

The Corporate Governance of Mitsubishi UFJ Financial Group is described below.

## Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### 1. Basic Views

Mitsubishi UFJ Financial Group, Inc. (MUFG) is a holding company that encompasses several subsidiaries including The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Securities Holdings Co., Ltd. MUFG's management has determined that designing and executing a corporate governance framework is one of the most important issues in achieving its medium- to long-term goal of being "the world's most trusted financial group," as outlined in its Corporate Vision.

Since its establishment, the Company has worked to build a stable and effective corporate governance structure, putting emphasis on ensuring external oversight. In June 2015, the Company transitioned to the "company with three committees" governance structure. The functions of oversight and execution in the holding company are separated, thereby strengthening the oversight function of the Board of Directors and the committee system has also been reorganized for more effective governance. We are aiming for a governance framework that will be more familiar and transparent to overseas stakeholders, in line with our status as a G-SIB (Global Systemically Important Bank).

The Corporate Vision below has been formulated in order to clearly define MUFG's Group mission and what kind of company it aims to be, and it will serve as a common guide for meeting the expectations of customers and society. Officers and employees at MUFG have three common values: "Integrity and Responsibility," "Professionalism and Teamwork," and to "Challenge Ourselves to Grow" and through these it aims to "be the world's most trusted financial group." It has also established "Principles of Ethics and Conduct" as specific standards for decision-making and conduct which adhere to the Corporate Vision.

#### Corporate Vision

##### Our Mission

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

##### Our Vision

– Be the world's most trusted financial group –

Work together to exceed the expectations of our customers

Provide reliable and constant support to our customers

Expand and strengthen our global presence

##### Our Values

Integrity and Responsibility

Professionalism and Teamwork

Challenge Ourselves to Grow

##### Principles of Ethics and Conduct

These Principles of Ethics and Conduct establish clear and consistent standards for all MUFG employees to guide decisions and actions. They reflect and support the MUFG Corporate Vision. The principles are organized in three sections.

##### Chapter 1 Customer Focus

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

##### Chapter 2 Responsibility as a Corporate Citizen

MUFG conducts business globally and seeks to act honorably, with honesty and integrity, and comply at all times with laws, regulations, rules,

and internal policies in Japan and overseas. We strive to maintain stability and confidence in the global financial system, contribute to the sound growth and development of society and act in a fair and transparent manner that supports and strengthens the trust and confidence of society in MUFG which has built up over the years.

### Chapter 3 Ethical and Dynamic Workplace

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

#### [Reasons for Non-compliance with the Principles of the Corporate Governance Code]

MUFG has determined that the design and operation of a corporate governance framework based on the concepts outlined above is one of its most important issues. MUFG implements all of these individual principles in compliance with MUFG Corporate Governance Policies.

#### [Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1-4]

##### 1. Strategic shareholdings policy

The circumstances surrounding strategic shareholdings<sup>(1)</sup> have changed greatly in recent years due to, among other things, the tightening of international financial regulations and the introduction of the Corporate Governance Code in Japan.

Based on these changes, MUFG has adopted a basic policy that its Group banks<sup>(2)</sup>, taking into account shareholding risk, capital efficiency and international financial regulations, shall reduce the amount of shares held for the purpose of strategic investment<sup>(3)</sup>, following sufficient consultation with the relevant corporate business clients.

Shares held for the purpose of strategic investment will be examined for their significance and economic rationale from the perspectives of our corporate business clients' growth and earnings and the strengthening of business relations. We shall proceed with selling those shareholdings for which there is insufficient rationale, after securing an understanding of the relevant corporate business clients. Even where there is sufficient rationale, we may sell those shareholdings in accordance with our basic policy of reducing strategic shareholdings, taking into account, among other things, the market environment and our business and financial strategy.

In fiscal year 2016, MUFG reduced its strategic shareholdings by approximately 149 billion yen (simple combined revenue of Group banks, acquisition cost basis), and its ratio of equity holdings at acquisition price over Tier1 capital declined from 17.9% to 16.6% as of March 31, 2017. MUFG aims to lower this to around 10% by the end of the next Medium-term Business Plan (March 31, 2021).

Note:

<sup>(1)</sup> "Strategic shareholdings" refers to shares excluding trading investments (shares of subsidiaries and affiliates are not included). These are classified into three categories: 1. strategic investments, 2. business strategy and 3. revitalization support, with most falling under 1.

<sup>(2)</sup> "Group banks" refers to The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corporation, consolidated subsidiaries of MUFG.

<sup>(3)</sup> "Shares held for the purpose of strategic investment" refers to shares held for the purpose of increasing the medium- to long-term economic profits of MUFG and Group banks through maintaining and expanding comprehensive business relations with our corporate business clients.

##### 2. Examination of significance and economic rationale of shareholdings

At each Group bank, all shares held for the purpose of strategic investment are being confirmed for their significance and economic rationale (risk-return) over the medium- to long-term from the perspectives of our corporate business clients' growth and earnings and the strengthening of business relations. Based on Principle 1-4 of the Corporate Governance Code, the most important strategic shareholdings<sup>(4)</sup> are examined by MUFG's Board of Directors.

Economic rationale is examined based on MUFG's overall business RORA, which is based on its ROE target, as a target value.

The results of the March 31, 2017 validations are as follows.

- We confirmed the validity of the significance of these shareholdings as all of the validation targets were held with the aim of enhancing the medium- to long-term economic interests of MUFG and Group banks. Regarding economic rationality, the overall business RORA of all of the verification targets as a whole exceeded the target value.<sup>(5)</sup>
- By company, approx. 80 percent of business partners exceeded the target value.<sup>(6)</sup> The approx. 20 percent that fell below the target value are aiming to improve profitability, but if they do not improve within a set period, we will consider selling.

Note:

<sup>(4)</sup> The aggregate market value of validation targets held as of March 31, 2017 was approx. 3.3 trillion yen (book value: approx. 1.7 trillion yen), covering approx. 60 percent of the total market value of the (listed) equities held by Group banks for the purpose of strategic investment.

<sup>(5)(6)</sup> Whether a business partner exceeded the target profitability value was determined on a group basis for each business partner. As a result, for listed equities that were not validation targets, approx. 70 percent of business partners exceeded the target value.

##### 3. Standards with respect to the exercise of voting rights

In order to ensure the appropriate exercise of voting rights of shares held for the purpose of strategic investment, MUFG and Group banks will make comprehensive decisions on every proposal for the agenda of a shareholders meeting after confirming the following two points:

- (1) Will it increase the medium- to long-term corporate value and lead to continuous growth of the relevant corporate business client?
- (2) Will it increase the medium- to long-term economic profits of MUFG and Group banks?

Significant agenda of a shareholders meeting that could have material impact on medium- to long-term improvement of corporate value of the relevant corporate business client and economic benefit for MUFG and Group banks will be determined through communication with the relevant corporate business client, etc. as necessary. Following agendas are considered significant by MUFG and Group banks:

- Agenda on disposal of surplus (when disposal significantly lacks balance with financial soundness and retained earnings)
- Agenda on election of directors or corporate auditors (when the relevant corporate business client has caused a disgraceful affair or posted a loss for a certain consecutive period, etc)
- Agenda on retirement benefits for corporate auditors, etc
- Agenda on organizational restructure

- Agenda on takeover defense, etc.

The status of the exercise of voting rights of the most important strategic shareholdings will be reported to MUFG's Board of Directors.

[Principle 1.7]

Related party transactions

MUFG has established "MUFG Guidelines for Related Party Transactions" to ensure that transactions between MUFG and its related parties, such as directors and corporate executive officers (related party transactions), do not harm the interests of MUFG. The Guidelines provide, among other things, that transactions with related parties, such as directors and corporate executive officers, require the approval of the board of directors, and that when the board of directors deliberates granting such approval, the relevant director or corporate executive officer shall not participate in that deliberation.

The "MUFG Guidelines for Related Party Transactions" can be viewed here:

(<http://www.mufg.jp/english/profile/governance/structure/appendix.html#jump01>)

[Principle 3.1 i)]

Corporate vision and medium-term business plan

MUFG has formulated and announced a corporate vision and medium-term business plan.

- Corporate vision ([www.mufg.jp/english/profile/philosophy/](http://www.mufg.jp/english/profile/philosophy/))
- Medium-term business plan ([www.mufg.jp/english/profile/strategy/](http://www.mufg.jp/english/profile/strategy/))

[Principle 3.1 ii)]

Basic approach and key policies for corporate governance

See "2. Approach to corporate governance" ("2-1. Basic approach", "2-2. Role as a holding company", "2-3. MUFG's governance structure") of MUFG Corporate Governance Policies ([www.mufg.jp/english/profile/governance/structure/policy.html](http://www.mufg.jp/english/profile/governance/structure/policy.html)) for our basic approach to, and key policies of, corporate governance.

[Principle 3.1 iii)]

Policies and procedures for determining compensation

See "7-3. Compensation Committee" of MUFG Corporate Governance Policies ([www.mufg.jp/english/profile/governance/structure/policy.html](http://www.mufg.jp/english/profile/governance/structure/policy.html)) for the policies and procedures for determining the compensation of directors.

[Principle 3.1 iv)]

Policies and procedures for appointing directors

See "7-2. Nominating and Governance Committee" of MUFG Corporate Governance Policies ([www.mufg.jp/english/profile/governance/structure/policy.html](http://www.mufg.jp/english/profile/governance/structure/policy.html)) for the policies and procedures for appointment of senior management and nomination of directors.

[Principle 3.1 v)]

Grounds for appointment of senior management and nomination of director candidates

Explanation on appointment and nomination of individual senior management and director candidates based on iv) above can be viewed here:

(<http://www.mufg.jp/english/profile/governance/structure/appendix.html#jump02>)

[Supplementary Principle 4.1.1]

Summary of scope of delegation to management

See "3-1. Role of the Board of Directors" of MUFG Corporate Governance Policies ([www.mufg.jp/english/profile/governance/structure/policy.html](http://www.mufg.jp/english/profile/governance/structure/policy.html)) for a summary of the scope of delegation to management.

[Principle 4.8]

Policy to have independent outside directors compose at least one third of the board

See "5-1. Composition" of MUFG Corporate Governance Policies ([www.mufg.jp/english/profile/governance/structure/policy.html](http://www.mufg.jp/english/profile/governance/structure/policy.html)) for the policy to have independent outside directors compose at least one third of the board.

