

Mitsubishi UFJ Financial Group

CSR Report

2012 Full Edition

Corporate Social Responsibility Report 2012



Quality for You

About this Report

The MUFG Group's medium- to long term Corporate Vision is to be the world's most trusted financial group. To realize this vision and continue to support our customers and society at large, we engage in a variety of CSR activities. The Corporate Social Responsibility Report 2012 helps us improve the quality of these activities—and thus their effectiveness in promoting sustainability—by reporting to stakeholders about our progress and challenges and inviting feedback on what we can do better in the future.

From the Editorial Team

To clearly convey the links between MUFG Group business activities and CSR activities, this FY 2012 report was compiled with reference to Version 3.1 of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, international guidelines for CSR and sustainability reports.

● **Scope of Reporting:** This report mainly covers the following five core companies: Mitsubishi UFJ Financial Group (MUFG), The Bank of Tokyo-Mitsubishi UFJ (BTMU), Mitsubishi UFJ Trust and Banking (MUTB), Mitsubishi UFJ Morgan Stanley Securities (MUMSS), and Mitsubishi UFJ NICOS (MUN). The report also covers some of the activities of Mitsubishi UFJ Lease & Finance (MUL) and Union Bank.

● **Where activities relate to a specific company, the following symbols are used:** 

● **Period Covered:** This report describes activities and achievements in FY 2011 (April 2011 to March 2012). In some cases, reporting covers activities before or after FY 2011.

● **Content Selection:** Criteria for the selection of content in this report are as follows—(1) level of stakeholder interest (based on readers' surveys and our policies), (2) level of importance for the companies concerned (based on company's own judgment).

● **This Publication:** December 2012. Next Publication: December 2013.

The MUFG Group publishes the following CSR reports to meet the interests of our readers.

Full Edition	The full edition provides a comprehensive summary of the MUFG Group's approach to CSR and our FY 2011 CSR activities, with detailed data.
Highlights Edition	The highlights edition presents the highlights from the full edition to give readers a clearer understanding of the MUFG Group's CSR activities in FY 2011.

<http://www.mufg.jp/english/csr/csrreport/>

To learn more about the management, financial performance, and services of the MUFG Group, please refer to the disclosure documents on the following website.
<http://www.mufg.jp/english/ir/>

Page	Content	GRI Category
1	About this Report	Strategy and Profile
2	Corporate Vision	
3	Message from the CEO	
4	MUFG Group Profile	
5	MUFG Group's CSR	
11	Supporting Reconstruction after the Great East Japan Earthquake	
13	Corporate Governance	
14	Risk Management	
15	Compliance	
17	Financial Crime Countermeasures	
18	Major Compliance Policies and Measures	
21	CSR Structure	
22	Participation in Initiatives	
23	Our Stakeholders and the MUFG Group	
24	Relations with Shareholders and Investors	Economy
25	Relations with Business Partners	
26	Environmental Policies and Initiatives	Environment
38	Employee Policies and Initiatives	Labor Practices & Decent Work
43	Human Rights Policies and Initiatives	Human Rights
44	Local Community Policies and Initiatives	Society
54	Relations with Customers	Product Responsibility
62	Third Party Comment	Strategy and Profile (Report Parameters)



Corporate Vision

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

– Be the world's most trusted financial group –

1. Work together to exceed the expectations of our customers

Strive to understand and respond to the diversified needs of our customers.

Maintain and expect the highest levels of professionalism and expertise, supported by our consolidated strength.

2. Provide reliable and constant support to our customers

Give the highest priority to protecting the interests of our customers.

Promote healthy, sustainable economic growth.

Maintain a robust organization that is effective, professional, and responsive.

3. Expand and strengthen our global presence

Leverage our strengths and capabilities to attract a loyal global customer base.

Adapt rapidly to changes in the global economy and their impact on the needs of our customers.

OUR VALUES

1. Integrity and Responsibility

Strive to be fair, transparent, and honest. Always act responsibly in the best interest of customers and society as a whole, building long-term stakeholder relationships and giving back to our communities.

2. Professionalism and Teamwork

Respect the diversity of our fellow workers and foster a strong spirit of teamwork. Expect the highest levels of professionalism.

3. Challenge Ourselves to Grow

Adopt a global perspective to anticipate trends and opportunities for growth. Create and sustain a responsive and dynamic workplace where everyone can focus on providing outstanding customer service and embrace new challenges.



We will work to fulfill our inherent mission in society as a financial group and to contribute to the realization of a sustainable society.

I would like to express my appreciation to readers for their interest in the MUFG Group.

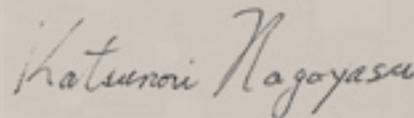
It is with pride that I present the Mitsubishi UFJ Financial Group's Corporate Social Responsibility Report 2012, which describes our principles and initiatives relating to CSR. I invite you to review these pages.

A year and a half has passed since the Great East Japan Earthquake. To those who were affected by the disaster, we again express our deepest condolences and hope for the earliest possible recovery of the affected region. The MUFG Group is working to support the recovery, taking a medium- to long term perspective. We are providing support in the financial dimension for the recovery of the affected region, such as through the supply of funds – which is part of our mission in society as a financial institution – as well as through activities such as the MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund and participation in the TOMODACHI Initiative, an exchange project between Japan and the United States.

This past year, we have revisited our Management Philosophy, which was formulated when the MUFG Group was created, and restated it as our Corporate Vision, which articulates our medium- to long term vision: "Be the world's most trusted financial group." The Corporate Vision serves as a basic guide for the activities of every corporate member of the MUFG Group and is also a basis for our CSR activities.

The priority themes for the MUFG Group's CSR activities are "Addressing Global Environmental Issues" and "Nurturing Society's Next Generation" – themes that were selected from the perspective of contributing to the resolution of the most important issues of society as a whole. Under the first theme, we have sought to use the financial functions of the MUFG Group as we strive to provide products and services that contribute to a reduction in environmental impacts. Under the second theme, we have focused our social contribution activities on employee participation in local activities as members of the local community and society.

Going forward, all executives and employees would like to work together to fulfill our inherent mission of the MUFG Group as financial institutions, and contribute to the sustained growth of Japan and the world. We welcome your continued support.



Katsunori Nagayasu
President and CEO
Mitsubishi UFJ Financial Group
September 2012



MUFG Group's CSR

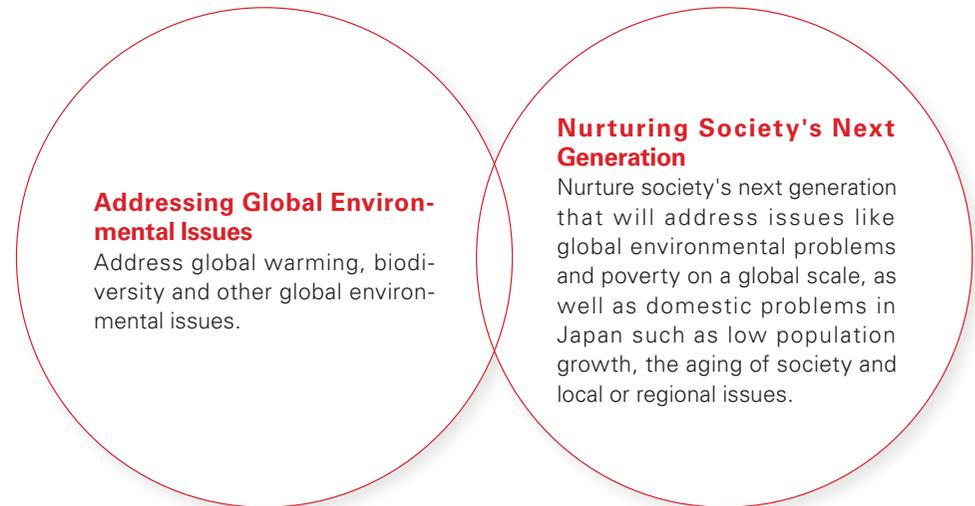
Corporate Vision and Our CSR

Corporate Vision: A Guide for CSR Activities

The Corporate Vision will serve as the basic policy in conducting business activities, and will provide guidelines for all group activities. We aim to contribute to the realization of a sustainable society, using the Corporate Vision to guide our corporate social responsibility activities.

Group CSR Priority Themes

When considering CSR, we at the MUFG Group realize that our very existence depends on customers and society. For our CSR activities we have adopted Addressing Global Environmental Issues and Nurturing Society's Next Generation as the two priority themes for the entire Group and will work in earnest to achieve them.



Addressing Global Environmental Issues

The MUFG Group will continue to leverage its unique capabilities as a comprehensive financial group to provide financial support so that funds flow to companies and individuals that are passionate about social and environmental initiatives. We will continue to offer products and services that directly lead to customers' social and environmental projects. We will also continue our initiatives to promote biodiversity.

■ MUFG Environmental Action Policy

The MUFG Group is concerned about global environmental issues. To put those concerns into action, we created our policy to promote concrete efforts for the environment as the MUFG Environmental Action Policy in June 2008. This policy will make employees aware of the roles that we should play as a comprehensive financial group—as we work to strengthen our environmental initiatives in various ways, such as by offering products and services that are better for the environment.

MUFG Environmental Action Policy

MUFG views environmental issues with the utmost seriousness, and aims to help realize a sustainable society in which future generations can live with peace of mind.

- Environmental threats such as global warming, resource depletion, and pollution are increasing at an accelerating rate. In particular, in Asia, pollution of water, air, and soil is worsening.
- Environmental issues constitute an urgent problem requiring a unified approach from the entire world. It is essential that, in seeking solutions, we reexamine from an environmental perspective the patterns of our own lifestyles as well as society itself.
- MUFG gains support from customers and members of society around the world, and we therefore feel it is our duty to address environmental issues, which have a major impact on the lives of future generations. We will channel our full capabilities into working toward the benefit of the environment and future generations.
- We aim to fulfill society's expectations of us as a comprehensive financial group that exerts a wide-reaching influence on the environment and society through its capital flows, while working to achieve a sustainable society in which future generations can live with peace of mind. We will also endeavor to enhance the awareness of each individual Group employee, while taking initiatives to reduce our own environmental impact.

I. We will dedicate our efforts to creating an environmentally conscious society through finance.

- We will provide products and services that reflect the concerns of individual customers in relation to the environment.
 - We will provide loans to support the installation of solar power generation systems.

- Through our credit card operations, we will provide access to emission rights, which aid global warming prevention.
- We will promote the spread of Socially Responsible Investment (SRI) funds, which contribute not only to the growth of customer assets but also the wellbeing of society and the planet as a whole.
- We will use our comprehensive financial capabilities to support the environmental initiatives of our corporate customers.
 - We will provide seamless support to customers as they advance environmental initiatives, involving the cooperation of companies with advanced environmental technology to provide consulting, business matching and fund procurement, and other services.
 - We will support the activities of companies that actively engage in initiatives to address environmental issues by developing and selling products such as SRI-type investment products, which invest in shares of companies associated with environmental measures, and by promoting SRI amongst our pension fund customers.
- We will actively promote initiatives overseas that take regional characteristics into account.
 - In Asia (particularly China), we will use the capabilities of Group companies to conduct Clean Development Mechanism (CDM) and other operations.
 - In the Americas and Europe, we will promote initiatives centered on the provision of finance in the fields of alternative energy and renewable energy.
- In addition to our approach based on the Equator Principles, we will further clarify our lending criteria from an environmental perspective, in order to contribute to the creation of an environmentally conscious society through our financial functions.

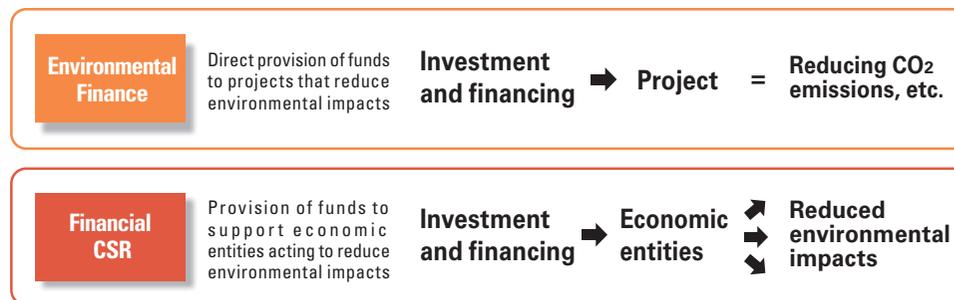
- We will leverage the comprehensive strengths of the Group, making use of our market intermediary functions to provide stable means for emissions reductions to more customers.
- We will provide a range of services that increase the liquidity of emissions rights, which are created in CDM operations.
- We will enhance our transaction base to allow the maintenance of cost transparency and liquidity.

II. We will work to reduce our own environmental impact and also focus on social contribution activities.

- The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. have each set a target of a 25% reduction in emissions of CO₂ and other greenhouse gases from 2000 levels by 2012.
 - We will work to reduce our emissions of greenhouse gases, conducting measurements of data concerning the environmental burden at each of our locations, continuously operating and improving environmental management systems based on ISO 14001, switching to environmentally friendly equipment, and adopting alternative energy, amongst other initiatives.
 - We will use emission rights to offset the carbon emissions of our head office and other main buildings.
- We will provide environmental burden measurement tools to Group employees and their families in order to increase their environmental awareness in relation to their own lifestyles.
- We will pursue environmental conservation initiatives such as tree planting by employees, environmental education support, and local contribution activities both in Japan and overseas.

■ Environmental Finance and Financial CSR

In order to create an eco-friendly society through finance, we are active in "environmental finance," whereby funds are provided directly to a project aiming to reduce environmental impacts, as well as "financial CSR," whereby funds are provided to economic entities including businesses, groups and individuals working to reduce environmental impacts. The MUFG Group is implementing a balanced approach, recognizing the significance and issues involved with each type of environmental finance.



■ Eight Environmental Project Teams

Based on the MUFG Environmental Action Policy, a total of eight project teams comprised of personnel from throughout the Group are leading efforts to carry out specific initiatives.

The following is an overview of FY 2011 results and FY 2012 plans.

Project Team	FY 2011 Plans	FY 2011 Results	FY 2012 Plans
Individuals	<ul style="list-style-type: none"> - Promote eco-equipment and eco-housing loans. - Study and promote new financial products related to eco-products. - Promote the elimination of paper use. 	<ul style="list-style-type: none"> - Promoted eco-equipment and eco-housing loans (expanded the scope of preferential loan terms). - Began processing loan applications for eco-friendly home renovations over the Internet (BTMU). - Launched Specified Donation Trust to support donations to environmental non-profit foundations (MUTB). - Switched to electronic management ledgers (BTMU). 	<ul style="list-style-type: none"> - Promote eco-equipment and eco-housing loans. - Devise and promote new environmentally friendly products. - Promote the elimination of paper use.
Domestic Corporations	<ul style="list-style-type: none"> - Further develop and promote financial products and schemes. - Provide more information to customers (via seminars, etc.) and bolster activities proposing solutions to customers' environment-related management issues. - Build know-how and hold workshops on saving energy in real estate field. 	<ul style="list-style-type: none"> - Released new financing products that utilize carbon emission credits and the MOE and METI's interest support programs. - Held seminars for customers on the environment and energy conservation. - Analyzed the correlation between energy performance ratings and financial savings in real estate and held seminars on energy efficient, high-performance equipment (MUTB). 	<ul style="list-style-type: none"> - Further develop and promote financial products and schemes. - Hold seminars for customers on environment topics and bolster activities to propose solutions to customers' management-related issues. - Promote collaboration within the MUFG Group on the environment (including renewable energy). - Continue to acquire knowledge on energy conservation in real estate. - Support energy conservation measures at office buildings owned by customers.
Pension Funds	<ul style="list-style-type: none"> - Promote SRI outside the company through seminars, lectures, etc. - Promote initiatives by ESG research office. 	<ul style="list-style-type: none"> - Promoted SRI outside the company through lectures, including the Responsible Investment Seminar. - Independently conducted research on environmental, social, and corporate governance (ESG) topics and adjusted SRI funds based on evaluations. 	<ul style="list-style-type: none"> - Promote SRI outside the company through seminars, lectures, etc. - Promote initiatives by the ESG research office.
Overseas	<ul style="list-style-type: none"> - Demonstrate MUFG's comprehensive capabilities, starting with environmental technology transfer and CDM consulting. - Expand renewable energy-related project finance. 	<ul style="list-style-type: none"> - Expanded project financing for renewable energy. - Participated in a feasibility study on the bilateral emission credit program of METI and other ministries. 	<ul style="list-style-type: none"> - Demonstrate the comprehensive strengths of the MUFG Group by leveraging its knowledge of and experience with carbon emission credits. - Expand project financing for renewable energy.
Credit Screening	<ul style="list-style-type: none"> - Consider detailed screening from environmental and social perspectives, based on Equator Principles. 	<ul style="list-style-type: none"> - Considered screening from environmental and social perspectives, based on the Equator Principles. 	<ul style="list-style-type: none"> - Consider detailed screening from environmental and social perspectives, based on Equator Principles.
Markets	<ul style="list-style-type: none"> - Research emissions trading market trends, bolster related systems. - Make progress on initiatives in European market (EU-ETS). 	<ul style="list-style-type: none"> - Collected information on and researched emissions trading market trends. - Continued trading initiatives in the European market (EU-ETS). 	<ul style="list-style-type: none"> - Collect information on and research emissions trading market trends. - Accumulate knowledge of the European market (EU-ETS).
Internal	<ul style="list-style-type: none"> - Promote energy-conservation for the overall Group. 	<ul style="list-style-type: none"> - CO₂ emissions in FY 2011 were 36% lower than in FY 2000, compared to the Group's CO₂ reduction target of 25% by FY 2012. 	<ul style="list-style-type: none"> - Promote energy conservation across the Group.
Social Contributions	<ul style="list-style-type: none"> - Promote Group collaborative activities. - Enhance local involvement activities at each office. 	<ul style="list-style-type: none"> - Carried out the "Save Our Common Treasures of the Earth" environmental education project. - Implemented fourth term of "Next Generation Leaders Training Program for Asia and the Pacific." - Held the "MUFG Graduation Memorial Cup Soccer Tournament." - Implemented local contribution activities at each office. 	<ul style="list-style-type: none"> - Promote collaborative Group activities. - Boost local contribution activities at each office.



MUFG Group's Contribution to Society

As an active member of communities all around the world, the MUFG Group promotes a wide range of social contribution activities driven by employee efforts.

See page 53 for expenditures on social contribution activities.

Employee-participation social contribution initiatives supported by the MUFG Group



"Next Generation Leaders Training Program for Asia and the Pacific"
(See page 44 for details.)



Environmental Education Project: "Save Our Common Treasures of the Earth"
(See page 44 for details.)



Economic/Financial Education Program "Let's Learn Finance and Economy"
(See page 44 for details.)



"MUFG Graduation Memorial Cup Soccer Tournament"
(See page 44 for details.)



"Job Shadowing" Work Experience Program
(See page 44 for details.)



"Gifts for the Future" TV Program
(See page 45 for details.)

Wide-ranging social contribution activities promoted by the MUFG Group



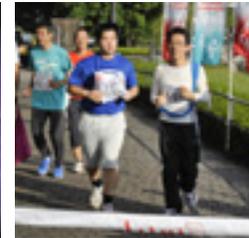
"Peter Rabbit" "Forest for the Future" Environmental Conservation Activities
(See page 45 for details.)



Supporting UNESCO Associated Schools
(See page 45 for details.)



Culture Support Project: Shiki Theatre Company's "Kokorona Gekijou"
(See page 46 for details.)



Sponsoring and volunteering in the Special Olympics Nippon
(See page 47 for details.)



Supporting FIT For Charity Run 2011
(See page 47 for details.)

Activities at each branch and office emphasize relationships with the community.



Tama Center Branch, BTMU
(See page 48 for details.)



Wako Branch, BTMU
(See page 48 for details.)



BTMU (Mexico) S.A.
(See page 48 for details.)



Beijing Branch, BTMU (China)
(See page 48 for details.)



Sapporo Branch, MUTB
(See page 49 for details.)



London Branch, MUTB
(See page 49 for details.)



Hiroshima Branch, MUMSS
(See page 49 for details.)



Higashi-Nihonbashi Area, MUN
(See page 49 for details.)



CSR Topics at the MUFG Group

	2011					2012											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Mitsubishi UFJ Financial Group, Inc.	<ul style="list-style-type: none"> ● Fourth term started for "Next Generation Leaders Training Program for Asia and the Pacific" ● Established "MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund" 	<ul style="list-style-type: none"> ● Fifth "Job Shadowing" work experience program 	<ul style="list-style-type: none"> ● Seventh and eighth tree-planting events held for the "Save Our Common Treasures of the Earth" project ● Started taking applications for scholarships under "MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund" 	<ul style="list-style-type: none"> ● Fifth "Job Shadowing" work experience program 				<ul style="list-style-type: none"> ● Held "MUFG Girls' Soccer Invitational Tournament" 2011 	<ul style="list-style-type: none"> ● Participated in FIT For Charity Run 2011 		<ul style="list-style-type: none"> ● Held fifth "MUFG Graduation Memorial Cup Soccer Tournament" ● Held large Business Link event (Nagoya) 	<ul style="list-style-type: none"> ● Started taking applications for scholarships under "MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund" for FY 2012 	<ul style="list-style-type: none"> ● Fourth "Next Generation Leaders Training Program for Asia and the Pacific" ended 	<ul style="list-style-type: none"> ● Fifth term started for "Next Generation Leaders Training Program for Asia and the Pacific" ● Announced participation in the TOMODACHI Initiative 		<ul style="list-style-type: none"> ● Ninth and 10th tree-planting event held for the "Save Our Common Treasures of the Earth" project 	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		<ul style="list-style-type: none"> ● Started volunteers' flowerbed replanting activities under "MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund" 		<ul style="list-style-type: none"> ● Implemented first ESD International Exchange Program 	<ul style="list-style-type: none"> ● Held "Kagaya Kids' Day" 			<ul style="list-style-type: none"> ● Signed Principles for Financial Action for the 21st Century ● Exhibited at MESSE NAGOYA 2011 				<ul style="list-style-type: none"> ● Implemented second ESD International Exchange Program 					
Mitsubishi UFJ Trust and Banking Corporation	<ul style="list-style-type: none"> ● Started issuing bank account passbooks incorporating Universal Design 			<ul style="list-style-type: none"> ● Weed-clearing as part of Peter Rabbit® "Forest for the Future" activities 	<ul style="list-style-type: none"> ● Launched "Uketori Anshin" Trust 			<ul style="list-style-type: none"> ● Signed Principles for Financial Action for the 21st Century ● Held Responsible Investment Seminar 2011 in cooperation with UNEP FI 		<ul style="list-style-type: none"> ● Launched Specified Donation Trust 		<ul style="list-style-type: none"> ● Launched "Zutto Anshin" Trust 	<ul style="list-style-type: none"> ● Donated from Kakehashi-Shintaku Ai-no-Kikin Fund to organizations assisting and supporting recovery in disaster areas 				
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	<ul style="list-style-type: none"> ● Provided lecturer for "International Program for Environmental Innovators" at Keio University's Graduate School ● Launched "instructor" system ● Launched project to promote the full use of women's abilities in the workplace 	<ul style="list-style-type: none"> ● Collected relief supplies for the disaster areas 		<ul style="list-style-type: none"> ● Donated to two organizations from Employee Donations Account 									<ul style="list-style-type: none"> ● United Nations approves new CDM methodology 			<ul style="list-style-type: none"> ● Implemented coastal forest restoration in Kujukurihama beach 	<ul style="list-style-type: none"> ● Implemented Rikuzentakata Paintfest
Mitsubishi UFJ NICOS Co., Ltd.	<ul style="list-style-type: none"> ● Launched Payment Meister service 			<ul style="list-style-type: none"> ● Held trainings for educators at private companies ● Implemented Cool Earth Day (No Overtime Day) ● Launched employee volunteer activities to restore disaster areas 	<ul style="list-style-type: none"> ● Held "Family Visit Day" 			<ul style="list-style-type: none"> ● Launched ongoing donation system (matching gift program) for direct support in disaster areas 				<ul style="list-style-type: none"> ● Launched support for TOKYO FM Earthquake Memorial program ● Held Customer Service Week ● Launched child daycare volunteering in evacuation areas 				<ul style="list-style-type: none"> ● Launched J-Mups service 	<ul style="list-style-type: none"> ● Launched assistance for concert for emotional care



Summary of Key Indicators for FY 2011

This page summarizes key indicators concerning the CSR initiatives of the MUFG Group.

Reporting category	Item	Indicator	Notes
Environment	Greenhouse gas emissions	MUFG Total CO ₂ emissions (Actual emission factors) 209,922t (Adjusted emission factors) 199,997t	12.9% reduction compared to FY 2010 5.4% reduction compared to FY 2010
	Cost of environmental measures by offices	MUFG Investment 4,512 million yen Expenses 2,203 million yen	53.3% increase compared to FY 2010 14.9% increase compared to FY 2010
	Reducing paper consumption	BTMU 5% reduction compared to FY 2010 MUTB 11.7% reduction compared to FY 2010 (approx. 273 tons) MUN 5.1% reduction compared to FY 2010 (per person)	FY 2011 Results FY 2011 Results Amount of copy paper purchased for Head Office
	Number of UN-registered CDM consulting projects	MUMSS 63 (as reported by UNFCCC)	Cumulative as of June 2012
	Projects reviewed for social and environmental considerations based on Equator Principles*1	BTMU By Category Category A 29 Category B 172 Category C 24 Total 225	From January 2006 to March 2012
		BTMU By Sector Infrastructure 76 Mining 8 Oil and gas 41 Petrochemicals 13 Power 85 Other 2 Total 225	

Reporting category	Item	Indicator	Notes
Employees	Career development for female employees	BTMU Female general managers 42 (80) Female chief and senior managers 223 (220) Total 265 (300) Female managers 12.4% (15%) Females among new hires for Main Career Track 25.6%** (over 20%)	As of early April 2012 Numbers in parentheses indicate targets for March 2015
		MUMSS Female general managers 5 Female deputy general managers, chief managers 9 Deputy chief managers, senior managers 103	
Local and international communities	Expenditures for social contribution activities	BTMU MUTB MUMSS Education & culture 199 million yen Social welfare & environmental conservation 157 million yen Community contributions, international exchange, others 2,221 million yen Total 2,576 million yen	
Customers	Customer satisfaction (individual customers)	Total of "Satisfied" or "Somewhat satisfied" BTMU Approx. 65.7% MUTB Approx. 61.5% MUMSS Approx. 53.2% MUN Approx. 63.7%	Customer Satisfaction Survey Results in FY 2011

*1 Detailed report available at: <http://www.bk.mufig.jp/english/ourcompany/societyandenvironment/implementing.html>
 **2 Among new hires as of April 2012



Supporting Reconstruction after the Great East Japan Earthquake

It is crucial that people and communities affected by the Great East Japan Earthquake receive maximum support over the medium- to long term, and the MUFG Group remains steady in its efforts to provide that support. Hoping for the quickest recovery possible, the MUFG Group will continue to work together to offer the greatest assistance in this time of need.

Initiatives by the MUFG Group

The MUFG Group appealed to member companies to undertake initiatives that will contribute to the reconstruction of disaster-affected areas.

In keeping with the Group's core business focus, member companies set up accounts to receive donated funds and contributions, and established consultation groups to advise on reconstruction assistance; preferential interest rates on mortgage loans were also made available to disaster-affected individuals and business, and funding was provided for the Disaster Reconstruction Fund. In addition, BTMU newly established a Reconstruction Public-Private Partnership Office in Sendai in May 2012. The MUFG Group will continue to solicit credit card payments for assistance to affected people and to promote the Tohoku Region's tourism, foods and beverages, and local products.

