



MUFG
Transition Progress
2026

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Against a backdrop of geopolitical developments, the emergence of new industries such as AI, and economic growth in emerging markets, energy demand is rising in many countries, forcing energy security and stable supply to become top priorities. As a result, there is a trend to return to investment in fossil fuels, but at the same time, investment related to carbon neutrality that contributes to national industrial competitiveness and energy policy is progressing, and the green bond and loan market is expanding in 2025. The current situation in the Middle East has also renewed awareness of the need to reassess reliance on specific energy sources, further underscoring the importance of pursuing sustainable energy to achieve sustainable growth. In addition, as temperatures rise, extreme weather events and disasters are increasing and physical risks are becoming more pronounced, heightening the importance of climate change adaptation.

In May 2021, MUFG announced its Carbon Neutrality Declaration, committing to achieve net-zero GHG emissions from its own operations by 2030 and net-zero GHG emissions across its financed portfolio by 2050. Under “Driving Social & Environment Progress — for our Brighter Future,” one of the three pillars of the Medium-Term Business Plan launched in FY2024, the realization of a carbon-neutral society is one of the highest priorities. Contributing to a carbon-neutral society remains MUFG’s unwavering commitment, and we are advancing our transition plan built on four strategies.

As a global financial institution, MUFG is affected by various external factors that are difficult to predict in the process of advancing the transition plan, but our focus will always be the decarbonization of the real economy compatible with economic growth. This Transition Progress 2026 shows the effective initiatives and progress accumulated to embody the transition that MUFG aims for, and all initiatives reported are conducted in compliance with the laws and regulations applicable to MUFG in each relevant jurisdiction.

MUFG Carbon Neutral Declaration

- **Net-zero GHG emissions by 2030 for our own operations**
- **Net-zero GHG emissions by 2050 for the financed portfolio**

Three unwavering commitments

1. Helping achieve the 1.5°C target of the Paris Agreement by achieving carbon neutrality by 2050
2. Supporting a smooth transition to a decarbonized society through our financial services
3. Proactively contributing to creating a sustainable society by fostering a virtuous cycle between the environment and the economy

Four Strategies of the MUFG Transition Plan

1 Reducing Own Emissions

3 Managing the Financed Portfolio

2 Engagement and Finance Activities

4 Risk Management and Governance

Reducing Own Emissions

2030 net-zero

FY2024 performance **159** Thousand tCO₂e

FY2026 interim target of "50% reduction from FY2020" achieved ahead of schedule

NEXT STEPS

Continue working on reductions towards target whilst also leveraging partnerships with clients

Managing the Financed Portfolio

2030 interim targets

Target review & update

Update interim targets for power, oil & gas, automotive, and aviation sector

NEXT STEPS

Strengthen monitoring and deploy measures, whilst reflecting changes in the business environment and clients' progress in decarbonization

2050 net-zero

Roadmap for 2050

Five-Year Action Plan disclosed

Engagement and Finance Activities

Transition Whitepaper

Whitepaper 4.0 (2025) issued



Project Finance

for renewable energy

Cumulative total over the past 10 years **No. 1 Worldwide*2**

CO₂ reduction through MUFU's involvement in renewable energy projects

Cumulative total from FY2019 to FY2024 **70.41 million tons**

Cumulative target of "70 million tons FY2019-FY2030" achieved ahead of schedule

Sustainable Finance

JPY 100 trillion by FY2030

Cumulative total from FY2019 to FY2025*1 **56.5 trillion yen**

of which, environment segment **24.6 trillion yen**

NEXT STEPS

Strengthening finance activities to advance decarbonization of the real economy compatible with economic growth

Risk Management and Governance

Scenario analysis

Expand analysis scope

- New asset class added
- New physical climate hazard analyzed

Building capability

Cumulative number of employees with sustainability-related qualification

4,400 +

Number of trainees for mid-career entrants

approx. 820

Roadshow for "Driving Social & Environmental Progress" (Bank)

40 branches

Number of participants in study sessions for the client coverage

1,500 +

NEXT STEPS

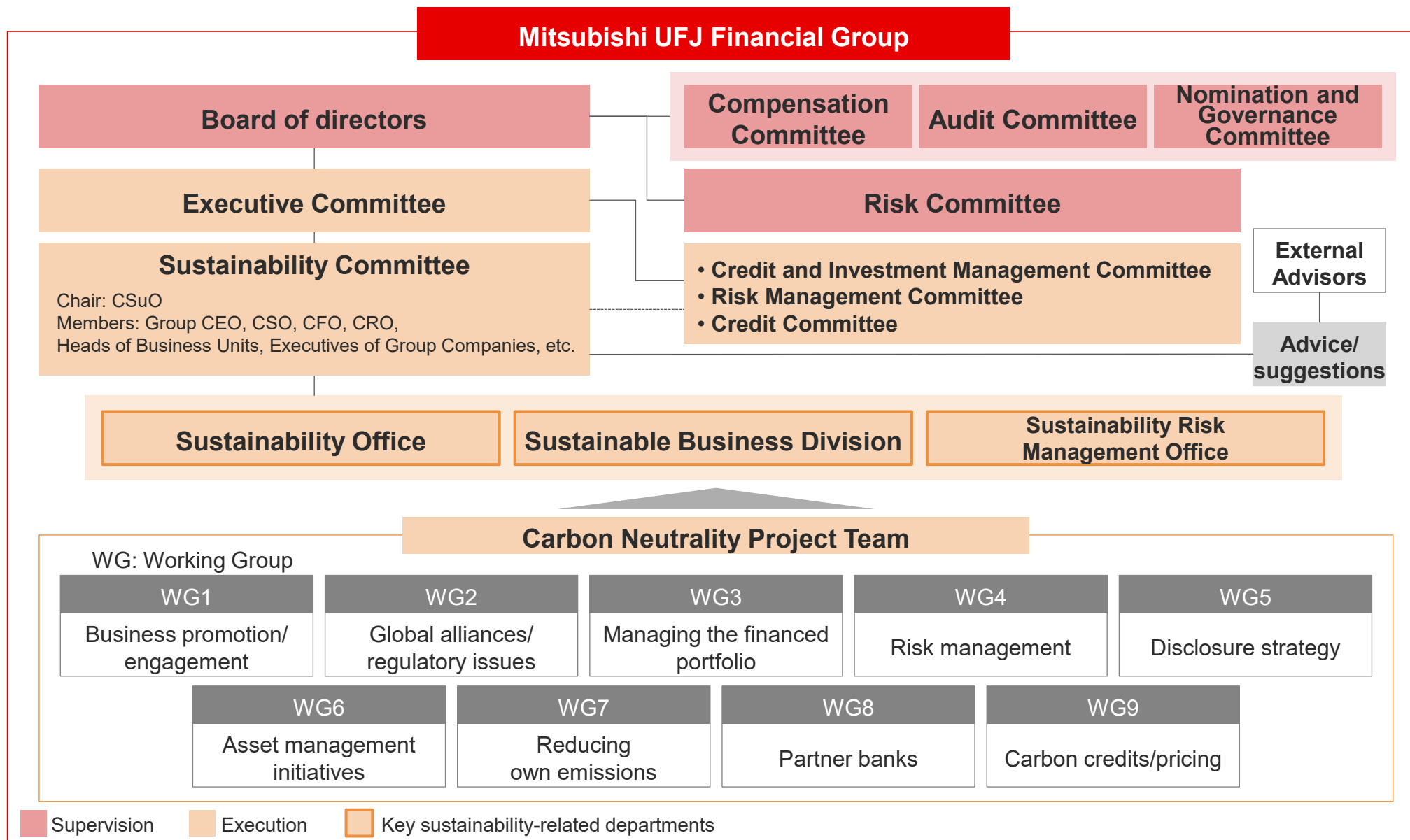
Enhance MUFU's overall capability by strengthening risk analysis and employee skills

*1 Estimate

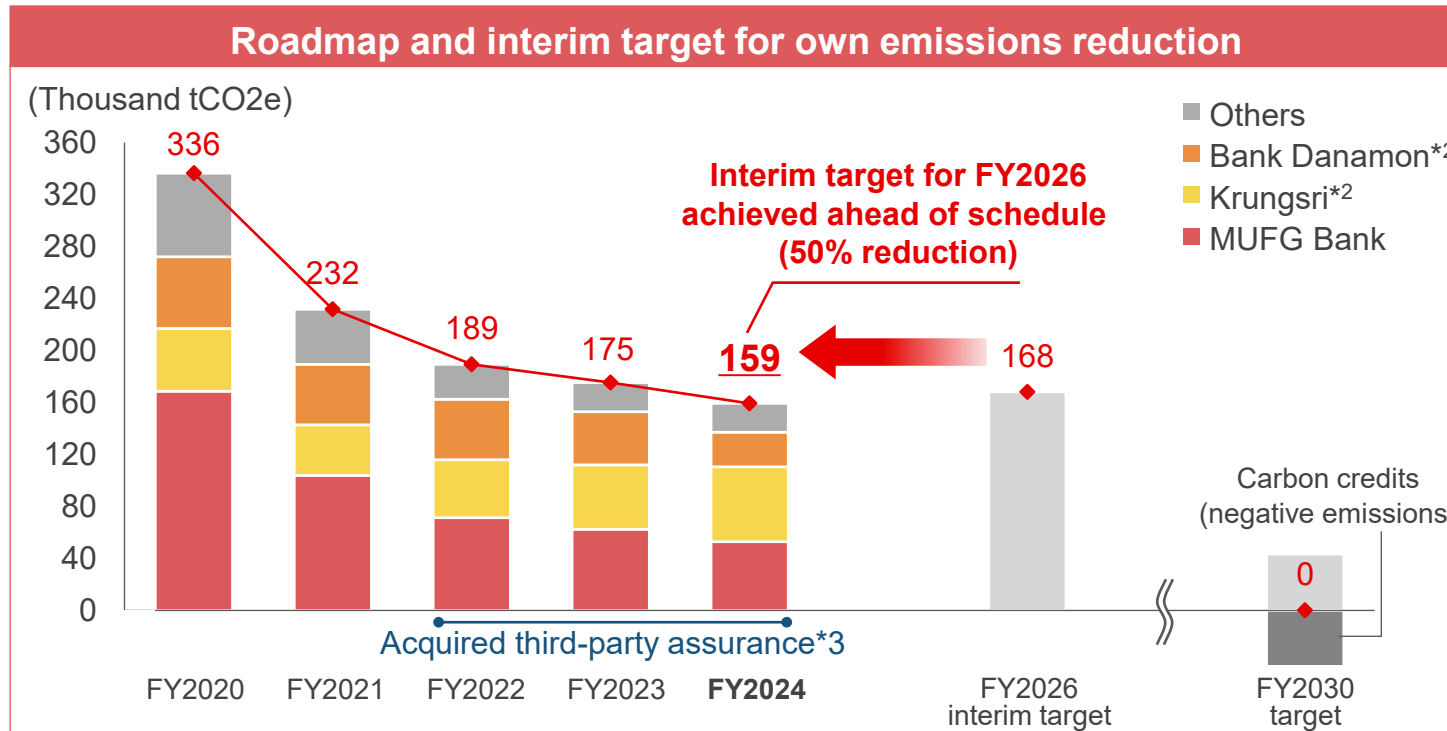
*2 Source: BloombergNEF ASSET FINANCE / Lead Arrangers LEAGUE TABLE, cumulative finance performance for the 10 years from 2016 to 2025 aggregated by MUFU

- 
- | | | | |
|------|---|------|---|
| 2017 | <ul style="list-style-type: none">● Support for the TCFD recommendations | 2023 | <ul style="list-style-type: none">● Publication of the Progress Report 2023● Establishment of the interim target for reducing emissions from own operations● Establishment of the interim target for 2030 (Steel, Real Estate, Shipping)● Publication of the Transition Whitepaper 2.0 (2023)● Publication of the Asia Transition Whitepaper 2023 |
| 2018 | <ul style="list-style-type: none">● Establishment of the Environmental Policy Statement● Establishment of the Environmental and Social Policy Framework (updated annually thereafter) | 2024 | <ul style="list-style-type: none">● Publication of the MUFG Climate Report 2024● Establishment of the interim target for 2030 (Automotive, Aviation, Coal)● Revision of the sustainable finance target (100 trillion yen)● Publication of Transition Whitepaper 3.0 (2024) |
| 2019 | <ul style="list-style-type: none">● Establishment of sustainable finance targets (20 trillion yen)● Signing of the Principles for Responsible Banking● Establishment of the MUFG AM Responsible Investment Policy | 2025 | <ul style="list-style-type: none">● Publication of MUFG Climate Report 2025● Adding Facilitated Emission to 2030 interim targets (Power, Oil & Gas)● Publication of Transition Whitepaper 4.0 (2025) |
| 2020 | <ul style="list-style-type: none">● Creation of the Chief Sustainability Officer position● Publication of the Sustainability Report | 2026 | <ul style="list-style-type: none">● Publication of MUFG Transition Progress 2026● Reviewing 2030 interim targets (Power, Oil & Gas, Automotive, Aviation)● Formulating Roadmap for 2050 |
| 2021 | <ul style="list-style-type: none">● Announcement of the Carbon Neutrality Declaration<ul style="list-style-type: none">- Net-zero GHG emissions from our financed portfolio by 2050- Net-zero GHG emissions from our own operations by 2030● Joined the NZBA● Joined the NZAM● Revision of sustainable finance target (35 trillion yen) | | |
| 2022 | <ul style="list-style-type: none">● Publication of the Progress Report 2022● Establishment of the interim target for 2030 (Power, Oil & Gas)● Publication of the Transition Whitepaper 1.0 (2022)● Establishment of the NZAM 2030 interim target● Establishment of the MUFG AM Sustainable Investment Policy | | |

Under the supervision of the Board of Directors, MUFG regularly discusses initiatives to address sustainability opportunities and risks, including climate change, at the Sustainability Committee, which operates under the Executive Committee. The Carbon Neutrality Project Team, comprising nine working groups, brings together planning, business, and risk management departments to collaboratively advance these initiatives.



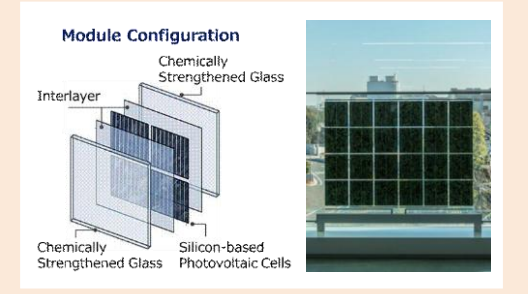
Based on the MUFG Carbon Neutrality Declaration announced in May 2021, MUFG aims for net-zero GHG emissions by 2030 from its own operations. As a result of thorough energy-saving measures and the transition to renewable energy for its own contracted electricity, the GHG emissions for FY2024 were 159 thousand tCO₂e, achieving the interim target for FY2026 of “50% reduction from FY2020 (168 thousand tCO₂e)” ahead of schedule. Further reductions require addressing challenges such as shifting other contracted electricity to renewable energy and addressing reduction of direct emissions from gasoline, city gas and other fuels. While continuing to leverage partnerships with clients, we will aim to reduce GHG emissions domestically and internationally to achieve the target.



Case Proactive utilization of advanced decarbonization technologies through partnerships with clients



- Started a demonstration experiment aimed at resource circulation of building-integrated photovoltaics (BIPV)^{*5} under the memorandum of understanding with AGC Inc.
- Through the demonstration, we aim to expand the introduction of renewable energy in urban areas through onsite power generation that harmonizes with the region.



- Promoting energy-saving through replacing aging equipment with high-efficiency equipment and visualization of power usage → 25.6% reduction progress in FY2024(-2.6% from FY2023) against the Bank’s domestic energy consumption target (30% reduction by FY2030 from FY2019)
- 100% renewable energy for own contracted electricity of all domestic consolidated subsidiaries by the Bank in FY2021, and by all consolidated subsidiaries in FY2022, and partially shifting other contracted electricity (tenant locations) as well

- Continued thorough energy-saving measures
- Shifting other contracted electricity (tenant locations) to renewable energy (Purchasing non-fossil fuel certificates and utilizing virtual PPA^{*4})
- Carbon-neutralizing company vehicles
- Proactive utilization of advanced technologies and services through partnerships with clients
- Considering utilizing carbon credits

*1 Refer to the website “SUSTAINABILITY AT WORK” for an overview of the initiatives

*2 Krungsri (Bank of Ayudhya) is a consolidated subsidiary in Thailand, Bank Danamon is a consolidated subsidiary in Indonesia

*3 Obtained independent third-party assurance for GHG emission performance data

*4 Power Purchase Agreement

*5 BIPV are expected to be a promising option for accelerating the introduction of renewable energy, as they enable power generation on vertical surfaces that have not been utilized before, such as building openings and walls.

