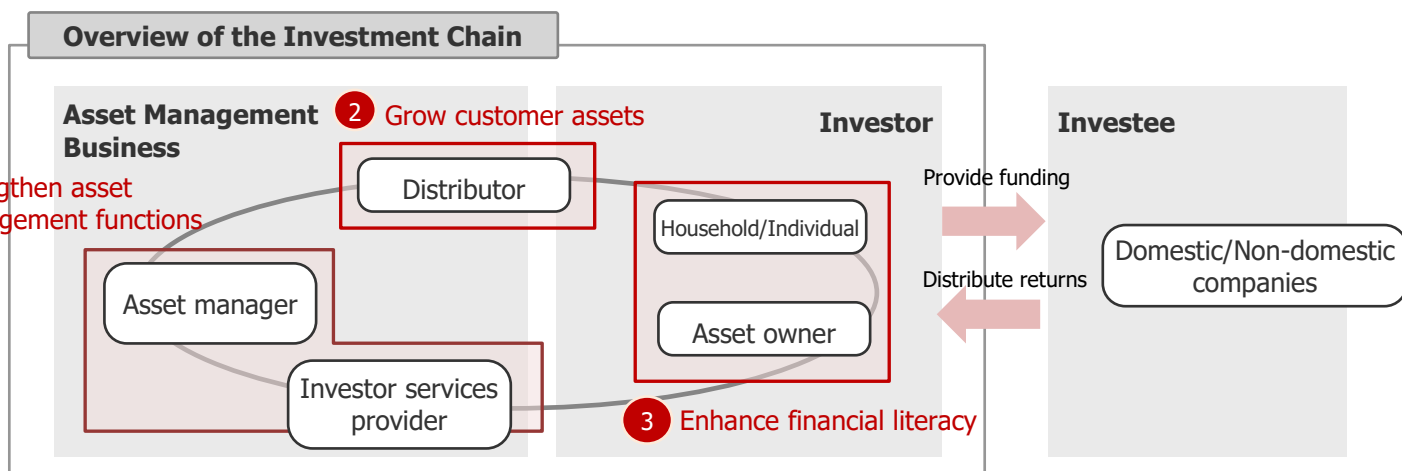


## MUFG Announces New Asset Management Business Initiatives

Tokyo, January 15, 2024 --- MUFG today announced that it has formulated an asset management business strategy (detailed in the appendix) with the aim of contributing to making Japan a leading asset management center by creating a virtuous cycle of growth and asset income.

Amid growing momentum for industry-wide reforms in the wake of the Japanese government's announcement of its vision to promote Japan as a leading asset management center, the asset management business represents a key endeavor for creating a virtuous cycle of growth and asset income, as well as stimulating the Japanese economy by accelerating the shift from savings to investment and asset formation, and MUFG is positioning this business as one of our medium- to long-term growth strategies. As a global comprehensive financial services group, we will empower people to build more prosperous lives by promoting investment and supporting asset formation through further enhancing our industry-leading asset management and investor services, and providing customer-centered professional investment advisory services and diverse solutions, as well as financial and economic education.



### 1. Initiatives aimed at strengthening our asset management functions

#### (1) Vision

Our goal for the asset management (AM) business is to become “Japan’s number one AM firm with a global presence” by providing investment services that exceed customers’ expectations though enhancing our investment capabilities—with expertise gathered from both within and outside MUFG—while strengthening the governance framework of our asset management companies. Our target is to double assets under management from the current 100 trillion yen to 200 trillion yen by the end of fiscal year 2029. In terms of business strategy, we define the AM business as one of MUFG’s core businesses and position our asset management company, Mitsubishi UFJ Asset Management (MUAM),

as our fourth pillar alongside the Bank, the Trust Bank, and the Securities business.

In the investor services (IS) business, we will leverage our advantage of being Japan's number one investor services provider to promote business process outsourcing (BPO) service contracting for middle and back-office operations. Our aim is to contribute to improving the efficiency of the entire asset management industry by providing an environment where asset management companies and institutional investors can concentrate on investing. Our target for business volume is to double our BPO contracting balance from 40 trillion yen to 100 trillion by March 31, 2030.

## (2) Key initiatives

### AM business

- ✓ Enhance investment capabilities: Enhance our investment capabilities, especially in private markets, by consolidating expertise and functions within and outside MUFG (including optimizing investment functions in credit and alternative investment, further collaboration with Morgan Stanley, inorganic growth strategy, etc.).
- ✓ Enhance business infrastructure and asset management culture: Reform remuneration framework to attract and retain top-caliber investment professionals, as well as introduce new training programs for investment talent (MUFG's version of a global emerging manager program).
- ✓ Strengthen governance framework: Ensure the independence of MUAM's management, increase transparency, and strengthen product governance.

### IS business

- ✓ Improve efficiency at asset management companies: Provide an environment in which asset management companies can concentrate on investment by promoting BPO service contracting for middle and back-office operations, and providing the industry's first single-party net asset value calculation service.

## **2. Initiatives aimed at growing our customers' assets**

### (1) Vision

We will strive to expand our customers' assets by engaging in customer-centered business operations.

