

Mitsubishi UFJ Lease & Finance Company Limited

ESG Data

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Period covered: fiscal year ended March 2019 (from April 1, 2018 to March 31, 2019)

Company: Mitsubishi UFJ Lease & Finance Company Limited

(certain data includes group company details)

* Some activities that took place outside the period covered are included.

Governance		
Corporate governance	Management philosophy	<p>We will prove worthy of the trust of customers, shareholders, and employees as we contribute to realize a more prosperous society.</p> <ul style="list-style-type: none"> • We will work to achieve sustained improvement in corporate value by offering the best solutions to customers. • We aim to play a part in the development of regions and society by pursuing environmentally considerate corporate activities in compliance with laws and regulations. • We will create a workplace environment that motivates each and every employee and in which they can take pride.
	Policy	<p><Basic approach></p> <p>We focus on achieving sustainable growth and enhancing the medium- to long-term corporate value of the Company while striving to contribute to a more prosperous society. We work on this with the awareness that transparent and sound management is one of our social responsibilities, respecting the rights and interests, and responding to the trust, of all our stakeholders including shareholders, customers, regional communities and employees. To fulfill that social responsibility, we continuously work to enhance our corporate governance such as by activating the Board of Directors, strengthening the Audit & Supervisory Board and the internal audit system, ensuring timely and appropriate information disclosure, and increasing activities linked to investor relations.</p>
		<p><Basic policy></p> <ul style="list-style-type: none"> • Protection of shareholder rights and equality • Appropriate collaboration with all stakeholders • Appropriate and transparent disclosure • Responsibilities of the Board of Directors • Shareholder interactions
		<p>Reference (our website)</p> <p>Described in "Report on Corporate Governance" posted on the page below. https://www.lf.mufg.jp/english/corporate/governance/index.html</p>
	Directors, the Board of Directors	<p><Description of the Board of Directors></p> <p>Our Board of Directors meets regularly (9 times in FY2018) and holds special meetings when necessary (once in FY2018). It deliberates on and makes decisions on laws and regulations together with important management issues established in the Articles of Incorporation. Also, Outside Directors contribute to sound decision making by the Board of Directors and management overview, each putting to work their rich management experience and point of view.</p> <p>In FY2018, it deliberated on and made decisions concerning important investment projects, both domestically and overseas, and on crucial items concerning strategy and other important items for each individual business division.</p> <p>In addition, we have introduced the Executive Officer System. The purpose of the Executive Officer System is to separate the functions of management decision making and supervision enhancement and business execution, clarify their roles and responsibilities, while further fulfilling and activating the function of the Board of Directors.</p> <p>Since June 25, 2019, we have 9 Directors, including 4 Outside Directors, and 37 Executive Officers, including 4 who also double as Directors.</p> <p>In principle, we hold Managing Directors' meetings once a week as a body for consulting and making decisions based on decisions made at Board Meetings as to management policies, while establishing specific execution plans and control.</p> <p>Also, in order to strengthen corporate governance, we have installed a Advisory Council as an advisory group to the Board of Directors. The Management Council consists of 3 Representative Directors, 3 full-time auditors, 4 Outside Directors, and 3 Outside Auditors. The Executive Chairman serves as Chief of the Management Council and consults beforehand with the Board on governance issues, including the naming of the Managing Director and Directors' compensation.</p>
<p><Approach to the balance and diversity in terms of knowledge, experience and ability, and size of the Board of Directors as a whole></p> <p>The Board of Directors is comprised of directors who have a background in various businesses and industries, including financial institutions, trading houses and manufacturers, in a number appropriate to ensure such diversity.</p> <p>Currently, although we don't have any female or non-Japanese Directors, we have appointed numerous Directors with rich overseas business experience. Also, we continue to be aware of gender diversity as an important management topic, and are considering our response.</p> <p>Each director is expected to supervise management by fully demonstrating his or her skills and ability backed by experience, and leveraging deep insights from various aspects.</p>		
<p><Evaluations of the Board of Directors and the disclosure of evaluation results></p> <p>In order to strengthen Corporate Governance, we have installed a Management Council as an advisory body to the Board of Directors, and the Management Council meets regularly. The Management Council is made up of Representative Directors, full-time auditors, Outside Directors, and Outside Auditors, and they exchange opinions on a wide range of topics concerning the Board of Directors. Also, the Council promotes ongoing improvement by analyzing, evaluating and providing advice to the Board of Directors to enhance the effectiveness of the Board, as well as giving ongoing study to and solutions to perceived issues.</p> <p>Following is an overview of the results of our evaluation of the Board of Directors in FY2018.</p> <ol style="list-style-type: none"> 1. Ongoing efforts to provide information to Outside Officers, and the volume of information in increasing. This is deepening understanding and invigorating internal debate. 2. They are prepared to reply to the proposals from the Supervisory Board members. 3. We would like it to continue adjusting its methods for the explanation of issues, so as to deepen deliberations on the vision of each department based upon internal debate. <p>Taking the above evaluation into consideration, we are continuing to take measures to improve the effectiveness of the Board of Directors.</p>		

Directors, the Board of Directors	<Appointment of directors> We define how to appoint directors, etc. in the Articles of Incorporation, and disclose the content.					
	Referential website (Japanese only)	http://www2.tse.or.jp/disc/85930/140120170615407250.pdf				
	Maximum number of directors under the Articles of Incorporation	22 persons				
	Term of office of directors under the Articles of Incorporation	1 year				
	Chair of the Board of Directors	Company Chairperson				
	Number of directors	Males: 9, females: 0				
	Appointment of outside directors	Appointed				
	Number of outside directors	4 persons				
	Of outside directors, the number of those designated as independent directors	2 persons				
	Number of Board of Directors meetings in 2018	10 times (8 after the Annual Meeting of Stockholders)				
	Attendance by outside directors and outside Audit & Supervisory Board members	Outside Directors		Outside Audit & Supervisory Board Members		
		Minoura Teruyuki	10 times (100%)	Tokumitsu Shoji	10 times (100%)	
		Haigou Toshio	9 times (90%)	Yasuda Shota	10 times (100%)	
		Kojima Kiyoshi	10 times (100%)	Nakata Hiroyasu	8 times (100%*)	
Yoshida Shinya		7 times (70%)	Minagawa Hiroshi	8 times (100%)		
Hayashi Naomi		7 times (87%*)	* Since the time when he was appointed as a director or an auditor at the Annual Meeting of Stockholders of June 2018.			
This is listed in the Notice of Convocation section of our website. http://www.lf.mufg.jp/investors/meeting/index.html						
Corporate governance	<Basic policy> Executive compensation of the Company is determined with the aim of increasing corporate value through execution of business strategies, with consideration also given to incentivizing those executives. In addition, the level of compensation should be appropriate for the roles and responsibilities of each executive based on market standards, from the perspectives of both increasing medium- and long-term corporate value and boosting short-term performance.					
	Structure	In principle, Director compensation (excluding Outside Directors, same below) consists of base compensation (fixed compensation), annual incentive compensation (performance-linked compensation), and medium- to long-term incentive compensation. The annual incentive compensation is paid out as a cash bonus, while the medium- to long-term incentive compensation is distributed in the form of stock options.				
	Ratio	While, basically, the ratio of compensation excluding performance-based compensation (base compensation and stock options) and performance-based compensation is roughly 1.3:0.3 (the ratio of base compensation, stock options, and bonus is roughly 1:0.3:0.3), the amount is decided on an overall assessment for each Director, depending on his or her role and job responsibilities.				
	Amounts of compensation	According to a shareholders' resolution, the annual amount of base compensation and bonus will be 480 million yen or less annually and compensation linked to stock options will be 150 million yen or less annually. The Board of Directors deliberates seriously on the decision policies and decision methodology for compensation. The decision on the specifics for base compensation and bonus payouts is left to the President and CEO, within the cap decided at the General Shareholders' Meeting. The Board of Directors decides the number of stock options that each Director will receive. We set up a Management Council (chaired by Representative Directors, Outside Directors, and Outside Auditors) from FY2019 to establish another level of transparency and objectivity in Executive compensation procedures. The Management Council explains to and receives advice beforehand from Outside Directors and Outside Auditors and then deliberates with the Board of Directors. It also reports on individual compensation amounts and reports and does verification afterwards.				
	Non-monetary compensation	If it becomes necessary for a director (excluding outside directors) to reside in a region away from home due to a personnel transfer that requires a change of responsibility or place of posting, the Company provides that director with an appropriate property as company housing. The difference between the total amount of monthly rents required as the result of the Company's leasing company housing and the company housing fees collected from directors is no more than 2 million yen per month.				
	Outside directors	From the standpoint of securing the effectiveness of the supervisory function, incentive compensation, including bonus and stock options, is not provided. Compensation consists only of base compensation.				
	Total amount of compensation by executive category					
	Total amount of compensation by type (millions of yen)	Number of executives in scope (person)				
	Total amount of compensation (millions of yen)	Fixed compensation	Performance-linked compensation	Stock options	Other	
Directors (excluding outside directors)	370	241	64	61	3	11
Audit & Supervisory Board members (excluding outside members)	66	66	-	-	-	4
Outside directors/Audit & Supervisory members	97	97	-	-	-	11
Reference (our website, Japanese only)	http://www.lf.mufg.jp/investors/library/security-report/index.html					