In addition to these activities, we remain involved in a variety of ways, including through employee volunteering for reconstruction assistance, holding concerts to heal the psychological wounds of affected people, and appealing for reconstruction assistance through the radio programs that we sponsor.

Medium- to Long Term Reconstruction Assistance Efforts

■ Establishment of the MUFG NFUAJ

East Japan Earthquake Recovery and Scholarship Fund

BTMU, in cooperation with the National Federation of UNESCO Associations in Japan, established the MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund. The goal of this fund is



Flower-replanting Program

to work in cooperation with schools for up to 15 years to operate a scholarship program to provide continued emotional and material support to children and students, and contribute to their healthy growth. The main activity of this fund is the provision of a "scholarship" for orphaned students (that is, children for whom one or both of their parents are deceased or missing as a result of the earthquake and/or tsunami); the fund also conducts programs to promote "healthy growth," "flower-replanting," and "volunteering activities." Executives and staff of all of the MUFG Group make financial contributions and also support volunteer activities.

Program overview

Program name	Details	Status
1. Scholarship Program	Providing scholarship funds to support children orphaned as a result of the Great East Japan Earthquake, until they graduate from high school.	In FY 2012, 1,225 students benefited from the Scholarship Program.
2. Healthy Growth Program	Holding a Support Exchange Meeting among scholarship recipients. Conducting a workshop for teachers in the disaster-affected areas regarding "mental health care for children."	(1) "Support Exchange Meetings" From August to December 2011, a Tohoku special invitational performance by the Shiki Theatre Company, recreational activities at Koikai Farm Makiba-en and the Christmas Charity Soccer 2011 events were held for approximately 100 students receiving scholarship funds and their parents or guardians. (2) Earthquake Relief Workshop In August 2011, a workshop was held in Sendai City for teachers in earthquake-affected areas under the theme of "emotional care for children as part of educational activities." Approximately 50 UNESCO School teaching staff attended the workshop.
3. Flower-replanting Program	Replanting flowerbeds at elementary and junior high schools in the disaster-affected regions.	The Flower-replanting Program has been held twelve times in Iwate, Miyagi and Fukushima Prefectures. A total of 13,000 plants were donated to 30 elementary and junior high schools in earthquake-affected regions. The program will continue to be held in the future.
4. Volunteer Program	School-based volunteer activities including hosting opportunities for executives and employees to interact with children and students.	About 420 executive and other staff from BTMU and the MUFG Group participated as volunteers in running the programs listed above.

(As of July 31, 2012)

■ Participating in the TOMODACHI Initiative

As part of the "TOMODACHI Initiative," a U.S.-Japan exchange program involving the U.S. government and a U.S. non-profit organization, the U.S.-Japan Council, the MUFG Group established the "TOMODACHI MUFG International Exchange Program," a three-year exchange program for students and educators from the disaster-affected areas in Japan and the United States. In June 2012, applications were received from students in Miyagi Prefecture in grades 9 through 12 (from among those students either enrolled in UNESCO-Associated Schools or who received scholarships from the MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund). For about two weeks, starting at the end of July 2012, twenty students and four educators travelled to the cities of Carlsbad and Los Angeles in the state of California, where they learned English during homestays and classes, and participated in local community activities and volunteering efforts, and also visited the offices of Union Bank and other companies.



Participation in the TOMODACHI Initiative

■ Credit Card-Related Support Activities

As an extension of its core business activities, beginning immediately after the Great East Japan Earthquake, MUN began facilitating credit card payments in support of medium- to long term disaster reconstruction efforts. MUN has also been consulting with credit card holders in disaster-affected areas regarding payment concerns, and provided free replacement cards to those needing them; MUN has also solicited donations of funds to disaster victims by using credit cards and by exchanging cardmember loyalty points. MUN also launched a reconstruction assistance website that uses the slogan "Cheer Up Japan!" which promotes sales of products made in the Tohoku Region and other reconstruction assistance initiatives in cooperation with cardmembers and participating merchants. MUN will continue to promote credit card-related initiatives to support disaster-affected areas.



Great East Japan Earthquake
Recovery and Reconstruction
Assistance Logo (MUN)

Initiatives through Business

■ Reconstruction and New Capital Investment Support Seminars

In Aomori and Iwate prefectures, two places impacted by the earthquake and tsunami, BTMU partnered with Aomori Bank and the Bank of Iwate to hold seminars on reconstruction assistance programs offered by the national and prefectural governments. The Tohoku Bureau of Economy, Trade and Industry and each participating prefecture presented an overview of subsidies they offer to support reconstruction and promote investment in fixed assets. Also attending the seminars were Mitsubishi Electric and other companies with businesses in the energy efficiency field; the companies held consultation sessions with customers to provide guidance on energy efficiency investments.

■ MUFG Tohoku Fair

In another initiative to support post-disaster reconstruction through business, BTMU invited 19 corporate customers at its branch offices in the Tohoku region and Mito City to exhibit products in the MUFG Tohoku Fair held for three days at the Marunouchi Head Office and Otemachi Building in Tokyo. The fair at both venues attracted crowds of employees and even sold out of some products.

Other Initiatives

■ Employee Volunteering

In June 2012, Mitsubishi UFJ Securities Holdings (MUSHD) held the Rikuzentakata Paintfest in Rikuzentakata, Iwate Prefecture. Employees joined evacuees and public high school students in painting pictures (set of six canvases per painting). The finished artwork was presented to Iwate Prefectural Takata Hospital and the temporary housing compound that provided the space for the event. Employees at U.S. subsidiary MUS (USA) planned the event, MUS (USA), BTMU and other companies donated money to purchase art supplies, and 10 volunteers including employees at MUMSS lent a hand in creating the paintings.

In July 2011, MUN launched a volunteer program for inspired employees that made use of a volunteer leave system. Around 240 employees participated in 11 volunteering events running through July 2012, starting with the first held in Ishinomaki, Miyagi Prefecture. The company supported employees' social contribution efforts by covering transportation, accommodations and other costs needed to participate.

■ FM Radio Show and Music Concerts

Once a month, "Dear Partner," an FM radio show sponsored by MUN and hosted by Masataka Matsutoya, invites someone on the forefront of the reconstruction effort to talk about their efforts and experiences. The program is aimed at supporting the recovery by providing the latest topics on the disaster and sustaining public interest over the long term. The company has also been sponsoring concerts performed by the Japan Philharmonic Orchestra in areas damaged by the disaster. As of July 2012, four concerts have brought professional musicians to perform at shelters, schools and community venues. The company plans to continue sponsoring concerts in the disaster-affected areas.



Rikuzentakata Paintfest



Volunteer activities by employees

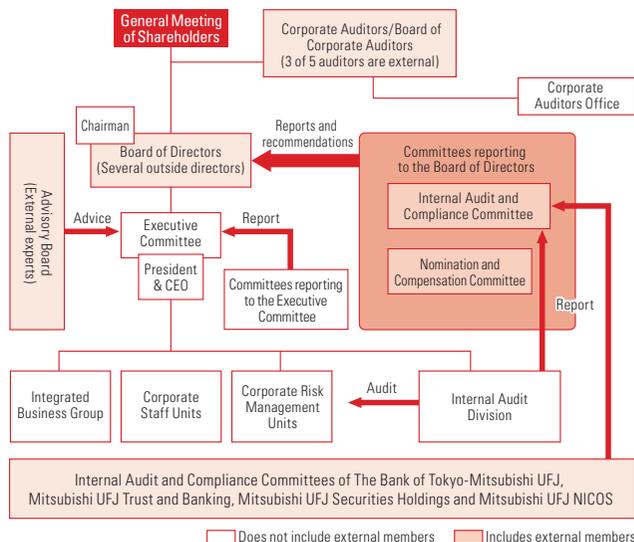
Corporate Governance

To realize the medium- to long term goal articulated in our Corporate Vision—to be the world's most trusted financial group—the MUFG Group treats the development and maintenance of a properly functioning corporate governance system as one of management's highest priorities.

■ Governance Functions of the Holding Company

The holding company (MUFG) has established a fair and transparent corporate governance system including a board of corporate auditors and voluntary committees from "external viewpoints." We are making every effort to enhance the system. In keeping with provisions specified by Japan's financial instruments exchanges, including the Tokyo Stock Exchange, three out of the 17 members of the Board of Directors are designated as independent directors from outside the company; also in keeping with these provisions, a majority of the five-member Board of Corporate Auditors is comprised of independent outside auditors. We also have an Internal Audit and Compliance Committee and a Nomination and Compensation Committee under the Board of Directors; they are both chaired by external directors, and the majority of their members are from outside the company. The holding company also has an Advisory Board of external experts, which provides advice from an independent perspective to the Executive Committee (which deliberates and decides on important business matters) on overall management of the Group.

Group Corporate Governance Structure



Overview of Internal Audit and Compliance Committee and Nomination and Compensation Committee

Committee name	Scope of committee deliberations	Members
Internal Audit and Compliance Committee	Matters related to internal audits and statutory compliance at the holding company and Group subsidiaries	Chairman: Ryuji Araki (Outside director) Members: Kazuhiro Watanabe (Outside director) Hideo Kojima (External expert/certified public accountant) Shin Kikuchi (External expert/attorney at law) Kinya Okauchi (Deputy Chairman and CAO, MUFG)
Nomination and Compensation Committee	Matters related to the selection of candidates for directorships at the holding company, important personnel affairs at the holding company and Group subsidiaries, and remuneration for senior management of the holding company and Group subsidiaries	Chairman: Kazuhiro Watanabe (Outside director) Members: Ryuji Araki (Outside director) Katsunori Nagayasu (President & CEO, MUFG)

Members of Advisory Board

Naotake Okubo (Director and Executive Advisor, Sekisui Chemical Co., Ltd.)
Yuko Kawamoto (Professor, Waseda University, Graduate School of Finance, Accounting & Law)
Shin-ichi Fukuda (Professor, The University of Tokyo, Graduate School of Economics)
Akio Mimura (Director, Member of the Board and Senior Advisor, Nippon Steel & Sumitomo Metal Corporation*)

* Mr. Mimura's position at the Nippon Steel & Sumitomo Metal Corporation is according to the news release on April 27, 2012.

■ Governance System of the Whole Group

The holding company fulfills the function of overseeing the management of each member company by introducing a group-wide risk management, compliance and internal audit structure, and by dispatching senior management to the major subsidiaries, including BTMU, MUTB, MUSHD and MUN. The board of directors of each company includes external directors. The internal audit and compliance committees for each company are composed of a majority of external members, and these committees report to each company's Board of Directors.

MUFG

Risk Management

We comprehensively monitor and manage diverse risks to maintain sound financial health.

Risk Management Policy



In this ever-changing business environment marked by financial deregulation, globalization, and advances in information technology, the MUFG Group aims to be one of the world's foremost comprehensive financial groups, housing a diverse array of companies—including commercial banking, trust banking, securities businesses—all under one roof. The risks these businesses are subjected to are growing in size and scope, giving risk management an increasingly important role in our line of work.

The MUFG Group comprehensively identifies the various risks that arise from business operations using uniform criteria and adopts an integrated risk management approach as a basic policy for maximizing shareholder value while safeguarding business operations. Under these policies, a wide variety of risks are identified, measured, controlled, and monitored with the goal of posting stable returns commensurate with risk, maintaining an appropriate capital structure, and optimally allocating resources.

Risk Management System

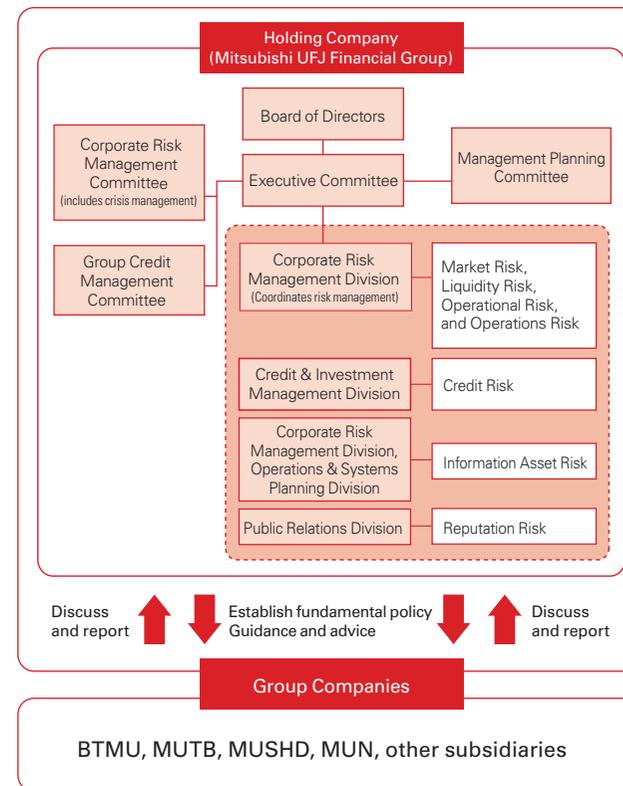


Chief risk management officers and risk management divisions at the holding company (Mitsubishi UFJ Financial Group) and major Group companies work closely to manage risks on a Group level. Various committees and councils are also tasked with actively managing risk for the Group from both qualitative and quantitative approaches. These committees and councils monitor the status of each type of risk and discuss important matters pertaining to their management. The Board of Directors determines risk man-

agement policies based on the discussions held by these committees and councils.

The holding company seeks to unify risk awareness within the Group, to improve the Group's risk management framework and related methods, to maintain asset quality through risk management and to eliminate concentrations of specific risks, among other objectives. The MUFG Group maintains and implements its own risk management framework in line with Group-wide risk management policy determined by the holding company.

Risk Management System

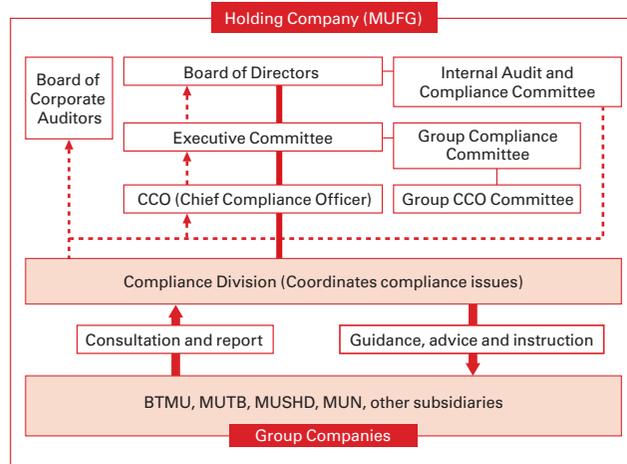


Compliance

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

Compliance Framework

Compliance Framework



Compliance Divisions are in place at the holding company (MUFG), as well as at BTMU, MUTB, MUSHD and MUN. The Compliance Divisions at each company promote compliance policies and measures by developing compliance programs and offering training, etc., and report the status of compliance to the

Executive Committee and to the Boards of Directors of the respective companies. All five companies have also established voluntary committees, such as a Compliance Committee and an Internal Audit and Compliance Committee (a majority of which consist of external members), as voluntary bodies for the deliberation of important compliance issues. We have also established a Group CCO Committee comprising the Chief Compliance Officer and Deputy Chief Compliance Officers of the holding company. The Group CCO Committee deliberates important compliance issues as well as issues that require a common understanding throughout the Group, shares problematic issues for the Group as a whole, and works to prevent problems from occurring. Expanded Group CCO Committee meetings, with additional members, are held for deliberations on compliance issues that are in common among multiple Group companies.

Group-wide Efforts

To promote compliance policies and measures, the MUFG Group holds forums for Group companies to share information concerning the regulatory environment, customer response and other issues.

The forums address important common group themes such as "response to anti-social elements" and "preventing misconduct," aiming at improving the Group's overall skill to deal with such issues.

Furthermore, MUFG keeps the whole group informed of compliance through trainings for Group directors and employees (for new employees, managers and general managers, respectively), which present issues that the participants need to learn about, such as basic approaches to compliance, and compliance topics.

MUFG also conducts regular compliance awareness surveys of the directors and employees of Group companies. Recent surveys have received responses from about 80,000 Group directors and employees, confirming an overall improvement

among directors and employees in awareness of an open corporate culture as a workplace environment. The MUFG Group has designed questions to address and analyze its own issues respectively and is advancing various initiatives toward improvements.

Following the release of the MUFG Corporate Vision in April 2012, awareness of its contents has been added to the survey items, and measures are being considered and promoted to spread the Corporate Vision.

Internal Reporting Systems

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

Major Compliance Policies and Measures

■ Conflicts of Interest Management

The MUFG Group has established a system whereby items that might pose a conflict of interest are centrally managed at the holding company to prevent any untoward damages to customer interests. We have also announced a Policy for Conflicts of Interest Management, and conduct trainings for the education of officers and employees as well as periodic reviews of the management system.

Policy for Conflicts of Interest Management

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

1. Conflicts of Interest

A conflict of interest means the situation where an MUFG Group's client's interest conflicts with MUFG Group's or one MUFG Group's client's interest conflicts with other MUFG Group's clients'.

While such conflicts of interest occur on a day-to-day basis as a result of conglomerations of financial institutions and diversification of financial trading, MUFG Group shall establish appropriate business management and compliance system to prevent adverse effects from conflicts of interest within the Group.

2. Identifying Transactions with Potential Risk of Adverse Effects from Conflicts of Interest

MUFG Group shall identify in advance businesses, which require special management ("Managed Businesses"), from businesses in the following situations. MUFG Group shall intensively manage transactions with potential risk of adverse effects from conflicts of interest in performing the Managed Businesses, taking into consideration reputation risk.

- (1) Situations where a client reasonably expects MUFG Group to prioritize the client's best interest (e.g., advisory service)
- (2) Situations where MUFG Group could inappropriately benefit in the market using information obtained from transactions with

clients

(3) Situations where high reputation risk resulting from transactions between MUFG Group and clients could arise
Examples for Managed Businesses include:

M&A advisory, Securitization of Assets/Receivables, Loan Syndication, Principal Investment, Equity and Debt Underwriting, and Bond Management

3. Companies with Requirement for Conflicts of Interest Management

MUFG Group companies conducting Managed Businesses shall be required to develop appropriate management system for conflicts of interest.

Examples of companies with requirement for conflicts of interest management include:

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., The Senshu Ikeda Bank, Ltd., The Taisho Bank, Ltd., and The Chukyo Bank, Ltd.

4. Management System for Conflicts of Interest

MUFG Group shall centralize the management of conflicts of interest by establishing divisions responsible for management and control of conflicts of interest at each company under a legal duty to establish management system for conflicts of interest.

MUFG Group shall comply with applicable laws and regulations related to conflicts of interest and maintain appropriate management for conflicts of interest.

5. Measures for Management of Conflicts of Interest

With the following measures MUFG Group shall prevent adverse effects from conflicts of interest issues and avoid falsely damaging clients' interest.

- (1) Separating a division/company conducting a transaction with potential risk of adverse effects by conflicts of interest from other divisions/companies
- (2) Changing the conditions/methods of either/both transactions with potential risk of adverse effects by conflicts of interest
- (3) Terminating either one of transactions with potential risk of adverse effects by conflicts of interest
- (4) Notifying clients of potential risk of adverse effects by conflicts of interest

■ Response to Anti-Social Elements

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

■ Basic Policy regarding Anti-Social Elements

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

1. Response as an organization

In relation to anti-social elements, the Company has established the foundation of express provisions in the Principles of Ethics and 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.



Financial Crime Countermeasures

The MUFG Group is implementing diverse countermeasures against malicious financial crimes such as money transfer and investment fraud, as well as victim assistance measures, and more.

Financial Crime Countermeasures and Victim Assistance

Loss Prevention from Money Transfer and Investment Fraud



We take numerous measures to make customers aware of the criminal methods used in money transfer and investment fraud. Such measures include placing posters in branch offices and displaying warnings on ATM screens, and so on. Attendants frequently remind customers to take precautions or to verify the details of transactions. We also confirm identity and intended use when new bank accounts are opened, to ensure that accounts are not used for criminal purposes. In some cases, we must refuse to open a new account, and on these occasions we request the customer's understanding.

Preventing Losses from Forged or Stolen ATM Cards



We have been introducing technologies to verify user identity, such as electronic IC cards and biometric authentication, to prevent losses from cash card forgery and theft. We are also implementing countermeasures to prevent strangers from learn-

ing or guessing passwords, such as installing rear-view mirrors for ATM users, installing polarized film on ATM screens, and displaying reminders about password management on ATM screens.

Security Measures for Internet Banking



We are protecting customers' valuable information by using advanced encryption technologies for Internet banking transactions. We have established 24-hour monitoring systems for Internet-based attacks, and remain vigilant with solid security systems to address a variety of risks, including unauthorized third-party access, information leaks, impersonation of contractors, and so on.

Security Measures to Reduce Losses from Phishing



We have adopted an electronic signature system which displays a warning message when the e-mail contents have been tampered with during transmission and allows customers to confirm the message sender. We have also made arrangements so that customers can easily verify that they are connected to the authentic Internet server when conducting direct banking from their personal computers.

Advancing PCIDSS Conformity throughout the Company



Throughout the company, MUN is advancing conformity with the Payment Card Industry Data Security Standard (PCIDSS), which is an international credit card industry security standard established for the safe handling of credit card member data. MUN acquired conformity certification for the credit card settlement Application Service Provider (ASP) EC Card Settlement System in September 2010. MUN has been steadily expanding the range of applications since then, and will continue working to improve security levels.

Assistance for Victims of Money Transfer Fraud



Based on Japan's Act on Damage Recovery Benefit Distributed from Fund in Bank Accounts Used for Crimes, which entered into

force in June 2008, we repay victims with funds arising from criminal damages and remaining in financial institutions' bank accounts if they were used for criminal purposes.

Assistance for Victims of Fraudulent Withdrawals



BTMU and MUTB compensate victims for losses suffered from the use of forged or stolen cash cards, stolen passbooks, and Internet bank fraud withdrawals based on Japan's Depositor Protection Act and on an arrangement announced by the Japanese Bankers Association in February 2008.

Based on a resolution of the board of directors of the Japan Securities Dealers Association in February 2006, MUMSS provides compensation to victims of unauthorized withdrawals that were made using forged or stolen cards.

Major Compliance Policies and Measures

MUFG's CSR activities are guided by a set of principles, policies, and rules.

Principles of Ethics and Conduct



Introduction

These principles of Ethics and Conduct establish clear and consistent standards for all MUFG employees to guide decisions and actions. They reflect and support the MUFG Corporate Vision.

The principles are organized in three sections. Chapter 1 presents the attitude that we adopt with our customers, to act with honesty and integrity and pursue their best interests, which is a core component of our business practices.

Chapter 2 presents a set of standards to help us fulfill our responsibilities as a good corporate citizen. MUFG's reputation depends upon the trust and confidence of our customers and other stakeholders, including local communities, and we are responsible to society on a global level.

Chapter 3 describes the actions and mindset that will create a stimulating and supportive working environment as MUFG continues to grow. Our success depends on building and maintaining a dynamic workplace where all employees can reach their full potential in ways that support our customers and contribute to society as a whole.

Outline / Overview

Chapter 1 Customer Focus

We place our diverse customers at the center of all our activities and always act in their best interests. MUFG is able to thrive today because

of the trust and confidence that customers have placed in us — the result of years of fair, transparent, and honorable dealings. Our business culture is not driven by the prospect of short-term, immediate gains. Instead, we place a premium on supporting long-term, sustainable relationships with our customers to help them meet their goals.

1-1. Acting with Honesty and Integrity

We always place our diverse customers at the center of all activities and act with honesty and integrity in all of our dealings with them. We protect customer assets, including their personal information, and strive at all times not to damage their interests.

1-2. Controlling Quality

In order to earn the lasting trust and confidence of our customers, we maintain thorough quality control of our products and services in all aspects from product design and development to delivery, and continually improve our processes to provide accurate and secure transactions.

1-3. Exceeding Customer Expectations

We strive to satisfy the diverse needs of our customers worldwide and to exceed their expectations through the highest standards of professionalism and by effectively leveraging our global network and consolidated strength.

Chapter 2 Responsibility as a Corporate Citizen

As a member of MUFG with global operations, we act honorably, with honesty and integrity, and comply at all times with laws, regulations, rules, and internal policies globally. We strive to maintain stability and confidence in the global financial system and to contribute to the sound growth and development of society. We behave in a manner that supports and strengthens the trust and confidence that MUFG has built up over the years.

2-1. Adherence to Laws and Regulations

We always judge and act with honesty and integrity, do what is right, and comply with both the letter and the spirit of the laws, regulations,

and rules that apply to us. We avoid insider trading, do not engage in anti-competitive conduct or any form of corrupt activity, and publicly disclose corporate information in an appropriate manner.

2-2. Combating Criminal Activity

We do not conduct business with criminal elements. We do not allow our financial products and services to be used for illegal or improper activities such as money laundering, fraud, or financing terrorist activities.

2-3. Commitment to Social Sustainability

We respect the history, culture, and customs of local communities and strive to contribute to their development and the protection of the environment through our corporate activities and employee volunteer efforts.

Chapter 3 Ethical and Dynamic Workplace

We are committed to creating a working environment that fosters mutual respect among MUFG employees, supports the full expression of our individuality as professionals, promotes the power of teamwork, honors diversity, transcends differences, and embraces new challenges.

3-1. Stimulating Workplace

We strive to enhance our knowledge and expertise, focus on maximizing the value of teamwork, and view changes in the business environment as opportunities to launch new initiatives.

3-2. Ethical Workplace

We respect the diversity and human rights of all MUFG employees. We do not engage in or tolerate discrimination, harassment, intimidation, or any other behavior or activity that is inconsistent with these core beliefs. We report any violations of laws and rules, and we manage corporate assets appropriately.

■ Personal Information Protection Policy



Mitsubishi UFJ Financial Group believes it is the group's social responsibility to handle customer's personal information properly under Corporate Vision. The following is our Personal Information Protection Policy. We intend to do our best to protect our customers' personal information by ensuring that every executive and employee complies with this Policy.

1. Mitsubishi UFJ Financial Group will comply with laws and regulations regarding the proper handling of the customers' personal information.

2. Mitsubishi UFJ Financial Group will acquire personal information properly. Mitsubishi UFJ Financial Group will notify and/or disclose the purpose of such personal information to customers and will not use it beyond the disclosed purpose except as permitted by law.

3. Mitsubishi UFJ Financial Group will educate all of its executives and employees so that they understand the importance of protecting personal information and handle customers' personal information properly.

4. Mitsubishi UFJ Financial Group will take necessary and appropriate measures to ensure the security of personal information and will endeavor to prevent improper access to, alteration, loss and/or leakage of personal information.

5. Mitsubishi UFJ Financial Group will not supply any personal information to third parties (including parties in Mitsubishi UFJ Financial Group) without the prior consent of the individual concerned, except as permitted by law.

6. When outsourcing the handling of personal information to other institutions, Mitsubishi UFJ Financial Group will monitor the institutions concerned to ensure that appropriate measures are taken to protect customers' personal information.

7. Mitsubishi UFJ Financial Group will establish procedures for correcting and disclosing personal information of customers.

Mitsubishi UFJ Financial Group is also willing to receive opinions and inquiries regarding the handling of such personal information.

8. Mitsubishi UFJ Financial Group will continually review and

improve its management systems to protect personal information.

■ MUFG Group Environmental Statement



We, the directors and employees of MUFG, recognize that protection of the global environment is the responsibility of all human beings and, as a good corporate citizen, MUFG fulfills its social responsibility by working actively towards the realization of a sustainable environment.

Through our business activities, we will support environmental protection efforts by both industry and individuals that contribute to realizing a sustainable society.

