



Mitsubishi UFJ Financial Group  
Corporate  
Social Responsibility  
Report 2010  
Full Edition

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### From the Editorial Team

With this CSR Report, the MUFG Group is working to enhance its information disclosure relating to CSR initiatives.

We aim to communicate our information in the clearest way possible, to as many people as possible. With this aim in mind, we differentiated the roles of the printed and online versions as shown on the right.

#### Full Edition (Online Only)

◇This is a detailed report designed to fulfill our information disclosure obligations. It is written with all of our stakeholders in mind and contains information and detailed data about our CSR activities as a whole.



#### Highlights Edition (Printed Brochure)

◇This version is written primarily for customers and employees, and contains only selected highlights of our CSR activities.



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

· Please see our Annual Report for more regarding an overview of management, and detailed information about finances, products and services.  
Annual Report: [www.mufg.jp/english/ir/annualreport/](http://www.mufg.jp/english/ir/annualreport/)

- Scope of Reporting: This report mainly covers the following five core Group 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) • Mitsubishi UFJ NICOS (MUN)
 Please note that the activities of Mitsubishi UFJ Lease & Finance (MUL) and Union Bank are covered on pages 80 to 83. Where the activities relate to a specific company, the following symbols are used: **MUFG** **BTMU** **MUTB** **MUMSS** **MUN** **MUL**
- Period Covered: This report describes activities and achievements in fiscal 2009 (April 2009 to March 2010). In some cases, reporting covers activities before or after fiscal 2009.
- 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).
- Reference Guidelines: In composing this report, we referred to the internationally accepted Sustainability Reporting Guidelines 2006 (G3) of the Global Reporting Initiative (GRI). A GRI content index matching the GRI guidelines with corresponding sections is provided on pages 87 through 91.
- This publication: December 2010. Next publication: December 2011.

## We aim to help realize a sustainable society, while fulfilling our inherent mission and roles in society as a financial group.

I am pleased to present the Mitsubishi UFJ Financial Group's "Corporate Social Responsibility Report 2010," which introduces the MUFG Group's principles and initiatives relating to CSR. I invite you to review these pages.

In the context of a complex economic and financial environment in Japan and overseas, our financial group sees its most important mission and responsibility in society as not only to provide the smooth supply of finance, but also to fulfill our role—as part of the circulation system of our economy and society—of supporting the development of our customers' businesses and of the economy itself. In our response to last year's entry into force of Japan's Act concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises, etc., we have strengthened our efforts based on this stance.

Furthermore, we are also tackling global issues—such as the environmental response to global warming—as an important theme underlying medium- and long-term economic growth. From a broader perspective, there are ever-expanding opportunities to incorporate these issues into business.

As the MUFG Group has long been conscious of its responsibility to address key issues facing society, it has identified and is actively working on two priority themes for its CSR activities: "Addressing Global Environmental Issues" and "Nurturing Society's Next Generation." In particular, under

the first theme, guided by the MUFG Environmental Action Policy, we have sought to utilize the financial functions of each company in the Group as we work to provide products and services that respond to customer needs. In the future as well, by fulfilling the inherent mission and role of finance, we would like to help resolve the critical issues facing society and contribute to the sustained growth of not only the Japanese economy, but also the global economy and society.

The business of the MUFG Group is built upon the trust and confidence of a variety of stakeholders, including customers, shareholders, and people in local communities.

Through the combined efforts of management and employees working together, the MUFG Group aims to be a comprehensive financial group with a worldwide reputation, respected and sound, and built upon trust and confidence.

We welcome your continued support.



Katsunori Nagayasu  
President and CEO  
Mitsubishi UFJ Financial Group  
September 2010



# Initiatives to Facilitate Financing

The smooth provision of finance to customers is one of our most important functions in society, and we work to fulfill this role.

## The Bank of Tokyo-Mitsubishi UFJ (BTMU)

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.

### Basic Policy to Facilitate Financing

1. The smooth provision of financing to customers is one of BTMU’s most important social responsibilities. We will work to respond earnestly to customer loan applications and consultations on reducing the burden of loan repayments, and strive our utmost to meet customer requests.
2. When making decisions on granting credit, we will consider not only the customer’s financial status, industry and other external facts, but also examine the specific business conditions and characteristics to accurately investigate matters and make lending decisions based on the actual circumstances of the individual or company.
3. We will fully consider the use of credit guarantee corporations’ guarantee systems, housing loan insurance and other public support measures when customers apply for loans or submit other applications.
4. For items on customer applications, we will strive our utmost to explain, from the customer’s perspective, the contract contents, as well as the rationales and processes by which decisions are reached.
5. When deemed necessary from the customer’s perspective, we will strive our utmost to provide customers with guidance and advice to the business management.
6. We will strive to respond properly to customer inquiries, consultations, requests and complaints.

7. When holding consultations on reducing a customer’s burden of loan repayment, we will carefully inquire about their arrangements with other financial institutions and strive our utmost to respond appropriately after ascertaining the situation.

To establish and maintain an appropriate management structure to facilitate financing, BTMU has appointed a Director in Charge of Facilitating Financing, established an “Office to Facilitate Financing” and an “Office to Facilitate SME Financing,” and has appointed “Managers to Facilitate Financing” at each sales branch office. The entire bank is working to strengthen initiatives to facilitate financing.

### Policy for Implementation of Measures to Reduce Repayment Burdens (Outline)

#### Common Items for All Customers

- (1) The Management Regulations to Facilitate Financing aim at securing the smooth provision of financing through appropriate risk-taking in accordance with customer business conditions and characteristics, while also contributing to maintaining the sound finances of BTMU through careful risk management.
- (2) Directors shall administer operations appropriately with a recognition of the importance of facilitating financing, and the Board of Directors shall prepare a management structure to achieve this purpose.
- (3) The Director in Charge of Facilitating Financing shall accurately confirm the status of facilitating financing, and establish and maintain an appropriate management structure to facilitate financing, including support to improve customer management.

- (4) Revisions and cancelation of the Management Regulations to Facilitate Financing shall be determined by the Board of Directors, and the Board of Directors shall revise the said Regulations periodically and as necessary.
- (5) The response in reducing the burden of loan repayments and other items shall be included in branch performance appraisal criteria, and BTMU shall strive to improve the effectiveness of facilitating financing, including the preparation and improvement of systems, as necessary.

#### Response to SME Customers

When receiving the following types of applications or consultations from customers, we will strive our utmost to meet customer requests, considering the possibility of improvement or turnaround of customer businesses and other conditions.

- (1) We will work to respond earnestly to customer applications and consultations on reducing the burden of loan repayments, and strive our utmost to meet customer requests.
- (2) We will strive our utmost to comply with requests from certified dispute resolution mediators who have been asked by customers to implement certified dispute resolution procedures (so-called Alternative Dispute Resolution [ADR] procedures), in order to facilitate prompt dispute resolution.
- (3) We will strive our utmost to comply with requests from the Turnaround Initiative Corporation of Japan to consent to the purchase of claims or to the management and disposal of claims in accordance with business restructuring plans. We will also strive our utmost to respond to repayment burden reduction and other items in business restructuring plans under said consent.
- (4) When receiving customer applications and consultations on reducing repayment burdens and other items, at the customer’s request, when asked to confirm items by other

financial institutions or when otherwise necessary, with the customer's consent and while observing confidentiality and the provisions of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (the Anti-Monopoly Act), we will strive to work in close coordination with other financial institutions, the Japan Finance Corporation (JFC), credit guarantee corporations, the Small and Medium Enterprise Revitalization Support Council, and other bodies.

- (5) We will strive our utmost to reduce a customer's burden of loan repayment upon confirming that other financial institutions or creditors have reduced the customer's burden of loan repayment.
- (6) At the customer's request and when deemed necessary for the customer, we will strive our utmost to provide support for management improvement and for corporate and business restructuring via management consultations, management guidance, business planning assistance and other support.
- (7) We will appropriately and flexibly consider granting credit to customers who have been granted a reduction in the burden of loan repayment, etc. For example, we will not refuse applications for new loans or reduced burden of loan repayments from customers solely because they have previously been granted reduced burden of loan repayments.
- (8) When BTMU refuses customer applications or consultations for reduced burden of loan repayments or other items, we will strive our utmost to satisfactorily explain the reasons and processes whereby the decisions were reached.

### Response to Housing Loan Customers

When receiving the following types of applications or consultations from customers, we will strive our utmost to meet customer requests, considering the customer's asset and income conditions.

- (1) We will strive our utmost to respond earnestly to applications and consultations regarding a reduction in the burden of loan repayment and other items from housing and other loan customers, to hold detailed discussions so future repayment

plans will be feasible, and to meet customer requests.

- (2) We will strive our utmost to reduce the burden of loan repayment of housing and other loan customers upon confirming that the Japan Housing Finance Agency or other creditors have reduced the customer's burden of loan repayment, etc.
- (3) When BTMU refuses housing and other loan customer applications or consultations for a reduction in the burden of loan repayment or other items, we will strive our utmost to satisfactorily explain the reasons and processes whereby the decisions were reached.

BTMU discloses the status of our initiatives to facilitate financing (number of loans and amounts) on our website.  
[http://www.bk.mufg.jp/info/kinyu\\_enkatsuka/index.html](http://www.bk.mufg.jp/info/kinyu_enkatsuka/index.html)  
 (Japanese only)

### Mitsubishi UFJ Trust and Banking (MUTB)

Mitsubishi UFJ Trust and Banking (MUTB) has established the following "Management Policy to Facilitate Financing," as a basic policy on facilitating financing.

#### Management Policy to Facilitate Financing

MUTB duly recognizes the smooth provision of required financing to customers as one of our most important functions in society as a financial institution, and has adopted the following policy to establish and maintain a management structure to facilitate financing.

#### Appropriate Examinations

1. We will make prompt and appropriate lending decisions, examination of terms and responses in response to customer applications for new loans or changes in borrowing conditions, based on the customer's actual circumstances, following detailed examinations of the customer's financial status and other factors.

#### Management Consultations and Support

2. We will respond sincerely to customer requests for management consultations and other assistance, and strive

our utmost to support customer efforts toward management improvement, including the provision of trust functions.

#### Improving Abilities to Assess Enterprise Value

3. We will strive to improve abilities to appropriately discern the enterprise value of customers' businesses.

#### Appropriate and Sufficient Explanations

4. We will strive to give thorough explanations in response to customer new loan applications and consultations on changing borrowing conditions, and to give appropriate and sufficient information so that the customer will have no misunderstanding. In particular, when MUTB refuses customer applications or consultations we will present the reasons and basis for the refusal, and strive our utmost to gain the customer's understanding and consent.

#### Appropriate Response to Requests, and Complaints, etc.

5. We will strive to respond promptly, appropriately, sufficiently and sincerely to customer inquiries, consultations, requests and complaints concerning new loans, changes to borrowing conditions, etc.

#### Close Coordination with Other Financial Institutions

6. When other financial institutions, government-affiliated financial organs, credit guarantee corporations, the Enterprise Turnaround Initiative Corporation of Japan, business restructuring ADR mediation, the Small and Medium Enterprise Revitalization Support Council or other bodies are involved with customer applications to change borrowing conditions or other items, we will strive to work in close coordination with the concerned financial organs or other bodies, while observing confidentiality and with the customer's consent.

The specific contents of this policy for each type of customer are as follows.

### Response to SME customers

- (1) We will make prompt and appropriate lending decisions, examination of terms and responses in response to customer

applications for new loans or changes in borrowing conditions, based on the customer's actual circumstances, following detailed examinations of the customer's financial status and other factors, after giving consideration to ensure that the customer will not be under an excessive burden of repayment, and strive our utmost to meet customer requests.

- (2) We will respond sincerely to customer requests for management consultations and other assistance. In discussions with customers on changing borrowing conditions and other items, at the customer's request, we will provide as much assistance as possible for the formulation of business improvement plans, and other assistance as much as possible, including trust functions, for customer efforts toward business improvement.
- (3) We will strive to improve abilities to appropriately discern the enterprise value of customers' businesses, and implement employee education, training and branch guidance on an ongoing basis.
- (4) We will strive to give thorough explanations in response to customers' new loan applications and consultations on changing borrowing conditions, and to give appropriate and sufficient information so the customer will have no misunderstanding. In particular, when MUTB refuses customer applications or consultations, we will present the reasons and basis for the refusal in light of the arrangements to date and other factors, and strive as much as possible to offer explanations that gain the customer's understanding and consent.
- (5) We will strive to respond promptly, appropriately, sufficiently and sincerely to customer inquiries, consultations, requests and complaints concerning new loans, changes to borrowing conditions, etc.
- (6) When other financial institutions, government-affiliated financial organs, credit guarantee corporations, the Enterprise Turnaround Initiative Corporation of Japan, business restructuring ADR mediation, the Small and Medium Enterprise Revitalization Support Council or other bodies are involved with customer applications to change borrowing conditions and

other items, we will strive to work in close coordination with the concerned financial organs or other bodies, while observing confidentiality and the provisions of the Anti-Monopoly Act, and with the customer's consent. We will also strive as much as possible to approve customer applications upon confirming that other financial institutions or creditors have changed the customer's loan repayment terms, etc.

- (7) We will appropriately and flexibly consider granting new credit to customers whose borrowing conditions have been changed, etc. For example, we will not refuse applications for new loans or changes in borrowing conditions from customers solely because they have previously been granted changes in borrowing conditions.

#### Response to Housing Loan Customers

- (1) We will make prompt and appropriate lending decisions, examination of terms and responses in response to customer applications for new loans or changes in borrowing conditions, based on the customer's actual circumstances, following detailed examinations inquiring about the customer's present asset, income conditions and future income prospects, after ensuring that the customer will not be given an excessive burden of repayment so the customer will be able to make repayments without unreasonable strain into the future.
- (2) We will strive to give thorough explanations in response to customer new loan applications and consultations on changing borrowing conditions, and to give appropriate and sufficient information so the customer will have no misunderstanding. In particular, when MUTB refuses customer applications or consultations we will present the reasons and basis for the refusal, and strive as much as possible to make explanations that gain the customer's understanding and consent.
- (3) We will strive to respond promptly, appropriately, sufficiently and sincerely to customer inquiries, consultations, requests and complaints concerning new loans, changes to borrowing conditions, etc.
- (4) When the Japan Housing Finance Agency or other bodies are involved with customer applications to change borrowing

conditions, we will strive to work in close coordination with the Agency or other concerned bodies, while observing confidentiality and with the customer's consent. We will also strive as much as possible to approve customer applications upon confirming that the Japan Housing Finance Agency or other creditors have changed the customer's loan repayment terms, etc.

In line with this basic policy, MUTB has adopted "Management Regulations to Facilitate Financing" that stipulate the basic items and internal management structure 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.

We disclose the status of our initiatives to facilitate financing (number of loans and amounts) on our website.

[http://www.tr.mufg.jp/ippan/soudan/kinyu\\_soudan\\_joukyou.html](http://www.tr.mufg.jp/ippan/soudan/kinyu_soudan_joukyou.html) (Japanese only)

#### Consultations on Reducing Customers' Burden of Repayment

Consultations regarding loans are available at the account branch for small and medium enterprise customers and at the account branch and via loan consultation phone lines for housing loan customers.

Customer complaints and inquiries are handled by specialized headquarters business units<sup>1</sup> with their own hotlines.<sup>2</sup> Information regarding these customer consultation units is posted on company websites and displayed on posters at branch offices.

1. The Customer Consultation Office at BTMU and the Customer Service Office at MUTB.

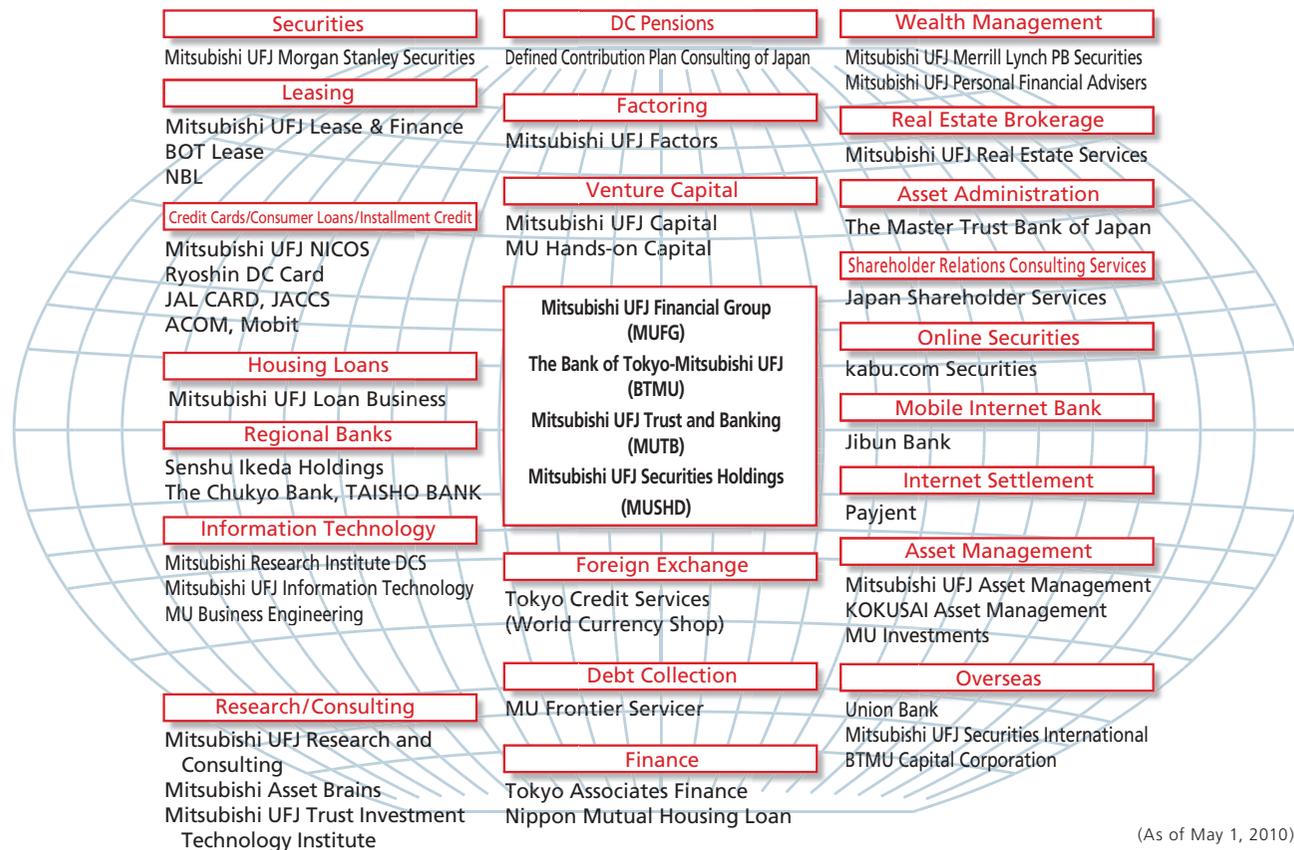
2. The BTMU Complaint Hotline to Facilitate Financing and the MUTB Complaint Dial to Facilitate Financing.

# Comprehensive Group Strengths

The MUFG Group is keenly aware of our social responsibility as Japan's largest domestic financial institution, with 40 million accounts for individuals, 500,000 corporate customers and 85 trillion yen in total loans outstanding, and we act from our unique perspective as a comprehensive financial group.

## Comprehensive Strengths of the MUFG Group

The MUFG Group meets the diverse needs of our customers as a union of top-class companies which each take pride in their performance in banking, trust banking, securities, credit cards, leasing and other major financial services fields.



(As of May 1, 2010)

## MUFG Group Network

The MUFG Group has a balanced network throughout Japan, and is responsible for the provision of credit as the life-blood of society. The Group also maintains the greatest overseas network of all Japanese financial institutions, providing financial services in many countries.

### MUFG Group Network\*

(As of March 31, 2010)

#### Direct Channels

- Internet
- Mobile
- Telephone

#### Convenience Store ATMs

- Approx. 30,700 locations

#### External ATMs

- Approx. 1,700 locations

#### Western Japan Region

Retail: 239  
Corporate: 114

#### Central Japan Region

Retail: 156  
Corporate: 69

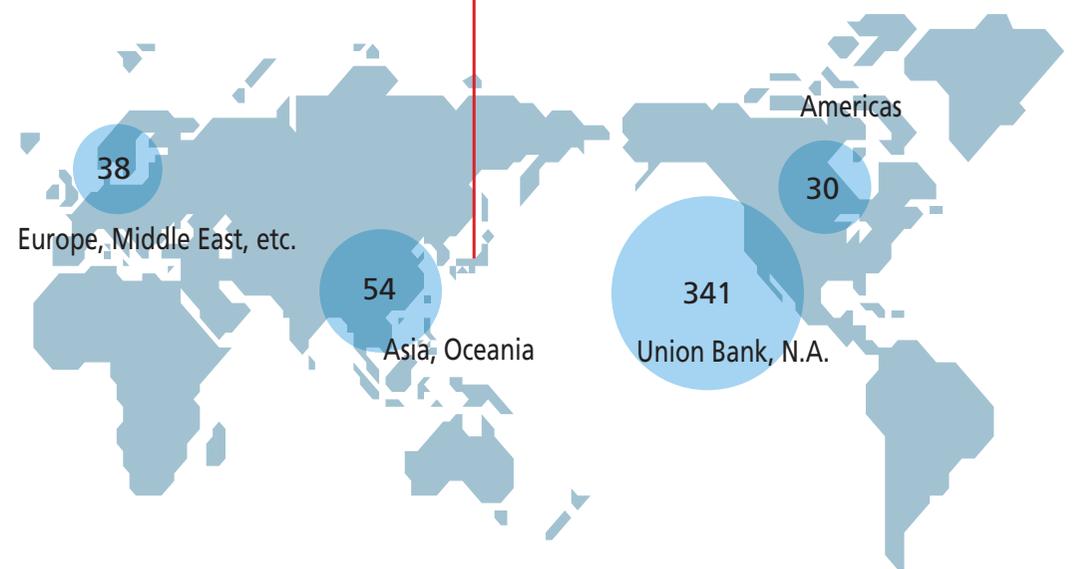
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#### Eastern Japan Region

Retail: 436  
Corporate: 171

353

225



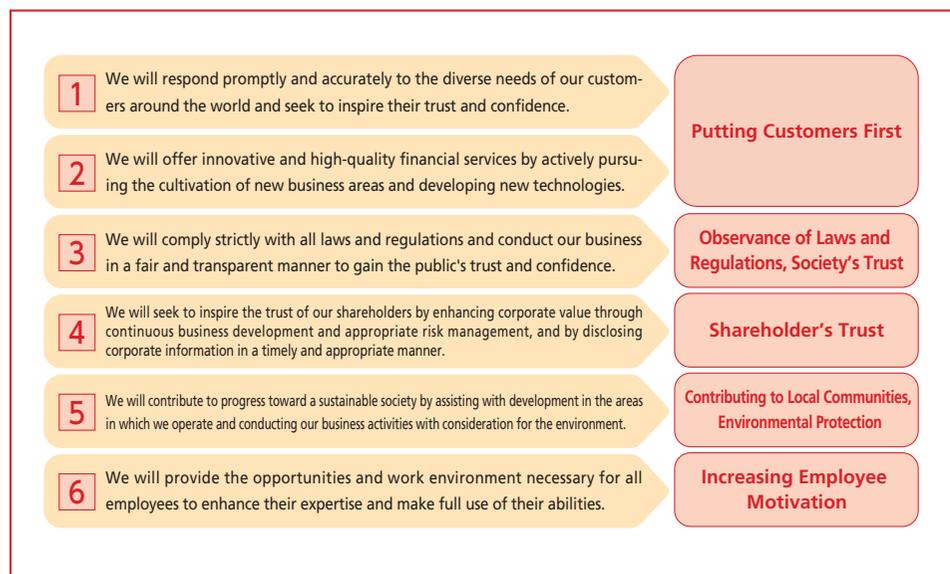
Note: Total of Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, and Mitsubishi UFJ Morgan Stanley Securities (until the end of March 2010, Mitsubishi UFJ Securities).

# CSR at the MUFG Group

**Guided by the Group's Management Philosophy, the MUFG Group aims to be a comprehensive financial group that uses finance to actively address key issues facing society and to contribute to the realization of a sustainable society.**

## Group's Management Philosophy

The Group's Management philosophy incorporates our aspiration to promote harmony and prosperity for our customers, shareholders, local communities, employees, the environment and other stakeholders, and to contribute to the realization of a sustainable society.



The root of MUFG Group's CSR is for each employee to put our Management Philosophy into practice by thinking and acting with the customer and front line in mind.

## A Focus on Quality

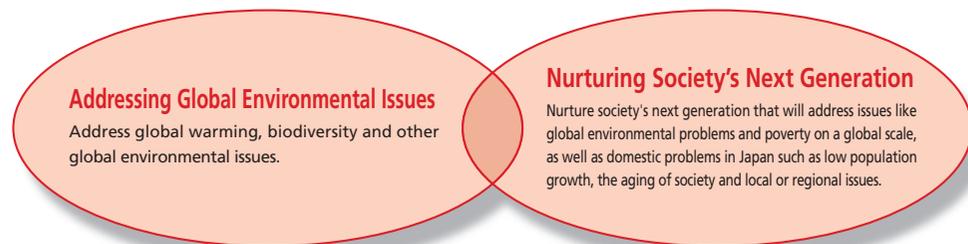
# Quality for You

**No. 1 Service • No. 1 Reliability • No. 1 Global Coverage**

"Quality for You" means that by providing high-quality service we aspire to help improve the quality of life of individual customers, and the quality of each corporate customer. The "You" expresses the basic stance of MUFG Group that we would like to contribute not only to the development of our individual customers but also communities and society.

## Group CSR Priority Themes

We recognize that the very existence of the MUFG Group is sustained by society as a whole and that we therefore have a duty to consider the key issues facing society. Thus, we have adopted "Addressing Global Environmental Issues" and "Nurturing Society's Next Generation" as the two priority themes for the entire Group.



## As a Premier and Comprehensive Global Financial Group

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 clients' 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 CO<sub>2</sub> 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 ISO14001, 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.

## ● Eight Environmental Project Teams

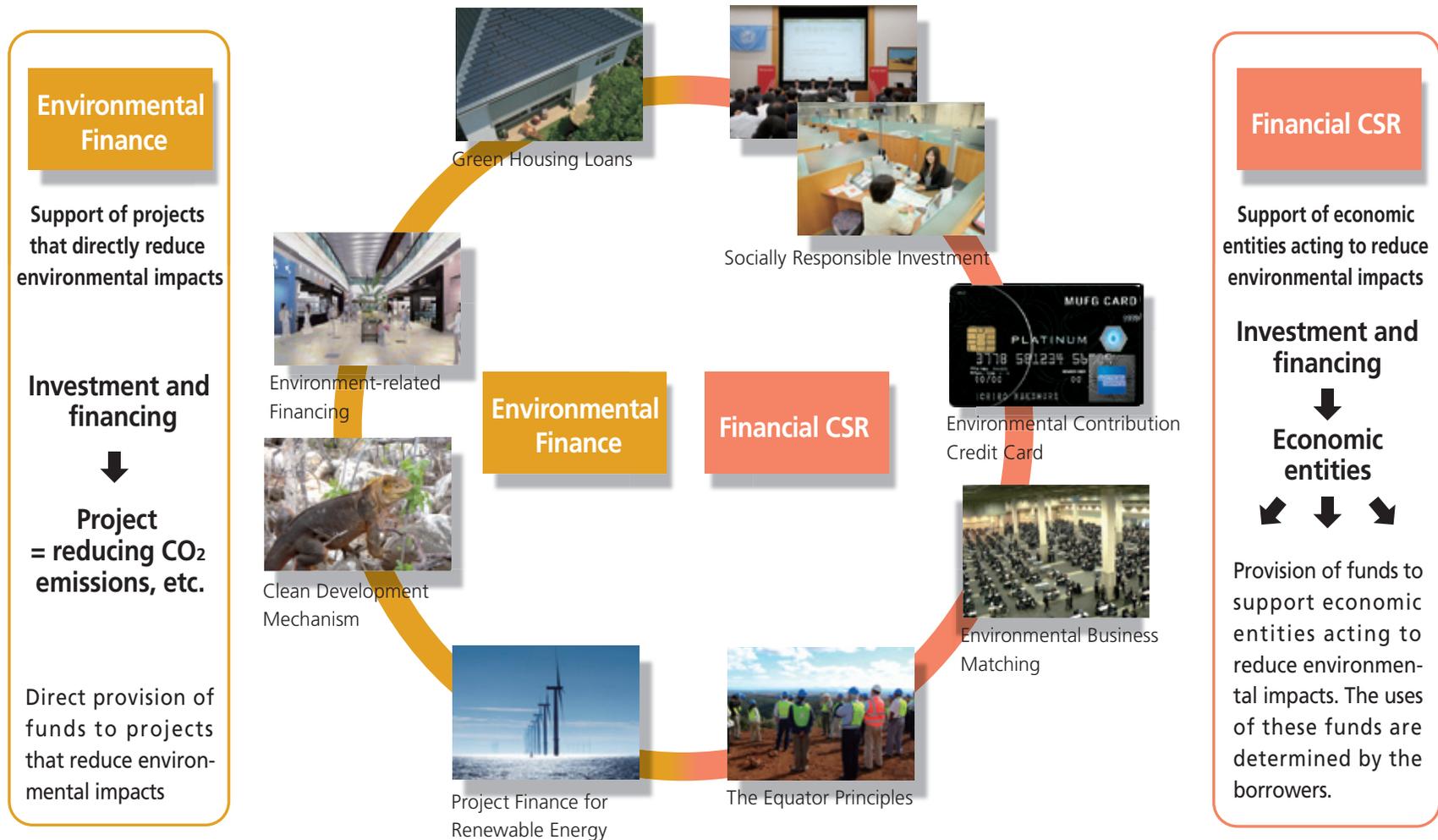
Based on the MUFG Environmental Action Policy, a total of eight project teams comprised of people from throughout the Group are leading efforts to carry out specific initiatives.

Overview of FY2009 Results and FY2010 Plans

Project Team	FY2009 Plans	FY2009 Results	FY2010 Plans
Individuals	<ul style="list-style-type: none"> <li>• Offer SRI funds.</li> <li>• Promote environmentally friendly home loans.</li> </ul>	<ul style="list-style-type: none"> <li>• Offered vaccine bonds.</li> <li>• Began offering Eco Support green loans.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote eco-equipment and eco-housing loans, etc.</li> </ul>
Domestic Corporations	<ul style="list-style-type: none"> <li>• Promote business matching in the environmental field.</li> <li>• Develop attractive products and services for customers addressing environmental issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Held business forums on themes such as the environment and food.</li> <li>• Held Energy-Saving Seminar.</li> <li>• Offered financing utilizing Ministry of the Environment's interest subsidy program.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand proposals activity, including development of financing products and schemes, and energy reduction diagnosis of real estate, etc.</li> </ul>
Pension Funds	<ul style="list-style-type: none"> <li>• Make SRI funds more attractive for pension funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Proactively disseminated information both inside and outside company. "Responsible Investment Seminar 2009," etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Make SRI funds for pension funds more attractive.</li> </ul>
Overseas	<ul style="list-style-type: none"> <li>• Support efforts to develop the foundations for CDM projects in China.</li> <li>• Develop specific strategies for CDM projects in Central and South America, particularly in Brazil.</li> <li>• Promote project finance for renewable energy and other projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Offered training opportunities to enhance CDM business base in China.</li> <li>• BTMU, MUTB, MUMSS, Brazil BTMU and Banco Bradesco S.A. concluded a memorandum of understanding regarding a business partnership in the field of emissions credits.</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrate comprehensive strengths of the MUFG Group, beginning with shift to environmental technologies and CDM consulting.</li> </ul>
Credit Screening	<ul style="list-style-type: none"> <li>• Consider clarifying screening standards based on an environmental perspective.</li> </ul>	<ul style="list-style-type: none"> <li>• Considered screening based on environmental perspective, based on Equator Principles.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider and develop details about screening standards from environmental and social perspectives.</li> </ul>
Markets	<ul style="list-style-type: none"> <li>• Promote trading of Kyoto credits (including Certified Emission Reduction (CER) credits before and after issuance).</li> <li>• Promote emission credit trust schemes.</li> </ul>	<ul style="list-style-type: none"> <li>• Gathered information about emissions credit trading markets and enhanced framework.</li> </ul>	<ul style="list-style-type: none"> <li>• Bolster research and systems on emissions trading markets.</li> </ul>
Internal	<ul style="list-style-type: none"> <li>• Save energy at all offices.</li> <li>• Raise employee awareness of the need to be eco-friendly.</li> </ul>	<ul style="list-style-type: none"> <li>• Confirmed the Group's CO<sub>2</sub> reduction target (25% reduction compared to FY2000 by FY2012) and set forecasts.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish numerical targets at all offices and otherwise promote specific energy-reducing activities.</li> </ul>
Social Contributions	<ul style="list-style-type: none"> <li>• Promote Group collaborative activities. Educational program named "Protect the Earth's Treasures" (tree-planting, environmental education), and "Next Generation Leaders Training Program for Asia" (human resources development in developing countries).</li> <li>• Enhance local contribution activities at each office.</li> </ul>	<ul style="list-style-type: none"> <li>• "Protect the Earth's Treasures" tree-planting activities (2 times).</li> <li>• Held painting contest for children, invited first-place winner to tree-planting activity.</li> <li>• Held the "Next Generation Leaders Training Program for Asia" for the second group of students.</li> <li>• Proactively promoted social contribution activities at all offices.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote Group collaborative activities.</li> <li>• Enhance local contribution activities at each office.</li> </ul>

● **Environmental Finance and Financial CSR**

Approaches to the environment via finance include direct financing of projects that reduce environmental impacts, as well as the provision of funds to individuals and groups actively 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.