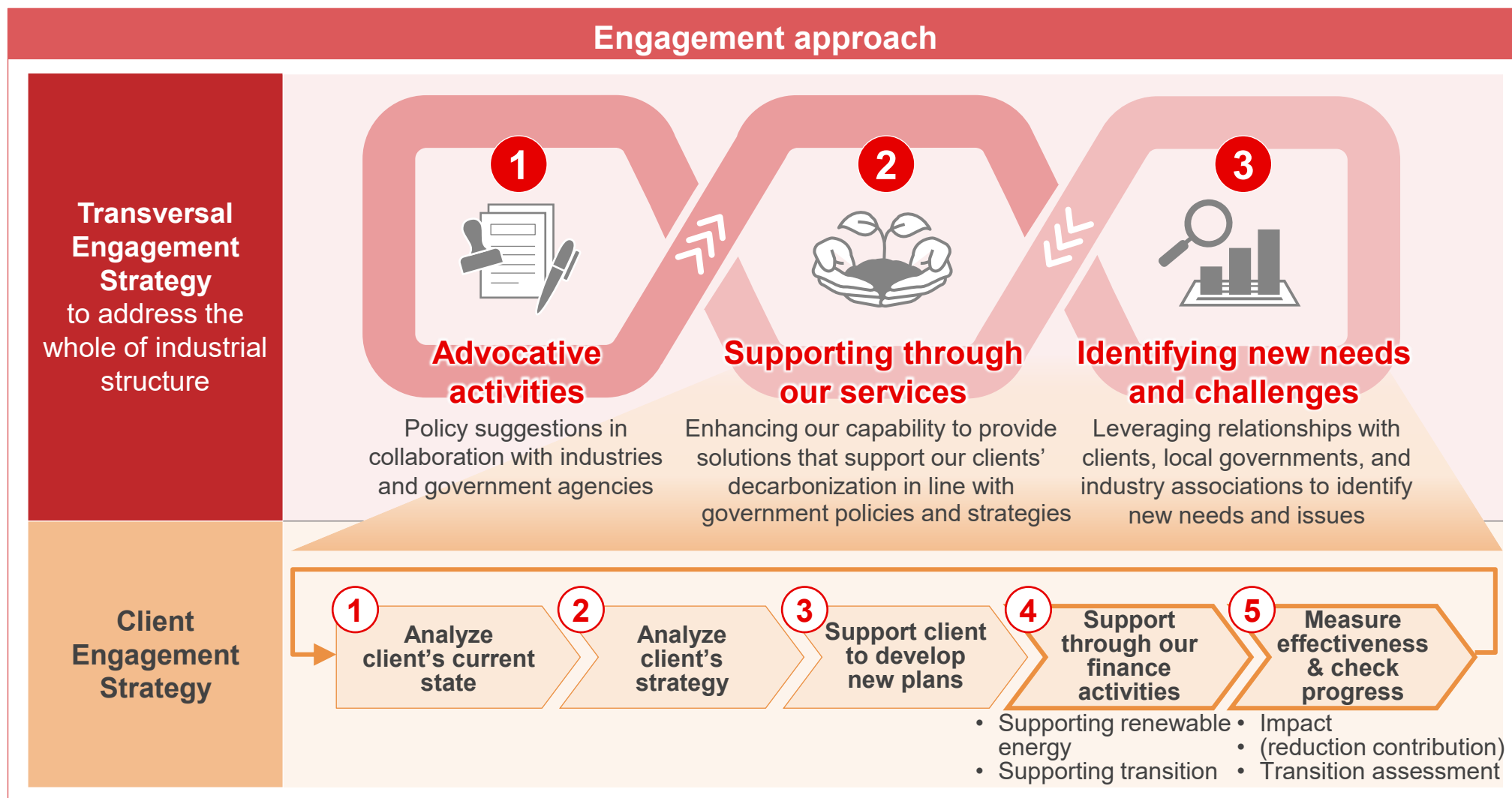
Achieving carbon neutrality within financial institutions is contingent upon their clients attaining carbon neutrality, which involves the decarbonization of the real economy. To effectively decarbonize the real economy, it is crucial to focus on the systematic reduction of emissions in high-emission industries and regions, rather than merely enhancing the financial institution's balance sheet through investments and financing in green industries and assets. This transition necessitates a substantial transformation of industries, involving significant mobilization of funds and risk-taking. Therefore, to advance financial initiatives in collaboration with public institutions is also essential to achieve carbon neutrality.

Our Mindset to Support Transition

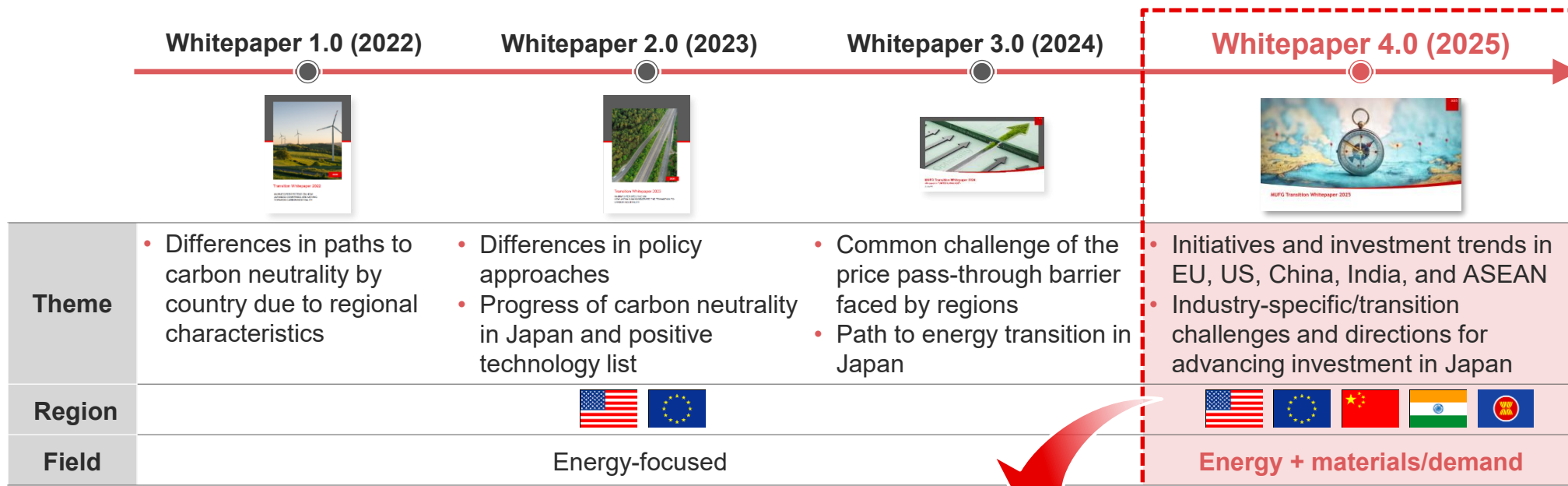
- 1.** Carbon neutrality of financial institutions is achieved through the decarbonization of the real economy
- 2.** Supporting the decarbonization of high-emission industries and regions is key to the decarbonization of the real economy
- 3.** Collaboration between private finance and public finance plays a critical role in achieving massive capital mobilization and risk-taking
- 4.** As a responsible global institution representing Asia and Japan, we will engage in garnering support from a diverse array of stakeholders for each regional transition-pathway and timeline

MUFG will identify new needs and challenges through solution provision while engaging in advocacy activities in collaboration with industry and government agencies. We will strengthen relationships with clients, local governments, and the entire industry, and provide feedback on new needs and challenges to industry and government agencies, responsibly supporting clients' decarbonization efforts.

We will pursue our client engagement strategy in line with the five-phased engagement model to “analyze client’s current state”, “analyze client’s strategy”, and “support client to develop new plans”, while focusing to “support through our finance activities” and “measure effectiveness & check progress”. We will continue to strengthen our promotive framework to advance our support through our services and identification of new needs and challenges.



As the fourth installment of the "Transition Whitepaper" series since FY2022, MUFG has published the "MUFG Transition Whitepaper 2025 (Whitepaper 4.0)" with the theme of challenges and solutions for further expanding carbon-neutral investment in Japan. In Whitepaper 4.0, while reassessing the path to carbon neutrality revealed through the previous Whitepaper series, it provides a foundation for discussions on the challenges to be solved and the direction of solutions to accelerate carbon-neutral investment in Japan under the rapidly changing international environment. MUFG, in collaboration with industry and government, will further expand carbon-neutral investment in Japan.



Role of industry

To further expand carbon-neutral investment, it is necessary to swiftly advance resolution for "industry-specific challenges" and "transition challenges" through inter-company collaboration



Role of government

To formulate effective policy packages to address not only "transition challenges" but also "industry-specific challenges" that are essential for maintaining and strengthening industrial competitiveness



Role of financial institutions

To "connect" the parties and provide support to improve investment predictability and profitability by leveraging the ability to see the big picture from a neutral position through the relation with various clients

Further expand carbon-neutral investment in Japan in collaboration with industry and government

MUFG, in collaboration with industry and government, is implementing initiatives related to energy transition, transition in industrial clusters, and initiatives for demand and market creation to further expand carbon-neutral investment in Japan. In FY2025, we will continue to engage in dialogue with many clients and support initiatives to ensure and improve the predictability and profitability of carbon neutrality.

Initiatives for energy transition



Case 1

Ongoing support for business and financial strategies for the energy sector, which requires sustainable long-term investment

- **Supporting business strategies**
Leveraging relations with policy authorities, energy consumers, and fuel suppliers, sharing policy environment, power demand, and fuel supply outlook from a neutral position, and discussing when, where, and to what extent existing facilities should be utilized and invested
- **Supporting financial strategies**
Based on the expertise gained through the support of business strategies, engage not only with existing financial institutions but also with new fund providers to increase funding sources for the energy sector

Initiatives for transition in industrial clusters



Case 2

Contributing to stakeholder consensus on the vision for GX in industrial clusters that require holistic optimization

- **First step**
Engage in individual dialogue with local companies and governments from a neutral position, and verbalize the strengths and challenges, as well as the status and issues surrounding carbon neutrality of the industrial cluster
- **Second step**
Propose an optimal and realistic vision as a hub to connect the parties, by examining options that match the unique features
- **Third step**
Leverage relationship with authorities and provide optimal support including finance

Initiatives for demand and market creation



Case 3

Promoting market formation by supporting green product sales strategies and carbon neutral in the supply chain

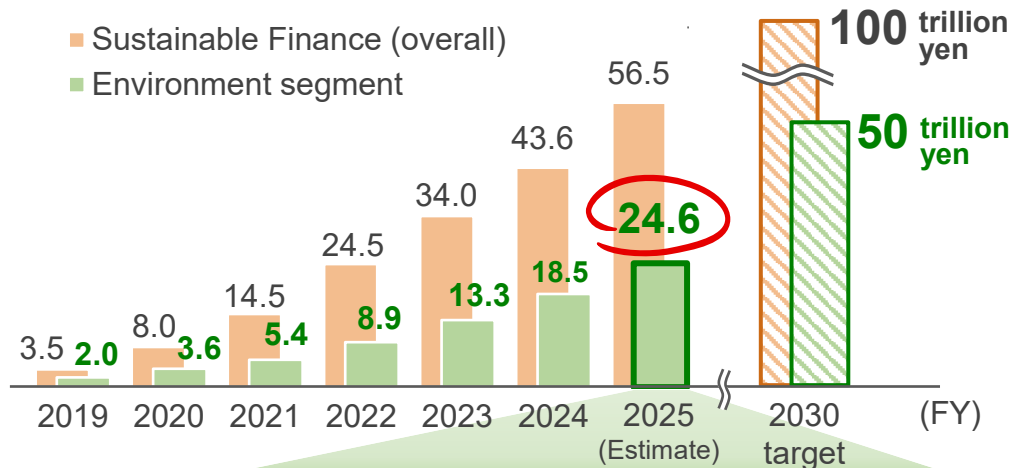
- **Support the formulation of green product sales strategies**
Support formulating green product sales strategy in hard-to-abate sectors by leveraging MUFG's global network and advantage, and knowledge on other sector
- **Support for carbon-neutralization in the supply chain**
Leverage our client base and engage with a wide range of companies up to the final product, and share the government on structural challenges identified through overseeing the whole of supply chain. Mechanisms to share costs with relevant public/private parties will be explored

The sustainable finance target by FY2030 is 100 trillion yen, of which 50 trillion yen is for the environmental segment. As of FY2025, the performance in the environmental segment is approximately 25 trillion yen, with a progress rate of about 49%.

MUFG is a leading financial institution in the renewable energy sector globally. Over the past 10 years, MUFG has ranked first in the world for project finance for renewable energy as a lead arranger*1, achieving the highest cumulative performance in the world.

Cumulative amount of MUFG's sustainable finance

(Cumulative total from FY2019 to FY2025, JPY trillion)



approx. **9.6** trillion yen

Green loans / bonds and Transition finance

approx. **9.4** trillion yen

Project finance for renewable energy and environment-related projects

approx. **3.6** trillion yen

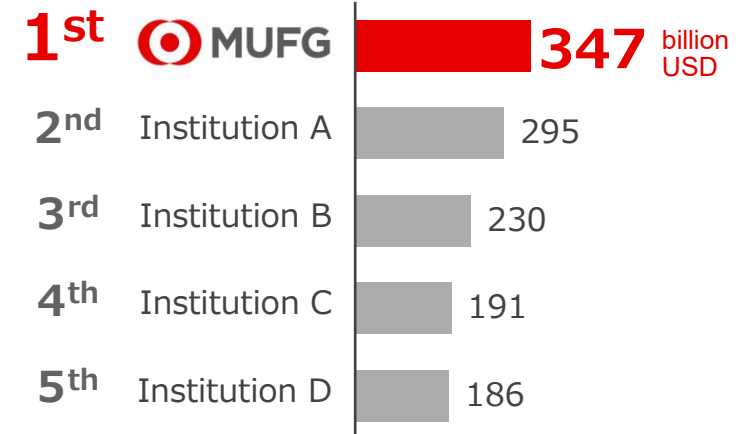
Financial advisory for renewable energy and environment-related projects

approx. **2.0** trillion yen

Others*2

Ranking of Project Finance for Renewable Energy*3

(Cumulative total of 10 years from 2016 to 2025, billion USD)



Number of renewable energy projects financed by MUFG*4

(10-year cumulative total, 2016-2025)

	Solar	362 projects
	Onshore wind	205 projects
	Offshore wind	57 projects
	Biomass, Geothermal, Hydropower, etc.	26 projects

*1 Major financial institution that takes the lead in organizing each loan *2 Positive impact finance, MUFG's original sustainability-related products, etc.

*3 Compiled by MUFG based on BloombergNEF ASSET FINANCE / Lead Arrangers LEAGUE TABLE *4 Compiled by MUFG based on BloombergNEF database

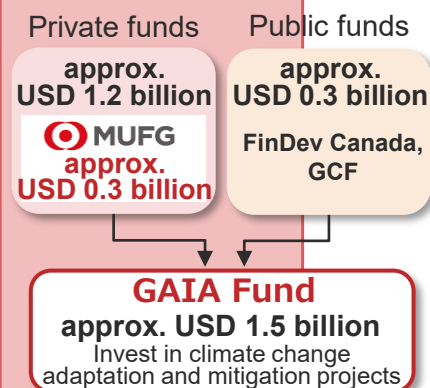
MUFG leverages its advantage in renewable energy project finance to support next-generation technologies. Additionally, by establishing its own framework, MUFG provides sustainability-linked loans that reduce the burden on clients for implementation. In climate change adaptation, MUFG executed the first closing of the GAIA Fund, a blended finance fund, and provided green loans for flood control measures, contributing to urban development projects.

Project finance (PF) Enhanced Geothermal Systems (EGS) in the US



- As one of the lead arrangers, MUFG supported approximately USD 420 million in non-recourse PF for the development of the EGS at Cape Station, the flagship project of Fervo Energy
- Cape Station is scheduled to commence operations in 2026, reach approximately 100 MW in 2027, and ultimately expand to 500 MW

Blended finance (BF) Achievement of first close by GAIA Fund



- The GAIA Fund, targeting USD 1.5 billion, provides long-term debt for climate adaptation and mitigation projects in emerging and developing countries, and achieved its first close of approximately USD 600 million in October 2025
- In addition to investing as an anchor LP, MUFG plays a leading role in the fund through the origination and structuring of investment opportunities

Sustainability-linked loan (SLL) Applying MUFG framework to support funding



- To strengthen the promotion of sustainable finance domestically, MUFG has established the "MUFG Bank Green and Sustainability-linked Finance Framework" in FY2024
- This framework has obtained third-party opinion from DNV Business Assurance Japan Co., Ltd., reducing the burden on clients for implementation. In FY2025, MUFG supported 7 SLL deals domestically using this framework

Green loan (GL) Funding for climate change adaptation (flood)



- Heiwa Real Estate Co., Ltd., which lists "measures against climate change" as one of its materialities, signed a basic agreement for financing urban development projects in the Nihonbashi Kabutocho and Kayabacho areas
- MUFG supported the formulation of the "Heiwa Real Estate Sustainability Finance Framework" and provided GL for climate change adaptation

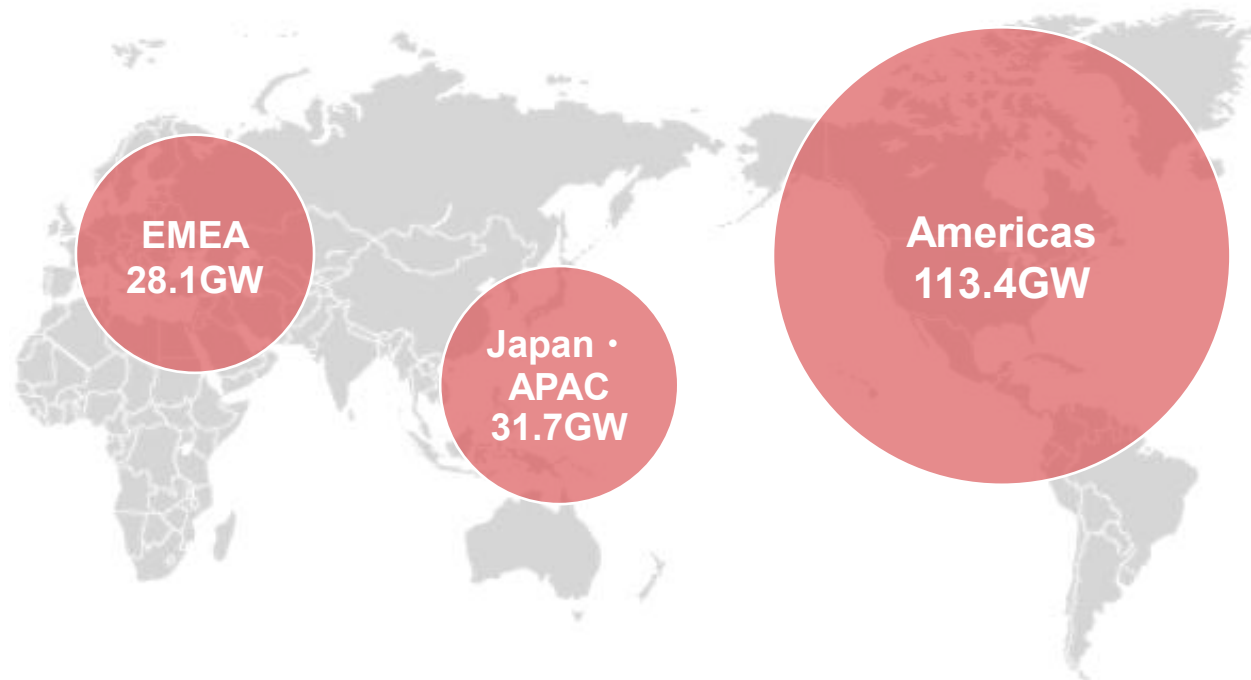
The total power generation capacity of renewable energy projects MUFG was involved in over the six years from FY2019 to FY2024 is 173.2 gigawatts (GW) . This is equivalent to Indonesia’s annual electricity production*1.

