in 2019, will oblige G-SIBs to acquire additional capital and liabilities that meet certain subordinated conditions (TLAC-eligible liabilities). These regulations are intended to ensure orderly resolution without injecting public funds when G-SIBs fail.

	From 2019 onward	From 2022 onward
TLAC risk-weighted asset minimum	16%	18%
TLAC leverage ratio exposure minimum	6%	6.75%

Key Issues Going Forward

The following regulatory revisions are at the center of the global discussion:

1. Review of risk-weighted asset measurement methodologies
2. Review of regulatory framework for leverage ratio

The following two points are being reviewed with a view to restoring trust in regulatory capital and to improving comparability.

- (1) Measurement methodologies for credit, market and operational risk
- (2) Capital floor

Capital ratio = capital / risk-weighted assets

Review of measurement methodologies for each risk

Review of capital floor

In step with the review of risk-weighted assets measurement methodologies stated on the left, discussions are now under way to revise calculation methodologies for determining the ratio's denominator (exposure). These discussions also address the possible enforcement of leverage ratio requirements on G-SIBs that are stricter than those imposed on other firms (3%).

Leverage ratio = capital / exposure (total assets shown on the balance sheet and off-balance-sheet assets).

Review of measurement methodologies for denominator (exposure)

Surcharge on the required leverage ratio of G-SIBs

MUFG Stance

In order to avoid a reprise of the financial crisis, reform and strengthened regulations are required both for individual institutions and the system as a whole. On the other hand, we must ensure that the new regulations do not bring uncertainty to both financial markets and the real economy or hamper healthy development and innovation. It is therefore necessary to carefully consider the impact of new regulations, as well as the coherence

between different sets of regulations, all in the context of the global regulatory framework. MUFG believes the fundamental mission of a financial institution is to support economic growth. To realize that goal, we engage in proactive advocacy for the development of a global regulatory framework based on international cooperation and public/private partnerships.

MUFG's Goal in CSR

Financial institutions have a responsibility to help stabilize and maintain financial systems and contribute to the sound growth of society. Our goal in CSR is to contribute to solving social issues through our core financial businesses as well as to fulfill our inherent social mission as the foundation of society and realize a sustainable society.

* Detailed information on our Corporate Social Responsibility (CSR) activities can be seen at <http://www.muftg.jp/english/csr/>

CSR Strategy and CSR Materiality

The environment surrounding financial institutions is constantly changing along with evolving social trends in Japan and overseas and the rapid globalization of corporate activities. As it aims to flexibly address these changes and contribute to the sustainable development of society, MUFG has identified the following three priorities of its CSR Materiality: "Customers" "Community" and "Responsible Finance."



Customers—Exceeding Customer Expectations

We continue to attract new customers and establish lasting relationships with them by quickly responding to a diverse range of needs and opinions while making continuous efforts to reflect this feedback in our products and services.

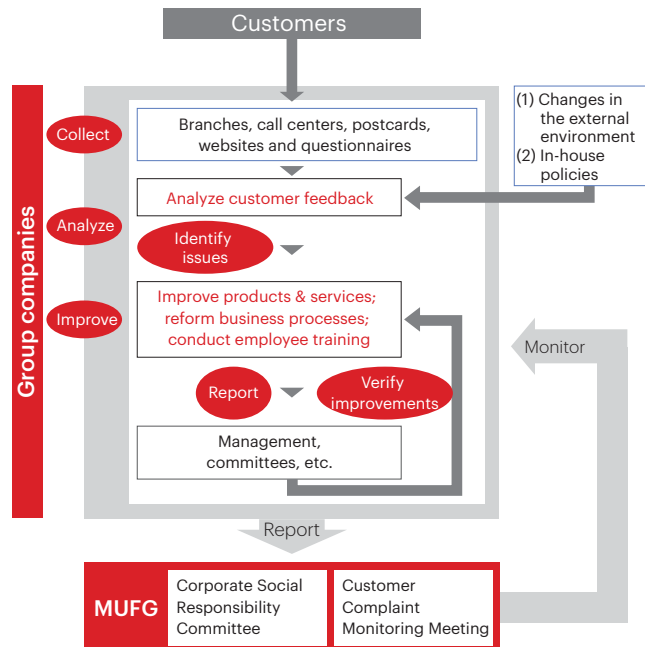
Improvements in Products and Services Reflecting Customer Feedback

Enhancing our system for collecting customer feedback

Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM, have been collecting, analyzing and sharing customer feedback and requests to make improvements in their products and services.