Corporate governance	Audit & Supervisory Board member, the Audit & Supervisory Board	<Description of the Audit & Supervisory Board> The Company has established the Audit & Supervisory Board and strives to ensure fair oversight of the execution of duties by directors. The Audit & Supervisory Board is comprised of 6 Audit & Supervisory Board members, of which 3 are outside members. Outside Audit & Supervisory Board members contribute to ensuring the sound management of the Company by leveraging their abundant knowledge and experience in management and other fields to conduct audits from their respective viewpoints.	
		<Compensation of Audit & Supervisory Board members> From the standpoint of ensuring the effectiveness of the supervisory function, incentive compensation, including bonus and stock options are not provided to Supervisory Board members. Compensation consists only of base compensation. In accordance with a shareholders' resolution, annual compensation is to be 120 million yen or less. The amount of compensation for each Supervisory Board member is decided upon via discussions with the Board member.	
		Establishment of an Audit & Supervisory Board	Established
		Number of Audit & Supervisory Board meetings	10 times
		Maximum number of Audit & Supervisory Board members under the Articles of Incorporation	No upper limit is specified.
		Number of Audit & Supervisory Board members	6 persons
		Appointment of outside Audit & Supervisory Board members	Appointed
		Number of outside Audit & Supervisory Board members	3 persons
		Of outside Audit & Supervisory Board members, the number of those designated as independent audit & supervisory board members	1 person
		Attendance by outside Audit & Supervisory Board	Attendance by each outside Audit & Supervisory Board member is disclosed on our website below. https://www.lf.mufg.jp/pdf/english/investors/agm2019_01.pdf
Independence criteria for outside directors/Audit & Supervisory Board members	<p>In addition to the criteria for independent directors/Audit & Supervisory Board members stipulated by the Tokyo Stock Exchange and other domestic financial instruments exchanges, the Company determines the independence based on an objective and practical approach by identifying their applicability under items (1) through (6) below in the current fiscal year or any of the previous three fiscal years.</p> <p>(1) A major shareholder (with 10% or more of the total voting rights) or a person involved in the operation*¹ of a major shareholder</p> <p>(2) A person involved in the operation of a lender of amounts exceeding a predefined scale*²</p> <p>(3) A person involved in the operation of a business partner with which transactions exceed a predefined scale*³</p> <p>(4) A consultant, lawyer, certified public accountant, or other provider of specialized services receiving amounts of monetary payments or other financial assets from the Company in addition to compensation as a director, Audit & Supervisory Board member, or executive officer that exceed 10 million yen in a given fiscal year</p> <p>(5) A representative or other employee of the accounting auditor</p> <p>(6) An individual affiliated with an organization that received donations exceeding a predefined amount*⁴</p> <p>*1: An executive director, executive officer, or employee with operational execution responsibilities</p> <p>*2: A lender from which borrowings account for more than 2% of the Company's consolidated total assets</p> <p>*3: A business partner with which transactions account for more than 2% of the total revenues of the business partner or of the Company</p> <p>*4: Donations exceeding 10 million yen in a given fiscal year</p> <p>In cases where any of the preceding six items apply, if said person is judged to possess effective independence and reported as an independent director/audit & supervisory board member to a domestic financial instruments exchange, such as the Tokyo Stock Exchange, the reasons will be explained and disclosed at the time of appointment.</p>		
Establishment of Committees	As advisory bodies of the Management Committee, the Company has the Risk Management Committee, Environment Committee, System Committee, ALM Committee, Compliance Committee, and Disclosure Committee.		
	Number of meetings held in 2018		
	Risk Management	5	
	Environment Committee	1	
	System Committee	2	
	ALM Committee	4	
Internal control system	The Company has adopted a resolution on the system for ensuring properness of operations in accordance with Article 362, Paragraphs 4 (vi) and 5 of the Companies Act as well as Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act. Details are posted on the following website.		
	Reference (our website, Japanese only)	https://www.lf.mufg.jp/investors/library/security-report/index.html	

