

Process of Identifying and Resolving Priority Issues

Process for Identifying 10 Priority Issues

We have defined 10 priority issues that must be tackled to help achieve environmental and social sustainability in light of our newly established Purpose, "Committed to empowering a brighter future." with an eye to better fulfilling society's expectations in areas where MUFG's capabilities can be brought to bear.

STEP1. Assessing a broad range of environmental and social issues (218 issues)

Identified 218 issues by assessing environmental and social issues at home and abroad with reference to the United Nations Sustainable Development Goals (SDGs), stakeholder feedback regarding ESG issues and the requirements set out in the various guidelines listed below

GRI Standards, United Nations Global Compact, SASB Standards, ISO26000, UN Department of Economic and Social Affairs (After COVID-19), Issues selected by the Cabinet Office, etc.

STEP2. Screening, integrating and narrowing-down (123 issues)

Integrated the 218 issues into the 123 issues based on duplications or similarities, with the Sustainability Office undertaking the primary screening

STEP3. Extracting (12 issues)

Identified 12 major issues based on employee feedback gleaned via questionnaires and interviews

Items included in questionnaires or asked at interviews

- Issues respondents are currently addressing or willing to address through their business duties
- Issues respondents think that are addressed by companies considered to be good corporate citizen

STEP4. Deliberation and determination (10 issues)

Determined the 10 priority issues after multiple rounds of management discussion that took into account the opinions of external advisors, input from outside directors and the global trend toward sustainability, with

aneye to better fulfilling society's expectations in areas where MUFG's capabilities can be brought to bear



Flow of MUFG's Process of Reviewing the 10 Priority Issue Initiatives



Climate Change Measures & Environmental Protection

MUFG recognizes that addressing climate change and environmental conservation is one of the most important management issues. We will respond to them by regarding them as business opportunities and risk management.

During this period, the movement to combat climate change gained tremendous global momentum. MUFG has taken another step forward by announcing the MUFG Carbon Neutrality Declaration in May 2021. Guided by this declaration, MUFG is implementing group-wide environmental measures globally, aiming to achieve net zero greenhouse gas (GHG) emissions from the financed portfolio by 2050 and net zero GHG emissions from our own operations by 2030.

MUFG's recognition	Opportunities and risks	The ongoing trend toward decarbonization is expected to result in major changes in global industrial structure which, in turn, will position MUFG and its customers to face both risks affecting their business continuity and opportunities for growth. It is important to ensure smooth transition to a carbon-neutral society and a virtuous cycle of environmental and economic improvement in order to realize a sustainable society.
	Opportunities and risks	The scope of across-the-board environmental protection initiatives is likely to expand to include not only climate change measures but also the protection of biodiversity, etc.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Promoting various initiatives to realize the MUFG Carbon Neutrality Declaration announced in May 2021 Announced our support for the Task Force for Nature-related Financial Disclosures (TNFD) and participated in a TNFD forum to promote information gathering and play our part in discussions regarding framework building as part of MUFG's tangible responses to issues associated with natural capital 	

Main Initiatives

Moving towards Carbon Neutrality

In May 2021, the MUFG Carbon Neutrality Declaration was announced. In line with this declaration, we are aiming for net zero GHG emissions from our financed portfolio by 2050 and net zero GHG emissions from our own operations by 2030.

Moreover, in April 2022, we released the MUFG Progress Report to update our stakeholders on our efforts to achieve the above targets.

[MUFG Carbon Neutrality Declaration](#)
[MUFG Progress Report](#)

Main Initiatives Since the Carbon Neutrality Declaration

Net Zero Emissions from the Financed Portfolio	Decarbonization through Financial Services	Net Zero GHG Emissions from Own Operations
Set interim targets for the power and oil & gas sectors <ul style="list-style-type: none"> Determined the power and oil & gas sectors as priority sectors. Measured actual results (2019) and set interim targets for 2030 Plans call for setting interim targets for financing in other sectors 	Providing solutions to support decarbonization, based on customers' needs Set corporate finance targets for coal-fired power generation <ul style="list-style-type: none"> Set corporate finance target to reduce the credit balance to zero by fiscal 2040 	Shifted to 100% renewable energy for electricity procured domestically by the Bank, the Trust Bank, the Securities, NICOS, and ACOM by June 2022
Decarbonization through Responsible Investment	Participation in Initiatives	Other Efforts
Joined the Net Zero Asset Managers initiative (NZAM) <ul style="list-style-type: none"> Promoting engagement with investees Set interim targets for 2030 by October 2022 	Leading the discussion on the development of a global framework <ul style="list-style-type: none"> Appointed as Chair of the Financing & Engagement Subcommittee of the Net-Zero Banking Alliance (NZBA), which is responsible for developing a framework for transition finance 	Krungsri (Bank of Ayudhya), a partner bank in Thailand, announced their Carbon Neutral Vision Revision of the MUFG Environmental and Social Policy Framework

Roadmap for Achieving Carbon Neutrality - Transition Plan for a Decarbonized Society

To achieve carbon neutrality, we are working to achieve net zero GHG emissions in our financed portfolio, decarbonization through finance, and net zero emission from MUFG. We are working to achieve the targets set for 2030, 2040, and 2050.

Roadmap

	2019	2020	2021	2022	...	2030	...	2040	...	2050
Net zero GHG emissions from the financed portfolio										Net zero
Power sector (emission intensity) ^{*1}	349 gCO ₂ e/kWh					156-192 gCO ₂ e/kWh NEW				
Oil & gas sector (absolute GHG emission) ^{*2}	83 MtCO ₂ e					Reduction rate 15-28% NEW				
Decarbonization through financial services										
Sustainable finance (for the environment) ^{*3}	¥3.5tn ^{*4} (¥2.0tn)	¥8.0tn ^{*4} (¥3.7tn)	¥14.5tn (¥5.4tn)			¥35tn (¥18tn)				
Credit balance targets for coal-fired power generation										
Project finance (FY)	US\$3.58bn	US\$3.77bn	US\$2.95bn			50% reduction from fiscal 2019		Zero		
Corporate finance (FY)		Approx. ¥120bn						Zero NEW		
Net zero GHG emissions ^{*3} from own operations										

^{*1} Scope 1 emissions from power generation businesses

^{*2} Scope 1, 2 and 3 emissions from upstream production businesses

^{*3} Cumulative total balance of financing extended since fiscal 2019

^{*4} Figures have been restated due to changes in calculation methods

NEW Announced in April 2022 **Boldface:** Targets

Global Structure to Promote Sustainable Business on a Global Basis

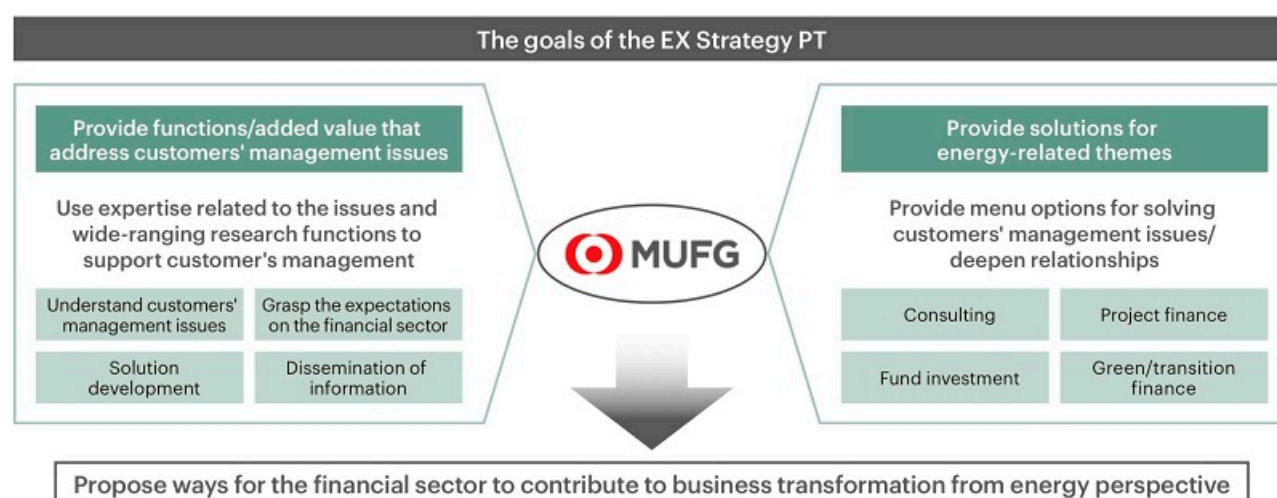
MUFG provides solutions to assist our customers innovate and to make structural changes to their business model in order to solve environmental and social issues.

In July 2021, we established the Sustainable Business Division to further promote businesses that will help solve environmental and social issues as a Group. We established a global structure to gather intelligence and capture business opportunities through assigning ESG heads in each region – EMEA, Americas and APAC – who are responsible for promoting the provision of sustainable financing solution and customer engagement, and having active discussions through global forums such as the Global ESG Conference. In addition, by collecting information from various perspectives through international initiatives, we are promoting rulemaking, commercialization, and market creation globally to capture future business opportunities.

The Energy Transformation Strategy Project Team

In December 2021, the Japanese Corporate & Investment Banking Business Group launched the Energy Transformation Strategy Project Team (EX Strategy PT).

In order to support the customers' energy transformation, the team is exploring how the financial sector as a whole can contribute to customers, while engaging in dialogs with customers, industry associations, and government agencies. As an initiative, MUFG holds monthly meetings with about 300 employees from sales divisions under the theme of energy transformation and promotes each effort while improving our response to issues throughout the MUFG Group.