In fiscal 2015, the number of such comments and requests received by these five companies totaled approximately 275,000.

MUFG Feedback Monitoring System



Customer comments and requests:

275,000 cases

In fiscal 2015, we made 458 improvements based on customer feedback.

Improvements:

458 cases

*Total for Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM between April 2015 and March 2016.

Issues on which we received substantial feedback

Customer Feedback

The content listed in the "Passbook Summary" column (section where customers can take notes) is difficult to understand.



Details of Improvements Made

Posted a "view applicable main transaction" option in the FAQ section for passbooks on our website, elaborating on how the column indicates type of transaction being processed.

Bank of Tokyo-Mitsubishi UFJ

Customer Feedback

It is difficult to prepare the large number of documents that are necessary for inheritance procedures.



Details of Improvements Made

It is now no longer necessary to redo procedures even if the validity period of certain document, such as your family register, has expired.

Mitsubishi UFJ Morgan Stanley Securities

Striving to Ensure That All MUFG Outlets Are Universally Accessible and Welcoming

To ensure our preparedness in the face of a rapidly aging society and the enforcement of Japan's Act on Elimination of Discrimination against People with Disabilities in April 2016, we are increasing the number of barrier-free branches, enhancing reception and response, and simplifying procedures by giving due consideration to the needs of the elderly and people with disabilities.

Creating Safe Branches for Peace of Mind

Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking have been increasing the number of barrier-free branches with such features as warning tile blocks for the visually impaired persons, automated doors and wheelchairs for visitors' use. We post barrier-free information on our corporate website so that customers can check out branch facilities before visiting.

Mitsubishi UFJ NICOS employs off-site videophone operators to aid in communication with customers with hearing or speaking disabilities via sign language or writing, taking the needs of such customers into consideration.

Ensuring That All Customers Can Use Our Services with Ease

Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking have reduced over-the-counter transaction fees to the same level as ATM transfer fees for customers who have visual disabilities or use wheelchairs.

Each Group company implements countermeasures against malicious financial crimes that target elderly customers. At branches of Mitsubishi UFJ Morgan Stanley Securities and Mitsubishi UFJ Trust and Banking, warning flyers are handed out to elderly customers and informative booklets are in place to raise their awareness of the increasingly sophisticated maneuvers used by those who aim to exploit them through fraudulent transactions.

Community—Supporting Community Development

We plan to raise our values as a corporation by strengthening our bonds with local communities and endeavoring to build trust and confidence, not only with customers, but also with regional societies in Japan and overseas.

Initiatives in Japan and Overseas

Global Volunteer Month “MUFG Gives Back”

We established Global Volunteer Month to encourage employees around the world to engage in community contribution activities simultaneously. This campaign is subtitled “MUFG Gives Back,” reflecting our aspiration to communicate our gratitude to people all around the world who generously supported Japan’s reconstruction efforts after the Great East Japan Earthquake.

Medium- to Long-Term Initiatives to Support Reconstruction in Areas Affected by the Great East Japan Earthquake

From a medium- to long-term perspective, we are supporting reconstruction efforts in areas devastated by the earthquake through financial support in collaboration with public agencies and municipal governments, thereby contributing to society as a whole.

Total balance of loans made by Bank of Tokyo-Mitsubishi UFJ utilizing an interest subsidy program for the special reconstruction zone* (financial support)

¥27.7 billion (As of April 30, 2016)

* For funding core projects as part of reconstruction plans in designated Special Zones for Reconstruction in the disaster areas (in 227 municipalities), the national government subsidizes up to 0.7% of the interest for five years.

Participation in the TOMODACHI Initiative (Social contribution)

We established the TOMODACHI MUFG International Exchange Program for students and educators from the disaster-affected areas in Japan and their counterparts in the United States. Through this program, we work to support the healthy growth of children in both Japan and the United States.

MUFG has received the Encouragement Award in the Sixth Career Education Awards Category of Large Enterprises from the Ministry of Economy, Trade and Industry

MUFG provides children with opportunities to learn about finance and economics through workplace experience programs and classes held by our employees in schools. To help children become independent and productive member of society and realize visions for their own lives, MUFG is enhancing the content of its programs.