Risk management	Policy	Due to the development of a business model, enhancement of business domains and greater interest in ESG, and more diverse and more complex risks surrounding our company, it is becoming more necessary to adequately recognize various risks and properly control them. We establish a management system suitable for the content of risks to prevent risks from emerging, and minimize the loss and damage at the time of their occurrence.		
	Management	To achieve sustainable growth by maintaining sound management and improving profitability, we operate businesses by utilizing an integrated risk management framework. To be more specific, we quantify various risks using risk assessment methodology based on the properties of assets and businesses. Then, following our risk capital management policy, we allocate risk capital to each risk category. In this way, we have a system to take risks rationally within the range of risk allowance. With the risk management framework, we periodically monitor the usage status of risk capital as well as various portfolios to report them to the Risk Management Committee, the Management Committee and the Board of Directors. By having the Board of Directors manage them, we are aiming to enhance internal communication about risks and conduct proper arrangement. In addition, we execute a stress test based on multiple scenarios, and conduct multilateral verification regarding risk tolerance.		
		Officer in charge	Executive officer in charge of the Risk Management Department	
	Major Risk Management Frameworks	Credit Risk	When examining individual projects, the Company works to ensure appropriate returns based on the risks involved in the project while keeping its focus on transaction and credit status as well as country risk. Taking into account the decentralization of risk across its entire portfolio, the Company manages credit limits while regularly measuring credit risk amounts. The Company adopts a system in which the status of credit risk is reported to the Risk Management Committee, which thereby controls risks accordingly.	
		Asset Risk	When examining individual projects involving lease properties and other operating assets, the Company works to ensure appropriate returns based on the risks involved in the project while keeping a sharp focus on future property value. In addition, while taking into account the decentralization of risk across its entire portfolio, the Company regularly measures the amount of risk related to fluctuations in asset value. The Company has in place a system for reporting the status of asset risk to the Risk Management Committee, which thereby controls risks accordingly.	
		Investment risk	When considering investments in projects and businesses, working to secure a return commensurate with the risk, we carefully study the risk of fluctuation in the value of the investment asset due to changes in the investment target or business environment. We also manage projects during the life of each project, in addition to monitoring the state of the portfolio and periodically measuring the volume of investment risk. The set up for managing investment risk consists of reporting on the state of investment risk to the Risk Management Committee.	
		Market Risk	Through comprehensive asset liability management (ALM), the Company monitors the condition of interest rate mismatches and controls the risk of interest rate fluctuation. In addition, the Company regularly measures the amount of market risk related to fluctuations in interest rates, exchange rates, and security prices. The Company adopts a system in which the status of market risk is reported to the Risk Management Committee and the ALM Committee, which thereby control risks accordingly.	
		Liquidity Risk	The Company makes efforts to ascertain the Group-wide condition of fund management and promotes adjustments to the balance of long-term fund procurement and the diversification of fund procurement methods. In doing so, the Company is working to procure funds in a stable manner. In addition, by taking steps to replenish liquidity in times of crisis, starting with the acquisition of commitment lines, the Company is securing a sufficient amount of fund liquidity. The results of evaluations made regarding the stages of liquidity risk are reported to the Risk Management Committee and the ALM Committee, which thereby control risks accordingly.	
	Crisis management structure	Operational Risk	The Company has established a management structure for its information systems that detects and prevents damage caused by system failure and abnormal interruption, inappropriate access from external sources, penetration of computer viruses, and cyber attacks. Furthermore, the Company continuously carries out internal educational activities related to information security and administrative management. In addition, the Company places compliance as its most important management issue and conducts its business activities with a high level of ethics and in accordance with internal regulations. At the same time, the Company implements compliance-related educational activities on a regular basis and has established measures to prevent inappropriate conduct. The status of operational risk is reported to the Risk Management Committee and the Compliance Committee, which control risks accordingly.	
			The Company gives consideration to minimizing impacts of natural disasters, man-made disasters, accidents and the like on business operations by establishing the Crisis Management Policy, the Disaster Prevention Policy and response manuals. In addition, learning from the Great East Japan Earthquake, we arranged a practical BCP and conduct training.	
	Reference (our website)	https://www.lf.mufg.jp/english/corporate/governance/riskmanagement.html		

Compliance	Policy	<p><Mitsubishi UFJ Lease & Finance Group, Code of Ethics and Code of Behavior></p> <p>Code of Ethics</p> <p>The Code of Ethics establishes fundamental values and ethics to be embraced by all members of the Mitsubishi Lease & Finance Group as basic guidelines for the Group's officers and employees.</p> <ol style="list-style-type: none"> 1. Establishing Trust 2. Taking a Customer-first Approach 3. Strict Compliance with Laws and Regulations 4. Respect for Human Rights and the Environment 5. Confronting Anti-social Forces <p>Code of Behavior</p> <p>As members of Mitsubishi UFJ Lease & Finance Group, we act while keeping the following in mind.</p> <ol style="list-style-type: none"> 1. Establishing Trust <ul style="list-style-type: none"> (1) Working with integrity based on high ethical standards; (2) strict maintenance of confidentiality and information management; (3) proper accounting treatment and information disclosure 2. Taking a Customer-first Approach <ul style="list-style-type: none"> (1) Responses with integrity and discipline; (2) observing the suitability rule and ensuring accountability; (3) strict confirmation of intentions 3. Strict Compliance with Laws and Regulations <ul style="list-style-type: none"> (1) Compliance with laws and regulations; (2) prohibition of unfair trading; (3) respecting intellectual property rights; (4) prohibition of mixing business with personal affairs 4. Respect for Human Rights and the Environment <ul style="list-style-type: none"> (1) Respect for human rights; (2) creating a better work environment; (3) environmental consideration 5. Confronting Anti-social Forces <ul style="list-style-type: none"> (1) Confronting anti-social forces; (2) preventing money laundering 		
		Reference (our website)	https://www.lf.mufg.jp/english/corporate/governance/compliance.html	
		<Basic policy on anti-social forces>	<p>The Company has established the following basic policy on anti-social forces and strives to ensure the properness and safety of operations by having all officers and employees comply with the policy.</p> <ol style="list-style-type: none"> 1. Organizational response 2. Coordination with external specialized organizations 3. Rejecting any relationship including transactions with anti-social forces 4. Taking legal actions under civil and criminal codes in emergency situations 5. Prohibition of backroom deals and provision of funds 	
		Reference (our website)	https://www.lf.mufg.jp/english/corporate/governance/compliance.html	
		<Basic Policy on Anti-Corruption>	<p>Mitsubishi UFJ Lease & Finance Group abides by Japanese Criminal Laws, the National Public Service Ethics Act, Unfair Competition Prevention Act, Foreign Corrupt Practices Act of the United States, Bribery Act of the U.K., Chinese regulations on commercial bribery and other laws and regulations on bribery applied to the countries and areas in which our group operates businesses. The group prohibits the provision and reception of bribes that could cause doubt and distrust among society.</p> <p>In addition, all officers of our group companies shall observe the following:</p> <ol style="list-style-type: none"> (1) We shall not conduct any form of corruption such as money laundering, embezzlement and obstruction of justice. (2) By fully understanding laws and regulations, to public servants and people who are equivalent thereto, we shall not provide entertainment or presents that would cause doubt and distrust among society, and offer money or other benefit aiming to receive an unfair advantage. (3) Regarding entertainment and presents from suppliers, we shall not offer or receive those that deviate from social common sense or healthy commercial custom. (4) We shall not demand suppliers, etc. to provide personal benefit by utilizing the position and authority in the Company. <p>In addition, to eliminate bribery from the businesses in which our group is engaged and assure fair business execution, we request our business partners to observe laws and regulations to prohibit bribery and ask for their understanding and cooperation regarding the basic policy of our group.</p>	
		Reference (our website)	https://www.lf.mufg.jp/english/corporate/governance/compliance.html	
		Management	<Internal structure>	<p>With our compliance system, under the leadership of the Chief Compliance Officer (COO), who is responsible for the establishment and operation of the company-wide compliance system, the Legal Compliance Department plans and manages the internal system, guides and supervises each department/group company and provides guidance for the correction of compliance violations. When a compliance violation case is revealed due to a report through the Hotline, etc., the Legal Compliance Department shall serve as the Secretariat and handle the case by setting out the basic policies of making an immediate report to the executives, fulfilling social responsibilities as a company, preventing the expansion of damage and thoroughly preventing recurrence. Depending on the content of compliance violation, we shall consider utilizing investigation by a third party to identify the cause of the occurrence and study and execute recurrence prevention measures. In addition, we shall reinforce employee training to be more compliance-conscious.</p>
			Reference (our website)	https://www.lf.mufg.jp/english/corporate/governance/compliance.html
			<Education of employees to improve their awareness of compliance>	<p>The company offers periodical training to officers and employees of Japanese and overseas group companies as internal compliance education. In addition, we conduct self-checks twice a year through e-learning.</p> <p>The training is conducted by classes such as those for new employees, newly assigned managers and compliance promotion committee members to build up the members' knowledge needed for each task. Group companies conduct employee education based on the specialty of the industry of the company, overseas laws, regulations and customs.</p> <p>Self-checks cover a wide range of topics including the Code of Conduct and laws and regulations related to financial operations (Money Lending Business Act, Financial Instruments and Exchange Act, regulation for insider trading, response to anti-social forces, money-laundering/terrorist financing, etc.). The results of the check are reflected in the subsequent internal training and education to reinforce our compliance system. (Participants in Japan: About 3,000, participants overseas: 400, Sites: 13)</p>
			<Compliance education and the system of compliance violation investigation>	<p>We periodically confirm observance of the Mitsubishi UFJ Lease & Finance Group's Code of Ethics and Code of Behavior using self-checks. According to the most recent investigation, the number of significant compliance violations to be announced was zero (from April 1, 2018 to March 31, 2019).</p> <p>We reviewed the codes in March 2019. Nothing was revised in June 2018. We shall continue to abide by the codes, and conduct a periodic review.</p>