■ MUFG Group Environmental Policy



In accordance with the spirit and philosophy outlined in its Environmental Statement, We, the directors and employees of MUFG will:

1. Comply with all laws and regulations related to environmental protection and other requirements to which Group companies subscribe;

2. Support business activities that contribute to the protection and improvement of the environment through the provision of high-quality financial products and services, and aim to reduce environmental risks;

3. Recognize the environmental burden caused by consumption of resources and release of waste from our own business activities and aim to protect the environment through resource recycling as well as efficient use of energy and resources;

4. Monitor the effects of our activities on the environment and work towards continuous improvement and pollution prevention;

5. Provide in-house environmental education and support and promote environmental protection activities of individual directors and employees both during and outside working hours;

6. Inform the entire Group and the general public of our environmental statement and policy and help raise awareness of environmental issues through extensive communication.



■ **Our Approach to Addressing Biological Diversity Conservation**



Biological diversity, or biodiversity, is considered to have three dimensions: ecosystem diversity, species (interspecies) diversity, and intra-species (genetic) diversity. It is said that biodiversity is facing three crises: reduction and extermination of species due to human activities (development and overharvesting), deterioration in the quality of nature due to insufficient care for woodlands, and disruption of ecosystems from influences such as invasive species and chemical substances.

In recognition of the importance of conserving the biological diversity that supports the global environment, the MUFG Group intends to pursue efforts based on the following approaches:

(1) Active engagement

Raise awareness among corporate officers and employees about biological diversity, linking them to voluntary and company-wide activities.

(2) Promotion of social contribution activities that make use of financial products and services

Support biodiversity conservation projects through the provision of integrated financial services. Make use of the expanding business base and other resources of the MUFG Group to support social contribution activities.

(3) Linkages with communities and society

In order to conserve biodiversity, link and cooperate with a wide variety of partners, including international organizations, national government, communities, and non-profit organizations.

(4) Considerations related to purchasing activities

Consider biodiversity protection when purchasing materials for business operations.

(5) Information disclosure and communications

Share information about our activities widely with society, contributing to the development of society's overall efforts to conserve biodiversity.

■ **Activities against Cluster Bombs**



Cluster bombs contain multiple smaller bombs that scatter over a wide area. As they have often affected civilians, the international

community has expressed humanitarian concerns about the impacts of these munitions. Japanese legislation, in principle, prohibits the production and possession of cluster bombs. Based on the enactment of that legislation, and in accordance with the spirit of its own Charter of Corporate Conduct, the Japanese Bankers Association, recognizing the importance of the banking industry's public role, agreed in October 2010 that Japanese banks shall not provide financing for the manufacture of cluster bombs in Japan or overseas.

BTMU and MUTB are full members of the Japanese Bankers Association. Both clearly stipulate in their credit policies and financing checklists that the provision of financing for the manufacture of cluster bombs is prohibited. Both companies strictly observe these procedures.

Initiatives to Facilitate Financing

■ **The Bank of Tokyo-Mitsubishi UFJ**



The Bank of Tokyo-Mitsubishi UFJ (BTMU) has adopted "Management Regulations to Facilitate Financing" as a basic policy to facilitate financing based on the Japanese government's Act concerning Temporary Measures to Facilitate Financing for Small- and Medium-Sized Enterprises, etc.

To establish and maintain an appropriate management structure to facilitate financing, BTMU has appointed a Director in Charge of Facilitating Financing, has established an "Office to Facilitate Financing" and a "Small & Medium Enterprise Credit Office," and has appointed "Managers to Facilitate Financing" at each sales branch office. The entire bank is working to strengthen initiatives to facilitate financing. Please visit the following BTMU website for the status of initiatives to facilitate financing (number of loans and amounts):

http://www.bk.mufg.jp/info/kinyu_enkatsuka/index.html (in Japanese)

■ **Mitsubishi UFJ Trust and Banking**



Mitsubishi UFJ Trust and Banking (MUTB) has established a "Management Policy to Facilitate Financing," which specifies the basic policy for facilitating financing as well as "Management Regulations

to Facilitate Financing," which specify the basic items and internal systems for management to facilitate financing.

The company has also appointed a "Director in Charge of Facilitating Financing" as well as "Managers to Facilitate Financing" at each branch, and established a "Smooth Retail Financing Office," a "Smooth Corporate Financing Office," an "Office to Facilitate Financing" and a "Management Office to Facilitate Financing" at headquarters as specialized units to facilitate financing. The company's officers and employees are united in implementing works to facilitate financing, with the active involvement of corporate management. Please visit the following website for the status of our initiatives to facilitate financing (number of loans and amounts).

http://www.tr.mufg.jp/ippan/soudan/kinyu_soudan_joukyou.html (in Japanese)

■ **Designated Dispute Resolution Organization System**



Designated dispute resolution organizations are dispute resolution bodies designated by government authorities. From a fair and neutral standpoint, they are to deal with complaints and requests from customers for dispute resolution concerning the actions of financial institutions. The following designated dispute resolution organizations have been contracted by BTMU and MUTB for these matters.

The Bank of Tokyo-Mitsubishi UFJ (BTMU)

Organization	Japanese Bankers Association*1
Contact	JBA Customer Relations Center 0570-017109 or 03-5252-3772

Mitsubishi UFJ Trust and Banking (MUTB)

Organization	Japanese Bankers Association*1
Contact	JBA Customer Relations Center 0570-017109 or 03-5252-3772

Organization	Trust Companies Association of Japan*2
Contact	Trust Consultation Center 0120-817335 or 03-3241-7335

*1 The Japanese Bankers Association is a designated dispute resolution organization under the Banking Act and the Norinchukin Bank Act.

*2 The Trust Companies Association of Japan is a designated dispute resolution organization under the Trust Business Act and the Act on Provision, etc. of Trust Business by Financial Institutions.

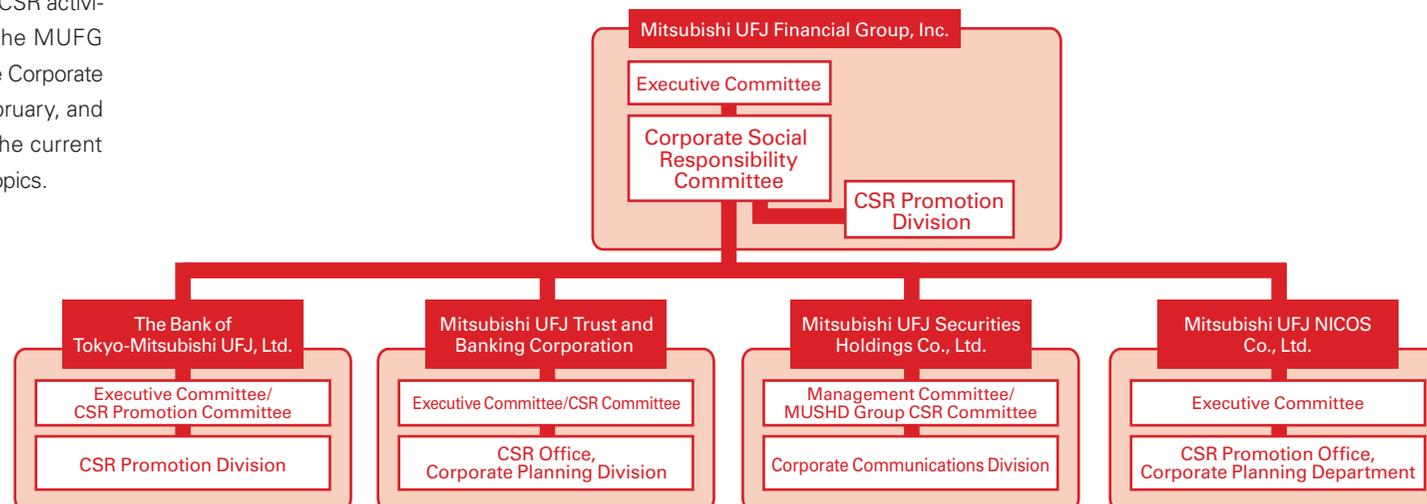
CSR Structure

The MUFG Group has established a CSR structure integrated with its management strategies.

CSR Promotion Structure of the MUFG Group

The MUFG Group has established a Corporate Social Responsibility Committee (meets twice per year) to promote CSR activities throughout the Group, consisting mostly of members of the Executive Committee of the holding company. The committee discusses the Group's CSR policies, develops strategies for the entire Group, and works to strengthen cooperation between member companies. The MUFG Group is engaged in CSR activities and maximizes the special characteristics of the MUFG Group along with the Group policy. During FY 2011, the Corporate Social Responsibility Committee met in July and February, and discussed future directions for activities based on the current status of CSR activities in the Group, as well as other topics.

CSR Structure of the MUFG Group



Participation in Initiatives

The MUFG Group participates in a variety of initiatives to identify, promote and realize the adoption of the best environmental and sustainability practices.

■ UN Global Compact



The MUFG Group has endorsed the United Nations Global Compact. A voluntary code of conduct advocated in 1999 by the then-Secretary-General of the United Nations, Kofi Annan, it calls for corporations and organizations around the world to work within their respective spheres of influence to support internationally recognized standards for human rights, labor, the environment, and anti-corruption, and to act based on them. The MUFG Group, as a financial group that upholds the philosophy of contributing to the realization of a sustainable society, endorses the principles of the Global Compact, and works to fulfill its duties as a global citizen.

■ The Equator Principles



BTMU adopted the "Equator Principles" as a framework to ensure that social and environmental considerations are made when implementing large-scale project finance transaction. The Principles stipulate to assess social and environmental impacts of a project based on certain standards, to prompt the borrowers to take appropriate countermeasures, and to conduct post-financing monitoring to check the progress of the measures taken. When providing financial advisory services to customers who seek project financing, BTMU assists them from an early stage to

ensure that their projects consider the environment in compliance with international standards. Through this advice, we support both funding and environmental protection.

■ Participating in the United Nations Environment Programme Finance Initiative



BTMU and MUTB are signatories to the United Nations Environment Programme Finance Initiative (UNEP FI). This is a global partnership between UNEP and the financial sector with the "mission to identify, promote, and realize the adoption of the best environmental and sustainability practice at all levels of financial institution operations."

■ Promotion of "Principles for Responsible Investment" (PRI)



UNEP FI and the UN Global Compact jointly promote the "Principles for Responsible Investment" (PRI), which were announced in 2006. The PRI are intended to address decision-making issues related to environmental, social, and corporate governance (ESG) for investments within the scope of an organization's fiduciary responsibility, and to improve the long-term results of investments. In May 2006, MUTB was among the first organizations in Japan to endorse these Principles, and actively participates in the PRI Japan Network, which promotes PRI and responsible investments in Japan.

■ Signing of Principles for Financial Action for the 21st Century



BTMU and MUTB signed the Principles for Financial Action towards a Sustainable Society (also known as Principles for Financial Action for the 21st Century) when they were first announced in November 2011, developed mainly through the efforts of financial institutions. The Principles include seven items for best-effort actions by the financial industry to create a sustainable society, and guidelines for each sub-industry to put the principles into action. We will

continue to actively consider the environment and society based on these principles.

■ Participation in the Carbon Disclosure Project (CDP)



The Carbon Disclosure Project (CDP) is a project run by institutional investors from around the world that urges corporations to disclose their strategies on climate change as well as detailed data on their emissions of greenhouse gases. The MUFG Group has been participating in this effort since 2004 and since 2007 has been sponsoring the publication of Japanese-language versions of CDP reports.

■ Sponsoring and Participating in Conferences and Other Events

- Exhibit at MESSE NAGOYA 2011



The MESSE NAGOYA 2011, one of Japan's largest cross-industrial trade exhibitions, was held in Nagoya in November 2011. This was the sixth such exhibition, and had the theme of "Environment & Energy, Safety & Security and New Manufacturing." BTMU put a major effort into this exhibition by introducing the MUFG Group's environmental and social contribution activities using video, panel displays, and mini-seminars.

- Lectures & Participation in Government Advisory Committees



MUTB representatives periodically give lectures in Japan and overseas concerning environmental topics, and also participate in policy discussions, including as members of governmental advisory committees.

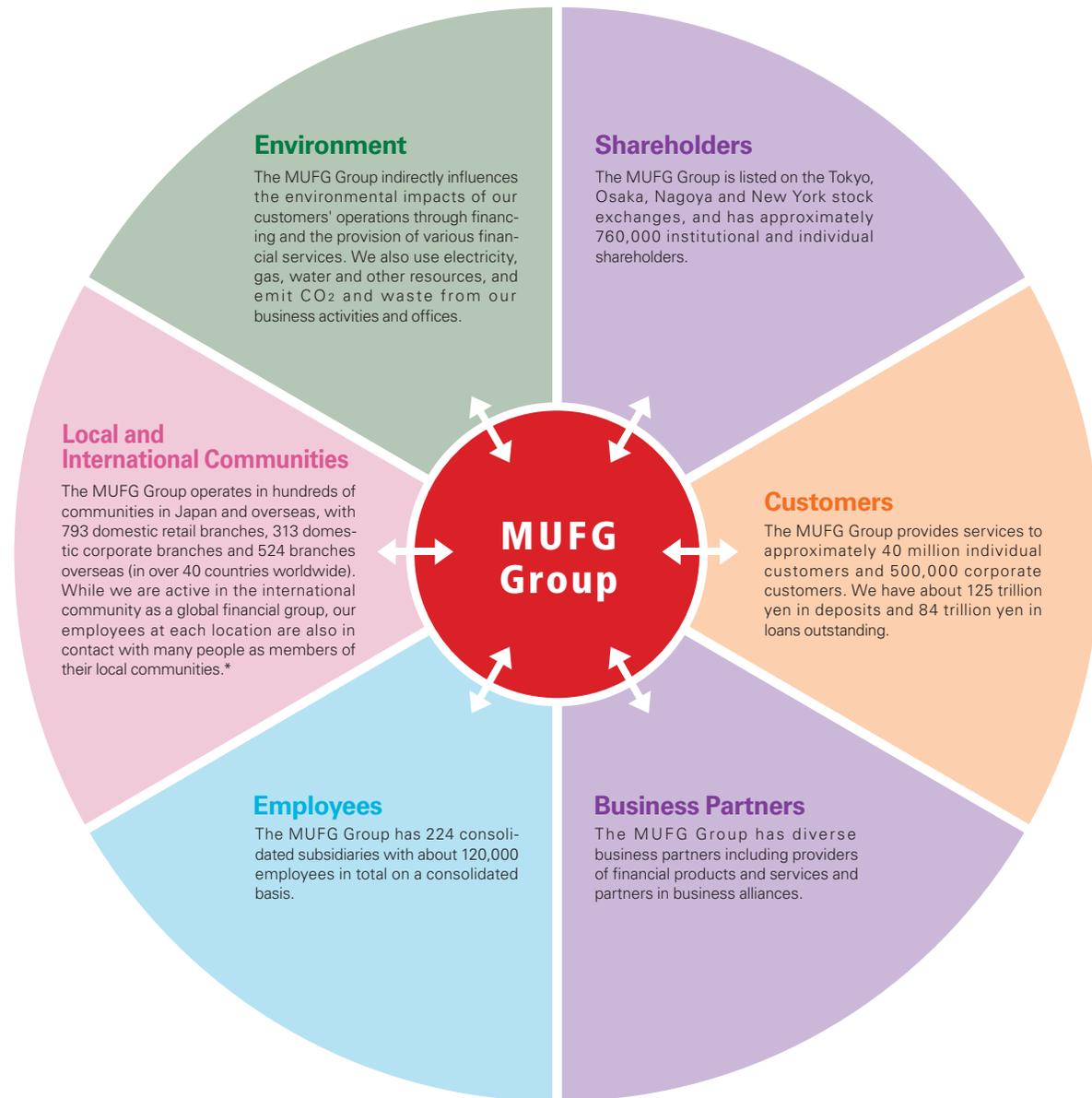
- Sponsoring UNEP Publications



A public interest incorporated foundation "Associates of the Earth" conducts various activities in support of the work of the United Nations Environment Programme (UNEP), including hosting events in Japan in connection with UNEP's World Environment Photo Exhibition, and by publishing Japanese-language editions of the UNEP publication, TUNZA. In addition to cosponsoring TUNZA, BTMU distributes it at its branches in Japan.

Our Stakeholders and the MUFG Group

The MUFG Group's business activities are founded on the support of our various stakeholders in Japan, across Asia, and worldwide. We will continue working to maintain mutually harmonious and prosperous relations with all our stakeholders and to contribute to the realization of a sustainable society.



* Total number of the branches and offices of The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities.

(As of March 31, 2012)

Relations with Shareholders and Investors

We strive to increase our corporate value by improving our reliability as a financial group, manifesting our comprehensive strengths as a Group, and responding to the expectations of customers and society.

We are also striving to enhance two-way communication with our shareholders.

Medium-Term Business Plan

Start of the New Medium-Term Business Plan

In April 2012, we renewed our Management Philosophy to Corporate Vision and formulated a new medium-term business plan laying down management targets and strategies for the next three years. In our Corporate Vision, we set our medium- to long term objectives as "Be the world's most trusted financial group." Under the new medium-term business plan, we will strive to expand income steadily and continuously, enhance our business management framework to improve capital efficiency, and then aim to establish a strong financial foundation to achieve global competitiveness.

To strengthen profitability, we will firmly maintain a foothold in the domestic market, where we have a strong business base, while further improving comprehensive financial service capabilities on a global basis.

In establishing a strong financial foundation, we will enforce business management by adopting consolidated ROE*1 and consoli-

dated net income RORA*2 as benchmarks, implement attentive risk-return management, and simultaneously pursue capital efficiency.

*1 ROE is an abbreviation for Return on Equity. It is an indicator showing how effectively a company uses shareholder equity to generate profits.

*2 RORA is an abbreviation for Return on Risk Weighted Assets. It is an indicator showing the profits generated from the risks taken by financial institutions.

Capital Management and IR

Appropriate Management of Capital

In our aim to raise corporate value, our capital management emphasizes maintaining balance between strengthening equity capital, further enhancing shareholder returns, and capital use for increased earning power.

Basic Stance on Investor Relations

Today, the quality and appropriateness of information disclosure have become essential issues from the viewpoint of investor protection. The MUFG Group undertakes investor relations activities that fairly and promptly provide the market with accurate information on our financial conditions and business strategies, and boost shareholder value by reflecting market perception into the management process. The MUFG website has won high acclaim, including awards as an outstanding website from two external rating companies.

www.mufg.jp/english/

IR Activities for Institutional Investors

We proactively provide information to domestic and foreign institutional investors by holding investor meetings regarding our financial results and using various other channels. We also carry out diverse activities such as responding to requests for interviews and regularly visiting investors.

Shareholder Benefit Program (MUFG Shareholder Club)

The MUFG Shareholder Club provides preferential services

making use of the comprehensive strengths of the MUFG Group including preferential interest rates on time deposits and discounted stock trading commissions.

General Shareholders Meeting

The seventh Annual General Meeting of Shareholders was held in June 2012 at the Nippon Budokan (Tokyo). A webcast of the meeting can be viewed at the following site:

<http://www.mufg.jp/investors/movie/> (in Japanese)

Shareholder Composition (Common Shares)



* Excluding treasury shares; percentages calculated to the first decimal point. (As of March 31, 2012)

MUFG Selected for SRI Indexes

In recent years, socially responsible investment (SRI) has become increasingly popular in the world of asset management as a standard for investment decisions that are based not only on financial perspectives, but also the broader views of society including environmental considerations and social contributions. MUFG has been selected for inclusion in the DJSI Asia Pacific, FTSE4Good Index Series, and the Ethibel Sustainability Index (ESI) Excellence Global (as of June 30, 2012) and other SRI indexes.

Relations with Business Partners

The MUFG Group 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.

Fairness in Business



The MUFG Group has included three items in its Principles of Ethics and Conduct to create and sustain healthy relationships with business partners—"acting with honesty and integrity," "adherence to laws and regulations" and "combating criminal activity." We maintain fairness in business by carefully observing the law under all circumstances, and by building fair and sound partnerships, while ensuring that we do not support anti-social, corrupt, or criminal elements.

Approach to Purchasing Activity



The MUFG Group purchases paper and other materials in accordance with the principles discussed below.

1. Fair and Honest Selection and Treatment of Suppliers

We determine suppliers fairly and honestly based on economic common sense. We do not give special treatment to specific suppliers without any appropriate reasons, nor do we treat any suppliers unfairly.

2. Compliance with Laws and Social Norms

When purchasing goods, we comply with all related laws, regulations and rules, and act based on high ethical standards.

3. Secure Management of Confidential Information

We securely manage all confidential information about suppliers that we obtain through purchasing activities.

4. Environmental Considerations

We consider environmental implications, such as mitigation of global warming and biodiversity protection, when making purchasing decisions. In principle, we only purchase office paper which is produced using appropriate forest management practices and is otherwise manufactured in an eco-friendly manner. We respect companies that have obtained environmental certifications and otherwise try to protect the environment, and work to deepen our partnerships with such companies.

We respect companies that have obtained environmental certifications and otherwise try to protect the environment, and work to deepen our partnerships with such companies.

5. Requesting Cooperation from Suppliers

We ask that our suppliers maintain fair and sound business practices. This includes respect for basic human rights, compliance with laws and regulations, environmental considerations, and elimination of business with anti-social, corrupt, or criminal elements.

6. Maintaining Partnerships with Suppliers

We respect all companies that we do business with as partners, and we strive to maintain relationships of trust and cooperation by treating them with honesty and as equals. We do not use a dominant bargaining position to demand or receive unfair benefits.

Creating New Societal Value through Collaboration



Collaboration with business partners holds the potential for creating new societal value by making the most of the merits of each company's core businesses. We strive to develop relationships with our business partners based on this understanding not only to provide services and products that are more useful to society, but also to contribute to the development of healthy financial markets and the construction and development of social infrastructure.

Examples of Major Business Partnerships

Date	Business Partner	MUFG	Details
Apr. 2011	Flight System Consulting, Inc.	MUN	Initiated "Payment Meister" iPhone/iPad settlement solutions service.
May 2011	China Development Bank	BTMU	Concluded agreement on disaster assistance finance program.
Jun. 2011	Commercial International Bank (Egypt)	BTMU	Concluded memorandum on joint promotion.
Jul. 2011	TIS Inc.	BTMU	Established joint venture for collection of public funds.
Sep. 2011	Romania Trade and Investment	BTMU	Concluded investment promotion cooperation agreement.
Dec. 2011	International Finance Corporation	MUL	Initiated environmental program in Thailand.
Jan. 2012	Philippine Economic Zone Authority, Republic of the Philippines	BTMU	Concluded memorandum on cooperation in investment promotion, etc.
Mar. 2012	AMP Capital Holdings, Ltd. (Australian asset management company)	MUTB	Concluded capital and business alliance agreement, with an appointment of non-executive director, and made the company an equity method affiliate.
	Invest Victoria (state investment promotion agency for Victoria, Australia)	BTMU	Concluded memorandum on operating alliance.
May 2012	Mercer Japan, Ltd.	MUTB	Concluded operating alliance agreement on global pension consulting.
Jul. 2012	JR East Mechatronics Co., Ltd.	MUN	Initiated service of "J-Mups" cloud-type joint multi-payment processing system.

Environmental Policies and Initiatives

We work to reduce negative impacts on the environment through our core business as a financial institution, such as financing of the environmentally friendly business.

Basic Policies and Structures

Reducing environmental impacts and helping create a sustainable society are key concerns for the MUFG Group. To address these concerns in a unified way, in March 2006 we formulated the MUFG Group Environmental Statement and Policy. Based on a shared awareness within the MUFG Group of the critical nature of global environmental challenges, in June 2008 we also adopted the MUFG Environmental Action Policy, which provides guidelines for concrete actions to deal with environmental issues. Our efforts relating to the environment are based on the philosophy and principles outlined in these policies. (The MUFG Group Environmental Statement and Policy and the MUFG Environmental Action Policy can be found on pages 19 and 6, respectively).

Actions Based on the MUFG Environmental Action Policy

Eight cross-cutting "Environmental Project Teams"* have been created to advance concrete actions in their respective fields based on our Environmental Action Policy. The MUFG Environ-

mental Action Policy Promotion Committee, which includes officials responsible from each company, holds quarterly meetings to periodically follow the progress of efforts by each team. In this way, the MUFG Group continues to work to raise the level of its environmental efforts, based on an awareness of the special role that it can play as a comprehensive financial services group, through the provision of products and services that mobilize financial flows for the benefit of the environment.

* Environmental Project Teams: Eight cross-cutting teams within the MUFG Group that address environmental activities based on customer segments or themes (for individuals, domestic corporations, pension funds, overseas, credit screening, markets, internal, and social contributions).

ISO 14001 Certification

ISO 14001 is an international standard for management systems that aim to protect the environment. This standard requires that the environmental impacts of business activities continually be reduced. The following locations in the MUFG Group have acquired ISO 14001 certification:

- The Bank of Tokyo-Mitsubishi UFJ Ltd.
 - Marunouchi Head Office, Nagoya Building, Osaka Building
- Mitsubishi UFJ Trust and Banking Corporation
 - Marunouchi Head Office, Konan Building
- Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.*
 - Divisions within the Marunouchi Building (including the Clean Energy Finance Division in the Toyosu Building and the Corporate Administration Division in the Mitsubishi Building)
- Mitsubishi UFJ NICOS Co., Ltd.
 - Head Office Building
- Mitsubishi UFJ Lease & Finance Company Ltd.
 - All locations in Japan and affiliate companies (MUL Business Company Ltd. and MUL Eco-Business Co., Ltd.)

* Expired September 2011. The company is currently in preparations to obtain certification for its Mejirodai Building in Tokyo's Bunkyo Ward, in 2013.

Independent Assurance Report

The MUFG Group has obtained an Independent Assurance Report for the greenhouse gas emissions (GHG indicators) of companies and major subsidiaries included in the CSR report for the reporting period from April 1, 2011 to March 31, 2012.



Environmental Impact Data



To reduce greenhouse gas emissions and mitigate global warming, the MUFG Group actively seeks reductions in CO₂ emissions from business activities and employee travel. Core Group companies (MUFG, BTMU, MUTB, MUMSS, MUN) continued to measure environmental impact data and greenhouse gas emissions in FY 2011.

The MUFG Group aims to reduce greenhouse gas emissions from the four core Group companies (not including MUN) by at least 25% by FY 2012, using FY 2000 as the baseline year.

Total CO₂ emission from these four companies (MUFG 4 companies) in FY 2011 achieved a target, declining from baseline (298,000 tons of CO₂ in FY 2000) by approximately 98,000 tons (33%) based on actual (non-adjusted) emission factors, and by approximately 107,000 tons (36%) based on adjusted emission factors. As a result of continued efforts to conserve energy, total CO₂ emissions from the core Group companies (MUFG total) declined from FY 2010 levels by approximately 31,000 tons (13%) based on actual emission factors, and by approximately 11,000 tons (5%) based on adjusted emission factors.

In consideration of transparency, data is classified in accordance with ISO 14064 (specifications for quantification and reporting of greenhouse gas emissions and removals). To increase the reliability of disclosed content, this fiscal year we commissioned Ernst & Young ShinNihon LLC to verify, based on the International Standard on Assurance Engagements (ISAE) 3000, that environmental impact data and greenhouse gas emissions have been correctly calculated in accordance with ISO 14064 standards. Going forward, we plan to expand further the measurement scope of environmental impact data and improve the accuracy of such data.