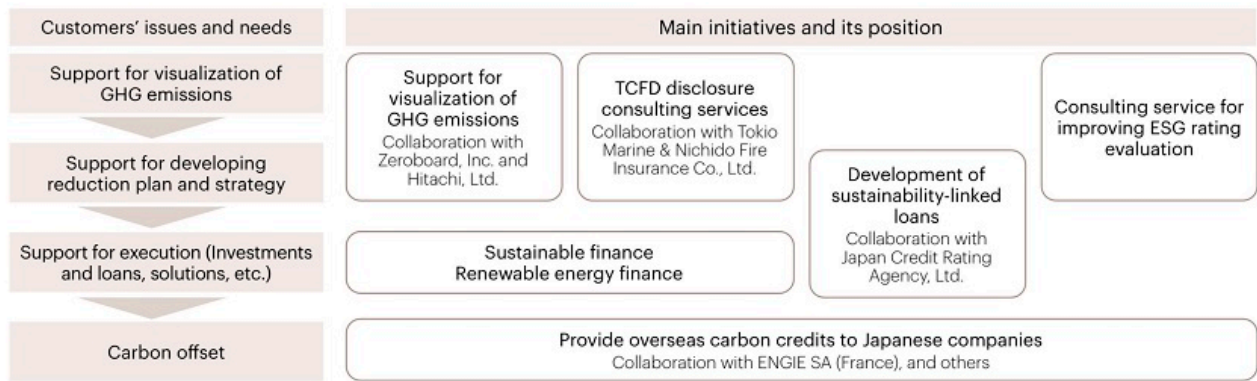


Solutions Designed to Assist Customers in Their Decarbonization Efforts

Through engagement with our customers in each region, we try to understand their challenges and needs. In fiscal 2021, we engaged in dialogue with approximately 550 domestic and foreign clients, regarding the status of their sustainability and decarbonization initiatives and the solutions provided by MUFG.

Responding to their needs for solutions, we have started providing diverse solutions designed to assist them in their decarbonization efforts. These solutions include GHG emission measurement and financial support.

New Solutions for Decarbonization



Promotion and Popularization of Renewable Energy Use

Establishment of Z Energy Co., Ltd. for Renewable Energy Fund Creation

In September 2021, with eight partner companies, the Bank established Z Energy Co., Ltd.^(note1) as a fund management company with the aim of building an independent renewable energy market, based on a concept that covers all facets of renewable energy from creation to consumption. In March 2022, we established the first Carbon Neutral Fund operated by Z Energy Corporation, and have started investing in renewable energy power generation projects^(note2).



MUFG has established an impact assessment system with Z Energy as a practice of impact investment, and has been selected as a model project under the Ministry of the Environment's "2021 Green Finance Model Case Creation Project."

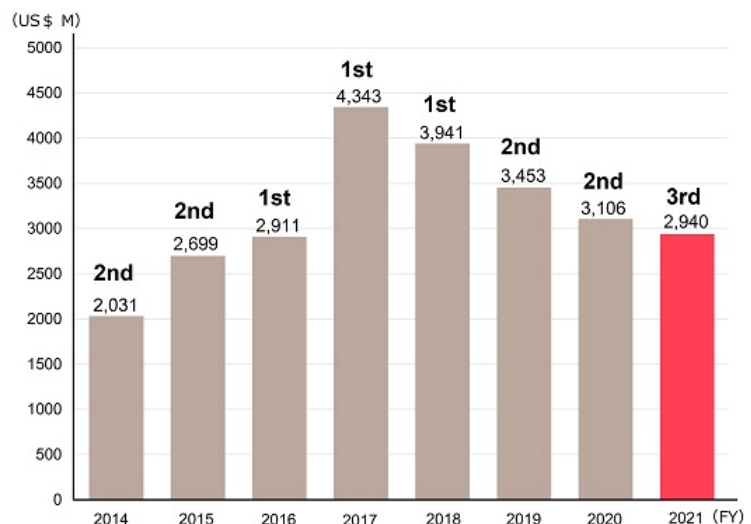
(note1) [Press release \(September 1, 2021\): MUFG Establishes a Company with the Aim of Creating a Renewable Energy Fund](#)

(note2) [Press release \(December 1, 2021\): Investment in Carbon Neutral Fund 1 Investment Limited Partnership \(in Japanese\)](#)

Renewable Energy Project Finance

MUFG is one of the world's top performers in the global project finance sector, as shown in the Lead Arrangers League Table related to renewable energy projects. In May 2021, MUFG set a target of reducing CO₂ emissions through project finance for renewable energy projects by a cumulative total of 70 million tons from FY 2019 to FY 2030. This is equivalent to the annual CO₂ emissions of about half of the households in Japan.

Reduction of CO₂ emissions from FY 2019 to FY 2021 was 26.83 million tCO₂.



Source: Bloomberg New Energy Finance ASSET FINANCE /Lead Arrangers LEAGUE TABLE

Net Zero GHG from Own Operations

By November 2021, the Bank, the Trust Bank, and the Securities completed switching to 100% renewable energy for their own domestic electricity contracts. Since the release of the MUFG Carbon Neutrality Declaration in May 2021, we have reduced domestic emissions by approximately 60% (approximately 30% of global emissions). In addition, we have also completed switching to renewable electricity at some sites in Europe and Asia. In June 2022, NICOS and ACOM also completed switching to 100% renewable electricity. As a result, we were able to achieve 100% renewable electricity among all MUFG consolidated subsidiaries in Japan for their own-contracted electricity, ahead of our initial schedule.

Contributing to Global Initiatives

MUFG has participated in initiatives to recognize our position from a global perspective and to reflect a highly-standardized and transparent methodologies when setting GHG emission targets for our financed portfolio. As a leading financial institution in Asia, we are committed to communicating our views.

GFANZ (Glasgow Financial Alliance for Net-Zero)

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. GFANZ plans to use these discussions to make policy recommendations to the G20 and COP27.

Net-Zero Banking Alliance (NZBA)

In June 2021, we became the first Japanese bank to join the NZBA and have been contributing as an Asian representative in the Steering Group. In December 2021, we were appointed Chair of the Financing & Engagement working group. MUFG leads the development of a global framework for transition finance.

Net Zero Asset Managers initiative (NZAM)

An asset management company initiative to achieve net zero GHG emissions by 2050, in line with international efforts to limit the global temperature increase to 1.5°C. 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.

Asia Transition Finance Study Group (ATFSG)

ATFSG was launched under the Asia Energy Transition Initiative (AETI) with a focus on major financial institutions active in ASEAN countries. Leading by MUFG, this study group is discussing the common principles and standards, etc. necessary to have a realistic and gradual energy transition in Asia.

Risk Management

Inclusion of Climate Change-Related Risks in the Risk Appetite Statement

In FY 2021, we included climate change-related risks in our Risk Appetite Statement. This move is intended to help develop, maintain and upgrade our structure for appropriately managing climate change-related risks.

Positioning of Climate Change-Related Risk in Enterprise Risk Management

MUFG has positioned climate change-related risk as one of the Top Risks that it must pay close attention to for the year ahead and going forward.

Management of Environmental and Social Risks in the Course of Financing

In line with the MUFG Environmental Policy Statement and the MUFG Human Rights Policy Statement, we have established the MUFG Environmental and Social Policy Framework, with the aim of properly assessing and managing environmental and social risks that may arise in the course of financing. In addition, we are engaged in due diligence based on the Equator Principles in its efforts to contribute to environmental and social sustainability.

Strengthened Policies on the Sectors Related to the Environment, Including Climate Change

Since its establishment in May 2018, the MUFG Environmental and Social Policy Framework has been periodically reviewed in response to changes in business activities and the business environment.

The most recent revision, made in April 2022, strengthened and revised policies for the climate-related sectors (palm oil, mining (coal), and oil and gas sectors).

Environment-related policies in the MUFG Environmental and Social Policy Framework

Sectors	2018	2019	2020	2021	2022	Details of revisions
Coal-fired power generation	Established	Revised		Revised		Strictly limited eligible clients to those certified under the Roundtable on Sustainable Palm Oil (RSPO) program
Forestry		Established		Revised		
Palm oil		Established		Revised	Revised	Prohibited financing for new projects associated with the mining of thermal coal for use in power generation businesses
Mining (coal)		Established			Revised	
Oil and gas			Established		Revised	Clarified process for identifying and assessing risks and impacts arising from shale oil, gas and pipeline projects in terms of environmental and social sustainability
Large-scale hydroelectric power generation			Established			

Natural Capital and Biodiversity

MUFG Environmental Policy Statement, MUFG Environmental and Social Policy Framework

In MUFG Environmental Policy Statement and the MUFG Environmental and Social Policy Framework, MUFG has established the following policies:

MUFG Environmental Policy Statement

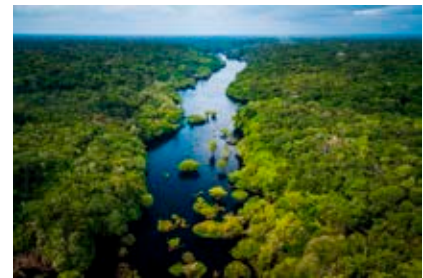
(extract) [Maintenance and protection of the biodiversity which supports our society is the foundation for the realization of a sustainable society. MUFG supports businesses that protect biodiversity through the provision of products and services. Each group company also takes appropriate measures to prevent negative impacts on biodiversity associated with our products and services.]

MUFG Environmental and Social Policy Framework

In light of the nature and severity of environmental and social risks or impacts, businesses that have a negative impact on Ramsar-designated wetlands, businesses that have a negative impact on UNESCO World Heritage sites, and businesses that violate the Convention on International Trade in Endangered Species of Wild fauna and Flora (Washington Convention) are defined as "Prohibited Transactions". In addition, as "Transactions of High Caution", we have identified businesses that have a negative impact on areas with high conservation value and sectors such as mining (coal), oil and gas, large-scale hydroelectric power generation, forestry, and palm oil. When considering financing, we check the implementation status of environmental and social considerations by our customers, including their impact on the ecosystem and how they are responding.

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

The TNFD is an international initiative launched in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wide Fund for Nature (WWF) and Global Canopy. TNFD aims to shift global financial flows toward nature-positive outcomes through disclosure of nature-related information by companies. The TNFD Forum is a stakeholder organization to provides information and technical support related to TNFD.



In February 2022, MUFG joined the TNFD Forum to promote initiatives for natural capital and biodiversity across the Group. We also participated in a meeting of the TNFD Consultation Group of Japan established in June 2022. In addition, referring to the LEAP approach^(note) presented in the framework beta version, we have started to analyze natural capital risks together with Mitsubishi UFJ Research and Consulting, a member of the forum. As a member of the forum, we will continue to actively participate in discussions to further contribute to the realization of a sustainable environment and society.

