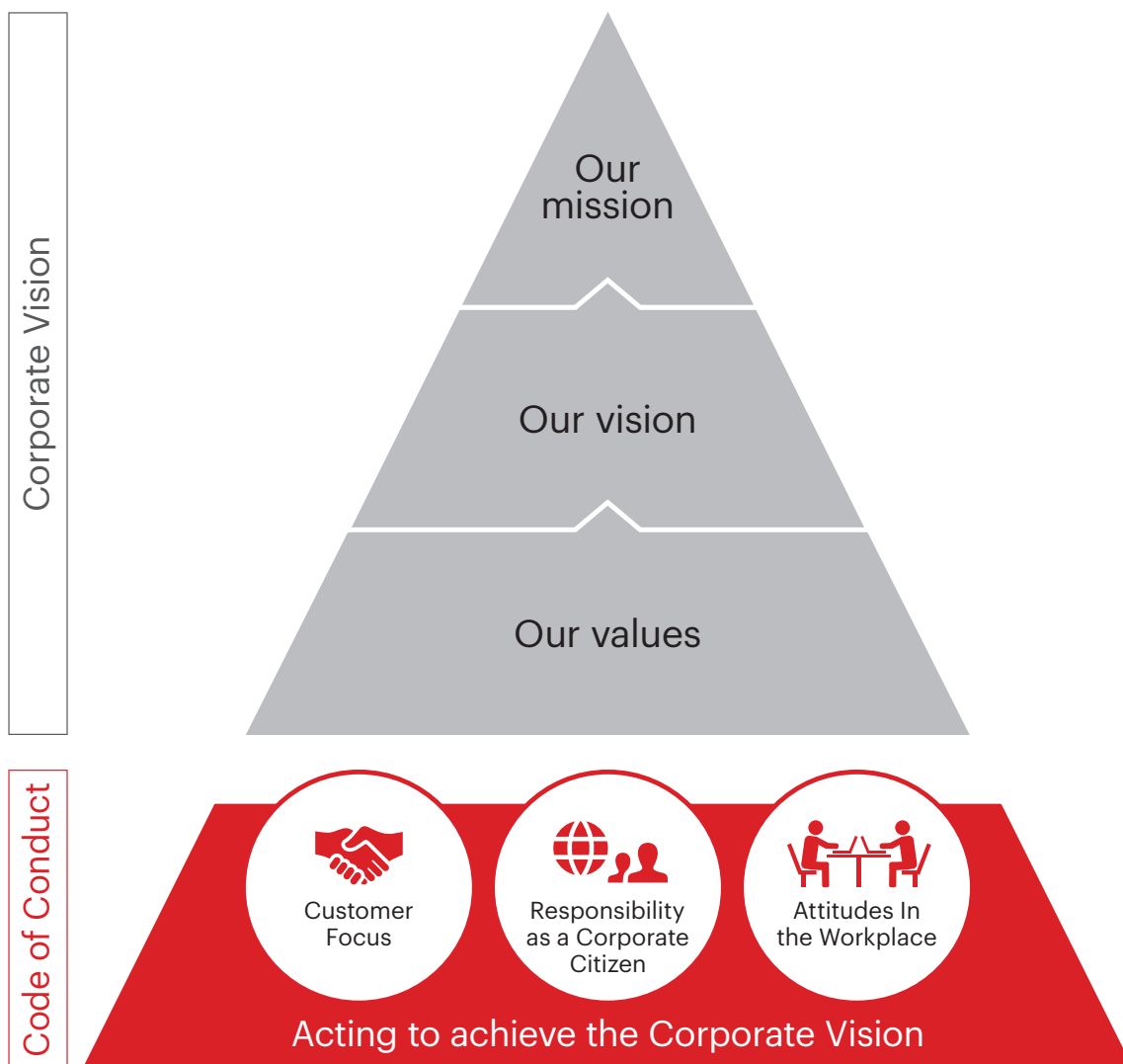


MUFG's Approach to Sustainability

With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we are engaged in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for social issues.

Corporate Vision and Code of Conduct



Corporate Vision

The corporate vision serves as the basic policy in conducting our business activities, and provides guidelines for all group activities. The corporate vision also is the foundation for management decisions, including the formulation of management strategies and management plans, and serves as the core value for all employees.

► Details on our corporate vision are available on our websites. <https://www.mufg.jp/english/profile/philosophy/>

Our Mission

Our Mission

To be a foundation of strength, committed to meeting the needs of our customers, serving society, and fostering shared and sustainable growth for a better world.

Our Vision

Our Vision

Be the world's most trusted financial group

- 1. Work together to exceed the expectations of our customers**
- 2. Provide reliable and constant support to our customers**
- 3. Expand and strengthen our global presence**

Our Values

Our Values

- 1. Integrity and Responsibility**
- 2. Professionalism and Teamwork**
- 3. Challenge Ourselves to Grow**

Code of Conduct

The Code of Conduct encapsulates the standards that guide employees' conduct and decision-making in our day-to-day business activities under the MUFG Corporate Vision. The Code of Conduct is organized into three chapters.

► Details on our code of conduct are available on our websites. <https://www.mufg.jp/english/profile/governance/ethics/>

- **Chapter 1** Customer Focus
- **Chapter 2** Responsibility as a Corporate Citizen
- **Chapter 3** Attitudes and Behaviors in the Workplace

Message from the CEO

The worldwide MUFG community extends our deep condolences to those who have suffered and lost loved ones due to COVID-19, and to all afflicted or affected by the coronavirus. Also our profound respect and gratitude go out to the devoted healthcare professionals and others fighting this disease at personal peril.

We have published the MUFG Sustainability Report 2020 to provide deeper insight into our efforts to achieve a sustainable environment and society and to help MUFG achieve sustainable growth.

In addition to disclosing information based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), this report includes new disclosure of "the target for the balance of financing to coal-fired power generation" and expanded information on sustainability, such as "CO₂ reduction effect in the renewable energy project financing," "human resource development," "diversity" and "social contribution activities".



1. To Achieve a Sustainable Environment and Society

The world is facing many challenges, including climate change due to increasing CO₂ emissions, severe poverty, and discrimination. The Sustainable Development Goals (SDGs), adopted by the United Nations in 2015 as a common goal to be addressed by the international community as a whole, have been widely adopted. Many companies are thus accelerating their efforts to achieve a sustainable society. In the world of investment, "ESG investment" that takes into account non-financial factors continues to expand. At the same time, financial regulations in Europe and other countries are being actively discussed in response to climate change.

As a global business enterprise, we have a keen eye on these global trends, and we do business with the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG. Last year, we also endorsed the Principles for Responsible Banking (PRB) at launch - a set of principles aiming to encourage banks to align their business activities with international goals such as the SDGs and the Paris Agreement. Through participation in international initiatives and other activities like this, we will promote sustainability management with the aim of becoming the global financial group that is trusted and chosen around the world.

2. MUFG Initiatives

In the effort to overcome challenges, our contribution to S (society), one of the aspects of ESG, is expected to be more than ever after having experienced the COVID-19 pandemic, in addition to the importance of promoting E (environment), i.e. the importance of further responding to climate change as a

financial institution.

In addition, we continue to work on the enhancement of G (governance) as an important issue in promoting sustainability management.

Contribution to Resolve Issues in E (environment) and S (society)

MUFG has identified seven environmental and social issues to be prioritized in its business, and worked to resolve them through specific strategies and measures, with the aim of achieving a balance between solving environmental and social

problems and achieving sustainable growth. We will contribute to overcoming the issue of global warming and climate change not only through our financial functions, but also through our own activities.

● Set and Promotion of Goals in Sustainable Finance

In 2019, MUFG became the first Japanese financial institution to set long-term goals for sustainable finance. In the environmental area, we are involved in financing for renewable energy projects and the underwriting and distribution of green bonds. In the social area, we are actively involved in fostering start-up companies, creating jobs, and financing projects that help alleviate poverty. The first year's results were on track to be 3.7 trillion yen, against a cumulative target of 20 trillion yen from FY2019 to FY2030.

● Shift to 100% Renewable Energy for Self-procured Energy

We are aiming to switch of the electricity we procure to 100% renewable energies by FY2030. Last year, we became the first Japanese bank to introduce a menu of electricity powered exclusively by hydro power generation, which emits no CO₂, and we replaced all the electricity used in the main bank building in Marunouchi, Tokyo, with renewable energy.