Additionally, MUFG has set a cumulative target of 70 million tons of CO₂ reduction contribution from renewable energy projects involving MUFG from FY2019 to FY2030, and the cumulative performance until FY2024 is 70.41 million tons, achieving the target ahead of schedule.

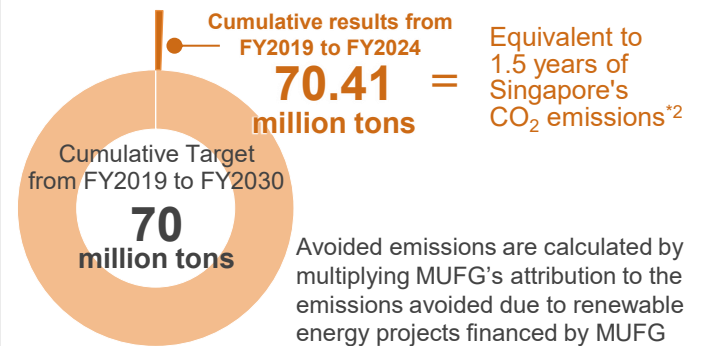
Power Generation Capacity of Renewable Energy Projects financed by MUFG

(Cumulative total of 6 years from 2019 to 2024, GW)

Total capacity worldwide: 173.2 GW
 (Around the same as Indonesia’s annual electricity production*1)



CO₂ avoided emissions from renewable energy projects financed by MUFG



Avoided emissions based on PCAF methodology *3

In addition to MUFG's conventional method, we have calculated the avoided emissions based on the PCAF methodology

	FY2022	FY2023	FY2024
MUFG financed emission from project finance in the power sector (Scope 1, million tCO ₂)	1,527	1,732	1,572
Avoided Emissions (million tCO ₂)	857	1,149	1,830

*1 Source: IEA webpage (as of April 13, 2026) Total electricity production, regional ranking, 2023

*2 Source: IEA webpage (as of April 13, 2026) CO₂ emissions from fuel combustion, regional ranking, 2023. Energy-origin CO₂ emissions

*3 Source: Partnership for Carbon Accounting Financials; Financed avoided emissions & forward-looking metrics (December, 2025)

As a leading financial institution in Asia and Japan, MUFG actively engages in advocative activities both domestically and internationally. In FY2025, in addition to participating in Mitsubishi Research Institute's "MiRal Forum 2025" to discuss GX, MUFG N0W (Net-Zero World) was held in Asia utilizing the network of Bank and partner banks, deepening discussions with government officials and clients in each country towards the realization of transition.

In the "Triple A Awards 2025" hosted by the Asian financial magazine "The Asset," which recognizes companies with excellent achievements in various fields of the financial industry, MUFG received the awards for Best ESG Bank Asia Pacific and Best Social Impact Advisor Asia Pacific.

We will continue to actively participate in various committees and activities domestically and internationally, and actively disseminate opinions to create an environment that promotes transition.

Mitsubishi Research Institute "MiRal Forum 2025"



- The forum was hosted by Mitsubishi Research Institute in 2025, focusing on "Offensive and Defensive GX Actions"
- The CEO participated in a panel discussion, discussing the recognition of the environment surrounding GX and the issues in advancing GX

- In the "Triple A Awards 2025," which recognizes companies with excellent achievements in various fields of the financial industry, MUFG received the awards for Best ESG Bank Asia Pacific and Best Social Impact Advisor Asia Pacific.
- The awards have a history of over 20 years, and the editorial committee of the hosting magazine "The Asset" comprehensively evaluates companies' initiatives based on strict evaluation criteria and data analysis provided by research institutions

Best ESG Bank Asia Pacific

Best Social Impact Advisor Asia Pacific



Participation as a member

- ▶ TCFD Consortium Planning Committee
- ▶ ASEAN Taxonomy Board
- ▶ GX League
- ▶ UNEP FI APAC Advisory Board, etc.
- ▶ Asia GX Consortium

MUFG N0W (Net-Zero World)

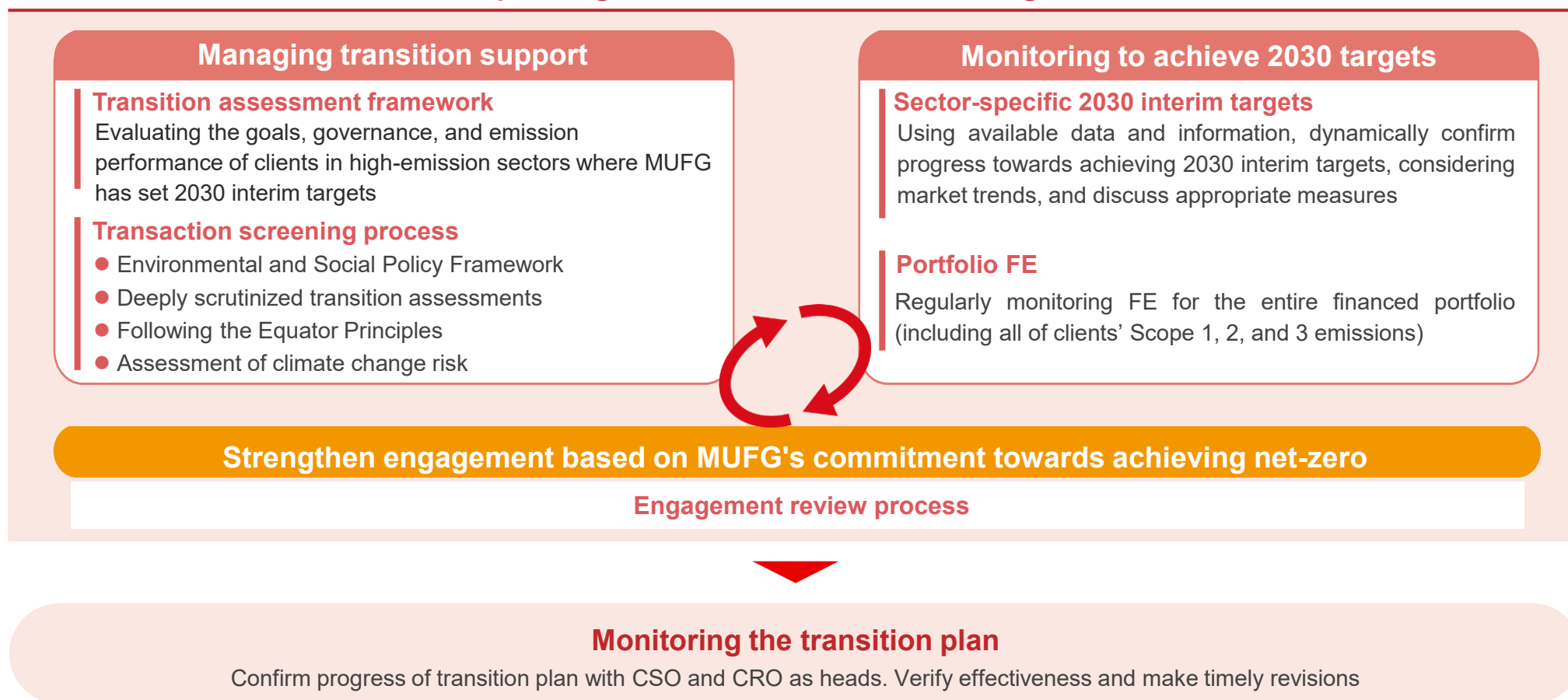


- Engaging in discussions with government stakeholders and clients across Asia toward the realization of transition
- In FY2025, a total of 7 events were held across APAC markets attracting more than 1,500 people

MUFG has been exercising the operating framework for effective management of the transition plan. In "Managing transition support," we follow the "transition assessment framework" to assess the clients' transition status and the "Transaction screening process" consisting of multiple frameworks to examine the risks of individual deals. Under "monitoring towards achieving 2030 interim targets," we check the progress not only on sector-specific 2030 interim targets but also on the overall portfolio's financed emissions (FE). Additionally, we have introduced the "Engagement review process" as a framework to discuss client engagement with relevant departments.

Whilst we strengthen our engagement with clients through these frameworks, the operational status and effectiveness of the frameworks, as well as the overall progress of the transition plan, are being verified and enhanced through multiple Transition Plan Monitoring Meetings held throughout the year, headed by the Chief Strategy Officer (CSO) and Chief Risk Officer (CRO).

Operating framework for effective management



In FY2025, significant advancements were made in the Transition assessment framework, Transaction screening process, and Engagement review process.

Within the Transition assessment framework, we broadened the scope of clients and refined the evaluation output. Moving forward, we will explore evaluation methods that place greater emphasis on the progress of clients' initiatives. Regarding the Transaction screening process, we gathered information on over 100 transactions in the power and oil & gas sectors. We will continue to assess environmental and social risks in emerging growth areas such as AI and data centers when evaluating individual transactions. In the Engagement review process, we clarified that this process is rooted in our commitment to supporting our clients' decarbonization efforts. If the progress of decarbonization for a specific client or our support for the client's decarbonization cannot be verified, we will consider revisiting our support approach for the client from a comprehensive and objective perspective, based on risk-return information.

Transition assessment framework

- In FY2025, we discussed the evaluation criteria and client scope at the transition plan monitoring meeting
- We expanded the client scope and refined the evaluation for the assessment results for FY2025

Currently, evaluations are based on client disclosures and information obtained through engagement, but going forward, we will consider evaluation methods that will have more focus on the progress of clients' initiatives

Transaction screening process

- We have been collecting deal information for the power and oil & gas sector through various frameworks
- In FY2025, information on over 100 deals were collected and reported

Continuously accumulate knowledge on environmental and social risk evaluation in new growth areas such as AI and data centers, and continue to conduct thorough risk assessment individually when entering each transaction

Engagement review process

- A framework designed to provide necessary support for our client's decarbonization progress
- Does not restrict funding solely based on clients' stance on climate change measures

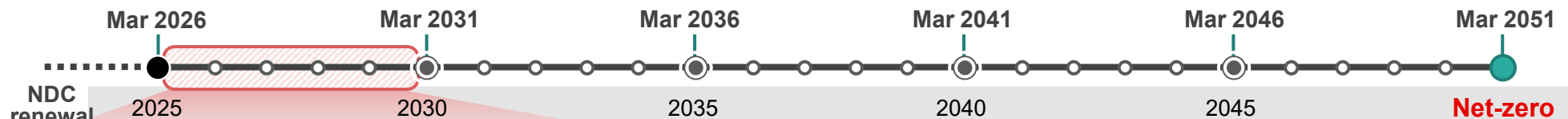
If the progress of decarbonization for a specific client or the provision of our support for the client's decarbonization cannot be confirmed, we will consider revisiting the way we support the client in particular from a comprehensive and objective perspective based on risk-return information

MUFG has integrated a Five-year Action Plan into its Roadmap for 2050, aiming to achieve net-zero GHG emissions for its financed portfolio by 2050.

In FY2025, when many regions, including Japan, updated their NDCs, MUFG reviewed the nine sector-specific interim targets for 2030 that were established in fiscal year 2023. Consequently, the interim targets for four sectors — power, oil & gas, automotive, and aviation — were updated to reflect the latest scenarios. Moving forward, these sector-specific interim targets for 2030 will be reinforced through continuous monitoring and the implementation of concrete measures, taking into account changes in the business environment and the progress of clients in decarbonization. Additionally, MUFG will consider setting interim targets for 2035.

MUFG's financed portfolio is aligned with its clients' net-zero goals, focusing on the decarbonization of the real economy. The Roadmap for 2050 acknowledges the importance of recognizing the risks associated with carbon lock-in, influenced by unpredictable and uncertain external factors such as international affairs, energy supply and demand, and advancements in decarbonization technology. MUFG aims to achieve decarbonization of the real economy in a manner that is compatible with economic growth, by verifying and supporting various transition plans.

Roadmap for 2050



5-year Action Plan

- 1 Review 2030 interim targets**
Review based on the latest NDC and scenarios
- 2 Enhance monitoring and management**
Deploy measures considering changes in the business environment and clients' progress in decarbonization
- 3 Consider interim targets for 2035**
Consider as the next 5-year milestone

① ~ ③ are the recurring 5-year Action Plan beyond FY2031 onwards

Med/long-term considerations for 2050

Whether to expand scope for interim targets

- Sectors sharing the value chain are expected to decarbonize in coordination
- Expansion of targets should be carefully considered to avoid dual management

When to shift metrics from intensity to absolute










- Intensity is a metric to pursue decarbonization compatible with economic growth
- Shift to absolute will be considered based on the credibility of pathways of each region and sector

Response to carbon lock-in

- Lock-in risks emerge when supporting electricity demand to meet economic growth
- MUFG will continue to support transitions while confirming the regions'/clients' transition plans

MUFG has established sector-specific interim targets for 2030 based on the portfolio characteristics of each target sector, utilizing one or both of the two distinct levels aimed at achieving net-zero emissions by 2050. This foundational concept remains consistent.

In FY2025, numerous regions, including Japan, revised their NDCs, and we seized this opportunity to reassess our interim targets for 2030. This reassessment involved updating the referenced scenarios while preserving the metrics and structural framework for each sector targets.

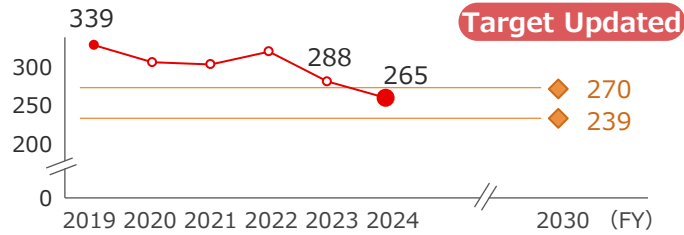
Unwavering concept of sector-specific 2030 interim targets	Set interim targets based on two levels aiming for 2050 net-zero, in alignment with the portfolio characteristics of each target sector	
	Level aligned with net-zero targets of clients and NDCs	AND/OR Level aligned with the international 1.5°C scenario
 Power	Target RANGE	Net-zero targets of clients and NDCs 1.5°C scenario (IEA NZE)
 Oil & gas	Target RANGE	Net-zero targets of clients and NDCs 1.5°C scenario (IEA NZE)
 Steel	Target	Net-zero targets of clients
 Auto-motive	Target RANGE	1.5°C scenario (JAMA CNF*1) 1.5°C scenario (IEA NZE)
 Aviation	Target	1.5°C scenario (IEA NZE)
 Shipping	Target	Scenario aligned with Poseidon Principles
 Commercial Real Estate	Target RANGE	Net-zero targets of clients and NDCs 1.5°C scenario (CRREM)
 Residential Real Estate	Target	1.5°C scenario (CRREM)
 Coal	Target	1.5°C scenario (IEA NZE)



In FY2025, we reassessed our sector-specific interim targets for 2030 when numerous regions revised their NDCs. This reassessment involved updating the referenced scenarios while preserving the metrics and structure for each sector targets

*1 Japan Automobile Manufacturers Association's Carbon Neutral Fuel scenario

Power (gCO₂e/kWh; including FaE)



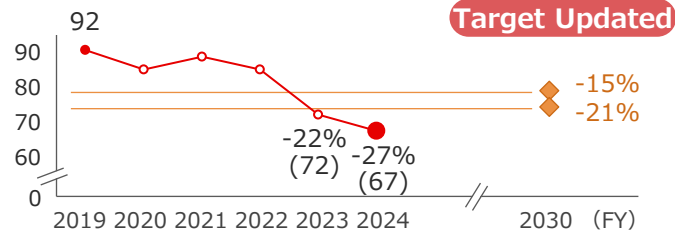
FY2024 results

- FY2024 was 265 gCO₂e/kWh, within the target range
- -8% from FY2023, primarily attributed to the increase in project finance for renewable energy

Towards 2030

- Target updated referring to the latest IEA scenarios*¹. Of the new target levels, 270 gCO₂e/kWh is well below the 2.0°C scenario, and 239 gCO₂e/kWh aligns with the 1.5°C scenario
- While meeting the increasing electricity demand due to factors such as AI, we will continue to support our clients' initiatives toward decarbonization, including renewables

Oil & gas (MtCO₂e; including FaE)



