



# MUFG Investors Day 2023

July 2023

## Table of contents

Digital Service (DS)	3
Retail & Commercial Banking (R&C)	10
Japanese Corporate & Investment Banking (JCIB)	16
Global Commercial Banking (GCB)	23
Global Corporate & Investment Banking (GCIB)	31
Global Markets	37
Asset Management & Investor Services (AM/IS)	43

# Digital Service Business Group

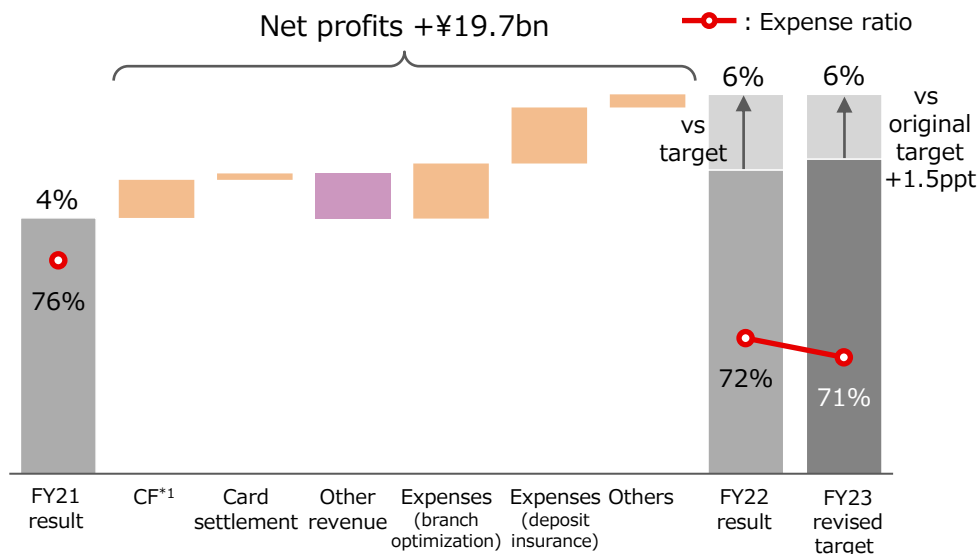
Tadashi Yamamoto, Group Head

# Progress of the medium-term business plan

## FY22 results / FY23 revised target

	FY22 results	YoY	FY23 revised target
Net operating profits (¥bn)	209.7	+27.1	215 (vs original target +10)
Expense ratio	72%	(4ppt)	71%
ROE	6%	+2ppt	6%
RWA (¥tn)	9.5	(0.1)	9.8

## Changes in ROE



## Review of FY22

### Achievements

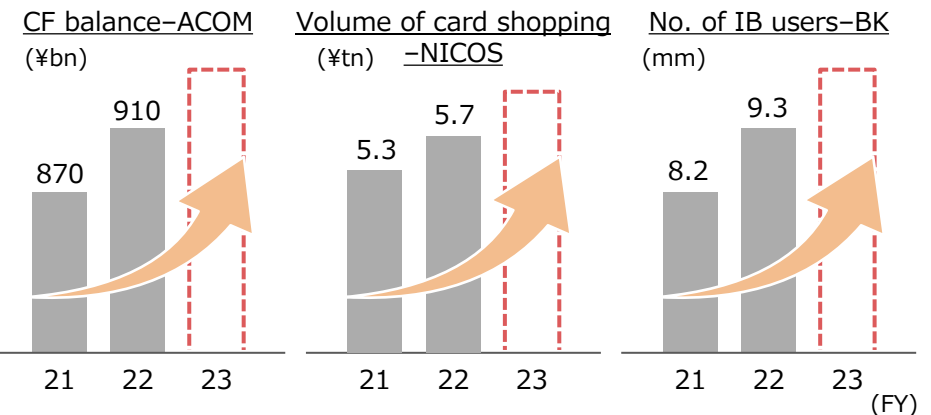
- No. of IB\*2 users reached 9.3mm with the shift to on-line channel
- Volume of card shopping increased despite limitations due to system integration
- No. of new CF customers increased to pre-pandemic level

### Challenges

- Further expansion of customer base and vitalize existing customers
- Enhance collaboration among products and services for customer referral and monetization
- Promotion of data utilization and monetization as a whole DS basis

## FY23 outlook (key figures)

- Business volume is expected to increase with the economic recovery and the expansion of cashless market
- Maintain the level of interest margin under current interest rate trend



\*1 Consumer finance \*2 Mitsubishi UFJ Direct: Internet banking for individual customers

# Vision of mass-market business

## Business environment



Declining and aging population with low birthrate



Diversification of values



Advancement of digitization and real value



Trend of customers shifting to less fee services



Changes in perceptions of trust and confidence



Market participation by platform operators, other industries and emerging businesses

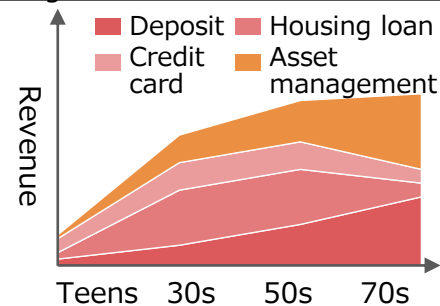
## Strengths and challenges

Strengths	Massive bank account base	Various financial services
	Trust and confidence	High-quality operation
Challenges	Strengthening data marketing	Acquisition of new accounts
	Enhance cooperation among group entities	Competitiveness of credit cards business

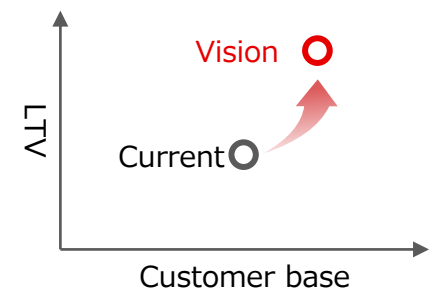
## Direction of mass-market business

- Monetizing from a mid to long term perspective (LTV\*1) is an important concept for the mass-market business
- Maximize revenue from two axis: LTV x customer base

Image of transaction with customer

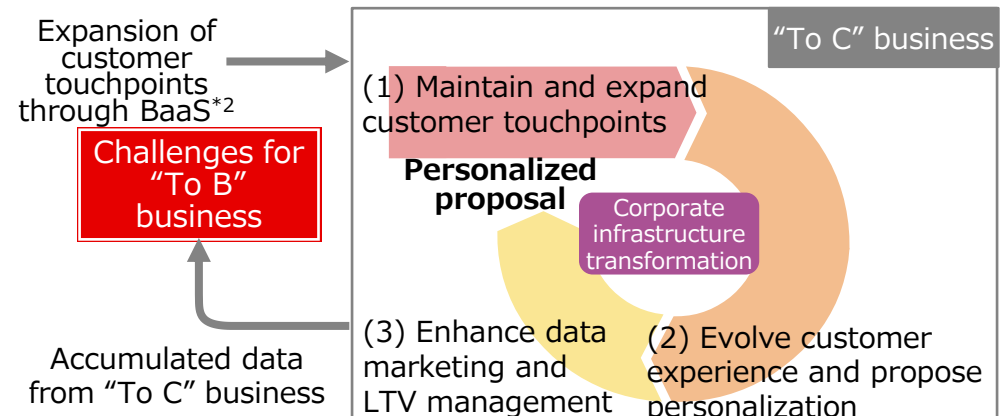


Direction for maximizing revenue



## Key initiatives for mass-market business

- Become a company that customers want to connect for life by expanding customer touchpoints and deepening customer experience
- Maximize "LTV x customer base" through digital data management






# Key strategies (1)

## Maintain and expand customer touchpoints

### Overall strategy

- Redefine the positioning of “real”, “remote” and “digital”
  - Pursue the best mix of face-to-face and online customer services to meet the diverse needs of customer




Branch		<ul style="list-style-type: none"> <li>• Trigger for recognizing MUFG</li> <li>• Have customers carry out procedures on their own using tablets at branches</li> </ul>
Remote		<ul style="list-style-type: none"> <li>• Consistently respond from proposal to deal</li> <li>• Means to consult during spare time in daily life</li> </ul>
Digital (HP, app)		<ul style="list-style-type: none"> <li>• Acquire data for personalized proposals</li> <li>• Seamless linkage with a wide range of MUFG services</li> </ul>

### ■ Expansion of new channels through BaaS










Function-specific	General banking	<ul style="list-style-type: none"> <li>• Provide financial services, such as account opening</li> <li>• Create opportunities to provide services to customers of outside companies</li> </ul>
	Settlement	<ul style="list-style-type: none"> <li>• Provide a safe and secure settlement base</li> <li>• Use settlement-related data for marketing</li> </ul>
	Asset mgmt.	<ul style="list-style-type: none"> <li>• Provide asset management expertise</li> <li>• Revitalize bank account by promoting use through other companies platforms</li> </ul>

### Initiatives

- Initiatives of each channel
  - Flexible channel expansion combined with “real”, “remote”, and “digital”, enabled by optimization of branch network

Branch		<ul style="list-style-type: none"> <li>• Plan to open new type of branch based on changes in foot traffic</li> </ul>
Remote		<ul style="list-style-type: none"> <li>• Expand online consultation. Launched trials at stations and offices*1</li> </ul>
Digital		<ul style="list-style-type: none"> <li>• In addition to apps, consider new customer touchpoints in the metaverse</li> </ul>

### ■ Various initiatives of BaaS

	Customers	External operators	MUFG	Concept
General				<b>Released in Jul 2023</b> <ul style="list-style-type: none"> <li>• Offer SDK*2 for account opening to Recruit's app, “shift management”</li> <li>• Promote account acquisition from young people</li> </ul>
				Part-timer
Function-specific				<b>Released in Dec 2021</b> <ul style="list-style-type: none"> <li>• QR code payment function (COIN+) incorporated into services of Recruit</li> </ul>
				Consumer
Function-specific				<b>To be released in FY23</b> <ul style="list-style-type: none"> <li>• Embed asset management functions (Money Canvas) to external operators</li> </ul>
				Asset building generation

\*1 Booth provided by telecube, Inc. (left side picture) and East Japan Railway Company (right side picture) \*2 Software Development Kit

# Key strategies (2)

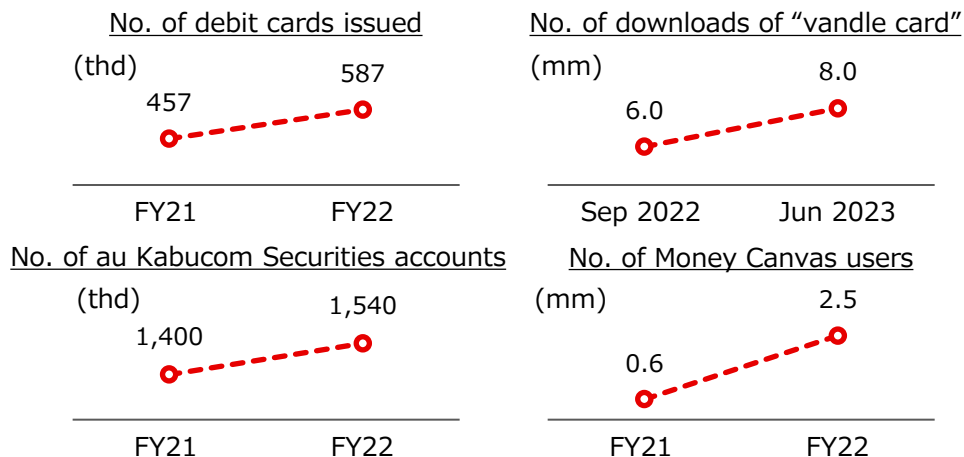
## Evolve customer experience and propose personalization

### Overall strategy

- Enhance collaboration among MUFG's wide range of products and services
- Provide seamless customer experience and personalized proposal
- The broadest product lineup among financial institutions

Online security	Security	Credit card
Consumer finance	BaaS	Hassle-free deferred payment
QR code settlement	Housing loan	Insurance
Debit card	Asset mgt.	Digital asset

### Current performance of each product



### Initiatives

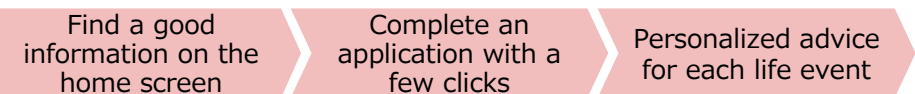
- Expansion of product lineup **Released in Jul 2023**
- Online service for supporting Inheritance procedure. Aim to expand business with inheritors
- Consider creating new app and collaborating with other services

**Guide for inheritance**

- "to-do list" based on customer's situation
- Searching experts such as, lawyers, tax accountants, etc.

### Connecting "needs", "life stages", "family members"

- Customer experience with seamless collaboration
- Combine multiple services and offer customer experience that encourage them to carry out all transactions at MUFG
- Provide recommendation and information based on each customer's usage status



Find a good information on the home screen

Complete an application with a few clicks

Personalized advice for each life event

お父さまの大学入学おめでとうございます。将来の積み立てをご案内いたします。

備えて安心 ウェディング積立

家族にシェア 詳細を見る

# Key strategies (3)

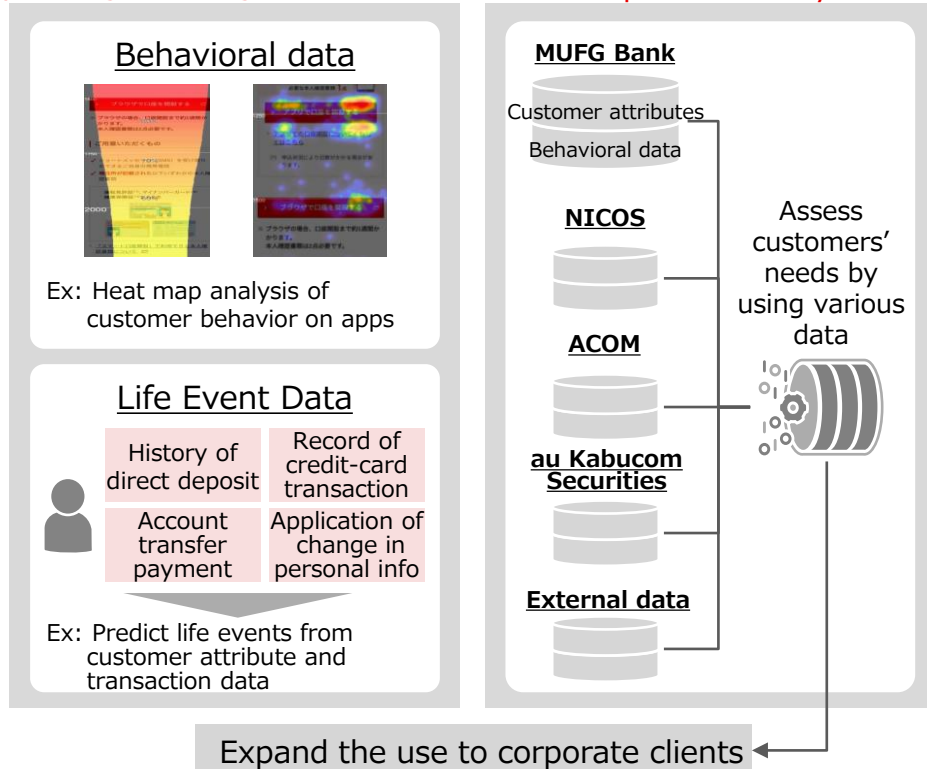
## Enhance data marketing and LTV management

### Overall strategy

- Expanded to group-based analysis and capture changes in transactions and customer attributes
- Consider new business for operators, utilizing accumulated customer base and data
- Direction of data-marketing

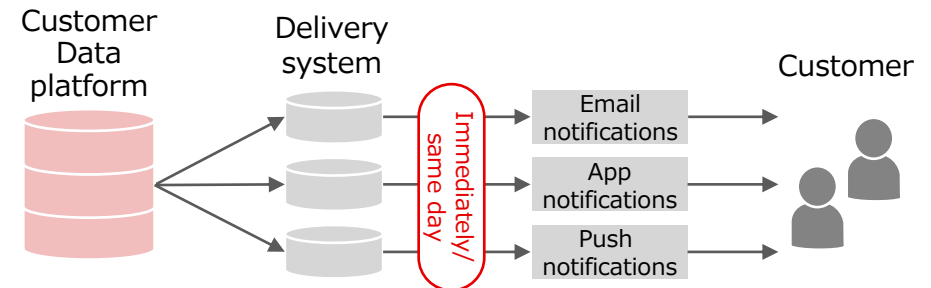
Timely and appropriate personalized proposal with more detailed customer understanding

Expanding the range of utilized data      Group-based analysis

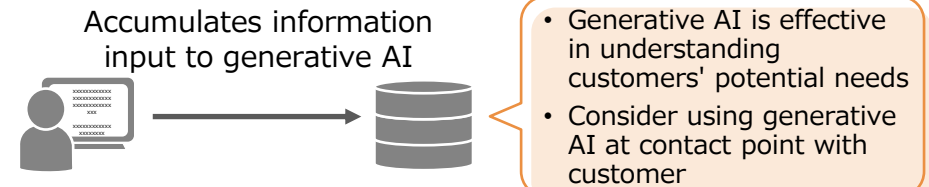


### Initiatives

- Develop a platform for personalized proposals
- Develop CDP\*1 and improve LTV through timely and courteous communication / proposals



- Data acquisition via utilization of generative AI



- Business for operators using data

### Advertising business using financial data

- Develop advertising business through the collaboration with CyberAgent, Inc.