● Revision of the MUFG Environmental and Social Policy Framework

We have set the MUFG Environmental and Social Policy Framework as a framework for realizing environmental and social considerations. In last fiscal year's revision, we announced that, in principle, we would not finance new coal-fired power plants. This fiscal year, we added oil and gas (oil sands and Arctic development) to the list of "Restricted Transactions". We will continue to review this policy regularly.

● Further Strengthening of Social Contribution Activities and the Establishment of New Frameworks

The COVID-19 pandemic has provided a strong reminder of the importance of social stability. Yet, there are certain limits to the areas in which we can approach solving problems through financial services. Therefore, we have established a new framework that allocates a percentage of the group's profits to donations and support on an ongoing basis so that we can be more agile and flexible in providing support to areas of true need. Through this framework, we have donated a total of 2.9 billion yen in support of medical care, students, and the arts during the six months from April of this year.

Step to Improve Our Governance

To further deepen these initiatives, we are strengthening our internal systems.

● Sustainability Committee Meetings

The sustainability Committee under Executive Committee discusses initiatives undertaken to address environmental and social issues, and the Conclusions reached by the committee are reported to the Board of Directors and the Executive Committee.

● Appointment of Chief Sustainability Officer (CSuO)

In May 2020 we appointed a Chief Sustainability Officer (CSuO) to gear up our approach and clarify responsibilities.

● Engagement of External Advisors

From FY2019, we engaged two experts representing the fields of the environment and social to give their specialist opinions and recommendations to members of the Board of Directors and the Sustainability Committee.

3. Key to MUFG's Sustainable Growth

To me, there's no doubt the success of reforms underway at MUFG hinges on talent. Today, corporate reforms are no longer straightforward endeavors sustainable by a single voice from the top. Rather, leaders and their teams must focus on nurturing real talent that deeply desires to make a meaningful contribution. A foremost senior management responsibility is to ensure that all colleagues play their part in pursuit of successful reforms. Through COVID-19 pandemics, my colleagues rose to the challenge – spontaneously, creatively, and collaboratively – to serve our customers and society, and I have never been more proud of our team and more confident in the strength of the

MUFG Group.

In discussing the next medium-term business plan, we collected and reflected the opinions of many employees on the further evolution of sustainability management, and it is very satisfying to see the increased momentum and awareness within the group.

We will continue to create an environment in which each and every employee of MUFG, with their diverse values and backgrounds, can exercise their abilities to the fullest extent and continue to take on the challenge of creating changes while feeling a sense of fulfillment in their work.

4. In Closing

I'm devoted to the ideal that MUFG remain a company deserving of trust from customers and society, in any environment and circumstance. Along with our own colleagues, they merit the best of us, not only through the lifeblood of financial services but as warp and weft of the social fabric. I expect that, ultimately, all these efforts and factors will accelerate the momentum of a great company as it delivers greater value to all stakeholders, including shareholders, customers, colleagues, communities, and society as a whole.

We consider the pursuit of sustainability to be one of the most important management issues and would like to work with you to build a sustainable environment and society.

I gratefully ask your continued support.

Hironori Kamezawa
President & Group CEO



Evaluation of Our Sustainability Initiatives

For the latest information, please refer to our website. <https://www.mufg.jp/english/profile/overview/awards/>

FTSE4Good Index Series

MUFG has been selected for inclusion in FTSE Russell (a group company of the London Stock Exchange)'s FTSE4Good Index Series.

FTSE Blossom Japan Index

MUFG has been selected for inclusion in FTSE Russell (a group company of the London Stock Exchange)'s FTSE Blossom Japan Index.

MSCI Japan Empowering Women Index (WIN)

MUFG has been selected for inclusion in the American MSCI Inc.'s MSCI Japan Empowering Women Index (WIN).

Bloomberg Gender-Equality Index

MUFG has been selected for inclusion in Bloomberg's 2020 Gender-Equality Index.

S&P/JPX Carbon Efficient Index

MUFG has been selected for inclusion in S&P/JPX Carbon Efficient Index, designated by the S&P Dow Jones Indices and the Tokyo Stock Price Index (TOPIX).

Awards for Our Sustainability Initiatives

■ FY2019

Name of Award	Reason for Award	Awarded Company
2020 J-Win Diversity Award ● Second prize in “Advanced Division” of Corporate Award ● CEO Award	The award was given in special recognition of the commitment of top management, the strong promotion of human resources system revisions, support for women's career development, and raising awareness among managers.	MUFG Bank
Environmental Finance Bond Award 2020 ● Lead manager of the Year, Social Bonds – Corporate	We received the award as the most highly rated Financial Institution between the lead managers of corporate social bonds globally in CY2019, from the viewpoints such as contribution to developing the social bond market, our dominating position and our innovation.	Mitsubishi UFJ Morgan Stanley Securities
Tokyo Financial Award 2019 ● ESG Investment Category	The award was given in recognition of our contribution to the domestic ESG bond market in Japan, which is highlighted by our dominating position accounting for over 25% share of the market, No.1 green bond structuring agent in terms of the number of the transactions and our contribution to developing the Japanese ESG bond market as a pioneer since the market inception.	Mitsubishi UFJ Morgan Stanley Securities
The First ESG Finance Award Japan (Minister of the Environment Prize) ● Silver Award in Financial Service Category	We received the award in recognition of our efforts to expand the Japanese green bond market as a pioneer since our inception with various remarkable achievements and further contribution at MUFG level by newly setting Sustainable Finance Goal (20 trillion yen by 2030) in FY2019.	Mitsubishi UFJ Morgan Stanley Securities
DEALWATCH AWARDS 2019 ● Bond House of the Year (Corporate Bond Category)	We received this award in recognition of our contribution towards expanding the hybrid bond market in Japan including our originating one of the largest hybrid bond issuances in Japan, our efforts to expand the market for the rapidly growing sustainable finance sector and our active participation involvement in discussions to improve increase price transparency in the Japanese bond market which marked with record high issuance volume.	Mitsubishi UFJ Morgan Stanley Securities

■ FY2018

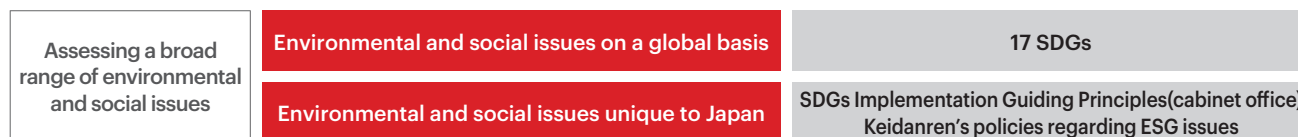
Name of Award	Reason for Award	Awarded Company
The 2018 (Fourth) Sustainable Finance Award ● Green Bond Award	The Institute for Research Institute for Environmental Finance (RIEF) selects financial institutions and companies that have contributed to the development of Japan's environmental financial markets to receive awards for their activities. The award was given in recognition of our contribution to improving the liquidity of the green bond issuance market in Japan, issuing three green bonds during the year.	MUFG
The Japan Green Bond Award - Minister of the Environment Prize ● Japan Green Impact Category	The award was given in recognition of our active contribution to the green bond market and environmental impact assessment, which had a great impact on improving the environment.	MUFG
The Japan Green Bond Award - Minister of the Environment Prize ● Japan Green Contributor Category	The award was given in recognition of our comprehensive contribution to developing the green bond market from both quantitative and qualitative perspective.	Mitsubishi UFJ Morgan Stanley Securities
The Ninth Career Education Award ● Large-Enterprise Category - Encouragement Award	The award was given in recognition of our financial and economic education program, "Kabu no Chikara (Dynamics of the stock market)", as an outstanding education support activity provided by the industry. The program which constitutes part of our social contribution activities was launched in 2014 with the aim of enhancing the financial literacy of the next generation, who will become leaders of the future, through understanding of stocks, functions and roles of securities markets, and brokerage firms.	Mitsubishi UFJ Morgan Stanley Securities
The Japan Mécénat Awards 2018 ● Award for excellence	Over the years, we have created opportunities for people with disabilities and the able-bodied to come together to appreciate arts and provided rich culture. In addition, through cooperative voluntary programs run by our employees and local communities, we have created a variety of cultural exchanges across the country. This award was given in recognition of these activities.	ACOM

Priority Environmental and Social Issues MUFG Must Address

MUFG's Priority Environmental and Social Issues MUFG Must Address and the Process for Selecting Priority Issues

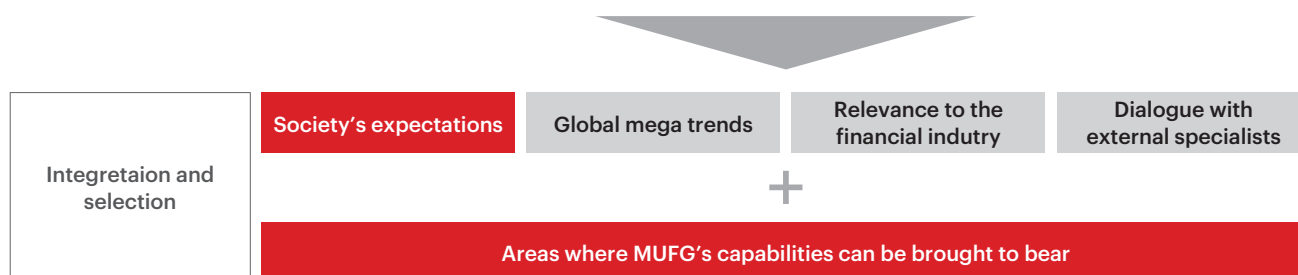
As we aim to help resolve environmental and social issues while securing sustainable growth, MUFG have determined priority environmental and social issues that must be addressed, taking into account the SDGs, the requirements of various guidelines and the opinions of our stakeholders.