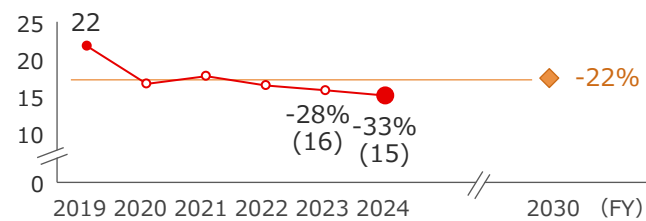
FY2024 results

- FY2024 was -27% from baseline, below the target range
- -7% from FY2023, mainly due to decrease in attribution factor owing to clients' loan repayments and improved financial conditions associated with acquisitions

Towards 2030

- Target updated referring to the latest IEA scenario. Of the new target levels, -15% is unchanged below the 2.0°C scenario, and -21% aligns with the 1.5°C scenario
- While adapting to the fluctuations in energy supply and demand, we will continue to support our clients' various initiatives toward decarbonization, including demand creation for alternative fuels

Steel (MtCO₂e)



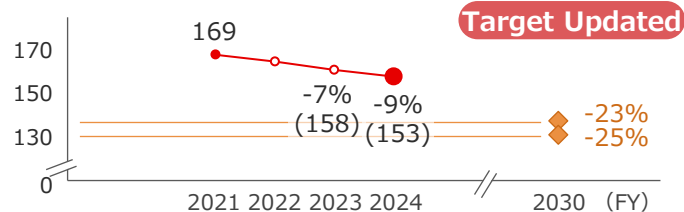
FY2024 results

- FY2024 was -33% from baseline, which is below the target
- -6% from FY2023, primarily attributed to loan repayments and steady progress made by clients in their decarbonization efforts

Towards 2030

- Target level unchanged in line with clients' net-zero targets, as IEA does not provide a regional breakdown of the 1.5°C scenario whilst around 90% of MUFG's steel portfolio comprise of Japanese majors
- We will continue to support clients' emission reduction efforts, such as decarbonization of steel production processes and retirement of existing blast furnaces

Automotive (gCO₂/vkm)



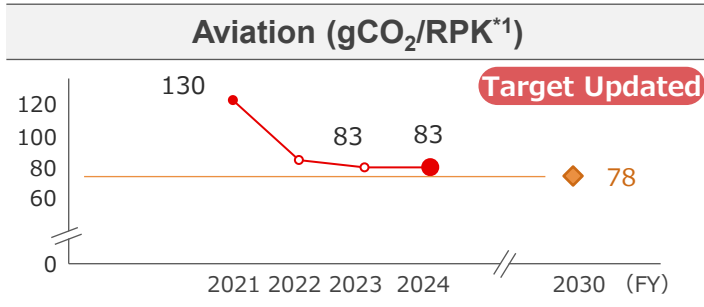
FY2024 results

- FY2024 was -9% from baseline
- -3% from FY2023, primarily attributed to the improvement in the emission intensity of new cars sold by our clients

Towards 2030

- Target updated referring to the latest IEA scenario. Of the new target levels, -23% is unchanged aligned with JAMA 1.5°C scenario, and -25% aligns with the 1.5°C scenario
- We will support the development of power train technologies to reduce emissions from fleet as well as technologies to decarbonize electricity and fuel

*1 The latest 1.5°C scenario refers to NZE from IEA World Energy Outlook 2025; the latest 2.0°C scenario refers to APS from IEA World Energy Outlook 2024

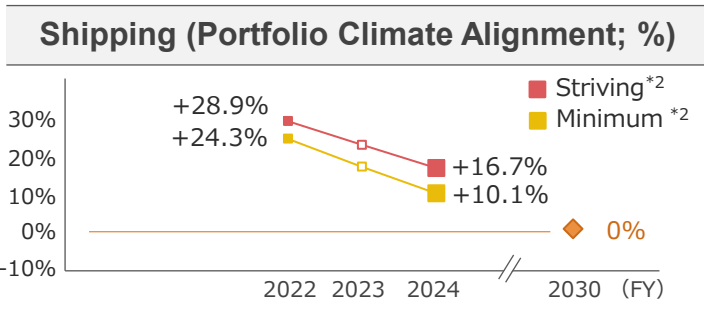


FY2024 results

- FY2024 was 83 gCO₂/RPK
- Whilst emissions per passenger improved, the retirement of older aircrafts have been postponed due to delays in new aircraft supply, resulting in the same intensity as FY2023

Towards 2030

- Target updated referring to the latest IEA scenario. The new target level of 78 gCO₂/RPK aligns with the 1.5°C scenario
- We will continue to support our clients' decarbonization initiatives, such as acquisition of new aircraft fleet and SAF development

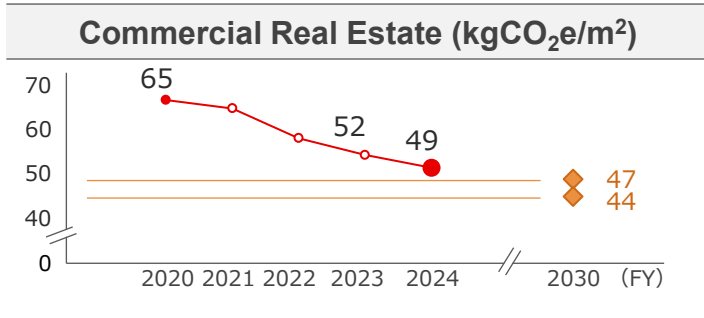


FY2024 results

- Portfolio Climate Alignment (PCA) score for FY2024 was Minimum +10.1% / Striving +16.7%
- PCA improved due to repayment of older fleets, delivery of low-carbon vessels, and technical changes in the guided methodology

Towards 2030

- Target level unchanged in line with Poseidon Principles to pursue PCA score of zero
- We will continue to support our clients' decarbonization initiatives, such as expanding low-carbon emission vessels

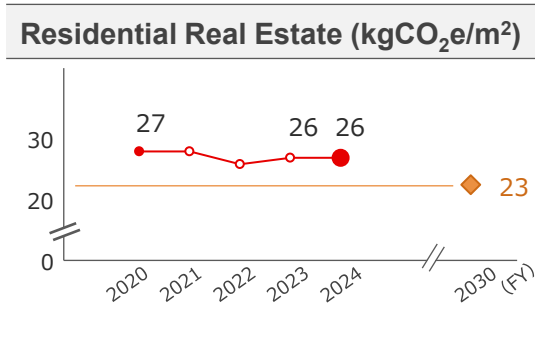


FY2024 results

- FY2024 was 49kgCO₂e/m²
- 6% from FY2023, primarily attributed to the shifting the electricity contracts to renewable energy

Towards 2030

- Target range level unchanged in line with clients' net-zero targets and CRREM 1.5°C scenario, as IEA does not provide a regional breakdown of the 1.5°C scenario whilst a huge majority of MUFG's portfolio is domestic
- We will continue to support clients' emission reduction efforts via financing, such as green bonds and sustainability-linked loans

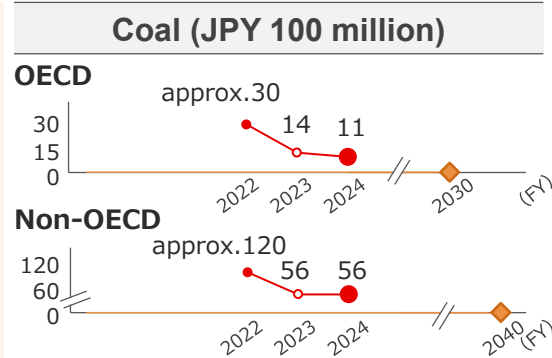


FY2024 results

- FY2024 remained at 26 kgCO₂e/m², due to increase in the power mix of coal in urban areas*3

Towards 2030

- We will continue to support the purchase of energy-efficient homes, such as ZEH via mortgages



FY2024 results

- Decrease in OECD jurisdiction resulting at JPY 1.1 billion, no change in Non-OECD at JPY 5.6 billion

Towards 2030

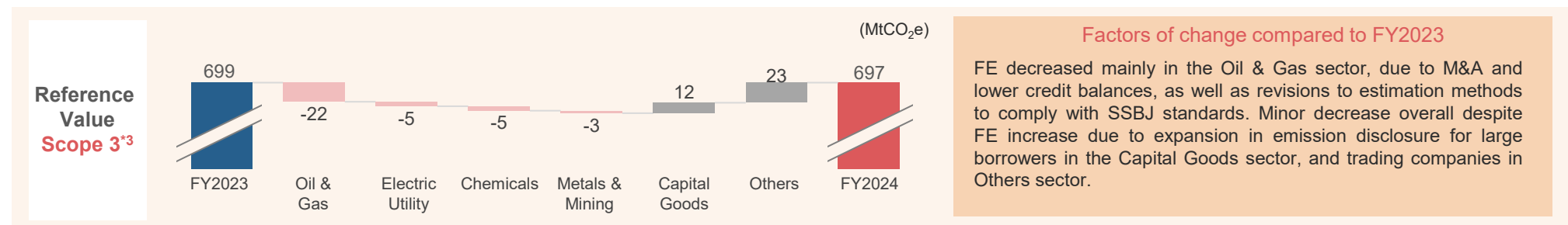
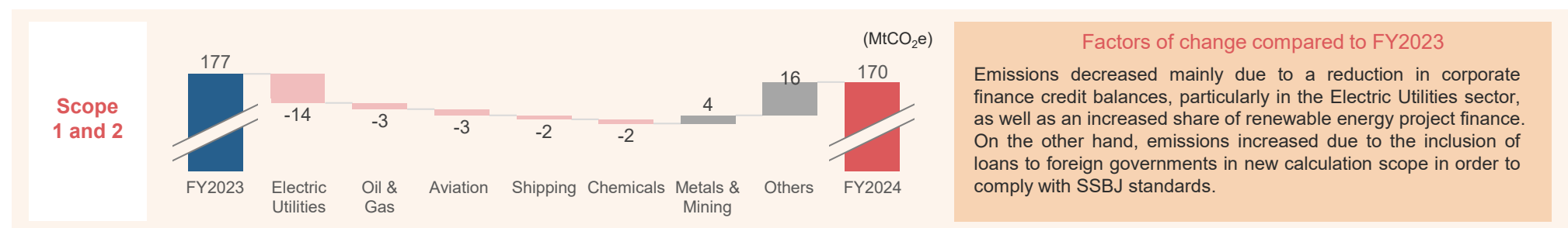
- We will continue to manage and monitor our loans to meet our target

*1 Revenue Passenger Kilometers *2 There are two reference values in the Poseidon Principles. "Minimum", represents reduction by at least 20% by 2030 and at least 70% by 2040, compared to 2008 levels. "Striving" represents reduction by 30% by 2030 and by 80% by 2040, compared to 2008 levels *3 Calculated using the latest available statistical data for domestic region-specific emission intensity. The FY2023 result was revised from 25 kgCO₂e/m² to 26 kgCO₂e/m² because the reference data was updated from preliminary to final values. For FY2024, because the sourced data switched to bi-annual updates and emission intensity was not updated, we used an estimate based on past years' emission intensity

For FY2024, the portfolio's financed emissions*¹ covering the Bank's major corporate finance, project finance, and other exposures amounted to 170 MtCO₂e (Scope 1 and 2 of borrowers), a decrease of 7 MtCO₂e from FY2023. Scope 3 emissions of borrowers also decreased slightly compared with FY2023.

Overall Portfolio FE (Comparison of FY2023 and FY2024)

	MtCO ₂ e	Oil & Gas	Coal	Electric Utilities	Aviation	Shipping	Rail Transportation	Trucking Services	Automobiles & Components	Metals & Mining	Chemicals	Building Materials	Capital Goods	Real Estate Management and Development	Beverages	Agriculture	Packaged Foods & Meats	Paper & Forest Products	Others	Total
FY2023	Scope 1+2	37	0.3	65	11	8	0.3	0.4	2	19	9	3	2	0.4	0.2	1	3	1	16	177
	<Reference Value> Scope 3	115	0.3	30	4	4	0.8	3	74	23	25	1	258	3	1	0.4	10	2	145	699
FY2024	Scope 1+2	31	0.3	51	8	6	1	1	2	23	7	3	2	1	0.2	1	3	1	28	170
	<Reference Value> Scope 3	91	0.0	25	3	5	1	3	72	20	20	2	270	3	1	1	11	3	166	697
<Reference> FY2024 Securities, Mortgages, Loans in Trust etc. ²	Scope 1+2	0.4	1	8	0.4	0.2	0.0	0.0	0.2	0.3	1	1	0.1	0.0	0.1	0.2	1	0.1	91	104
	<Reference Value> Scope 3	1	0.0	3	0.2	0.1	0.0	0.2	11	0.4	2	1	1	0.1	0.3	0.0	1	0.2	42	62

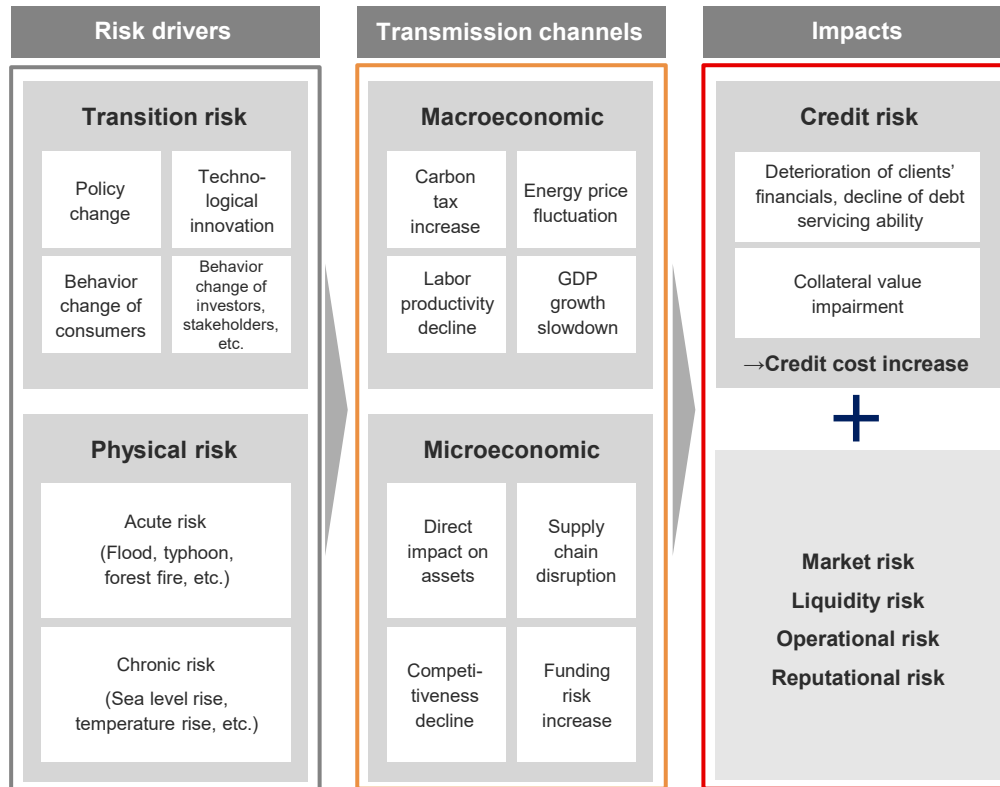


*1 Financed emission is calculated across the portfolio for the Bank's corporate finance, project finance, aviation finance, ship finance, and real estate non-recourse loans using methodology provided by the PCAF. Data excludes sovereign issuers and clients with unknown industry classification. Industry classifications are based on GICS and organized by TCFD sector, which differs from how interim target clients are organized. *2 From the FY ending March 2026, sustainability-related financial information referring SSBJ disclosure standards will be disclosed in annual securities reports. Financed Emission from securities, mortgages, and loans in Trust and Krungsri (Bank of Ayudhya) disclosed in annual securities reports. *3 The Scope 3 emissions increase as corporate disclosure expands and data becomes more refined. There is also significant overlap in emissions within the value chain (e.g., Scope 3 of oil and gas overlaps with Scope 1 of other industries and Scope 3 of automobiles, Scope 1 of power overlaps with Scope 2 of other industries)

MUFG recognizes the importance of identifying and assessing climate change-related risks and information disclosure. We have positioned risks arising from climate change as top risk in our Top Risk Management. MUFG acknowledges that transition risks and physical risks arising from climate change can become risk drivers that could impact major risk categories in the medium to long term via transmission channels. Considering the nature of climate change risks, MUFG manages these risks at the credit portfolio, sector, client, and transaction levels within its risk management framework.