### (2) Key initiatives

- ✓ Improve the quality of investment advice: Along with using the "Investment Management Advice Chain" model to provide value-added advisory services and relevant information, strive to create proposals for comprehensive solutions by taking goals-based approaches that utilize digital technologies.
- ✓ Upgrade the customer experience: Improve UI/UX, especially on Mitsubishi UFJ Direct (Internet Banking), MUFG's core app, and provide a frictionless customer experience and personalized proposals.
- ✓ Expand and enrich our digital platform: Support customers' asset formation by providing wide-ranging content and information.
- ✓ Promote the new NISA program: Raise public awareness of the NISA program by publishing ads and tie-up articles, holding seminars, and expanding product

lineup in conjunction with promotional campaigns at each group company in order to help more customers make the transition from savings to investment.

- ✓ Provide online securities functions: Provide a au Kabucom Securities Co., Ltd.'s convenient and low-cost trading platform in response to securities trading needs.

### **3. Initiatives aimed at enhancing financial literacy**

#### **(1) Vision**

We will pursue efforts to improve financial literacy in order to contribute to independent asset formation by people of all generations.

#### **(2) Key initiatives**

- ✓ For asset formation customers: Provide an extensive lineup of services through both in-person and online channels in accordance with customers' attributes and needs.
- ✓ For students: Proactively promote financial and economic education through efforts such as MUFG's Visiting Lecturer Program to boost financial literacy among younger generations.
- ✓ For asset owners: Provide support for investment product selection based on participants' financial literacy, including expanding the functions of the D-Canvas app aimed at defined contribution pension plan participants.

**- End -**

### **About MUFG**

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with approximately 2,000 locations in more than 40 countries. The Group has about 120,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges. For more information, visit <https://www.mufg.jp/english>.

