Compliance

We go to great lengths to ensure full compliance throughout MUFG, guided by our Corporate Vision, which emphasizes strict compliance with laws and regulations and the conduct of business in a transparent manner, to gain the public’s trust and confidence.

Compliance Framework

Compliance Divisions are in place at the holding company (MUFG), as well as at BTMU, MUTB, and MUSHD. The Compliance Divisions at each company promote compliance policies and measures by developing compliance programs and offering training, etc., and report the status of compliance to the Executive Committee and to the Boards of Directors of the respective companies. All four companies have also established voluntary committees, such as a Compliance Committee and an Internal Audit and Compliance Committee (a majority of which consist of external members), for the deliberation of important compliance issues. We have also established a Group CCO Committee comprising the Chief Compliance Officer and Deputy Chief Compliance Officers of the holding company. The Group CCO Committee deliberates important compliance issues as well as issues that require a common understanding throughout the group, shares problematic issues for the group as a whole, and works to prevent problems from occurring. Expanded Group CCO Committee meetings, with additional members, are held for deliberations on compliance issues that are in common among multiple group companies.

Internal Reporting Systems

MUFG has established internal reporting systems that aim to identify compliance issues early so that any problems can be quickly rectified. This system includes an independent external compliance hotline. Furthermore, the holding company has set up an MUFG Compliance Helpline that supplements group-companies’ internal reporting systems and provides a reporting channel for directors and employees of group companies.

Group-Wide Efforts

MUFG adopted its current Corporate Vision in April 2012, and revised its Principles of Ethics and Conduct in December that year, with the aim of providing concrete standards for decision-making and conduct under that Vision. To ensure that our Vision and Principles are well known and understood among directors and employees throughout the group, we engage in discussions about required policies and measures and continue to implement a variety of initiatives.

MUFG also carries out regular compliance awareness surveys of group employees. The FY 2013 survey received responses from over 80,000 employees, and confirmed that there is still a high level of awareness regarding compliance. Individual group companies also grasp and analyze their own issues by raising their own questions, and take steps toward improvement.
Major Compliance Policies and Measures

**Compliance**

**MUFG Conflicts of Interest Management**

MUFG has established a system whereby items that might pose a conflict of interest are centrally managed at the holding company to prevent any untoward damages to customer interests.

We have also announced a Policy for Conflicts of Interest Management, and conduct trainings for the education of officers and employees as well as periodic reviews of the management system.

**MUFG Response to Anti-Social Elements**

MUFG has announced a Basic Policy regarding Anti-Social Elements, which includes organized crime exclusion clauses in contracts, transaction terms and other agreements, and is reinforcing efforts to ensure that anti-social elements cannot take advantage of the financial system.

**MUFG Basic Policy regarding Anti-Social Elements**

MUFG has adopted the following Basic Policy regarding Anti-Social Elements, and our officers and employees are striving to ensure the propriety and safety of all group operations by observing this Basic Policy.

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**Policy for Conflicts of Interest Management**

Mitsubishi UFJ Financial Group, the holding company, and its subsidiaries and affiliates (collectively, “MUFG”) shall establish the following policy for conflicts of interest management and take all necessary actions to ensure all officers and employees to comply with the policy and not to falsely harm clients’ interest.

1. **Conflicts of Interest**
   A conflict of interest means the situation where an MUFG’s client’s interest conflicts with MUFG’s or one MUFG’s client’s interest conflicts with other MUFG’s clients’. While such conflicts of interest occur on a day-to-day basis as a result of conglomerations of financial institutions and diversification of financial trading, MUFG shall establish appropriate business management and compliance system to prevent adverse effects from conflicts of interest within the Group.

2. **Identifying Transactions with Potential Risk of Adverse Effects from Conflicts of Interest**
   MUFG shall identify in advance businesses, which require special management (“Managed Businesses”), from businesses in the following situations. MUFG shall intensively manage transactions with potential risk of adverse effects from conflicts of interest in performing the Managed Businesses, taking into consideration reputation risk.

3. **Companies with Requirement for Conflicts of Interest Management**
   MUFG companies conducting Managed Businesses shall be required to develop appropriate management system for conflicts of interest.

4. **Management System for Conflicts of Interest Management**
   MUFG shall centralize the management of conflicts of interest by establishing divisions responsible for management and control of conflicts of interest at each company under a legal duty to establish management system for conflicts of interest. MUFG shall comply with applicable laws and regulations related to conflicts of interest and maintain appropriate management for conflicts of interest.

5. **Measures for Management of Conflicts of Interest**
   With the following measures MUFG shall prevent adverse effects from conflicts of interest issues and avoid falsely damaging clients’ interest.

1. **Separating a division/company conducting a transaction with potential risk of adverse effects by conflicts of interest from other divisions/companies**
2. **Restricting either/both transactions with potential risk of adverse effects by conflicts of interest**
3. **Terminating either one of transactions with potential risk of adverse effects by conflicts of interest**
4. **Notifying clients of potential risk of adverse effects by conflicts of interest**