



MUFG Sustainability Report 2020

Editorial Policy

MUFG published the MUFG Sustainability Report 2020 to improve understanding on the company's commitment to sustainability, in order to achieve a sustainable environment and society and to help the group achieve sustainable growth. For all of our stakeholders, we explain the sustainability initiatives we implement throughout our operations based on MUFG's Corporate Vision and Code of Conduct, using policies, systems,

► MUFG report 2020 are available on our website. https://www.mufig.jp/english/ir/report/annual_report/

targets, and results as the foundation. In publishing the report, we consider both the importance to society and the importance to MUFG, with reference to the GRI Standards and the UN Global Compact.

Please refer to our website, along with the MUFG Report 2020 (JGAAP) for more information on our sustainable value creation mechanism and detailed financial data.

Scope of Reporting

In principle, this report covers major 6 companies. In addition, the following affiliated companies are included in the "Diversity" initiative on pages 67-78.

■ Major 6 companies

- Mitsubishi UFJ Financial Group
- MUFG Bank
- Mitsubishi UFJ Trust and Banking
- Mitsubishi UFJ Morgan Stanley Securities
- Mitsubishi UFJ NICOS
- ACOM

■ Affiliated companies

- Mitsubishi UFJ Research and Consulting
- The Master Trust Bank of Japan
- Mitsubishi Research Institute DCS
- Mitsubishi UFJ Information Technology
- Mitsubishi UFJ Trust Systems
- Mitsubishi UFJ Kokusai Asset Management
- MUS Business Service
- MUFG Union Bank

Period Subject to Reporting

FY2019 (April 1, 2019 to March 31, 2020)
(Includes some information from FY2020)

Reference Guidelines

- GRI Standard
- UN Global Compact
- ISO 26000: Guidance on social responsibility
- SASB (Sustainability Accounting Standards Board)
- Environmental Reporting Guidelines (2018), Ministry of the Environment
- SDGs Compass
- Recommendations of TCFD

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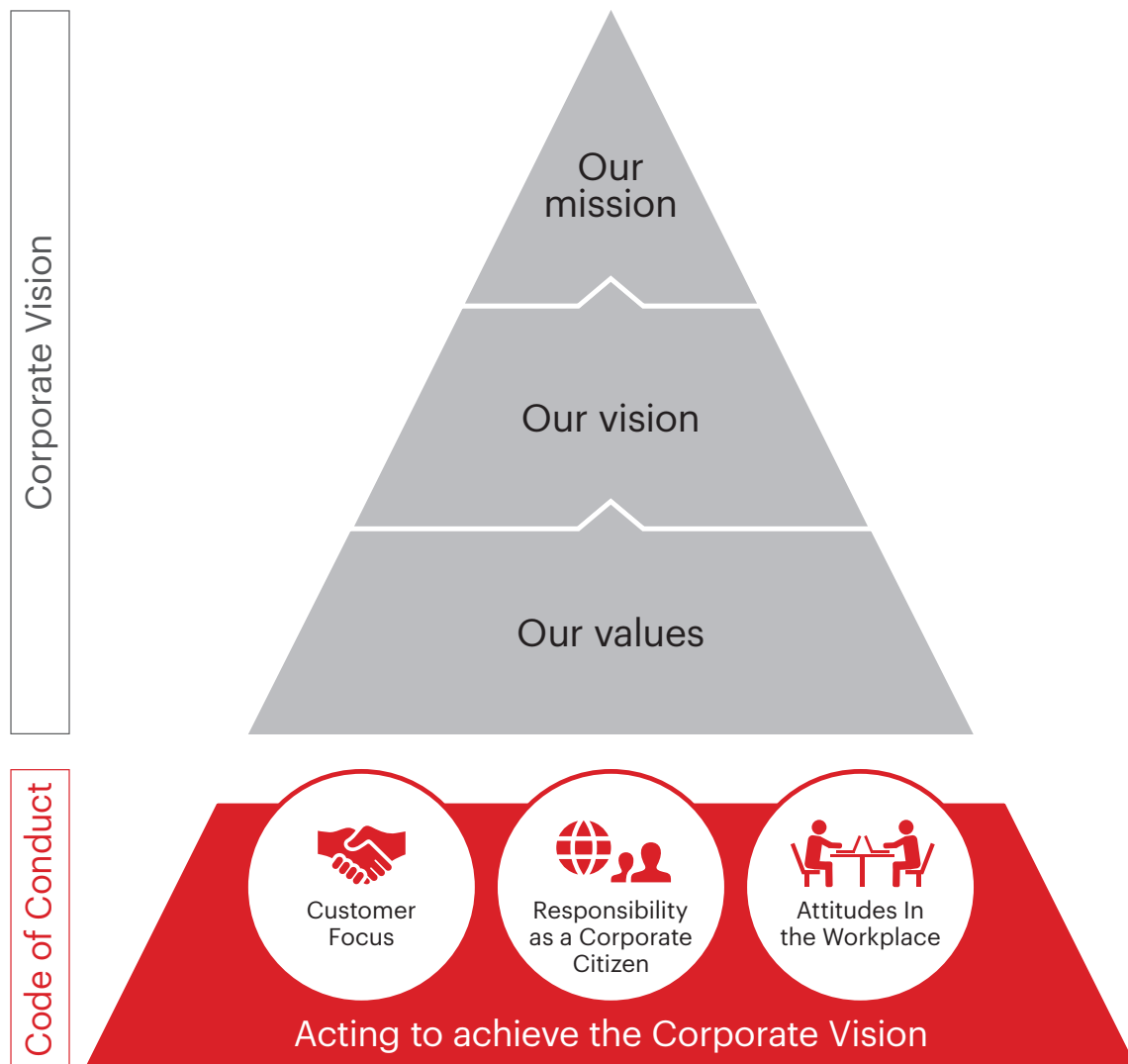
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MUFG's Approach to Sustainability

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

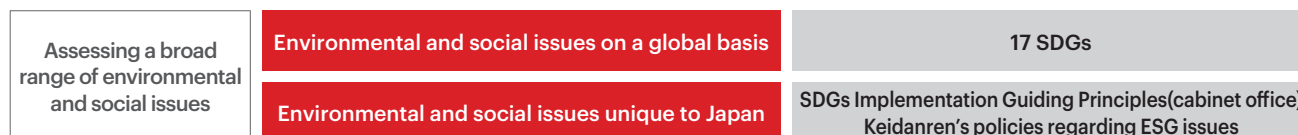
Name of Award	Reason for Award	Awarded Company
The 2018 (Fourth) Sustainable Finance Award ● Green Bond Award	The Institute for Research Institute for Environmental Finance (RIEF) selects financial institutions and companies that have contributed to the development of Japan's environmental financial 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

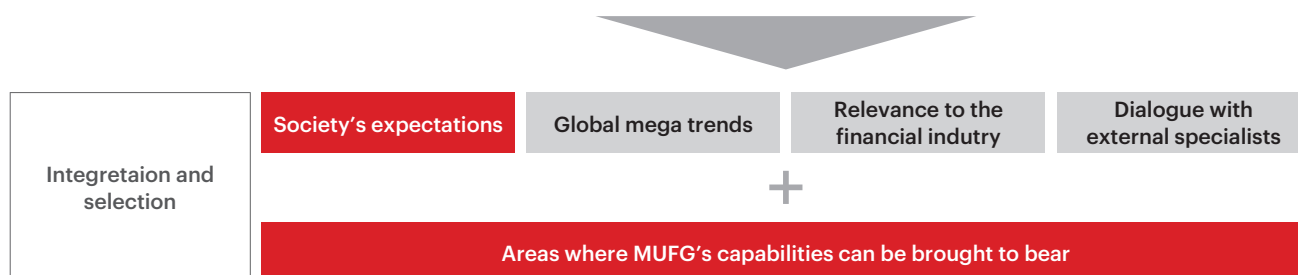
As we aim to help resolve environmental and social issues while securing sustainable growth, MUFG have determined priority environmental and social issues that must be addressed, taking into account the SDGs, the requirements of various guidelines and the opinions of our stakeholders.

■ 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.




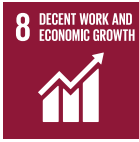


- Referenced Guidelines : GRI Standard, UN Global Compact, SASB, SDGs, ISO26000 etc.



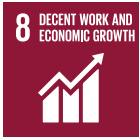

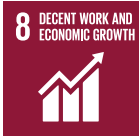


Based on the degree of relevance of MUFG as a financial institution to global megatrends and the financial industry, as well as the opinions of outside experts, we have identified the following seven priority issues to be addressed, based on both social expectations and affinity with MUFG's business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

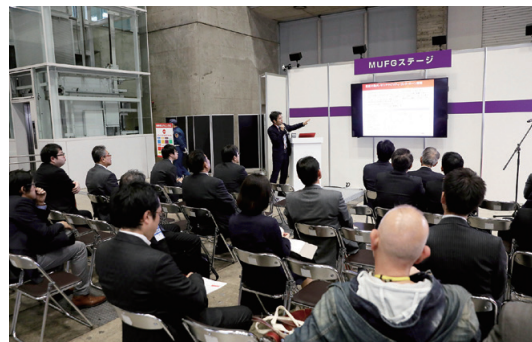
In fiscal 2019, we expanded our programs to contribute to business incubation and job creation by establishing new focus industries such as space tech, food tech, and health tech from the perspective of medium- to long-term business incubation.

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 <p>Details are available on our website. https://www.mufg.jp/english/csr/employee/worklifebalance/</p>	
Governance		
<ul style="list-style-type: none">● MUFG Group Code of Conduct <p>Details are available on our website. https://www.mufg.jp/english/profile/governance/ethics/</p> <ul style="list-style-type: none">● 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 <p>Details are available on our website. https://www.mufg.jp/english/profile/governance/fd/</p>	<ul style="list-style-type: none">● MUFG Corporate Governance Policies <p>Details are available on our website. https://www.mufg.jp/english/profile/governance/policy/</p> <ul style="list-style-type: none">● Risk Management Basic Policy <p>Details are available on our website. https://www.mufg.jp/english/profile/governance/risk/</p> <ul style="list-style-type: none">● Compliance Basic Policy <p>Details are available on our website. https://www.mufg.jp/english/profile/governance/compliance/</p> <ul style="list-style-type: none">● Global Financial Crimes Policy Statement	
Group Company Policies		
<ul style="list-style-type: none">● MUFG Bank <p>Details are available on our website. https://www.bk.mufg.jp/global/aboutus/corporatevision</p>	<ul style="list-style-type: none">● Mitsubishi UFJ Trust and Banking <p>Details are available on our website. https://www.tr.mufg.jp/english/aboutmufg/aboutmufg</p>	<ul style="list-style-type: none">● Mitsubishi UFJ Securities Holding <p>Details are available on our website. https://www.hd.sc.mufg.jp/english/sustainability/</p>

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.

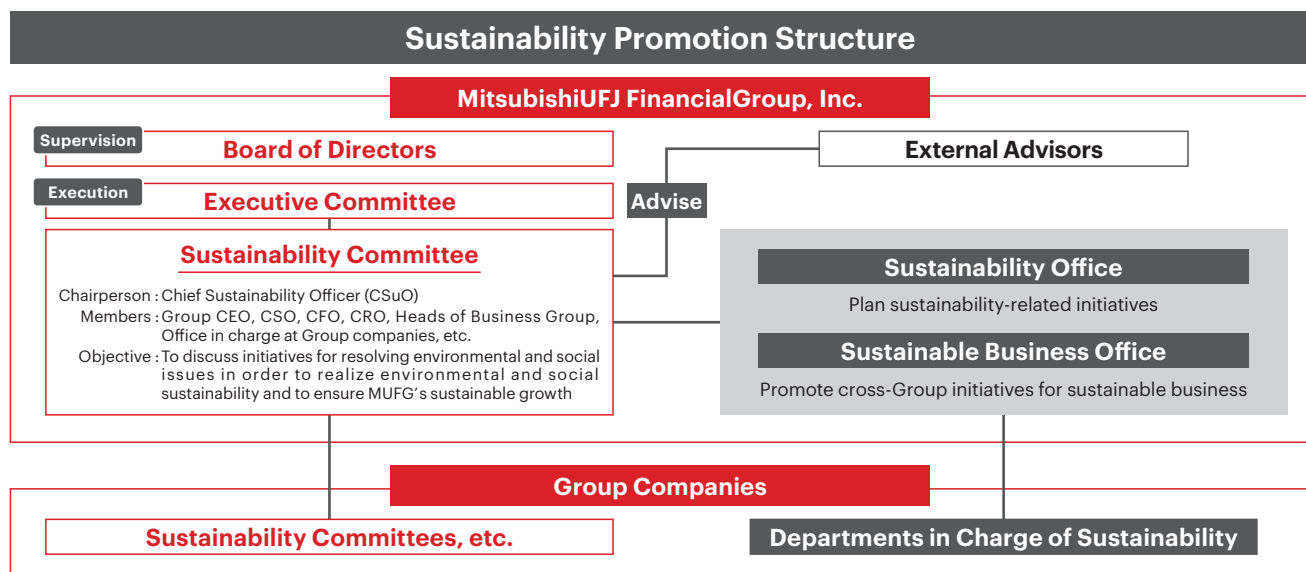
The Committee meets at least once a year, in principle, to discuss and report on the content of deliberations, including the confirmation of the status of sustainability initiatives and the integration and strengthening of the management plan, to the

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 accumulate 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

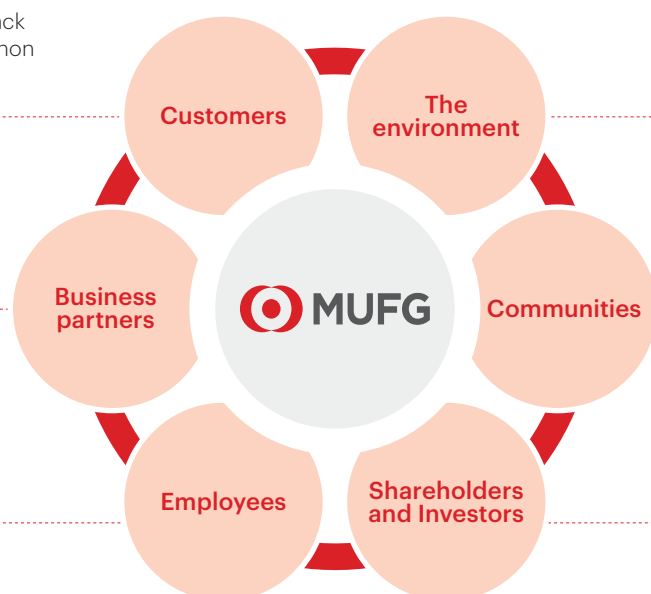
of MUFG, and by taking into account the interests of our stakeholders and the social issues they face, we will strive to build a relationship of trust and collaboration that will lead to the sustainable growth of MUFG and the improvement of our corporate value over the medium to long term.

■ 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.

Activities in FY2019 : **Environment**

- P.33 MUFG Environmental Policy Statement
- P.33 Initiatives through Business Activities
- P.37 Products and Services for Reducing Environmental Impacts
- P.38 Consulting Services Related to Climate Change Measures
- P.39 Contribution to the Development of the Green Bond Market
- P.43 Initiatives for Reducing the Environmental Impacts of Our Business Activities
- P.44 Activities Goals
- P.46 Initiatives to Counter Global Warming and Climate Change
 - Based on TCFD Recommendations
- P.57 Responses to TCFD as an Asset Manager

MUFG Environmental Policy Statement

MUFG is committed to addressing environmental issues such as climate change and global environmental protection in order to achieve sustainable growth.

In particular, as a financial institution, we are actively involved in arranging and financing projects related to renewable energy

projects such as solar and wind power.

MUFG has established and published the MUFG Environmental Policy in recognition of the shared responsibility of mankind to protect and preserve the global environment, and to address climate change and other global environmental issues.

Initiatives through Business Activities

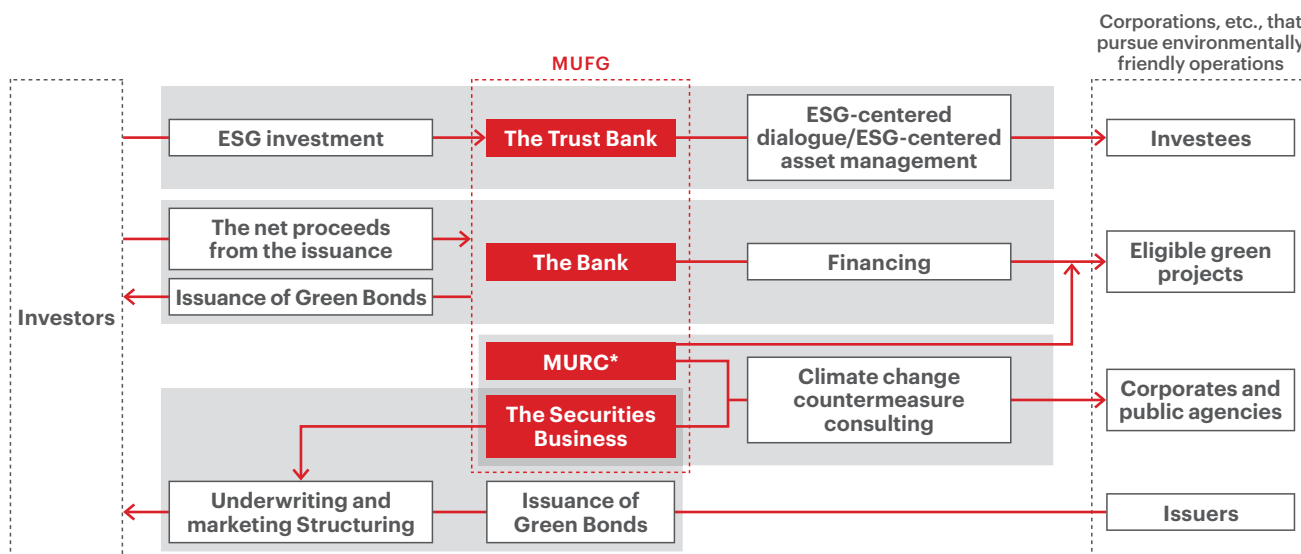
Leveraging Our Financing Function

MUFG is contributing to the development of projects that do not use fossil resources and the dissemination of renewable energy by leveraging its extensive track record and know-how, in addition to its global network, and engaging in initiatives through its core business, such as project finance.

In 2019, we were ranked second in the global ranking of lead arrangers for finance related to renewable energy projects. In addition, we have established green loans and green private

placements to fund projects that contribute to the reduction of environmental impact, and we have received top marks for the environmental benefits of our financing. In addition, in order to further support the promotion of alternatives to less CO₂-emitting energy sources, we have stipulated in the MUFG Environmental and Social Policy Framework that, in principle, we will not finance new coal-fired power plants.

■ MUFG's Contribution to ESG-Oriented Investment and Financing

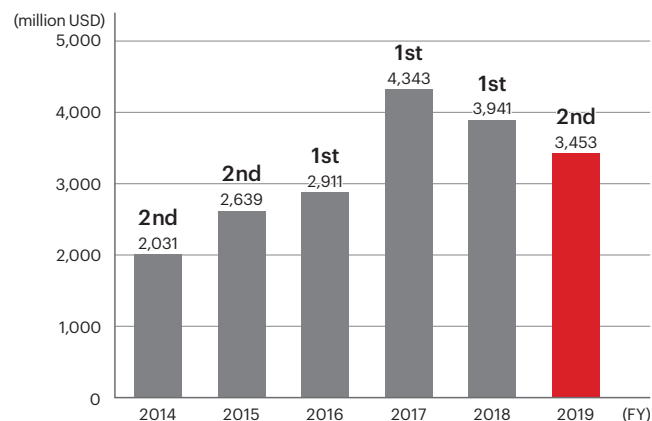


*Mitsubishi UFJ Research & Consulting

Promotion and Promulgation of Renewable Energies

MUFG is one of the world's top performers in the private global finance sector in the Finance Lead Arranger league table related to renewable energy projects.

(2019 - 3.4 billion USD Second in the world)



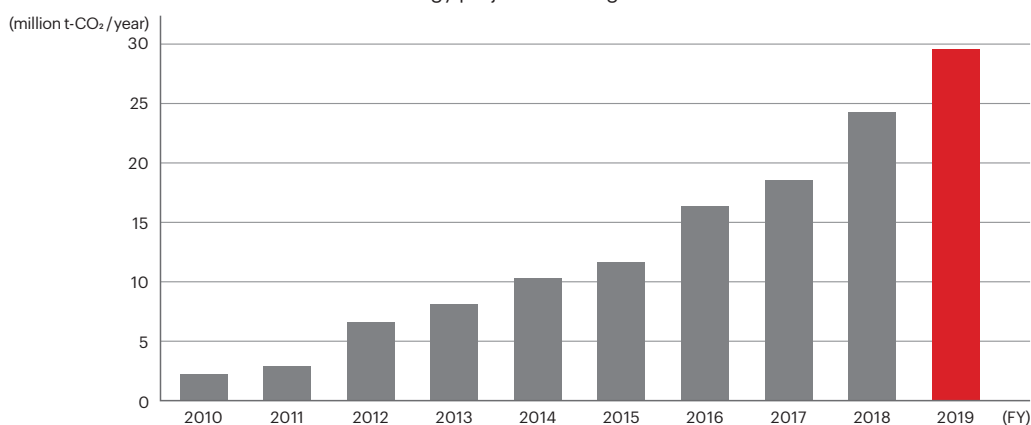
Source : Bloomberg New Energy Finance ASSET FINANCE / Lead arrangers LEAGUE TABLE

■ Lead Arranger ranking related to renewable energy projects in FY2019

Rank	Company	Number of project	Loaned amount (million USD)	Share(%)
1	Banco Santander	52	3,521.0	5.46
2	MUFG	45	3,453.1	5.35
3	SMBC	62	3,187.7	4.94
4	BNP Paribas	51	2,934.8	4.55
5	Credit Agricole	39	2,105.0	3.26
6	Mizuho	26	1,851.7	2.87
7	Societe Generale	27	1,715.0	2.66
8	ING	39	1,635.5	2.53
9	Rabobank	44	1,563.8	2.42
10	Norddeutsche Landesbank-Girozentrale	37	1,562.1	2.42

The following shows the CO₂ reduction effect of project finance for renewable energy projects by all assets as of the end of each fiscal year.

■ CO₂ reduction effect in the renewable energy project financing



*This is the annual CO₂ reduction effect calculated from the amount of electricity generated, facility utilization rate, and emission factors for renewable energy projects with outstanding credit at the end of each fiscal year. This value is after taking into account MUFG's contribution to credit.

Green Loan and Green Private Placement Bonds

Green Loan and Green Private Placement Bonds are loans and bonds with funds used for green projects.

■ Execution and Arrangement of Green Loans and Green Private Placement Bonds for Japanese Companies

MUFG Bank provided the co-financing to RYOBI LIMITED in which used of funds is for capital investment for environmentally performing facilities (casting and processing facilities etc., used in manufacturing aluminum die casting products) in accordance with the green loan principle. By adopting equipment that is highly effective in reducing CO₂ emissions through this project, CO₂ emissions in the manufacturing process can be reduced, which leads to a contribution to the measures against global warming. As a Green Private Placement Bond project, MUFG Bank received a request from Asahi Holdings to arrange MUFG Bank's sole underwriting private placement. The Bank has arranged the green private placement bond with use of fund aligned with green bond principal (new construction and

renewal of incinerators that contribute to energy conservation and pollution prevention). Through the construction of new waste incinerators and power generation facilities, this project will contribute to environmental improvement by reducing CO₂ emissions and increasing the amount of waste processed. Both projects have been confirmed by Rating and Investment Information, Inc. (R&I) as projects that are expected to generate sufficient environmental improvements and that are founded on consideration for the potential negative environmental and social impacts. They have also received third-party certification in the use of funds, project evaluation, proceeds management, and reporting as defined by the Green Loan Principles or the Green Bond Principles, with the highest rating of "GA1".

■ Arrangement of Green Loan for Overseas Companies

MUFG Bank, has invited six Japanese regional banks, providing Samurai syndicated loan* of USD 100 million (approximately 11 billion yen) to Inversiones CMPC S.A., a major paper and pulp manufacturer in Chile. This is the first syndicated loan arranged in Japan for an overseas company that has been approved as green loan by a third-party organization as an environmentally friendly

business. The regional banks participated in the transaction enjoying relatively high yields compared to the domestic market in addition to the environmental and social significance of the investment. By providing investment opportunities in ESG-related businesses, we will continue to contribute to the realization of a sustainable society.

*Syndicated loan to an overseas company arranged with banks domiciled in Japan.

■ Implementation of the First Green Financing for Private REITs* in Japan

MUFG Bank and Mitsubishi UFJ Trust and Banking Corporation have developed a finance scheme for private REITs that limits its use to the acquisition financing of properties with high environmental performance and the refinancing. As the first project, a loan of approximately 2 billion yen was provided to DREAM Private REIT Inc., a private REIT managed by Diamond Realty Management (DREAM). The funds raised through this loan are being used to finance the acquisition of a logistics facility in Hiratsuka, Kanagawa Prefecture, which is owned by the private

REIT and has received environmental certification. This financing was rated "Green 1," the highest possible rating, by Japan Credit Rating Agency (JCR) based on a comprehensive assessment of the greenness of the use of the funds and its management, operations, and transparency. MUFG Bank and Mitsubishi UFJ Trust and Banking Corporation will continue to support their customers' ESG initiatives and encourage their sustainable growth, thereby contributing to solving environmental and social issues through their operations.

*A non-listed real estate investment corporation (REIT) that is offered to institutional investors

Support Environmentally Friendly Management

■ Energy Conservation Support Loan (With 1% Interest Subsidy)

This product makes use of the Ministry of Economy, Trade and Industry's subsidy program for the promotion of upgrading facilities to improve energy efficiency. Under this program, the borrower can receive a maximum 1% subsidy for up to 10 years for the interest on loans made for the installation of energy-efficient equipment.

■ Environmental Accounting-CO₂ Reductions and Economic Effect through Financing

Please refer to page 116 details on our environmental accounting.

MUFG Environmental and Social Policy Framework

Details on our MUFG Environmental and Social Policy Framework are available on our website.
<https://www.mufg.jp/english/csr/policy/>

Products and Services for Reducing Environmental Impacts

MUFG is working behind the scenes to reduce environmental impacts by providing products and services for customers who aim to be environmentally conscious.

Evaluation Methodology and Loan-Related Product for J-REITs that Aligned with ESG Activities

MUFG Bank offers the loan product, "ESG Evaluation loans for J-REIT," using "MUFG ESG Evaluation for J-REIT supported by JCR"* which is provided by Mitsubishi UFJ Research and Consulting. The entire loan or portions directed towards J-REITs which have received the top three ratings of MURC's ESG evaluation may be preferentially allocated for the usage of the

*Mitsubishi UFJ Research and Consulting offers evaluation and ratings to J-REITs which aspire and conduct ESG management. The ESG evaluation methodology provided by MURC supports J-REITs in recognizing its current conditions and challenges regarding ESG activities.

proceeds of the MUFG Green Bonds only if loans to Eligible Green Projects. Through the loan products related to ESG, we are not only able to support the customers' funding methods, but also support customers' business challenges and offer solutions as well.

The Wild Bird and Greenery Trust for Environmental Conservation

Mitsubishi UFJ Trust and Banking (the Trust Bank) created the Wild Bird and Greenery Trust as a financial vehicle to support environmental conservation activities; income from this trust fund is donated to a public interest incorporated foundation, the Wild Bird Society of Japan. When payments are made to this

society, the Trust Bank provides a matching contribution from its own funds (a minimum of ¥500,000, and maximum of ¥2.5 million, semi-annually), further meeting its customers' desire to protect the environment.