MUFG Group Environmental Impact Data and Greenhouse Gas Emissions*1

Item (GRI Indicators*2)	Units	FY 2009				FY 2010				FY 2011			
		MUFG 4 Companies		MUFG Total		MUFG 4 Companies		MUFG Total		MUFG 4 Companies		MUFG Total	
		Indicator	Accuracy*3	Indicator	Accuracy*3	Indicator	Accuracy*3	Indicator	Accuracy*3	Indicator	Accuracy*3	Indicator	Accuracy*3
Total floor space*4	'000m ²	2,186		2,282		2,255		2,348		2,255		2,319	
Floor space monitored	'000m ²	1,882		1,980		1,974		2,069		2,086		2,180	
Coverage rate*5	%	86.1%		86.8%		87.5%		88.1%		93.8%		94.0%	
Direct energy consumption (EN3)													
City gas	'000m ³	3,928	■■■■	4,022	■■■■	4,276	■■■■	4,393	■■■■	5,347	■■■■	5,429	■■■■
Heavy oil	kl	1,948	■■■■	1,948	■■■■	1,714	■■■■	1,714	■■■■	1,417	■■■■	1,417	■■■■
Kerosene	kl	119	■■■■	119	■■■■	134	■■■■	134	■■■■	137	■■■■	137	■■■■
Indirect energy consumption (EN4)													
Electricity	'000kWh	504,729	■■■■	532,065	■■■■	505,865	■■■■	531,761	■■■■	434,924	■■■■	457,522	■■■■
Steam	GJ	22,603	■■■■	23,476	■■■■	33,290	■■■■	34,122	■■■■	32,142	■■■■	32,972	■■■■
Hot water	GJ	1,959	■■■■	1,959	■■■■	3,910	■■■■	4,090	■■■■	3,041	■■■■	3,239	■■■■
Cold water	GJ	13,802	■■■■	18,261	■■■■	29,962	■■■■	35,372	■■■■	21,381	■■■■	26,374	■■■■
Energy use from employee travel and transportation (EN29)													
Air route (international routes)	'000km	48,912	■■□□	49,228	■■□□	56,827	■■□□	56,982	■■□□	66,886	■■□□	67,185	■■□□
Automobiles (gasoline)	kl	3,540	■■■■	3,626	■■■■	3,575	■■■■	3,615	■■■■	3,499	■■■■	3,537	■■■■
Water usage efficiency (EN8)													
Tap water	'000m ³	2,185	■■□□	2,301	■■□□	2,098	■■□□	2,225	■■□□	1,921	■■■■	2,036	■■□□
Waste water	'000m ³	1,686	■■□□	1,754	■■□□	1,554	■■□□	1,633	■■□□	1,479	■■■■	1,552	■■□□
Carbon dioxide emissions*6													
Direct CO ₂ emissions (EN16)*7	t	14,354	■■■■	14,546	■■■■	14,538	■■■■	14,802	■■■■	16,134	■■■■	16,317	■■■■
Indirect CO ₂ emissions (EN16)*8	t	212,855	■■■■	224,739	■■■■	199,622	■■■■	210,191	■■■■	167,840	■■■■	176,858	■■■■
Adjusted emission factors (EN16)*8	t	174,952	■■■■	184,758	■■■■	171,506	■■■■	180,648	■■■■	158,295	■■■■	166,933	■■■■
Other indirect CO ₂ emissions (EN17)*9	t	14,823	■■□□	15,112	■■□□	15,702	■■□□	15,875	■■□□	16,571	■■□□	16,747	■■□□
Total CO ₂ emissions (actual emission factors)	t	242,032	■■■■	254,398	■■■■	229,863	■■■■	240,868	■■■■	200,546	■■■■	209,922	■■■■
(Adjusted emission factors)*10	t	204,130	■■■■	214,417	■■■■	201,747	■■■■	211,324	■■■■	191,000	■■■■	199,997	■■■■
CO ₂ emissions per unit of floor space (actual emission factors)	t/'000m ²	111		111		102		103		90		91	
(Adjusted emission factors)*10	t/'000m ²	93		94		89		90		86		86	

Units: '000 m² = thousand square meters; '000 m³ = thousand cubic meters; kl = kiloliters; '000 kWh = thousand kilowatt-hours; GJ = gigajoules; t = tons

*1 Measurement totals include five companies: MUFG, BTMU, MUTB, MUMSS and MUN. Data for MUMSS includes data for MUSHDD, with the exception of energy consumption for employee travel and road transportation (EN29).

*2 The environmental numbers (EN) shown here indicate the performance indicators and protocols outlined in the 2006 Reporting Guidelines of the Global Reporting Institute (GRI). (www.globalreporting.org)

*3 Margins of error are indicated as follows: ■■■■ indicates that highly accurate data have been collected from most offices (error within ±3%); ■■■□ indicates that highly accurate data have been collected from major offices (error within ±7.5%); ■□□ indicates a wider range of measurements and data requiring greater precision (error greater than 7.5%).

*4 In FY 2011, the total area of floor space occupied was 1,704,000 square meters for MUFG and BTMU combined; 359,000 square meters for MUTB; 161,000 square meters for MUMSS; and 94,000 square meters for MUN.

*5 The "coverage rate" represents the percentage of floor space for which data is collected relative to the total floor space; this rate is used to calculate the weighted average of greenhouse gas emissions for each category of environmental impact data.

*6 CO₂ emission factors are presented based on the factors used in Japan's Ministerial Ordinance Concerning Calculation of Greenhouse Gas Emissions Arising from Business Activities of Specified Emitters. CO₂ emissions are categorized following the five greenhouse gas inventory components defined in ISO 14064 Part 1 ("Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals").

*7 CO₂ emissions associated with EN3 (direct energy consumption).

*8 CO₂ emissions associated with EN4 (indirect energy consumption). Calculations of CO₂ emissions from indirect purchases of energy through electricity are divided into two categories: those based on adjusted emission factors announced by each electric power provider (which subtract Kyoto Protocol-related credits and other adjustments based on the Act on Promotion of Global Warming Countermeasures), and those based on actual (non-adjusted) emission factors.

*9 Includes CO₂ emissions from energy consumption associated with transporting company officers and employees, including domestic travel by road (gasoline) and overseas air travel (EN29) and efficient water use (EN8).

*10 CO₂ emissions related to electricity have been calculated using adjusted emission factors since FY 2009.

Reducing Our Environmental Impacts

The MUFG Group is implementing plans for phasing in more environmentally friendly equipment at its offices and sales outlets. Efforts are also being made to reduce energy consumption and to cut CO₂ emissions, including through reduced lighting and discontinuing the use of extra elevators, promoting casual attire in the summertime and changing the temperature settings for air conditioning and heating, and having staff turn off their computers and monitors when they step away from their desks.

■ Reducing CO₂ Emissions



BTMU is making an effort to utilize renewable energy, and has installed solar and wind power generation equipment for its Nagoya Building. In addition, BTMU is working to reduce electricity consumption by installing upgraded heating systems and automatic lighting controls at each of its buildings.

MUTB is reducing energy consumption by installing energy-efficient lighting equipment and updating HVAC equipment and transformer equipment at its main buildings and branches. The company is also saving energy by increasing monitoring of energy consumption at some of its main buildings.

Designed to realize major improvements in energy performance, MUMSS's Mejirodai Building is equipped with technologies that comply with the Tokyo Metropolitan Government's criteria for a "top-level facility," a facility that has made excellent or outstanding progress in the implementation of measures against global warming.

MUMSS is augmenting its ongoing energy conservation measures by joining the government's "Cool Earth Day," an event held on July 7 (the date of Japan's traditional *Tanabata* festival); all employees are encouraged to leave work by 6 p.m. to participate.

MUN conserves energy by utilizing a "universal plan" office layout having no pillars or dividers in a space of 140 square meters. This leads to improved efficiency for air conditioning and lighting systems, and allows employees to share a smaller number of

facsimile machines, copiers, and other types of office equipment. MUN has also replaced all of the company's beverage-vending machines with energy-saving models that use heat pumps.

■ Carbon Offsets



The MUFG Group is working to reduce greenhouse gas emissions through energy conservation and other activities under its environmental management systems, as well as by purchasing emission credits to offset the greenhouse gas emissions associated with its operations.

By 2009, BTMU and MUTB had acquired a combined 90,000 tons of CO₂ emission credits.

MUMSS receives a portion of its compensation for CDM consulting services in the form of emission credits, which are applied as offsets.

Meanwhile, MUN has introduced a program that allows customers to take the points they earn from using their credit cards and exchange them for carbon offsets.

■ Recycling Waste Cooking Oil



MUMSS recycles cooking oil used in the cafeteria of its Mejirodai Building. The waste oil is collected by a waste processing company and converted into biodiesel fuel, an alternative to petroleum-derived diesel for use in diesel engines. Biodiesel fuel is a clean energy source, largely free of the air pollutants (sulfur oxides) that cause childhood asthma, atopic dermatitis, and other health problems. In the roughly one year since the cafeteria's opening, 0.4 tons of used cooking oil have been collected and all recycled.

■ Reducing Paper Consumption



The MUFG Group works to reduce the amount of copying paper used in its offices, and also to recycle used paper.

To the extent possible, the Group is also switching to Forest Stewardship Council (FSC)-certified paper and environmentally friendly inks (such as vegetable-based ink) for brochures and

printed materials distributed at branches.

■ Reducing Waste



The MUFG Group is working actively to separate and recycle waste. BTMU's Head Office in Tokyo, Nagoya, and Osaka have acquired ISO 14001 certification; these offices separate waste into 13 categories and recycle more than 90% of their waste.

To actively promote recycling, MUMSS sorts waste into six categories at its Mejirodai Building, and MUTB separates waste into 19 categories at its Head Office and 18 categories at its Konan Building.

■ Leading the Banking Industry in Adopting Use of Electric Vehicles



In FY 2009, BTMU and MUTB became the first companies in Japan's banking industry to introduce electric vehicles for official business use.

Currently over 20 electric vehicles are used at their 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 30% of the level of emissions from gasoline vehicles in the same class.

■ Eco-Friendly Promotional Goods



The MUFG Group also gives consideration to the environment in connection to the promotional items that are presented to customers, by using PVC-free materials, and other measures.

MUMSS provides "Blue Dolphin's Natural Soap" (a 100% natural, additive-free soap) as an environmentally friendly promotional item. This soap is made by a social services organization that supports disabled persons to be independent, and is sold by a non-profit organization that promotes an appreciation of the global environment through awareness of dolphins and whales.

■ Environmental Initiatives at Union Bank

UB

In early 2009, we committed to reducing our greenhouse gas emissions over five years by a total of 9% from a 2008 baseline. Our emissions are normalized on pounds of carbon dioxide equivalents (CO₂-e) per square foot of real estate. In 2011, we restated our baseline to account for acquisitions of two banks. Though our direct emissions from energy sources such as natural gas, propane, diesel fuel, and gasoline increased, overall we experienced a 3% decrease in emissions on our normalized square-footage basis compared to 2010. This was attributed largely to reducing our electricity consumption by nearly 4%, and our air travel by 15%. The reduction in emissions-per-square-foot was also achieved by adding more than 30,000 square feet of new real estate as a result of acquisition activity. Recent projects to reduce emissions and boost efficiency include lighting retrofits, window tinting, and upgrading our computer monitors with more efficient models.

A three-month campaign during 2011 persuaded Union Bank customers to stop receiving traditional paper statements for more than 25,500 accounts, in favor of online-only electronic statements. The move saved considerable amounts of paper as well as energy needed to deliver the statements to mailboxes. And at 65 cents per statement to print and mail, the campaign helped save the bank almost \$600,000 over the life of the accounts – more evidence that conservation is a winning proposition for everyone.

In 2011, Union Bank brought the "waste not, want not" adage into the digital age. UList is a new internal message board where employees list overstock of office supplies, miscellaneous computer equipment, and other items that could be put to good use within the company. This prevents both unnecessary purchases and disposal of office supplies. In its first year, UList helped find new homes for more than 500 items, keeping them out of landfills and saving the bank an estimated \$15,000 if the items had been newly purchased instead.

BTMU Environmental Targets and Results

Greenhouse Gas Emissions

Medium- to long term plan	Reduce FY 2012 greenhouse gas emissions by 25% from the FY 2000 level.
FY 2011 targets	Reduce FY 2011 greenhouse gas emissions by 5-15% from the FY 2010 level.
Results	Achieved targets with thorough energy conservation centered on lighting and air conditioning. - Head Office: 18% reduction (target was 15%) - Nagoya Building: 29% reduction (target was 10%) - Osaka Building: 10% reduction (target was 5%)

Reducing and Greening Paper Consumption

Medium- to long term plan	Reduce use of copy paper.
FY 2011 targets	Reduce copy paper use by 5% compared to FY 2010.
Results	Achieved reduction of 5% with regular feedback on purchasing volumes and conservation awareness education.

Waste Reduction

Medium- to long term plan	Firmly establish zero emissions efforts (a recycling rate of at least 95%).
FY 2011 targets	Achieve a recycling rate of at least 95% for waste.
Results	Achieved recycling rates of at least 95% through careful sorting of waste: - Head Office: 97% - Nagoya Building: 98%; Osaka Building: 95%

Prevention of Air Pollution

Medium- to long term plan	Work at reducing air pollution from vehicle emissions.
FY 2011 targets	Reduce number of sales vehicles; promote shift to compact vehicles.
Results	Reduced by about 40 vehicles and shifted to about 50 compact vehicles.

MUTB Environmental Targets and Results

Reduction of Copy Paper Use

FY 2011 target at Head Office	Manage the volume of copy paper used at the Head Office.
Results	Copy paper purchases for Head Office: Approx. 273 tons (11.7% reduction compared to previous fiscal year).

Waste Recycling

FY 2011 target at Head Office	Implement waste sorting programs at Head Office.
Results	Checked compliance with waste-sorting rules at each Head Office division and office in August 2011 and February 2012.

Reduction of Energy Use

FY 2011 target at Head Office	Implement program to reduce energy use at Head Office.
Results	Made internal announcements on the use of air conditioning outside of business hours, by floor of the Head Office. Clearly indicated which switches control which lights in the offices of Head Office and promoted awareness about diligently turning off lights. Head Office energy consumption (crude oil equivalent): 4,198 kiloliters (reduction of 16.3% from previous fiscal year). Head Office energy consumption per person (crude oil equivalent): 1.091 kiloliters (reduction of 16.6% from previous fiscal year).

MUMSS Environmental Targets and Results

Reduction of Copy Paper Use

FY 2011 targets	Established a system to reduce the quantity of copy paper used at the Mejirodai Building.
FY 2011 results	Measured the volumes being used, which will become the basis for implementing reduction measures, prepared the year-on-year comparison database, and created the required systems.

Reduction of Electricity Use

FY 2011 targets	Reduce FY 2011 CO ₂ gas emissions from electricity use from the previous year at MUMSS overall.
FY 2011 results	FY 2011 increase in CO ₂ gas emissions of 3.9% (rough estimate) from the previous year.*

* Because two buildings were temporarily being used simultaneously during the relocation of the Head Office.

MUN Environmental Impact Reduction Targets

Improving Our Green Procurement Ratio

FY 2011 target at Head Office	Achieve a green procurement ratio above 85%.
Results	Achieved targets by completely purchasing goods that comply with the Act on Promoting Green Purchasing.

Reduction of Copy Paper Use

FY 2011 target at Head Office	Reduce by 3% per person compared to FY 2010.
Results	While the target for the Head Office was not achieved, MUN reduced copy paper use by 5.1% from FY 2010 overall with double-sided printing, layout printing, and display of how to use aggregate printing and other functions on multifunction printers.

Reduction of Electricity Use

FY 2011 target at Head Office	Reduce by 3% per person compared to FY 2010.
Results	Although the target was not achieved at the Head Office, MUN achieved a reduction of 12.8% overall from FY 2010 through efforts to reduce energy use in the summer and winter months.

Environmental Accounting Information for Our Offices



The MUFG Group introduced and began announcing the results of environmental accounting from FY 2009, as part of environmentally conscious business activities, for the quantitative management of environmental efforts. Table 1 (Costs of Environmental Measures) presents the aggregate results for the costs of Group environmental measures. The MUFG Group measures and reports environmental impact data and greenhouse gas emissions quantities for all core Group companies. Table 2 (Benefits of Environmental Measures) presents data regarding the benefits of these environmental measures, including the consumption of fuel, electricity and heat, and other factors, as well as CO₂ emissions.

We aim to further enhance the Group's environmental measures and build upon the benefits, as demonstrated through this environmental accounting, of the environmental actions taken by the Group's core companies.

Period covered: April 1, 2011 through March 31, 2012

Companies included: Core Group companies (MUFG, BTMU, MUTB, MUMSS and MUN).

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

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.

As for standards for the posting of compound costs, items related to environmental preservation are calculated following Environmental Accounting Guidelines 2005, published by Japan's Ministry of the Environment.

*1 Values for FY 2010 are subtracted from those for FY 2011. Positive numbers indicate an increase in the cost associated with environmental measures.

*2 Increased Operations Area costs resulted from installing energy-efficient equipment for lighting and air conditioning at branches and company office buildings.

*3 The investment amount is increasing with increased investment in energy conservation.

*4 Increased because the range of waste products costs aggregated for BTMU was expanded from the Head Office Building to include each branch and office.

*5 Achieved values of the environmental performance indicators show the totals for core Group companies.

*6 Values for FY 2010 are subtracted from those for FY 2011. Positive numbers indicate that measures resulted in a decrease in volumes of inputs or emissions.

Table 1. Costs of Environmental Measures

(Million yen)

Category	Details	2 periods prior FY 2009		Previous period FY 2010		Current period FY 2011		Environmental conservation costs compared to FY 2010*1	
		Investment	Expense	Investment	Expense	Investment	Expense	Investment	Expense
1. Operations Area costs*2	-	1,640	745	2,935	1,488	7,448	3,651	4,513	2,163
Details	1-1. Costs for pollution prevention	-	147	-	321	-	83	-	-238
	1-2. Costs for addressing global environmental issues	1,640	514	2,935	1,102	7,448	3,217	4,513*3	2,115
	1-3. Costs for reuse of resources	-	84	-	65	-	351	-	286*4
2. Upstream/downstream costs	-	-	-	-	-	-	-	-	-
3. Costs for management activities	Development/operation of environmental management systems, environmental information disclosure, etc.	-	393	8	320	7	279	-1	-41
4. Costs for research and development	-	-	-	-	-	-	-	-	-
5. Social activity costs	Charitable contributions related to environmental conservation, etc.	-	103	-	108	-	189	-	81
6. Environmental remediation costs	-	-	-	-	-	-	-	-	-
Total		1,640	1,241	2,943	1,916	7,455	4,119	4,512	2,203

Table 2. Benefits of Environmental Measures

Category	Environmental performance indicators*5	(Units)	2 periods prior FY 2009	Previous period FY 2010	Current period FY 2011	Environmental benefits compared to FY 2010*6
Environmental benefits related to resource inputs for business activities	City gas	'000 m ³	4,022	4,393	5,429	-1,035
	Oil	kl	1,948	1,714	1,417	296
	Kerosene	kl	119	134	137	-4
	Electricity	'000 kWh	532,065	531,761	457,522	74,239
	Steam	GJ	23,476	34,122	32,972	1,150
	Cold water	GJ	18,261	35,372	26,374	8,998
	Tap water	'000 m ³	2,301	2,225	2,036	190
Environmental benefits related to goods and services produced through business activities	Actual CO ₂ emissions based on GHG emission factors	t-CO ₂	254,398	240,868	209,922	30,947
	Waste water	'000 m ³	1,754	1,633	1,552	80
Other environmental benefits	Energy consumption associated with travel for executives and employees: air travel (international routes)	'000 km	49,228	56,982	67,185	-10,203
	Energy consumption associated with road travel for executives and employees: gasoline	kl	3,626	3,615	3,537	79

Environmentally Friendly Products and Services

■ Supporting Purchases of Eco-Friendly Homes



BTMU and MUTB support the greater use of renewable energy by offering a reduction in interest from posted rates that apply to each type of mortgage for a customer who builds or purchases an eco-friendly home meeting BTMU or MUTB criteria by having a photovoltaic system installed, and so on.

■ Environmentally Friendly Home Improvement Loans



Responding to a growing awareness about climate change and other environmental issues, BTMU offers incentives such as preferential interest rates on home improvement loans for eco-friendly improvements.

We offer financing at interest rates lower than 3%, with a 0.5% reduction below posted rates for regular unsecured loans of "Net DE Home Improvement Loans" and "Super Renovation Loans," not only for eco-friendly projects like installing photovoltaic systems, but also projects such as barrier free renovations to make homes more people-friendly (as of August 2012).

■ Offering a Service via Credit Cards



MUN offers a service in which customers can contribute to the environment by using points accumulated with credit cards (MUFG CARD, DC, or NICOS).

Customers who select the "Carbon Offset" option can obtain 0.2 tons of CO₂ emission credits for every 200 points redeemed, allowing them to support efforts under the Kyoto Protocol to reduce emissions.

Carbon offsetting is an approach to "offset" the CO₂ emissions from daily life and economic activities with emission reductions achieved by activities such as clean energy development, forest protection, tree planting, and so on. Meanwhile, by selecting the "Charity" option, customers can convert each point into a donation of 5 yen to a volunteer organization engaged in environmental conservation or similar activities.

■ Paperless Initiatives



To reduce CO₂ emissions by going paperless, BTMU has introduced Eco Bank Book and Eco Notification; these provide account information to customers anywhere and at any time through the Internet. The Eco Bank Book provides access via personal computers and smartphones to up to 25 months of deposits and withdrawals, and also allows customers to save notes about transactions to assist them in managing their household budgets. Because paper-based passbooks are not issued, customers do not need to record transactions, and there is no need to worry about losing the passbook. Eco Notification is a service through which online status updates are provided by the bank, including notifications of mutual fund transactions and the maturation of time deposits. When a new notification is posted, an e-mail is sent to the registered e-mail address, allowing the customer to efficiently manage the account and eliminating any worries about unrecorded transactions.

Through Internet banking, MUTB offers electronic delivery that allows customers to view various documents relating to investment trust transactions that would otherwise sent by mail. One benefit of this method is the reduction of environmental impacts, by eliminating the need to print and mail the documents, as they can be received and saved by a personal computer. MUTB stores electronic versions of some paper pamphlets, such as prospectuses for mutual funds being sold in branches, and has introduced the capability to print and bind such booklets on demand using copiers. This approach reduces the use of paper that would otherwise have been wasted when branches had to dispose of surplus pamphlets when revisions were made.

MUMSS is working to expand a service that allows customers to view electronically by Internet (in PDF format) about 60 types of documents the company sends out, including transaction statements and account statements. From July through September 2012, we implemented an "e-post sign-up campaign." For every account signed up for this service during the campaign, we donated 100 yen for the MUFG NFUAJ East Japan Earthquake

Recovery and Scholarship Fund.

MUN is working to expand its service by which customers can use the Internet to verify account statements that would normally be sent by postal service. By reducing the amount of paper used for account statements, we can reduce CO₂ emissions by about 500 grams per item mailed.

Also, a portion of costs saved by customers signing up to check their MUFG CARD statements online will be donated to public interest incorporated foundations engaged in environmental protection.

■ Promoting SRI Funds



Socially responsible investment (SRI) is a style of investing that helps create a better society by selecting corporations based not only on the conventional measures of growth and profitability, but also by considering their initiatives for the environment and society, and so on.

The Mitsubishi UFJ Global Environmental Stock Fund (dubbed "Future Vision") is an investment trust (SRI fund) that invests in shares of companies making an effort to increase profits and competitiveness while also seeing environmental solutions and the resolution of environmental problems as business opportunities. It has been operating since July 2008.

Supporting Funds-Procurement for Customers Promoting Environmental Efforts



BTMU and MUTB provide extensive support – from support for planning environmental initiatives to the provision of financing – for customers who engage in environmental businesses and for customer initiatives that aim to reduce greenhouse gas emissions from business activities.

To support funds procurement, all branches are making use of BTMU's strengths in the banking business by actively promoting financing to meet the demand for capital expenditures required for facilities to contribute to energy conservation. In addition, the Environmental Finance Office broadly supports initiatives to install energy efficient equipment for customers' factory construction, office buildings, retail stores, and so on.

MUTB also offers environmental financing schemes to support corporate efforts to address climate change.

Environmental Management Support Loans

BTMU works with Mitsubishi UFJ Research & Consulting to evaluate environmental management initiatives of corporate customers, and depending on the results, can offer Environmental Management Support Loans (CSR type) to finance them. When this program began in April 2011, a financing agreement was signed with transportation services company Nippon Yusen Kabushiki Kaisha (NYK Line) after an evaluation of its environmental management vision and technical initiatives to address climate change.

Also, through this type of financing, we promote the use of Environmental Management Support Loans (1% interest subsidy type) that make use of Japan's Ministry of the Environment's interest subsidy program for financing businesses that encourage environment friendly management. In January and February 2012, financing was provided for a wide range of companies that attained environmental ratings for having "progressive environmental management" and "acceptable initiatives," including Daikan (Osaka Prefecture), Mitsuba Corporation (Gunma Prefecture), Kagetsudo (Aichi Prefecture), and Technoflex (Tokyo).

The Ministry of the Environment's interest subsidy program offers a maximum 1% interest subsidy for up to five years for the interest on loans made to install environmentally friendly equipment and facilities, provided the borrower has acquired a certain environmental rating, and has made a declaration to reduce CO2 emissions and achieved results.

Loans to Generate Emission Credits

BTMU and MUL have started offering Loans to Generate Emission Credits to support customers' investments in energy efficiency, by making use of Japan's Domestic Clean Development Mechanism. The first of its kind in Japan, this product works when emission credits are issued after a certain energy-saving effect results from capital investments under these loans, and MUL then purchases those emissions (one year's worth) at market prices. In August 2011, this product was used when Meijo Shokuhin Co. (Aichi Prefecture) converted to energy-efficient boilers at factories in two locations (Shiga Prefecture, Yamaguchi Prefecture). Once the new boilers begin operating, an annual CO2 emission reduction of 1,000 tons is expected, and sales of the resulting credits can reduce actual financing costs by about one million yen. This is an innovative initiative, being a financing product that incorporates the purchase of emission credits that have been created as a part of a support scheme. The MUFG Group will continue working to support environmental investments by medium- and small-enterprise customers, by enhancing these kinds of initiatives to promote new environmental investment.

ECO Accreditation Support Loans

BTMU is developing products and services that support small- and medium-sized enterprises working to reduce their impacts on the environment. We offer ECO Accreditation Support Loans, which provide 100,000 yen in financing to cover a portion of accreditation costs of customers who have already acquired or are working to acquire ISO 14001, EcoAction 21, or some other type of environmental certification. For small- and medium-sized enterprise customers that have acquired Eco Stage* environ-

mental certification, we also provide the Eco Stage Bond, a bank-guaranteed private placement bond with reduced fees for bond issuance.

* Japan-specific environmental management standards administered by the Eco Stage Institute.

CO2 Reduction Support Loan

Since 2009, MUTB has been offering CO2 Reduction Support Loans, its own specially-developed product with preferential interest rates for customers that have made a "Declaration to Reduce CO2 Emissions" and wish to secure financing for environmental and other initiatives. The feature of this product is that if the customer is unable to reduce emissions as much as originally declared, money deposited at the outset into each segregated account will be donated to an environmental cause. This arrangement allows the customer to publicly demonstrate its commitment to CO2 emission reductions.

Financial Services for Environmental Businesses

MUL provides total support for achieving business plans by offering finance services to customers engaged in energy conservation and renewable energy. Besides providing corporate financing, we also offer diverse financial services that match projects and operations, such as by using project financing methods that rely on profitability and stability.

Carbon Offset Businesses

MUL offers the "Offset Partner Service" (a trust service for carbon offsets) to support from procurement to management of carbon offsets. This service supports customers' environmental initiatives in a variety of scenarios, such as development of products that come with carbon emission credits and provision of carbon offsets for exhibition events and manufacturing plants. Our "Carbon Natural Leases" (leases bundled with carbon emission credits) offset the CO2 that will be emitted in connection with the lease using carbon emission credits. Customers can, in effect, be engaged in environmental activities without having to do the cumbersome paperwork or accounting.

■ Various Services



The MUFG Group is engaged in a variety of other initiatives and services to address climate change.

● Eco-Custody

"Eco-Custody" is the term MUTB uses to describe its real-estate related environmental initiatives for corporate customers. Activities in this area are expanding.

