



# Fiscal 2020 Results

## Fixed Income Investors Presentation

**June 2021**



# Disclaimer

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. (“MUFG”) and its group companies (collectively, the “group”). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time when this document was produced. In addition, in making these statements, certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect or may not be realized in the future. Underlying such assumptions are a large number of risks and uncertainties. Please see other disclosures and public filings made or to be made by MUFG and the other companies comprising the group, including our latest consolidated summary report, financial report, securities report, quarterly securities report, and annual report, and our latest annual report on Form 20-F and other reports submitted to the U.S. Securities and Exchange Commission, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document.

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The financial information used in this document was prepared in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), unless otherwise stated. Accounting principles generally accepted in the United States (“U.S. GAAP”) differ in certain important respects. You should consult your own professional advisers for a more complete understanding of the differences between U.S. GAAP and Japanese GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this document.

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This document is as of June 1, 2021.

## Definitions of abbreviations used in this document

the Bank:	MUFG Bank, Ltd.	R&C:	Retail & Commercial Banking Business Group
the Trust Bank:	Mitsubishi UFJ Trust & Banking Corporation	JCIB:	Japanese Corporate & Investment Banking Business Group
the Securities HD:	Mitsubishi UFJ Securities Holdings Co., Ltd.	GCIB:	Global Corporate & Investment Banking Business Group
NICOS:	Mitsubishi UFJ NICOS Co., Ltd.	GCB:	Global Commercial Banking Business Group
MUMSS:	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	AM/IS:	Asset Management & Investor Services Business Group
MUAH:	MUFG Americas Holdings Corporation	Global Markets:	Global Markets Business Group
KS:	Bank of Ayudhya Public Company Limited (Krungsri)		
BDI:	PT Bank Danamon Indonesia, Tbk.		
FSI:	First Sentier Investors (Australia) Services Pty Limited		

## Definitions of figures used in this document

Consolidated:	Mitsubishi UFJ Financial Group Inc. (consolidated)	the Bank consolidated:	MUFG Bank, Ltd. (consolidated)
Non-consolidated:	Simple sum of MUFG Bank, Ltd. (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)		

# Contents

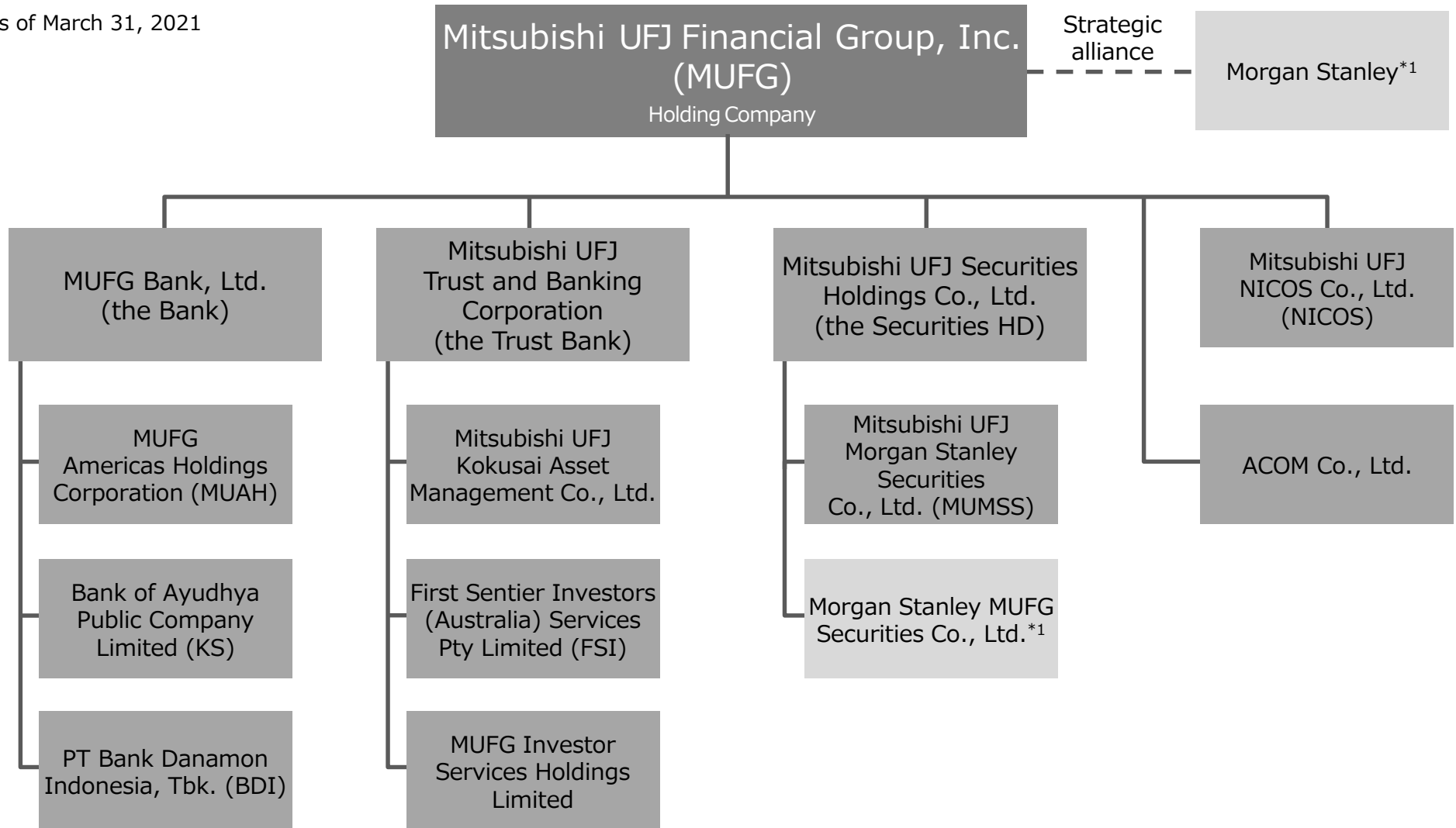
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# Section 1 Overview

# Group structure

As of March 31, 2021



\*1 Morgan Stanley and Morgan Stanley MUFG Securities are equity method investees of MUFG as of March 31, 2021

# MUFG at a glance

## Financials\*1

Consolidated

### FY2020

1 Consolidated gross profits (before credit costs for trust accounts)	¥3,997.9bn / US\$36.1bn
2 Profits attributable to owners of parent	¥777.0bn / US\$7.0bn

### End Mar 2021

3 Total assets	¥359.4tn / US\$3.2tn
4 Loans (banking + trust accounts)	¥107.5tn / US\$971bn
5 Deposits	¥211.5tn / US\$1,912bn
6 Market capitalization*2	¥7.4tn / US\$67.9 bn
7 Consolidated LCR*3	168.4%
8 NPL ratio*4	1.25%

## Group network

(As of end March 2021)

Domestic Network:

**537 locations\*7**

Overseas Network:

**Approx. 2,500 locations\*8  
across over 50 countries**

\*1 Exchange rate applied is ¥110.6/US\$

\*2 As of end April 2021. Exchange rate applied is ¥109.3/US\$

\*3 The ratio is the three-month average of daily LCR for the three months ended March 31, 2021, that is calculated by dividing the balance of High-Quality Liquid Assets by the amount of total net cash flows on a daily basis for the same three months

\*4 Total risk-monitored loans / total loans and bills discounted (banking accounts as of period end)

\*5 Calculated on the basis of regulations applied at the end of March 2021

\*6 Estimated CET1 ratio reflecting the RWA increase calculated on the basis of the finalized Basel III reforms expected to be applied in 2028, according to the announcement by the

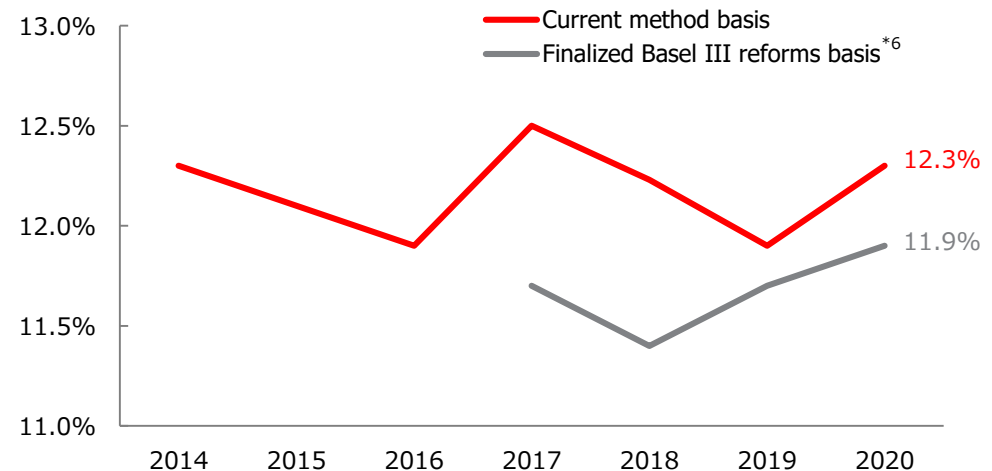
## Capital

Consolidated

Common Equity Tier 1 Capital Ratio as of end March 2021 (financial strength)

**12.3%**

(current method basis)\*5



## Ratings (holding company)

(As of end April 2021)

	Moody's	S&P	Fitch
Long-term	A1	A-	A-
Short-term	P-1	-	F1

Financial Services Agency of Japan on March 30, 2020, following the press release published by the Group of Central Bank Governors and Heads of Supervision to the effect that the transitional periods for the Basel III finalization framework has been extended by one year to 1 January 2028

\*7 A facility that houses (i) several branches for retail clients, or (ii) a branch for retail clients and an office for corporate clients, is counted as a single location. Total of the Bank, the Trust Bank and the Securities HD

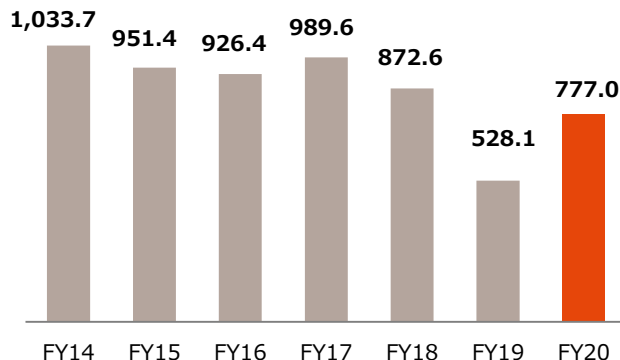
\*8 Including 374 locations of Adira Finance, a subsidiary of BDI

# MUFG credit highlight

## Profit track record

Consolidated

(¥bn)



Profits attributable to owners of parent

## Ample liquidity

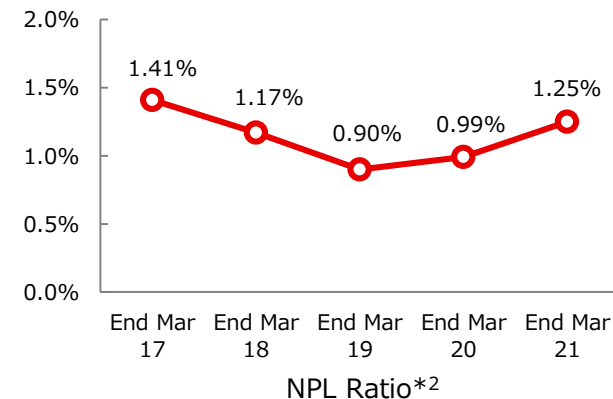
Consolidated

# 168.4%

Consolidated Liquidity Coverage Ratio\*1  
(End March 2021)

## Sound asset quality

Consolidated



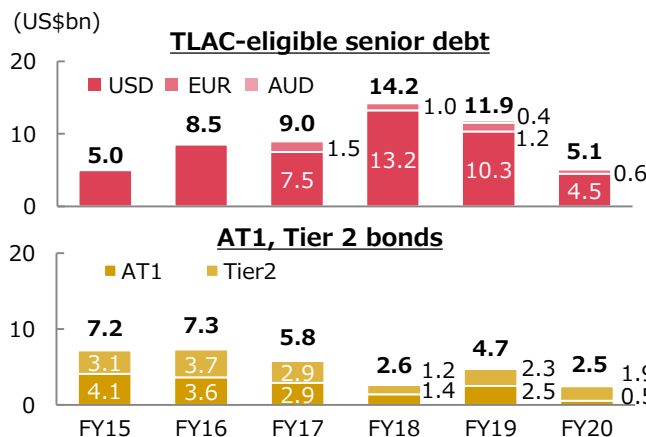
## Sufficient capital

Consolidated

# 12.3%

CET1 capital ratio  
(current method basis\*3)  
(End March 2021)

## Issuance track record\*4



## Credit ratings

# A1 / A- / A-

Moody's / S&P / Fitch  
(End April 2021)

\*1 The ratio is the three-month average of daily LCR for the three months ended March 31, 2021, that is calculated by dividing the balance of High-Quality Liquid Assets by the amount of total net cash flows on a daily basis for the same three months

\*2 Total risk-monitored loans / Total loans and bills discounted (banking accounts as of period end)

\*3 Calculated on the basis of regulations applied at the end of March 2021

\*4 Total of public issuance (excluding the amount of buyback (US\$2.6bn)), as of end March 2021. All figures are converted into US\$ using actual exchange rates as of end March 2021