- CyberAgent.**
- Know-how in advertising business
  - Advanced AI technology
- MUFG**
- Overwhelming customer base
  - Expertise in financial data



### Other areas under consideration

Offer know-how in financial data to other operators

Financial data analysis

Marketing support

\*1 Customer Data Platform

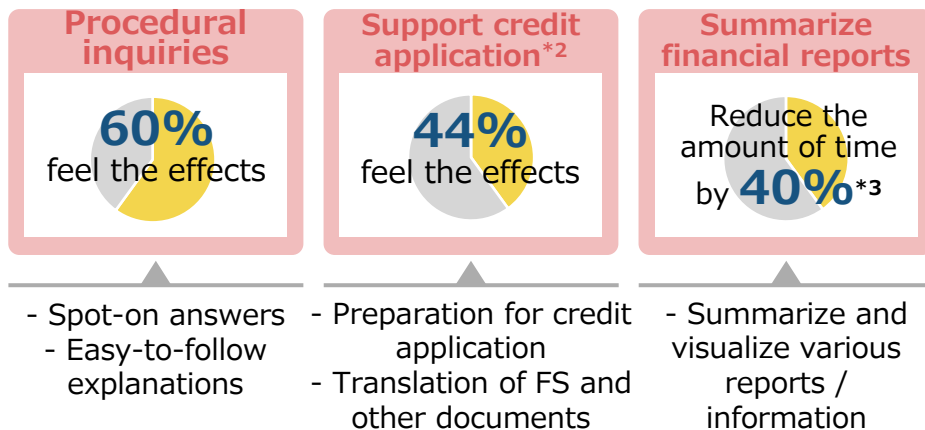


# Corporate infrastructure transformation: Use of new technologies supporting company-wide digital transformation

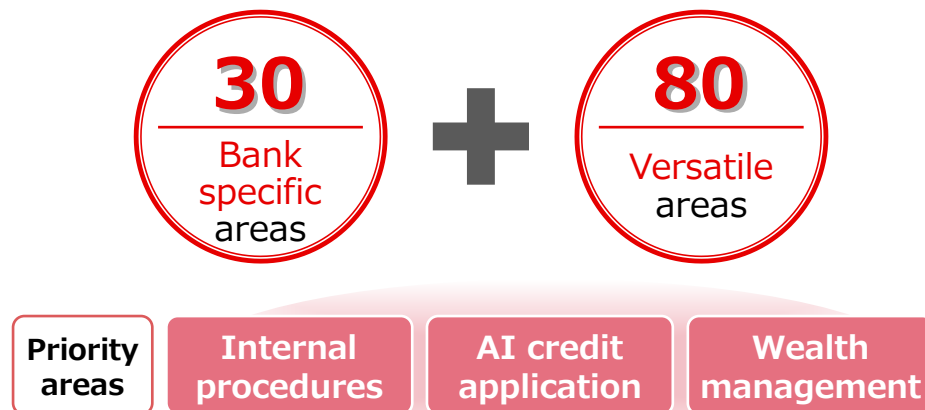
## Use of new technologies (AI / ChatGPT)

- Promote effective and efficient initiatives by establishing group-wide PT
- Precise PoC\*<sup>1</sup> based on more than 110 use cases

### ■ Results of the initial survey



### ■ Results of collected use cases and priority areas



## Use of new technologies (AI / quantum computer)

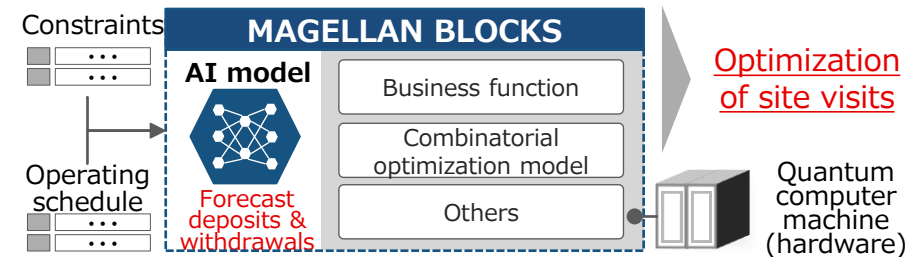
- Invest in Groovenauts, make it an equity-method affiliate of BK
- Aim to accelerate digital transformation and strengthen solution providing capabilities



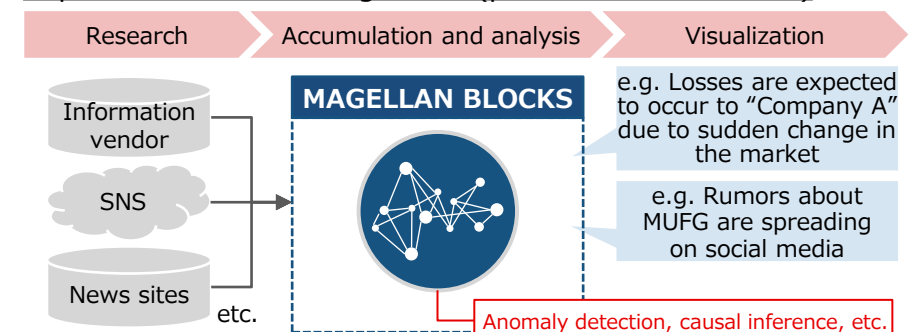
Provide "MAGELLAN BLOCKS" (cloud platform that can use quantum computer and AI) and consulting services

### ■ Expected use cases in the financial sector

#### Predict activity of ATM and optimize site visits



#### Sophisticated risk management (predictive assessment)



\*<sup>1</sup> Proof of Concept \*<sup>2</sup> Review summary of credit application for non-Japanese corporates  
\*<sup>3</sup> For the report summary, the results of the test validation phase

# Retail & Commercial Banking Business Group

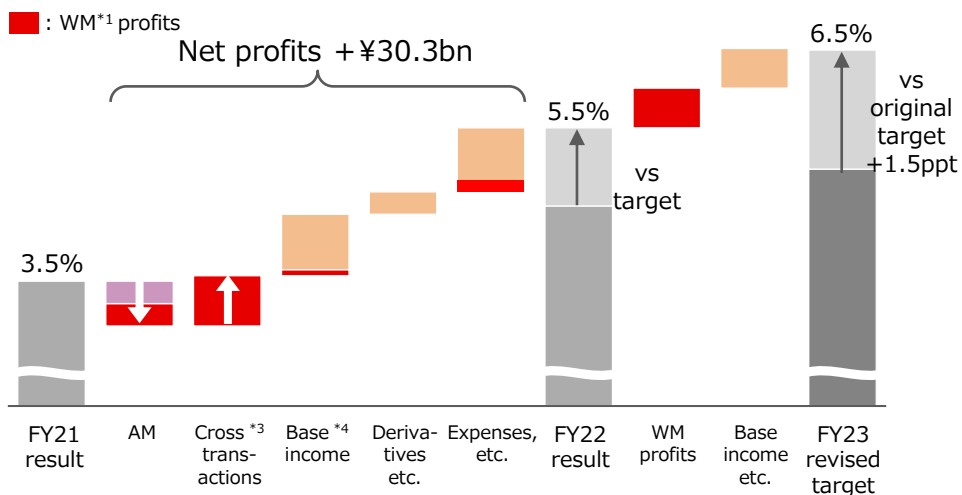
Yutaka Miyashita, Group Head

# Progress of the medium-term business plan

## FY22 results / FY23 revised target

	FY22 results	YoY	FY23 revised target
Net operating profits (¥bn)	<b>146.8</b>	+53.9	<b>180</b> (vs original target +50*2)
WM*1 NOP	<b>79.0</b>	+13.0	<b>97</b> (vs original target +3*2)
Expense ratio	<b>76%</b>	(8ppt)	<b>72%</b>
ROE	<b>5.5%</b>	+1.5ppt	<b>6.5%</b>
RWA (¥tn)	<b>16.6</b>	+0.3	<b>16.9</b>

## Changes in ROE



## Review of FY22

### Achievements

- Strengthened capabilities to offer advisory solutions through WMPF\*5
- Offered financial solutions capturing changes in market (increased profits from FX, derivatives, non-JPY deposits)
- Cost reduction through branch network optimization

### Challenges

- Expand customer base to offer unified solutions of corporates and WM
- Further strengthen base income through improvement of lending spread
- Diversify customer touchpoints and improve productivity using face-to-face and digital means

## FY23 key strategies

### Improvement in profitability

- 1 Unified promotion of corporates and WM
- 2 Enhancement of base income

### Business foundation development

- 3 Expand and diversify customer touchpoints, enhance human capital, explore new business opportunity

\*1 Wealth Management \*2 Calculation is modified in step with change of scope \*3 WM profits from real estate, inheritance, loans and solutions, etc.

\*4 Income from deposits, loans (excluding cross transactions), domestic transactions and FX

\*5 WM digital platform : the platform which gathers clients' profiles for BK, TB and MUMSS to make total asset-based proposals (utilized Morgan Stanley's expertise)

# Review of FY22

## FY22 WM profits

WM

- Cross transactions mainly from loans and real estate transactions and cost reduction outperformed shortfall of AM business coming from market conditions

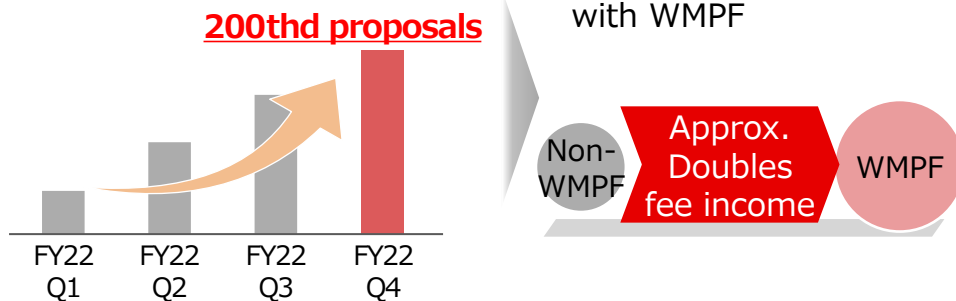


## Use of WMPF

WM

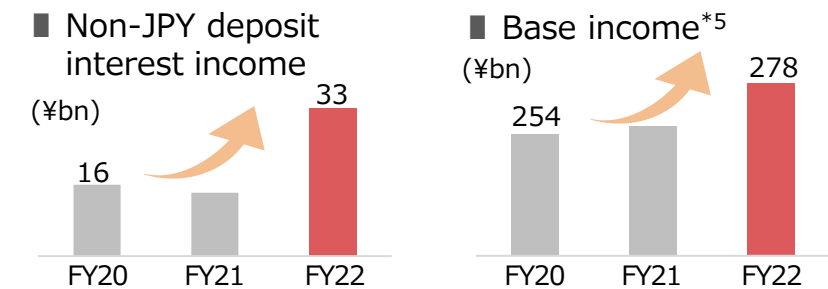
- WMPF deepened the collaboration among BK, TB and MUMSS
- Recommendations to RMs\*<sup>1</sup> and GPS\*<sup>2</sup> provided by WMPF contributed to increase numbers of proposals
- These MUFG solutions contributed to double fee income\*<sup>3</sup>

- No. of proposals with WMPF\*<sup>4</sup>
- Results of proposals with WMPF



## Base income

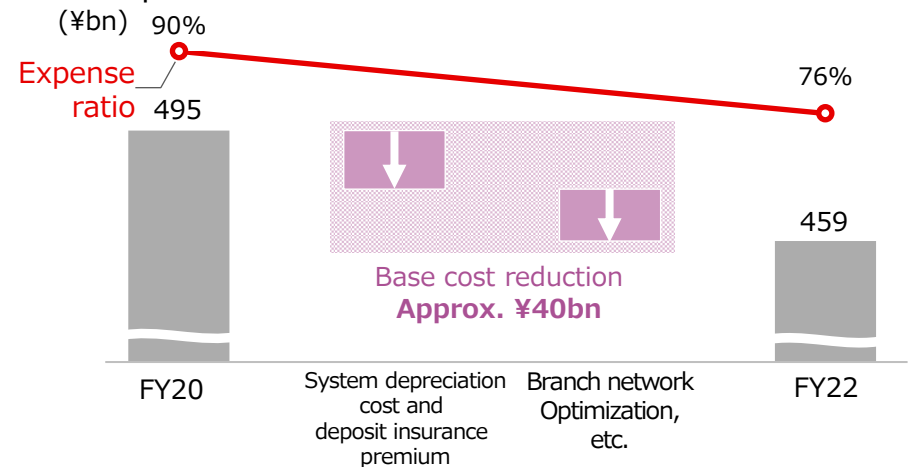
- Non-JPY deposit spread improved due to structural changes in financial environment
- Improvements of loan spread and acquisition of new FX customers contributed to increase base income



## Cost structure reforms

- Made steady progress in cost structure reform through branch network optimization, etc.

### Expense trend



\*1 RM: Relationship Manager, person in charge of sales \*2 System to visualize the simulation towards the goal of clients' life

\*3 Fee income per customer by BK (managerial basis, tallied from April to November 2022)

\*4 Numbers of proposal documents made by BK using Goal Planning System \*5 incomes from deposits, loans, domestic transactions and FX

# Key strategies (1) Unified promotion of corporates and WM

## FY23 WM profits target

WM

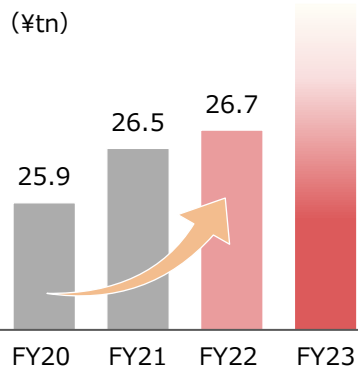
- AM: Improve quality of proposals by strategic resource allocation and new function implementation in WMPF
- Cross transactions: strengthen business succession oriented solutions, and focus on large scale real estate transactions of owners' asset management companies (¥bn)



## Asset management

WM

- Balance of investment assets from retail clients
  - FY23 key strategies
    - Increase the no. of staff of Family Office Division in MUMSS, where large sized transactions can be expected
    - New function in WMPF
      - Visualize the risk of clients' financial assets
        - Potential risk analysis of financial assets
        - Identify risk factors and stress test under volatile market scenario
    - Promote asset management proposals targeting funds sourced from business succession
- "Quality improvement" of portfolio based proposal**

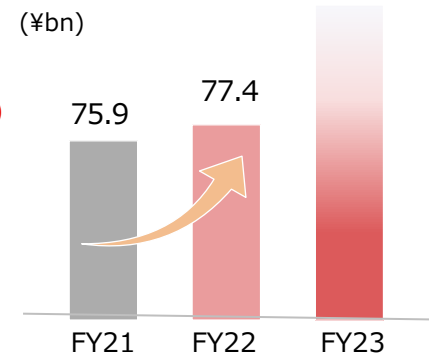


## Cross transactions

WM

### Business succession

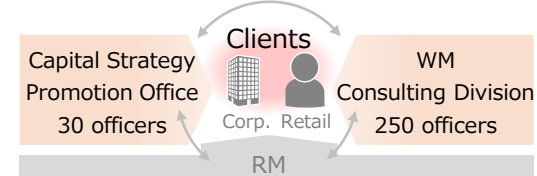
- Deal pipelines based on business succession\*1



- FY23 key strategies

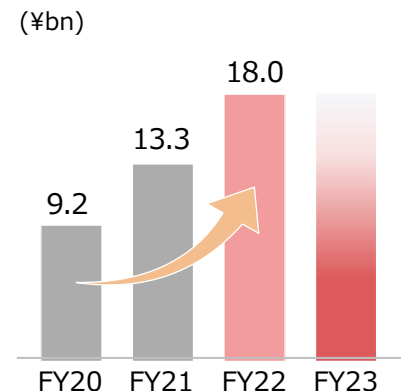
- Strengthen the coverage of clients who have clear succession plans
- Accelerate both retail and corporate perspective approaches by each professional team who has expertise in business and asset succession areas respectively

### Business succession approach framework



### Real estate

- WM profits from real estate



- FY23 key strategies

- Implementation of the system utilizing real estate registration data

REAL ESTATE CHECKER 不動産チェッカー X 不動産レーダー

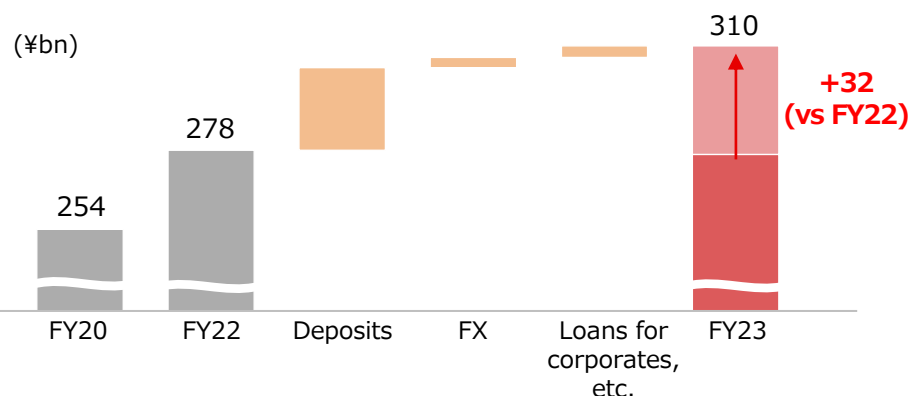
- Swift data acquisition such as certified copies and cadastral maps
- Database of real estate registration
- Discover potential WM clients

- Accelerate asset succession proposal to clients who face inheritance utilizing real estate registration data

\*1 Business succession oriented profits (solutions, M&A, real estate, inheritance, etc.), tallied from FY21

# Key strategies (2) Enhancement of base income

## FY23 base income target

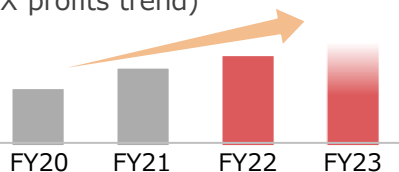


## FX

- In addition to deepen existing FX businesses, accelerate introduction of FX internet banking service (FXEB) to reinforce FX earning base

### FX income trend / FY23 key strategies

(FX profits trend)

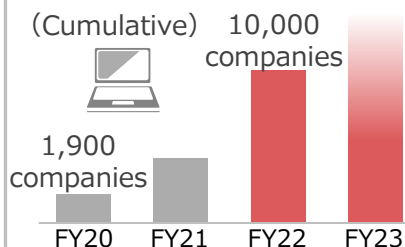


#### 1 Deepen existing FX businesses

- Enhance capability to provide FX solutions by collaborating with sales team through account plans
- Strengthen transaction flow monitoring by using visualization tool such as Tableau\*1

#### 2 FXEB new contracts

- Expand FXEB corporate users as a starting point to increase FX transactions

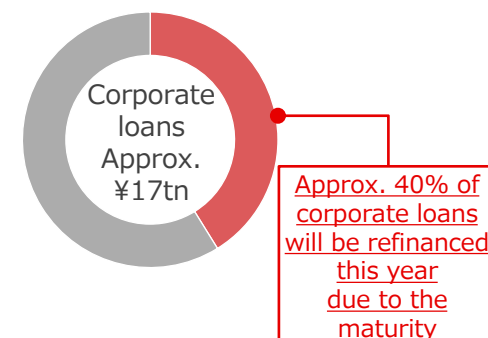
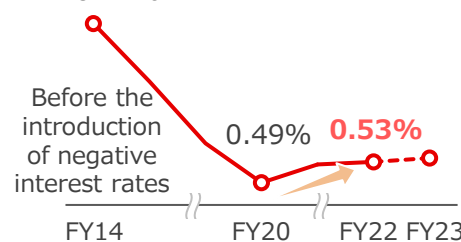


## Loans

- Lending spread turned into an improving trend. Enhance pricing management as well as pile up high value-added deals for further improvement

### Overview of lending spread improvement

(Trend of corporate lending spread) (Loan portfolio)

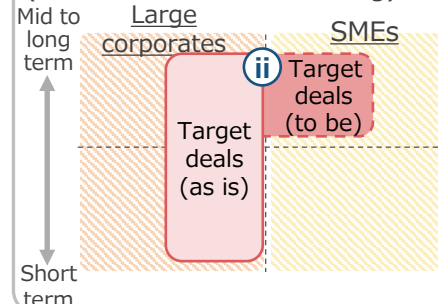


### FY23 key strategies

#### 1 Pricing management enhancement

- Ensure competitive pricing operation
- Expand the target of deal screening to some SMEs