(note) LEAP approach: An approach proposed as a practical risk assessment method for natural capital and consists of four steps: Locate the contact point between the company and nature, Evaluate the impact and dependence on nature, Assess the risks and opportunities related to nature, and Prepare business strategies and disclosures according to those risks and opportunities.

Please see [Environment](#) for details.

Response to Aging Population & Low Birthrate

MUFG strives to enhance its financial products and services backed by comprehensive capabilities afforded by the Group to meet evolving and diversifying customer needs in the face of changes in social structure due to the aging population and low birthrate. We also engage in research and social contribution activities for the same purpose.

Moreover, we are developing channels specifically designed to make access to our services easier for elderly customers. At the same time, we constantly work to enhance customer convenience by upgrading our apps and other digital-driven tools supporting non-face-to-face channels to improve their operability and design.

MUFG's recognition	Opportunities	Leveraging our comprehensive financial service capabilities is important in order to meet evolving and diversifying customer needs in the face of changes in social structure due to aging population and low birthrate.
	Risks	The aging population and low birthrate may lead to economic stagnation and a decline in growth potential, leading to the shrinkage of both funding demand and interest margins, a situation that could, in turn, have a particularly negative impact on the traditional commercial banking businesses.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Enhancing the content of our financial services, develop more accessible channels and otherwise endeavor to address various issues arising from aging population and low birthrate Engaging in research into financial gerontology to raise our ability to help customers enjoy a healthy life and longevity by, for example, drawing on research findings to develop products designed to support their future security with an eye to the possible deterioration of cognitive functions 	

Main Initiatives

Main Initiatives in Each Issue Category

Issue	Aging Population			Low Birthrate
	① Succession of businesses and assets	② Response to the elderly	③ Asset building	④ Support for next generation
Financial Services	<ul style="list-style-type: none">● Support succession of businesses and assets	<ul style="list-style-type: none">● Respond to deterioration of cognitive functions● Support testament and bestowal etc. via trust banking functions	<ul style="list-style-type: none">● Consulting on asset management and asset building● Pension investment and consulting services for corporates	<ul style="list-style-type: none">● Contribute by utilizing financial knowledge
Infrastructure	<ul style="list-style-type: none">● Services in response to aging population and deterioration of cognitive functions (23,000 registered supporters in the Bank)		<ul style="list-style-type: none">● Branch facilities designed in the spirit of universal design● Improvement of UI/UX*	
Research / Social Contribution	<ul style="list-style-type: none">● MUFG Inheritance Research Institute● Japan Financial Gerontology Institute		<ul style="list-style-type: none">● MUFG Financial Education Institute	<ul style="list-style-type: none">● Financial and economic education for students from elementary to high school● Donation for children and students
Support for Employees	<ul style="list-style-type: none">● Create a workplace that enables both men and women to strike an optimal balance between work and childcare, nursing care or infertility treatment (ensure that our assistance programs are known by all, promote the utilization of such programs and foster an inclusive corporate culture)			

* UI (User interface) and UX (User experience). Experiences and values capable of earning through usability of the services

Succession of Businesses and Assets

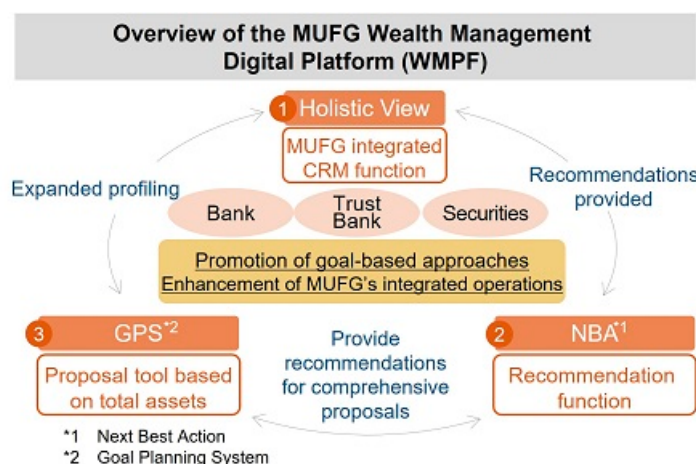
Employing functions afforded by the Group as well as networks offered by our alliance partners, we deliver proposals regarding M&A, inheritance, real estate and asset management by taking a groupwide, integrated approach. Through these endeavors, we support the succession of assets and businesses worth more than ¥1 trillion on an annual basis. Furthermore, we began offering foreign currency-denominated insurance with a lump-sum premium for people seeking protection after bereavement. ^(note) This insurance is equipped with a joint policy and thus provides an effective solution for secondary inheritance, which often becomes an issue in the course of asset succession. In these and other ways, we strive to enhance our lineup of products and services designed to support the smooth succession of businesses and assets.

(note) A type of insurance enabling two individuals to be insured with a single policy

Development of the MUFG Wealth Management Digital Platform (WMPF)

MUFG Wealth Management aims to be a trusted brand that can serve as a good partner to support customers' lives for generations to come and to provide Group-wide comprehensive solutions, from banking and trust to securities, to our customers so that they can achieve true wealth at various stages of their lives.

Utilizing the WMPF, a digital tool released in February 2022 which is used throughout the entire Group, we will come to understand customers' life goals and propose optimal solutions based on their total assets using the Group's comprehensive strengths to meet the diverse needs of individuals, their families, and businesses, such as asset succession, business succession, and asset management.



MUFG Inheritance Research Institute

The Trust Bank has established the MUFG Inheritance Research Institute in order to conduct research studies on asset management for an aging society and on smooth transfer of assets to the next generation.

In fiscal 2021, we held our first inheritance symposium based on an awareness survey on inheritance with the theme of asset succession in the era of the 100-year life society. We also exchanged opinions on future initiatives including IT utilization in industry, government, and academia, focusing on the issues that an aging society faces, such as deterioration in cognitive and judgmental functions. Going forward, we will continue to provide practical information from a neutral standpoint with the aim of resolving social issues, such as smooth asset management and asset succession, through symposiums and the publication of various reports and columns.

Started Tsunageru Toshin Service (Gift During Life/Asset Succession)

In July 2022, the Trust Bank started new *Tsunageru Toshin* service (gift during life/asset succession) designed for individual customers.

It is a new service that contributes to the realization of long-term asset management through two approaches: Gift during life, which allows the younger generation without sufficient funds to invest due to education and housing expenses, to start investing in investment trusts early on by using gifted funds; and asset succession, which allows the next generation to continue managing investment trusts without having to convert inherited investment trusts into cash at time of inheritance.



Response to the Elderly

Today, the value of financial assets held by elderly citizens has grown bigger than ever before, while an increasing number of people suffer from dementia. Aware of these circumstances, we offer not only trust products that serve as solutions for testament formulation and the advancement of assets but also robust services to help mitigate our customers' looming sense of anxiety at the prospect of a possible aging-related cognitive deterioration. For example, in 2019 we released Tsukaete Anshin, a trust product with proxy withdrawal functions. The number of applicants for this product is now in excess of 8,000. ^(note) Moreover, we endeavor to ensure that elderly customers can always enjoy access to safe and secure services. To this end, we promote training aimed at securing employee capabilities to accommodate customers with dementia. Today, more than 23,000 employees have been certified as dementia supporters.

(note) Including applications for Tsukaete Wrap Special Contract. This additional wrap contract enables the customer's proxy to withdraw funds from wrap accounts via surrender and deposit these funds into Tsukaete Anshin accounts

Financial Gerontology

The Trust Bank is conducting research on financial gerontology, the study of how changes in cognitive function due to aging affect economic activity and financial behavior, and is researching services that enable the elderly to use their assets in the way they desire. Through this research, we will develop products that prepare for cognitive decline and contribute to the health and longevity of our customers.

In addition, we are working to commercialize new products and services designed to deliver solutions to issues arising from an aging society so that we can deliver even better services to our customers in the future. These efforts include the development of technologies to assess cognitive functions and a system to verify testament content comprehension. To that end, we launch a verification testing project by fiscal 2022 as part of an industry-academia research collaboration.

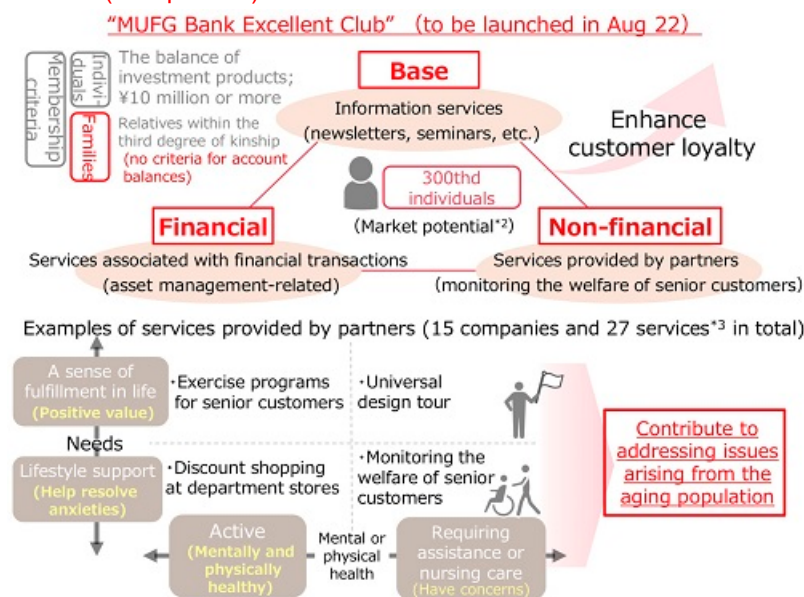
Excellent Club

As people's lifespan increases, customers' specific situations and needs related to their life plans are becoming more diverse, and financial institutions are expected to respond not only with financial services but also with comprehensive responses, including alliances with non-financial service providers.

With this backdrop, in August 2022, the Bank launched the MUFG Bank Excellence Club, a free membership service based on the concept of "making 100 years of life 100 years of happiness." In addition to providing information such as bulletins and seminars, as well as providing MUFG financial services, we also offer non-financial services that enrich our customers' daily lives and support healthy lifestyles.

Please click the link below for service details and membership conditions:

[MUFG Bank Excellence Club \(in Japanese\)](#)



The Trust Bank has already developed a similar membership service, "Excellent Club," which is used by its 370,000 members and many others.