## Section 2 Financial results

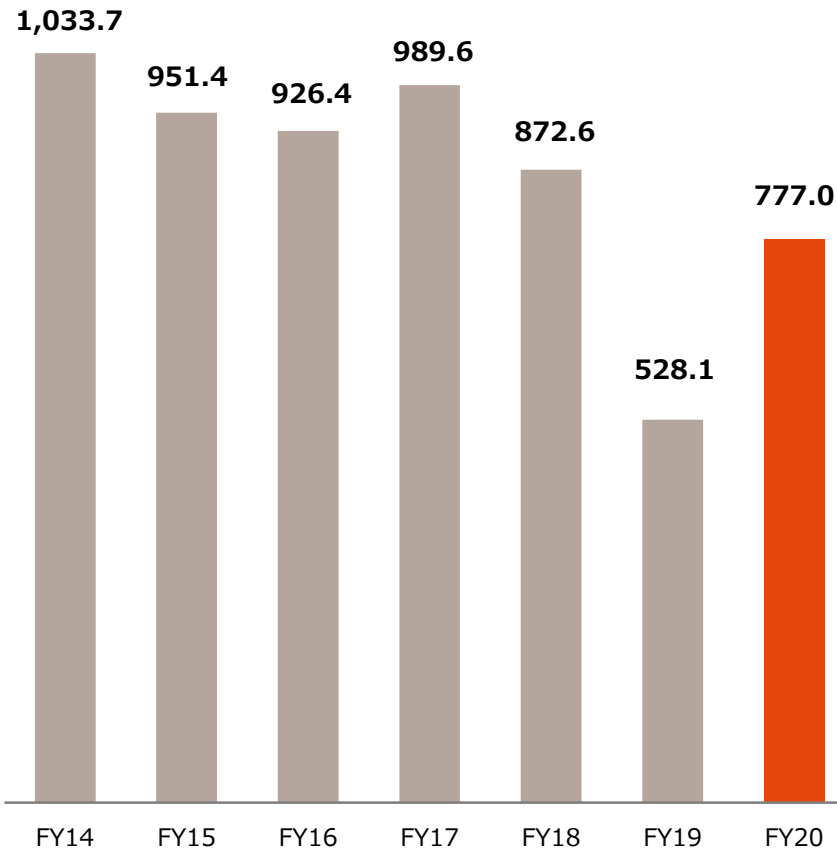


# Outline of profits attributable to owners of parent

History of profits attributable to owners of parent

Consolidated

(¥bn)

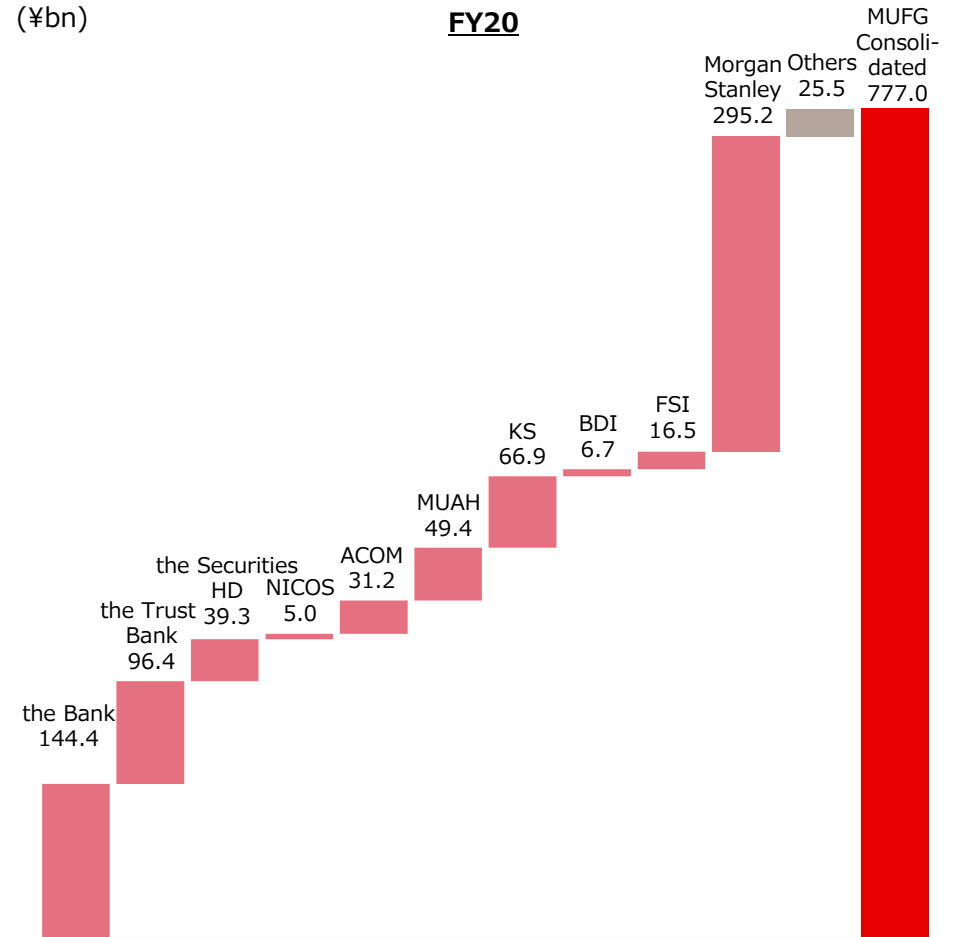


Breakdown of profits attributable to owners of parent\*1

Consolidated

(¥bn)

**FY20**



\*1 The figures reflect the profit attributable to the group's percentage holding in each subsidiary and equity method investee

# Income statement summary

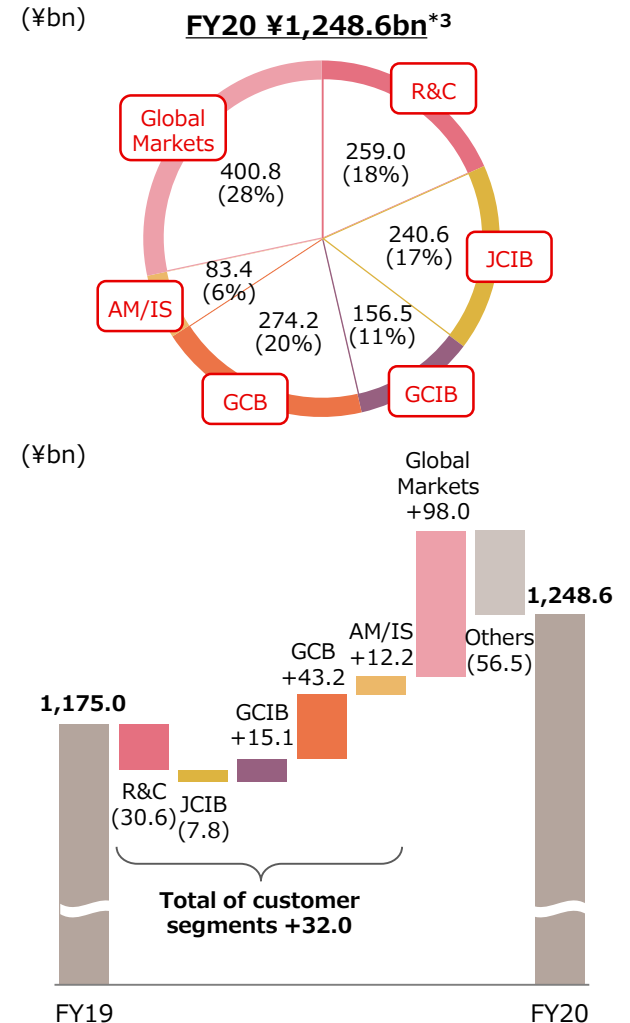
## Income statement

Consolidated

(¥bn)	FY19	FY20	YoY
1 <b>Gross profits (before credit costs for trust accounts)</b>	3,986.3	<b>3,997.9</b>	11.6
2 Net interest income	1,892.9	<b>1,905.1</b>	12.1
3 Trust fees + Net fees and commissions	1,472.0	<b>1,475.1</b>	3.0
4 Net trading profits + Net other operating profits	621.2	<b>617.6</b>	(3.6)
5 Net gains (losses) on debt securities	492.9	<b>119.0</b>	(373.9)
6 <b>G&amp;A expenses</b>	2,801.8	<b>2,749.4</b>	(52.3)
7 <b>Net operating profits</b>	1,184.4	<b>1,248.4</b>	63.9
8 <b>Total credit costs*1</b>	(222.9)	<b>(515.5)</b>	(292.5)
9 <b>Net gains (losses) on equity securities</b>	31.3	<b>130.2</b>	98.9
10 Net gains (losses) on sales of equity securities	92.1	<b>138.3</b>	46.2
11 Losses on write-down of equity securities	(60.8)	<b>(8.0)</b>	52.7
12 <b>Profits (losses) from investments in affiliates</b>	277.2	<b>321.7</b>	44.5
13 <b>Other non-recurring gains (losses)</b>	(34.2)	<b>(131.3)</b>	(97.0)
14 <b>Ordinary profits</b>	1,235.7	<b>1,053.6</b>	(182.1)
15 <b>Net extraordinary gains (losses)</b>	(406.3)	<b>(11.5)</b>	394.7
16 <b>Total of income taxes-current and income taxes-deferred</b>	(220.8)	<b>(185.0)</b>	35.8
17 <b>Profits attributable to owners of parent</b>	528.1	<b>777.0</b>	248.8
18 EPS (¥)	40.95	<b>60.50</b>	19.55

## Net operating profits by business segment\*2

Consolidated



\*1 Credit costs for trust accounts + Provision for general allowance for credit losses + Credit costs (included in non-recurring gains (losses)) + Reversal of allowance for credit losses + Reversal of reserve for contingent losses included in credit costs + Gains on loans written-off

\*2 On a managerial accounting basis

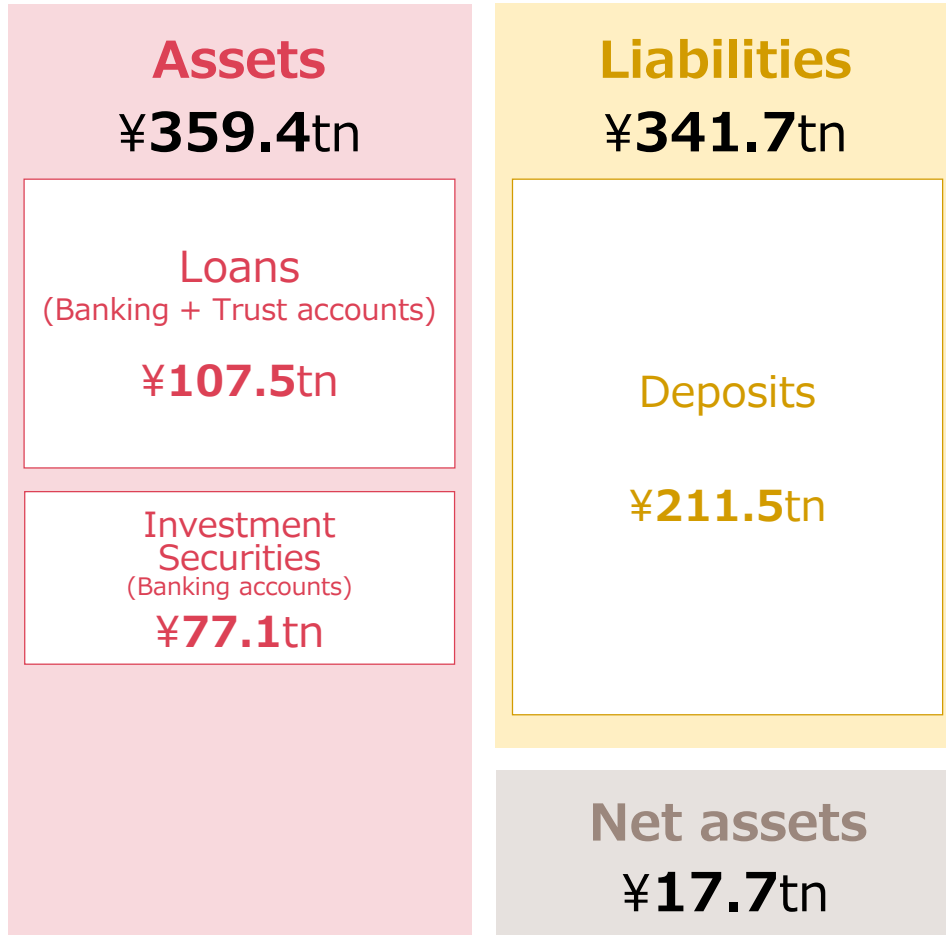
\*3 Including profits or losses from others