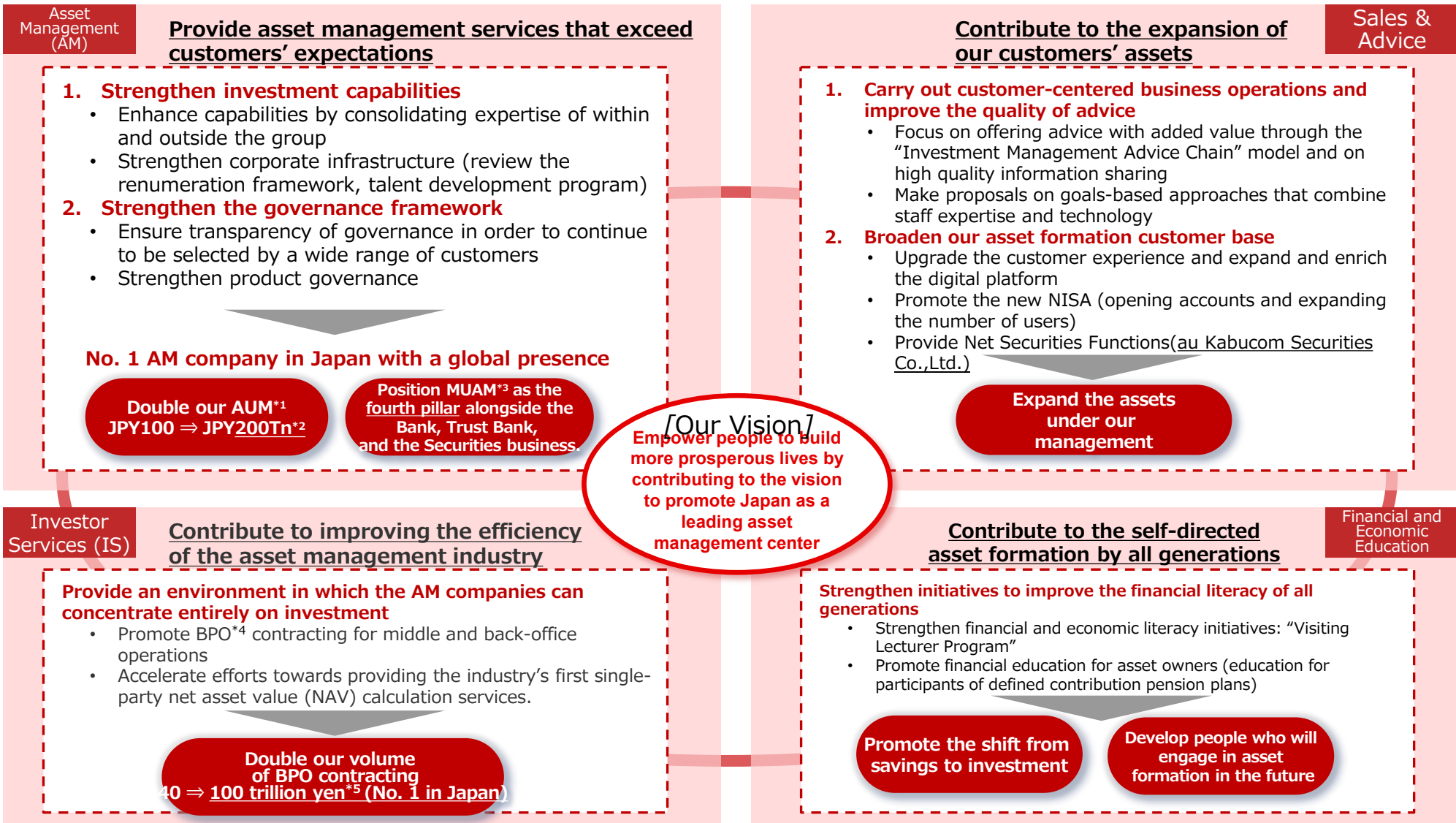


# MUFG's Asset Management Initiatives

January 15, 2024

# 1. Overview of MUFG's Asset Management Business

➤ As a global comprehensive financial services group, we promote investment and support their asset formation by creating a virtuous cycle of growth and asset income. To this end, we leverage our extensive range of asset management and investor services capabilities to provide investment products and advisory services as well as financial and economic education. Using our asset management business as a springboard, we will contribute to making people's lives more secure and prosperous.

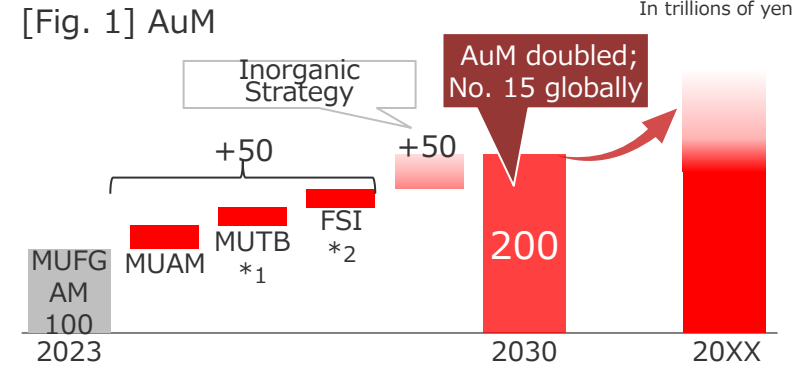


\*1 : Asset Under Management \*2 : Target for the end of FY2029 (Mar. 2030) \*3 : Mitsubishi UFJ Asset Management \*4 : Business Process Outsourcing \*5 : Target for FY2026 (Mar. 2027)

## 2. Initiatives to Strengthen Asset Management Functions: (1) Our Vision and Key Strategies 2 for the AM Business ①

### Our Vision for the AM Business

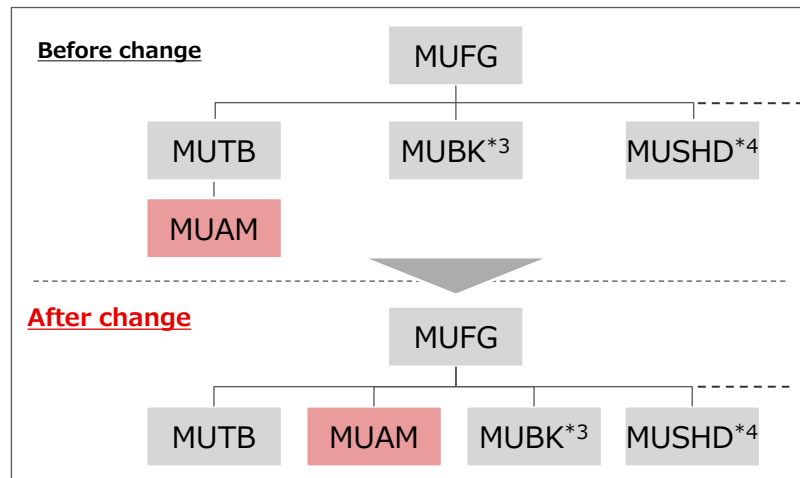
- ◆ Provide services that exceed customers' expectations  
 ⇒ No. 1 AM firm in Japan with a global presence
  - Double the business volume by the end of FY2029 (from 100 trillion to 200 trillion yen in AuM)
  - Define the AM business as a core business of MUFG, and position MUAM as the fourth pillar of MUFG alongside the Bank, the Trust Bank, and the Securities business.



### Key Strategies ①

- ◆ Improve corporate and product governance in order to strengthen our customers' trust in us
  - Change MUAM's capital structure from 100% ownership by MUTB to 100% ownership by MUFG (tentative schedule of Apr. 2024) ⇒ Ensure independence in management
  - Set up an HR committee majority consisting of outside directors at MUAM. MUAM will formulate its independent policy for selection and replacement of CEOs and directors ⇒ Improve management transparency
  - Enhance product monitoring throughout the product lifecycle to ensure that value continues to be provided to the customer after launch of the product ⇒ Strengthen product governance

[Fig. 2] Change in MUAM's Capital Structure (from Apr. 2024)



- ◆ No.1 in publicly offered investment trusts
- ◆ No.1 in ratings by pension-investor satisfaction

➔ Ensure disciplined product governance to lead the industry

[Fig. 3] Efforts to Strengthen Product Governance

Initiatives	Outline
Align interests with customers' benefits	✓ Assess the value we provide to customers in accordance with our customers' objectives and needs (evaluate net-of-fee investment return)
Value independent opinions	✓ Respect independent viewpoints (of outside directors, etc.) on product governance and not bound by internal logic and interest
Improvement of value assessment	✓ Review the value of the products to fit the customers' objectives and streamline the product lineup, including fund mergers or fund closures as necessary