## 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 Ten Principles of the United Nations Global Compact

#### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

#### Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

## CSR Structure

### ● Introducing Balanced Scorecard

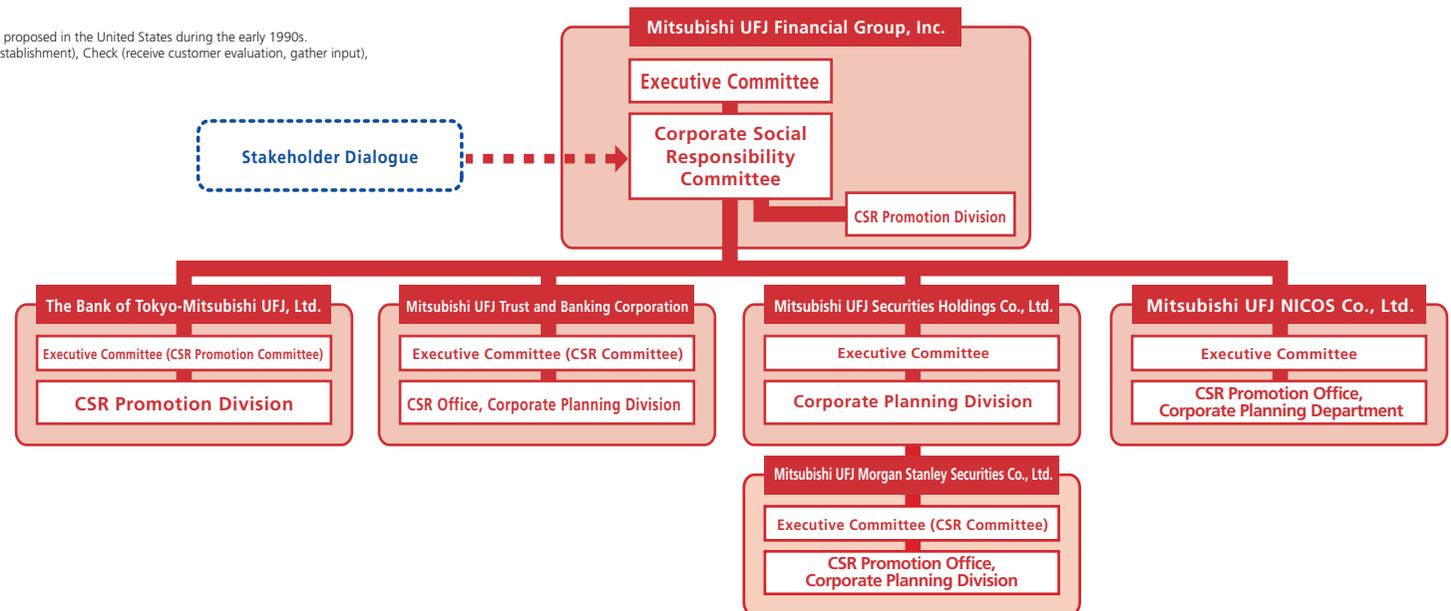
The MUFG Group has introduced a "balanced scorecard" (BSC)<sup>1</sup> approach at each company as a common platform to promote management strategies throughout the Group and to translate strategy into action. BSC is a framework to work toward organizational objectives through the development of strategies based on multiple dimensions—not only the financial perspective (i.e., profits), but also considering customers and society, internal business processes, human resources, and management infrastructure—allowing us to integrate corporate social responsibility (CSR) into management strategies. Based on this BSC, by following a PDCA (Plan, Do, Check, and Act) cycle<sup>2</sup> from the perspective of customers and other stakeholders, we seek to improve the quality of our strategies and keep the Group on the path of sustainable growth.

1. BSC: A business management methodology, consisting of strategy maps and scorecards, first proposed in the United States during the early 1990s.  
 2. PDCA: Plan (develop plans), Do (develop services and deliver value to customers at business establishment), Check (receive customer evaluation, gather input), Act (improve, review by management)

### ● CSR Promotion Structure of the 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. Each Group company is promoting CSR activities and maximizes the special characteristics of each Group company along with the Group policy. During fiscal 2009, the Corporate Social Responsibility Committee met in May and December. At these meetings, the Committee discussed future directions for activities based on the current status of CSR activities in the Group, as well as other topics.

Figure 1. CSR Structure of MUFG Group



## CSR Topics at the MUFU Group

	2009						2010							
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Mitsubishi UFJ Financial Group, Inc.</b>	<ul style="list-style-type: none"> <li>● "Next Generation Leaders Training Program for Asia," 2nd term started</li> <li>● BTMU, MUTB, MUS selling vaccine bonds</li> <li>● BTMU, MUTB, and BTMU Brazil sign memorandum of cooperation in emission credits with Banco Bradesco</li> </ul>	<ul style="list-style-type: none"> <li>● Third and fourth tree-planting event held for the "Protect the Earth's Treasures" Project</li> </ul>	<ul style="list-style-type: none"> <li>● Third "Job Shadowing" working experience program implemented</li> </ul>		<ul style="list-style-type: none"> <li>● Invited winners of "Protect the Earth's Treasures" Project art contest to tree planting</li> </ul>				<ul style="list-style-type: none"> <li>● Had booth at the 2009 Eco-Products Exhibition</li> </ul>	<ul style="list-style-type: none"> <li>● Third "MUFU Graduation Memorial Cup Soccer Tournament" held</li> </ul>	<ul style="list-style-type: none"> <li>● Held large business meeting about the environment (Osaka)</li> </ul>	<ul style="list-style-type: none"> <li>● Second "Next Generation Leaders Training Program for Asia" ended</li> <li>● Announced MUFU CSR theme song</li> <li>● Broadcast MUFU television special program "Cultivating Fields, Cultivating People"</li> </ul>	<ul style="list-style-type: none"> <li>● "Next Generation Leaders Training Program for Asia," third term started</li> <li>● Special television broadcast of "Gifts for the Future"</li> </ul>	<ul style="list-style-type: none"> <li>● Fifth and sixth tree-planting event held for the "Protect the Earth's Treasures" Project</li> </ul>
<b>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</b>		<ul style="list-style-type: none"> <li>● Held business meeting on theme of "food" (Fukuoka)</li> </ul>	<ul style="list-style-type: none"> <li>● Released "Eco Support" green loan, mortgage with preferential interest rate for eco-friendly homes</li> </ul>		<ul style="list-style-type: none"> <li>● Kagaya kids' day held</li> <li>● Held business matching meeting for environmental technologies (Tokyo)</li> </ul>		<ul style="list-style-type: none"> <li>● Began support for UNESCO associated schools</li> <li>● Implemented environmental lending utilizing Ministry of the Environment's interest support program</li> </ul>	<ul style="list-style-type: none"> <li>● Held business meeting on theme of "food" (Hokuriku)</li> </ul>	<ul style="list-style-type: none"> <li>● Held business promotion event of Japanese-made foods and food products (Hong Kong)</li> </ul>			<ul style="list-style-type: none"> <li>● Held energy efficiency seminar for SMEs</li> </ul>	<ul style="list-style-type: none"> <li>● Started weekend openings of the Bank of Tokyo-Mitsubishi UFJ Money Museum</li> </ul>	
<b>Mitsubishi UFJ Trust and Banking Corporation</b>	<ul style="list-style-type: none"> <li>● Presented speakers at the TBLI Conference</li> <li>● Concluded an agreement on Peter Rabbit® "Forest for the Future" Environmental Conservation Activities</li> <li>● Held third "Day with Dolphins" tour</li> </ul>		<ul style="list-style-type: none"> <li>● Started offering "CO<sub>2</sub> Reduction Support Loan"</li> </ul>		<ul style="list-style-type: none"> <li>● Started offering Employee Stock Ownership Plan</li> <li>● Held "Children's Visiting Day", (main office)</li> </ul>		<ul style="list-style-type: none"> <li>● Held first Peter Rabbit® "Forest for the Future" tree planting event</li> </ul>	<ul style="list-style-type: none"> <li>● Held Responsible Investing Seminar 2009 in cooperation with UNEP FI</li> <li>● Held "Children's Visiting Day" (Osaka)</li> </ul>				<ul style="list-style-type: none"> <li>● Implemented environmental lending utilizing Ministry of the Environment interest support program (a first for a trust bank)</li> </ul>	<ul style="list-style-type: none"> <li>● Presented speakers at the TBLI Conference</li> <li>● Held fourth "Day with Dolphins" tour</li> </ul>	
<b>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (see Note)</b>	<ul style="list-style-type: none"> <li>● For new "Designing a Low-Carbon Society" course at the Keio University Graduate School, dispatched a lecturer from CEF Committee</li> </ul>	<ul style="list-style-type: none"> <li>● Implemented support project for child victims of Sichuan earthquake (China)</li> </ul>			<ul style="list-style-type: none"> <li>● Started travelling exhibition of art by Sichuan children</li> </ul>	<ul style="list-style-type: none"> <li>● Tree planting in Paraguay is registered by UN as a CDM project (first in the country in forestry)</li> </ul>			<ul style="list-style-type: none"> <li>● Started "Dialogue with the President" meetings for young employees</li> <li>● Launched "e-post" (electronic notification service for transactions, etc.)</li> </ul>					<ul style="list-style-type: none"> <li>● Launched Mitsubishi UFJ Morgan Stanley Securities</li> </ul>
<b>Mitsubishi UFJ NICOS Co., Ltd.</b>	<ul style="list-style-type: none"> <li>● Started "anniversary leave" system</li> <li>● Initiated the POINT "Meijin".com service</li> <li>● Certified under the Japanese Law for Measures to Support the Development of the Next Generation</li> </ul>			<ul style="list-style-type: none"> <li>● Started offering gift cards in exchange for eco-points</li> <li>● As a measure against global warming, adopted "Cool Earth Day" (No Overtime Day)</li> </ul>					<ul style="list-style-type: none"> <li>● Held Customer Service Week</li> <li>● Adopted "Go Home Early Week" as part of "Family Week"</li> </ul>					<ul style="list-style-type: none"> <li>● Expanded use of postcard as statement of card use</li> </ul>
				<ul style="list-style-type: none"> <li>● Implemented No Overtime Week</li> </ul>					<ul style="list-style-type: none"> <li>● Expanded Carbon Offset point exchange program to credit cards other than MUFU Card</li> </ul>					<ul style="list-style-type: none"> <li>● Held Equal Partnership Offsite Meeting</li> </ul>

Note: Formerly Mitsubishi UFJ Securities Co., Ltd. (MUS)

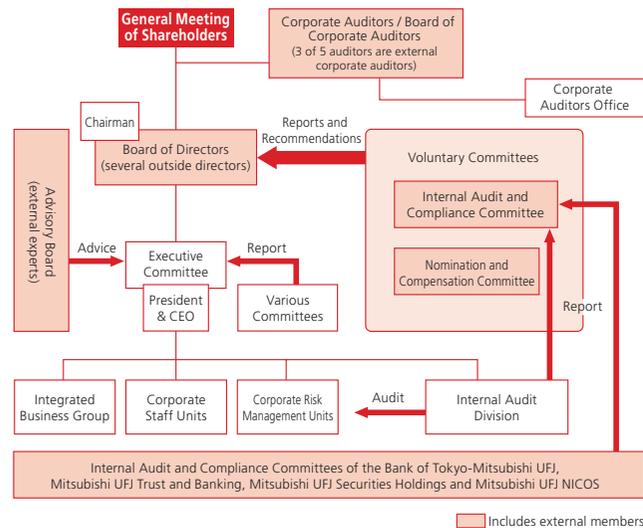
# Enhancing Corporate Governance

The Group is working hard to build a corporate governance framework that is commensurate with our status as a comprehensive global financial group. We aim for business in a fair and transparent manner in the eyes of the society.

## ● Governance Functions of the Holding Company MUFG

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. Three of the 16 members of the Board of Directors are outside directors satisfying the requirements for independent board members under stock exchange rules, and most members of the five-member Board of Corporate Auditors are outside auditors that satisfy the requirements for independent board members under stock exchange rules. 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.

### Corporate Governance Structure



### Outline of the Internal Audit and Compliance Committee, and the Nomination and Compensation Committee (as of June 29, 2010)

Committee Name	Issues Deliberated	Members
Internal Audit and Compliance Committee	Items regarding internal audits and compliance at the holding company and subsidiaries	Chairman: Ryuji Araki (outside director) Members: Kazuhiro Watanabe (outside director, attorney at law) Koji Tajika (outside expert, C.P.A.) Yoshinari Tsutsumi (outside expert, attorney at law) Kinya Okauchi (Deputy Chairman & CAO, MUFG)
Nomination and Compensation Committee	Items regarding the nomination of candidates for the Board of Directors of the holding company; items regarding important personnel at the holding company and subsidiaries; items regarding the compensation of directors of the holding company and subsidiaries	Chairman: Takuma Otoshi (outside director) Members: Ryuji Araki (outside director) Kazuhiro Watanabe (outside director, attorney at law) Katsunori Nagayasu (President & CEO, MUFG)

### Members of Advisory Board (as of June 26, 2010)

Kazuhiro Ikeo (Professor of Economics, Keio University)  
Naotake Okubo (Chairman, Sekisui Chemical Co., Ltd.)  
Yuko Kawamoto (Professor, Waseda University Graduate School of Finance, Accounting & Law)  
Yoshihide Munekuni (Former Chairman, Honda Motor Co., Ltd.)

## ● Governance System of the Whole Group MUFG

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 the Bank of Tokyo-Mitsubishi UFJ (BTMU), Mitsubishi UFJ Trust and Banking (MUTB), Mitsubishi UFJ Securities Holdings (MUSHD) and Mitsubishi UFJ NICOS (MUN). BTMU, MUTB, MUSHD and MUN have external directors, as well as internal audit and compliance committees composed of a majority of external members, and these committees report to each company's Board of Directors.

# We See Compliance as a Top Management Priority.

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

## Basic Compliance Policy

The MUFG Group's Management Philosophy emphasizes strict compliance with laws and regulations and conducting our business in a fair and transparent manner to gain the public's trust and confidence. The Group has also adopted an Ethical Framework and a Code of Conduct as a fundamental ethical policy for all Group officers and employees, and is dedicated to upholding a corporate culture in which all act with integrity and fairness by observing these policies at all times.

Despite these efforts, incidents have occurred that have resulted in administrative sanctions on Group companies imposed by domestic and foreign governmental authorities. The MUFG Group has taken these sanctions seriously, fully aware that compliance is an area that demands constant effort, and continues to strengthen and implement compliance management throughout the Group in order to conduct our business in a sound and proper way.

### Ethical Framework

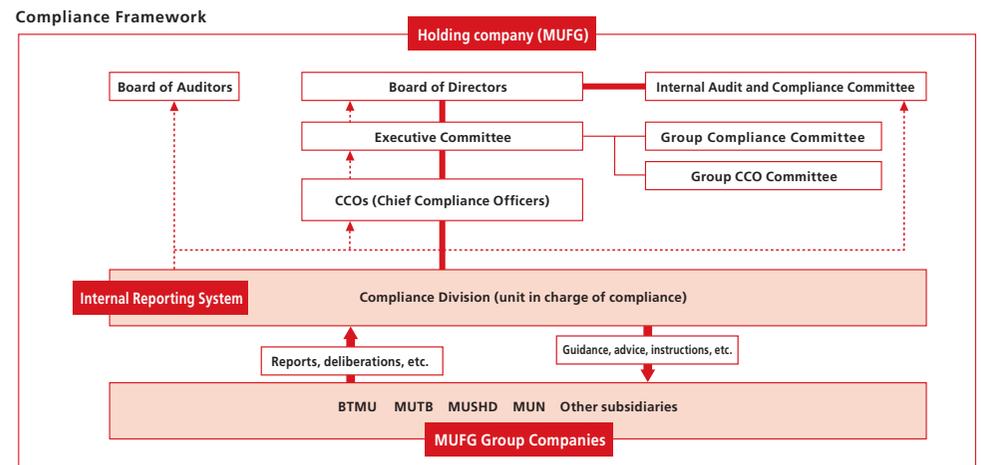
1. Establishment of trust  
We will remain keenly aware of the Group's social responsibilities and public mission and will exercise care and responsibility in the handling of customer and other information. By conducting sound and appropriate business operations and disclosing corporate information in a timely and appropriate manner we will seek to establish enduring public trust in the Group.
2. Putting customers first  
We will always consider our customers, and through close communication will endeavor to satisfy them and gain their support by providing financial services that best meet their needs.
3. Strict observance of laws, regulations, and internal rules  
We will strictly observe applicable laws, regulations and internal rules, and will conduct our business in a fair and trustworthy manner that conforms to societal norms. As a global comprehensive financial group we will also respect internationally accepted standards.
4. Respect for human rights and the environment  
We will respect the character and individuality of others, work to maintain harmony with society, and place due importance on the protection of the global environment that belongs to all mankind.
5. Disavowal of anti-social elements  
We will stand resolutely against any anti-social elements that threaten public order and safety.

## Compliance Framework

Compliance Divisions are in place at the holding company (MUFG), and each of BTMU, MUTB, MUSHD and MUN. The Compliance Divisions at each company promote compliance 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 "Compliance Committees" and "Internal Audit and Compliance Committees" (a majority of which consists 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 and compliance issues that require broad recognition throughout the Group. Expanded Group CCO Committee meetings with additional members are held for deliberations on compliance issues shared in common among multiple Group companies.

### CCOs (Chief Compliance Officers)

We have assigned directors in charge of compliance at the holding company, BTMU, MUTB, MUSHD and MUN to the post of Chief Compliance Officer (CCO) of each company. We have also appointed the CCOs of BTMU, MUTB, and MUSHD as Deputy Chief Compliance Officers of the holding company, to ensure that information concerning compliance within the whole Group is promptly reported to the holding company, and that the guidance, advice and instructions of the holding company's CCO are followed.



## Basic Policy regarding Anti-Social Elements

The MUFG Group has adopted a Basic Policy regarding Anti-Social Elements, and is amending each Group company's contracts, transaction terms and conditions, and so on, to bolster a comprehensive framework to reject and prevent interactions with anti-social elements.

### 1. Response as an organization

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

### 2. Cooperation with external specialist organizations

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

### 3. Blocking of relationships, including business transactions

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

### 4. Civil and criminal legal responses in times of emergency

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

### 5. Prohibition of secret deals and provision of funds

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

## Major Compliance Policies and Measures

With regard to incidents that have resulted in administrative sanctions on Group companies, the relevant Group companies responded publicly to the cases by press releases and other means and took steps to make improvements, and information about the causes of the incidents was shared Group-wide through the Group CCO Committee and other channels, and necessary measures were taken to prevent their recurrence. Regarding areas such as insider trading control and information management, in order to remind officers and employees of the importance of these matters, we have continued to take steps such as incorporating video training tools into training programs.

In addition, by regularly conducting awareness surveys on compliance among Group officers and employees, we have monitored the degree of penetration of our policies and measures and changes in awareness, identifying the challenges to further enhancing compliance, and incorporating the findings into various policies and measures. For example, based on the understanding that an open corporate culture is a prerequisite for compliance to take root, we have held Group-wide interactive seminars among officers and employees (including management) in various locations.

In addition, in areas where laws and regulations were amended or newly enacted, such as conflicts of interest management and consumer protection, we have shared information through the Group CCO Committee and other channels, and have taken steps to make systematic improvements. As for conflicts of interest management, in response to partial amendments of Financial Instruments and Exchange Act and Banking Act in June 2009, we have improved the management framework and announced "Policy for Conflicts of Interest Management," along with offering training to officers and employees to keep them informed about the matter and verifying the management framework regularly. In response to the increase in awareness for consumer protection as represented by the creation of Consumer Affairs Agency in September 2009 and the future introduction of financial ADR system, we have taken steps to make improvements on matters affecting customers, such as simplification of investment trust prospectuses.

Meanwhile, as described below, we are undertaking initiatives to ensure that customers do not become victims of financial crime, and we also continue to focus on prevention of money-laundering so that the financial services and functions offered by Group companies are not used for money transfers associated with crime or terrorism.

## Internal Reporting Systems

The MUFG Group maintains internal reporting systems, including the capacity to handle external inquiries, in order to identify compliance problems at an early stage and rectify them within the companies. The holding company has also the MUFG Group Compliance Helpline accessible to officers and employees of MUFG Group companies to supplement the internal reporting systems at the individual companies.

In addition to these internal reporting systems, the holding company maintains an Accounting Auditing Hotline to receive internal and external reports concerning actual and suspected illegal accounting treatment at Group companies, including the holding company, with a law office as the contact for receiving reports.

# We Comprehensively Monitor and Manage Diverse Risks to Maintain Sound Financial Health.

We are designing our risk management system to fit the demands of this leading, comprehensive, global financial group.

## ● Risk Management Policy

MUFG

Risk management is playing an increasingly important role in the midst of constantly changing business and regulatory conditions, globalization of finance, and advances in information technology. The MUFG Group comprehensively identifies the various risks arising from business operations using uniform criteria, and implements integrated risk management (see Note). Under this basic policy, we identify, measure, control, and monitor a wide variety of risks to achieve a stable balance between earnings and risks, create an appropriate capital structure, and achieve an optimal allocation of resources.

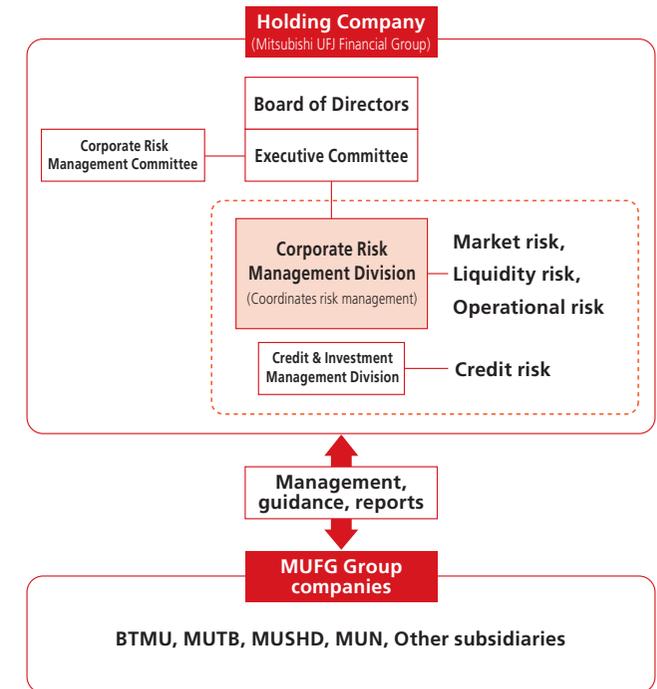
Note. Integrated risk management: A risk management method for financial institutions whereby various risks are measured using uniform methodologies, and overall risk is controlled in proportion to financial strength.

## ● Risk Management System

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To dynamically manage various types of risk from both qualitative and quantitative perspectives, the holding company and major Group companies each appoint chief risk management officers and establish independent risk management divisions. We promote group-wide risk management through close cooperation. The Group has also established committees and councils to manage and discuss important matters relating to various types of risk. The Board of Directors determines risk management policies for all Group companies based on the discussions held by these committees and councils. In addition to determining the basic risk management policy for the entire Group, the holding company seeks to enhance group-wide risk identification, to integrate and improve the group's risk management framework and related methods, to maintain asset quality through risk management, and to eliminate concentrations of specific risks. Each Group company implements and improves its own risk management framework in line with group-wide risk management policy determined by the holding company. Since our corporate integration, the MUFG Group has continued striving to upgrade risk management and maintain and improve our brand strength in a coordinated way.

Risk Management Framework



## We Implement a Variety of Initiatives to Prevent Losses from Financial Crime.

Customers' valuable assets are constantly the target of malicious financial crime—including criminals conning innocent people into wiring money via bank transfer, investment fraud, and so on—and the criminal techniques are becoming increasingly sophisticated. The MUFG Group is taking a variety of steps to deal with financial crime and provide assistance to victims.

### Financial Crime Countermeasures and Victim Assistance

#### ● Loss Prevention from Money Transfer and Investment Fraud BTMU MUTB

The majority of cases of money transfer fraud and investment fraud involves losses that occur when a person is deceived before realizing that he or she has become a victim of deceptive language.

We take numerous actions to make customers alert to criminal techniques, such as by placing posters and pamphlets in branch offices and at ATM locations, displaying warnings on ATM screens, and so on. In some cases, attendants remind customers to take precautions, or verify the details of transactions.

Also, we confirm an applicant's identity and intended use when opening a new bank account, as unauthorized use of bank accounts is common in money transfer fraud. In some cases, we must refuse to open a new account, so we ask for customer cooperation in those cases.

#### ● Preventing Losses from Fabricated or Stolen ATM Cards BTMU MUTB

In order to prevent losses from fake or stolen ATM cards, we have been introducing technologies to verify the identity of the user, such as IC cards and biometric authentication.

A major factor for preventing crime is to avoid letting strangers know or guess passwords, so we are also implementing other countermeasures, such as installing rear-view mirrors for ATM users, installing polarized film on ATM screens, displaying warnings about password management on ATM screens, and so on.

#### ● Security Measures for Internet Banking BTMU MUTB

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.

For funds payments, we also send notification to customers' registered e-mail addresses immediately after transactions are requested or completed, so that they can immediately notice any unauthorized transactions.

#### ● Security Measures to Reduce Losses from Phishing BTMU MUTB

BTMU uses a digital certificate when sending electronic mail to customers. Depending on which e-mail application the customer is using, this system displays a warning message when the e-mail contents have been tampered with during transmission, and allows customers to confirm the message sender.

In addition, BTMU has introduced EV (Extended Validation) SSL server certificates allowing customers to easily confirm that they are connected to the bank's genuine server when entering important information for direct banking and other services on our website. Customers using compatible operating systems and Internet browsers on their personal computers can visually verify the authenticity of the website from the address bar display.

#### ● Monitoring Fraudulent Credit Card Activity MUN

To respond to the increasingly diverse and sophisticated methods of credit card crime, MUN utilizes a monitoring system to detect fraud based on historical crime data, and monitors credit card activity at affiliated merchants and on the Internet on a round-the-clock basis. Furthermore, we always encourage our customers (members) to exercise caution with messages on our website, in our members' magazine, and on monthly account statements.

#### ● Assistance for Victims of Money Transfer Fraud BTMU MUTB

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 using 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 MUTB BTMU MUMSS

We compensate victims who have had their funds withdrawn illegally—through the use of fake or stolen ATM cards, stolen passbooks, or Internet banking—based on Japan's Depositor Protection Act, which entered into force in February 2006, and on an arrangement announced by the Japanese Bankers Association in February 2008.

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

# Ethical Framework/ Code of Conduct/ Personal Information Protection Policy/ Environmental Statement/ Environmental Policy

MUFG's CSR activities are guided by a set of principles, policies, and rules that we have developed through extensive dialogue.

## ● Ethical Framework

### 1. Establishment of trust

We will remain keenly aware of the Group's social responsibilities and public mission and will exercise care and responsibility in the handling of customer and other information. By conducting sound and appropriate business operations and disclosing corporate information in a timely and appropriate manner we will seek to establish enduring public trust in the Group.

### 2. Putting customers first

We will always consider our customers, and through close communication will endeavor to satisfy them and gain their support by providing financial services that best meet their needs.

### 3. Strict observance of laws, regulations, and internal rules

We will strictly observe applicable laws, regulations and internal rules, and will conduct our business in a fair and trustworthy manner that conforms to societal norms. As a global comprehensive financial group we will also respect internationally accepted standards.

### 4. Respect for human rights and the environment

We will respect the character and individuality of others, work to maintain harmony with society, and place due importance on the protection of the global environment that belongs to all mankind.

### 5. Disavowal of anti-social elements

We will stand resolutely against any anti-social elements that threaten public order and safety.

## ● Code of Conduct

### 1. Establishment of trust

#### ***Trustworthiness and ethical standards***

We will faithfully carry out our business, based on high ethical standards, to ensure that our corporate activities are highly transparent and honorable. We will not knowingly release false information or otherwise knowingly hide or obscure the truth.

#### ***Confidentiality and information management***

We will not release customer information that we have acquired through our business to any third party without legitimate reason or customer consent. We will handle customer information responsibly, and will strictly observe in-house rules concerning corporate information.

#### ***Accounting practices and information disclosure***

We will not improperly handle company accounting records or make entries that invite false or misleading interpretations. We will disclose corporate information on a factual basis and in good faith.

### 2. Putting customers first

#### ***Responding with integrity and consideration***

We will endeavor to be friendly and polite and to act with integrity in all our contacts with customers and by pursuing our customer first approach we will seek to avoid any inappropriate impairment of their interests. We will not engage in excessive customer entertainment or gift exchange, and will make any such decisions based on commonly accepted standards.

#### ***Suitability and the obligation to explain***

We will offer products and services to customers that we believe best meet their needs and experience. We will adequately explain merits, demerits and risks, and proceed only after customers have been given a reasonable opportunity to discuss

with us any actions we intend to take that may affect them.

#### ***Understanding of intentions***

We will endeavor to ensure that customers properly understand any contracts or agreements they enter into with us, and endeavor to ensure that these reflect their intentions.

### 3. Strict observance of laws, regulations and internal rules

#### ***Observance of laws, regulations and internal rules***

As a comprehensive financial group we will strictly observe applicable laws and regulations, whether overseas or in Japan, and conduct business activities fairly and honestly. We will endeavor to maintain the highest ethical standards within the Group, and to create a strong corporate culture of compliance with laws and rules.

#### ***Prohibition of unfair transactions***

We will not solicit transactions with customers by utilizing any advantageous position that we may have. We will endeavor not to knowingly cause losses to customers in the pursuit of profit for Group or Group companies.

We will not improperly or illegitimately use information acquired through our operations for our own gain. In particular, we will not trade in stocks using material unpublished information that would likely influence the share prices of Group or client companies. Any such important information coming in to our possession will be handled with the utmost care.

We will endeavor not to cause losses to other companies within the Group in the pursuit of profit for the Group. When handling undisclosed customer information or conducting transactions between subsidiaries, we will take every care not to commit any prohibited acts.

**Protection of intellectual property**

We will make efforts to appropriately protect our Group's own intellectual property (patents, trademarks, copyrights, etc.), and will respect the intellectual property rights of third parties.

**Prohibition of the mixing of public and personal affairs**

Regardless of any benefit or disadvantage, we will always strive to make judgments from a fair and honest standpoint. We will draw a clear line between public and personal matters and endeavor to avoid any conflict of interests, and will not use company resources for private purposes.

**4. Respect for human rights and the environment**

**Respect for human rights**

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.

**Cultivating a work environment in which people can easily do their jobs**

All directors and employees shall respect each other as work partners, and be aware that acts such as sexual harassment and power harassment are an affront to human dignity and will not be tolerated in the workplace.

**Consideration for the natural environment**

We will seek to achieve harmony with society, and protect the global environment.

**5. Disavowal of anti-social elements**

**Disavowal of anti-social elements**

We will take a resolute stance against criminal groups, and other anti-social elements.

**Prevention of money laundering**

We shall be fully alert to the possibility that funds handled in transactions by financial institutions might be used for, derived from or intended for criminal or terrorist purposes. We shall strive to prevent money laundering by endeavoring to thoroughly identify transaction parties, and if we discover transactions where we suspect criminal involvement, we shall not overlook these and shall respond appropriately.

**MUFG Group Personal Information Protection Policy**

Mitsubishi UFJ Financial Group believes it is the group's social responsibility to handle customer's personal information properly under Group's Management Philosophy. 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.

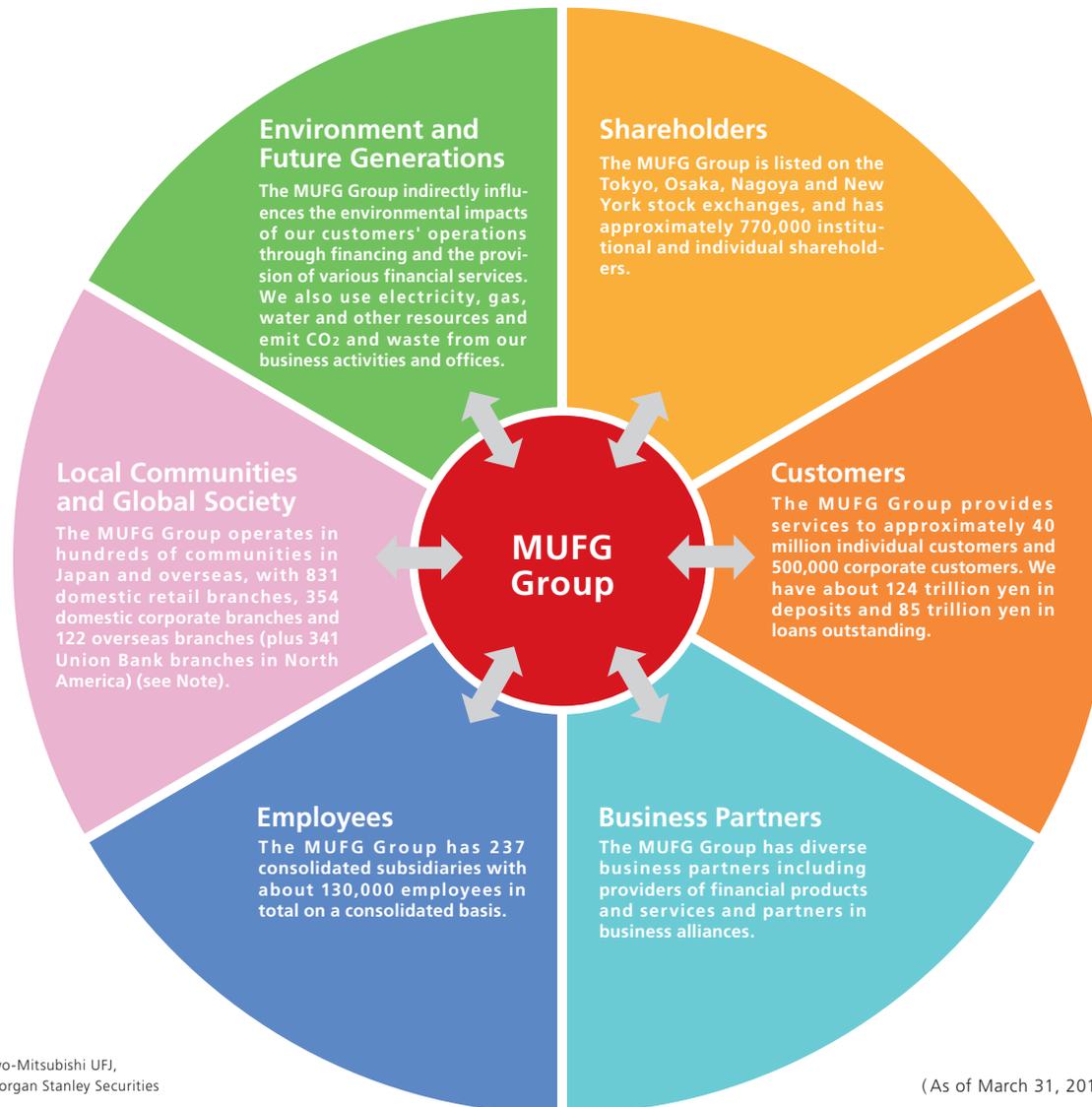
**MUFG Group Environmental Policy**

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 Stakeholders and the MUFG Group

The MUFG Group's business activities are founded on the support of our various stakeholders. 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.



Note. Total number of the branch offices of The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Morgan Stanley Securities (Mitsubishi UFJ Securities as of March 31, 2010)

(As of March 31, 2010)

# The MUFG Group Aims at Increasing Shareholder Value over the Medium Term by Conducting Management with Awareness of a Wide Range of Stakeholders.