In addition to our existing eco-custody initiatives for buildings that were entrusted from owners, in collaboration with partner corporations, we provide support to customers, such as suggesting CO₂ emission reductions and energy-saving actions for office buildings they own, and actions to comply with environmental regulations, including Japan's Law Concerning the Rational Use of Energy, and the Tokyo Metropolitan Environmental Security Ordinance.

● Social Contribution-Style Shareholder Benefits Service (Eco SBS)

MUTB offers corporate customers who use stock transfer agency services the option of adding a Social Contribution-Style Shareholder Benefits Service (Eco SBS) to their menu of benefits that shareholders themselves can choose. This offering allows shareholders to act on their desire to make a contribution to society by choosing "Make a donation for environmental conservation" as a shareholder benefit.

● Used Equipment Sales Business

Taking advantage of being a leasing company that deals with physical assets in the course of daily business, MUL is aware of its various roles and responsibilities relating to topics such as waste reduction, and has for years been trading in used equipment. For example, office equipment is reused and recycled through MUL Eco-Business Co., Ltd., which has a complete in-house system for secure data destruction, and approaches "zero emissions*" in its operations.

* "Zero emissions" refers to systems in society that employ reuse and various other means to result in almost no net emissions or waste.

● ESCO Services

Energy service company (ESCO) projects can assist large consumers of energy—including buildings, factories, hotels, hospitals and other facilities—to achieve greater energy efficiency. An ESCO project provides a package of services (which can include energy audits, planning, facilities upgrades, and validation of results) that achieve reductions in environmental impacts while also reducing costs. Because all of the costs associated with an ESCO project, including upgrading of facilities, can be recouped through future reductions in energy costs resulting from improved energy efficiency, ESCO projects can allow companies to achieve their environmental conservation and other goals without the need to invest new funds. Moreover, once an ESCO project achieves its return on investment, the savings resulting from reduced energy costs become a source of profit for the customer company (minus maintenance and management costs).

One feature of ESCO projects is that they do not seek any additional outlays by the customer company even in cases when a project's effectiveness in reducing energy consumption falls short of the original plans. Also, because of their comprehensive approach, ESCO projects can take advantage of a diverse suite of tools and approaches, including subsidy programs established by various countries, thus reducing the overall investment required.

MUL was one of the first companies in Japan to undertake ESCO projects and is recognized for its top-class performance in this field, having been involved in 398 ESCO projects so far (as of March 31, 2012).

● Green Leases and Tradable Green Certification Services

A "green lease" is a leasing service that covers a portion of the electricity consumed by leased equipment, by using "green" electricity generated using natural energy sources that have a low environmental impact, such as wind or solar power. Customers can easily use green power by applying Tradable Green Certificates to their lease contracts, thereby certifying the environmental value of the renewable energy used.

In July 2010, MUL was authorized as an issuer of Tradable Green Certificates, and launched a Tradable Green Certification service, by which MUL purchases from a customer the environmental value of the renewable energy generated from the use of photovoltaic equipment leased to the customer. MUL is using these acquired Tradable Green Certificates for green leases, which connect customers who want to invest in the environment with customers who want to reduce CO₂ emissions by using green power.

■ **CDM Consulting Activities**



The Clean Development Mechanism (CDM) is a market mechanism defined in Article 12 of the Kyoto Protocol, which was adopted under the United Nations Framework Convention on Climate Change (UNFCCC). Under the CDM, a developed country with a greenhouse gas emission reduction target provides technical or financial assistance to greenhouse gas emission mitigation projects to promote sustainable development in a developing country. The United Nations then certifies the resulting greenhouse gas emissions reductions, and the developed country is allowed to count the emission credits as its own reductions.

Know-how in CDM procedures and expertise in methodologies to calculate emission reductions is essential for successful implementation of a project under CDM scheme.

MUMSS became engaged early on in providing CDM consulting services, and has been involved in over 100 projects so far, including a biomass power project in Kandal Province in Cambodia that utilizes waste rice husks as fuel; 63 of these projects (as of June 2012) have been registered by the United Nations.

● **Rural Electrification Projects in the Kingdom of Bhutan**

One of the more recent CDM projects by MUMSS is the rural electrification by grid extension in the Kingdom of Bhutan. With a pledge to electrify all households in the country by 2013, the Government of the Kingdom of Bhutan is undertaking this rural electrification project with support of the official development assistance (ODA) provided by the governments of Japan and other countries. The project aims at reducing fossil fuel consumption and greenhouse gas emissions by supplying renewable electricity from hydroelectric power plants to non-electrified areas in the Kingdom of Bhutan.

For this project, MUMSS developed a novel CDM methodology, which was approved by the United Nations in March 2012. By utilizing its abundant hydropower resources for domestic electrification of the regions that lack electricity, the Kingdom of Bhutan will be able to promote energy self-sufficiency with renewable energy, thereby contributing to the country's sustainable develop-

ment. MUMSS will continue to support CDM registration of this project activity.

■ **Bilateral Offset Credit Mechanism**



The 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change (UNFCCC), held in November and December 2011 in Durban, Republic of South Africa, agreed to work toward the development of a "new legal framework" that would involve all of the countries of the world after 2020. Currently, various international negotiations are underway. The Japanese government has proposed internationally that its Bilateral Offset Credit Mechanism (BOCM) serve as a new mechanism to supplement the existing Kyoto Mechanisms. Since FY 2010, the Japanese government has sought proposals for support under its "Feasibility Studies Program for Establishing Bilateral Offset Mechanisms"; MUMSS has been involved in more than 20 related projects so far.

The BOCM can support activities in many different sectors, and efforts are underway to make use of the BOCM for activities in sectors including streamlining urban transport, energy-saving buildings and appliances, and water-saving sanitary equipment that have been difficult to support under the existing CDM framework, as well as to mobilize the know-how acquired through participating in the CDM to advance global warming solutions on a global scale in ways that will benefit both Japan and the developing countries.

■ **Project Finance for Renewable Energy**



Countries and governments around the world are initiating steps to support the growth of renewable energy sources as clean energy alternatives to fossil fuels. BTMU is a proactive supporter in the global development of renewable energy through its role as a project finance lender and provider of other financing services. Renewable sectors where BTMU and its group companies, including Union Bank in the United States, have provided debt finance include wind, solar and biomass power generation.

In the wind sector, BTMU has taken leading roles on a number of transactions globally. For example we acted as the financial advisor and mandated lead arranger of the 270MW Lincs Offshore wind farm project*¹ in the United Kingdom; mandated lead arranger for the 272MW Seigneurie de Beaupré wind farms*² in North America and are currently acting as finance arranger on the 52.5MW Hallett 5 wind farm project*³ in Australia. The Seigneurie de Beaupré project was awarded, the Americas Renewable Deal of the Year*⁴ award in 2011.

In the biomass sector, BTMU acted as the coordinating lead arranger of financing for the 100MW Gainesville Renewable Energy Center plant*⁵ which is the largest of its kind in the United States. This was one of the first large-scale biomass power generation projects financed which presented a number of unique challenges, but with the contribution of BTMU the transaction will now provide a template for financing future biomass energy projects.

In the solar sector, BTMU has financed several projects in Europe, Middle East and United States using both photovoltaic and concentrated solar thermal technology. For example we acted as mandated lead arranger for the 100MW Shams 1 concentrated solar power project*⁶ in Abu Dhabi which was the first large-scale renewable independent power producer in the Middle East.

The active involvement of BTMU and Union Bank in these and other projects resulted in us being the world's largest provider of project finance debt to renewable energy projects in 2011.*⁷

Renewable energy remains a core element of our global project finance strategy and we intend to continue to use our extensive experience and expertise to supporting the ongoing growth and global development of sustainable and renewable energy.

*¹ The Lincs Offshore Wind Farm is under construction off the east coast of Lincolnshire, England, and is scheduled to generate electricity from 2012. (Total financing GBP1 billion/over equivalent US\$1.5 billion).

*² The Seigneurie de Beaupré wind farms are under construction in Quebec, Canada, and are planned to become operational in 2013. (Total financing US\$725 million).

*³ Construction of the Hallett 5 wind farm was completed in March 2012. (Total costs of A\$129 million).

*⁴ The award for Americas Renewable Deal of the Year is presented by the Project Finance International (PFI) by Thomson Reuters.

*⁵ The Gainesville Renewable Energy Center is a large-scale biomass plant under construction in Florida, United States, and is planned to become operational in 2013. (Total financing US\$394 million).

*⁶ The Shams 1 CSP (concentrated solar power) station under construction in Abu Dhabi, the United Arab Emirates, is planned to become operational in 2012. (Total financing US\$634 million).

*⁷ World ranking according to PFI research.

"The Wild Bird and Greenery Trust" Fund for Environmental Conservation



MUTB created the Wild Bird and Greenery Trust fund 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, MUTB provides a matching contribution from its own funds (a minimum of 500,000 yen, and maximum of 2.5 million yen, semi-annually), further meeting our customers' desire to protect the environment. As of March 2012, the trust fund's contract balance was 243.8 million yen. In FY 2011, donations from the trust fund and matching donations from MUTB totalled 1.11 million yen.

• Bird Sanctuary Created for Red-crowned Crane Habitat

In March 2008, MUTB contributed funds to the Wild Bird Society of Japan to acquire land to permanently protect from development the nesting grounds of the red-crowned crane (also known as the Japanese crane) in Japan. The society purchased a 34.9-hectare parcel of wetlands in Nemuro City, Hokkaido, and established the Wild Bird Society of Japan–MUTB Rakuyo Bird Sanctuary.

Briefings on METI Subsidy Programs



BTMU organized briefings, in Tokyo, Nagoya and Osaka, on METI subsidies under two programs, one to promote siting of low-carbon job-creating industries and the other to support strategic basic technology advancement, which encourages corporations to invest in environmental businesses. Regional Bureaus of Economy, Trade and Industry, the accreditation organizations, provided an outline of each program and explained the key requirements for a project to be certified under the programs. Also, BTMU provided an overview of trends in environmental and energy conservation, while MUL explained key points about energy conservation subsidies and how to make use of them. With all three venues combined, a total of 113 companies attended the briefings. We will continue to share useful government information.

MUFG Seminar on "Energy-Saving Business"



For corporate customers who are aware of market concerns about the stability of the energy supply and possible increases in energy costs in the context of power supply-related issues in Japan, we organized the MUFG Seminar on "Energy-Saving Business" for electrical contractors and customers involved in the manufacture and wholesaling of energy efficient equipment who want to expand the sales promotion and marketing channels for their equipment.

At the seminars, BTMU, MUL, and the Mitsubishi Research Institute introduced topics such as general energy conservation trends in the corporate world, the possibility of future increases in energy costs, energy service company (ESCO) projects and emission credits, ways to incorporate subsidies into leasing arrangements, and ways to make use of environmental financing. In the future we will continue to work in an integrated way in the MUFG Group to help expand opportunities for companies in the energy conservation business.

**Environmental Accounting—
Finance to Reduce Environmental Impacts**

BTMU

BTMU indirectly supports activities that reduce impacts on the environment by financing customers' environmentally friendly projects. To determine the extent to which the financed activities reduce impacts on the environment, we also estimate the economic value of these reductions by identifying the reduced environmental impacts of substances, including CO₂.

Our assessments of the benefits of environmentally friendly projects have covered the installation of alternative energy equipment such as wind power, recycling facilities for industrial waste, factories or facilities such as melting furnaces and landfills with proper waste processing, installation of energy-saving equipment and materials at factories and other buildings, and the construction of energy-efficient buildings.

To ensure the transparency of the estimation process, BTMU's environmental assessments follow the ISO 14040 series of standards for lifecycle assessment, through which we can identify the reduction of environmental impacts as a result of designing projects to be more environmentally friendly. As an example of the methodology used, in the case of equipment that use alternative energy, the reduced environmental impact resulting from the equipment introduction is represented by the reduction in greenhouse gas emissions, compared to emissions from conventional power generation equipment.

To estimate the reduced environmental impact in monetary terms, BTMU uses evaluation coefficients from the Maximum Abatement Cost Method,*¹ estimated from reduction measures currently being taken in Japan for substances that have environmental impacts.

Cumulative CO₂ emission reductions in FY 2011 amounted to 396,900 tons, about 90% greater than the MUFG Group's CO₂ emissions of 209,900 tons (based on GHG emission factors) in FY 2011. The cumulative benefit of the economic value of environmental impact reductions in FY 2011 amounted to 3.969 billion yen. This was achieved by efforts to reduce the quantity of substances that have environmental impacts, and means that it would cost 3.969 billion yen to obtain the same benefit.

BTMU will continue to contribute to environmentally conscious projects of our customers, and at the same time will strive to quantify the reduction of use of substances that have environmental impacts and to calculate economic benefits of these efforts.

*¹ Maximum Abatement Cost Method: Oka, T., M. Ishikawa, Y. Fujii, G. Huppes, 2005. Calculating Cost-effectiveness for Activities with Multiple Environmental Effects Using the Maximum Abatement Cost Method, Journal of Industrial Ecology 9(4):97-103.

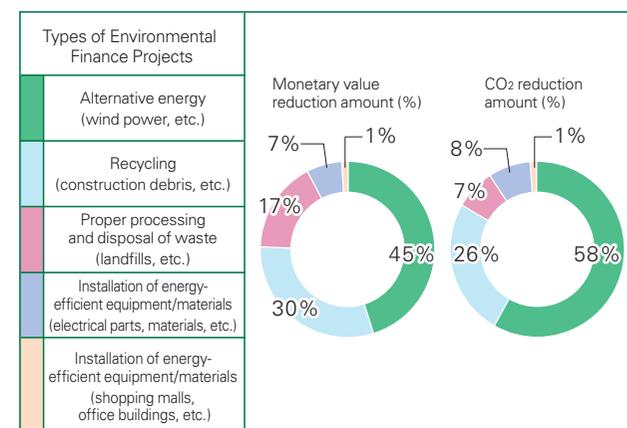
Value of Environmental Impact Reductions Achieved through Financing (Annualized Basis)*²

Line and scale on right indicate CO₂ emission reductions as portion of environmental impacts. (Thousand tons CO₂)



*² Reductions in value of environmental impacts and for CO₂ are based on facilities' operations plans.

Environmental Finance Projects by Type, 2004-2011



Estimated Reduction and Monetary Value

Type	Cumulative CO ₂ Reduction* ³ (thousand tons/year)									Cumulative Monetary Value* ⁴ (million yen/year)							
	FY	Before 2004	2005	2006	2007	2008	2009	2010	2011	Before 2004	2005	2006	2007	2008	2009	2010	2011
Substance	CO ₂	2.7	158.7	293.6	314.7	351.0	371.0	375.8	396.9	19	1,111	2,055	2,203	2,457	2,597	2,630	2,779
	NOx	0.006	0.083	0.145	0.208	0.357	0.375	0.377	0.384	16	208	361	520	892	937	942	961
	SOx	0.008	0.048	0.071	0.081	0.099	0.113	0.115	0.122	0	2	3	3	4	5	5	5
	COD	0.007	0.007	0.007	0.010	0.010	0.012	0.012	0.012	34	34	38	50	50	60	60	60
	Total Nitrogen	0.009	0.009	0.010	0.010	0.010	0.010	0.010	0.010	145	147	162	164	164	164	164	164
	Total	-	-	-	-	-	-	-	-	-	213	1,503	2,619	2,940	3,568	3,763	3,802

*³ Reduction: Total amount of reduction (thousand tons/year) for each substance reduced by environmentally friendly projects (fiscal year totals).

*⁴ Monetary Value: Reduction amount (thousand tons/year) x coefficient of Maximum Abatement Cost Method (thousand yen/ton).

Estimated Value of Environmental Impacts (Evaluation Coefficients for Maximum Abatement Cost Method)

Substance	Coefficient (thousand yen/ton)	Methodology for Estimation of Coefficients
CO ₂	7	Highest-cost measures required to achieve targets under the Kyoto Protocol
NOx	2,500	Estimated from costs of Automobile NOx Law
SOx	43	Estimated from flue gas desulfurization costs for thermal power plants
COD	5,100	Estimated from wastewater treatment costs for Lake Biwa (Japan)
Total Nitrogen	16,745	Estimated from wastewater treatment costs for Lake Biwa (Japan)

Employee Policies and Initiatives

We strive to create work environments that foster an effective approach towards work.

Basic Policies and Structures

The MUFG Group believes that higher employee satisfaction is reflected in work performance, and leads to increased customer satisfaction. The Group also believes that employees' job fulfillment is reflected in society and at home, fostering better communities. Based on these beliefs, we listen to employees' ideas to create more fulfilling workplaces.

■ Status of Employees (new criteria)

		FY 2008	FY 2009	FY 2010	FY 2011
The Bank of Tokyo-Mitsubishi UFJ	Number of Employees*1	33,827	34,902	34,797	35,480
	Of these, overseas local hires	5,367	5,532	6,084	6,814
	Contract employees	2,053	2,008	2,000	1,896
	Temporary employees*2	17,224	14,392	12,795	12,262
	Average age	37 yrs. 8 mo.	37 yrs. 6 mo.	37 yrs. 10 mo.	38 yrs. 1 mo.
	Average years of continuous service	14 yrs. 10 mo.	14 yrs. 6 mo.	14 yrs. 9 mo.	14 yrs. 11 mo.
Mitsubishi UFJ Trust and Banking	Number of employees*3	7,069	7,144	7,090	6,999
	Of these, contract salespersons	887	858	821	749
	Of these, overseas local hires	212	212	206	214
	Temporary employees	2,127	1,963	1,676	1,471
	Average age*4	40 yrs. 5 mo.	40 yrs. 4 mo.	40 yrs. 6 mo.	40 yrs. 8 mo.
	Average years of continuous service	15 yrs. 1 mo.	15 yrs. 1 mo.	15 yrs. 5 mo.	15 yrs. 8 mo.
Mitsubishi UFJ Morgan Stanley Securities	Number of employees*3	6,732	6,750	6,587	4,707
	Of these, overseas local hires*5	3	4	0	0
	Temporary employees	Avg. 998	Avg. 349	Avg. 191	Avg. 187
	Average age	38 yrs. 10 mo.	38 yrs. 9 mo.	39 yrs. 7 mo.	39 yrs. 10 mo.
	Average years of continuous service	11 yrs. 10 mo.	12 yrs. 1 mo.	13 yrs. 1 mo.	12 yrs. 8 mo.
Mitsubishi UFJ NICOS	Number of employees*6	3,692	3,732	3,742	3,420
	Average age	38 yrs. 0 mo.	38 yrs. 4 mo.	38 yrs. 8 mo.	38 yrs. 9 mo.
	Average years of continuous service	14 yrs. 0 mo.	14 yrs. 4 mo.	15 yrs. 1 mo.	15 yrs. 2 mo.

*1 Does not include executive officers, excludes BTMU employees seconded to other companies, includes employees of other companies seconded to BTMU.

*2 Includes temporary staff. *3 Does not include executive officers.

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

*5 Employees hired by the Beijing office. *6 Does not include executive officers or seconded employees.

■ Number of Hires*1

		FY 2008	FY 2009	FY 2010	FY 2011
The Bank of Tokyo-Mitsubishi UFJ	Main Career Track	530	350	507	578
	Main Career Track (specific)		159	104	158
	Area-Specific Track	1,033	147	245	591
	Total	1,563	656	856	1,327
Mitsubishi UFJ Trust and Banking	Track G	183	177	147	144
	Track B	189	191	103	56
	Total	372	368	250	200
Mitsubishi UFJ Morgan Stanley Securities	Main Career Track	238	84	148	47
	Regional Track	183	48	50	0
	Total	421	132	198	47
	Females among new hires for Main Career Track*2	-	-	27.7%	31.9%
Mitsubishi UFJ NICOS	Main Career	52	42	20	28
	Regular Service	103	70	0	20

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

*2 There were 41 female Main Career Track employees in FY 2010 and 15 in FY 2011.

■ Number of Employees Using Support Systems and Leave

		FY 2010	FY 2011
The Bank of Tokyo-Mitsubishi UFJ	Childcare leave	1,312 (233 men)	1,503 (198 men)
	Shorter work hours for childcare	514	654
	Nursing care leave	116 (25 men)	131 (24 men)
	Relocation recruitment system	89	79
	Family care leave	20	16
Mitsubishi UFJ Trust and Banking	Childcare leave	158 (3 men)	178
	Shorter work hours	96	137
	Subsidy for childcare expenses	212	208
	Use of maiden name	101	120
	Employees in the Job Challenge system	46	44
	Mitsubishi UFJ Morgan Stanley Securities	Childcare leave	74 (2 men)
Shorter work hours for childcare		99	112
Family care leave		0	0
Relocation requests*1		14	3

*1 Total for fiscal year.

Promoting Work-Life Balance

■ Certification under the Act on Advancement of Measures to Support Raising Next-Generation Children

The MUFG Group has obtained certification under the Act on Advancement of Measures to Support Raising Next-Generation Children. Employers satisfying certain requirements, such as having a proper employer action plan in place and supporting the work-life balance of employees, are able to obtain certification from the directors general of prefectural labor departments. Going forward, the MUFG Group will continue to provide additional support to enable employees to balance work and family life.

■ "Merihari" Work & Life

BTMU is carrying out a program to further enhance the work-life balance of employees. Named the "Merihari" Work & Life (meaning "Improve work efficiency and balance" and "Reduce working hours") Campaign, this program aims to promote lively working styles by adding tips and improvements to what are already highly-productive working styles and efficient uses of time. "Going home signs" (*Kaeru Fuda*) were distributed to offices and branches that requested the signs, and using the signs, employees could announce the time that they planned to finish work and go home. A number of offices are serving as model offices to show how work can be carried out more efficiently.

■ Childcare Leave with Partial Pay

In response to requests by male employees to take childcare leave and be involved in raising their children, BTMU allows male employees to take up to 10 days of paid childcare leave, while MUTB offers male employees up to two weeks of paid childcare leave. These options encourage male employees to take childcare leave, as part of the MUFG Group's efforts to create a corporate culture conducive to realizing work-life balance.

■ "Family Visit Day"

In August 2011, MUN held "Family Visit Day," an event where

employees' family members were invited to see their parents working at the office. Children visited their parents' workplace where they had a rare chance to see and practiced exchanging business cards. Friendly welcome parties hosted by each division drew particular excitement from the children. By holding events like this, MUN hopes to raise employees' families' understanding of the company, strengthen ties between them, and raise employees' enthusiasm towards their work.

■ Programs to Support Employees' Return to Work

BTMU has introduced an Internet-based educational program called "wiwiw" to help employees on childcare leave ease back into work life. The company also offers diversity management training for heads of branches and offices to learn methods for developing and managing a diverse workforce that includes working mothers.

■ "Work-Life Balance 10" Personnel System

To further promote a good work-life balance for its employees, MUTB has established a personnel system called "Work-Life Balance 10." This system consists of ten components combined into one overall program:

1. Expanded childcare leave system (2 weeks of paid leave)
2. Shorter work hours system (up to 3 hours)
3. Hospital care leave system (one paid day of leave per month)
4. Subsidy for childcare expenses
5. Interview on return from childcare leave
6. Voluntary flex-time system
7. "Re-Challenge Plan" (re hiring program)
8. Use of maiden name
9. Training to increase knowledge and awareness (e-learning)
10. Implementation of knowledge- and awareness-raising programs

In recognition of these efforts, under the Ministry of Health, Labour and Welfare's Corporate Achievement Awards for Supporting Gender Equality and Work-Life Balance, in FY 2010 MUTB was given the Minister's Awards of Excellence for both promoting equality in the workplace, and for being a family-friendly company.

■ Expanding Maternity and Childcare Support Programs

MUMSS continues to expand its programs supporting the work-life balance of its employees. Recent efforts aimed at creating a family-friendly work system include the expansion of the system allowing employees to shorten their working hours to allow more time for childcare, adding partially paid childcare leave, and introducing a new leave program to support parents who have children entering elementary school.

■ Childcare Support

In FY 2010, MUN introduced a Return to Work Program comprising at-home learning and a class upon their return to work for employees taking childcare or family care leave. This program helps these employees maintain their skills and feel confident upon returning to work when their period of leave ends. In addition, to support diverse working styles, the scope of employees considered to be raising children was expanded to include an individual with a child up until the end of the fiscal year when the child is in the third grade of elementary school. The half-day leave program was expanded to allow employees to take a half-day off up to 20 times per year.

■ Reduction of Working Hours

MUN promotes employees' work-life balance by reducing long working hours, and encouraging employees to take consecutive days of paid annual leave. In addition to promoting a "No Overtime Day" once each week at all company offices, all employees are encouraged to leave early on July 7 in conjunction with "Cool Earth Day" and on bonus payment days, and to go home early all week long for the Japanese traditional annual *Obon* holidays before and after August 15, and two weeks in November in association with "Family Week." In addition, MUN has established a system for employees to take five consecutive days of paid annual leave each year, as well as "anniversary leave," which encourages employees take paid leave on private anniversaries. In FY 2011, 97.9% of employees took five consecutive days of paid annual leave. As a result, 66.3% of overall annual leave days (12.5 days) were taken in FY 2011.

Offering an Open Workplace

■ Listening to Our Employees



In FY 2011, the MUFUG Group in Japan again utilized intranet systems to gather opinions from employees and conduct employee satisfaction surveys in order to ensure that employees' opinions are reflected in both operations and company systems.

BTMU has introduced a system on its intranet called "OPEN" which provides a channel for employees to share their opinions anonymously or using their real names. As part of employee and staff satisfaction surveys, in principle, once each year an anonymous survey of all employees in Japan is conducted for the purpose of developing corporate culture.

MUTB conducts an annual employee satisfaction survey (ES Survey) of all its employees in Japan. Survey results and employees' opinions are communicated to management and employees alike in order to build a shared understanding, and are also used to improve the working environment.

MUTB plans to continually make improvements around issues that are raised by the survey.

MUMSS maintains an Opinion Box via the company intranet which gives employees a way to express their ideas and requests. The relevant departments consider these ideas and proposals, and management responses are communicated to employees. In addition, an employee satisfaction survey is conducted, with the results utilized by management and to improve the corporate culture.

MUN has been conducting an employee awareness survey (morale survey) that targets all employees, including part-time and temporary staffers since FY 2008. A comparative analysis of the most recent survey with past surveys helps the company monitor changes in awareness. The survey also helps identify unresolved issues and shape future policy decisions, the results of which are shared with all managers and employees.

■ Dialogue with Corporate Directors



The MUFUG Group creates opportunities for corporate directors and employees to speak directly and work to incorporate employees' opinions into company management.

At MUMSS, senior managers have posted "To All Employees" messages on the company intranet since April 2011. The intranet also serves as a tool for two-way communications, as employees are able to respond to these messages through the intranet.

■ Customer Service Week



MUN holds a Customer Service Week once a year. In FY 2011, each workplace engaged in a discussion about workplace communication and ways to earn customer trust, making use of the activity to share personal thoughts and observations and encourage the translation of ideas into action. As examples of activities, members of senior management strengthened communication with employees by visiting offices to express their constant appreciation for employees' work, and heads of branches and offices delivered handwritten thank you cards.

■ Utilizing Customers' Compliments



Since January 2011, MUN has been including compliments from customers in monthly pay stubs to give employees the gratification that comes with satisfying customers and also to have employees' families better understand and feel more familiar with the company and its services. MUN will continue making efforts to increase the level of understanding and satisfaction of employees and their family members.

■ Employee Health Promotion



Four BTMU offices (the Marunouchi Head Office and the Otemachi, Nagoya, and Osaka Buildings) are equipped with Health Consultation Offices, where they work with doctors and counselors to help employees with any mental health issues they face. The health consultation offices also send a monthly newsletter to employees containing information about physical and mental

health.

MUTB has established the Employees Counselors Division, which works with medical advisors and counselors to promote the physical and mental health of employees. The offices work to maintain employee health, for example, by launching counseling services, offering health advice based on routine medical exams, and providing health-related information.