A total of more than 6,000 employees in 35 countries and regions participated in the campaign



New York (the United States)/ the Americas



London (the United Kingdom)/ EMEA



Yangon (Myanmar)/ Asia and Oceania



Chengdu (China)/ East Asia



Tokyo (Japan)



The fourth TOMODACHI MUFG International Exchange Program (Kesennuma City, Miyagi Prefecture)



Workplace experience program
Bank of Tokyo-Mitsubishi UFJ
Hiratsuka Branch



(Photo provided by Yomiuri Educational Network)
Class held by our employees
Bank of Tokyo-Mitsubishi UFJ
Corporate Communications
Division

Responsible Finance—Contributing to the Resolution of Environmental and Social Problems

From a long-term perspective, we are implementing initiatives to assist in the sound growth of corporate customers and society. These initiatives include support for corporate procurement activities that give due consideration to environmental risk and the promotion of investment management that focuses on the environment, society and governance (ESG).

Ranked No. 2 in the Global Project Finance Lead Arranger for Renewable Energy Operations

Drawing on its solid track record and abundant experience, MUFG will continue to lead the dissemination of renewable energy by arranging and financing solar, wind and geothermal heat power generation projects globally.

Environmental and Social Risk Assessment and Management Based on the Equator Principles

To address potential adverse impacts of large infrastructure and natural resources development projects on the environment and local communities, Bank of Tokyo-Mitsubishi UFJ has adopted the Equator Principles (EP), a framework for determining and assessing such environmental and social impacts. This framework helps us support customers' environmental and social risk management while contributing to the realization of a sustainable society. The EP Association consists of 84 Equator Principles Financial Institutions around the globe (as of June 30, 2016). Elected as one of the 12 EP Association Steering Committee members, Bank of Tokyo-Mitsubishi UFJ is an active advocate for EP implementation and outreach in Japan and overseas.

Promotion and Dissemination of ESG Investment

Mitsubishi UFJ Trust and Banking is focusing on stepping up efforts to create and manage an investment portfolio of funds that give due consideration to ESG concerns. To this end, Mitsubishi UFJ Trust and Banking also strives to promote corporate evaluation methodologies using non-financial information.

In addition, Mitsubishi UFJ Trust and Banking has announced its endorsement of the Japanese Version of the Stewardship Code, agreeing with the code's objective of facilitating constructive dialogue between institutional investors, which will, in turn, help the latter grow their corporate value and business operations.

Note: Mitsubishi UFJ Trust and Banking's policy on initiatives to secure responsiveness to the Japanese Version of the Stewardship Code is disclosed on the following website.
http://www.tr.mufg.jp/cgi-bin/english/ourservices/management/asset_management_02.cgi?page=investment.html

2015 project finance league table (renewable energy category)

Rank	Organization	Credit (Millions of US\$)	Table Share (%)
1	Banco Santander	3,158.5	6.26
2	MUFG	2,639.1	5.46
3	KFW	2,356.2	4.87
4	Sumitomo Mitsui Financial Group	1,884.6	3.90
5	Rabobank	1,881.8	3.86
6	Mizuho Financial	1,560.9	3.23
7	Nord/LB	1,510.2	3.12
8	BNDES	1,461.9	3.02
9	HSBC	1,272.7	2.63
10	ING	1,127.0	2.33

Source: Bloomberg New Energy Finance

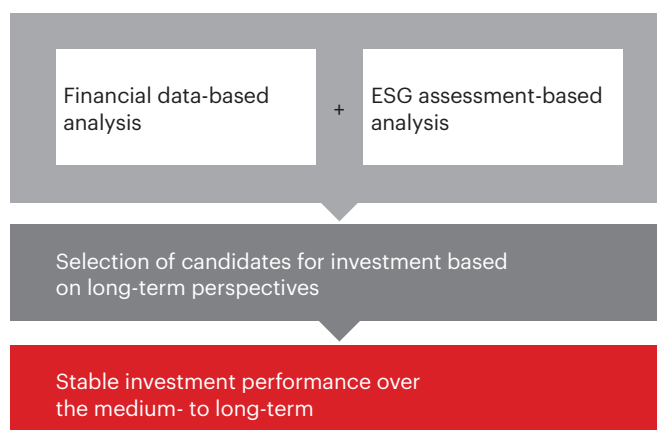
An example of project finance for renewable energy project



Pacifico Energy Hosoe Mega-Solar Power Project (Miyazaki City, Miyazaki Prefecture)



The Sustainability Assessment Process



Regional Revitalization, Revitalizing Local Communities and Economies

MUFG offers financial support to its customers who are tackling region-specific issues while collaborating with administrative organizations and local financial institutions to create employment and vitalize local communities.