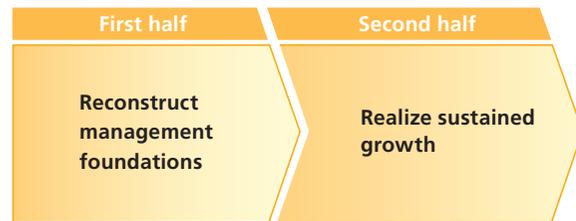
We aim at increasing shareholder value in the medium term by striving to enhance our reliability as a financial institution, manifest the Group's comprehensive strengths, and meet the expectations of customers and society. We are also striving to enhance two-way communication with our shareholders.

## Implementation of the Medium-Term Business Plan

### ● Shifting Focus to Accelerating Growth Strategies

Fiscal 2010 is an important year of transition under the Medium-Term Business plan, which began from fiscal 2009, with a shift from the initial phase of reconstructing management foundations as a response to the financial crisis to the next phase of realizing sustained growth. We will work to further improve efficiency while maintaining a sound financial foundation, and aim at further earnings growth with “promoting growth strategies,” “strengthening operating foundations,” and “promoting CSR management and strengthening the MUFG brand” as priority issues for enhancing shareholder returns. (Figure 1)

Figure 1. Medium-Term Business Plan (fiscal 2009-2011)

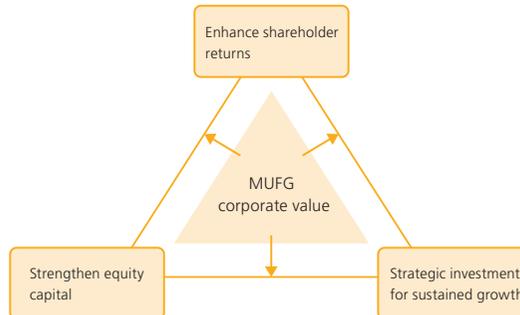


### ● Maintaining a Solid Financial Foundation

Our financial base remains firm with a consolidated capital ratio of 14.87% and a Tier 1 (core equity capital) ratio of 10.63% due to measures to strengthen capital including public issues of common shares (see Note). The non-performing loan ratio continues to remain at a low level of 1.50% (all figures as of March 31, 2010). For further details, please see our website. [www.mufg.jp/english/ir/fs/](http://www.mufg.jp/english/ir/fs/)

Note. Tier 1 capital is a fundamental category of shareholders' equity encompassing capital stock, capital surplus, retained earnings and other items.

Figure 2. Capital Policy



## Balanced Capital Management

### ● Appropriate Management of Capital

In our aim to raise corporate value, our capital management emphasizes maintaining balance between strengthening equity capital, enhancing shareholder returns, and strategic investment for sustained growth. (Figure 2)

## Building Good Relations with Our Shareholders and Investors

### ● Basic Stance on Investor Relations

MUFG

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.

#### ● MUFG Website

The MUFG website has won high acclaim, including awards as a superior site from two external rating companies. (Photo 1) [www.mufg.jp/english/](http://www.mufg.jp/english/)

### ● IR Activities for Institutional Investors

MUFG

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 welcoming interviews and regularly visiting investors.

## Strengthening Investor Relations for Individual Investors

### ● Shareholder Benefit Program (MUFG Shareholder Club)

MUFG

The MUFG Shareholder Club, which is the first shareholder benefit program provided by a Japanese mega-bank, 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

MUFG

The 5th Annual General Meeting of Shareholders was held in June 2010 at the Nippon Budokan (Tokyo). A webcast of the meeting can be viewed at the following site: [www.mufg.jp/stock/meeting/](http://www.mufg.jp/stock/meeting/) (in Japanese)

## MUFG Selected for SRI Indexes

### ● MUFG Selected for SRI Indexes

MUFG

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. The holding company MUFG has been selected for inclusion in the FTSE4Good Index Series,<sup>1</sup> the ESI Excellence Global,<sup>2</sup> the MS-SRI (Morningstar SRI Stock Index)<sup>3</sup> (as of July 2010) and other SRI indexes.

1. The FTSE4Good Index Series has been designed by FTSE, an independent company owned by the Financial Times and the London Stock Exchange, to measure the performance of companies that meet globally recognized social responsibility investment standards.

2. An index composed of about 130 companies from around the world that receive high scores from the perspective of social and environmental sustainability and also meet ethical standards established by Forum Ethibel.

3. Japan's first SRI index consisting of 150 companies recognized for excellence in the social dimension and selected by Morningstar Corporation from among first-tier companies listed on a Japanese stock exchange.

### Shareholder Composition (%)

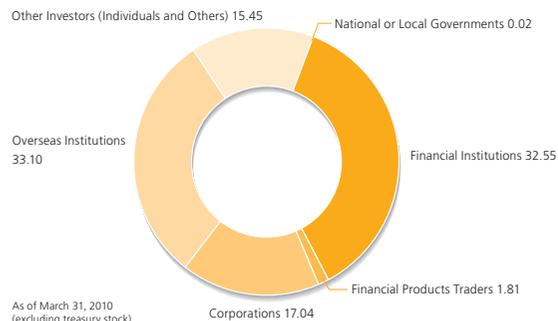


Photo 1. MUFG Website



# Our Services Put Customers First

We seek to satisfy our customers by providing top-quality services that reflect their opinions and expectations.

## Basic Policies and Structure

### ● Process for Continuous Improvement of Customer Services MUGF

MUGF Group companies constantly strive to improve service using the PDCA (Plan, Do, Check, Act) cycle, which always originates from customer input, with the goal of enhancing customer satisfaction. MUGF Group companies exchange information to improve customer satisfaction on a regular basis through meetings of the MUGF Group Information Sharing Forum and other activities. (Figure 1) See page 36 for employees' related comments.

### ● ISO9001 Certification BTMU MUN

As one initiative to boost customer satisfaction, BTMU has lifted service levels through acquisition of the International Standard for Quality Management Systems (ISO9001). BTMU has acquired ISO9001 certification for all branch offices and related headquarters in Japan as a unified, company-wide framework that facilitates initiatives to enhance customer satisfaction. At MUN, the Customer Relations Office has acquired certification. The company is working to improve service work manuals,

and constantly striving to improve service quality and increase customer satisfaction.

### ● Guidelines to Improve Customer Satisfaction MUGF

At BTMU, the "Ten Commitments to Our Customers" (Figure 2) clearly demonstrate our customer-first approach, and serve as an employee code of conduct for providing products and services. BTMU employees also strive to boost customer satisfaction on a day-to-day basis by following "Manners Standards" regarding appearance and service manners and "Hospitality Standards" for providing service to elderly and disabled customers. At MUTB, a "CS Guidebook" was released in September 2006. A supplement including the ten fundamental behaviors to be followed by employees was issued in June 2008 as a revised version, and distributed to all employees for their use. At MUMSS, a "Business Manners Handbook" summarizing the manners to be observed when providing service to customers was released in May 2006, and is being followed. At MUN, the entire company is advancing proactive customer service activities with a goal of becoming "a company that impresses." The company has also specified service quality evalu-

ation indices for call centers and other business units that come into contact with customers, and conducts periodic evaluations.

### ● Putting the Customer-First Approach into Practice BTMU MUTB MUN

Creating systems for service improvements that reflect the opinions of customers and employees who interact with them is an important management issue. BTMU's CSR Promotion Committee, attended by the company president, headquarters department heads and branch representatives, meets regularly to discuss measures to enhance customer and employee satisfaction and creates systems to incorporate improvements in response to customer opinions and complaints. (Photo 1) MUTB is engaged in similar activities through its Customer Satisfaction Improvement Committee. At MUN, important CS management issues are deliberated at the CS Committee, which is chaired by the president. The company also has a CS Promotion Liaison Committee where managers responsible for the improvement of each product or service hold discussions and positively incorporate customer opinions.

Figure 1. Customer Service Continuous Improvement Process (PDCA Cycle)

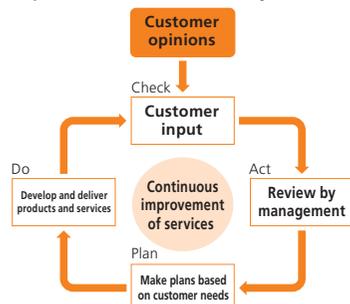


Figure 2. Ten Commitments to Our Customers

- Commitment No.1:** We will always seek to adopt our customers' point of view, and offer our customers appropriate financial products and the best quality service.
- Commitment No.2:** We will seek to improve the quality of our service and provide our customers with first-class reliability guided by the Group Message, "Quality for You."
- Commitment No.3:** We will comply strictly with all laws and social norms and conduct business in a sincere and fair manner.
- Commitment No.4:** We will listen attentively to each individual customer, responding promptly and seeking to improve our operations.
- Commitment No.5:** We will give clear explanations when we offer financial products and services to enable our customers to fully understand the financial products and services we offer.
- Commitment No.6:** We will strive to resolve any dissatisfaction our customers may have concerning our financial products, etc., and will do so in a sincere and fair manner that is compliant with laws and regulations.
- Commitment No.7:** We will strive for accuracy and clarity in the advertising and promotion we present to our customers.
- Commitment No.8:** We will maintain strict control over customer information, and understand its importance.
- Commitment No.9:** We will utilize our global network to respond accurately and promptly to the diverse needs of our customers from a global perspective.
- Commitment No.10:** We will strive as members of MUGF to contribute to the development of the community and society, and to actively engage in protecting the global environment.

Photo 1. Putting the Customer-First Approach into Practice



Working with Our Stakeholders: **Customers**

**Customer Satisfaction Surveys**

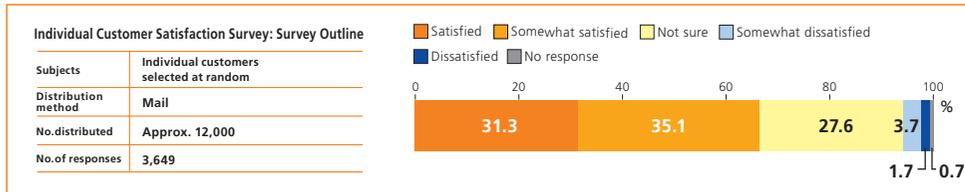
MUFG

All Group companies carry out customer satisfaction surveys to further boost customer satisfaction and enhance our 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 company branches and services.

**Bank of Tokyo-Mitsubishi UFJ (individual customers)**

BTMU

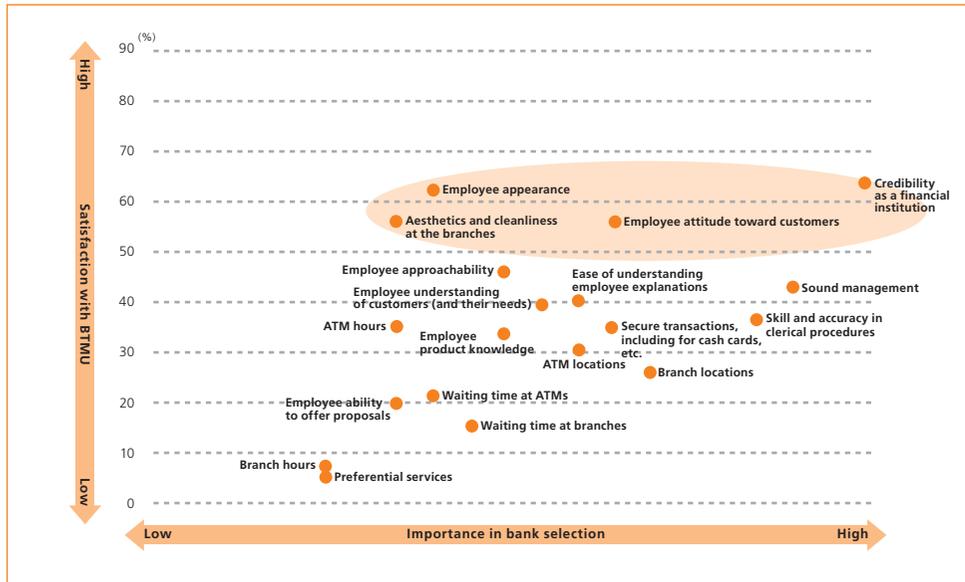
In a survey conducted in September 2009, nearly 70% of respondents indicated they were "satisfied" or "somewhat satisfied" overall with BTMU.



The bank received high scores for credibility as a financial institution, aesthetics and cleanliness at the branches, employee appearance, and employee attitude toward customers, and is working to improve areas where customers indicated low satisfaction.

**Customer Satisfaction Survey Results (BTMU)**

(Conducted Sept. 2009)



**Bank of Tokyo-Mitsubishi UFJ (corporate customers)**

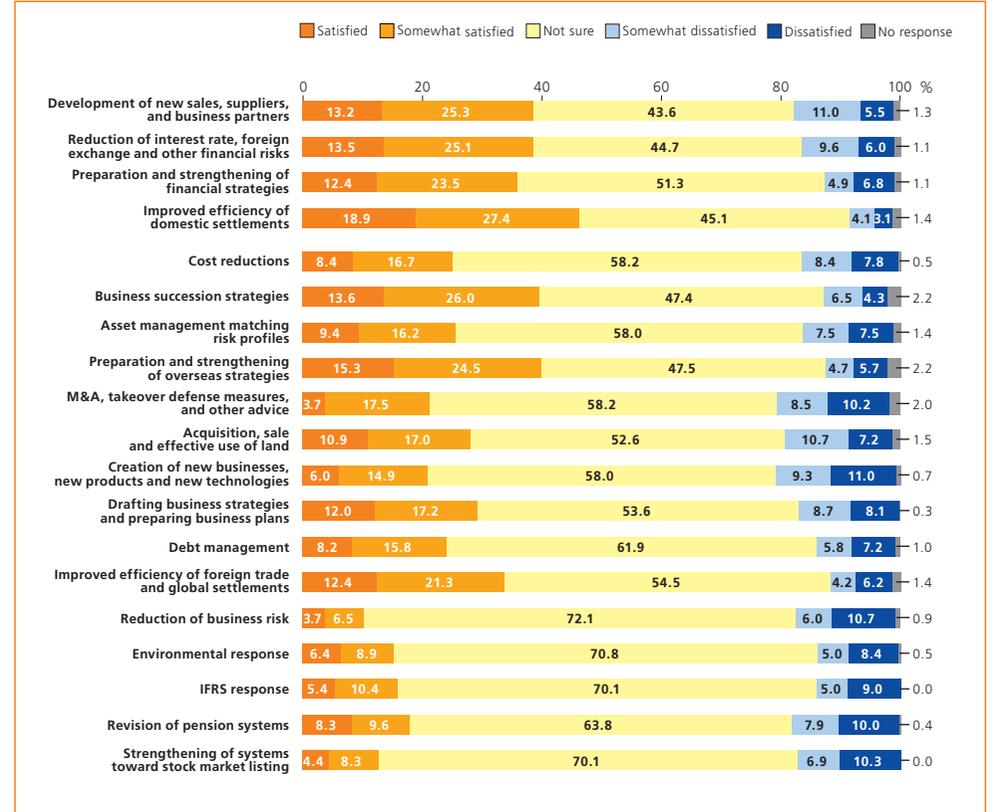
BTMU

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

The bank is implementing a customer and employee satisfaction program at its corporate banking offices, sharing customer opinions gleaned from surveys and customer interviews by branch bankers with all employees, deliberating improvements, and working to boost customer satisfaction.

**Corporate Customer Survey Evaluation of BTMU (%)**

(Conducted June 2010)



**Corporate Customer Satisfaction Survey: Survey Outline**

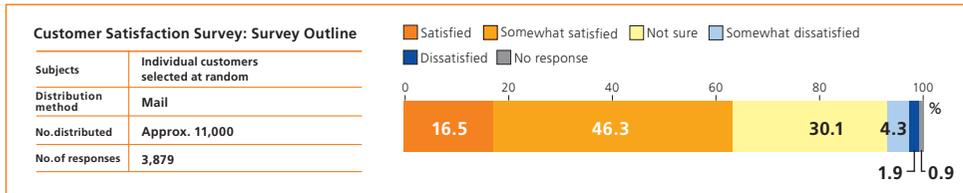
Subjects: Corporate customers selected at random  
 Distribution method: Mail  
 No. distributed: 20,000 companies  
 No. of responses: Approx. 5,125 companies

**Mitsubishi UFJ Trust and Banking Corporation**



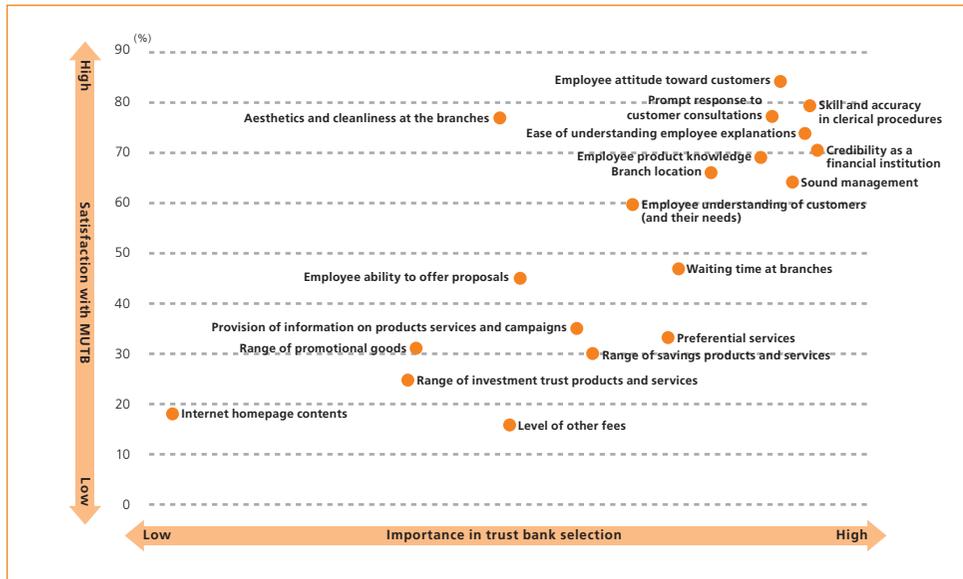
In a survey conducted in September 2009, over 60% of respondents indicated they were "satisfied" or "somewhat satisfied" overall with MUTB.

Among items customers emphasize in selecting a trust bank, MUTB received high scores for employee attitude towards customers, prompt response, ease of understanding employee explanations, and employee product knowledge. 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 Sept. 2009)

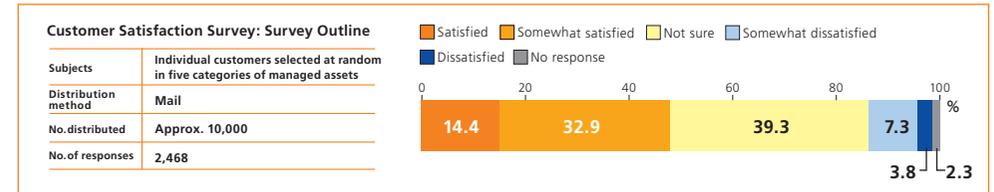


**Mitsubishi UFJ Morgan Stanley Securities**



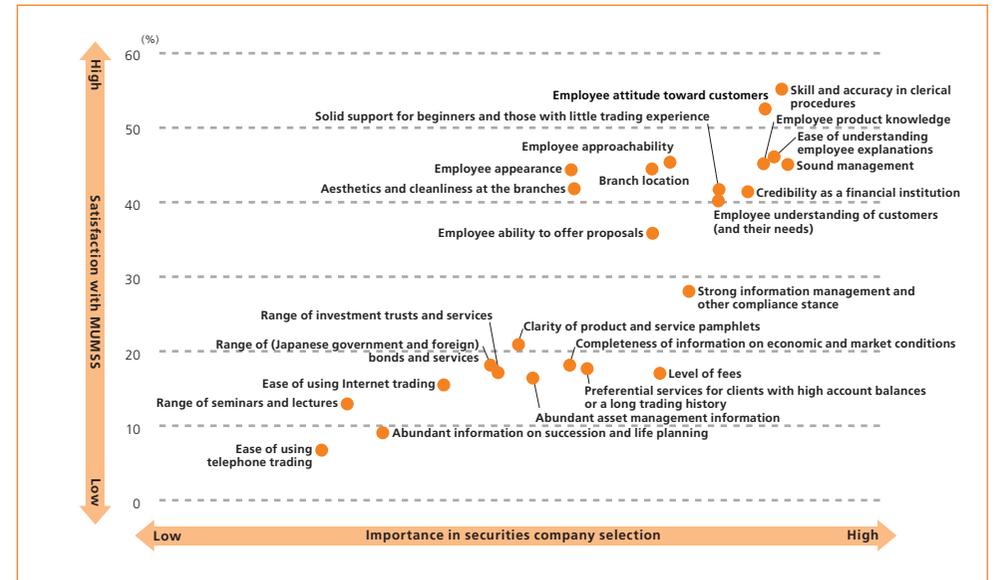
A survey by MUMSS in September 2009 revealed a 1.0 point decline in customer satisfaction overall compared to the previous survey. While the scores for employee ability to offer proposals, product knowledge, employee understanding of customer needs, and other sales skills items improved, those for approachability of employees, credibility as a financial institution, and employee appearance declined.

MUMSS will continue striving to gain customer satisfaction in its primary securities business and working sincerely to improve customer satisfaction.



Customer Satisfaction Survey Results (MUMSS)

(Conducted Sept. 2009)

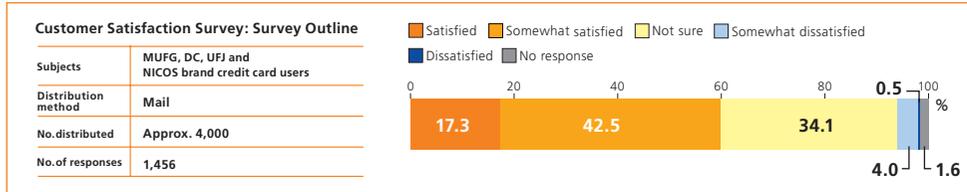


Working with Our Stakeholders: **Customers**

• **Mitsubishi UFJ NICOS**

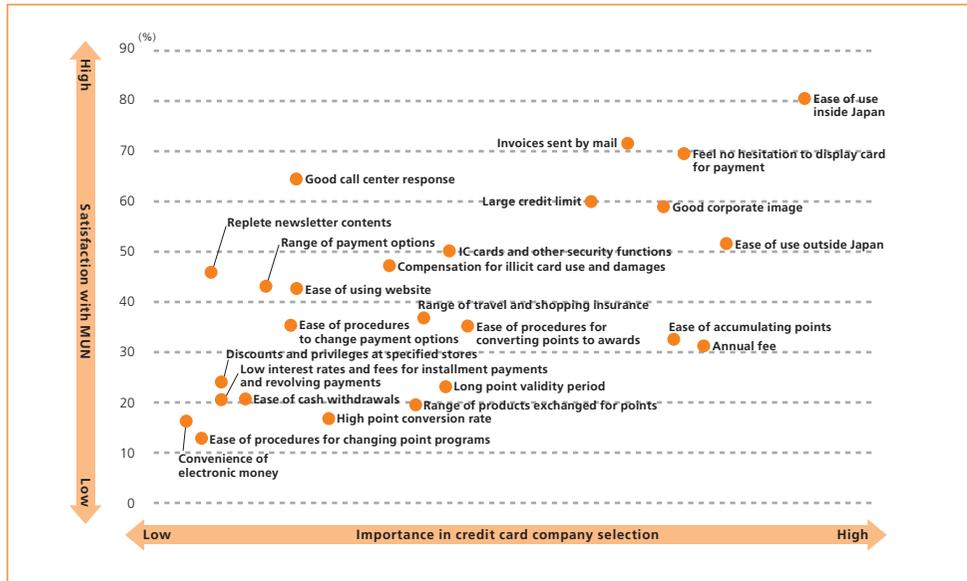


In a customer satisfaction survey conducted in October 2009, MUN received high scores in ease of use, corporate image, call center response and other categories. On the other hand, the company received low ratings for such items as annual fee and point program. MUN is actively advancing service improvement and product development activities reflecting the opinions received from customers through diverse channels.



Customer Satisfaction Survey Results (MUN)

(Conducted Sept. 2009)



## Example Improvements and Services for Individual Customers

### ● True Teller VOC (Voice of Customers) BTMU MUTB

The "True Teller" VOC (Voice of Customers) management system has been introduced at BTMU and MUTB. Under this system, the opinions and requests submitted at each branch are collected and analyzed daily. The customer input is reflected in efforts to enhance customer satisfaction.

About 300 product and service reforms were instituted at BTMU during fiscal 2009 in response to customer opinions, many of which concerned funds transfer forms. The reforms included removing the address box for individuals filling out the forms and making the name box larger.

Similarly, MUTB implemented 33 reforms in response to requests concerning products, services and procedures. These included making improvements to the Excellent Club member program services, adopting return postcards to stipulate instructions when products reach maturity, and shortening passbook entries from investment trust dividends to a single line.

### ● Customer Opinion Cards and Branch Action BTMU MUTB

Customer opinion cards are distributed at all BTMU and MUTB branches to broadly solicit customer opinions and requests to improve our products and services.

Branch offices respond promptly to customer opinion card items

that can be addressed at the branch level, using the CS budgets allocated to each branch office. Recent examples include furnishing seats for senior citizens and baggage racks at one branch, and providing umbrellas at another to lend to customers when it suddenly rains. (Photo 1)

Other improvements include providing magnifying glasses in addition to eyeglasses (some customers find these more convenient). After improvements are implemented, "Thanks Posters" are displayed at the branches to thank customers for their input. MUFG Group employees will continue building on such innovations for the greater satisfaction of our customers.

### ● Improving Internet Banking Services BTMU MUTB

The MUFG Group is working to upgrade our Internet banking services for customers who stated that branches are far away or they cannot visit branches on weekdays.

Via Internet banking, BTMU provides balance verification and funds transfer services 24 hours a day, 365 days a year. For housing loan procedures, BTMU Internet banking offers expanded hours with the same level of services normally available at the branches. BTMU has also made it possible for customers to apply for credit card loans via the Internet and cell phones. The BANQUIC credit card loan offers a same day funds transfer service, whereby funds are made available on the same day an application is submitted.

MUTB offers basic services as well as a complete menu of asset

management options, making the best use of its characteristics as a trust bank.

### ● Reducing Waiting Times BTMU MUTB

We have received various requests from customers visiting branches about reducing waiting times. As one response, BTMU has instituted a banking reservation service for smooth transactions even on busy days.

At MUTB, estimated waiting times are presented on an electronic signboard. Water coolers and tea dispensing machines have also been installed to make waiting times a bit more comfortable.

Photo 1. Umbrellas for Lending to Customers



## Working with Our Stakeholders: Customers

### ● Elimination of Fees for Some ATM Cash Transactions BTMU

BTMU has eliminated fees for cash withdrawals from deposit accounts using ATMs at affiliated convenience stores nationwide on weekdays from 8:45 am to 6:00 pm. These free withdrawals are available from Seven Bank, Lawson and E-net convenience store ATMs.

### ● Insurance Products BTMU

All BTMU branches handle ten annuity insurance products and five single-premium whole life insurance products, in response to requests from customers who want to consult about insurance along with asset management. Moreover, 17 additional products including equal-payment whole life insurance and nursing care insurance products are being offered at 466 BTMU branches. (Numbers of products and branches as of March 31, 2010).

### ● Larger Print for Excellent Club Members Magazine MUTB

The Excellent Club News magazine has been completely revised in response to customer comments that the print was too small and difficult to read. The magazine has been made easier to read by printing with bigger letters on larger paper. The magazine is also increasing the use of charts and pictures to make it easier to understand.

### ● Installation of Computers for Internet Trading at Each Branch MUMSS

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.

### ● Transaction Suspensions MUN

MUN has introduced a credit card fraudulent use detection system to protect customers from 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.

Customers submitted opinions regarding these transaction suspensions. They asked for better notification that customers may sometimes have to wait during transactions to prevent fraudulent credit card use. In response, MUN now regularly prints this information in its members' magazine and monthly statements.

### ● Internet Signup and Enhanced Website Information MUN

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, the company has introduced an input assistance function, facilitating customer input.

Efforts are also being made to improve the website support for card holders. These include a better search function which lists items regarding common inquiries first, and regular updating of frequently asked questions to better resolve customer concerns.

### ● Improvements to Branches and Facilities MUFG

MUFG Group companies are improving facilities to make them 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, and changing the color and feel of steps and ramps to make them more noticeable.

BTMU has installed guide blocks (yellow tactile warning strips on the ground) for the visually impaired at the main entrances of 451 branches and automatic doors at 102 branches. We intend to proceed with the improvement of customer facilities, including renovations to improve the convenience of customer restrooms at all branches nationwide.

## Working with Our Stakeholders: Customers

To support elderly customers and customers with disabilities, MUTB has equipped all branches with eyeglasses, hearing aids, writing tablets, magnifying glasses and clip-boards. In May 2008, "Communications Boards" produced by the Japanese Bankers Association were placed at all branches so that individuals with hearing impairments or who otherwise find it difficult to communicate by spoken words can easily express their requests to MUTB employees. Customers can move through transactions and other procedures using these boards. We will continue to advance such measures so that all customers can conveniently utilize our services. (Photo 1)

We have installed automated external defibrillators (AEDs)—which give electric shocks to restore normal heart functions to victims of ventricular fibrillation—at all MUTB and MUMSS branches. (Photo 2)

To be prepared in the event of an earthquake or other sudden disaster, MUN equips the front counter at the Head Office with wheelchairs able to carry injured persons down the stairs, and an AED for customers who may have stopped breathing. The company also stocks emergency survival kits and helmets for customers attempting to return home after a disaster.

### ● MUFG Card Services

MUN provides MUFG Card members with special services and benefits from the companies of the MUFG Group. These include preferential BTMU interest rates and the free use of the bank's

ATMs both day and night; discounts on fees for MUTB "Testamentary Trusts"; preferential rates on purchases of foreign-denominated currency through the "World Currency Shop" run by Tokyo Credit Services; point rewards on real estate transaction contracts through Mitsubishi UFJ Real Estate Services Co., Ltd., and novelty presents from MUMSS.

Members also began receiving free use of ATMs at convenience stores nationwide that are part of the BTMU network from January 2010, and point rewards for MUTB direct membership registration and new housing loans from April 2010.

We will continue to steadily add and increase benefits and services, to support MUFG Card members. (Photo 3)

### ● DANKAI CLUB

The *DANKAI CLUB* is a free MUMSS membership organization based on the concept of supporting an abundant post-retirement lifestyle for baby boomers. The *CLUB* publishes a magazine, organizes seminars, and offers various other services, and has about 32,000 members. As of March 2010, the *CLUB* has presented a total of 129 seminars to 12,600 participants on such topics as food, health, housing, hobbies and play, providing abundant and diverse information regarding post-retirement life. The members' magazine "+G" is published regularly, and aims to provide members with useful information for their golden years.

Photo 1. Communications Board



Photo 2. AED Training



Photo 3. MUFG Cards



### ● The POINT "Meijin".com Service

MUN operates the POINT "Meijin".com service, a special website that allows card members to automatically earn 2 to 25 times the regular points when they shop online. In addition to providing special benefits to members, this service attracts a large community of users, thereby helping expand the sales of participating merchants. Importantly, it allows select merchants offering superior goods and services to access one of the largest membership networks in the market, thus greatly expanding their distribution channels. MUN will continue actively promoting this service as a means to invigorate local economies.

## Response to Japan's Aging Population and Low Birth Rate

### ● MUFG Property Succession Seminars MUFG

People tend to postpone discussions about property succession, thinking the topic is not yet important or does not affect them, but it is actually very relevant and requires planning by every family. Wills are an effective tool for succession planning and a smooth disposal of assets, but they require expertise and know-how regarding laws, tax regulations, and other diverse factors. The MUFG Group provides comprehensive support for smooth property succession, from preparatory measures through to drafting and implementing wills, to meet customers' individual needs. At our seminars, specialists use concrete examples to provide advice on wills and inheritance planning strategies.

### ● Quality Life Club for Seniors BTMU

"Quality Life Club" is a membership organization jointly developed by BTMU and the JTB Group to help our customers improve their quality of life around the themes of spiritual richness, physical and mental health, and economic freedom. The Club provides discounts and benefits for high value-added travel, health and other services that interest seniors, including special packages at hot spring inns and resort hotels carefully selected by JTB, and special access to facilities not open to the

general public. (Photo 1)

### ● Health Care Consultation Services MUN

MUN provides services to support customers and their families who require health care or nursing care. The "24-hour health care and nursing care consultation service" provides health, medicine and nursing consultations by dedicated staff 24 hours a day, 365 days a year for MUFG Platinum Card members. The company also provides "domestic and overseas health and medical treatment support service" to MUFG Gold Prestige Card members; "Gold *Yutori* Desk" services to UFJ Gold Card and NICOS Gold Card members and "DC nursing consultation services" to DC card members (see Note).

Note: The services provided vary according to the type of card.

### ● Personal Trusts MUTB

MUTB manages "personal trusts" on behalf of customers and their families for periods of up to 30 years, during which time our customers' valuable assets are managed and transferred to beneficiaries in keeping with each trust's directives and payment specifications. With the 2007 amendments to the Trust Act, the degree of freedom granted in designing these instruments was further expanded, and we now seek to offer trusts that meet a wider range of circumstances, in order to meet the diversifying asset management and succession needs of the elderly.

## ● Cross-border (United States) Estate Settlement Services MUTB

In the United States, many people are burdened by estate settlement procedures. In principle, when a person with property in the United States passes away, their estate is subject to probate, a legal review process that can be a significant burden on the heirs, due to the time and cost involved.

To assist customers facing such estate settlement procedures, in May 2007 MUTB launched its "Cross-border (United States) Estate Settlement Support Service." We provide consultations regarding inheritance planning for customers who presently own property in the United States, in addition to providing the heirs with estate settlement services.

Photo 1. Membership Card



## Services for Corporate Customers

### ● Hosting the Large-Scale Business Conference “Business Link *Syobai Hanjo*”

MUFG

The MUFG Group hosts the large-scale business conference “Business Link *Syobai Hanjo*,” which brings together resources to meet the diverse needs of participating customers. The seventh session of this series, held in Osaka on February 19, 2010, was aimed at providing various perspectives on environmentally friendly approaches through meetings with new business partners.

Representatives of some 2,300 companies from the Kansai Region and throughout Japan convened at the event, held at Intex Osaka in Osaka City, and around 4,500 business meetings were held among participants based on match-making beforehand. Exhibit booths were set up by 235 companies displaying their own products. Themes such as alternative energy/new energy sources and the reconstruction of social infrastructure for energy conservation attracted attention, with lively exchanges of views regarding the promotion of environmentally friendly business.

MUFG will continue providing opportunities for meetings and awareness toward the promotion of environmentally friendly business. (Photos 1, 2) See page 36 for employees’ related comments.