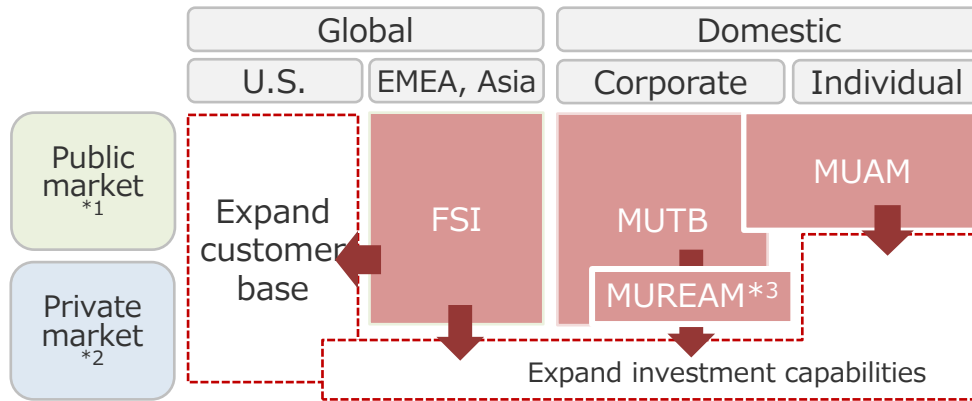
\*1 : Mitsubishi UFJ Trust and Banking \*2 : First Sentier Investors \*3 : MUFG Bank \*4 : MUFG Securities Holdings

## 2. Initiatives to Strengthen Asset Management Functions: (1) Our Vision and Key Strategies 3 for the AM Business ②

### Key Strategies ②

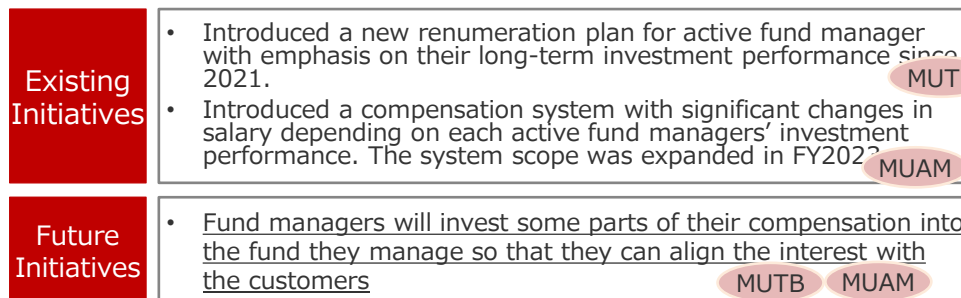
- ◆ We will develop a global and high-performing asset management team through a variety of measures to enhance our investment capabilities
  - Consolidate the functions and expertise of the whole MUFG: expand asset management capabilities with a focus on the private investment area by transferring investment functions in the credit and alternative areas (from the Global Markets Business Group to the AM & IS Business Group), raising infrastructure debt funds for project finance (collaboration between the GCIB Business Group and the AM & IS Business Group), and strengthening collaboration with Morgan Stanley
  - Capture expertise from outside MUFG: supplement functions through team and company acquisitions
  - Enhance business infrastructure and asset management culture: reform remuneration framework and introduce new training programs for investment professionals in order to retain and secure and retain talented portfolio managers

[Fig. 1] Expanding Asset Management Capabilities

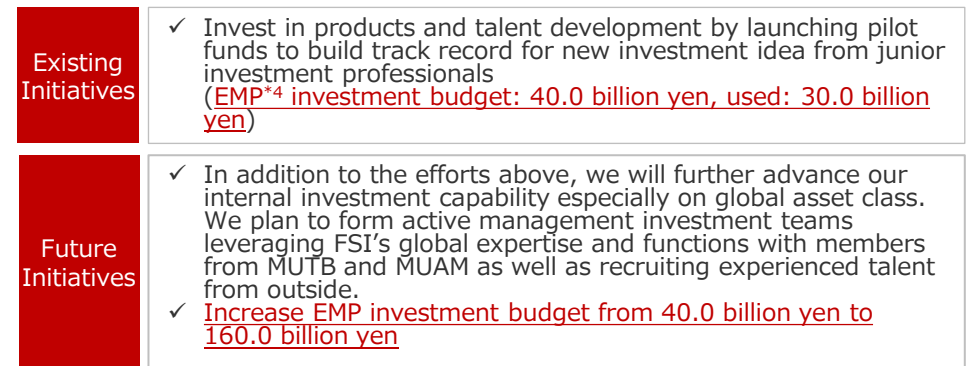


\* 1 : Assets that are tradable on the open market, such as listed stocks and public corporate bonds.  
 \* 2 : Non-traditional assets including private equity, real estate, and infrastructure. \* 3 : Mitsubishi UFJ Real Estate Asset Management