Compliance	Management	<Compliance Committee> In principle, the Compliance Committee, which is chaired by the Chief Compliance Officer, meets four times a year, and successively carries out inspections, audits and checks of compliance status.			
		<Internal reporting system> As an internal reporting system, Mitsubishi UFJ Lease & Finance Group has set up the Compliance Hotline System for officers, employees, etc. to report and consult about illegal acts, etc. As contact points to which officers can report and consult with regarding incidents without concern, the Compliance Hotline System appoints (1) The Head of the Legal Compliance Department or a person who is designated by the Head of the Legal Compliance Department in advance, (2) full-time Audit & Supervisory Board members, (3) outside lawyers and (4) an external consultation service. As for an external consultation service, we receive anonymous reports and consultation. (Subjects of consultation and report) The subjects include any violations of laws, regulations, internal rules and the Code of Ethics, and suspicious acts by officers, employees, etc. <ul style="list-style-type: none"> · Act that would affect the protection of customers' interest · Act that could influence conservation of the environment · Act that could impact on the assurance of fair competition, such as violation of the Antimonopoly Law · Act of providing an unfair advantage, such as bribery to domestic and overseas public servants · Any other inappropriate acts including violations of laws, regulations and rules and acts that would against social justice We prohibit the unfair treatment of the officers who reported to or consulted with us on the grounds of the reporting/consultation.			
		Number of cases reported internally through the Compliance Hotline	19 cases	Number of consultations to the sexual harassment, maternity harassment and other harassment hotline (Refer to P9 for details)	2 cases
		(Number of reports and consultations to the compliance hotline and to the sexual harassment, maternity harassment and other harassment hotline, and their breakdown)			
		Harassment	12 cases	Management	4 cases
		Communication			0 cases
		Compliance	5 cases	Others	0 cases
		<Strict prohibition of bribery> The Company has established the Gift and Entertainment Handling Policy, and enhances and ensures understanding of the Policy by employees through training and regular e-learning.			
		<Information security> We have put in place a set of information security management rules and produce a range of manuals. Together, these regulate areas including the use, management, and disposal of information, creating a strict security system. We also hold regular information security audits and carry out awareness checks on all employees. In addition, we have set up a cross-organizational team, "MUL-CSIRT," as a system to control security incidents to prevent and handle cyberattacks, etc.			
		Reference (our website)	https://www.lf.mufg.jp/english/corporate/governance/control.html		
<Personal Information> We have established the Personal Information Protection Policy, the Personal Information Protection Rules, and the Personal Information Protection Manual (for employee education), and handle customers' personal information appropriately.					
Reference (our website, Japanese only)	http://www.lf.mufg.jp/policy/index.html				
Performance	<Dismissal of employees based on violation of the Basic Policy on Anti-Corruption> There was no dismissal case based on a violation of the Basic Policy on Anti-Corruption.				
	<Fine for corruption> No payment occurred related to corruption, penalty or reconciliation.				

Environment			
Environmental management	Policy	<p><Eco policy></p> <p>1. We meet economic targets through our leasing business, and promote environmental conservation in all our business activities.</p> <p>2. We enhance environmental performance by continuously improving systems through activities such as setting and reviewing environmental goals and management reviews.</p> <p>3. We strive to protect the environment by preventing pollution through the following measures.</p> <p>(1) We promote resource saving, energy saving and waste reduction, and other objectives to improve efficiency and reduce costs.</p> <p>(2) We emphasize waste volume reduction, resource recycling, and reuse when handling lease-up assets.</p> <p>4. We comply with relevant laws and regulations and other requirements.</p>	
	Management	Environmental management system	
		Person with ultimate Responsible	President & CEO Environment Committee
		Supervision of climate change-related matters by the Board of Directors	To cope with climate change, we have adopted the EMS system of ISO14001 for management review to evaluate environmental activities and provide guidance on the future direction. In addition, we hold the Environment Committee, the major members of which are the Board of Directors including the President, Deputy President and other directors. In addition, we hold the Environment Committee, the major members of which are the Board of Directors including the President, Vice President and other officers.
		ISO14001	In 2001, obtained ISO14001 certification, which is the international standard for environmental management systems. In 2018, underwent its 6th renewal audit, and received approval for the renewal of its certification.
		Environmental audits	We conduct internal audits on the registered offices of ISO 14001 above to confirm whether operations are carried out in accordance with the rules on our environmental management system (EMS). The audit conducted in the fiscal year ended March 2019 resulted in no findings such as Material Non-Conformance and Minor Non-Conformance.
		Number of environmental accidents and legal infringements	0 cases
		Long-term quantitative goal to reduce GHG emissions	To prevent global warming, we established a mid- and long-term goal to reduce greenhouse gas emissions (25% reduction of the electricity consumption per 1 m ² at the Head Office from that of fiscal year 2009) by fiscal 2020. * Standard value of the base year (2009) 96.16 kWh/m ²
	Environmental education	In addition to the carrying of an Eco-Policy Card stating Eco policy by all employees, we distribute a quarterly Environmental Bulletin to provide various pieces of environmental information to raise environmental awareness. Furthermore, we provide special education and training for employees engaged in operations that are closely related to the environment, such as disposal of lease-up assets as well as handling of assets covered by the Construction Material Recycling Act, the Soil Contamination Countermeasures Act and Air Pollution Control Act.	
	Biodiversity initiatives	<Biodiversity Guidelines>	
		To contribute to preserving biodiversity, we have established a set of Biodiversity Guidelines consisting of business-based initiatives and office-based initiatives. In our business-based initiatives, we promote 3Rs (reduce, reuse, recycle) of lease-up assets as well as the business of trading used equipment, and environment- and energy-related businesses. In our office-based initiatives, we strive to utilize resources effectively and reduce wastes, such as by promoting the use of paper certified by the Forest Stewardship Council (FSC), which supports the conservation of the forest ecosystem, reduced use of photocopies, paper and electricity, green procurement and eco-friendly driving.	
		<Promotion of 3Rs>	
		To contribute to a recycling-oriented society through the leasing business, we promote 3Rs—reduction (in wastes), reuse (utilization as used products) and recycling of lease-up assets.	
Reduce		Reducing wastes by extending product use periods through re-leasing or reselling	
Reuse	Re-leasing or selling as used products		
Recycle	Reusing as raw materials		
<Waste disposal and selection of outsourcees>			
In addition to reducing waste by strictly applying the 3Rs for lease-up assets, we appropriately dispose of assets that cannot be reused in compliance with the Waste Management and Public Cleansing Act and other relevant laws, regulations and ordinances. Furthermore, we properly dispose of assets that use polychlorinated biphenyls (PCBs) in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes. When outsourcing waste disposal operations to an external operator, we carry out stringent checks on its financial condition, facilities, recycling rate, legal compliance and other aspects, as well as requesting cooperation in environmental protection. After selecting an operator, we conduct regular on-site inspections to confirm its state of operations.			
<Forest and forestry regeneration project>			
To regenerate Japan's forests and harmonize the interests of forests and those of business, we collaborate with the Gifu Prefecture Union of Forestry Cooperatives and other partners in a forest and forestry regeneration project.			