■ Process for Selecting Priority Issues



Domestic and international environmental and social issues based on ESG-related requests from stakeholders, requirements of various guidelines, SDGs, etc. are organized.




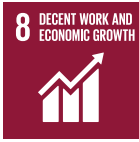


- Referenced Guidelines : GRI Standard, UN Global Compact, SASB, SDGs, ISO26000 etc.



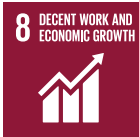

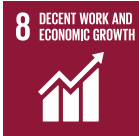


Based on the degree of relevance of MUFG as a financial institution to global megatrends and the financial industry, as well as the opinions of outside experts, we have identified the following seven priority issues to be addressed, based on both social expectations and affinity with MUFG's business areas.

1. Global warming & climate change
2. Cross-sectoral issues
3. Business incubation & job creation
4. Social infrastructure & town planning
5. Aging population & low birth rate
6. Financial innovation
7. Workstyle reforms

■ Priority Environmental and Social Issues, Related SDGs and MUFG's Initiatives

Priority Environmental and Social Issues	Related SDGs	Initiatives
1 Global warming & climate change	 	<p>MUFG is addressing issues arising from global warming and climate change by rallying the Group's comprehensive strengths. We are ranked among the world's top finance arrangers of renewable energy projects while contributing to the expansion of the Green Bond market.</p> <p>Initiatives</p> <ul style="list-style-type: none"> ● Promotion and Dissemination of Renewable Energy (P.34) ● Green Loan and Green Private Placement Bonds (P.35) ● Contribution for the Development of Green Bond Market (P.39)
2 Cross-sectoral issues		<p>MUFG is helping clients resolve a number of the environmental and social issues they are confronting.</p> <p>Initiatives</p> <ul style="list-style-type: none"> ● Issuance of Sustainability Bond (P.14) ● Enhancement of the Sustainable Investment Strategy (P.15) ● ESG investment (P.16)
3 Business incubation & job creation		<p>MUFG engages in financing for growth industries and venture startups while, in developing countries, providing micro financing solutions. By doing so, MUFG helps a broad range of sectors grow and contribute to the creation of new industries and employment.</p> <p>Initiatives</p> <ul style="list-style-type: none"> ● Rise Up Festa (P.16) ● Business Incubation & Job Creation (P.16) ● Business Link (P.17)
4 Social infrastructure & town planning	 	<p>MUFG develops project finance, etc., aimed at meeting funding needs for the construction of social infrastructure in developing countries as well as the renewal of aged infrastructure at home and abroad while also creating new financial products equipped with coverage for natural disaster damage.</p> <p>Initiatives</p> <ul style="list-style-type: none"> ● Organizing Social Loan originated from Africa (P.18) ● Financing for a Fertilizer Plant in Bangladesh (P.19) ● Development of "Foreign Currency Deposit with Earthquake Protection" for Earthquake Risk (P.19)

Priority Environmental and Social Issues	Related SDGs	Initiatives
5 Aging population & low birth rate	 	<p>Providing solutions for issues arising from Japan's rapidly aging population and low birth rate, MUFG is offering financial and economic education in addition to developing products specially designed for elderly customers and assisting smooth business succession.</p> <p>Initiatives</p> <ul style="list-style-type: none"> ● Supporting Smooth Business Succession (P.19) ● The new Proxy Withdrawal Function, "Tsukaete Wrap Special Contract," is added to MUFG Fund Wrap (P.20) ● Research and promulgation of information about asset formation, asset management, and asset succession (P.20)
6 Financial innovation	 	<p>Provide a broader range of the general public with access to financial services by developing and offering cutting-edge financial services.</p> <p>Initiatives</p> <ul style="list-style-type: none"> ● Establishment of "ST Research Consortium" (P.21) ● Releasing "MUFG Wallet" (P.21) ● A capital and business alliance with Grab Holdings, a leading super app company (P.21)
7 Workstyle reforms		<p>Contribute to across-the-board efforts in Japan to improve productivity by, for example, helping employees adopt diverse workstyles to strike an optimal balance between their jobs and child rearing, nursing care and other family duties.</p> <p>Initiatives</p> <ul style="list-style-type: none"> ● Promoting Smart Work (P.79)

MUFG's Approach to Priority Issues

MUFG uses its functions and businesses as a financial institution to provide the following initiatives, products and services in response to the environmental and social issues it has determined.

Global Warming & Climate Change

Details on our initiatives for global warming & climate change are available on Environment (P.32).

Cross-Sectoral Issues

Formulation of Green, Social and Sustainability Bond Framework

MUFG developed a green/social/sustainability bond framework in October 2019 to provide broad support for businesses that contribute to the realization of a sustainable society (sustainability bonds include funds to be used for both green and social purposes). This is an expansion of the existing green bond framework, extending the eligibility categories for use of the funds to include not only green but also social sector projects. In addition, in May 2020, one item each for **1) health care and 3) job creation and retention**, which were COVID-19 response measures, were added to the eligibility categories in the social sector including **1) health care, 2) education, 3) job creation**

and retention, and 4) public housing. We are receiving second-party opinions on this framework from Sustainalytics, an external evaluation firm.

Using this framework, in December 2019, we issued 90 million USD of social bonds, the first social bonds from a Japanese private financial institution. In June 2020, we issued 500 million euros in sustainability bonds including funds related to the COVID-19 responses, the first of its kind in Japan, and used the proceeds from the bond issue to finance qualified green social projects through MUFG Bank.

► Details on our Green, Social and Sustainability Bond are available on our websites. https://www.mufg.jp/english/ir/fixed_income/greenbond/

Issuance of World's First Sustainability Bond to Address COVID-19 Responses for Retail Investors.

With the prolonged spread of the COVID-19 pandemic and the growing demand for funds from companies for income loss and infection prevention measures, Japanese private investors have boomed increasingly interested in ESG investment.

In September 2020, MUFG issued the world's first sustainability bond for retail investors that covered COVID-19 responses under this framework.

The funds, amounting to 150 billion yen in total, is used to finance exiting green sectors (green buildings, renewable energy, etc.) and social sectors (health care, education, job creation and retention, public housing, etc.), as well as loans for small and medium-sized enterprises (SMEs) and sole proprietors who are

recovering from the economic damage and impact of the spread of infectious diseases (e.g., COVID-19).

To date, approximately 34 trillion yen in bonds have been issued worldwide to institutional investors, including loans related to combating the spread of COVID-19, but MUFG is the first to issue bonds to individuals.

This bond provides an opportunity for retail investors interested in social issues and climate change to invest in sustainability bonds.

MUFG will continue to support projects that contribute to the realization of a sustainable environment and society through the issuance of sustainability bonds and financing by MUFG Bank.

Contribution to Minority Issues by Adding D&I Firms as Underwriters

Amidst the growing focus on minority issues, MUFG is working to achieve diversity and inclusion (D&I).

For the September 2020 U.S. dollar-denominated bond issue, we have also invited financial institutions with characteristics for minority issues (D&I Firms) to be part of the underwriting brokerage firm.

In issuing the bonds, MUFG invited a total of four D&I Firms with a strong connection to minorities in the U.S., including veterans, women, African-Americans, and Hispanics, demonstrating

MUFG's willingness to contribute to the understanding and permeation of diversity in society.

While U.S. companies have been doing this for a long time, with the recent increase in attention to minority issues, non-U.S. companies are also beginning to make rapid progress in this field.

MUFG will continue to play its role as a financial institution in the important global issue of D&I through the issuance of corporate bonds and other means.