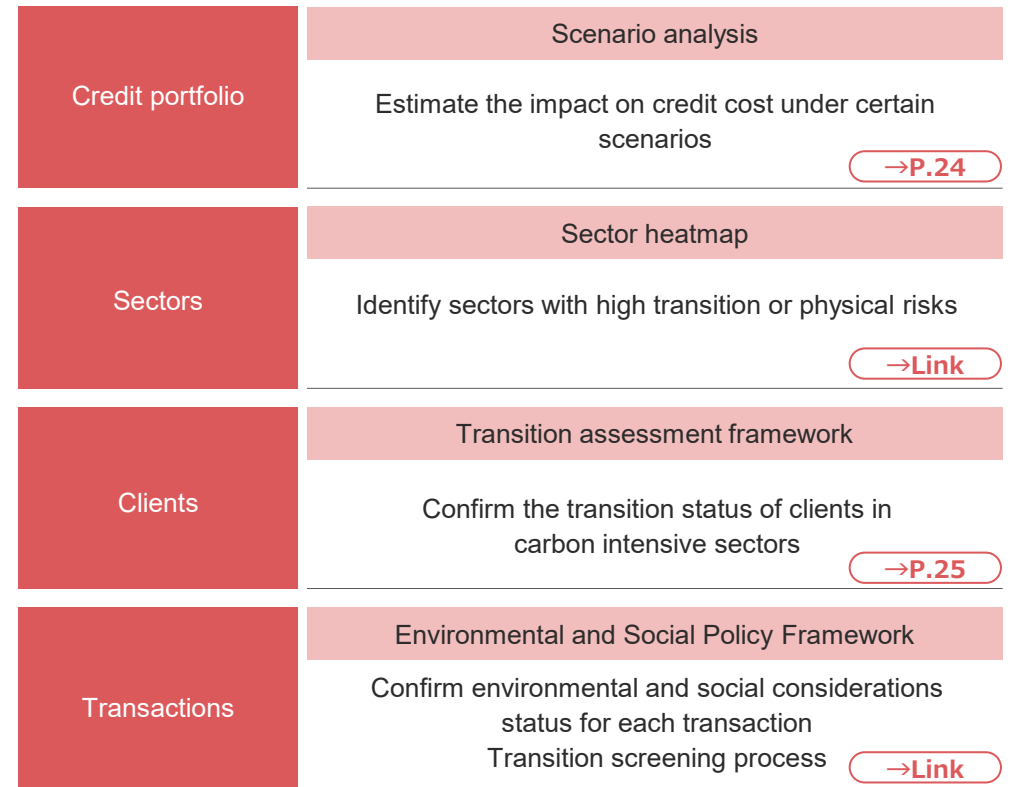
Positioning of climate change risk

Transition risks and physical risks arising from climate change can become risk drivers that could impact risks such as credit and reputational risks through influences on economy.



Climate change risk management framework

Considering the nature of climate change risks, MUFG manages risks at credit portfolio, sector, client, and transaction levels.



MUFG has conducted scenario analysis to identify risks across its entire credit portfolio. This analysis covers transition risks up to 2050 and physical risks up to 2100.

In fiscal year 2025, MUFG added mortgage loans in the scope of portfolio and “typhoon” to the physical risk assessment.

The scenario analysis reflect verified results from external experts. Furthermore, MUFG maintains ongoing dialogue with regulatory authorities and is continuously working on enhancing its analytic methods.

Added or expanded items are underlined.

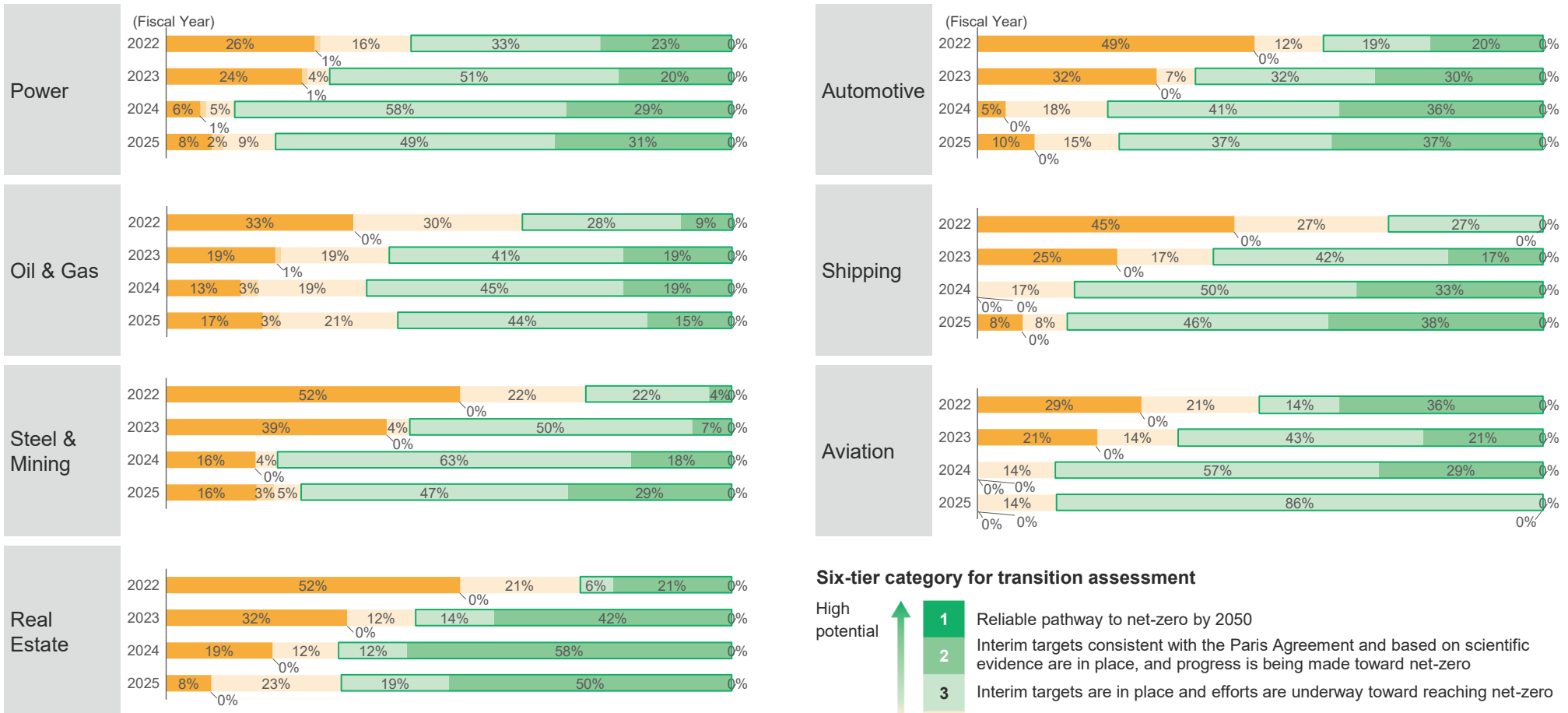
	Transition risk	Physical risk		
		Acute risk: flood	<u>Acute risk: typhoon</u>	Chronic risk: temperature rise
Scenarios	NGFS*1	IPCC*2		
Risk factors	Rise in carbon prices, etc.	Direct and indirect impacts caused by the occurrence of disasters Examples of direct impacts: impairment of fixed asset, impairment of collateral Examples of indirect impacts: Suspension of the business of borrowers, supply chain disruption		Deterioration of the macroeconomic environment due to decline in labor productivity
Scope of Portfolio	Corporate loans (all sectors) <u>Mortgage loans</u>	Corporate loans (all sectors)		Corporate loans (all sectors) <u>Mortgage loans</u>
Analysis methods	Corporate loans (all sectors): Bottom-up approach at client level Top-down approach at sector level Mortgage loans: Top-down approach	Bottom-up approach at debtor level		Top-down approach
Time horizons	Up to 2050 using the end of March 2025 as the baseline	Up to 2100 using the end of March 2025 as the baseline		
Results	Cumulative credit cost (Gap with Current Policies): Approximately JPY 550 billion	Cumulative credit cost: Approximately 350 billion yen	Cumulative credit cost: Approximately 200 billion yen	Maximum loss on single year basis: Approximately 60 billion yen

*1 Network for Greening the Financial System

*2 Intergovernmental Panel on Climate Change

MUFG assesses transition progress of our clients in high-emitting sectors for which we have set interim targets for 2030, based on the clients' target, governance, and emissions results. In FY2025, we have expanded the scope of assessment to over 400 companies (increase of ~100 companies) and retroactively updated the past results.

Transition assessment*1*2



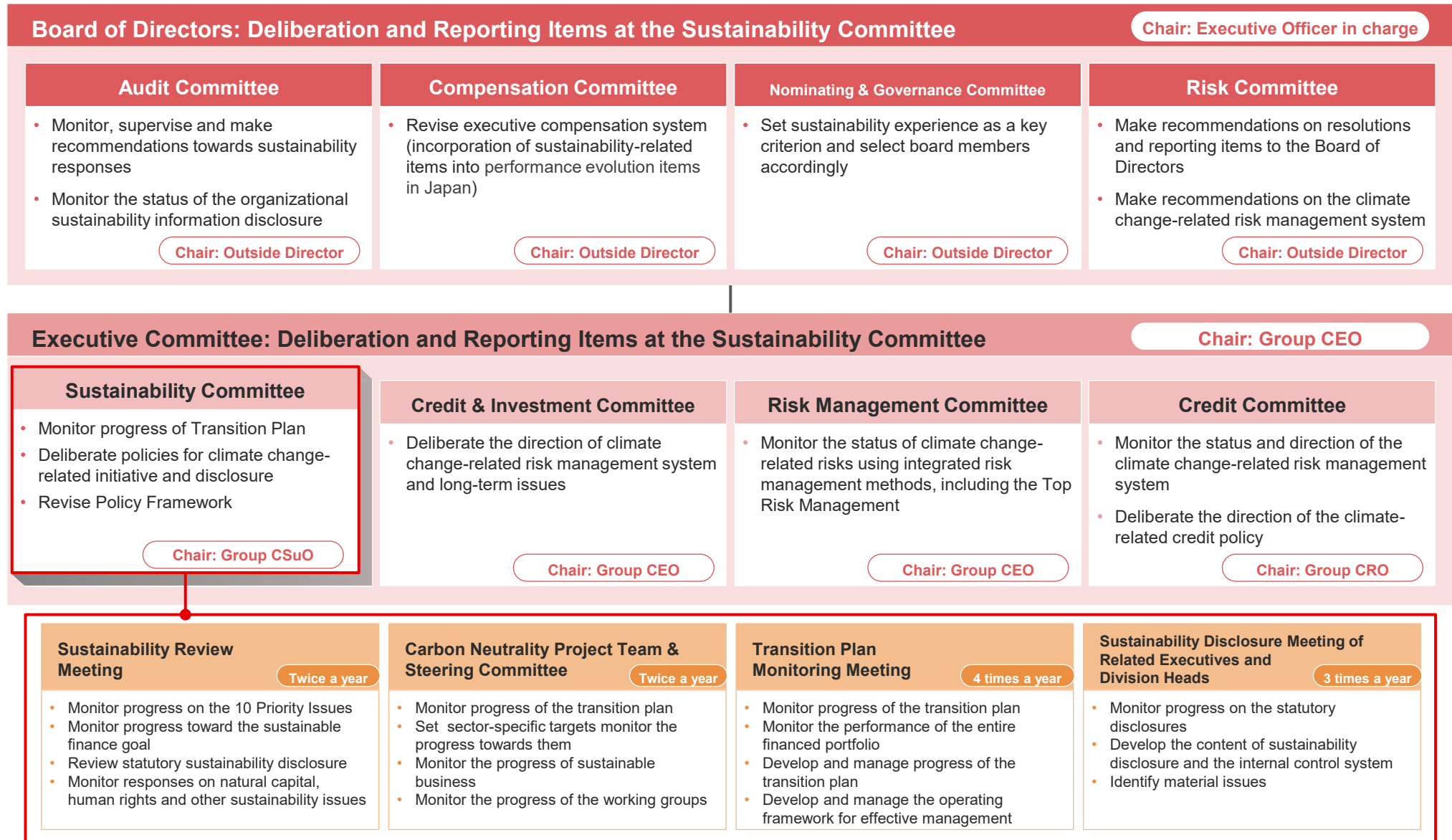
Six-tier category for transition assessment

- High potential ↑
- 1 Reliable pathway to net-zero by 2050
- 2 Interim targets consistent with the Paris Agreement and based on scientific evidence are in place, and progress is being made toward net-zero
- 3 Interim targets are in place and efforts are underway toward reaching net-zero
- 4 There is a 2050 net-zero target (but no interim target)
- 5 There is a net-zero target (but not for 2050)
- 6 No net-zero target
- Low potential ↓

*1 For clients in emissions-intensive sectors subject to MUFG 2030 interim targets, transition assessments are conducted based on CDP data for each year, confirmed by department in charge of clients. For clients without CDP data and in sectors with high transition risk, assessment is conducted with information from the latest disclosure information and client interviews.

*2 Previous years' disclosure data revised due to partial refinement of data (from FY2022 to FY2024)

The Sustainability Committee under the Executive Committee discusses a wide range of opportunities and risks related to environmental and social issues. For climate change response, the Steering Committee and the Transition Plan Monitoring Meeting convene to discuss strategies and policies, ensuring timely decision-making. Furthermore, each initiative is reviewed and reported to supervisory bodies, including the Board of Directors.



In addition to discussions on the progress of the transition plan and future response policies, the board of directors provides opportunities to enhance knowledge and expertise. External directors provide recommendations on sustainability management and achieving carbon neutrality from a multifaceted perspective, including the status of international discussions and market demands.

Study sessions for directors

Regularly held study sessions for directors. In December 2025, a discussion was held with an external strategy consultant invited as a lecturer on the theme of "Business environment related to carbon neutrality"

Main topics of study sessions

- Energy Policies and market trends of each country under the current environment
- Future investment opportunities for private financial institutions

Discussions with External Advisors

Management regularly meets with external advisors to stay informed about the latest trends and receive recommendations for enhancing MUFG's strategies and initiatives

(External advisors)

Rintaro Tamaki	President, Japan Center for International Finance
Junko Edahiro	Professor, Graduate School of Leadership and Innovation, Shizenkan University / President, Institute for Studies in Happiness, Economy and Society / Founder and President, e's Inc.
Kenji Fuma	CEO, Neural Inc.
Miyuki Zeniya*1	Former CSuO of MUFG

Discussions at the board of directors in FY2025

Main themes related to climate change in FY2025

- Direction of climate change measures considering domestic and international situations
- MUFG's sustainability management policy and stance
- Progress towards targets
- Identifying materiality in SSBJ disclosure

“ ” Opinions from outside directors

- Also reflecting on how employees and partners would perceive it, MUFG should not bend the principles it has communicated on the grounds of external circumstances
- In promoting carbon neutrality, it is necessary to fully consider that some technologies, such as offshore wind power, solar power, and CCUS, may be difficult to introduce due to deteriorating profitability
- In achieving net-zero for own emissions by 2030, please respond well while considering the possibility of difficulties in procuring renewable energy
- For materiality, climate change is important, but it is also influenced by client circumstances. On the other hand, cybersecurity and compliance are areas where financial institutions are specifically required to respond
- Evaluations from ESG rating agencies contain both good points and areas for improvement, so it is better to analyze them well and utilize them in the future

MUFG has established “ESG assessment” as one of the medium- to long-term performance-linked indicators for stock-based compensation in Japan, which includes targets such as reducing the company’s own GHG emissions. In addition, for annual bonuses of relevant executives in Japan, including the President, MUFG has set “contribution to resolving environmental and social issues, including climate change” as a performance objective in the qualitative evaluation of duties performed.

	Linkage with performance	Performance-based range	Time of payment	Payment method	Standards for payment	Weight														
Annual base salary	Fixed	-	Monthly	Cash	Paid based on positions, etc.															
Stock Compensation	Non-performance-based	-	At the time of retirement of executives	50% in shares and 50% in cash *Subject to malus (confiscation) and clawback (restitution claim)	Base amount by position															
	Medium- to Long-term Performance-based	0-150%	At the end of the MTBP		Base amount by position ×	<table border="1"> <tr> <td>Performance factor (MTBP achievement evaluation)</td> <td>55%</td> </tr> <tr> <td>1.Consolidated ROE^{*1}</td> <td>30%</td> </tr> <tr> <td>2.Consolidated expense ratio^{*1}</td> <td>10%</td> </tr> <tr> <td>3.ESG assessment</td> <td>10%</td> </tr> <tr> <td>4.TSR^{*2}</td> <td>5%</td> </tr> <tr> <td>Performance-linked Coefficient (competitor Comparison Evaluation)^{*3}</td> <td>45%</td> </tr> </table>	Performance factor (MTBP achievement evaluation)	55%	1.Consolidated ROE ^{*1}	30%	2.Consolidated expense ratio ^{*1}	10%	3.ESG assessment	10%	4.TSR ^{*2}	5%	Performance-linked Coefficient (competitor Comparison Evaluation)^{*3}	45%		
Performance factor (MTBP achievement evaluation)	55%																			
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Performance-linked Coefficient (competitor Comparison Evaluation)^{*3}	45%																			
Cash Bonuses	Short-term Performance-based	0-150%	Annually	*Subject to malus (confiscation) and clawback (restitution claim)	Base amount by position ×	<table border="1"> <tr> <td>Performance factor (quantitative evaluation factor)</td> <td>60%</td> </tr> <tr> <td>Status of individual execution of duties (qualitative evaluation factor)</td> <td>40%</td> </tr> <tr> <td>(Example of the CEO)</td> <td></td> </tr> <tr> <td>• Expand & refine growth strategies</td> <td></td> </tr> <tr> <td>• Drive social & environmental progress</td> <td></td> </tr> <tr> <td>• Accelerate transformation & innovation</td> <td></td> </tr> <tr> <td>• Enhancement of value provided to stakeholders</td> <td></td> </tr> </table>	Performance factor (quantitative evaluation factor)	60%	Status of individual execution of duties (qualitative evaluation factor)	40%	(Example of the CEO)		• Expand & refine growth strategies		• Drive social & environmental progress		• Accelerate transformation & innovation		• Enhancement of value provided to stakeholders	
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(Example of the CEO)																				
• Expand & refine growth strategies																				
• Drive social & environmental progress																				
• Accelerate transformation & innovation																				
• Enhancement of value provided to stakeholders																				

Breakdown *Each weighs 2.5%

- Reduction of GHG emissions from own operations
- Improvement of the employee survey scores
- Raising of the ratio of women in management
- ESG assessments by external assessment agencies

A relative evaluation is carried out on the degree of improvement of third-party assessments By the five major ESG assessment agencies (MSCI, FTSE Russell, Sustainalytics, S&P Dow Jones and CDP)

Establishment of targets for the initiatives below in evaluation of the Group CEO and relevant officers

Sustainable Society

- Achievement of carbon neutral society
- Natural capital and biodiversity restoration
- Promotion of circular economy

Vibrant Society

- Industry Development
- Response to aging population & low birthrate
- Management focusing on human capital etc.