► Detail on our wild bird and greenery trust is available on our website. <https://www.tr.mufg.jp/english/aboutmutb/csr/diversity>

Point Program for Donating Credit Points to Environmental Protection Organizations

Mitsubishi UFJ NICOS (NICOS) offers a service in which customers can contribute to the environment by using points accumulated with credit cards (MUFG CARD, DC, or NICOS). The NICOS points program offers a "Charity" option* giving

*This program enables users to donate money to an environmental project or organization of their choice, including projects conducted by a public interest incorporated foundation, the Organization for Industrial, Spiritual and Cultural Advancement-International, Japan (OISCA Japan) and organizations such as the Global Environmental Forum of Japan, Japan Fund for Global Environment(JFGE).

customers the option of making a ¥5 donation per point-to research for environmental protection and conservation through tree planting and forest management, or to a variety of volunteer organizations engaged in capacity building.

Consulting Services Related to Climate Change Measures

The MUFG will continue contributing group's collective effort towards resolving challenges of global warming and climate change issues, utilizing its know-how and network acquired through the extensive experience in market-based mechanisms such as CDM and JCM.

Taking Action on Global Warming Issues

■ Consulting on overall climate change issues, climate finance, ESG investment, etc.

Mitsubishi UFJ Morgan Stanley Securities uses its network with domestic and international government agencies and experts, which it has cultivated through carbon credit consulting, to provide information mainly on the environment (E) of ESG issues

such as national policies, industry trends, climate finance, the United Nations Sustainable Development Goals (SDGs), as well as advice and recommendations to assist corporate environmental strategies.

■ Consulting Services Related to Carbon Credit

Since 2001, Mitsubishi UFJ Morgan Stanley Securities (the Securities Business) is promoting international initiatives to reduce GHG emissions under the Clean Development Mechanism (CDM)*¹ by assisting U.N. procedures to create certified emission reduction credits and develop the necessary methodology to quantify GHG emission reduction. the Securities Business is engaging in over 100 initiatives under the CDM and

has registered about 80 projects with the U.N (as of June 30, 2018).

Since 2010, the Securities Business has also been supporting the JCM*² promoted by the Japanese government. Building on its superior track record in CDM consulting services, the Securities Business also provides consulting for development of project planning the and financing schemes.

*¹ The CDM is a carbon credit (CER) creation scheme designed to support the sustainable development of developing countries and help developed countries achieve their targets for reducing CO₂ emissions. Under the CDM, developed countries provide support to developing countries through transfer of technology and finance to help them achieve reductions in CO₂ emissions. Once achieved, the emissions reduction is certified by the U.N., and it subsequently issues carbon credits to the countries and/or entities that offered their support.

*² The JCM is a bilateral credit creation scheme between Japan and developing countries proposed by the Japanese government to the international community as a new mechanism to complement the CDM. Benefits of the JCM include mutual implementation of projects by Japan and any country that signed a bilateral document, a broader range of applicable projects compared to the CDM, shorter processing times, and the availability of Japanese government subsidies.

Supporting Projects to Reduce Greenhouse Gases in Developing Countries under the JCM

■ Project Regarding the Introduction of Highly Efficiency Street Lighting Utilizing Wireless Network in Cambodia

This project has been developed in cooperation with Minebea Co., Ltd. and four partner institutions in Cambodia. The project was selected by the Ministry of Environment of Japan as a JCM Model Project in June 2015. The project involves installation of 9,755 high-efficiency LED street lights in the Cambodian cities of Phnom Penh and Siem Reap. Compared with conventional HID(note) street lights, the project will significantly reduce energy consumption and GHG emissions. In addition, with a lighting

control system offered via wireless networks, the project will generate further energy-saving effects. Mitsubishi UFJ Morgan Stanley Securities (the Securities Business) contributes to the smooth implementation of this project by developing MRV methodology for measuring, reporting and verifying reductions in GHG emissions and supporting the project's registration under the JCM. This project was registered as a JCM project in February 2020.

*HID is an abbreviation for conventional high-intensity discharge lamps. HID lamps include metal-halide lamps and high-pressure sodium lamps.

The environmental strategy advisory service provided by Mitsubishi UFJ Morgan Stanley Securities was ended in May 2020. We intend to utilize the wealth of experience, expertise, and networks in ESG investment, climate finance, and financial information disclosure on climate change that we have cultivated to date in our efforts as an integrated group, and to solve the challenges of global warming and climate change through the group's extensive financial functions and global network.

Contribution to the Development of the Green Bond Market

MUFG provides ESG-related financing products such as green bonds, which limit the use of the funds to projects that are expected to solve social issues and contribute to the global environment. By the end of fiscal 2019, MUFG has issued a total of six domestic and international green bond issues totaling approximately 290 billion yen, making it the largest and most

significant single issuer in Japan. The funds raised through the issuance of green bonds are used to finance projects that contribute to solving environmental issues through banks. We will continue to contribute to the development of the green bond market.

Green, Social, and Sustainability Bonds



MUFG has established a Green, Social, and Sustainability Bond Framework in line with the Green Bond Principles^{*1}, the Social Bond Principles^{*1}, and the Sustainability Bond Guidelines^{*1}



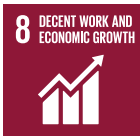

issued by the International Capital Market Association (ICMA), and has obtained a second party opinion from Sustainalytics, an internationally recognized external verifier.

^{*1} This is a voluntary guideline formulated by the International Capital Market Association (ICMA) to promote the transparency, disclosure, and reporting of green, social, and sustainability bonds and to promote market order.

■ Use of Proceeds

The net proceeds from the sale of Green, Social, and Sustainability Bonds issued by MUFG are lent to MUFG Bank, Ltd. ("the Bank"), a subsidiary of MUFG, and the Bank allocates amounts equivalent to the net proceeds to Eligible Projects as defined by the criteria presented below.

Eligible Green Projects	
Green Building 	Financing eligible green buildings ^{*1} owned by J-REIT (Japanese Real Estate Investment Trust) ^{*1} Real-estate properties which have earned one of the following: - Gold or Platinum rating under LEED - Excellent or Outstanding rating under BREEAM - A or S rating under CASBEE - 4 or 5 stars under DBJ Green Building Certification
Renewable Energy 	Financing of eligible renewable energy projects (solar thermal power generation, solar photovoltaic power generation and onshore and offshore wind farm projects) which are certified as eligible to funding ^{*3} based on environmental and social impact assessments performed by the Bank in accordance with the Equator Principles ^{*2} ^{*2} The Equator Principles is a financial industry benchmark for identifying, assessing and managing environmental and social risks and impacts in large-scale projects, which is intended to serve as a common baseline and framework for financial institutions acting as lenders or financing advisers for clients. ^{*3} Eligible projects need to be categorized as Category B or Category C under the Equator Principles.

Eligible Social Projects	
Healthcare 	<ul style="list-style-type: none"> ● Financing of public hospitals (domestic and overseas) and domestic hospitals run by a social medical care corporation or a social welfare corporation that will ensure accessibility to people living below the poverty line. ● Financing of medical care facilities and medical equipment and product manufacturers (domestic and overseas) that contribute to treating and preventing the spread of infectious diseases (COVID-19, etc.) and financing of pharmaceutical companies contributing to testing and R&D toward alleviating symptoms and preventing the spread of infectious diseases.
Education 	Financing of public schools that will ensure accessibility to people living below the poverty line
Employment Generation / Preservation 	<ul style="list-style-type: none"> ● Financing**⁴ contributing to reconstruction and recovery from economic damage and impact caused by earthquakes, typhoons, and other disasters ● Financing for small and medium-sized enterprises and sole proprietors adversely affected by the spread of infectious diseases including COVID-19 <p>⁴ Priority to be given to loans to operators using the Scheme for Compensation for Interest Rates on Special Zones for Reconstruction** or Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation⁶</p> <p>⁵ This government system supports the smooth implementation of projects by providing interest subsidies for five years to finance core projects in reconstruction promotion plans prepared by local governments and approved by the national government for the reconstruction of areas suffering damage from the Great East Japan Earthquake</p> <p>⁶ Subsidies for the purpose of promoting industrial reconstruction and regional economic revitalization, mainly in areas where evacuation orders have been lifted, and through job creation, in areas such as the tsunami disaster zones that suffered particularly great damage from the Great East Japan Earthquake and evacuation order zones that suffered enormous damage from the nuclear disaster</p>
Affordable housing 	Financing of public housing suppliers who are registered with the Regulator of Social Housing in England

■ Process for Project Evaluation and Selection

MUFG has evaluated and selected Eligible Projects in accordance with the pre-determined criteria described above. In the selection process of Eligible Green Projects, financing to J-REIT which have achieved the top three ratings of MURC's ESG evaluation* has been preferentially selected when applying loans as "ESG evaluation loans for J-REIT."

*Mitsubishi UFJ Research and Consulting has developed an ESG evaluation methodology, "MUFG ESG evaluation for J-REIT supported by JCR." For more information, please refer to the official MURC web site (in Japanese).

■ Management of Proceeds

MUFG has allocated amounts equivalent to the net proceeds to funding Eligible Projects through the Bank and continuously monitors the allocated funds thereafter. Pending allocation, any unallocated funds are held in cash, cash equivalents and/or marketable securities.

■ Reporting

MUFG plans to disclose the allocation of funds on its website generally on an annual basis*. Management assertions on the allocation of funds and reports published by an external review provider will be disclosed annually until all the net proceeds from the issuance of Green, Social, and Sustainability Bonds have been fully allocated to Eligible Projects through the Bank.

*MUFG may defer this disclosure as long as the funds are fully allocated to Eligible Projects and the allocation of the funds to individual projects that constitute Eligible Projects remains unchanged.

Eligible Green Projects	
Green Building <ul style="list-style-type: none"> ● CO₂ emission reduction 	Renewable Energy <ul style="list-style-type: none"> ● kWh of power generated from renewable energy projects ● CO₂ emission reduction

Eligible Social Projects	
Healthcare <ul style="list-style-type: none"> ● Number of patients receiving the medical services or number of hospital beds ● Number of R&D , Number of manufacturing facilities / medical machines, Number of medical instruments / sanitary, Number of vaccines / pharmaceuticals supplied 	Education <ul style="list-style-type: none"> ● Number of students receiving the educational services
Employment Generation / Preservation <ul style="list-style-type: none"> ● Number of loans provided to businesses that contributes to reconstruction of disaster affected areas and that of employments created ● Number of loans provided to businesses affected by infectious disease and that of employments of the business 	Affordable housing <ul style="list-style-type: none"> ● Number of residences provided

Detail Information on the Bond

Details on our information on the bond is available on our websites. https://www.mufig.jp/english/ir/fixed_income/greenbond/

Underwrite Green Bond

Mitsubishi UFJ Morgan Stanley Securities has been acting as a leading underwriter in the Green Bond market since the inception of such bonds. We rank first in Japan in terms of both the amount of green bonds underwritten and the number of green bond structuring agents*1 appointed. In fiscal 2019, we joined the

*1 A company that supports the issuance of green bonds through the development of a green bond framework and other means.

Climate Bonds Partners Programme operated by the Climate Bonds Initiative*2. By working with the Climate Bonds Initiative as a key partner, Mitsubishi UFJ Morgan Stanley Securities will continue to contribute to the expansion of the green bond market and the rapid transition to a low-carbon society.

*2 The Climate Bonds Initiative is an international organization based in London that works to promote investment in the projects and assets needed for a rapid transition to a low-carbon, climate durable economy. The Climate Bonds Partners Programme supports investor and stakeholder activities and educational projects to grow sustainable green bond markets that contribute to climate change response and low carbon investment.

■ Cumulative underwriting of public yen-denominated green bonds

Rank	Brokerage firm	Number of project	Amount (hundred million yen)	Share
1	Mitsubishi UFJ Morgan Stanley Securities	51	2,402.3	26.4%
2	Mizuho Securities	46	1,742.3	19.1%
3	SMBC Nikko Securities	48	1,609.1	17.7%
4	Daiwa Securities	36	1,454.6	16.0%
5	Nomura Securities	37	1,437.7	15.8%

Source : Based on the cumulative amount of yen-denominated green bonds underwritten (April 1, 2016 to March 31, 2020) calculated by Mitsubishi UFJ Morgan Stanley Securities

The Silver Prize in Financial Service Category in the First ESG Finance Award Japan (Minister of the Environment Prize)

Mitsubishi UFJ Morgan Stanley Securities received the Silver Prize in the Financial Services Category, which recognizes institutions and organizations that are actively expanding their financial products and developing infrastructure that contribute to the development of ESG financial markets. The prize recognized Mitsubishi UFJ Financial Group's efforts to achieve the group's new sustainable finance target, set in 2019, of 20 trillion yen by fiscal 2030, by focusing on the promotion of green bonds in the domestic market, our numerous achievements to date, and our contribution to the formation of the green market in Japan as a pioneer since its early days.

The ESG Investment Category Award in Tokyo Financial Award

The award was given to Mitsubishi UFJ Morgan Stanley Securities in recognition of its contribution to the spread of ESG bonds in the Japanese market as well as the following points: it holds more than a quarter-share of the green bond market, the highest in Japan; it has the top number of green bond structuring agent appointments in Japan; and it contributes to the development of the market as a pioneer of the domestic ESG bond market from its foundation. It was honored as a winner in the ESG Investment Category at the Tokyo Financial Award 2019, sponsored by the Tokyo Metropolitan Government.

Initiatives for Reducing the Environmental Impacts of Our Business Activities

To reduce greenhouse gas (GHG) emissions and mitigate global warming, MUFG actively seeks to reduce environmental burdens related to our business activities.

Reducing CO₂ Emissions

Each group company is implementing plans for phasing in more environmentally friendly equipment at their offices and sales outlets. Efforts are also being made to reduce CO₂ emissions, including turning off lights when not needed, stopping some elevators, promoting casual (cooler) attire in the summer time, changing the settings of air conditioning and heating, and having staff turn off their computers and monitors when they leave their desks.

In FY2009, MUFG Bank and Mitsubishi UFJ Trust and Banking

became the first companies in Japanese banking industry to introduce electric vehicles for official business use. Currently about 120 electric vehicles are used at their main offices and branches. These eco-friendly vehicles (i-MiEVs) produce no CO₂ emissions when operated, and have total emissions (including CO₂ emissions from the electricity used for charging) that are only about 30% of the level of emissions from gasoline vehicles in the same class.

● MUFG Bank (the Bank)

In accordance with laws and ordinances, each building is being equipped with energy-saving air-conditioning and lighting equipment, in our effort to reduce greenhouse gas emissions. Moreover, for buildings located in Tokyo, in accordance with Tokyo Metropolitan Government environmental protection laws, the Bank has obtained a third party inspection rating for greenhouse gas emissions, and has published its Plan for Global Warming Countermeasures.

▶ Details on buildings and plans are available on each website. (HQ, Tama Business Center Ikejiri Building)

● Mitsubishi UFJ Trust and Banking (the Trust Bank)

The Trust Bank is reducing energy consumption by installing energy-efficient lighting equipment and updating HVAC (heating, ventilation, and air-conditioning) equipment and transformer equipment at its main buildings and branches. The Trust Bank is also saving energy by increasing monitoring of energy consumption at some of its main buildings.

● Mitsubishi UFJ Morgan Stanley Securities (the Securities Business)

With the Mejirodai Building having been designed and constructed to facilitate a high level of energy conservation, the Securities Business is putting efficient energy management into practice here, with a focus on the Tokyo Metropolitan Government's GHG reduction ordinance. In addition, the Securities Business is working to reduce the amount of energy used at each building it occupies.

● Mitsubishi UFJ NICOS (NICOS)

At NICOS's Head Office in the Akihabara UDX Building, NICOS utilizes a "universal plan" office layout that places no pillars or dividers in a space of 140 square meters. This layout works to improve efficiency for air conditioning and lighting systems. NICOS also engages in other initiatives to conserve energy such as replacing existing lighting and office equipment with more energy-efficient ones.

Efforts to Reduce Plastic Waste

We recognize that regulations on single-use plastics are being strengthened worldwide in light of growing international awareness of resource recycling, the worsening waste problem in emerging countries, and the conservation of marine and oceanic resources. With this recognition, MUFG is tackling the following issues.

- 1 Sorting and collection of used PET bottles
- 2 Implementation of cleanup and other activities as part of the community contribution activities at sales offices and other locations
- 3 Provide information and support for initiatives using references describing business strategies, etc., based on the target of a waste recycling rate of 90% or higher and efficient use of resources and efforts to reduce waste (fiscal 2019 performance for the main building : 94%)
- 4 Provide information and support for initiatives led by plastic-related customers using references describing trends and impacts of plastic regulations and business strategies based on the plastic regulations

Activities Goals

MUFG's Initiatives

In May 2019, MUFG set sustainable finance goals for resolving environmental and social issues, and by FY2030, MUFG aims to achieve a cumulative total of 20 trillion yen in sustainable finance (including 8 trillion yen in the environmental sector). In fiscal 2019, the total amount of financing will be ¥3.7 trillion (including ¥2.2 trillion in the environment sector).

■ Progress in Sustainable Finance Goals

【Unit:trillion yen】

		FY2019 results	FY2030 goals
Environmental	Arrangement of loans and project finance for renewable energy projects, etc.	0.9	8
	Underwriting and sales of Green Bonds.	0.5	
	Others	0.8	
Social	Finance for social infrastructure development and regional vitalization, etc.	0.9	12
Others	Finance for solutions of various environmental and social issues.	0.6	
Total		3.7	20

▶ Details on setting MUFG Sustainable Finance Goals is available on our website. https://www.mufg.jp/english/csr/pickup/201906_01/

Definition of Sustainable Finance

The term “Sustainable Finance” refers to the provision of finance for the following businesses (including loans, equity investment in funds, arrangement of project finance and syndicated loans, underwriting of equities and bonds, and financial advisory

services) with reference to the relevant external standards (e.g. the Green Loan Principles, Green Bond Principles, and Social Bond Principles).

Environmental Area

- Businesses contributing to the adaptation to and moderation of climate change, including renewable energy, energy efficiency improvement, and green buildings (e.g. arrangement of loans and project finance for renewable energy projects, underwriting and distribution of green bonds).

Social Area

- Businesses contributing to the development of startups, job creation, and poverty alleviation
- Businesses contributing to the energizing of local communities and regional revitalization
- Fundamental service businesses, including those involved in basic infrastructure such as public transport, waterworks, and airports, and essential services such as hospitals, schools and police.
(e.g. Emerging Industrial Technology Support Program, loans for regional revitalization projects such as MUFG Regional Revitalization Fund, arrangement of loans and project finance for public infrastructure, underwriting and distribution of social bonds).

Each Group Company's Initiatives

Each Group company has set its own medium- to long-term environmental goals and is working to achieve them.

MUFG Bank

■ CO₂ reduction/Responding to Climate Change

Medium-term target	By FY2020, reduce electricity use per unit (electricity use/total floor area) by 10.5% compared with FY2009.
Long-term target	By FY2030, reduce electricity use per unit (same as above) by 19.0% compared with FY2009.
Result of activities	Reduced electricity use per unit by 27.9% compared with FY2009.

■ Waste Reduction

Medium- to long-term plan	Firmly establish zero emissions efforts (a recycling rate of at least 90%).
FY2019 targets	Achieve a waste recycling rate of at least 90% at the headquarters buildings in Tokyo, Nagoya and Osaka.
FY2019 results	Though recycling rates at the Osaka Building failed to reach 90% as they carried out the incineration of raw garbage, the Tokyo Marunouchi Building and the Nagoya Building achieved a recycling rate of over 90%. - Head Office Tokyo Marunouchi Building : 94.6% - Head Office Nagoya Building : 91.3% - Head Office Osaka Building : 54.5%
FY2020 plan	Improve the recycling rate through ongoing separation of wastes.

■ Prevention of Air Pollution

Medium- to long-term plan	Work at reducing air pollution from vehicle emissions.
FY2019 targets	Promote eco-driving, while reducing number of sales vehicles, shifting to compact vehicles, and introducing low-emission vehicles.
FY2019 results	Reduced by about 430 vehicles and shifted to about five compact vehicles.
FY2020 plan	Promote eco-driving, while reducing number of sales vehicles, shifting to compact vehicles, and introducing low-emission vehicles.

▶ Details on other group company's initiatives are available on our website. <https://www.mufg.jp/english/csr/environment/effort/>

Initiatives to Counter Global Warming and Climate Change – Based on TCFD Recommendations –

In order to contribute to the achievement of a sustainable society, MUFG has identified responding to counter global warming and climate change as one of its priority environmental and social issues.

MUFG advances initiatives to address global warming that are consistent with national goals and reduces CO₂ emissions within the company. In addition, through financing functions, such as supporting renewable energy and technologies for reducing CO₂ emissions, we will contribute to accelerating global warming countermeasures.

In 2018 MUFG established the MUFG Environmental Policy Statement as its fundamental approach to addressing environmental issues and declared its intention to realize a sustainable society by “actively working towards finding solutions

to global environmental issues through our business activities” and by responding “appropriately when our operations result in environmental risks or negative impacts, by reducing the environmental impacts of our operations.”

Acutely aware of the importance of climate-related financial disclosure, MUFG has declared its support of relevant recommendations formulated by the Task Force on Climate-related Financial Disclosures (TCFD), a special taskforce established by the Financial Stability Board (FSB). In line with these recommendations for disclosure of climate change-related risks and opportunities in its Governance, Strategy, Risk Management, and Metrics and Targets, TCFD is pursuing the following.

Governance

MUFG's Governance for Countering Climate Change

At MUFG, the Sustainability Committee operating under the Executive Committee regularly engages in the deliberation of the Company's policies on and the status of initiatives to manage business opportunities and risks arising from environmental and social issues, including climate change. Furthermore, the Corporate Risk Management, Loan and Investment Management,

and Credit committees also discuss and report specific themes associated with climate change. The contents deliberated on by these committees are reported to and discussed by the Executive Committee and the Board of Directors, while the Board of Directors oversees the implementation of initiatives for countering climate change.

■ Matters Reported to and Discussed by the Board of Directors (Fiscal 2019)

- Issues MUFG must tackle in the course of sustainability initiatives and direction it must take in addressing such issues.
 - Strengthening and upgrading MUFG's governance systems to enhance its ability to promote sustainability initiatives
 - Integration of efforts aimed at addressing ESG issues and SDGs with business strategies
 - Initiatives being undertaken via financing etc. and those undertaken by MUFG itself
 - Enhancement of information disclosure in accordance with the TCFD recommendations, for instance, by publicizing results of climate change scenario analysis
- Identification of climate change-related risks as part of enterprise risk management (Top Risk management).

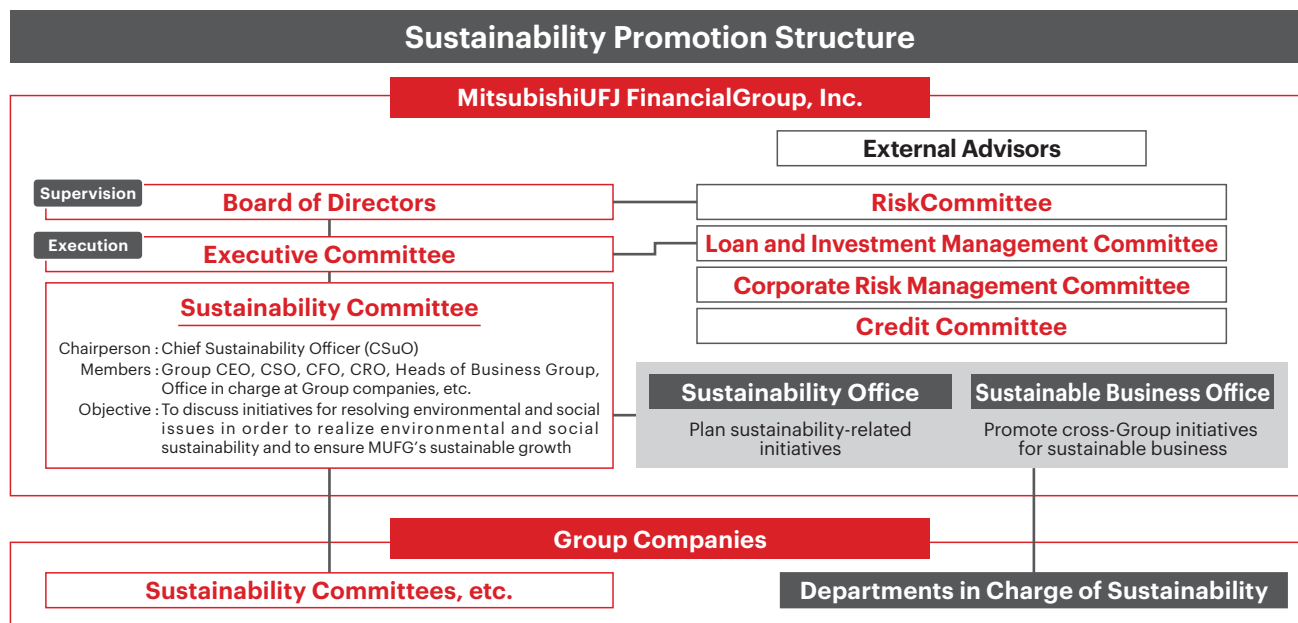
Steps to Improve Our Governance

We appointed a Chief Sustainability Officer (CSuO). CSuO is filled by the Group CSO, who is a member of the Board of Directors. Moreover, we have invited external experts from the environmental and social fields to serve as permanent external advisors for

MUFG. Through exchanging opinions and ideas with the Board of Directors, etc., we leverage the expert knowledge of these external advisors in our sustainability initiatives.

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

■ MUFG's Governance Structure for Countering Climate Change



Strategy

The TCFD recommendations propose that climate change-related risks and opportunities be disclosed upon grasping impacts on business strategy and finances.

Opportunities —Supporting the Transition to a Decarbonized Society

As a financial institution, MUFG recognizes that supporting climate change measures and the transition to a decarbonized society will lead to increased business opportunities.

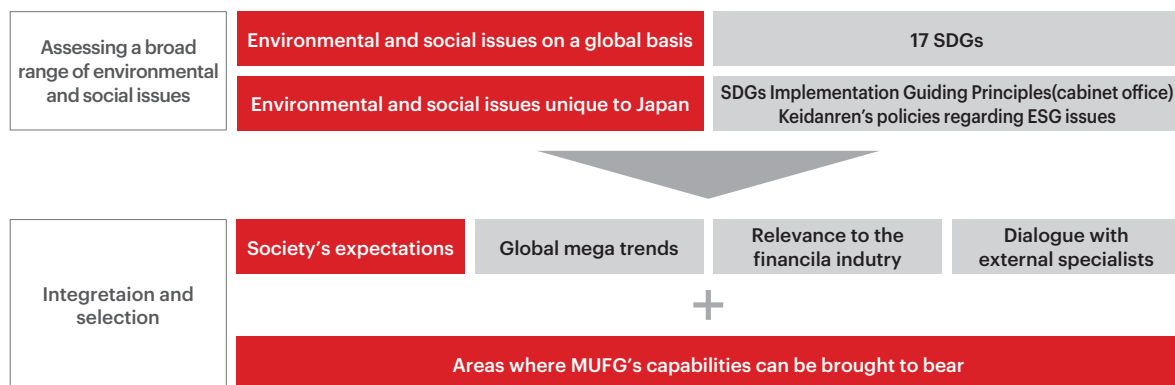
MUFG announced a target of providing a cumulative 20 trillion yen in sustainable finance by 2030.