Japan's First Sustainability Linked Loan and Second Project Closed

MUFG Bank has developed a loan product called the Sustainability Linked Loan (SLL), in which terms and conditions of the loan will be adjusted based on the achievement of the sustainability performance target (SPT) aligned with customer's ESG strategy.

For the case of NYK Line closed in November 2019, MUFG Bank has arranged and executed the syndicated finance for the first SLL in Japan, of which SPT is set to maintain certain level of the CDP* climate change-related disclosure score.

*The CDP is an international non-profit organization that works on climate change and other environmental issues. The CDP collects, analyzes and evaluates information on greenhouse gas emissions and climate change initiatives of the world's major companies from the perspective of the management risks that climate change poses to companies, with the aim of making information on corporate initiatives available on a common scale.

The second transaction was the co-finance for Toyota Gosei, an automotive and transportation equipment parts manufactures, in which SPT is set to the certain level of reduction of CO₂ emissions and waste based on the amount of sales.

We will continue to contribute to the realization of a sustainable society by supporting our customers' efforts to address environmental and social issues through the spread of SLL, utilizing the know-how we have accumulated in Japan and overseas.

Enhancement of the Sustainable Investment Strategy

MUFG Bank aims to maximize the positive impact to (resolve) environment and social issues while striving to identify business opportunities for MUFG in the field of sustainability. To this end, the Bank adopted a new fund investment strategy that utilizes the environmental and social impacts of investees' activities as indices for investment judgement in addition to achieving economic performance. As part of this strategy, MUFG Bank introduced the "internal carbon pricing", a method used to measure environmental impact in the course of making

investment judgments by multiplying the expected reduction in CO₂ emissions by future carbon prices. In March 2020, we invested in Global Renewable Power Fund III, which targets renewable energy as the investment assets. The expected reduction in CO₂ emission via our portion of investment in this fund is approximately 20,000 tons per year. We will continue to visualize the environmental and social impacts accumulated through our investments and aim to further expand our business areas.

ESG Investment

Investments that take into account ESG factors are expected to support companies and other organizations working to achieve a sustainable society and improve their long-term returns; thus, there is a growing interest worldwide, especially among institutional investors such as public pension funds.

MUFG's treasury business is diversified into government bonds, foreign bonds, equities, and corporate bonds, as well as green

bonds and other investments.

In fiscal 2019, we carried out investments of a certain size while improving our investment readiness.

We are actively working to find the right balance of risk and return in fiscal 2020. We will continue to contribute to MUFG's financial returns and sustainable economic growth through ESG investments.

Investment in EEI Fund 4 Investment Limited Partnership

In June 2019, MUFG Bank invested in EEI Fund 4 Investment Limited Partnership, a venture fund formed by Energy & Environment Investment, Inc. that specializes in the environment and energy sector.

The fund targets venture companies with innovative business models and technologies in the environment, energy, and other SDGs-related business areas. By incorporating ESG and SDG

criteria into the investment evaluation process, it aims to find and support the growth of venture companies that can contribute to a sustainable society, and to balance performance with solutions to social issues.

By investing in this fund, MUFG will strengthen its efforts to address ESG issues and contribute to the realization of a sustainable environment and society.

Business Incubation & Job Creation

Rise Up Festa

Rise Up Festa is a program that provides medium- to long-term support to venture companies that are working on new businesses that are new and original or that go beyond the scope of their existing businesses, making the most of MUFG's network and the wealth of know-how cultivated to date through management support and other services. The Festa has been held annually since fiscal 2014, and for the seventh year of the

competition in fiscal 2020, nine finalist companies, which were selected from more than 130 applicants, have advanced to the final round, resulting in four outstanding companies and five excellent companies. The entire MUFG will continue to support the creative businesses of these award-winning companies in the future.

Business Incubation & Job Creation

MUFG Bank actively supports new business areas that are difficult to take up through conventional credit decisions due to market changes and intense competition.

Under the New Industry Growth Support Program, the screening department and the department in charge of customer service work together to assess the business potential of a company that has high growth potential but is difficult to identify by conducting hearings with customers and visiting their factories and other

facilities, and provide support for growth, including financing, based on a detailed understanding of the business' strengths and management issues.

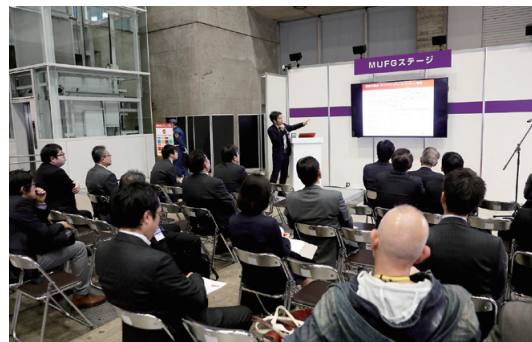
In fiscal 2019, we expanded our programs to contribute to business incubation and job creation by establishing new focus industries such as space tech, food tech, and health tech from the perspective of medium- to long-term business incubation.

Business Link

MUFG hosts periodic large-scale business matching events aim to support corporate clients by introducing potential business partner in various business sector. At the 16th Business Link held in December 2019, we successfully arranged approximately 9,700 meetings.

This year's event featured two new initiatives: the MUFG Stage,

which feature on current topics and solution presented by MUFG group companies, and the Venture Stage, introducing startup company as presenter to share their knowledge. Introducing oversea investment promotion agencies and Krungsri (Bank of Ayudhya), we were able to provide not only domestic but also global business opportunity for our clients.



Start of “the MUFG Trade Club”, the Global Business Matching Portal Site

In November 2019, MUFG Bank launched the MUFG Trade Club, a global business matching portal site for corporate clients in Japan. This portal site provides free accounts to customers who are interested in overseas business.

In collaboration with partner banks in Japan and Asia, MUFG Bank has continued to organize business meetings and individual business matching events, particularly in the Asian region. However, in Europe, the U.S., the Middle East, and Africa, opportunities for business matching, including business meetings, were more limited than in Asia, due to a lack of partner banks and other reasons.

Therefore, in order to meet the needs of customers for business matching with local mid-sized and small businesses in Europe, the U.S., the Middle East, and Africa, we signed a business

cooperation agreement with Banco Santander, S.A., Spain's largest commercial bank, in March 2019. We then became the only Japanese bank to join Trade Club Alliance, an initiative of this bank, and started this service.

The Trade Club Alliance currently has 14 member banks from around the world, including MUFG Bank, and this service enables them to match their corporate customers with business partners. Approximately 21,000 companies in 51 countries around the world are using the business matching services provided by the Trade Club Alliance, which are expected to contribute to the growth of new industries and economic development.

Through these and other services related to business matching, MUFG Bank will continuously provide services to support its customers prosperity.

Sponsoring Venture Business Meetings (AI and IOT)

MUFG Bank held an AI and IOT-based venture business meeting with the aim of resolving our partners' management issues related to AI and IOT and supporting the growth and development of venture companies.

In order to increase the number of effective interviews as much as possible, we confirmed in advance their willingness to have interviews by asking both the venture companies' needs; to identify the types of companies they would like to meet with, and the participating companies' intents; to clarify their management

issues.

In the end, 38 companies, mostly large corporations, participated in the event, and 113 business meetings were realized. Venture companies commented that the conference was efficient and that they were able to meet with unexpected companies. According to the results of the survey of participating companies, 98% of them answered that the event was meaningful.

We will continue to implement a variety of plans to solve our customers' business problems.

Social Infrastructure & Town Planning

Establishment of Africa's First Social Loan for the Government of Cote d'Ivoire

As the population expands at a rapid rate in fast-growing Africa, infrastructure development for economic and social development has become a social issue, and international organizations, private financial institutions, and corporations are expected to provide support for development. MUFG in collaboration with the African Trade Insurance Agency (hereinafter "the ATI"*) arranged the first social loan for an African government to Cote d'Ivoire in May 2019 to fund infrastructure development. The loan is guaranteed by ATI for the payment of principal and interest, and has been supported by a number of institutional investors, raising a total of 220 million euros in financing. The funds will be used to support approximately 300

*The ATI, established in 2001 to promote trade and investment in Africa, is a 14-member trade insurance organization. The ATI is playing a central role in promoting foreign investment in Africa.

infrastructure projects, including the expansion of airports and medical facilities and educational programs.

In addition, with the expectation of further economic and social development in Africa and as part of our mission as a financial institution, MUFG Bank signed a Memorandum of Understanding with ATI in July 2019 to cooperate on trade and investment promotion in Africa. By further strengthening the exchange of information and cooperation on Africa, we will contribute to the development of clients conducting business in Africa, who are considering trade and investment in Africa, and ATI member countries.