### ● “Stockholder Response” Support Services for Our Customers

MUTB

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

#### ● SR NAVI

SR NAVI, a system born from the needs of individual shareholder requirements, 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, share holding periods, and many other criteria.

#### ● Shareholder Surveys

We have initiated a service to provide comprehensive support for investor relations strategies targeting individual investors. This involves shareholder surveys and analysis of the results, which allows for tracking the attributes of individual investors.

#### ● General Shareholders Meeting Visualization Support Services

With the growing awareness of shareholder rights, the numbers of individual shareholders who want to attend general shareholders meetings, speak, and exercise their voting rights are increasing. The Visualization Support Service assists with the

preparation of easily understood 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.

Photo 1. Business Link *Shobai Hanjo*



Business Meeting Corner

Photo 2. Business Link *Shobai Hanjo*



Exhibition Corner

● Launch of ESOP Trust

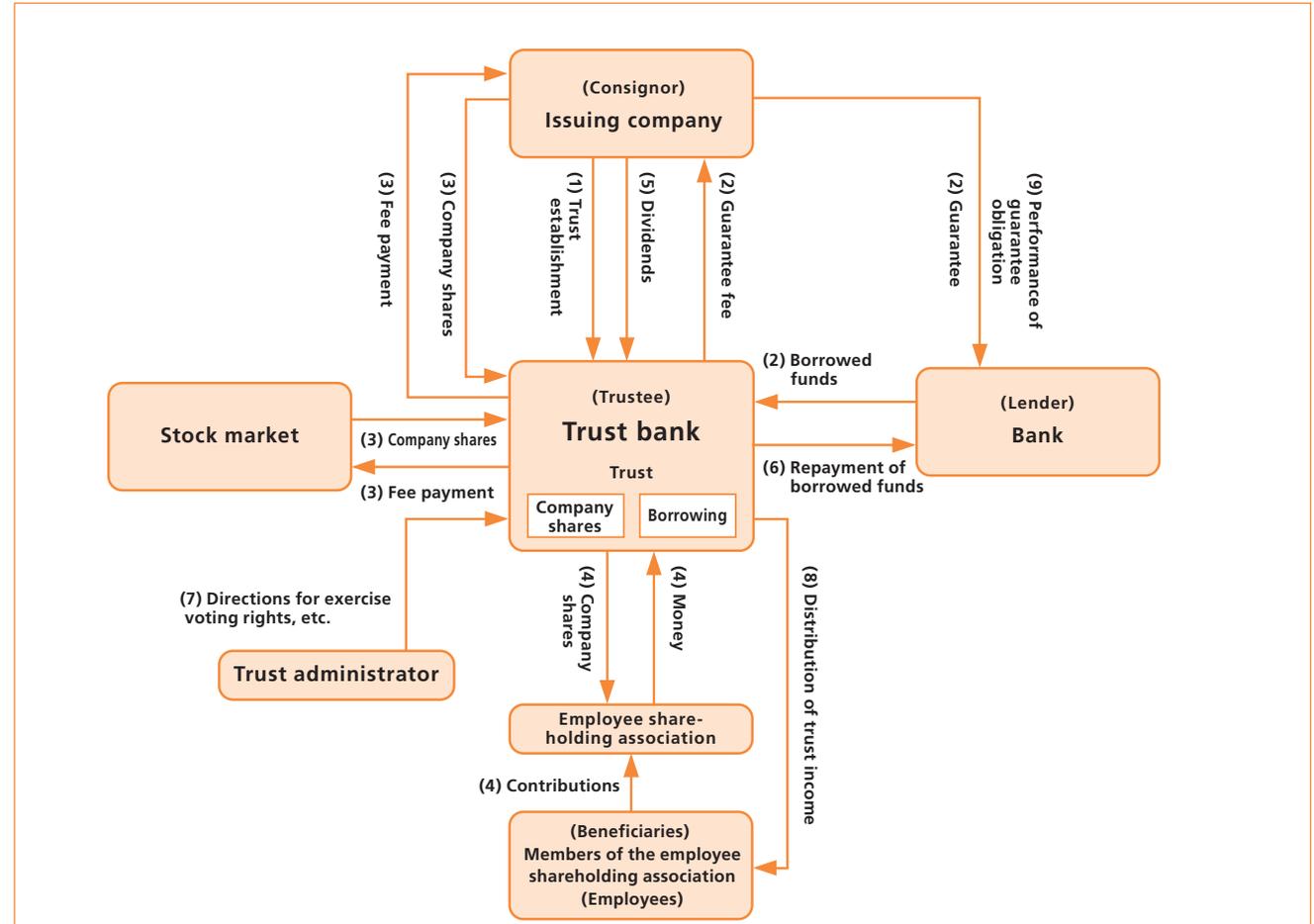


Utilizing Employee Shareholding Association

MUTB began handling Employee Stock Ownership Plans (ESOP) Trusts from August 2009. ESOP Trusts, which apply an employee stock ownership framework based on U.S. ESOPs, have recently been attracting attention as incentive plans which boost employees' motivation.

As a common structure, ESOP Trusts typically specify employees who belong to an employee shareholding association as the beneficiaries. The trusts acquire shares which the employee share holding association is expected to acquire during the trust period in advance from consigners and from the stock market, expand their rights as shareholders, and form assets. While boosting the employees' motivation to work with awareness of their company enterprise value and share price, ESOP Trusts also contribute as a saving system (employee benefit program) which promotes employee asset formation using company shares. MUTB is supporting our corporate customers' efforts to create comfortable workplaces through the provision of these products, which contribute to employee health and welfare.

Employee Stock Ownership Plan (ESOP) Trust Structure



- (1) The consignor establishes the trust, with employees who meet the beneficiary requirements as the beneficiaries.
- (2) The trust borrows the funds required to acquire company shares from the bank. At that time, the issuing company provides a guarantee for the borrowing by the ESOP trust.
- (3) The trust uses these borrowed funds to acquire the amount of shares which the employee shareholding association is expected to acquire during the term of the trust all at once from consigners and from the stock market.
- (4) Throughout the term of the trust, the trust transfers the shares that can be purchased, using the funds contributed to the employee shareholding association by a set day each month, to the employee shareholding association at the market price.
- (5) The trust receives dividends distributed, as a shareholder of the issuing company.
- (6) The trust uses the funds received from the sales of company shares to the holding company and from dividends paid on its shareholdings to repay the bank loan principle and interest.
- (7) Throughout the term of the trust the trust administrator issues directions on the exercise of voting rights and other shareholder rights, and the trust follows these directions in exercising its rights as a shareholder.
- (8) When the term of the trust ends and shares remain in the trust as a result of share price increases, the shares are liquidated and the proceeds distributed in cash to the beneficiaries, in accordance with their respective shares of total contributions made during the term of the trust.
- (9) When the term of the trust ends and the trust has a remaining debt as a result of share price decreases, the issuing company repays the bank with a single payment, in accordance with the guarantee specified in item (2).

Note: This chart explains the typical framework.

Working with Our Stakeholders: **Customers**

Customers

● **Private Finance Initiatives (PFI)** MUL

Private Finance Initiatives are arrangements that are intended to provide the double 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, facilities, and so on. MUL has been actively engaged in PFI, with a track record of 41 projects since 1999, for which we were the lead company in 13 cases (figures as of March 2010).

● **Kawasaki City—Kurokawa Area Elementary and Junior High School Project**

Local development is bringing a surge of new students to the Kurokawa area of Kawasaki City. The Kurokawa area elementary and junior high school construction PFI project was proposed in response to the need for additional school facilities, and a plan was accepted with MUL as the lead company in a consortium.

The Haruhino Elementary and Junior High School was opened in April 2008. The new building combines elementary and junior high school facilities to achieve continuity in elementary and junior high school education. This project incorporates originality and ingenuity as a community gathering spot, including the "Waku-Waku Plaza" child development program and the construction of a local community center on the campus to promote interaction among people of all ages.

● **Aichi Industry & Labor Center Construction Project**

This PFI project undertaken by a consortium led by MUL was a redevelopment project on a site in front of Nagoya Station in the city of Nagoya to create a center for small and medium enterprises. Designed with the basic concept of creating one-stop services for industrial promotion and labor support, the center opened in October 2009.

● **Publishing on Corporate Legal Matters** MUTB

As the trend toward a shareholder-focused style of corporate management spreads worldwide, the proper preparation for and conduct of shareholder meetings is becoming increasingly important. MUTB works in various ways to raise awareness about shareholder meetings and other legal matters relating to corporations, such as through the preparation of publications (in Japanese) like the "Shareholder Meetings Q & A Series" (published by Chuokeizai-Sha, Inc.), "Share Administration Basics" (Shoji Homu), and "Shareholder Meetings: Practical Preparations and Questions Likely to Arise" (Chuokeizai-Sha, Inc.).

● **Spreading Knowledge of IPOs** MUTB

The Japan IPO Practical Skill Examination Association was established in December 2007 with the goal of training personnel to be knowledgeable about the process of launching an initial public offering (IPO). Since fiscal 2008, it has been offering two levels of testing in an IPO Practical Skill Examination. With the aim of spreading awareness about IPOs, MUTB has been jointly offering a

variety of seminars with this association on themes relating to IPOs.

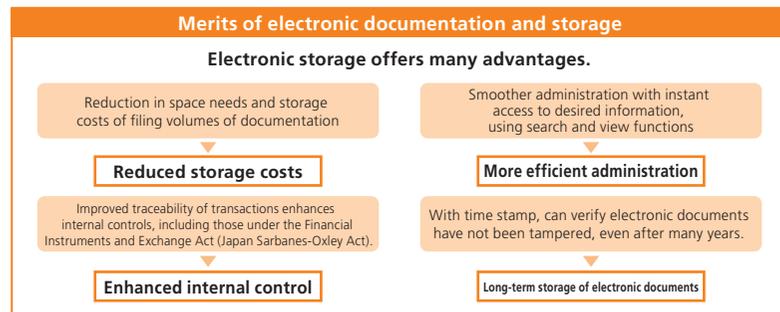
● **e-Leasing Direct** MUL

e-Leasing Direct, offered as a separate service by MUL, allows customers to do leasing contract procedures online (e.g., estimates, contracts, contract information inquiries, lease asset management, and termination). In addition to boosting the efficiency of administrative work, e-Leasing Direct supports internal control by maintaining a record of which person did what procedure and when it was done. Customers have welcomed this paperless system as being good for the environment. We are enhancing the service with regular version updates in quick response to system changes and customer requests. (Figure 1)

● **Information Security and Protecting Customer Information (ISO/IEC27001 Certification)** MUMSS MUN

MUMSS recognizes the need to enhance security measures protecting the variety of customer information handled at call centers, and in March 2008 acquired the internationally-recognized ISO/IEC27001 certification for information security management systems, so that customers can use our services with confidence. In December 2003, MUN acquired ISO/IEC27001 certification for the information security management system at the Ikebukuro Systems Center, so that customers can have confidence in our customer information protection and transaction settlement systems.

Figure 1. e-Leasing Direct






### Process for Continuous Improvement of Customer Services

See page 25 for related article.

#### Yoshio Tamura

Senior Manager, Administration Department, Compliance Division, Mitsubishi UFJ Financial Group

The MUFG Group Information-Sharing Forum was established this fiscal year, to serve as a forum for information sharing across the MUFG Group concerning customer service issues as well as regulatory issues relevant to Group companies.

We are working to improve the Group's customer service performance, especially in relation to matters that will have a major impact on customers, such as the amended Money Lending Business Act and simplification of fund prospectuses.



### Hosting the Large-Scale Business Conference "Business Link Syobai Hanjo"

See page 33 for related article.

#### Kei Sakamoto

Manager, Business Solution Department, Business Strategy & Marketing Information Office, Corporate Banking Business Promotion Division, Bank of Tokyo-Mitsubishi UFJ

Our goal is to ascertain our clients' needs and provide opportunities for them to make beneficial and quality connections as well as become aware of what is happening in the field. While clients may of course discover new suppliers and customers for their products, they may also cultivate business partners with whom they can develop future partnerships, so they approach the event with the hope of making connections that will contribute to their growth going forward. In the future, we will consider holding similar events in Asia and other regions as we continue to focus on helping our clients further expand their businesses.

## The MUFG Group Seeks to Create Mutually Harmonious and Prosperous Relations with Its 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

MUFG

The MUFG Group has included two items in our Ethical Framework and Code of Conduct to create and sustain healthy relationships with our business partners—"strict observance of laws and regulations, and prohibition of unfair transactions" and "disavowal of anti-social and criminal elements"—and in fiscal 2009 also announced its Basic Policy regarding Anti-Social Elements. 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

MUFG

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 pur-

chasing 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.

#### 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, elimination of business with anti-social, corrupt, or criminal elements, and environmental considerations.

#### 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

MUFG

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
Mar. 2009	The Hachijuni Bank Ltd., The Hyakujushi Bank, Ltd.	BTMU MUMSS MUL	Concluded comprehensive cooperation agreement for emissions trading.
Apr. 2009	Banco Bradesco S.A.	BTMU MUTB MUMSS	Signed memorandum of cooperation in emission credits.
Apr. 2009	LAWSON Inc., East Japan Railway Company, West Japan Railway Company nimoca Co., Ltd.	MUN	Launched payment service for Suica, ICoca and nimoca (transportation-related electronic money) at LAWSON stores within each railway's service area.
May 2009	Yamaguchi Financial Group, Inc.	BTMU	Started syndicated operations with regional banks.
Sep. 2009	Banco Nacional de Desenvolvimento Economico e Social (BNDES)	BTMU	Created business alliance.
Nov. 2009	Aberdeen Asset Management PLC	MUTB	Became equity method affiliate by accepting a director from MUTB.
Nov. 2009	Russia's State Corporation "Bank for Development and Foreign Economic Affairs" (Vnesheconombank)	BTMU	Concluded business alliance agreement.
Mar. 2010	Kyushu Railway Company	MUN	Issued "JQ Card," a group card for JR Kyushu.
Mar. 2010	Hyakugo Securities Company Limited	MUMSS	Provided know-how for securities operations.
Apr. 2010	Kintetsu Corporation	BTMU	Started seeking cardholders for new jointly-offered credit card.

## The MUFG Group Strives to Create Work Environments that Foster an Effective Approach towards Work.

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.

### Promoting Work-Life Balance

#### ● Certification under the Japanese Law for Measures to Support the Development of the Next Generation MUFG

BTMU, MUTB, MUMSS and MUN have obtained certification under the Japanese 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, each Group company will continue to provide additional support to enable employees to balance work and family life. (Photo 1)

#### ● Partially Paid Childcare Leave BTMU

Although some male employees previously indicated that they would like to take childcare leave and be more involved in raising their children, there was little increase in the actual number taking this leave. BTMU has responded by allowing up to 10 days of paid childcare leave for our male employees and otherwise encouraged male employees to take childcare leave, as part of our efforts to create a corporate culture conducive to realizing a work-life balance. See page 46 for employees' related comments.

#### ● Kagaya kids' day BTMU

Kagaya kids' day was held at the head office buildings in Tokyo, Nagoya and Osaka, as well as 14 other sales branch offices. This event aims to introduce employees' children to their parents' workplace and to teach them about the role that finance plays in society. Each office developed its own program for ensuring that the parents and children had a fun time. Some employees said that the event had led to a broader range of conversation with their children. (Photo 2) See page 46 for employees' related comments.

#### ● Seminars for Employees Returning to Work BTMU

BTMU held *Kagayaki* Seminar for Employees on Childcare Leave in December 2009 and February 2010 in Tokyo, Nagoya, and Osaka. Supervisors of the employees on childcare leave also attended the event, where together they considered the individual's career plan after returning to work. BTMU also regularly holds *Kagayaki* Returnees Support Seminars, at which employees who balance work with raising children are invited as lecturers. These seminars give attendees a chance to think about their work style after returning to work as well as a chance to build a network with others who will also be returning to work. (Photo 3) See page 46 for employees' related comments.

Photo 1. Next Generation Certification Logo



Photo 2. Kagaya kids' day



Photo 3. Seminar for Returnees



### ● Work-Life Balance 10 Personnel System MUTB

To further promote a good balance between work and life for its employees, MUTB has introduced the “Work-Life Balance 10” personnel system. The system consists of 10 programs, such as two-week paid childcare leave, a system for shorter work hours, reemployment of employees who had left the company for marriage or childbirth, and financial support for childcare leave. The number of employees using these systems is steadily increasing. In addition, we published a handbook explaining our work-life balance support programs and the employee benefit system (about affiliated institutions). We will continue our efforts toward creating a supportive work environment for all employees. See page 46 for employees' related comments.

#### Work-Life Balance 10 Personnel System

1. Expanded childcare leave system (2 weeks of paid leave)
2. New system for shorter work hours (up to 3 hours)
3. New hospital care leave system (1 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. Development of knowledge and awareness programs

### ● Children's Visiting Day MUTB

Since 2007, MUTB has held Children's Visiting Day, an event which allows employees and their families to think and raise the level of awareness about work-life balance. In fiscal 2009, Children's Visiting Day was held in the main office building in August and the Osaka Building in December. Elementary school first graders through junior high school first graders were invited to participate in the event, which featured a variety of activities, including a tour of the offices and the bank vault, a chance to hold 100 million yen in cash, and a business card exchange role-playing session. (Photo 1)

Employees of children who attended the event commented that the event livened up conversation at home and that their children said that they want to participate again next year. See page 46 for employees' related comments.

### ● Participation in Survey about Companies that Foster an Effective Approach towards Work MUTB

MUTB participated in a questionnaire-based survey conducted by the Japan office of U.S.-based Great Place to Work® Institute, which conducts research and surveys throughout the world about creating workplaces that foster an effective approach towards work. The results of the survey were written up in the March 1, 2010 issue of *Nikkei Business* magazine, and MUTB was ranked among the 25 Best Companies. (Photo 2)

### ● Maternity and Childcare Support Programs MUMSS

MUMSS continues to improve and expand its programs supporting the work-life balance of its employees. Recent improvements include an 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, and other programs supporting employees with their maternity and childcare needs.

### ● Reduction of Working Hours MUN

MUN has been proactive in adopting policies that promote a work-life balance as a part of its overall effort to offer employees a good working environment. To counter the tendency to work long hours, a uniform “No Overtime Day” has been established for all company offices each week, while from fiscal 2009 employees are encouraged to go home early in conjunction with “Cool Earth Day” on July 7, and encouraged to go home early all week long between November 8 and November 21 in association with “Family Week” implemented by the Cabinet Office of Japan.

MUN also encourages employees to take five consecutive days of paid annual leave each year. In fiscal 2009, 98.6% of employees took this paid annual leave.

In addition, MUN also newly established a rule from fiscal 2009 for “anniversary leave,” which recommends that employees take paid annual leave each six months (twice a year) beginning in fiscal 2009. As a result, 73.9% of overall annual leave days (13.8 days) were taken in fiscal 2009.

Photo 1. Children's Visiting Day



Photo 2. Participation in Survey about Great Places to Work



**Childcare Support**

MUN

In fiscal 2010, MUN introduced a Return to Work Program, which will help employees taking childcare or family care leave 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. See page 47 for employees' related comments.

**Employee Health Promotion**

MUFG

Four BTMU offices (the Marunouchi head office and the Otemachi, Nagoya, and Osaka buildings) are equipped with health conference rooms, where they work with doctors and counselors to help employees with any mental health issues they face. The health conference rooms also send a monthly newsletter to employees containing information about physical and mental health.

MUTB has an Employee Counseling Room, and works with medical advisors and counselors to promote the physical and mental health of employees. The company has a counseling office, and among other things, its employee health maintenance programs offer health advice based on routine medical exams, as well as counseling services and 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 running the Health Committee. The Health Promotion Division also publishes a newsletter and otherwise disseminates useful information about managing and improving one's health, as well as information on how to combat the new influenza pandemic. 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 training and seminars open to all employees.

At Mitsubishi UFJ NICOS, 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 manage the health of employees. 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.

**Promoting Diversity**

**Supporting the Career Development of Female Employees**

BTMU

To support the career development of female employees, BTMU has set numerical targets and is actively recruiting female workers. As of April 2010, 39 women worked as general managers, a sign of steady progress and above the set target, and all other targets have also been met. We are also expanding our programs to allow employees to change their career track, and support contract employees who want to become regular employees. (Figure 1)

In addition, the Area Specific Track Relocation Recruitment System allows 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, rather than having to leave the company.

**Figure 1. Career Development Support for Female Personnel (Actual Results and Targets)**

Position	Early January 2006	Early April 2010	Target
Female General Managers	5	39	30
Female Section Chiefs	41	114	100
Female Managers	4.7%	10.3%	10%
Females Among New Hires for Main Career Track	10% (hired April 2006)	29% (hired April 2010)	Maintain 20%

● **Initiatives of Working Group on Biodiversity** BTMU

Equal partnership activities were born 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. Proposals to executives by the group, comprised of eight employees working in the field, led to the establishment of the Equal Partnership Office in 2006.

During its fifth year, which began in April 2009, the group held various forums in Tokyo, Osaka and Nagoya, and other cities targeted specifically for female employees holding executive or managerial positions. The forums covered topics such as "Becoming an Even Better Boss," "Continuing to Shine—Discovering Better Working Styles," and "Working as a Real Woman." (Photo 1)

● **"Click! Kagayaki" webpage**

In May 2009, the Equal Partnership Office launched the "Click! Kagayaki" website, a page dedicated to listing information about activities to promote equal partnership activities, on BTMU's intranet. Each month, the page features an interview profile of a role model, in which the individual discusses her many experiences and her positive approach to work.

● **Kagayaki Caravan Forums**

Kagayaki Caravan Forums are small forums held in offices throughout the country by traveling members of the Equal Partnership Office. They have been received well by attendees throughout Japan. A total of 41 Kagayaki Caravan forums had been held through February 2010, with approximately 1,200 participants in all.

● **Kagayaki Forum**

In fiscal 2009, the "Kagayaki Forum—Polishing Your Abilities as a Female Boss" was held for female employees in managerial positions. An event held in February 2010 was the twentieth Kagayaki Forum, bringing the cumulative number of participants to 3,800. Participants have reported finding a new resolve to work in ways that suit their own personalities and that respect being a women. (Photo 2) See page 47 for employees' related comments.

● **Production and Distribution of the Kagayaki Booklet**

The Equal Partnership Office continues to produce the Kagayaki Booklet and distribute it to all employees. In fiscal 2009, "communication" was the theme of the booklet. In addition to communication within BTMU, the booklet focused on connections with people outside the bank, and provided detailed hints on how to deepen connections with people and make these connections more fulfilling. (Photo 3)

● **Expansion of the Job Challenge System for Area-Specific Employees** MUTB

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. Recently, there have been cases of employees hired as area-specific employees transferring to overseas offices to take on new responsibilities. Going forward, MUTB will continue to develop systems in response to employees' own motivation and desire to challenge themselves.

● **Project for Improving the Working Environment for Women** MUMSS

The Project for Improving the Environment for Working Women was launched in November 2006 with the aim of creating a fulfilling work environment for women. At MUMSS, employee feedback received through this project has been utilized to create two programs. Through the Relocation Request System, employees can apply for a transfer if they have difficulty continuing to work in their current department due to marriage, the job transfer of a spouse, or the need to provide care for family members. Another program is the Reemployment Registration System for employees who find it necessary to leave their jobs due to maternity, childcare, or other reasons, but who wish to return to the company in the future. We will continue to work to enable female employees to use their experience and have longer careers. See page 47 for employees' related comments.

● **Identifying Female Employees' Needs and Supporting Work-Life Balance** MUN

As an initiative to promote the contributions of females in the workplace, in fiscal 2009 MUN conducted a Female Activity Survey to ascertain the thoughts of female employees. At the beginning of 2010, a total of seven Female Activity Promotion Off-Site Meetings were held to obtain a more detailed understanding of female employees' needs. In conjunction with this, female employees were given a longer period of time during which they can work reduced hours when raising a child, to help them achieve a better work-life balance, and a program to help employees on childcare or nursing care leave return to work was introduced as a measure to build a more supportive environment.

Photo 1. Equal Partnership Office initiatives



Photo 2. Kagayaki Forum



Photo 3. Production and Distribution of Kagayaki Booklet



### ● **Employing Persons with Disabilities**

Within each Group company, employees with disabilities are actively working in various offices. Group companies work closely with employees to match their assignments to each individual's skills and aptitudes.

BTMU has a special subsidiary, MU Business Aid Co., Ltd. (Kita-Nagoya City, Aichi Prefecture) that promotes the hiring of persons with disabilities, and employed 113 persons with disabilities as of June 2010. In spring 2011, newly founded MU Business Partner Co., Ltd. (Sagamihara City, Kanagawa Prefecture) will commence operations, and plans to call for the hiring of even more persons with disabilities to work on bank-related 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 2010, 41 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, Group companies have introduced systems for ongoing employment of qualified employees who wish to remain employed with the company.

## Human Rights Initiatives

The MUFG Group recognizes respect for basic human rights as an important management issue and has established an Ethical Framework, Code of Conduct and compliance manuals as part of its efforts to eliminate discrimination and create friendly workplaces.

Excerpted from 4. Respect for human rights and the environment, the MUFG Group Code of Conduct:

#### *Respect for human rights*

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.

#### *Cultivating a work environment in which people can easily do their jobs*

All directors and employees shall respect each other as work partners, and be aware that acts such as sexual harassment and power harassment are an affront to human dignity and will not be tolerated in the workplace.

Through human rights training and human rights awareness activities, MUFG Group companies are 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 Group Companies**

BTMU has established a Bank Clerk Conference Room in its offices in Tokyo, Nagoya and Osaka. All employees, including temporary staff, can consult the Bank Clerk Conference Room about human rights issues such as sexual harassment and power harassment. The Bank Clerk Conference Room 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.

## Offering an Open Workplace

### ● Listening to Our Employees MUG

In fiscal 2009, MUFG Group companies 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 employees in Japan. In the fiscal 2009 survey, the degree of satisfaction among employees was found to be slightly higher than the previous year with respect to the working environment, mental healthcare, and employee benefits. 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 in management and to improve the corporate culture.

MUN conducts an employee awareness survey (moral survey) which targets all employees, including part-time and temporary staffers. In the fiscal 2009 survey, a Female Success Survey was added as a means of further working to gather and utilize employees' opinions.

### ● "Evening Talk" Workshops MUG

The MUFG Group holds "Evening Talk" workshops which aim to lower the walls between Group companies and business divisions to foster a business culture putting our customers first.

The Evening Talk workshop held in Tokyo in July 2010 was attended by approximately 130 employees representing 28 Group companies. The participants discussed how to improve workplace communication, about the role of leaders, and the benefits of an open relationship between supervisors and subordinates.

The Evening Talk workshop was initially open primarily to employees of the BTMU, MUTB and Mitsubishi UFJ Securities (currently MUMSS), but the scope of companies included continues to be expanded, with an aim to further enhance the strength of the MUFG Group. (Photo 1)

See page 47 for employees' related comments.

### ● Dialogue with Corporate Directors MUG

MUFG Group companies create opportunities for corporate directors and employees to speak directly and work to incorporate employees' opinions into company management.

In November 2009, MUMSS held a dialogue with the president at the Shinjuku Branch for young employees to meet and exchange ideas and opinions with him. Young employees from the Shinjuku Branch and other branches in the Tokyo metropolitan area participated in the event, where a lively discussion took place with the company president, the Head of Strategic Planning & Control Unit and the General Manager of Corporate Planning Division about questions that come to them in the course of daily operations. This event has also been held at the Osaka Branch, Okayama Branch and Sapporo Branch. (Photo 2)

Since fiscal 2008, MUN has been holding "Talk Sessions," which give the company president and employees an opportunity to meet and exchange opinions and ideas. At these sessions, employees have lively discussions about problems and issues raised by the company president, and provide an opportunity for employees' opinions to be heard by management.

Photo 1. Evening Talk Workshop



Photo 2. Dialogue with Corporate Directors



### ● Customer Service Week

MUN implements a Customer Service Week with a goal of becoming “a company that impresses.” In this event, which is designed to boost the satisfaction of employees engaged in providing service and to foster a sense of workplace solidarity, the company president and other direct superiors express their appreciation to employees.

The second Customer Service Week was held from November 9 to 20, 2009, and was expanded to include all departments including the main office and branch offices. It targeted approximately 11,000 employees, including part-time employees and subcontractor staff. During the event, members of senior management visited offices and delivered handwritten cards expressing their appreciation for employees' work on a daily basis, enhancing the communication with employees. Also, new initiatives were implemented to give employees opportunities to think about customer satisfaction. These initiatives included collecting ideas for a customer service slogan, producing a DVD showing case studies of handling customers by the call center, and visits by employees from other divisions to get hands-on experience of working in a call center.

### Developing Human Resources

The MUFG Group as a comprehensive financial group has no physical products. All it has is its people, so raising the personal capacity of each and every employee will help lead to a better society one step at a time. Based on this belief, we work actively to develop our human resources. 

### ● Enhancing Training Programs

BTMU divides human resources development for all employees into two categories: personal capacity, and skills and expertise. While human resources development is based on reinforcement through daily work, BTMU is also working to enhance its training systems. In order to bolster the personal capacity of employees, training is implemented on a company-wide basis according to rank. In addition, with the aim of raising the level of employees' skills and expertise, which are necessary in order to provide superior financial services, skills-training programs are provided for each division. Furthermore, a full palette of self-enrichment support systems is offered to all employees, providing them with opportunities for self-directed learning. While the key to personal development is approaching one's daily work seriously, BTMU believes that enhancing these training programs helps employees think about their own aptitude and orientation at each juncture in their career, to blaze their own trail for their careers, to enhance their personal capacity, and to develop as individuals. See page 47 for employees'

related comments.

MUTB provides training catered to each individual's position, rank, and occupation, and through its Personal Development Program in each field of business, the bank conducts practical job rotation, reviews and enhances its occupational training activities, and supports employee efforts to attain job-related qualifications with the aim of strengthening its human resources. In addition, we are expanding the palette of programs to support employees seeking to independently develop their careers with classes including coaching, presentation skills development, and time management, while also launching e-learning programs to make training courses more readily available.

MUMSS provides both rank-specific and function-specific training to all employees, from new hires to corporate directors. In addition, MUMSS offers seminars and incentive payment to support employees' efforts to attain work-related qualifications. To strengthen compliance, monthly training sessions focusing on a common, company-wide topic are held in each division, and employees' level of understanding is tested every six months. In fiscal 2009, in addition to these training sessions, Management Training for all managers, including corporate directors, was held a total of 11 times at the offices in Tokyo, Nagoya and Osaka, as part of the company's efforts to prevent the recurrence of customer information leaks. In addition, Occupational Ethics Awareness Promotion Training and other e-learning training programs mandatory for all employees were implemented.

## Working with Our Stakeholders: Employees

At MUN, in addition to rank-based training and elective training sessions, correspondence education, e-learning, subsidies for obtaining certification and other programs are offered to help employees develop their capabilities on their own. In addition, common monthly training sessions for all employees are held about laws, regulations and internal rules in order to bolster compliance. Furthermore, in fiscal 2009, the company clarified working knowledge and skills by enhancing the Skills Map and Shared Work Textbook which provide learning opportunities, and from fiscal 2010 an On-the-Job-Training Guidebook and a Management Book were newly introduced as measures to standardize the education and training.

### Changes in Career Track and In-house Recruiting

MUFG

MUFG Group companies have 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 nonpermanent 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 fiscal 2006, over 390 non-permanent staff have

become regular employees.

MUN has a system that allows employees working in a specific business area to change to the managerial employee track, and vice versa. In the two years since this system was launched, 25 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

BTMU

Starting in fiscal 2007 BTMU included volunteer work in the training program for new employees. The objective of this program is for employees to understand their individual role and the company's role as a member of society, and to encourage employees to think for themselves about how a company can act as a good corporate citizen. This hands-on training program, called the "Corporate Citizenship Project," consisted of two parts. In the first part, 506 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. (Photo 1)

In the second part of the project, new employees spent two days visiting a total of 103 residential facilities for the elderly and persons with disabilities, a program that was made possible with help from the Tokyo Voluntary Action Center and volunteer cen-

ters in other parts of Japan. (Photo 2)

In addition to their actual work at the facilities, all of the participating employees attended an orientation session before the project and reflected on their experiences after the project to clarify its purpose and significance. 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 a member of society.

Photo 1. Corporate Citizenship Project



Photo 2. Corporate Citizenship Project



**Voice**

Employees



**Partially Paid Childcare Leave**

See page 38 for related article.

**Katsumi Arai**

Senior Manager, Sumiyoshi Branch,  
Bank of Tokyo-Mitsubishi UFJ

I took short-term childcare leave when my third child was born. With the understanding and help from my colleagues, I was able to help my wife with things such as housework and taking care of my elder children such as taking them to kindergarten in the morning and picking them up in the afternoon with peace of mind. My wife really appreciated this help. I hope that more men working at the bank take advantage of the childcare leave system to help out their family.



**Kagaya kids' day**

See page 38 for related article.

**Kiyoko Uchiyama**

Manager, IT & Payment Solution Division,  
Bank of Tokyo-Mitsubishi UFJ

I have always talked to my son about my work and the company, but I think that he gained a much better understanding of my work by actually commuting with me on the packed train and seeing my workplace through his own eyes. Staff let him feel what it's like to hold 100 million yen in the vault. For my son, it was an unforgettable experience.



**Seminar for Employees on Childcare Leave**

See page 38 for related article.

**Ayako Katsube**

Manager, Yamatotakada Branch,  
Bank of Tokyo-Mitsubishi UFJ

You lose some connection with the company while on childcare leave, so by participating in the seminar I could feel connected again with the company. The seminar instructor talked about how working mothers can raise children, which made me aware of the positives in both working and raising children.

**Childbirth and Childcare Leave Handbook for Supervisors and Subordinates**

This handbook provides information for employees about spending time on leave and about working upon their return to the workplace.



**Work-Life Balance 10 Personal System**

See page 39 for related article.

**Atsushi Takeyama**

Manager, Corporate Agency Division,  
Mitsubishi UFJ Trust and Banking

I took five days off for childcare leave when my first son was one month old, and went to my in-laws home where my wife was taking care of our son. I saw how tough it was to breast feed the baby every few hours, and I took care of the baby some which allowed my wife to take a bath and relax. This was a very meaningful time for us, and my wife and her parents were very happy that I was able to do this. I am also grateful to the people at my office for actively recommending that I take this time off to be with my family.



**Work-Life Balance 10 Personal System**

See page 39 for related article.

**Ryoko Nakajima**

Manager, Machida Branch,  
Mitsubishi UFJ Trust and Banking

The system for shorter working hours was put into place while I was on childcare leave with my second child. I was able to spend more time with my child and was able to understand my child better as a result, which made childcare more fun. I will remain thankful to my colleagues, and continue to strike a balance between work and childcare going forward.