		FY3/2019					FY3/2019 targets
		Unit			Total volume		
		Unit	Baseline value	Performance	Unit	Performance	
Environmental data	Total energy input (total electricity consumption) ^{*1}	Per m2 (kW-h)	107.0	81.2	k Wh	2,235,953	10% reduction from baseline value (FY3/2009-FY3/2011)
	Photocopy paper consumption ^{*1}	Per person (sheets)	1,849	775	piece	1,488,036	10% reduction from baseline value (FY3/2009-FY3/2011)
	Paper consumption ^{*1}	Per person (sheets)	10,382	7,918	piece	15,188,098	3% reduction from baseline value (FY3/2009-FY3/2011 average)
	CO2 emissions from electricity consumption ^{*1}	Per m2 (kg-CO2)	43.15	38.40	-	-	10% reduction from baseline value (FY3/2009-FY3/2011)
	CO2 emissions from gasoline consumption ^{*1}	Per vehicle (kg-CO2)	2,414.75	1,413.90	-	-	No higher than baseline value (FY3/2010-FY3/2011 average)
	Company vehicle fuel consumption ^{*1}	km/liter	11.7	16.3	-	-	Fuel efficiency improvement to baseline value (FY3/2010-FY3/2011 average)
	Share of green procurement ^{*1}	%	-	75.2	-	-	Promotion of green procurement
	CO2 emissions from company vehicles(scope 1: direct GHG emissions) ^{*1}	tCO2	-	191.88	-	-	-
	CO2 emissions from electricity consumption(scope 2:	tCO2	-	1,058.50	-	-	-
	^{*1} Mitsubishi UFJ Lease & Finance Company Limited and two affiliated companies (MUL Business Company Limited and MUL Eco-Business Co.,Ltd.)						
		Reference (our website)	https://www.lf.mufg.jp/pdf/english/corporate/envdata.pdf				
Promoting acquisition of value assets	We actively promote the acquisition of value assets (VA) that can be used for a long time due to their resistance to deterioration, and try to reduce waste and environmental burden.						
Introduction of low-pollution vehicles	All of our company vehicles are low-pollution ones.						
		Unit	FY3/2019				
	Overall ^{*2}	Vehicles	132				
	(Breakdown)	Low-emission vehicle	Vehicles	31			
	Hybrid vehicle	Vehicles	101				
^{*2} Mitsubishi UFJ Lease & Finance Company Limited, non-consolidated							
Environmental conservation costs	Category	Major initiatives			Unit	FY3/2019	
	Costs within business area ^{*3}	Pollution prevention (eco-vehicle leasing fees)			Millions of yen	69	
	Upstream and downstream costs ^{*4}	Disposal of lease-up assets			Millions of yen	399	
	Management activity costs ^{*3}	Environmental management system maintenance and operation costs, Corporate Report preparation costs			Millions of yen	15	
^{*3} Mitsubishi UFJ Lease & Finance Company Limited, non-consolidated ^{*4} Two affiliated companies (MUL Business Company Limited and MUL Eco-Business Co.,Ltd.)							
Economic benefit from environmental conservation	<Content of key initiatives> Revenue from sale of used components (MUL Eco-Business Co., Ltd.) ^{*5}			Millions of yen	60		
^{*5} One affiliated company (MUL Eco-Business Co.,Ltd.)							
Others	Signing of the Principles for Financial Action	The Company has been a signatory to the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century), a proactive initiative by financial institutions, since it was formulated in November 2011. The Principles for Financial Action for the 21st Century consist of seven principles for financial institutions that want to take an active role and responsibility in the creation of a sustainable society and guidelines tailored to each sector to implement the principles. We will continue to make active efforts for the environment and society based on these principles.					