# Balance sheet summary

## Condensed balance sheet

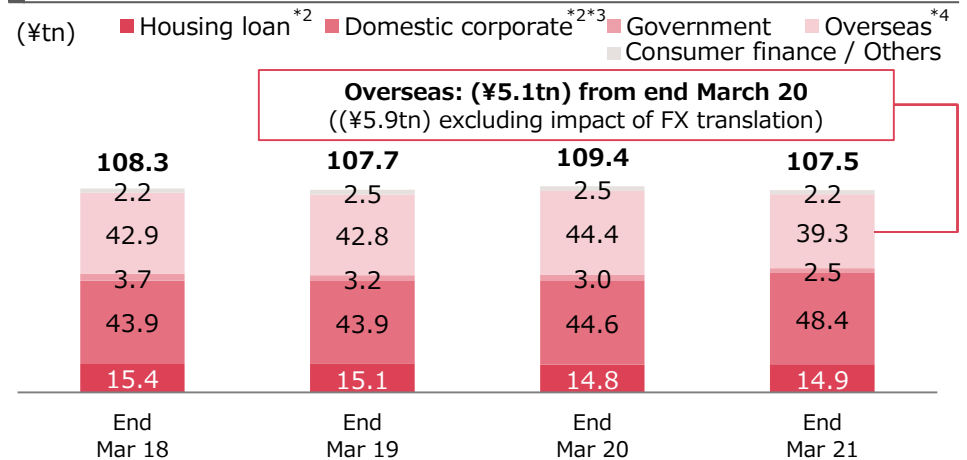
Consolidated

As of end March 21



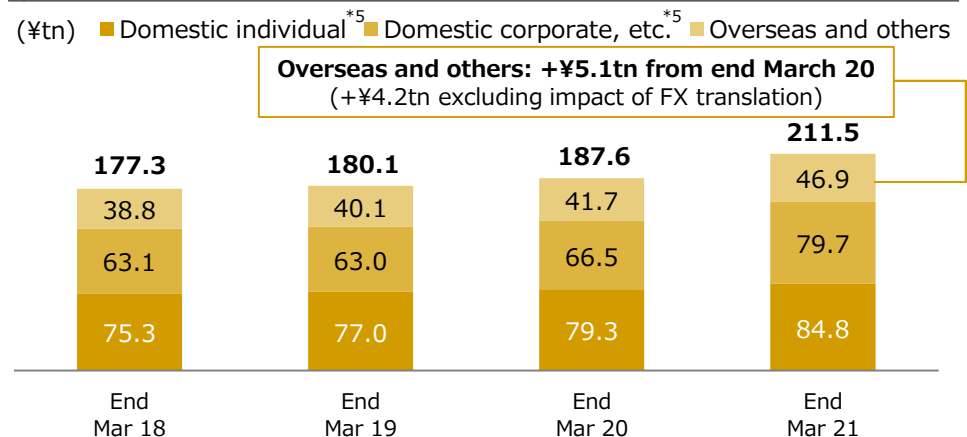
## Loans (Period end balance) \*1

Consolidated



## Deposits (Period end balance)

Consolidated



\*1 Sum of banking and trust accounts

\*2 Non-consolidated + trust accounts

\*3 Excluding loans to government and governmental institutions, and including foreign currency-denominated loans (Excluding impact of FX translation: +¥3.6tn from the end of March 2020)

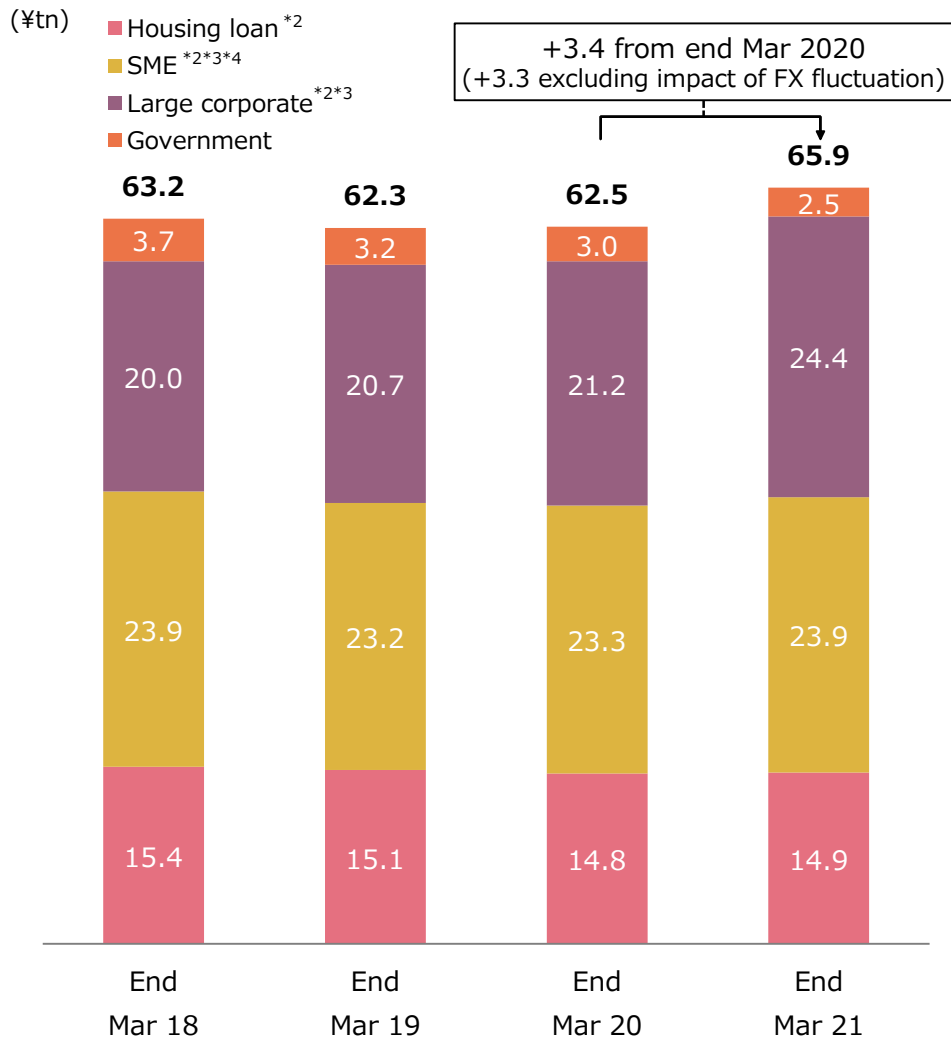
\*4 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe)

\*5 Non-consolidated

# Domestic loans

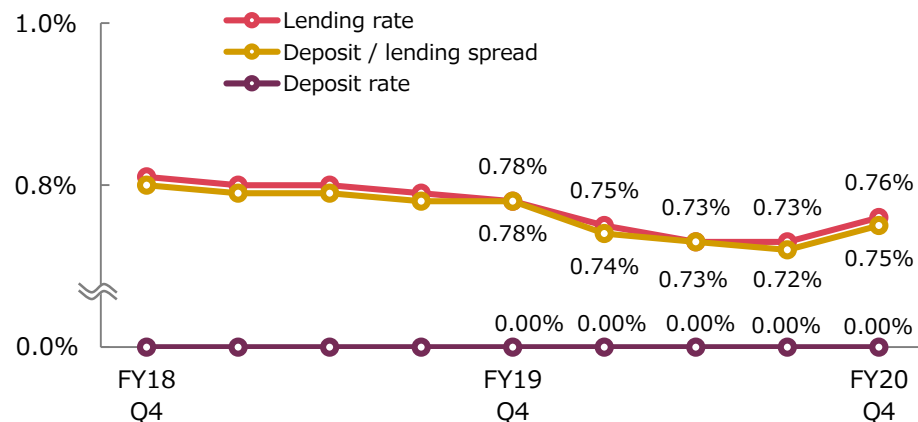
Loan balance (Period end balance)\*1

Consolidated



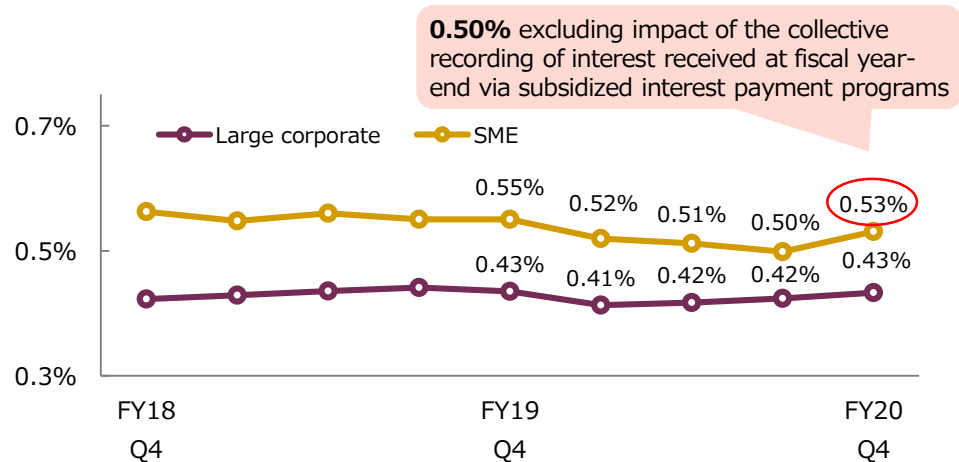
Changes in domestic deposit / lending rate\*5\*6

Non-consolidated



Domestic corporate lending spread\*3\*5\*6

Non-consolidated

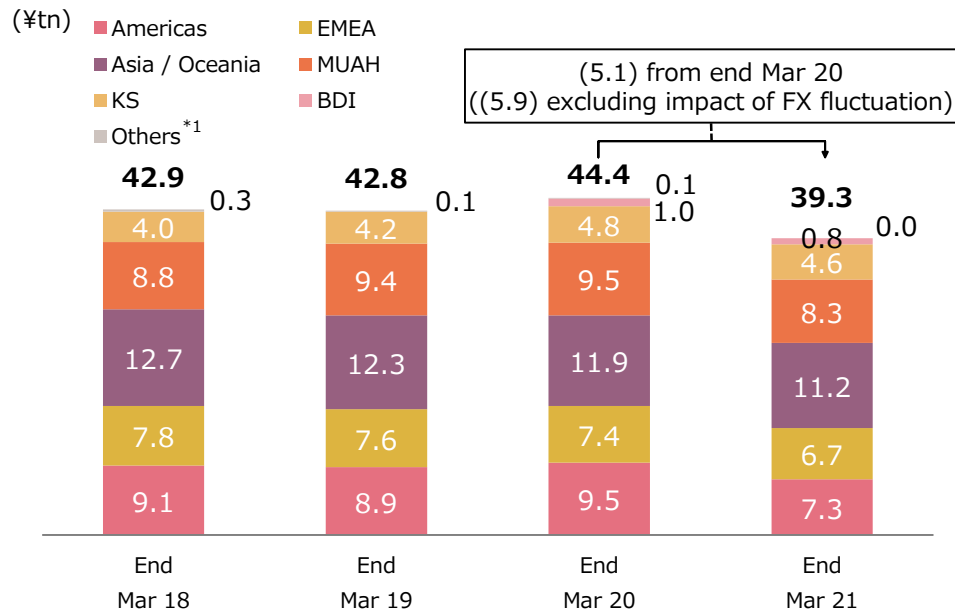


\*1 Sum of banking and trust accounts \*2 Non-consolidated + trust accounts \*3 Including non-JPY loans  
 \*4 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)  
 \*5 Managerial accounting basis \*6 Excluding lending to government etc.

# Overseas loans

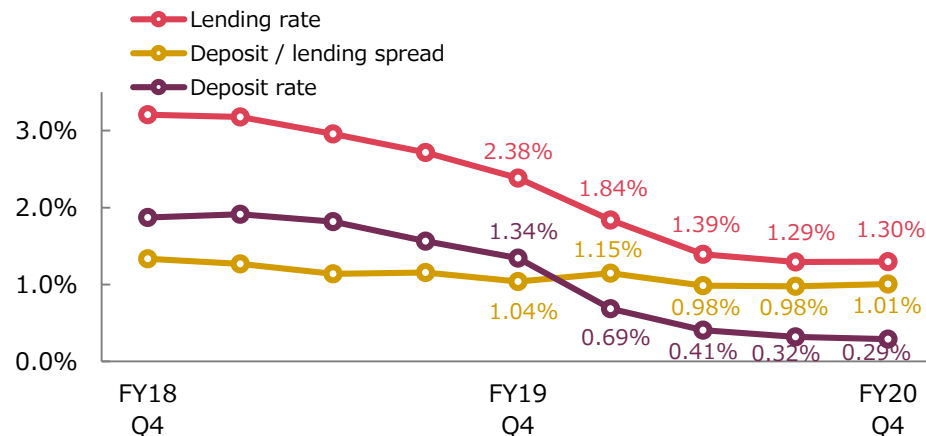
Loan balance (Period end balance)

Consolidated



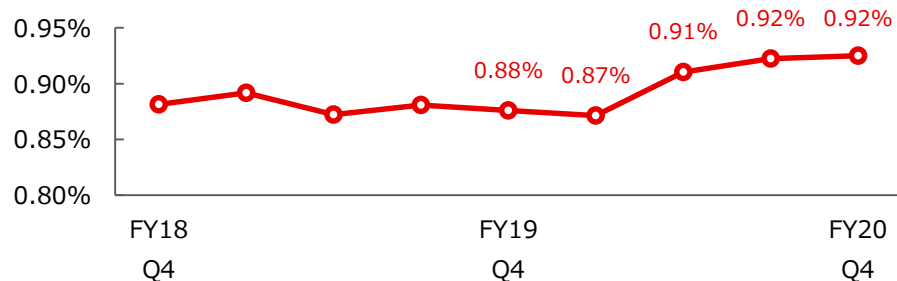
Change in overseas deposit / lending rate\*2