**Children's Visiting Day**

See page 39 for related article.

**Atsuo Katayama**

Chief Manager, Money Market Activities,  
Mitsubishi UFJ Trust and Banking

My second-oldest daughter participated in Children's Visiting Day, which was held in August 2009 at the Main Office Building. She spent a nice half-day at the office, doing things like exchanging business cards and touring the employee cafeteria and offices. At home, it is difficult to explain to her what I do at work and what the office environment is like, so this was a great opportunity for her to see these things with her own eyes.

**Voice**

Employees



**Childcare Support**

See page 39 for related article.

**Yukiko Sato**

Manager, Business Administration Group,  
Business Planning Department,  
Mitsubishi UFJ NICOS

During my childcare leave I had some concerns about work upon returning to the office, but my transition back to work went smoothly, thanks to the at-home courses and regular information provided to me as part of the Return to Work Program. There is also training provided immediately before and after returning to work, so I will be able to take childcare leave with peace of mind for my second child as well.



**Childcare Support**

See page 39 for related article.

**Keiko Nakayama**

JA Administration Group,  
JA Business Department,  
Mitsubishi UFJ NICOS

I currently send my two children to nursery school and go to work. Young children's immune systems are weak, and my youngest child sometimes runs fevers and catches colds, so I am very lucky to be able to utilize the Child Nursing Care Leave System. I am thankful to my supervisor and colleagues, and will continue to do my best to strike a balance between work and raising my children.



**Kagayaki Forum**

See page 40 for related article.

**Junichi Masuda**

Chief Manager, Head of Food Sector Group,  
Corporate Banking Division No.7, Corporate  
Banking Group No.2, Bank of Tokyo-Mitsubishi UFJ

At the 20th *Kagayaki* Forum, we invited Tsuneo Sasaki, Special Adviser (at that time the President) of Toray Corporate Business Research, Inc. as a lecturer. I respect Mr. Sasaki for not giving up on his work or his family despite the difficult situation at home in which his eldest son was autistic and his wife battled depression. His words based on real-life experiences impressed me very much. Everybody has some sort of issue. As a supervisor, I want to take the initiative in promoting work-life balance so that my subordinates can overcome a variety of issues and find a good balance between work and life.



**Project for Improving the Working Environment for Women**

See page 41 for related article.

**Yuki Nishiyama**

Asset Management Department,  
Azabu Branch,  
Mitsubishi UFJ Morgan Stanley Securities

When I got married I utilized the system and transferred from the Kitakyushu Branch. At first, I was worried whether I would be able to balance married life and work, but I was blessed with great colleagues and now I am working very happily. It was really great that I was able to utilize the system and continue working after I got married.



**"Evening Talk" Workshops**

See page 43 for related article.

**Hiroe Obinata**

Senior Manager, Asset Management  
Department IV, Okayama Branch,  
Mitsubishi UFJ Morgan Stanley Securities

I learned that as people communicate less and less directly with one another these days, it is important to greet one another in the office and otherwise communicate with colleagues, and I became aware of that fact that people must trust one another in order for information to be shared. I was also reminded that strong corporate value comes from strong personnel, which are intangible assets. These days, with the real value of people being put to the test, I think we should go back to basics and make use of this idea in our business activities going forward.



**Enhancing Training Programs**

See page 44 for related article.

**Keiichi Hotta**

Chief Manager, Recruiting & Career  
Consulting Department, Human Resources  
Division, Bank of Tokyo-Mitsubishi UFJ

Bank of Tokyo-Mitsubishi UFJ has no physical products. All we have are our people, who are the foundation of everything we do. As an employee of one of Japan's leading companies, I believe that making each and every employee more complete will lead to the creation of a better society, and I am actively working to develop our personnel.

## As a Corporate Citizen, We Proactively Engage in Activities that Benefit Society.

MUFG Group companies and employees contribute positively to society through a variety of activities and programs, as members of the many communities where we are active throughout Japan and the world.

### ● Environmental Education Project "Protect the Earth's Treasures"

MUFG

Starting in fiscal 2008 and running through fiscal 2012, the MUFG Group and the Mitsubishi UFJ Environmental Foundation, in collaboration with the National Federation of UNESCO Associations in Japan, are engaged in a five-year educational project. Named "Protect the Earth's Treasures," 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," "being aware" and "taking 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.

Website: <http://www.unesco-esd.jp/> (Japanese only)

With regard to the "learning" component, we teamed up with Miyagi University of Education and Nara University of Education to create fun study materials to help children learn about natural World Heritage sites; these materials are distributed through

primary schools and other locations. With regard to "being aware," for 34 years the Mitsubishi UFJ Environment Foundation has sponsored the annual Green Picture Contest, and by creating new categories for the contest and other means, has broadened participation in the contest. As for "taking action," we have been promoting tree planting programs in which people interact with the natural surroundings. Local residents, employees of company branches and their families, and also the participants in the Green Picture Contest are all invited to participate in. As of June 2010, the tree planting program had been carried out a total of six times near the Shirakami-Sanchi World Heritage site. (Photo 1)

### ● Next Generation Leaders Training Program for Asia

MUFG

Since fiscal 2008, the MUFG Group and OISCA (see Note) have jointly conducted the "Next Generation Leaders Program for Asia." 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. There have been a total of 20 participants so far (10 each for the First Session in fiscal 2008 and the Second Session in fiscal 2009), from Cambodia, India, Myanmar, Mongolia, Papua New Guinea, the Philippines, Bangladesh, Pakistan and Tajikistan. All of the participants successfully completed the full year-long training course and have returned to their home countries, and all of them have been active since their return in utilizing the knowledge they gained through the training to start realizing their dreams. In April 2010, new trainees joined the Third Session of the training.

MUFG Group employees also join this program, including through participating in the training activities. (Photo 2)

Note: The Organization for Industrial, Spiritual and Cultural Advancement (OISCA): A major Japanese non-governmental organization with close to 50 years of experience running similar programs. OISCA leads this training program, which is supported by the MUFG Group.

Photo 1. Environmental Education Project "Protect the Earth's Treasures"



Photo 2. Next Generation Leaders Training Program for Asia



**Mitsubishi UFJ Environment Foundation**

MUFG

The Mitsubishi UFJ Environment Foundation plays a key role in the Mitsubishi Group's efforts to address environmental and social concerns (a role that has spanned close to 40 years, including activities by its predecessor organizations, the Sanwa Midori Fund and the Tokai Foundation). The foundation has supported a wide range of environmental conservation activities, including tree plantings at public facilities and elsewhere to improve the natural, cultural and living environment (through which a total of 990,000 trees have been planted since 1971); conservation of countryside woodland areas; creation of biotopes (natural habitat areas); carrying out lectures at universities; and undertaking the "Headwaters Forest" project to reforest the Tone River watershed.

Website: <http://www.h7.dion.ne.jp/~ufjef/> (in Japanese)

**Environmental Conservation Activity  
Peter Rabbit® "Forest for the Future"**

MUTB

In May 2009, MUTB signed an agreement with Nagatoro-cho in Saitama Prefecture to cooperate on environmental protection activities, including the planting of a community forest of about one hectare on Hodo Mountain. MUTB will arrange to provide volunteer workers, and cover maintenance costs, over a six-year period. In October the same year, some 100 people, including employees and their families, participated in the "First Tree Planting Event." Employees that participated commented that they hoped

the trees would stay healthy and strong, and that they hoped to visit again and see the trees when they have grown.

Because Peter Rabbit® has been the MUTB mascot since 1988, this forest on Hodo Mountain has been named Peter Rabbit® "Forest for the Future." (Photo 1)

**Economic/Financial Education Program  
"Let's Learn about Finance and Economy"**

MUFG

Developed in collaboration with Tsukuba University, this program is used in elementary schools throughout Japan to help children learn in a fun way about topics including financial mechanisms and the importance of money. MUFG Group employees utilize this program as well, in conjunction with hosting field trip visits to branch offices, to teach students how finance and the economy work. Employees also serve as guest speakers in the classroom, and provide advice to teachers who are educating children about finance and the economy. (Photo 2)

Website: <http://www.kinyu-keizai.jp/> (in Japanese)

**"Job Shadowing" Work Experience Program**

MUFG

As one of our social contribution activities, in fiscal 2010 we are once again conducting "Job Shadowing" (see Note). This educational program, which we have participated in every year since fiscal 2007, provides high school students with the opportunity to "shadow" an employee closely in order to gain insight regarding the difficulties and enjoyments of the workplace, with

the goal of helping them as they think about their future careers and employment options. Job Shadowing students were able to gain experience within the MUFG Group at the head offices of BTMU, MUTB, MUMSS, MUN and MUL. The high school students paired up with employees at these offices and were not only able to observe employees as they answered telephone calls and prepared reports, but also experienced participating in meetings. Many participating students reacted positively, commenting that the program was very useful for them in considering their future paths and in providing them insight into the responsibilities that accompany on-the-job decision-making. (Photo 3)

Note. Job Shadowing is an educational program for junior high school and high school students, made popular in the United States by Junior Achievement, the world's largest nonprofit organization in the area of economics education.

**Hosting the "MUFG Graduation Memorial Cup  
Soccer Tournament"**

MUFG

Participation in sports helps children, fostering healthy attitudes built upon bonds made with teammates and friendships with players on other teams. From January through March 2010, the MUFG Group hosted a youth soccer tournament for sixth-grade students who were about to graduate from elementary schools in Tokyo, Aichi, and Osaka; a total of 1,990 children on 104 teams participated.

In addition, 103 employees of the MUFG Group volunteered to manage the tournament. (Photo 4)

Photo 1. Environmental Conservation Activity – Peter Rabbit® "Forest for the Future"



Photo 2. Economic/Financial Education Program "Let's Learn about Finance and Economy"



Photo 3. "Job Shadowing" Work Experience Program



Photo 4. MUFG Graduation Memorial Cup Soccer Tournament



### Teaching as Part of Industry-Academia Partnerships MUTB MUMSS

Since April 2007, MUTB has participated in joint industry-academia courses in cooperation with the Department of Technology Management for Innovation (TMI) of 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 fiscal 2009, five sessions were held, starting in May, addressing topics such as trust banking mechanisms, preventing takeovers, and intellectual property trusts. In fiscal 2010, a new series of lectures began in May. (Photo 1)

Each year, MUMSS employees participate in special lectures organized by Nagoya University for graduate students; in fiscal 2009, a lecture on the topic of “Derivatives Markets and Financial Engineering” was held. By explaining the fundamental mechanisms used in developing and pricing derivatives, 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 BTMU

In order to promote the spread of Education for Sustainable Development (ESD, see Note), BTMU collaborates with the National Federation of UNESCO Associations in Japan to launch the “UNESCO Associated Schools ESD Assistance Project,” and conducts activities to support UNESCO associated schools on the four basic themes of understanding global issues; understanding

human rights and democracy; cross-cultural understanding; and environmental education. (Photo 2)

Website: [http://www.unesco-school.jp/index.php?action=pages\\_view\\_main&page\\_id=500](http://www.unesco-school.jp/index.php?action=pages_view_main&page_id=500)

As of May 2010, some 8,500 schools in 179 countries were associated with UNESCO, including 154 schools in Japan, with the number growing by the day.

Note: Education for Sustainable Development (ESD) refers to education concerning issues that impact the abilities of current and future generations to survive sustainably, and includes thinking about the causes of such issues and how to address them.

### Fostering Environmental Leaders MUMSS

To build a sustainable society, humanity must recognize the challenges posed by global-scale environmental concerns, and swiftly create a low-carbon society, a recycling-oriented society, and a society in harmony with nature. To foster the next generation of human resources needed to make these changes a reality, Japan’s Ministry of Environment adopted the “Vision for University-led Environmental Leadership Initiatives for Asian Sustainability” (known as the Environmental Leadership Vision).

MUMSS was involved in the launch of the “Designing a Low-Carbon Society” course at Keio University’s Graduate School of Media and Governance, and is collaborating to foster highly skilled specialists (environmental leaders) who will help build a low-carbon society. The transition to a low-carbon society is essential to curb global warming and realize a sustainable society. We must quickly train experts who can plan and develop carbon offsets-

related businesses, identify practical issues in expanding the carbon credit markets, and work towards resolving related issues. The “Designing a Low-Carbon Society” course was initiated in April 2009; Mari Yoshitaka (CDM/JI Senior Consultant for MUMSS, who serves as Deputy Chairman of the Clean Energy Finance Committee, CEF) is one of the instructors, serving as a Keio University special research lecturer. (Photo 3)

### Training Program for Educators at Private Companies MUN

MUN takes part in the Training Program for Educators at Private Companies, which is organized by the Keizai Koho Center to promote communication between educators and the business world. Through this program, a large number of educators have received training in a variety of topics; this program has been held eight times so far, with four to nine educators participating each year. In fiscal 2010, trainings were held in July, hosting participants from the board of education of Tama City, Tokyo.

Amid growing calls for early consumer education concerning credit cards and their use, we hope these trainings will help teachers educate children about the importance of money and contracts. Participating educators commented that the trainings led them to incorporate instruction in how to use credit cards into class learning plans. (Photo 4)

Photo 1. Teaching as Part of Industry-Academia Partnerships



Photo 2. Supporting UNESCO Associated Schools

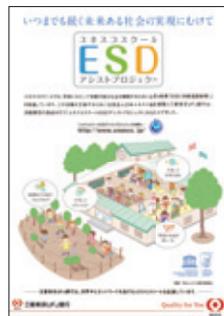


Photo 3. CEF Deputy Chairman Mari Yoshitaka



Photo 4. Training for Educators at Private Companies



### ● Hosting Internships

MUFG

The MUFG Group hosts internships for college students while they are in school, in order to provide them with work experiences that will lead to a better fit between the skills and goals of students and the human resource needs of companies. (Photo 1)

BTMU hosts internships providing work experiences that help students think about the meaning of work. In fiscal 2009, some 350 college students participated in the internship program, hosted at offices in Tokyo, Osaka and Nagoya. The college students facilitate the “Work Explorers” events sponsored by the bank, which provide fifth and sixth grade students with work experiences, and are responsible for making these events a success.

For these events, interns interview employees and plan activities such as skits, traditional paper-puppet performances, and quizzes which communicate to the elementary school students stories about the role of banks and what it is like to work at one. Participating elementary school students said that the events helped them to better understand the value placed on the word “trust” and helped them gain an appreciation of how hard people work, and the college students noted that the process helped them gain a keen sense of how bank employees must make difficult decisions based on due consideration in order to be able to carry out their jobs well. They noted that it was a valuable experience that helped them change their views of life.

In August 2009, MUTB held one-day internships aimed at enhancing students' understanding of working and careers, as well as two-day and three-day internships that provided students with actual work

experience. The one-day internships were held a total of six times in Tokyo and Osaka, and provided students with the opportunity to experience a variety of work roles and to imagine themselves joining and working for a company. Interns also worked in groups to prepare and present reports on the topic of “what makes work worthwhile.” The work-experience internships allowed students to role-play providing the services that trust banks offer in areas of interest to them, such as real estate, asset management, and the corporate and retailing fields. Participants said that these experiences helped them to think about and clarify their future careers, through allowing them to imagine themselves serving as employees and spurring them to consider what is important about work, in addition to helping them understand the challenges and value of trust banking.

Internships were also hosted by the Global Markets Business Unit and Global Investment Banking Business Unit of MUMSS. Seven internship programs were held during the fourth quarter of fiscal 2009, ranging in length from one day to two weeks, with the participation of some 120 students (junior year college students and first year graduate students). The internships with the Global Markets Business Unit were mainly for science and engineering students, who had the opportunity to join activities related to information technology and quantitative analysis. Participating students said that they were able to get a better feel for the work that is done by actually experiencing training and other activities; they also noted that they became very interested in the subject matter covered in the advanced-level lectures that were provided.

### ● “Gifts for the Future” TV Program

MUFG

The MUFG Group has been sponsoring the TV program “Gifts for the Future” (broadcast every Saturday from 10 pm to 10:30 pm on BS-TBS TV) since May 2009 as part of our CSR activities. This documentary-style program introduces corporations and organizations that address social issues through their business activities. (Photo 2)

### ● 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 fiscal 2009, MU-TECH provided 30 million yen in grants for a total of ten projects, including projects making significant contributions in the environmental field. (Photo 3)

### ● Scholarships and International Exchange Programs

BTMU

The Mitsubishi UFJ Foundation provides scholarships to 16 graduate students and three undergraduate students from Asian countries studying in Japan, to support human resources development in Asia. The foundation also holds networking events several times each year for these students to meet with employees.

The foundation also provides scholarships to approximately 550 local students at 27 universities in eight countries, including China, Vietnam, and Myanmar.

Photo 1. Internship program



Photo 2. A poster advertising the “Gifts for the Future” TV Program



Photo 3. The Mitsubishi UFJ Technology Development Foundation



### ● The Mitsubishi UFJ Trust Scholarship Foundation MUTB

The Mitsubishi UFJ Trust Scholarship Foundation was established in 1953 to provide scholarships and funding to support research activities. While only two students received scholarships at first, the number of recipients has steadily grown; each year since 1991, the foundation has provided approximately 180 million yen to over 330 students. As of March 2010, a total of 5,161 students had received approximately 4.4 billion yen in scholarship funding and the foundation's net assets stood at approximately 10.1 billion yen, making it the largest scholarship foundation supported by the Japanese financial community. Networking events bringing together past and current scholarship recipients are held each year in the Hokkaido, Tohoku, Kanto, Tokai, Kansai, and Kyushu regions. In 2007, a networking event for past recipients was also held in Shanghai, China.

### ● Culture Support Project: Shiki Theatre Company's "Kokorono gekijou" BTMU

With the hope of helping address the problem of bullying among children, which has become a major social concern in Japan, since 2007 BTMU has sponsored the Shiki Theatre Company's production of their original musical play, "Yuta and His Mysterious Friends." Starting in 2008, support has also been provided to the "Kokorono gekijou" project, which addresses such themes as the value of life, the importance of friendship, and mutual trust and courage. During fiscal 2009, 450 complimentary tickets were presented to 38 children's nursing facilities. Many of the children who attended the performances sent in thank-

you letters, saying that these performances helped them to learn about the wonder of life and the value of friendships. BTMU looks forward to continuing its sponsorship of the "Kokorono gekijou." (Photo 1)

### ● Supporting "Social Ecoo" BTMU

BTMU is a supporter of "Social Ecoo," a portal website providing information about social and eco-friendly business activities. The site aims to assist the many social entrepreneurs (see Note) working to solve social issues (such as supporting developing countries, environmental conservation, and addressing the challenges of a low birthrate and aging society) by providing networking opportunities and helping them to develop their businesses.

Website: <http://www.socialecoo.jp/> (In Japanese)

Note: Social entrepreneur: A person with an entrepreneurial spirit who works in various ways to address society's concerns.

### ● A Day with Dolphins MUTB

To benefit children with disabilities and their families, MUTB sponsors an event organized by the Japan Welfare Children and Families Association called "A Day with Dolphins." Through interacting with dolphins, including touching them and giving them food, the participants can gain a feeling of relaxation and improve their interpersonal relations. The association provides many other programs, including visits aboard fishing vessels, group barbecues, and color therapy for mothers.

For the fourth of these events, held in 2010, 28 employees partici-

pated as volunteers, helping the children and their families create fun memories. (Photo 2)

### ● Mitsubishi Asia Children's Picture Diaries Festa MUFG

Since 1990, the Mitsubishi Public Affairs Committee (MPAC), comprised of 42 Mitsubishi Group companies, has collaborated with the Asia-Pacific Federation of UNESCO Clubs and Associations and the National Federation of UNESCO Associations in Japan to hold an Asian children's illustrated diary festival (known since 2006 as the "Mitsubishi Asia Children's Picture Diaries Festa"). The festival has been held nine times so far, with the participation over 20 Asian countries and regions—and the submission of 487,274 works of art, addressing a variety of themes such as "Asian Festivals, Customs and Events." This festival seeks to deepen cultural exchange and mutual understanding among Asian countries and to support increased literacy rates. In the lobbies of its branch offices, BTMU displays some of the artworks, sharing them widely with the public. (Photo 3)

### ● Sewing Volunteers BTMU MUTB

To benefit children living in orphanages, sewing volunteers make and donate items that are needed by all Japanese students at the start of the school year, such as kit bags and shoe bags. BTMU and MUTB call on their employees to join in this activity, and the finished items are donated to orphanages. In fiscal 2009, BTMU donated 89 sets and MUTB donated 533 sets, and thank-you letters were received from the staff of the recipient facilities. (Photo 4)

Photo 1. Culture Support Project: Shiki Theatre Company's "Kokorono gekijou"



Photo: Akihito Abe

Photo 2. A Day with Dolphins



Photo 3. Mitsubishi Asia Children's Picture Diaries Festa



Photo 4. Sewing Volunteers



### ● Sports Club Activities

BTMU

BTMU's employee sports clubs support activities that teach children good manners, teamwork and the spirit of fair play through sports.

In cooperation with the nonprofit organization Manner Kids Project, classes in good sports behavior are held when the BTMU rugby club hosts rugby clinics for teams having few opportunities for matches. (Photo 1)

Volunteers from the BTMU soccer club take part in the J. League Players' Association Soccer School, which is co-hosted by Mitsui & Co., Ltd. and the Mitsui Sumitomo Insurance Co., Ltd. Additionally, we support the following activities:

- Members of the BTMU equestrian club volunteer as instructors for the "Hello Hippo Riding Competition" for the physically challenged, organized by the nonprofit organization *Yukiwariso*.
- Volunteers from the BTMU baseball club help out at the United Medical Corporation's "UMC Baseball Camps" held in Tokyo, Nagoya and Kobe.
- The BTMU volleyball club holds workshops in cooperation with the Setagaya-ku Volleyball Alliance and other organizations.
- BTMU's Chiba branch invited a local American football team, comprised of junior high school students and others, to participate in classes in finance and the economy, as well as to attend the "Pearl Bowl" match for the X League, an amateur football league for adults. Members of the BTMU football club

(members of the X League's All Mitsubishi Lions) participated as instructors and supporters.

### ● Supporting Volunteer Activities by Employees

BTMU MUTB MUMSS

To encourage the volunteer spirit of our employees, and their desire to help society in various ways, BTMU has introduced the following three systems that support volunteer activities by employees.

- Providing information about volunteering
- Volunteer leave system (up to three days per fiscal year)
- Volunteer grants program (financial support to volunteer organizations in which employees or their spouses are active)

In addition, a "volunteer team" was created to encourage volunteering, with members of the team conducting a variety of activities in different regions. (Photo 2)

- Tree planting on Mt. Ashio (Kanto region)
- Forest thinning at the Miroku Forest (Chubu region)
- Cleanup hike on Mt. Rokko (Kansai region)

Activities by MUTB to promote volunteer efforts include posting information on the company's intranet about volunteering, subsidizing volunteering activities undertaken by branch offices, and providing information and financial support for the volunteer activities by employees.

MUMSS offers special paid "Volunteer Leave" of up to three days per fiscal year for employees to participate in volunteer activities.

### ● Sponsoring Special Olympics Nippon and Participating in the Special Olympics Nippon's "Tokyo Walk & Run Festival"

BTMU MUTB

BTMU and MUTB are sponsors of Special Olympics Nippon, the Japanese affiliate of the Special Olympics, 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 volunteered at basketball tournaments organized by the Tokyo branch of Special Olympics Nippon, serving as referees and providing other support. (Photo 3)

Additionally, 25 employees and members of their families participated in the "Tokyo Walk & Run Festival" held by Special Olympics Nippon in October 2009, joining the participating athletes in races near the Imperial Palace grounds and other activities. (Photo 4)

Photo 1. Sports Club Activities



Photo 2. Volunteering Activities by Employees



Photo 3. Special Olympics Basketball Tournament



Photo 4. Special Olympics Nippon's "Tokyo Walk & Run Festival"



■■■ Working with Our Stakeholders: Local Communities and Global Society ■■■

● **Neighborhood Cleanup Rally** MUMSS

To pass on a beautiful country to the children of Japan, MUMSS supports the “Furusato-seiso 2009” neighborhood cleanup rally and calls upon employees at all of its branch offices nationwide to participate. This program, led by “The Committee of 100 Who Love Mt. Fuji” (which includes such celebrities as baseball coach Sadaharu Oh and alpinist Ken Noguchi), is an effort to spur local actions by people through their workplaces and schools—all under the catchphrase “Let’s Change Japan Starting from Mt. Fuji.”

In fiscal 2009, the first year MUMSS co-sponsored this event, 37 staff members from three branch offices—Asakusa (Tokyo), Shin-Yokohama (Kanagawa Prefecture), and Tsushima (Aichi Prefecture)—responded to the call, undertaking activities to clean up areas around their offices. (Photo 1)

● **“Fire Brigade Support Business” Certification** MUN

As part of its CSR activities, MUN is participating in nighttime patrols and other fire and disaster-prevention activities in the Akihabara neighborhood of Tokyo. Employees of the General Administration Department at the headquarters office joined the Kanda Fire Station as volunteer firefighters, regularly participating in patrols, lifesaving training and fire-fighting exercises. In recognition of these contributions, in January 2009 MUN became the first company in the credit card industry to be certified by the Fire and Disaster Management Agency

under its “Fire Brigade Support Business Certification System.” Each year, about 50 headquarters employees (some 150 employees over three years) complete the basic lifesaving course taught by the Kanda Fire Station, where they learn lifesaving techniques involving CPR and AEDs; participants receive a certificate in basic lifesaving skills.

● **Sponsorship of the JAL Honolulu Marathon** MUN

Since 1995, MUN has been a sponsor of the JAL Honolulu Marathon, known for its scenic marathon route, and offers a photo service and other assistance contributing to the participants’ fond memories of the event, as well as special events arranged for cardholders. (Photo 2)

Photo 1. Neighborhood Cleanup Rally at Asakusa



Photo 2. Supporting the JAL Honolulu Marathon



## 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 engaging in local community involvement activities.

### Activities by BTMU Branches in Japan to Contribute to Local Society

BTMU

Branch	Activities
Sapporo Branch	Donated tickets for a musical to a foster home
Niigata Branch, Niigata Corporate Banking Office	Volunteered in the local Niigata Festival
Shinbashi Branch	Participated in campaign to end walking while smoking, called on people to prevent smoking and walking at the same time
Nihonbashi Area	Participated with local children and neighborhood associations in the "Nihonbashi Bridge Washing Ceremony"
Trust Business Division	Donated old clothing and books, participated in blood donation drive and basic lifesaving course
Oshiage Branch	Took in local high school students in workplace experience program
Tamagawa Area	Participated in blood donation drive event held by local corporate association
Owariasahi Branch	Conducted workplace tours in cooperation with local volunteer groups
Television Contact Center (Osaka)	After holding a breast cancer seminar at work, held a fair and donated the proceeds to cancer-fighting organization
Uemachi Branch, Uemachi Corporate Banking Office	Invited students from local school for the deaf on workplace tour
Tamatsukuri Branch	Invited students from local elementary school on workplace tour as part of life skills learning
Hanaten Branch/ Commercial Banking Office	Participated in the security-awareness event "A Christmas in Blue for 110,000 People"
Sakasegawa Sub-Branch	Participated in tree planting for nearby welfare facility, and in local festival
Hiroshima Branch	Conducted hot-air balloon rides and picture-book reading event at local elementary school to educate about the environment
Fukuyama Branch/ Commercial Banking Office	Participated in the "WAZA-ONE Grand Prix" games, a local event to teach children the fun of competition and creativity
Ube Branch	Gave lecture to local university students about bank services and products

### Activities by BTMU Overseas Branches to Contribute to Local Society

BTMU

Branch	Activities
Shanghai Branch	Donated to a local charity fund the clothing and books collected at branch
Tianjin Branch	Collected funds jointly with local industry groups, and donated books to local elementary schools in rural villages
Shenzhen Branch	Participated in student gathering between local junior high school and Shenzhen Japanese School, and held blood donation drive at branch
Bangkok Branch	Held blood donation drive at branch, and collected funds and donated to the Red Cross of Thailand
Singapore Branch	Participated in coast beautification activity at East Coast Park, a local tourist spot, and participated in activity to collect donations for local welfare facilities
New Delhi Branch	Awarded scholarships to students at University of Delhi through the Mitsubishi UFJ Foundation
Jakarta Branch	Collected funds for the victims of Sumatra earthquake, and donated to the Red Cross of Indonesia Visited local children's facilities
Manila Branch	Supported reading programs for elementary school children, donated books. Employees held a class on environment issues.
Hanoi Branch	Visited local children's welfare facility and distributed stationery, clothing and bedding
Sydney Branch	Held blood donation drive at branch
Auckland Branch	Conducted environmental conservation activities on Motutapu Island, and carried out tree planting jointly with local Japanese-based companies The branch collected unneeded towels and pet food and donated them to local government and humane society
New York Branch	Contributed to the Fresh Air Fund, a camp program for inner-city youth, participating as camp counselors
BTMU (Canada)	Participated in charity marathon held by North American charity organization, collected and donated funds
Buenos Aires Branch	After changing branch layout, donated unneeded desks, seats and office fixtures to hospitals, orphanages, etc.
Dusseldorf Branch	Branch participated in citizens' cleanup event organized by city
Brussels Branch	Participated in an event to donate used clothes and towels to welfare facility. Branch held a blood donation drive

Nihonbashi Area



Owariasahi Branch



Hanaten Branch/Commercial Banking Office



Manila Branch



New York Branch



Examples of Community Involvement by MUTB Branches

MUTB

Branch	Activities
Mito Branch	Cleanup activities around <i>Kodokan</i> , an important cultural asset designated by the Japanese Government
Tsudanuma Branch, Funabashi Office	Activity to remove unwanted "sea lettuce" algae in Yatsuhigata Park
Kichijoji Branch	Cleanup activity in front of train station
Systems Administration Division	Maintenance of bamboo grove at Tokyo Port Wild Bird Park
Personnel Division	<i>Satoyama</i> conservation activity at Shiroi City, Chiba Prefecture
6 offices in Nagoya area	Held event for children from children's welfare facilities
Nara Branch	Conducted event for younger people to physically experience life of the elderly

Tsudanuma Branch, Funabashi Office



Kichijoji Branch



6 offices in Nagoya area



Examples of Community Involvement Activities by MUMSS Branches

MUMSS

Branch	Activities
Sapporo Branch	With Sapporo City, installed sand boxes and spread sand on roads to prevent freezing of roads
Omiya Branch, Himeji Branch, Tanashi Branch	Collected PET plastic bottle caps, etc.
Koshigaya Branch	Cleaning around branch (taking turns each morning)
Asakusa Branch, Shinyokohama Branch, Tsu Branch	Cleaning around branch (participated in "Furusatoseiso 2009" neighborhood cleanup rally)
24 Divisions/Offices, Head Office	Participated in Marunouchi Joint Patrol (cleanup activity) once each month
Financial Engineering Division	Gave lectures at graduate school
Nagoya Branch	Cleanup activity (participated in cleanup campaign in Nagoya City)
Handa Branch	Supported a local non-profit providing learning opportunities for children with developmental delays.
Investment Consulting Division, Kyoto Branch, Senrichuo Branch, Chiryu Branch, Nihonbashi Branch, Naraekimae Branch, Yoshida Branch, Kawasaki Branch, Ogikubo Branch	Held travelling exhibition of art by children from Sichuan earthquake disaster area

Sapporo Branch



Shinyokohama Branch



Handa Branch



Examples of Community Involvement Activities by Mitsubishi UFJ Securities Holdings' Overseas Group Companies

MUMSS

Branch	Activities
Mitsubishi UFJ Securities (USA), Inc.	Invited local underprivileged children to the New York office for a Christmas party



## Activities by Overseas Branches

### ● **March of Dimes' March for Babies**

MUFG

The MUFG Group participates in the March of Dimes' March for Babies, a nationwide charity walk that raises money to help prevent pre-mature births and protect the health of expectant mothers. In April 2009, BTMU, MUTB and Mitsubishi UFJ Securities (USA) joined the New York event as a combined 350-person MUFG team, including employees' family members and friends. This is our largest annual charitable effort, and includes various promotional activities leading up to the walk such as bake sales, raffles, and "Jeans Days." Including individual and group fundraising efforts and matching gifts from BTMU and MUTB, total fundraising in 2009 came to \$59,348. The MUFG Group's cumulative donations since joining the walk in 1991 reached nearly \$700,000 in 2009. (Photo 1)

### ● **Community Development**

BTMU

#### **(Initiatives under the Community Reinvestment Act)**

In the United States, BTMU provides capital to non-profit loan funds and other entities that serve low-income communities and help improve the lives and support the independence of minorities, women and the poor. In 2009 under the Community Reinvestment Act (CRA), we provided loans totaling \$26.1 million to these Community Development Financial Institutions (CDFIs) and other organizations that support low-priced housing, childcare and education for low-income families. Our CRA loan portfolio has reached about \$64 million (as of December 31, 2009). In addition, in 2009 The BTMU Foundation provided grants totaling

\$567,250 to programs advancing the construction of environmentally friendly, low-priced housing, some with services for residents who have special needs such as mental illness, addictions, or history of domestic violence, and promoting economic development through microfinance, workforce training, and community credit unions providing basic banking and financial literacy services in poor neighborhoods.

### ● **Walk for Millions—Hong Kong**

MUFG

In January 2010, a total of 200 BTMU, MUTB and Mitsubishi UFJ Securities (Hong Kong) 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 which regularly includes the participation of the Chief Executive of the Hong Kong Special Administrative Region of the People's Republic of China, along with more than 10,000 people from over 100 organizations. This year, the MUFG Group donated 232,300 Hong Kong dollars, which included donations from employees as well as significant contributions from business partners. The contributions are used to assist the independence of persons with disabilities and the social reintegration of former drug addicts and criminals. (Photo 2)

### ● **Lecturing at Fudan University**

BTMU

A local subsidiary of BTMU in China held a course called "Local Governmental Fiscal Policies and Finance" at Fudan University, to

contribute to economic networking between China and Japan and as part of efforts to contribute to society, and is actively involved in running the course. Since 2005, BTMU has made donations to Fudan University to cover the cost of the course, and continues to support the development of human resources.

### ● **Supporting Primary School Education**

BTMU

In February 2010, BTMU's Manila Branch (the Philippines) supported the "Reading Ability Development Program through English," which is carried out by nearby elementary schools. The program spends roughly six hours talking to 420 third-graders about the fun of reading English and about Japanese culture. BTMU donated computers and drinking water. (Photo 3)

### ● **Social Contribution and**

#### **Environmental Initiatives by Branches in Europe**

BTMU

The BTMU Dusseldorf Branch (Germany) participates in the annual clean-up campaign held by the city each year as part of its aim to eliminate trash. In fiscal 2009, approximately 80 BTMU employees and family members cleaned Hofgarten Park.