We intend to commit ¥8 trillion of finance in the environmental field, including initiatives to counter climate change. We promote

renewable energy through project finance, etc., issue MUFG Green Bonds, which ensure that the net proceeds are allocated to the Eligible Green Projects, provide commodities and services aimed at mitigating environmental loads, encourage the climate change countermeasure consulting business and so on. By doing so, we support the transition to a decarbonized society.

▶ Please refer to page 54 for details on our sustainable finance goals.

■ Process for Selecting Priority Issues



Seven priority issues			Business strategy based on "environmental and social issues" (Example)
① Global warming & climate change	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION		- Further strengthening of initiatives in the area of renewable energy. - Expanding climate change countermeasure consulting business.
② Cross-sectoral issues			- Upgrading investment chain, ESG-oriented investment. - ESG investment on Our Own Account.
③ Business incubation & job creation	8 DECENT WORK AND ECONOMIC GROWTH		- Strengthening the promotion of venture transactions. - Microfinance by Krungsri (Bank of Ayudhya) and its subsidiaries.
④ Social infrastructure & town planning	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES		- Regional Development through the Tourism Nation Fund. - Support for infrastructure exports.
⑤ Aging population & low birth rate	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION		- Supporting asset formation and succession. (Funded NISA etc.) - Improving financial literacy through investment education.
⑥ Financial innovation	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE		- Providing advanced financial services. (Blockchain, AI, etc.)
⑦ Workstyle reforms	8 DECENT WORK AND ECONOMIC GROWTH		- Improving Productivity through Diverse Work Styles.

To initiatives through finance

Risks —Transition Risks and Physical Risks

There are two kinds of climate change-related risk. First, there are risks arising in the course of the transition to a decarbonized society, such as stricter regulation and the introduction of decarbonizing technologies (transition risks), and second, there are risks arising from physical damage due to the growing occurrences of climate change-induced natural disasters and abnormal weather (physical risks).

Financial institutions are required to address both the danger of having their own business activities directly impacted by such

risks, and the danger of being indirectly affected due to impacts on clients. MUFG has implemented scenario analysis to gauge the impacts that climate change-related risks can exert on its credit portfolio based on the TCFD recommendations.

In addition, to prepare for the risk of damage to our employees and assets due to an increase in natural disasters and extreme weather events, we conduct various drills and formulate a business continuity plan (BCP) to ensure business continuity.

■ Climate Change Risks in Financial Institutions

		Major Contents
Transition risks	Indirect	<ul style="list-style-type: none"> ● Risk of the credit portfolio being impacted due to stricter regulations or policy changes exerting negative impacts on the business and financial condition of clients ● Risk of the credit portfolio being impacted due to reduced demand arising from changing consumer preferences and measures in response to adoption of technologies for a decarbonized society exerting negative impacts on the business and financial condition of clients
	Direct	<ul style="list-style-type: none"> ● Risk of increased cost and burden in response to stricter regulations or policy changes ● Risk of reputation deteriorating due to having an inferior response to SDGs/ESG compared to rivals, and risk of poorer reputation leading to a fall in stock price or rating
Physical risks	Indirect	<ul style="list-style-type: none"> ● Risk of the credit portfolio being impacted due to suspension of clients' business activities due to storm and flood damage, etc. or impairment of collateral value of real estate due to disaster
	Direct	<ul style="list-style-type: none"> ● Risk of business continuity being impacted due to storm and flood damage, etc. incurred by company employees and held assets

Scenario Analysis

The TCFD recommendations recommend conducting scenario analysis using multiple scenarios to demonstrate the flexibility and resilience of companies' plans and strategies to risks related to climate change.

Since the summer of 2019, MUFG has been a participant in the pilot project led by the United Nations Environment Programme Finance Initiative (UNEP FI) with the objective of discussing and developing methods for climate change-related financial

information disclosure for the banking industry. Based on the results of examination conducted in the pilot project, MUFG has implemented scenario analysis of transition risks and physical risks for the period from 2020 to 2050.

In addition to the results of the above-mentioned pilot project, the scenario analysis reflects the results of verification by external experts.

Transition Risks

In the scenario analysis, we targeted the two sectors of energy and utilities, which are defined as carbon-related assets in the TCFD recommendations. As the scenario analysis methods, based on the results of examination in the UNEP FI pilot project, an integrated approach to evaluating impacts is adopted by combining a bottom-up method in individual companies and a top-down method on the sector level.

As the scenarios, the International Energy Agency's (IEA's) "Sustainable Development Scenario ((below) 2 °C Scenario) and "New Policy Scenario (4 °C scenario)", which are widely used in various evaluations, were assumed. Primarily concerning the below 2 °C scenario, analysis was implemented on the impacts on credit rating in each scenario, and the financial impact on the overall credit portfolio in the targeted sectors.

■ Comparison between the IEA Sustainable Development Scenario (the (below) 2°C scenario) and current status

		As of 2017	As of 2040	
			2°C scenario (SDS)	
			Keeping the temperature rise since the industrial revolution to the end of this century to within 2°C	
Energy	Total generation	25,641 (TWh)	↑	37,114 (TWh)
	Coal-fired power ratio	38%	↓	5%
	Renewable ratio (Including hydroelectric)	25%	↑	66%
Policy	Carbon price in EMEA	26 (\$/tonne)	↑	140 (\$/tonne)
Technological innovation	Number of electric vehicles in use	3 (million units)	↑	900 (million units)
	CO ₂ absorbed by CCUS technology* ¹	Almost zero	↑	2,364 (Mt)
Macroeconomic environment	Economic growth rate	3.6%	↓	Approx. 1%
	World population	7,500 million people	↑	9,200 million people
	Urbanization rate	55%	↑	64%

*1 Carbon dioxide Capture, Utilization and Storage

Physical Risks

Concerning risks of physical damage arising from climate change, we targeted flooding, which has occurred especially frequently and caused massive damage in Japan and other countries in recent years. The approach we adopted entailed using changes in default probability imparted by flooding on borrowers to measure impacts on the overall credit portfolio. Assuming the RCP 2.6 and RCP 8.5 climate scenarios compiled

by the Intergovernmental Panel on Climate Change (IPCC), we implemented analysis* provided by various agencies to estimate flood damage primarily in the case of the RCP 8.5 scenario. In calculating financial impacts, in consideration of discussions conducted within the UNEP FI pilot project, we have reflected business interruption periods, damage arising in held assets and so on.

*Reference : Hirabayashi Y, Mahendran R, Koirala S, Konoshima L, Yamazaki D, Watanabe S, Kim H and Kanae S (2013) Global flood risk under climate change. Nat Clim Chang., 3(9), 816-821. doi:10.1038/nclimate1911.

Results of Scenario Analysis

Assuming the given targets, applied scenarios and prerequisites, the scenario analysis found the total transition risks in the energy and utility sectors, and the physical risks (flooding), to be between several billion yen in each fiscal year. Accordingly, the impact of both transition risks and physical

risks on the credit portfolio was deemed to be limited concerning the targets of this analysis.

We will continue to work to expand the number of sectors covered and improve the way risks are reflected in our financial impact.

Risk Management

Climate Change-Related Risk in Enterprise Risk Management

In the “Top Risk Management”^{**} approach that MUFG primarily adopts for enterprise risk management, we consider the risks arising from climate change as one of the Top Risks.

We also recognize that climate change-related risks are likely to become apparent and worsen in the medium to long term.

*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. The risks that need to be watched most closely over the next year are classified as Top Risks.

In MUFG and its core subsidiaries, management is regularly engaged in discussions regarding the Top Risks to gain a further understanding of the risk recognition, and to develop appropriate risk control countermeasures.

■ Examples of climate change risks

- Increase in non-JPY funding costs : Increase in costs due to the downgrade of the Company's credit rating due to inferior response to ESG and SDGs.
- Credit : Flooding of customer assets, loss of collateral value of domestic real estate, non-performing loans in specific sectors, etc.
- Operation : Flood damage to employees and assets.
- Reputation : Deterioration in reputation due to inferiority of ESG/SDGs response to the competition.

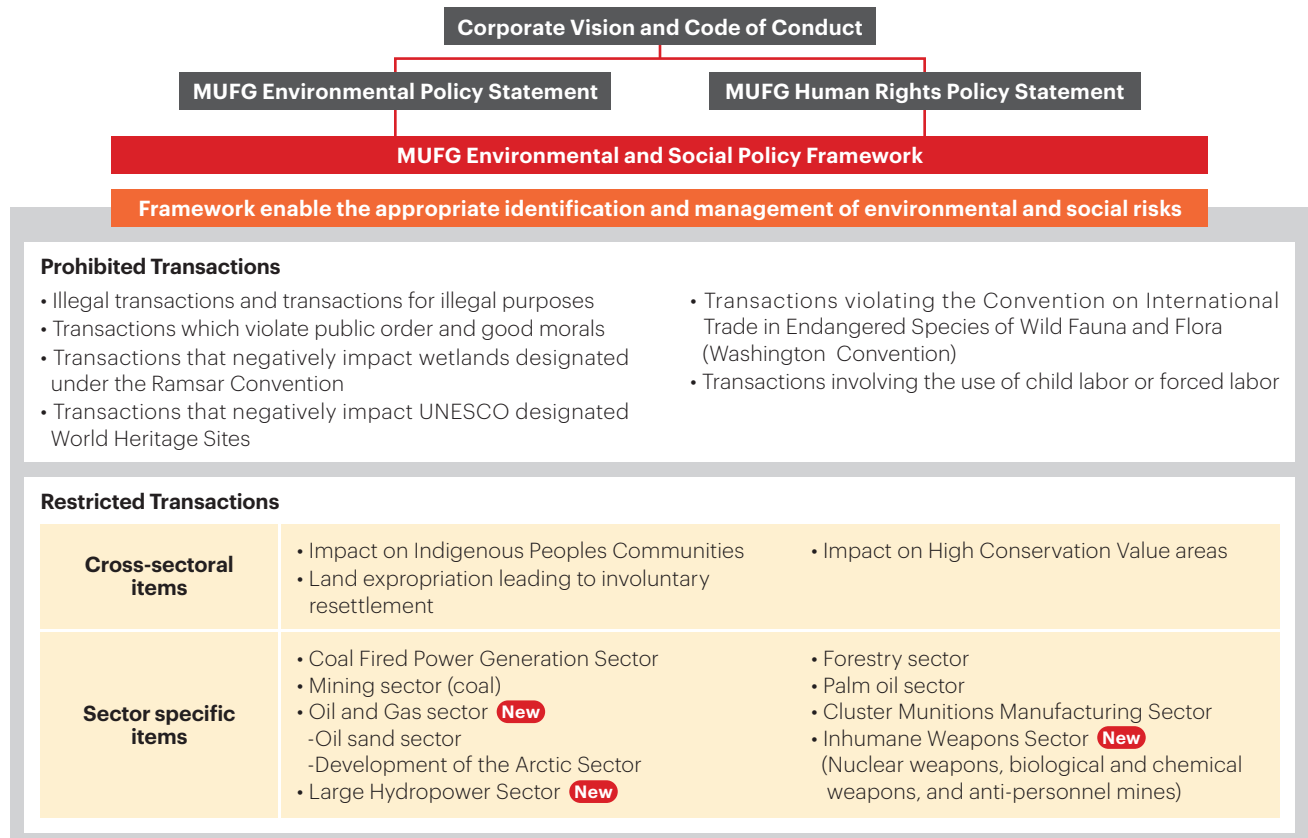
Risk Management in Finance by MUFG Environmental and Social Policy Framework

We implemented MUFG Environmental and Social Policy Framework to manage environmental and social risks associated with our financing*. Concerning coal-fired power generation, mining (coal), oil and gas, and other specific sectors in which concerns are raised over environmental and social impacts,

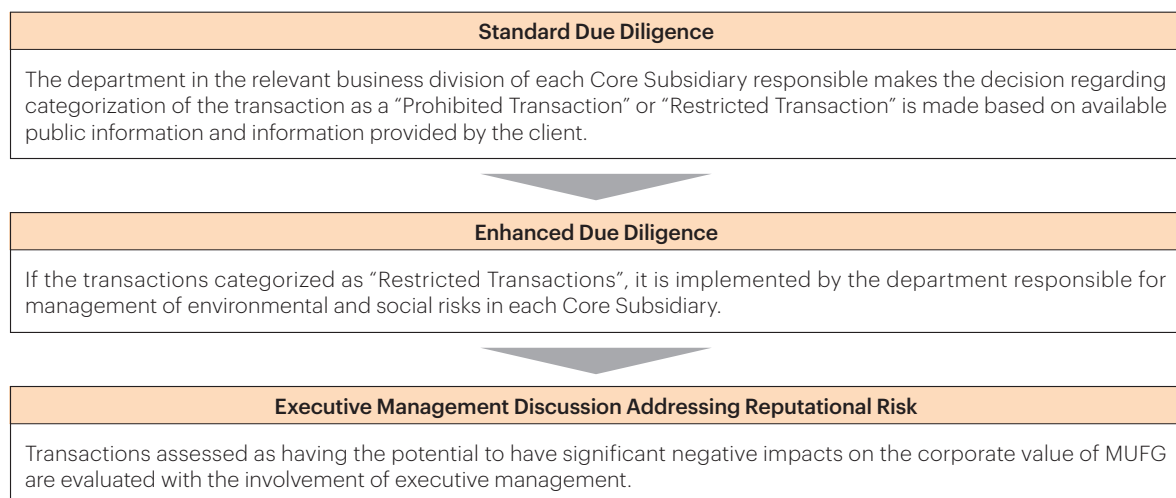
*Credit, bond and equity underwriting for corporate clients of MUFG's main subsidiaries, MUFG Bank, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Securities Holdings.

including climate change, we have established our finance policy and a due diligence process to identify and assess the environmental and social risks or impacts associated with transactions has been introduced.

■ MUFG Environmental and Social Policy Framework



■ Due Diligence Process for Financing



Response to Climate Change-Related Risks Based on the Equator Principles

Having adopted the Equator Principles in 2005, MUFG Bank is committed to realizing a sustainable environment and society by conducting due diligence based on the Equator Principles together with its customers before making financing decisions for large-scale projects.

The Equator Principles requires projects to complete alternatives analysis and publicly report annual greenhouse gas emissions for projects that are expected to emit more than 100,000 tons

of CO₂ equivalent annually. In addition, the fourth version of the Equator Principles (EP4) requires climate change risk assessment (physical and transition risks as defined by the TCFD) associated with the projects.

In July 2020, MUFG Bank commenced implementation of EP4, which allows it to assess the climate change risks associated with projects and support its customers' efforts to improve their resilience.

Response to the Equator Principles

The Equator Principles is an international framework launched in 2003, by financial institutions in the private sector, in order to identify, assess, and manage the potential environmental and social risks and/or impacts of large-scale projects such as infrastructure development and natural resources development. Currently, more than 100 financial institutions worldwide adopt the Equator Principles, which is implemented through their internal policies and procedures. The signatories will not finance projects that do not comply with the requirements of the Equator Principles.

MUFG Bank has established the Implementation Guidelines for the Equator Principles as the basic policy regarding the implementation of the Equator Principles. Based on the Guidelines, the project's environmental and social considerations are reviewed. Specifically, the Bank works with its clients to identify and assess environmental and social risks and impacts, and ensure that measures are in place to avoid, minimize, mitigate, or offset the risks prior to deciding to finance a project. After the loan is provided, the Bank requires continuous monitoring and reporting to ensure that environmental and social risks have not become apparent.

MUFG Bank has received a third-party assurance from PwC Sustainability LLC for its implementation of the Equator Principles.

In addition, as a member of the Steering Committee of the Equator Principles Association, an association of the Equator Principles financial institutions, MUFG Bank is also actively engaged in activities to consistently apply and promote the Principles.

■ Environmental and Social Risk and Impact review structure based on Equator Principles



MUFG Bank will accelerate its efforts to achieve a sustainable environment and society by advancing its environmental and social risk management, including the Equator Principles.

► Details on MUFG Bank's implementation of the Equator Principles are available on our website. <https://www.mufg.jp/english/csr/environment/equator/>

Metrics and Targets

Sustainable Finance

Metric : Achievement of sustainable finance

Target : The cumulative target of 20 trillion yen by FY2030 (8 trillion yen in the environmental area)

In FY2019, the first year of our efforts to achieve a sustainable finance target of 20 trillion yen over a period spanning by FY2019 through FY2030 (of this, 8 trillion yen will be used for environmental finance), we achieved 2.2 trillion yen, and we are making good progress toward this goal. In particular, we are working to promote renewable energies through the arrangement and financing of project finance for solar, hydro, wind and geothermal power generation. Through these efforts

we maintain a world-leading presence in the private global financial sector. As a world-leading financial group providing financing for renewable energy projects, we will proactively support our clients' "transition" to more sustainable business and energy structures via the enhancement of energy efficiency etc., while facilitating "innovation" that employs alternative energy and IT technologies.

Definition of Sustainable Finance in Environmental area

The term "Sustainable Finance" refers to the provision of finance for the following businesses (including loans, equity investment in funds, arrangement of project finance and syndicated loans, underwriting of equities and bonds, and financial advisory

services) with reference to the relevant external standards (e.g. the Green Loan Principles, Green Bond Principles, and Social Bond Principles).

■ Progress in Sustainable Finance Goals

[Unit: trillion yen]

		FY2019 results	FY2030 goals
Environmental	Arrangement of loans and project finance for renewable energy projects, etc.	0.9	8
	Underwriting and sales of Green Bonds.	0.5	
	Others	0.8	
Social	Finance for social infrastructure development and regional vitalization, etc.	0.9	12
Others	Finance for solutions of various environmental and social issues.	0.6	
Total		3.7	20

Financing to Coal Fired Power Generation Projects

Metric : Balance of project financing to coal fired power generation projects

Target : Reduction by 50% from FY2019 by FY2030, reduction to zero targeting by FY2040*

Not provide financing to new coal fired power generation projects in principle, as outlined in the MUFG Environmental and Social Policy Framework. The balance of financing to coal fired

power generation projects, which stood at US \$3,580 million as of the end of FY2019, will be reduced by 50% from FY2019 by FY2030 and reduced to zero targeting by FY2040.*

*Projects that contribute to transition to a decarbonized society are exceptional according to the MUFG Environmental and Social Policy Framework.

Basic Unit of Electricity Use

Metric : Basic unit of electricity use (electricity/ total floor space)

Target : Reductions by 10.5% and 19.0% of the 2009 level by FY2020 and FY2030, respectively

As part of its efforts to reduce environmental impacts, MUFG Bank has set targets for FY2020 and FY2030 to reduce the energy intensity index, both of which have already been

achieved well ahead of schedule (FY2019 result: 27.9% reduction from FY2009).

Reducing CO₂ Emissions Attributable to Our Business Activities

Metric : Carbon dioxide emissions, Basic unit of CO₂ emission and Basic unit of electricity use*

To reduce the environmental burden attributable to our business activities, we are working to assess and reduce the environmental footprints of our operations, such as GHG emissions, and

discloses its results on our website as a metric of our initiatives to climate change.

*Scope of Reporting: Includes five companies: Mitsubishi UFJ Financial Group, MUFG Bank, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, and Mitsubishi UFJ NICOS. Data for Mitsubishi UFJ Morgan Stanley Securities includes data for Mitsubishi UFJ Securities Holdings, with the exception company automobiles(gasoline).

■ GHG Emissions and Basic Unit of Electricity Use

			Unit	FY2015	FY2016	FY2017	FY2018	FY2019
CO ₂ emissions	Scope 1	Direct CO ₂ emissions	t-CO ₂	11,344	11,421	11,836	10,795	9,963
	Scope 2	Indirect CO ₂ emissions	t-CO ₂	209,604	212,282	202,004	186,870	184,287
	Scope 3	Other indirect CO ₂ emissions	t-CO ₂	11,792	11,487	10,598	10,309	7,959
	Offsets using CDM credits		t-CO ₂	-	-25,500	0	0	0
	Total		t-CO ₂	232,740	209,689	224,439	207,973	202,209
Basic unit of CO emission (CO ₂ emissions per unit of floor space)			t-CO ₂ /1,000m ²	105	96	103	96	93
Basic unit of electricity use (Electricity use per unit of floor space)			kWh/m ²	180	188	183	175	182

*Before deduction of CO₂ emission reduction (4,453t-CO₂) by TEPCO Energy Partner's "Aqua Premium".

► Details on our ESG data are available on our website. <https://www.mufg.jp/english/csr/data/csrdata/>

Initiatives to Shift to 100% Renewable Energy for Self-Procured Energy

MUFG is aiming to achieve 100% utilization of renewable energy sources for its in-house electricity needs by FY2030, as a first step, since Aug. 2019, it has shifted to TEPCO Energy Partner, Inc.'s "Aqua Premium" plan, an electricity plan which uses only electricity generated from non-carbon-emitting hydropower resources. This is the first for a Japanese bank and means that

all of the electricity used at MUFG Bank's Marunouchi Head Office Building in Tokyo is now procured from renewable energy resources. By changing to this plan, MUFG Bank will reduce its CO₂ emissions*¹ by approximately 6,300 tons (the equivalent of about 450,000 cedar trees*²) per year.

*¹ Calculated from the total electricity consumption in FY2018

*² 14kg CO₂ absorption/year per cedar tree (Source: Japan Forestry Agency).

Status of CO₂ Emissions Intensity Index Associated with Project Finance in the Power Generation Business

Metric : CO₂ Emission Intensity Index in Project Finance in the Power Generation Business

This is calculated with the objective of measuring environmental impacts in the fossil fuel (coal/oil/gas)-burning thermal power generation and renewable energy power generation businesses.

【Unit:t-CO₂/MWh】

FY2017	FY2018	FY2019
0.410	0.368	0.385

Status of Carbon-Related Assets*

Metric : Proportion of Carbon-related Assets Associated with the Lending Portfolio

MUFG is working to assess carbon-related assets associated with its lending portfolio based on the TCFD recommendations.

■ Proportion of Carbon-related Assets Associated with the Lending Portfolio

	End of March 2019	End of March 2020
Energy	3.0%	2.8%
Utility	3.6%	3.4%
Total	6.6%	6.2%

The total value of loans and advances is ¥96.5 trillion (as of March 31, 2019) and ¥99.1 trillion (as of March 31, 2020)

*Based on the TCFD recommendations, MUFG has categorized the value of lending for the energy and utility sectors other than lending for renewable energy projects as constituting carbon-related assets.

Responses to TCFD as an Asset Manager

Asset management companies under the MUFG umbrella are endorsing TCFD as asset managers and promoting climate change initiatives and information disclosure through the management of the portfolios they manage under contract. Mitsubishi UFJ Trust and Banking Corporation disclosed information about the management of the portfolios it manages in its Responsible Investment Report 2020, in line with the TCFD's

recommendations for disclosure under Governance, Strategy, Risk Management, and Metrics and Targets regarding climate-related risks and opportunities. By proactively disclosing climate change-related information, we will help our clients understand the status of their portfolios and encourage the companies in which we invest to take action on climate change.

Greenhouse Gas Emissions-Related Indicators for the Portfolio

Mitsubishi UFJ Trust and Banking Corporation calculates and compares greenhouse gas emission-related indicators (total greenhouse gas emissions, carbon footprint, carbon intensity, and weighted average carbon emission factors) to a benchmark* for measuring and managing climate change related risks and opportunities in our portfolios of domestic bonds and equities and foreign bonds and foreign equities. Indicators related to

greenhouse gas emission are calculated using a data collection and analysis method via Institutional Shareholder Services (ISS). A comparison of the greenhouse gas emissions-related indicators (Scope 1-3) for all of its applicable assets with the benchmark confirms that the value of the portfolio managed by Mitsubishi UFJ Trust and Banking Corporation is lower than that of the benchmark.

Indicators Related to the Amount of Greenhouse Gas Emissions

- Total carbon emissions : Total amount of greenhouse emissions related to the portfolio
- Carbon footprint : Total greenhouse gas emissions divided by the market value of the portfolio
- Carbon intensity : Total greenhouse gas emissions divided by the sales of investee companies
- Weighted average carbon intensity (WACI) :
Weighted average of emissions per unit of sales of the investee company according to the composition of the portfolio

	Total carbon emissions (Scope 1 to 3, million t-CO ₂ e)		Carbon footprint (t-CO ₂ e)		Carbon intensity (t-CO ₂ e/million USD)		Weighted average carbon intensity (t-CO ₂ e/million USD)	
	Mitsubishi UFJ Trust and Banking Corporation	Comparison with BM	Mitsubishi UFJ Trust and Banking Corporation	Comparison with BM	Mitsubishi UFJ Trust and Banking Corporation	Comparison with BM	Mitsubishi UFJ Trust and Banking Corporation	Comparison with BM
Domestic bonds	5	72%	239	71%	286	64%	288	63%
Domestic equities	35	96%	91	94%	107	98%	93	99%
Foreign bonds	1	76%	59	54%	125	56%	111	46%
Foreign equities	13	86%	64	89%	181	99%	169	90%

*Benchmark (BM)

- Domestic bonds : Industrial bonds only in NOMURA-BPI (composite)

- Domestic equities : Including TOPIX dividends

- Foreign bonds : Industrial bonds only in Bloomberg Barclays Global (composite)

- Foreign equities : MSCI-KOKUSAI (yen-based)

- Carbon footprint, carbon intensity, and weighted average carbon intensity are calculated based on Scope 1 to 2

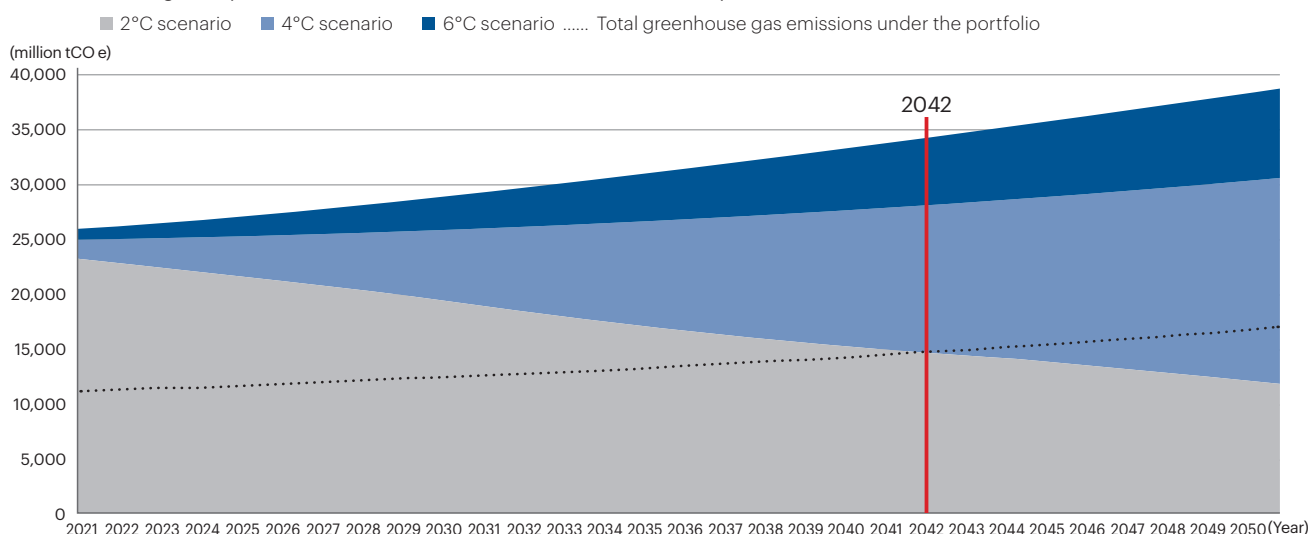
Scenario Analysis

To quantitatively identify climate change related risks and opportunities, Mitsubishi UFJ Trust and Banking Corporation used ISS's analysis method based on IEA* projections to forecast future trends in total greenhouse gas emissions reductions up to 2050 in the investee companies in the portfolio targeting domestic bonds and equities and foreign bonds and equities. A comparison was then made with projections of total greenhouse gas emission reductions to be consistent with the 2°C target of the Paris Agreement and confirmed that the projections are

*IEA: International Energy Agency

consistent with the 2°C Scenario. Based on the projections for total greenhouse gas emissions with the four assets in a single portfolio, the total emissions are expected to rise close to the 4°C Scenario, which is expected to be inconsistent with the 2°C Scenario in 2042. Given the results of the analysis, Mitsubishi UFJ Trust and Banking Corporation believes that it is important to encourage the investee companies to reduce transition risk in the medium to long term.