[Principle 4.9]

Independence standards of outside directors

See 2.1 of this report ("Independent directors") for independence standards of MUFG aimed at securing the independence of independent outside directors.

[Supplementary Principle 4.11.1]

View on the balance of knowledge, experience and skills, and diversity and size, of the board of directors as a whole

See "5-1. Composition" and "5-2. Election of Directors" of MUFG Corporate Governance Policies ([www.mufg.jp/english/profile/governance/structure/policy.html](http://www.mufg.jp/english/profile/governance/structure/policy.html)) for policies and procedures for election of directors outlining MUFG's view on the balance of knowledge, experience and skills, and the diversity and size, of the board of directors as a whole.

[Supplementary Principle 4.11.2]

Information on directors and outside directors who have concurrent posts

See pages 95-97 of Notice of Convocation of the 12th Annual General Meeting of Shareholders ([http://www.mufg.jp/english/stock/meeting/meeting/backnumber/2017mufg/pdf/convocation1706\\_e.pdf](http://www.mufg.jp/english/stock/meeting/meeting/backnumber/2017mufg/pdf/convocation1706_e.pdf)) for information on directors and outside directors who have concurrent posts.

[Supplementary Principle 4.11.3]

Evaluation of the board of directors

- Every year, MUFG analyzes and evaluates the effectiveness of the Board of Directors, and then reviews and implements measures against any

issues discovered. By using a PDCA cycle to review the progress in improvement, MUFG is engaged in the continual enhancement of the abilities of the Board of Directors.

- Following the advice of a third-party external consultant, MUFG conducts questionnaires and interviews of all directors on issues relating to the Board of Directors and the Committees, including their structures, managements, and contributions made, as well as how they conduct proposals and discussions. And the result is discussed at the Nominating and Governance Committee and meeting of the Board of Directors.
- The summary of the evaluation for the Board of Directors for fiscal year 2016 is as follows:
  - (1) Based on its evaluation, the Board of Directors has undertaken various efforts;
    - Held off-site strategy meetings to discuss about the medium- to long-term strategies and challenges to enhance its monitoring model
    - Strengthened a framework for sharing information on the discussion at the Board of Directors with the executives of the Company and its subsidiaries
    - Reviewed the optimal composition of the Board of Directors and decided to invite foreign Outside Directors
    - Communicated with MUFG subsidiaries, initiated by the lead outside director
    - Held meetings to exchange opinions between with Outside Directors of U.S. intermediate holding companies.In addition, the board continues to discuss about its succession plan including for outside directors. As the result, it is deemed to have made steady improvements, such as the way it conducts proposals and discussions, contributions made from directors, and the progress of reform.
  - (2) Upon receiving that the business circumstances are globalized and around 40% of the shareholders, profits, and employees are actually from overseas, MUFG recognizes that the composition of the Board of Directors needs further enhancement, by appointing foreign outside directors to take advantages of their extensive global outlook and dealing with the globalized board. And development in Group governance structure and succession plan and cultivation of human resources for the future management were also recognized as important issues.
- Based on the above, the Board of Directors continuously aims to enhance the effectiveness of its corporate governance structure, responding to the extended expectations of stakeholders, with the aim of facilitating sustainable growth of the Company and increasing its corporate value over the medium- to long-term.

[Supplementary Principle 4.14.2]

Support for directors

- MUFG has established a board of directors' secretariat in order to provide directors, including independent outside directors, with sufficient information.
- Agenda items and discussion materials shall, in principle, be provided prior to the meetings of the board of directors to ensure that directors have an opportunity to understand the issues in advance.
- Orientation training that covers MUFG's business and management environment is provided particularly to independent outside directors at the time of the assumption of office and on a continuous basis thereafter so that they are provided with necessary information, including information on matters other than the agenda items of the meetings of the board of directors.
- Advice from outside professionals is provided at MUFG's expense in cases where such advice is necessary for directors to perform their duties.

[Principle 5.1]

Policies for dialogue with shareholders

- Through dialogue with shareholders, MUFG seeks their understanding of MUFG's business strategy and so forth and strives to take appropriate actions based on an understanding of shareholders' perspectives.
- Dialogue with shareholders is achieved via appropriate exchange of information and organized cooperation between the divisions, such as Financial Planning Division, Corporate Administration Division, Corporate Planning Division, and Corporate Communications Division Media Relations Office. As the director responsible for the Financial Planning Division, Group CFO exercises comprehensive oversight over Investor Relations Office, which generally handles investor relations activities, Office of the CFO, which generally handles matters on financial policies, and Financial Accounting Office, which generally handles settlement and accounting.
- MUFG carries out the following initiatives in order to encourage constructive dialogue with shareholders:
  - (1) Issuance of an Integrated Report to aid deeper understanding of MUFG's strategy and values
  - (2) Individual visits to major institutional investors, both domestic and overseas, after the announcement of financial results
  - (3) Provision of additional explanation on specific agenda items to major institutional investors, both domestic and overseas, before general meetings of shareholders
  - (4) Periodic explanatory sessions for individual investors, attended by the President & CEO, etc.
  - (5) Biannual meetings to explain financial results to analysts and institutional investors, conducted by President & CEO and Group CFO
- Comments and requests provided by major shareholders and investors in the course of dialogue are reported to the board of directors and to management.
- MUFG seeks to ensure that information is disclosed in a fair and timely manner. From the perspective of ensuring the fairness and soundness of the securities market, MUFG recognizes the importance of managing the security of undisclosed material information that would influence investment decisions and practices strict information security.

## 2. Capital Structure

<b>Percentage of Foreign Shareholders</b>	More than 30%
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**[Status of Major Shareholders]**

Name/Company Name	Number of Shares Owned (shares)	Percentage (%)
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	738,930,600	5.21
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	599,404,400	4.23
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 5)	274,765,600	1.93
STATE STREET BANK AND TRUST COMPANY	258,022,002	1.82
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 9)	217,524,300	1.53
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 1)	203,847,400	1.43
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 2)	201,436,400	1.42
STATE STREET BANK WEST CLIENT - TREATY 505234	193,632,252	1.36
NIPPON LIFE INSURANCE COMPANY	182,072,553	1.28
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DR HOLDERS	181,145,443	1.27

<b>Controlling Shareholder (except for Parent Company)</b>	—
<b>Parent Company</b>	—

Supplementary Explanation

Sumitomo Mitsui Trust Bank, Ltd submitted a substantial shareholding report (change report) to the Director General of the Kanto Finance Bureau dated March 6, 2013  
BlackRock Japan Co., Ltd. submitted a substantial shareholding report to the Director General of the Kanto Finance Bureau dated May 11, 2015.

**3. Corporate Attributes**

<b>Listed Stock Markets and Market Sections</b>	Tokyo Stock Exchange/First Section, Nagoya Stock Exchange/First Section
<b>Fiscal-Year End</b>	March
<b>Type of Business</b>	Banks
<b>Number of Employees (consolidated) as of the End of Previous Fiscal Year</b>	More than 1000
<b>Sales (consolidated) as of the End of Previous Fiscal Year</b>	More than ¥1 trillion
<b>Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year</b>	From 100 to less than 300

**4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder**

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**5. Other Special Circumstances which may have Material Impact on Corporate Governance**

A degree of independence of companies within the MUFG Group that are listed companies, including ACOM CO., LTD. is maintained as required for such companies.

## II Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

<b>Organization Form</b>	Company with Three Committees (Nominating, Audit and Compensation)
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#### [Directors]

<b>Maximum Number of Directors Stipulated in Articles of Incorporation</b>	20 persons
<b>Term of Office Stipulated in Articles of Incorporation</b>	1 year
<b>Chairperson of the Board</b>	Company Chairperson
<b>Number of Directors</b>	18 persons

#### [Outside Directors]

<b>Number of Outside Directors</b>	8 persons
<b>Number of Independent Directors</b>	8 persons

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company <sup>(*)</sup>										
		a	b	c	d	e	f	g	h	i	j	k
Hiroshi Kawakami	From another company											
Yuko Kawamoto	Scholar	*2										
Haruka Matsuyama	Lawyer											
Toby S. Myerson	Lawyer											
Tsutomu Okuda	From another company											
Yukihiro Sato	From another company									*2		
Tarisa Watanagase	Other											
Akira Yamate	Certified Public Accountant											

\* Categories for "Relationship with the Company"

\*1 when the director presently falls or has recently fallen under the category

\*2 when the director fell under the category in the past

\*3 when a close relative of the director presently falls or has recently fallen under the category

\*4 when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director/*kansayaku*