At the Health Promotion Division of MUMSS, medical doctors and occupational health nurses provide healthcare support to employees based on the results of routine medical exams, and also work to improve the working environment by meeting with employees about overwork, and managing the Health Committee. The Health Promotion Division also publishes a newsletter, lends audio CDs for relaxation and otherwise disseminates useful information about managing and improving one's health, as well as information on how to combat new influenza pandemics. With respect to mental health, professional counseling is provided by clinical psychologists who work closely with physicians, and employees are encouraged to become more aware of mental health issues through activities such as managerial-level trainings and seminars open to all employees.

At MUN, a full-time supervising medical advisor in the head office works closely with part-time medical advisors in offices throughout the country. Follow-up measures after medical exams, mental healthcare, meetings with employees about overwork, and other measures are used to promote employee health management. Through both a checklist that allows employees to determine the degree of their accumulated fatigue, as well as through the company bulletin, employees are educated about the importance of proactively managing their own health.

Developing Human Resources

■ Enhancing Training Programs



BTMU divides human resources development for all employees into two main categories, one being personal capacity, and the other skills and expertise. While human resources development is based on reinforcement through daily work, in order to bolster the personal capacity of employees, training is implemented on a company-wide basis according to rank. In addition, skills-training programs are provided for each division, with the aim of raising the level of employees' skills and expertise, which are necessary in order to provide superior financial services. Furthermore, a full palette of self-enrichment support systems is offered to all employees, providing them with opportunities for self-directed learning. BTMU believes that enhancing these training programs helps employees think about their own aptitude and orientation at each juncture in their careers, to blaze their own trail for their careers, to enhance their personal capacity, and to develop as individuals.

MUTB provides training catered to each individual's position, rank, and occupation, and through its Personnel Development Program in each field of business, conducts practical job rotation, carries out training for the specific work responsibilities of each division, and supports employee efforts to attain job-related qualifications with the aim of strengthening its human resources. In addition, the bank is expanding the range of educational opportunities for employees seeking to independently develop their careers by offering classes that cover such subjects as time management and logical thinking. MUMSS provides both rank-specific and function-specific training to all employees, from new hires to corporate directors. The company also supports employees' efforts to develop personal qualities and skills and attain work-related qualifications. To strengthen compliance, monthly training sessions focusing on a common, company-wide topic are held in each division, and employees are tested on what they learned every six months. As a means to raise the basic skill level of young employees, since FY 2011 MUMSS has been promoting an "instructor" system within the Personnel Division.

Instructors manage the development of young employees on an ongoing basis from the hiring stage and across all divisions by providing mentorship and, when needed, on-the-job training support.

Since FY 2011, MUN has been working to restructure its human resources development framework, an effort that led to the creation of an internal institute for the training of all MUN employees called MUN Academy. The academy helps employees change their awareness and behavior on their own by providing a variety of educational programs focused on three key metrics: expertise, strategy, and personal capacity.

■ Preparing Ourselves for Globalization



BTMU organizes and implements a variety of training courses under MUFG Global Academy to give employees the skills they need in order to succeed on the global stage. For example, the Global Rotation Training Program provides locally hired staff in our overseas operations with a year of on-the-job training in another country, while the MUFG Corporate Finance Seminar brings home staff and locally hired staff to Hong Kong to study corporate finance. By increasing opportunities for more employees to acquire skills regardless of nationalities, geographic areas and cultures, BTMU aims to develop human resources that can meet customers' needs which have been globalized and diversified.

■ Changes in Career Track and In-house Recruiting



The MUFG Group has put in place systems that allow employees to change their particular occupation or career track, as well as in-house job-posting systems that let employees apply for different jobs that they want to try. As one example of this, BTMU has put in place a system that allows non-permanent staff (contract employees, etc.) to become regular employees. This is part of BTMU's pursuit of its CSR goals of allowing people opportunities to try new challenges, and of respecting the balance between work and personal lives of employees. At the same time, this system helps BTMU hire and retain talented personnel. Since the system was introduced in FY 2006, over 500 non-permanent staff have become regular employees. MUTB implements in-house recruiting two to four times per year

based on the "Job Challenge" (an in-house recruitment system) for all employees who wish to change their careers in the company and the "Post Challenge" system for managerial-level employees. As part of the "Job Challenge" system, MUTB offers the "Global Challenge Course" for employees to transfer to overseas offices and domestic offices that require foreign language ability. There have been cases of employees hired as area-specific employees transferring to overseas offices to take on new responsibilities at branches and offices. In FY 2010, as part of MUTB's efforts to help employees build their careers, the "Active Career Challenge System" was established, putting in place a framework whereby employees can choose how they want to work until the age of 65. Going forward, MUTB will continue to develop systems in response to employees' own motivation and desire to challenge themselves.

In FY 2012, MUMSS established an Area-Specific Main Career Track, in addition to the Specific-Track, for employees wanting to work in a broader capacity like Main Career Track employees. Every year, many employees at MUMSS take the test to switch from a regional track to an Area-Specific Main Career Track, or from an Area-Specific Main Career Track to a Main Career Track under the company's existing system to allow changes in career track.

MUN has a system that allows Regular Service to change to the Main Career, and vice versa. In the four years since this system was launched, 42 employees have changed tracks and are now working with a new set of responsibilities and in new workplaces. Going forward, we will actively hire talented employees with a desire to change career tracks and aim to put in place systems that emphasize a work-life balance.

■ Corporate Citizenship Project



Since FY 2007, BTMU has included volunteer work in the training programs for new employees. By having them participate in volunteer activities in the local community, this program aims to help employees become aware of their roles as members of society and to have them adopt the basic attitude of serving society and proactively offering what they can to people and society in general.

This hands-on training program, called the "Corporate Citizenship Project," consisted of two parts. In the first part, 736 new hires cleared snow from the grounds of two elementary schools in Yuzawa Town, Niigata Prefecture, which had helped us greatly in carrying out our introductory training program. In the second part of the project, new employees spent two days visiting a total of 211 residential facilities for the elderly and persons with disabilities, a program that was made possible with help from the Tokyo Voluntary Action Center and other volunteer centers in Tokyo.

The entire process, including the pre-visit orientation, doing the actual work, and post-activity reflection, gave the new employees a chance to realize a lot about the role of the bank as a corporate citizen and their own role as an individual. At the conclusion of the training, the new hires discussed their experiences, with some commenting that the program was a good opportunity to think about what they can do as a member of society and others saying that it helped them to understand the importance of thinking about things from someone else's point of view. Just as importantly, the program allowed newly-hired employees to recognize their significance as members of society.

Promoting Diversity

■ Supporting the Career Development of Female Employees

To support the career development of female employees, BTMU has set numerical targets and actively recruits female workers. New numerical targets were set in April 2011, and BTMU is working to develop female managers in domestic commercial banking offices, overseas branches and headquarters that have not had many female managers over the past years. BTMU is also promoting its programs to allow employees to change their career track and support contract employees who want to become regular employees.

In addition, the Main Career Track (specific) and Area Specific (AS) Track Relocation Recruitment System allows Main Career Track (specific) and AS Track employees, who would normally not be given a job transfer that requires them to change their place of residence, to request a transfer to another area for reasons such as the work

relocation of a spouse or to provide care for family members. BTMU also introduced a system giving employees shorter working hours for maternity, child care, or family care. These measures enable certain employees to continue their careers without interruption.

■ Creating the Diversity & Inclusion Office from the Activities of the Working Group on Diversity

Equal partnership activities originated from BTMU's initiatives to raise the level of customer satisfaction (CS), and began in 2005 with the formation of the working group on diversity, tasked with thinking about new working styles for women. Through their proposals to corporate directors, this working group comprising eight female employees led to the establishment of the Equal Partnership Office in 2006 and paved the way for the creation of the Diversity & Inclusion Office in 2010.

In addition to actively promoting women in the workplace, the Diversity & Inclusion Office also aims to create a corporate culture that is receptive to diversity and allows every employee to further demonstrate his or her abilities.

■ Project to Promote the Full use of Women's Abilities in the Workplace

In April 2011, MUMSS launched the project to promote the full use of women's abilities in the workplace. Under the project, the Women's Abilities Promotion Newsletter was created in response to requests from female employees wanting to learn how to become a manager or build a career as a working mother. The newsletter, which profiles successful working women and gives guidance on career development, is distributed to all employees, male included. The project aims to raise awareness across the company and create a workplace environment where female employees can better attain their full potential.

■ Supporting Female Employees' Work-Life Balance

To help achieve a better work-life balance, MUN offers a longer period of time during which they can work reduced hours when

raising a child, and introduced a program to help employees on childcare or nursing care leave return to work. Currently, approximately 120 employees are utilizing these programs aimed at building a more supportive work environment.

■ Promoting Female Employment

An active supporter of women in the workplace, MUTB holds seminars for female college students where it takes an innovative approach to helping women paint a clear picture of the careers they could have after joining the company. One such approach is passing out pamphlets that illustrate the day-to-day lives of female employees striving to balance work with personal or family life. Efforts like this have led to an expansion in the roles of women hired, with women making up around 30% of those hired by the company under its General Track, which sets no restrictions on work location.

■ Employing Persons with Disabilities

Within the MUFG Group, employees with disabilities are actively working in various offices. The MUFG Group works closely with employees to match their duties to each individual's skills and aptitudes.

BTMU has two special subsidiaries, MU Business Aid Co., Ltd. and MU Business Partner Co., Ltd., which promote the hiring of persons with disabilities. These companies are hiring many persons with disabilities to work on bank operations on an outsourcing basis.

MUTB works with special subsidiary Ryoshin Data Co., Ltd., which specializes in data entry operations, to create employment for persons with hearing and other disabilities. The company has hired a cumulative total of 120 persons with disabilities over the past 30 years, and as of June 2012, 47 such employees were engaged in a wide range of operations, such as data entry and creating electronic versions of manuals.

■ Continuing Employment of Retirees

To support workers who wish to remain active after passing the mandatory retirement age, the MUFG Group has introduced systems for ongoing employment of qualified employees who wish to remain employed with the company.

Human Rights Policies and Initiatives

The MUFG Group recognizes respect for basic human rights as an important management theme, and has established the Principles of Ethics and Conduct and compliance manuals.

(The "Principles of Ethics and Conduct" are listed on page 18.)

Human Rights Initiatives

The MUFG Group recognizes respect for basic human rights as an important management theme and has established the Principles of Ethics and Conduct and compliance manuals as part of its efforts to eliminate discrimination and create friendly workplaces.

We shall take the basic position of respecting humanity, and shall not discriminate against people or violate human rights on the basis of race, nationality, belief, religion, gender, or other grounds where legally protected.

Through human rights training and human rights awareness activities, the MUFG Group is working to make sure that all employees properly understand human rights issues and that they increase their recognition of such issues.

■ Consultation Systems at the MUFG Group



BTMU has established a Bank Employees' Consultation Office in its offices in Tokyo, Nagoya and Osaka. All employees, including temporary staff, can consult the Office about human rights issues such as sexual harassment and other abuses of power. The

Office also carries out human rights awareness activities as part of efforts to create friendly workplaces.

MUTB has established a Human Rights Awareness Promotion Office in the Personnel Division. All employees, including temporary staff, can consult the Human Rights Awareness Promotion Office about human rights issues such as sexual harassment and other abuses of power in a variety of ways, including in person, over the phone, or via e-mail. The Human Rights Awareness Promotion Office also carries out human rights awareness activities as part of its efforts to create friendly workplaces.

MUMSS has started hotlines both inside and outside of the company to receive and handle consultations from employees about human rights issues such as sexual harassment and other abuses of power in the workplace.

MUN has established a telephone consultation center in the Compliance Supervising Department and an external telephone consultation center as help lines to receive and handle consultations from employees about human rights issues such as sexual harassment and abuse of authority in the workplace.

Local Community Policies and Initiatives

We encourage a range of social contribution activities based on employee participation, as a member of the communities where we interact with many people, in Japan and around the world.

Basic Policies and Structures

We recognize that the very existence of the MUFG Group is sustained by society as a whole and that we have a duty to consider the key issues facing society. We have therefore identified "Addressing Global Environmental Issues" and "Nurturing Society's Next Generation" as the two priority themes to be addressed by the entire Group. We undertake our environmental and social contribution efforts in keeping with this basic policy and philosophy. (The "Group CSR Priority Themes" are listed on page 5.)

Major Initiatives

■ Environmental Education Project

"Save Our Common Treasures of the Earth"



Starting in FY 2008 and running through FY 2012, the MUFG Group and the Mitsubishi UFJ Environment Foundation, in collaboration with the National Federation of UNESCO Associations in Japan, are engaged in a five-year educational project, named "Save Our Common Treasures of the Earth." The project's aim is to help ensure that humanity's shared "treasures" are passed on to future generations. This is a project designed to give

children opportunities for "learning," "discovery" and "action," by helping them to know the wonder of the natural environment and biodiversity, and to develop an interest in protecting the Earth's abundance for the benefit of future generations while also considering related issues.

<http://www.unescoesd.jp/> (in Japanese)

■ Next Generation Leaders Training Program for Asia and the Pacific



Since FY 2008, the MUFG Group and a public interest incorporated foundation, the Organization for Industrial, Spiritual and Cultural Advancement (OISCA) International, have jointly conducted the "Next Generation Leaders Program for Asia and the Pacific." This program brings youths from Asian developing countries to OISCA's training center in Fukuoka City, Fukuoka Prefecture, where they receive one year of training in management and environmentally friendly organic farming techniques, to prepare them to serve as leaders in their home countries after their return.

■ Economic/Financial Education Program

"Let's Learn about Finance and Economy"



In collaboration with Tsukuba University, the MUFG Group has developed this educational support program to help students "enjoy learning about the importance of money and the mechanisms of finance." This program is used in elementary school classes throughout the country. The MUFG Group employees host field trips to branch offices, where they use this program to provide explanations to teachers and students.

■ "Job Shadowing" Work Experience Program



Every year since FY 2007, we have conducted a "Job Shadowing" Work Experience Program, through which high school students pair up with employees to learn firsthand about the difficulties and joys of the work experience; this helps participating students to think about their future careers and employment options. In the FY 2011 program, 102 students from metropolitan high schools

experienced what it would be like to work at MUFG, BTMU, MUTB, MUMSS, MUN, and MUL Head Offices, and later participated in a group discussion with other participants. Here are examples of their impressions of the program: "It changed my image of what work is really like." "I realized how important it is for me to learn English and how to operate computers."

■ Hosting Internships



The MUFG Group hosts opportunities for college students to pursue internships while they undertake their academic studies. These internships provide students with work experiences that allow them to make use of their talents, while providing them with a variety of insights.

■ Hosting the "MUFG Graduation Memorial Cup Soccer Tournament"



Each year, the MUFG Group hosts the "MUFG Cup," a youth soccer tournament for sixth-grade students about to graduate from elementary schools in Tokyo, Aichi, and Osaka. The concept for this tournament is to use sports as a way to foster friendships among soon-to-graduate students and to develop an appreciation of others. The Fifth MUFG Cup was held from January to March 2012, assisted by volunteers including MUFG Group employees. A total of more than 7,000 children have participated since the first annual tournament.

■ "MUFG Girls' Soccer Invitational Tournament"



With the aim of providing a forum for children's healthy development through sports, the MUFG Girls' Soccer Invitational Tournament was held at the Ajinomoto Stadium in Tokyo in October 2011. In all, 1,000 girls from 110 elementary and junior high school teams participated. Many other activities were offered in addition to the soccer matches themselves, such as mini-games and soccer clinics offered by players originally from the professional J-League, making it a fun day of soccer for all.

■ **"Gifts for the Future" TV Program**



The MUFUG Group has been sponsoring the TV program "Gifts for the Future" (broadcast every Saturday from 10 p.m. to 10:54 p.m. on BS-TBS TV) since May 2009 as part of our CSR activities. This documentary-style program introduces corporations and other organizations that address social issues through their business activities; more than 80 companies and organizations have been profiled so far. Past episodes of the program are available online through the MUFUG website.

<http://www.mufug.jp/csr/movies/> (in Japanese)

■ **"Peter Rabbit® 'Forest for the Future'"**

Environmental Conservation Activities



MUTB signed the "Saitama Prefecture Afforestation Agreement" with Nagatoro-cho in Saitama Prefecture in May 2009; based on this, forest conservation activities were initiated for a community forest (about one hectare in size) on Hodo Mountain in Nagatoro-cho. Because MUTB has been adopting Peter Rabbit® as its mascot since 1988, this forest on Hodo Mountain has been named the "Peter Rabbit® 'Forest for the Future'." Employees and their families participate in tree planting and weeding activities every year.

■ **Teaching as Part of**

Industry-Academia Partnerships



Since April 2007, MUTB has participated in joint industry-academia courses in cooperation with the Graduate School of Engineering at the University of Tokyo. Employees provide lectures on subjects they are working on, sharing the latest information in their fields. In FY 2012, three sessions were held, starting in June.

Each year, MUMSS employees participate in special lectures organized by Nagoya University for graduate students. This lecture was intended not only to promote an appreciation of the role played by mathematics in the financial sector, but also to interest science and engineering students in the field of finance.

■ **Supporting the Activities of UNESCO Associated Schools**



The basic view of Education for Sustainable Development (ESD) is to foster each individual to take part in creating a sustainable society. BTMU has been collaborating with a public interest incorporated association, the National Federation of UNESCO Associations in Japan to support the activities of UNESCO Associated Schools, which serve as centers for the promotion of ESD. In FY 2011, 67 schools received grants from the newly established "UNESCO Associated Schools ESD Assistance Project." In FY 2011, the new "ESD International Exchange Program" was launched; this project sends high school students from UNESCO Associated Schools to Germany and France, providing them with ESD-related learning opportunities based on international exchanges. (Conducted in July 2011 and March 2012.)

■ **Fostering Environmental Leaders**



The transition to a low-carbon society is essential to curb global warming and to realize a sustainable society. MUMSS participated in the development of the "Designing a Low-Carbon Society" course offered since FY 2009 by Keio University's Graduate School (MUMSS was responsible for the "Designing Environmental Business" component). Starting with spring 2011, this course has been updated and re-launched as the "International Program for Environmental Innovators." This course aims to build a supportive environment and foster the development of highly skilled specialists (environmental leaders) who will help build a low-carbon society.

■ **Financial Literacy Campaign**



April is designated as National Financial Literacy Month in the United States and Union Bank employees donated 7,000 hours to the bank's annual financial literacy campaign. The bank launched or expanded a number of strategic partnerships to advance the cause of financial literacy with non-profit groups including Junior Achievement, Operation HOPE, the Boys & Girls Clubs, and Big Brothers Big Sisters. In addition, in January 2011 the bank

announced that the bank was the founding sponsor of Operation HOPE's FIVE MILLION KIDS initiative.

■ **Hosting Training Programs for Educators at Private Companies**



MUMSS takes part in the "Securities Companies Lecture and Tour," as part of the Japan Securities Dealers Association's "Internship Program for Educators."

MUN participates in the Training Program for Educators at Private Companies of the Keizai Koho Center, which seeks to promote communication between members of the business and education sectors. MUN has hosted trainees a total of 10 times (about 10 trainees participating each year); in July of 2011 MUN hosted participants from Tokyo's Nerima Ward Board of Education.

■ **Mitsubishi UFJ Foundation**



Mitsubishi UFJ Foundation promotes international exchanges in Asian and other countries. To foster human resources development in Japan and overseas, the Foundation provides financial assistance to a variety of international exchange programs and offers scholarships to students in Japan and overseas. In FY 2011, the Foundation paid scholarships for 16 graduate students and three university students from overseas to study in Japan, and also for about 550 local students at 26 universities in eight Asian countries, including China, Thailand, and Vietnam. The Foundation also holds networking events for exchange students studying in Japan and employees several times a year.

■ **Mitsubishi UFJ Environment Foundation** BTMU

The Mitsubishi UFJ Environment Foundation plays a key role in the MUFG Group's efforts to address environmental and social concerns, supporting a wide range of efforts. These include activities to improve the natural environment, especially through tree planting (a total of 1.02 million trees have been planted so far), village forest conservation, and the creation of biotopes (natural habitat areas) at schools; organizing the *Midori-no-e Concours* (held in 2012 for the 37th time); offering sponsored lectures at universities and other environmental education events; and undertaking the "Headwaters Forest" project, which since 1997 has involved participants in hands-on reforestation and nature observation activities in the Tone River watershed.

■ **The Mitsubishi UFJ Trust Scholarship Foundation** MUTB

The Mitsubishi UFJ Trust Scholarship Foundation was established in 1953 to provide scholarships and funding to foster human resources development and advance academic research. In FY 2011, the Foundation paid a total of 180.2 million yen in scholarships for 343 students, including exchange students. Between the time it was established and FY 2011, it has paid out a total of 4.786 billion yen in scholarships to 5,437 students (including exchange students). The number of designated universities for the scholarships increased by nine, from 37 schools until last year to 46 universities in FY 2012.

Besides the scholarship programs, since the Foundation was established it has also been implementing a technology research funding program, and by FY 2011 had provided 229 million yen to 44 organizations.

■ **The Mitsubishi UFJ Trust Foundation for the Arts** MUTB

The Mitsubishi UFJ Trust Foundation for the Arts was established in 1987 to support the advancement and dynamism of arts and culture, and provides funding for performances by Japanese groups such as operas and orchestras that have attained a certain level of artistic standard. In FY 2011, the Foundation provided a

total of 31.8 million yen for 52 opera, orchestral and other performances. Between the time it was established and FY 2011, the Foundation has provided a total of 1.5207 billion yen to 1,311 performances.

■ **The Mitsubishi UFJ Trust Cultural Foundation** MUTB

This Foundation was established in 1989 to support organizations that contribute to the promotion of local culture in the fields of music, art, theatre, and traditional arts. It supports a wide range of causes, including ongoing amateur musical and theatre groups active at the local level, exhibitions that present notable works of art and opportunities for viewing by local communities, the preservation and passing on of traditional arts, and performances to train people to carry on traditions. In FY 2011, the Foundation provided 18.6 million yen to 49 projects. Between the time it was established and FY 2011, it has provided a total of 577.1 million yen to 1,100 performances and activities.

■ **Mitsubishi UFJ Technology Development Foundation** BTMU

The Mitsubishi UFJ Technology Development Foundation (known as MU-TECH), created in 1983, has been a pioneer in providing support for private sector ventures in Japan. To comprehensively foster the development of the technology-oriented small- and medium-sized enterprises (especially venture businesses) that are so vital for Japan's economic development, the Foundation provides a wide range of assistance, including research and development grants, information, and consulting services. In FY 2011, MU-TECH provided 8 million yen in grants for a total of eight projects, including projects making significant contributions in the environmental field. In April 2012, the Foundation became registered as a public interest incorporated foundation in Japan and at the same time began holding equity in small and medium-sized enterprises that have received the Foundation's grant assistance or loan guarantees.

■ **Culture Support Project: Shiki Theatre Company's "Kokorono Gekijou"** BTMU

Since 2007, BTMU has cosponsored the Shiki Theatre Company's culture support project, *Kokorono Gekijou*, which seeks to "share stories about the things that are important in human lives, such as instilling in children's hearts the value of life, caring for others, and the joys of trusting in one another." In FY 2011, 560,000 children attended these performances nationwide. BTMU also donated 450 complimentary tickets to 36 children's nursing facilities, so that children from these facilities could attend performances of productions including "Yuta and Enchanted Friends."

■ **Mitsubishi Asian Children's Enikki Festa** MUFG

Since 1990, the Mitsubishi Public Affairs Committee (MPAC), comprised of 39 Mitsubishi Group companies, has collaborated with the Asian-Pacific Federation of UNESCO Clubs and Associations and the National Federation of UNESCO Associations in Japan to organize an Asian children's illustrated diary festival known as the "Mitsubishi Asian Children's *Enikki Festa*." The festival has drawn the participation of 24 Asian countries and regions—and the submission of 564,612 works of art so far. This festival seeks to deepen cultural exchange and mutual understanding among Asian countries and to support increased literacy rates.

■ **Sewing Volunteers** BTMU MUTB

To benefit children living in orphanages, BTMU and MUTB call on their employees to serve as "sewing volunteers," to make and donate items that all Japanese students need at the start of each school year. In FY 2011, 524 kit bags and shoe bags were donated (95 from BTMU and 429 from MUTB).

■ **Supporting Volunteer Activities by Employees**



To support the desire on the part of their employees to contribute to society in various ways, BTMU, MUTB and MUMSS all have programs to provide employees with information about volunteering, in addition to instituting volunteer leave systems (for up to three days per fiscal year) and volunteer grants programs.

In order to support the social contribution activities undertaken by its employees, in June 2011 MUN introduced a volunteer leave system (for up to five days per fiscal year). A total of 113 employees used this system in FY 2011.

■ **Sponsoring and Volunteering in the Special Olympics Nippon**



BTMU and MUTB are sponsors of a public-interest incorporated foundation, Special Olympics Nippon, an international sports organization that provides support for persons with mental and developmental disabilities to participate in society by creating opportunities to train for and compete in sports competitions. Since 2007, MUTB employees have participated as volunteer staff in basketball competitions sponsored by the Special Olympics Nippon Tokyo. Employees and their families have also participated in the Special Olympics Nippon – Tokyo Walk & Run Festival, interacting with athletes with developmental disabilities in activities including running around the Imperial Palace.

■ **Supporting Neighborhood Cleanup Rally**



MUMSS supports the "Furusato-seiso" neighborhood cleanup rally that engages workplaces and schools in efforts to beautify Japan; MUMSS has been calling on employees at all of its branch offices nationwide to participate since FY 2009. To date, 164 employees from 10 branch offices and headquarters departments participated in neighborhood cleanups.

■ **"Fire Brigade Support Business" Certification**



MUN employees have joined the Kanda Fire Station as volunteer firefighters, and participate in nighttime patrols and other fire and

disaster-prevention activities in the Akihabara district of Tokyo. Employees also participate in lifesaving training and firefighting exercises. In recognition of these efforts, in January 2009 MUN became certified under the Fire and Disaster Management Agency's "Fire Brigade Support Business Certification System."

■ **Sponsorship of the JAL Honolulu Marathon**



Since 1994, MUN has been a co-sponsor of the JAL Honolulu Marathon, the world's sixth largest city marathon. This is one of the four top marathons in the United States, with about 22,000 runners participating in 2011 (including about 12,000 Japanese). MUN offers a photo service and other assistance contributing to participants' fond memories of the event, as well as special events arranged for cardholders.

■ **Participation in FIT For Charity Run 2011**



The MUFUG Group helps to organize the "Financial Industry in Tokyo (FIT) For Charity Run," through which sponsored runners and walkers raise donations for charity. The seventh of these events was held during FY 2011, with the participation of some 7,450 employees and their family members of 111 Tokyo-based financial sector companies. Approximately 750 runners and volunteers participated from 14 companies of the MUFUG Group, the largest number of both participating companies and participants. The donations collected were given to 10 organizations including non-profit ones in the Kanto district and those engaged in activities to assist recovery in areas affected by the Great East Japan Earthquake of 2011.

Local Community Involvement by Branch Employees

Based on the recognition that the MUFG Group is supported by society and the people in local communities in which it operates, employees in local branches show appreciation by participating in local community activities.