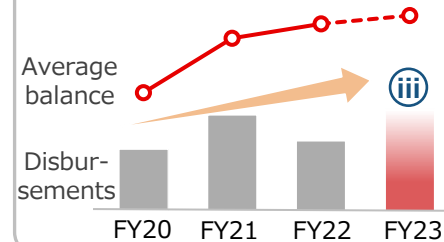
(Overview of deal screening)



#### 2 Initiatives for high-value-added deals

- Strengthen fund coverage ⇒ LBO loan balance increase steadily
- Aggregate knowledge of real estate and dig down deals

(Loan balance of LBO deals)



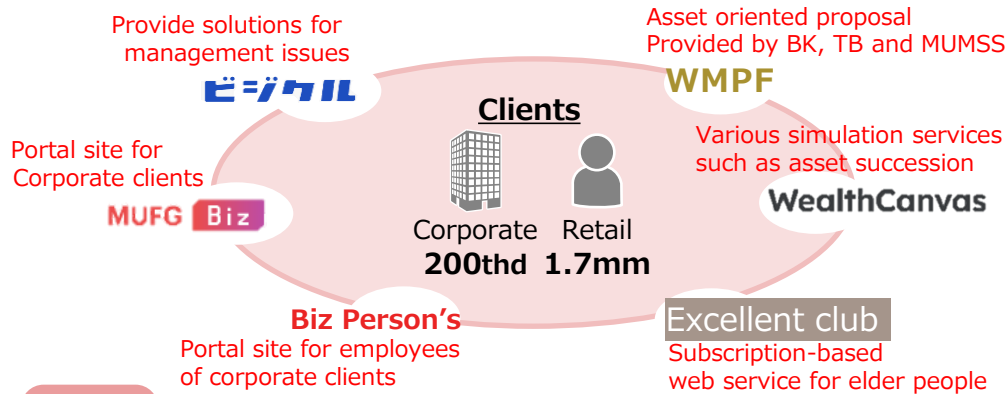
\*1 Tool provided by TABLEAU SOFTWARE, LLC, which enables to analyze and visualize data with simple operations

# Key strategies (3) Business foundation enhancement eyeing next medium-term business plan

## Diversify customer touchpoint / improve productivity

- Utilizing digital technology to diversify customer touchpoint and improve productivity

### Digital utilization

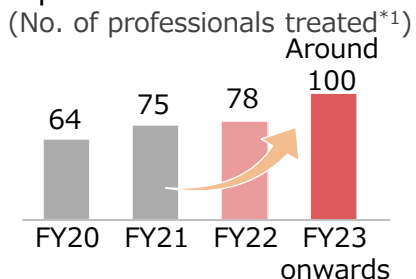


### Internal

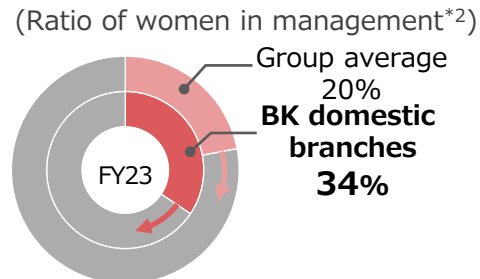
- Redesign sales platform to improve productivity utilizing data
- Research on the use of generative AI and consider using it for internal operations

## Human capital enhancement

### Further improvement of professionalism



### Diversity, Equity and Inclusion



## Exploring new business opportunity

### Support for growing companies (Mars Japan)

- Support unicorns in Japan utilizing AI based financing model for growing companies (Max. ¥20bn fund will be established in FY23 (Expected))



### Corporate turnaround business

- Newly established corporate turnaround finance team handling DIP finance etc. in April 2023. Will establish max. ¥50bn fund for corporate turnaround through an investment subsidiary next Spring

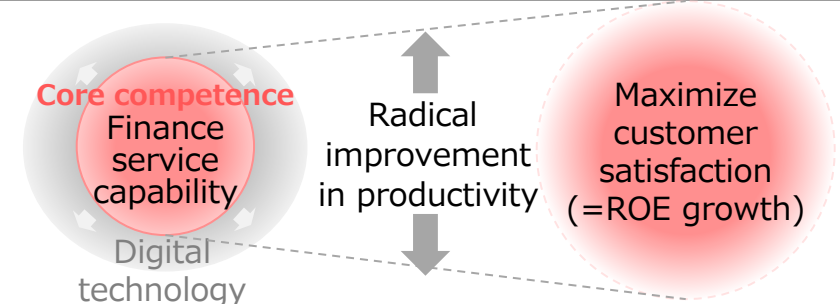
### Industry-academia collaboration (family business / joint research with Kobe University)

- Contribute to resolve social issues by supporting the sustainable development of family business utilizing academic knowledge

### SR / IR consulting

- Enhance support mainly for companies facing challenges in improving PBR

## Basic direction and concept for next medium-term business plan



\*1 Employees internally certified professional and ones hired under the highly skilled employment framework

\*2 Ratio of woman in line manager or higher positions in the Bank, the Trust Bank, and MUMSS in Japan, as of April 2023

Japanese Corporate &  
Investment Banking  
Business Group

Seiichiro Akita, Group Head



## Introduction

Support the transition of society together with our customers and lead the renewal of Japan's industry

Large corporate customers are seriously pursuing measures to achieve business transformation amidst major social transformation trends led by green transformation (GX) and digital transformation (DX).

MUFG's growth is linked to the growth of customers. We would like to accompany our customers as a partner in realizing change by demonstrating MUFG's potential to the maximum.

We will work together with our customers and lead the renewal of Japan's industry.

Fully achieve the plan for FY2023 and prepare for sustainable growth in the next MTBP

In JCIB, we steadily racked up growth in every year of the current MTBP period and achieved the plan, set initially for FY2023, one year ahead of plan in FY2022. We aim for further growth in FY2023 by maintaining and expanding high quality portfolio and strengthening origination.

In FY2023, we also continue with the preparations for ensuring steady growth from the first fiscal year of the next MTBP. We aim to realize sustainable growth in the next MTBP period by driving forward the existing initiatives while making adjustments reflecting the business environment.

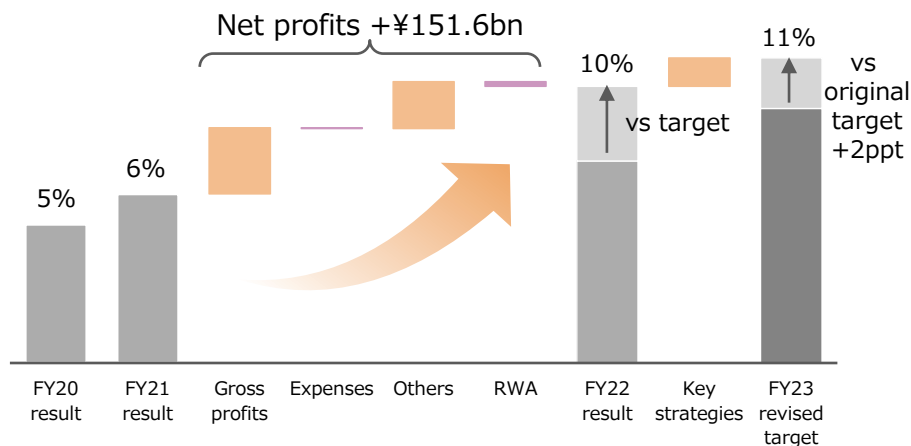
# Progress of the medium-term business plan

## FY22 results / FY23 revised target

	FY22 results	YoY	FY23 revised target
Net operating profits (¥bn)	412.2	+127.5	455 (vs original target +170)
Expense ratio	43%	(9ppt)	40%
ROE	10%	+4ppt	11%
RWA (¥tn)	33.2	+0.6	33.1

## Changes in ROE

Steadily racked up growth every year to achieve the level of the MTBP final year target



## Review of FY22

### Achievements

Reached the initial MTBP target for FY23 one year ahead of schedule

- Progress of profitability improvement by company group
- Achievement of reduction target for equity holdings in sight
- Materialize investment business where we share business risk with customers

### Challenges

Fully achieve the FY23 plan and bridge it to the next MTBP

- Ensure pricing control mindful of changing interest rate environment
- Continuously accumulate highly profitable assets
- Implement new businesses that contribute to resolution of social issues

## FY23 key strategies

### Deepening of ROE management

- 1 Maintaining and expanding high quality portfolio
- 2 Further strengthening of origination

### New challenges for sustainable growth

- 3 Establishment of business model to address social issue

### Strengthen business base

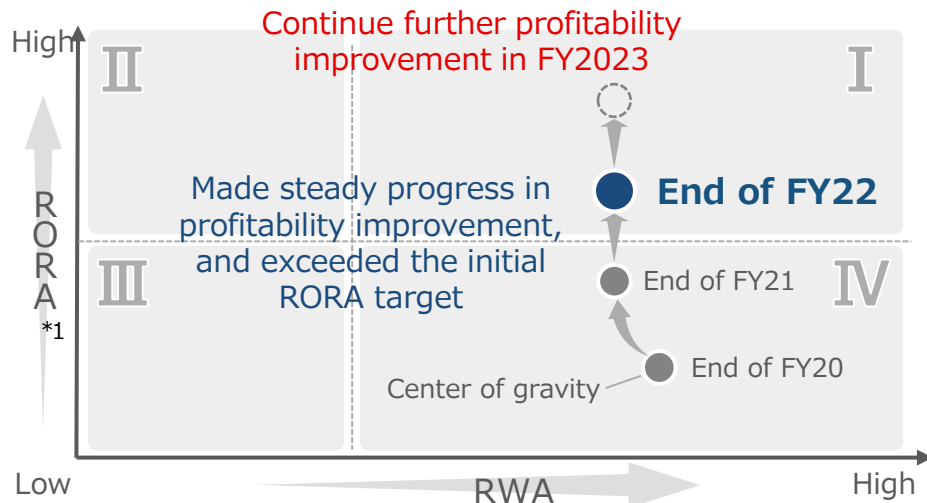
- 4 Facilitate changes in customer expectation regarding the roles we should fulfill

# Key strategies (1)

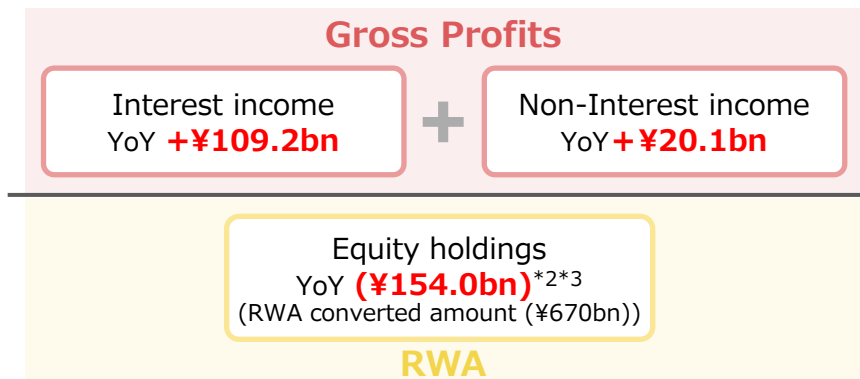
## Maintaining and expanding high quality portfolio

Improve ROE through measures to improve profitability

### Profitability by company group

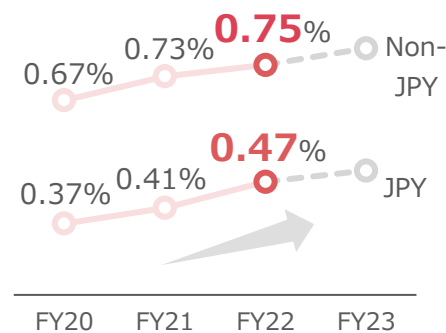


### FY2022 results break down (gross profits and RWA)

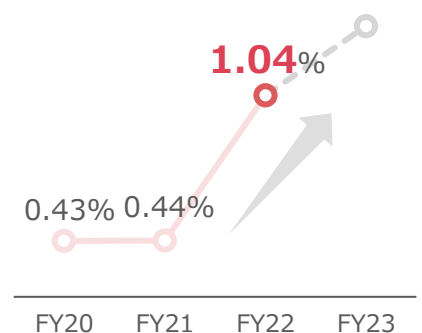


Accelerated improvement of spreads

### Lending spreads\*4\*5



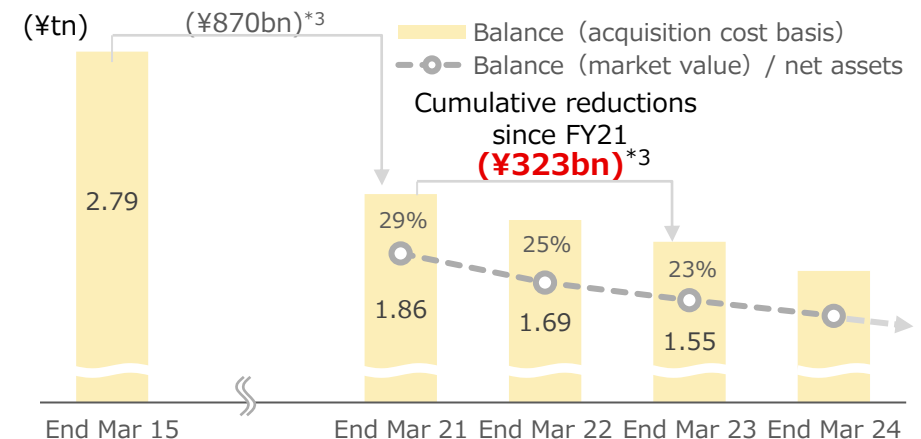
### Deposit spreads (Non-JPY)\*4\*5



Reduction of equity holdings

### Historical performance (acquisition cost basis)\*2\*6

**Target** (¥500bn)\*3



\*1 Return On Risk-Weighted Assets \*2 Sum of the Bank and the Trust Bank including R&C \*3 Total amount of sale

\*4 Results of JCIB business group (the Bank) \*5 Calculated as net interest income / average loan balance

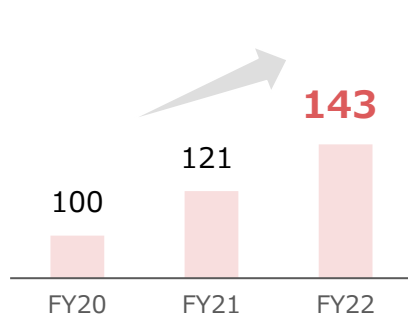
\*6 Acquisition price of domestic equity securities in the category of "available for sale securities" with market value (consolidated)

# Key strategies (2) Further strengthening of origination

## Expanded revenue by risk-taking

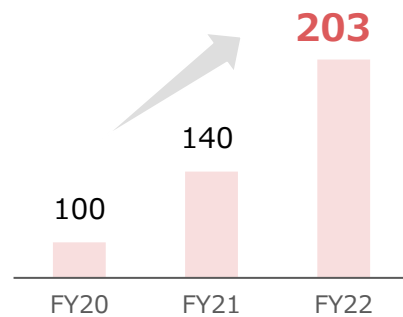
### Capital finance\*1

(FY20 result = 100)



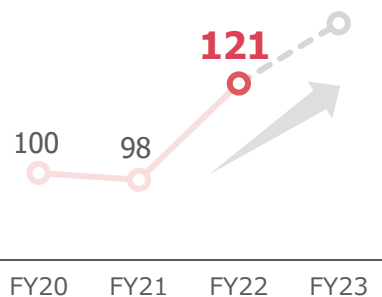
### NRL\*2 balance in the real estate field

(FY20 result = 100)



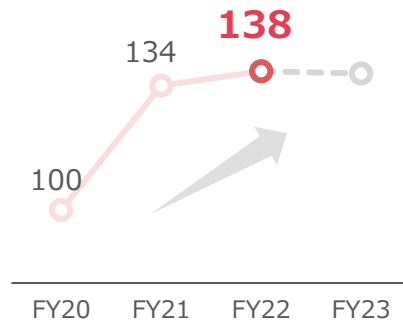
### Solution fee

(FY20 result\*3 = 100)



### Fee income from real estate brokerage

(FY20 result = 100)

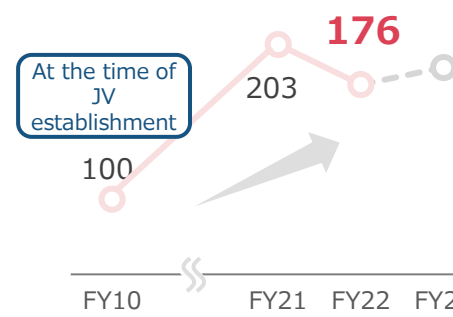


## Accelerate cross-organizational utilization of MUFG solutions

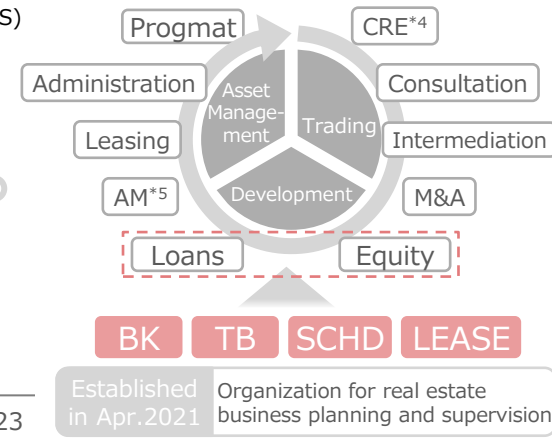
### Primary Business profits

(Collaboration among BK and MUMSS)

(FY10 result = 100)



### Real estate business



## Successful cases of group collaboration



### Reduction of equity holdings through continuous dialogues on capital policy

- Collaborate within the group to have continuous dialogue in response to customer requirements for restructuring shareholder composition
- Promote reduction of equity holdings including those held by the Bank



### Closed a first real estate securitization deal for company A, a major retailer

- With the Bank's equity support as a starting point, offer financing by the group as a whole in response to the real estate securitization needs of customers
- Provide support as a financial advisor and contribute to the expansion of investor base and funding means

\*1 Mezzanine financing involving subordinated loans, preferred stocks and other instruments \*2 Non Recourse Loan  
\*3 Adjusted for changes in operating standards in FY2021 \*4 Corporate Real Estate \*5 Asset Management

# Key strategies (3)

## Establishment of business model to address social issues

### Initiatives to realize carbon neutrality (CN)

Show the pathway for Japan to realize CN and facilitate fund mobilization in the future

#### MUFG Transition Whitepaper

##### Whitepaper1.0 (Oct.2022)

Sources of energy and emissions



Energy security



The starting point varies according to region

Connectivity



Socialpolitical issue



##### Whitepaper2.0 (Planned in Oct.2023)

Next-generation fuel\*1



Transmission & distribution etc.\*4



Identify important technologies, etc. for achieving CN in electricity and heat

CCUS\*2



Nuclear



Renewable energy\*3



Heat pumps



### Progress in decarbonization business



#### Support for developing strategy

TCFD\*5 consulting service with Tokio Marine & Nichido Fire Insurance Co., Ltd  
Proposals : **85 Corps** (Incl. Signed deals: 11 Corps)