■ Projected transition pathways for total greenhouse gas emissions in a four-asset integrated portfolio under the 2°C, 4°C and 6°C Scenarios (Scope 1)



Future Actions Based on the Analysis

Based on the results of the analysis of the total greenhouse gas emissions transition pathway, Mitsubishi UFJ Trust and Banking Corporation believes that bringing the expected transition of the total greenhouse gas emissions of its portfolio under the near 4°C scenario closer to the 2°C scenario will help to limit risks. Therefore, it is working to reflect climate change factors in its corporate value assessment and to reduce the impact of climate change through engagement.

In the engagement, we have designated climate change as a significant ESG issue and are actively engaging with companies that have a significant impact on its portfolio. It believes that climate change is not only a risk, but also an opportunity to develop new technologies and increase the potential for business expansion in companies that it invests in. It will continue to improve its operational capabilities so as not to miss out on this new revenue opportunity.

Activities in FY2019 : **Society**

- P.60 Our Approach to Human Resource Development
- P.62 Human Resource Development Program
- P.66 Evaluation of Human Resources
- P.67 Diversity
- P.79 Work Style Reform
- P.81 External Recognition
- P.83 Human Rights Management
- P.84 Human Rights Due Diligence
- P.85 Health and Productivity Management
- P.86 Universal Support
- P.88 Customer Focus and Initiatives
- P.90 Access to Financial Services
- P.91 Social Contribution Activities

For the following themes, which address both environmental and social challenges, please refer to the "Environmental" part.

- Green, Social, and Sustainability Bonds (P.39)
- Sustainable Finance Goals (P.44)

Our Approach to Human Resource Development

Encouraging the Pursuit of Personal Growth and Challenging Endeavors

The MUFG Human Resources Principles provide the basis on which the Group has built a human resources management platform that aligns with its Corporate Vision. These principles define “Integrity and Responsibility,” “Professionalism and

Teamwork” and “Challenge Ourselves to Grow” as values to be shared by all employees, and each Group company formulates and executes human resources management policies aimed at ensuring the realization of these values.

- Shared Values
- HR Mission
- HR VisionTeamwork
- HR Philosophy

► For the full text of the MUFG Human Resources Principles, please also visit our website. <https://www.mufg.jp/english/csr/policy/>

Our basic philosophy on human resource development is to provide each employee with educational opportunities that enhance their discernment and sense of ethics as well as their knowledge and expertise, and to develop human resources who can make the MUFG Corporate Vision a reality.

In this challenging business environment, we are promoting human resource management that supports the MUFG Re-Imagining Strategy, a group-wide initiative to which the MUFG Group companies, business groups and corporate centers are all

committed.

Under the current Medium-Term Business Plan, we are accelerating the policies of placement of the right people in the right places on a Group basis and cross-functional exchange of human resources across the entire Group to support our business strategies. We are also working to advance our global human resource management, including the integration of the management of all employees in Japan and overseas.

► Please refer to page 68 of MUFG report 2020 for details on MUFG human resources strategy. https://www.mufg.jp/english/ir/report/annual_report/

Human Resources System Revisions

MUFG Bank, Mitsubishi UFJ Trust Bank and Mitsubishi UFJ Morgan Stanley Securities carried out revisions of human resources systems over the period from fiscal 2019 to the beginning of fiscal 2020. These revisions were aimed at ensuring the optimal evaluation of our human resources in line with their contributions to business model reforms and appointing them based on the performance.

For example, in April 2019, MUFG Bank adopted a management policy allowing younger candidates in their 30s to become branch managers and line managers. In addition, a growing number of employees expressed their interest in acquiring an even broader range of skills and/or specialist expertise in response to the revision of the conventional career course system and the resulting expansion of career options offered to them. In sum, the positive effect of revised human resources systems is gradually emerging. With regard to human resources evaluation and development, we aim to support each employee's **1) pursuit of professionalism, 2) will to overcome the challenge of reform and 3) self-directed career building**. In particular, we have newly incorporated the second of these aims into evaluation items.

Furthermore, we have adopted an even more detailed set of indicators for assessing employees' strength and weakness to help them develop their skills. We also support the realization of medium- to long-term career plans via bidirectional

communications between employees and their supervisors.

Through these initiatives, we will help each employee's self-development and create an environment where employees are satisfied with their daily work and able to continually challenge themselves in pursuit of reform. Similarly, initiatives undertaken at Mitsubishi UFJ Trust Bank include those aimed at helping employees realize their full potential in diverse fields as well as the incorporation of human resources management practices strongly focused on performance-based appointment. In these ways, the Trust Bank aims to become a company composed of a professional team capable of supporting the creation of a safe and prosperous society by delivering solutions to issues confronting its customers and society as a whole. Mitsubishi UFJ Morgan Stanley Securities completed its transition to a human resources evaluation system that puts greater focus on evaluating employees based on their professional ability to deliver high value-added services. To this end, Mitsubishi UFJ Morgan Stanley Securities has introduced a compensation system that emphasizes rewarding employees based on how well they fulfill their responsibilities. By doing so, Mitsubishi UFJ Morgan Stanley Securities aims to ensure that each of its employees finds their job reward and takes pride in it while encouraging them to overcome the challenge of reform to deliver new value.

	Our Objectives	Our Actions
MUFG Bank	Establishing an evaluation and development framework that encourages employees to develop their abilities and take on challenges, as well as a system to ensure that the best person for the position is appointed according to the ability and appropriately treated, based on their performance in job responsibility.	<ul style="list-style-type: none"> ● Reviewing the career course system to accommodate a variety of attitudes toward career. ● Reviewing the compensation and evaluation systems to ensure that contributions and challenges within the job responsibility assumed by employees are most highly evaluated.
Mitsubishi UFJ Trust and Banking	Developing professional human resources who have a high degree of expertise and the ability to take on the challenge of creating new value; and responding to the changes in social conditions, such as the reduction of routine clerical work due to the expansion of digitalization and the increase in the number of mid-career employment.	<ul style="list-style-type: none"> ● Abolishing conventional job categories. ● Reviewing the pay system, etc.
Mitsubishi UFJ Morgan Stanley Securities	Developing and increasing the number of professional employees and appointing employees based on their abilities.	<ul style="list-style-type: none"> ● Expanding the scope of specialist work to include the entire company and providing opportunities for professionals to fully demonstrate their abilities. ● Changing the compensation system for the Core Officer to focus on how they fulfill their job responsibilities.

Human Resource Development Program

Developing a Corporate Culture that Encourages Employees to Take on Challenges

Encourage Employees to Pursue Personal Growth and Challenging Endeavors

MUFG is strongly focused on encouraging each employee's self-directed career building and, to this end, supports their growth and their ability to respond to challenges. Accordingly, we have in place a number of frameworks designed to help them acquire diverse experience within and outside the Group.

■ HR-related systems that encourage employees to take on challenges

Job Posting Opportunity named "Job Challenge"	By job posting opportunities within the Group and by taking advantage of MUFG's broad business fields, opportunities are provided for employees to choose and apply for the positions they want to be in, regardless of the divisions they belong to and beyond the boundaries between organizations.
Temporary Transfer to Start-up Company	Opportunities to gain new experience and knowledge of diverse corporate cultures are provided through secondment to start-up companies and by concurrently working at both the Bank and a start-up.
Self-Realization Leave named "Challenge Leave"	By allowing for a certain period of absence, MUFG supports employees' activities that will contribute to personal growth and realization of dreams (e.g. starting a business, studying abroad, obtaining a qualification and public activities).

MUFG strongly encourages its employees to challenge a new position within the Group through its Group-wide job posting system, as well as to venture out from the Group and experience a culture they cannot obtain within MUFG.

For example, MUFG Bank has developed a system named Temporary Transfer to Start-up Company that allows employees to concurrently work at both the Bank and a start-up. This initiative started in August 2019 and several employees have already taken advantage of the system. In November 2019, the Bank started to provide the opportunity for self-realization

through a period of leave named Challenge Leave, which has also already been used by several employees.

Mitsubishi UFJ Morgan Stanley Securities, which boasts a number of employees with diverse career backgrounds, revised its rules of employment in February 2020 to incorporate clauses clarifying cases in which side jobs are permitted. In this way, Mitsubishi UFJ Morgan Stanley Securities is striving to help its employees fulfill their career goals in a way that transcends organizational boundaries.

Innovative Change of Corporate Culture and Employees Survey

Through a variety of initiatives, MUFG develops professional human resources who can add value to the services provided by the Group, while transforming its corporate culture and establishing a system that will enable us to provide greater value to its customers and society.

In addition, in order for the entire group to take on the challenge of retransforming the culture, it is important to create a workplace in which each and every employee finds their job reward. Through the annual MUFG Group Awareness and Engagement Survey, the Group identifies the issues its

employees face and uses them to study and take a variety of measures.

At MUFG Bank, every morning when employees log in to the company's portal site, they are asked to complete a simple survey that asks about their motivation, health and workplace environment that day. The results are shared with employees through the company's newsletter and other channels to help identify and resolve problems at the early stage, promoting the creation of a healthy and open-minded workplace environment.

Developing Human Resources Who Create Value

Growing Need for Highly-Skilled Professionals

In order to support the MUFG Re-Imagining Strategy, a group-wide initiative for sustainable growth, highly professional human resources are necessary in a variety of fields of specialization, and securing such people is becoming more and more important every year. For this purpose, MUFG is endeavoring to secure and nurture true professionals with advanced skills and expertise, through comprehensive efforts in recruitment and training.

Each Group company is actively engaged in developing human resources through various programs and on-the-job training. However, when entering into and developing new business, human resources with expertise in new fields that cannot be handled by existing employees are required. In order to acquire the necessary human resources, we are not only continuing the conventional recruitment of new graduates but also promoting

mid-career recruitment.

Furthermore, as integrated management of the MUFG companies progresses, it is becoming increasingly important to have business areas where more than one business company works together along with human resources who can demonstrate their abilities in these areas, regardless of the company they belong to.

Under this situation, the MUFG Direct Employment System, a framework in which the holding company, MUFG, directly hires employees, was started in April 2019. The purpose of this system is to offer a level of compensation linked to external market benchmarks without being confined to the range of the existing pay system, and to encourage employees with high skills and a wealth of experience to further demonstrate their abilities.

Nurturing Future Top Management : MUFG University

One of the key management issues of MUFG is the development of the future top management who will lead innovation, be the first to take on challenges and create value. As a solution to this

issue, the Group launched the MUFG University program for line managers and above in fiscal 2018, with a total of more than 400 attendees to date (196 in fiscal 2018 and 220 in fiscal 2019).



■ Programs Offered by MUFG University

Next-Generation Leader Course Eligible attendees : General managers and branch managers	
Program name	Objective
New Corporate Executive Training	Acquire practical viewpoints for corporate management
Executive Candidate Training	Acquire concept building capabilities to develop financial businesses for the future
Assessment & Coaching	Embrace a new mode of action in daily operations

Management Course Eligible attendees : Managing Directors, deputy general managers and deputy branch managers	
Program name	Objective
Global Leaders Forum	Develop leadership for global operations
Liberal Arts Session	Enhance prediction capabilities necessary for making policy judgments through increased exposure to liberal arts concepts
Design & Digital Thinking	Enhance concept building capabilities via exposure to digital thinking methods
Coaching Capability Improvement	Acquire coaching skills to help staff members realize their potential

MUFG University offers two different courses, namely, the “Next-Generation Leader Course,” which aims to secure the future leaders of MUFG, and the “Management Course,” which aims to help managers enhance their skills.

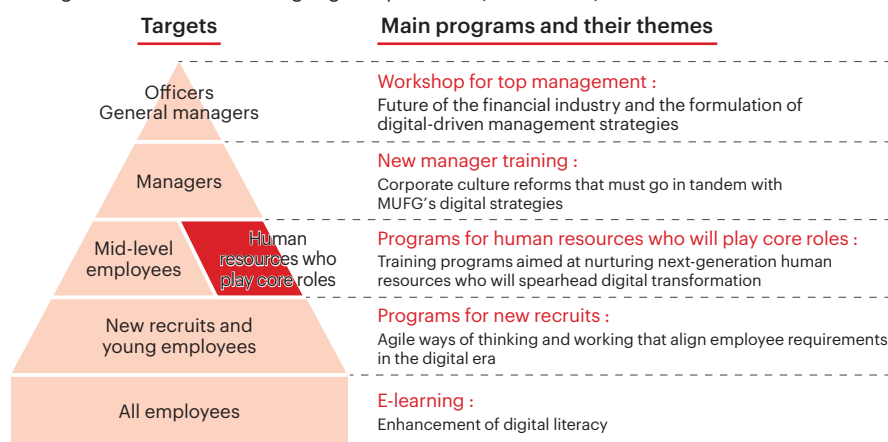
In the Next-Generation Leader Course, we offer general managers and branch managers multi-layered training programs to help them acquire practical viewpoints for corporate management and concept building capabilities for developing novel financial businesses, through interactive classes conducted by external corporate managers and academic experts. The Management Course is designed for Managing Directors, deputy general managers and deputy branch managers and

offers a liberal arts session to cultivate the human skills and wide perspective required for management and a forum to develop leadership for global operations, thus steadily securing a robust pool of top management candidates.

In fiscal 2019, we launched a project to develop coaching skills at the domestic general managers and branch managers. We believe that one of the most important management skills is to increase staff members’ engagement with the entire MUFG by bringing out the personality and strengths of each individual, while encouraging them to take on challenges in new fields. This project is designed to develop human resources equipped with such skills.

Nurturing Digital Specialists : E-learning Program Targeting All Employees Job-level Based Digital Sessions, Programs for Human Resources Who Will Play Core Roles etc.

■ Programs Aimed at Nurturing Digital Specialists (MUFG Bank)



In the midst of rapid digitalization, enhancement of employees' digital-related skills is becoming important at an accelerated pace and we launched various programs aimed at nurturing digital specialists in fiscal 2019. First, we released an e-learning program focused on digital technology in October 2019 to improve the

digital literacy of all employees. We also held a digital workshop for top management, typically officers and general managers at the headquarters, where we held discussions on the formulation of corporate management strategies from a digitalization point of view, reform of business operations using AI, and others.

Nurturing Global Human Resources

Today, the MUFG Group has expanded into more than 50 countries around the globe, with approximately 51% of its entire workforce being accounted for by overseas employees (as of May 31, 2020).

In order to recruit and nurture diverse professionals, we need to establish our corporate brand both in Japan and overseas so that such people want to work for MUFG.

MUFG handles talent management, title management, evaluation and compensation decision processes, HR systems, etc., on a common HR platform that is market-standard and does not depend on the country, region or company where the employee is hired. By doing so, the Group is gaining recognition in the external recruitment market and increasing the opportunities for employees to demonstrate their abilities.

After merging Krungsri (Bank of Ayudhya), Bank Danamon and FSI* as MUFG's consolidated subsidiaries, we welcomed new employees with more diverse backgrounds than ever to the Group. We conduct global training programs for each level and are striving to have the MUFG culture shared among them.

For example, we provide the Global LEAD Program targeting managing director or similar positions of overseas offices at

MUFG Bank, Mitsubishi UFJ Morgan Stanley Securities, Krungsri, MUFG Union Bank and other Group companies to help such employees acquire essential knowledge about and foundational skills associated with leadership as well as necessary perspectives and in-depth expertise on global operations.

In the Three-month Intensive Program, which is designed for working-level employees, participants from overseas sites receive on-the-job training for three months in the form of business trips to departments in other regions. This not only develops the abilities of participating employees, but also leads to a change in the mindset of employees in the host countries to a more global one.

These efforts contribute to the increase in the motivation of employees hired overseas. At the same time, they also expand the talent pool and promote competition within the company, creating a virtuous cycle that will realize a stronger organization. The number of employees hired overseas who serve in management positions is increasing. For example, a total of 15 personnel including three women, have assumed executive officer position at the Bank (as of March 31, 2020).

*FSI stands for First Sentier Investors.

Evaluation of Human Resources

In order to achieve MUFG's vision of the future, each employee is required to make changes and there is a need to create an environment that encourages employees to grow and take on challenges. Based on this, MUFG is reviewing the ideal employee profile and qualification requirements with a greater emphasis on "professionalism" and "innovation and challenge" and are also developing an environment that encourages employees to voluntarily make innovation and strive to achieve the careers they seek.

As for the performance evaluation, targets are set by all employees at the beginning of each fiscal year, the degree of achievement is reviewed and performance, including actions and processes, is evaluated at the end of the year. As for the competency evaluation, various competency indicators are set

to make a multi-dimensional evaluation.

After each evaluation, a feedback interview is held to communicate the strength and weakness, which will contribute to future performance and competency development. Thus, we encourage them to improve their performance and build their careers by ensuring deep understanding and objectivity.

We also give 360-degree feedback to the executive level and the line and other managers at the management level. This is an opportunity to raise awareness of their managerial qualities, strength and weakness and to encourage them to make improvements by understanding observation from various perspectives such as subordinates, coworkers, related departments, and other concerned parties.

Diversity

Diversity & Inclusion Initiatives

In 2006, MUFG established a dedicated department to promote diversity as a corporate management strategy under the commitment of the top management. In particular, we consider the promotion of diversity from the viewpoint of gender to be an important issue, and we are working to develop the ability of women and promote their appointment in higher positions. Our three main subsidiaries, MUFG Bank, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities, set joint

targets and report progress regularly at the executive committee. In 2018, the Group started the integrated operation of the corporate center function. The three companies gather and work together to promote diversity within the Group.

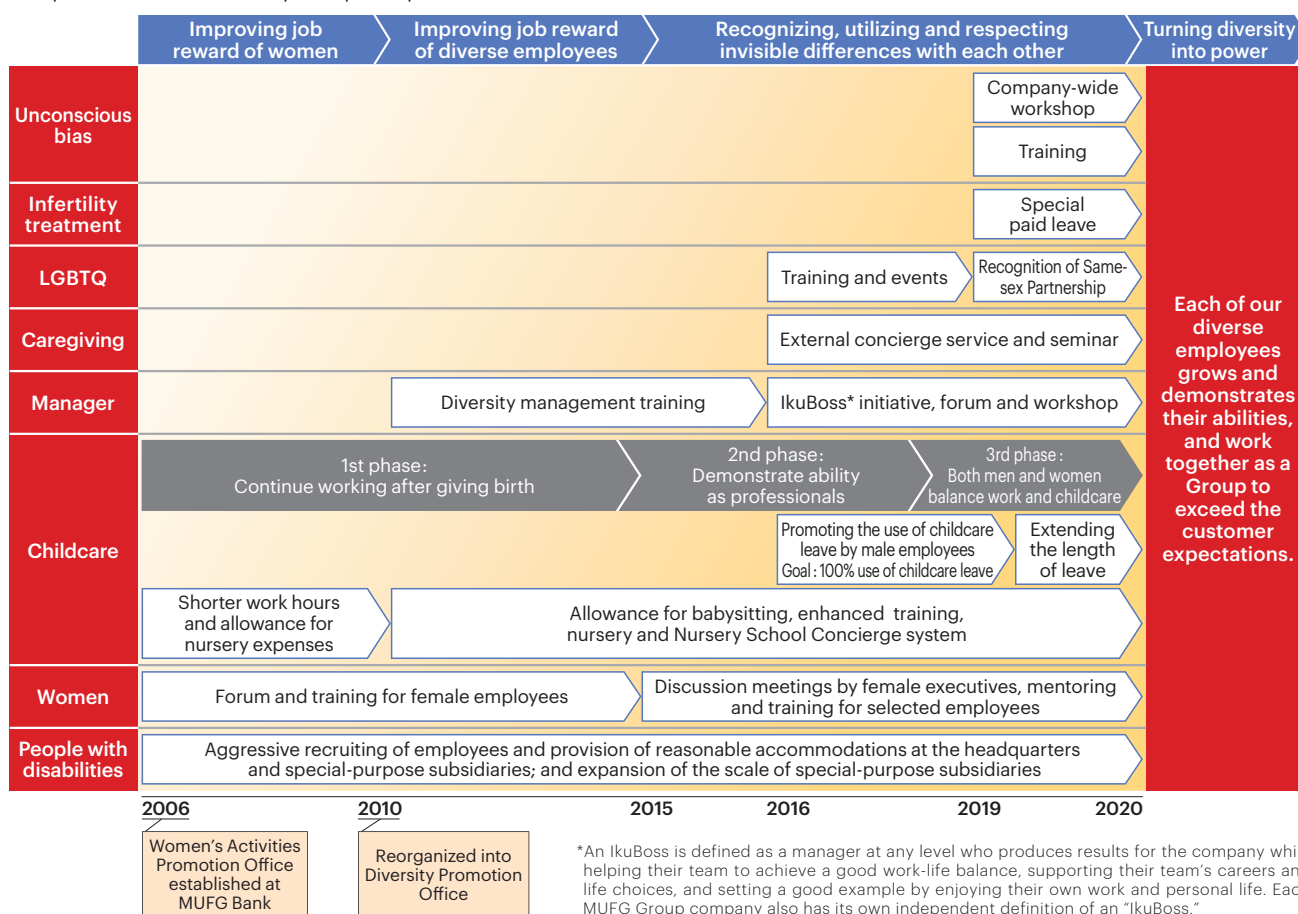
At the annual HR exchange meetings, people from HR departments of about 40 Group companies gather to share best practices and issues. By doing so, the Group companies are in full coordination and promote diversity effectively.

Our Themes and Actions

To improve the job reward of not only women but also a diverse range of employees, the scope of the initiatives has been greatly expanded to include promotion of the employment of people with disabilities and understanding of sexual minorities (LGBTQ), as well as support for balancing work with personal commitments such as childcare, nursing care and infertility treatment. Our initiatives since 2006 are as shown below. We have upgraded the main theme from the improvement of job reward

of women, based on gender diversity, to one of a wider range of employees. Then, we made a group-wide effort to deepen the understanding of diversity and improve a variety of systems. Hereafter, we will further focus on creating workplaces where the power of diversity is most utilized so that all Group employees can demonstrate their characteristics and work together to provide services that exceed the expectations of customers.

■ Representative Initiatives by Group Companies



Initiatives for Encouraging Diverse Talent to Play an Active Role

We are creating a workplace where each one of our diverse employees can demonstrate his/her abilities, regardless of their attributes.

Supporting Career Development of Female Employees

Promoting gender diversity, or increasing the percentage of women in managerial positions, is a priority issue. MUFG set medium- to long-term targets and is developing the ability of women and promoting their appointment in higher positions under the commitment of the top management. We provide

training for selected employees and mentoring programs for female employees in senior positions to encourage their aspirations to become executives and provide opportunities for them to acquire advanced skills.

Setting Numerical Targets

At MUFG Bank, Mitsubishi UFJ Trust and Banking, and Mitsubishi UFJ Morgan Stanley Securities, our joint numerical goal is to raise the ratio of female staff in managerial positions to 24% by the end of March 2021. We are also actively promoting numerical targets for female appointments in each company.

The joint targets of the three companies was achieved (25%) as of March 31, 2020. In order to produce further improvement, we

will set a new goal of the ratio of female managers for fiscal 2030 in the next medium-term management plan.

In the UK, we signed with the HM Treasury's Women in Finance Charter, a charter to promote gender diversity in financial services, in July 2017 and publicly announced the target to increase the ratio of women in senior positions in the UK by at least 10% by 2022.

▶ Please refer to page 118 for details on the progress.

Implementing a Variety of Programs for Women

MUFG Bank, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities hold regular roundtable discussions participated in by female executives and management from the Group companies. They also carry out the Mentoring Program to assign mentors to female senior managers who are candidates for important posts and provide them with career advice and moral support.

For mid-level managers, we conduct joint training for selected employees, providing complementary opportunities to acquire skills such as strategy building and logical thinking, while sophisticating their corporate management perspective and big-picture perspective for their future success in higher-level positions.

In addition, we host Diversity Roundtable Discussions for those who wish to discuss their concerns about balancing career and

life events with senior employees. Each Group company also carries out a variety of programs to respond to the issues they face.



■ Initiatives of the Group Companies

● MUFG Bank

In fiscal 2020, the Bank launched an assessment program for female employees of middle standing. The program identifies the skills and potential of each employee using expert assessment, supports career development and expands the fields in which women assume leadership.

● Mitsubishi UFJ Morgan Stanley Securities

We conduct training for managers and managerial candidates. For 5th year employees, training aimed at formulating a career vision and eliminating unease relating to life events and one's career is offered.

● ACOM

ACOM provides a Career Design Program to help female employees continue working, fulfilling careers. It holds panel discussions participated in by female employees who actually balance work and childcare, providing an opportunity to consider and overcome the barriers that women face in their careers.

● Mitsubishi UFJ Trust and Banking

The Bank hosts a four-month program designed for candidates for management positions, the Women's Leadership Program, that involves their superiors and supports their growth through assessments and interviews.

● Mitsubishi UFJ NICOS

The Company provides the Women's Career Design Program to help them consider their own careers and utilize their strengths in the workplace. Mentors are assigned to those who have changed their career tracks or candidates for management positions, and career advice is provided.

● MUFG

Concurrently with International Women's Day, we conduct a campaign every year to support women who demonstrate their abilities in various parts of the world. During the campaign, many employees, both male and female, wear items of a signature color purple to promote the event. Related in-house events are also held.

Systems to Support Continuation of Career

To support the continuation of career, we established systems for re-employing ex-employees who left the company when their spouses were transferred abroad, giving a special leave of absence and changing work locations.

People with Disabilities

We are expanding roles for employees with disabilities by establishing special subsidiaries that offer suitable work options. Currently, about 1,400 employees with disabilities are playing

an active role within MUFG and the Group's employment rate is 2.41%* in Japan (as of June 1, 2020).

*The employment rate in Japan is calculated from the number of employees with disabilities at MUFG Bank, Mitsubishi UFJ Trust and Banking (for these two companies, special subsidiaries and the Group companies to which the exception rule applies are included), Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM using the statutory formula set in the Employment Rate System for Persons with Disabilities

Establishing Special Subsidiaries

MUFG Bank and Mitsubishi UFJ Trust and Banking established special subsidiaries and aim to help each employee play a role commensurate with his or her ability and aptitude, as well as attain job reward and contribute to society as a result.