Non-consolidated



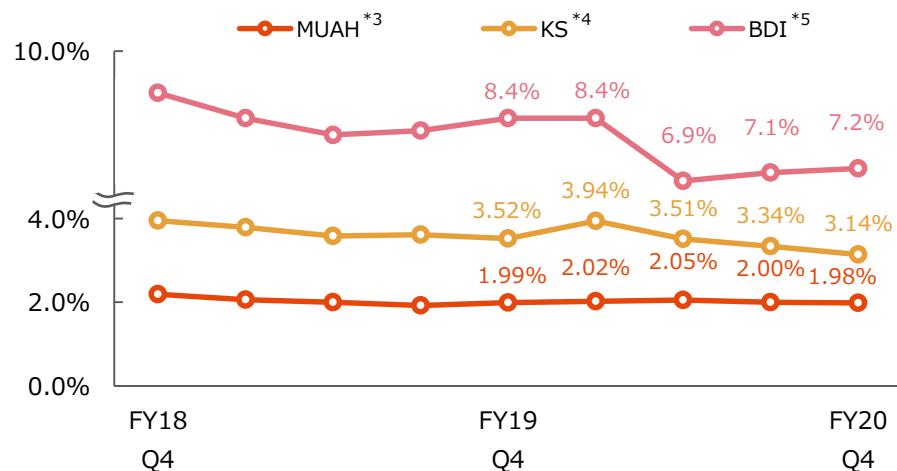
Lending spread\*2

Non-consolidated



Net interest margin

MUAH / KS / BDI



\*1 Loans booked at offshore markets etc. \*2 Managerial accounting basis

\*3 Financial data as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP

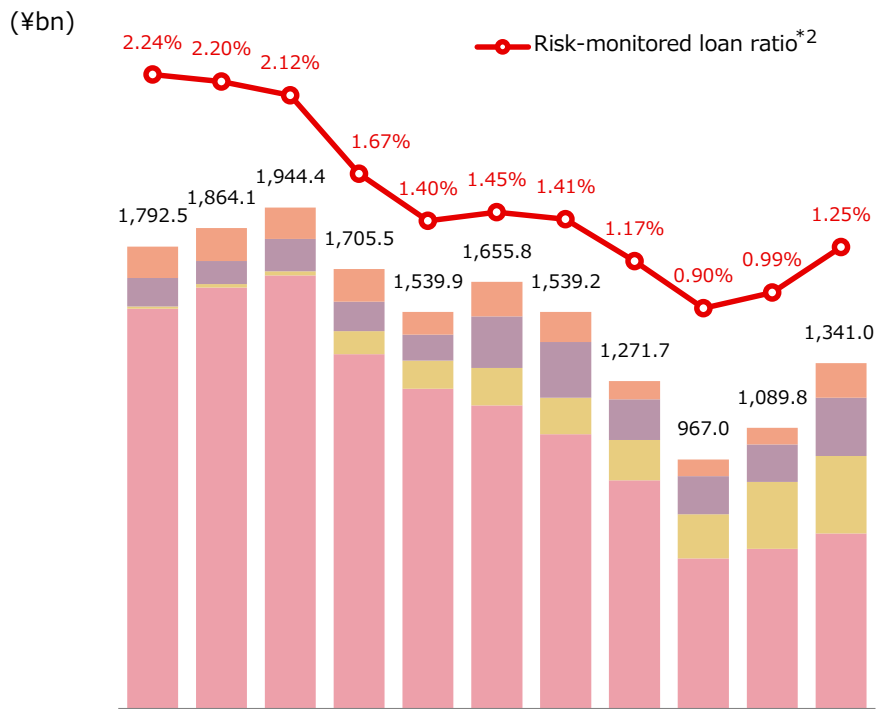
\*4 Financial data as disclosed in KS's financial reports based on Thai GAAP, and starting from January 1, 2020, Thailand adopted TFRS 9 (which is broadly similar to the IFRS 9 international accounting standard)

\*5 Financial data as disclosed in BDI's financial reports based on Indonesia GAAP. Incorporated impact of netting-off loss on restructuring on interest income

# Loan assets

## Balance of risk-monitored loans\*1

Consolidated



[Breakdown]

	Mar 11	Mar 12	Mar 13	Mar 14	Mar 15	Mar 16	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21
EMEA*3	121.1	127.2	122.0	126.3	88.2	133.9	116.0	71.3	64.0	63.7	134.7
Americas*3	110.3	89.2	125.0	114.9	100.7	199.4	216.0	157.5	148.2	145.5	224.7
Asia	9.4	14.4	17.0	89.0	108.8	145.3	142.3	155.8	170.3	259.1	300.5
Domestic	1,551.5	1,633.2	1,680.3	1,375.2	1,242.0	1,177.1	1,064.7	887.0	584.3	621.3	680.9

\*1 Risk-monitored loans based on Banking Act of Japan. Regions are based on the borrowers' location

\*2 Total risk-monitored loans / Total loans and bills discounted (banking accounts as of period end)

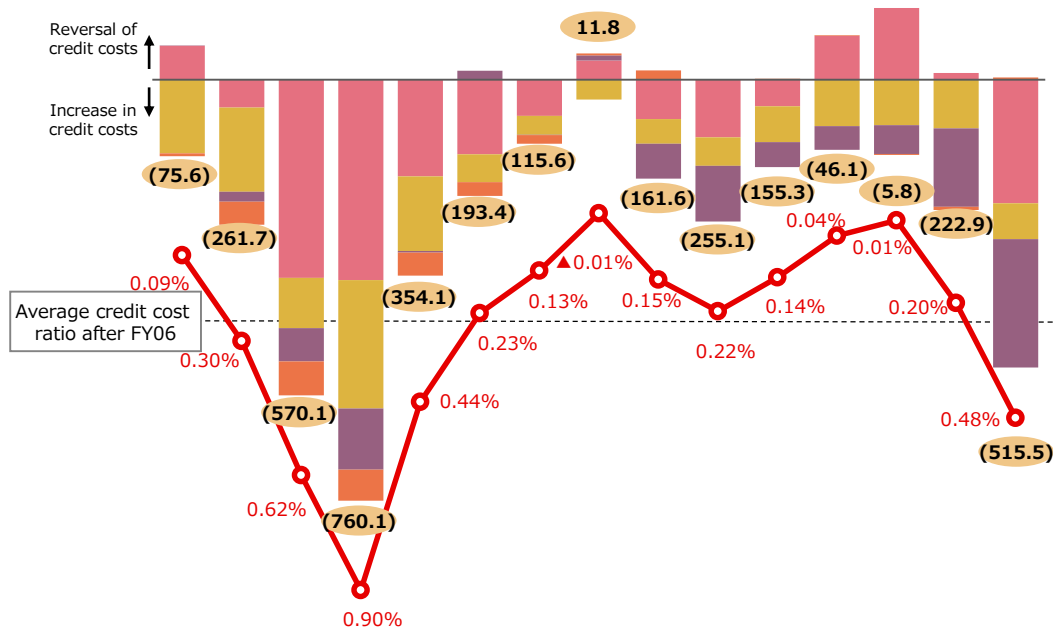
\*3 Figures of EMEA (Europe, Middle East and Other) and Americas before March 2012 were previously disclosed as Other and United States of America, respectively

\*4 Including gains from recovery of loans written off

## Total credit costs / Credit cost ratio

Consolidated

(¥bn) Total credit costs\*4 Credit cost ratio\*5



[Breakdown]

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Non-Consolidated*6	61.5	(50.1)	(357.8)	(361.6)	(174.2)	(134.5)	(65.3)	35.1	(71.1)	(103.7)	(47.9)	79.5	129.8	12.6	(223.2)
CF*7	(133.0)	(152.1)	(91.0)	(232.2)	(135.0)	(50.1)	(33.7)	(35.7)	(44.1)	(51.6)	(64.5)	(83.6)	(81.7)	(87.6)	(64.4)
Overseas*8	0.7	(17.8)	(59.7)	(110.6)	(2.7)	16.1	(0.8)	9.2	(63.2)	(100.8)	(45.0)	(42.7)	(52.3)	(141.6)	(232.3)
Others*9	(4.9)	(41.5)	(61.5)	(55.7)	(42.1)	(24.9)	(15.6)	3.2	16.9	1.0	2.1	0.8	(1.5)	(6.2)	4.5

\*5 Total credit costs / loan balance as of period end

\*6 Including overseas branches

\*7 Sum of NICOS and ACOM on a consolidated basis

\*8 Sum of overseas subsidiaries of the Bank and the Trust Bank

\*9 Sum of other subsidiaries and consolidation adjustment

# Investment securities

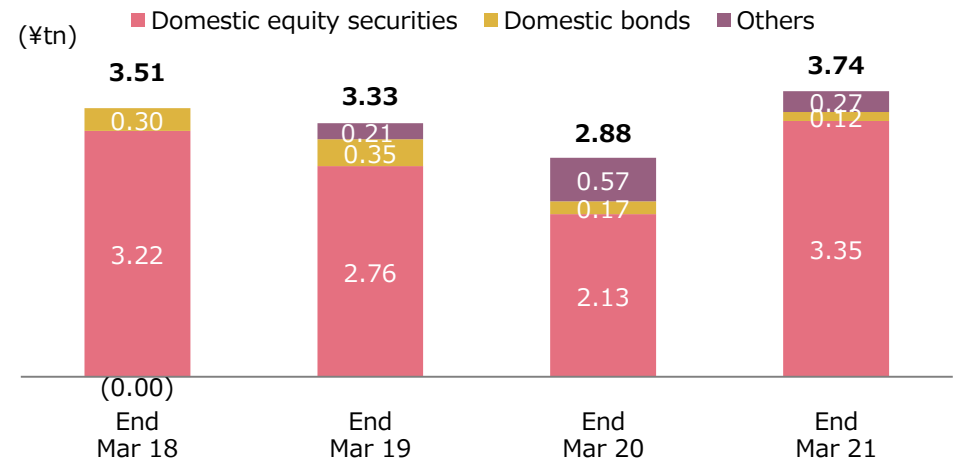
## Available-for-sale securities with fair value

Consolidated

End Mar 21	Balance		Unrealized gains (losses)	
	End Mar 21	Changes from End Mar 20	End Mar 21	Changes from End Mar 20
1 Total	73,892.0	11,740.8	3,749.9	861.2
2 Domestic equity securities	5,216.3	1,075.0	3,350.5	1,210.5
3 Domestic bonds	40,552.2	13,079.1	122.5	(48.8)
4 Japanese government bonds	32,344.7	11,701.6	86.9	(36.9)
5 Foreign bonds	21,236.6	(3,265.7)	103.0	(635.1)
6 Others	6,886.6	852.3	173.8	334.7

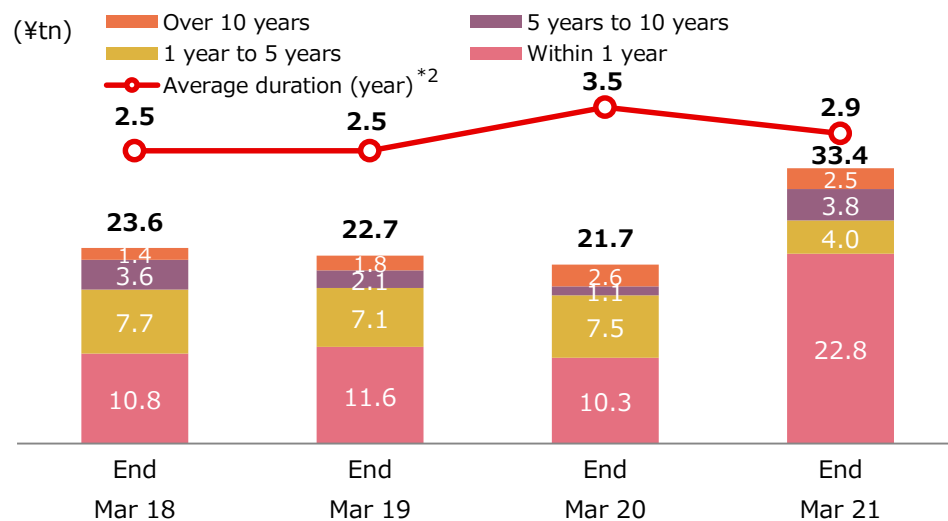
## Unrealized gains (losses) on available-for-sale securities

Consolidated



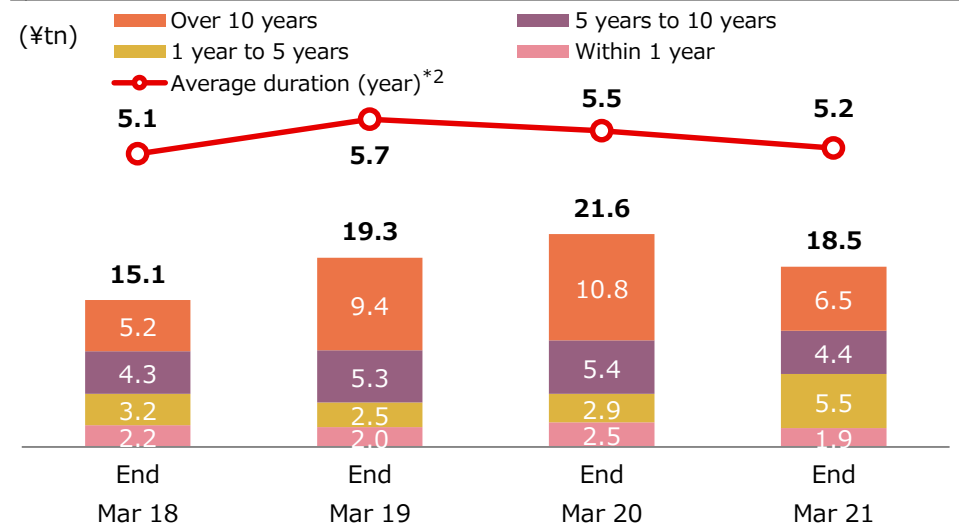
## Balance of JGB portfolio and duration\*1

Non-consolidated



## Balance of foreign bonds and duration\*1

Non-consolidated



\*1 Available for sale securities and securities being held to maturity

\*2 Available for sale securities

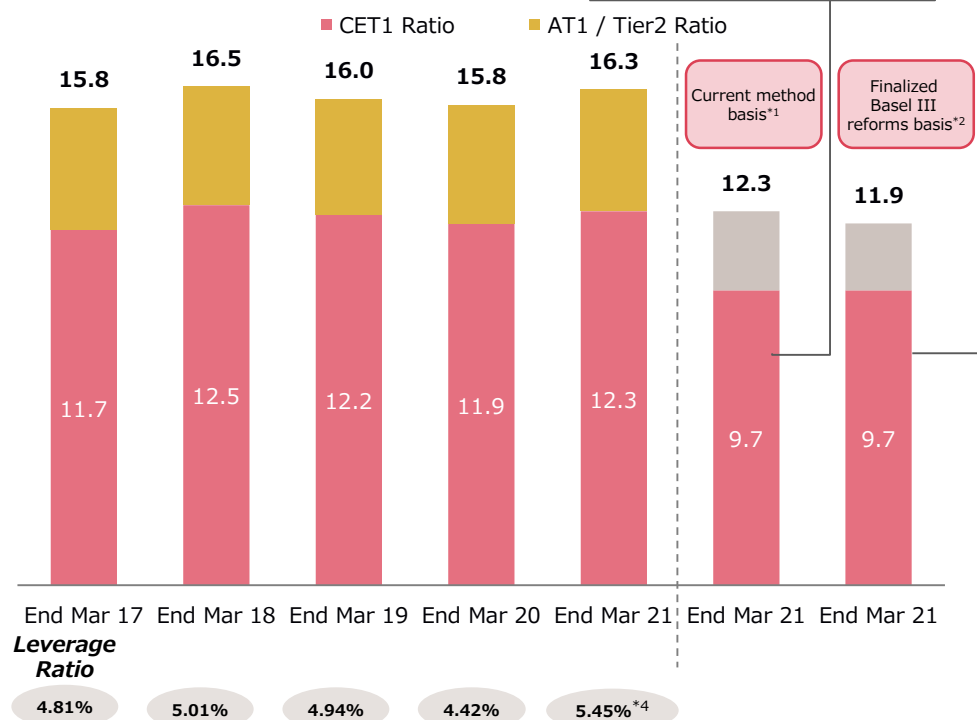
# Capital

## CET1 / Total capital ratio

Consolidated

Transitional basis (-End March 2018)  
Current method basis\*1 (End March 2019-)