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Name	Assigned Committee			Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nominating	Compensation	Audit			
Hiroshi Kawakami	*	*	*	*		<p>Having served as Senior Managing Director of Toyota Motor Corporation and president and CEO of Central Japan International Airport Co., Ltd., Mr. Hiroshi Kawakami has a wealth of experience and deep insight as a corporate manager. From the perspective of facilitating the sustainable growth of MUFG and increasing our corporate value over the medium- to long-term, we believe he can contribute to the enhancement of the decision-making and management oversight functions of the Board of Directors. Given the broad experience and deep insight he has from having participated in corporate management in global manufacturing, we have appointed him as an outside director.</p> <p>He does not infringe the independence criteria put in place by the Tokyo Stock Exchange and satisfies the MUFG Independence Standards for Outside Directors.</p> <p>Although previously a Senior Director of Toyota Motor Corporation, more than nine years have passed since he resigned his directorship in June 2008, and he has not participated in the management nor been involved in the business execution of the company since.</p> <p>Further, the value of transactions between it and MUFG Group in the fiscal year 2016 amounted to less than one percent of its consolidated net sales and MUFG's annual consolidated gross profits.</p> <p>Based on the above, MUFG determined that he would be an outside director with no conflict of interest with ordinary shareholders, and thus appointed him as an independent director.</p>
Yuko Kawamoto	*	*		*	<p>Although Ms. Yuko Kawamoto had previously worked for the Bank of Tokyo (now the Bank of Tokyo-Mitsubishi UFJ), this has no impact on her independence for the reasons stated on the right and because more than 30 years have passed since her resignation in 1986.</p>	<p>Over the last 30 years since she resigned from The Bank of Tokyo, Ltd. (current The Bank of Tokyo-Mitsubishi UFJ, Ltd. or BTMU), Ms. Kawamoto has acquired abundant experience and expertise in the financial sector, throughout her career as a management consultant and a professor at the Graduate School of Waseda University.</p> <p>The Company has appointed her as an Outside Director since she is expected to contribute to the effective enhancement of the Board of Directors' decision-making function and oversight function, with the aim of facilitating sustainable growth of the Company and increasing its corporate value over the medium- to long-term.</p> <p>She does not infringe the independence criteria put in place by the Tokyo Stock Exchange and satisfies the MUFG Independence Standards for Outside Directors.</p> <p>She currently serves as a professor at the Graduate School of Waseda University, with which the Company had business accounting for less than 1% of Waseda University's revenues and the Company's consolidated gross profit in fiscal year 2016. In light of this, among other reasons, such relationship would not affect her independence from the Company. Based on the above, MUFG determined that she would be an outside director with no conflict of interest with ordinary shareholders, and thus appointed her as an independent director.</p>
Haruka Matsuyama	*	*		*		<p>Ms. Matsuyama has extensive experience as an attorney and professional insight on general legal affairs. The Company has appointed her as an Outside Director since she is expected to contribute to the effective enhancement of the Board of Directors' decision-making function and oversight function, with the aim of facilitating sustainable growth of the Company and increasing its corporate value over the medium- to long-term. She does not infringe the independence criteria put in place by the Tokyo Stock Exchange and satisfies the MUFG Independence Standards for Outside Directors.</p> <p>She currently serves as the Partner of Hibiya Park Law Offices, with which the Company has no advisory contract and has not had transaction since fiscal year 2014 in which she assumed the post of the Company's Director. In addition, although there was transaction related to legal advice, etc. between the Company and the concerned law</p>

					<p>office in fiscal year 2013, before she assumed the post of the Company's Director, since the amount of transaction was less than ¥2 million, among other reasons, such relationship would not affect her independence from the Company.</p> <p>Based on the above, MUFG determined that she would be an outside director with no conflict of interest with ordinary shareholders, and thus appointed her as an independent director.</p>
Toby S. Myerson				*	<p>Mr. Myerson has extensive experience as an attorney and professional insight on the fields of corporate legal affairs and successful mergers, acquisitions divestiture and takeover transactions. The Company has appointed him as an Outside Director since he is expected to contribute extensive global outlook to the effective enhancement of the Board of Directors' decision-making function and oversight function, with the aim of facilitating sustainable growth of the Company and increasing its corporate value over the medium- to long-term.</p> <p>He does not infringe the independence criteria put in place by the Tokyo Stock Exchange and satisfies the MUFG Independence Standards for Outside Directors.</p> <p>Although he served as a Partner and Co-Head of the Global Mergers and Acquisitions Group of Paul, Weiss, Rifkind, Wharton &amp; Garrison LLP, he left the Firm in December 2016, and has not been involved in its management after resignation. In addition, although he currently serves as Chairman &amp; CEO of Longsight Strategic Advisors LLC, a strategic advisory firm he established in January 2017, there is no relation between this company and the Company. In light of this and other reasons, such relationship would not affect his independence from the Company.</p> <p>Based on the above, MUFG determined that he would be an outside director with no conflict of interest with ordinary shareholders, and thus appointed him as an independent director.</p>
Tsutomu Okuda	*	*		*	<p>Having served in various important positions, including President and Chairman of J.Front Retailing Co., Ltd., Mr. Okuda has affluent experience, knowledge and wisdom as a corporate manager. The Company has appointed him as an Outside Director since he is expected to contribute to the effective enhancement of the Board of Directors' decision-making function and oversight function, with the aim of facilitating sustainable growth of the Company and increasing its corporate value over the medium- to long-term. He does not infringe the independence criteria put in place by the Tokyo Stock Exchange and satisfies the MUFG Independence Standards for Outside Directors.</p> <p>He currently serves as the Senior Advisor of J.Front Retailing Co., Ltd., with which the Company had business accounting for less than 1% of the J.Front Retailing Co., Ltd.'s consolidated net sales and the Company's consolidated gross profit in fiscal year 2016. In light of this, among other reasons, such relationship would not affect his independence from the Company.</p> <p>Based on the above, MUFG determined that he would be an outside director with no conflict of interest with ordinary shareholders, and thus appointed him as an independent director.</p>
Yukihiro Sato			*	*	<p>Although Mr. Sato is from Mitsubishi Electric Corporation, with whom MUFG has a reciprocal outside director relationship, this has no impact on his independence</p> <p>Having served as Representative Executive Officer and Executive Vice President of Mitsubishi Electric Corporation and in the public service as the Chairman of the Corporate Finance Executive Committee of Ministry of Economy, Trade and Industry and a provisional member of the Business Accounting Council of Financial Services Agency, Mr. Sato has affluent experience as a corporate manager and professional insight in corporate finance and institutional accounting. The Company has appointed him as an Outside Director since he is expected to contribute to the effective enhancement of the Board of Directors' decision-making function and oversight function, with the aim of facilitating sustainable growth of the Company and increasing its corporate value over the medium- to long-term. He does not infringe the independence criteria put in place by the Tokyo Stock Exchange and satisfies the MUFG Independence Standards for Outside Directors.</p> <p>Although he is serving as an Adviser of Mitsubishi Electric Corporation, he resigned as a director in June 2009, and has</p>



					for the reasons stated to the right.	not been involved in its management or business execution for more than eight years since his resignation. In addition, the Company had business accounting for less than 1% of the Mitsubishi Electric Corporation's consolidated net sales and the Company's consolidated gross profit in fiscal year 2016. In light of this, among other reasons, such relationship would not affect his independence from the Company. Based on the above, MUFU determined that he would be an outside director with no conflict of interest with ordinary shareholders, and thus appointed him as an independent director.
Tarisa Watanagase				*		Ms. Watanagase has extensive experience as the former Governor of the Bank of Thailand, the central bank of the country, and professional insight on finance and economics. The Company has appointed her as an Outside Director since she is expected to contribute extensive global outlook to the effective enhancement of the Board of Directors' decision-making function and oversight function, with the aim of facilitating sustainable growth of the Company and increasing its corporate value over the medium- to long-term. Although she has not been directly involved in the management of a corporation, except as Outside Director or Outside Corporate Auditor, the Company believes that she is well qualified to act as an Outside Director because of the reason stated above. She does not infringe the independence criteria put in place by the Tokyo Stock Exchange and satisfies the MUFU Independence Standards for Outside Directors. Based on the above, MUFU determined that she would be an outside director with no conflict of interest with ordinary shareholders, and thus appointed her as an independent director.
Akira Yamate			*	*		Mr. Yamate has affluent experience as a certified public accountant and professional insight in accounting and auditing. The Company has appointed him as an Outside Director since he is expected to contribute to the effective enhancement of the Board of Directors' decision-making function and oversight function, with the aim of facilitating sustainable growth of the Company and increasing its corporate value over the medium- to long-term. He does not infringe the independence criteria put in place by the Tokyo Stock Exchange and satisfies the MUFU Independence Standards for Outside Directors. Although he had been a Representative Partner of PricewaterhouseCoopers Aarata LLC in the past, he resigned from the PricewaterhouseCoopers Aarata in June 2013, and has not been involved in its management. In light of this, among other reasons, such relationship would not affect his independence from the Company. Based on the above, MUFU determined that he would be an outside director with no conflict of interest with ordinary shareholders, and thus appointed him as an independent director.

#### [Committees]

##### Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-Time Members	Inside Directors	Outside Directors	Chairperson
Nominating Committee	5	0	1	4	Outside Director
Compensation Committee	5	0	1	4	Outside Director
Audit Committee	5	2	2	3	Outside Director

#### [Corporate Executive Officers (Shikkoyaku)]

Number of Corporate Executive Officers (Shikkoyaku)	16persons
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Status of Additional Duties

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nominating Committee Member	Compensation Committee Member	
Kiyoshi Sono	Yes	Yes	No	No	No
Takashi Nagaoka	Yes	Yes	No	No	No
Mikio Ikegaya	Yes	Yes	No	No	No
Kanetsugu Mike	Yes	Yes	No	No	No
Nobuyuki Hirano	Yes	Yes	Yes	Yes	No
Tadashi Kuroda	No	Yes	No	No	No
Saburo Araki	No	No	No	No	No
Muneaki Tokunari	No	Yes	No	No	No
Eiichi Yoshikawa	No	No	No	No	No
Shigeru Asai	No	No	No	No	No
Akira Hamamoto	No	No	No	No	No
Masamichi Yasuda	No	Yes	No	No	No
Atsushi Murakami	No	No	No	No	No
Shigeru Yoshifuji	No	No	No	No	Yes
Hironori Kamezawa	No	No	No	No	No
Sunao Yokokawa	No	No	No	No	No

[Auditing Structure]

<b>Appointment of Directors and/or Staff to Support the Audit Committee</b>	Appointed
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Matters related to the Independence of Such Directors and/or Staff from Corporate Executive Officers (Shikkoyaku)

The Audit Committee Office was established to assist the Audit Committee in performing its duties and is under the control of the Audit Committee.

Matters including the assigning of employees to provide assistance to the Audit Committee in performing its duties and the independence of those employees are considered in a manner that respects the intention of the Audit Committee.

Cooperation among Audit Committee, Accounting Auditors, and Internal Audit Departments

A structure is in place whereby the Audit Committee receives reports from the Internal Audit Division on important matters, including the results of internal audits and basic policies for planning internal audits.

MUFG holds sessions for exchanging views between the Internal Audit Division, the Audit Committee and accounting auditors and, when required, shares information related to audit measures and audit results. Also, the relationship between Internal Audit, Audit Committee audits and accounting audits, and departments with internal control functions is such that the Internal Audit Division, Audit Committee and accounting auditors conduct audits from a standpoint that is independent of the departments with internal control functions. However, departments with internal control functions cooperate during these audits so that they can be conducted efficiently and appropriately.

[Independent Directors]

<b>Number of Independent Directors</b>	8
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Matters Relating to Independent Directors

MUFG has designated all Outside Directors who fulfil independent Director requirements as Independent Directors. The "Independence Standards for Outside Directors" as stipulated by MUFG are described below.

