

Initiatives toward Human Resources That Support Business Evolution



Creating new value for society beyond financial frameworks
Striving to evolve into a professional organization

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Vision for Human Resources Strategy in the New Medium-Term Management Plan

As a vital management resource, I believe that human resources strategy is of vital importance in moving beyond the confines of a traditional finance business and further evolving a wide variety of business models centered on priority industry sectors—goals of “Breakthrough for the Next Decade,” the new medium-term management plan.

The vision for this plan, aimed at further expanding the Group’s business domains, includes more systematic efforts to secure and cultivate a balance of expert human resources and the management-level human resources necessary to move businesses forward. At the same time, we will take steps to encourage a corporate culture where employees with diverse knowledge, experiences, and traits can come together and best display their vitality and enthusiasm. We are also working to spread workstyles that realize high levels of efficiency and productivity to each and every employee.

While promoting workstyle reform and evolving into a professional organization represent parts of our reinforcement strategy for business infrastructure, I believe that success hinges on pursuing the following four human resource policy themes.

Four Human Resource Policy Themes: Expertise, Diversity, Productivity, and Enthusiasm and Vitality

The four human resource policy themes include expertise, diversity, productivity, and enthusiasm and vitality. In pursuit of expertise, it is necessary to actively conduct external hires of human resources with appropriate levels of expertise and create systems for systematically cultivating more entry-level human resources with expertise in order to build a competitive human resource portfolio. Needless to say, cultivating management-level human resources with a wide range of knowledge and experience will continue to be important. For this reason, employees must decide for themselves which career path is best for them while considering their areas of aptitude, and create development plans so they can grow in their respective fields. What we need to do is to examine systems to make evaluations based on position and expertise.

Regarding diversity, in order for diverse human resources with a variety of backgrounds and career paths to actively

participate, we need to craft a corporate culture where employees can make use of their varied mind-sets and experiences without being restricted by conventional ways of working or by homogeneous values. This will of course require us to create systems and a new workplace environment. Moving forward, we will keep striving to create a workplace where all human resources, including women, older employees, and those on a variety of career paths, can best display their abilities.

To increase productivity, we are taking steps to address work-life balance by doing away with long working hours and are implementing workstyle reform by raising awareness of methods to increase productivity. By starting up project teams and listening to the honest feedback of employees while boldly revising and streamlining workflows and instilling an awareness of the need for participation in all employees, we hope to achieve highly efficient and productive workplaces throughout the entire Company.

Finally, as part of efforts to enhance enthusiasm and vitality levels, we are working to increase openness and cultivate an atmosphere that encourages employees to challenge themselves. We are taking on the further enrichment of 360-degree surveys and management training for the purpose of leaving behind old management styles and leadership strategies.

In this way, we will develop policies that protect as well as challenge. The preceding four policy themes are all intimately connected in such a way that not one of them is dispensable in pursuit of the promotion of workstyle reforms and evolution into a professional organization—elements of the reinforcement strategies for business infrastructure.

Offering an Environment Where All Employees Can Work with Pride and Enthusiasm

As the person responsible for human resource management, I believe it is necessary to offer an environment where each and every employee can work with confidence and pride in order to continue creating new business opportunities through the convergence of finance and business. By making ourselves into a more professional organization that creates new value for society beyond financial frameworks, I believe we can increase our corporate value.



Expertise

Cultivation of expert human resources

Initiatives

Establishment of a medium-to-long-term plan to hire expert human resources

Establishment of a system for evaluations

Hiring and Cultivating Expert Human Resources

In order to evolve into a professional organization, one of the reinforcement strategies for business infrastructure contained in the new medium-term management plan, Mitsubishi UFJ Lease & Finance is creating businesses in priority industry sectors both in Japan and overseas and building a human resource portfolio to increase competitiveness. Furthermore, we are taking a medium-to-long-term view in actively hiring expert human resources from outside the Company and enhancing the overall expertise of our human resources. As part of our human resource policies to augment the knowledge of our employees and increase their desire to expand their expertise, we introduced the Specialized Certification System in 2014. This certification system seeks to provide human resources with superior skills and specialties and compensation that is suited to the level of their expertise, and classifies employees into three categories based on their work achievements and expertise: executive expert (equivalent to a general manager), senior expert (equivalent to a chief manager), and chief expert (equivalent to a manager).