Excluding impact of net  
unrealized gains (losses) on  
available for sale securities



- \*1 Calculated on the basis of regulations applicable to the respective dates shown  
\*2 Estimated CET1 ratio reflecting the RWA increase calculated on the basis of the finalized Basel III reforms expected to be applied in 2028, according to the announcement by the Financial Services Agency of Japan on March 30, 2020, following the press release published by the Group of Central Bank Governors and Heads of Supervision to the effect that the transitional periods for the Basel III finalization framework has been extended by one year to 1 January 2028  
\*3 Adjustments made for the difference between risk-weighted assets under Basel I and Basel III  
\*4 Based on JFSA notification, deposits with the Bank of Japan are excluded from total exposures as of the end of March 2021

## Capital summary

Consolidated

	End Mar 20	End Mar 21	Changes
(¥bn)			
1 <b>Common Equity Tier 1 capital ratio</b>	11.9%	12.3%	0.4ppt
2 <b>Tier 1 capital ratio</b>	13.5%	13.9%	0.3ppt
3 <b>Total capital ratio</b>	15.8%	16.3%	0.4ppt
4 <b>Leverage ratio</b>	4.4%	5.4%	1.0ppt
5 Common Equity Tier 1 capital	13,708.3	14,113.7	405.3
6 Retained earnings	10,855.7	11,200.0	344.2
7 Other comprehensive income	2,518.9	2,986.4	467.5
8 Regulatory adjustments	(2,329.7)	(2,754.4)	(424.7)
9 Additional Tier 1 capital	1,914.9	1,869.0	(45.9)
10 Preferred securities and subordinated debt	1,764.1	1,744.1	(20.0)
11 <b>Tier 1 capital</b>	15,623.3	15,982.7	359.4
12 <b>Tier 2 capital</b>	2,656.2	2,686.7	30.5
13 Subordinated debt	2,303.6	2,206.5	(97.0)
14 <b>Total capital (Tier 1+Tier 2)</b>	18,279.5	18,669.5	389.9
15 <b>Risk weighted assets</b>	115,135.6	114,419.3	(716.2)
16 Credit risk	88,791.7	90,410.0	1,618.2
17 Market risk	3,150.7	4,066.8	916.0
18 Operational risk	8,269.2	7,976.6	(292.6)
19 Floor adjustment*3	14,923.8	11,965.8	(2,957.9)
20 <b>Total exposures</b> *4	353,117.5	292,725.0	(60,392.4)

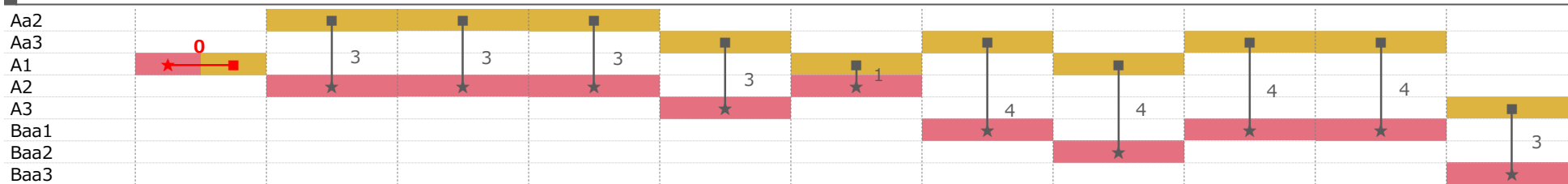


# Global financial institutions' senior bonds ratings

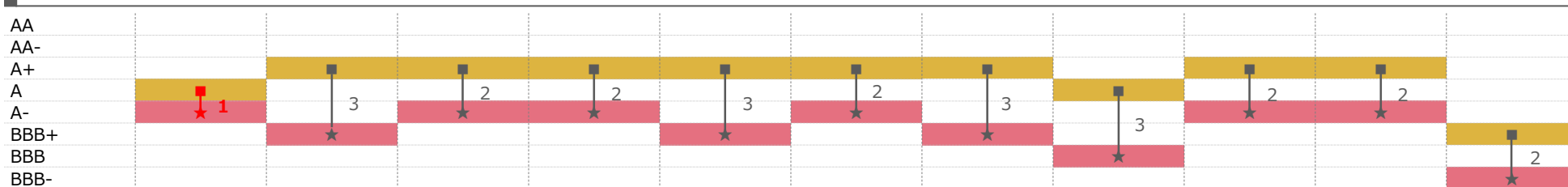
As of April 30, 2021

■ HD / Non-preferred senior ■ Operating bank / Preferred senior

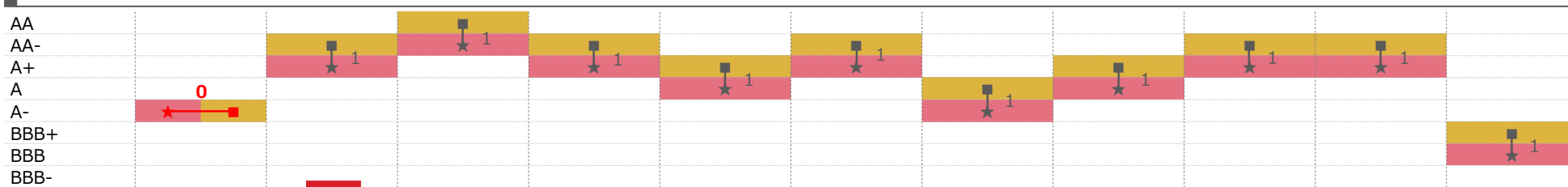
## Moody's



## S&P



## Fitch



Japan

US

Europe

\*1 For CA, BNP and DB, there is a single issuing entity, issuing both Preferred and Non-preferred senior bonds rather than separate HD and Operating bank issuing senior bonds, respectively

## Section 3 Capital raising strategy

# Japanese TLAC framework

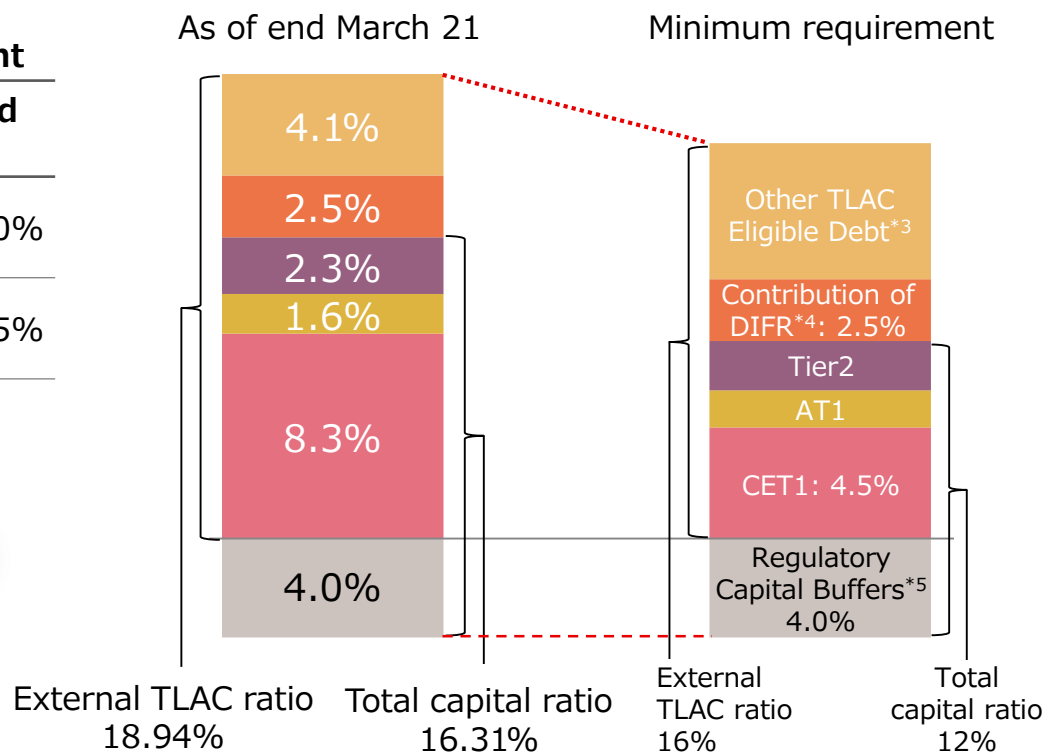
## - The best capital mix and external TLAC ratio

- Aiming for optimal balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
  - Secure necessary and sufficient level of capital with utilization of AT1 / Tier2
  - Maintain sustainable external TLAC ratio for the long term by raising external TLAC-eligible senior debt

### MUFG's external TLAC ratio and minimum requirement

	As of end Mar 21	Minimum requirement	
		From end Mar 19	From end Mar 22
<b>Risk weighted asset basis</b>	18.94%	16.0%	18.0%
<b>Total exposure basis*1</b>	8.96%	6.0%	6.75%

### MUFG's RWA\*2 based external TLAC ratio



MUFG is the primary funding entity, which is designated as the resolution entity in Japan by FSA

\*1 Based on JFSA notification, deposits with the Bank of Japan are excluded from total exposures as of the end of March 2021.

\*2 Risk weighted asset

\*3 Including adjustment of difference between calculation method of total capital ratio and external TLAC ratio and adjustment of amount of other TLAC-eligible liabilities owned by the issuer's group, etc.

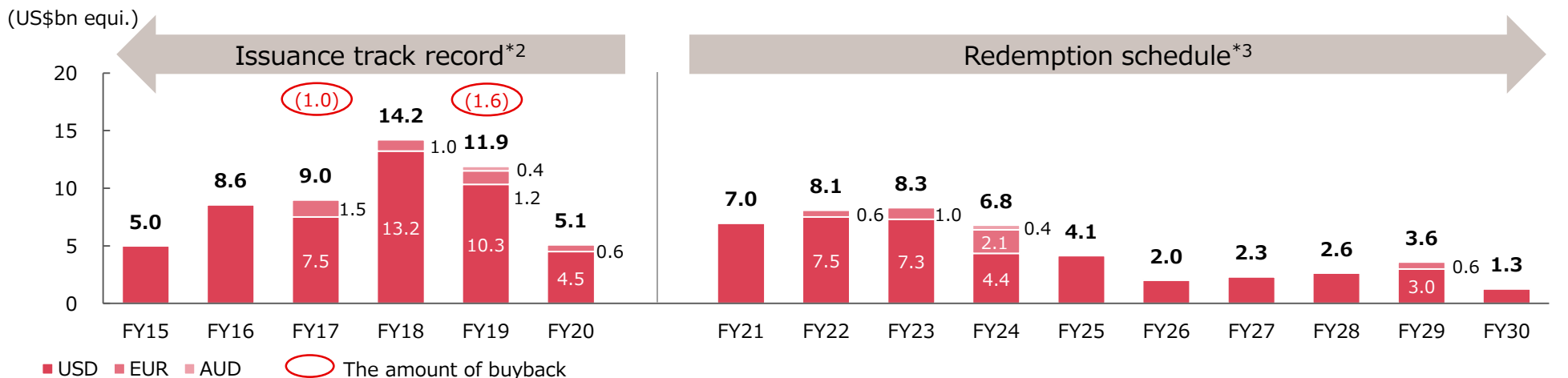
\*4 Contribution of Deposit Insurance Fund Reserves : Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution set out in the FSB's TLAC termsheet

(Can include 2.5% and 3.5% of RWAs from end March 2019 to end March 2022 and after end March 2022, respectively, in external TLAC ratio)

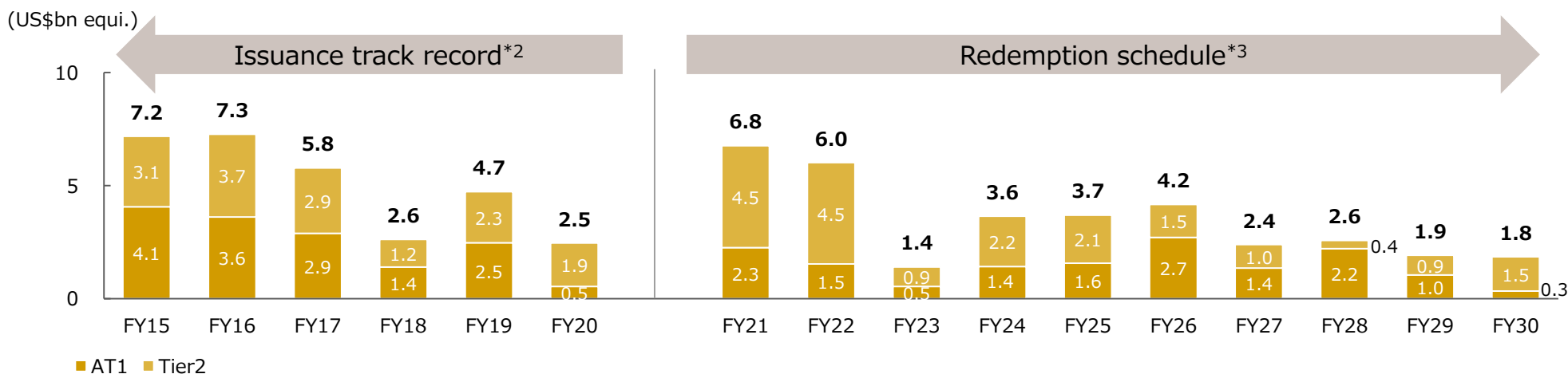
\*5 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0%