Social																																																																																																						
Human rights	Policy	<p>To achieve the corporate philosophy and globally expand our businesses, we at Mitsubishi UFJ Lease & Finance Company Limited recognize that consideration for human rights and labor is an important issue. Therefore, we strive to respect all human rights in society and conduct business operations.</p> <p>1. Basic approach to human rights Mitsubishi UFJ Lease & Finance Company Limited respects and endorses international norms for human rights, labor, and the environment and for prevention of corruption such as "the Universal Declaration of Human Rights," "International Covenants on Human Rights (International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights)," "Guiding Principles on Business and Human Rights (Ruggie framework)" and "ILO Declaration on Fundamental Principles and Rights at Work." Under the basic approach to human rights, we strive to respect the human rights of all stakeholders</p> <p>2. Prohibition of forced and child labor We prohibit any forced or child labor including slave labor and human trafficking. In addition, we support Children's Rights and Business Principles. We avoid the infringement of children's rights by our businesses, and execute social action programs for the realization of children's rights.</p> <p>3. Specific policy and initiatives on human rights In addition, guided by a fundamental spirit of respect for humanity, we take a clear stance against violation of human rights and against discrimination on the grounds of ethnicity, nationality, creed, religion, disability, gender, sexual orientation, gender identity or other criteria, and we ensure our employees observe this. The Company seeks to create a workplace where each employee improves his or her awareness of human rights, respects each other's character and individuality and can work with motivation and pride.</p> <p>4. Human rights-related education and enlightenment We appoint a Human Rights Awareness Promotion Officer in each division and hold training sessions twice a year to help each employee have a correct understanding and deeper awareness of human rights. In addition, we are also a regular attendant of an external event, "MUFG Human Rights Enlightenment Liaison Group." We participate in a human rights study group and forums with the people in charge of human rights enlightenment of MUFG group companies to utilize the knowledge gained there for our enlightenment activities and improve the awareness of human rights.</p>																																																																																																				
	Management	<p><Internal reporting and consultation hotline> We set up a consultation hotline internally and externally to deal with sexual and power harassment, discrimination and the infringement of human rights at a workplace or while working. We offer consultations to our members as well as our business partners. We do not allow these acts, and we have arranged a structure to prevent them. By establishing a hotline to handle various reports/consultations, we aim to identify and prevent issues at the early stage.</p> <p><Claim Separation related to Human rights> 3 claims of human rights abuse, including sexual harassment inside and outside the workplace and maternity harassment(Includes insider reporting, window-front reporting and consultations). Of the 3 cases above, a portion of the cases of "harassment" gathered from insider reporting and window-front reporting are compiled in page 6's "Breakdown in number of reports and consultations to the compliance hotline and sexual harassment, maternity harassment and other harassment hotline."</p>																																																																																																				
Human resources	Policy	<p><Basic policy on human resource development> To promote the "integration of finance and business," which is set out as the basic policy of the mid-term management policy, in addition to the advancement of lease and finance functions, we need to reinforce the "expertise specialized in the business/industry" and develop into a professional group. In these circumstances, we define the following five points as the characteristics of our ideal employees:</p> <p><Employees to be sought> 1. Customer-oriented By understanding customers' management issues and needs, they establish a solid relationship with domestic and foreign customers considering the possibility of cooperation as alliance partners. 2. Professionalism To provide MUL's unique value, they have awareness and responsibilities as a professional, and keep developing specialties that are appropriate to the person. 3. Creation and innovation To provide high added value and improve productivity, they pursue the creation of new business and continuous innovation. 4. Leadership To complete the organizational mission, they demonstrate strong leadership through their actions that serve as a model and through their responsible decisions. 5. Human resource development For mid- and long-term career development support, they arrange an environment that allows various human resources to demonstrate their abilities and conduct fair evaluations as well as proper human resource development. To nurture such human resources, Mitsubishi UFJ Lease & Finance Group shall arrange an education system that enables each employee to grow and acquire specialties that are appropriate to the person, and promote human resource development.</p>																																																																																																				
	Performance	<table border="1"> <thead> <tr> <th colspan="6">FY3/2019 (Non-consolidated)</th> </tr> </thead> <tbody> <tr> <td>Number of employees</td> <td>1,317</td> <td>Male</td> <td>781</td> <td>Female</td> <td>536</td> </tr> <tr> <td>Average age</td> <td>37.0years old</td> <td>Male</td> <td>38.6 years old</td> <td>Female</td> <td>34.7 years old</td> </tr> <tr> <td>Average service years</td> <td>12.8 years</td> <td>Male</td> <td>14.0 years</td> <td>Female</td> <td>11.0 years</td> </tr> <tr> <td>Number of temporary staff</td> <td>97</td> <td colspan="4"></td> </tr> <tr> <td>Employment rate of persons with disability</td> <td>2.05%</td> <td colspan="4"></td> </tr> <tr> <td>Number of new graduates</td> <td>50</td> <td colspan="4">(April 2018)</td> </tr> <tr> <td>Officer appointment (Including executive)</td> <td>42</td> <td>Male</td> <td>42</td> <td>Female</td> <td>0</td> </tr> <tr> <td>Managerial position</td> <td>241</td> <td>Male</td> <td>213</td> <td>Female</td> <td>28</td> </tr> <tr> <td>Average overtime</td> <td>15.0hours/month</td> <td colspan="4"></td> </tr> <tr> <td>Rate of annual paid leave</td> <td>67.1%</td> <td colspan="4"></td> </tr> <tr> <td>Ratio of non-fulltime</td> <td>6.9%</td> <td colspan="4">As of March 31, 2019</td> </tr> <tr> <td>Training hours per</td> <td>12.9hours/year</td> <td colspan="4">The number of employees excluding officers and contract employees (including loaned employees)</td> </tr> <tr> <td colspan="6">The rate of full-time employees leaving their jobs</td> </tr> <tr> <td>FY3/2017</td> <td>2.90%</td> <td>FY3/2018</td> <td>3.50%</td> <td>FY3/2019</td> <td>3.59%</td> </tr> <tr> <td colspan="6">Excluding monthly salary-based contract employees</td> </tr> </tbody> </table>					FY3/2019 (Non-consolidated)						Number of employees	1,317	Male	781	Female	536	Average age	37.0years old	Male	38.6 years old	Female	34.7 years old	Average service years	12.8 years	Male	14.0 years	Female	11.0 years	Number of temporary staff	97					Employment rate of persons with disability	2.05%					Number of new graduates	50	(April 2018)				Officer appointment (Including executive)	42	Male	42	Female	0	Managerial position	241	Male	213	Female	28	Average overtime	15.0hours/month					Rate of annual paid leave	67.1%					Ratio of non-fulltime	6.9%	As of March 31, 2019				Training hours per	12.9hours/year	The number of employees excluding officers and contract employees (including loaned employees)				The rate of full-time employees leaving their jobs						FY3/2017	2.90%	FY3/2018	3.50%	FY3/2019	3.59%	Excluding monthly salary-based contract employees					
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Human resources	Performance	<p><Human resource development initiatives> To improve staff knowledge and skills, we implement a range of training systems specific to different staff grades, from junior and mid-level staff to the managerial level. To support career development, we operate a career switch system and an internal job posting system through which employees can take on the challenge of working in a new field of operations. Forms of training are provided for employees recruited by our overseas local subsidiaries to promote an understanding of the Group's corporate culture and business operations and to stimulate active intercultural communication.</p>
		<p><Development of expert human resources> We have established a system for hiring employees with excellent skills and expertise that are externally competitive in various fields, thereby developing and enhancing expert human resources in specific fields.</p>
		<p><Training for employees> [Training by class] <ul style="list-style-type: none"> · First year training (target: about 50 employees with one year of service) It begins with induction training to obtain basic knowledge, attitude and mindset required as an MUL employee. In summer, trainees learn lease accounting, taxation, product knowledge and skills such as credit evaluation, spending three weeks on these topics. In winter, they participate in one-week examination training to acquire basic knowledge as a salesperson. · Young-generation career development training (target: about 40 employees with four years of service) With a 360° survey, trainees confirm the expectations of their supervisor and others. They will learn to be motivated and become proactive by having the mindset of staying eager to work. · Leadership training (target: about 15 employees with four to nine years of service) As a mid-level employee, trainees learn how to behave in an organization and demonstrate leadership. The content is practical. Not only do they learn principles, they also analyze the current status and issues of their workplace and produce an action plan to solve them. · Management basic training (target: about 50 employees with 10 to 12 years of service) By systematically summarizing and confirming what management is, attendants consider how a manager should be and review how they have been guiding junior employees. In this way, they learn the principals of management. · Training program for the leaders of the next generation (target: about 5 employees with 10 to 12 years of service) This is to develop the leaders of the next generation. By organically linking OJT and Off-JT, participants use the Plan-Do-Check-Act (PDCA) cycle for the active operations of their department/store and the training of junior employees. This training aims to develop human resources who will serve as executives in the future. </p>
		<p>[Other training programs that are offered to selected applicants] <ul style="list-style-type: none"> · MUL Business School (MBS) (about 20 employees) To obtain a strategic way of thinking, problem-solving skills, etc. that are required for business leaders who can cope with environmental changes, attendants systematically learn about company management such as management strategy, marketing and finance. · Business English foundation program (beginner, intermediate and advanced) (about 40 employees) We classify employees by level (beginner, intermediate and advanced), and offer programs to improve their reading and speaking skills through about 5 months of intensive learning (online video program, online lesson with native speakers, smartphone-ready vocabulary acquisition application), three seminars and periodical web meetings. · Training by Japan Machine Tool Distributors Association (about 10 people) Through two courses, a basic course and SE course, participants obtain knowledge about the sales of equipment such as machine tools. </p>
		<p>(Training for secretarial positions) <ul style="list-style-type: none"> · Cafeteria training (target: about 80 employees with 4 or more years of service) By selecting and taking an external public seminar by themselves, they obtain knowledge related to business and management skills, finance and legal issues, etc. </p>
Reference (our website)	https://www.lf.mufg.jp/english/corporate/csr/humanresource.html	
	<p><Efforts to promote work-life balance> <u>1. Work-life synergy working system (selective flexible time work)</u> Allows user of the system to slide their set work time forward or backward in units of 30 minutes or 1hour (can be used in units of 1 day, 1week, or 1 month) <u>2. Hourly Vacation System</u> From October 2018, we installed a system whereby, within normal allocated paid leave, the employee can use paid leave in single-hour units for up to 5-days worth per year. The system can be used for early arrival or early departure from the normal employment schedule or for mid-work breaks. <u>3. At-home Work System</u> From October 2018, we installed an at-home work system whether for child-care, elderly-care or business reasons, allowing a flexible work schedule from home in line with employee needs. <u>4. Other measures</u> We promote a good work-life balance by setting up a no-overtime day and a day on which employees leave the company by 19:00 once a week, and setting up the company-wide goal of ensuring employees take paid-leave.</p>	
	<p><Violation of the Labor Standards Act> There was no violation of the Labor Standards Act (no administrative disciplinary action).</p>	
	<p><Employment of the disabled> Recognizing that the assurance of working opportunities for people who are socially vulnerable people, to completely provide an environment in which the disabled can work comfortably, in October 2017, we established a group of all newly hired employees with disabilities to handle internal clerical tasks. In FY2018, the Group newly hired four individuals with disabilities, and as of March 31, 2019, our statutory employment ratio of disabled individuals was 2.05%.</p>	