#### Transition support through financial services

Sustainable finance total (YoY) Approx. **2 times**\*6  
- Transition bonds to Idemitsu Kosan Co., Ltd. and Mitsubishi Heavy Industries, Ltd., etc. **Lead manager**  
Perpetual subordinated hybrid loans to JERA Co., inc. **Lead arranger**

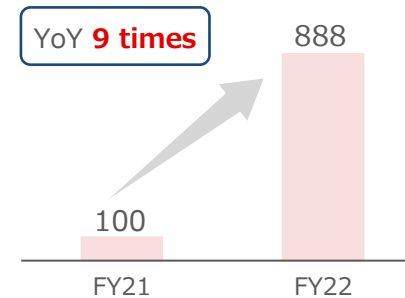


#### Co-work for CN through investments

Investment to PowerX, Inc.  
- To encourage popularization of natural energy and advancement of energy storage and transmission technologies  
Establishment of the largest decarbonization fund\*7 in Japan with Mitsubishi Corp., etc.  
- Growth investment in climate tech-related start-ups

### Initiatives to address customer's social issue utilizing investment

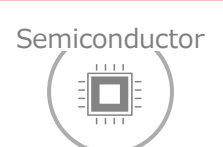
- Investment balance for co-creation business (FY21 result = 100)



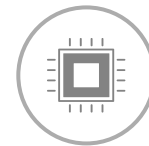
#### Key themes of social issue



Expand and replace as needed



### Successful cases of investment for co-creation business



#### Semiconductor

Investment : Rapidus Corporation  
Partners : 7 Corps from semiconductor related industry  
Localization of next generation semiconductor



#### Space

Investment : SPACE ONE CO., LTD.  
Astroscale Holdings, Inc.  
Partners : 5 Corps from trading and electronics  
Creating new business by utilizing outer space



#### Communication infrastructure

Investment : JTOWER Inc.  
Partners : Communications companies  
Expansion of communications infrastructure sharing

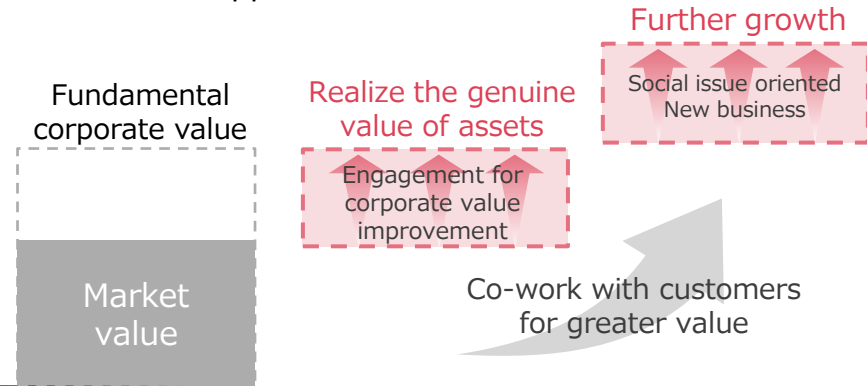
\*1 Hydrogen, Ammonia, e-fuel, SAF etc. \*2 Carbon dioxide Capture Utilization and Storage \*3 Solar, offshore wind \*4 Incl. storage, attraction of demand (semiconductor, data center) \*5 Task Force on Climate-related Financial Disclosures \*6 Preliminary estimate \*7 Marunouchi Climate Tech Growth Fund L.P.

## Key strategies (4)

### Facilitate changes in customer expectation regarding the roles we should fulfill

Help employees change their daily modes of behavior

- Our vision : Approach for the co-creation of value



- Initiative for daily change



#### Chicago × MUFG Rising Talent Program

Participating in a University of Chicago innovation program along with major corporate customers Participating company  
Approx. **40** Corps.



#### CIC Tokyo\*1

Total participants of MUFG seminar  
Approx. **1,000**



#### Teaching expert program

Absorb expertise of external human resources to promote refinement of proposals and changes in behavior

Target person  
Approx. **250**



#### New business development and operational reform initiated by employees

Employees proposing new ideas for business creation and operational reform has become the norm

Total proposals  
Approx. **200**

### Pathway for growth in the next MTBP

#### Our vision

Support the transition of society together with our customers and lead the renewal of Japan's industry

#### Continuous deepening of ROE management

Improvement of lending and deposit spreads

Reduction of equity holdings

Strengthening of origination

#### Establishment of business model to address social issues

Rulemaking· Policy recommendation

Knowledge accumulation and network reinforcement leveraging investment

Demonstration of fund intermediation function for unproven technologies

Facilitate changes in customer expectation regarding the roles we should fulfill and become the customers' partner for realizing transition of society

Help employees change their daily modes of behavior  
= Establish to approach for the co-creation of value

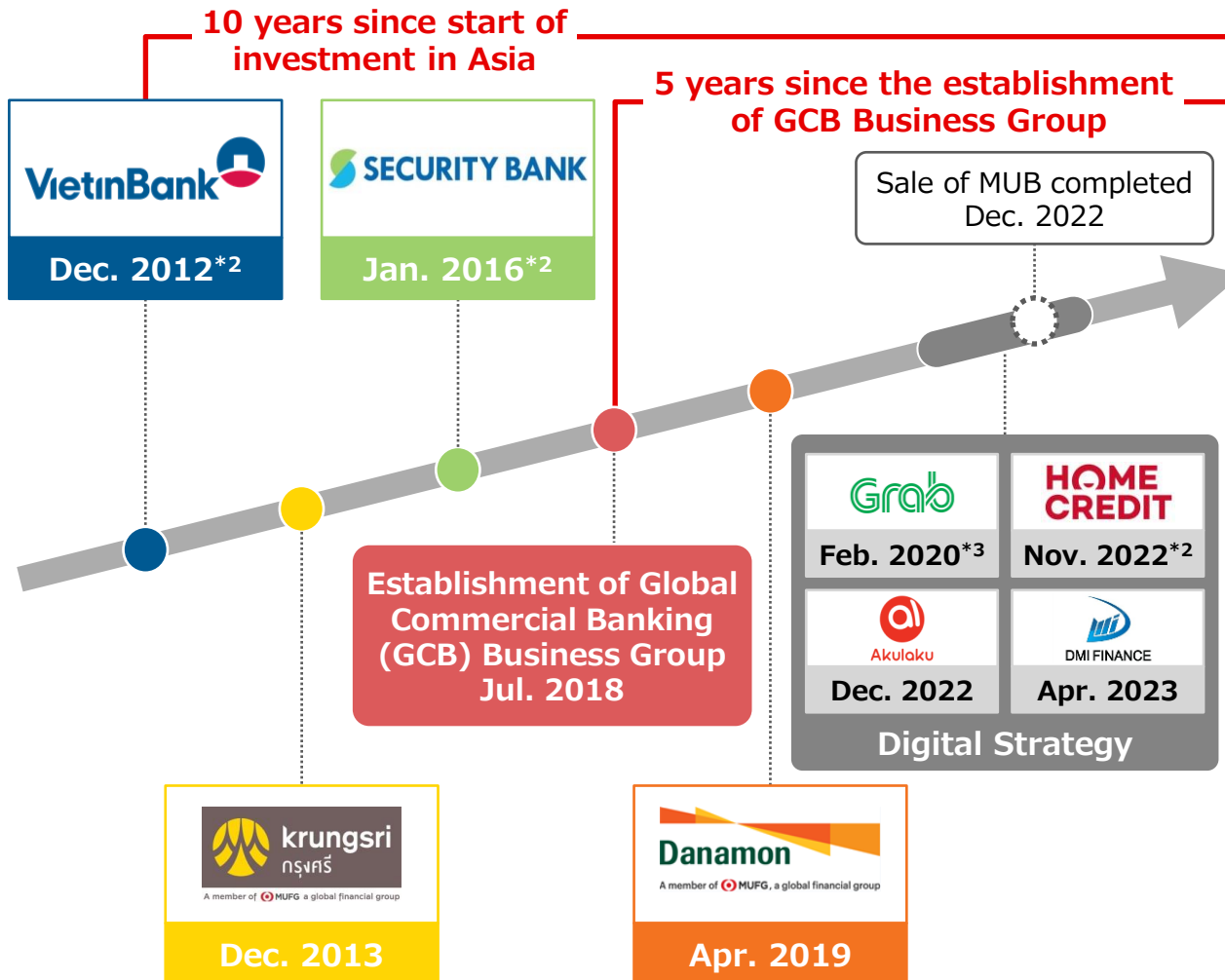
\*1 Large urban innovation center expanding to nine cities around the world

# Global Commercial Banking Business Group

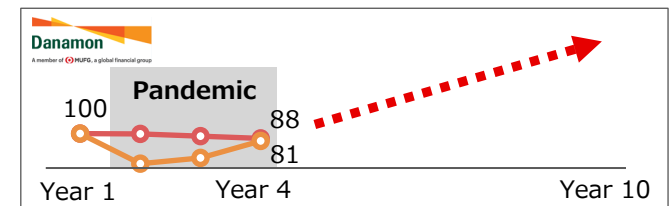
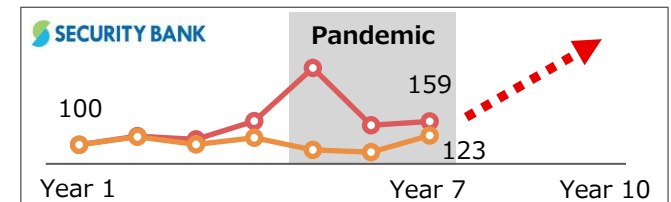
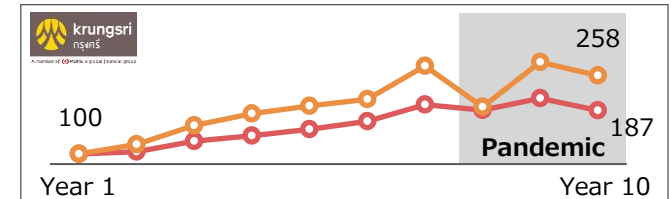
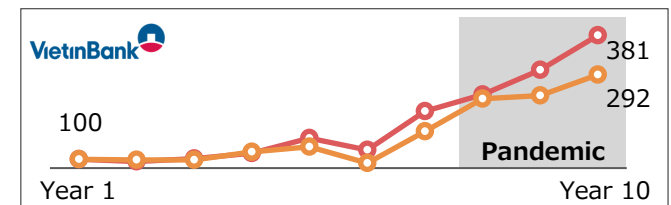
Yasushi Itagaki, Group Head

# 10 years since the start of investment in Asia, 5 years since the establishment of the business group

- Collaboration between MUFG and PBs\*<sup>1</sup> enabled offering of comprehensive solutions, establishing a structure that covers customers across the entire commercial distribution
- Investment in Grab has boosted the digital presence of MUFG and PBs



## Performance since MUFG's investment



● Net operating profits    \* In local currency; year of investment=100  
● Net profits

\*1 Stands for **Partner Bank**    \*2 When the investment was announced  
 \*3 MUFG's Grab business is managed by the Digital Service Business Group

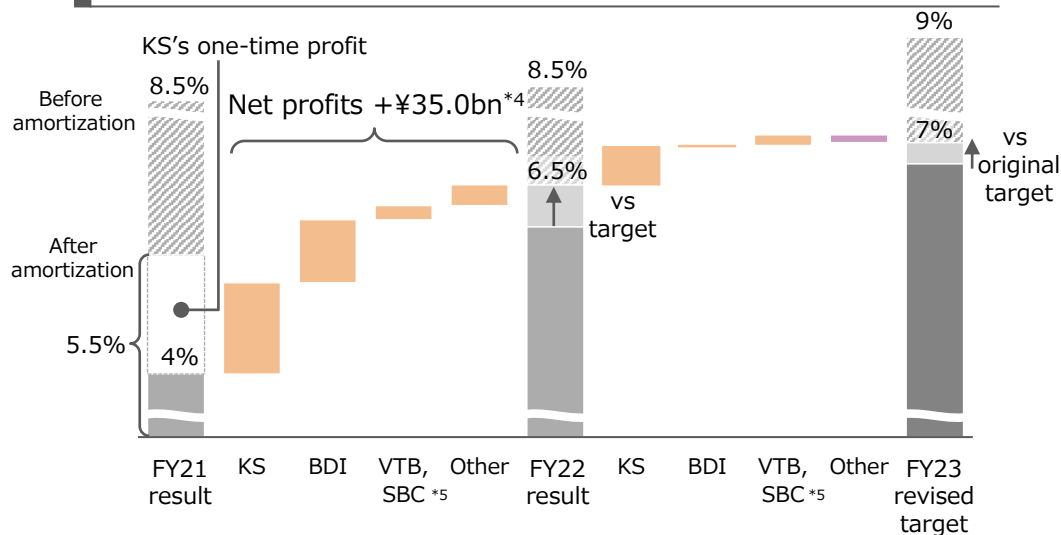


# Progress of the medium-term business plan

## FY22 results\*1 / FY23 revised target

	FY22 results	YoY	FY23 revised target
Net operating profits (¥bn)	194.7	+10.0	230 (vs original target +30)
Expense ratio	58%	(1ppt)	57%
ROE	6.5%	+1ppt	7%
RWA (¥tn)	10.4	+0.8	10.9

## Changes in ROE\*2\*3



\*1 MUAH not included; FY21 does not include KS's one-time profit \*2 MUAH not included  
 \*3 Areas shaded with diagonal lines represent amortization of intangible assets, etc.  
 \*4 FY21 does not include KS's one-time profit \*5 VietinBank, Security Bank

## Review of FY22

### Achievements

- Progress in KS's inorganic strategy
- Strengthened BDI's auto business

### Challenges

- Progress in digital-related investments  
– Need to invest further and create synergies with investees early on
- Strengthen BDI's retail business
- Add more sustainable finance deals

## FY23 key strategies

- 1 Strengthen BDI's business platform and create new profit sources
- 2 Further investment in digital finance
- 3 Strengthen the promotion of sustainable finance

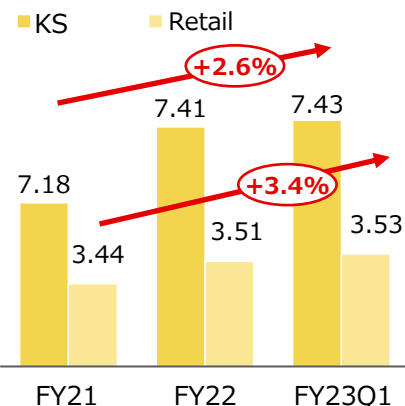
# Krungsri (Bank of Ayudhya)

## Financial results\*1

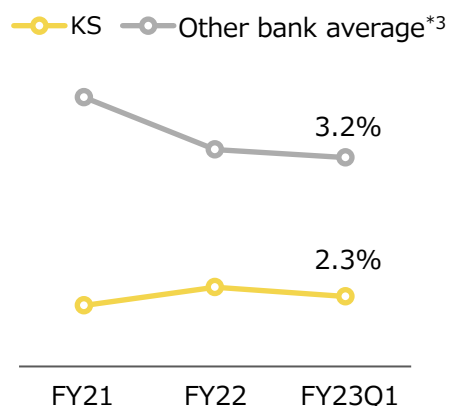
(¥bn) (THB1=¥3.8)	FY22	YoY*2	FY23Q1	vs FY22Q1
Gross profits	442.3	+16.1	114.1	+6.9
Expenses	193.9	+9.7	50.6	+4.8
NOP	248.4	+6.3	63.5	+2.1
Credit costs	101.2	(18.9)	22.0	(3.8)
Net profits	116.7	+19.3	32.9	+4.7
Loan end balance (¥tn)	7.4	+0.2	7.4	+0.1

Loan balance is on recovery track, with low NPL ratio

### Loan balance (¥tn)



### NPL ratio



\*1 Based on local disclosure standards in Thai GAAP \*2 Sale of shares in affiliate in FY21 not included  
 \*3 Average of Bangkok Bank, Siam Commercial Bank, Krungthai Bank, and Kasikorn Bank  
 \*4 Point of sale loan is an installment loan provided at automobile and household appliance dealerships  
 \*5 Name changed to Krungsri Capital Securities after acquisition

## Inorganic strategy

- Strengthening its business in Thailand and surrounding countries through M&A. Focus on PMI hereafter



Acquisition cost of approx. ¥87bn in 2023

Philippine and Indonesian subsidiaries

### HOME CREDIT

- No. 1 share in POS loans\*4 in both countries
- Strengths in digital areas including apps and credit screening model

Thailand 2023 | Securities firm

### Capital Nomura Securities\*5

- Strength in online sales of investment trusts

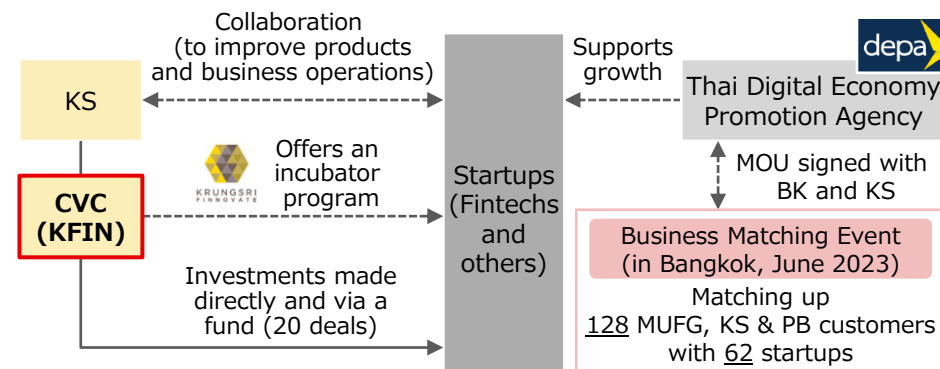
Vietnam 2023 | Non-bank

### SHB Finance Company Ltd

- To capitalize on Vietnam's high economic growth

## Strengthen digital areas and collaborate with startups

- Investing in and collaborating with startups through subsidiary CVC



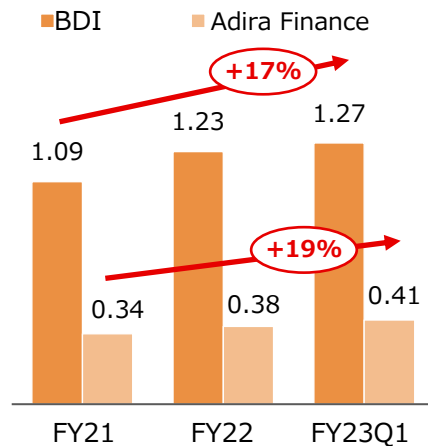
# Bank Danamon

## Financial results\*1

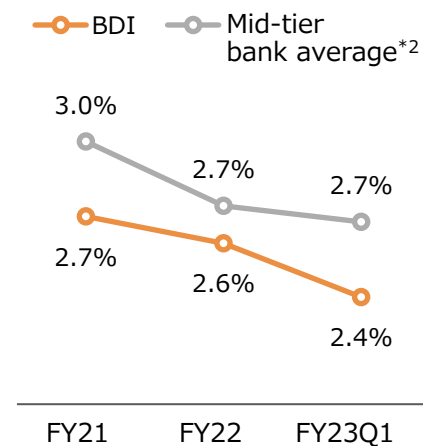
(¥bn) (IDR1=¥0.0085)	FY22	YoY	FY23Q1	vs FY22Q1
Gross profits	143.9	+0.7	37.3	+2.2
Expenses	78.3	+5.3	20.5	+1.8
NOP	65.6	(4.5)	16.8	+0.3
Credit costs	28.0	(20.3)	7.5	+0.8
Net profits	28.0	+14.7	6.9	(0.3)
Loan end balance (¥tn)	1.2	+0.1	1.2	+0.1