MUFG Independence Standards for Outside Directors

- (1) The person does not serve as a Director, Corporate Executive Officer, Executive Officer, Manager or other employee (hereinafter "Executive") of the Company or its subsidiaries, and has not served as an Executive of the Company or its subsidiaries in the 10 years

<p>prior to his or her appointment.</p> <p>(2) If the person at some time during the 10 years prior to his or her appointment had served as a Director, Accounting Advisor or Corporate Auditor (excluding a person who served as an Executive) of the Company or its subsidiaries, he or she had not served as an Executive in the 10 years prior to his or her appointment as such Director, Accounting Advisor or Corporate Auditor.</p> <p>2. (1) The person is not a person or an Executive thereof who deals with the Company or its major subsidiaries <sup>(1)</sup> as a major business partner <sup>(2)</sup> and has not been an Executive thereof in the last 3 years.</p> <p>(2) The person is not a major business partner or an Executive thereof of the Company or its major subsidiaries, and has not been an Executive thereof in the last 3 years.</p> <p>3. If the person is a consultant, accounting expert or legal expert, he or she has not received more than an average of 10 million yen per year in monetary or other assets from the Company excluding executive compensation, in the last 3 years, and is not an employee or other member of an accounting and law firms which deals with the Company as a major business partner <sup>(3)</sup>.</p> <p>4. The person is not a spouse or a relative within the second degree of kinship of a Director, Executive Officer, Corporate Officer of the Company or its subsidiaries or a person whose independence from the Company has not been deemed to be assured by reason of Requirements 2 and 3 above.</p> <p>5. The person is not a current major shareholder <sup>(4)</sup> of the Company or an Executive thereof.</p> <p>6. The person is not an audit corporation or an employee or other member of such audit corporation of the Company or its subsidiaries, and has not engaged in the audit operations of the Company or its subsidiaries as such employee in the last 3 years.</p> <p>Note:</p> <p><sup>(1)</sup> Major subsidiaries: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Securities Holding Co., Ltd.</p> <p><sup>(2)</sup> Major business partner: Based on the criterion of 2% or more of annual consolidated net sales (annual consolidated gross profits in the case of the Company).</p> <p><sup>(3)</sup> Major business partner: Based on the criterion of 2% or more of annual net sales.</p> <p><sup>(4)</sup> Major shareholder: Shareholder holding 10% or more of total voting rights</p>
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**[Incentives]**

<b>Incentive Policies for Directors and/or Corporate Executive Officers (Shikkoyaku)</b>	performance-based stock compensation plan
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Supplementary Explanation

A performance-based stock compensation plan using a trust structure was implemented in fiscal year 2016 as a new incentive plan in place of the previous stock compensation type stock option plan. In addition, directors' bonuses are linked to individual performance.

<b>Recipients of Stock Options</b>	
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Supplementary Explanation

MUFG's compensation committee resolved to cease to provide any additional stock-based compensation plan.

**[Remuneration for Directors and Corporate Executive Officers]**

<b>Disclosure of Individual Directors' Compensation</b>	Partial disclosure
<b>Disclosure of Individual Corporate Executive Officers' (Shikkoyaku) Compensation</b>	Partial disclosure

Supplementary Explanation related to these Matters

1. Total amount of compensation etc. for Director class, total amount of compensation etc. by class, and number of applicable Directors (units: million yen, persons)
  - (1) Total Compensation for Directors (excluding Outside Directors): 325; Applicable Directors: 5  
 (Details) Annual Base Salary: 234  
 Stock Acquisition Rights: 7  
 Performance-based Stock Compensation: 51  
 Cash Bonuses: 32  
 Retirement Allowances: -
  - (2) Total Compensation for Corporate Executive Officers: 1,644; Applicable Corporate Executive Officers: 20  
 (Details) Annual Base Salary: 1,002  
 Stock Acquisition Rights: 42  
 Performance-based Stock Compensation: 324  
 Cash Bonuses: 274  
 Retirement Allowances: 0
  - (3) Total Compensation for Outside Directors: 124; Applicable Directors: 7

(Details) Annual Base Salary: 124  
Stock Acquisition Rights: -  
Performance-based Stock Compensation: -  
Cash Bonuses: -  
Retirement Allowances: -

Note:

1. The total payments made for Director Compensation from MUFG and subsidiaries is shown.
  2. See "1.-(2) Total Compensation for Corporate Executive Officers" for the total payments made for Corporate Executive Officers also serving as Directors.
  3. On July 1, 2016, MUFG introduced a performance-based stock compensation plan using a trust structure called Board Incentive Plan. Total compensation in the table above includes expense with the share issuance points granted under the plan during the fiscal year 2016.
  4. On December 1, 2016, MUFG unified the stock compensation through transition from the stock acquisition rights to the Board Incentive Plan, whereby officers of MUFG who owned unused stock acquisition rights granted in the past and waived their rights associated therewith have been granted the share issuance points equivalent to the number of shares to be issued upon exercise of the stock acquisition rights (387,200shares in total), as transferred stock compensation. Since the share issuance points granted as transferred stock compensation will be changed to shares of MUFG only after the retirement as a general rule, in the same way as in the stock acquisition rights before the transfer, and the amount of compensation granted in the form of stock acquisition rights before the transfer has been disclosed, these share issuance points are not included in the amount of Performance-based Stock Compensation above.
2. Total amount of consolidated compensation, etc., by Director (units: million yen)
- (1) Kiyoshi Sono (Corporate Executive Officer) Total Consolidated Compensation: 136  
(Details) Company Classification: MUFG  
Annual Base Salary: 47  
Stock Acquisition Rights: 2  
Performance-based Stock Compensation: 14  
Cash Bonuses: 14  
Retirement Allowances: -  
(Details) Company Classification: The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Annual Base Salary: 32  
Stock Acquisition Rights: 1  
Performance-based Stock Compensation: 13  
Cash Bonuses: 9  
Retirement Allowances: -
  - (2) Mikio Ikegaya (Corporate Executive Officer) Total Consolidated Compensation: 136  
(Details) Company Classification: MUFG  
Annual Base Salary: 34  
Stock Acquisition Rights: 1  
Performance-based Stock Compensation: 10  
Cash Bonuses: 10  
Retirement Allowances: -  
(Details) Company Classification: Mitsubishi UFJ Trust and Banking Corporation  
Annual Base Salary: 34  
Stock Acquisition Rights: 1  
Performance-based Stock Compensation: 32  
Cash Bonuses: 10  
Retirement Allowances: -
  - (3) Nobuyuki Hirano (Corporate Executive Officer) Total Consolidated Compensation: 144  
(Details) Company Classification: MUFG  
Annual Base Salary: 50  
Stock Acquisition Rights: 2  
Performance-based Stock Compensation: 16  
Cash Bonuses: 15  
Retirement Allowances: -  
(Details) Company Classification: The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Annual Base Salary: 33  
Stock Acquisition Rights: 1  
Performance-based Stock Compensation: 14  
Cash Bonuses: 10  
Retirement Allowances: -
  - (4) Saburo Araki (Corporate Executive Officer) Total Consolidated Compensation: 110  
(Details) Company Classification: MUFG  
Annual Base Salary: 37  
Stock Acquisition Rights: 1  
Performance-based Stock Compensation: 11  
Cash Bonuses: 10  
Retirement Allowances: -  
(Details) Company Classification: The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Annual Base Salary: 25  
Stock Acquisition Rights: 1  
Performance-based Stock Compensation: 16  
Cash Bonuses: 6  
Retirement Allowances: 0
  - (5) Kanetsugu Mike (Corporate Executive Officer) Total Consolidated Compensation: 133  
(Details) Company Classification: MUFG  
Annual Base Salary: 32

- Stock Acquisition Rights: -  
Performance-based Stock Compensation: -  
Cash Bonuses: 3  
Retirement Allowances: -  
(Details) Company Classification: The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Annual Base Salary: 26  
Stock Acquisition Rights: -  
Performance-based Stock Compensation: -  
Cash Bonuses: 2  
Retirement Allowances: -  
(Details) Company Classification: MUFG Union Bank, N.A  
Annual Base Salary: 59  
Stock Acquisition Rights: -  
Performance-based Stock Compensation: -  
Cash Bonuses: 8  
Retirement Allowances: -
- (6) Muneaki Tokunari (Corporate Executive Officer) Total Consolidated Compensation: 103  
(Details) Company Classification: MUFG  
Annual Base Salary: 32  
Stock Acquisition Rights: 1  
Performance-based Stock Compensation: 9  
Cash Bonuses: 9  
Retirement Allowances: -  
(Details) Company Classification: The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Annual Base Salary: 21  
Stock Acquisition Rights: 0  
Performance-based Stock Compensation: 22  
Cash Bonuses: 6  
Retirement Allowances: -
- (7) Takashi Oyamada (Director) Total Consolidated Compensation: 164  
(Details) Company Classification: MUFG  
Annual Base Salary: 25  
Stock Acquisition Rights: 1  
Performance-based Stock Compensation: 7  
Cash Bonuses: 7  
Retirement Allowances: -  
(Details) Company Classification: The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Annual Base Salary: 58  
Stock Acquisition Rights: 2  
Performance-based Stock Compensation: 43  
Cash Bonuses: 17  
Retirement Allowances: -

Note:

1. Only those with consolidated compensation of 100 million yen or more are shown.

<b>Policy on Determining Compensation Amounts and Calculation Methods</b>	Established
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Disclosure Policy Determining Remuneration Amounts and Calculation Methods

1. Context of the Policy

The Company's Compensation Committee has prescribed this policy on decisions on the contents of compensation for individual directors, directors, corporate executive officers and executive officers ("Officers, etc.") (the "Policy") in accordance with the provisions of the Companies Act with regard to a company with three committees, etc. The contents of the Policy are as below. In addition, major subsidiaries of the Company have each prescribed a similar policy based on the Policy of the Company.

2. Philosophy and Objective

The MUFG Group, supported by its consolidated strength, provides prime-quality products and services to respond to any and all financial needs, with the aim to "be the world's most trusted global financial group" and win strong support from its customers and society.

In an effort to realize such a management policy, we have decided on this Policy on compensation for officers in order to prevent excessive risk-taking and raise motivation of Officers, etc., to contribute not only to the short-term but also to the medium- to long-term improvement of financial results, thereby enabling sustainable growth and the medium- to long-term enhancement of the enterprise value of the MUFG Group. In addition, this Policy has been prescribed in accordance with the business performance and financial soundness of the Company and the MUFG Group and applicable Japanese and overseas regulations regarding compensation of officers.