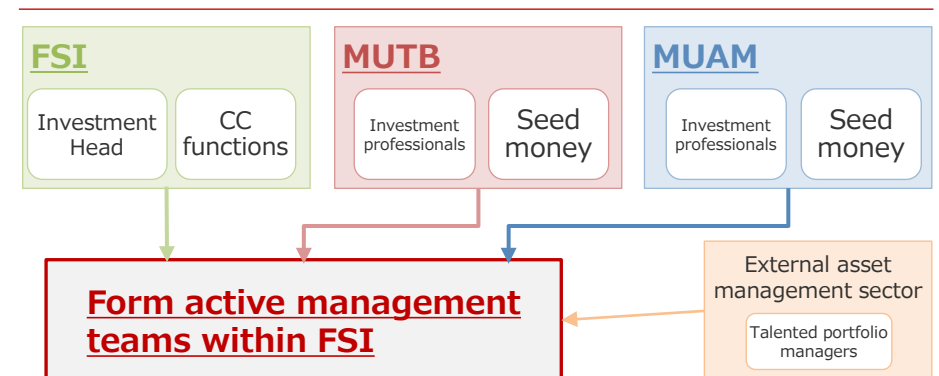
[Fig. 2] Remuneration system



[Fig. 3] Asset Manager Development Program



MUFG Global EMP: Chart



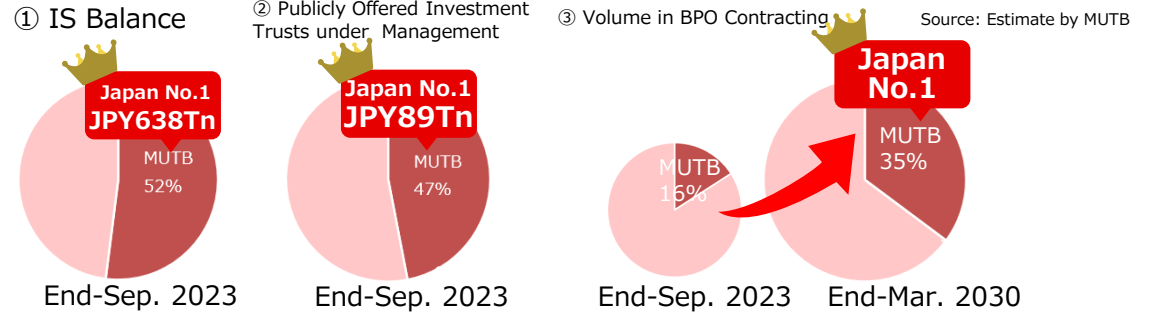
\* 4 : Emerging Manager Program

## 2. Initiatives to Strengthen Asset Management Functions: (2) Our Vision and Key Strategies 4 for the IS Business

### Our Vision for the IS Business

- ◆ Contribute to improving the efficiency of the asset management industry
  - Double our BPO volume contracting for middle and back-office operations from 40 trillion to 100 trillion yen (by end-Mar. 2030)

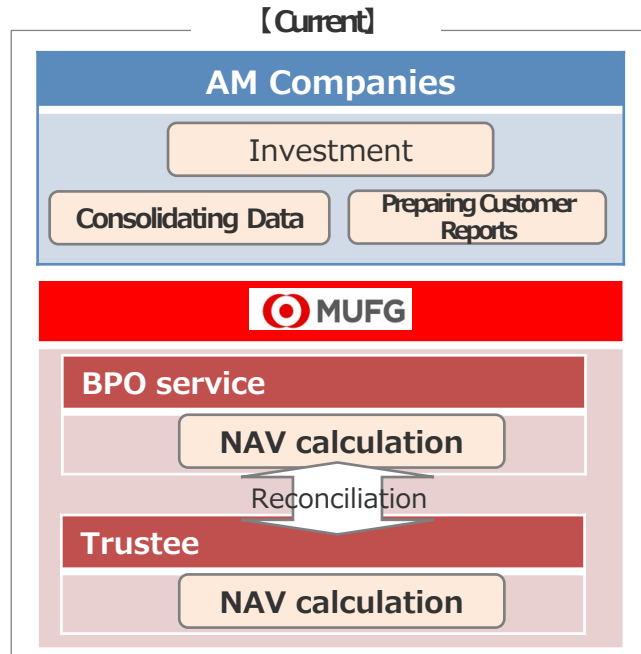
[Fig. 1] Current Business Volume and Target for the Future in Japan