Loan balance continues to grow, NPL ratio on a decline

### Loan balance (¥tn)



### NPL ratio



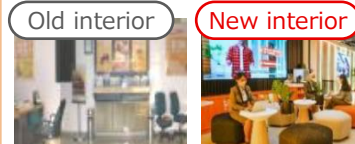
\*1 Based on local disclosure standards in Indonesian GAAP

\*2 Average of BTN, CIMB Niaga, Maybank, OCBC, and BTPN

## Strengthen retail business

### Investment in branches / IT / branding

- Increase investment in retail banking to expand the customer base in the future



▲ Example: Branch rebranding

### Strengthen auto business

- Customer referrals between BDI and Adira
- Acquire new profit sources through M&A
- Strengthen corporate business such as trucks and heavy machinery
- Raise brand recognition by sponsoring events



▲ IIMS (Indonesia International Motor Show)

## Create new profit source and expand business platform

### Enhance collaboration with Home Credit Indonesia (HCI)



- Cross-selling of BDI / Adira products
- Financing support
- Sharing digital knowledge

### M&A strategy



Acquisition of Mandala Multifinance; enhancement of auto loans in collaboration with Adira (to be completed at the beginning of 2024)



Acquisition of Standard Chartered Bank's retail assets in Indonesia (to be completed at end-2023)

# VietinBank and Security Bank

## VietinBank

- Position in the country
  - A listed state-run bank that ranks third in Vietnam in terms of total assets
- Latest financial results
  - Posted record-high net profits in FY22 due to an increase in interest and non-interest income
  - Expected to grow further by adding more high-margin assets such as retail assets

(¥bn) (VND1=¥0.0056)	FY22	YoY	FY23Q1	vs FY22Q1
Gross profits	361.7	+64.0	95.3	+16.5
Expenses	108.1	+20.1	24.2	+2.8
NOP	253.5	+65.3	71.1	+13.7
Credit costs	135.3	+35.1	37.7	+12.9
Net profits	95.0	+24.4	27.1	+0.7
Loan end balance (¥tn)	7.0	+0.8	7.3	+0.6

## Support for growth and enhancing collaboration

### Support for growth

- Sharing of knowledge in the digital transformation, green transformation, and risk management areas
- Strengthening collaboration with MUFG investees

### Enhancing collaboration

- MUFG is promoting collaboration through various meetings and events
- Strengthening of ties at the top management level on an ongoing basis, etc.

## Security Bank

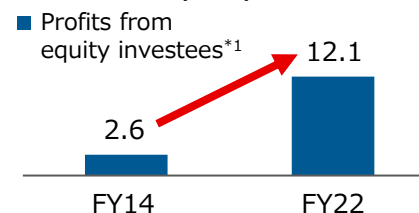
- Position in the country
  - A non-conglomerate-affiliated commercial bank that ranks tenth in the Philippines in terms of total assets
- Latest financial results
  - Posted record-high net profits in FY22 as the impact of COVID-19 subsided
  - Expected to grow further by strengthening loans and increasing revenue

(¥bn) (PHP1=¥2.4)	FY22	YoY	FY23Q1	vs FY22Q1
Gross profits	95.1	+6.8	23.5	+1.3
Expenses	55.5	+4.4	14.7	+1.6
NOP	39.6	+2.3	8.8	(0.3)
Credit costs	6.3	(6.4)	1.5	+1.3
Net profits	25.3	+8.7	5.7	(0.9)
Loan end balance (¥tn)	1.2	+0.1	1.2	+0.1

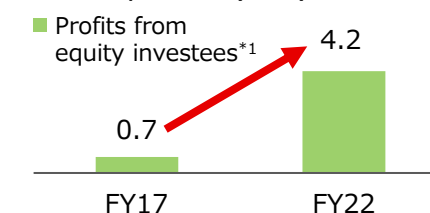
## Contribution to net profits (after amortization of goodwill, etc.)

- Steadily growing and contributing to MUFG's profits since investment

### VietinBank (¥bn)



### Security Bank (¥bn)



\*1 Our equity share of net profits minus amortization of goodwill, etc. (differs from the figures in the companies' financial reports)

# Investment in digital finance

- Capturing the growth of Asia and collaboration opportunities with PBs through investment in digital finance operators

## Recent investments

### Acquisition of Home Credit subsidiaries (Scheduled for 2023)

Approx. ¥87bn

**HOME  
CREDIT**

(Indonesia subsidiary,  
Philippine subsidiary)

- Provider of POS loans\*<sup>1</sup> and other digital lending for smartphones, electric appliances, and other purchases
- No. 1 share in POS loans\*<sup>1</sup> in Indonesia and the Philippines

### Investment in Akulaku (Dec. 2022)

Approx. ¥26bn



- E-commerce and digital lending services provider (buy-now-pay-later services, unsecured loans, etc.) operating mainly in Indonesia

### Establishment of Garuda Fund (Jan. 2023)

Approx. ¥13bn\*<sup>2</sup>



- Investment fund established jointly by BK, MUIP\*<sup>3</sup>, and BDI
- The aim is to create business synergies between BDI and Indonesian startups

### Investment in DMI Finance (Apr. 2023)

Approx. ¥31.7bn



- Digital lender (POS loans\*<sup>1</sup>, unsecured loans) in India providing loans through Samsung, Google, and other partners

## Status of our digital coverage in Indonesia

- Capturing the growth of digital finance in Asia on multiple layers, while securing further PB collaboration opportunities
- Through digital technologies, we have expanded into and gained access to the underbanked\*<sup>5</sup> and unbanked\*<sup>6</sup> segments that have been unreachable through the traditional commercial banking model

	Traditional commercial banking model	Online ecosystem		Offline ecosystem	
	Bank / Nonbank	Rides / Food	EC	Retail, etc.	Malls
Upper mass (Banked* <sup>4</sup> )	BDI	Grab	Akulaku	Home Credit	Home Credit
Middle mass (Incl. Underbanked* <sup>5</sup> )	Adira (Auto)				
Unbanked* <sup>6</sup>					

\*1 Point of sale loan is an installment loan provided at automobile and household appliance dealerships

\*2 JPY equivalent of commitment amount of US\$100mm using actual exchange rate as of end Jan 2023

\*3 MUFG Innovation Partners \*4 Customers whose needs for financial services are sufficiently met

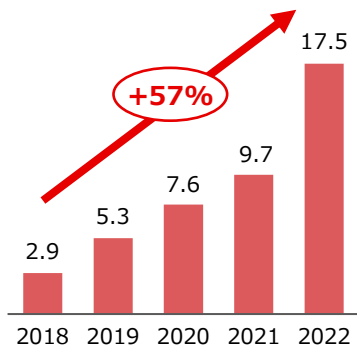
\*5 Customers who do not have full access to financial services or whose needs are not met \*6 Customers without bank accounts

# Promotion of sustainable finance and collaboration

## Promotion of sustainable finance (SF)

- Trends in SF in PBs' countries, SF targets of KS and BDI

### SF execution in PBs' countries (US\$ bn)



(Source) Bloomberg NEF

- There is a strong need for SF in PBs' countries
- MUFG is increasing support for PBs to achieve their SF balance targets

SF targets of KS and BDI		
PB	Result (FY22)	Target
KS*1	Approx. ¥590bn	Up to approx. ¥800bn (FY30)
BDI	SF ratio*2 of 21%	SF ratio of 25% (FY27)

- Key SF deals at KS and BDI

While there are certain achievements, the profitability is halfway. Accelerate promotion by strengthening collaboration with and sharing knowledge by MUFG

### KS



Export-Import Bank of Thailand (EXIM Thailand)

Total issuance\*3

Approx. ¥19bn

- Support for EXIM Thailand's green bond issuance
- KS became a green structuring advisor\*4 / joint underwriter by leveraging its expertise

### BDI



Major local cement company

Support in total\*3

Approx. ¥20bn

- Sustainability-linked loans that set CO<sub>2</sub> reduction using alternative fuels\*5 as a KPI
- BDI executed SF deal by MUFG collaboration

\*1 THB1=¥3.8 \*2 The ratio of SF in the loan balance \*3 Total amount contributed by multiple banks

\*4 Supports the issuance of green bonds by providing advice on establishing frameworks and obtaining external evaluations, etc.

\*5 Refuse-derived fuel (RDF) is used in place of fossil fuel (coal)

## Collaborative projects with Partner Banks

### M&A deals originating from PBs' customer base

#### Philippines

Major Japanese power company × SECURITY BANK

- Provided local M&A information and financial advisory services through an investment banking subsidiary
- Referred local stock sale opportunities to meet needs for renewable energy investment

#### Thailand

Major Thai energy company × krungsri NSRF

#### Philippines

Major Philippine power company × SECURITY BANK

- An investment deal was created utilizing the two PBs' customer bases
- KS became the sell-side financial advisor in the sale of stocks of a Vietnamese solar power project

### Launch of a local payment service

#### Vietnam

Major Japanese retailer × VietinBank

- A wide range of products are available, including distribution of POS terminals, cash collection and delivery service, e-commerce, and QR payments
- Provides highly convenient services such as more efficient collection of sales proceeds

### Financing without parent company guarantee

#### Indonesia

Major Japanese real estate developer × Danamon

- Financing without a parent company guarantee was made possible by utilizing BDI's real estate collateral valuation capability
- Provided full support on loans when the company acquired a leading local shopping mall

Global Corporate &  
Investment Banking  
Business Group

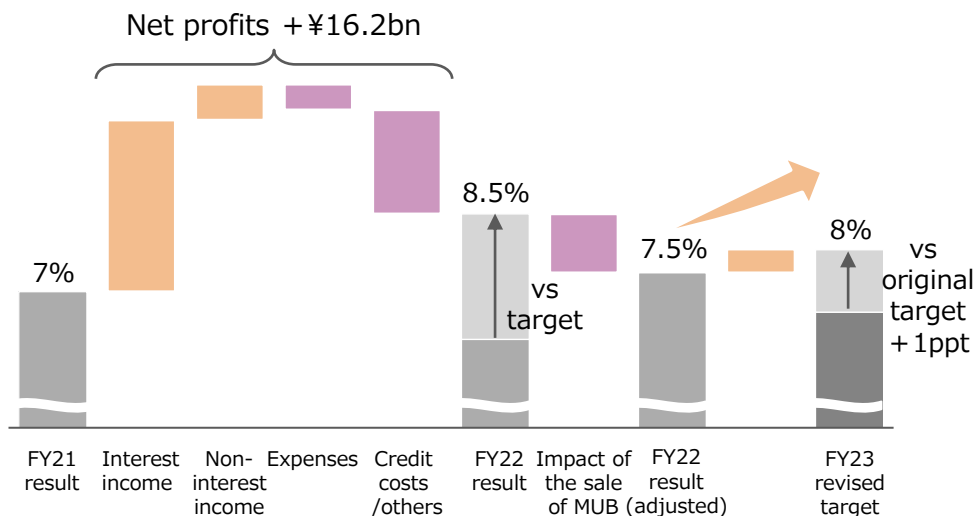
Fumitaka Nakahama, Group Head

# Progress of the medium-term business plan

## FY22 results / FY23 revised target

	FY22 results	YoY	FY22 results*1 (adjusted)	FY23 revised target
Net operating profits (¥bn)	269.4	+77.6	237.4	250 (vs original target +70)
Expense ratio	51%	(7ppt)	52%	51%
ROE	8.5%	+1.5ppt	7.5%	8%
RWA (¥tn)	22.8	(0.0)	23.0	25.0

## Changes in ROE



## Review of FY22

### Achievements

- Improved B/S related income
- Expansion of Institutional Investors portfolio
- Uplift in loan fees in U.S. project finance through Origination & Distribution
- Captured demands of deposits, FX and derivatives

### Challenges

- Further strengthen non-interest fee business
- Shift towards a portfolio with higher profitability

## FY23 key strategies

### Management Policy

Simplicity

Empowerment

Client Delivery

### Exploitation

- 1 Profitability improvement of business portfolio
- 2 GCIB & Global Markets
- 3 Strategy of the Americas - deep dive into the middle market segment

### Exploration

- 4 Investment in new growth business

\*1 Exclude impact of the sale of MUB (MUFG Union Bank)



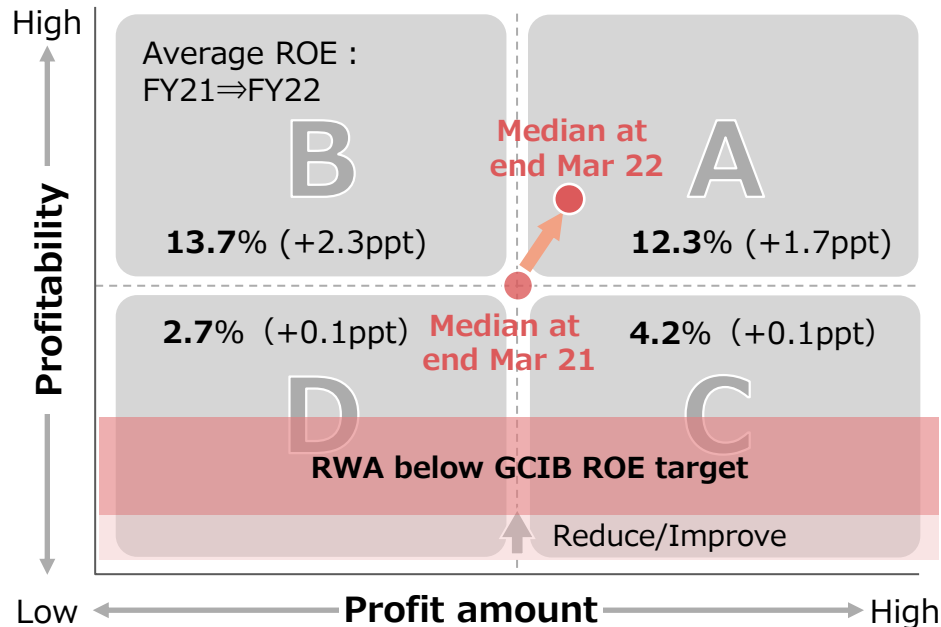
# Key strategies (1)

## Profitability improvement of business portfolio

### Balance Sheet Optimization (BSO)

- As a result of BSO activity, portfolio profitability has been steadily improving
- Continuously raise the profitability target of deal screening and conduct thorough monitoring to improve profitability

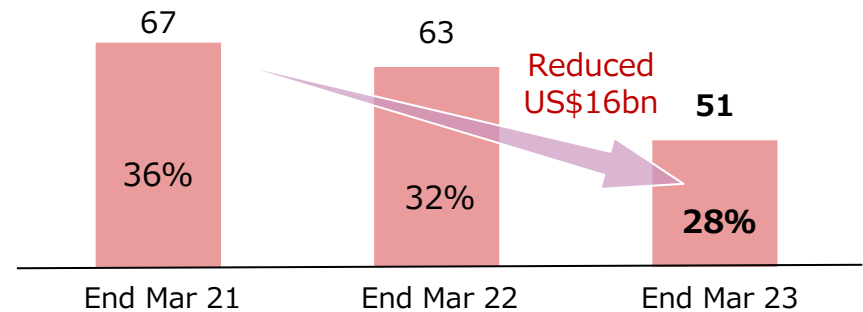
### Portfolio management based on quad analysis\*1 (YoY)



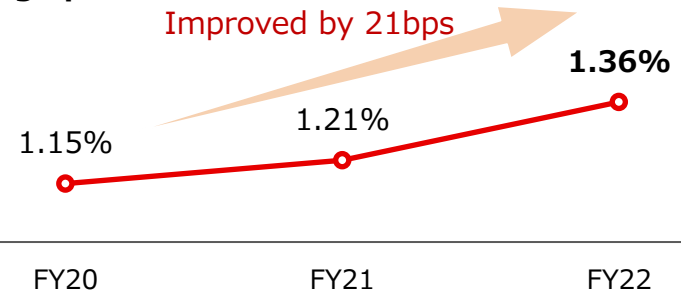
### Improvement in portfolio profitability

- Lending spread has been steadily improving as a result of reducing low profitability assets

### Trend of RWA below GCIB ROE target\*2 (US\$bn/% is the ratio of total RWA)



### Lending spread\*3



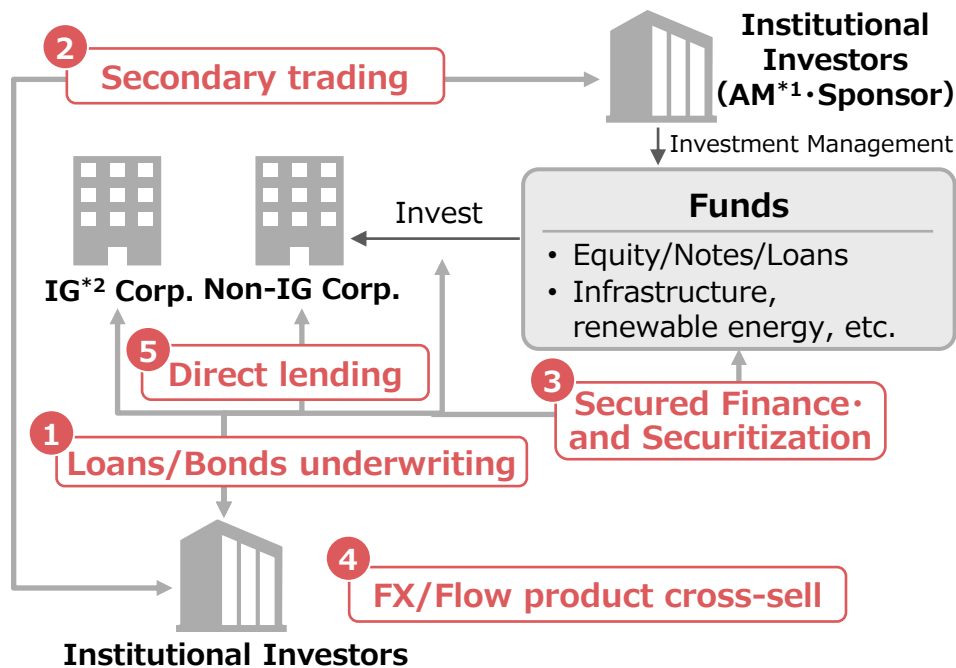
- Lending spread and portfolio profitability have been steadily improving through quad based port. management
- "Play Where You Can Win" - Allocate resources to strengthen sectors and products where we have advantage

\*1 Quad analysis divided by portfolio median of the profitability and profit amount. Average ROE is based on managerial basis.