Financially Supporting Customers Tackling Region-Specific Issues

MUFG Regional Revitalization Fund

Bank of Tokyo-Mitsubishi UFJ launched “MUFG Regional Revitalization Fund” aimed at providing customers with smooth financing for facility procurement and working capital as well as advice to help customers get their projects on track. Our efforts focus on helping customers meet four basic targets under Japan’s plan for the Dynamic Engagement of All Citizens covering community, people and employment.

Having started out with a maximum solicitation amount of ¥100 billion in January 2016, this fund has increased its total cap to ¥200 billion in April, with more than 40 companies using this fund.*1 (As of June 2016)

*1 The list of companies using the fund can be seen at http://www.bk.mufg.jp/houjin/chihousousei_fund/index.html (Japanese only)

Interview with a Fund User

Mr. Ryoichi Mori, Corporate Executive Officer, General Manager of the Accounting and Finance Department; Mr. Mitsuru Kozawa, Assistant Manager; Washington Hotel Corporation



WASHINGTON HOTEL PLAZA

In the face of burgeoning tourism from China and ASEAN nations, the Nagoya region is confronting a chronic shortage of hotel rooms coupled with a lack of land for hotels. Amid these circumstances, Bank of Tokyo-Mitsubishi UFJ provided us with business matching opportunities and real estate brokerage services through its banking-related companies. Thanks largely to support from Bank of Tokyo-Mitsubishi UFJ, we were able to acquire a building and land for commercial use in front of Nagoya station for a new hotel.

Finance Using the Government Subsidized Interest Payment Program

In fiscal 2015, Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking invested a total of ¥29.4 billion in 41 projects using the government’s subsidized interest payment program for regional revitalization. Since the inception of this program, we have provided these loans to more than 200 projects*2 in regions around Japan.

*2 Please see the map at right for a breakdown by prefecture.

Supporting the Growth of SME Customers

Using its nationwide network, MUFG provides various services to SMEs in accordance with their stage of growth and development.

Foundation



The third “Rise Up Festa” awards ceremony

Business Support for Potential Growth Areas

Business Support Program “Rise Up Festa”

This program aims to fully utilize the Group’s business network and know-how to assist SMEs and growing companies engaged in novel and creative segments as well as those trying to extend the boundaries of existing business, with MUFG serving as their long-term business partner.

In April 2016, MUFG hosted the third round of “Rise Up Festa,” recognizing four outstanding companies and seven excellent companies in four growth fields: bio and life science; robotic and other cutting-edge technologies; information and internet services; and social business. MUFG offers various forms of support to these companies.

Growth Phase



The 13th Business Link “Shobai Hanjo” Conference was a roaring success

Corporate Reconstruction

Supporting Municipal Governments by Providing Services Aimed at Vitalizing Local Communities

Collaborating with Local Financial Institutions—Agreement with THE TOTTORIBANK

Bank of Tokyo-Mitsubishi UFJ is partnering with TOTTORIBANK, which boasts a robust network serving local corporations, in the formulation of concrete business plans aimed at vitalizing the sightseeing industry and addressing the problem of vacant housing. This partnership is expected to help vitalize the communities of Tottori. With the prefectural government actively supporting child raising and welcoming immigration from other regions, there has been growth in birth rates and the number of migrants. To help prefecture build on these results, Bank of Tokyo-Mitsubishi UFJ has committed itself to this partnership with a focus on regional revitalization in an innovative manner.



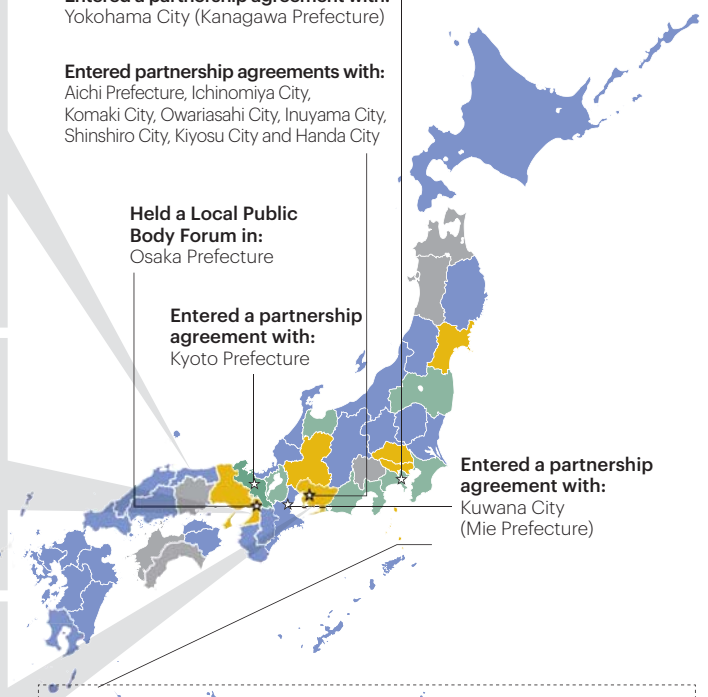
Entered a partnership agreement with:
Yokohama City (Kanagawa Prefecture)