The Trust Bank : [Excellent Club \(in Japanese\)](#)

MUFG has positioned each Excellent Club as a platform for providing solutions for the elderly and will contribute to solving the issues faced by the aging society.

Asset Building

MUFG offers consulting on asset management for customers from diverse age groups while offering an extensive lineup of pension asset management and consulting functions for corporate clients.

In June 2021, we released "D-Canvas," a smartphone app enabling persons enrolled in the defined contribution pension plans of our corporate clients to confirm the balance of plan assets and change products under our administration. In December 2021, we also released "Money Canvas," a one-stop platform through which users can enjoy access to a diverse range of financial products supporting asset building. Going forward, we will enhance UI/UX offered through our services and otherwise upgrade our service infrastructure. By doing so, we will empower all our customers, irrespective of their age, to gain smooth access to our asset building solutions.

Money Canvas

[Money Canvas \(in Japanese\)](#) 

MUFG Financial Education Institute

The Trust Bank established the MUFG Financial Education Institute for the purpose of providing practical and effective information on asset building and asset management from a neutral standpoint.

In fiscal 2021, we conducted surveys on the topics of “Awareness of Sustainability and Consumption/Investment Behavior” and “Changes in Behavior and Investment Conditions during the COVID-19 Pandemic”. In order to make the survey results widely available to customers, we disseminated information through various means, including the publication of research reports on our website and by holding a symposium.

The symposium, which was held in February 2022, introduced the results of the survey and provided an opportunity to think together with experts about what is expected to the financial institutions from the perspective of asset formation and investment dissemination as society moves toward sustainability (SDGs, ESG, etc.). In addition, the panel discussed other topics, such as sustainable investment that resonates with individual customers and the nature of a trusted financial institution. In the questionnaire provided on the day of the seminar, about 80% of the respondents answered that the seminar was “Very helpful/Helpful.”

Support for Next Generation

Taking full advantage of its financial expertise, MUFG provides financial and economic education to young people. At the same time, we are actively supporting the sound upbringing of children and assisting students in their pursuit of higher education through donations and other means. For example, MUMSS has been upholding a policy of contributing to society through the provision of financial and economic education, to this end offering on-demand classes at junior and senior high schools. Recently, MUMSS developed a new educational program for use in elementary schools and has started providing the program to enhance the capacity of children, who will be leaders of the future generations.



[Financial and Economic Education](#)

Support for Employees

MUFG is working to create a workplace where both male and female employees can balance work with their childcare, nursing care, and fertility treatment.

[Inclusion & Diversity](#)

Inclusion & Diversity

Diversity is an important value that gives us the resilience we need to cope with times of change. At MUFG, we are working to create a workplace where diverse employees can work with vitality and fulfillment. We are also contributing to the promotion of Inclusion & Diversity in the world through our financial functions.

MUFG's recognition	<div> <div>Opportunities</div> Empowering diverse talents to inspire one another will facilitate the creation of new concepts and ideas and the transformation of employee modes of behavior, enabling MUFG to transform its corporate culture and deliver new value that surpasses the expectations of customers and society as a whole, while it will also contribute to inclusion of diverse individuals. </div> <div> <div>Risks</div> Developing a resilient organization and society capable of empowering diverse talents with differing sense of values is essential to flexibly adapting to a time of rapid changes. </div>
Examples of initiatives to address the issue	<ul style="list-style-type: none"> ● Provide employees with education aimed at raising their awareness of unconscious biases, support women's career development, offer ongoing assistance to employees who strive to strike a balance between work and child rearing or nursing care; at the same time, pushing ahead with hiring, nurturing and promoting diverse talents and fostering a culture of inclusion & diversity. As the result of these initiatives, MUFG was chosen for inclusion in the Bloomberg Gender-Equality Index while being selected to bear Nadeshiko Brand and Semi-Nadeshiko Brand under the program sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. MUFG was also awarded the Gold rating and chosen as a Best Practice selection under the PRIDE Index program aimed at evaluating companies' inclusivity efforts toward LGBTQ community ● Achieved our target for the ratio of women in management in Japan (for March 2024) ahead of schedule and thus upwardly revised the target from 18% to 20% in fiscal 2022

Main Initiatives

Inclusion & Diversity Initiatives

MUFG focuses on Inclusion and Diversity as one of the 10 Priority Issues in sustainability management.

In 2006, MUFG established a dedicated department to promote diversity as a corporate management strategy under the commitment of the top management. In particular, we consider the promotion of diversity from the viewpoint of gender to be an important issue, and we are working to develop the ability of women and promote their appointment in higher positions.

Our three main subsidiaries, the Bank, the Trust Bank and the Securities, set joint targets and report progress regularly at the executive committee.

In 2018, the Group started the integrated operation of the corporate center function. The three companies gather and work together to promote inclusion & diversity within the Group.

At the annual HR exchange meetings, people from HR departments of about 40 Group companies gather to share best practices and issues. By doing so, the Group companies are in full coordination and promote inclusion & diversity effectively.

In addition, we have assigned staff in charge of promoting Inclusion & Diversity in each region to effectively address each issue under global cooperation.

MUFG's Thinking on Inclusion & Diversity

At MUFG, our vision for promoting Inclusion & Diversity is identified as "Enlighten, Encourage, Empower - Work together as a Group to exceed customer expectations."

A chemical reaction occurs as diverse employees respect each other's differences, make the most of each other's characteristics, and grow with each other. New ideas and behavioral patterns born from this chemical reaction will help us create a free and vigorous culture and value that exceed the expectations of society and customers.

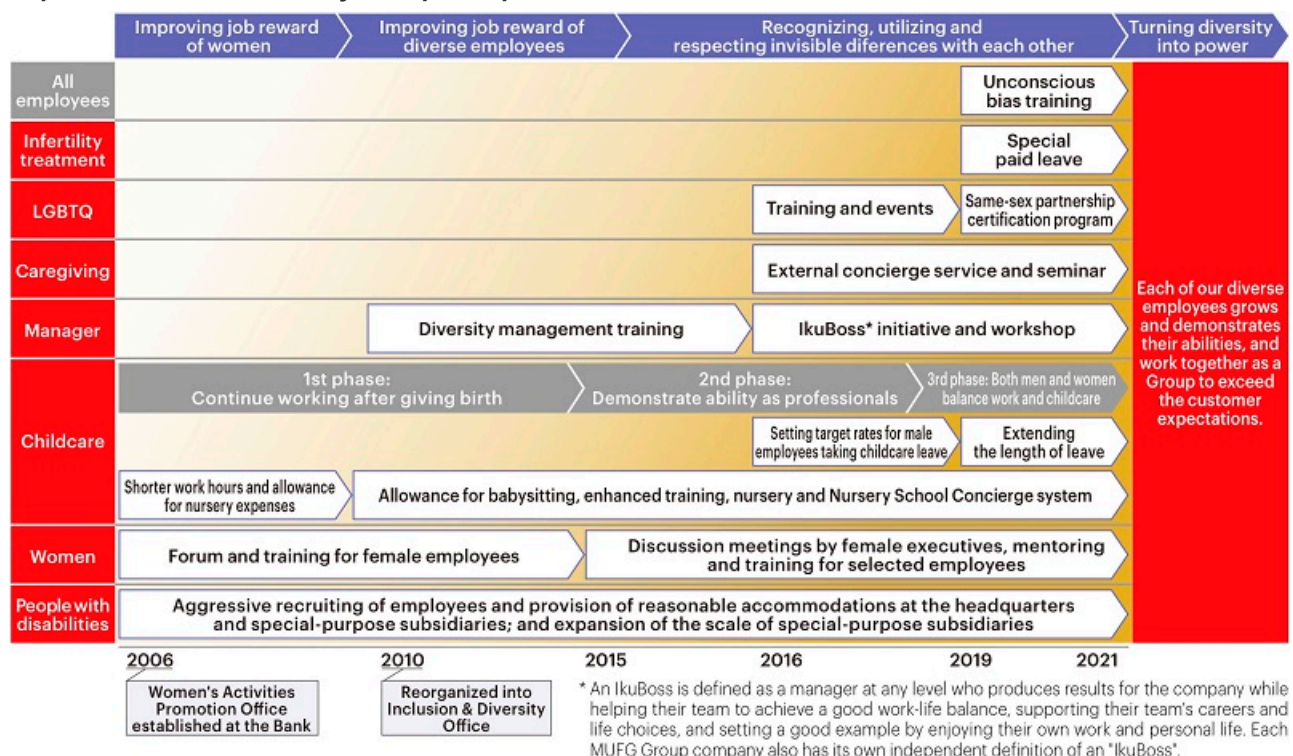
In order for MUFG to be committed to empowering a brighter future, we believe that investment in Inclusion & Diversity is essential.



Our history of Inclusion & Diversity Initiatives

Our initiatives since 2006 are as shown below. Initially, our main objective was to improve the job satisfaction of female employees. However, since 2010, we have expanded the scope of our initiatives with the aim of improving the job satisfaction of not only female employees but also diverse employees. Moving forward, we will further focus our efforts on creating workplaces where all employees of the Group can demonstrate their unique strengths and make diversity empower a brighter future.

Representative Initiatives by Group Companies



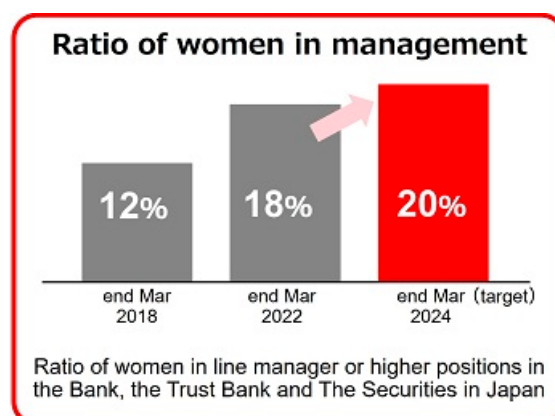
Compensation System

MUFG's compensation system for Executives, etc. is not only aimed at ensuring the achievement of short-term performance targets but also intended to better incentivize these individuals to contribute to a medium- to long-term improvement in corporate value and encourage them to take on the challenge of driving innovation. In FY2022, we also added inclusion & diversity targets to qualitative assessment indicators for determining the amount of bonuses vis-à-vis the execution status of the recipients' duties, in order to facilitate management efforts to promote and secure the robust employee understanding of inclusion & diversity.