Employees of the Brussels Branch (Belgium) brought in used clothing and towels that were then donated to a social welfare facility. Also, the Red Cross of Belgium installed a simple blood donation center in the branch office, and many employees and people working at other companies nearby donated blood.

At the London Branch, electricity used in the office was switched to renewable energy sources as an initiative to reduce greenhouse gas emissions.

Photo 1. March of Dimes' March for Babies



Photo 2. Walk for Millions—Hong Kong



Photo 2. Supporting Primary School Education in Manila



## Donations for Local and International Society

### Social Contribution Credit Cards MUN

MUN issues credit cards that are designed to benefit society in a variety of ways. Part of purchases is donated to partner organizations working to protect the environment, assist people in need, promote cross-cultural exchange, support interaction with Japanese history and traditions, and promote health. 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.” (Photos 1 and 2)

### Emergency Disaster Assistance MUFG

The MUFG Group has a system in place to quickly provide support when a large natural disaster occurs in Japan or elsewhere in the world. When an earthquake or other disaster strikes, we work with NPOs and others to set up special bank accounts to collect donations for relief efforts. BTMU donated 10 million yen to Indonesia as relief aid following the October 2009 earthquake that hit off the coast of Indonesia’s Sumatra Island. Likewise, BTMU donated US\$100,000 in relief aid to Chile following the March 2010 earthquake in Chile. Also, BTMU opened accounts in both countries for Japan Platform (NPO) to receive disaster relief aid. Additionally, BTMU offered 10 million yen in relief aid to the Chinese Embassy in

Japan to help them respond to the disaster caused by the April 2010 earthquake in China’s Qinghai Province. MUMSS responded to the disaster caused by the major earthquake in China’s Sichuan Province. Led by its representative office in Beijing, MUMSS worked with an international assistance fund and, together with Kokuyo Co., Ltd., delivered writing supplies to children in the disaster area in May 2009. To support this project, each office of the Employees’ Union collected donations and a total of approximately 100,000 yen was donated as relief aid. Also, Mitsubishi UFJ Securities (USA) donated US\$5,000 in relief aid to help assist recoveries in both Haiti and Chile, where major earthquakes had occurred.

### Support for Victims of Foot-and-Mouth Disease in Miyazaki Prefecture BTMU MUTB

To support those people who had been impacted by the foot-and-mouth disease outbreak in Miyazaki Prefecture, Japan, BTMU and MUTB donated 40 tons of calcium hydroxide to Miyazaki Prefecture. Calcium hydroxide is used to sterilize farms and livestock barns.

### “Club for You” Social Contribution Fund BTMU

In August 2007, BTMU launched the “Club for You” social contribution fund which gives money to organizations addressing social issues, using funds donated by employees through deductions from their salaries each month combined with matching

contributions from the bank. With one more group added this fiscal year, employees can now choose from 12 different recipient organizations. In fiscal 2009 (through June 2010), approximately 4,000 employees participated and the club distributed a total of about 58 million yen, which includes the bank’s matching contributions.

### Kakehashi-Shintaku Ai-no-Kikin Fund MUTB

The *Kakehashi-Shintaku Ai-no-Kikin* Fund established in 1977 has been collecting membership fees from MUTB and affiliated company officers, employees, former employees and their families to make donations to social welfare organizations nationwide for over 30 years. In fiscal 2009, a total of 8.7 million yen collected from 6,838 members was donated to 29 social welfare groups. (Photo 3)

### Employee Donations Account MUMSS

In October 2007, MUMSS opened an account for collecting employee donations. MUMSS matches the funds donated by employees each year (from July through June). Since the account was established, donations totalled 1,346,064 yen to two organizations. Donations were given to two organizations in July 2010 as well.

Expenditures for Social Contribution Activities

(Million yen)

Item	FY 2007	FY 2008	FY 2009
Education & culture	590	404	250
Social welfare & environmental conservation	218	286	232
Community contributions, international exchange, others	932	932	881
Total (see Note)	1,740	1,621	1,363

(Combined totals for BTMU, MUTB, MUMSS)  
Note: Totals may not equal item sums, due to rounding.

Photo 1. Bone Marrow Bank Card



Photo 2. Red Cross DC Card



Photo 3. Kakehashi-Shintaku Ai-no-Kikin Fund



### ● Participation in FIT Charity Run 2009

MUMSS

In 2009, MUMSS participated in and helped organize the FIT Charity Run (Financial Industry in Tokyo for Charity Run) for the first time. The FIT Charity Run is a charity event in which the companies represented by runners and walkers, mainly the employees of foreign-capital financial institutions, donate money to social welfare organizations. The event was held for the fifth time in November 2009, and 83 MUMSS employees participated in the run, walk and relay events. A total of approximately 5,200 people participated in the event, which raised a total of roughly 58.9 million yen. Approximately 90 percent of this money (excluding expenses) was donated equally to six social welfare organizations which are deeply rooted in their local communities. (Photo 1)

### ● Bank of Tokyo-Mitsubishi UFJ Money Museum

BTMU

The Bank of Tokyo-Mitsubishi UFJ Money Museum (Nagoya City, Aichi Prefecture) provides systematic displays of over 10,000 rare items from the history of Japanese and global currency from B.C. to the present. It is Japan's largest private collection of monetary artifacts. Admission to the museum is free, and visitors can enjoy displays on the history of money and *ukiyo-e* woodblock prints from the Edo period, including a collection of prints by Utagawa Hiroshige, famous for the "Fifty-Three Stages of the Tokaido." In fiscal 2009, there were approximately 20,000 visitors to the museum. Also, on April 24, 2010, the

museum started to open on Saturdays and Sundays in order to allow even more people a chance to visit. (Photo 2)

### ● Ogikubo Branch Renovations

BTMU

On June 7, 2010, BTMU re-opened its newly renovated Ogikubo Branch, located in Tokyo. The renovated branch was designed by Tadao Ando, an architect who is active both in Japan and overseas, based on the concept of "interactive banks." One example of an effort to create an "interactive bank" was the building of a rooftop garden so as to invite all kinds of people to visit the bank. In designing and planting the rooftop garden, help was received from students at Tokyo Metropolitan Nogeji High School, also located in Tokyo's Sugunami Ward. Also, by installing solar panels and LED lighting, the renovated Ogikubo Branch is expected to have CO<sub>2</sub> emissions per meter of floor space approximately one-third lower than before the renovation. (Photo 3)

### ● Card Gallery

MUN

MUN has a permanent credit card display in front of the company's main office reception desk, on the sixteenth floor of the Akihabara UDX building in Tokyo. The Card Gallery display is divided into three sections on history, security and technology. The history section presents the development of credit cards over the past 50 years since the dawn of credit cards in Japan. Approximately one thousand different cards are on display,

including co-branded cards. The security section uses monitors to show systems to detect unauthorized card use, as well as security and safety efforts to protect valuable customer information. The technology section includes an area where visitors can experience using the latest non-contact IC transaction settlement service known as "Visa Touch/ Smartplus." (Photo 4)

Photo 1. Participation in FIT Charity Run 2009



Photo 2. Bank of Tokyo-Mitsubishi UFJ Money Museum



Photo 3. Ogikubo Branch Renovations



Photo 4. Card Gallery



# We Are Making an Effort to Protect the Environment through Our Core Business of Providing Financial Products and Services.

We work to reduce impacts on the environment and consider biodiversity through our core business as a financial institution, by providing financing to environmentally friendly business activities.

## Basic Guidelines and Frameworks

### ● MUFG Group Environmental Statement and Policy MUFG

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 the 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 can be found on page 20, and the MUFG Environmental Action Policy on page 9.)

### ● Actions Based on the MUFG Environmental Action Policy MUFG

Eight cross-cutting "Environmental Project Teams" (see Note) have been created to advance concrete actions based on our Environmental Action Policy. To follow the progress of efforts by each team, the MUFG Environmental Action Policy Promotion Committee holds quarterly meetings that bring together the officials responsible from each company. 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 goods and services that mobilize financial flows for the benefit of the environment.

Note. 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).

### ● Acquisition of ISO14001 certification MUFG

ISO14001 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. By the end of fiscal 2009, the following locations in the MUFG Group had acquired ISO14001 certification:

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

### ● The Equator Principles BTMU

BTMU has adopted and been operating in accordance with the “Equator Principles”—a framework for ensuring the consideration of environmental and social risks when engaging in the financing of large-scale projects. The Principles define certain standards for assessing social and environmental impacts, and encourage proper measures to address those impacts, as well as monitoring to verify that the projects proceed as planned after financing has been provided.

In our financial advisory services to support customers' procurement of financing, we also support funds procurement and environmental protection by advising customers to consider the environment, by referring to the Equator Principles from an early stage of a project. For example, in an oil refinery construction project in Vietnam, we actually go to the project site to help ensure that the project will consider the environment and society. (Table 1, Table 2, Photo 1) See page 78 for employees' related comments.

Note. Equator Principles: A framework established independently by the financial industry for assessing and managing social and environmental risks in project financing, in order to avoid or reduce the environmental impacts of development. BTMU is a member of the steering committee for the Equator Principles Financial Institutions (EPFI), consisting of 67 financial institutions from 27 countries.

### ● Participating in the United Nations Environment Programme Finance Initiative BTMU MUTB

BTMU and MUTB are signatories to the United Nations Environment Programme Finance Initiative (UNEP FI). This is a

government-industry partnership with the “mission to identify, promote, and realise the adoption of the best environmental and sustainability practice at all levels of financial institution operations.” BTMU has served as the head of the UNEP FI Japan Group since November 2007, and is actively participating in collaborative dialogue in the Asia-Pacific region.

UNEP FI promotes the “Principles for Responsible Investment” (PRI), which were announced in 2006, as well as the United Nations' Global Compact. Under the leadership of the United Nations, 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 each year since then has jointly organized a “Responsible Investment Seminar” in cooperation with UNEP FI, providing information on global developments and investor trends related to socially responsible investment and corporate social responsibility. MUTB participates in UNEP FI's Asset Management Working Group (AMWG) and Property Working Group (PWG), addressing environmental and social considerations related to asset management and investment in real estate.

### ● Participation in Japan Climate Leaders Partnership BTMU

BTMU has participated in the Japan Climate Leaders Partnership

since its launch in July 2009; the Japan-CLP is Japan's first corporate network aiming from the business perspective to realize a sustainable, low-carbon society.

Japan-CLP is a corporate network that sees business opportunities for companies that spearhead the transition toward a sustainable, low-carbon society. The network aims to develop a shared vision and hopes that participating companies will announce their own commitments and put them into action; it also aims to actively send out messages to accelerate change in society, and to take action especially centering on Asia.

**Table 1. Number of Projects Reviewed based on Equator Principles, by Category**

A	Projects with potential significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented	4
B	Projects with potential limited adverse social or environmental impacts that are few in number and readily addressed through mitigation measures	29
C	Projects with minimal or no social or environmental impacts	4
Total		37

(From July 2009 to June 2010)

**Table 2. Sector and Number of Projects Reviewed in Accordance with the Equator Principles**

Oil and natural gas development	10
Infrastructure	15
Petrochemicals	2
Mining	1
Power generation	9
Other	0
Total	37

**Photo 1. Adoption and Implementation of the Equator Principles**



Future Site of Oil Refinery (Vietnam)

## Addressing Biological Diversity

### ● Our Approach to Addressing Biological Diversity Conservation

MUFG

Biological diversity, or biodiversity, is considered to have three dimensions—ecosystem diversity, species (interspecies) diversity, and intra-species (genetic) diversity; and 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 each Group company 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 nonprofit 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.

### ● Raising Awareness of Biodiversity

MUTB

In keeping with the Ministry of the Environment's slogan on biodiversity—"For All the Life on Earth"—MUTB makes efforts to preserve a variety of existing ecosystems, and to leave behind an abundance of life for future generations. As a member of the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB), which was launched in April 2008, we promote awareness-raising activities together with other companies that are environmental leaders.

We cooperated in a symposium organized by JBIB and other activities relating to the International Year of Biodiversity as well as the Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD/COP10), which was held in Nagoya, Japan, in October 2010.

### ● The Wild Bird and Greenery Trust for Environmental Conservation

MUTB

MUTB created the Wild Bird and Greenery Trust fund as a financial vehicle to support environmental conservation activities; income from this trust is donated to the Wild Bird Society of Japan. When payments are made to the Wild Bird Society of Japan, MUTB provides an additional matching contribution from its own funds (a minimum of 500,000 yen, and maximum of 2,500,000 yen, semi-annually), further meeting our customers' desire to protect the environment. As of March 2010, the Trust's contract balance was 204,710,000 yen. In fiscal 2009, donations from the Trust and matching donations from MUTB totaled 1,260,000 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 34.8-hectare parcel of wetlands in Nemuro City, Hokkaido, and established the Wild Bird Society of Japan—MUTB Rakuyo Bird Sanctuary. (Photo 1)

Photo 1. The Wild Bird Society of Japan—MUTB Rakuyo Bird Sanctuary



## Environmentally Friendly Products and Services

### ● Preferential Mortgage Rates for Eco-Friendly Homes

BTMU MUTB

Both BTMU and MUTB support efforts to promote the popularity of eco-friendly homes by offering mortgages with preferential interest rates.

BTMU is offering the “the Eco Support ” green loan (until March 31, 2011), which reduces the interest charged by 0.1% below posted rates that apply to each type of mortgage, for customers who build or purchase eco-friendly homes (with all-electric home designs plus photovoltaic power generation systems) from one of 11 designated house builders.

In December 2009, MUTB launched a new type of housing loan with preferential interest rates for customers who install new photovoltaic power generation equipment in their homes. In cooperation with house builders, we offer interest rates 0.1% below the posted rates of cooperating companies for homes that meet certain criteria. See page 78 for employees' related comments.

### ● Home Improvement Loans

BTMU

BTMU offers the “Super Home Improvement Loan,” a loan product for home renovation. In keeping with growing awareness about environmental issues such as global warming, we offer preferential interest rates on loans for home improvements

that consider the environment.

We offer financing for home improvements that incorporate environmental features including installation of photovoltaic cells, solar thermal power equipment, heat pumps, heat pump water heaters (such as the Eco Cute), or household fuel cells with unsecured loans equal to the total costs (up to 10 million yen) for terms of up to 15 years at an interest rate 0.5% below posted rates. See page 78 for employees' related comments.

### ● Offering a Service via Credit Cards that Makes Environmental Contributions Real

MUFG

MUN offers a service that leads to environmental contributions by letting users earn points every time they use an “MUFG Card,” “DC Card,” “UFJ Card,” or “NICOS Card.” A customer who selects the “Carbon Offset” option earns 0.2 tons of CO<sub>2</sub> emission credits for every 200 points. These credits when transferred to the Japanese government's emission credits registry, can then support Japan's efforts to meet its commitment under the Kyoto Protocol for a reduction in greenhouse gas emissions by 6% (compared to 1990 levels). To offer this service using carbon offsets, MUN acquired 2,000 tons' worth of emission credits arising from a wind power project in India, for the point program under a CO<sub>2</sub> emission credit trust of MUTB. To provide those members who have selected the carbon offset program with a better sense of the contributions they are making to the global environment, we send a certificate indicating that the CO<sub>2</sub> emissions credits have been transferred to the government of Japan.

Points earned by customers who have chosen the option of donating to the charity Oiska International (at the rate of five yen per point) are used for tree planting and the care of forests, and for contributing to the protection of biodiversity and the preservation of the various functions of forests. (Photo 1). See page 78 for employees' related comments.

Note: Carbon offsets: An approach to offset by other means the CO<sub>2</sub> emitted from daily living and economic activities. These other means include investments in clean energy development, forest protection, and forestation projects, etc.

### ● Paperless Initiatives

MUMSS

In November 2009, MUMSS started a service by which customers can view about 60 types of documents the company sends, including transaction statements and account statements in electronic format (PDF file) by Internet.

Thanks to this service, customers can confirm their transactions the next business day, without waiting for the regular mail to arrive; in addition, the electronic files are stored by the company for five years, and customers can store and print them from their own computer.

Customers now need not be concerned about the inconvenience of storage or lost files, because they can store each kind of document wherever and as many times as they wish. The use of electronic files also leads to protection of the global environment by using less paper resources. By shifting completely to electronic files for all documents and reports otherwise sent by regular mail, MUMSS can save more than 700 tons of paper resources per year, representing more than 14,000 trees.

Photo 1. MUFG Card Carbon Offset Program



### ● Promoting SRI Funds MUFG

Rather than using the conventional measures of growth and profitability, there is a style of investing that helps to realize a better society by selecting corporations that also consider initiatives toward the environment and society, and so on. This is a new style of investing known as socially responsible investing (SRI). By promoting SRI, the MUFG Group would like to work with customers to help realize a sustainable society.

#### ● Mitsubishi UFJ Global Environmental Stock Fund

The Mitsubishi UFJ Global Environmental Stock Fund (also dubbed “Future Vision”) is an investment trust (mutual 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 a business opportunity; the fund first started operating in July 2008.

The fund focuses on the two areas of natural environment and the human living environment, and has selected about ten themes, including green energy, water, food, and seniors’ issues. See page 78 for employees’ related comments.

### ● The Saitama Greenery Trust MUTB

MUTB manages the Saitama Greenery Trust (an environmental protection trust fund). This is a trust product for donors to the “Environmental Trust Movement” for preservation of precious natural and historic areas in Saitama Prefecture. One of its features is that donations can be made over a long period of time

(up to 20 years), and that contributors can choose to make a donation after death by including this fund in their wills.

### ● Supporting Funds-Procurement for Corporate Customers Promoting Environmental Efforts BTMU MUTB

Efforts are being made around the world to prevent global warming by reducing the emissions of greenhouse gases into the atmosphere. These efforts include acceleration of technological development for the use of renewable forms of energy—such as photovoltaic and wind power—which don’t depend on fossil fuels, as well as a rapidly increasing number of examples of construction of environmentally friendly factories, and the adoption of energy-efficient equipment in office buildings, stores, and so on.

The MUFG Group provides extensive support—from assistance in planning to providing financing—for customers that include environmental consideration in their business, and for customer initiatives that aim to reduce greenhouse gas emissions emitted through business activities.

For example, in the area of funds procurement—which is one of our main areas of business—besides offering low-interest loans making use of an interest subsidy program under the Ministry of the Environment, all branch offices of BTMU are also actively promoting funding for energy-efficient equipment, and so on. MUTB offers “CO<sub>2</sub> emission reduction support loans.”

To provide broad support for customers’ efforts to engage in environmental businesses and deal with the environment, in 2009 BTMU expanded and restructured its Environmental Finance Office (originally created in 2005) into the Environmental Business Office, as part of the bank’s Corporate Banking Business Promotion Division.

### ● ECO Accreditation Support Loan BTMU

BTMU is moving ahead with the development of products and services to support small and medium-sized enterprise customers working to reduce the impact on the environment. In September 2008, we launched the ECO Accreditation Support Loan, which provides 100,000 yen in financing for customers who have already acquired ECO accreditation from an independent body or have declared their intent to do so.<sup>1</sup>

We also offer “Yukatsuryoku” Eco-Action business loans, which come with preferential interest rates for customers that have acquired ISO 14001 or EcoAction 21 certification. For small and medium-sized enterprise customers that have acquired “Eco Stage” environmental certification, we also provide the Eco Stage Bond, a bank-guaranteed private placement bond with reduced fees for bond issuance.<sup>2</sup> Going forward, we will continue to support the environmental efforts of our SME customers by developing new products and services.

1. Eligible certification programs include ISO14001, EcoAction 21, Eco Stage, Forest Stewardship Council (FSC), Green Management, the Kyoto Environmental Management System (KES) and Programme for the Endorsement of Forest Certification Schemes (PEFC). (As of Nov. 30, 2010)

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

• **Loans Utilizing the Ministry of the Environment's Interest Subsidy Program**

BTMU MUTB

BTMU and MUTB have developed loan products that utilize the 3% interest subsidy program offered by Japan's Ministry of the Environment as a measure to support companies that have pledged to reduce CO<sub>2</sub> emissions, thereby providing financing at better-than-normal interest rates to clients who have pledged to reduce CO<sub>2</sub> emissions by a certain amount.

BTMU has provided environmental management support loans to Aichi Prefecture-based Uny Co., Ltd., to help the company build Peony Walk Higashimatsuyama (Photo 1), which is scheduled to open in 2010, and Hill's Walk Tokushige. These loans mark the first time that the 3% interest subsidy program has been used to provide loans to a company in the retail industry. BTMU has also utilized this program to provide financing to Hiroshima Prefecture-based FP Corporation to build a recycling plant for transparent containers (Photo 2) and to Tokyo-based Marui Group Co., Ltd. to finance the building of its *Nakano Shin-ten* (provisional name), which is slated for completion in the winter of fiscal 2010. Elsewhere, BTMU arranged the first syndicated loan using this program to provide the financing to Aichi Prefecture-based C-Cube Co., Ltd. to build its Nagoyahigashi Building (provisional name) and Kasugai Building (provisional name). In addition to the companies discussed above, loans utilizing this interest subsidy program have been provided to a wide range of clients, including both large corpo-

rations and small- to medium-sized enterprises.

MUTB used the 3% interest subsidy program for the financing of the construction of the New Head Office Building (Photo 3) being built by Shimizu Corporation, and to finance the construction of the AEON Mall Aratamabashi (Photo 4) in Aichi Prefecture which was opened by AEON Mall Co., Ltd.

Shimizu Corporation's New Head Office Building will achieve CO<sub>2</sub> emissions reductions by installing solar panels and a radiant air conditioning system, as well as using LED lighting throughout the building. Likewise, CO<sub>2</sub> emissions at AEON Mall Aratamabashi will be reduced by installing an ice-based thermal storage air conditioning system, high-efficiency freezers, solar power panels, and LED lighting.

Note: In order to qualify for the Ministry of the Environment's program to receive interest-free financing through subsidies as special support to achieve the Kyoto Protocol targets, a company must obtain an environmental rating from a designated financial institution, as well as pledge to the Japan Environment Association that it will reduce its CO<sub>2</sub> emissions per square meter of floor space or CO<sub>2</sub> emissions volume by at least 6% within three years or at least 10% within 5 years, and follow through on achieving these reductions.

• **CO<sub>2</sub> Reduction Support Loan**

MUTB

In July 2009, MUTB began offering the "CO<sub>2</sub> Reduction Support Loan," a proprietary product that helps those clients that are actively working to prevent global warming to make additional CO<sub>2</sub> reductions.

This loan provides financing on preferential terms for environmental initiatives carried out by clients that have declared CO<sub>2</sub> emissions reduction. In the event that the company is unable to achieve its stated CO<sub>2</sub> emissions reduction, separated manage-

ment funds that are pre-determined are used to make environmental contributions. This feature allows clients to show how serious they are about reducing their CO<sub>2</sub> emissions. The plan calls for the separated management funds to be used to contribute to the environment by purchasing beneficiary rights of emissions credits trusts, or by making a donation to any of four organizations, including the Wild Bird Society of Japan.

In October 2009, this loan was provided to Mitsubishi Plastics, Inc. The proceeds were used for photovoltaic cell-related capital investment. See page 79 for employees' related comments.

Photo 1. Loan Utilizing the Ministry of the Environment's Interest Subsidy Program



Peony Walk Higashimatsuyama (Uny Co., Ltd.)

Photo 2. Loan Utilizing the Ministry of the Environment's Interest Subsidy Program



Transparent container recycling plant (FP Corporation)

Photo 3. Loan Utilizing the Ministry of the Environment's Interest Subsidy Program



New Head Office Building (Shimizu Corporation)

Photo 4. Loan Utilizing the Ministry of the Environment's Interest Subsidy Program



AEON Mall Aratamabashi (AEON Mall Co., Ltd.)

**Emissions Trading-Related Services**

MUTB MUMSS

In 2008, MUTB became the first in Japan to begin sales of emissions credits trust products, in response to corporate clients' wishes to enhance their corporate image and the strength of their brand, as well as to offer carbon offset products and services to general consumers by acquiring emissions credits.

Emissions credits trusts are products created by the process of MUTB being entrusted with emissions credits from emissions credits owners, converting them into trust beneficiary rights, and selling these rights to customers in small lots. This means that, unlike the case of directly acquiring emissions credits, MUTB manages the emissions credits and therefore customers do not have to open an emissions trust holding account or handle the redemption on their own, and they can buy emissions credits in units as small as 1,000 tons.

Given these features, many clients have purchased emissions credits trust products, which have been used to enhance corporate image and to provide a variety of carbon offset products and services. Also, in response to the need to more freely select and purchase emissions credits expressed by some clients who want to acquire emissions credits in large lots, in 2009 MUTB began offering "Specified Fund Trusts," whereby MUTB receives the funds to purchase emissions credits and then procures emissions trusts individually in accordance with the wishes of the particular client. In addition, MUTB continues to try to be a helpful resource for clients as they take carry out environmental

initiatives. Examples of this include the distribution of *MUTB CARBON COMMUNICATION*, a newsletter containing the most up-to-date information on developments in the emissions trading system framework, emissions credits prices, and ways to use emissions credits, along with other relevant information, as well as the offering of advisory services concerning the utilization of emissions credits. (Figures 1 and 2)

**Emissions Trading**

MUMSS

MUMSS first became involved in the emissions trading business when the Financial Instruments and Exchange Act came into force in October 2007, lifting restrictions on the trading of GHG emissions credits, and allowing such credits to be traded by domestic securities companies. MUMSS undertakes a variety of activities in response to its clients' emissions credits purchasing needs, based on the financial know-how that has been accumulated in the securities business, using the credits generated by overseas project partners.

Figure 1. Emissions Credits Trust Scheme

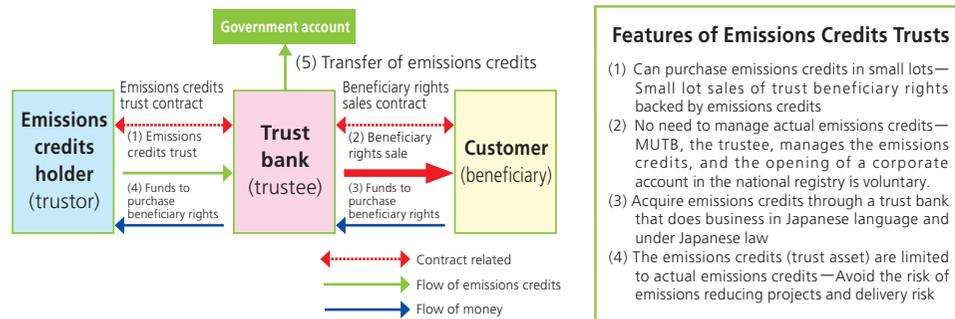
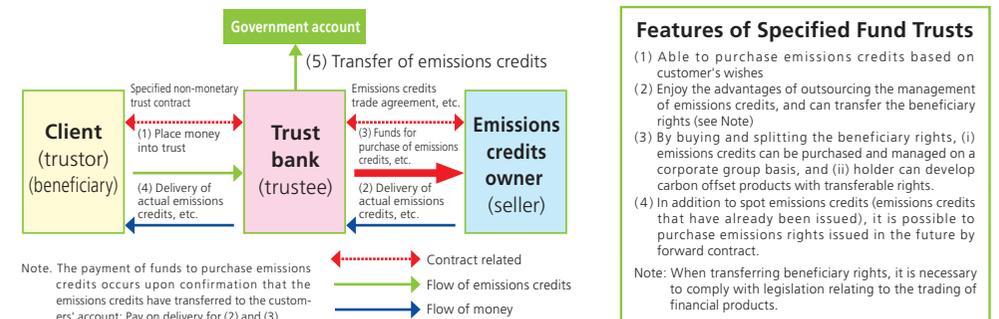


Figure 2. Specified Fund Trust Scheme



**Environmental Accounting**

BTMU

**—Finance to Reduce Environmental Impacts**

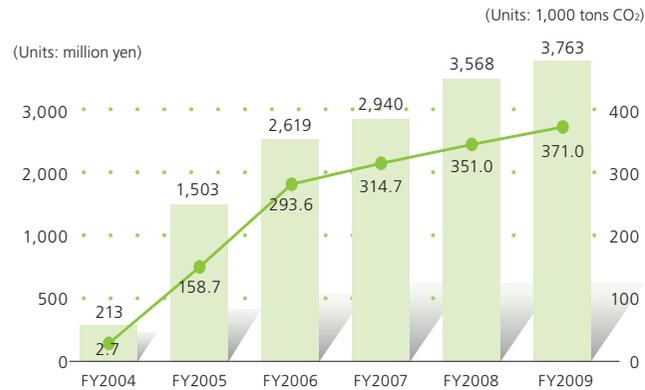
BTMU assesses projects implemented by clients receiving environmental financing, to determine the extent to which the financed activities reduce impacts on the environment; we also estimate the economic value of these reductions. This helps BTMU better understand how financing environmentally friendly projects indirectly benefits the environment. To ensure the transparency of the estimation process, BTMU's environmental assessments follow the ISO14040 series of standards for lifecycle assessment, through which we can identify substances that have environmental impacts as well as the amount by which these are reduced as a result of designing projects to be more environmentally friendly. Reflecting our policy of promoting a wide range of financing for environmentally friendly projects, environmental projects that BTMU has assessed include facilities for wind power and other types of alternative energy; facilities for recycling of industrial waste; and facilities such as melting furnaces for proper processing and disposal of wastes. More recently, we have added the construction of energy-conserving buildings as well as introduction of materials for energy-conserving facilities.

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 business-as-usual power generation equipment. To estimate the reduced environmental impact in monetary terms, BTMU uses evaluation coefficients from the maximum abatement cost method<sup>1</sup> estimated from actual reduction measures currently being taken in Japan.

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)<sup>2</sup>**

Line and scale on right indicate CO<sub>2</sub> emissions reductions as portion of environmental impacts



2. Reductions in value of environmental impacts and for CO<sub>2</sub> are based on facilities' operations plans.

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

Substance	Coefficient (thousand yen/ton)	Methodology for Estimation of Coefficients
CO <sub>2</sub>	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)

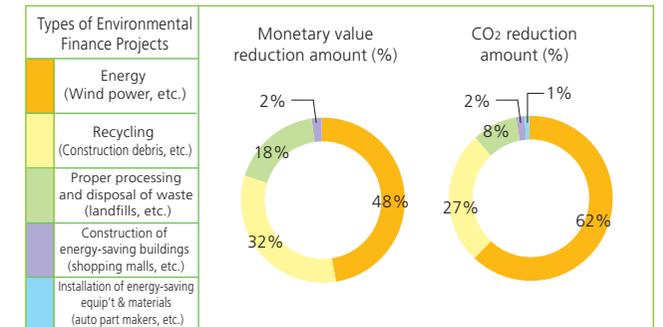
**Estimated Reduction and Monetary Value**

Fiscal Year	Type	Cumulative CO <sub>2</sub> Reduction <sup>3</sup> (thousand tons/year)						Cumulative Monetary Value <sup>4</sup> (million yen/year)					
		2004	2005	2006	2007	2008	2009	2004	2005	2006	2007	2008	2009
Substance	CO <sub>2</sub>	2.7	158.7	293.6	314.7	351.0	371.0	19	1,111	2,055	2,203	2,457	2,597
	NOx	0.006	0.083	0.145	0.208	0.357	0.375	16	208	361	520	892	937
	SOx	0.008	0.048	0.071	0.081	0.099	0.113	0	2	3	3	4	5
	COD	0.007	0.007	0.007	0.010	0.010	0.012	34	34	38	50	50	60
	Total Nitrogen	0.009	0.009	0.010	0.010	0.010	0.010	145	147	162	164	164	164
	Total	-	-	-	-	-	-	213	1,503	2,619	2,940	3,568	3,763

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)

**Environmental Finance Projects by Type, 2004-2009**



● Various Services

● Eco-Custody

MUTB

MUTB uses the term “Eco-Custody” to describe its environmental initiative related to real estate for corporate business. This initiative has been launched in three steps.

In the first step, MUTB increases the environmental value of real estate in Tokyo that is entrusted to it by using the system instituted by the Tokyo Metropolitan Center for Climate Change Actions. Currently, MUTB is in the process of examining 12 land trust projects, and reflecting the benefits gained from switching to energy-saving lighting and air conditioning systems as well as reflecting the benefits gained from operating these systems more effectively to the long-term repair and refit plans of the buildings. The second step is disseminating information about real estate and the environment. This involves holding practical seminars to introduce environment-related laws and regulations, as well as publishing and distributing the monthly Environmental Newsletter since November 2009, discussing specific topics on how customers in the real estate field can address environmental issues. The third step involves utilizing emissions trading systems and emissions credits trust schemes to provide clients with products that help them reduce CO<sub>2</sub> emissions. MUTB is currently studying the possibilities for this business. (Figure 1)

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

MUTB

As part of its stock transfer agency services, MUTB offers corpo-

rate clients its “Social Contribution-Style Shareholder Benefits Service” (Eco SBS).

This system makes use of the increasingly popular “shareholder benefit self-selection” approach, adding to the menu of options new items that reflect customers’ corporate social responsibility activities and their desire to be good corporate citizens, including environmental conservation-related donations and acquisitions of greenhouse gas emissions credits.

● Promoting “Value Asset” Acquisition

MUL

MUL is working to promote “Value Asset” (VA) acquisitions, which can contribute to a recycling-based society through reusing equipment, thereby reducing waste. Value assets are those which can be re-sold after the end of a leasing contract (such as machine tools and printing presses), and infrastructure-type equipment that has a long useful life and which can be extended lease period. Because the value of such VA assets declines slowly over time and they can generally be used for a long period of time, effective use of value assets results in less waste being created.

● Used Equipment Sales Business

MUL

Based on the awareness of social responsibility to reduce waste related to the leases, MUL began a used equipment trade business in early stage. Making effective use of pre-owned machinery and equipment not only reduces the burden on the environment, but also contributes to lower customers’ costs.

In particular, computers and other office equipment for which

the lease has ended are reused and recycled through one of the MUL Group companies, MUL Eco-Business Co., Ltd., which has a complete in-house system for erasing data and checking equipment performance, a system that approaches a “zero emissions” reuse and recycle arrangement (see Note). In addition, the members of the MUL Group are promoting the effective utilization of after-use equipment in a wide variety of fields, including industrial machine tools, medical equipment, and semiconductor production equipment.

Note: “Zero emissions,” advocated by the United Nations University, is a system in which the emissions and waste products generated by industrial and other processes are re-used so as to result in practically zero waste.

Figure 1. Eco-Custody



● **Provision of Information on Socially Responsible Investment (SRI)**

MUTB

In December 2009, MUTB worked along with the United Nations Environment Programme Financial Initiative (UNEP FI) to hold the “Responsible Investment Seminar 2009,” the fourth event since 2006. At the event, entitled “Assessment of the Green New Deal Policy and Outlook on Future Policy,” speakers discussed the approach towards environmental businesses both by the public and private sectors since the financial crisis triggered by the bankruptcy of Lehman Brothers, as well as the issues that investors are focusing on. The approximately 250 attendees enjoyed the event, with many commenting that the theme of the event was very timely. See page 79 for employees' related comments.