\*2 Total RWA of loan assets below GCIB ROE target \*3 Excluding non-JPY mid-to long-term funding costs

# Key strategies (2) GCIB & Global Markets

## Business overview and focus areas



- 1 Enhance Institutional Investors-led Non-IG business (O&D)
- 2 Strengthen secondary sales & trading functions to accelerate primary underwriting
- 3 Expand product lineup and asset classes
- 4 Strengthen sales functions to capture flow product business
- 5 Capture cross-sells associated with direct lending

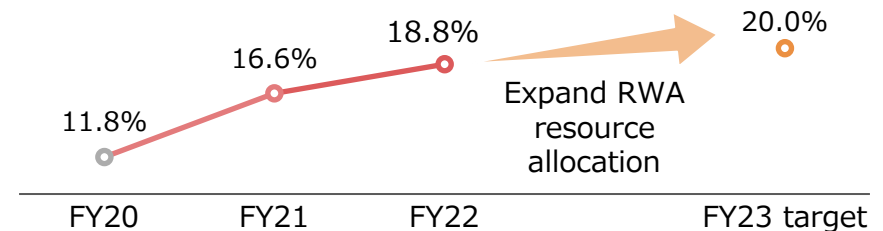
P.35

## Finance for Institutional Investors

1 3 5

- Continuously focus on profitable institutional investors business
- Strategically allocate resources and provide our services adopting to investors' demands

### Institutional Investor portfolio ratio<sup>\*3</sup>

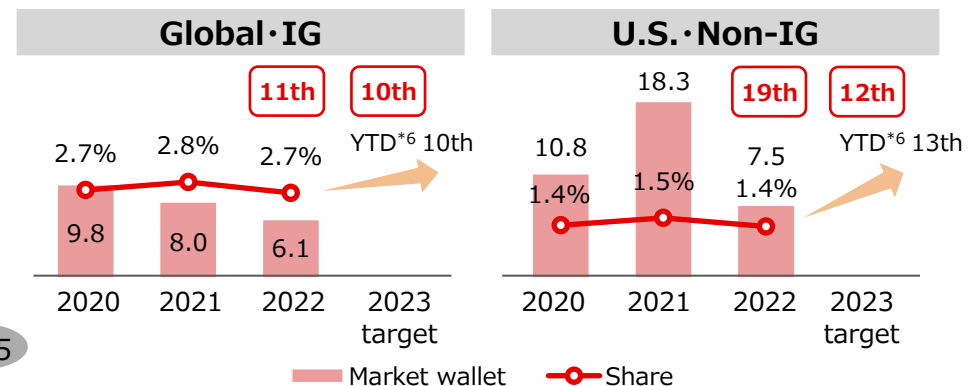


## Loans/Bonds underwriting and secondary trading

2 4

- Accelerate Non-IG business while upgrading risk management
- Aim to expand market share through MS<sup>\*4</sup> collaboration, and more effective alignment between primary underwriting and secondary sales & trading

### Syndication / DCM Wallet (US\$bn)<sup>\*5</sup>



\*1 Asset management company \*2 Investment Grade \*3 Loan balance in managerial basis.

\*4 Morgan Stanley \*5 Dealogic (Calendar year basis) \*6 January to May 2023

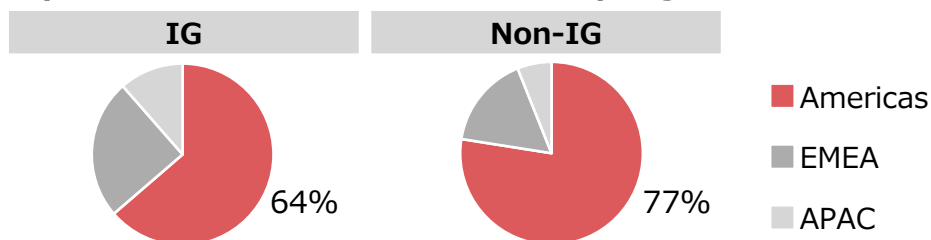
# Key strategies (3)

## Strategy of the Americas / Middle market strategy

### Americas business after the sale of MUB

- After the sale of MUB, we focus on wholesale business in the Americas
- The Americas has large wallet share and remains a strategic region for GCIB

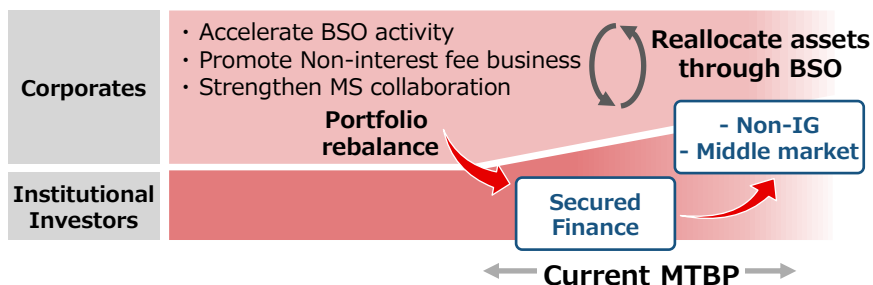
### Syndication and DCM wallet size by region\*1



### Overview of the strategy in the Americas

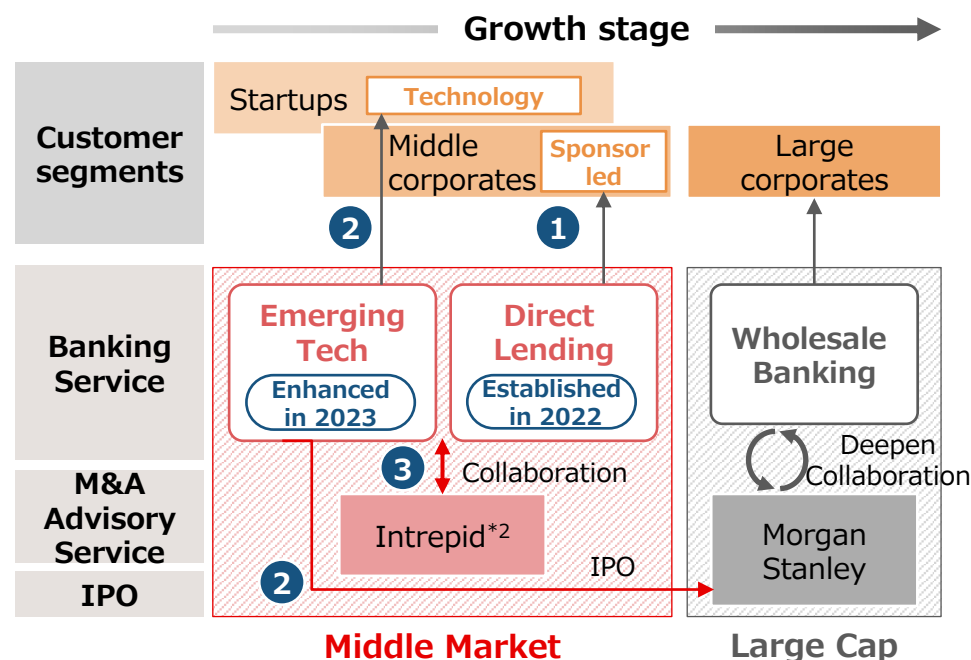
- Accelerate BSO activity and collaboration with MS, and strengthen non-interest fee business
- Promote profitable institutional investors business, while diversify assets and sophisticate risk appetite by adopting to trends of client demands/market environment

### Transition image of GCIB Americas business portfolio



### Overview of middle market strategy

- Accelerating middle market coverage, enabling to provide services according to clients' growth stage



- 1 Strengthen business relationship with institutional investors-led middle market clients
- 2
  - Expand TMT\*3 team for middle market clients
  - Utilize AI based credit model of Mars
  - Collaborate with MS to serve later stage clients (ECM/IPO)
- 3 Strengthen M&A advisory business through Intrepid, an M&A boutique for SMEs

\*1 Dealogic (2022, calendar year basis)

\*2 A subsidiary of MUFG, M&A advisory firm in the U.S. for SMEs

\*3 Telecom Media Technology

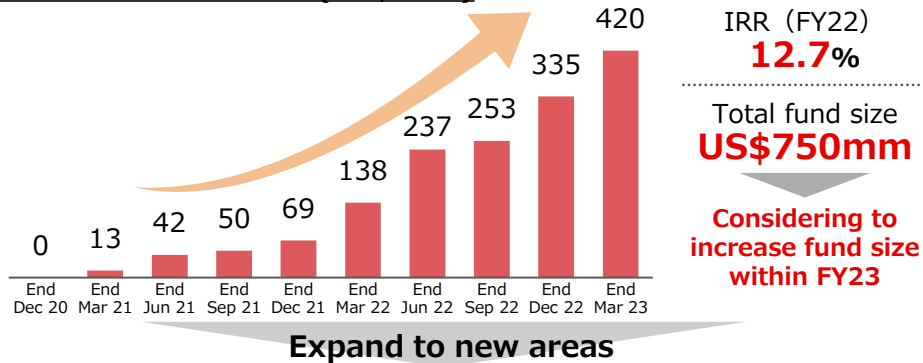
# Key strategies (4) Investment in new growth business

## Mars Growth Capital

Approx. ¥133bn\*2

### 1 Achievements

#### Net cash investment (US\$ mm)\*1



### 2 Further expansion of funds business

#### Mars Japan

Up to ¥20bn

Nurture Japanese unicorn companies to accelerate growth

#### Mars Europe

Up to US\$250mm

Deeper dive into European startup market

#### Mars NEXI

Up to US\$100mm

Invite Japanese investors through NEXI\*3 insurance

### 3 Capture IPO deals through alliance with MS

- Link Mars' customers with MS

### 4 AI based financing model for new business and efficiency

- Deepen relations with Liquidity Capital through investment
- Consider development of new AI based financing model and improvement of operation efficiency

## Investment into digital startups in Asia

- Capture the growth in Asia and prospect banking business with these companies

### MUFG Ganesha Fund

Approx. ¥37bn\*4

Investment framework for startups in India – made three investments so far

### DMI Finance

Approx. ¥31.7bn

Digital lender in India – co-manage with DS/GCB

## Transition support / business addressing social issues (ESG)



- Best Sustainable Finance Adviser Asia Pacific Award\*5
- Global Bank of the Year Award\*6

E



- Project finance for underground and subsea transmission line projects, supporting renewable power transmission capability in New York metropolitan area

S



- The world's largest syndicate social loan for affordable housing in India

E S



- Assist the provision of medical products for low- and middle-income countries and emission reduction targets through supporting the issuance of SLB\*7 for Israeli pharmaceutical company

E

\*8

Blended Finance

- Signed MoU with NEXI to accelerate decarbonization in Asia (June 2023)
- Consider collaboration framework between the public and private sectors

\*1 Aggregate net commitment amount of the transactions considering amortizations during investment period (including planned amount) using actual exchange rates as of end Mar 2023 \*2 JPY equivalent of MUFG's LP commitment

\*3 Nippon Export and Investment Insurance \*4 JPY equivalent of planned investment amounting of US\$300mm using actual exchange rates as of end Mar 2022 \*5 Asset Publishing and Research Ltd. \*6 Project Finance International \*7 Sustainability Link Bond \*8 An indirect financing method that mixes public and private funds

Global Markets  
Business Group

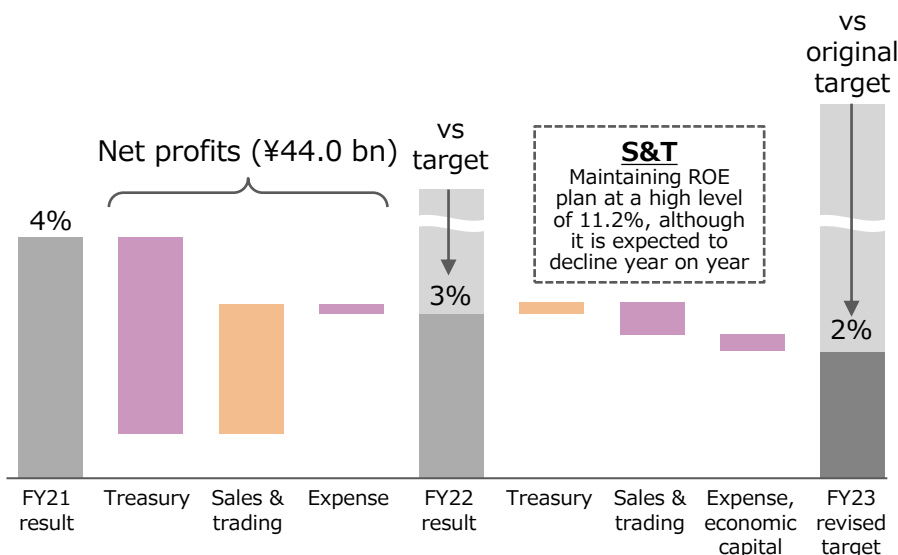
Hiroyuki Seki, Group Head

# Progress of the medium-term business plan

## FY22 results / FY23 revised target

	FY22 results	YoY	FY23 revised target
Net operating profits (¥bn)	143.4	(61.9)	125 (vs original target (245))
Expense ratio	63%	+10ppt	67%
ROE	3%	(1.5ppt)	2%
Economic capital (¥tn)	4.1	+0.0	4.3

## Changes in ROE



\*1 Held-to-maturity securities

## Review of FY22

	Sales & trading	Treasury, etc.
Achievements	<ul style="list-style-type: none"> <li>Succeeded in flexible position management while further increasing the amount of activities</li> <li>Progress in "GCIB &amp; Global Markets"</li> </ul>	<ul style="list-style-type: none"> <li>Controlled the deterioration in unrealized P/L and gained financial income by utilizing hedging tools and replacing with HTM*1</li> </ul>
Challenges	<ul style="list-style-type: none"> <li>Enhance client service and efficiency by using advanced global FX business platform</li> <li>Strengthen our capability to respond to the increase in volatility in yen interest rates</li> </ul>	<ul style="list-style-type: none"> <li>JPY and non-JPY portfolio soundness</li> <li>Strengthen non-JPY liquidity management</li> <li>Long-term, diversified portfolio expansion</li> </ul>

## FY23 key strategies

### ① Further strengthening sales & trading business

- A** Further strengthen for FX business  
- An enhanced MUFG/MS Alliance, etc.
- B** Enhance "GCIB & Global Markets"
- C** Top derivatives market share in Japan

### ② Treasury business in response to changes in the business environment

- D** Strengthen market risk management
- E** Strengthen non-JPY liquidity management

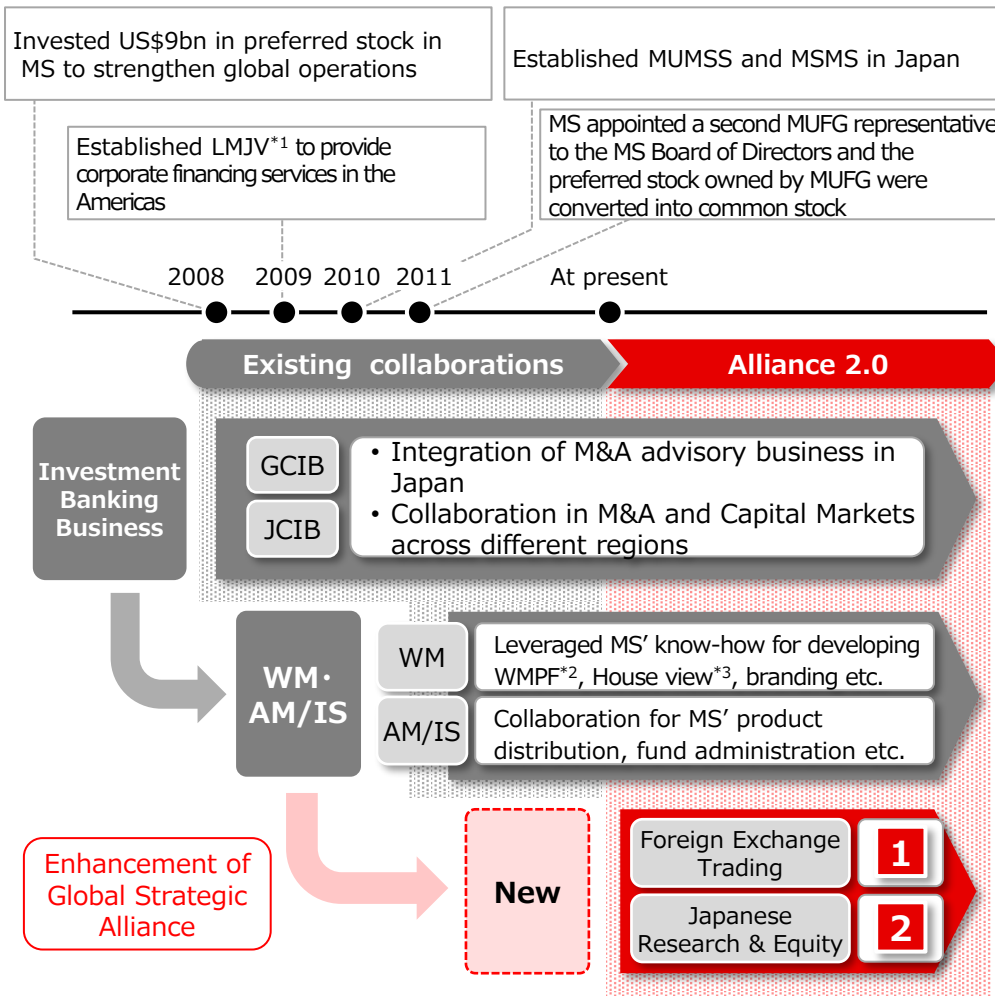
### ③ Challenges for new business areas

- F** Long-term, diversified portfolio expansion
- G** Initiatives for Carbon Credit

# Alliance 2.0-Enhancement of Strategic Alliance with Morgan Stanley

- MUFG/MS Alliance have expanded from Investment Banking business to WM, AM/IS businesses
- New collaboration initiatives (FX Trading / Japanese Research and Equity businesses for Institutional Clients)