Resilient Society

- Respect for human rights, ensure secure and safe services, etc.

*1 The degree of achievement vis-à-vis target levels stipulated in the Medium-Term Business Plan (MTBP) regarding consolidated ROE and consolidated expense ratio is determined on an absolute evaluation basis.
 *2 Total Shareholder Return
 *3 Relative comparisons with competitors are made with Mizuho Financial Group and Sumitomo Mitsui Financial Group

MUFG is also focusing on capability building for employees to achieve carbon neutrality by 2050. In addition to awareness for all employees, measures are being developed according to employees' duties, such as knowledge accumulation and strengthening engagement.

Cultivating culture



MUFG Way resonance sessions

- Each department conducts annual sessions to encourage employees to discover their own "MUFG Way" and embed it in their professional practice

Town hall meeting

- the Group CSO talked about MUFG's contribution to Driving Environmental & Social Progress in a dialogue to improve awareness in MUFG and the Bank

Roadshow targeting domestic branches

- Workshop held to disseminate the mindset of "Driving Environmental & Social Progress" including climate change

FY2025
40 branches



Knowledge platform



Sustainability Portal

- Launched internally in FY2025; a portal of tools and procedures necessary for promoting sustainability



Training for mid-career entrants

- Communicating sustainability initiatives, including climate change, for mid-career entrants

FY2025
approx. 820 participants

Study sessions for the client coverage

- Multiple study sessions held for the client coverage divisions in aim to enhance engagement skills

FY2025
1,500+ participants

Skills and practice



Sustainability-related qualifications

- Expanding support for employees to obtaining sustainability-related qualifications

FY2025
4,400+ holders*1

Social Impact Award

- Multiple internal awards held at the Bank, Trust, and Securities to support the voluntary activities in the light of "Driving Environmental & Social Progress"

Collection of cases disclosed on the Japanese website




*1 Total number of qualification holders at the Bank, Trust, and MUMSS from FY2024 to FY2025

Our partner banks are actively working on the deals that contribute to decarbonization and sustainability improvement in their respective countries, in collaboration with the Bank. In addition, in July 2025, the Bank and partner banks established a Sustainable Finance Framework (“the Framework”) with Japan International Cooperation Agency (JICA), aiming to promote the origination of sustainable finance by strengthening collaboration with public institutions. Partner banks will continue to contribute to the realization of transition in Asia, as MUFG’s commercial banking platform in ASEAN through funding for projects that contribute to decarbonization and sustainability improvement in the region.




Krungsri: Supporting the issuance of the first Sustainability-Linked Bond (SLB) by a Thai state-owned enterprise

- In September 2025, EGAT, the Thai state-owned power company, issued the first state-owned Sustainability-Linked Bond (SLB), supported by Krungsri as Sole Bookrunner, Arranger and Sustainability Structuring Advisor
- Additionally, Krungsri revised its sustainable finance target for 2030 upward from 250 billion baht (about 1.2 trillion yen) to 350 billion baht (about 1.7 trillion yen)



Bank Danamon: Executing Sustainability-Linked Loan (SLL) for an infrastructure financial institution in Indonesia

- In November 2025, in collaboration with the Bank, executing SLL for PT Sarana Multi Infrastruktur (Persero), a local infrastructure finance corporation in Indonesia. Setting KPIs and SPTs that contribute to energy transition, GHG reduction, and financial inclusion



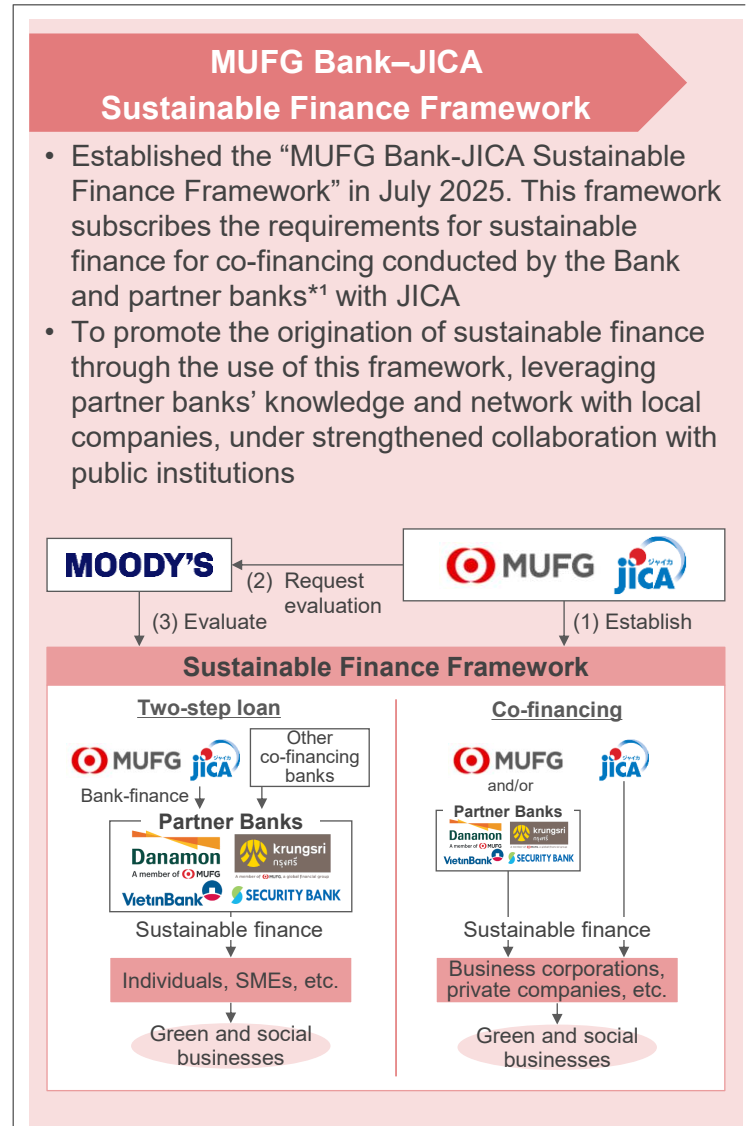
VietinBank: Launching SLL program, utilizing Zeroboard

- In January 2026, launching SLL program utilizing "Zeroboard," a tool for calculating emissions provided by Zeroboard, a company invested by the Bank. VietinBank is among the pioneers in Vietnam in developing SLL initiatives, and aims to promote support for clients' decarbonization through this program



Security Bank: Executing the largest green project finance deal in the Philippines

- In November 2025, Security Bank participated in a project finance for the pumped-storage hydropower project of Prime Infrastructure Capital, Inc., a leading developer and operator of critical infrastructure in the Philippines, with the Bank as a Green Loan Coordinator. This marks Philippines' largest green project finance deal, jointly supporting renewable energy integration in the country.



*1 This framework covers Krungsri (Bank of Ayudhya, in Thailand), Bank Danamon (Indonesia), VietinBank (Vietnam), Security Bank (the Philippines), and their consolidated subsidiaries

Appendix

Transition Plan Based on GFANZ Guidance

MUFG has developed its own transition plan in accordance with the transition plan guidance framework by GFANZ. The content of this report is aligned with the transition plan guidance framework as shown in the following table.

GFANZ guidance framework themes and recommended components*1			MUFG's Response	
Foundations	Objectives and priorities	<ul style="list-style-type: none"> Definition of targets and timeline to achieve net-zero emissions by 2050 (or earlier) to achieve a 1.5°C pathway Financing strategies (including priorities) for measurable medium- and long-term goals and achieving net-zero emissions 	Introduction P.3 Finance Activities P.12-14	Sector-specific interim targets P.19-21
Implementation Strategy	Products and services	<ul style="list-style-type: none"> Existing and new products and services to support client transitions to achieve 1.5°C Support for net-zero transition of the real economy and advice on portfolio decarbonization 	Mindset to Support Transition P.8 Finance Activities P.12-14	Engagement P.9-11
	Activities and decision-making	<ul style="list-style-type: none"> Embed the financial institution's net-zero objectives and priorities in its evaluation and decision-making tools and processes to support its net-zero commitment 	Operating Framework P.16-17 Transition Assessment Framework P.25	
	Policies and conditions	<ul style="list-style-type: none"> Establish and apply policies and conditions on priority sectors and activities such as thermal coal, oil and gas, and deforestation Include other high-emitting sectors to define business boundaries in line with net-zero objectives 	Sector-specific interim targets P.19-21 Risk Management Framework P.23	
Engagement Strategy	Clients and portfolio companies	<ul style="list-style-type: none"> Proactively and constructively provide feedback and support to clients to encourage net-zero-aligned transition strategies, plans, and processes Escalation process when engagement is ineffective 	Mindset to Support Transition P.8 Engagement P.9-11	
	Industry	<ul style="list-style-type: none"> As appropriate, exchange transition expertise and collectively work on common challenges Represent the financial sector's views cohesively to external stakeholders, such as clients and governments 	Engagement P.9-11	
	Government and public sector	<ul style="list-style-type: none"> Direct and indirect lobbying and partner with governments/public sector toward net-zero transitions Ensure alignment between client/portfolio companies' lobbying and initiatives for net-zero 	Engagement P.9-11	
Metrics and Targets	Metrics and targets	<ul style="list-style-type: none"> Establish appropriate metrics to drive execution of the net-zero transition plan and monitor the progress 	Reducing Own Emissions P.7 Finance Activities P.12-14	Sector-specific interim targets P.19-21
Governance	Roles, responsibilities, and remuneration	<ul style="list-style-type: none"> Define roles for the Board of Directors or management/organizations responsible for managing net-zero targets Review remuneration systems and transition plans regularly 	Organizational Structure P.6 Competencies of the Board P.27	Internal Fora and Committees P.26 Compensation P.28
	Skills and culture	<ul style="list-style-type: none"> Training and development support to provide skills and knowledge (including the Board of Directors and management) Programs and communications to embed the net-zero transition plan into the organization's culture and practices 	Building Capabilities P.29	

*1 Created by MUFG based on "Financial Institution Net-zero Transition Plans – Fundamentals, Recommendations, and Guidance" (November 2022) published on the GFANZ website

Target Products for Sustainable Finance

	Target Products	Definition (Including for refinancing)
Environment	Project finance for renewable energy and environment-related projects	Underwriting amount of project finance executed for renewable energy and environment-related projects such as solar and wind power generation
	Financial advisory services for transactions/business for renewable energy and environment-related projects	Total amount of finance executed for renewable energy and environment-related projects such as solar and wind power generation (excluding the project finance above)
	Green bonds	Underwriting amount of finance executed for deals complying with the Green Bond Principles by the ICMA* ¹
	Green loans	Underwriting amount of finance executed for deals complying with the Green Loan Principles by the LMA and others* ²
	Transition bonds / transition-linked bonds	Underwriting amount of finance executed for third-party certified projects that comply with the Green Loan Principles by the LMA and others
	Transition loans / transition-linked loans	
	Others	Finance that utilizes the government's environment-related interest subsidy programs or that is used for resolving environmental issues (e.g. renewable energy funds)
Social	Social bonds	Underwriting amount of finance executed for deals complying with the Social Bond Principles by the ICMA
	Project finance for public infrastructure-related projects	Underwriting amount of project finance for basic infrastructure facilities such as public transportation and water facilities as well as essential services such as hospitals and schools
	Financial advisory services for public infrastructure-related project financing	Total amount of finance for basic infrastructure facilities such as public transportation and water facilities as well as essential services such as hospitals and schools (excluding the project finance above)
	Others	Financing primarily intended to address social issues, including loans that utilize government interest subsidy programs for social initiatives and microfinance
Others	Sustainability bonds / sustainability-linked bonds	Underwriting amount of finance executed for projects that comply with the Sustainability Bond Guidelines and the Sustainability-Linked Bond Principles, both by ICMA
	Sustainability loans / sustainability-linked loans	Underwriting amount of finance executed for projects that comply with the Sustainability Bond Guidelines by the ICMA and the Sustainability-Linked Loan Principles by the LMA and others
	Proprietary investments in green bonds, etc.	New investment amount for proprietary investments in green bonds, social bonds, etc.
	Positive impact finance	Underwriting amount of finance executed for deals complying with the Principles for Positive Impact Finance by the UNEP FI
	Others	MUFG's proprietary sustainability-related products including sustainability management support loans and private placement bonds

*1 International Capital Market Association *2 Loan Market Association

Participation in Major domestic and international committees, etc.

Committees, etc.*1	MUFG's Role	Operating body
TCFD Consortium Planning Committee	Committee Member	METI*2, FSA*3, MoE*4, and others (Observers)
Taskforce on Preparation of the Environment for Transition Finance	Committee Member	METI, FSA, MoE
Subcommittee of building the Next-Generation Electricity and Gas Business Infrastructure, Electricity and Gas Industry Committee, Advisory Committee for Natural Resources and Energy*5	Member	ANRE*6
GX League	Member	METI
Study Group on Carbon Footprints toward Achieving GX*5	Committee Member	METI
Energy Efficiency Subcommittee, Advisory Committee for Natural Resources and Energy	Temporary Member	ANRE
Asia GX Consortium	Participating Member	FSA
Sustainability Standards Board of Japan	Committee Member	Financial Accounting Standards Foundation
Clean Fuel Ammonia Association (CFAA)	Director	CFAA
Japan Hydrogen Association (JH2A)	Director	JH2A
ASEAN Taxonomy Board Working Group on Taxonomy and Transition	Chair	ASEAN Capital Markets Forum and others
Monetary Authority of Singapore (MAS) Sustainable Finance Advisory Panel	Committee Member	MAS
UNEP FI APAC Advisory Board	Committee Member	UNEP FI
Global CCS Institute (GCCSI)	Member	GCCSI
International Emissions Trading Association (IETA)	Member	IETA
World Bank Private Sector Investment Lab	Member	World Bank

*1 A non-exhaustive list that covers major examples, including historical ones

*2 Ministry of Economy, Trade and Industry, Japan *3 Financial Services Agency, Japan

*4 Ministry of the Environment, Japan *5 MUFG translation

*6 Agency for Natural Resources and Energy

Details of Financed Emission (FE) in our Portfolio

Portfolio FE breakdown by sector

	MtCO ₂ e	Oil & Gas	Coal	Electric Utilities	Aviation	Maritime Transportation	Rail Transportation	Trucking Services	Auto-Mobiles & Components	Metals & Mining	Chemicals	Construction Materials	Capital Goods	Real Estate Management & Development	Beverages	Agriculture	Packaged Foods & Meats	Paper & Forest Products	Others	Total
FY2023	Scope 1 and 2	37	0.3	65	11	8	0.3	0.4	2	19	9	3	2	0.4	0.2	1	3	1	16	177
	Scope 3	115	0.3	30	4	4	1	3	74	23	25	1	258	3	1	0.4	10	2	145	699
	Loan balance in scope of FE ^{*1} (USD billion)	42	0.4	55	15	13	10	12	53	22	29	3	41	71	6	1	13	5	369	758
	PCAF Score (Scope 1 and 2)	2.8	4.0	2.6	2.9	3.0	3.3	3.5	1.9	2.0	2.3	2.2	2.2	2.9	1.9	3.6	3.2	2.9	3.0	2.8
	PCAF Score (Scope 3)	2.9	4.1	2.9	3.0	3.0	2.9	3.7	2.0	2.2	2.5	2.4	2.3	2.9	2.0	4.1	3.2	3.2	3.0	2.8
FY2024	Scope 1 and 2	31	0.3	51	8	6	1	1	2	23	7	3	2	1	0.2	1	3	1	28	170
	Scope 3	91	0.0	25	3	5	1	3	72	20	20	2	270	3	1	1	11	3	166	697
	Loan balance in scope of FE ^{*1} (USD billion)	43	0.3	68	12	10	10	10	49	28	25	3	41	84	5	1	13	5	421	827
	PCAF Score (Scope 1 and 2)	2.9	3.9	3.3	3.7	2.9	2.9	4.0	2.0	2.3	2.6	2.8	2.0	3.6	1.6	3.5	3.3	2.9	2.8	2.8
	PCAF Score (Scope 3)	2.9	4.2	3.6	3.7	2.9	1.8	3.8	2.1	2.7	2.4	2.4	2.1	3.4	1.6	3.5	3.1	2.9	3.0	3.0
<Reference> FY2024 Securities, Mortgages, Loans in Trust etc.	Scope 1 and 2	0.4	1	8	0.4	0.2	0.0	0.0	0.2	0.3	1	1	0.1	0.0	0.1	0.2	1	0.1	91	104
	Scope 3	1	0.0	3	0.2	0.1	0.0	0.2	11	0.4	2	1	1	0.1	0.3	0.0	1	0.2	42	62
	Balance in scope of FE ^{*3} (USD billion)	1	0.2	4	3	0.3	2	1	6	1	3	1	5	6	1	0.4	3	1	567	607

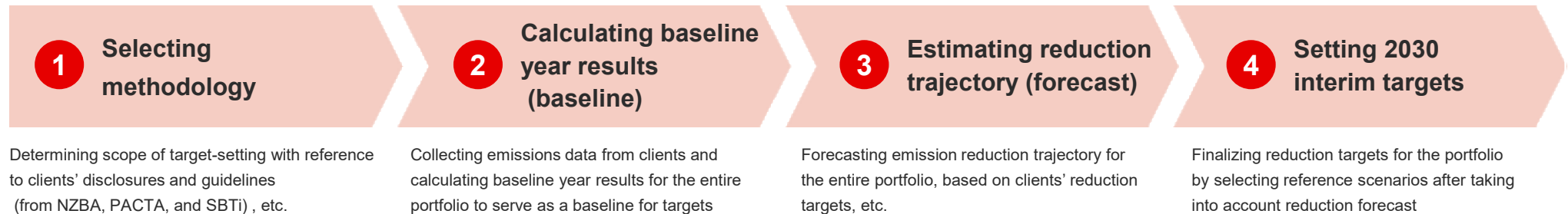
*1 Loan balance as of March 31, 2024 (including undrawn-committed amounts)

*2 Loan balance as of March 31, 2025 (including undrawn-committed amounts)

*3 Loan balances (including undrawn committed amounts) and securities balances as of the end of March 2025.