3. Compensation Level

We determine the level of compensation for officers that is appropriate for the Company and its subsidiaries taking into consideration the economic and social context, business trend, business environment and financial results of MUFG Group, and human resources markets in the country where the Officers, etc. are appointed and other important factors.

#### 4. Decision-Making Organizations

The Company, as a company with three committees, etc., has established a Compensation Committee. The Compensation Committee comprises independent outside directors <sup>(1)</sup> and the director who concurrently serves as president & group CEO and is chaired by an independent outside director. The following matters are determined by the Committee in relation to compensation of Officers, etc.:

Note:

<sup>(1)</sup> In this Policy, including directors who are not in a concurrent position as executive officer and are highly independent from the execution of the Company's business

(a) The Policy

(b) Contents of the establishment, revision and abolition of the compensation system for the Company's Officers, etc.

(c) Contents of compensation for individual directors and corporate executive officers in accordance with the Policy (when they concurrently serve as an officer and an employee of a subsidiary of the Company, a determination must be made on the total amount including the compensation determined by the subsidiary ; however, the bonus is the standard amount).

Furthermore, the Compensation Committee deliberates and makes proposals to the Board of Directors on the following matters:

(a) Contents of the establishment, revision and abolition of the system regarding compensation for Officers, etc., of the Company's major subsidiaries

(b) Compensation of the chairman, deputy chairman, president & CEO of the Company's major subsidiaries

The specifics of the compensation for individual executive officers in accordance with the Policy are determined by the Executive Committee.

#### 5. Contents of Compensation

In principle, compensation for the Company's Officers, etc., is comprised of three types: "annual compensation", "stock compensation" and "officers' bonuses". Compensation is paid individually by type. The proportion of each compensation type is properly specified based on the philosophy and objective above. Outside directors and directors serving as audit committee members are not eligible to receive stock compensation and officers' bonuses in consideration of the contents of the duties of such officers.

In principle, annual compensation is determined by the position and place of residence of individual Officers, etc. and other related factors. It is paid monthly in cash.

Stock compensation was implemented in fiscal year 2016 as a new medium- to long-term incentive plan in place of the previous compensation involving stock compensation type stock options. We aim to further raise the motivation of Officers, etc., to contribute to the medium- to long-term improvement of the financial results of the MUFG Group and share a common interest with our shareholders, etc. In the stock compensation system, the Company's shares are issued to Officers, etc. using the trust structure shown below:

##### (a) Performance-Based Portion

The Company's shares <sup>(2)</sup> corresponding to the "base amount determined depending on the position × performance factor (within the range of 0 to 150%) based on the degree of attainment of performance targets of the medium-term business plan" are issued, in principle, upon the termination of the medium-term business plan. The degree of attainment of performance targets is evaluated using such indicators as consolidated net business profits, profits attributable to owners of parent, market capitalization, and EPS (earnings per share), etc. of MUFG.(b) Non-Performance-Based Portion

The Company's shares <sup>(2)</sup> corresponding to the "base amount determined depending on position" are issued, in principle, at the time of the retirement of Officers, etc.

Note:

<sup>(2)</sup> Calculated based on the average acquisition cost of the Company's shares through the trusts.

Officers' bonuses are provided with the aim to raise the motivation of Officers, etc., to contribute to the improvement of financial results for each fiscal year. As performance-based compensation, the amount is determined based on the financial results of the MUFG Group and the status of the execution of the duties of the Officers, etc., for the previous fiscal period (within the range of 0 to 150% from the base amount by position). In principle, officers' bonuses are paid annually in cash.

Notwithstanding the foregoing, compensation for Officers, etc., who are hired locally outside Japan is individually designed in order to prevent excessive risk taking, taking into account compensation regulations, compensation practice, the local market rate and other related factors in the relevant overseas region, as well as the job contents and characteristics of the duties of such Officers, etc.

#### [Supporting system for Outside Directors]

- Management is obligated to provide sufficient information to Directors that relates to Directors' execution of duties. Management shall in principle distribute the Board of Directors' meeting agenda and materials for deliberation prior to meetings to ensure that Directors have the opportunity to understand the content in advance. Management shall conduct training and the like on an ongoing basis, including training about the business activities and management environment of MUFG, particularly for independent outside Directors, including at their time of appointment, in order to provide necessary information in addition to the Board of Directors' meeting agenda.
- The Corporate Administration Division will also provide the required support to Outside Directors including delivery of materials prior to the Board of Directors Meetings, etc., advance explanations, and provision of various information.

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nominating and Compensation Decisions

### (Overview of Current Corporate Governance System)

1. Below is an overview of the main management structures.

#### (1) Board of Directors and Directors

- The Board of Directors decides key management policies and is responsible for management oversight. Decisions on matters of business execution other than specific matters stipulated by laws and regulations shall in principle be delegated to Corporate Executive Officers; provided, however, that decisions on particularly important matters of business execution shall be made by the Board of Directors.

- The Board of Directors as a whole has an appropriately balanced composition that provides a deep understanding of MUFG Group's business and a wealth of knowledge and expertise on finance, financial accounting, risk management and compliance and so forth, and consists of 18 members (15 men and 3 women).

(2) Committees

- In addition to the establishment of a Nominating and Governance Committee (a Nominating Committee under the Companies Act), a Compensation Committee and an Audit Committee as provided under the Companies Act, a Risk Committee shall also be established as an optional board committee. Moreover, in order to comply with the final rules for Enhanced Prudential Standards for Foreign Banking Organizations, U.S. Risk Committee shall be established as follows:
  - (a) Nominating and Governance Committee  
Decides the content of proposals that are submitted to general meetings of shareholders regarding the election and removal of directors and discusses and makes recommendations to the Board of Directors on personnel matters regarding key management positions of MUFG and its subsidiaries and MUFG's policy and framework for corporate governance.
  - (b) Compensation Committee  
Establishes a policy for regarding decisions on compensation for Corporate Executive Officers and Directors, decides the details of individual compensation and discusses and makes recommendations to the Board of Directors on the establishment, revision and abolition of systems pertaining to compensation for officers, etc of MUFG and its key subsidiaries.
  - (c) Audit Committee  
Audits the execution of duties by Corporate Executive Officers and Directors, prepares auditing reports, decides the content of proposals pertaining to the election, removal and non-reappointment of accounting auditor to be submitted to general meetings of Shareholders, and performs investigations including fieldwork, into the business and finance of MUFG and its subsidiaries.
  - (d) Risk Committee  
Discusses and makes recommendations to the Board of Directors on various matters regarding risk management in general pertaining to the entire Group as well as material matters regarding risk management in general, issues relating to the top risk matters (including critical compliance matters etc.), and any other material matters that require discussion by the Risk Committee.
  - (e) U.S. Risk Committee  
Decides risk management policies of all MUFG's U.S. operations and liquidity risk management important matters, discusses the status, control and management of all types of risk on a group basis in the U.S. and makes recommendations to MUFG Risk Committee.
- The Committees are composed of the following members.

[Nominating and Governance Committee]

(Chairperson)

Tsutomu Okuda (Outside director)

(Committee Members)

Hiroshi Kawakami (Outside director)  
Yuko Kawamoto (Outside director)  
Haruka Matsuyama (Outside director)  
Nobuyuki Hirano (Director, President & Group CEO)

[Compensation Committee]

(Chairperson)

Haruka Matsuyama (Outside director)

(Committee Members)

Hiroshi Kawakami (Outside director)  
Yuko Kawamoto (Outside director)  
Tsutomu Okuda (Outside director)  
Nobuyuki Hirano (Director, President & Group CEO)

[Audit Committee]

(Chairperson)

Akira Yamate (Outside director)

(Committee Members)

Hiroshi Kawakami (Outside director)  
Yukihiro Sato (Outside director)  
Takehiko Shimamoto (Director, non-executive officer)  
Junichi Okamoto (Director, non-executive officer)

[Risk Committee]

(Chairperson)

Yuko Kawamoto (Outside director)

(Committee Members)

Tsutomu Okuda (Outside director)  
Tadashi Kuroda (Director, senior managing executive officer, Group CSO and Group CHRO )  
Akira Ariyoshi (External expert, university professor)  
Kenzo Yamamoto (External expert)

[U.S. Risk Committee]

(Chairperson)

Christine Garvey (MUAH (MUFG Americas Holding Corporation) outside director)

(Committee Members)

Dean A. Yoost (MUAH outside director)  
Ann F. Jaedicke (MUAH outside director)  
Suneel Kamrani (MUAH outside director)  
Toby S. Myerson (MUAH outside director)  
Miyachi Masato (MUAH/MUB Chairman)  
Stephen Cummings (MUAH/MUB CEO)  
Masamichi Yasuda (Director, senior managing executive officer and Group CRO)

(As of June 29, 2017)

(3) Corporate Executive Officers

- There are 16 Corporate Executive Officers who are appointed via a resolution of the Board of Directors and they make decisions regarding execution of business and other matters delegated to them by the Board of Directors.

(4) Executive Committee

- The Executive Committee is established as a body to make decisions regarding the execution of business, and deliberates and makes decisions based on the basic policies decided by the Board of Directors on important general matters related to management.
- Also, various committees, etc., are established as advisory bodies to the Executive Committee, and these committees, etc., deliberate and report to the Executive Committee on various matters under their jurisdiction, thereby contributing to the deliberations of the Executive Committee.