Mitsubishi UFJ Business Partner (Special subsidiary of MUFG Bank)	<ul style="list-style-type: none"> ● The company was originally established in 1996. MU Business Aid and MU Business Partner merged in April 2020 and restarted under a new name and organization structure. ● A total of about 360 employees with disabilities at four locations in Kanagawa, Tokyo, Osaka and Aichi prefectures work in an environment where the characteristics of their disabilities are taken into consideration.
Ryoshin Data (Special subsidiary of Mitsubishi UFJ Trust and Banking)	<ul style="list-style-type: none"> ● Established in 1979. ● A total of about 60 employees with disabilities at three locations in Tokyo work on their tasks. ● Since most of the employees are hearing-impaired, the company takes specific measures: they are alerted to visitors and emergencies by tri-color PATLITEs and share a volume of work of the day and work progress on a large display monitor. Voice recognition application is used for meetings and trainings.

Improvement of Workplace Environment at Group Companies

Each Group company endeavors to create a comfortable workplace environment for employees with disabilities. MUFG Bank provided its hearing-impaired employees with iPads with a voice recognition application that converts speech into text data

and installed warning lights (PATLITE) in the rooms. For visually impaired employees, the Bank introduced text-reader software that converts text on PC into voice. Some employees come to work with their guide dogs.

LGBTQ

We are aiming to create workplaces where all employees can stay true to themselves, regardless of sexual orientation, gender identity, etc.

MUFG Human Rights Policy Statement

MUFG clearly prohibits any harassment or discrimination on the basis of sexual orientation and/or gender identity.

► Details on our MUFG Human Rights Policy Statement are available on our website. <https://www.mufg.jp/english/csr/policy/>

Providing Training Opportunities and Publishing a Handbook

Each Group company conducts e-learning and other trainings that include case studies to help them acquire correct understanding and raise awareness for the prevention of discrimination and prejudice.

In January 2020, the LGBTQ Handbook for Workplaces was issued, which outlines the attitudes that each person at work should have as well as problems that may occur at workplaces and how to deal with them.

Recognition of Same-Sex Partnership

MUFG Bank, Mitsubishi UFJ Trust and Banking, and Mitsubishi UFJ Morgan Stanley Securities have introduced a same-sex partnership recognition program that regards employees' same-

sex partners as being equivalent to opposite-sex spouses and that allows them to be beneficially of company benefits such as special paid leave and rent subsidies.

Sponsoring the Largest LGBTQ Pride Event in Japan

MUFG sponsors Tokyo Rainbow Pride*, which is held in Yoyogi Park, Tokyo every year. Volunteers from MUFG companies joined the march that was held on the final day. This year, the event was

*This is organized by an NPO, Tokyo Rainbow Pride and one of the largest awareness-raising events in Japan where LGBTQ people and their Allies get together. We use the rainbow-colored corporate logo to show our support for the event.

held online to prevent the spread of COVID-19 infection. MUFG participated through posting messages on social media.

Pride Month

In memory of the Stonewall riots in June 1969, various events that show support for the LGBTQ community are held all over the world every year in June, which has been designated as Pride Month.

In the U.S., we hold a photo contest aimed at LGBTQ and Ally employees and at our main offices and branches, we also raise

rainbow flags. In 2019 we innovated by also displaying an LGBTQ-related message on over 500 of our ATM machines.

In London, we held talk sessions and lectures concerning LGBTQ topics and decorated the office in rainbow colors, getting the whole team involved.

Effort to Visualize Allies

As part of the efforts to develop a safer workplace for LGBTQ people, we produce and distribute original rainbow-colored straps to employees who wish to wear them, making Ally, a person who supports LGBTQ, more visible in the company and providing an opportunity for other employees to become aware of the existence of unseen LGBTQ people.



Initiatives to Balance Work and Personal Commitments

We are striving to create a workplace environment in which each and every one of our diverse employees can demonstrate their ability while keeping a balance with their personal commitments.

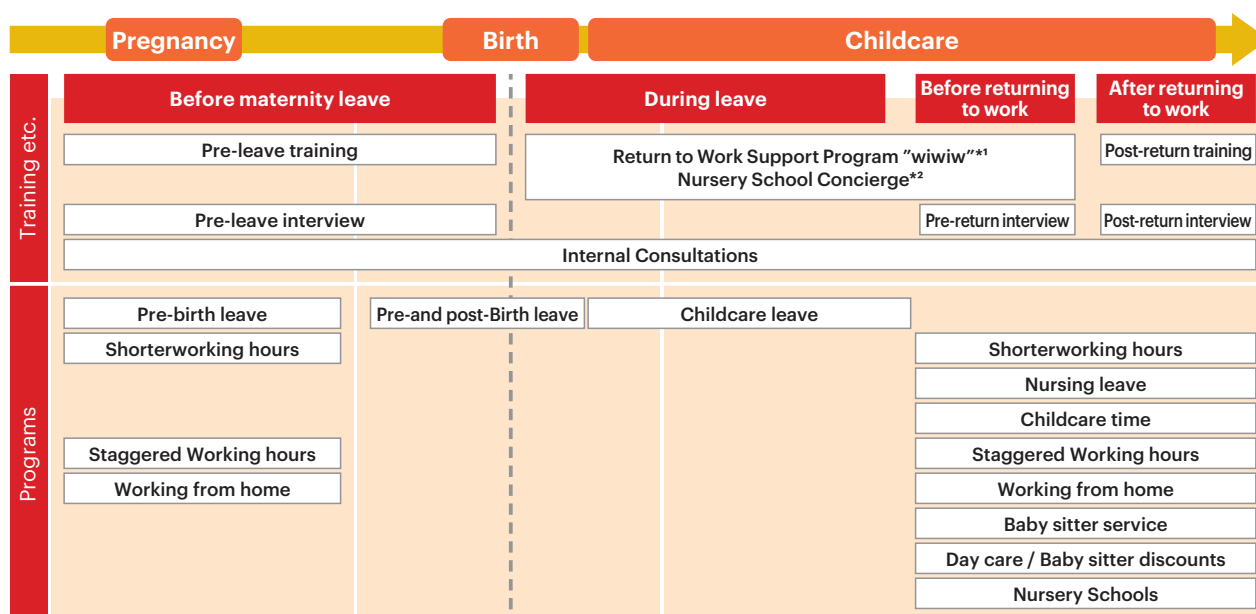
Support for Balancing Work and Childcare

Conventionally, women have been responsible for childcare and housework in many countries. As a result, wives of working couples with children are obliged to change the way they work. To change the situation, MUFG has introduced systems and programs to support employees who do childcare and

housework, regardless of gender. In addition, we are striving to create a corporate culture that encourages all employees to work efficiently and productively in a flexible manner, by encouraging men to participate in childcare.

Balancing Support Programs

■ Representative Training and Programs



^{*1} An online service that help employees catch up with the pace at an early stage after returning to work by delivering online courses, supporting communication with the workplace and providing information from the company

^{*2} A service to introduce childcare facilities

Nursery Schools

In order to solve the social issue of a lack of nursery schools in Japan and to support the swift return of approximately 3,800* employees taking childcare leave, two nursery schools were opened in Tokyo, thereby supporting a balance of work and childcare.

*Total number of childcare leave takers at MUFG Bank, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM in FY2019.



Supporting a Smooth Return to Work

Pre- and post-leave training, economic support and programs that allow for flexible work styles have been established to extend full support for continuous career development.

■ Initiatives of the Group Companies

● Mitsubishi UFJ NICOS

We host working mother roundtable discussions, where female employees who have just returned to work can enjoy lunch and exchange information with senior employees raising children. The discussions are carried out based on various themes such as balancing work and childcare, careers and self-improvement.



● Master Trust Bank of Japan

We arrange maternity/childcare leave lunch meetings. Employees on leave can participate together with their children and exchange information with senior employees who have returned to work following childbirth. Occasionally showing one's face in the workspace also helps to improve overall understanding with coworkers.



Seminar for Fathers and Mothers on Balancing Work and Childcare

In 2019, as part of our initiative to create workplace environments that allow employees to balance work and childcare regardless of gender, a seminar for couples raising children was jointly held by MUFG Bank, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities. A lecture by an outside speaker, pair work for couples, and advice from senior employees made

for an opportunity for participants to review their careers, work styles and approaches to balancing work and childcare. Participants made comments such as "It's only natural that fathers should participate in childcare" (male) and "The lecturer accurately conveyed what I've been wanting to tell my husband" (female).



Encouraging Male Employees to Participate in Childcare

In order to create workplace environments that allow employees to balance work and childcare regardless of gender, MUFG Group companies are carrying out initiatives to encourage male employees to take childcare leave, thereby raising awareness on

more balanced work styles and promoting better understanding of colleagues who are working while raising children. In FY2019, we began encouraging male employees to take childcare leave of about one month, among other initiatives.

■ Initiatives of Group companies (Figures in the heading indicate the percentage of male employees taking childcare leave in fiscal 2019)

● MUFG Bank **90%^{*1}**

Starting in fiscal 2019, the Bank is encouraging employees to take days off for 20 working days for the purpose of childcare, by combining 10-working-day paid childcare leave with 10-working-day annual paid leave, and it was named Ten Plus Ten. It also internally announces the names of the departments of employees who have taken 20 working days off. In addition, it provides a list of employees eligible for the leave to both the eligible employees and their superiors, sends out e-mails to promote the use of leave and issues in-house articles containing interviews with role-model male employees and their superiors. To date, more than 100 male employees have taken the leave.

● Mitsubishi UFJ Morgan Stanley Securities **92%^{*1}**

Since fiscal 2016, the company has been encouraging male employees to take childcare leave by setting a goal of 100%. Eligible employees and their superiors are notified of the procedures to take this leave. Opportunities for all employees to be aware of the necessity are increased by introducing in the company newsletter how the male employees participate in housework and childcare. Through these initiatives, the corporate culture is gradually changing so that male employees participate in childcare as a matter of course. Recommendation of the Ten Plus Ten program was also started concurrently with MUFG Bank.

● Master Trust Bank of Japan **100%^{*2}**

In FY2019, we set our goal to let all eligible male employees take childcare leave. We notify employees of childcare leave eligibility and send emails encouraging them to take it.

● Mitsubishi UFJ Trust and Banking **78%^{*2}**

In fiscal 2019, the Bank started to set a goal of 100% use of childcare leave by male employees and sent e-mails to department managers to encourage them to support male employees having newborn children to take the leave. It also promoted the leave by providing examples of use and clarifying the necessary procedures. The percentage of male employees who have taken childcare leave has increased substantially since the target was set (from around 20% in the past) and a corporate culture where it is natural for men to participate in childcare is being fostered.

● Mitsubishi UFJ Information Technology **88%^{*3}**

The president sends email messages congratulating male employees who have recently become fathers. In order to promote timely taking of childcare leave, departmental managers encourage male employees to take unused leave.

Calculation methodology of the rate of childcare leave use by male employees (in fiscal 2019)

*1 Percentage of the use of the leave by male employees whose eligibility for childcare leave expired in fiscal 2019

*2 Percentage of the use of the leave by male employees whose spouse gave birth in fiscal 2019

*3 Percentage of the use of the leave by the end of fiscal 2019 by male employees whose spouse gave birth in fiscal 2018

Information Provision to Those Balancing Work and Childcare

We provide information for those who want to balance work and childcare by issuing such publications as *HUG-Kumu*, a booklet for male employees, and *Casebook for Overcoming the First Grade Barrier** for employees who are concerned about the work style after their children enter elementary school.

We collected the voices of those who had experienced childcare and made such publications that would communicate the

importance of men's involvement in childcare and housework, well-thought ways to efficiently handle childcare and housework while working and hints and actual cases that can be used to realize a more flexible work style. These are not only helpful to employees with children, but also help their superiors and coworkers understand the realities of balancing work and childcare.

*The coined term to describe such situations of being forced to change one's work style after a child enters elementary school as the difficulty of receiving extended day care in the evening, summer vacations, emergency school closures, and PTA activities.

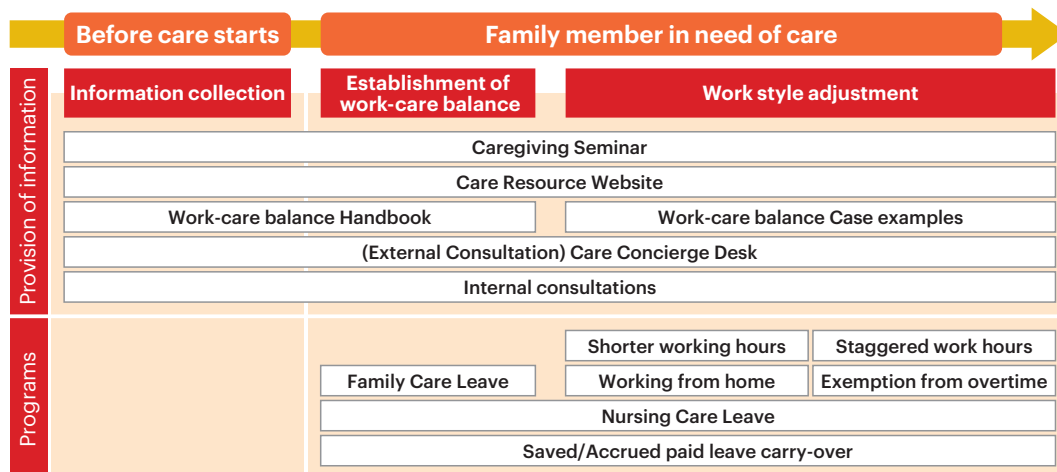
Support for Balancing Work and Caregiving

By 2025, all baby boomers in Japan (born between 1947 and 1949) will be 75 years of age or older. The increase in the number of elderly people needing nursing care and the resulting increase in the number of people leaving jobs to take care of their family members are expected to become major social problems.

Under such circumstances, MUFG established a variety of support programs, in addition to the provision of a variety of information, to help employees balance work and caregiving so that they could continue to work while taking care of their family members in need of nursing care.

Balancing Support Programs

■ Representative Training and Programs



Caregiving Seminars

We provide information for employees of Group companies to help them balance work and caregiving. About 800 employees from about 40 Group companies participate each time. This is an opportunity to gain awareness of the importance of balancing work and caregiving, rather than devoting themselves to nursing care.



Work-care Support Services (Care Concierge Desk/Care Resource Website)

For our employees and their families, we introduced a concierge service by specialists and a nursing care information website that allows employees to search for nursing care facilities and services.

We are preparing an environment where employees who are

caring for someone, as well as those who want to prevent such a situation or those who may need to give care in the future, can consult with care professionals and gather information as needed via telephone or email.

Handbook and Casebooks

We issued a Work-Care Balance Handbook with basic information on work-care balance so that employees can respond smoothly in the event that they suddenly need to care for a relative. For those actually engaged in care, we also issue a Balance

Casebook and Experience Stories featuring examples of difficulties faced during caregiving and advice on what to prepare beforehand.

Support Balancing Work and Infertility Treatment

With the growing tendency of late marriage in Japan, the number of couples undergoing infertility treatment is increasing. MUFG supports employees who work and undergo such treatment.

Support Programs for Balancing

Major Group companies offer special paid leave, a program to arrive at work late/leave work early and other support programs that can be used regardless of gender.

Guidebook

MUFG published a *Guidebook to Support the Balancing of Work and Infertility Treatment* for employees undergoing treatment, their superiors and coworkers, and those who are considering treatment in the future. It is used to create a workplace environment that makes it easier to balance work and treatment.

Initiatives to Raise Awareness of Employees

Initiatives to Raise Awareness of Managers

The awareness of managers is one of the important factors in determining the success or failure of diversity & inclusion. We implement a variety of initiatives to increase the number of managers who understand the importance of respecting the values and privacy of their diverse subordinates, increase their job reward and produce results.

Holding a Joint Workshop

We hold IkuBoss* Workshops where employees in managerial and pre-managerial positions discuss the way to have sincere communication with diverse junior employees. Following a presentation by an external lecturer, participants discussed how to deal with junior employees facing specific situations such as childcare and eldercare, thereby deepening their understanding of the importance of respecting junior employees' private lives and values while also letting them know that they are cared for.

*An IkuBoss is defined as a manager at any level who produces results for the company while helping their team to achieve a good work-life balance, supporting their team's careers and life choices, and setting a good example by enjoying their own work and personal life. Each MUFG Group company also has its own independent definition of an "IkuBoss".



Managers Commitments

The major Group companies are participating in the IkuBoss Corporate Alliance*, striving to develop "IkuBoss" managers who are committed to the development of all junior employees and improve job reward in a manner that also achieves business

*A corporate network of companies trying to raise management awareness and create more IkuBosses, hosted by the NPO Fathering Japan.

results.

The top management and managers at Group companies make an IkuBoss Pledge to announce their commitment to team management and their own work styles.

Providing Various Training

A wide range of training programs are offered, depending on the circumstances and priorities of each Group company. MUFG Bank, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities conduct training for newly appointed general managers, chief managers and senior managers to communicate what managers need to do to develop an organization and a team where each of the diverse employees can demonstrate their abilities. In fiscal 2020, the participants learned the importance of being aware of Unconscious Bias and building a team with psychological safety. For existing managers, we prepared opportunities to deepen their understanding of diversity & inclusion and to reflect on themselves through

e-learning, on-demand video and personnel evaluation and other programs.



■ Initiatives of Group Companies

● Mitsubishi UFJ NICOS

The company provides training that encourages managers to foster their subordinates and improve management skills, distributing to all employees a booklet where the training contents are summarized. It is working to raise the awareness of diversity & inclusion on a company-wide basis under the slogan of creating a psychologically safe workplace.

● Mitsubishi UFJ Information Technology

The company started to teach coaching skills to managers in fiscal 2020. Engagement of each employee will be further improved by creating a state in which superiors who have acquired coaching skills improve the quality and quantity of dialogue with their subordinates and each employee feels that they are respected.

● ACOM

In 2017, we held a lecture for directors, executive officers and general managers. Since 2018, we have hosted Diversity Management Training for persons in managerial positions.

● MUFG Union Bank

Since FY2018, we have been conducting our Inclusive Leadership Program. Under the “We Are One MUFG” motto, we are extending our techniques for creating a workplace atmosphere where everyone can work in their own style, individuality is properly leveraged, and people can freely exchange their ideas for a more open and innovative workplace.

Culture Creation

We are implementing a variety of initiatives to develop a corporate culture in which the diversity of employees is mutually recognized and respected.

Diversity Month

MUFG Bank, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities designated November as Diversity Month. In the periods around these months, training and workshops are held at all offices in Japan. The companies

focus on a hot topic, such as Unconscious Bias, and create opportunities for employees to consider diversity & inclusion as an issue that could exert influence on themselves.

Employee-Driven Diversity Promotion

Employees independently implement a wide range of programs to create inclusive workplaces.

Japan Base

● Mitsubishi UFJ Information Technology

The Diversity & Inclusion Promotion Committee was established in 2014. The committee is constantly active as members change each fiscal year. From 2017, the committee has taken on the important role of revitalizing communication within the company to ensure that the opinions of frontline employees are heard and that policies from head office are properly disseminated.

EMEA Base

The employee network is engaging in various activities in five different areas.



- Disabilities (disABILITY WORKS)**
- ▶ Supporting all people living with disabilities



- Balance (BALANCE)**
- ▶ Aiming for the realization of gender balance

Pride Alliance

- LGBTQ (Pride Alliance)**
- ▶ Aiming for inclusion of the LGBTQ community



- Culture (MOSAIC)**
- ▶ A multi-cultural network



- Family (family matters)**
- ▶ Creating a family-friendly workplace

Americas Base

Here, the employees are carrying out independent activities aiming to create a workplace where a diverse range of people can thrive, regardless of race or ethnicity.

Adelante

Hispanic/Latino Enterprise Resource Group

- ▶ Hispanic / Latino

NextGen Leaders

Generational Enterprise Resource Group

- ▶ Generation

PULSE

African American/Black Enterprise Resource Group

- ▶ African American / Black

WIN

Women's Enterprise Resource Group

- ▶ Women

ASPIRE

Asian Pacific Islander Enterprise Resource Group

- ▶ Asian American and Pacific Islander

Pride Alliance

LGBTQA+ Enterprise Resource Group

- ▶ LGBTQ and Ally

SERVE

Veterans' Enterprise Resource Group

- ▶ Veterans

Work Style Reform

MUFG is developing an environment in which each employee can make the maximum possible contribution and diverse human resources can demonstrate their ability.

Promoting “Smart Work”

MUFG is developing an environment in which employees can choose their work styles at their own will and feel job reward. We have promoted the review of procedures and rules, the development of a paperless work environment and the improvement of infrastructure for remote work, with the aim of increasing time spent on directly communicating with customers and taking on new challenges. In the midst of the spread of the COVID-19 infection, the number of employees working from home and having a flexible schedule has been significantly increased. We will further accelerate the improvement of business infrastructure to enable employees to choose more diverse work styles.

■ Remote working



Initiatives of Group Companies

● MUFG Bank

The Bank is promoting an initiative named “Smart Work @ MUFG” to become a company where employees who have a will to take on new challenges can feel greater job reward. It is also enhancing its working from home and staggered work hours systems, and it is establishing new satellite offices in order to realize a flexible work style that is not constrained by time and location.

A workcation* program is also introduced as a new way of working that enhances creativity and motivation by allowing employees to work in a different environment than usual. MUFG Bank will create an environment where employees can choose their work styles at their own will and increase the time that can be spent on truly meaningful things.

*A word coined from the combination of work and vacation, meaning work in a different environment from everyday life, such as a domestic or international resort.

■ Workation office in Karuizawa



● Mitsubishi UFJ Trust and Banking Corporation

Since July 2015, the Bank has been promoting a company-wide project named “Smart Work PJ,” where procedures and documents have been simplified, a monthly “No overtime Day”, and the semi-annual “No Overtime Week” has been implemented. To create an office space that accelerates the creation of products and services exceeding customer expectations, we have arranged a seating plan for concentration and relaxation, increased the number of open meeting spaces, and introduced “Gallery,” a space for collaborative work. These initiatives reflect our will to make a company where people can produce unprecedented ideas and energy.

● Mitsubishi UFJ Morgan Stanley Securities

In order to provide employees with flexible work styles and a work environment where they can feel job reward, the company is enhancing its working from home and staggered work hours systems, as well as setting targets for the use of paid annual leave and promoting its use on a company-wide basis. Project IQ (Innovation and Quality) is a project for reforming work styles and changing the corporate culture. It aims to improve productivity and operational efficiency through a “Idea Proposal Program” that encourages employees to propose field-based ideas to the head of the site and a “Propose-to-Headquarters Program” that

● Mitsubishi UFJ NICOS

Under the slogan “Both the company and employees will change” the company has been promoting work style reform since fiscal 2018. In fiscal 2020, in response to its subtheme “Simple,” the company is renewing office automation tools, improving operational efficiency based on the experience of shrinking business due to COVID-19, and reviewing the operation that

● ACOM

In fiscal 2019, the company introduced a new hourly paid leave system, which allows employees to take a leave on an hourly basis. It is convenient for childcare or nursing care, thereby improving employees’ work-life balance. It is also preparing

■ Gallery – a space for collaborative work



also encourages them to make proposals to the headquarters. Excellent proposals are eligible for the President Award, which focuses on the attitude toward (process of) work. Taking into consideration the coexistence-with- and/or post-COVID-19 world, it also established a cross-functional team named “Project Team for Studying New Work Styles,” where people study the establishment of a system that enables employees to carry out their work safely and efficiently from the viewpoints of infrastructure, systems, facilities and operational reform.

has been dependent on paper and seals. As for “Open,” officers and employees in managerial positions are declared to become “IkuBoss.” Responding to “Positive,” opportunities for learning management in a remote-work environment are provided and an internal job opportunity announcement system is introduced.

for the full-scale introduction of business casual attire, with the aim of creating a more free and open-minded workplace environment.

External Recognition

MSCI Japan Empowering Women Index (WIN)

MUFG was selected by MSCI for its index of companies that excel in diversity.

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

Bloomberg Gender-Equality Index

MUFG has been selected for Bloomberg's Gender-Equality Index for four consecutive years. This gender equality index was developed by Bloomberg, and MUFG was recognized for its initiatives toward gender equality.



3.5-stars in the Nikkei Smart Work Management Survey

MUFG received 3.5-stars in the Third Annual Nikkei Smart Work Management Survey, which selects companies leading advances in productivity innovation through work style reforms.



PRIDE Index Evaluation Silver Rating

MUFG has received a silver rating on the PRIDE Index*¹ which evaluates companies' inclusivity efforts toward LGBTQ in Japan.

*1 Rating based on an evaluation of initiatives by MUFG Bank, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM.



ERG & Council Honors Award

In 2019, WIN, one of our seven Enterprise Resource Groups in North America, was awarded the Spotlight Impact Award by the Association of ERGs & Councils* for its excellent achievements in promoting diversity.

*A premier organization dedicated to increasing the impact, effectiveness and recognition of Employee Resource Groups (ERGs).



Kurumin and Platinum Kurumin Certification

Each Group company is Kurumin certified under the Act on Advancement of Measures to Support Raising Next-Generation Children. This certification by the Ministry of Health, Labour and Welfare (MHLW) recognizes a business as a childcare support company based on set requirements in support of balancing work and childcare. Companies that meet even higher standards receive a Platinum Kurumin certification.



■ Kurumin certified companies

- MUFG Bank
- Mitsubishi UFJ Trust and Banking
- Mitsubishi UFJ Morgan Stanley Securities
- Mitsubishi UFJ NICOS
- ACOM
- Mitsubishi UFJ Research and Consulting
- Master Trust Bank of Japan
- Mitsubishi Research Institute DCS
- Mitsubishi UFJ Information Technology
- Mitsubishi UFJ Trust Systems
- Mitsubishi UFJ Kokusai Asset Management
- MUS Business Service

■ Platinum Kurumin certified companies

- MUFG Bank
- Mitsubishi UFJ Morgan Stanley Securities
- Master Trust Bank of Japan
- Mitsubishi Research Institute DCS
- Mitsubishi UFJ Information Technology

Eruboshi Certification

Each Group company is Eruboshi certified under the Act on the Promotion of Women's Participation and Advancement in the Workplace.

Eruboshi certification is awarded by MHLW in Japan to companies that demonstrate excellence in promoting women's advancement. It is a three-level certification based on certain criterion.

- Mitsubishi UFJ NICOS (2nd-level)
- Mitsubishi UFJ Research & Consulting (3rd-level)
- Mitsubishi UFJ Information Technology (2nd-level)
- Mitsubishi UFJ Trust Systems (2nd-level)
- MUS Business Service (3rd-level)



Corporate Equality Index

MUFG Union Bank has received full marks for seven consecutive years in the Corporate Equality Index, which measures LGBTQ equality in organizations according to the Human Rights Campaign, the largest LGBTQ advocacy group in the United States.



Human Rights Management

MUFG's mission as a financial institution is to build relationships with customers and society based on a long-term perspective and to grow together in a sustainable way, and this concept is included in its Corporate Vision. In order to achieve it, the Group is making efforts to protect various human rights.

Initiatives to Respect Human Rights

The Group companies recognize the respect for human rights as an important issue to be addressed in the management of our business and issued the MUFG Human Rights Policy Statement. To fulfill our responsibility to respect human rights in all our operations, we are committed to increasing the awareness of human rights by helping all employees fully understand the contents of the Code of Conduct and Compliance Manual.

A consultation service for sexual harassment, abuse of authority

► Please refer to page 108 for details on our Whistleblowing Compliance Management System.

and others was also established at each of the Group companies to establish a pleasant work environment with a positive atmosphere. It responds to the reports coming in via a variety of means including interviews, telephone calls and e-mails, and promotes respect for human rights. It also accepts and responds to reports from customers outside the Group about human rights violations caused by MUFG's business activities.

Human Rights Awareness-Raising Structure and Its Activities Conducted

MUFG Bank, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities established the following structures for human rights awareness-raising and conduct trainings and other promotional activities.