Corporate Governance

Raising the Target for the Ratio of Women in Management in Japan from 18% to 20%

At the Bank, the Trust Bank and the Securities, our joint numerical goal is to raise the ratio of women holding positions of line manager or higher to 20% in Japan by the end of March 2024. This figure is to reflect diverse perspectives and values in areas closer to management, and serves as a milestone to achieve at least 30% in the medium- to long-term. In addition to the joint numerical targets of the three companies, each company has set its own numerical targets to promote the appointment of female employees.



* Ratio of women in line manager or higher positions.

Encouraging Male Employees to Participate in Childcare

In order to create workplace environments that allow employees to balance work and childcare regardless of gender, MUFG Group companies are carrying out initiatives to encourage male employees to take childcare leave, thereby raising awareness on more balanced work styles and promoting better understanding of colleagues who are working while raising children. Since FY2019, we have begun encouraging male employees to take childcare leave of about one month, among other initiatives.



Active Participation of People with Disabilities

We are expanding roles for employees with disabilities by establishing special subsidiaries that offer suitable work options. Currently, about 1,400 employees with disabilities are playing an active role within MUFG and the Group's employment rate is 2.56%^(note) in Japan (as of June 1, 2022).

(note) The employment rate in Japan is calculated from the number of employees with disabilities at the Bank, the Trust Bank (for these two companies, special subsidiaries and the Group companies to which the exception rule applies are included), the Securities, NICOS and ACOM using the statutory formula set in the Employment Rate System for Persons with Disabilities

Promoting Understanding of LGBTQ

MUFG clearly prohibits any harassment or discrimination on the basis of sexual orientation and/or gender identity, aiming to create workplaces where all employees can stay true to themselves, regardless of sexual orientation, gender identity, etc.

Through initiatives such as providing training opportunities, publishing a handbook, and introducing a same-sex partnership recognition program, we are promoting understanding of LGBTQ within MUFG and are also working to raise awareness of society in cooperation with other financial institutions.

Active Participation of Senior Personnel

MUFG actively supports the creation of workplaces where senior personnel can flourish, continuing to make the most of their wealth of experience and abilities while supporting their own career development. For employees who have reached a particular age, we have introduced training and programs to facilitate skill development with the aim of supporting future career development based on diverse values. For motivated employees above retirement age, we have established a continuous employment system with flexible work arrangements to provide stable work opportunities and respond to diverse employment needs.

Nurturing Global Human Resources

Today, the MUFG Group has expanded into more than 50 countries around the globe, and approximately 58% of its entire workforce is accounted for by overseas employees (as of May 31, 2022). Based on the concept of "inclusion & diversity", which is one of MUFG's priority issues, in order to recruit and develop a diverse range of professionals, it is necessary to foster our corporate brand both in Japan and overseas so that people will want to work for MUFG.

MUFG is expanding opportunities for employees to play an even more active role by operating a market-standard and globally unified human resources platform for title management, employee evaluation, wage determination and other human resources practices.

External Evaluation

As a result of various initiatives, MUFG was chosen for the Bloomberg Gender-Equality Index developed by Bloomberg LP, Nadeshiko Brand and Semi-Nadeshiko Brand under the program sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, as well as the Gold and Best Practice in LGBTQ initiative evaluation PRIDE Index.



Promotion of Inclusion & Diversity Initiatives through Financial Functions and Social Contribution Activities

Issuance of Gender Bonds by Krungsri (Bank of Ayudhya)

Krungsri (Bank of Ayudhya), our Partner Bank in Thailand, has issued social bonds (gender bonds) to support the financial needs of women entrepreneurs.

Proceeds from the bond issuance are used to finance women-led small and medium-sized enterprises in Thailand. Through the issuance of these bonds, the bank provided opportunities for the underserved women in SME segment to access financial services and contributed to the development of the fast-growing social bond market in Asia.

Through the provision of these bonds, Krungsri was presented with multiple awards and recognition as below.

- 'Best Bank for Women Entrepreneurs' at the Global SME Finance Awards 2021 (International Finance Corporation)
- 1st Runner-Up for the UN Women 2021 Thailand WEPs Awards in the Gender-Responsive Marketplace Category (UN Women)



Donations for Supporting Women's Health

As part of our efforts to support women's health, we made a donation to the Japan Society of Fertility Preservation in order to spread accurate information on breast cancer and cervical cancer (methods for early detection and prevention, etc.). In recent years, cancers specific to women have become more common among younger ages, with an increasing number of cases occurring in their 20s to 40s. Amongst them, breast cancer is the most common followed by cervical cancer. Continuous medical examinations are important for early detection of cancer. In particular, the medical examination rate of cervical cancer, which occurs among those in their 20s and requires screening at a young age, is as low as 25.7%. Also, the HPV vaccination rate is low.

MUFG believes that it is important to realize a society in which women can build life plans with peace of mind and play active roles in various situations. Through the Japan Society of Fertility Preservation, MUFG will promote early detection and prevention methods such as continuous medical examinations for cancer among young women.



Please see [Inclusion & Diversity](#) for details.

Developing Social Infrastructure

To help develop a social infrastructure that is resilient against disaster and vitalize regional communities, MUFG is engaged in project finance and the formulation of funds, accommodating funding needs associated with the strengthening of aged infrastructure at home and abroad as well as the development of social infrastructure, especially in emerging countries.

Moreover, in the wake of the rapid popularization of digital technologies, we are striving to develop a solid financial system equipped with enhanced cyber security measures and capable of offering higher customer convenience. In this way, we are contributing to the safe and secure social transition to digital technologies.

MUFG's recognition	Opportunities	Robust countermeasures against the aging of infrastructure at home and abroad are key to the creation of sustainable society, as is the construction of social infrastructure, particularly in developing countries.
	Risks	For us to maintain trust and reliability as a financial institution and a component of social infrastructure, the proper handling of threats to safety and security is a requisite. It is therefore essential to strengthen security measures safeguarding informational assets and prevent financial crimes that have become ever more complex and sophisticated.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> ● Extending social loans, which require borrowers to use funds for projects aimed at resolving social issues via, for example, the development of railway infrastructure to mitigate traffic jams and reduce exhaust gas, the development of water-related infrastructure, and the construction of hospitals ● Assisting a project in the field of electricity transmission and distribution to mitigate environmental impact implemented by an electric utility company in Saudi Arabia through a united loan framework developed by the Japan Bank for International Cooperation (JBIC) to support Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) 	

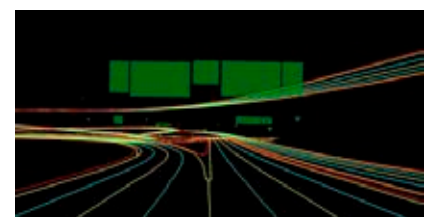
Main Initiatives

Solving Social Issues Using Social Loans

MUFG is extending social loans, which require borrowers to use funds for projects aimed at resolving social issues via, for example, the development of railway infrastructure to mitigate traffic jams and reduce exhaust gas, the development of water-related infrastructure, and the construction of hospitals.

Contribution to Development of Social Infrastructure, Including Autonomous Driving and Advanced Driver-Assistance Systems

The Bank has entered into a social loan agreement with Dynamic Map Platform Co., Ltd., which generates, maintains, and provides high-precision 3D map data (HD maps) for a variety of applications, including automotive and smart city applications. As its medium-to-long-term vision, the company aims to realize a 3D location information platform that contributes to Society 5.0^(note). In addition to autonomous driving and advanced driver-assistance systems, the company is developing highly accurate 3D data that can be used for social infrastructure development, including infrastructure maintenance and management systems as well as



High-precision 3D map data (HD map) image

disaster prevention and mitigation systems. Since the loan will be used to develop an HD map that contributes to Society 5.0, MUFG is contributing to solving social issues through the provision of funds.

(note) Society 5.0: A human-centered society that balances economic development and the resolution of social issues through a highly integrated system of cyberspace (virtual space) and physical space (real space).

Provision of Support in the Field of Electricity Transmission and Distribution to Mitigate Environmental Impact in Saudi Arabia

Based on its national growth strategy, Saudi Vision 2030, Saudi Arabia is shifting from the oil-dependent economy. As part of this effort, Saudi Electricity Company (SEC) has been promoting projects that contribute to the expansion of renewable energy and the improvement of energy efficiency. Now, SEC's challenge is to enhance its electricity transmission and distribution network for stable supply of renewable energy source to consumers.

Through a united loan framework developed by the Japan Bank for International Cooperation (JBIC) to support Global action for Reconciling Economic growth and Environmental preservation (GREEN), MUFG has provided US\$5 million in co-financing to support an environmental impact mitigation project in the field of electricity transmission and distribution by SEC.

Moving forward, we will continue to support our customers' decarbonization efforts through collaboration with government-affiliated financial institutions.

Contribution to Development of Water Infrastructure in Saudi Arabia

As a response to the rapid economic and population growth in Saudi Arabia, the government of Saudi Arabia has tendered the construction and operation of several new sewage treatment plants. One of MUFG's key clients – together with its consortium partners – were awarded with the concession to build and operate three of the largest sewage treatments plants in the country, which converts wastewater into usable water for agricultural purposes.

MUFG was awarded the role of ESG Coordinator due to its relationship with the sponsors and MUFG's focus on sustainable projects. In this role, MUFG wrote the Green Loan Framework and successfully arranged a Second Party Opinion for the consortium. MUFG's other roles included Market Hedge Provider, Global Facility Agent, Conventional USD Facility Agent, Offshore Security Trustee and Offshore Account Bank on all three projects, contributing to the development of water infrastructure in Saudi Arabia.

First Sustainability Bond Issued by a Company in the Transportation Sector in Southeast Asia

Krungsri (Bank of Ayudhya), our Partner Bank in Thailand, has underwritten the first sustainability bond issued by a company in the transportation sector in Southeast Asia in April 2021.

A part of the proceeds from the issuance will be used for equity investment in one of the issuer's transportation projects.