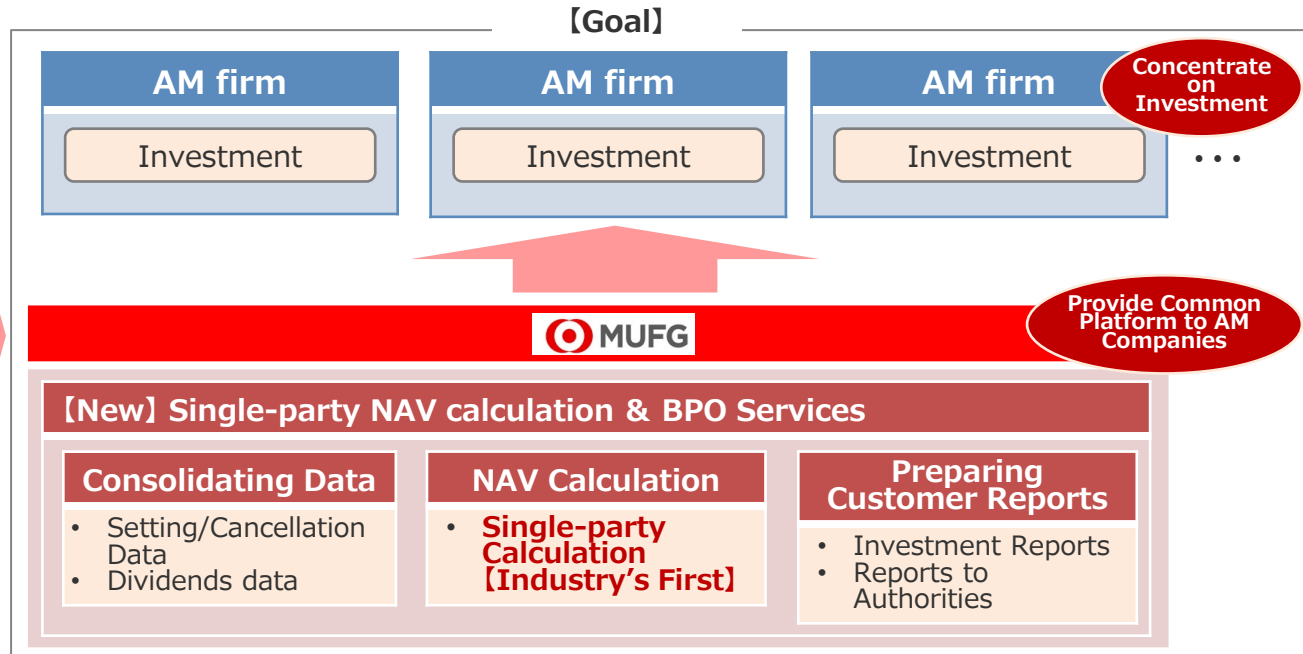
### Key Strategies

- ◆ We will leverage our advantage of Japan's No.1 investor services provider to provide an environment in which AM companies and institutional investors can concentrate solely on investment by promoting BPO for middle and back office operations and providing single-party NAV calculation services. Our strategies will also attract new entrants ⇒ contribute to improve the efficiency of the AM industry and strengthen its competitiveness

[Fig. 2] Efforts on BPO for Middle/Back-office Operations and Single-party NAC calculation services



[Fig. 3] Contribution to the AM Sector





# 3. Initiatives to Grow Our Customers' Assets: (1) Our Vision and Key Strategies for Sales and Advice ①

## Our Vision for the Sales and Advice

◆ Contribute to the growth of our customers' assets through customer-centered business operations

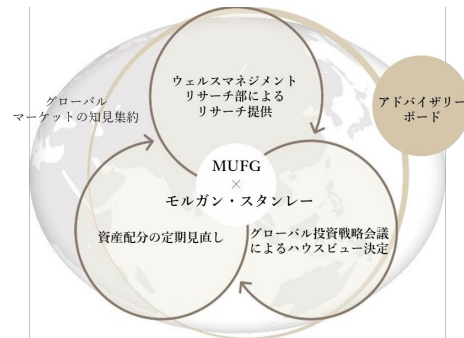
## Key Strategies ①

◆ Deliver value-added advisory services and share quality information through the "Investment Management Advice Chain" model with discipline, transparency and consistency



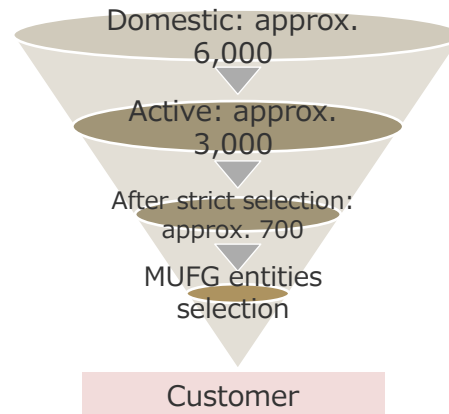
### ① House View

- In addition to MUFG's research information and expertise, the information and expertise of Morgan Stanley are widely utilized
- Based on global projections of the macro environment, a GMAP\*1 of our investment strategy is published



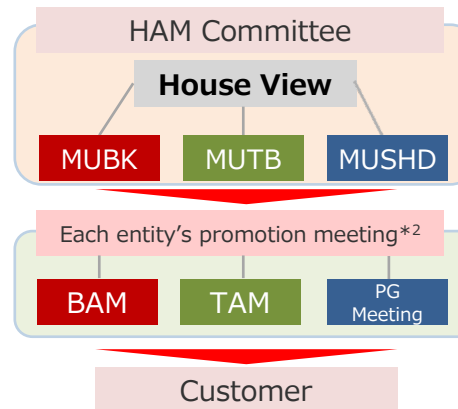
### ② IPAT

- Investment Product Analysis Team
- The "MUFG Focus List," a list of strictly selected domestic mutual funds based on MUFG's unique analysis methods, is created
- Each company shall in principle select products from this list