(5) Global Advisory Board

- MUFG has established a Global Advisory Board composed of members from Japan, Europe, America, and Asia who are experts in areas such as corporate management, financial regulation, and government policy. MUFG's management will seek to benefit from their advice and recommendations provided from an independent standpoint on MUFG's overall management, global governance, business strategy, and other management goals. The Global Advisory Board consists of nine members (By region: Japan three, Europe two, U.S. two, Asia two; eight men and one woman)

Mr. John C. Dugan  
Partner, Covington Burling LLP  
Former Comptroller of the Currency, United States Treasury Department

Dr. Victor K Fung  
Group Chairman, Fung Group, Hong Kong  
Chairman of the Advisory Board, Asia Global Institute  
Former Honorary Chairman, the International Chamber of Commerce

Ambassador John V. Roos  
Former United States Ambassador to Japan

Lord (James) Sassoon, Kt  
Director, Jardine Matheson Holdings Limited  
Former Commercial Secretary to the Treasury, United Kingdom

Associate Professor Simon S.C. Tay  
Chairman of the Singapore Institute of International Affairs  
Former Member of Parliament, Singapore

Dr. Gertrude Tumpel-Gugerell  
Member of Supervisory Board, Österreichische Bundesbahnen- Holding AG  
Former Member of Executive Board, European Central Bank

Toshio Iwamoto  
President and CEO, NTT Data Corporation

Toru Nagashima,  
Advisor, Teijin Limited

Akio Mimura  
Advisor Honorary Chairman, Nippon Steel & Sumitomo Metal Corporation

(As of April 1, 2016)

(6) Executive Officers

- An executive officer system has been introduced whereby 27 Managing Officers and 53 Executive Officers are engaged in their duties as deputy heads of business groups, as well as major line heads, etc.

[Group Governance framework]

- In order to enhance group governance and implement sound business management as a holding company, group-wide risk management, compliance and internal audit frameworks have been established, MUFG has concluded management control agreements with its core subsidiaries, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Securities Holdings Co., Ltd, and is organizing the structure to take counsel and receive reports.
- The Core Subsidiaries aim to streamline decision-making on material business matters through broad delegation of such functions from the Board of Directors to corporate management. This transition aims to strengthen the supervisory function of the Board of Directors by focusing



on the monitoring of delegated business decisions. In addition the Audit & Supervisory Committee of each Core Subsidiary has a majority of outside directors as members and performs audit and supervisory functions to improve transparency and objectivity of management.

- At the Core Subsidiaries, a structure is in place whereby the Internal Audit Division will report to the Audit Committee on important matters, including the results of internal audits and basic policies for planning internal audits. Following deliberation, the Audit Committee will report to the Board of Directors.

[Accounting Audit]

- Accounting audit operations at MUFG are performed by certified public accountants from Deloitte Tohmatsu LLC.

### 3. Reasons for Adoption of Current Corporate Governance System

MUFG transitioned to a company with three committees in June 2015 to further enhance its corporate governance and construct a framework for the future of the Group over the medium- to long-term. MUFG has already worked to enhance its governance framework with a focus on external viewpoints by appointing Outside Directors and establishing a Global Advisory Board composed of experts from overseas and Japan with the function of advising the Executive Committee.

The shift to a company with three committees is part of efforts to enhance Group management and aims to strengthen the Board of Directors' oversight functions through the separation of execution and oversight at the holding company level, to construct an effective and efficient governance framework, that is more comprehensible for overseas stakeholders, as befits a G-SIB (Global Systemically Important Bank). Additionally, MUFG Corporate Governance Policies have been formulated and released publicly to set out the policy and framework of the corporate governance of MUFG.

## III Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	Notice of Convocation for the 12 <sup>th</sup> General Meeting of Shareholders held on June 29, 2017 was sent on June 8, 2017 (three weeks before the meeting). And prior to be sent, the notice was disclosed through the Tokyo Stock Exchange and uploaded onto the MUFG website.
Scheduling of the General Meeting of Shareholders Avoiding the Peak Days	
Allowing Electronic Exercise of Voting Rights	Voting rights can be exercised via the Internet.
Participation in Electronic Voting Platform	MUFG participates in a voting platform operated by ICJ, Inc.
Providing Convocation Notice in English	The Notice of Convocation is prepared in English and disclosed through the Tokyo Stock Exchange and uploaded onto the MUFG website.
Other	A video stream of the presentation of the business report and the Results of Exercise of Voting Rights are uploaded onto the MUFG website after the meeting.

### 2. Investor Relations Activities

	Supplementary Explanations	Personal explanation from the CEO
Preparations and Publication of Disclosure Policy	<ul style="list-style-type: none"> <li>● URL: <a href="http://www.mufg.jp/english/ir-policy/">http://www.mufg.jp/english/ir-policy/</a></li> <li>● Basic policy for investor relations is established and released on the MUFG website</li> </ul>	
Regular Investor Briefings for Individual Investors	<ul style="list-style-type: none"> <li>● Regular meetings for individual investors are held with the Chairman as a presenter (held in Tokyo and Osaka in FY2016).</li> </ul>	Yes
Regular Investor Briefings for Analysts and Institutional Investors	<ul style="list-style-type: none"> <li>● Web conferences are held on the day of financial results announcement with the Group CFO as a speaker.</li> <li>● Seminars on financial results are held after announcing full year and half year financial statements, where presentations are provided by the Group CEO and the Group CFO.</li> <li>● Senior Managements visit and have dialogues with major domestic institutional investors following full year and half year financial results announcement.</li> <li>● "MUFG Investors Day" is held where business group heads and outside directors give presentation on their business strategies.</li> <li>● Seminars focusing on specific business topics are held. (In FY2016, Seminars on U.S. Business Strategy was held, where the executive officer in charge of the business delivered a presentation.)</li> <li>● Participates in various conferences held by securities companies.</li> </ul>	Yes
Regular Investor Briefings for Overseas Investors	<ul style="list-style-type: none"> <li>● Senior managements conduct IR tours to major institutional investors overseas twice a year.</li> <li>● Participates in conferences held by securities companies overseas. (Participated in Hong Kong in FY2016)</li> </ul>	Yes
Posting of IR Materials on Website	<ul style="list-style-type: none"> <li>● URL: <a href="http://www.mufg.jp/english">http://www.mufg.jp/english</a></li> <li>● Uploaded materials: Consolidated Summary Report, IR Presentation</li> </ul>	

	<p>Materials, Annual Report, Integrated Report, Fact Book, Integrated Report, Road Map to Risk Disclosure, SEC Filings, Ratings and Bond Information, Analysts Coverage, IR Calendar, Message from Management, Company Overview, Business Strategy, Corporate Governance, Stock Price Information, Press Releases, etc.</p> <ul style="list-style-type: none"> <li>●Video of the latest seminar on financial results is provided with English translation</li> <li>●Website designed for individual investors is provided, where following contents are posted; <ul style="list-style-type: none"> <li>-Guide for beginners at investing in MUFG, television commercials, videos of investors/ shareholders seminars.</li> </ul> </li> <li>● Mutual communication through website “Contact Us”</li> </ul>	
<b>Establishment of IR Office (Director Responsible)</b>	<p>Department Responsible: Financial Planning Division, IR Office  Director Responsible: Tokunari Muneaki, Director and Senior Managing Executive Officer, Group CFO</p>	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
<b>Stipulation of Internal Rules for Respecting the Position of Stakeholders</b>	<ul style="list-style-type: none"> <li>●The Corporate Vision and Principles of Ethics and Conduct adopted by the MUFG group companies stipulates that stakeholders’ point of view must be respected.</li> </ul>
<b>Implementation of Environmental Activities, CSR Activities, etc.</b>	<ul style="list-style-type: none"> <li>●In order for MUFG as a whole to take the initiative in Corporate Social Responsibility (CSR) activities, the CSR Committee has been established to promote these activities in the Group, and CSR Promotion Units have been established in the major group companies. Under this framework each companies engage in their own CSR activities, making use of their own features.</li> </ul>
<b>Development of Policies on Information Provision to Stakeholders</b>	<ul style="list-style-type: none"> <li>●MUFG provides a wide range of information to stakeholders through its initiatives including through the disclosure publication and its website.</li> <li>●Furthermore, in the basic policies for IR activities, there are provisions regarding basic stance for providing information mainly to shareholders and investors, scope of information to be disclosed, and methods of disclosure.</li> </ul>
<b>Other</b>	<p>(Appointment of Women as Directors, etc.)</p> <ul style="list-style-type: none"> <li>●The Board of Directors at MUFG consists of 15 men and two women. Also the Global Advisory Board, which provide advice for the Executive Committee, have five men and one woman respectively.</li> <li>●MUFG is placing effort into promoting Diversity and Inclusion as one of the initiatives to invigorate the organization. The company is working towards building an environment where all employees can contribute to the organization at their full potential regardless of differences in appearance, background, culture or sex etc. Group companies are also striving to implement initiatives and systems to enrich the company while fostering a culture which accepts diversity. MUFG publishes Diversity Report with the aim of promoting Diversity and Inclusion group-wide. It can be found at the following website.  <a href="http://www.mufig.jp/english/csr/stakeholder/employee/diversity/pdf/diversity_report_en_2015.pdf">http://www.mufig.jp/english/csr/stakeholder/employee/diversity/pdf/diversity_report_en_2015.pdf</a></li> </ul> <p>Active Appointment of Women and Support for Career Building  [The Bank of Tokyo-Mitsubishi UFJ, Ltd.]  In the numerical targets set in April 2015 for the appointment of women in Japan, the company will aim to have at least one Executive Officer, 6% of General Managers, 14% of Chief Managers and Senior Managers, and 22% of other titled roles being filled by women by March 2018. In US and Hong Kong, 4 women executive officers have been appointed. In June 2017, the first domestic women is appointed as executive officer in Japan.  Along with introducing proper trainings and appointing to higher positions for talented women, the company provides role models and networking activities in order to foster their mind to have a greater role in the organization.  The company also focuses on creating an environment so that those who return to work from maternity and childcare leave can play active roles as the same level as prior to their leave, and on providing supports for women who want to continue working while raising their families. Details of these initiatives can be found at the following website.  <a href="http://www.mufig.jp/english/csr/stakeholder/employee/diversity/">http://www.mufig.jp/english/csr/stakeholder/employee/diversity/</a></p> <p>[Mitsubishi UFJ Trust and Banking Corporation]  A woman was appointed as executive officer for the first time in June 2016. The number of women who are engaged in managerial position will be aimed to increase in the mid and long term, with playing active roles in wide range of workplace. New numerical targets were set for the appointment of women, where by March 2019 the company will aim to have 8% or around of Line Managers (General Managers, Deputy General Managers and Chief Managers), and about 22% of other titled roles being filled by women. As of March 2017, the ratio of the woman among the Line Managers rose to 7%, the ratio of woman among other titled roles rose to 21.5%.  For career building of women, the company has set up some training programs to the managerial positions and any women and round-tables for establishing internal communications. There is also a focus on providing any supports for work-life balance so that those who need childcare will be</p>