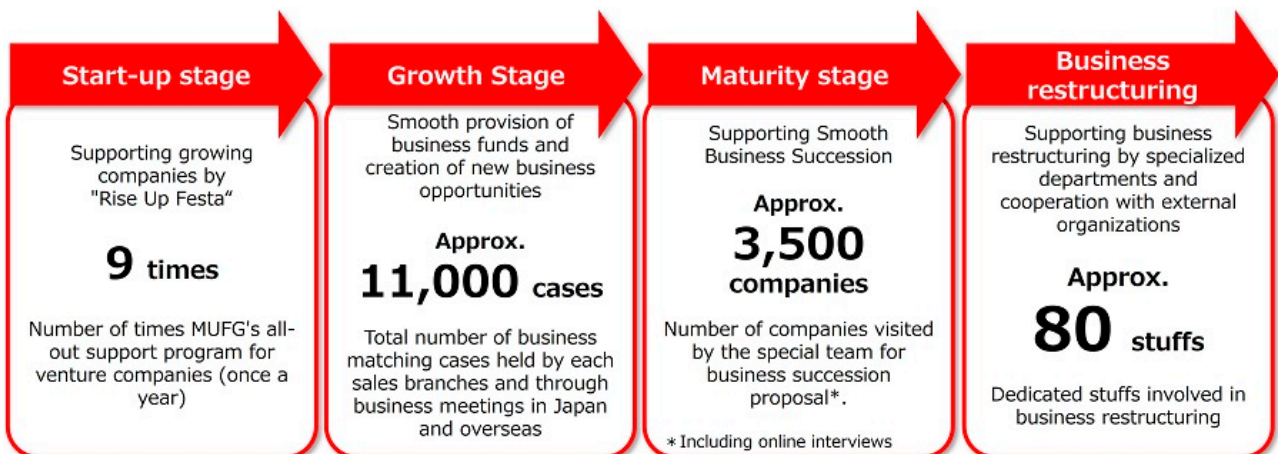
Supporting Industrial Development & Innovation

MUFG is tackling business incubation and supporting innovation by providing growing industries and venture startups with a variety of business opportunities.

MUFG's recognition	Opportunities and risks	Offering assistance for the creation of growing industries, which are the drivers of economies, and vibrant venture startups is essential to avoiding economic stagnation and securing sustainable growth. Our financial functions are expected to play an important role as such endeavors require a financier capable of risk-taking.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Promoting financing for overseas startups (Mars Growth Capital, MUFG Ganesha Fund) Hosted "MUFG ICJ ESG Accelerator," the first ESG accelerator program in Japan's banking industry in tandem with Inclusion Japan, Inc., which is engaged in ESG investment in the venture field 	

Main Initiatives

Supporting Every Business Stage



Hosting of "MUFG ICJ ESG Accelerator," the First ESG Accelerator Program in Japan's Banking Industry

In tandem with Inclusion Japan, Inc., which is engaged in ESG investment in the venture field, we held "MUFG ICJ ESG Accelerator," the first ESG accelerator program in Japan's banking industry. This program is aimed at facilitating collaboration across a range of players from startups and business corporations to venture capital and other investors in order to accelerate business development endeavors toward the realization of carbon-neutral and circular economies. Of 98 venture startups applying for this program, 14 companies were selected as

finalists. MUFG has since engaged these companies in discussions alongside its cosponsoring partners to co-create new businesses.

Going forward, MUFG will help startups move forward steadily toward the commercialization of their endeavors, working in tandem with them to assist their efforts to discover growth opportunities and launch innovative businesses.

Holding the Ninth Rise Up Festa

As part of these efforts, since 2014 we have held Rise Up Festa in which we take full advantage of our network and abundant knowhow in management support and other fields to assist venture startups that take on novel or unique business endeavors over the medium- to long-term. At the 9th Rise Up Festa in 2022, we solicited a wide range of business proposals in fields that are expected to grow in the future. Of the more than 150 business plans submitted, eight plans were awarded for their originality and appeal.

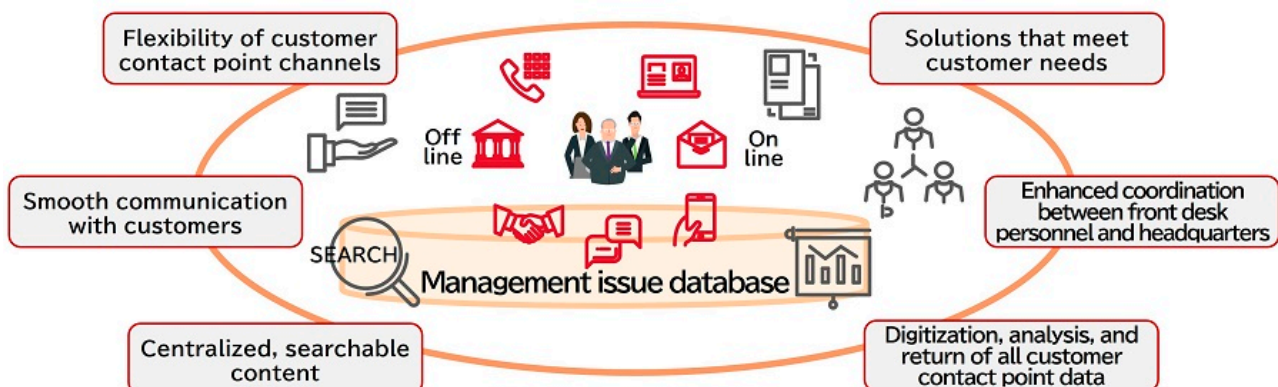


Offering of a Business Platform for Corporate Customers

In partnership with BusinessTech Co., Ltd., NTT Data Corporation, and Salesforce Japan Co., Ltd., MUFG Bank began offering a business platform for corporate customers aimed at regional financial institutions in June 2022. The business platform for corporate customers is a new comprehensive financial service platform that provides, in addition to the financial solutions and information content having been provided by financial institutions so far, solutions that contribute to solving issues in non-financial areas, such as DX, ESG, and regional revitalization. By utilizing this platform, regional financial institutions will be able to provide solutions easily and collectively to the various management and social issues faced by their business partners.

Through provision of this platform, we aim to solve corporate management and social issues and contribute to industrial development and innovation creation.

Advantages of offering a business platform for corporate customers



Promoting Financing for Overseas Startups

Mars Growth Capital

Mars Growth Capital, a joint venture established by the Bank and an Israel-based fintech company Liquidity Capital, provides debt finance to startups in Asia Pacific and Europe by utilizing a unique AI credit scoring model. Growing start-ups often have difficulty borrowing from financial institutions due to their short business history and loss-making nature in their growth stage. However, Mars Growth Capital uses AI to evaluate a company's growth potential and make loans possible. Since its launch in 2020, Mars Growth Capital has grown steadily with two funds currently in operation: The first fund is for mid-stage companies (US \$200 million) and the second fund for late-stage companies (US \$300 million).

MUFG Ganesha Fund

In March 2022, we established the MUFG Ganesha Fund with an investment commitment of US \$300 million designed for startups in India. Through this fund, the Bank will invest in middle- to late-stage Indian startups. India, aided by strong economic growth, has seen an increase in the number of startups leveraging digital technology, given the rise of young digital natives in the country, the rapid spread of the Internet, and the promotion of governmental policies that support digitalization.

We will further contribute to the development of new industries and the sustainable development by financially supporting the growth of startups that use technology to solve environmental and social issues.

Support for Regional Revitalization

MUIC Kansai Innovation Center Recognized as an "Outstanding Initiative" of a Financial Institution that Contributes to Regional Revitalization

In February 2021, MUFG opened MUIC Kansai in Osaka, a membership-based innovation center, as an initiative to solve issues in the tourism industry and revitalize the Kansai economy.

The core function of MUIC Kansai is a "problem-solving programs" aimed at creating innovation, and MUIC Kansai provides a platform that can identify social issues to be solved, conduct a PoC, and implement the solutions in society in an integrated manner. In addition, the facility is equipped with co-working spaces and shared offices, available for various relevant events to provide opportunities for new business matching for co-creation from the perspective of both hardware and software.

As a result of these efforts, MUIC Kansai was recognized as an "outstanding initiative" of a financial institution contributing to regional revitalization by the Council for the Realization of the Digital Rural City State Concept, Cabinet Secretariat and MUFG received an award from the Minister of State for Special Missions (regional revitalization representative).

(note) "Outstanding initiative": A case study that the Japanese government recognizes as a collaboration effort and a pioneering initiative by financial institutions to contribute to regional revitalization in collaboration with local governments.

MUIC Kansai

ALL JAPAN Tourist Area Regeneration/Revitalization Fund

Invigorating the domestic tourism industry is positioned as one of Japan's critical economic policies and is deemed key to facilitating regional revitalization. Moreover, it is seen as an essential growth strategy as the nation strives toward a GDP target of ¥600 trillion. With the number of visitors from overseas growing, the industry is seeing the creation of new and varied market demand and its potential is expanding. However, on the business front, the industry is faced with a number of challenges, including a shortage of accommodation due to an aging and insufficient supply of facilities, the graying of facility operators and a pressing need for management succession planning. Regional businesses are also being called upon to develop new sightseeing resources and meet increasingly diverse tourist needs.

To help the industry take on these challenges, the ALL JAPAN Tourist Area Regeneration/Revitalization Fund was instituted in April 2018. The first domestic private fund of its kind, this megafund is uniquely designed to facilitate investment that transcends regional boundaries. Alongside other leading business corporations representing various industries, MUFG will collaborate with regional financial institutions to operate the fund, thereby promoting a thriving tourism industry and invigorated regional economies in all 47 prefectures nationwide. By doing so MUFG will actively contribute to Japan's industrial development and economic growth. As of the end of August 2022, the number of investment projects totaled 33 (14 real estate investments and 19 venture investments). Some of these projects are listed below. We are also currently considering the establishment of a second fund.

Examples of Investment Projects

KAI Izumo (Izumo City, Shimane Prefecture)

Renovation of hot spring accommodation facilities located in the tourist area of "Hinomisaki." By attracting Hoshino Resorts, which are highly acclaimed throughout Japan, KAI Izumo aims to develop a high-quality hot spring accommodation that allows guests to rediscover the charm of the region. It has contributed to an increase in tourists in Izumo City and the Hinomisaki area.