	MUFG Bank	Mitsubishi UFJ Trust and Banking	Mitsubishi UFJ Morgan Stanley Securities
Human rights awareness-raising structure	Human Rights Promotion Committee	Human Rights Promotion Committee	HR Committee
Chairperson	Member of the Board of Directors, Senior Managing Executive Officer (Chief Human Resource Officer : CHRO)	Director and Managing Executive Officer (CHRO)	Managing Executive Officer (CHRO)
Committee Members	<ul style="list-style-type: none"> ● Chief Executive of each business unit; and Executive Officers and General Managers responsible for Human Resources, Corporate Administration, Corporate Planning, Corporate Risk Management and Global Compliance ● Human resource champions are allocated to each division, office and branch. 	<ul style="list-style-type: none"> ● Managing Executive Officer responsible for Personnel Division and General Manager of Personnel Division ● Human rights promotion managers are allocated to each division, office and branch. 	<ul style="list-style-type: none"> ● President & CEO; General Managing Officer of Human Resources, Compliance Control, Financial Planning, Corporate Planning, Risk Management and Internal Audit and General Manager of Human Resources
Awareness-Raising activities	<ul style="list-style-type: none"> ● Training programs for all employees ● Training programs for each hierarchy ● For Executive officers, newly appointed branch managers, and managers at the management level, new recruits and career employees ● Calling for making human rights slogans ● Distribution of Human Rights Newsletter 	<ul style="list-style-type: none"> ● Human rights promotional training program ● For new recruits, human rights awareness-raising managers and employees of each division, office and branch ● Calling for making human rights slogans ● Posting posters for human rights week 	<ul style="list-style-type: none"> ● Human rights training programs For new recruits ● Training program on abuse of authority For general managers, branch managers and newly appointed managers
Number of attendees to training(fiscal 2019)	About 36,500	About 8,200	About 400

Sharing Human Rights Slogans

As part of its human rights awareness-raising activities, MUFG Bank and Mitsubishi UFJ Trust and Banking collect human rights slogans every year from their employees and their families. Excellent slogans are selected from among the ones collected from across the country and posted in the company newsletter and portal site to be shared across the companies.

Human Rights Due Diligence

As part of its efforts to address human rights issues, MUFG carries out human rights due diligence on its customers, employees and other stakeholders according to the following policies:

- **MUFG Group Personal Information Protection Policy** (Details <https://www.mufg.jp/english/privacy/>)
- **MUFG Human Rights Policy Statement** (Details <https://www.mufg.jp/english/csr/policy/>)

The MUFG Human Rights Policy Statement stipulates that the Group is guided by the international principles for human rights, such as the Guiding Principles on Business and Human Rights, its officers and employees strive to respect the human rights of all people, and the Group urges clients and suppliers to respect human rights.

On Employees

We have established the MUFG Compliance Helpline, which serves as a reception desk for reports on human rights violations from all Group employees, and we are enhancing the system to prevent and not to tolerate these acts. We also carry out human

▶ Please refer to page 85 for details on employee's health management.

rights due diligence on the workplace environment through interviews for employees who seem to be overworking and stress level checks.

On Customers

We established the MUFG Environmental and Social Policy Framework as the basis for the management of environmental and social issues. We assure respect for human rights by conducting the due diligence prescribed in the Policy Framework as necessary when making credit decisions at the Group Bank

and Trust Bank, and when underwriting bonds at the Group securities companies.

We also make efforts to protect the privacy of customers by ensuring appropriate handling and prevention of personal information leakage.

On Suppliers

In response to the enforcement of the Modern Slavery Act in the UK in 2015, MUFG companies subject to this law published a statement on their initiative to prevent exploitation of labor and human trafficking in their and suppliers' business, and they are making efforts to prevent human rights abuses in their supply chains. (Visit the links on the right.)

- **MUFG Bank**
(<https://www.bk.mufg.jp/global/csr/statement/sht/>)
- **Mitsubishi UFJ Trust and Banking**
(https://www.tr.mufg.jp/english/aboutmutb/csr/slavery_act_2015.html)
- **MUFG Securities EMEA**
(https://www.mufgemea.com/images/mufg/Modern_Slavery_Statement_31122019.pdf)

Health and Productivity Management

MUFG is promoting mental and physical health as part of its efforts to respect employees' human rights and create a pleasant workplace environment with a positive atmosphere. To be concrete, industrial physicians and counselors are stationed at each MUFG Group company to manage employee health through follow-up medical examinations based on the results

of regular health checkups and interviews with overworked employees. It also works in liaison with external doctors and counselors to address employees' mental health issues. Another effort is the maintenance of employees' mental and physical health using stress level checks and other measures.

■ Initiatives of Group Companies

● MUFG Bank

- Regular health checkups
- Health Committee meetings and workplace patrol
- Distribution of Health Clinic Newsletter
- Mental health checkup
- Regular environment checks in each division, office and branch
- Support for the cost of influenza vaccination

● Mitsubishi UFJ Trust and Banking

- Regular health checkups
- Health committee meetings and workplace patrols
- Posting information about occupational health and consultation services on the Employees Counselors Division page on the company portal site
- Stress level checks
- Providing personal consultation and health promotion planning and guidance for employees on the Employees Counselors Division page
- Declaration of Health and Productivity management

● Mitsubishi UFJ Morgan Stanley Securities

- Regular health checkups and rubella antibody testing
- Establishment of Safety and Health Management Rules, Health Committee meetings and workplace patrols
- Information submission to employees such as distribution of Healthcare Center Human Resources Division Newsletter
- Health counseling and mental health care
- Stress level checks
- Interviews with overworked employees by industrial physicians

Certified as a Health & Productivity Management Outstanding Organizations 2020 (Large Enterprise Category)

Mitsubishi UFJ Trust and Banking was recognized as a Health & Productivity Management Outstanding Organizations 2020 (Large Enterprise Category) under the Certified Health & Productivity Management Outstanding Organizations Recognition Program jointly hosted by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi (Japan Health Conference).

The Trust Bank's Goal is the trust bank creates a safe and enriching society -a team of professionals that can solve challenges faced by society and customers. To achieve this goal, we believe that the mental and physical health of each employee is of the utmost importance.

Bearing this in mind, the Trust Bank conducts health and productivity management for the mental and physical health of employees and the well-being of their families through a variety of initiatives and further respond to the trust and expectations of customers and society.

Other MUFG Group companies also promote health and productivity management by sharing knowledge and how such initiatives were conducted in the Group.

Universal Support

MUFG is committed to introducing universal design both in software and hardware aspects MUFG collects, analyzes, and shares the opinions and requests from customers of all Group companies, and uses this feedback to improve its products and services.

Responding to Customers in a Universal Manner

To ensure that all customers can use our branches with peace of mind, we make an effort to greet people as they enter our locations and provide guidance, thoughtfully offer easy-to-understand explanations and respond in an appropriate and agreeable manner.

Universal Designed Branches

MUFG is engaged in the installation of tactile paving for the visually impaired, the elimination of steps through the introduction of ramps, the installation of automatic doors, and other initiatives to improve the convenience and safety of branch entrances, so that all customers can access our facilities with comfort and peace of mind.

Providing Universal Services

By reducing bank transfer fees, allowing family members to sign forms by proxy and so on, we also provide services that consider the needs of persons with disabilities.

- **Application of ATM transfer fees**

The same transfer fees as ATM transfer fees are applied to customers with visual impairments and wheelchair users when they make a transfer at the counter.

- **Simplification of Administration by Proxy**

In cases where a customer finds it difficult to fill out or stamp a document due to visual or other physical disabilities, it may be possible for an accompanying family member to serve as a proxy, depending on the type of transaction.

- **Simplification of procedures to allow payment by proxy when the intent of the depositor cannot be verified**

When the intent of the depositor cannot be verified, it may be possible to arrange for a family member or other proxy to make necessary payments on their behalf for hospital / treatment fees, care facility fees, or tax / social insurance fees on request (See Note).

*(note) Depending on the payment method, the relationship of the proxy to the depositor, and the documents required, there might be cases where the Bank and the Trust Bank unable to comply with such requests.

- **Communication Board**

To accommodate customers with hearing and speech impairments, in addition to tools like writing pad and communication boards, MUFG Bank branches are equipped with tablet devices with applications which support communication by using videophones to connect customers to sign language operators, and handwriting and speech recognition systems.

■ Initiatives of Group Companies

● MUFG Bank

- Displaying pictograms
- Training for improving service skills for the elderly and people with disabilities
- Preparing a manual for improved service skills for the elderly
- Posting assistance dog stickers
- Posting Ear Symbol stickers
- Providing sign language and communication-in-writing (only in case of lost or stolen passbooks and cash cards)
- Handling Braille Cards and Notification Forms
- Consultation Service for People with Disabilities
- Preparing a LGBT handbook
- Cooperation with Community General Support Center

● Mitsubishi UFJ Trust and Banking

- Displaying pictograms
- Training for improving service skills for the elderly and people with disabilities
- Preparing a manual for improved service skills for the elderly
- Posting assistance dog stickers
- Posting Ear Symbol stickers
- All branches are equipped with reading glasses, hearing aids, loupes, writing devices, clipboards for writing, communication boards and wheelchairs.
- ATMs are equipped with handsets for communication.
- Seminars on service assistance

● Mitsubishi UFJ Morgan Stanley Securities

- Taking a training course for supporting dementia patients
- Equipped with reading glasses and writing devices
- Eliminating steps and differences in level on the floors in branches
- Installing automatic doors
- Distributing Ally declaration straps (upon request)

Customer Focus and Initiatives

Fundamental Concept

Customer-oriented approaches and fair and honest attitudes constitute the foundation of our business.

The Code of Conduct stipulates the standards that guide officers and employees' decision-making and behavior in our day-to-

day business activities under the MUFG Corporate Vision. We set Customer Focus in the first chapter of the Code of Conduct and the Group is endeavoring to make all employees behave according to this philosophy.

Fiduciary Duties

MUFG has set and published MUFG Basic Policy for Fiduciary Duties as a common guideline of the Group so as to ensure that its undertakings are always customer-oriented.

Under this Policy, the Group companies share their customer-first undertakings, aspire to further improve their products and services and announce status updates. In addition, MUFG, while monitoring these initiatives, periodically reviews the Policy in order to better realize customer-oriented business operations.

In addition, MUFG regularly holds the Fiduciary Duties Promotion Committees chaired by the president to further strengthen its customer-oriented business operations and to promote the integration of operations across the Group including the sharing of best practices, while inviting outside experts as advisors who provide suggestions and advice from diverse perspectives to further improve products and services.

► Details on our customer focus and initiatives are available on our website. <https://www.mufg.jp/english/profile/governance/fd/>

Improvements Based on Customer Feedback

Opinions and requests we receive from customers are valuable assets of MUFG. The Group companies - MUFG Bank, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS and ACOM - analyze customer feedback received via employees at sales offices, by telephone and by email to make improvements. The five companies received about 190,000 opinions and requests from customers in total in fiscal 2019, of which 445 were utilized for service improvement. Examples of such improvement include an app (Kantan Tetsuzuki App) that allows customers to suspend, reissue and resume the

use of their cash cards and passbooks without having to visit a branch or make a phone call, which used to be the only ways to make these requests. In addition, we regularly conduct customer satisfaction surveys and analyze the factors of low evaluation, if any, and make efforts to improvement.

MUFG collects, analyzes, and shares the opinions and requests from customers of all Group companies, and we use this feedback to improve our products and services. We continue to attract customers and establish lasting relationships with them.

System to Collect Customer Feedback

MUFG is committed to improving its business operations and quality based on customer feedback. To ensure that all customers feel reassured when using our services, each employee is improving their skills so that he/she can go beyond protecting the existing trust of customers and build a higher level of trust for the future.



Concrete Examples of Initiatives

Quality Improvement Initiatives

- **Quality Improvement of Products and Services**

- Checklist for Putting the Customer-oriented
- Response to ISO 9001 and ISO10002

Universal Support

- **Responding to Customers in a Universal Manner**

- Enhancing Reception and Response to the Elderly and People with Disabilities
- The Guidebook for Reception and Response to the Elderly
- Coordination with regional comprehensive support centers
- LGBT Response Handbook

- **Universal Designed Branches**

- Pictogram
- Posting Assistance Dog and Ear Symbol stickers
- Braille Block Use
- ATMs for the Visually Impaired

- **Providing Universal Services**

- Application of ATM transfer fees
- Simplification of Administration by Proxy
- Simplification of procedures to allow payment by proxy when there is communication difficulties for sickness of the depositor
- Handling Braille Cards and Notification Forms
- Services Using Sign Language, Written Messages
- Communication Board
- Consultation Service for People with Disabilities

Access to Financial Services

MUFG is committed to the growth of a wide range of industries and the creation of new industries and jobs.

Initiatives for Business Incubation and Job Creation (Financial Inclusion) through Partner Banks

Our partner bank in Thailand, Krungsri (Bank of Ayudhya), provides opportunities to access financial services for customers in economically growing ASEAN countries through its subsidiary Hattha Kaksekar Limited (hereinafter "HKL") and its affiliate company Ngeru Tid Lor Company Limited ("NTL").

■ Results of HKL Microfinance in 2019

Number of accounts opened	168,892 (+17% YoY)
Loans outstanding	USD 1,051 million (+39% YoY)
Number of branches	177 (±0% YoY)

In Krungsri Financial Literacy, a key project of Krungsri's CSR activities, financial and economic education aimed at improving the understanding of asset management is provided for fourth- to sixth-grade students at elementary school.



We believe that access to financial services is a means of enriching our lives and therefore endeavor to satisfy the needs for microfinance and nanofinance. We have been steadily increasing the number of accounts opened and loans outstanding, as shown in the table below.

■ Results of NTL Microfinance in 2019

Number of accounts opened	Approx. 500,000 (+23% YoY)
Loans outstanding	Approx. THB 47.4 billion (+19% YoY)
Number of branches	Approx. 1,000 (+23% YoY)

This initiative was in its fifth year in 2019. Most recently, 4,248 volunteers were participated and 3,853 students were attended the class in 72 schools in fiscal 2019.



Social Contribution Activities

Fundamental Concept of Social Contribution

Financial institutions have a responsibility to stabilize and maintain the financial system and contribute to the sound growth of society. To this end, we have fulfilled our social mission as a foundation of society and have been striving to contribute to the realization of a sustainable society by solving social issues

through financial services. We will carry out social contribution activities, such as donations and volunteer work, in fields where it is difficult to contribute through financial services or where there is a critical need for society.

Establishing a new framework of social contribution activities

MUFG established a new framework and it is determined to contribute an amount equivalent to 0.5% of the Group's net business profits*¹ in the previous fiscal year to social contribution activities (in the form of donation, etc.).

In the midst of the spread of COVID-19, we strongly reaffirmed the importance of social stability and have been providing a variety of support for the control of the disease during this period. Establishment of a new framework for social contribution activities will allow us to provide more agile and flexible support for the fields where it is difficult to contribute through financial services and where there is a critical need for society.

The total of the donation by the Group companies' social contribution activities in fiscal 2019 and the contribution from this framework accounts for about 1%*² of the Group's net business profit for fiscal 2019.

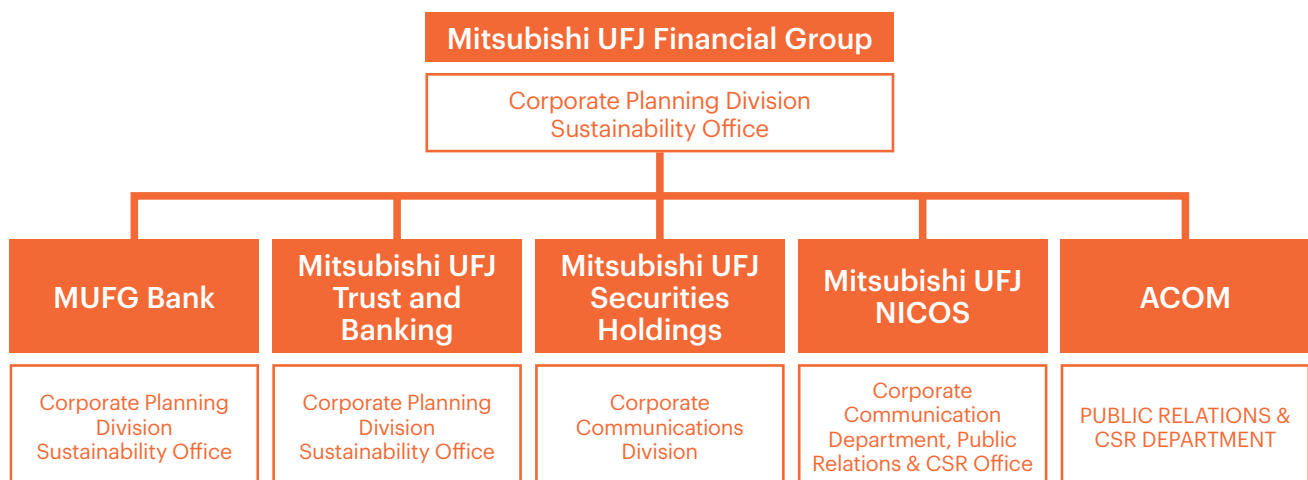
*¹ Net business profits after deduction of credit-related costs, etc.

*² Donations and support for the control of COVID-19 made this year are included in this framework.

Management Structure

Under MUFG's Sustainability Office, the department that is responsible for the promotion of social contribution activities at each Group company is placed. These departments jointly hold monthly liaison meetings to share information on their

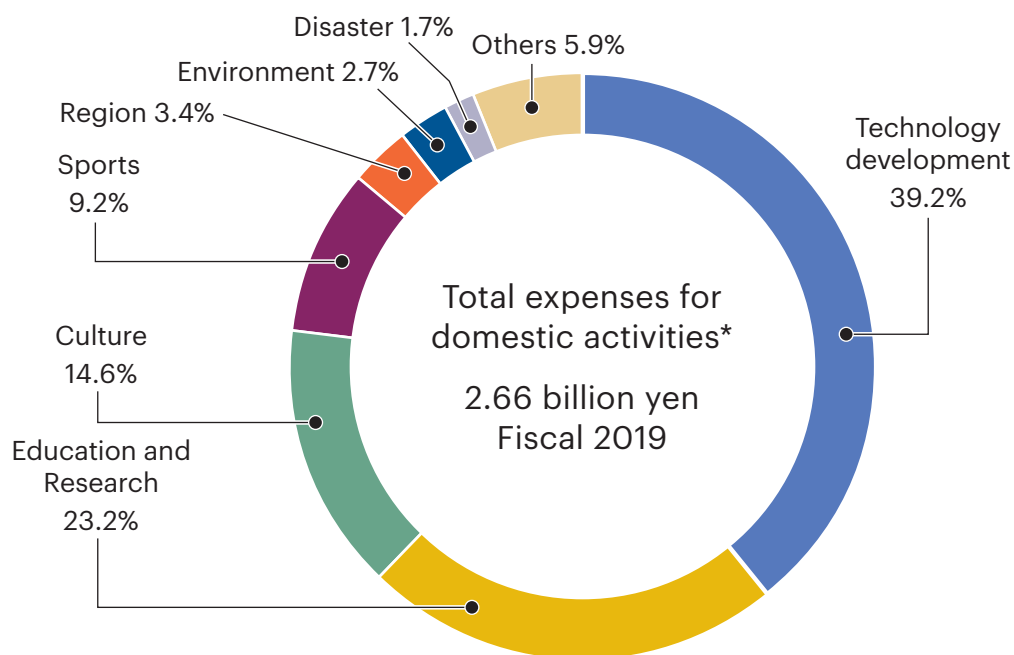
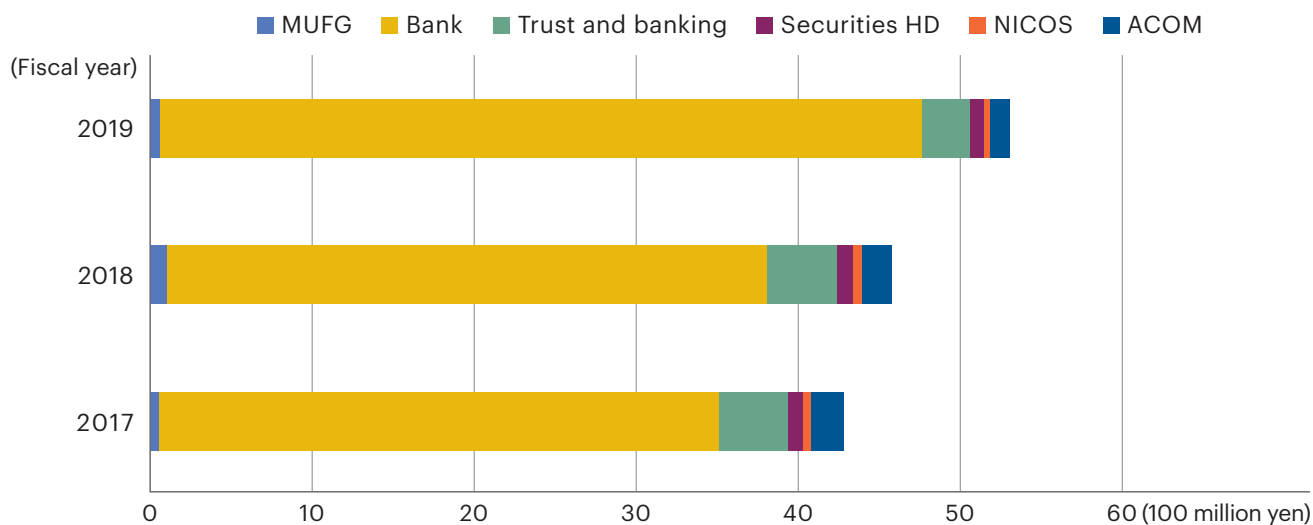
initiatives and activities, which accelerate the activities of the entire Group to solve social issues and contribute to the realization of a sustainable society.



Expenses for Social Contribution Activities

■ MUFG's expenses for social contribution activities: 5.23 billion yen (fiscal 2019)

Expenses for social contribution activities (both Japan and overseas)



*The Trust Bank's initiatives include overseas activities

Our Initiatives

In fiscal year 2020, many activities were cancelled or postponed due to the spread of COVID-19. We are fully committed to addressing this major challenge and will continue to make donations and provide support for prevention of the spread of infection in accordance with the needs and requests from society.

Initiatives to Combat COVID-19 Infection

In order to fulfill our corporate social responsibility for controlling the spread of COVID-19, we took the following initiatives between April and September 2020.

Support for Medical Professionals: One Billion Yen in Total

- To help ease the serious shortage of masks, protective clothing and other equipment at medical institutions, MUFG donated 500 million yen to the Japanese Red Cross Society to support medical professionals who continue to provide care at hospitals designated as medical institutions for specified infectious diseases across the country.
- MUFG donated 39 yen (as “39 (San-kyu in Japanese)” sounds like “Thank you”) to the Japanese Red Cross Society and the All Japan Hospital Association for each transaction made by an individual customer using the internet (Mitsubishi UFJ Direct, etc.) as a donation and support initiative we tackle with customers (a total of 500 million yen).

■ Japanese Red Cross Society



WEBからのお手続きで

“Thank you” を届けよう。

Support for Students: 1.6 Billion Yen in Total

- MUFG donated 500 million yen each to the Japan Student Services Organization (JASSO) and the nonprofit student support organization Ashinaga to support children who were almost forced to give up their higher education, despite their motivation and ability, due to financial or other reasons because of the spread of COVID-19, and children who had lost their parents to illness or disaster, etc.
- Students whose income from part-time jobs decreased due to the spread of COVID-19 were recruited as respondents of a survey for the development and improvement of MUFG products and services. More than ten online surveys “MUFG Beta” were conducted and students were paid for their participation (200 million yen in total).

■ Ashinaga scholarship society (Ceremony of Presentation)



- Because of the spread of COVID-19, there are many highly motivated international students who are in financial difficulties due to the lack of part-time work opportunities to cover tuition and living expenses, and might be forced to give up their studies in Japan. In order to support their education and living expenses, MUFG donated a total of 400 million yen

■ Thai Student Association in Japan
(Ceremony of Presentation)



(100 million yen each) to the Thai Student Association in Japan, the Embassy of the Republic of Indonesia in Tokyo Japan, the Association of Filipino Students in Japan and the Association of Vietnamese Intellectuals in Japan in cooperation with four of MUFG's partner banks in Southeast Asia*.

*Krungsri (Bank of Ayudhya) in Thailand, Bank Danamon in Indonesia, Security Bank in the Philippines and VietinBank in Vietnam.

■ Embassy of the Republic of Indonesia in Tokyo Japan
(Ceremony of Presentation)



Support for Arts: 300 Million Yen in Total

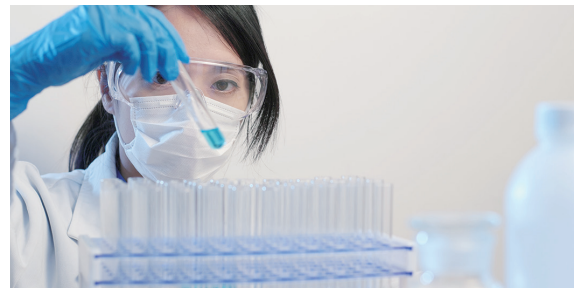
- Affected by the spread of COVID-19, classical music concerts were cancelled or postponed one after another. In response to the situation, MUFG donated 300 million yen to the Association of Japanese Symphony Orchestras to support the continuation of musical and artistic activities that enrich people's minds and lives. The fund will be used for the activities of the 37 member organizations.

■ A Day of Orchestra 2019 by the Association of
Japanese Symphony Orchestras



Establishment of MUFG Medical Fund: 10 Billion Yen in Total

- MUFG Bank, in collaboration with Mitsubishi UFJ Capital, which has extensive experience in the life science field, established an investment fund of 10 billion yen to support venture companies in the fields of drug discovery and regenerative medicine, including measures to treat and prevent COVID-19. We have received many inquiries since its establishment. We are currently examining investment in nominated projects including ones that derive candidate medical products to be developed for various diseases including COVID-19, as well as telemedicine.



Support through Donations and Charity

Donation to Child Support Groups / Japan / MUFG

MUFG decided to donate to the following three organizations working to support children: CliniClowns Japan, a certified nonprofit organization supporting sick children, Learning for All, a nonprofit organization supporting children from poor families,

and Chance for Children, an association for the same purpose as the previous one. It will provide continuous support over the next three years, totaling 180 million yen.

■ Certified NPO CliniClowns Japan



■ NPO Learning for All



Culture Support Project: Shiki Theatre Company's "Kokorono Gekijo" / Japan / MUFG

MUFG sponsors Shiki Theatre Company's countrywide project "kokorono gekijo". This project embodies the philosophy of "Through the stage, we hope to instill in the hearts of children the preciousness of life, consideration for others, the joy of mutual trust, and all the other important things in life."

In fiscal 2019, approximately 535,000 children were invited to 422 performance of two works, namely "The Story of a Seagull and the Cat Who Taught Her to Fly" and "The Emperor's New Clothes" in 166 cities throughout Japan. MUFG extends invitations to children who are living in orphanages.

■ Sending children off after performance
(photo by Akihito Abe)



► Details on our donation and support activities are available on our websites. <https://www.mufg.jp/english/csr/contribution/charity/>

Emergency Disaster Assistance

Providing Support through the MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund / Japan / MUFG • MUFG Bank

MUFG and MUFG Bank (the Bank), in cooperation with, the National Federation of UNESCO Associations in Japan (NFUAJ), established the MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund in April 2011. For up to 15 years, the fund will be working with local schools in operating a scholarship

program and holding various support projects for orphaned students (children who lost one or both of their parents as a result of the earthquake or tsunami) from elementary through high school. The fund is expected to grow to around ¥3 billion.