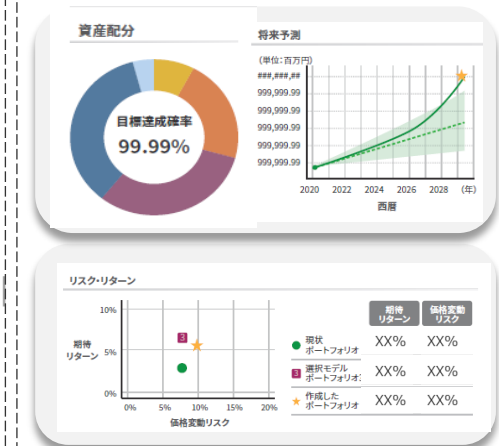
### ③ HAM

- House view Advise Manager
- Best practices are shared in the committees so that portfolio proposals are cascaded down widely within the Group



### ④ Portfolio Management

- Examine from a wide perspective the customer portfolio status and trends in numbers



(1) Global Macro & Asset allocation Perspectives

(2) MUBK: BAM (Bank Advisory Meeting), MUTB: TAM (Trust Advisory Meeting), MUSHD: PG Meeting (WMM HO Product Governance Meeting)

# 3. Initiatives to Grow Our Customers' Assets: (1) Our Vision and Key Strategies for Sales and Advice ②

## Key Strategies ②

- ◆ Provide advisory services based on goals-based approaches, which combines the power of personnel and technology to propose comprehensive solutions to customers.
  - ① Human resource development: Incorporate the advice model (goals-based approaches) into training programs, etc. so that it is cascaded down widely within the Group
  - ② Technology: Upgrade the functions of the WMPF (Wealth Management Platform), such as risk engine, etc., and expand its utilization ahead of competitors

Advice



Technology

### <Advice Model>

- MUFG AM's proposal process was systematized into "PPAR"
- Technologies from WMPF and others are utilized to provide comprehensive solutions based on goals-based approaches in terms of total assets



### <Risk Engine>

- Risk grading system was installed in WMPF in July 2023 for the first time in Asia
- It is now possible to confirm the degree of risk for customers' assets in a risk event

MUFG

「WMPF・GMAP」

金融商品や市場動向等を  
主要資産クラス別で分析し  
策定するハウスビューを元に  
ポートフォリオの将来推計を  
機動的に行う

MSCI

「リスクエンジン」

金融商品の各銘柄を  
3,000超のファクターで分析し  
リスク要因やリスク量等の  
高度な分析を日次で行う

シナリオ	許容下限額	お預かり資産 <sup>※</sup> 合計	お預かり資産 <sup>※</sup> 許容下限額
2008年 金融危機	508.80	30.11	300.00 百万円
2011年 東日本大震災	467.52	71.38	
2020年 コロナショック	470.82	53.09	
日本株が20%下落	457.44	81.47	
米国金利が2.0%上昇	540.67	+1.77	
米ドル/円が10%円高	534.11	4.80	

### <Human Resource Development>

- The concept of PPAR activity (improvement of quality of advice) will be standardized at the Group level and be adopted across the Group. It will also be incorporated into training programs.



## Key Strategies ③

- ◆ Broaden our asset formation customer base
  - ① Upgrade the customer experience: improve the UI/UX mainly on Mitsubishi UFJ Direct (Internet Banking), MUFG's core app. Provide a frictionless customer experience and personalized proposals.
  - ② Expand and enrich the digital platform: Support our customers' asset formation by providing wide-ranging contents and information.
  - ③ Promote the new NISA program: Raise public awareness of the NISA program by publishing ads and articles with tie-ins, organizing seminars, and expanding the product lineup in conjunction with promotional campaigns at each group company, to help more customers make the transition from savings to investment.
  - ④ Provide online securities functions: Provide a au Kabucom Securities Co., Ltd.'s convenient and low-cost trading platform in response to securities trading needs.

[Fig. 1] Improve the UI/UX of Mitsubishi UFJ Direct (Internet Banking), Personalized Proposals

- Link up numerous services and provide a customer experience which makes people want to carry out all their banking transactions at MUFG.
- Provide advice and information personalized to each customer's usage status



[Fig. 3] Initiatives to Promote the New NISA

- Expand the number of open accounts and users through expansion of funds subject to Tsumitate framework and holding seminars.
- Expansion of product lineup subject to Tsumitate framework and Growth framework (the Bank and Securities started handling eMAXIS Slim, subject to Tsumitate framework).
- Publish NISA advertisements and tie-in articles in media such as the Nikkei. In addition, reach a wider range of customers by using media such as YouTube.