Fairfield by Marriott (29 properties in Hokkaido, Hyogo, and other 16 prefectures)

A project to develop Marriott International's Fairfield by Marriott brand hotels near Michi-no-Eki roadside stations. By providing accommodation infrastructure near Michi-no-Eki roadside stations, which function as action bases for travelers, as a network to provide accommodation to foreign visitors and the wealthy, etc., we will contribute to development of a tourism-oriented country by inviting foreign visitors to rural areas and creating new tourist routes.



Tripla Co., Ltd. (Business activities: AI development, Creation of IT solutions for the travel industry)

A start-up company that not only improves the operational efficiency of accommodation facilities by providing IT and AI solutions but also maximizes in-house reservations and the acquisition of hotel members, thereby contributing to the improvement of the profitability of each facility. The SaaS-type accommodation booking engine "tripla Book" has already been introduced to more than 1,500 facilities in Japan and overseas, and more than 1,000 facilities have entered contracts (current as of August 2022) for "tripla Bot," which is equipped with proprietary AI. In addition, we have developed a one-stop service that improves accommodation services and maximizes revenues, such as triplaConnect, a CRM and marketing automation solution specialized for accommodation facilities, and tripla Pay, a local payment service. Through the expansion of the company's services, the business efficiency of lodging and other facilities suffering from under staffing and complex issues will be improved, contributing to providing higher quality services to travelers.



Wiredbeans Inc. (Business activities: Planning, development, and sales of manufacturing businesses, Development and operation of e-commerce sites)

A start-up company in Sendai City that is developing its two main business lines: manufacturing business and digital solutions business. As for the company's manufacturing business, it manufactures and sells "real goods" which make people want to spend their lifetime with, such as glasses and mugs created by skilled craftsmen. In the digital solutions business, the company is developing and supporting e-commerce sites for many manufacturers. In 2020, this fund project and the company collaborated together on a project to help restore traditional industries with severe economic impact by, for example, plunge in sales due to the COVID-19 pandemic and a decline in tourism. Utilizing the fund's network of regional financial institutions, we are recruiting ceramics craftsmen (potteries) from various regions who can manufacture "Mugs for Life," which are designed by the company.



Interest Rate Subsidy Program to Support Regional Revitalization

The interest rate subsidy program to support revitalization is a comprehensive Cabinet office support program to encourage autonomous and independent local initiatives that invigorate local economies, create local employment opportunities and revitalize communities in other ways. Companies that borrow money for businesses that contribute to community regional revitalization plans can receive up an interest rate subsidy of up to 0.7% from the Cabinet office.

Interest Rate Subsidy Program to Support Comprehensive Special Zones

In response to changes in the socioeconomic situation, including changes in the industry structure and the international competitive landscape, as well as the rapid decline in the birthrate and aging of the population, the interest rate subsidy program to support comprehensive special zones serves as a comprehensive and concentrated effort to bolster the international competitiveness of Japanese industry and promote regional invigoration, thereby buttressing Japan's socioeconomic strength and facilitating sustainable development. Companies that borrow money for businesses that contribute to the plan for comprehensive special zones can receive an interest rate subsidy of up to 0.7% from the Cabinet office.

Ensuring Equal Access to Financial Services

By ensuring equal access to financial services, MUFG support economic development and improvements of living standards in emerging and developing countries, while addressing issues arising from gaps in information.

MUFG's recognition	Opportunities and risks	Providing more customers with opportunities to access financial services and investment not only contributes to improving the growth of economies but also allows for MUFG to secure an even more robust foundation for growth.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Partner banks collaborate with Grab by providing saving and loan products to underserved segments such as Grab drivers and Grab micro food merchants. By combining Grab's dynamic data and partner banks' expertise in consumer finance, we are meeting the financial needs of new customers for partner banks, thereby further expanding our customer base and contributing to financial inclusion Contribute to industrial development and employment opportunity creation in emerging and developing countries through microfinance 	

Main Initiatives

Provision of Microfinance through HATTHA Bank Plc.

Krungsri (Bank of Ayudhya), our Partner Bank in Thailand, provides opportunities for customers in emerging and developing countries to access financial services through its microfinance institution in Cambodia, HATTHA Bank Plc (HTB), and others.

In addition to providing microfinance, HTB also provides financial education to those with low-income, which contributes to improving their living standards.

Results of HTB Microfinance in 2021	
Number of Transactions	203,789 (+10.46% year on year)
Outstanding loan balance (USD mil)	1,691 (+27.82% year on year)
Number of branches	177 (±0% year on year)

Collaboration with Grab

Partner banks collaborate with Grab by providing saving and loan products to underserved segments such as Grab drivers and Grab food merchants. By combining Grab's dynamic data and partner banks' expertise in finance, we are meeting the financial needs of new customers for partner banks, thereby further expanding our customer base and contributing to financial inclusion.

Target	From	Progress
Drivers	Sep.2020	210k loans disbursed (As of 22/5) (+174% year on year)
Food Merchants	Oct.2020	52k loans disbursed (As of 22/5) (+578% year on year)

Krungsri (Bank of Ayudhya)'s Effort to Promote Financial Literacy

Krungsri (Bank of Ayudhya) has initiated "Krungsri Financial Literacy: Simple to Learn" Project since 2015 to promote basic financial knowledge and saving habits among primary school students in grades four to six throughout the country.

Due to the COVID-19 pandemic, Krungsri adjusted its activities and collaborated with Office of the Basic Education Commission (OBEC), Equitable Education Fund (EEF) and the Bank of Thailand (BOT) to develop an online animated series, which featured easy-to-digest and entertaining financial knowledge. This series have been distributed to more than 28,000 primary schools and has contributed to promote financial literacy among many children.



Provision of Financial Education by Bank Danamon to Improve Financial Literacy

To improve the quality of life in communities, Bank Danamon supports the Government's financial literacy program.

Also, Bank Danamon has established a target of increasing financial literacy knowledge by 10-20% per year, and periodic evaluations and monitoring are conducted to improve the quality of the program.

During 2021, there were 91 episodes covering various topics such as personal and business financial management, investment products and selection methods, all aired through the YouTube Bank Danamon channel. In addition, Bank Danamon arranged for seminars to increase financial literacy and distributed medical kits as health support for the Micro, Small, and Medium Enterprises in West Sumatera, and other areas.



Promoting Workstyle Reforms

As we aim to enable employees to realize their full potential, we have promoted the revision of administrative procedures and the streamlining of meeting practices while going paperless and developing infrastructure for remote working. By doing so, we help employees allocate more time to engaging in direct communications with customers and taking on new challenges.

We are pushing ahead with expanding the scope of banking procedures that can be completed online, believing that improving the efficiency of our financial functions, which constitute a part of social infrastructure, will help society as a whole achieve higher productivity, in addition to making us more productive.

MUFG's recognition	Opportunities and risks On the back of Japan's declining population, businesses are expected to provide their employees with opportunities to embrace flexible workstyles aligned with an evolving sense of values, changes in social structure and the growing need to strike a work-life balance. Fulfilling these expectations provides the baseline for the effective utilization of human resources and achievement of corporate growth and, in light of fallout from COVID-19, has become a matter of even greater importance.
	Opportunities and risks Improving the efficiency of our financial functions, which constitute a part of social infrastructure, will help society as a whole achieve higher productivity while positioning us for greater productivity as well.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Promoting the development of a working environment supportive of remote working by, for example, enhancing satellite offices, facilitating the use of online meetings, and upgrading functions of company-furnished smartphones Improving operational efficiency through the digitalization of customer transactions and documents used for back-office procedures (e.g., digitalizing personal seal image registration forms, digitalization of balance certificates to be issued upon auditor request)

Main Initiatives

Promotion of Smart Work

MUFG is promoting the active use of remote work and staggered working hours, and employee motivation and work efficiency by realizing a flexible work style that is not restricted by location or time.



The Development of a Working Environment Supportive of Remote Working

Promoting the development of a working environment supportive of remote working by, for example, enhancing satellite offices, facilitating the use of online meetings, and upgrading functions of company-furnished smartphones.

Paperless Initiatives

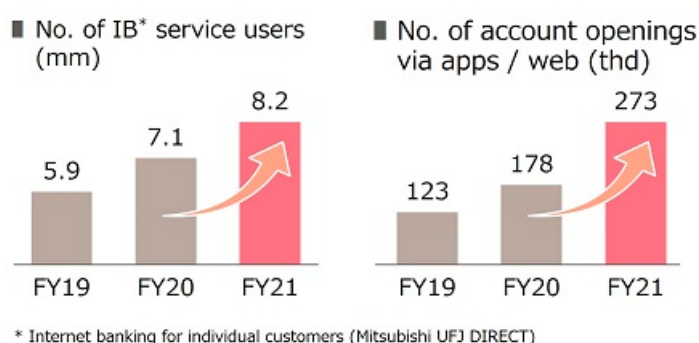
With the release of an online business card exchange function, we are promoting the digitization of business cards and the digitization of contracts to promote paperless initiatives.

Enhancement of Customer Convenience by Shifting to Online Channels

Steady Digital Shift

We are working to improve operational efficiency by digitizing transactions with customers and paperwork.

The number of individual Internet banking users exceeded eight million in fiscal 2021 and the number of new account openings via app exceeded the number of accounts openings at branch counters for the first time. These results indicate the steady progress of the digital shift.

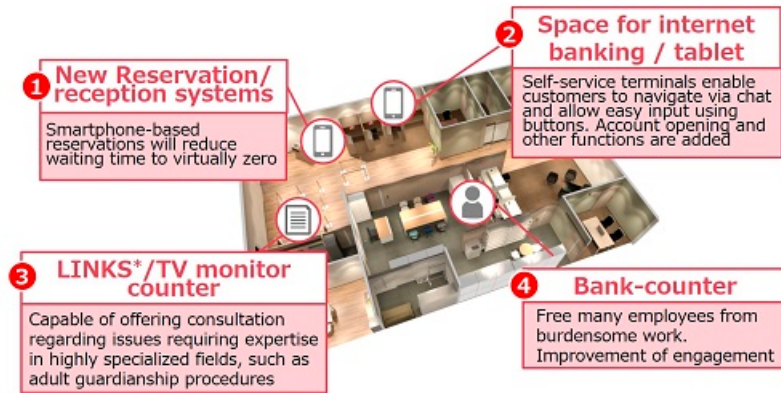


Digitization of Auditing Firm Balance Certificates

In fiscal 2021, we achieved an end-to-end digitization of audit firm balance certificates from reception to submission, leading to a reduction in the amount of related administrative work.