► Details on our emergency disaster assistance are available on our websites. https://www.mufg.jp/english/csr/contribution/disaster_support/

Scholarship Program

At the start of the program, each student is awarded ¥100,000 and subsequently awarded ¥20,000 every month until high school graduation. Since the program was introduced, 1,500 students have so far received scholarships. The program offered its final round of new scholarships to children who entered elementary school in FY2014, and these scholarships will continue until those students have graduated from high school in 2026.

Group Companies' Social Contribution Activities

Global Volunteer Month "MUFG Gives Back"/ Japan and overseas / MUFG

Since the establishment of Global Volunteer Month in 2013, MUFG employees all over the world have been working together on initiatives to host local contribution activities.

In the wake of the Great East Japan Earthquake, Japan was blessed with support from across the world for its reconstruction efforts. In response, and as an opportunity to express gratitude for the support Japan received, we have christened these initiatives "MUFG Gives Back," and we continue to expand our activities each year.

As a global initiative, in which employees are engaged in CSR activities together at the same time, MUFG Gives Back is one of the largest CSR initiatives among Japanese corporates, representing an opportunity for employees in their respective areas and at their respective branches to experience the impact of local philanthropy. In this section, we introduce a sample of the activities.

In fiscal 2019, we implemented the Happy Christmas Together! project in Japan. As part of it, we had an event named Charity Santa Volunteers, where employees of the MUFG Group companies dressed as Santa Claus and went to deliver gifts to children in an economically disadvantaged environment.



► Details on group companies' social contribution activities are available on our website. <https://www.mufg.jp/english/csr/contribution/group/>

Finance and Career Education

Financial and Economic Education for Children / Global / MUFG

As part of its social contribution activities utilizing the core business expertise of a financial institution, MUFG focuses on financial and economic education for students. In addition to providing them with opportunities to learn about the mechanisms of finance and economics, we carefully devise the

programs so that they can develop the ability to become socially independent and live their own life in the future. In fiscal 2019, we conducted 424 visiting lectures and work experience programs for students and the cumulative total of the number of classes since 2012 has become 3,282.

► Details on our finance and career education are available on our website. <https://www.mufg.jp/english/csr/society/population/>

Investment Education

Investment Education Programs / Japan / MUFG

MUFG provides working adults with seminars on life planning and asset management as one of the educational programs, designed to help each generation find investment for building

their future assets more accessible. The Group also provides a variety of educational contents, including cartoons and columns that trigger interest in asset building.

Environmental Education and Preservation Activities

Support for UNESCO School / Japan / MUFG Bank

For the development of the next generation, which is essential for the realization and maintenance of a sustainable society, the Bank works with the National Federation of UNESCO Associations in Japan and actively supports SDGs education in schools.

In fiscal 2019, financial support was provided for 65 schools as

the UNESCO School SDGs Assist Project. It also contributed to the promotion of the activities of UNESCO Schools by sponsoring their National Conference and introducing SDGs initiatives of companies.

► Details on our finance and career education are available on our website. <https://www.mufg.jp/english/csr/environment/activity/>

Activities in FY2019 : **Governance**

P.98 Corporate Governance

P.99 Responsibility and Authority

P.103 Risk Management

P.105 Compliance

P.108 Use of Whistle-Blowing Systems

P.109 Cyber Security

Corporate Governance

For more information on MUFG's corporate governance, please refer to the below.

■ Corporate Governance System

- ▶ Our corporate governance report are available on our website. <https://www.mufg.jp/english/profile/governance/>
- ▶ Our Annual Securities Report are available only in Japanese. https://www.mufg.jp/ir/report/security_report/

Board of directors	
Responsibility and Authority	Responsibility and Authority (P.99)
Structure	Corporate Governance Report
Independence of the Chair	
Committees	
Nominating and Governance Committee	Corporate Governance Report
Compensation Committee	
Audit Committee	
Risk Committee	
U.S. Risk Committee	
Board of Directors' effectiveness and performance evaluation	Corporate Governance Report
Executive Compensation	
Assessing executive compensation based on the performance.	Corporate Governance Report
Shareholding restriction	Annual Securities Report
Disclosure of Executive Compensation	Corporate Governance Report
Clawback / Malus	Annual Securities Report
Stock	
Shareholding Ratio (Shareholding Status)	Annual Securities Report
Shareholder Rights	Corporate Governance Report
Separation of shareholding and voting rights	Annual Securities Report

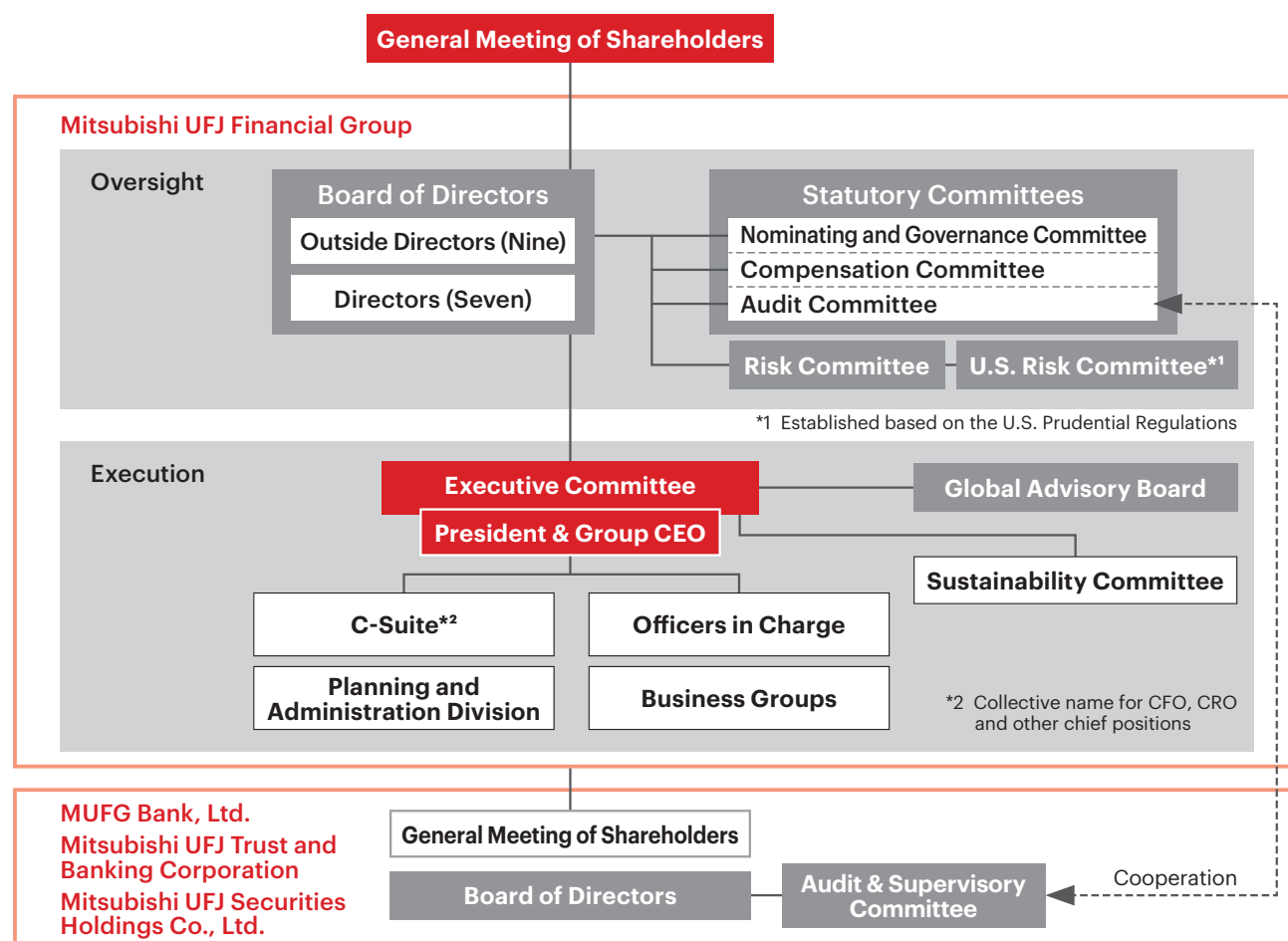
Responsibility and Authority

Fundamental Concept

MUFG aims at its sustainable growth and increase in medium-to long-term corporate value, based on the requests from stakeholders including shareholders, customers, employees and local communities.

MUFG is committed to fair, just and transparent corporate management and to the realization of effective corporate governance guided by the MUFG Corporate Governance Policies.

Management Structure



Approach to ESG Issues

Sustainability Committee Meetings

MUFG holds regular committee meetings to identify ESG issues affecting corporate management, and report and discuss how the Group is responding to them. In fiscal 2019, at the 25th CSR Committee meeting, the Committee was reorganized and

renamed Sustainability Committee. Two meetings were held in total that year, including the first Sustainability Committee meeting. The following is a summary of the discussion in the Committee.

■ The 25th CSR Committee Meeting

Topics	Details
Renaming CSR Committee and changing purpose, members and agenda of the Committee	<ul style="list-style-type: none"> - CSR Committee was renamed Sustainability Committee. - Purpose : To discuss efforts to solve environmental and social issues for the realization of a sustainable environment and society and of the sustainable growth of MUFG

■ The 1st Sustainability Committee Meeting

Topics	Details
MUFG's Commitment to Sustainability	We reaffirmed how the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG and that we engage 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 should be.
Capturing environmental changes related to ESG issues and SDGs	Identifying particularly important environmental changes in terms of climate change
Strengthening the integration with the MUFG Business Plan	
Addressing seven priority environmental and social issues	Integrating seven issues with business strategies and expanding/enhancing the measures to address them
Sophisticating planning processes and having the process shared within the Group companies	Sophisticating the planning processes and strengthening the measures to have them shared within the Group companies in order to strengthen the integration of the solution to environmental and social issues with the MUFG Business Plan.
Promoting sustainable finance	MUFG grows together with client companies by understanding their external environment and encouraging their sustainable growth.
Sophisticating environmental and social risk management	Considering the addition of policies regarding such sectors as Oil & Gas (Oil sand and Arctic development), Large Hydropower and Inhumane Weapons to the MUFG Environmental and Social Policy Framework
MUFG's unique approach	Shift to 100% renewable energy for self-produced energy
Strengthening governance to further promote sustainability	Appointment of Chief Sustainability Officer (CSuO)
Investor's viewpoint on ESG Evaluation	Developing a plan that integrates the solutions to environmental and social issues with business strategy, enhancing disclosure, etc.
Enhancing information disclosure	<ul style="list-style-type: none"> - Progress in sustainable finance, sophistication of the MUFG Environmental and Social Policy Framework and continuing efforts to TCFD recommendations - Issuing a sustainability report

External Advisors in the Environment and Social Fields

In 2019, we engaged external experts in the environmental and social fields as permanent external advisors. Opinions were exchanged between the experts and the members of the Board of Directors, allowing us to use their broad knowledge of ESG in our sustainability initiatives.

Rintaro Tamaki	President, Japan Center for International Finance
Junko Edahiro	Professor, Graduate School of Leadership and Innovation, Shizenkan University / President, Institute for Studies in Happiness, Economy and Society / Founder and President, e's Inc.

Opinion Exchange Meeting with Advisors

An opinion exchange meeting was held with advisors in December 2019. There was an active exchange of opinions on global trends in the environmental and social fields, such as each country's movement towards decarbonization and the plastic

issue, as well as on the mission as a financial institution in this context.

Based on the fruits of this meeting, MUFG will further integrate its sustainability initiatives with its core business.

■ Opinions from Advisors (extracted)

Junko Edahiro
<ul style="list-style-type: none"> - A major issue that has come to be discussed recently is Japan's position as a victim of global warming. - Not only mitigation of climate change but also the adaptation or disaster management will be important as a viewpoint. - The ideal state is that the connection between the SDGs and individuals becomes a personal concern and, as a result, a natural behavior. A natural behavior can change people's behavior and values.

Rintaro Tamaki
<ul style="list-style-type: none"> - In terms of technology and climate change, there will be a transformation of the system. - It is the role of financial institutions to provide sound advice to Southeast Asian nations, which is a "blank area" of climate change. - As EU's financial regulations and other movement are accelerated recently, careful collection and provision of information are required.



Global Advisory Board

MUFG has established the Global Advisory Board to function as advisory bodies to the Executive Committee, and the Board holds regular meetings.

The Global Advisory Board is made up of members from Japan, Europe, Asia, and the Americas who are external experts in

areas such as corporate management, financial regulation, and government policy. They provide advice and recommendations on group-wide management, global governance, business strategy, and other management issues from an independent standpoint.

Holding the Seventh Annual Meeting of the Global Advisory Board

In November 2019, the seventh annual meeting of the Global Advisory Board was held in Tokyo.

The meeting was attended by the members of the Global Advisory Board, MUFG executives, outside directors, and representatives from overseas partner banks including MUFG Union Bank, Krungsri (Bank of Ayudhya), Security Bank, Vietin

Bank and Bank Danamon.

There was a lively discussion on topics that could influence MUFG's business strategy, such as the U.S.-China struggle for hegemony, ESG and the opportunities and challenges brought from digital platformers.

Risk Management

Details on MUFG's Integrated Risk Management are available on MUFG Report 2020.
https://www.mufg.jp/english/ir/report/annual_report/

Managing Environmental and Social Risks in Financing

Principles of Risk Management

MUFG has identified the risks associated with various environmental and social issues, such as global warming and climate change, as a priority issue, and recognizes that they exert significant influence on the Group's corporate management for sustainable growth. As a financial institution that aims to be a trusted global financial group chosen by the world, the Group also grasps the risks caused by its business activities and endeavors to control and reduce them. MUFG manages

these sustainability-related risks within the MUFG Environmental and Social Policy Framework, which is based on the MUFG Environmental Policy Statement and the MUFG Human Rights Policy Statement. The Framework is managed by the Sustainability Committee under the Executive Committee, and it is formed to be consistent with the framework for controlling reputational risks that could damage the Group's corporate value.

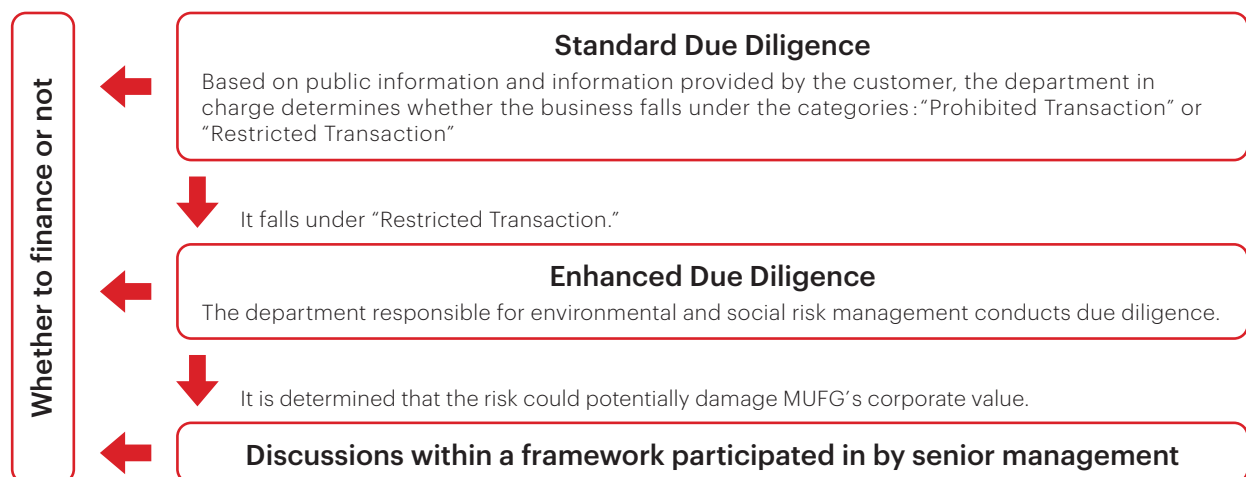
Risk Assessment Process

Standard due diligence is conducted by departments that have direct contact with customers to identify and assess the environmental and social risks of business that is to be financed by MUFG. If it is determined that the business needs to be examined more carefully, MUFG conducts enhanced due diligence and decides whether or not to finance the business.

As for business that would have significant environmental and

social risks and could potentially damage MUFG's corporate value or develop into a reputational risk, MUFG holds discussions on how to handle it within a framework participated by senior management. In addition, MUFG Bank adopted the Equator Principles, a framework for identifying, assessing and controlling the environmental and social risks of large-scale projects, and conducts risk assessments in accordance with its Guidelines.

■ The process of identifying and assessing the environmental and social risks or impacts of a business to be financed



*Prohibited Transaction: Includes illegal business or business with illegal purposes, and business violating public order and morals.

*Restricted Transaction: Business classified as cross-sectoral, including ones that exert a negative impact on indigenous communities, and in specific sectors, including coal-fired power generation

Major Risks and Responses

MUFG designated business with significant environmental and social risks as “Prohibited Transaction” if they are illegal businesses or businesses with illegal purposes and the like, and as “Restricted Transaction” if they have a negative impact on indigenous communities and the like. Since the last fiscal year, it has been tightening its policy on business that has a significant

impact on climate change including coal-fired power generation. By periodically reviewing and sophisticating the MUFG Environmental and Social Policy Framework, the Sustainability Committee will continue to address risks that may emerge as a result of changes in business activities and the business environment.

Prohibited Transactions	Restricted Transactions
<ul style="list-style-type: none"> ● Illegal transactions and transactions for illegal purposes ● Transactions which violate public order and good morals ● Transactions that negatively impact wetlands designated under the Ramsar Convention ● Transactions that negatively impact UNESCO designated World Heritage Sites ● Transactions violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention) ● Transactions involving the use of child labor or forced labor 	<p>[Cross-sectoral items]</p> <ul style="list-style-type: none"> ● Impact on Indigenous Peoples Communities ● Land expropriation leading to involuntary resettlement ● Impact on High Conservation Value areas <p>[Sector specific items]</p> <ul style="list-style-type: none"> ● 8 sectors including coal fired power generation, mining (coal), oil and gas, forest, palm oil and inhumane weapons sector

Compliance

Basic Policy

MUFG clearly communicates Our Mission, Vision and Values as a group and declares that we work together to meet the expectations of customers and society in the Corporate Vision. Furthermore, we have established the MUFG Group Code of Conduct to guide how the Group's directors and employees should behave to realize the Corporate Vision. The code 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.

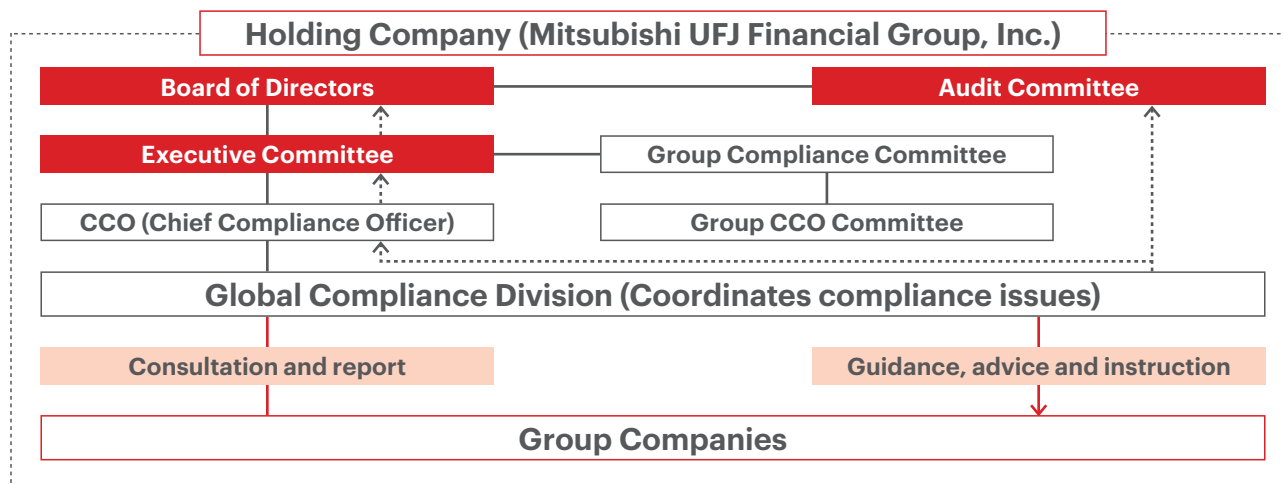
In addition, as we expand our business globally, we are committed to keeping abreast with developments in the laws and regulations of the jurisdictions in which we operate, including those targeting money laundering and bribery, as well as competition laws, while paying attention to trends in financial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

Compliance Framework

Compliance management divisions have been established at the holding company and the three major subsidiaries, namely, MUFG Bank, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Securities Holdings (hereinafter, the "three subsidiaries"). 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 subsidiaries have Compliance Committees operating under their executive committees with the aim of deliberating important compliance matters. Additionally, the holding company has the Group Chief Compliance Officer ("CCO") Committee composed of the CCO of the holding company and the CCOs of the three subsidiaries. This committee deliberates important matters related to compliance and compliance related issues for which the Group should share a common understanding.

■ Compliance System



Ensuring Thorough Compliance

We engage in ongoing efforts to ensure that each employee embraces proper action principles in accordance with the Code of Conduct by, for example, providing various compliance training and distributing messages from top management. Every year, we also update the content of the Code of Conduct with reference to the results of the annual Group Awareness and Engagement Survey as well as changes in the business environment at home and abroad. The updated Code of Conduct released in fiscal 2020 includes enhanced descriptions about conduct risk and the importance of being aware of

▶ Please refer to page 108 for details on our whistle-blowing systems.

risk ownership at the sales frontline as well as an additional message encouraging whistle blowing. Thanks to these efforts, the latest results of the Group Awareness and Engagement Survey included significantly improved ratings on compliance-related questionnaire items, such as those asking whether the respondents experienced a “double-bind” situation between the call for adherence to the Code of Conduct and the need to efficiently process tasks in the course of daily operations. As such, MUFG is constantly striving to ensure thorough compliance.

Basic Policy Regarding Anti-Social Elements

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

1 Response as an Organization

In relation to anti-social elements, the Company has established the foundation of express provisions in the MUFG Group Code of Conduct and Internal Rules, etc., and will respond as an entire organization, from the top management downward. In addition, the Company will guarantee the safety of employees who would respond to anti-social elements.

2 Cooperation with External Specialist Organizations

Under normal circumstances, the Company endeavors to establish a close cooperative relationship with external specialist organizations such as the police, the Centers for the Elimination of Boryokudan, and lawyers.

3 Blocking of Relationships, including Business Transactions

The Company shall block all relationships with anti-social elements, including business relationships.

4 Civil and Criminal Legal Responses in Times of Emergency

The Company shall reject improper demands from anti-social elements, and take legal actions on both a civil and criminal basis, as the need arises.

5 Prohibition of Secret Deals and Provision of Funds

The Company shall absolutely not engage in secret deals with anti-social elements.
The Company shall absolutely not provide funds to anti-social elements.

Initiatives to Enhance Global Financial Crimes Compliance Framework

MUFG formed the Global Financial Crimes Division ("GFCD"), which is in charge of Anti-Money Laundering ("AML"), Sanctions, and Anti-Bribery and Corruption Compliance (collectively, "Global Financial Crimes Compliance"), against the backdrop of heightened regulatory expectations in that area. MUFG established GFCD's headquarter in New York, where the expertise for financial crimes risk management is centralized, and is implementing a number of initiatives to prevent, detect, and deter financial crimes.

MUFG established policies that define the governance and oversight structure for financial crimes risk management across MUFG and provide the foundation for the implementation of the financial crimes compliance program in a manner that is commensurate with the strategies, business activities, and risk profiles of each Group Company. Through these policies, MUFG promotes a consistent and integrated approach across all of MUFG globally.

MUFG Bank, one of the group companies in MUFG, is establishing shared organizations (Centers of Excellence) in the Americas, EMEA, Asia and Japan. Through those Centers of Excellence, MUFG Bank is centralizing certain AML and sanctions compliance processes and expertise to assist in the fight against

money laundering, terrorist financing and sanctions violations. As processes move from local branches and offices and become integrated into the Centers of Excellence, MUFG Bank will be better positioned to achieve globally consistent and effective operations.

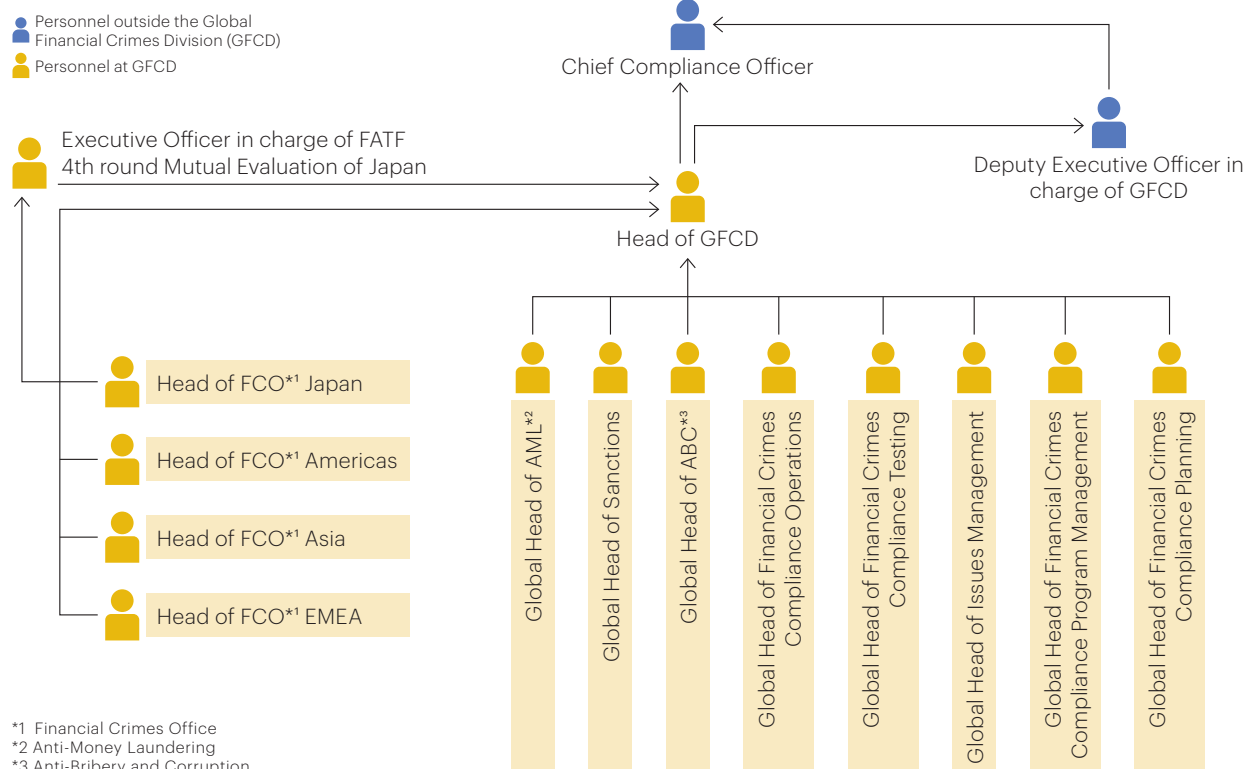
In addition, MUFG Bank is enhancing its financial crimes compliance systems and establishing a data warehouse. These enhancements will support a globally consistent, effective, and efficient financial crimes compliance program and will help MUFG Bank detect more complex and sophisticated types of financial crimes in a sustainable and flexible manner.