Target-setting process

MUFG has set 2030 targets by sector through process of ① selecting methodology, ② calculating baseline year results (baseline), ③ estimating reduction trajectory (forecast), ④ setting 2030 interim targets.



- Value chain, emissions scope (Upstream and downstream, Scope 1, 2, and 3)
- Target indicator (absolute emissions or emission intensity)

Main Target Indicators

Absolute emissions (tCO₂e) = Financed emission

Calculated by multiplying the client's absolute emissions by MUFG's share of credit to the client (Attribution factor)

Emission intensity (tCO₂e / activity volume)

Absolute emissions divided by activity volume^{*1}

Calculation Method

Absolute emissions for Company A

×

Credit balance of Company A

Debt + equity for Company A






Attribution factor

Absolute emissions for Company A






Activity volume for Company A

*1 The unit for activity volume differs by sector (e.g., electricity generation in the power sector, distance traveled in the automotive sector and the aviation sector, and floor area in the real estate sector).

Selecting sectors in scope: Approach to the value chain (1)

Sector	Target scope in the value chain		 Scope for target setting				
 Power	Share of emissions		Generation	Transmission	Use	Total	
	Key players		96%	4%	~1%	100%	
	Emissions scope from power utilities		Power generation companies ²	Power transmission companies	Users		
			Scope 1	Scope 3	Scope 1		
 Oil & Gas	Share of emissions		Production & Refining	Transport & processing	Use	Total	
	Key players		18%		82%	100%	
	Emissions scope from oil companies		Oil Companies	Transport companies	Users		
			Scope 1 and 2	Scope 3	Scope 3		
 Steel	Share of emissions		Raw material procurement	Steel production	Use	Total	
	Key players		11%	77%	12%	100%	
	Emissions scope from steel companies		Raw material companies	Steel Companies	Users		
			Scope 3	Scope 1 and 2	Scope 3		
 Real Estate	Share of emissions		Materials & construction	Residence/use	Reconstruction & refurbishment	Demolition	Total
	Key players		22%	75%	2%	1%	100%
	Emissions scope from real estate owners	Properties owned	Construction companies	Real estate owners	Construction companies	Demolition Companies	
	Leased Assets	Scope 3	Scope 1 and 2	Scope 3	Scope 3		
			Scope 3 Category 13				

Selecting sectors in scope: Approach to the value chain (2)

Sector	Target scope in the value chain	  Scope for target setting			
 Automotive* ¹		Parts manufacturing	Complete vehicle manufacturing	Driving & use	Total
	Share of emissions	20%	1%	79%	100%
	Key players	Auto parts companies	Auto OEMs	Auto owners	
	Emissions scope from OEMs	Scope 3	Scope 1 and 2	Scope 3	
 Shipping		Parts manufacturing	Shipbuilding	Operation & use	Total
	Share of emissions	Less than 1%	2%	98%	100%
	Key players	Shipping parts companies	Shipbuilders	Operators* ²	
	Emissions scope from operators	Scope 3	Scope 3	Scope 1	
 Aviation		Parts manufacturing	Aircraft manufacturing	Operation & use	Total
	Share of emissions	2%	Less than 1%	98%	100%
	Key players	Aircraft parts companies	Aircraft manufacturers	Operators* ²	
	Emissions scope from operators	Scope 3	Scope 3	Scope 1	

*1 Though OEMs are the scope for target setting with regard to automotive sector, Scope 3 (emissions from fuel use and driving) is the target scope

*2 Scope 2 is excluded from the target scope due to low emissions share and immaterial impact.

(Source) CDP, Greenhouse Gas Protocol

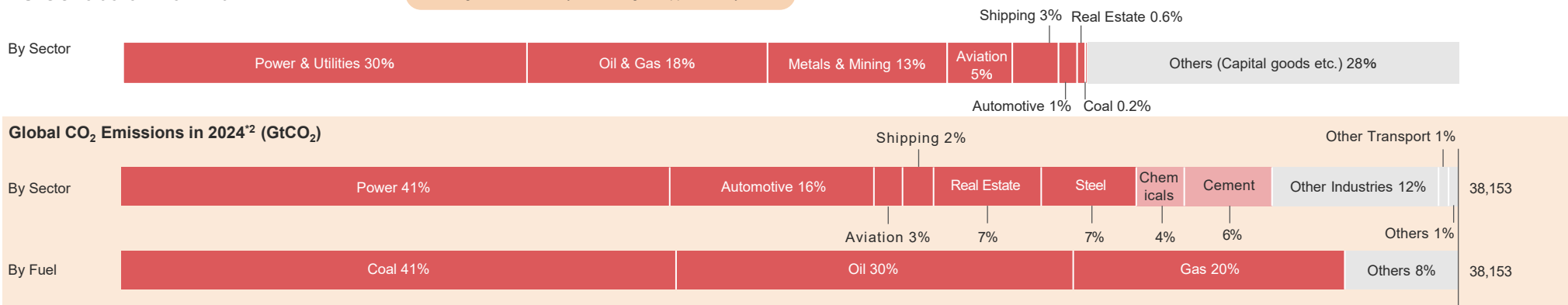
Supplementary sector information

Sector overview

MUFG's Portfolio FE for FY2024

Coverage of the sectors by the set targets: Approximately 70%*1

■ Sectors with set targets



Formula for calculating emissions from the financed portfolio*3 (by sector)

● Emission intensity for Power sector

$$\sum \left(\text{Emission intensity for each client or project (gCO}_2\text{e/kWh)} \times \frac{\text{Loan Amount for Each client and Project}}{\text{Total of loan amount to each client/project}} \right)$$

● Emission intensity for Commercial Real Estate sector

$$\sum \left(\text{Emission intensity of each client and NRL}^4 \text{ property (kgCO}_2\text{e/m}^2\text{)} \times \frac{\text{Loan Amount for Each client and NRL Property}}{\text{Total of loan amount to each client or NRL property}} \right)$$

● Absolute GHG emissions for Steel sector

$$\sum \left(\text{Attribution factor} \times \text{MUFG's credit share against debt + equity of each client} \times \text{GHG emissions of each client} \right)$$

● Emission intensity for Aviation sector

$$\sum \left(\text{Emission intensity for each client and aircraft (gCO}_2\text{/RPK)} \times \frac{\text{Loan amount to each client and aircraft}}{\text{Total of loan amount to each client or aircraft}} \right)$$

● Absolute GHG emissions for Oil & Gas sector

$$\sum \left(\text{Attribution factor} \times \text{MUFG's credit share against debt + equity of each client/project} \times \text{GHG emissions of each client and project} \right)$$

● Emission intensity for Residential Real Estate sector

$$\sum \left(\text{Emission intensity of each prefecture in which property used to secure mortgage is located (kgCO}_2\text{e/m}^2\text{)} \times \frac{\text{Total loan amount of mortgage in each prefecture}}{\text{Total of loan amount to each mortgage}} \right)$$

● Emission intensity for Automotive sector

$$\sum \left(\text{Emission intensity of each client (gCO}_2\text{/vkm)} \times \frac{\text{Loan amount to each client}}{\text{Total of loan amount to each client}} \right)$$

● PCA (Portfolio Climate Alignment) for Shipping sector

$$\sum \left(\text{VCA} \times \frac{\text{Loan amount to each vessel}}{\text{Total of loan amount to each vessel in asset scope}} \right)$$

$$\text{Vessel Climate Alignment (VCA)} = \frac{\text{CO}_2\text{e emission intensity of each vessel (gCO}_2\text{e/dwt-nm)} - \text{Required trajectory value by vessel}}{\text{Required trajectory value by vessel}}$$

*1 Ratio of target sectors to the portfolio FE of Scope 1 and 2

*2 Source: Compiled by MUFG based on IEA WEO 2025

*3 Does not consider client offsets such as carbon credits

*4 Non-recourse loan

Methodology for facilitated emission

Facilitated emission (FaE) is the emission through financial institutions' capital market activities. We referred to PCAF Guidelines Part B for measuring facilitated emission.

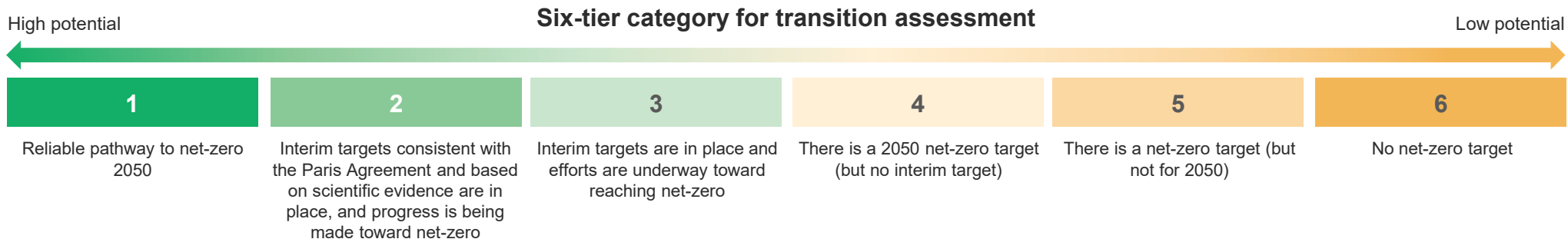
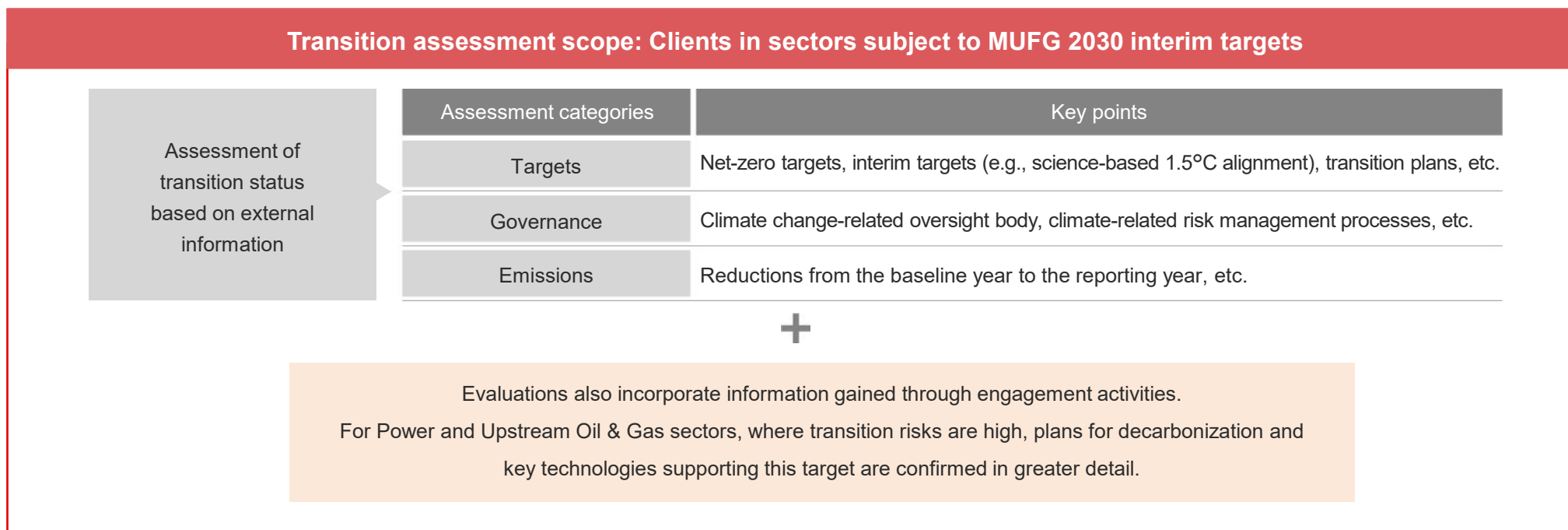
Methodology for Facilitated Emission

	Power	Oil & Gas
Target Assets	Capital Market Activities (Bonds*1, Equities, Syndicated Loans*2)	
Target Projects	Projects facilitated by MUFG as lead bookrunner during the fiscal year (April to March)	
Combined with FE	<p>FaE Calculation Formula</p> $\sum \left(\frac{\text{Company A's absolute emissions}}{\text{Company A's power generation}} \times \frac{\text{MUFG's facilitated amount for company A}}{\text{Total facilitated amount in scope of FaE}} \right)$ <p>Combined with FE</p> $\left(\text{FE Intensity} \times \text{Total loan amount in scope of FE} \right) + \left(\text{FaE Intensity} \times \text{Total facilitated amount in scope of FaE} \times 33\% \right)$ $\frac{\text{Total loan amount in scope of FE} + \text{Total facilitated amount in scope of FaE} \times 33\%}{\text{Total loan amount in scope of FE} + \text{Total facilitated amount in scope of FaE} \times 33\%}$	<p>FaE Calculation Formula</p> $\sum \left(\text{Company A's absolute emissions} \times \frac{\text{MUFG's facilitated amount for company A}}{\text{D+E of company A}} \times 33\% \right)$ <p>Combined with FE</p> $\text{FE absolute emissions} + \text{FaE absolute emissions}$
Data Sources	<ul style="list-style-type: none"> • Data on clients' finances and emissions: clients' disclosures, Bloomberg • Underwriting results: internal data, Dealogic 	

*1 Excludes green bonds *2 Excludes use-specific loans. Underwritten portions are measured as FE

Transition assessment framework

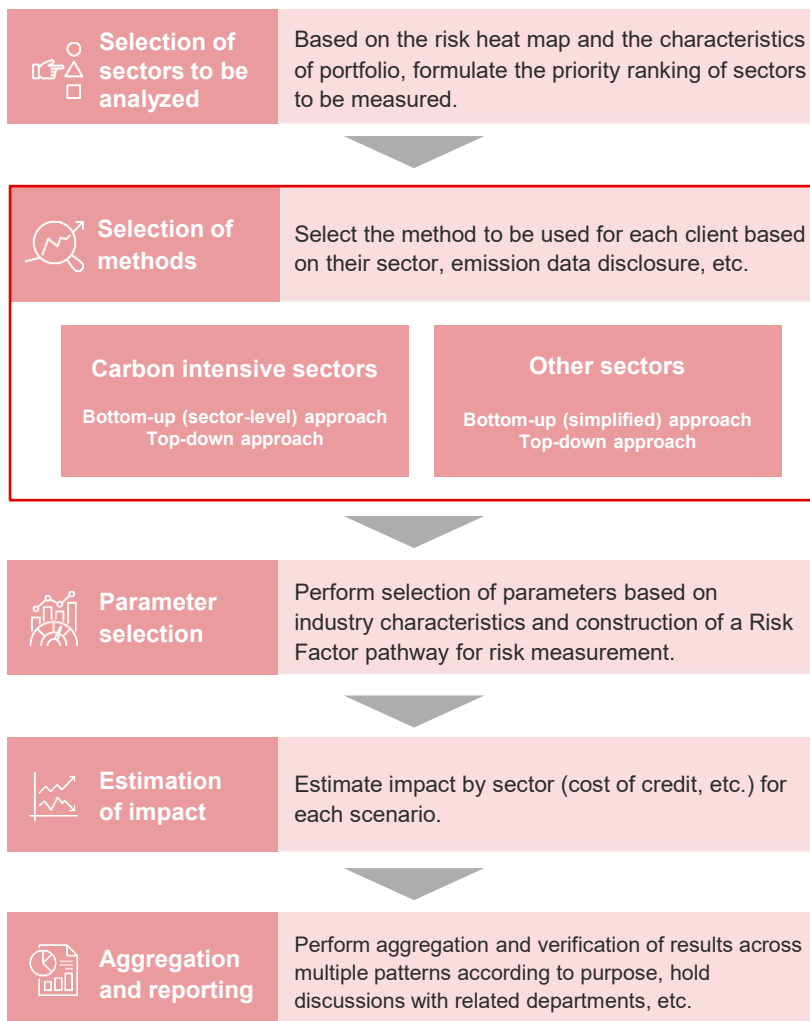
MUFG assesses the transition status of clients in carbon intensive sectors, looking at areas such as 1.5°C alignment with interim targets, transition plans, climate-related governance structure, and past emission reduction records. In addition to this assessment, other information obtained through engagement activities are reflected in the six-tier category to evaluate our clients' transition progress.



Scenario Analysis: Details on transition risk

Transition risks

Scenario analysis process (Corporate loans)



Method

In estimating transition risks, MUFG analyzed the impact of rising carbon prices and other factors on the credit ratings of our borrowers. For corporate loans, we adopted a measurement approach that combines a bottom-up approach at the individual company level with a top-down approach at the sector level. The analysis covered all sectors, and for carbon intensive sectors in particular, we took a bottom-up approach taking into account the specific characteristics of such sectors. For mortgages, meanwhile, we used a stress-testing model to estimate the impact of macroeconomic shocks.