Community Involvement Activities by BTMU Branches



Branch	Activities
Wako Branch	Participated in community event hosted by the Wako City Volunteer Network and other organizations. Volunteered in the Challenge Sports Meet for disabled athletes.
Shimoakatsuka Branch, Shimoakatsuka-Ekimae Branch, Nerima-Hikarigaoka Branch, Shimoakatsuka Commercial Banking Office	Taught finance and economics to junior high school students. Participated in year-end charity drive with the Central Community Chest of Japan; collected plastic bottle caps as part of Ecocap Movement.
Nihonbashi-Chuo Branch, Nihonbashi-Chuo Commercial Banking Office, Nihonbashi Commercial Banking Office for Corporate Banking Promotion, Joto Housing Loan Office, Higashi-Tokyo Housing Loan Sub-Office	Participated in Nihonbashi Bridge cleaning event; taught finance and economics to junior high school students. Planted flowers as part of volunteer flower-planting event to beautify Tokyo's Chuo Ward.
Kaminarimon Branch, Asakusa Branch	Taught finance and economics to elementary school students and gave workplace tour.
Shibuya Branch	Helped elderly eat lunch and provided other assistance at welfare facility; held neighborhood cleanup.
Eifukucho Branch, Eifukucho-Ekimae Branch, Higashi-Matsubara Sub-Branch	Planted shrubs and trees with local neighborhood association; hosted junior high school students to give them experience in a workplace.
Tama Center Branch	Planted flower seedlings along nearby major streets in cooperation with local residents.
Jiyugaoka Branch	Volunteered for the Jiyugaoka <i>Megami</i> Festival; taught finance and economics to junior high school students.
Chofu Branch	Volunteered at a day service center for the physically disabled; participated in Chofu <i>Yosakoi</i> Dance Festival 2011.
Imaike Branch	Held neighborhood cleanup with local residents; splashed water on the streets to mitigate the summer heat.
Tokushige Branch	Planted 200 rhododendron seedlings in a nearby park; gave junior high school students workplace experience and learning opportunities.
Moriyama Branch	Planted trees at a local kindergarten; held a neighborhood cleanup.
Okazaki Branch, Okazaki Commercial Banking Office, Okazaki Housing Loan Sub-Office	Visited a child welfare facility on Christmas; gave junior high and high school students workplace experience. Volunteered for the MUFG Graduation Memorial Cup Soccer Tournament.
Kuwana Branch, Kuwana Commercial Banking Office	Planted trees on Tado Mountain with local residents; participated as helpers in the Tadoaisha Shrine Lantern Festival.
Nishijin Branch	Helped run a bazaar at a local child welfare facility; participated in a shopping arcade cleanup.
Osaka-Ekimae Branch, Osaka-Ekimae Commercial Banking Office, Umeda-Chuo Housing Loan Sub-Office	Participated in the Takarazuka Half Marathon " <i>Kizuna</i> " to support reconstruction after the Great East Japan Earthquake; held a blood donation campaign.
Noda Branch, Noda Commercial Banking Office	Participated in Mission <i>Uchimizu</i> ; held a neighborhood cleanup; provided junior high school students with workplace experience.
Hanaten Branch, Hanaten Commercial Banking Office	Participated in campaign to stop illegal bicycle parking; participated in Enomoto community festival.
Toyonaka Branch	Taught finance and economics to junior high school students; held a cleanup around a local train station.
Hiroshima Branch, Hiroshima Commercial Banking Office, Hiroshima Housing Loan Sub-Office	Volunteered at a blueberry festival; engaged in cultural exchange with a Japanese language class for foreigners. Volunteered in an event to help people with disabilities experience riding in a hot-air balloon; engaged in social exchange with a local social welfare facility.

In FY 2011, employees played a key role at local branch offices of the Group, and were involved in a wide variety of activities, such as cleanup events, planting of flower beds in front of branches, tree planting, educational support, company visits, seminars, and charitable projects.

Branch	Activities
Bangkok Branch	Painted and repaired playground equipment at a local school; held a blood donation campaign.
Labuan Branch, BTMU (Malaysia)	Taught finance and economics to elementary school students. Participated as support staff in a charity bazaar hosted by the Japan Club of Kuala Lumpur.
Jakarta Branch	Hosted a Japan festival; hosted workplace tour for students of a local Japanese school.
Manila Branch	Helped out at a local zoo and botanical garden by volunteering as tour guides and held events for cleanup and repainting surfaces.
New Delhi Branch	Taught an extracurricular class to junior high school-level students of a local Japanese school.
Beijing Branch, BTMU (China)	Donated clothing and food to the New Day Foster Home for orphans and sick children.
Hong Kong Branch	Held tree-planting event; participated in a blood donation campaign; hosted workplace tour for junior high school-level students of a local Japanese school.
Taipei Branch	Helped clean and tidy up living and play areas at a child welfare facility; held cleanup event on an unpaved road.
Sydney Branch Melbourne Branch	Held "Morning Tea" event to sell breakfast to employees from the branch kitchen and donated proceeds to the Red Cross.
Düsseldorf Branch	Participated in <i>Dreck-Weg-Tag</i> (Cleanup Day) held in the city.
Brussels Branch	Participated as volunteers in a charity dinner; gave blood.
Madrid Branch	Participated as helpers in a <i>Obon</i> Dance Festival; held a rice-cake pounding festival.
Buenos Aires Branch	Participated in a UNICEF charity marathon for education, " <i>Carrera por la Educacion</i> " (Race for Education).
BTMU (Mexico) S.A.	Employees and their families planted about 100 seedlings.
Houston Agency	Participated as volunteers in Japan festival.



Nihonbashi-Chuo Branch



Wako Branch



Manila Branch

Community Involvement Activities by MUTB Branches



Branch	Activities
Sapporo Branch	Participated in forest conservation activities in the Fujinosawa National Forest.
Ueno Branch	Carried out street fundraising after the Great East Japan Earthquake.
Gotanda Branch	Held seminar on adult guardianship.
Kichijoji Branch	Cleanup outside Kichijoji train station.
Machida Branch	Participated in Sakaigawa River cleanup operations.
Tsudanuma Branch, Funabashi Office	Took first aid workshop taught by local firemen.
Urawa Branch	Conducted training course for people who support persons with dementia.
Takasaki Branch	Cleanup at Oze National Park.
Utsunomiya Branch	Held sign language workshop.
Mito Branch	Cleanup around Mito train station.
Nagano Branch	Volunteered in <i>Binzuru</i> Festival.
6 offices in Nagoya Area, Gifu Branch	Invited children from an orphanage to attend an event.
Tsu Branch	Cleanup at Tsu Oshiro park and near branch office.
Nara Branch	Volunteered to help run Nara Marathon 2011.
Hiroshima Branch	Sold to employees bread and other goods made at a welfare facility for the disabled.
Kochi Branch	Conducted forest care activities at the "MUTB <i>Omoi wo tsunagu mori</i> " forest in Otoyoko-cho, Kochi Prefecture.
London Branch	Participated in a charity walk to raise donations for disaster relief.



Sapporo Branch



Urawa Branch



London Branch

Community Involvement Activities by MUSHD Group companies



- Activities by MUMSS

Branch	Activities
Sapporo Branch	With Sapporo City, installed sand boxes at intersections and spread sand on roads to prevent road freezing in winter. Planted trees in parks.
Sendai Branch, Himeji Branch	Cleanups near branch offices (participated in "Furusato-seiso 2011" neighborhood cleanup rally).
Clean Energy Finance Division	Held workplace tour for junior high school students and internship program for students studying abroad.
24 Divisions/Offices in Head Office	Cleanups near Head Office buildings (Mejirodai Building, Toyosu Building).
Hiroshima Branch	All branch employees (approx. 50 people) participated twice a year in cleanup activities organized by a local non-profit organization at the Peace Memorial Park. Held workplace tours for local junior high school students.

- Activities by overseas MUSHD subsidiaries

Subsidiary	Activities
MUSI	<ul style="list-style-type: none"> - Co-hosted a Christmas party with BTMU and gave Christmas gifts to elderly persons who have no family. - Assisted a child education support group, Kids Company, throughout the year, and gave Christmas gifts to underprivileged children. - New hires co-hosted a Christmas party with an organization, Young Carers, and invited 40 young people aged 8-18 who look after someone in their family due to various reasons. - Provided monetary contribution to a Christmas lunch for homeless people in cooperation with the Connection at St Martin-in-the-Fields. - Collected a donation of 4,500 pounds (about 560,000 yen) in total at a Christmas raffle and donated the money to charity organizations.
MUS (USA)	<ul style="list-style-type: none"> - Held a Christmas party for homeless children, and gave Christmas gifts to 144 children, who also enjoyed a slide show and meal. - Conducted a program to wear jeans to work on Fridays (donation of \$5 per day) and donated the money to an educational program.
MUS (Hong Kong)	Participated in a charity walk activity held in Kowloon district of Hong Kong.

Community Involvement Activities by MUN Branches



Branch	Activities
Five branches of Akihabara, Hongo, Ikebukuro, Higashi-Nihonbashi, and Yushima	Held blood donation campaigns in cooperation with the Japanese Red Cross Society.
Tokyo Management Division	Helped purchase vaccines for the world's children by collecting plastic bottle caps.

Local Community Initiatives

■ **March for Babies—New York**



The MUFG Group participates in the March for Babies, an annual nationwide charity walk held by the March of Dimes, a non-profit organization that raises money to help prevent premature births and protect the health of expectant mothers.

In May 2011, employees from the MUFG Group participated in the event in New York as a combined MUFG team of more than 220 people, including employees' family members and friends. This is the largest charity event that the MUFG Group participates in. The MUFG Group conducted various awareness-raising and charity activities in-house prior to the event, and a total of \$28,578 was donated.

■ **Walk for Millions—Hong Kong**



In January 2012, a total of 231 MUFG Group staff participated in the Walk for Millions event organized by the Community Chest of Hong Kong. This was the largest group participating from the Japanese corporate community, comparable in size to teams from Hong Kong companies and organizations. Walk for Millions is a major charity event held every year since 1971. It is well-attended, joined this time by the Chief Executive of the Hong Kong Special Administrative Region of the People's Republic of China. In FY 2011, more than 14,000 people from over 170 organizations participated, collecting a total of over HK\$1.4 million. The MUFG Group donated HK\$261,750, which included donations from employees as well as significant contributions from business partners.

■ **Community-related Loans**



Union Bank dedicated more than \$3.6 billion to community-related loans and activities, including loans to small businesses, financing for affordable housing, and supply sourcing from minority- and women-owned businesses.

■ **Community Development Finance**



Union Bank helps to provide high-quality affordable housing for low- and moderate-income individuals and families, as well as those with special needs such as seniors, farm workers, and the formerly homeless. Working with non-profit developers and public housing agencies, our Community Development Finance (CDF) division provides comprehensive debt and equity financing along with full consultation services throughout our areas of operation.

In 2011, CDF provided \$434 million in financing for 41 projects serving a total of 5,645 residents. Since its founding in 1995, CDF has provided financing for more than 75,000 housing units that shelter approximately 200,000 people.

Helping customers buy a house at a fair price is just another reflection of our philosophy as a financial services provider.

■ **Economic Opportunity Mortgage**



Union Bank's Economic Opportunity Mortgage (EOM) offers lower monthly payments with no fees, which translates into significant savings for borrowers on their monthly payments and helps ensure that they pay their debt on time. EOM loans are retained in the portfolio, giving the bank maximum underwriting flexibility.

In 2011, Union Bank helped EOM borrowers receive direct down-payment assistance for the first time. The bank secured \$450,000 in funding from the Federal Home Loan Bank (FHLB). Borrowers can qualify for up to \$15,000 in assistance from the funding, obtained under FHLB's WISH (Workforce Initiative Subsidy for Homeownership) and IDEA (Individual Development and Empowerment Account) programs.

■ **Community Involvement Activities and Environmental Initiatives in Europe**



Employees at BTMU's Madrid Branch (Spain) set up and supported booths, which sold *mochi* (rice cakes) at the annual *mochi* pounding festival hosted by the local Japanese community. The

event aims to teach the public about Japanese culture and promote a deeper mutual understanding between Japanese and Spanish cultures.

BTMU Holland volunteered at the cherry blossom festival hosted by the Embassy of Japan, the Japanese Chamber of Commerce and Industry in the Netherlands, the Japan-Netherlands Institute, and the Japan Women's Club. The event included an exhibition of photographs documenting the Great East Japan Earthquake from the initial aftermath to reconstruction efforts, as well as a drum and flute performance by a music group from the *Ugoku Tanabata Festival*, a traditional summer festival in Rikuzentakata City, Iwate Prefecture. The event was an opportunity for Japanese people to show their appreciation towards people in the Netherlands who supported the disaster-affected area.

The Brussels Branch (Belgium) took part in volunteer activities for a charity dinner organized by Paroisse Saint Gilles, a non-profit organization that operates more than 10 supermarkets for low-income households. Proceeds collected from over 200 dinner guests were donated to the supermarkets where it was used to purchase food and other daily living necessities.

Employees and their family members (62 people) from the Düsseldorf Branch (Germany) lent a hand in the city's annual *Dreck-Weg-Tag* (Cleanup Day) event, helping in the collection of 22 tons of trash. The Düsseldorf mayor awarded the branch the *Golden Besen* (Golden Broom) award in recognition of the branch's active involvement every year since 2008.

■ **Participating in Charity Walk—London**



In May 2011, MUTB's London Branch employees participated in a charity walk to support Oxfam International's disaster relief funds, which help reduce illness and death resulting from natural disasters, oppression, and conflict. A total of 42 employees and their family members participated in the event, which gave them an opportunity to enjoy nature while helping to raise money.

Community Involvement Activities in the United States



BTMU's employees in the United States volunteer their time and energy to a wide range of community involvement activities.

In May and June 2011, an art show by Japanese artist and electronic composer Ryoji Ikeda, titled *the transfinite*, was held at the Park Avenue Armory, a historic building in Manhattan. BTMU, New York City, and others sponsored the event, which attracted a large audience. In July, 51 employees from BTMU's New York and New Jersey offices volunteered to help run a camp operated by the Fresh Air Fund. The camp gave children from disadvantaged communities in New York a fun, safe, and supportive environment in which to acquire environmental awareness, learn about cultural arts, and improve their physical fitness.

In 2011, 150 campers participated in a variety of games and group projects that helped them build self-confidence and teamwork skills—and make lots of friends in the process. BTMU employees also volunteered for Friendly Town, another program hosted by the Fresh Air Fund. The program sends inner-city New York children, ages 6 to 12, to host families in rural and suburban communities, where for one to two weeks they get to have a summer experience not normally possible in the city. Employees themselves feel a sense of joy and self-fulfillment from helping children through these volunteer activities.

In August, 130 employees and their family members at BTMU Mexico volunteered in a large tree-planting project, the Reforestation Day, and learned about the ecosystem in an environmentally protected area in Mexico City. A different group of employees joined the Mexico Banking Association in visiting schools to teach children to save money for the future, an important skill for leading a life of opportunity.

At BTMU Cares Day in October, 34 employees at New York and New Jersey offices and 11 of their family members and friends volunteered to help clean, decorate, and plant gardens at public schools that serve low-income families in New York City and Jersey City. This was the first time the bank opened up the

opportunity to both cities. School teachers and administrators expressed appreciation for BTMU's efforts to create a happy and bright study environment for the children.

In April 2012, BTMU joined the non-profit group Operation Hope in holding the Banking on Our Future financial education workshop at BTMU New York. The workshop gathered 22 high school students from disadvantaged backgrounds to learn the basics of banking, the various financial services banks provide, and the risks and rewards of investing, with the goal of helping them increase their financial literacy and break the cycle of poverty.

In 2011, the BTMU Foundation in the United States also donated \$552,000 to various non-profit civic activities. One recipient, Midori & Friends, founded in 1992 by world-renowned Japanese violinist Midori Goto, has enhanced the lives of almost 200,000 underserved New York City children and their families by providing high-quality music education programs.

Community Involvement Activities in Asia



Every year, employees at BTMU's Beijing Branch visit New Day Foster Home, a home for orphans with special needs, bringing donations of food, clothes, and other items. Many employees and their family members also participate in tree-planting activities organized by the employee union to help protect Beijing's natural environment. When disaster strikes, employees organize their own charity drives, as they did during the earthquake disasters in Sichuan and Qinghai Yushu, China, and the Great East Japan Earthquake. In an effort to connect with the local community, 102 employees and their family members from the Tianjin Branch planted 84 willow seedlings in areas of Tianjin's suburbs that needed more vegetation.

At the Hong Kong Branch, 72 employees participated in a blood donation campaign organized by the Hong Kong Red Cross in July 2011.

Every year, a Japanese school in Jakarta, Indonesia, sends its junior high school students to visit local Japanese companies. In January 2012, the Jakarta Branch took three students on a lecture

and workplace tour to show them what banks and financial companies do. The program provides opportunities for students to think about their future careers and broaden their views as members of a globalized society.

Employees at the Labuan Branch in Malaysia support the annual charity bazaar organized by the Japan Club of Kuala Lumpur by serving as members of the planning committee. Many employees volunteered in the bazaar held in November 2011. They also gave monetary donations to social welfare organizations.

In February 2012, employees of the Manila Branch volunteered at the Manila Zoo, the first and oldest public zoo in Asia. They served as tour guides to teach children about the importance of caring for animals and their habitats, swept pathways and repainted facilities, and also helped tend to the animals. Working with a non-government organization in the Philippines, 75 employees also volunteered to help paint houses for the poor.

Due to the critical flood situation in Thailand in 2011, the Thai Red Cross Society and most hospitals in Thailand ran out of blood for patients. Employees of the BTMU Bangkok Branch rose to the occasion by participating in a blood donation campaign in November 2011 and calling on other companies to participate. As a result, 300 people gave enough blood to save 792 lives. Employees also donated money to help purchase medical equipment.

Local Community Policies and Initiatives

■ Social Contribution Credit Cards



MUN issues credit cards designed to benefit society in a variety of ways. A percentage of purchases is donated to partner welfare- and health-related organizations. Examples of credit cards that are helping more people participate in social welfare programs are the "Bone Marrow Bank Card," the "Red Cross DC Card," and the "Japan Guide Dog Association DC Card."

■ Emergency Disaster Assistance



BTMU and MUTB have a system in place to quickly provide support when a large natural disaster occurs in Japan or elsewhere in the world. When an earthquake, flood or other disaster strikes, we work with non-profit organizations and others to set up special bank accounts to collect donations for relief efforts.

BTMU donated 50 million yen to aid victims of the Thai floods in October 2011, 150,000 Turkish liras (around 6.5 million yen) to victims of the earthquake that struck eastern Turkey's Van province in November, and 3 million yen to victims of the tropical storm that made landfall on Mindanao island in the Philippines in December.

■ "Club for You" Social Contribution Fund



In August 2007, BTMU launched the "Club for You" social contribution fund which gives money to organizations addressing social issues, using funds donated by company executives and employees through deductions from their salaries each month combined with matching contributions from the bank.

In FY 2011, the MUFU East Japan Earthquake Recovery and Scholarship Fund, a fund established jointly with the National Federation of UNESCO Associations in Japan (NFUAJ), was added to the list of recipient organizations. As a new part of the program, five other "plus group" organizations were selected from organizations suggested by employees. With the new additions, employees can now choose from 18 recipient organizations. In

FY 2011 (through June 2012), approximately 4,500 employees participated, contributing about 70 million yen for the year, including the bank's matching contributions.

■ Kakehashi-Shintaku Ai-no-Kikin Fund



The *Kakehashi-Shintaku Ai-no-Kikin* Fund established in 1977 has been collecting membership fees for over 30 years from MUTB and affiliated company officers, employees, former employees, and their families to make donations to social welfare organizations nationwide. In FY 2011, a total of 9.9 million yen collected from 7,312 members was donated to 33 social welfare groups. Considering that disaster relief is one of the fund's objectives, in FY 2011 emphasis was given to organizations that provide post-disaster relief or reconstruction assistance, with 3.3 million yen of the total amount being donated to 11 disaster relief organizations.

■ Employee Donations Account



In October 2007, MUMSS opened an account for collecting employee donations. MUMSS matches the funds donated by employees each year (from July through June). From its establishment through July 2011, the account has donated a total of roughly 2.12 million yen to two organizations.

■ Supporting Environmental Protection through OISCA International



Since 2009, MUN has been donating a portion of expenses saved in the shift to paperless statements and a portion of the money used to convert ecopoints into gift cards to the Organization for Industrial, Spiritual and Cultural Advancement (OISCA) International, a public interest incorporated foundation that promotes a wide variety of environmental protection initiatives. In FY 2011, approximately 17 million yen were donated to support school-managed forests, the Coastal Forest Restoration Project, and other projects promoted by OISCA International.

■ Charitable Contribution and Philanthropy



The Union Bank Foundation, a non-profit public benefit corporation, was founded in 1953 to help the bank meet the needs of the areas where we operate. Union Bank has set an ambitious goal of donating 2% of after-tax profits to benefit non-profit groups – a higher percentage than many peer institutions. This target was proudly reached in 2011 with \$11.1 million donated throughout the West Coast by Union Bank and the Union Bank Foundation, up from \$10.1 million in 2010.

In order to maximize its impact, the Union Bank Foundation's work is focused on four strategic categories: Affordable Housing, Community Economic Development, Education, and the Environment. The Union Bank Foundation also has a goal of directing at least 60% of total contributions to low- and moderate-income populations.

Union Bank employees also invested 53,000 hours of their time for a variety of good causes as volunteers – a remarkable 180% increase from 2010.

■ The Bank of Tokyo-Mitsubishi UFJ Money Museum



The highly-acclaimed The Bank of Tokyo-Mitsubishi UFJ Money Museum (Nagoya City, Aichi Prefecture) presents organized displays of roughly 10,000 rare items from the history of Japanese and global currency from more than two thousand years ago to the present. It is Japan's largest private collection of monetary artifacts. Visitors can enjoy displays on the history of money and *ukiyo-e* woodblock prints from the Edo period, including a collection of prints by Hiroshige Utagawa, famous for the "Fifty-Three Stages of the Tokaido."

■ Card Gallery

MUN

MUN has a CSR display called "Card Gallery" on the theme of credit cards, placed in front of the company's head office reception desk on the sixteenth floor of the Akihabara UDX building in Tokyo. The gallery's history section presents the development of credit cards in Japan over the past 60 years, from the coupon system which was the predecessor to credit cards in Japan, to the dawn of credit cards, and onward to the present. It also includes examples of cards issued from the 1960s to today, including co-branded cards. The line up of credit cards allows visitors to glimpse how credit cards in Japan have changed over the years since the beginning of the economic boom in the 1960s.

■ Expenditures for Social Contribution Activities

BTMU MUTB MUMSS

(Million yen)

Categories	FY 2009	FY 2010	FY 2011
Education & culture	250	179	199
Social welfare & environmental conservation	232	71	157
Community contributions, international exchange, others	881	819	2,221
Total*	1,363	1,069	2,576

(Combined totals for BTMU, MUTB, MUMSS)

* Totals may not equal item sums, due to rounding. Also, figures do not include donations for the Great East Japan Earthquake.

Relations with Customers

We aim to satisfy our customers by providing top-quality services that respond to their input and expectations.

We treat customers' input and requests as a valuable resource that helps us to provide higher-quality services.

We seriously confront the issues that are the root causes of customer feedback and requests, and we use this feedback to improve our products, services, business processes, and other facets of our work.

Our approach: Reflecting customer views



Initiatives to Improve Customer Satisfaction



To help us offer products and services with a customer-first management approach, BTMU conducts various types of customer satisfaction surveys and works to make improvements based on the findings. "Manner Standards" for appearance and service behavior, video teaching materials, and other tools help us make improvements. For elderly and disabled customers, we also strive to continuously improve customer satisfaction levels by using the Japanese Bankers Association's handbook on being barrier-free banks.

As a customer satisfaction policy, MUTB has adopted the slogan, "All executives and employees constantly think about and take action on ways to boost customer approval ratings," and is working to make improvements in each department, by developing new products based on customer input and by simplifying procedures.

MUMSS provides all employees a Business Manner Handbook summarizing the expected behavior when serving customers. It also issues a monthly newsletter entitled Business Manner Monthly, with the aim of raising awareness about such things as speaking to customers and personal appearance.

As a basic guide for customer satisfaction activities, MUN has adopted the slogan, "Boosting customer satisfaction through continuous improvement of products and services, by listening to customer feedback." We also have a customer satisfaction code of conduct that encourages all employees to sincerely listen to customers, then think for themselves and take action to enhance customer satisfaction.

ISO 9001 Certification



As one initiative to boost customer satisfaction, BTMU has raised service levels by acquiring ISO 9001 certification under the International Standard for Quality Management Systems. BTMU has acquired ISO 9001 certification for all branch offices and related headquarters in Japan as a unified, company-wide framework that facilitates initiatives to enhance customer satisfaction.

The MUN Customer Relations Office has also acquired this certification. The company is working to improve service work manuals and working steadily to improve service quality and increase customer satisfaction.

Putting the Customer-First Approach into Practice



Creating systems for service improvements that reflect the opinions of customers and employees who interact with them is an important management theme.

BTMU's CSR Promotion Committee, attended by the company president and headquarters department heads, meets regularly to discuss measures to continuously enhance customer and employee satisfaction and creates systems to incorporate operational improvements in response to customer input and complaints.

MUTB holds meetings of its Customer Satisfaction Improvement Committee, chaired by the president. The committee formulates and discusses measures based on customer feedback.

At MUN, important management issues relating to customer satisfaction are discussed at the CS Committee chaired by the president. MUN also holds regular meetings of its CS Promotion Liaison Committee with the managers of each business as promotion leaders, and incorporates customer opinions for the improvement of works, products and services.

Protecting Customer Information

Information Security/Protecting Customer Information (ISO/IEC 27001 Certification)



MUMSS has acquired the internationally-recognized ISO/IEC 27001 certification for information security management systems at its call centers, and continues working to protect customers' personal information.

MUN has acquired ISO/IEC 27001 certification for all operating divisions engaged in NICOS brand operations at the Ikebukuro Systems Center, to increase the security of customer information and transaction settlement systems.

Examples of Improvements and Services for Individual Customers

Customer Opinion Cards and Branch Action



Customer opinion cards are distributed at all BTMU and MUTB branches to broadly solicit customer input and requests to improve our products and services. Branches respond promptly to customer opinion card items that can be addressed at the office or branch level. The improvements being advanced at each branch include providing loaner umbrellas for sudden downpours, furnishing special seats for senior citizens, and providing magnifying glasses and eyeglasses for customer use. Each branch is working to eliminate inconvenience by providing for customers that require special consideration.

Efforts to Improve Quality of Operations



MUN is acting to improve the quality of operations as a cornerstone for customer reliance and trust. The company has formed a dedicated organization, verified the effectiveness of operations in accordance with laws, reviewed operational processes at each office and branch, provided education and guidance to employees, and otherwise goes beyond legal compliance requirements and strives to provide services that meet customer expectations.

Support for Visually Impaired Customers



At BTMU and MUTB, customers who have difficulties using ATMs because of visual disabilities can send funds transfers at bank teller counters for the same fees charged at ATMs. For customers who have difficulty reading or filling out forms, employees will read and fill out forms on their behalf, with another employee present as a witness. BTMU and MUTB hold seminars at each office and branch, and are striving to provide comprehensive service.

Insurance Products



All BTMU branches handle 17 annuity insurance products and nine single-premium whole life insurance products, in response to requests from customers who want to consult about insurance along with asset management. Moreover, 14 additional products including equal-payment whole life insurance and nursing care insurance products are being offered at 448 BTMU branches to meet the wide-ranging needs of customers. (Numbers of products and branches are as of March 31, 2012.) All MUTB branches handle 15 annuity insurance, whole life insurance, and nursing care insurance products, and make proposals to meet the needs of trust bank customers. (Number of products as of May 31, 2012.)

Installation of Computers for Internet Trading at Each Branch



To respond to customers unfamiliar with Internet trading, MUMSS has installed computers for customers to experience Internet trading at each branch and assigned staff to assist them. With this staff support, even customers who are not accustomed to using computers can conduct Internet trading with confidence through guided, hands-on use of the computers stationed at each branch. This system has been well received by customers.

Notification of Suspension of Card Transactions to Prevent Fraud



MUN has introduced a system to detect fraudulent use of credit cards, to protect customers from malicious credit card crimes. The system monitors customer card use for unusual activity 24 hours a day, 365 days a year. With this system, transactions are sometimes suspended when cards are used, until we can confirm the identity of the cardholder. In response to customer requests asking for advance notification that there are such cases, MUN now regularly prints information on efforts to prevent fraud in its members magazine and on postcards explaining fees.

