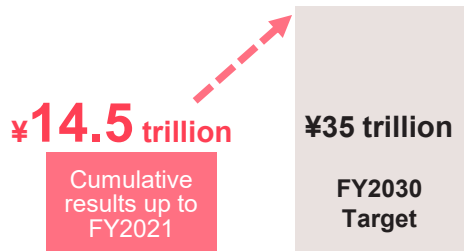


Sustainability Highlights

Sustainable Finance

Cumulative amount of execution between FY2019 to FY2030 is 14.5 trillion yen, a progress rate of approx. 41%



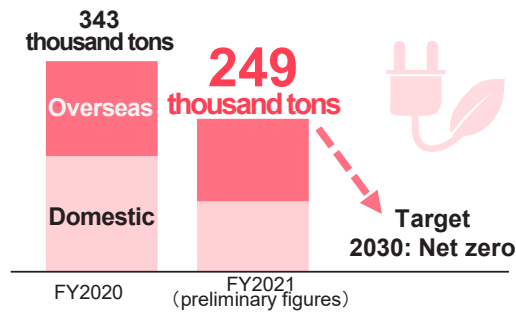
Set an Interim 2030 Targets for the Power and Oil & Gas Sectors

With an eye to achieving net-zero GHG emissions from our financed portfolio by the end of 2050, we have set interim targets for 2030.

	Result (2019)	Target (2030)
Power sector	349 gCO ₂ e/kWh	156-192 gCO ₂ e/kWh
Oil & gas sector	83 MtCO ₂ e	Base year 2019 Reduction rate 15-28%

GHG Emissions from Our Own Operations (Scope1,2)

Completely shift to 100% renewable energy for the electricity procured in Japan



Compiled GHG emission data on a global group-wide in preparation for net zero in 2030

Set a Target to Reduce the Balance of Corporate Finance for Coal-Fired Power Generation

In addition to pursuing our conventional reduction target for the credit balance targets for coal-fired power generation projects, we have set a target to reduce the balance of corporate finance for coal-fired power generation.

	FY2020	FY2021	Target
Project finance	US\$3.77 billion	US\$2.95 billion	Reduce to zero by FY2040
Corporate finance	Approximately ¥120.0 billion	Approximately ¥90.0 billion	Reduce to zero by FY2040

Engagement Activities

Japanese and non-Japanese customers

approximately 550



Disclosure Based on TCFD Recommendations

Scenario Analysis

Energy

Utilities

Automobile

Steel

Maritime

Air

Carbon-Related Assets

Energy

Utilities

Transport

Material and building

Agriculture, foods, forestry products

Expansion of Disclosure Sectors

Revision of the MUFG Environmental and Social Policy Framework

Periodic reviews of the policy framework in response to changes in business activities and the business environment to materialize environmental and social considerations.

Environment-Related Sectors

Mining (coal)

Palm oil

Oil & gas

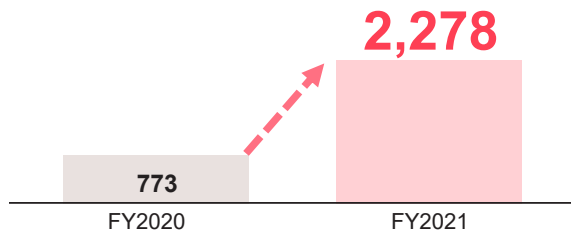
Materialize Measures for Natural Capital and Biodiversity

Started collecting information, participating in discussions on formulating a framework, and analyzing risks related to natural capital

Endorsement of TNFD
(Taskforce on Nature-related Financial Disclosures)

Number of Job Challenge Program Applicants

The Job Challenge program offers opportunities for each applicant to take on tasks within the Group in a way that aligns with their desires regardless of the entity they belong to.