● **Helping Build the Foundations for CDM China**

MUFG

In June 2008, the MUFG Group concluded an agreement with China's National Development and Reform Commission (NDRC) to promote and support efforts in China related to the Clean Development Mechanism (CDM). The NDRC is responsible within the government of China for operating and supervising CDM projects; under this agreement, we worked with the NDRC to create a database system to track CDM activities and to conduct training for regional officials in order to enhance their ability to manage CDM projects. Three-day training sessions for some 100 to 150 individuals each were held in six regions in China, and approximately 50 select participants were invited to Japan for a two-week program that included visits to government agencies and companies active in efforts to address global warming, and visits to facilities demonstrating energy efficiency and environmental technologies, as well as presentations on the environmental policies and efforts of the MUFG Group. (Photos 2 and 3)

Photo 1. Responsible Investment Seminar 2009



Photo 2. CDM Management Capacity Training



Photo 3. CDM Management Capacity Training



### CDM Consulting Activities

MUMSS

The Clean Development Mechanism (CDM) is a mechanism based on Article 12 of the Kyoto Protocol designed to meet the dual objectives of regional development and the reduction of greenhouse gas emissions; under the CDM, a developed (Annex I) country offers technical or financial support to a developing (non-Annex I) country, the CO<sub>2</sub> emissions reduced as a result are recognized by the United Nations, and allocated to the developed country as an emissions credit.

Specialized procedures and know-how are needed to conduct a CDM project—to select appropriate countries and projects, to develop methodologies to calculate amounts of emissions reduced, and to gain project approval. MUMSS became involved in CDM consulting activities at an early stage, starting with a project in Cambodia (Kandal Province) for processing waste water from a piggery; so far, we have been involved in more than 100 projects, 42 of which have been registered with the United Nations (as of June 2010). We have developed seven approved methodologies (AM) for the CDM, placing us third in the private sector globally. We employ 40 people, including external consultants, to actively provide CDM consulting services to customers located primarily in Asia. (Figures 1 and 2)

#### Renewable Energy CDM Project in Galapagos Islands (Ecuador)

One of the latest CDM projects MUMSS has begun to work on is a project in the Galapagos Islands (Ecuador); it involves both electricity generation from wind power and cogeneration using fuel oil made from the inedible jatropha plant.

Under the Ecuadorian government's Zero Fossil Fuel for the Galapagos Islands Program, this project on Baltra Island involves the installation of a 6.75 megawatt wind power plant (total of two phases) and electricity cogeneration equipment; it will also include the island's first water purification plant. We are providing assistance with financial tools under the CDM for the Project to Generate Electricity without Diesel, which was started to protect the local ecosystem. This project will make it possible to replace fossil fuels used to generate electricity for hotels on the island of Santa Cruz, thereby reducing CO<sub>2</sub> emissions, and will alleviate concerns about the threat of marine pollution on the ecosystem caused by diesel spills from small tanker accidents. We are currently engaged in a feasibility study and have started working toward making this a CDM project. See page 79 for employees' related comments.

#### CDM Project for Tree Planting in Paraguay

In the Paraguari Department of Paraguay, we are engaged in a new initiative to connect tree planting in a developing country with the CDM. The Japan International Research Center for Agricultural Sciences (JIRCAS) is involved in a local tree planting project, and September 2009, this became the first tree planting initiative in the country to be registered as a CDM project. Paraguari Department has relatively low income today compared to the rest of the country, but it is hoped that success of farming and forestry here will increase communities' incomes.

### Project Finance for Renewable Energy

BTMU

BTMU has been involved in many renewable energy financing projects in Europe and North America. European Investment Banking Division in London has been particularly active in the U.K. following the successful financing for the Crystal Rig Wind generation project, which was the first wind power project financing in U.K. to be developed after introduction of the new regulatory regime.

The potential of the offshore wind sector has teased project financiers for years, but few projects have gone on to deliver on their promise.

In October 2009, BTMU closed the financing for portfolio of offshore and onshore wind farm assets both as a financial advisor and a mandated lead arranger.<sup>1</sup> Despite a number of fundamental aspects of the transaction that would be new to many of the banks as well as the market turmoil, BTMU successfully brought together the deal with a total of fourteen banks from nine different countries. This deal marks an important milestone as the first successfully project financed U.K. wind portfolio where the majority of assets are situated offshore.<sup>2</sup> BTMU is keen to contribute to the global development of renewable energy, including onshore, offshore wind and solar energy, by its significant experience and knowledge of structured finance.

1. The portfolio comprises 220 MW of wind assets, the Lynn and Inner Dowsing (194 MW) offshore wind farms and Glens of Foundland (26 MW) onshore wind farms (Project name "Boreas"). The project is jointly owned by Centrica PLC and The Trust Company of the West (TCW) although initially sponsored solely by Centrica PLC.

2. BTMU was awarded "Renewable Financial Advisor of the Year for 2009" by *Infrastructure Journal*.

Figure 1. Rank in Number of UN-Approved Methodologies (AM)

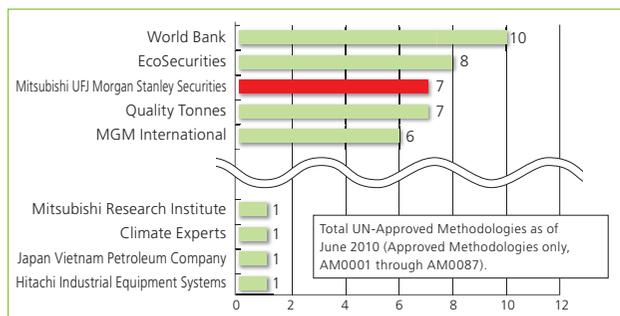


Figure 2. Number of CDM Consulting Projects by MUMSS (As announced by UNFCCC)

Region	Key Projects	Registered Projects
Asia	Biomass power generation (Cambodia, Thailand) Landfill gas recovery (Indonesia, Philippines, Thailand) Wastewater treatment and biomass utilization (Malaysia, Philippines, etc.) Hydropower generation (Mongolia, China, Philippines)	38 projects
Europe Africa	Wind power projects (Egypt)	1 project
Latin America	Cultivation, grassland reforestation (Paraguay) Landfill gas recovery (Brazil)	3 projects
Total		42 projects

(As of the end of June 2010)

Photo 1. Project Finance for Renewable Energy



## Initiatives to Reduce Environmental Impacts

### Reducing the Environmental Impacts of Our Offices

The MUFG Group continued this fiscal year to compute environmental impact data and greenhouse gas emissions for each of the main Group companies. In fiscal 2009, in addition to calculations made for core Group companies (MUFG, BTMU, MUTB and MUMSS<sup>1</sup>), computations were also made for MUN, going back to fiscal 2008. The table summarizing MUFG Group Environmental Impact Data and Greenhouse Gas Emissions includes data for the four core MUFG Group companies, and starting with fiscal 2008 also includes an "MUFG Total," which includes figures for the four core companies plus MUN.

Compared to fiscal 2008, declines were seen in the values for direct energy consumption (EN3) and indirect energy consumption (EN4), as well as for energy use from employee travel and transportation (EN29). With respect to CO<sub>2</sub> emissions from indirect energy purchases of electricity, two values are calculated starting with fiscal 2009: those based on adjusted emissions 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) emissions factors. Total CO<sub>2</sub> emissions for the MUFG Group declined from fiscal 2008 levels by approximately 33,000 tons based on actual emissions factors, and by approximately 73,000 tons based on adjusted emissions factors. Compared to the fiscal 2000 baseline (298,000 tons of total CO<sub>2</sub> emissions), total emissions of CO<sub>2</sub> for the four core MUFG companies declined by 56,000 tons based on actual emissions factors (19%), and 94,000 tons based on adjusted emission factors (31%).

In establishing the transparency of our data disclosure, we have classified the data in accordance with ISO14064 (specifications for quantification and reporting of greenhouse gas emissions and removals). For calculations of environmental impact data and greenhouse gas emissions, we obtained expert advice from Ernst & Young ShinNihon LLC. (This "advice" did not include an auditor's opinion or certification.)

In the future, we will work to expand the scope of items included within our environmental impact data calculations, and to further improve the accuracy of the data.

MUFG Group Environmental Burden Data and Greenhouse Gas Emissions<sup>2</sup>

Item (GRI Indicators <sup>3</sup> )	Units	FY2007		FY2008		FY2009					
		MUFG 4 companies		MUFG 4 companies		MUFG Total		MUFG 4 companies		MUFG Total	
		Indicator	Accuracy <sup>4</sup>	Indicator	Accuracy <sup>4</sup>	Indicator	Accuracy <sup>4</sup>	Indicator	Accuracy <sup>4</sup>	Indicator	Accuracy <sup>4</sup>
Total floor space <sup>5</sup>	'000 m <sup>2</sup>	2,211		2,130		2,226		2,186		2,282	
Floor space monitored	'000 m <sup>2</sup>	1,389		1,791		1,888		1,882		1,980	
Coverage rate <sup>6</sup>	%	62.8%		84.1%		84.8%		86.1%		86.8%	
<b>Direct energy consumption (EN3)</b>											
City gas	'000 m <sup>3</sup>	6,931	■□□	5,362	■■■□	5,498	■■■□	3,928	■■■	4,022	■■■
Heavy oil	kl	1,982	■■■	2,205	■■■	2,205	■■■	1,948	■■■	1,948	■■■
Kerosene	kl			184	■□□	184	■□□	119	■■■	119	■■■
<b>Indirect energy consumption (EN4)</b>											
Electricity	'000 kWh	575,844	■■■	555,526	■■■	584,166	■■■	504,729	■■■	532,065	■■■
Steam	GJ	55,198	■□□	42,544	■■■□	43,257	■■■□	22,603	■■■	23,476	■■■
Hot water	GJ							1,959	■■■	1,959	■■■
Cold water	GJ	38,918	■□□	14,477	■■■	19,282	■■■	13,802	■■■	18,261	■■■
<b>Energy use from employee travel and transportation (EN29)</b>											
Air route (international routes)	'000 km			63,076	■■■□	63,392	■■■□	48,912	■■■□	49,228	■■■□
Automobiles (gasoline)	kl	2,722	■□□	3,829	■■■	4,005	■■■	3,540	■■■	3,626	■■■
<b>Water usage efficiency (EN8)</b>											
Clean water	'000 m <sup>3</sup>	2,126	■■■□	2,192	■■■□	2,326	■■■□	2,185	■■■	2,301	■■■
Waste water	'000 m <sup>3</sup>	1,751	■□□	2,010	■■■□	2,084	■■■□	1,686	■■■	1,754	■■■
<b>Carbon dioxide emissions<sup>7</sup></b>											
Direct CO <sub>2</sub> emissions (EN16) <sup>8</sup>	t	21,153	■□□	18,644	■■■	18,923	■■■	14,354	■■■	14,546	■■■
Indirect CO <sub>2</sub> emissions (EN16) <sup>9</sup>	t	214,396	■■■	237,950	■■■	250,416	■■■	212,855	■■■	224,739	■■■
Adjusted emissions factors (EN16) <sup>9,12</sup>	t							174,952	■■■	184,758	■■■
Other indirect CO <sub>2</sub> emissions (EN17) <sup>10,11</sup>	t	7,618	■□□	17,310	■■■	17,812	■■■	14,823	■■■	15,112	■■■
Total CO <sub>2</sub> emissions (actual emission factors)	t	243,167	■■■□	273,904	■■■	287,151	■■■	242,032	■■■	254,398	■■■
(Adjusted emission factors) <sup>12</sup>	t							204,130	■■■	214,417	■■■
CO <sub>2</sub> emissions per unit of floor space (actual emission factors)	t / '000 m <sup>2</sup>	110		129		129		111		111	
(Adjusted emission factors) <sup>12</sup>	t / '000 m <sup>2</sup>							93		94	

Units: '000 m<sup>2</sup> = thousand square meters; '000 m<sup>3</sup> = thousand cubic meters; kl = kiloliters; '000 kWh = thousand kilowatt-hours; GJ = gigajoules; t = tons; '000 km = 1000 km

- On May 1, 2010, the investment banking operations of Mitsubishi UFJ Securities and Morgan Stanley Securities merged to form Mitsubishi UFJ Morgan Stanley Securities. Environmental burden data here covers only the former Mitsubishi UFJ Securities.
- Measurement totals include five companies: MUFG, BTMU, MUTB, MUMSS and MUN.
- 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](http://www.globalreporting.org))
- Margins of error are indicated as follows: ■■■ indicates within 6%, based on extensive measurements; ■■□ indicates within 15%, based on measurements for head offices and other main buildings, although not including all branches; ■□□ indicates greater than 15%, due to a lack of measurements for some major buildings and branch offices.
- In fiscal 2009, the total area of floor space occupied was 1,700,000 square meters for MUFG and BTMU combined; 367,000 square meters for MUTB; 118,000 square meters for MUMSS; and 96,000 square meters for MUN.
- 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 burden data.
- CO<sub>2</sub> emissions 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. CO<sub>2</sub> emissions are categorized following the five greenhouse gas inventory components defined in ISO14064 Part 1 ("Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals").
- CO<sub>2</sub> emissions associated with EN3 (direct energy consumption).
- CO<sub>2</sub> emissions associated with EN4 (indirect energy consumption).
- Includes CO<sub>2</sub> emissions from energy consumption associated with transporting company officers and employees, including domestic travel by road and overseas air travel (EN29) and efficient water use (EN8).
- Other relevant indirect greenhouse gas emissions (EN17) showed an increase due to the addition, starting in fiscal 2008, of overseas air travel for officers and employees.
- CO<sub>2</sub> emissions from electricity have been calculated using adjusted emission factors.

### ● Reducing CO<sub>2</sub> Emissions

MUFG

To prevent global warming, the MUFG Group is working to reduce CO<sub>2</sub> emissions through measures such as phasing in environmentally friendly equipment at our branches and offices, reduced lighting, discontinuing use of some elevators, promoting casual attire in the summertime and reducing the use of air conditioning, and having staff turn off computers and monitors when they are not in use.

BTMU is working to reduce electricity consumption at its buildings, including through installing new heating systems and lighting controls; solar and wind power equipment has also been installed on a trial basis at the BTMU building in Nagoya.

MUTB is implementing energy conservation measures, including upgrading to more efficient equipment, based on energy efficiency audits of its main buildings conducted by outside experts. Energy consumption is also being cut by reducing the electricity used for lighting, through measures such as targeting areas for lighting, and installing dimmers and motion sensors.

MUMSS is augmenting its ongoing energy conservation measures by joining the government's "Cool Earth Day," an event held each year on the Seventh of July (the date of Japan's traditional *Tanabata* Festival), when participants can think about the importance of the global environment and experience firsthand progress towards a low-carbon society. "Cool Earth Day" is an opportunity to raise awareness at home and in the workplace; all employees are encouraged to leave work by 6 p.m. and to

further reduce energy consumption by turning off lights and equipment after work.

MUN conserves energy by utilizing a "universal plan" office layout having no pillars or dividers in a space of 130 square meters, as well as through efficient air conditioning and lighting and increased sharing of office equipment, such as faxes and copiers.

### ● Carbon Offsets

MUFG

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

In February 2008, BTMU acquired credits to offset a portion of the estimated 55,000 tons of CO<sub>2</sub> emissions produced by its Marunouchi main office building over the five year period from fiscal 2005 through 2009.

MUTB offset the emissions from its main office building for fiscal 2006 by obtaining 10,000 tons of emissions credits. For the three-year period from 2007 to 2009, MUTB obtained a total of 25,000 tons' worth of emissions credits, while expanding the coverage from electricity alone to five types of energy.

MUMSS is planning to receive compensation for its CDM consulting services partly in the form of emissions credits, and to use these to offset CO<sub>2</sub> emissions from electricity consumption

at its headquarters (totaling some 10,000 tons for fiscal 2007 and 2008). In March 2009, the company applied the emissions credits obtained from a project in Thailand that generates electricity by burning chaff. Future emissions credits will be applied to offsets, when additional credits are issued in the future.

For its "MUFG Card" and other credit cards, MUN has introduced a program that allows customers to participate in carbon offsets through using points that they earn when using their cards.

### ● Reducing Paper Consumption

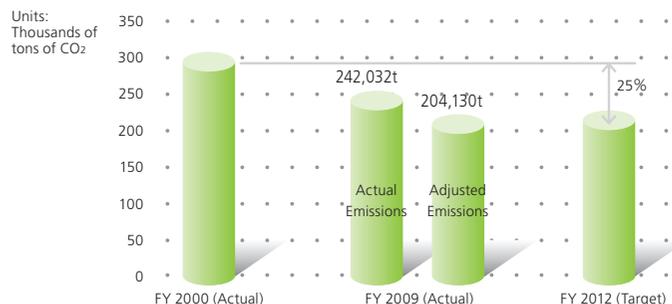
MUFG

The MUFG Group companies work to reduce the amount of copying paper used in their offices, and also to recycle used paper.

In fiscal 2009, BTMU reduced the amount of paper used in its offices by 10% compared to the previous year. To the extent possible, Group companies are also switching to FSC-certified paper and environmentally friendly inks (such as vegetable-based ink) for brochures and printed materials distributed at branches.

For customers' credit card statements, MUN is also encouraging customers to switch from conventional paper statements to postcards that use less paper, and is promoting a service that sends notifications by e-mail and allows customers to check their transactions online.

**Greenhouse Gas Emissions and Targets for the Four Core Companies of the MUFG Group (MUFG, BTMU, MUTB and MUMSS) (see Note)**



Note: Calculated based on energy usage for domestic branches (including electricity, natural gas, water, gasoline, etc.). Some data for fiscal 2008 and previous years are based on estimates. We will strive for greater accuracy for this data in the future, through expanding the range of items included in computations.

## Working with Our Stakeholders: Environment and Future Generations

### ● Reducing Waste

MUFG

MUFG Group companies are working actively to separate and recycle waste. BTMU's main office buildings in Tokyo, Nagoya, and Osaka have acquired ISO14001 certification; these offices separate waste into 13 categories and recycle more than 90% of their waste. Over 400 BTMU branches also separate their waste for efficient recycling.

The MUTB head office separates waste into 19 categories while MUMSS offices separate waste into six categories, with both companies actively promoting recycling.

### ● Eco-Friendly Promotional Goods

MUFG

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

MUMSS uses "Blue Dolphin's Natural Soap" (a 100% natural, additive-free soap) as an environmentally friendly promotional item. This soap is made by a charity that helps disabled persons participate in society and be financially self-sufficient, and is sold by a non-profit organization that promotes an appreciation of the global environment through awareness of dolphins and whales.

### ● Reducing Employees' Environmental Impacts at Home

MUFG

The MUFG Group works to raise employees' awareness of the

environment through various means, such as by promoting the use of the Japanese Ministry of the Environment's "Household Eco-Account Book."

### ● Leading the Banking Industry in Adopting Use of Electric Vehicles

BTMU MUTB

BTMU and MUTB use a total of three electric cars for official business, and were the first companies in Japan's banking industry to introduce such vehicles. These eco-friendly vehicles produce no CO<sub>2</sub> emissions when operated, and have total emissions (including CO<sub>2</sub> emissions from the electricity used for charging) that are only 30% of the level of emissions from gasoline vehicles in the same class. We are considering gradually increasing our numbers of electric vehicles being used. (Photo 1)

Photo 1. First Introduction of Electric Cars in the Banking Industry



The "i-MiEV" Electric Car

**BTMU Environmental Targets and Results**

Greenhouse Gas Emissions

Medium to long-term plan	Reduce FY2009 GHG emissions by the percentages shown below. <ul style="list-style-type: none"> <li>• Head office building: 8.5% compared to FY2004</li> <li>• Otemachi building: 11.0% compared to FY2004</li> <li>• Nagoya building: 3.0% compared to FY2006</li> </ul> Reduce FY2011 GHG emissions by the percentage shown below. <ul style="list-style-type: none"> <li>• Osaka building: 3.0% compared to FY2008</li> </ul>
FY2009 targets	Reduce GHG emissions from FY2008 levels by the following amounts: <ul style="list-style-type: none"> <li>• Head office building: ± 0% . Otemachi building: ± 0%</li> <li>• Nagoya building: 0.5% . Osaka building: 2.0% .</li> </ul>
Results	Achieved targets through careful control of air conditioning, adjustment of lighting levels, and upgrading of equipment, etc. (Cool weather also contributed.) <ul style="list-style-type: none"> <li>• Head office building: 17.0% . Otemachi building: 7.0%</li> <li>• Nagoya building: 1.8% . Osaka building: 12.4%</li> </ul>

Using Eco-friendly Paper & Reducing Paper Consumption

Medium to long-term plan	Reduce use of copy paper.
FY2009 targets	Reduce copy paper use by 10% compared to FY2008.
Results	Achieved target of 10% reduction compared to FY2008 by developing and thoroughly implementing rules to reduce copy paper use, including through double-sided printing, etc.

Waste Reduction

Medium to long-term plan	Achieve and sustain “zero emissions” of waste (defined as a recycling rate exceeding 95%).
FY2009 targets	Head office, Otemachi, Nagoya & Osaka buildings: Achieve recycling rate of at least 95% for waste.
Results	Achieved recycling rates of at least 95% (except in Otemachi building) through careful sorting of wastes. <ul style="list-style-type: none"> <li>• Head office building: 95% . Otemachi building: 93%</li> <li>• Nagoya building: 99% . Osaka building: 97%</li> </ul>

**MUTB Environmental Targets and Results**

Reduction of Copy Paper Use

FY2009 target at main office building	At the main office building, reduce the amount of copy paper purchased compared to the previous fiscal year.
Results	Copy paper purchases for main office building: Approx. 331 tons (0.4% reduction compared to previous fiscal year)

Waste Recycling

FY2009 target at main office building	Implement waste reduction and waste sorting programs at main office building.
Results	Employees gained awareness of waste reduction steps. Revised the rules for waste sorting in main office building in December 2009. Implemented checks of compliance with rules at the main office building in August 2009 and February 2010.

Reduction of Energy Use

FY2009 target at main office building	Implement program to reduce energy use at main office building.
Results	In-house reporting of floor-by-floor results for reduced use of air conditioning outside of office hours. Use of air conditioning outside of regular office hours (total for all equipment): 1,480 hours (92% less than previous year) Implemented energy conservation for air conditioning for trading floor (reducing the length of time that air conditioning units operate). Building energy use (crude oil equivalent, excluding automobile gasoline): 4,970 kiloliters (9% less than previous year) Energy use per person (crude oil equivalent): 1.33 kiloliters (15.8% less than previous year)

**MUMSS Environmental Targets and Results**

Reduction of Copy Paper Use

FY2009 targets	Reduce by 2% from FY2007 level <sup>1</sup>
Results	Consumption per person (Marunouchi building): 65.8 kg (20.2% reduction) <sup>2</sup>

Reduction of Electricity Use

FY2009 targets	Reduce by 1.0% from FY2007 level <sup>1</sup>
Results	Consumption per person (Marunouchi building): 4,917 kWh (12.5% reduction)

1. FY2007 has been set as the base year.  
 2. Annualized values for use of copy paper through February 2010 and electricity consumption through January 2010.

**MUN Environmental Impact Reduction Targets**

Improvement of Green Procurement Ratio

FY2009 target at main office building	Achieve a green procurement ratio above 70%
Results	Green procurement ratio: 89% <ul style="list-style-type: none"> <li>• Achieved by limiting the range of listed products.</li> </ul>

Reduction of Copy Paper Use

FY2009 target at main office building	Reduce by 5% per person compared to FY2008
Results	Reduced by 8% per person compared to FY2008 <ul style="list-style-type: none"> <li>• Target achieved by ensuring double-sided copying and reducing materials distributed at meetings.</li> </ul>

Reduction of Electricity Use

FY2009 target at main office building	Reduce by 1% per person compared to FY2008
Results	Reduced by 14% per person compared to FY2008 <ul style="list-style-type: none"> <li>• Achieved by discontinuing use of some light bulbs and office equipment, etc.</li> </ul>

● Environmental Accounting Information for Our Offices



As in the past, the MUFG Group continues to calculate and publish environmental impact data and greenhouse gas emissions for each of the main companies in the Group. This fiscal year, as part of our environmentally conscious business activities, we are also introducing and sharing the results of our “environmental accounting,” through which we track the quantitative impacts of our environmental conservation activities. The total costs of our environmental conservation measures, beginning with fiscal 2008, are shown in Table 1: Costs of Environmental Countermeasures. In addition, Table 2: Benefits of Environmental Countermeasures lists data regarding the benefits of these environmental measures, including the consumption of fuel, electricity, heating and other factors, as well as CO<sub>2</sub> emissions.

We aim to further enhance the Group's environmental conservation countermeasures and to 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, 2009 through March 31, 2010
- Companies included: Core Group companies (MUFG, BTMU, MUTB and MUMSS).<sup>1</sup>
- Accounting method: Based on *Environmental Accounting Guidelines 2005*, published by Japan's Ministry of the Environment.

Table 1. Costs of Environmental Countermeasures

(Units: million yen)

Category	Details	Previous period FY2008		Current period FY2009		Environmental conservation costs compared to FY2008 <sup>2</sup>	
		Investment	Expense	Investment	Expense	Investment <sup>3</sup>	Expense
1. Operations Area costs	-	931	416	1,640	745	709	329
Details	1-1. Costs for pollution prevention	-	119	-	147	-	28
	1-2. Costs for addressing global environmental issues	931	189	1,640	514	709	325
	1-3. Costs for reuse of resources	-	108	-	84	-	(24)
2. Upstream/downstream costs	-	-	-	-	-	-	-
3. Costs for management activities	Development/operation of environmental management systems, environmental information disclosure; etc.	1	644	-	393	(1)	(251)
4. Costs for research and development	-	-	-	-	-	-	-
5. Social activity costs	Charitable contributions related to environmental conservation, etc.	-	241	-	103	-	(138)
6. Environmental remediation costs	-	-	-	-	-	-	-
Total		932	1,300	1,640	1,241	708	(59)

Table 2. Benefits of Environmental Countermeasures

Classification of environmental benefits	Environmental performance indicators (units)	Previous period FY2008	Current period FY2009	Environmental benefits compared to FY2008 <sup>4</sup>	
Environmental benefits related to resource inputs for business activities	Utility gas	'000 m <sup>3</sup>	5,362	3,928	1,434
	Oil	kl	2,205	1,948	257
	Kerosene	kl	184	119	65
	Electricity	'000 kWh	555,526	495,249	60,277
	Steam	GJ	42,544	22,603	19,941
	Chilled water	GJ	14,477	15,761	(1,284)
	Tap water	'000 m <sup>3</sup>	2,192	2,197	(5)
Environmental benefits related to goods and services produced through business activities	Actual CO <sub>2</sub> emissions based on GHG emissions factors	t-CO <sub>2</sub>	273,904	242,032	31,872
	Sewage	'000 m <sup>3</sup>	2,010	1,696	314
Other environmental benefits	Energy consumption associated with transportation for officers and employees: air travel	'000 km	63,076	48,912	14,164
	Energy consumption associated with transportation for officers and employees: gasoline	kl	3,829	3,540	289

1. On May 1, 2010, the investment banking operations of Mitsubishi UFJ Securities and Morgan Stanley Securities merged to form Mitsubishi UFJ Morgan Stanley Securities. Data used for environmental accounting includes only that for the former Mitsubishi UFJ Securities.  
 2. Values for FY2008 are subtracted from those for FY2009. Positive numbers (in black) indicate an increase in the cost associated with environmental measures.  
 3. Increased Operations Area costs resulted from installing energy-efficient equipment for lighting and air conditioning at branches and company office buildings, and installation of centralized monitoring equipment at our data center.  
 4. Values for FY2009 are subtracted from those for FY2008. Positive numbers (in black) indicate that measures resulted in a decrease in volumes of inputs or emissions.

## Initiatives to Raise Environmental Awareness

### ● Participation in the Carbon Disclosure Project (CDP) MUFG

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 participated in this effort since 2004, and has also collaborated with the project through CDP information-sharing events since 2007, as well as being a sponsor of the publication of the Japanese-language version of the project's reports. Last year, the MUFG Group was also recognized as a leader among Japan's top 500 companies in terms of its efforts to disclose climate-related data. The MUFG Group is also collaborating on the CDP Water Disclosure effort, which was launched last year.

### ● Participating in Discussions Concerning New JICA Environmental and Social Guidelines BTMU

In October 2008, the Japan International Cooperation Agency (JICA) was reorganized, creating one of the world's largest international aid agencies. A representative of BTMU served on an expert committee created to review environmental and social guidelines for the "new" JICA, sharing BTMU's experience related to environmental and social considerations (including the

implementation of the Equator Principles for private sector development), contributing to the development of the new guidelines for Japan's Official Development Assistance (ODA) that were announced in April 2010.

This expert committee, which began work in February 2008 before the "new" JICA was launched, was composed of 16 experts, including four each representing academia, NGOs, industry, and government; the committee met 33 times over approximately two years, and produced recommendations for new guidelines that take into account the issues of transparency and timeliness.

Through this and a variety of other activities, BTMU is working to share the experience it has gained for the benefit of others.

### ● TBLI Conference 2009 MUTB

MUTB cosponsored the TBLI Conference™ Asia 2009 (TBLI meaning "Triple Bottom Line Investing"), which held discussions on a wide range of topics, including Socially Responsible Investing (SRI), emissions trading, and microfinance.

This conference, held in Yokohama in May 2009, was the first TBLI Asia conference to be held in Japan; the second TBLI Asia conference was held in Tokyo in May 2010. MUTB representatives served on panel discussions at both conferences, giving presentations entitled "Asset Management and ESG" (in fiscal 2009) and "Real Estate Eco-Custody" (in fiscal 2010). (See page 68 for more information about "Eco-Custody.")

### ● **Communications and Outreach** MUFG

The MUFG Group actively engages in communication and outreach efforts to enhance environmental awareness.

#### ● **Participation in the 2009 Eco-Products Exhibition** MUFG

The MUFG Group presented a booth at the 2009 Eco-Products Exhibition, one of the largest environmental trade shows in Japan (180,000 persons attended this event held at the "Tokyo Big Sight" International Exhibition Center). At the MUFG booth, Group companies introduced their efforts to help the environment through their core business activities, and organized a number of events to promote awareness of the importance of ecosystem conservation — including using a large screen to display views of the Shirakami-Sanchi World Heritage Site in northern Japan, near where tree-planting activities are being conducted through the "Protect the Earth's Treasures" environmental education project. Visitors to the booth also enjoyed "Drawing Nature's Sounds," a hands-on drawing class where children could make drawings while gaining inspiration from the sounds and voices of nature. (Photo 1)

#### ● **Lectures & Participation in Government Advisory Committees** MUTB

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.

MUTB representatives gave a presentation at an October 2009

seminar organized by the Carbon Disclosure Project (which is working to promote activities by companies to share their strategies on climate change and to publicize their emissions of greenhouse gases), as well as a presentation on the role of finance in the promotion of a low-carbon society at a January 2010 symposium organized by Japan's Ministry of the Environment. Also, MUFG Chairman Haruya Uehara served as a general meeting member of the Multi-stakeholder Forum on Social Responsibility for a Sustainable Future, organized by the Cabinet Office to address challenges related to the "new sense of community."

#### ● **Co-sponsoring of Environmental Events** MUFG

In addition to the activities described above, the MUFG Group also supports a variety of environment-related events.

BTMU, MUTB, MUN and MUL were co-sponsors of the "Kouto Tokyo LIGHTOPIA 2009" event held in December 2009. This festival of light was held in the central part of Tokyo, using energy-efficient light-emitting diodes (LEDs) and electricity generated from wind power and biomass, creating an opportunity to promote environmental awareness. (Photo 2)

MUN also co-sponsored Showa Shell Sekiyu's "My Town's Goods and Bads" environmental photo contest, an event which encourages people to rediscover their own surroundings from the perspective of environmental issues, and judges photo submissions, which have a profound impact on many people.

#### ● **Sponsoring UNEP Publications** BTMU

The non-profit organization "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 publications *Our Planet* and *TUNZA*.

BTMU distributes these magazines at its branches in Japan, seeing them as valuable tools for helping raise awareness about global environmental issues among our customers.

Website: <http://www.ourplanet.jp/> (Japanese only)

#### ● **MUTB Carbon Communication Environmental Information Newsletter for Corporations** MUTB

Since October 2008, MUTB has published and distributed the monthly *MUTB Carbon Communication* newsletter to inform corporate readers about market trends related to emissions trading, including information on corporate initiatives relating to emissions credits, the development of new products that utilize emissions credits, energy conservation initiatives, and related topics.

Photo 1. The 2009 Eco-Products Exhibition



Photo 2. Co-sponsorship of Environmental Events



**Voice**



**The Equator Principles**

See page 61 for related article

**Hisanobu Chigira**

Senior Manager, Social & Environmental Risk Assessment Office, Structured Finance Division, Bank of Tokyo-Mitsubishi UFJ

We advise our customers to take appropriate environmental measures starting from the early stages of their projects. By applying the Equator Principles, and by taking measures to address environmental risks, we have been able to raise the level of environmental considerations within projects, with the result that we can help companies and society avoid damage to the environment.



**Preferential Mortgage Rates for Eco-Friendly Homes**

See page 63 for related article

**Takeshi Doi**

Manager, Loan Products Department, Retail Banking Business Promotion Division, Bank of Tokyo-Mitsubishi UFJ

I introduce environmentally friendly housing and equipment when assisting customers with life planning for home purchases. In some cases, the actual cost becomes virtually zero when preferential loans are combined with national and local subsidy systems, so I present both the environmental and the economic merits.



**Home Improvement Loans**

See page 63 for related article.

**Miki Takahama**

Manager, Business Planning Department, Consumer Finance Division, Bank of Tokyo-Mitsubishi UFJ

I feel that customer concern for the environment is rising year by year. Many customers have plans to introduce environmentally friendly equipment when they remodel their homes, and they start by comparing loans using the Internet and other information sources. While proposing preferential loans to these customers, I also want to provide a broader range of products and easy-to-use services.



**Offering a Service via Credit Cards that Makes Environmental Contributions Real**

See page 63 for related article.

**Chihiro Nagase**

Point System Promotion Team, Communications Promotion Group, CRM Promotion Department, Mitsubishi UFJ NICOS

To our credit card customers who have selected the carbon offset option, I send certificates notifying them of the CO<sub>2</sub> emissions credits transferred to the government of Japan. I want to work at providing easy-to-understand explanations of carbon offsets, in order to support our customers' desire for environmental conservation and to get more customers participating.