Furthermore, MUFG Bank is investing in its people, with continued hiring of financial crimes compliance specialists, training, updated information-sharing, and accumulation and exchange of knowledge and skills through a global staff rotation program.

We continue to work on the enhancement of global financial crimes compliance in line with requirements and expectations of international organizations, including regulators in each country, FATF,* etc. to support and strengthen the trust and confidence of society.

*FATF: Financial Action Task Force on money laundering. Inter-governmental body that advocates for taking a coordinated international response in AML and counter-terrorist financing.

■ Organization Chart (GFCD of MUFG Bank)



Use of Whistle-Blowing Systems

External Certification of the Whistle-Blowing Systems

Having positioned its whistle-blowing systems as an important governance tool, MUFG has helped each Group company develop such a system to ensure their ability to promptly address and resolve any issues associated with compliance. Moreover, the MUFG Compliance Helpline operates year-round and is capable of handling a report from any Group member no matter what their location on an around-the-clock basis.

In each system, whistleblowing is handled appropriately: the Code of Conduct and company rules stipulate that the information of a whistleblower must be handled in a strict manner and whistleblowing must not result in any disadvantage.

We aim to ensure that each employee is able to quickly access this helpline whenever he/she has even the slightest suspicion regarding compliance. To this end, we let all employees know about this helpline by providing e-learning programs and by distributing carrying cards designed to communicate how to use it. At the same time, we are striving to enhance the reliability of our whistleblowing systems.

All whistle-blowing systems of MUFG and its subsidiaries -- MUFG Bank, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Securities Holdings, Mitsubishi UFJ NICOS and ACOM -- are registered in the

Japan's Consumer Affairs Agency's Whistleblowing Compliance Management System (WCMS) certification standards* based on self-declaration.

In the course of registration, we upgraded such aspects of these systems as whistleblower protection measures. We also let all employees know about the content of upgrades to assure them of the reliability of the system. Looking ahead, we will promote the utilization of our whistle-blowing systems to secure sustainable growth for the Group.

■ WCMS (Whistleblowing Compliance Management System) symbol



*If a company self-evaluates its whistle-blowing system and it is proved that it conforms to the certification standards, a registration agency designated by the Consumer Affairs Agency checks and registers the results of the evaluation based on an application from the company.

Cyber Security

To provide, as a financial institution, customers with safe and sound financial services, the management of MUFG plays a leading role in the field of cyber security, taking countermeasures against increasingly sophisticated and diversified cyber-attacks and information leaks. Information assets are important resources

and information leaks can lead to serious risks, including loss of trust from customers, society and other stakeholders and the resulting loss of profits. Therefore, the Group ensures appropriate management and takes measures for risk management.

Cyber Security Management

MUFG has published the Cyber Security Management Declaration, positioning cyber-attacks as one of the top risk sources and promoting management-level countermeasures against risk in the framework of integrated risk management. As for the cyber security management, the Group appointed a Chief Information Security Officer (CISO) who has specialized knowledge and is the executive responsible for information security. Under the CISO's leadership, it also promotes cyber security strategies effectively and efficiently. MUFG has also built a structure that helps make appropriate management decisions based on changes in the threat environment and the status of cyber security management, through reporting to the Board of Directors and Executive Committee.

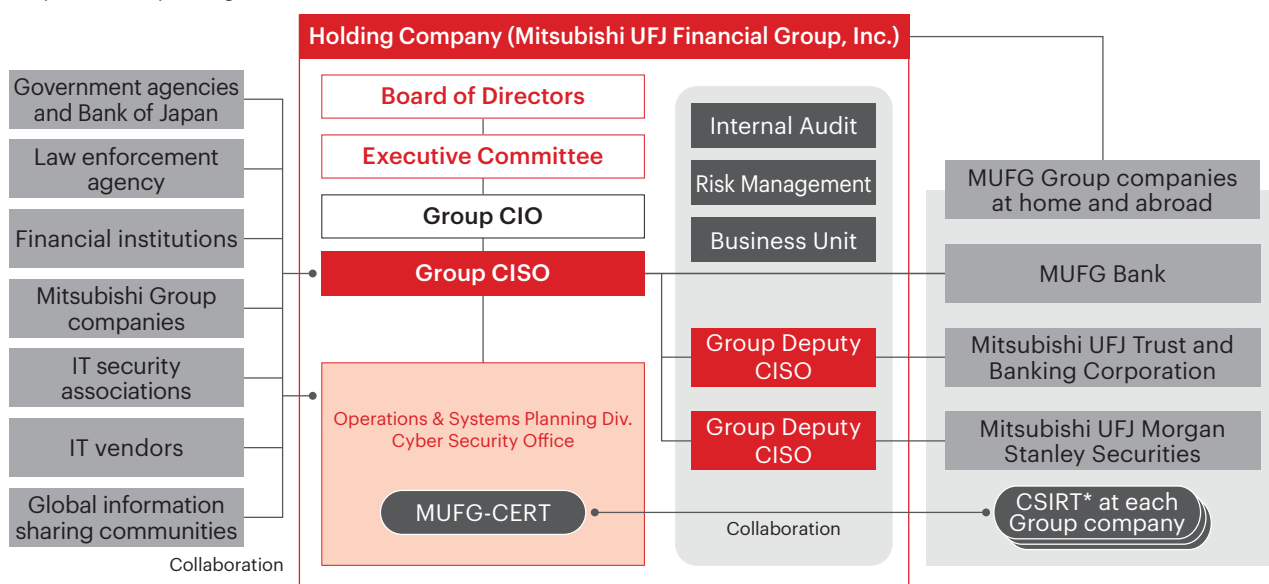
In April 2019, MUFG launched the MUFG Cyber Security Fusion

Center (MUFG-CSFC) as part of the Cyber Security Office. The new center is tasked with intelligence analyses and other cyber security-related operations. In addition, MUFG has developed a groupwide, cross-regional cyber security management structure in which the MUFG-CSFC plays a core role. Thus, MUFG monitors the status of cyber security 24/7 while ensuring that no incident is left unaddressed.

To respond immediately to cyber security incidents, MUFG is enhancing incident response teams and established MUFG-CERT to supervise the entire group. It allows the Group to be prepared for emergencies, in coordination with the Computer Security Incident Response Team (CSIRT) of each Group company.

► Details on our Cyber Security Management Declaration are available on our website. <https://www.mufg.jp/english/csr/policy/>

■ Cyber Security Management Structure



*Computer Security Incident Response Team

Providing Cyber Security Education to Foster a Proper Culture

MUFG believes that, in addition to cultivating cyber security specialists, all the layers of organization, ranging from top management members to frontline employees, must develop accurate knowledge with regard to the varied risks they face in businesses and how to properly respond to such risks in the wake of increasingly sophisticated and complex cyber security threats.

With this in mind, all employees participate in educational programs focused on the importance of cyber security as well as drills that teach the handling of suspicious e-mails. Meanwhile, top management members attend training sessions designed to enhance their understanding of cyber security issues. When the COVID-19 pandemic prompted an increase in the number of employees choosing to work remotely, MUFG acted quickly to

call their attention to cyber security by, for example, distributing in-house newsletters.

MUFG not only strengthens its own systems for self-help, but also establishes mutual aid within the industry by participating in Financials ISAC Japan and FS-ISAC* to improve the stability of the financial infrastructure, and places importance on public aid through information sharing and collaboration with public institutions and financial authorities. In addition to conducting cross-sectional training within the MUFG Group, MUFG participates in various exercises with external organizations on a continuous basis to strengthen the Group's crisis management system. Through these activities, the Group is contributing to the improvement of cyber security of society on a global basis.

*They are membership organizations for financial institutions to share security-related information and analysis results. Financials ISAC is for financial institutions operating in Japan and FS-ISAC is for the United States. Mitsubishi UFJ Financial Group is a member of both organizations.

ESG Data

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ESG Data (Environment)

Reducing Our Environmental Impacts through Core Business

Reducing CO₂ and Achieving Economic Effects through Loans

■ Changes in CO₂ Reductions and Economic Effect through Financing

	Reduction unit cost	FY2015	FY2016	FY2017	FY2018	FY2019
Number of environmental loans, by fiscal year	No. of loans	21	9	26	23	9
Annual CO ₂ reductions due to financing, by fiscal year	1,000 t-CO ₂	248.8	19.1	167.6	135.3	1.7
Total CO ₂ reductions	1,000 t-CO ₂	999.1	1,018.2	1,185.8	1,321.1	1,322.8
Total economic effect of the reduction	million yen	5,477	5,505	5,614	5,702	5,703
Reduction unit cost*	yen/t-CO ₂	1,500	1,500	650	650	600

*The average cost of Excess Reductions is detailed in the "Results of the assessment of trading prices," a Tokyo Metropolitan Government survey on total reduction obligations and the emissions trading structure in the metropolitan area (March, 2020). This was used as a measure that could be equated with a reduction cost within Japan.

■ Details of CO₂ Reductions and Economic Effect through Financing

■ Details of Number of Environmental Loans, by Fiscal Year

	Until FY2015	FY2016	FY2017	FY2018	FY2019	Cumulative	Ratio
Alternative energy (Wind power, etc.)	36	1	11	2	0	50	18.5%
Recycling (Construction waste, etc.)	14	0	0	0	0	14	5.2%
Proper disposal (Final disposal site, etc.)	7	0	0	0	0	7	2.6%
Installation of energy- efficient equipment/materials (mechanical equipment materials, etc.)	108	4	8	16	8	144	53.3%
Energy-efficient building construction (Shopping malls, office building, etc.)	38	4	7	5	1	55	20.4%
Total	203	9	26	23	9	270	100.0%

■ Details of Annual CO₂ Reduction Effects from Loans, by Fiscal Year

【1,000 t-CO₂】

	Until FY2015	FY2016	FY2017	FY2018	FY2019	Cumulative	Ratio
Alternative energy (Wind power, etc.)	393	5.8	159.2	125.7	0.0	684	51.7%
Recycling (Construction waste, etc.)	101	0.0	0.0	0.0	0.0	101	7.6%
Proper disposal (Final disposal site, etc.)	29	0.0	0.0	0.0	0.0	29	2.2%
Installation of energy- efficient equipment/materials (mechanical equipment materials, etc.)	440	8.2	3.7	8.5	1.7	463	35.0%
Energy-efficient building construction (Shopping malls, office building, etc.)	36	5.1	4.7	1.1	0.0	47	3.5%
Total	999	19.1	167.6	135.3	1.7	1,323	100.0%

*Totals may not add up due to rounding.

■ Economic Effects of Annual CO₂ Reduction (Details of Cumulative Economic Effects by Reduction)

[Million yen]

	Until FY2015	FY2016	FY2017	FY2018	FY2019	Cumulative	Ratio
Alternative energy (Wind power, etc.)	2,384	8.7	103.5	81.7	0.0	2,578	45.2%
Recycling (Construction waste, etc.)	707	0.0	0.0	0.0	0.0	707	12.4%
Proper disposal (Final disposal site, etc.)	201	0.0	0.0	0.0	0.0	201	3.5%
Installation of energy- efficient equipment/materials (mechanical equipment materials, etc.)	2,075	12.4	2.4	5.5	1.0	2,096	36.8%
Energy-efficient building construction (Shopping malls, office building, etc.)	110	7.6	3.0	0.7	0.0	121	2.1%
Total	5,477	28.6	108.9	87.9	1.0	5,703	100.0%

*Totals may not add up due to rounding.

Reducing Our Environmental Impacts of Business Activities

CO₂ Emissions from Business Activities and Employee Travel

[Method of calculation for FY2019]

Scope of Reporting : Mitsubishi UFJ Financial Group, MUFG Bank, Mitsubishi UFJ Trust and Banking,
Mitsubishi UFJ Morgan Stanley Securities, and Mitsubishi UFJ NICOS.

[CO₂ Emissions Calculation Method]

1. City gas, LPG, kerosene, light oil, heavy oil, steam/hot water, cold water, and gasoline are calculated according to factors based on the Act on Promotion of Global Warming Countermeasures.
2. Electricity is calculated according to the most recent basic emissions factors by electricity producers for FY2018 based on the Act on the Promotion of Global Warming Countermeasures.
3. Overseas travel (international routes) is calculated according to a factor specified in the General Guidelines on Supply Chain GHG Emission Accounting (Ministry of the Environment / Ministry of Economy, Trade and Industry).

[CO₂ emissions from use of electric power]

This report contains the results of calculations based on the "basic emission factor (pre-adjustment emission factor)", in which power companies do not reflect Kyoto Mechanism credits or cuts in domestic certified emissions, etc. Period covered: April 1, 2019 through March 31, 2020.

CO₂ emissions reduction by TEPCO Energy Partner "Aqua Premium" (4,453t-CO₂) is not deducted.

■ MUFG Environmental Impact Data and CO₂ Emission

Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Total floor space		1,000m ²	2,222	2,175	2,174	2,175	2,167
Direct energy consumption	City gas	1,000Nm ³	3,915	3,915	3,965	3,697	3,285
	Heavy oil	kl	882	855	962	805	856
	Kerosene	kl	87	81	75	76	68
Indirect energy consumption	Electricity	1,000kWh	399,733	409,823	397,386	381,211	395,463
	Steam, hot water	GJ	52,473	63,463	68,257	62,466	61,657
	Cold water	GJ	46,143	55,836	56,213	61,828	57,148
Energy use from employee travel and transportation	Overseas travel (international routes)	1,000km	53,968	56,568	52,672	52,359	36,280
	Company automobiles (gasoline)	kl	3,152	2,927	2,684	2,570	2,133
Water usage efficiency	Tap water	1,000m ³	1,405	1,398	1,503	1,446	1,383
	Waste water	1,000m ³	1,152	1,155	1,176	1,208	1,154
Total energy consumption		MWh	-	-	431,961	415,737	428,464

■ Changes in CO₂ Emission

Item			Unit	FY2015	FY2016	FY2017	FY2018	FY2019
CO ₂ emission	Scope 1	Direct CO ₂ emissions	t-CO ₂	11,344	11,421	11,836	10,795	9,963
	Scope 2	Indirect CO ₂ emissions	t-CO ₂	209,604	212,282	202,004	186,870	184,287
	Scope 3	Other indirect CO ₂ emissions	t-CO ₂	11,792	11,487	10,598	10,309	7,959
	Offsets using CDM credits		t-CO ₂	-	-25,500	0	0	0
	Total		t-CO ₂	232,740	209,689	224,439	207,973	202,209
Basic unit of CO ₂ emission (CO ₂ emissions per unit of floor space)			t-CO ₂ /1,000m ²	105	96	103	96	93
Basic unit of electricity use			kWh/m ²	180	188	183	175	182

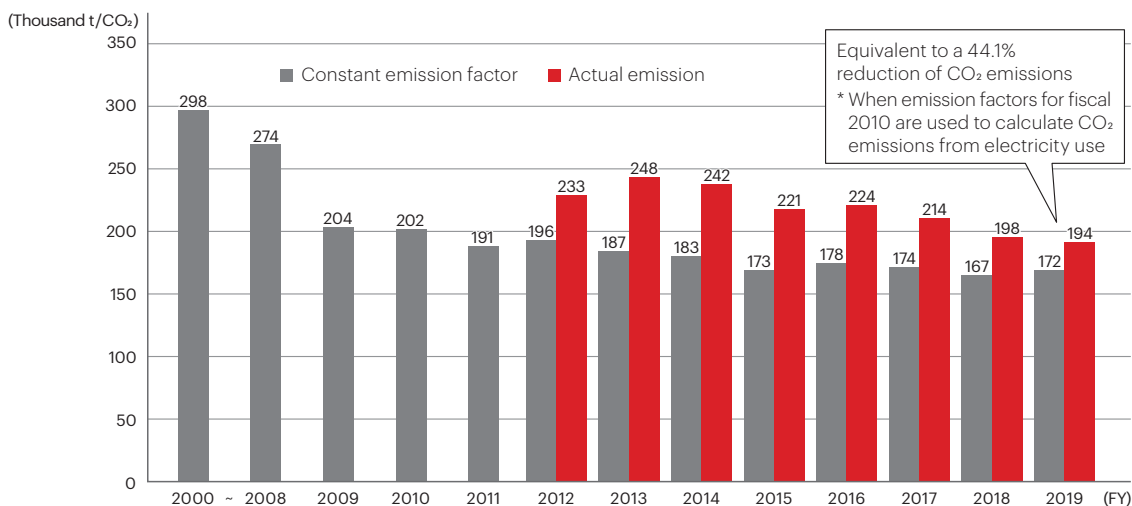
■ Details of Scope

■ Details of CO₂ Emission

[t-CO₂]

Item		FY2015	FY2016	FY2017	FY2018	FY2019
Direct CO ₂ emissions (Scope 1)	City gas	8,731	8,897	9,036	8,420	7,472
	Heavy oil	2,391	2,318	2,608	2,180	2,321
	Kerosene	222	206	192	194	170
	Subtotal	11,344	11,421	11,836	10,795	9,963
Indirect CO ₂ emissions (Scope 2)	Electricity	203,982	205,482	194,910	179,785	177,248
	Steam, hot water	2,991	3,617	3,891	3,561	3,514
	Cold water	2,630	3,183	3,204	3,524	3,524
	Subtotal	209,604	212,282	202,004	186,870	184,287
Other indirect CO ₂ emissions (Scope 3)	Overseas travel (international routes)	4,479	4,695	4,372	4,346	3,011
	Company automobiles (gasoline)	7,313	6,792	6,226	5,963	4,948
	Subtotal	11,792	11,487	10,598	10,309	7,959
Offsets using CDM credits		0	-25,500	0	0	0
CO ₂ Emission Total		232,740	209,689	224,439	207,973	202,209

■ Scope 1 + 2 Changes in CO₂ Emission



*The figures in the graph and in the table are different, because the scope of calculation of the graph is the four companies that set reduction targets based on CO₂ emissions in fiscal 2000.

*CO₂ emission factor from electricity use in fiscal 2010 is the one listed in the Environmental Action Plan by the Japanese Electric Utility Industry (The Federation of Electric Power Companies of Japan, September 2010).

Environmental Accounting Information for Our Offices

[Method of calculation for FY2019]

Companies included : Mitsubishi UFJ Financial Group, MUFG Bank, Mitsubishi UFJ Trust and Banking,

Mitsubishi UFJ Morgan Stanley Securities and Mitsubishi UFJ NICOS

Accounting method : Based on Environmental Accounting Guidelines 2005, published by Japanese Ministry of the Environment.

Period covered : April 1, 2019 through March 31, 2020

As for the method of calculation, the depreciation expenses on investment amounts are included in expenses using the straight line method for a service life of five years (with no residual value). The service life is set at five years as the period during which repairs and improvements are required following the introduction of environmental equipment.

■ Cost for Environmental Measures

[Million yen]

Category		Details	FY2018		FY2019		Compared to FY2018	
			Investment	Expense	Investment	Expense	Investment	Expense
1. Operation area costs		-	4,203	7,380	3,207	7,500	-996	119
Details	1 - 1 Costs for pollution prevention	Costs for asbestos surveys, removal, measurement and inspection, etc.	0	228	0	167	0	-61
	1 - 2 Costs for addressing global environmental issues	Investments : Installation of energy-efficient lighting and air conditioning equipment, etc. Costs : Depreciation for energy-efficient equipment, etc.	4,203	6,783	3,207	6,908	-996	124
	1 - 3 Costs for reuse of resources	Disposal of general and industrial waste	0	369	0	425	0	56
2. Upstream / downstream costs		-	0	0	0	0	0	0
3. Costs for management activities		Development/operation of environmental management systems, environmental information disclosure, etc.	0	8	0	10	0	3
4. Costs for research and development		-	0	0	0	0	0	0
5. Social activity costs		Charitable contributions related to environmental conservation, etc.	0	98	0	96	0	-3
6. Environmental remediation costs		-	0	0	0	0	0	0
Total			4,203	7,486	3,207	7,606	-996	119

■ Environmental Benefits

Category	Environmental performance indicators	Unit	FY2018	FY2019	Environmental benefits
Environmental benefits related to resource inputs for business activities	City gas	1,000Nm ³	3,697	3,285	-412
	Heavy oil	kl	805	856	52
	Kerosene	kl	76	68	-8
	Electricity	1,000kWh	381,211	395,463	14,252
	Steam, hot water	GJ	62,466	61,657	-809
	Cold water	GJ	61,828	57,148	-4,680
	Tap water	1,000m ³	1,446	1,383	-63
	Energy consumption associated with road travel for executives and employees : company automobiles (gasoline)	kl	2,570	2,133	-437
The effects of environmental conservation efforts related to the environmental burden and waste emitted from our business activities	GHG emission	t-CO ₂	207,973	202,744	-5,229
	Waste water	1,000m ³	1,208	1,154	-54
Other environmental benefits	Energy consumption associated with travel for executives and employees : air travel (international routes)	1,000km	52,359	36,280	-16,079

ESG Data (Social)

■ Status of Employees (new criteria)

		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
MUFG Bank	Number of employees* ¹	persons	34,865	34,276	34,101	33,524	32,186
	Of these, overseas local hires	persons	5,758	5,781	5,800	5,669	5,840
	Contract employees	persons	1,730	1,641	1,609	1,562	1,501
	Temporary employees* ²	persons	12,244	11,973	11,347	11,119	10,300
	Average age* ³	years old	37.8	37.9	37.5	38.2	39.6
	Average years of continuous service* ³	year	14.5	14.5	14.1	14.7	15.2
Mitsubishi UFJ Trust and Banking	Number of employees* ⁴	persons	6,963	6,959	7,011	6,457	6,397
	Of these, contract salespersons	persons	686	603	534	468	443
	Of these, overseas local hires	persons	382	407	392	388	388
	Temporary employees	persons	1,755	1,804	1,785	1,582	1,538
	Average age* ⁵	years old	42.9	42.8	42.8	42.8	42.8
	Average years of continuous service* ⁵	year	15.6	15.8	16.2	16.6	16.7
Mitsubishi UFJ Morgan Stanley Securities	Number of employees	persons	5,174	5,226	5,204	5,273	5,401
	Of these, overseas local hires* ⁶	persons	0	0	0	0	0
	Temporary employees(Average)	persons	459	400	288	222	192
	Average age	years old	40.8	40.8	41.1	41.5	41.9
	Average years of continuous service	year	13.3	13.4	13.9	14.3	14.7
Mitsubishi UFJ NICOS	Number of employees* ⁷	persons	3,331	3,402	3,181	3,111	3,059
	Average age	years old	40.2	40.2	40.1	40.5	41
	Average years of continuous service	year	15.7	16	16.1	16.5	17.1
ACOM	Number of employees* ⁸	persons	1,892	1,854	1,936	2,020	2,063
	Temporary employees* ⁹	persons	144	161	116	113	84
	Average age	years old	39.6	39.9	40	40.4	40.7
	Average years of continuous service	year	14.8	15.2	14.9	14.4	14.8

*1 Does not include executive officers, excludes MUFG Bank (the Bank) employees seconded to other companies, includes employees of other companies seconded to the Bank.

*2 Includes temporary staff.

*3 Excludes employees hired by overseas subsidiaries and employees of other companies seconded to the Bank.

*4 Does not include executive officers.

*5 Excludes executive officers, employees seconded from other companies and employees hired by overseas subsidiaries.

*6 Employees hired by the Beijing office.

*7 Does not include executive officers and seconded employees.

*8 Regular employees (including advisors and executive officers) and regular employees fixed to workplaces.

Excluded employees seconded from the Company but includes those seconded to the Company.

*9 Average number of people employed during the year on fixed-term contracts (associate employees and temporary employees)

■ Number of Hires*1

		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
MUFG Bank*2	Core Officer	persons	515	441	388	608	346
	Core Officer (specific)	persons	316	320	226	—*3	—*3
	Business-Specialist Track	persons	560	445	403	350	167
	Total	persons	1,391	1,206	1,017	958	513
Mitsubishi UFJ Trust and Banking	Core Officer	persons	238	223	135	177	195
	Non-Core Officer	persons	99	80	94	72	0
	Total	persons	337	303	229	249	195
Mitsubishi UFJ Morgan Stanley Securities	Core Officer	persons	217	179	190	217	84
	Area-Specific Core Officer	persons	79	83	43	30	—*3
	Regional Track	persons	9	12	10	13	0
	Total	persons	305	274	243	260	84
Mitsubishi UFJ NICOS	Main Career	persons	66	64	56	75	77
	Regular Service	persons	37	42	14	21	25
	Total	persons	103	106	70	96	102
ACOM	Core Officer	persons	76	49	58	81	65
	Employment in Limited Positions	persons	57	31	33	32	17
	Total	persons	133	80	91	113	82

*1 These join the company on April 1 each fiscal year (only new graduates).

*2 Using September 31 of the next fiscal year as a basis (fiscal 2016 data limited only to employees who joined in April)

*3 Not applicable because of the consolidation to a Core Officer.

■ Number of Employees Using Support Systems and Leave

		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
MUFG Bank	Childcare leave	persons	2,229	2,640	2,940	2,886	2,815
		male	235	555	582	535	610
	Shorter work hours for childcare	persons	1,291	1,387	1,216	1,367	1,460
	Nursing care leave	persons	298	365	429	517	643
		male	74	94	98	142	156
	Family care leave	persons	8	8	13	16	25
Mitsubishi UFJ Trust and Banking	Relocation recruitment system	persons	117	141	151	170	178
	Childcare leave	persons	315	363	386	413	507
		male	4	8	8	22	106
	Shorter work hours for childcare	persons	331	280	322	328	351
	Subsidy for childcare expenses	persons	207	227	295	292	295
	Use of maiden name	persons	324	336	386	434	485
Mitsubishi UFJ Morgan Stanley Securities	Job Challenge system	persons	5	12	15	15	29
	Childcare leave	persons	161	218	282	233	286
		male	17	57	119	83	121
	Shorter work hours for childcare	persons	128	143	177	143	147
	Family care leave	persons	2	1	1	0	2
	Relocation requests	persons	7	9	14	7	11
Mitsubishi UFJ NICOS	Childcare leave	persons	143	156	149	134	156
		male	1	3	4	3	21
	Shorter work hours for childcare	persons	257	282	280	306	297
	Nursing care leave	persons	34	42	46	58	80
	Family care leave	persons	7	6	3	0	5

■ Company Targets and Results for Female Representation in Managerial Positions in Japan

		Unit	Mar-2017	Mar-2018	Mar-2019	Mar-2020	Target
MUFG Bank	Executive officer	persons	-	1	2	4	3
	Managers	%	-	15.5	17.1	20.2	17
	Other Managerial Staff	%	-	22.2	24.3	27	27
Mitsubishi UFJ Trust and Banking	Executive officer	persons	-	1	1	2	1
	Managers	%	-	7.6	8.7	9.7	8
	Other Managerial Staff	%	-	22.6	23.8	25.2	25
Mitsubishi UFJ Morgan Stanley Securities	Executive officer	persons	-	-	2	3	-
	Managers	person (%)	-	79 (4.8)	97 (6.1)	107 (6.8)	120 or more (7 or more)
	Other Managerial Staff	%	-	13.1	14.3	16	13 or more
Total of the three companies	Other Managerial Staff	%	19.2	21.0	22.7	25.0	24.0
Mitsubishi UFJ NICOS	Managers and Team Leaders (Equivalent to Assistant Manager)	%	19.7	20.1	20	20.4	25 or more

*The goal is to reach the end of March 2021.