COVID-19 Emergency Assistance Program in Collaboration with MIGA

With the spread of COVID-19, maintaining the financial systems of emerging countries, which have a significant impact on their economies, has become an important theme. Under such circumstances, the World Bank Group's Multilateral Investment Guarantee Agency (MIGA) launched the COVID-19 emergency assistance program in April 2020 to support private sector investors and financial institutions in low- and middle-income countries as they work to respond to COVID-19.

In July 2020, MUFG, in collaboration with MIGA and several financial institutions, provided financing to the Eastern and Southern Africa Trade and Development Bank (hereinafter "the

TDB"*) for a total of 334 million euros as the very first support in the world financing provided through this program. The funds raised through this initiative will be used to purchase daily necessities (food and fuel), and purchase medical equipment and construct facilities for COVID-19 treatment in the 22 TDB member nations.

Through this emergency support programs and other initiatives, MUFG is committed to maintaining the integrity of and strengthening access to international financial markets, and contributing to the development of a sustainable society.

*The TDB is a regional development bank engaged in trade and project finance in Africa.

Investment in Rolling Stock Leasing to a Rail Operator in the UK

Japan Infrastructure Initiative* (JII) signed an investment agreement in relation to the procurement and leasing of new rolling stock for Abellio East Midlands Railway, a rail franchise operator in the UK. This project will introduce a new state-of-the-art intercity high-speed fleet to East Midlands main lines in

*Founded in January 2017 by Mitsubishi UFJ Financial Group, Inc., Mitsubishi UFJ Lease & Finance Company Limited, MUFG Bank, Ltd., Hitachi, Ltd. and Hitachi Capital Corporation to establish an open financial platform

England. The trains' bimodal functionality will enable operations powered by overhead electricity lines or by diesel engine on routes where self powering is required, and will replace existing diesel only trains. The new fleets will help improve train services and offer environmental benefits.

Financing for a Fertilizer Plant in Bangladesh

Bangladesh, an agricultural country, has seen a rise in demand for foods and fertilizers due to high economic growth and population increase. In November 2019, MUFG has co-financed with Japan Bank for International Cooperation and others a project, providing a total of ¥140 billion to Bangladesh Chemical Industries Corporation (BCIC), a state-owned entity. This project is to support BCIC to construct a new fertilizer plant, which is set

to become the country's largest facility. In addition to helping raise the volume of domestic fertilizer production and reducing dependence on imported fertilizers, the construction of the new plant is expected to contribute to Bangladesh's economic growth. Also, the Japanese CO₂ capture technology which will be introduced in the new plant is likely to contribute to reducing its environmental impact.

Releasing a Non-JPY Deposit Product with Earthquake Protection

Targeting corporate clients, the Bank has developed a non-JPY term deposit product equipped with earthquake protection. Although the product's interest rates are relatively lower than conventional non-JPY term deposit products, the depositors are eligible to receive a certain amount of coverage when conditions associated with seismic intensity are met and confirmed at designated observation points. In contrast to earthquake insurance, the product does not require evidence of damage and places no restrictions on the usage of funds, enabling the depositors to utilize funds for such purposes as the payment of compensation for temporary disability or the restoration of

indirect damage. Furthermore, coverage under this product is delivered to the depositors in a relatively short period of time. As the looming possibility of a Nankai megathrust earthquake prompts growing corporate interest in taking protective measures against earthquake damage, we will meet the contingency funding needs of our clients while offering diverse vehicles for risk hedging. In these ways, we will help them step up their focus on ESG-oriented management aimed at securing sustainable operational continuity by bringing agile to customer support when disaster occurs.

Aging Population & Low Birth Rate

Supporting Smooth Business Succession

Due to the rapid aging of society, a number of domestic SME owners are facing a pressing challenge in the form of a lack of successors. As part of its initiatives to help resolve such challenges, the Bank is engaged in ongoing investment in the "Dream Succession III Limited Partnership," which extends hands-on assistance to business succession. This fund was the first in Japan, following the 2019 enforcement of revised tax measures associated with business succession funds, to be certified by the Minister of Economy, Trade and Industry as a fund defined by the Small and Medium-sized Enterprises Business Enhancement Act, etc. As a result, clients who are funded by this fund are eligible to

receive tax breaks.

In addition to offering solutions associated with business strategy and succession, we provide individual business owners wishing to pass on wealth with high-value-added services backed by MUFG's unique strengths. Thanks to these initiatives, we were able to support the succession of businesses and assets worth more than ¥1 trillion in total, continuing the robust track record established a year earlier. Looking ahead, we will provide solutions aimed at supporting sustainable growth for customers and society as a whole.

Addition of Tsukaete Wrap Special Contract, a Substitute Withdrawal Function to the MUFG Fund Wrap

Mitsubishi UFJ Trust and Banking released "Tsukaete Anshin", a trust product with proxy withdrawal functions to address needs among elderly customers anxious about becoming incapable of the administration and withdrawal of funds due to a decline in cognitive functions. This product enables a designated proxy to withdraw funds via a dedicated app, which also makes it easier for the customers' families to check the status of their bank accounts. The product will thus allow the customers rest assured about the custody of their assets over the long term even if their cognitive ability deteriorates due to dementia or other factors. In fiscal 2019, we secured a total of approximately 3,000 contracts for this product while being chosen to receive the Nikkei Veritas Award for Excellence under the 2019 Nikkei Superior Products

and Services Awards.

In February 2020, with the aim of realizing a society in which people can continue to live as they wish, even if they are suffering from dementia, a new feature named "Tsukaete Wrap" has been added to the MUFG Fund Wrap that allows funds invested therein to be canceled and deposited into the "Tsukaete Anshin" account by a proxy designated in advance.

In this way, even if a user's decision-making ability deteriorates due to dementia, etc., the user can continue to invest his/her money in ways he/she likes with security by getting a family member or designated person to check the user's "Tsukaete Anshin" account.

Start of Industry-Academic Joint Research to Create a "Healthy Aging System"

Mitsubishi UFJ Trust and Banking Corporation, together with the University of Tokyo and SoftBank, launched a joint industry-academic research project in August 2019 to build a "healthy aging system" that enables individuals to identify their own health age through micro blood tests to initiate behavioral changes in order to enrich their lives as they enter the 100-year life society. In this research, we aim to establish an indicator of health apart from actual age by analyzing trace amounts of blood, as well as

to research and develop AI-based solutions for the prevention of lifestyle-related diseases by linking the obtained personal data with lifestyle data, sleep data, and other relevant information.

Mitsubishi UFJ Trust and Banking Corporation aims to develop new products and services as well as propose new life planning based on the results of this joint industry-academic research, in order to meet the diversified needs of individuals in the super-aging society.

Research and Promulgation of Information about Asset Formation, Asset Management, and Asset Succession

As we enter an unprecedentedly super-aged society, financial institutions are expected to provide support for asset formation, asset management, and asset succession in order for people to live a long and secure life in retirement. Mitsubishi UFJ Trust and Banking Corporation has established the MUFG Financial Education Institute, which conducts practical research on investment education and provides practical and effective information from a neutral standpoint, and the MUFG Inheritance Research Institute, which conducts research on asset

management in an aging society and smooth asset succession to the next generation. In fiscal 2019, the MUFG Financial Education Institute conducted a survey on the attitudes of the pre-retirement and post-retirement generations toward retirement, a survey on attitudes toward "saving" investments in response to the "20 million-yen retirement problem," and a survey on the financial literacy of 10,000 people. We will continue to disseminate information through the publication of papers and books and the holding of seminars and symposia.

Financial Innovation

Please refer to page 38 of MUFG report 2020 for details on our initiatives for solving social issues through digital.
https://www.mufg.jp/english/ir/report/annual_report/

Establishment of "ST Research Consortium"

Financial transaction methods are diversifying with the advancement of information and communication technology. In order to improve trust in financial functions and protect users and others, Mitsubishi UFJ Trust and Banking Corporation, together with Mitsubishi UFJ Morgan Stanley Security and MUFG Bank, established the ST (Security Token) Research Consortium (hereinafter "SRC") on November 6, 2019, together with 21 companies including cooperative companies outside the group. The SRC aims to provide an infrastructure that enables the centralized and automated execution of securities and fund settlement using blockchain technology, while at the same time protecting the rights of investors, with the purpose of sharing knowledge from the standpoints of examination of fund procurement and investment, examination of arrangement

and intermediary, and examination of technical cooperation and settlement.