	<p>able to continuously build their career.  Details of these initiatives can be found at the following website.  <a href="http://www.tr.mufg.jp/ippan/csr/josei.html">http://www.tr.mufg.jp/ippan/csr/josei.html</a></p> <p>[Mitsubishi UFJ Securities Holdings Co., Ltd.]  New numerical targets are set for the appointment of women, where by March 2021 the company will aim to have at least 120 posts above the level of Senior Managers, 13% of posts above the level of Managers being filled by women.  The better environment for women to be able to maximize their potentials is proceeding to be established by enhancement of programs to promote diversified ways of working, work-life balance supports including nursing care and systematic career building support for female employees,  In addition, the target for the rate of taking paternity leave is set to 100% to promote men actively participating in child care. Along with that, the initiative to increase the number of "Iku-Boss", who supports his subordinates career and life as well as takes on creating a worthwhile working environment actively, has really started to foster corporate culture further promoting active participation by women.</p> <p>[Major Initiatives]  1. Conduct career building seminars targeting young female employees  2. Foster motivation through trainings for candidates expected to take roles of managerial positions and introduce internal and external role models  3. Support to build networking for women in managerial positions through participating in external training sessions focusing on management skill improvement.  4. Provide trainings for all levels including and above Manager to promote diversity management (called "Iku-Boss" training)  5. Enlighten all employees through specialized magazines and internal newsletters  Details of initiatives can be found at the following websites.  <a href="http://www.sc.mufg.jp/english/company/sustainability/employee_index.html">http://www.sc.mufg.jp/english/company/sustainability/employee_index.html</a>  <a href="http://www.hd.sc.mufg.jp/english/sustainability/employee_index.html">http://www.hd.sc.mufg.jp/english/sustainability/employee_index.html</a></p>
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## IV Matters Relating to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development

MUFG complies with the Companies Act and the associated Ordinance of Enforcement and has ratified the following framework (internal controls framework) to ensure appropriate operations are being conducted within the company. The company is working to ensure that a sound and robust management structure is in place by creating company policies, establishing departments in charge, building plans and policy and other structures that are all in line with the details of what has been ratified by the company.

The companies listed below are directly invested in by MUFG and have been designated directly owned subsidiaries<sup>(Note)</sup>. The MUFG Group is designated as a business group comprised of MUFG and its subsidiaries as provided in Article 416, (1), 1 of the Companies Act.

<sup>(Note)</sup> The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Securities Holdings Co., Ltd., Mitsubishi UFJ NICOS Co., Ltd., ACOM CO., LTD.

#### 1. Group Management Framework

- (1) MUFG shall formulate a Corporate Vision and Principles of Ethics and Conduct in order to ensure operations befitting the MUFG Group.
- (2) In addition to stipulating the MUFG Group basic policies for business management, MUFG shall also stipulate individual sets of company rules for customer protection management, risk management, compliance, internal audits, etc., along with concluding business management agreements with directly owned subsidiaries.
- (3) In order to manage its business, MUFG shall deliberate on or reported from and conduct appropriate management of directly owned subsidiaries in line with each company's rules and in adherence to the separation of duty.
- (4) Companies subject to direct business management by MUFG are stipulated as being those subsidiaries in which MUFG has direct investment, and the management of subsidiaries in which MUFG does not have direct investment shall be directly managed by the subsidiary which holds the said direct investment. MUFG shall provide direction and advice regarding business management to the subsidiary that holds the direct investment as required.
- (5) MUFG shall stipulate company rules regarding internal controls and disclosure management and procedures for financial reporting and shall establish an accounting audit hotline (internal reporting framework whereby matters regarding accounting at the MUFG Group can be reported by the public as well as MUFG Group Officers and employees) as part of this.

#### 2. Legal and Regulatory Compliance Framework

- (1) MUFG and its directly owned subsidiaries shall stipulate a Corporate Vision and Principles of Ethics and Conduct so as to ensure that the execution of duties by Officers and employees conforms with laws and regulations, and the Articles of Incorporation.
- (2) MUFG and its directly owned subsidiaries shall create and circulate various company rules and compliance manuals to build a framework to ensure that Officers and employees comply with laws and regulations, etc.
- (3) MUFG and its directly owned subsidiaries shall create committees, etc., employ a Director responsible for compliance (Chief Compliance Officer) and establish management divisions in order to promote and manage compliance.
- (4) MUFG and its directly owned subsidiaries shall formulate compliance programs (specific plans to ensure Officers and employees comply with laws and regulations, etc., including training for Officers and employees) and implement follow-ups on the progress of these programs.
- (5) MUFG and its directly owned subsidiaries shall establish internal reporting frameworks to receive reports of fraudulent activities from Officers or employees.

- (6) MUFG and its directly owned subsidiaries shall sustain a resolute stance against anti-social forces which are a threat to the peace and stability of civil society and work towards preventing transactions with such forces.
  - (7) MUFG and its directly owned subsidiaries shall be aware of the possibility that funds transacted through financial institutions may be used for various criminal activities and/or terrorism and will work towards preventing money laundering.
3. Management Framework For Customer Protection, etc.
- (1) In order to achieve strong customer standards in line with the Corporate Vision and the Code of Ethics and Conduct, MUFG and its directly owned subsidiaries shall create basic policies and company rules regarding management of customer protection, etc., establish administration and management divisions, and enable the provision of explanations and the creation of support frameworks for customers, information management and conflict of interest management by increasing awareness among Officers and employees.
  - (2) Based on the Personal Information Protection Policy that was created to encompass the information management framework, MUFG and its directly owned subsidiaries shall create frameworks to appropriately protect and manage personal information.
  - (3) Based on the Conflicts of Interest Management Policy that was created as a basic policy for management of conflicts of interest, MUFG and its directly owned subsidiaries shall establish frameworks to manage conflicts of interest, which will ensure that customer interests are not unfairly prejudiced.
4. Information Storage Management Framework
- (1) Important documents including minutes and materials for meetings such as the Board of Directors and Executive Committee shall be stored and managed as stipulated in company rules.
  - (2) When requested by the Audit Committee or an Audit Committee member, the division responsible shall provide access to viewing of, or actual copies of, the documents requested.
5. Risk Management Framework
- (1) MUFG and its directly owned subsidiaries shall implement an integrated risk management and control framework to secure stable business management by using a standard that is unified to the maximum extent possible to gain a comprehensive understanding of the various risks which may arise during the course of business while striving for maximum shareholder value
  - (2) MUFG and its directly owned subsidiaries shall classify risk as shown below, and establish risk management basic policies for those risk categories in order to verify the design and execution status of these policies.
    - 1 Credit Risk
    - 2 Market Risk
    - 3 Liquidity Risk
    - 4 Operational Risk
    - 5 Model Risk
  - (3) MUFG and its directly owned subsidiaries shall establish an integrated risk management framework. They shall establish committees for risk management and control, and a Director and establish dedicated divisions etc. responsible for risk management.
  - (4) MUFG and its directly owned subsidiaries shall appropriately manage risk through risk management processes consisting of risk identification, measurement, control and monitoring.
  - (5) MUFG shall create a framework to manage allocated capital (framework whereby the business groups and important subsidiaries allocate capital for each subsidiary by individual risk category using overall MUFG Group economic capital (capital matched to the amount of risk)).
  - (6) MUFG and its directly owned subsidiaries shall prepare a system necessary to limit the economic loss or erosion of credibility from the crisis event to the minimum while ensuring the continuation of service as well as the prompt restoration of normal operations in a crisis event.
6. Framework to Ensure Efficient Execution of Duties
- (1) MUFG and its directly owned subsidiaries shall set management targets and create management plans to manage business based on appropriate methods.
  - (2) MUFG's Board of Directors shall, as a general rule, delegate to Corporate Executive Officers decision making power for the execution of business for matters other than those which require the discretion of the Board of Directors as deemed in laws and regulations. Also, in addition to establishing an Executive Committee which consists of Corporate Executive Officers, etc., they shall create various committees to provide advisory functionality to the Executive Committee.
  - (3) Subsidiaries directly owned by MUFG shall establish Executive Committees, etc., which will be delegated predetermined tasks from the Board of Directors. These Executive Committees, etc., shall make decisions regarding the matters they have been delegated and conduct preliminary consideration of matters which are to be deliberated by the Board of Directors so that the Board of Directors may make decisions regarding such matters. Also various committees shall be established to provide advisory functionality to Executive Committees, etc.
  - (4) MUFG and its directly owned subsidiaries shall, in order for Corporate Executive Officers (Board of Directors, etc., for directly owned subsidiaries) to execute their duties efficiently, build and employee rank framework and organizational structure, etc., in line with company rules and assign the execution of duties.
7. Internal Audit Framework
- (1) MUFG and its directly owned subsidiaries shall ensure the soundness and appropriateness of operations by building an internal audit framework which has high specialization and independence to assume the function of verifying and assessing the appropriateness and effectiveness of risk management, internal controls and governance processes.
  - (2) MUFG and its directly owned subsidiaries shall set company rules to identify basic matters concerning internal audit.
  - (3) MUFG and its directly owned subsidiaries shall establish a division responsible for internal audit.
  - (4) The divisions responsible for internal audit at MUFG and its directly owned subsidiaries shall support the oversight function of the Board of Directors by collaborating and working together under the guidance of the division responsible for internal audit at MUFG.
  - (5) The division responsible for internal audit at MUFG and its directly owned subsidiaries shall, as required, build a collaborative relationship with the Audit Committee (the Audit & Supervisory Committee or the Corporate Auditor at subsidiaries directly owned by MUFG) and accounting auditors and work towards efficient implementation of internal audit.
- (Framework for Ensuring Effective Audit by the Audit Committee)
8. Framework related to persons employed to support the duties of the Audit Committee.
- (1) The Audit Committee Office shall be established as an organization to assist the Audit Committee to perform its duties and shall be placed under the direction of the Audit Committee.
  - (2) Matters regarding personnel arrangements for persons employed to support the duties of the Audit Committee shall be made in a manner

that respects the wishes of the Audit Committee.