Internet Signup and Enhanced Website Information



MUN is working to upgrade and expand its website. Because signing up for a credit card online requires the input of about 40 different items, MUN has introduced an input assistance function, facilitating customer input. Efforts are also being made to improve the website usability. This includes a better search function which lists items regarding common inquiries first, the opening of a dedicated site for a rapidly increasing number of smartphone users, and other measures to improve the user environment for a wide range of cardholders.

Improvements to Branches and Facilities



The MUFG Group is improving facilities to make it more accessible to elderly customers and customers with disabilities. For example, BTMU and MUTB are improving in-branch signage with large letters in easy-to-see color contrast, installing ramps, and changing the color and materials of steps to make them more noticeable. BTMU has installed automatic doors and guide blocks for the visually impaired at the main entrances of its branches.

"POINT Meijin.com" Service



MUN operates the "POINT Meijin.com" service that allows card members to automatically earn between two and 25 times the regular points when they shop at a members-only online shopping site. In addition to promoting use by members, this service contributes to increased sales by participating merchants, by giving them access to one of the largest membership networks in the market.

MUFG CARD Services and Benefits



MUN provides MUFG CARD members with special services and benefits from the companies of the MUFG Group. Specifically, these include the free use of BTMU's ATMs both day and night along with free use of ATMs at convenience stores that are part of the BTMU network; point rewards for MUTB direct membership registration and new housing loans and discounts on fees for MUTB testamentary trusts; preferential rates on purchases of foreign currency through the "World Currency Shop" run by Tokyo Credit Services; point rewards on real estate transaction contracts through Mitsubishi UFJ Real Estate Services; and novelty gifts from MUMSS. The MUFG Group offers services and benefits that card members can count on in their daily lives and during emergencies.

Development of the "Payment Meister" Settlement Solution using the iPhone



MUN jointly developed the "Payment Meister" settlement solution – which uses the iPhone as a card settlement terminal – and began operations from August 2011. Because Payment Meister safely and easily settles payments by just attaching a special card reader to the iPhone, it can be used to pay bills at the table in restaurants.

MUN has also added China UnionPay Card settlement services to meet the needs of participating merchants that expect Chinese tourists. MUN will continue working on development and introduction of state-of-the-art settlement systems and on meeting the diversifying settlement needs of participating merchants.

Guidelines for the Preparation of Customer Publications and Forms



The MUFG Group established "Guidelines for the Preparation of Customer Publications and Forms" in October 2010 to ensure that our increasingly complex and diverse products and services are introduced to customers in ways that are easier to understand. While a wide variety of publications and forms is viewed by customers, each one is an important communications tool between MUFG and our customers. The MUFG Group makes use of these Guidelines, undergoes external checks by consumer groups for certain items, and is otherwise striving to provide customer publications and forms that are easy to read, easy to understand, and easy to fill out from the customer's perspective.

Response to Japan's Aging Population and Low Birth Rate

MUFG Property Succession Seminars



The need for estate planning or succession planning is more common than many people think, and could arise for anyone.

Wills are an effective tool for succession planning and the smooth disposal of assets, but they require expertise and know-how regarding laws, tax regulations and other diverse factors.

The MUFG Group holds seminars where specialists use concrete examples to provide explanations and advice on wills and inheritance planning strategies. It also provides support in line with the individual conditions of each customer, for smooth property succession.

Quality Life Club



The "Quality Life Club" is a membership organization operated by BTMU which provides services around the themes of the richness of the mind and heart, physical and mental health, and economic affluence to help customers improve their quality of life. Members receive many benefits including invitations to seminars and events, and support services related to travel, health and leisure.

Health Care Consultation Services



MUN provides services to support customers and their families who require health care or nursing care. These services offer health, medicine and nursing telephone consultations by dedicated staff 24 hours a day, 365 days a year for MUFG Platinum and Gold Prestige Card holders and other gold card members. MUN also provides overseas medical treatment consultation, medical institution information and other services to certain card members.*

* The services provided vary according to the type of card.



■ **Personal Trust, "Kazoku Anshin" Trust and "Zutto Anshin" Trust**



MUTB offers a range of property management and asset succession trust products, so customers and their families can always feel secure.

Personal Trust is a made-to-order trust product under which the funds management and payment methods of the entrusted funds can be freely set for customers and their families. For example, in combination with a testamentary trust, Personal Trust can be set up to begin funds management and investment for the family after inheritance. "Kazoku Anshin" Trust is a product that delivers valuable funds to families in portions, rather than all at once, after inheritance.

In March 2012, MUTB also launched "Zutto Anshin" Trust which can protect the funds of customers and their families and provide planned payouts. This product is used for post-retirement life planning and succession of assets to families. It provides three security functions as a set: (1) planned payment of funds for living expenses, (2) quick receipt of required funds by the family in the event of death, and (3) continuous receipt of funds by the family for living expenses after inheritance.

Association of Japan. This product is designed for management of the property of individuals (wards) under the guardian system. It conserves deposits and other property using the trust framework, based on instructions issued by family courts. In the trust compensation, no management fees are charged.

■ **Specified Donation Trust**



Specified Donation Trust is an arrangement whereby the funds entrusted by a customer and their operating profits are donated over time to non-profit foundations or other recipients designated by the customer. As tax benefits, the operating profits from the trust are not taxed while the customer can take tax deductions on the portion of the donations that comes from the principal each year.

■ **Guardianship System Support Trust**



In February 2012, MUTB launched Guardianship System Support Trust that is based on examinations by the Family Bureau of the General Secretariat of the Supreme Court, Civil Affairs Bureau at the Ministry of Justice, and the Trust Companies



Services for Corporate Customers

■ **Hosting the Large-Scale Business Conferences**

"Business Link *Shobai Hanjo*"



The MUFG Group hosts a large business conference called "Business Link *Shobai Hanjo*," which brings together resources to meet the diverse needs of participating customers. The ninth conference was held at the Nagoya Dome in January 2012, with about 2,000 companies participating and holding about 4,300 business meetings seeking new business partners. Participants showed their enthusiasm for the conference with comments such as "This is a great chance for people in other industries to learn about our company's products" and "Since this business conference is sponsored by a bank, we can trust the partner companies, and we hope to establish ongoing trading relations." The MUFG Group will continue making use of our domestic and overseas networks to positively support customers' business development.

■ **CSR-related Businesses Plans Presentation Conference**



MUTB has been holding the CSR-related Business Plans Presentation Conference since 2009 as one means of supporting the growth of enterprises engaged in CSR-related businesses. At the conference, presenters explain their business plans to venture capitalists and operating companies, and may find new investors and business partners. Plans are being advanced to draw a greater number of participants in FY 2012.

■ **"Shareholder Relation"**

Support Services for Our Customers



Utilizing our wealth of experience in the provision of shareholder services, MUTB responds to the diverse investor strategy needs of customers. This includes providing tools and comprehensive support for shareholder relations (SR) strategies, which are designed to build relationships of trust with shareholders.

● **SR NAVI**

SR NAVI, a system arising from the needs of individual shareholder satisfaction, converts information from a stockholder register into a database that can be accessed online. It also allows for data analysis from a variety of angles, making it possible to analyze the composition of shareholders in terms of time series, shareholding period, and many other criteria.

● **Shareholder Surveys**

By making shareholder surveys and analysis of the results, which allows for tracking the attributes of individual investors, we provide comprehensive support for investor relations strategies targeting individual shareholders.

● **General Shareholders Meeting Visualization Support Services**

With the growing awareness of shareholder rights, an increasing number of individual shareholders wants to attend general shareholders meetings, speak, and exercise voting rights. The Visualization Support Service assists with the preparation of easily understandable contents for business reports and other items required for reporting and explanations at general shareholders meetings, employing graphs, tables, photographs, other visual images and professional narration. We support our customers' aspirations to improve shareholder understanding and boost their corporate images.

■ **Trust Type Employee Incentive Plan "ESOP Trust"**



MUTB has been offering Employee Stock Ownership Plans (ESOP) Trusts, which apply an employee stock ownership framework, since 2009, and began offering Stock Grant ESOP Trusts, which give employees gratis shares of their own companies, from 2011. These are both products that boost the capital policies of corporate customers and employee incentives, while also contributing to better workplaces for customers by providing systems that enhance employee welfare.

■ **Private Finance Initiatives (PFI)**



MUL has been actively promoting Private Finance Initiatives (PFI). PFIs are designed to provide the dual benefits of higher quality service and lower project cost, by utilizing financing and know-how from the private sector for the construction, maintenance and operation of public buildings and facilities. MUL has received orders for a total of 47 PFI projects so far, and has served as the lead company for 15 of these projects (as of March 31, 2012).

Boosting Customer Satisfaction

Customer Satisfaction Surveys

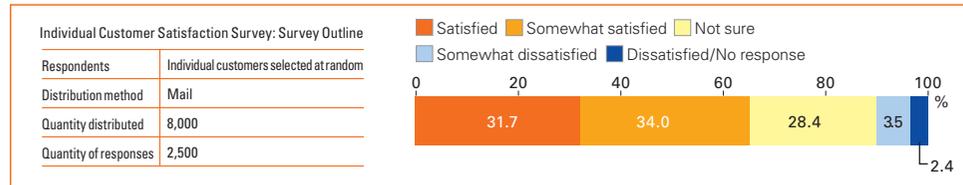
The MUFG Group carries out surveys to further boost customer satisfaction and enhance its financial services. We are working to incorporate customer responses into our product development and services, so that customers can enjoy a high level of satisfaction with our branches and services.



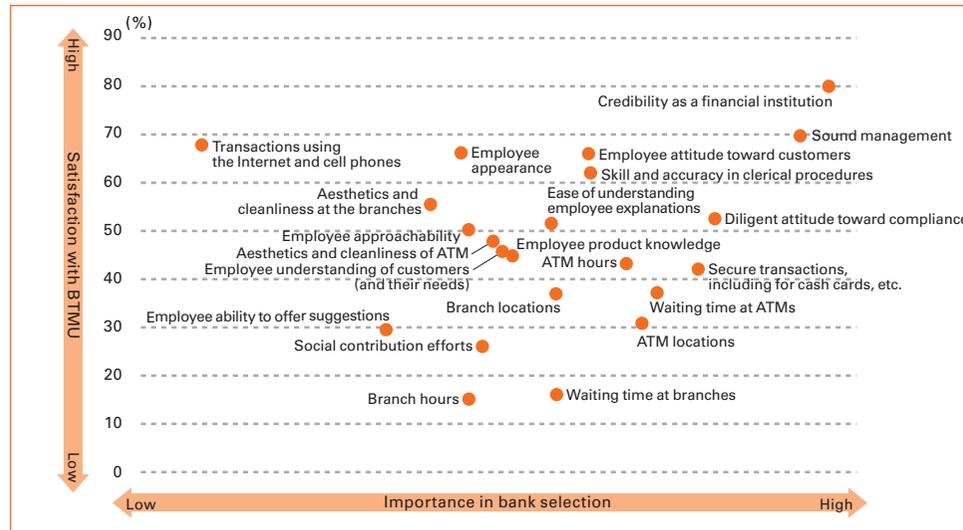
The Bank of Tokyo-Mitsubishi UFJ (individual customers)



In a survey conducted in September 2011, nearly 70% of respondents indicated they were "satisfied" or "somewhat satisfied" overall with BTMU.



Customer Satisfaction Survey Results (BTMU)



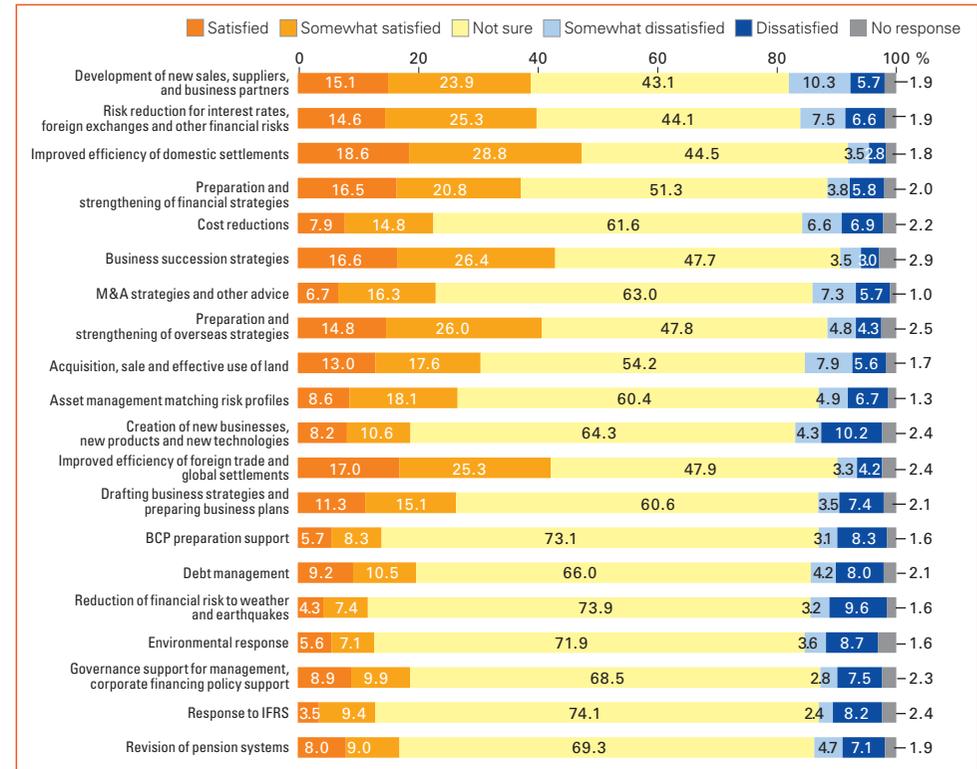
(Conducted Sept. 2011)

The Bank of Tokyo-Mitsubishi UFJ (corporate customers)

BTMU conducts corporate customer satisfaction surveys, mostly targeting small- and medium-sized enterprises, once per year.

The bank is sharing customer opinions obtained by branch bankers from surveys and customer interviews with all employees, discussing improvements, and working to boost customer satisfaction at its commercial banking offices.

Corporate Customer Satisfaction Survey Results (BTMU)



(Conducted May-June 2012)

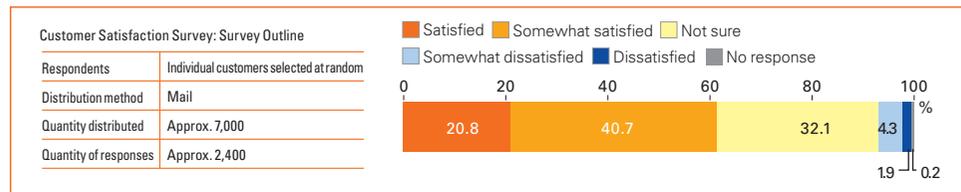
Corporate Customer Satisfaction Survey: Survey Outline
 Respondents: Corporate customers selected at random
 Distribution method: Mail
 Quantity distributed: 21,500 companies
 Quantity of responses: 4,743 companies



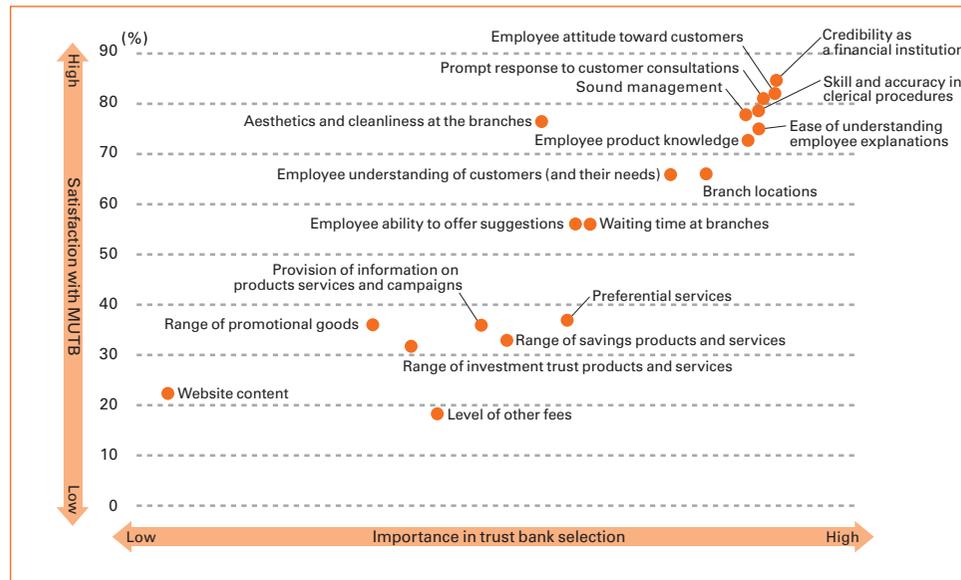
• Mitsubishi UFJ Trust and Banking Corporation



In a survey conducted in October 2011, over 60% of respondents indicated they were "satisfied" or "somewhat satisfied" overall with MUTB. Among reasons customers emphasize for selecting a trust bank, MUTB received high scores for credibility as a financial institution, employee attitude towards customers, and prompt response to customer consultations. We recognize the need for greater efforts on items which received low ratings, and will continue striving to make further improvements.



Customer Satisfaction Survey Results (MUTB)

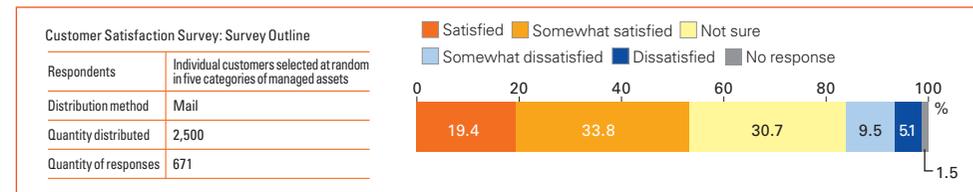


(Conducted Oct. 2011)

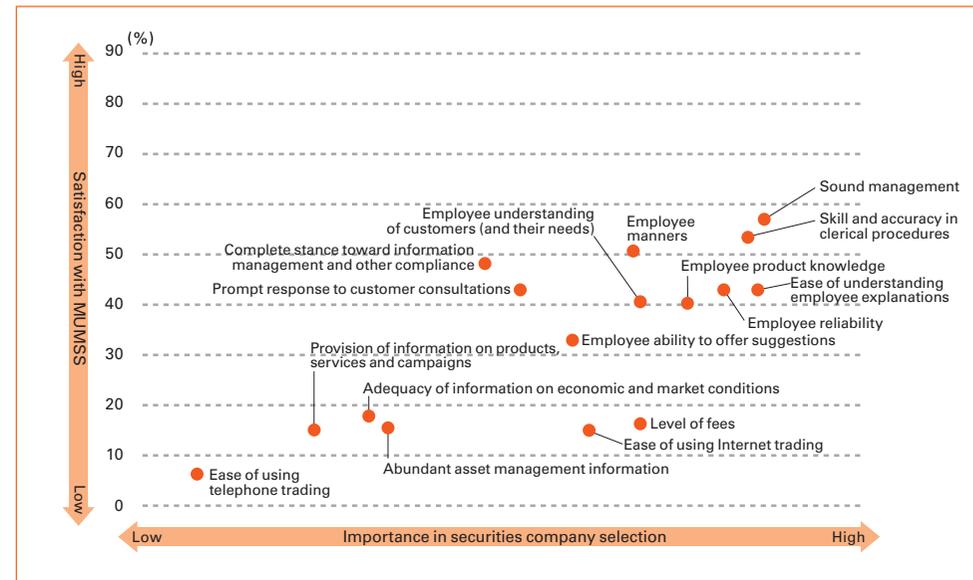
• Mitsubishi UFJ Morgan Stanley Securities



A survey by MUMSS in September 2011 showed a 5.5-point rise in customer satisfaction overall, which had previously been on a declining trend. Scores for skill and accuracy in clerical procedures and sound management were relatively high. However, scores for some items such as abundant asset management information and ease of using Internet trading were low, so MUMSS will earnestly work at improvements toward becoming a securities company which customers will use throughout their lives.



Customer Satisfaction Survey Results (MUMSS)



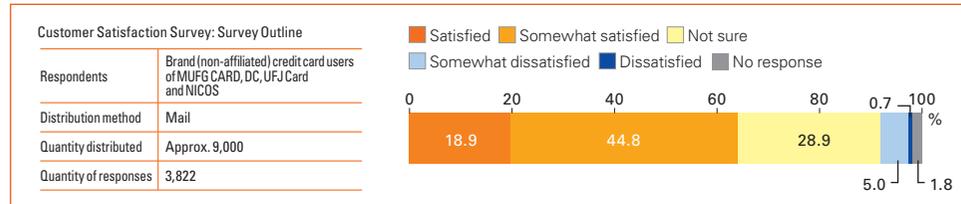
(Conducted Sept. 2011)



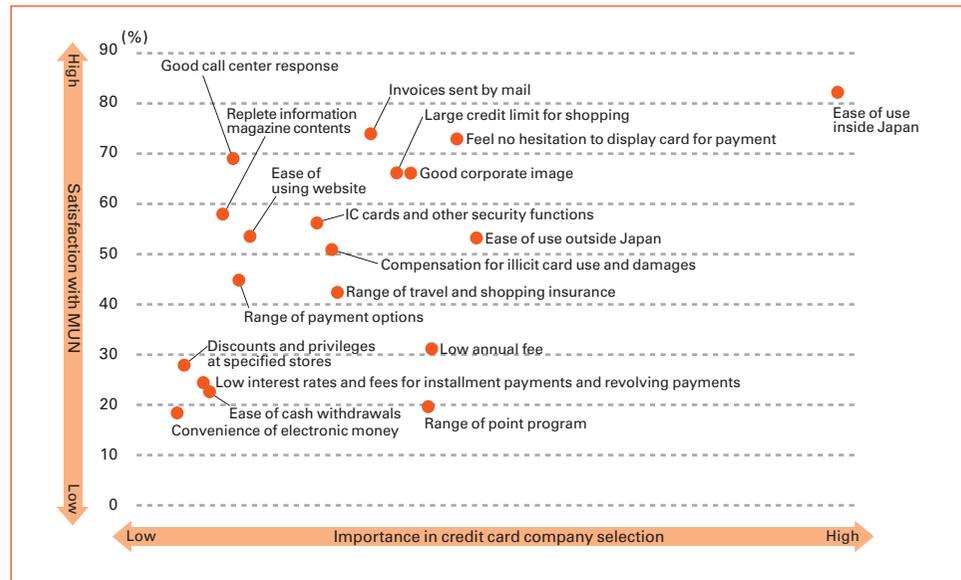
• Mitsubishi UFJ NICOS

MUN

In a customer satisfaction survey conducted in FY 2011, over 60% of customers responded that they are "satisfied" or "somewhat satisfied" overall (up 2.1 percentage points year-on-year). MUN received high scores in ease of use, corporate image, call center response and other categories. For items where the company did not receive high ratings, MUN is taking the evaluations seriously and striving to improve products and services to satisfy customers.



Customer Satisfaction Survey Results (MUN)



(Conducted Oct. 2011)

Third Party Comment



Prof. Yoshihiro Fujii
Graduate School of Global
Environmental Studies,
Sophia University

The CSR of financial institutions around the world may be at a turning point.

British financial institutions, once pioneers in environmental, social, and corporate governance (ESG) considerations, have been suspected of manipulating international benchmark interest rates for global financial markets, laundering money, and engaging in other types of misconduct. Banks across Europe have faced

criticism for withholding credit during the European debt crisis. And the sudden loss of confidence in U.S. investment banks following the collapse of Lehman Brothers is still a fresh memory. That Europe and the U.S. have been considered progressive in the area of CSR has given even more reason to suspect that these companies are simply engaged in "CSR-washing" (a play on words, like "greenwashing").

The connection between business and CSR is an important theme in business management. For manufacturers and distributors of goods and services, efforts to improve one's products or services are also recognized as being good for society. Conversely, corporate CSR activities help strengthen trust in one's business. As a result, these companies easily appreciate the relationship between corporate value and social value (the "shared value" propounded by American business scholar Michael Porter).

Financial institutions, meanwhile, provide services that are tough to differentiate. They all provide consumers and markets with the same opportunities to use money (albeit under varying terms).

Even their CSR activities tend to look alike. This makes it harder to really grasp how CSR is reflected in the core business.

This is why misconduct in the financial industry so quickly exposes the weak link between their business and CSR—and why it is more important for financial companies than manufacturers and other businesses to make sure their stakeholders really see the connection.

I cannot be certain, how much this year's CSR report was written with the aforementioned scandals at Western financial companies in mind, but an awareness of the connection between business and CSR is certainly a core element of this report. This is clear in the expression that the Group's Corporate Vision acts as a "guide" for its CSR activities. Past reports described the Group's CSR as being "guided" by the Group's Management Philosophy, but until this year more space was given to explaining the Management Philosophy; it was not sufficiently clear why the MUFG Group used the Management Philosophy to guide its CSR.

Last April, the MUFG Group launched a new medium-term business plan and also replaced its Management Philosophy with a Corporate Vision. Based on the new plan, MUFG aims to be the world's most trusted financial group. These changes suggest that the MUFG Group has become more aware of the connection between business and CSR. In other words, it sees the connection between business and corporate responsibility as a means of creating shared value for company and society—that CSR is a business strategy in itself.

Reaffirming this point has shed light on the significance of the Group CSR Priority Themes. While the two priority themes — Addressing Global Environmental Issues and Nurturing Society's Next Generation — have not changed from last year, the need for action on both themes, in running the company and in CSR, is now clear.

Increased clarity of the challenges is not all that has improved; positive outcomes of efforts have also appeared in this year's report. Last year, the MUFG Group was the world's largest provider of financing for renewable energy projects, which are

seen as responses to climate change and energy issues. This ranking was due in part to the weakened financial standing of Western financial sources, but it is also no doubt a testament to the rising confidence in Japan's technologies and financial institutions.

The Japanese financial industry, including the MUFG Group, has seen its fair share of scandals in the past. It too experienced a financial crisis. But intentional falsification of information and illegal transactions involving entire organizations have been rare. In terms of the "trust" upon which the financial industry depends, Japanese companies can probably feel quite confident.

Nonetheless, to become the world's most trusted financial group, the MUFG Group needs to go deeper and further in both its core business and CSR activities, not be too complacent in the trust it has earned in Japan. To be trusted by customers and markets the world over, it needs to further refine its financial capability to function effectively wherever it goes, and reinforce its capacity to attract the trust of diverse stakeholders.

In this year's report, my attention was drawn to the practice of Community Development Finance by the Union Bank, a U.S. subsidiary. Expanding this approach elsewhere in the world would require cultivating workplaces where a diverse workforce can take pride in being part of the MUFG Group. Fair employee evaluations and effective risk management systems are the foundation for building such workplaces. This is one area where the MUFG Group might distinguish itself going forward.

As the MUFG Group grows in the number of subsidiaries and range of activities, compiling an effective report for the entire Group will become a greater challenge. It will be tempting to try to include all of the information from each company, but if emphasis is to be given to the connection between business and CSR, the MUFG Group should consider limiting the CSR Report to the strategic CSR activities it implements as a Group, and then perhaps setting up separate linked websites for the activities of each company or for a select number of common themes. I hope to see the MUFG Group make well-executed, sustainable CSR efforts at this important turning point.



— (Issued December 2012) —

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Mitsubishi UFJ Financial Group's CSR Theme Song

Our concept for corporate social responsibility is "Hope, for tomorrow." Our theme song was created to bring our message and passion for our initiatives to even more people.

Title: *Ima wo Ikite*, by Aoi Teshima



The Bank of Tokyo-Mitsubishi UFJ provides support for the various activities of the UNESCO Associated School to promote Education for Sustainable Development (ESD).



This report has obtained Color Universal Design Organization (CUD) certification. CUD is based on the universal design approach, which aims to create publications that are easy to view and read by as many persons as possible.