Diversity	Management	<p><Internal structure> We have established the Diversity Promotion Office, set forth action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children as well as a policy to promote work opportunities for women, and are building organizations that leverage diversity in human resources.</p>									
	Supporting the education of future generations	<p><Action plan> To make it possible for all employees to fully demonstrate their ability by creating a work environment where they can balance work and raising children and each of them can work comfortably, we have formulated an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children.</p>									
		Reference (our website)	https://www.lf.mufg.jp/english/corporate/csr/actionplan.html								
		<p><External evaluation> In December 2017 the Company was awarded the “Platina Kurumin” mark, a certification by the Minister of Health, Labour and Welfare for a Childcare Support Company, as it met the requirements for special certification under the Act on Advancement of Measures to Support Raising Next-Generation Children.</p>									
	Promoting active participation of women	<p><Policy on initiatives> We believe that promoting diverse human resources’ active participation, while leveraging their individual attributes such as nationality, age and gender and various values, is a strategically important theme that will lead to enhanced competitiveness of a corporation. Based on this, we have implemented various measures for promoting the advancement of women centering on two driving forces—the enhancement of support systems for balancing work and home and the creation of a work environment where each employee can demonstrate his or her ability to the fullest extent. By continuously implementing these measures and systematically cultivating and promoting female employees with desire and ability, we aim to increase the proportion of female managers by 5% from the 2015 level to 10 % or above in 2020.</p>									
		<p><Action plan and initiatives> We have formulated a general employer action plan for a five-year period from April 1, 2016 to March 31, 2021 based on the Act of Promotion of Women’s Participation and Advancement in the Workplace that became effective on April 1, 2016. In addition, we will drive forward with our initiatives and secure human resources by publishing our policy and initiatives on promoting active participation of women in the workplace.</p>									
		Reference (our website)	https://www.lf.mufg.jp/english/corporate/csr/actionplan.html								
		Reference (website of the Ministry of Health Labor and Welfare, Japanese only)	http://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=1013								
		<p><Major support system></p> <ul style="list-style-type: none"> • Pre-maternity leave • Maternity leave before or after childbirth • Childcare leave • Shorten working hours • Restriction on overtime work • Birth leave • Time for child rearing • Childcare expenses support system • Late-arrival / early-leave system • Sick / injured childcare leave • Information provision tool (iPad) • System for career advising service for those returning to work after leave • System for choosing work locations 									
		Reference (our website)	https://www.lf.mufg.jp/english/corporate/csr/actionplan.html								
<p>Usage of major systems (FY3/2019)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Pre-maternity leave</td> <td style="width: 15%;">39 persons</td> <td style="width: 15%;">Childcare leave</td> <td style="width: 15%;">128 persons</td> <td style="width: 15%;">Shorten working hours</td> <td style="width: 15%;">123 persons</td> </tr> </table>						Pre-maternity leave	39 persons	Childcare leave	128 persons	Shorten working hours	123 persons
Pre-maternity leave	39 persons	Childcare leave	128 persons	Shorten working hours	123 persons						
Nursing care	We have put in place systems to support nursing care.										
	Nursing care leave	leave for a period up to 1 year in total, which can be divided into up to 3 separate occasions									
	Nursing care allowance	Up to 5 days per year									
	Shorten working hours	Separately from family care leave, this can be applied for a period up to 3 years in total, which can be divided into separate occasions									
	System for choosing work locations	Work location can be changed or chosen according to family care circumstances									
Community contribution activities	Volunteer leave	When participating in social welfare, environmental protection and other activities approved by the Company, an employee is entitled to take volunteer leave of up to 5 days.									
	Supporting the education of future generations	<p><Provision of company housing to students from abroad> We are participating in a program for placing exchange students in company dormitories spearheaded by the Association for Promoting Corporate Support for Exchange Students, which was established based on a proposal by the Japan Association of Corporate Executives. Accordingly, we have been offering rooms in the Company dormitories to exchange students since 2015.</p>									
		<p><Work experience program> Since 2008, we have been hosting the Job Shadow work experience program for metropolitan high school students jointly with Junior Achievement Japan.</p>									
	<p><Internship> We have an internship program for undergraduate and graduate students to deepen their understanding of the industry and work. We introduce the lines of business of the Company, as well as Group coordination and our unique strengths through case studies and other activities.</p>										