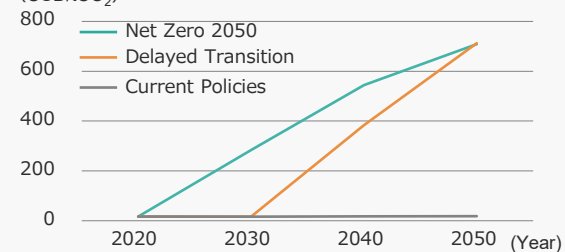
For the analysis of transition risks, we referred to various scenarios published by the NGFS*1, adopting Net Zero 2050, Delayed Transition, and Current Policies as key scenarios. The difference in credit costs between the Current Policies scenario and each of the other scenarios was considered the impact of transition risks. We then analyzed the entire credit portfolio.

Key scenarios

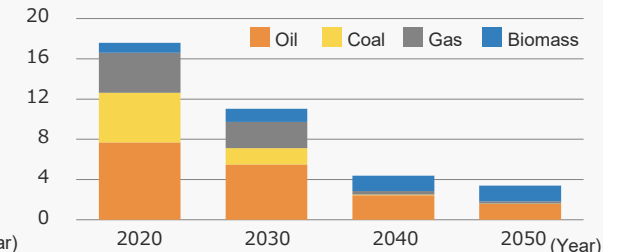
Net Zero 2050	Global warming is limited to 1.5°C. Global net-zero CO ₂ emissions will be reached around 2050
Delayed Transition	Emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C
Current Policies	Only currently implemented policies are preserved, leading to high physical risks

Example of parameters for scenario

Carbon price (Japan)
(USD/tCO₂)



Primary energy supply (Japan)
(EJ)

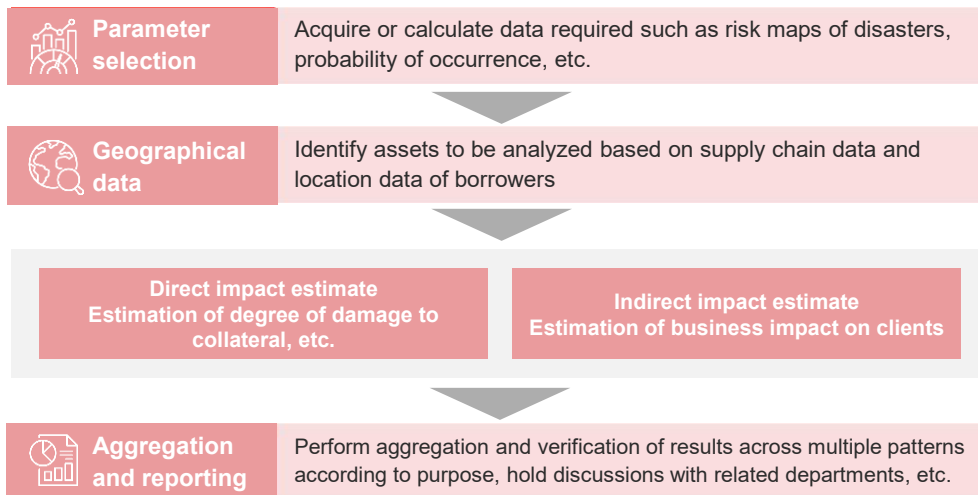


*1 Network for Greening the Financial System

Scenario Analysis: Details on physical risk

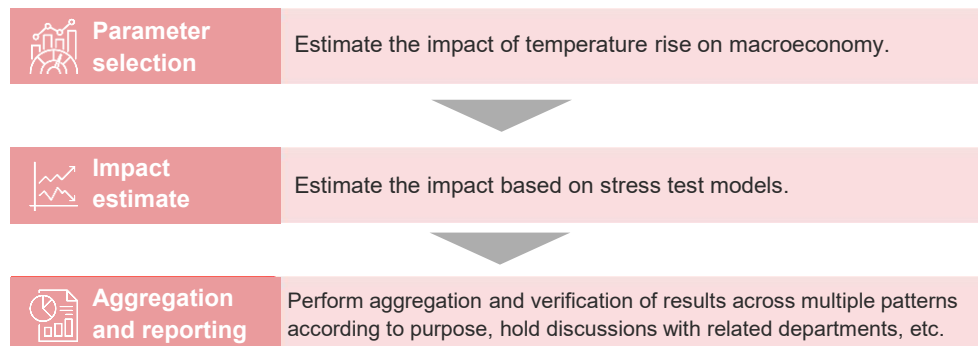
Physical risks (flood and typhoon)

Scenario analysis process



Physical risks (temperature rise)

Scenario analysis process



*1 Shared Socioeconomic Pathways *2 Coupled Model Intercomparison Project Phase 6

*3 Intergovernmental Panel on Climate Change

Method

For the analysis of acute physical risk, MUFG adopted an approach that measures the impact on the overall credit portfolio by assessing changes in the default probability of borrowers in case of floods and typhoon occurrences.

For climate scenarios, we referred to the global mean temperature pathway of the SSP^{*1} 1-2.6 (2°C scenario) and SSP5-8.5 (4°C scenario) scenarios from CMIP6^{*2} published in the IPCC^{*3} Sixth Assessment Report. In particular, we estimated disaster-related damage under the SSP5-8.5 scenario, which is considered to involve especially high physical risk. In estimating the impact on the overall credit portfolio, we multiplied the credit cost at the individual obligor level by the probability of each obligor being affected by a disaster. In estimating the financial impact on clients in corporate loans, we also took into account the direct and indirect effects on investees and borrowers, such as business interruptions and damage to owned assets.

Method

In conducting the analysis of chronic physical risks, MUFG adopted an approach that, as an initial analysis, measures the impact of macroeconomic shocks due to rising temperatures on the entire credit portfolio and then uses a stress test model to measure the financial impact.

We referred to the SSP1-2.6 and SSP5-8.5 scenarios from the IPCC Sixth Assessment Report for climate scenarios. In particular, we estimated the impact that the temperature changes projected in the SSP5-8.5 scenario would have on the macroeconomy through the decline in labor productivity, and subsequently assessed the overall impact on the entire credit portfolio.

Abbreviations of MUFG organizations and titles

MUFG Organizations

Organization	Official Name/notes
MUFG	Mitsubishi UFJ Financial Group, Inc.
Bank	MUFG Bank, Ltd.
Trust	Mitsubishi UFJ Trust and Banking Corporation
Securities	Mitsubishi UFJ Securities Holdings Co., Ltd.
MUMSS	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
MUFG AM	MUFG Asset Management – a brand consisting of Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Asset Management Co., Ltd., Mitsubishi UFJ Real Estate Asset Management Co., Ltd., Mitsubishi UFJ Asset Management (UK) Ltd., and Mitsubishi UFJ Alternative Investments Co., Ltd.
Krungsri (Bank of Ayudhya)	Bank of Ayudhya Public Company Limited.: An MUFG consolidated subsidiary in Thailand
Bank Danamon	PT Bank Danamon Indonesia Tbk: An MUFG consolidated subsidiary in Indonesia
VietinBank	Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) – MUFG’s equity-method affiliate in Vietnam
Security Bank	Security Bank Corporation – MUFG’s equity-method affiliate in the Philippines

Abbreviation	Official title
CEO	Chief Executive Officer
CRO	Chief Risk Officer
CSO	Chief Strategy Officer
CFO	Chief Financial Officer
CSuO	Chief Sustainability Officer

Glossary (1)

Terms and Abbreviations	Official Name	Remarks
CDP	-	CDP (a nonprofit organization) run by a coalition of institutional investors and with an office in London that calls on companies with high market capitalization in major countries to disclose their environmental strategies and greenhouse gas emissions.
CO ₂ e	CO ₂ equivalent	Carbon dioxide equivalent (examples: methane and nitrous oxide, etc.) figures
CRREM	Carbon Risk Real Estate Monitor	An initiative that calculates and provides scenario benchmark values for 2°C and 1.5°C by building types covering 44 countries (as of November 2023) across Europe, Americas, and APAC, including Japan.
FaE	Facilitated Emission	Emissions related to capital market activities such as underwriting, securitization, and advisory services. See P.40 for the calculation method.
FE	Financed Emission	A concept that indicates the portion of GHG emissions from each client or project in which a financial institution invests and finances that are deemed to be attributable to the financial institution through financing.
GFANZ	Glasgow Financial Alliance for Net Zero	A coalition of initiatives, including those of banks, insurance companies, asset owners, and investment institutions, established to support the transition to net-zero emissions.
GHG	Greenhouse Gas	Gases, such as CO ₂ and methane, that cause the greenhouse effect.
GX	Green Transformation	Transformation of the entire economic and social system to achieve emission reductions and increase industrial competitiveness by viewing efforts to achieve 2050 carbon neutrality and 2030 national GHG emission reduction targets as an opportunity for economic growth.
IEA	International Energy Agency	An international organization within the Organisation for Economic Co-operation and Development (OECD) that publishes scenarios (SDS, APS, NZE, etc.) for achieving the goal of limiting the increase in global average surface temperature.
NDC	Nationally Determined Contribution	An agreement, as part of the Paris Agreement, that sets out how much a given country will contribute to reducing GHG emissions. Agreements have been submitted by more than 190 countries, and must be updated every five years.
Net-zero	-	A state in which GHG emissions are reduced to a net value of zero when combining captured and removed emissions.
NGFS	Network for Greening the Financial System	A network of central banks and financial regulatory authorities established in 2017. It aims to expand climate risk management and green finance for financial institutions, providing stress test scenarios for climate risk.
NZAM	Net Zero Asset Managers initiative	Formed voluntarily in 2020 by asset management companies, this initiative calls for becoming net-zero by 2050 as well as limiting, through investments, the increase in global average surface temperature to 1.5°C.
NZBA	Net-Zero Banking Alliance	Established by the United Nations Environment Programme Finance Initiative (UNEP FI) in April 2021, this initiative commits banks to net-zero GHG emissions in their financed portfolios by 2050.

Glossary (2)

Terms and Abbreviations	Official Name	Remarks
PACTA	Paris Agreement Capital Transition Assessment	A tool to analyze the alignment of portfolios with climate change scenarios, led by 2° Investing Initiative, a French thinktank
PCA	Portfolio Climate Alignment	An index of alignment that indicates the difference from the required level for an entire financed portfolio related to vessels. Calculated by weighted average of the Vessel Climate Alignment (VCA) of each vessel financed as a percentage of the loan portfolio.
PCAF	Partnership for Carbon Accounting Financials	Launched in 2015 with the goal of standardizing GHG measurements and the disclosure of financed GHG emissions.
PCAF Score	PCAF Data Quality Score	PCAF's own five-point scale scoring system that indicates the quality of the disclosed data. Scores are determined according to the degree of estimation, with Score 1 as the highest rank
PPA	Power Purchase Agreement	A system in which businesses rent the roofs of facilities or idle land owned by companies and municipalities, install power generation equipment free of charge, and use the electricity generated at their facilities, thereby reducing electricity costs and CO ₂ emissions. Virtual PPA is a scheme where the environmental value of renewable energy generated by renewable energy power generation is traded as certificates, without trading the renewable energy-derived electricity itself.
SAF	Sustainable Aviation Fuel	An aviation fuel produced mainly from biomass, used cooking oil, and garbage from cities, and is expected to significantly reduce GHG emissions compared to conventional aviation fuel. Global SAF production is limited currently, and manufacturing costs present a challenge.
SBTi	Science Based Targets initiative	Established by the United Nations and other organizations to encourage the private sector to set GHG emission reduction targets based on climate science. certificate can be obtained by meeting SBTi's goal-setting guidelines.
Scope 1, 2, 3	-	Scope 1: Direct GHG emissions by the reporting company itself (e.g., fuel combustion, industrial process) ; Scope 2: Indirect GHG emissions from using electricity, heat, or steam supplied by others; and Scope 3: Indirect GHG emissions other than Scope 1 and 2 (GHG emissions by others related to the company's activities) .
TCFD	Task Force on Climate-related Financial Disclosures	Taskforce set up by the Financial Stability Board (FSB) in 2015 to develop a consistent approach to disclosing climate change-related financial risks.
TNFD	Taskforce on Nature-related Financial Disclosures	Established in 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI) , United Nations Development Programme (UNDP) , World Wide Fund for Nature (WWF) , and UK NGO Global Canopy to develop a framework for appropriately assessing and disclosing financial risks and opportunities related to natural capital and biodiversity.
UNEP FI	United Nations Environment Programme Finance Initiative	A global partnership established between the United Nations Environment Programme (UNEP) and the financial sector. Promotes action to align economies with sustainable development throughout the financial system.
VCA	Vessel Climate Alignment	The degree of climate alignment of individual vessels for which financing is being provided. Calculated by dividing the difference between the GHG emission intensity of each ship and the required level for each ship for each year by the required level for each ship for each year.
ZEH	Net Zero Energy House	Housing that is highly insulated and airtight, consumes less energy through use of high-efficiency equipment, and generates energy through solar power generation and other methods, resulting in annual net energy consumption for the residence of around zero or less.

PCAF Data Quality Score*1

We score the quality of emission data by each client/project according to the categories shown below, and aggregate the average score for the sector as a whole by weighted average of loan amount.

Quality	Category	Overview
High	Score 1	Disclosed Information
	Score 2	Disclosed Information
	Score 3	Estimated value (based on physical metrics)
	Score 4	Estimated value (based on financial metrics)
	Score 5	Estimated value (based on financial metrics)
Low		

Verified emissions data of each client/project
 Unverified emissions data of each client/project
 Estimation based on energy consumption data of each client/project
 Estimation based on production data of each client/project
 Estimation based on the sales of each client/project and the sectorial emission benchmarks per sales
 Estimation based on loan balances of each client/project and sectorial emission benchmarks per asset
 Estimation based on loan balances of each client/project, sectorial emission benchmarks per revenue, and asset turnover ratio per sector

*1 Based on The Global GHG Accounting & Reporting Standard for the Financial Industry

Links

Publication Date	Report	Overview	
May 2021	Carbon Neutral Declaration	Declaration of carbon neutrality by MUFG. We are committed to achieving net-zero GHG emissions from our financed portfolio by 2050 and our own net-zero GHG emissions by 2030.	Click here for reference page
Apr. 2022 Apr. 2023	Progress Report	In addition to presenting MUFG's quantitative results and targets, the report provides an overview of the approach to achieving carbon neutrality and our thought process on which this is based.	Click here for reference page
Sept. 2022 Sept. 2023 Nov. 2024 Aug. 2025	Sustainability Report (Sustainability Highlight)	This report summarizes MUFG's most recent initiatives on sustainability, focusing on policies, systems, and measures to achieve a sustainable environment and society as well as sustainable growth.	Click here for reference page
Sept. 2022 Sept. 2023	TCFD Report	Based on the TCFD recommendation, this report provides a summary of MUFG's climate change-related risks and opportunities disclosure report based on Governance, Strategy, Risk Management, and Indicators and Targets.	Click here for reference page
Sept. 2022	Transition Whitepaper 1.0 (2022)	Taking the six sectors of materials and power (iron & steel, cement, chemicals, paper, glass, and power) as examples, this report summarizes the path to carbon neutrality in Japan, including background information, such as regional characteristics	Click here for reference page
Sept. 2023	Transition Whitepaper 2.0 (2023)	Focusing on carbon neutrality for electricity and heat in Japan, this report makes policy comparisons against Europe and the United States, and compiles a list of technologies that Japan is considering implementing with respect to carbon neutrality for electricity and heat.	Click here for reference page
Nov. 2023	Asia Transition Whitepaper 2023	This report provides a deep dive into the power sector in Thailand and Indonesia, analyzing the bankability and challenges of each decarbonization lever, and compiling examples of support measures from a financial institution perspective.	Click here for reference page
Apr. 2024 Apr. 2025	Climate Report	This report describes MUFG's transition plan in line with GFANZ guidance, as well as the progress and performance of MUFG's broad initiatives towards decarbonization and the underlying principles.	Click here for reference page
Apr. 2024 Apr. 2025	TNFD Report	This report summarizes MUFG's approach and activities related to natural capital in line with the TNFD disclosure framework.	Click here for reference page
Jun. 2023 Jun. 2024	Human Rights Report	This report summarizes MUFG's framework and efforts related to respect for human rights based on the UN Guiding Principles Reporting Framework.	Click here for reference page
Sept. 2024	Transition Whitepaper 3.0 (2024)	The paper focuses on approaches to overcoming the price pass-through barrier, which is a common international challenge, as well as other key points relevant to international financial discussions.	Click here for reference page
Apr. 2025	MUFG Driving Social & Environmental Progress ~for our Brighter Future~	The report summarizes MUFG's initiatives to contribute to solving social issues through financial services, with the aim to enhance corporate value.	Click here for reference page
Dec. 2025	Transition Whitepaper 4.0 (2025)	This report examines the rapidly evolving global environment by summarizing CN strategies and investment trends not only in Europe and the United States, but also in China, India, and ASEAN countries.	Click here for reference page

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This report (the "Subject") is intended to comply with the general principles related to the environment, nature, biodiversity or corporate responsibility. However, please be aware that environmental, social and governance (ESG) standards, laws, regulatory requirements and practice may vary significantly across different jurisdictions. As such, depending on your country of residence or incorporation, there may be specific local requirements or standards that the Subject does not fully address. We encourage you to consider your local requirements and your own ESG criteria and objectives when selecting our products and services.

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Additionally, the lack of common or harmonized definitions and labels currently regarding what is considered "green", "ESG", "sustainable", "responsible", and other similar criteria, or clear guidelines on what these monikers mean may result in different approaches being taken by different institutions.

Alongside its sustainable financing activities, MUFG and its affiliates invest in and finance projects associated with a wide range of industries, businesses and jurisdictions including in, but not limited to, high-emitting and hard to abate sectors such as the energy sector. MUFG commits to achieve net-zero emissions in its financed portfolio by 2050 and its own operations by 2030. MUFG's Carbon Neutrality Declaration can be found [here](#).

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