By enabling financial transactions to operate on a programmatic basis, a single platform will be able to handle various financial products such as corporate bonds and securitized products, making it possible for anyone, including small-scale individual and overseas investors, to raise and manage funds flexibly 24 hours a day, 365 days a year, without the need for dedicated terminals. As of August 2020, more than 40 companies have participated in this program, and it is expected to grow even more in the future.

Going forward, MUFG will continue to contribute to solving a variety of social issues through the active use of technology.

Make Daily Transactions More Convenient! Release of "MUFG Wallet"

To make daily transactions more convenient and to promote a cashless society as a whole, MUFG Bank released MUFG Wallet in October 2019, the first wallet service in Japan to support Visa touch payments.

By downloading the MUFG Wallet, a smartphone app, and registering a Mitsubishi UFJ-VISA debit card, users can make payments at stores with Visa touch payment service by simply

holding a smartphone while logging in to the app to complete payment without taking a wallet out.

We also added the Mitsubishi UFJ-JCB debit and Digital Ponta Card in June 2020 to support more payment scenes.

In the future, we plan to offer this highly convenient Wallet service that will allow users to register a variety of cards they have in their actual wallets with the app.

Capital and Business Alliance with Super App Firm, Grab

MUFG Bank has entered into a capital and business alliance with leading Southeast Asian super-app company Grab Holdings Inc. (hereinafter "Grab") in February 2020.

The pace of change in emerging economies, including Southeast Asia, is fast, and there is an accelerating trend of "platformers" providing convenient new financial services to people's lives using data and AI technology. MUFG Bank and its partner banks in Southeast Asia will continue to work together with Grab to provide new financial services to customers in Southeast Asia.

In addition, we are going to leverage our efforts and experience

gained through this partnership to advance MUFG's business model including Japan and to accelerate efforts to realize next-generation digital financial services.

MUFG shares a philosophy with its strategic partner, Grab, to jointly develop financial services that make a significant contribution to the sustainable development of local communities by promoting financial inclusion, innovation, and the creation of new jobs, while addressing social issues on a global basis. Through this alliance, we aim to become a company that has global trust and credibility and symbolizes innovation.

Workstyle Reforms

Please refer to page 79 for details on our initiatives for workstyle reforms.

Policies and Guidelines Related to Sustainability Promotion

Details on our policies and guidelines are available on our websites. <https://www.mufg.jp/english/csr/policy/>

Environmental		
<ul style="list-style-type: none">● MUFG Environmental Policy Statement● MUFG AM Responsible Investment Policy	<ul style="list-style-type: none">● MUFG Environmental and Social Policy Framework	
Social		
<ul style="list-style-type: none">● MUFG Human Rights Policy Statement● MUFG Environmental and Social Policy Framework● MUFG AM Responsible Investment Policy● MUFG Human Resources Principles● Approach to Purchasing Activity	<ul style="list-style-type: none">● Modern Slavery Act 2015● Activities against Cluster Bombs● Personal Information Protection Policy● MUFG's Thinking on Diversity and Inclusion Details are available on our website. https://www.mufg.jp/english/csr/employee/worklifebalance/	
Governance		
<ul style="list-style-type: none">● MUFG Group Code of Conduct Details are available on our website. https://www.mufg.jp/english/profile/governance/ethics/● MUFG Group Disclosure Policy● Policy for Conflicts of Interest Management● Basic Policy regarding Anti-Social Elements● Efforts to Prevent Bribery● MUFG Basic Policy for Fiduciary Duties Details are available on our website. https://www.mufg.jp/english/profile/governance/fd/	<ul style="list-style-type: none">● MUFG Corporate Governance Policies Details are available on our website. https://www.mufg.jp/english/profile/governance/policy/● Risk Management Basic Policy Details are available on our website. https://www.mufg.jp/english/profile/governance/risk/● Compliance Basic Policy Details are available on our website. https://www.mufg.jp/english/profile/governance/compliance/● Global Financial Crimes Policy Statement	
Group Company Policies		
<ul style="list-style-type: none">● MUFG Bank Details are available on our website. https://www.bk.mufg.jp/global/aboutus/corporatevision	<ul style="list-style-type: none">● Mitsubishi UFJ Trust and Banking Details are available on our website. https://www.tr.mufg.jp/english/aboutmufg/aboutmufg	<ul style="list-style-type: none">● Mitsubishi UFJ Securities Holding Details are available on our website. https://www.hd.sc.mufg.jp/english/sustainability/

Sustainability Promotion Structure

MUFG is strengthening its sustainability promotion system in order to achieve a sustainable environment and society, as well as the sustainable growth of the group. Specifically, we reviewed the deliberations of the former CSR Committee and its members and developed it into the Sustainability Committee, with the aim of intensively discussing initiatives to resolve environmental and social issues.

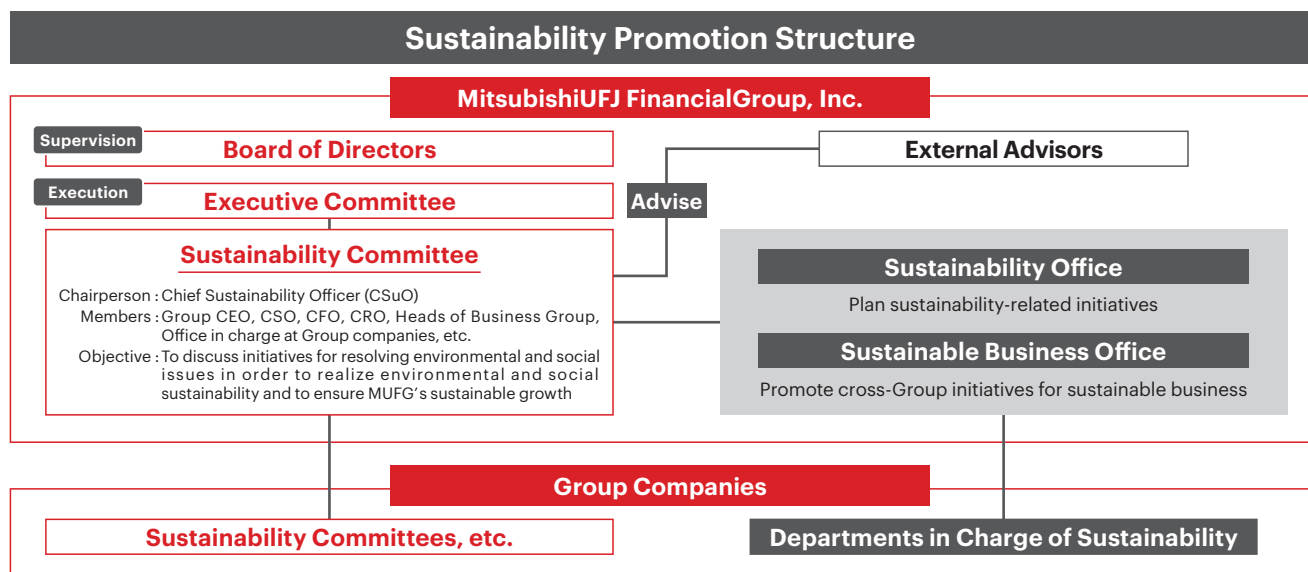
The Committee meets at least once a year, in principle, to discuss and report on the content of deliberations, including the confirmation of the status of sustainability initiatives and the integration and strengthening of the management plan, to the

Board of Directors and the Executive Committee.

In fiscal 2019, we engaged two external advisors to provide agile and flexible consultation for the members of the Board of Directors. Board members exchange views with the advisors and use advice and recommendations from their expertise in MUFG's sustainability initiatives.

We also appointed a Chief Sustainability Officer (CSuO) to clarify the responsibilities for promoting sustainability. For the time being, the director in charge of corporate planning and strategy will also act as the CSuO, which will enhance the driving force, including integration with our core business.

► Please refer to page 99 for details on our governance related to sustainability.



Roles of Each Position and Department

● Chief Sustainability Officer (CSuO)

The CSuO implements actions to realize sustainability. The Group CSO, a member of the Board of Directors, becomes the CSuO.

● External advisor

The external advisor regularly exchanges views with the management in order to make use of external knowledge on sustainability for management.

● Sustainability Office, Corporate Planning Division

The Sustainability Office is responsible for the planning and development of sustainability management and accelerating sustainability-oriented management throughout the company.

● Sustainable Business Office, Solution Products Division

The Sustainable Business Office is an organization dedicated to the promotion of sustainable finance. As a portal-hub for MUFG, this team accumulates information related to sustainable area including environmental and social issues, and support customers' sustainable growth through providing information and services.