Training and Career Development Support Systems

To improve staff knowledge and skills, we implement a range of training specific to different staff grades, from junior and mid-level staff to management-level staff. To support career development, we operate a system for changing careers and career paths and an internal job posting system through which employees can take on the challenge of working in their desired field.

New hires:

Introductory training, mentoring by senior staff members, etc.

Junior to mid-level staff:

Business school for gaining expert knowledge in finance and leadership training, dispatch for training overseas, language school, etc.

Management-level staff:

Diversity sessions and other management training, etc.

Local employees (hired at our overseas locations):

Practical training, training at Ritsumeikan Asia Pacific University, etc.



Training for local employees



Diversity

Diversity promotion

Initiatives

Create a work climate that enables diverse human resources with varied backgrounds and careers to actively contribute

Diversity Initiatives

We work to cultivate diverse human resources and do not discriminate on the basis of differences in personal traits, stages of life, experiences, and values. Creating an organization where employees can perform to the best of their abilities is not only part of our management strategy, it is based on the idea that increasing diversity goes hand in hand with strengthening corporate competitiveness. To that end, the Diversity Promotion Office is moving forward with the creation of an organization that fully leverages the diversity of our human resources.

Promoting the Active Participation of Women in the Workplace

Women represent over 30% of our workforce. As such, promoting their active participation is indispensable to growth. In order to construct an environment that encourages both the growth and participation of women as active employees, we are implementing a variety of policies aimed at expanding support systems for women taking on both work and childcare and for creating a workplace where women can display more of their expertise.

With regard to career support, in addition to all types of training systems, we systematically cultivate and promote female employees with desire and ability via our career switch system and internal job posting system. Our goal is to increase the proportion of female managers 5% above the 2015 level to 10% or more by 2020.

Career Development and Training

In addition to plans to hold Companywide diversity-themed training of those in management-level positions, we are implementing all sorts of educational initiatives aimed at raising career awareness in, teaching leadership skills to, and creating networks for female employees.



Leadership training for clerical employees

Supporting a Balance between Working and Raising Children

We are implementing a broad range of policies aimed at expanding support systems for women taking on both work and childcare. Specifically, we are pursuing support measures to ensure a smooth transition back to work for employees on childcare leave. These measures include the distribution of tablets (iPads) with access to the Company intranet and career advising for those returning to work after leave as well as the ability to change and/or choose work locations based on childcare and other family circumstances.

Acquisition of "Kurumin" Mark

The Company was awarded the "Kurumin" mark for companies supporting the development of the next generation of children by the Tokyo Labor Bureau in 2011 after meeting all of the requirements for certification under this program. We continue to move forward with efforts to create an environment that helps employees with children balance their work and home lives.



Support for Staff with Nursing Care Responsibilities

We have put in place systems to support nursing care.

Major Support Systems

Nursing care leave: Total of one year, can be taken in three-part increments

Nursing care allowance: Up to five days

Shortened working hours: Total of three years separate from nursing care leave, can be taken in increments

Change/choose work location program: Can change or choose work location depending on the circumstances of nursing care provided

Employing People with Disabilities and Retired Staff

Among other areas, we focus on promoting a more diverse human resources profile through the employment of people with disabilities and the reemployment of retired staff.

Information on diversity is available on the Company's corporate website.

<http://www.lf.mufg.jp/corporate/csr/actionplan.html> (Japanese only)



Productivity

Promoting work-life balance

Initiatives

Promoting workstyle reform by raising productivity and awareness



Initiatives to Raise Productivity

To promote work-life balance, we are conducting such initiatives as encouraging employees to leave on time, implementing a summer working hour system, and providing anniversary holidays to improve efficiency at work and limit working hours. Moreover, in fiscal 2016 we created a workstyle reform project team that began to enact policies aimed at raising awareness of workstyles and initiatives to further improve efficiency at work as part of our efforts to review existing work practices and styles. We hope to use these methods to raise both efficiency and productivity in the workplace.