Education and Training Expenses

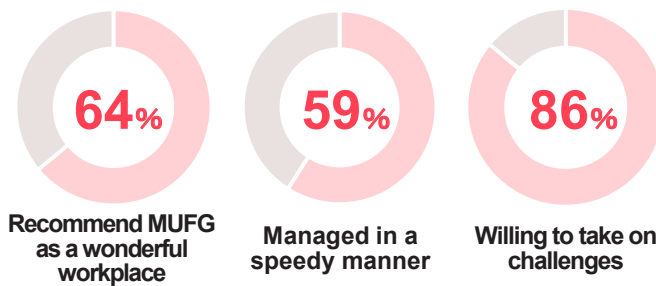
Nurturing Employees and Encouraging Them to Pursue Personal Transformation

Approx. ¥3,090 million

Of this, expenses for digital literacy training:
Approx. ¥540 million

(Sum of results for the Bank, the Trust Bank and MUMSS)

MUFG Employee Survey



MUFG Way × My Way

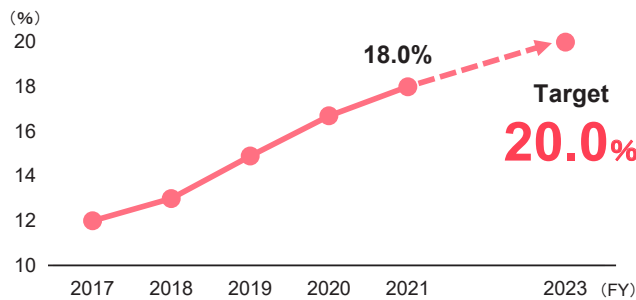
we held MUFG Way Integration Sessions with the objective of encouraging employees to discover how relevant the MUFG Way is to their day-to-day tasks and actions.



Involved more than 50,000 employees.

Ratio of Women in Management in Japan

Having achieved our fiscal 2023 target of raising the ratio of women in management to 18.0% ahead of schedule, we have upwardly revised the target to 20.0% in fiscal 2022.

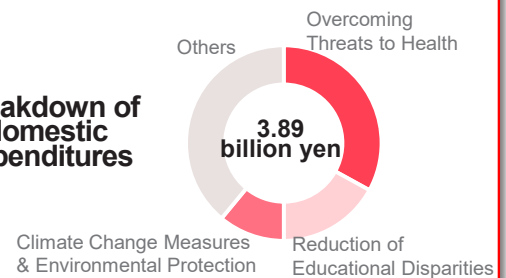


Expenses for Social Contribution Activities

Japan and overseas

8.15 billion yen

Breakdown of domestic expenditures



ESG Evaluation (As of September 2022)

MSCI	S&P Dow Jones	CDP	FTSE	Sustainalytics
A	74 (Percentile rank)	B	3.9	18.4

Toyo Keizai SDGs Corporate Ranking 500



2nd Overall
1st in Financial Institutions



Nikkei SDGs Management Survey

★★★★★
(highest rating)

Environment

Disclosure Based on TCFD Recommendations

Governance

- The Board of Directors and other various committees deliberate on initiatives to achieve carbon neutrality
- For management who evaluates and manages risks and opportunities related to climate change, we hold opinion exchange meetings with external advisors and study sessions with experts
- Started to review the performance-linked indicators for executive compensation from FY 2021 and reflected the degree of improvement found through the external ratings granted by five major ESG rating agencies

Strategy

- Disclosed the progress after releasing the MUFG Carbon Neutrality Declaration in the MUFG Progress Report (April 2022)
 - Net zero GHG emissions across its finance portfolio by 2050
Setting and disclosure of interim targets for 2030 for the power and oil & gas sectors
 - Net zero GHG emissions in its own operations by 2030
Made progress on measuring global group-wide GHG emissions
Shift to 100% renewable energy for the electricity procured domestically by the Bank, the Trust Bank, the Securities HD, NICOS and ACOM
 - Contributing to Global Initiatives

GFANZ (Glasgow Financial Alliance for Net Zero)	NZBA (Net-Zero Banking Alliance)
Through the GFANZ working groups, MUFG has been discussing net zero initiatives across financial sector as well as recommendations from the financial industry to other industries.	MUFG has been contributing as an Asian representative in the Steering Group. We were appointed Chair of the Financing & Engagement working group. MUFG leads the development of a global framework for transition finance.
ATFSG (Asia Transition Finance Study Group)	NZAM (Net Zero Asset Managers initiative)
MUFG plays a leading role in the group and contribute to discussions on common principles and standards necessary to achieve a “realistic and gradual energy transition in Asia.”	MUFG will set an interim target for 2030 by October 2022 for the proportion of assets under management consistent with achieving net zero GHG emissions by 2050.