[Fig. 2] Expanding the Digital Platform (Money Canvas)

- Work with companies in and outside of MUFG and provide comprehensive support for our customers' asset formation
- Add a function that allows users to manage household expenses and financial assets as a single account, and provide it as a new application. The aim is to get more customers to shift from savings to investment



2023年12月、商品ラインナップ拡充		
インデックスファンド		
日本株式	•eMAXIS Slim 国内株式(TOPIX)	•eMAXIS Slim 国内株式(日経平均)
海外株式	•eMAXIS Slim 全世界株式(除く日本)	•eMAXIS Slim 全世界株式(オール・カントリー)
	•eMAXIS Slim 先進国株式インデックス	•eMAXIS Slim 米国株式(S&P500)
	•eMAXIS Slim 新興国株式インデックス	•eMAXIS Slim 全世界株式(3地域均等型)
バランス	•eMAXIS Slim バランス(8資産均等型)	
アクティブファンド		
海外株式	•iTrustインド株式	

(\*) 現在は課税口座またはNISA口座でのみ購入可能なファンドをつみためNISA口座でも購入可能とします。  
 ※上記以外にもつみためNISAで取り扱うファンドを追加する可能性があります。

**インターネット専用ファンド**

# 4. Initiatives to Enhance Financial Literacy

## Our Vision

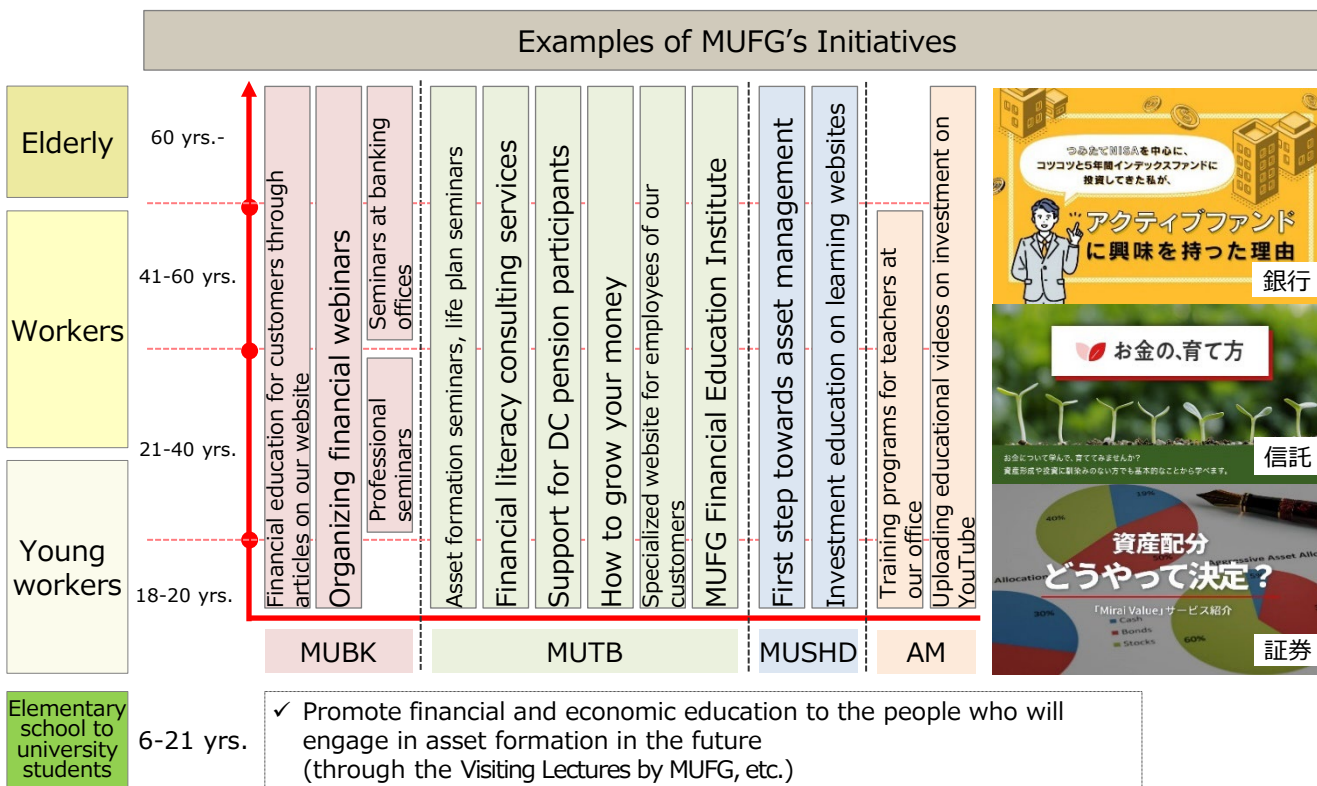
◆ Contribute to the self-directed asset formation by all generations by implementing financial literacy initiatives.

## Key Strategies

- For asset-formation customers: Provide an extensive line-up of services through both in-person and online channels in accordance with customers' attributes and needs
- For students: Actively carry out financial and economic education as a CSR activity. The whole of MUFG has launched financial literacy initiatives for the future generation, including each group company opening up their programs to students since FY2023 and starting an Visiting Lectures by MUFG.
- For corporate pension plans: Expand the functions of the D-Canvas app aimed at participants of defined contribution pension plans. Support for investment product selection based on the participants' financial literacy.

[Fig. 1] Examples of Financial Literacy Initiatives

[Fig. 2] Examples of Financial Education Programs for Students



[FY2022 Activities] 44 institutions, 2,894 students (Visiting Lectures by MUFG)



[Fig. 3] Examples of support for DC-pension participants (D-Canvas)

➢ **Watashi-no Manabi** (released in Aug. 2023)

- Displays personalized information on DC-pensions and asset formation based on the financial situation or interests of DC-pension participants