Enthusiasm and vitality

Cultivating an open work environment

Initiatives

Cultivating a corporate environment that maximizes enthusiasm and vitality



Training and Surveys to Raise Vitality in the Workplace

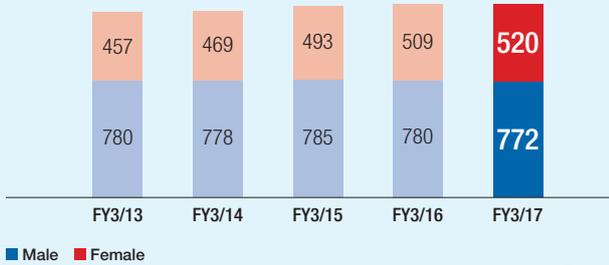
In order to increase the enthusiasm and vitality of each and every employee, we are trying to create an open work environment that encourages employees to express their opinions. Specifically, we are evaluating issues raised in morale surveys and implementing awareness-raising training for members of management—the people who set the tone when creating a work environment—for the purpose of improving the climate in the workplace and teaching methods for leading subordinates and communication techniques designed to inspire independence in employees. From fiscal 2016, we have been working to further enhance initiatives to improve work environments, such as by starting a 360-degree survey of general managers as part of our efforts to obtain objective evaluations from colleagues who are not superiors.

Initiatives toward Human Resources That Support Business Evolution

Data on Human Resources

Number of Employees (Non-Consolidated)

(Employees)

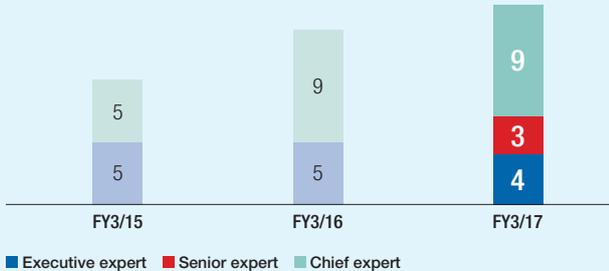


Male Female

Expertise

Number of Experts

(Employees)



Executive expert Senior expert Chief expert

Diversity

Number of Employees Taking Childcare Leave

(Employees)



Male Female

Productivity

Ratio of Employees Taking Annual Paid Leave

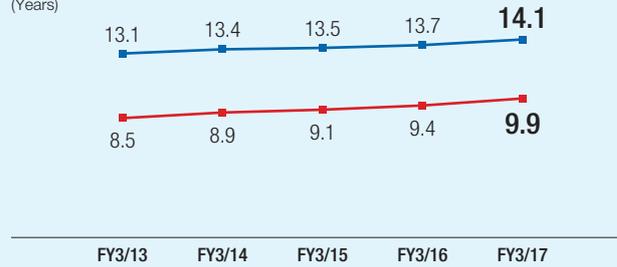
(%)



FY3/13 FY3/14 FY3/15 FY3/16 FY3/17

Average Years of Service

(Years)



Male Female

Diversity

Ratio of Female Managers to Total Managers

(%)



FY3/13 FY3/14 FY3/15 FY3/16 FY3/17

Diversity

Number and Ratio of Employees Returning to Work from Childcare Leave

(Employees)



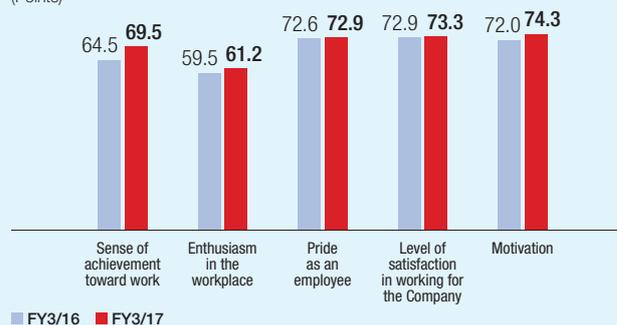
FY3/13 FY3/14 FY3/15 FY3/16 FY3/17

Number of employees returning to work Ratio of employees returning to work

Enthusiasm and vitality

Results of Survey on Employee Morale

(Points)



FY3/16 FY3/17