Stakeholder Engagement

Constructive Dialogue with Stakeholders

MUFG categorizes its stakeholders involved with its business activities into the following categories: customers, business partners, employees, shareholders and investors, communities and society, and the environment.

Through constructive dialogue with each stakeholder, we will gain new insights and they will deepen their understanding

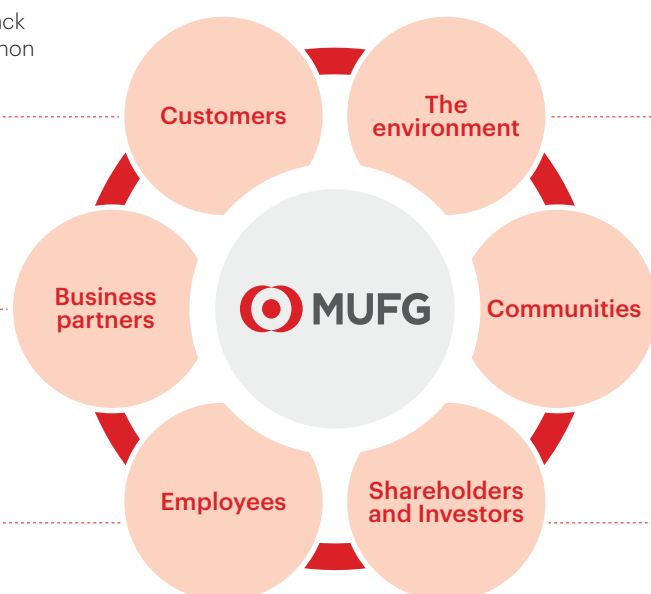
of MUFG, and by taking into account the interests of our stakeholders and the social issues they face, we will strive to build a relationship of trust and collaboration that will lead to the sustainable growth of MUFG and the improvement of our corporate value over the medium to long term.

■ How MUFG Engages with its Stakeholders

- Collection of customer feedback
- Dialogue via face-to-face and non face-to-face channels
- Website

- Purchasing activities
- Business alliance and collaboration

- MUFG Group Awareness and Engagement Survey
- Town hall meetings
- Whistle-blowing system



- Participation in various initiatives

- Participation in community activities
- Partnership agreements with local governments
- Provision of financial and economic literacy education

- General Meeting of Shareholders
- Presentation meetings for investors
- IR seminars
- Individual meetings

Customer

We are endeavoring to improve our operations and service quality by incorporating customer feedback. Moreover, we are striving to enhance employee skills so that all customers can rest assured about our services. Setting our sights well above the mere protection of customer trust, we are thus striving to build new trust for the future.

▶ Please refer to page 88 for details on our engagement with customers.

Business Partner

MUFG works with a wide range of business partners, including institutions that provide financial products and services, and business alliance partners. We strive for fairness in all interactions with these business partners, and work to create value through collaboration.

▶ Details on our engagement with business partners are available on our websites. <https://www.mufig.jp/english/csr/stakeholder/>

Employees

MUFG holds town hall meetings and round-table conferences aimed at enhancing mutual understanding between top management and employees and ensuring that MUFG's visions and policies are shared by all. Furthermore, MUFG's executives often visit branches and interact with the frontline employees

▶ Please refer to page 60, 67 for details on our engagement with employees.

who directly engage with customers, exchanging insights about how to enhance MUFG's onsite capabilities. This interaction is an example of their efforts to create a better workplace in which employees' opinions are reflected in business operations and every employee finds their job reward.

Shareholders and Investors

Today, MUFG's operations are becoming increasingly diverse, both by region and by business type. Accordingly, we believe that providing our stakeholders with accurate and timely explanations of our operations and strategies is important, and helps them to gain a good overview of what MUFG is doing.

To this end, our management team is holding individual meetings, small meetings, and presentation meetings with

domestic and overseas investors.

In fiscal 2019, we held three financial and business presentation meetings and conducted 424 individual visits and IR meetings. With regard to ESG issues and contributions to the SDGs, we held dialogues through the General Meeting of Shareholders, IR meetings for analysts, and one-on-one meetings with investors.

▶ Please refer to page 83 of MUFG Report 2020 for details on our engagement with shareholders and investors. https://www.mufig.jp/english/ir/report/annual_report/

■ Key dialogue results for FY2019 as follows

Seminars for shareholders	Seven occasions; approximately 1,400 attendees
Seminars and presentation meetings (including online presentation meetings) for individual investors	Seven occasions; approximately 1,200 participants
Seminars and presentation meetings for institutional investors:	11 occasions
Individual meetings with institutional investors	424 occasions (including 290 occasions of individual meetings with overseas investors)

Communities, Local Societies and the Environment

As members of the communities they serve, MUFG employees proactively participate in volunteer and other locally rooted activities to nurture ties with other community members.

In fiscal 2019, more than 20,000 employees participated in local volunteer activities across Japan.

We are also holding regular dialogues with NGOs/NPOs and

other organizations, and in fiscal 2019 we held seven meetings, including conference calls. We are working to build trust and confidence from local communities in Japan and abroad by utilizing the information and opinions we receive in our sustainability initiatives and by participating in various initiatives and dialogues.

▶ Please refer to page 91 for details on our engagement with communities, local societies and the environment.

Distributing Information to and Having Dialogue with Stakeholders

Participation in the Nikkei SDGs Forum

Presentation at the Nikkei SDGs Forum Symposium

At the Nikkei SDGs Forum Symposium, held on May 14, 2020, many government officials, academics, corporate executives, and other experts discussed the challenges in achieving the SDGs, and MUFG President Kamezawa spoke about MUFG's sustainability initiatives.



Participation in the Nikkei SDGs Festival (Mirai Kaigi)

MUFG Bank, Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Morgan Stanley Securities held a panel discussion on "ESG Trends of Investors and Corporations - Supporting a Sustainable Society through Finance" at the Nikkei SDGs Festival (Mirai Kaigi) held by Nihon Keizai Shimbun.

● MUFG Bank

MUFG Bank introduced specific examples of business conversions in Japan and overseas, and explained the types and examples of ESG finance and the efforts that MUFG has made. The speaker stated that while fulfilling our social mission of providing funds as infrastructure, we were also looking toward a post-COVID-19 future with an eye on ESG issues, and that these three companies on the stage would be the core of MUFG's firm commitment to support our customers.

● Mitsubishi UFJ Trust and Banking Corporation

The speaker explained global investor trends on responsible investment and the changing key ESG issues, as well as examples of trust bank initiatives. The speaker described that asset owners are beginning to place greater emphasis on the health and employment of their employees during this COVID-19 pandemic and expressed its engagement with customers by combining financial aspects from a short-term perspective and ESG aspects from a long-term perspective in a manner that takes into account their current conditions.

● Mitsubishi UFJ Morgan Stanley Securities

The speaker explained the history and trends of ESG bonds and examples of its initiatives along with the new movements such as the transition. The speaker expressed its commitment under the COVID-19 pandemic to contribute to the environment and society through the first step of supporting business continuity by providing financing, fundings which are the bloodstream of the economy, and the second step of supporting economic recovery and climate change countermeasures in the post COVID-19 era.



Holding the ESG Management Forum

MUFG Bank, together with the Mitsubishi Research Institute, co-hosted the ESG Management Forum on January 10, 2020, inviting 142 participants from 112 companies, mainly from the corporate planning departments and public relations and CSR-related departments of listed companies.

The purpose of the forum, titled "ESG Management Forum - Realizing a Sustainable Transition," is to encourage customers to make a sustainable transition by disseminating the latest trends in the ESG field and the initiatives of leading private companies.

The forum reminded us the interest and the high sense of crisis towards ESG management by companies, and it reaffirmed the importance of incorporating various measures related to ESG management into management plans, not simply as costs, but as a means to create business opportunities through the resolution of environmental and social issues.

MUFG will continue to work with its group companies to support its customers' sustainable transformation through engagements, and to provide financial support for business development.