**Promoting SRI Funds**

See page 64 for related article.

**Rumi Aoki**

Nihonbashi Branch, Mitsubishi UFJ Trust and Banking

When customers looking for investment trusts and other asset management products come to the branch, I introduce SRI funds after listening carefully to their ideas. A female customer who came in the other day wanted to invest in companies with strong social welfare policies, where women feel comfortable working. I want to honor those types of perspectives and values when advising customers now and in the future.

**Voice**



**CO<sub>2</sub> emission reduction support loans**

See page 65 for related article.

**Yuuichi Ogata**

Manager, Environmental Business Office, Corporate Banking Business Promotion Division, Bank of Tokyo-Mitsubishi UFJ

In designing the loan that takes advantage of the government's interest subsidy program, we did our best to make the loan available to a wide range of medium-sized companies as well as small- and medium-sized enterprises. Financial support for environmental initiatives is still in its infancy, but as laws and regulations become tighter, companies will face a variety of challenges as they look to carry out additional environmental initiatives and engage in new environmental businesses. We will do our best to assist our clients with financing support, information about subsidies and other programs, business matching and introductions to solutions from our Group companies, and otherwise leverage the comprehensive capabilities of the MUFG Group to develop and deliver services that match the needs of our clients every step of the way.



**Provision of Information on SRI**

See page 69 for related article.

**Masahiro Kato**

Senior Manager, Investment Research & Planning Division, Mitsubishi UFJ Trust and Banking

I feel that the global trend of making investment decisions based on a wide look at corporate activities, including CSR, is here to stay. In terms of SRI, Japan lags far behind the United States and Europe, so we will continue to hold seminars, dispatch instructors, and provide information about SRI.

**CDM Consulting Activities**

See page 70 for related article.



**Mari Yoshitaka**

Deputy Chairman, CDM/JI Senior Consultant, Clean Energy Finance Committee (CEF), Mitsubishi UFJ Morgan Stanley Securities

As we were searching for ways that we as a financial institution could address the biodiversity crisis, we came up with the idea of using the CDM to help finance this project.

We can create new value by leveraging the mechanisms that are available and using our financial skills, allowing us to support activities that previously had difficulty securing financing. We will continue our efforts to support projects that contribute to local sustainable development.



**Yukimi Shimura**

CDM/JI Consultant, Clean Energy Finance Committee (CEF), Mitsubishi UFJ Morgan Stanley Securities

I developed the idea behind this project after learning about the project's financial difficulties from a friend I knew when I was studying at a graduate program in Ecuador. Because the CDM procedures are so complex, developing countries need assistance. Through this project, I can help give something back to the country I am indebted to for its hospitality.



**Project Finance for Renewable Energy**

See page 70 for related article.

**Carol Gould**

Head of Power and Renewables, Structured Finance, European Investment Banking Division, Bank of Tokyo-Mitsubishi UFJ

BTMU is very interested in financing projects in the renewables sector. The Bank has taken a leading role in financing offshore wind projects in the UK, and is now working with sponsors in this sector across Europe and in North America. We are expanding our renewable portfolio into growing European markets and building our involvement in the PV and solar thermal sector. BTMU is very pleased to be playing its role in the creation of a low carbon economy.

# Initiatives of Group Companies: Mitsubishi UFJ Lease & Finance

To respond to the environmental needs of customers, Mitsubishi UFJ Lease & Finance is actively involved in environment-related businesses, including ESCO, environmental financing, carbon offset business, and more.

## Energy Conservation Services, Environmental Services

### ● ESCO Business

The energy service company (ESCO) business is a service that aims to achieve energy conservation at the same time as achieving a reduction in environmental impacts and costs by optimizing the facilities of buildings, factories, hotels, hospitals, and so on. A customer receives a package of services including diagnosis, planning, facility improvement, verification of results, and maintenance. MUL has been committed to the ESCO business since it was first introduced to Japan, and as of March 2010, was handling 363 such projects, making top-class achievements and earning the company recognition here. (Figure 1)

### ● Green Leases

A green lease is a type of leasing service that covers a portion of the electricity consumed by leased equipment, by using green energy sources such as wind power and biomass that have a low environmental impact and do not generate CO<sub>2</sub> emissions.

Through collaboration with a variety of manufacturers, we select lease-eligible machines and equipment models with superior environmental performance, thereby supporting the installation of environmentally friendly machines and equipment, and contributing to the expanded use of renewable energy.

### ● Financial Services for Environmental Businesses

We provide total support for achieving business plans by offering finance services to customers engaged in recycling, waste treatment, clean energy, and so on. Besides providing corporate financing, we also offer financial services that match projects and operations, such as by using project financing methods that rely on profitability and stability. We respond to a variety of needs, from purchases of new business sites to plant construction and more.

### ● Carbon Offset Businesses

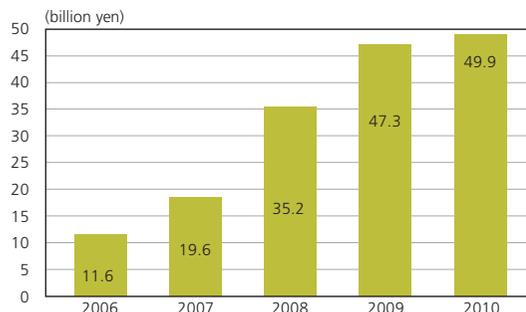
For customers that desire to contribute to environmental conservation, MUL offers a carbon offset service.

By allocating carbon emission credits to a lease, our “Carbon Natural Leases” (leases bundled with carbon emission credits) offset the CO<sub>2</sub> that will be emitted in connection with the lease. Customers can, in effect, be engaged in environmental activities without having to do the cumbersome paperwork or accounting.

For customers who would like to do business without carrying carbon emission credits, we also offer our “Offset Partner Service” (a trust service for carbon offset). This service supports customers’ environmental initiatives in a variety of scenarios, such as development of products that come with carbon emission credits, provision of carbon offsets for exhibition events, manufacturing plants, and so on. (Figure 2)

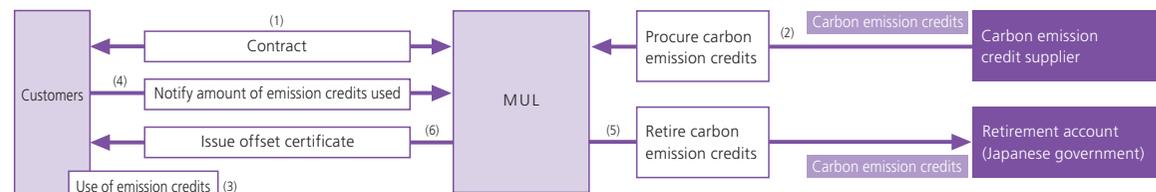
In recent years, the needs of clients have become increasingly diverse in the areas of energy conservation and the environment. MUL aims to continue expanding its range of products and services in these areas, as it actively responds to various customer needs.

Figure 1. ESCO Business Financing



Note. Figures are as of March month end in years shown.

Figure 2. Design of “Offset Partner Service”



- (1) A contract is signed between customer and MUL.
- (2) On behalf of customer, MUL procures and manages carbon emission credits.
- (3) Customer uses carbon emission credits.
- (4) Customer notifies MUL of the amount of carbon emission credits used.
- (5) MUL carries out procedures to transfer carbon emission credits to government redemption account.
- (6) MUL issues an “offset certificate” to the customer certifying that the carbon emission credits have been registered in the government redemption account.

## Initiatives of Group Companies: Union Bank, N.A.

**Union Bank continues its long-term commitment to sustainable activities in social, economic, and environmental areas. Sustainability is a priority in our business operations, and an important part of our corporate culture.**

During 2009, Union Bank maintained its strong tradition of corporate social responsibility while coping with a battered economy, undertaking significant internal reorganization to prepare for growth, and rebranding our entire operations with the Union Bank name. Below are a few highlights.

Community-reinvestment loans and activities in 2009 totaled \$3.57 billion, including \$11 million in charitable donations to nonprofit organizations. Supplier diversity expenditure reached \$111 million, \$15 million more than in 2008. Our Supplier Diversity Office proactively seeks to increase the amount of bank-wide business with vendors owned by ethnically diverse individuals, service-disabled military veterans, and women.

### ● **Housing for People with Low Incomes**

The mortgage meltdown proved that decent shelter is fundamental to healthy families and communities. In 2009, despite this historic financial crisis, our Community Development Finance (CDF) Division was able to make \$40 million in construction loans and investments to finance more than 1,000 affordable housing units.

CDF also sponsored the bank's first Green Housing Conference, for nearly 100 developers, government officials, lenders, architects, and other stakeholders. The conference explained how we work with developers, manufacturers, and communities to take advantage of green technologies and design concepts to expand the availability of environmentally sustainable buildings.

### ● **Environment**

We completed the rollout to California branches of Remote Branch Capture (RBC), which electronically transmits 8 million check images every month, eliminating extra handling and the pollution of vehicular transportation to the bank's item processing centers. Implemented from 2009 to May 2010, RBC eliminates an average of 9,864 courier miles driven every day, equivalent to the removal of 3 million pounds of CO<sub>2</sub> that would otherwise have been released annually into the atmosphere, and represents a 55% reduction in CO<sub>2</sub> emissions from these operations in 2008. Rebranding our company as Union Bank in 2009 affected interior and exterior building signage, customer collateral, forms and templates, business cards and credit cards, our Internet and intranet sites, adver-

tising, and a host of other items. We diverted outdated material from landfills by recycling paper items and donating Union Bank of California products, such as mugs, pencils, and notebooks, to nonprofit organizations. We donated the facings on 450 ATMs—6,500 cubic feet of material, about 35 tons—to a recycling company that specializes in ATMs for potential manufacture into picnic tables, park benches, fences, railroad ties, and other viable commercial and consumer products.

By converting from incandescent to LED (light-emitting diode) energy, we reduced the amount of power it takes to illuminate rebranded signage on buildings that have lighted displays. As just one example, the name *Union Bank* atop our Los Angeles headquarters building takes almost half the energy the previous sign required—down to 5.5 kilowatts an hour from 10.5 kWh. In 2009, our renewable-energy lending portfolio included more than \$1 billion in financing for wind and solar projects that produce more than 1,760 megawatts of energy for domestic, commercial, and municipal use in California, 11 other states, and Canada. We also lend to companies that capture environmentally polluting landfill gas and transform it into energy.

## ■■■ Initiatives of Group Companies: **Union Bank, N.A.** ■■■

Our waste management portfolio contained 43 core industry relationships totaling \$791 million in credit commitments to clients that recycle industrial and consumer waste. Combined with activities elsewhere in the bank, the aggregate total rises to more than \$1 billion. Some of our financing goes toward alternative-fuel trucks that use liquefied natural gas instead of diesel oil.

### ● **Community Reinvestment**

Union Bank's services to low- and moderate-income (LMI) and underserved communities provide flexible terms and rates to promote economic development. In 2009 our Business Diversity Lending program made more than 4,700 new loans, renewal transactions, and cash reserve lines totaling \$257 million. Our Community-Based Financing program, which refers declined applicants to alternative financing sources, made 214 referrals (11% more than in 2008) resulting in 72 applications (a 71% increase) and 13 booked loans with a combined total value of \$443,000 (a 14% increase). Our Economic Opportunity Mortgage, which helps LMI borrowers purchase a new home or refinance an existing home loan, funded 952 loans—363 more than in 2008. Our Cash and Save offices in Greater Los Angeles, which work to bring the unbanked into the financial services mainstream, had almost 36,000 customers in 2009 (9,000 fewer than in 2008) but more than 13,500 accounts (2,500 more than in 2008).

We continued to expand services to the Native American community in 2009, forming an alliance with First National Bank of Omaha to issue co-branded Visa and MasterCard credit and debit cards that tribes can customize with their own logos. The credit cards include a rewards/rebate feature that delivers funds or other selected awards for tribal use and reflects a core Native American value — giving back. The debit card program offers online training in how to use the cards, helps move cardholders into the financial services mainstream, promotes financial literacy, and provides asset protection.

Customer and employee safety in branch offices greatly improved with the completed rollout in 2009 of Project Safe and Friendly Environment. Robberies have decreased by a dramatic 71 percent, and our financial losses have decreased 88 percent, while the statistics for California overall have remained stagnant or increased in certain areas. The Union Bank security model is now one that is highly regarded and recommended by state law enforcement.

### ● **Volunteer Activities of Employees**

In 2009, our employees contributed more than 4,800 hours of personal time to their communities. To facilitate volunteerism, we created new online tools and resources that enable all employees to find qualified opportunities suited to their personal interests and then to record their completed hours in a database. A special new program for Retail Bank employees gives

them 8 hours of paid time off a year to volunteer. Introduced in August 2009, the retail program recorded almost 1,500 hours (150% of goal) by December 31.

Our Legal division instituted a pro bono policy in 2009 enabling Union Bank lawyers to spend up to 4 hours a month of regularly scheduled work time, to a maximum of 32 hours per year, providing free legal services to non-profit organizations. Other corporations intent on building similar programs of their own have requested a copy of ours.

Financial education is a primary focus of our volunteer efforts. The bank partners with many non-profit organizations that provide financial education, and to help employees participate, we created a robust guide and teaching materials to use with students from grade school through college, as well as with working adults.

Nearly half of California households do not have a savings account, and one in five individuals does not even have a checking account. To tackle this problem, Union Bank co-founded and helped develop program components for Bank on California, a consortium of 39 financial institutions, 190 community organizations, federal agencies, and other participants that works to bring unbanked households into the financial mainstream. Seventeen Union Bank branches located in the program's first five cities opened 678 new accounts during 2009. Staff also provided successful one-on-one coaching for low-income families.

Fundraising for Animal Protection



Volunteering to Build Low-Income Housing



Volunteering to Prevent Terrorism



Volunteering to Promote Health



## Dialogue with Experts: The Fifth Stakeholder Dialogue

The MUFG Group's fifth dialogue session with stakeholders was held on July 15, 2010.

Experts in the environment, finance, and related fields joined MUFG Group executives responsible for CSR to discuss two main themes: the role of a financial group in creating a sustainable society; and evaluation and the expected role of the MUFG Group's CSR activities.

### Participants



**Junko Edahiro**  
Environmental Journalist,  
Founder and President,  
e's Inc.



**Takeshi Mizuguchi**  
Professor, Takasaki City University  
of Economics,  
Committee Member, Social  
Investment Forum Japan (SIF-Japan)



**Mizue Unno**  
Managing Director,  
So-Tech Consulting Inc.



**Noriyuki Yanagawa**  
Associate Professor,  
Graduate School of Economics,  
The University of Tokyo

### Important for creating a sustainable society: Medium and long-term perspectives, and dialogue with society.

**Facilitator:** What are the roles expected of a financial group in creating a sustainable society?

**Yanagawa:** One function of finance is to give a sense of security in the context of uncertainty and concern about the future. For financial institutions, one fundamental aspect of business is to give users a sense of security and confidence, and in that sense CSR initiatives are extremely important. Because it is important to put CSR into practice while also ensuring profits, CSR must be seen as part of a medium and long-term management strategy. In the course of addressing issues in society, there are also business opportunities.

**Mizuguchi:** It is often said that CSR leads to profits, but the question of which kinds of companies will profit depends on what kind of society we live in. Finance has the power to influence society. Is it a society that profits by destroying the environment, or by an increase in war and conflict? Or is it a society that creates profit by achieving peace and security, by reducing poverty, and so on? I would like to see you engaged in "responsible investment," which involves investing and lending in ways that make it clear what kind of

society you want to achieve. To that end, I also think it is important to properly discuss issues with a large variety of people in society, and to be accountable.

**Edahiro:** A corporation continues to exist only to the extent that society needs it. I encourage you to think about what the key issues are in society today, and as entities that manage the flow of money, to manage your companies with a vision of the kind of society you would like this to become. In the context of your connection and dialogue with society, it is important to think about what will be necessary in 20 or 50 years.

**Unno:** Environmental and social factors have been incorporated into corporate growth strategies today. In other words, we could say that sustainable growth strategies have become a mainstay, and I believe this means that financial institutions should also give a high priority to CSR in their businesses. Furthermore, today is an era of globalization, which is also reaching emerging economies and developing countries. Many of them are dealing with social problems. I hope that financial institutions will do their part and consider what contributions they can make.

**Yanagawa:** Society in general has high expectations about what financial institutions are able to do, but there is a big gap between those expectations and what is actually feasible. It is important for financial institutions to shrink that gap by connecting their business with problem solving, and by providing support.

### Needed: Leadership in the financial industry, with a vision of society based on a global perspective

**Facilitator:** Let us now discuss how you view the MUFG Group's CSR activities.

**Edahiro:** Seeing the flow of your activities so far, one can clearly see that you have diligently and steadily moved forward and that you are making efforts to fine-tune improvements on the issues you are addressing. But I still cannot see your overall vision or a strong commitment toward the initiatives. Generally there is a tendency to fall into short-term perspectives, but I think it is important to balance that with medium and long-term perspectives. I think your challenge for the next while will be to think about the approaches to be able to lead

■■■ An Independent View: **Dialogue with Experts** ■■■

Japanese society, and to show steady progress in that direction.

**Unno:** I can see the broad scope of your CSR activities, but it is difficult to see your vision for sustainability as a business strategy. What if you were to actively engage in dialogue with a variety of stakeholders, and to make your path forward more concrete? Also, it seems to me that it is difficult to see your activities on the international level compared to your activities in Japan. I urge you to pay attention, as I said earlier, to social issues in emerging economies and developing countries, and to expand your activities with a global perspective.

**Mizuguchi:** I praise your initiatives such as responsible investing, but look forward to seeing you offer more leadership in the financial industry. Making concrete commitments—such as contributing to the realization of a society that achieves an 80 percent reduction in greenhouse gas emissions by 2050, expanding the Equator Principles' approach to cover all lending, and rejecting any involvement in inhumane weapons such as cluster bombs—would require much courage. But I think it is the role of leading companies such as yours to do something like that.

**Yanagawa:** Future challenges include clarifying your strategies in both your activities and disclosure.

What points will you focus on, and what will you aim for as your strategy? I think the key is that you must create a balance in the relationship between CSR and business, and send out a clear message about your character and stance as a Group.

**Kamei:** Thank you for your valuable opinions and advice. We are making concrete efforts on points you raised about contributing to environment and society through our core businesses. We have really taken to heart what you've said today, and will consider your points further, and will make improvements to the greatest extent possible. Thank you for your input.



**Nobushige Kamei**

Senior Managing Director, Mitsubishi UFJ Financial Group

MUFG Group Participants **Nobushige Kamei**, Senior Managing Director, Mitsubishi UFJ Financial Group **Takashi Oyamada**, Managing Director, The Bank of Tokyo-Mitsubishi UFJ **Kaoru Wachi**, Senior Managing Director, Mitsubishi UFJ Trust and Banking  
**Fumio Yoshimatsu**, Managing Director, Mitsubishi UFJ Morgan Stanley Securities **Naoyuki Abe**, Managing Executive Officer, Mitsubishi UFJ NICOS **Yukio Imai**, General Manager, CSR Promotion Division, Mitsubishi UFJ Financial Group  
 Facilitator **Mayumi Shiratsuchi**, Planning Director, Department for Sustainability Solutions, Dentsu Institute



## Third Party Comment



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

“Group strengths.” With those words in my comments in last year’s report, I articulated what I thought were the key CSR challenges facing the MUFG Group. I wrote at the time that despite its strong presence in Japan as the country’s largest comprehensive financial group, it was not adequately utilizing the Group’s strengths. A year has passed, and from this report, though the trend is still building momentum, one can see the Group’s strengths not fragmenting, but rather, moving toward consolidation.

There is no change in the fact that The Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking Corporation are still the main pillars of the Group. Nevertheless, things are changing, as the Highlights Edition, for example, carries examples of Mitsubishi UFJ NICOS in the area of individual finance and Mitsubishi UFJ Morgan Stanley Securities in the area of corporate finance. Mitsubishi UFJ Morgan Stanley Securities was newly created in May 2010 as a result of corporate integration, and Mitsubishi UFJ NICOS in the credit card business strengthened management capacity by expanding the Group’s credit card business, and they are helping to enhance the diverse strengths of the Group in CSR activities as well.

It is not only because of the individual financial institutions under the MUFG umbrella that the Group’s strengths have become more focused. There is another reason. Until last year, a series of compliance-related incidents, including some at the former Mitsubishi UFJ Securities, created an environment that made it difficult for the Group to fully manifest its strengths. In the past year, however, you were not distracted by any incidents that made you deal with the past, so it seems you were able to

return your attention to the CSR activities of entire Group.

This report generally follows the same structure as last year. Two aspects of the report capture my attention. The first is that you define “environmental finance” and “financial CSR” for the Group and then in that context, describe products and services in your main business of finance. The second is the introduction of environmental accounting, which is still rare among financial institutions.

Environmental finance is defined as what happens when financial institutions broadly influence society and the economy through their functions of supplying finance as their main business, by providing assistance for investment and financing portfolios that reduce environmental impacts (environmental finance), and by consciously providing investment and financing assistance to a variety of business partners who are taking actions to reduce the human impact on the environment (financial CSR). It is not uncommon today for financial institutions to offer environmentally friendly products and services. Despite this, few have yet firmly established their thinking about why they are doing so, or how they want to deal with their impacts. For the Group as a whole to strengthen its environmental and CSR initiatives even further, it is important that you define them in relation to your main business.

As for environmental accounting, this practice has become relatively common among manufacturers and other sectors, but initiatives by financial institutions are still comparatively limited. Indeed, financial institutions are also corporations, so they are expected to be accountable to shareholders, and just as with any corporation, it is important that they clearly show the costs and benefits of business activities that consider the environment. This report covers both the costs and benefits of environmental protection for the entire Group. This is the first time a mega-bank has done so, and I think this effort is a straightforward approach appropriate for the MUFG Group.

The MUFG Group has a good collection of the capabilities needed to quantitatively describe environmental impacts in an accounting format. For example, since 2004, Bank of Tokyo-Mitsubishi UFJ has continuously worked to grasp the quantitative effects of financing on reducing its business partners’ environmental impacts, and since 2008 other Group companies have worked to quantify reductions in their own environmental impacts. Nevertheless, when it comes to the benefits for investors, I would like to see you indicate not only the costs of making improvements, but also the estimated monetary value of the benefits of improvements.

As described above, it has become easier to understand the solid achievements of environmental finance. Meanwhile, I still feel there is room for improvement regarding compliance. A series of incidents occurred in individual Group companies prior to the last report. No negative incidents like them have arisen this time, and you have stated that compliance-related measures are among your “top management priorities.” Your major Group companies have created organizational structures such as Compliance Committees, you now have the Internal Audit and Compliance Committee with more than half its members being outside experts, you have created the Group CCO Committee in the holding company, and so on.

In addition, based on this report’s descriptions—of your basic compliance policy, compliance framework, and compliance policies and measures, and so on—readers can also see that you have adopted various policies and measures to prevent any recurrence of problems after the Financial Services Agency imposed government sanctions. Readers can learn about the various policies and measures at the Group’s management level, but what about the individuals working in contact with customers on the front lines, or working in the back offices? I get the sense that we have not been told enough about how they have accepted those policies, and how they have braced themselves



■■■ An Independent View: **Third Party Comment** ■■■

for their work.

The important thing is the extent to which you have been striving to build the trust of customers, shareholders, and other stakeholders since the negative incidents. The thoroughness of your responses since those incidents will help to restore customer and shareholder confidence.

Going further, one could say that the companies that caused the incidents were given a bigger opportunity than ever to earn confidence, by taking effective countermeasures with customers and shareholders in mind, and communicating your efforts to them. Thus, to raise corporate value it is essential that you make as visible as possible the extent to which you took steps as a Group to prevent the recurrence of incidents and to restore confidence.

Other than that point, this report as a whole shows an improvement in your capacity to communicate in a unified way as one Group. The Highlights Edition more than ever gives readers the personal comments of individuals working for the MUFG Group—people who are on the financial front lines of Group companies. If one accepts that the foundations of “environmental finance” and “environmental CSR” are built on finance from the human perspective, I hope to see more of this frank discussion and action from the people who are the faces of the financial field.

## GRI Content Index

The table below indicates the pages in this report that correspond to items indicated in the third edition of the Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI), which were used as a reference in the preparation of this report.

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
<b>1. Strategy and Analysis</b>			
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	2	2
1.2	Description of key impacts, risks, and opportunities.	3, 5-18	3-5, 8-12
<b>2. Organizational Profile</b>			
2.1	Name of the organization.	1, 4	1, 6
2.2	Primary brands, products, and/or services.	4, 7-12	6-7
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	4	6
2.4	Location of organization's headquarters.	Back cover	-
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	4, 11-12	7, 69, 70
2.6	Nature of ownership and legal form.	4	7
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	4	7
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> <li>• Number of employees;</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organizations);</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations); and</li> <li>• Quantity of products or services provided.</li> </ul>	-	Annual Report, 6, 22

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"> <li>• The location of, or changes in operations, including facility openings, closings, and expansions; and</li> <li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).</li> </ul>	4	6, 7, 14
2.10	Awards received in the reporting period.	12	24, 39, 70
<b>3. Report Parameters</b>			
<b>Report Profile</b>			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1	1
3.2	Date of most recent previous report (if any).	-	-
3.3	Reporting cycle (annual, biennial, etc.)	-	1
3.4	Contact point for questions regarding the report or its contents.	Back cover	1
<b>Report Scope and Boundary</b>			
3.5	Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality;</li> <li>• Prioritizing topics within the report; and</li> <li>• Identifying stakeholders the organization expects to use the report.</li> </ul>	-	1
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	-	1
3.7	State any specific limitations on the scope or boundary of the report.	-	1, 71
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	-	1

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	-	67, 71, 75
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	-	71
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	-	1
<b>GRI Content Index</b>			
3.12	Table identifying the location of the Standard Disclosures in the report.	-	87-91
<b>Assurance</b>			
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	-	85-86
<b>4. Governance, Commitments, and Engagement</b>			
<b>Governance</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	-	15
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	-	15
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	-	15

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	-	15
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	-	15
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	-	15
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	-	15
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	3, 5-6	3-5, 8-12, 16-17, 20-21, 23, 25, 37, 38, 48, 60, 62
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	6	1, 10, 13, 60-61
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	6	10, 13
<b>Commitments to External Initiatives</b>			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	12	9, 10, 12, 61

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	10, 12	10, 12, 60, 76
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Has positions in governance bodies;</li> <li>• Participates in projects or committees;</li> <li>• Provides substantive funding beyond routine membership dues; or</li> <li>• Views membership as strategic.</li> </ul>	10, 12	10, 12, 60, 76
<b>Stakeholder Engagement</b>			
4.14	List of stakeholder groups engaged by the organization.	-	22
4.15	Basis for identification and selection of stakeholders with whom to engage.	-	22
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	13-14, 19-20	13, 15, 24, 26-28, 29, 36, 37, 40-43, 46-47, 55-57, 76-79, 82-83
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	13-14, 19-20	13, 15, 24, 26-28, 29, 36, 37, 40-43, 46-47, 55-57, 76-79, 82-83
<b>5. Management Approach and Performance Indicators</b>			
<b>Economic Performance Indicators</b>			
	Disclosure on management approach, goals and performance, policy, additional contextual information.	5-6	8-13, 23-24

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
<b>Economic Performance</b>			
EC1 core	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	-	Annual Report, 58
EC2 core	Financial implications and other risks and opportunities for the organization's activities due to climate change.	5-12	8-12, 60-77
EC3 core	Coverage of the organization's defined benefit plan obligations.	-	Annual Report
EC4 core	Significant financial assistance received from government.	-	-
<b>Market Presence</b>			
EC5 add	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	-	-
EC6 add	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	-	-
EC7 add	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	-	-
<b>Indirect Economic Impacts</b>			
EC8 core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	11-14	50-59
EC9 add	Understanding and describing significant indirect economic impacts, including the extent of impacts.	-	-
<b>Environmental Performance Indicators</b>			
	Disclosure on management approach, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	5-6, 7-14	8-12, 20-21, 60-77, 80-82

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
<b>Materials</b>			
EN1 core	Materials used by weight or volume.	-	71
EN2 core	Percentage of materials used that are recycled input materials.	-	71
<b>Energy</b>			
EN3 core	Direct energy consumption by primary energy source.	-	71
EN4 core	Indirect energy consumption by primary source.	-	71
EN5 add	Energy saved due to conservation and efficiency improvements.	-	71,74
EN6 add	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	7-12	57-75, 81-82
EN7 add	Initiatives to reduce indirect energy consumption and reductions achieved.	-	67
<b>Water</b>			
EN8 core	Total water withdrawal by source.	-	71
EN9 add	Water sources significantly affected by withdrawal of water.	-	-
EN10 add	Percentage and total volume of water recycled and reused.	-	-
<b>Biodiversity</b>			
EN11 core	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	-	62

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
EN12 core	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	11	61-62
EN13 add	Habitats protected or restored.	11	62, 70
EN14 add	Strategies, current actions, and future plans for managing impacts on biodiversity.	11	62
EN15 add	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	-	-
<b>Emissions, Effluents, and Waste</b>			
EN16 core	Total direct and indirect greenhouse gas emissions by weight.	-	71, 72
EN17 core	Other relevant indirect greenhouse gas emissions by weight.	-	71
EN18 add	Initiatives to reduce greenhouse gas emissions and reductions achieved.	-	60-76
EN19 add	Emissions of ozone-depleting substances by weight.	-	-
EN20 core	NOx, SOx, and other significant air emissions by type and weight.	-	-
EN21 core	Total water discharge by quality and destination.	-	71
EN22 core	Total weight of waste by type and disposal method.	-	-
EN23 core	Total number and volume of significant spills.	-	-

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
EN24 add	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	-	-
EN25 add	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	-	-
<b>Products and Services</b>			
EN26 core	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	7-12	63-74, 80, 81-82
EN27 core	Percentage of products sold and their packaging materials that are reclaimed by category.	-	-
<b>Compliance</b>			
EN28 core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	No violation	No violation
<b>Transport</b>			
EN29 add	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	-	71, 73, 75
<b>Overall</b>			
EN30 add	Total environmental protection expenditures and investments by type.	-	75
<b>Social Performance Indicators</b>			
<b>Labor Practices &amp; Decent Work</b>			
	Disclosure on management approach, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	5-6,17-18	8-12, 38-45
<b>Employment</b>			
LA1 core	Total workforce by employment type, employment contract, and region.	-	22

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
LA2 core	Total number and rate of employee turnover by age group, gender, and region.	-	-
LA3 add	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	17-18	38-45
<b>Labor/ Management Relations</b>			
LA4 core	Percentage of employees covered by collective bargaining agreements.	-	-
LA5 core	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	-	-
<b>Occupational Health and Safety</b>			
LA6 add	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	-	-
LA7 core	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	-	-
LA8 core	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	-	40
LA9 add	Health and safety topics covered in formal agreements with trade unions.	-	-
<b>Training and Education</b>			
LA10 core	Average hours of training per year per employee by employee category.	-	-
LA11 add	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	-	42, 44-45
LA12 add	Percentage of employees receiving regular performance and career development reviews.	-	44

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
<b>Diversity and Equal Opportunity</b>			
LA13 core	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	-	44
LA14 core	Ratio of basic salary of men to women by employee category.	-	-
<b>Human Rights</b>			
	Disclosure on management approach, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	5-6	8-12, 42, 81-82
<b>Investment and Procurement Practices</b>			
HR1 core	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	-	-
HR2 core	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	-	-
HR3 add	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	-	42
<b>Non-discrimination</b>			
HR4 core	Total number of incidents of discrimination and actions taken.	-	-
<b>Freedom of Association and Collective Bargaining</b>			
HR5 core	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	-	-
<b>Child Labor</b>			
HR6 core	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	-	-

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
<b>Forced and Compulsory Labor</b>			
HR7 core	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	-	-
<b>Security Practices</b>			
HR8 add	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	-	42
<b>Indigenous Rights</b>			
HR9 add	Total number of incidents of violations involving rights of indigenous people and actions taken.	-	-
<b>Society</b>			
	Disclosure on management approach, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	5-6, 13-14	8-12, 48-59, 81-82
<b>Community</b>			
SO1 core	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	13-14	48-59, 81-82
<b>Corruption</b>			
SO2 core	Percentage and total number of business units analyzed for risks related to corruption.	-	16-17
SO3 core	Percentage of employees trained in organization's anti-corruption policies and procedures.	-	16-17
SO4 core	Actions taken in response to incidents of corruption.	-	-
<b>Public Policy</b>			
SO5 core	Public policy positions and participation in public policy development and lobbying.	3, 9, 11	10, 61, 65, 69, 70, 76, 77
SO6 add	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	-	-

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
<b>Anti-Competitive Behavior</b>			
S07 add	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	-	-
<b>Compliance</b>			
S08 core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	-	-
<b>Product Responsibility</b>			
	Disclosure on management approach, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	5-6, 15-16	8-12, 19, 25, 35
<b>Customer Health and Safety</b>			
PR1 core	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	15-16	25
PR2 add	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	-	-
<b>Product and Service Labeling</b>			
PR3 core	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	-	25-31, 33-35
PR4 add	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	-	-
PR5 add	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	-	26-28

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
<b>Marketing Communications</b>			
PR6 core	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	-	25
PR7 add	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	-	-
<b>Customer Privacy</b>			
PR8 add	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	-	-
<b>Compliance</b>			
PR9 core	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	-	-

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FS1 core	Policies with specific environmental and social components applied to business lines.	5-6	8-12, 20-21, 61
FS2 core	Procedures for assessing and screening environmental and social risks in business lines.	-	9, 20-21, 61
FS3 core	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	12	61
FS4 core	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	-	9-10
FS5 core	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	7-12	60-70
<b>Product and Service Impact (Performance Indicators)</b>			
<b>Product Portfolio</b>			
FS6 core	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	-	Annual Report

Item	Indicator	MUFG2010 Highlights Ed.	MUFG2010 Full Ed.
FS7 core	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	-	-
FS8 core	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	-	-
<b>Audit</b>			
FS9 core	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	-	15, 18
<b>Active Ownership</b>			
FS10 core	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	-	-
FS11 core	Percentage of assets subject to positive and negative environmental or social screening.	-	-
FS12 core	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	-	-
<b>Society (Performance Indicators)</b>			
<b>Community</b>			
FS13 core	Access points in low-populated or economically disadvantaged areas by type.	16	29-30, 81-82
FS14	Initiatives to improve access to financial services for disadvantaged people.	16	29-32
<b>Product Responsibility (Management Approach)</b>			
FS15 core	Policies for the fair design and sale of financial products and services.	15-16	16-17
<b>Product Responsibility (Performance Indicators)</b>			
<b>Product and Service Labeling</b>			
FS16 core	Initiatives to enhance financial literacy by type of beneficiary.	14	49-51