Community contribution activities	Supporting post-disaster restoration	<Support after the 2011 Great East Japan Earthquake①> <u>Donation of lease-up computers</u> Since the fiscal year ended March 2012, we have been donating lease-up PCs to educational institutions and other recipients in the area affected by the disaster through Japan Leasing Association.		
		Number of PCs donated	253 units	
		<Support after the 2011 Great East Japan Earthquake②> <u>Participation in the TOMODACHI Initiative</u> Since 2012, we have been participating with other Group companies of the Mitsubishi UFJ Financial Group in the TOMODACHI Initiative led by the U.S. government and U.S.-Japan Council (Japan). We promote cultural exchanges between Japanese students in disaster-hit regions and U.S. students and faculty members through the TOMODACHI MUFG International Exchange Program.		
		<Support after the 2016 Kumamoto Earthquakes①> <u>Donations were made to:</u> Japan Red Cross Society, Japan Platform		
		<Support after the 2016 Kumamoto Earthquakes②> <u>Participation in IPPO IPPO NIPPON Project</u> We participate in the IPPO IPPO NIPPON Project led by the Japan Association of Corporate Executives and have implemented activities such as those for supporting specialized upper secondary schools in Kumamoto whose equipment for practical work was damaged.		
		<Support for the torrential rain in July 2018> Contribution of donations Donations were made to: Japan Red Cross Society		
Initiatives for shareholders and investors	Investor relations	<Information disclosure> We fully understand that timely and appropriate disclosure of company information to shareholders and investors is the essence of a sound security market. To properly conduct prompt, accurate and fair disclosure of company information, we established Rules on Information Disclosure and Policy on Fair Disclosure Rules. Under the IR policy described below, we work to ensure fair and timely information disclosure and two-way communication, and proactively take IR initiatives to gain the trust of shareholders and investors and assist them in accurately evaluating the Company. 1. Objectives and basic approaches to IR activities 2. Disclosure standards 3. Disclosure methods 4. Forward-looking statements 5. Material confidential information 6. Quiet periods		
		Reference (our website)	https://www.lf.mufg.jp/english/investors/policy/index.html	
		<Return to shareholders> We increase our corporate value through sustainable growth and provide returns to our shareholders and investors by paying them dividends continuously and stably. For the fiscal year ended March 2019, dividends were 23.5 yen per share, up 5.5 yen from the previous fiscal year, marking the 19th consecutive fiscal year of dividend increase.		
		<Communication> We participate in various conferences and hold financial results briefings and other events.		
		For analysts and institutional investors	We hold year-end and intermediate financial results briefings at which members of top management give presentations outlining financial results and management strategies, progress of management plans, and other data.	
			To ensure active communication with investors and analysts, we hold individual meetings as well as small meetings for institutional investors and analysts. We take part in conferences organized by securities companies. We also hold an active program of individual meetings.	
		For overseas institutional investors	At least once every year, we visit major investors in the U.S. and countries in Europe and Asia, where we hold individual meetings and participate in a range of IR conferences.	
		For individual investors	We exhibit at the Nagoya Stock Exchange Expo, the Chubu region's largest IR event, which is organized by the Nagoya Stock Exchange.	
		Reference (our website, Japanese only)	http://www.lf.mufg.jp/corporate/csr/ircommunication.html	
		Others		
Evaluation from external institutions	SRI evaluation	FTSE Russell	The Company has been included in the FTSE4Good Index Series, a world-leading socially responsible investment (SRI) index, every year since 2006. In addition, the Company has been selected for an index component of the FTSE Blossom Japan Index, an index developed by the global index provider FTSE Russell, which reflects the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices.	
		MSCI	The Company has been selected as an SRI index component of the MSCI Japan ESG Select Leaders Index and the MSCI Japan Empowering Women Index, which were developed by Morgan Stanley Capital International (MSCI) for companies with particularly strong ESG initiatives. Moreover, an internationally recognized index, MSCI ESG Leaders Index Series, has been consecutively including us in the components since 2007, the year of the calculation. * Former MSCI Global Sustainability Index Series"	
	Other evaluations	Development Bank of Japan	The Company has been granted the "DBJ BCM Rating" with the highest rating for consecutive years since 2013. This rating is the evaluation program organized by the Development Bank of Japan (DBJ) that selects companies with first class initiatives to tackle disaster risk reduction and business continuity management.	
		Reference (our website, Japanese only)	http://www.lf.mufg.jp/corporate/csr/valuation.html	

* Please note that links to individual pages may become invalid without notice due to modifications to the site structure or other reasons.

Mitsubishi UFJ Lease & Finance Company Limited Back Number

				Unit	FY3/2017	FY3/2018	FY3/2019
		Directors, the Board of Directors	Number of directors	Male	persons	15	11
Female	0			0		0	
Number of outside directors			persons	5	5	4	
Of outside directors, the number of those designated as independent directors			persons	1	1	2	
Number of Board of Directors meetings			times	11	11	10	
Corporate governance	Audit & Supervisory Board member, the Audit & Supervisory Board	Number of Audit & Supervisory Board members		persons	7	7	6
		Number of outside Audit & Supervisory Board members		persons	4	4	3
		Of outside Audit & Supervisory Board members, the number of those designated as independent audit & supervisory board members		persons	1	1	1
		Number of Audit & Supervisory Board meetings		times	10	10	10
Compliance	Number of reports and consultations	Harassment		cases	7	2	12
		Management		cases	2	3	4
		Communication		cases	2	2	0
		Compliance		cases	2	0	5
		Others		cases	0	0	0

		Unit								
		Unit	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019	
Environmental data	Total energy input (total electricity consumption)	Per m2 (kW-h)	79.5	80.4	76.1	75.9	77.6	78.9	81.2	
	Photocopy paper consumption	Per person (sheets)	1,133	1,078	1,023	1,018	941	862	775	
	Paper consumption	Per person (sheets)	9,420	9,414	9,308	9,235	8,899	8,211	7,918	
	CO2 emissions from electricity consumption	Per m2 (kg-CO2)	38.22	42.74	40.52	38.96	38.97	38.73	38.43	
	CO2 emissions from gasoline consumption	Per vehicle (kg-CO2)	2,083.55	1,911.26	1,741.17	1,599.19	1,522.96	1,442.48	1,413.90	
	Company vehicle fuel consumption	km/liter	13.2	14.1	15.1	16.3	16.7	16.3	16.3	
	Share of green procurement	%	85.9	87.5	87.3	88.0	87.2	76.5	75.2	
	CO2 emissions from company vehicles (scope 1: direct GHG emissions)	tCO2	354.58	333.33	281.77	245.86	232.78	213.60	191.9	
	CO2 emissions from electricity consumption (scope 2: indirect GHG emissions)	tCO2	1,082.27	1,192.58	1,085.99	1,018.06	1,018.35	1,054.30	1,058.50	
	Environmental data	Total volume								
Total energy input (total electricity consumption)		Per person (sheets)	2,252,228	2,244,429	2,039,473	1,984,461	2,027,430	2,148,919	2,235,953	
Photocopy paper consumption		Per person (sheets)	2,100,443	1,963,346	1,846,232	1,831,412	1,683,696	1,606,613	1,488,036	
Paper consumption		Per m2 (kg-CO2)	17,455,704	17,140,147	16,785,940	16,601,835	15,916,401	15,314,815	15,188,098	
Introduction of low-pollution vehicles	Overall		Unit	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019
	(Breakdown)	Low-emission vehicle	Vehicles	160	167	157	158	153	150	132
		Hybrid vehicle	Vehicles	95	86	60	42	37	35	31
		Electric vehicle	Vehicles	62	78	94	113	114	113	101
Environmental conservation costs	Category		Unit	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019
	Costs within business area		Millions of yen	78	84	79	88	78	76	69
	Upstream and downstream costs		Millions of yen	225	219	339	375	382	381	399
Economic benefit from environmental conservation	Management activity costs		Millions of yen	7	5	9	14	12	13	15
	Revenues from sales of used components (MUL Eco-Business Co., Ltd.)		Millions of yen	34	42	61	56	32	52	60

			Unit	FY3/2016	FY3/2017	FY3/2018	FY3/2019
			Number of employees	Male	persons	780	772
	Female	509	520	526		536	
Average age	Male	persons	38.3	38.5	38.4	38.6	
	Female		33.4	33.8	34.2	34.7	
Average service years	Male	persons	13.7	14.1	14.2	14.0	
	Female		9.4	9.9	10.1	11.0	
Number of temporary staff		persons	105	97	110	97	
Employment rate of persons with disability		%	2.00	1.93	2.16	2.05	
Number of new graduates		persons	58	58	54	50	
Officer appointment	Male	persons	44	44	43	42	
	Female		0	0	0	0	
Managerial position	Male	persons	302	223	219	213	
	Female		10	14	19	28	
Average overtime work		hours/month	14.2	23.6	22.7	15.04	
Rate of annual paid leave		%	57.5	63	66.2	37.1	
Ratio of non-fulltime		%	—	—	7.5	6.9	
Training hours per employee		hours/year	—	—	14.8	12.9	
The rate of full-time employees leaving their jobs		%	—	—	3.50	3.59	
Diversity	Usage of major systems	Pre-maternity leave	persons	44	45	55	39
		Childcare leave	persons	90	121	126	128
		Shorten working hours	persons	81	89	110	123