Asia Business Dialogue on Corporate Governance 2016
“The Brave New world of Investor - Company Dialogue in Japan -“

Shinichiro Hyogo
Chief Analyst
Asset Management Division
Mitsubishi UFJ Trust and Banking Corporation

NOVEMBER 16, 2016
About Mitsubishi UFJ Trust and Banking ("MUTB")

Company Information

- **Ownership**: Mitsubishi UFJ Financial Group (100%)
- **Head Office**: 1-4-5 Marunouchi Chiyoda-ku Tokyo, Japan
- **Offices**: Domestic 62 / Overseas 7 (May 2016)
- **Capital**: JPY 324bn
- **History**:
  - 1927 Mitsubishi Trust (subsequent Mitsubishi Trust and Banking) Established
  - 1959 Toyo Trust and Banking (subsequent UFJ Trust and Banking) Established
  - 2005 MUTB created from the merger of Mitsubishi Trust and Banking and UFJ Trust Bank and Banking
- **Employees**: 6,963 (Mar 2016)
- **URL**: [http://www.tr.mufg.jp/english](http://www.tr.mufg.jp/english)  

MUTB’s Market Presence in Japan

**Corporate Pension**

Total USD 655bn, as of Mar 2016 (book value)

**AUM by Client Type**

(USDbn, as of Dec 2015)
Our Sustainable Growth Fund ~ Investment Strategy

**Bottom up stock picking strategy**
✓ The strategy is “bottom up” based on fundamental research/analysis.

**Longer term investment horizon**
✓ Selectively invest and hold companies with strong conviction for consistent growth over the mid-to-long term.
✓ **Put highly importance on dialogue and engagement with the managements of companies since inception (since March 2011).**
✓ Main agenda for dialogue and engagement are as follows;
  • Medium to long term Business strategy
  • Improvement on capital efficiency
  • Corporate Governance
  • Disclosure Policy

**Concentrated portfolio**
✓ Our portfolio is consisted of 20-30 companies, with relatively lower risk.
The fund has a return of **21.8%** p.a., outperforming **9.3%** p.a. against TOPIX.

Total AUM of the fund (including related product) is roughly **USD1bn**.

**MUTB Sustainable Growth Fund (inception=100, JPY, as of end June 2016)**

Past performance is not a reliable indicator of future results.
View on Corporate Governance in Japan

- Changes after the introduction of two codes
- Current issues on Corporate Governance
- Current issues on dialogue/engagement with companies
The information contained in this document is for information purposes only and does not constitute an offer or a solicitation of an offer to buy or sell a security.

Past performance (including back test) is not necessarily a guide to future performance. Principal and income of the Investments are subject to risk and there is no guarantee that the investment objectives will be achieved. The value of the investments can fall as well as rise and investors may not get back the full amount originally invested.

Investing in securities including Japanese equities involves risk, and may result in the loss of the whole investment. Risks include:

- Market risk: the risk of price fluctuations of invested securities due to various market risk factors including movements in equity markets, interest rates and exchange rates.
- Credit risk: the risk of price fluctuations of invested securities due to the business and financial state of the issuer.

The information contained in this document has been taken from sources which we deem reliable but we do not represent that such information is accurate or complete in part or in whole. The information contained in this document should not be regarded by recipients as a substitute for the exercise of their own judgment. If you rely on this document, you do so at your own risk.

Any opinions expressed in this document reflect our judgment at this date and are subject to change.

Returns figures in this document are gross of fees. Investors should understand that investment management fees are payable, to be mutually agreed upon in an investment management agreement.

Mitsubishi UFJ Trust and Banking Corporation may take multiple roles such as trustee, investor, loan lender, brokerage and asset manager at the same time, resulting in occurring the possibility of conflict of interest.

Neither MUTB nor any of its affiliates, directors or employees accepts any liability towards any third party who has obtained this document with respect to any loss or damage directly or indirectly arising out of the use of all or any part of this document.

You may not leak any personal data concerning our employees obtained through this document to your employees or any third party, or otherwise abuse such data. You must obtain our permission in writing before disclosing such data to a third party, and require any third party not to copy or duplicate it. When the original purpose for this data has been met, you must either return this data to us or destroy it.

This document may not be reproduced without the prior express consent of MUTB.