#### 9. Framework for Reporting to the Audit Committee

- (1) The following matters shall be reported to the Audit Committee:
  - 1 Matters regarding decisions by or reports made to the Executive Committee (including matters deliberated on or reported by subsidiaries directly invested by MUFG in line with prescribed company rules)
  - 2 Matters that may cause significant damage to the company (including matters deliberated on or reported by subsidiaries directly invested by MUFG in line with prescribed company rules)
  - 3 Implementation status and results of internal audits within the MUFG Group
  - 4 Critical violations of laws or regulations within the MUFG Group
  - 5 Status of reporting and details of cases reported to the MUFG Group Compliance Helpline as well as the Accounting Audit Hotline, results of use of internal reporting frameworks, etc., at directly invested subsidiaries
  - 6 Other matters for which the Audit Committee requests reporting.
- (2) Structures shall be implemented to protect persons who report to the MUFG Group Compliance Helpline or the Accounting Audit Hotline from receiving unfair treatment because they made such reports.

#### 10. Policy regarding expenses or liabilities arising from the execution of duties of the Audit Committee

- (1) Expenses or liabilities which arise due to the Audit Committee exercising their duties (restricted to items regarding the execution of Audit Committee duties) shall be paid or processed otherwise in line with the requests of the Audit Committee.

#### 11. Other Frameworks to Ensure Effective Audits by the Audit Committee

- (1) Representative Corporate Executive Officers and the division responsible for internal audit shall conduct regular sessions to share opinions with the Audit Committee.
- (2) Important personnel matters of the division responsible for internal audits shall be decided via a resolution by the Audit Committee.
- (3) The division responsible for internal audits shall report to the Audit Committee on internal audit plans and results, and receive specific instructions from the Audit Committee.
- (4) Members of the Audit Committee shall be entitled to attend the Executive Committee and other important committees, etc.
- (5) Officers and employees shall cooperate with surveys or interview requests received from the Audit Committee or its members.
- (6) Officers and employees shall give utmost respect to other matters as stipulated in the Audit Committee rules and the Audit Committee Audit Standards.

## 2. Basic Philosophy on Eliminating Anti-Social Forces and Status of Measures

### 1. Basic philosophy (basic policies) for the elimination of anti-social forces

MUFG has stipulated basic policies for dealing with anti-social forces which detail handling as an organization, cooperation with outside expert organizations, ban on any relations including transactions, legal responses both civil and criminal in an emergency, and prohibition of backdoor transactions and provision of funds.

### 2. Implementation status of measures to eliminate anti-social forces

- (1) Implementation of Company Rules
  - The MUFG Group has stipulated company rules with specific details in line with the above-mentioned basic policy.
- (2) Division in charge of Handling Anti-Social Forces and Undue Demands Prevention Officer
  - The MUFG Group has established a division in charge of handling anti-social forces, and the division implements planning and management measures related to preventing transactions with anti-social forces.
  - The MUFG Group has deployed Undue Demands Prevention Officers in branches and offices to handle such demands made by anti-social forces.
- (3) Cooperation with Outside Expert Organizations
  - The MUFG Group works closely with outside expert organizations to handle anti-social forces, such as regular contact and visits to police departments from major branches, reports to the police in emergencies, consultation with lawyers, etc.
- (4) Collection and Management of Information regarding Anti-Social Forces
  - In the MUFG Group, the division in charge of handling anti-social forces collects and manages information regarding anti-social forces in a centralized way
- (5) Manuals for Handling Anti-Social Forces
  - MUFG and its major subsidiaries have stipulated handling of anti-social forces in their Compliance Manuals, and specified precise details in operations manuals as necessary.
- (6) Implementation of Training Activities
  - The MUFG Group positions the handling of anti-social forces as a critical matter and conducts compliance training.

## V Others

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

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### 2. Other Matters Concerning Corporate Governance Framework, etc.

#### Outline of Framework for Timely Disclosure

The internal framework to ensure timely disclosure of MUFG company information is outlined below.

## 1. Basic Concept

MUFG has created a Corporate Vision which shows all of the basic values the company has in conducting its business and which forms the high level policy for all its activities.

Also, the Principles of Ethics and Conduct provide an abstract of common ethics within the Group and have been created as a basic policy for the Group's Officers and employees.

As for timely disclosure of company information, the following is shared with Group Officers and employees in the Principles of Ethics and Conduct.

[Principles of Ethics and Conduct] 2-1 Adherence to Laws and Regulations

### Public Disclosure

- To maintain MUFG's reputation and credibility, disclosure of our corporate information, including financial reports, must be timely, clear, and accurate so that it can be properly understood and evaluated.
- If we become aware of an inaccurate or misleading statement or nondisclosure of material information, we immediately consult with our supervisors to undertake appropriate measures and correct inaccuracies.

## 2. Internal Framework

### (1) Disclosure Committee

Disclosure Committee is established under Executive Committee and deliberates on the appropriateness of information disclosure and the effectiveness of internal controls and procedures. Members of Disclosure Committee include Group CFO, who acts as chairperson, Group CSO, Group CRO, Group CAO and related General Managers and is in principle held six times per year.

A framework is in place whereby the details, revision and operating status of company rules regarding timely disclosure, and the details, timing and methods of disclosure of information relating timely disclosure are reported to Disclosure Committee, in principle, once every six months. Results of deliberations are reported to Executive Committee.

### (2) Company Rules regarding Timely Disclosure

MUFG has stipulated Timely Disclosure Rules to comply with related laws and regulations as well as stock exchange rules and ensure the timely disclosure of company information which may have a critical impact on investment decisions made by investors. The Standards and processes, etc., for timely disclosure are defined by Timely Disclosure Rules.

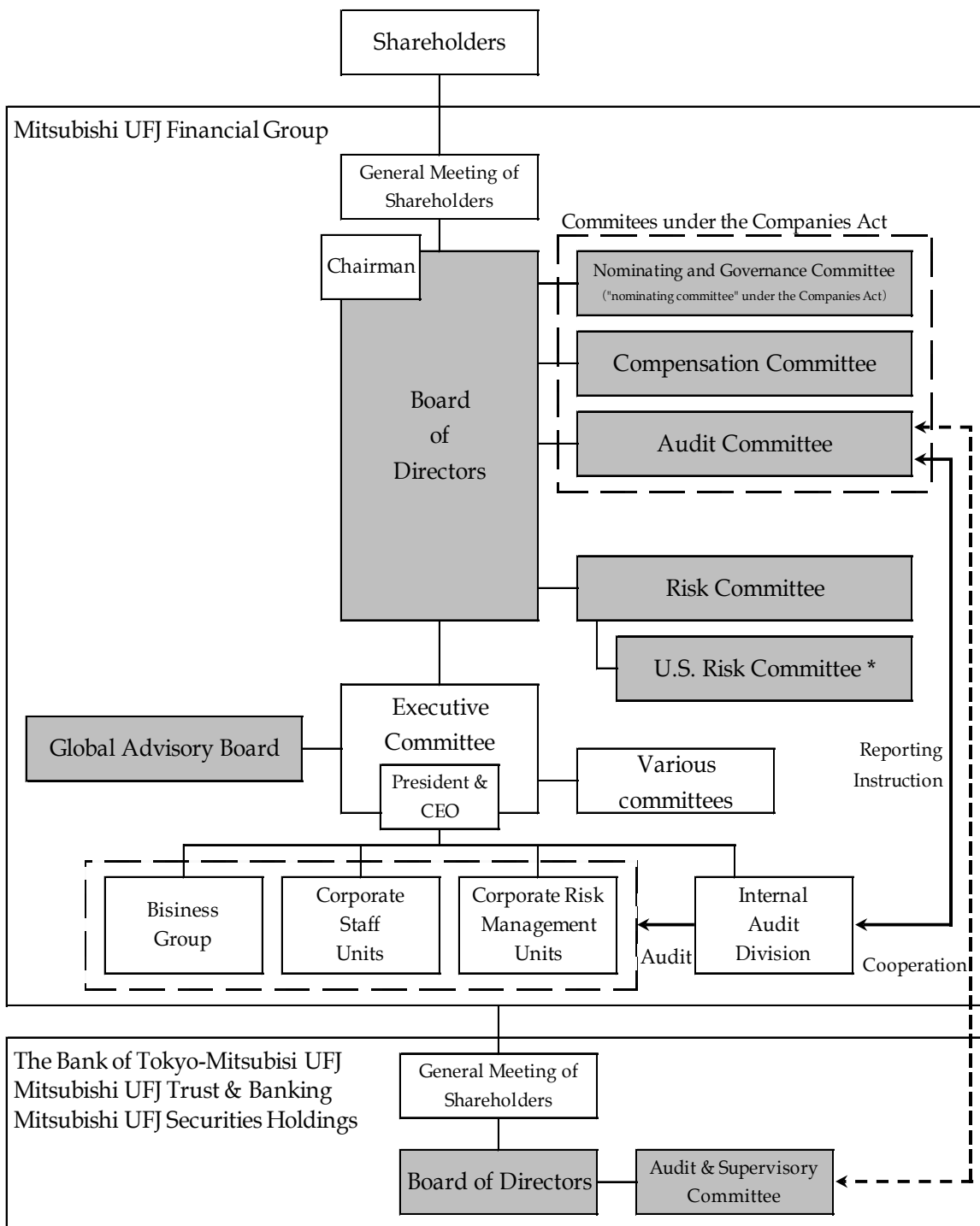
### (3) Division in Charge

Corporate Administration Division is responsible for implementing timely disclosure. In addition to timely disclosure, Corporate Administration Division is also responsible for managing material information, and submitting financial statements, quarterly statements and extraordinary reports, etc., based on the Financial Instruments and Exchange Act. Corporate Administration Division implements timely disclosure using methods defined in the rules and regulations of stock exchanges. Also, Corporate Administration Division update company rules regarding timely disclosure and review insignificance criteria which are stipulated in the rules and regulations of stock exchanges and send notification internally and to group companies.

In determining if timely disclosure is required and what information is to be disclosed, the division which owns the information, Corporate Administration Division, Media Relations Office in Corporate Communications Division, and Financial Planning Division conduct deliberations and make a decision. Media Relations Office in the Corporate Communications Division is responsible for responding to the media and Financial Planning Division is responsible for overall IR activities.

Information of MUFG subsidiaries is reported from the departments in charge of directly owned subsidiaries to Corporate Administration Division.

Corporate governance structure of MUFG



\* Established based on the U.S. Prudential Regulations