# MUFG issuance track record and redemption schedule

## TLAC-eligible senior debt\*1



## AT1, Tier2 bond\*1



\*1 All figures are converted into US\$ using actual exchange rates as of end March 2021

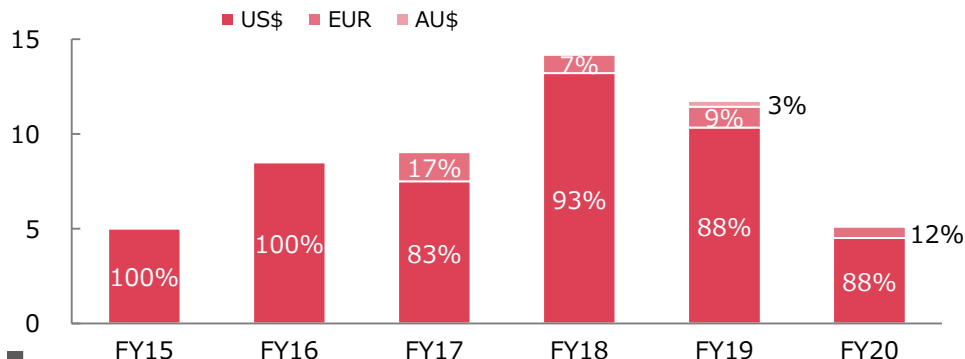
\*2 Total of public issuance (excluding the amount of buyback), as of end March 2021

\*3 Annual figures assuming that all callable notes are to be redeemed on their respective first callable dates, while there is no assurance they will be redeemed on such dates. Tier2 includes Basel II Tier2 sub notes issued by the Bank and the Trust Bank

# MUFG TLAC-eligible senior debt issuance summary

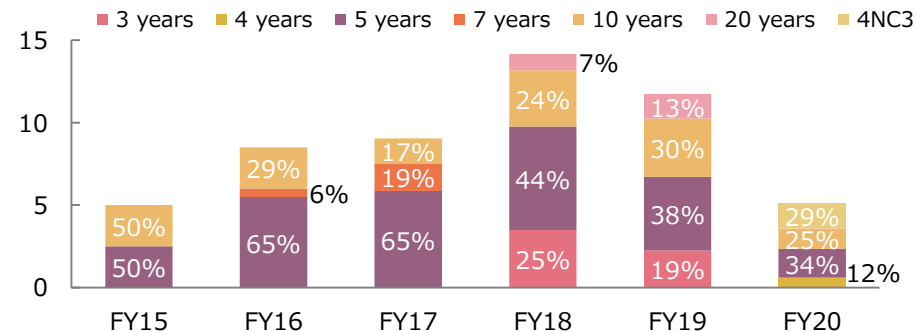
## By currency\*1\*2

(US\$bn equi.)



## By term\*1\*2\*3

(US\$bn equi.)



## Past issuance calendar

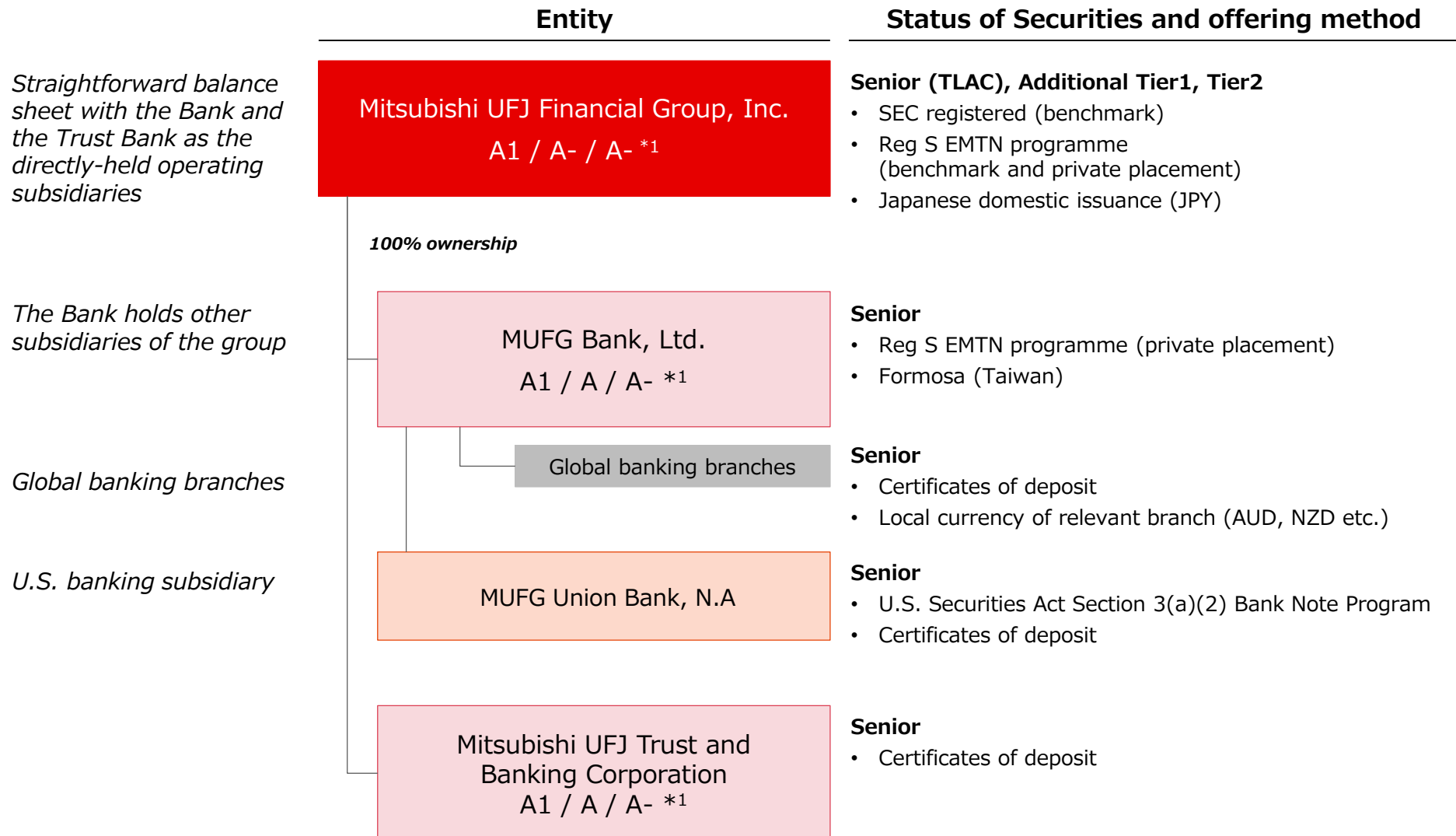
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>FY15</b>											Priced on Feb 23 5y/10y US\$5Bn	
<b>FY16</b>	Priced on Apr 19 5y/10y (Re-open) US\$2Bn					Priced on Sep 6 5y/7y Green /10y US\$4Bn					Priced on Feb 15 5y/10y US\$2.5Bn	
<b>FY17</b>				Priced on Jul 18 5y/10y US\$4Bn		Priced on Aug 31 7y EUR0.75Bn				Priced on Jan 19 5y Green EUR0.5Bn	Priced on Feb 26 5y/7y/10y US\$3.5Bn	
<b>FY18</b>		Priced on May 23 5y EUR0.35Bn		Priced on Jul 17 3y/5y/10y(Re-open)/20y US\$4.6Bn		Priced on Sep 4 5y(Re-open)/10y US\$3Bn	Priced on Oct 1 5y Green EUR0.5Bn		Priced on Dec 7 10y Green US\$120MM (Sold in domestic market)		Priced on Feb 26 3y/5y/10y/20y US\$5.5Bn	
<b>FY19</b>				Priced on Jul 11 3y/5y/10y/20y US\$6.5Bn	Priced on Jul 16 5y/10y Green EUR1Bn		Priced on Sep 24 5y Green AU\$0.5Bn		Priced on Dec 6 10y Social US\$90MM (Sold in domestic market)		Priced on Feb 18 5y/10y US\$3.75Bn	
<b>FY20</b>			Priced on Jun 2 4y Sustainability EUR0.5Bn	Priced on Jul 13 5y/10y US\$3.0Bn		Priced on Sep 8 4NC3 US\$1.5Bn						

\*1 Total of public issuance (excluding the amount of buyback (US\$2.6bn)), as of end March 2021

\*2 Exchange rates: As of end of each FY

\*3 Re-opening bonds are included into the original bonds' terms

# Corporate Structure and Issuing Entities



\*1 Credit ratings assigned by Moody's, S&P and Fitch, respectively, as of end April 2021

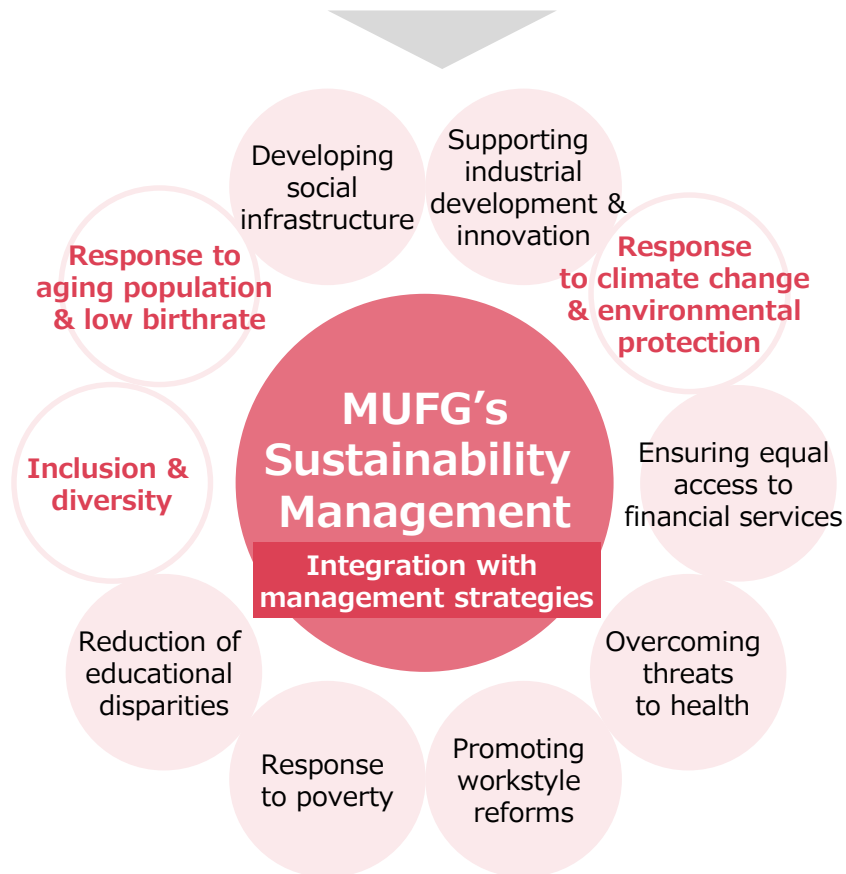
## Section 4 MUFU's Approach for ESG

# MUFG's Approach for ESG

- Plan to place greater emphasis on ESG in our business management to achieve sustainable growth in corporate value

## Major Challenges

Consider societal expectations and affinities with MUFG's business area



## Progress and goals in sustainable finance

In May 2019, MUFG set a goal of a cumulative **total of 20 trillion yen** as Sustainable Finance target amount **between FY2019 and FY2030** to help build a sustainable society and attain the Sustainable Development Goals (SDGs) through the provision of financial services to its clients. In April 2021, MUFG **raised this target from 20 trillion yen to 35 trillion yen** (of this, 18 trillion yen is for the area of environment)

(¥tn)	FY19	FY20	Total	FY30 goals* <sup>1</sup>
Environment	2.2	1.4	3.5	18.0
Social	0.9	1.4	2.3	17.0
Others	0.6	1.4	2.0	
<b>Total</b>	<b>3.7</b>	<b>4.2</b>	<b>7.9</b>	<b>35.0</b>

\*1 Set goals in FY19, and revised in April 2021



# MUFG Carbon Neutrality Declaration

- First Japanese bank to commit to achieve target of net zero GHG<sup>\*1</sup> emissions in its finance portfolio