Initiatives to Realize the Next Generation Branch Offices

MUFG is expanding its range of apps and self-service devices to improve customer convenience and improve operational efficiency.



* Low-counter Interaction Knowledge Station (Terminal that connects to operational center via TV, which can handle consultation related mortgage, inheritance and etc.)

Response to Poverty

MUFG is tackling poverty issues in line with its support of the United Nations Sustainable Development Goals (SDGs), which aim to create a sustainable world that leaves no one behind. In addition to utilizing our financial functions to help those in need, our initiatives in this field include a broad range of social contribution activities, such as making donations.

MUFG's recognition	Risks Poverty often results in a variety of other problems posing serious threats to social stability (e.g., public health, hygiene and security) and human rights (e.g., sufficiency in food, clothing and housing) as well as to the formation of a basis for sustainable economic growth (e.g., educational equality).
Examples of initiatives to address the issue	<ul style="list-style-type: none"> To support the healthy upbringing of children, we engage in ongoing donations contributing a total of ¥180 million over a three-year period. These donations are directed to three separate NPOs^(note) that strive to assist poverty-stricken families and children battling diseases <p>(note) CliniClowns Japan, Learning for All and Chance for Children</p>

Main Initiatives

Continuous Support

To support the healthy upbringing of children, we engage in ongoing donations contributing a total of ¥180 million over a three-year period. These donations are directed to three separate NPOs^(note) that strive to assist poverty-stricken families and children battling diseases.

(note) CliniClowns Japan, Learning for All and Chance for Children

Supporting Several Kodomo Shokudo, Dining Services for Disadvantaged Children

MUFG implements “MUFG SOUL”, a framework in which employees are invited to submit passionate and original ideas for CSR activities with MUFG providing financial support for these activities. This is designed to encourage employees to set their sights higher regarding what they can do for the public good and to take tangible action. This contributes to the resolution of a wide range of social issues by addressing them from the perspective of employees.

Utilizing this framework, MUFG supported several *Kodomo Shokudo* (volunteer-run cafeterias that provide free or inexpensive meals to children) through monetary and food donations.



Children's Poverty Symposium

We held an in-house symposium on children's poverty, inviting representatives from Learning for All (NPO) and Chance for Children as well as experts from Mitsubishi UFJ Research and Consulting. In addition to an overview of the reality of child poverty in Japan and its impact on society, the activities of each organization were introduced. At the end of the event, speakers answered questions from the participant employees, helping them deepen their knowledge of the social issue of child poverty as well as providing an opportunity to think about social issues.



Reduction of Educational Disparities

Believing that proper education is the bedrock of a stable society and empowers it to achieve sustainable economic development, we provide financial and economic education to help raise the general public's financial literacy as part of our mission as a financial institution. Since the emergence of the COVID-19 pandemic, we are more focused than ever before on offering educational assistance as the number of young people found to be negatively affected by inequality in educational opportunities has been growing amid the pandemic's fallout.

MUFG's recognition	Opportunities Those who are now students will shape the next generation and, therefore, constitute the foundation of future society. Among them may also be our potential colleagues. Therefore, supporting them is of great importance.
	Risks Proper education is at the base of social stability and sustainable economic growth. Thus, educational shortfalls can result in a negative heritage of inequality that will be passed down to future generations. The lack of educational opportunity due to economic disadvantage therefore deserves major public attention and needs to be tackled.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Supporting a fellowship program that sends skilled individuals with outstanding qualifications and abilities in the educational field as teachers to schools for two years (Donating to the NPO Teach For Japan)

Main Initiatives

Supporting the Provision of Access to UN SDG Focused Information

RELX is a major UK-based FTSE-100 company and a leading global provider of information-based analytics and decision tools for professional and business customers. RELX's sustainability credentials are well recognized externally with ratings and credentials among the best in the peer group.

In April 2022, MUFG acted as Sustainability Co-Ordinator for RELX's debut sustainability-linked loan.

By providing this finance, MUFG is supporting RELX commitment to have a global impact by providing free, sustainable access to information via the "RELX SDG Resource Centre" website, advancing the awareness, understanding and implementation of the 17 UN SDGs, which aim to end poverty, protect the planet, and ensure prosperity for all people by 2030.

Contributing to Improving the Quality of Education

MUFG donated to Teach For Japan, an NPO that supports a fellowship program to send skilled individuals with outstanding qualifications and abilities in the educational field as teachers to schools for two years.



Supporting the Fight Against the COVID-19 Pandemic

In order to support children who have no choice but to abandon their studies for economic reasons and who have lost their parents due to illness or disaster, MUFG donated a total of 1 billion yen to the Ashinaga Scholarship Foundation and Japan Educational Exchanges and Services.



Elevating Disadvantaged Young People through 'Mentoring Works' Programme

MUFG London branch has been collaborating with BIG Alliance and its flagship education program "Mentoring Works". Since 2013, the program has supported students from the local community 'Islington', where an estimated 47.5% of children live in poverty.

The programme focuses on local under-served young people, who are more likely to Not be in Education, Employment or Training (NEET) in comparison to their peers from other London districts with the same qualifications.

The impact of coronavirus continues to widen the educational gap, making this initiative even more important.

'Mentoring Works' matches students to volunteer mentors working in local corporates such as MUFG. The programme offers students vital employability focused insight that supports them to acquire the knowledge and skills necessary to succeed in the ever-changing job market. So far, 285 MUFG mentors participated since 2013. Over the years, they encouraged young people to expand their visions of what they want to achieve in life and career regardless of their socio-economic backgrounds.



Support from the MUFG-UNESCO Association Great East Japan Earthquake Reconstruction Scholarship Fund

In April 2011, MUFG established the MUFG-UNESCO Association Great East Japan Earthquake Recovery and Scholarship Fund to provide continuous support through a scholarship program for children and students who lost their parents in natural disasters. The total amount of the fund is estimated to be approximately three billion yen.

Overcoming Threats to Health

We also believe that maintaining public health is key to the constant improvement of how society functions and this, in turn, empowers people to enjoy sustainable economic activities.

We will continue to undertake a variety of initiatives to enable our customers, communities, society, as well as the next generation, to pursue various healthy lifestyles.

MUFG's recognition	Opportunities	Innovation in the healthcare sector will contribute to improvement in social and economic resilience.
	Risks	The sustainability of economic activities will be largely dependent on the strengthening of capabilities for preventing novel infectious viruses from spreading (via the development of vaccines, etc.) and responsiveness to the pandemic (via the development of medical technologies and institutions) in order to ensure robust social functions in anticipation of the further aging of population.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Made an impact investment in a U.S.-based firm engaged in the R&D of vaccines for cancer, malaria, dengue fever, COVID-19 and other diseases. Our framework for impact investment is specifically designed to create positive environmental and social impacts while also ensuring an appropriate financial return. MUFG has provided personnel to the investee in order to closely support its business management 	

Main Initiatives

Supporting R&D of Next-Generation Vaccines through Impact Investing

The Bank has entered into an investment agreement with VLP Therapeutics, Inc., a biotechnology company. With its business philosophy of responding to the “unmet medical needs” of the world, VLP Therapeutics researches and develops cancer treatment as well as vaccines for malaria, dengue, and COVID-19. Considering the social significance and the potential the firm has, we have decided not only to directly invest in the firm but also to provide personnel to VLP Therapeutics in order to support its business management more closely.



Supporting Provision of Essential Medicines to Low- and Middle-Income Countries

Sanofi, based in France, is a leading global healthcare company actively involved in the research, development, manufacturing, and marketing of therapeutic solutions. Sanofi products are sold in over 170 countries.

Sanofi's integrated social impact strategy aims to build a healthier, more resilient world by ensuring access to healthcare for the world's poorest people.

In March 2022, MUFG acted as an active bookrunner for Sanofi's inaugural Sustainability Linked Bond (EUR 650 million, seven-year tenor). This financing is designed to link the future interest rates with the success of Sanofi Global Health's (Sanofi's non-profit Business Unit) provision of essential medicines to at least 1.5 million patients between January 2022 and December 2026 (cumulative) in low-income and lower-middle-income countries.

Support for the Long-Term Fight Against the COVID-19 Pandemic

As the Covid-19 Pandemic continues, MUFG has continued to provide support in the fields of medicine and the arts in response to the widespread and profound impact that it has had on society and the economy.

Medical field

Due to the spread of Covid-19, there are serious concerns about a shortage of medical care. MUFG donated approximately 400 million yen to the All Japan Hospital Association to support hospital personnel who are on the front lines providing medical examinations and treatment. Through this association, MUFG recruit hospitals that need support, and contribute to maintaining and strengthening a stable local medical care provision system.



Art and cultural fields

Due to the impact of Covid-19, many classical music performances have been canceled or postponed, and audience capacity has been limited for concerts. In FY 2021, MUFG donated 300 million yen to the Association of Japanese Symphony Orchestras to support music and art activities that enrich people's spirits and lives. The funds will be used to support the activities of the 37 member organizations.

Krungsri Breast Cancer Awareness'

Krungsri (Bank of Ayudhya) has been involved in diverse activities to ensure health and high-quality healthcare as well as promoting well-being of the local community and their employees.

In collaboration with Thanyarak Foundation, Krungsri has provided free breast cancer screenings for disadvantaged women, as well as supporting creation of online media which aims to enhance knowledge of the breast self-examination.

This online media will be delivered to public health service centers, to increase awareness for breast cancer.



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Bank Danamon Supporting the Fight Against the COVID-19 Pandemic

Bank Danamon, our Partner Bank in Indonesia, joined hands with the Ministry of Health and OJK, etc. to provide COVID-19 vaccination to employees and the community in 14 cities. Furthermore, under the coordination of the National Agency for Disaster Countermeasures, Bank Danamon continued the commitment to provide insurance for more than 13,000 COVID-19 volunteers. The insurance provided support and tranquility for volunteers while they took part in the fight against the pandemic.

In addition, with Sharia-Based Non-profit organization “Dompel Dhuafa”, Bank Danamon established three emergency hospitals in Jakarta to provide support for those affected by the COVID-19.