## History of MUFG/MS Alliance (from 2008)

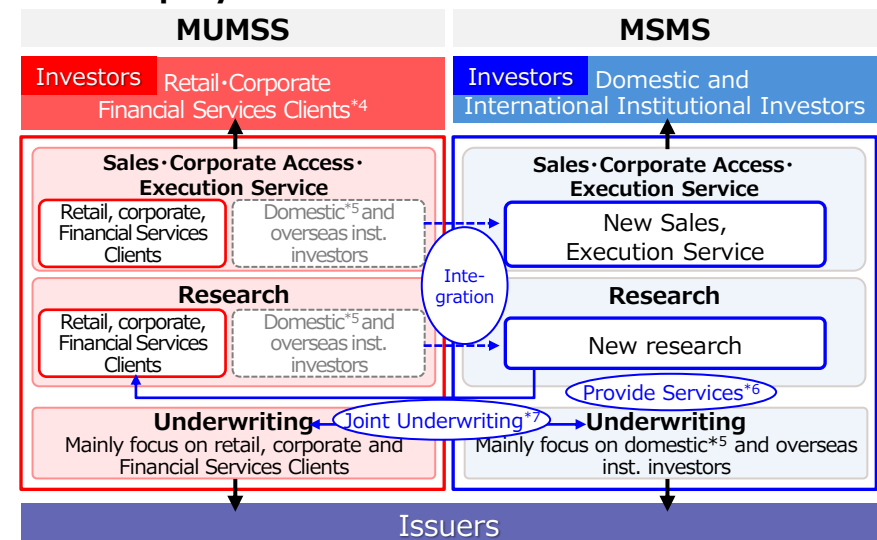


## Collaborations in new business areas

### 1 Collaboration in Foreign Exchange Trading



### 2 Collaboration in Japanese Research and Equity Businesses for Institutional Clients



\*1 Loan Marketing Joint Venture \*2 WM digital platform \*3 Official market forecast and investment view as MUFG WM \*4. "Financial Services Clients" includes, among others, proprietary funds for domestic banks and insurance companies, and certain regional financial institutions \*5. Other than "Financial Services Clients" \*4. \*6 New Research provides services to MUMSS's retail, corporate, and financial institution clients through MUMSS. MSMS continues its services for MSMS's financial institutions clients \*7. For certain domestic deals, MSMS may act as selling agent while MUMSS acts as underwriter



# Key strategies (1)

## Further strengthening sales & trading business

Business environment and Key initiative **¥472.2bn**\*1



Customer Needs

Key initiatives

- A** Further strengthening of FX business
- B** "GCIB & Global Markets"
- C** Top derivatives market share in Japan

**A** Further strengthen FX business  
(An enhanced MUFG/MS Alliance, etc.) **¥203.5bn**\*1\*2

Customer Needs

- Enhance pricing capability
- Expand product /service lineup

Improve client service

- Price quote speed: roughly x2
- Currency pair coverage: more than x3
- No. of Receipt: more than x20
- Algorithm trade function
- Market analysis function
- NDF\*3•Options

Collaboration in FX Trading Area through MSMS

Strengths

MUBK

- Corporate customers etc.
- JPY and Asian CCY

leverage each of both parties' unique and complementary strengths

MSMS

Benefit from the enhanced scale of the collaboration

Strengths

MS

- International Institutional investors etc.
- Global FX business platform

**B** GCIB & Global Markets **¥120.0bn**\*1

- Allocate resources and strengthen functions based on needs from corporate customers and institutional investors

Customer Needs

- Review of investment strategy
- Diversification of funding methods

Secured Finance\*4, Sales of loans and underwriting bonds  
Ancillary transactions (derivatives, forex)

- Appropriate Risk Appetite
- Strengthen Trading function
- Organize incentive framework such as promotion of cross-selling

GCIB-Global Markets combined ROE (%)  
8.4 8.0~

Activity volume KPI

FY22 result FY23 target

**C** Top domestic market share in derivatives **¥86.0bn**\*1  
(Strengthen our capability to respond to JPY interest rates)

- Strengthen our capabilities to develop and deliver new solutions to capture the increase in volatility in JPY interest rates

Customer Needs

- Prepare for inflation, resource constraints and the risk of rising interest rates (including optimizing global network)
- Review of financial strategies
- Response to Green / Digital

Provide hedging tools.  
Support investment of surplus funds  
Carbon credit, DCH\*5

- Develop new products
- Rebuild JPY interest rate derivative business
- Organize incentive framework, such as acquisition of new customers

Profits from interest rates related business (Japan, ¥bn)  
86.3 86.0~

Activity volume KPI

FY22 result FY23 target

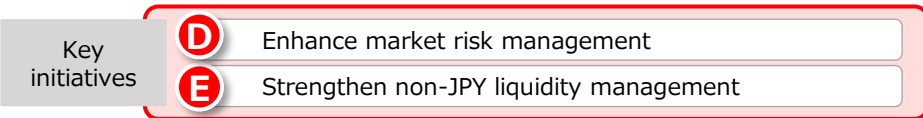
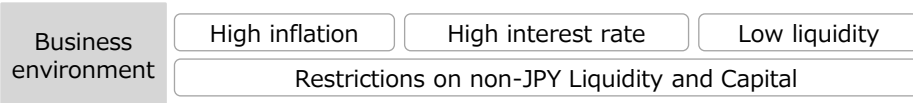
\*1 FY23 revenue plan (before profit sharing between business group, managerial accounting basis) \*2 No "Alliance 2.0" impact in FY23 revenue plan \*3 Non-Deliverable-Forward  
\*4 Loans collateralized by investment assets of funds \*5 Deal Contingent Hedge (hedging transactions to be effective or ineffective depending on success or failure in project financing)



# Key strategies (2)

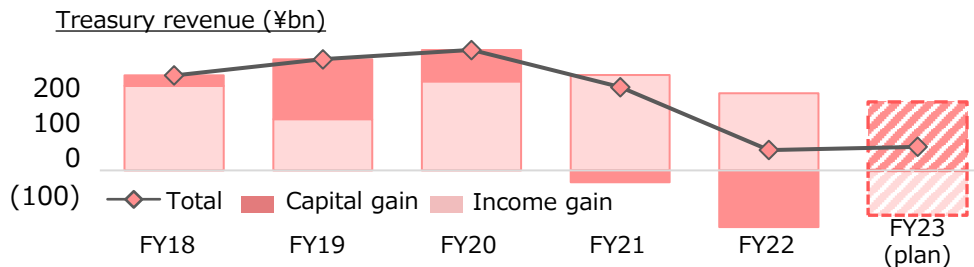
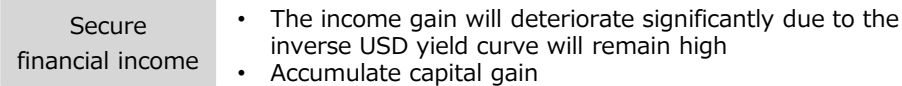
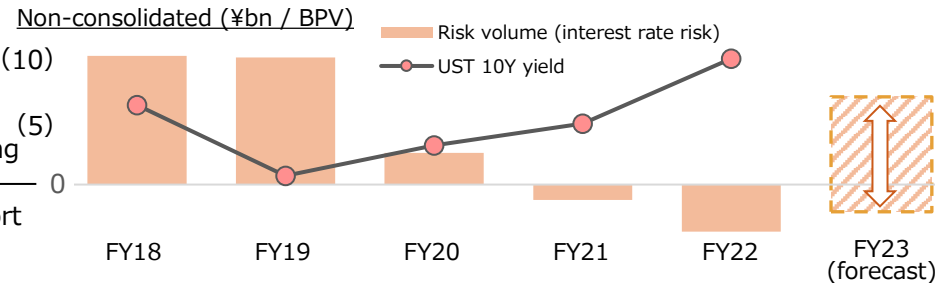
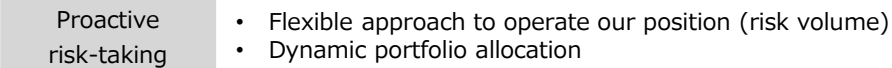
## Treasury operation in response to changes in business environment

### Business environment and Key initiatives



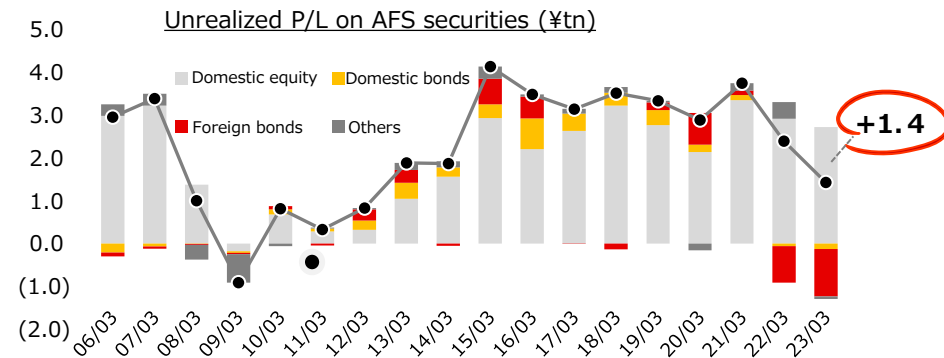
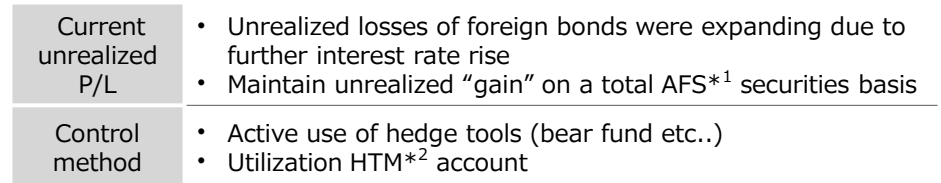
### D-1 Enhance market risk management

~ Secure financial income ~



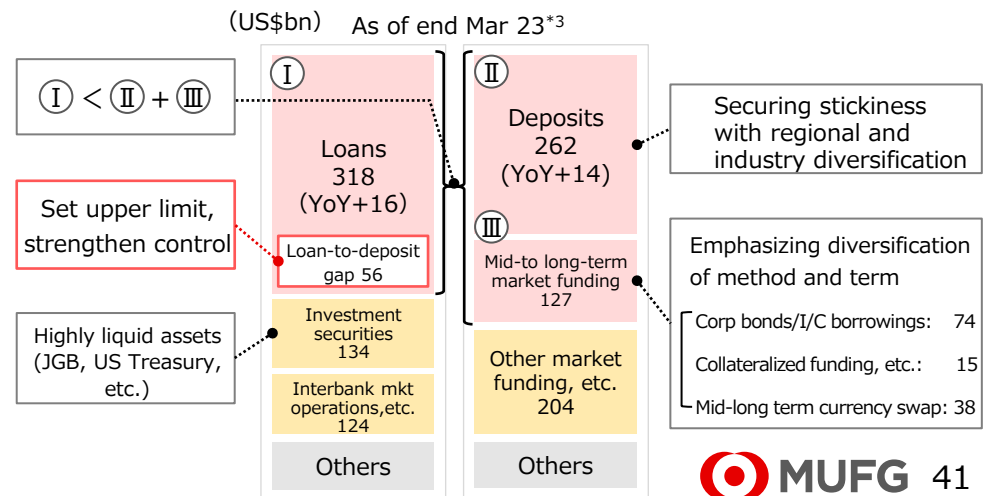
### D-2 Enhance market risk management

~ Controlled the deterioration in unrealized P/L ~



### E Strengthen non-JPY liquidity management

(focusing on soundness)



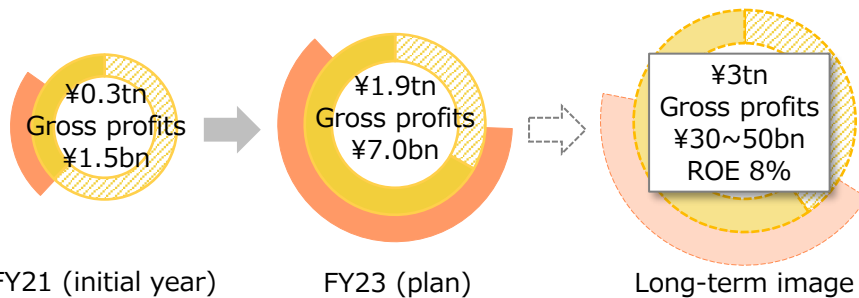
\*1 Available-for-sale \*2 Held-To-Maturity \*3 The Bank consolidated excl. MUAH, KS and BDI

# Key strategies (3) Challenges for new business areas

## F Long-term, diversified portfolio expansion (New investment business)

Basic policy	Diversification (asset types, duration, price ranges)	Place emphasis on ROE
	Contribute to produce sustainable and stable profits and achieving ROE 8% over the long-term	
Operating policy	<ul style="list-style-type: none"> <li>Accumulated mainly in floating rate and highly rated products</li> <li>Continue to expand credit/alternative assets with floating rates</li> </ul>	

■ Credits and alternatives   ■ Traditional assets   ■ Floating-rate instruments



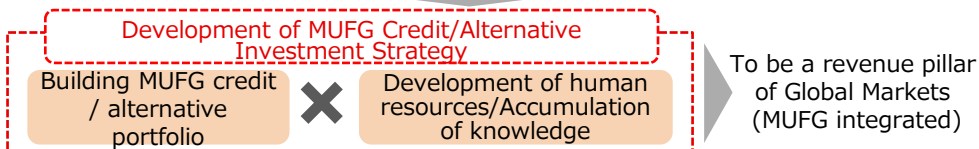
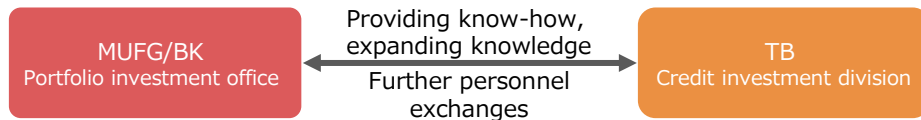
FY21 (initial year)

FY23 (plan)

Long-term image

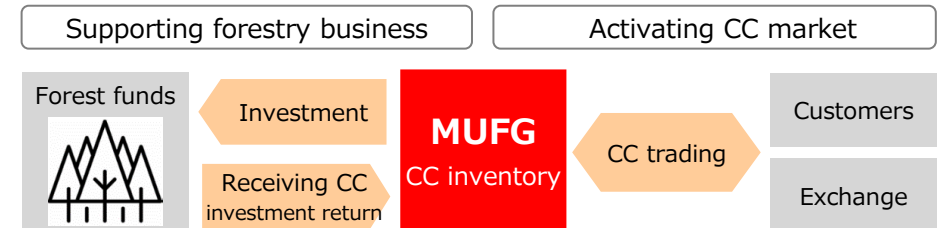
Further collaboration between BK and TB

- Enhance collaboration framework between BK and TB
- Develop MUFG's investment strategy (Development of "MUFG Credit/Alternative Investment Strategy")



## G Initiatives for Carbon Credit (CC)

Supporting forestry business	<ul style="list-style-type: none"> <li>Signed an investment agreement with Imprint Nature-Based Opportunities and Manulife Forest Climate Fund, two global forest investment funds</li> </ul>
Activating CC market	<ul style="list-style-type: none"> <li>Contribute to the creation and development of the CC market in Japan and the invigoration of the global CC market through the trading of CC received from above-mentioned funds</li> </ul>



## Challenges in other new areas

New business	<ul style="list-style-type: none"> <li>GX Economy Transition Bonds</li> <li>Web3.0 (NFT*1: wallet service supply, contribution to token business, etc.)</li> </ul>	
I&D*2	<ul style="list-style-type: none"> <li>Women empowerment, transfer of Non-Japanese staffs to the Head office in Japan, etc.</li> </ul>	
HR	Recruit	<ul style="list-style-type: none"> <li>Enhance recruitment (joint recruitment of BK and MUMSS, etc.)</li> </ul>
	Training	<ul style="list-style-type: none"> <li>Human skill (mentoring, coaching, etc.)</li> <li>Digital skill (Nurture DX promoting employees, Enhance DX literacy)</li> </ul>

\*1 Non-Fungible Token \*2 Inclusion & Diversity

Asset Management &  
Investor Services  
Business Group

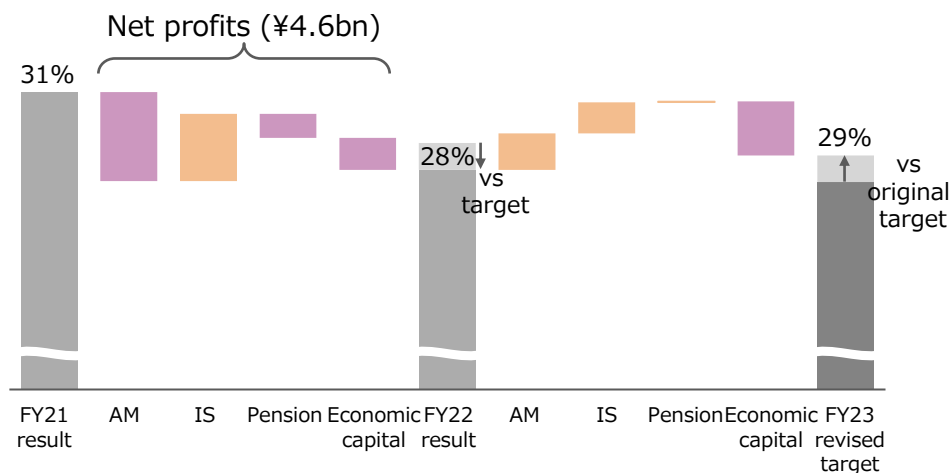
Takayuki Yasuda, Group Head

# Progress of the medium-term business plan

## FY22 results / FY23 revised target

	FY22 results	YoY	FY23 revised target
Net operating profits (¥bn)	97.2	(6.0)	105 (vs original target +5)
Expense ratio	70%	+1ppt	70%
ROE	28%	(3ppt)	29%
Economic capital (¥tn)	0.3	+0.0	0.3

## Changes in ROE



## Review of FY22

Achievements	Domestic	<ul style="list-style-type: none"> <li>Leapt to the No.1 position in Japan in publicly offered equity investment trust balance with products capturing active recurring investment needs and environmental changes</li> <li>Became No.1 in Japan in AuA by differentiating from competitors</li> </ul>
	Global	<ul style="list-style-type: none"> <li>AM: Maintained high performance even in the volatile market</li> <li>IS: Increased sales and profits due to expansion of high-value-added-services</li> </ul>
Challenges		<ul style="list-style-type: none"> <li>Business volume of AM has steadily expanded but profits fell due to weak market condition</li> <li>Further strengthen capabilities for alternative investment and flexible product offering</li> <li>Expand one-stop services in IS business</li> </ul>

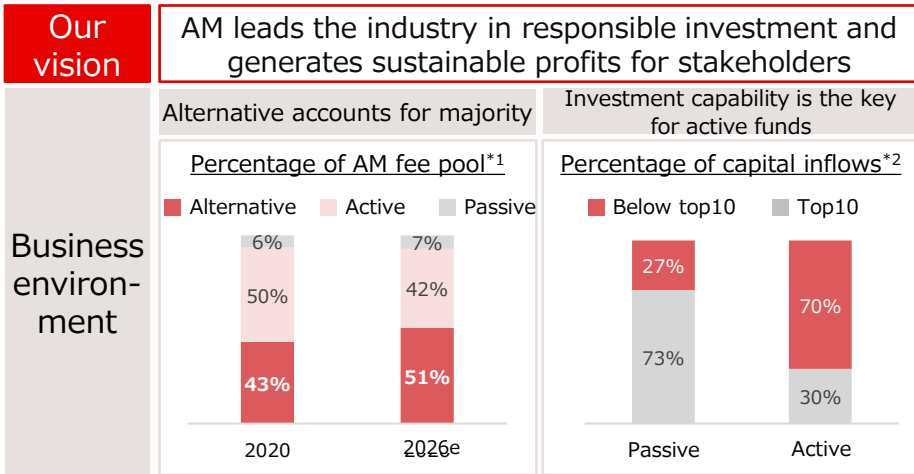
## FY23 key strategies

AM	<ul style="list-style-type: none"> <li>Global: Strengthen capabilities for alternative investment including inorganic means</li> <li>Domestic: Strengthen capabilities to offer products for institutional investors</li> </ul>
IS	<ul style="list-style-type: none"> <li>Global: Expand products offered in one-stop service and areas offering the service including inorganic means</li> <li>Domestic: Accelerate differentiation with single party NAV calculation service, etc.</li> </ul>
ESG	<ul style="list-style-type: none"> <li>Accelerate initiatives for responsible investments</li> </ul>
Digital	<ul style="list-style-type: none"> <li>Expand the scope of asset formation and improve human capital</li> </ul>