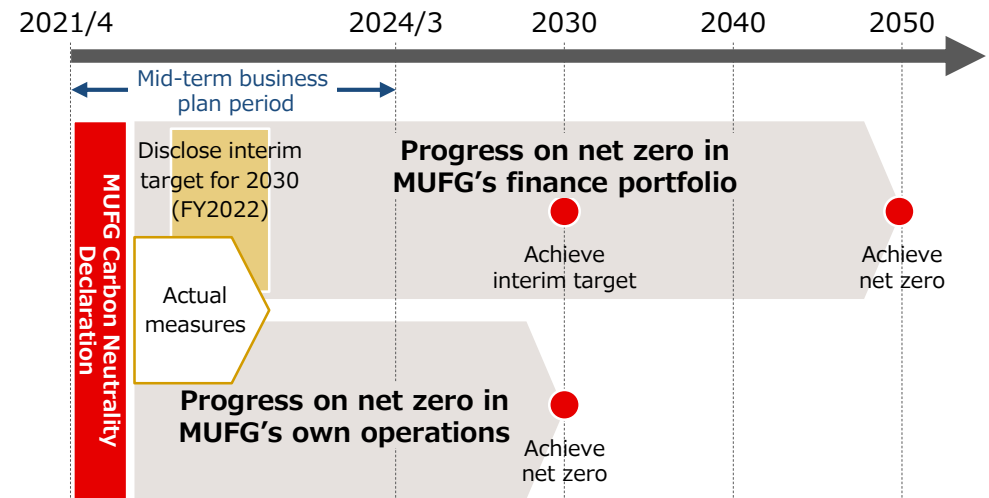
## MUFG Carbon Neutrality Declaration

**Net zero GHG emissions in its finance portfolio<sup>\*2</sup> by 2050,  
net zero GHG emissions in its own operations<sup>\*3</sup> by 2030**

### Major Plans

- 1 Achieve decarbonization through financial services**
  - Set goals for sustainable finance: ¥35tn (incl. ¥18tn for environment)
  - Enhance financing policies
  - Disclose future credit portfolio reduction targets for corporate loans related to coal-fired power generation<sup>\*4</sup>
  - Support renewable energy, hydrogen, next-generation energy, etc.
- 2 Promote decarbonization via MUFG's own efforts**
  - Shift to 100% renewable energy for procured electricity of domestic offices and branches<sup>\*5</sup>
  - Work on carbon offsets (afforestation, etc.)
- 3 Set targets to align with the goals of Paris Agreement, and expand and improve transparency of disclosure**
  - Set targets to align with the goals of Paris Agreement based on scientific approaches such as SBT<sup>\*6</sup>
  - Develop TCFD disclosure such as expanding the scope of sectors subject to scenario analysis
- 4 Enhance our organization to achieve carbon neutrality**
  - Approve "MUFG Environmental Policy Statement" at the Board of Directors
  - Reflect ESG elements in executive compensation

### Roadmap of "MUFG Carbon Neutrality Declaration"



### First bank in Japan Join Net-Zero Banking Alliance<sup>\*7</sup>

- Net zero GHG emissions in its finance portfolio by 2050
- Set and disclose interim target for 2030 in FY2022
- Report the progress toward the target on annual basis

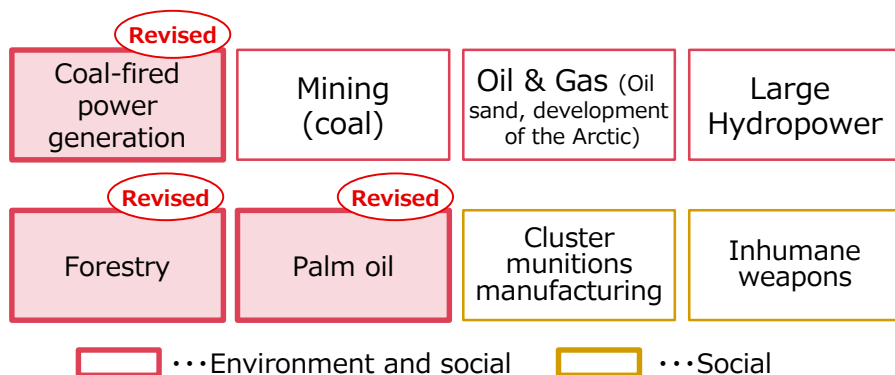
<sup>\*1</sup> Greenhouse Gas <sup>\*2</sup> Scope3 under the GHG Protocol <sup>\*3</sup> Scope1 and Scope2 under the GHG Protocol <sup>\*4</sup> We aim to disclose the portfolio reduction target for our corporate customers whose business largely involves coal-fired power generation. We aim to progress toward the project finance portfolio reduction target for coal-fired power generation (to halve the FY 2019 balance by FY 2030, and reduce to zero by FY 2040) <sup>\*5</sup> The Bank, the Trust bank and the Securities HD <sup>\*6</sup> Science Based Targets <sup>\*7</sup> An initiative, which was established by UNEP FI in April 2021, undertaken by banks that are committed to achieve net zero GHG emissions in their lending and investment portfolio at latest by 2050

# Environment

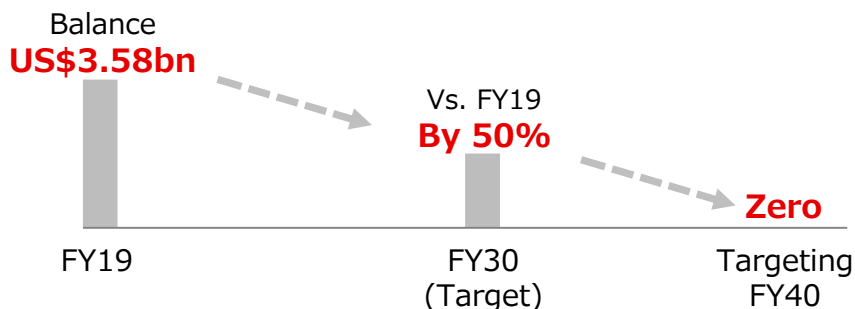
- Step up our response to climate change risks by introducing more stringent financing policies and targets and conducting scenario analysis

## Response to environmental risk in finance

Revised three sectors of restricted transactions sectors in MUFG Environmental and Social Policy Framework in FY21

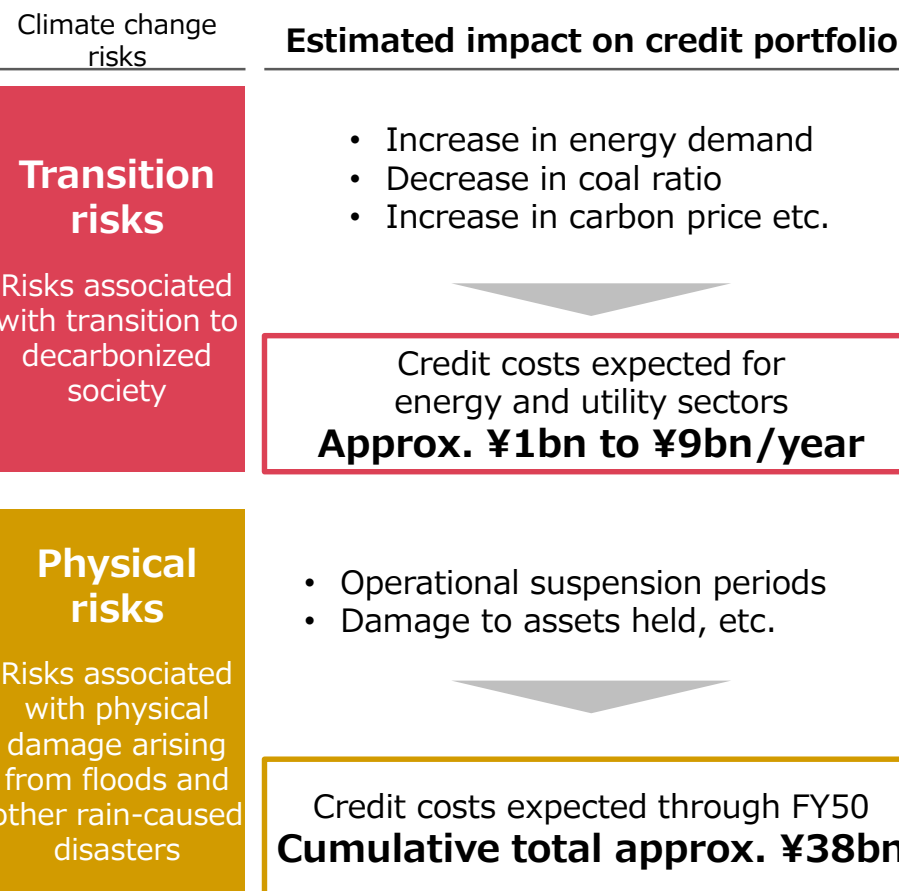


Announced balance of financing and reduction target\*1 of coal-fired power generation projects in Oct 2020



## Scenario analysis (TCFD\*2 recommendation)

Estimated impact of climate change on our credit portfolio

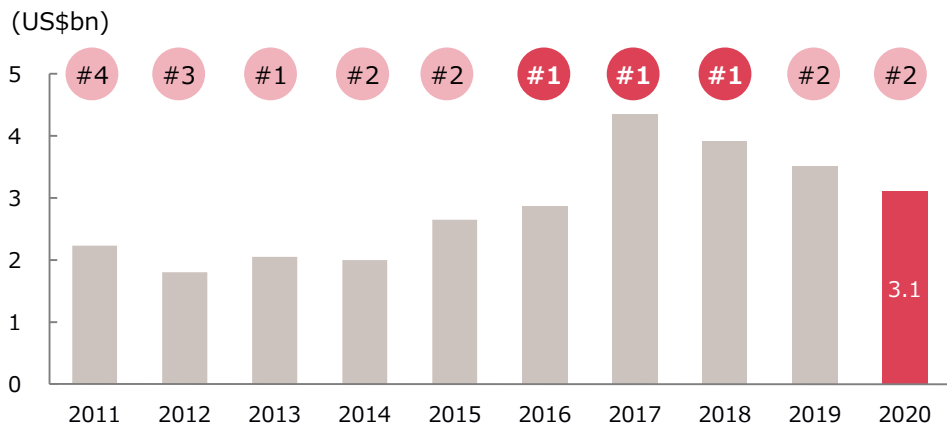


\*1 Excludes projects that are designed to contribute to transition to a decarbonized society according to the MUFG Environmental and Social Policy Framework

\*2 Task Force on Climate-related Financial Disclosures

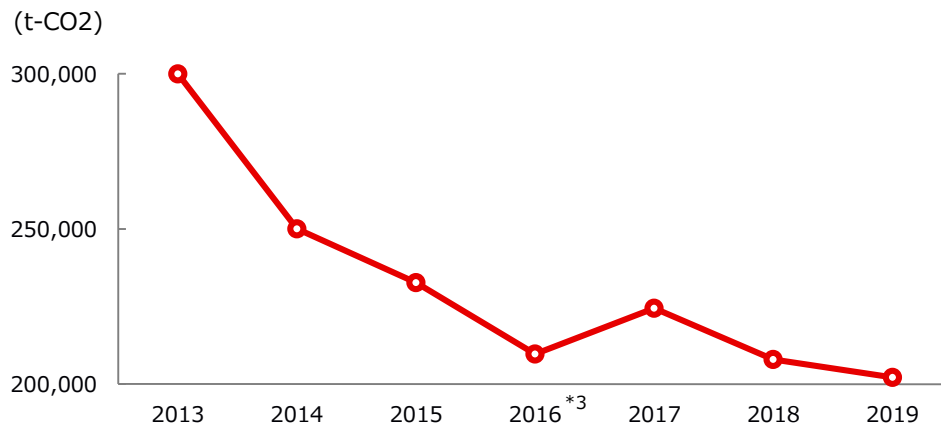
# ESG Highlights

## MUFG's Ranking as a Financial Arranger\*1

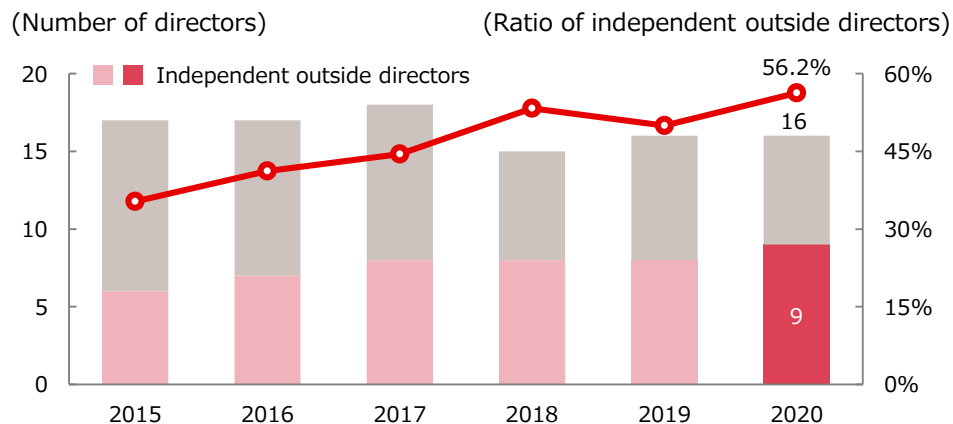


(Source) Bloomberg New Energy Finance Asset Finance/Lead Arrangers League Table

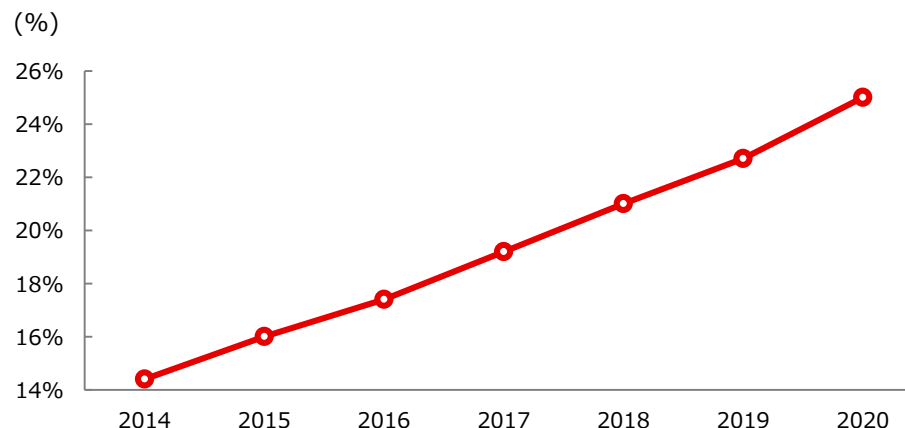
## Carbon Dioxide (CO2) Emissions\*2



## Number and Ratio of Independent Outside Directors\*4



## Ratio of female staff in managerial positions\*5\*6



\*1 Results of Project Finance, etc. in the renewable energy sector

\*2 Total of MUFG, the Bank, the Trust Bank, MUMSS and NICOS

\*3 The figure for fiscal 2016 includes the impact of a CO2 offset scheme employing emission credits. This scheme resulted in a total reduction of 25,500t-CO2