Entered partnership agreements with:
Aichi Prefecture, Ichinomiya City,
Komaki City, Owariasahi City, Inuyama City,
Shinshiro City, Kiyosu City and Handa City

Held a Local Public
Body Forum in:
Osaka Prefecture

Entered a partnership
agreement with:
Kyoto Prefecture

Entered a partnership
agreement with:
Kuwana City
(Mie Prefecture)



Public-Private Initiative—Agreement with Osaka Prefecture

Bank of Tokyo-Mitsubishi UFJ and Bank of Ayudhya have entered an agreement with Osaka Prefecture with regard to the provision of assistance to Osaka-based corporations looking to expand overseas and the facilitation of economic exchange between Osaka prefecture and Thailand. Under this agreement, both companies will hold business matching meetings in Thailand to which they invite Osaka-based corporations while providing them with information on the Thai economy and the local investment environment and other high-value-added services to help vitalize economies of both locations. (As of June 2016, Bank of Tokyo-Mitsubishi UFJ entered partnership agreements with 11 counterparts excluding those stated above.)

Hosting a Local Public Body Forum—Nagoya

Bank of Tokyo-Mitsubishi UFJ held a forum themed on regional revitalization and the role of local government in the face of population decline. With Mr. Hiroya Masuda, an adviser for Nomura Research Institute, Ltd., serving as a lecturer, approximately 180 representatives from municipal governments spanning four prefectures in the Tokai area attended the event to learn about best practices undertaken by other prefectures and acquire new insights. As such, Bank of Tokyo-Mitsubishi UFJ is striving to help municipal governments address region-specific issues they are now confronting. We held a similar forum in Osaka Prefecture, as well.

Finance Using the Government's Subsidized Interest Payment Program

Number of projects by prefecture

■ 10 or more ■ Five to nine ■ One to four

Developing Cashless Settlement Platforms

Mitsubishi UFJ NICOS is promoting the introduction of "J-Mups Cloud-Based Multi-Payment System," capable of handling multiple settlement methods, including credit cards, the China Union Pay card, and electronic money, targeting commercial facilities in rural regions and sightseeing hotspots. It also accommodates foreign currency-denominated settlement, thereby enabling businesses to meet the diverse settlement needs of domestic sightseers, foreign tourists and other guests. In this way, we are contributing to the vitalization of the tourist industry in regions around Japan.

[Examples of targeted sightseeing locations]

Regions around Onuma Quasi National Park (Hokkaido Prefecture), Ise-Shima region (Mie Prefecture), Kinugasa shopping street in Yokosuka City (Kanagawa Prefecture)



J-Mups Cloud-Based Multi-Payment System

Providing Smooth Financing and New Opportunities

Business Link "Shobai Hanjo"

This is a large-scale business matching conference we have organized annually since 2005. In February 2016, we held the 13th Business Link "Shobai Hanjo" Conference under the themes "Act Globally" and "Get Innovation" in Nagoya. With representatives from approximately 3,400 companies attending this event, the number of business matching negotiations totaled around 8,300, which is almost double the number recorded at the ninth round held in the same city.

Mature Phase

Ensuring Smooth Business Succession

Bank of Tokyo-Mitsubishi UFJ has developed a service structure to assist customers in undertakings ranging from urgent stock acquisitions to determining long-term succession strategies. Under this structure, we deploy business succession specialists who provide customers with optimal advice in accordance with their circumstances and management plans.

Meanwhile, Mitsubishi UFJ Trust and Banking offers a wide range of consulting services, from corporate business succession to individual asset transfer. Our management financial diagnosis program (the "ownership" program) is used to analyze a client's current asset and business situation and identify key issues to address to ensure a smooth succession. It helps corporate clients clarify crucial issues affecting their business.

Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking offer consultation in a timely and appropriate manner for customers facing challenges in borrowing conditions and other management issues. When necessary, we introduce experts from inside and outside our organization to customers.