\*1 Excluding ETF

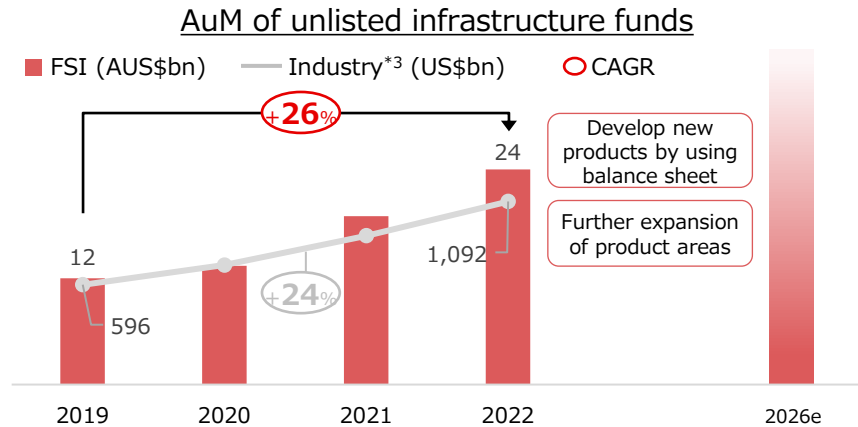
# Key strategies (1) AM

## Our vision and business environment



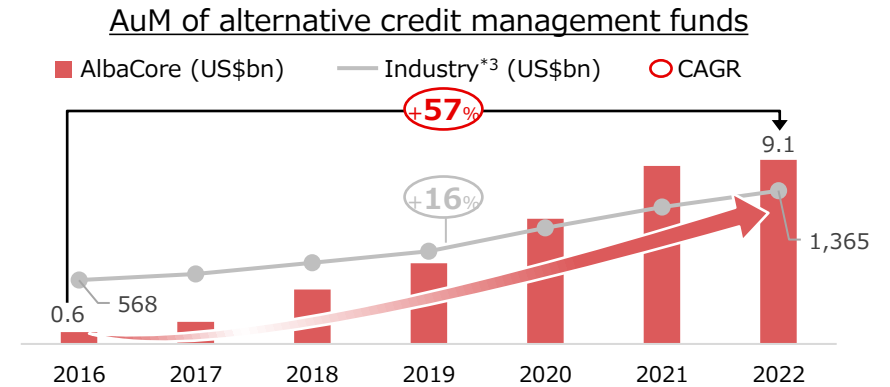
## Global (Unlisted infrastructure)

AuM growth rate of FSI unlisted infrastructure funds has been outperforming the industry-wide AuM growth rate



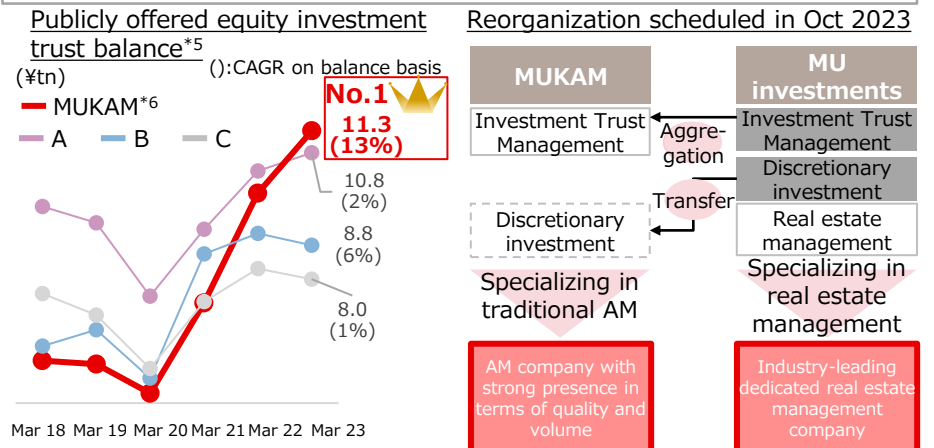
## Global (AlbaCore strategic partnership\*4)

Expect to acquire high-growth, complementary capability through the partnership



## Domestic (strengthen capabilities for product offering)

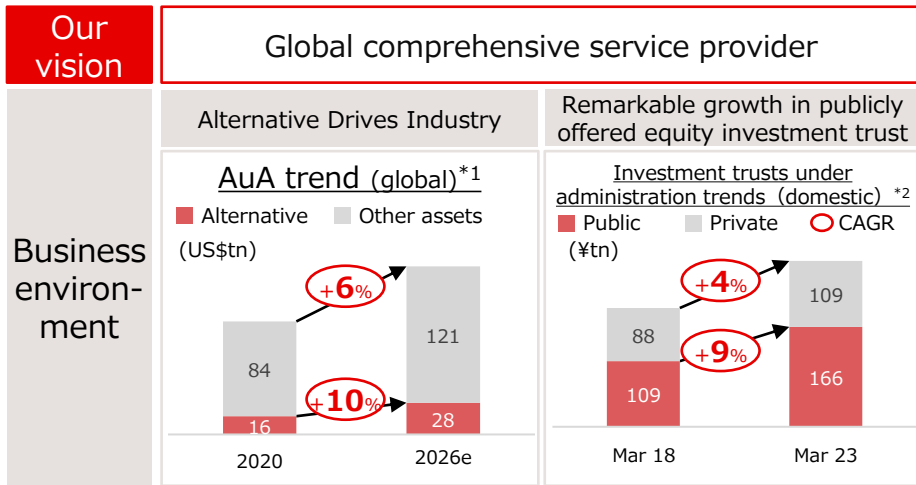
No.1 in AM for individual investors in Japan by capturing customer needs. Strengthen the capabilities for institutional investors



\*1 Source: MUFG arranged the data made by Boston Consulting Group \*2 Cash inflow between 2018 and 2021. Source: Boston Consulting Group  
\*3 Source: Preqin \*4 AlbaCore Capital Group (subject to the approval from relevant regulators) \*5 Excluding ETF \*6 Mitsubishi UFJ Kokusai Asset Management

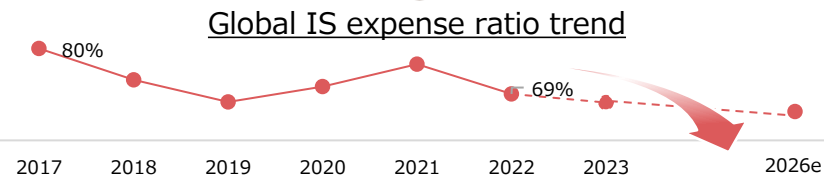
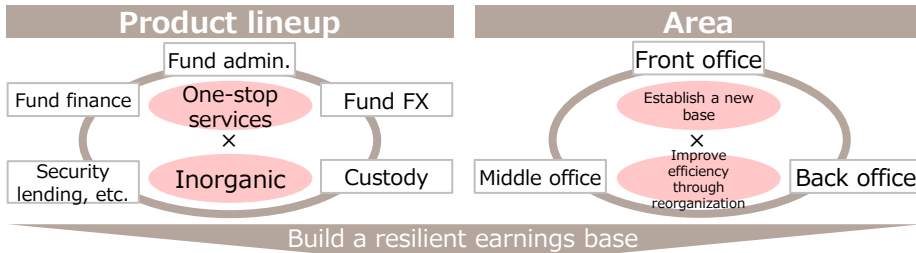
# Key strategies (2) IS

## Our vision and business environment



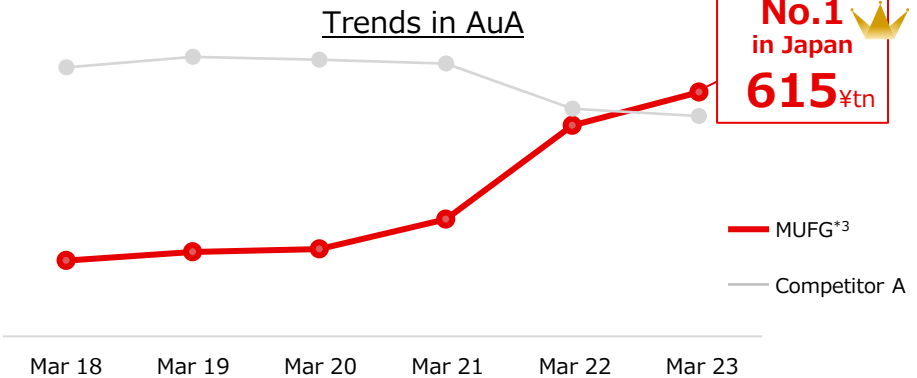
## Global (Enhancing one-stop services)

Expand products offered in one-stop service and areas offering the service to build a resilient earnings base

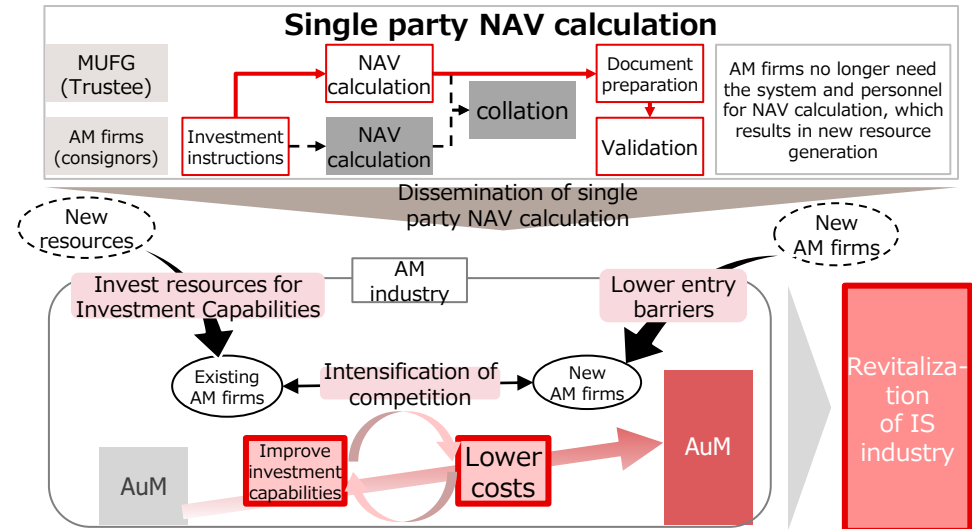


## Domestic (Industry-leading AuA and differentiated services)

Became No. 1 in AuA by differentiating from competitors



Contribute to development and expansion of AM industry overall by popularizing single party NAV calculation



\*1: MUFG arranged the data made by Boston Consulting Group

\*2 Source: The investment trusts association \*3 AuA in The Master Trust Bank of Japan

# Key strategies (3) ESG/(4) Digital strategy

## Responsible investment (set NZAM interim target)

Promoting various initiatives toward achievement of the interim target set in October 2022

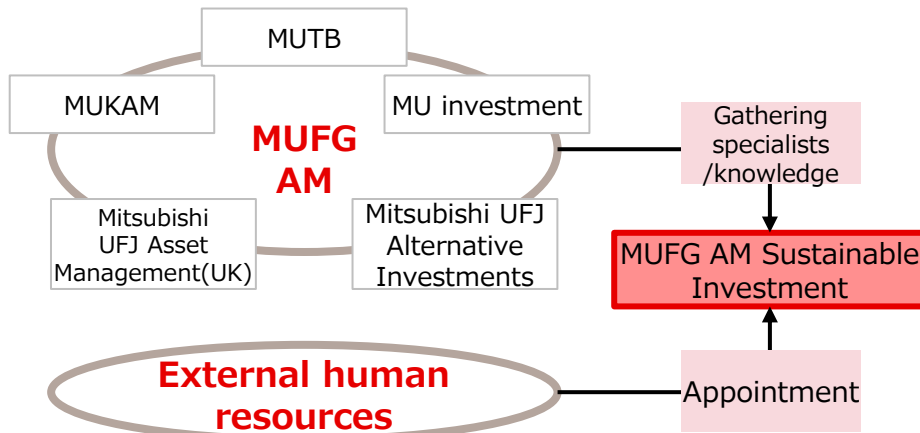


### Interim target by 2030

For 55% of AuM, reduce 50% GHG emissions vs 2019

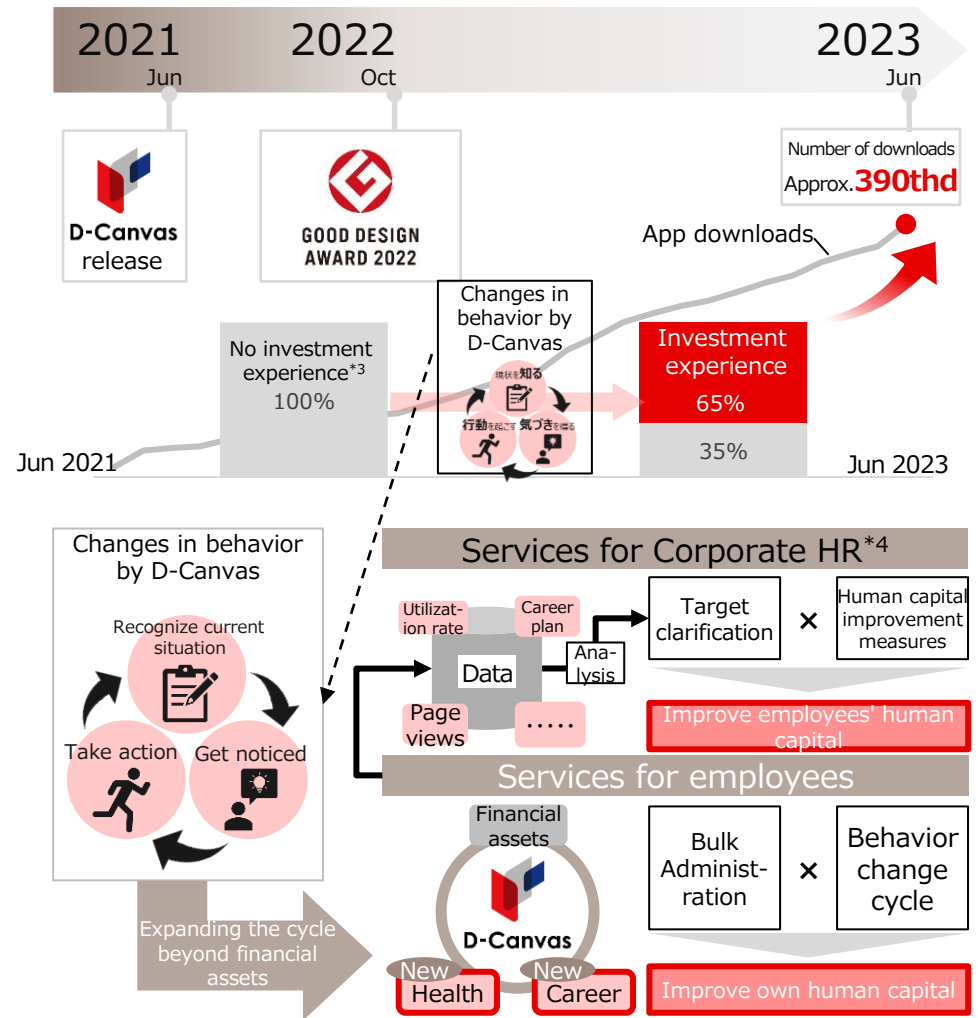
## Responsible investment (strengthen promotion structure)

Consolidate the global standard expertise in sustainable investment and speed up its promotion



## Digital (D-Canvas)

In addition to expansion of the scope of asset formation, considering its utilization to improve human capital



\*1 Select top 1,000 GHG-emitting companies (representing at least 90% of the portfolio) and prioritize them for engagement  
 \*2 An index composed of the issues expected to have high returns among the companies having goals consistent with the Paris Agreement  
 \*3 Users who own capital protected products alone in corporate-type defined contribution pension plan as of May 2021 \*4 Human Resources



## Disclaimer

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. (“MUFG”) and its group companies (collectively, “the group”). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see other disclosure and public filings made or will be made by MUFG and the other companies comprising the group, including the latest kessantanshin, financial reports, Japanese securities reports, Integrated reports and annual reports, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document. In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed. The financial information used in this document was prepared in accordance with Japanese GAAP (which includes Japanese managerial accounting standards), unless otherwise stated. Japanese GAAP and U.S. GAAP, differ in certain important respects. You should consult your own professional advisers for a more complete understanding of the differences between U.S. GAAP and Japanese GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this document. This document is being released by MUFG outside of the United States and is not targeted at persons located in the United States.

## Definitions of figures used in this document

Consolidated :	Mitsubishi UFJ Financial Group (consolidated)		
Non-consolidated :	Simple sum of MUFG Bank (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)		
the Bank (consolidated) :	MUFG Bank (consolidated)	MUFG:	Mitsubishi UFJ Financial Group
DS:	Digital Service	the Bank (BK):	MUFG Bank
R&C:	Retail & Commercial Banking	the Trust Bank (TB):	Mitsubishi UFJ Trust & Banking Corporation
JCIB:	Japanese Corporate & Investment Banking	the Securities HD (SCHD):	Mitsubishi UFJ Securities Holdings
GCIB:	Global Corporate & Investment Banking	MUMSS:	Mitsubishi UFJ Morgan Stanley Securities
GCB:	Global Commercial Banking	MSMS:	Morgan Stanley MUFG Securities
AM/IS:	Asset Management & Investor Services	NICOS:	Mitsubishi UFJ NICOS
		MUAH:	MUFG Americas Holdings Corporation
MTBP:	Medium-Term Business Plan	MUB:	MUFG Union Bank
		KS:	Bank of Ayudhya (Krungsri, KS)
		Bank Danamon (BDI):	Bank Danamon Indonesia
		FSI:	First Sentier Investors

All figures are on a managerial accounting basis.

Unless otherwise noted, foreign exchange rates are based on assumed rates determined for internal managerial accounting purposes.

- ROE : Calculated based on Risk Assets (R&C, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets)  
Calculated based on net profits and excluding mid- to long-term foreign currency funding costs
- RWA: The finalized Basel III reforms basis. Managerial accounting basis. (Estimated figure)