- A Carbon Neutral Project Team consisting of nine working groups was established, and progress and policies were discussed at the Steering Committee with the CEO. The Sustainability Committee deliberates on response policies as well as the status of initiatives, and reports them to the Board of Directors
- Development and provision of decarbonization solutions and engagement activities based on the needs of customers
 - Strengthen sustainable business through engagement activities with Japanese and non-Japanese customers
 - Development and provision of solutions, such as TCFD consulting and financing schemes that add incentives to promote reduction of GHG emissions, in order to support customers' decarbonization and capture business opportunities
- Promotion of the use and popularization of renewable energy through project finance and fund creation
- Expansion of the target sectors and the calculation period for scenario analysis
 - Steel, air and maritime transportation sectors were added to transition risk analysis targets (around 1.5 billion yen to 28.5 billion yen on a single-year basis)
 - Extension of calculation period of physical risk analysis from 2050 to 2100 (around cumulative 115.5 billion yen)

Risk Management

- To consider a management framework for risks related to climate change, a project team is established with the Group Chief Risk Officer (CRO) as the lead and with participation of the CROs from the Bank, Trust Bank and Securities, as well as regional CROs.
- Revision of the MUFG Environmental and Social Policy Framework
 - strengthened and revised policies for the climate-related sectors (palm oil, mining (coal) , and oil and gas sectors) .

Metrics and Targets

- Setting of interim targets for 2030 for the power and oil & gas sectors for financed portfolio GHG emissions reductions.
- Aggregation of MUFG's GHG Emissions on a group and global basis for net zero GHG emissions from own operations, and completed shift to 100% renewable energy for electricity procured domestically. Measurement of the actual results for FY 2021 (preliminary figures)
- Setting of the sustainable finance goals for the cumulative amount executed from FY 2019 to FY 2030. The cumulative amount of execution until FY 2021 is 14.5 trillion yen, with a progress rate of approximately 41%.
- Expansion of carbon-related assets (credit amounts) disclosure sectors (addition of transportation, materials & buildings, agriculture, food, and forest products sectors)
- Setting of a new target to reduce the balance of credits amounts related to coal-fired power generation (corporate finance) to zero by 2040. Corporate finance and project finance balances for coal-fired power generation decreased year-on-year in FY 2021.

Natural Capital and Biodiversity

- Endorsement of Taskforce on Nature-related Financial Disclosures (TNFD) forum and started to analyze natural capital risks

Social

Human Resources Strategy

- MUFG positions human capital as one of its most important types of capital. MUFG works on nurturing professionals/reskilling, improvement in employee engagement, and promote inclusion & diversity
- Expansion of the Career Challenge System, such as an in-house job-posting program, to empower employees to pursue personal growth and take on challenges as well as to support their autonomous efforts to develop their career paths. Disclosure of education and training expenses, etc. as indicators of human capital
- In order to promote Culture Transformation, MUFG promotes measures to establish "challenge and speed" as a pattern of action and to create workplaces where people feel "job satisfaction" to improve engagement. Disclosure of relevant MUFG Employee Survey results

Inclusion & Diversity (I&D)

- From FY2022, we added inclusion & diversity targets to qualitative assessment indicators for determining the amount of bonuses vis-à-vis the execution status of the recipients' duties.
- From FY2022, the target for the ratio of women in management is raised from 18% to 20%
- Introduction of career development system and opinions of male employees who have taken childcare leave as well as people with disabilities

Corporate Social Responsibility Activities

- Establishment of five priority areas and our underlying thoughts and values for social contribution activities such as "Development of the Next Generation and Support for Children"
- Support using a framework in which a certain percentage of profits are contributed, and focus on MUFG SOUL implemented by employees through their own volition

Governance

- Expansion of the disclosure of our Global Financial Crime Policy, Basic Stance toward Tax, and our efforts to protect personal information

External Evaluation

- Newly selected as a constituent of the MSCI Japan ESG Select Leaders Index
- The initiatives of the Group companies were highly evaluated, including the 3rd ESG Finance Awards Japan Gold Award
- Evaluation improvement by ESG rating agencies (MSCI, FTSE, Sustainalytics, etc.)
- Second rank overall and first in finance in Toyo Keizai award, and the highest five-stars rating in the Nikkei SDGs