

# Audit Report

[Translation]

**We, as the Company's Audit Committee, have audited the performance of duties of the Company's Directors and Corporate Executives during the Company's 18th fiscal year from April 1, 2022 to March 31, 2023 as described in the copy of audit report of the Audit Committee, and we hereby supplement the information stated in the audit report to explain our audit method and the details of the audit conducted by us as follows:**

# Audit Report

## Audit Method Applied by the Audit Committee and Details Thereof

Based on the policy which we established, at the beginning of the fiscal year we assessed the Company's business strategy, management issues, and the like, as well as relevant risks, and formulated an annual audit plan for the Audit Committee including important audit items. In formulating the audit plan, we emphasized the following points.

- (1) Receiving reports from the Directors, Corporate Executives and Independent Auditors and the like on the status of performance of their duties, and asking them questions related thereto
- (2) Utilizing audit by the Internal Audit Division
- (3) Grasping the status of performance of duties through attendance at important meetings such as management meetings
- (4) Sharing information or opinions with audit and supervisory committees and the like of the Company's subsidiaries regarding the status of performance of duties of the directors and corporate executives of the Company's subsidiaries

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## Detailed Status of Activities

- (1) Receiving reports and asking questions related to important matters in business operations at monthly Audit Committee meetings (relevant Officers and Employees, Corporate Executives in charge of internal audit or the Independent Auditors)**
- (2) Receiving reports and asking questions regarding details of the status of internal audit at regular meetings (every month) with the Internal Audit Division**
- (3) Asking questions related to key issues related to Group management in regular meetings (twice a year) with the President & Group CEO and the Presidents & CEOs of the Company's major subsidiaries**

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## Detailed Status of Activities

- (4) Receiving reports and asking questions regarding the status of audit of the performance of duties of the Company's subsidiaries at regular meetings (twice a year) with the members of audit and supervisory committees and the like of the Company's major subsidiaries (in addition, full-time Members of the Audit Committee attend monthly audit and supervisory committee meetings of the Company's major subsidiaries)**
- (5) Performing audit of overseas operational bases and conducting interviews with the relevant local supervisory authorities**
- (6) Making reports or recommendations to the Board of Directors**

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## Detailed Status of Activities

### **(7) Exercising supervision over audit by the Independent Auditors**

**Throughout the fiscal year we communicated with the Independent Auditors regarding planning, conducting and reporting on audit, and received reports from and consulted with them on important matters related to financial reporting (including the performance of their duties and key audit matters\*). In addition, we received reports from the Independent Auditors on the status of the development and operation of systems for ensuring appropriate performance of their duties, and asked them questions about the reports.**

**\* The Independent Auditors have stated the key audit matters (KAM) in the Audit Report. Please read the Audit Reports of the Independent Auditors posted on the Company's website.**

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## Content of Main Questions Asked at Audit Committee Meetings

### (1) Financial reporting

- Matters that require significant accounting estimates, such as allowance for credit losses, recognition of impairment risk for assets pertaining to acquisitions, investments, and system investments, and fair valuation of derivative transactions
- Measures in response to material issues relating to internal control over financial reporting (SOX)
- Making the process of preparing financial results firm/fast/efficient

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## Content of Main Questions Asked at Audit Committee Meetings

### (2) Risk management and internal control

- Operation of a PDCA cycle where each of the three defense lines for the effective management of risks and internal control are functioning and cooperating
- Risk management systems such as for credit risk, operational risk, IT risk, and cyber risk
- Crisis event management
- Sale of MUFG Union Bank and investment in shares of U.S. Bancorp

### (3) Compliance

- Group global compliance systems
- Compliance risk events

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## Content of Main Questions Asked at Audit Committee Meetings

### (4) Internal audit

- Group global audit systems and the continuous reinforcement thereof

### (5) External audit

- Communication between the Independent Auditors and each of the companies of the MUFG Group
- Accounting treatments for and disclosure of allowance for credit losses which were recognized as a key audit matter (KAM)



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## Conducting Interviews, etc. Remotely

Since the COVID-19 crisis, in performing the annual audit activities, including the audit of domestic and international operational bases, we have been conducting interviews and the like remotely by utilizing means such as telephone networks and the internet in addition to face-to-face interviews and the like.

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## Results of Audit of the Business Report and others

- (1) In our opinion, the Business Report for the 18th Fiscal Year presents fairly the conditions of the Company in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Company.**
- (2) In our opinion, there are no fraudulent acts or material facts in the course of the Directors' and Corporate Executives' performance of their duties that violated the applicable laws and regulations or the Articles of Incorporation of the Company.**
- (3) In our opinion, the internal control systems are appropriate.**

# Audit Report

## Results of Audit of the Financial Statements, the Supplemental Schedules, and the Consolidated Financial Statements

In our opinion, the method and the results of the audit conducted by Deloitte Touche Tohmatsu LLC, the Independent Auditors, are appropriate, and no material issues have been raised concerning the non-consolidated financial statements, supplemental schedules, and the consolidated financial statements.

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