[Event Program] (Speakers are based on the day of the forum)

- **Opening remark** : MUFG Bank, Managing Executive Officer, Head of Solutions Division Makoto Kobayashi
- **Keynote speech** : From ESG investment to sustainable finance
Takasaki Citi University of Economics, Faculty of Economics, Professor Takeshi Mizuguchi
- **Lecture 1** : TCFD and trends of the Japanese government
Financial Services Agency, Strategy Development and Management Bureau,
Chief Sustainable Finance Officer, Satoshi Ikeda
- **Lecture 2** : International trends with a focus on climate change and their impact on business
Mitsubishi UFJ Morgan Stanley Securities, Division of Environmental Strategy Advisory, Chief Environmental and Social (ES) Strategist, Mari Yoshitaka
- **Lecture 3** : To realize sustainable management
Mitsubishi Research Institute, Inc., Environmental and Energy Division, Senior Research Fellow, Rie Arai

[Panelist]

Idemitsu Kosan Co., Ltd., Executive Officer, Public Relations, Corporate Sustainability, (Public Relations Department and Corporate Sustainability Department), General Manager of Corporate Sustainability Department, Michiyo Terakami

Nippon Yusen Kaisha, Finance Group, Management Team, Team Leader, Yoshiaki Hamano

Japan Credit Rating Agency, Ltd., Sustainable Finance Evaluation Department, Director, Atsuko Kajiwara

MUFG Bank, Solution Products Division, Head of Sustainable Business Office, Yoko Yanagida

- **Closing remark** : Mitsubishi Research Institute, Inc., Environmental and Energy Division, Director, Hiroyuki Sasada

Promotion of Dialogue with Employees at Group Companies

● MUFG

MUFG actively holds town hall meetings and convivial gatherings that allow the thoughts and ideas of management to permeate throughout the organization and allow the voices of employees to be heard by management. Because of the COVID-19 situation in fiscal 2020, the event was held online. Yet this allowed us to expand our base significantly by allowing us to interact with a large number of employees at one time without being affected by the distance. About 500 people from all over Japan participated in President Kamezawa's town hall meeting held in July. Employees who participated in the meeting said, "I was able to relate to what the president said," and "It made me more motivated for work from tomorrow."



● MUFG Bank

In fiscal 2019, the Bank hosted a round-table talk event that invited employees to interact with the President and encouraged them to discuss the challenges they are currently facing in their duties or private life. The Bank also held a Real Freshman's Talk, a round-table talk event centered on interaction between new recruits and executives, including President. With the aim of facilitating corporate culture reforms, this event is specifically designed to encourage new recruits to share what they really think of MUFG with executives and for the latter to acquire potentially valuable insights only these young people can contribute. In fact, opinions voiced by attendees are currently

utilized to update

in-house operational processes. Other round-table talk events held at the Bank and attended by executives and employees include discussions focused on forward-looking subjects, such as determining MUFG's raison d'être amid the evolving business environment and reconfirming the true value of their duties. Attendees engaged in vigorous exchanges about what they personally can do to make the Bank even better. The Bank received a number of positive responses from attendees, with one employee saying "I want to proactively put into practice what I can do."

● Mitsubishi UFJ Trust and Banking Corporation

Mitsubishi UFJ Trust and Banking Corporation is actively conducting town hall meetings as an initiative for two-way communication between employees and executives. This is a small group dialogue meeting with one executive and up to 15 employees, and all employees are eligible to participate. The purpose of these meetings is to allow employees and executives to freely discuss the social meaning of the company and its

vision for the future, as well as to share with executives the issues that employees are facing at worksites. Participants have commented, "We were able to have our opinions heard," "I felt a sense of unity because I was able to listen to what executives were thinking," and "It was an opportunity to think about the future of our company, the business I am engaged in, and our role in society."

● Mitsubishi UFJ Morgan Stanley Securities

Mitsubishi UFJ Morgan Stanley Securities is promoting Project IQ (Innovation and Quality) as a whole-company effort to create a workplace in which employees can feel that the company has been invigorated and that it has become truly comfortable to work in by establishing a corporate culture in which there is no sense of barrier between the workplace and the head office, or between superiors and subordinates. This project is aiming to reform the corporate culture to make it even better through dialogue between executives and employees at all levels through various activities such as the CEO's town hall meeting in which the CEO visits worksites to talk with employees, the Executive

town hall meeting in which executives and employees have a two-way conversation to foster a sense of unity by talking about their awareness toward management issues, and the Chairman's Academy in which the Chairman of Mitsubishi UFJ Securities Holdings exchanges opinions with managers of sales offices on the theme of preparedness as managers and human resource development. In addition, the project conducts a company-wide survey once a year and discloses the results and key opinions of the survey to the entire company, including executives, to use the information for consideration of various measures.

Endorsement of Sustainability Initiatives

MUFG participates in and endorses a variety of initiatives to meet the social responsibilities as a financial institution, meet the demands of the international community, and contribute to the realization of a sustainable society.

UN Global Compact

MUFG has been a signatory to and endorse the United Nations Global Compact since 2006.

The United Nations Global Compact is a principle-based framework of voluntary action which is announced by then UN Secretary-General Kofi Annan in 1999. It calls to companies and organizations around the world to align strategies and operations with universal principles on human-rights, labor, the environment and anti-corruptions, and take actions that advance societal goals. As a financial group aspiring to make "contribution to realize sustainable society", MUFG agrees and supports the principles of the Global Compact and addresses to fulfill our responsibility as a global citizen.

WE SUPPORT



Task Force on Climate-Related Financial Disclosures (TCFD)

MUFG has supported the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), since December 2017.

The recommendations developed by TCFD encourage companies to disclose climate change-related business risks and opportunities and to share information with investors.

Moreover, in May 2019, Mitsubishi UFJ Trust and Banking also declared support in its capacity as an asset management company.

► Please refer to page 46 for details on our response to TCFD recommendations.



United Nations Environment Program Finance Initiative

MUFG is a signatory to the United Nations Environment Program Finance Initiative (UNEP FI). It is a public-private partnership "seeking to encourage the better implementation of environmental and sustainability principles at all levels of operations in financial institutions".



Principles for Responsible Banking (PRB)

The Principles for Responsible Banking have been developed by the United Nations Environment Program Finance Initiative (UNEP FI) to align the banking sector with society's goals as expressed in the SDGs, the Paris Climate Agreement, and other relevant frameworks. MUFG is a signatory in 2019.

Founding Signatory of:



PRINCIPLES FOR
RESPONSIBLE
BANKING

Principles for Responsible Investment (PRI)

Mitsubishi UFJ Trust and Banking (the Trust Bank) has been actively promoting the Principles for Responsible Investment (PRI), which were announced in 2006. The PRI are intended to improve long-term investment performance by incorporating environmental, social and corporate governance (ESG) issues into investment decision making within the fiduciary responsibility. The Trust Bank was one of the first Japanese institutional investors to sign up to the PRI Principles in May 2006, and is working to expand the PRI-based investment activities in Japan.



CDP

CDP (formerly the Carbon Disclosure Project) is a project that institutional investors from around the world work together and urges corporations to disclose their strategies on climate change as well as detailed data on their greenhouse gas emissions. MUFG has participated in the project since 2004.



Equator Principles

MUFG Bank adopted the Equator Principles (EP) as a framework ensuring environmental and social considerations when financing large-scale development projects.

► Details on our response to Equator Principles are available on our website.
<https://www.mufg.jp/english/csr/environment/equator/>



Principles for Financial Action for the 21st Century

MUFG Bank (the Bank) and Mitsubishi UFJ Trust and Banking (the Trust Bank) have been signatories to Principles for Financial Action towards a Sustainable Society (also known as Principles for Financial Action for the 21st Century) since their first announcement in November 2011. These principles established mainly through the proactive efforts of financial institutions include seven principles for financial institutions that want to take an active role and responsibility in the creation of a sustainable society, and guidelines tailored to each sector to implement the principles. The Bank and the Trust Bank will continue to make active efforts for the environment and society based on the principles.



Climate action 100+

Climate Action 100+ was established by global investors in December 2017 as an initiative to encourage companies around the world that emit large amounts of greenhouse gases to take steps to curb climate change. Mitsubishi UFJ Trust and Banking Corporation has been participating in the initiative since 2018 and making relevant engagement with its investments.



Keidanren Challenge Zero

Challenge Zero (Challenge Net Zero Carbon Innovation) is an initiative of Nippon Keidanren (Japan Business Federation) in collaboration with the Japanese government to strongly communicate and encourage innovative actions by companies and organizations to tackle the challenge of realizing a decarbonized society, which is the long-term goal of the Paris Agreement. MUFG participates in this initiative and contributes to the realization of a net zero society through sustainable finance.



Climate Change Initiative

MUFG has been participating in the Climate Change Initiative since 2018, a network to strengthen the dissemination of information and the exchange of ideas among companies, municipalities, NGOs and other organizations that are actively working to combat climate change, with the aim of achieving a decarbonized society.



Declaration of Biodiversity by Keidanren

MUFG endorses the Declaration of Biodiversity by Keidanren and Action Policy, as revised in October 2018.