\*4 Under Japanese legal and stock exchange standards

\*5 Total of the Bank, the Trust Bank and MUMSS

\*6 Generally, individuals with authority to review other employees' work products (*yakutsukisha*)

# MUFG's Endorsement of International Sustainability Initiatives

- MUFG has endorsed and is acting as an advocate for major international sustainability initiatives
- MUFG also has been recognized for ESG efforts by external institutions

## International Initiatives MUFG Endorses



## ESG Indices

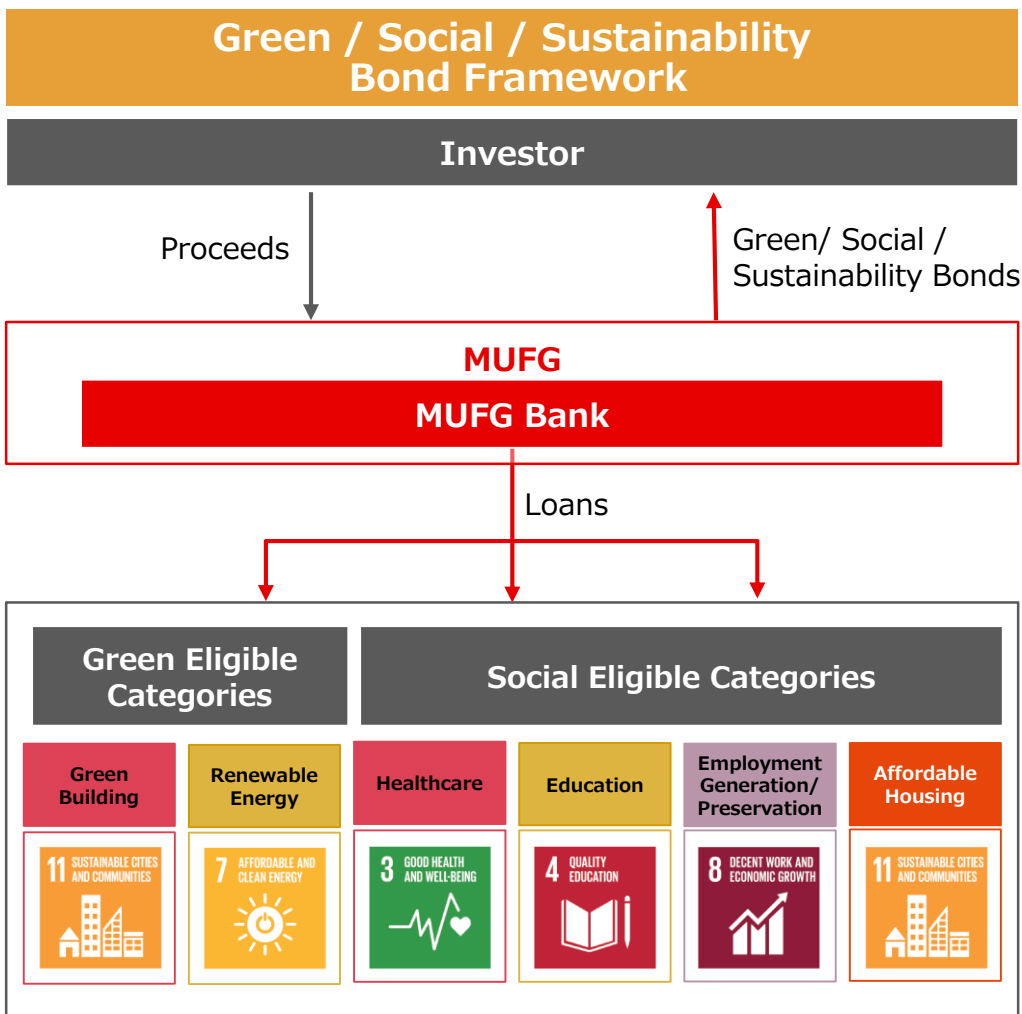


## ESG Awards

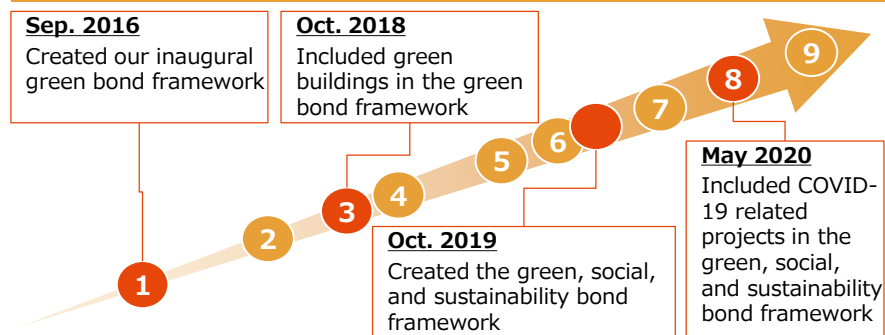


# MUFG's Green, Social, and Sustainability Bonds

- MUFG revised its "Green, Social, and Sustainability" bond framework in May 2020 and it is the first framework in Japan to channel funds specifically into the fight against COVID-19
- MUFG has a proven track record as a frequent ESG bond issuer



## Track Record of Bond Framework Revision



## Green Bond Issuance

	Issuance	Currency	Amount	Tenor	Format
1	9/13/16	USD	500mm	7y	SEC
2	1/26/18	EUR	500mm	5y	Reg S
3	10/9/18	EUR	500mm	5y	Reg S
4	12/18/18	USD	120mm	10y	Japan Domestic
5	7/19/19	EUR	500mm	10y	Reg S
6	10/1/19	AUD	500mm	5y	Reg S

## Social Bond Issuance

	Issuance	Currency	Amount	Tenor	Format
7	12/12/19	USD	90mm	10y	Japan Domestic

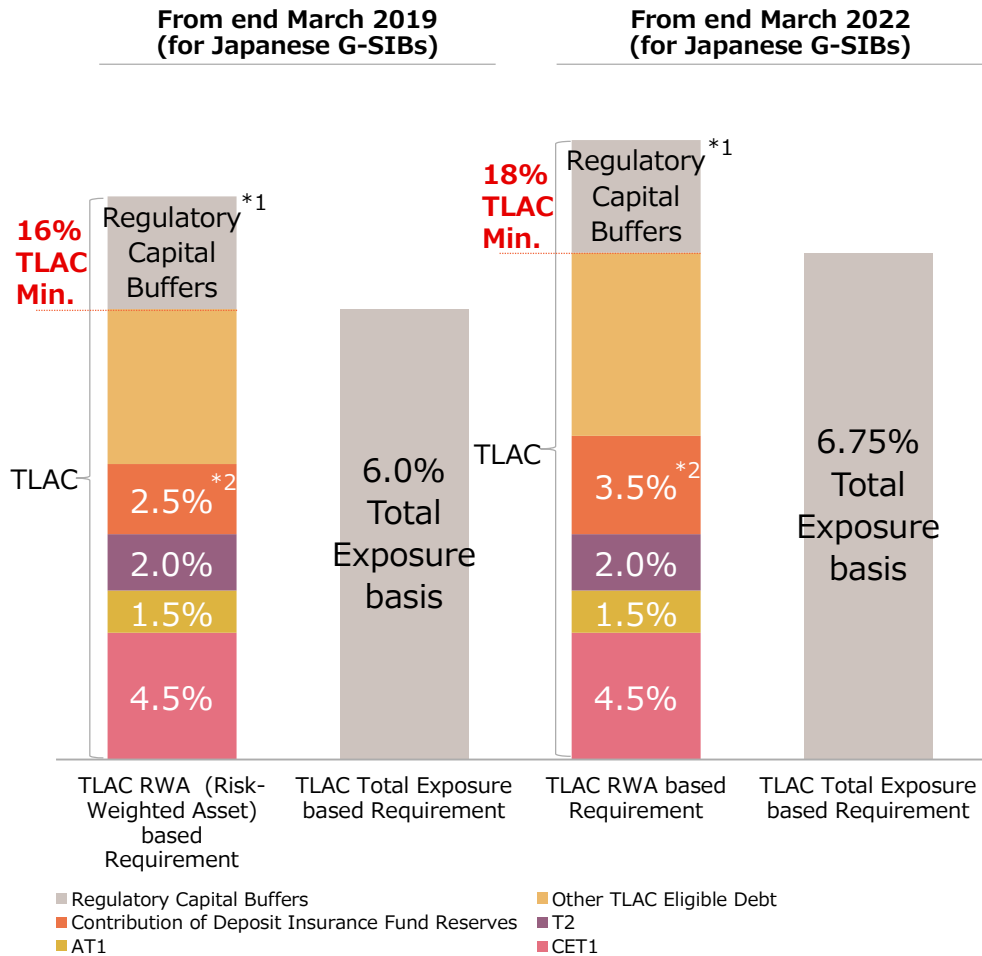
## Sustainability Bond Issuance

	Issuance	Currency	Amount	Tenor	Format
8	6/9/20	EUR	500mm	4y	Reg S
9	9/30/20	JPY	54bn	10y	Japan Domestic
9	9/30/20	JPY	96bn	10NC5	Japan Domestic

# Appendix

# Japanese TLAC framework summary

## TLAC minimum requirement



## Japanese resolution system's features

- Contribution of Deposit Insurance Fund Reserves \*2
- Multiple treatments prior to loss absorption point, even after Point of Non-Viability ("PONV")
- Multiple precedents of prompt corrective action and pre-emptive capital infusion \*3

## Requirements for external TLAC-Eligible Debt (excerpt)

- The Holding Company is a resolution entity in Japan ("Domestic Resolution Entity") designated by the FSA
- External TLAC-eligible debt is issued by the Holding Company as the Domestic Resolution Entity

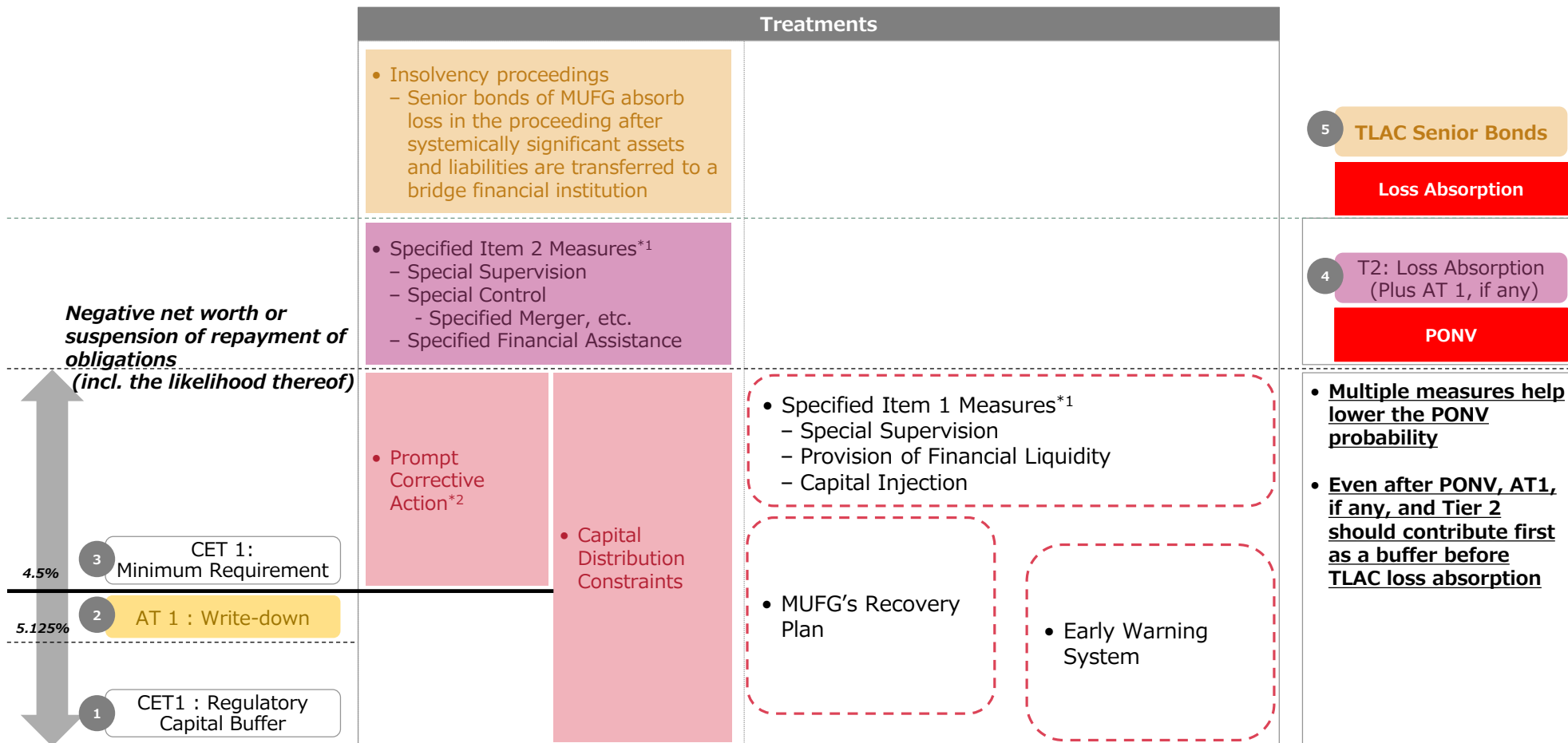
\*1 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, Counter-cyclical Buffer: ranging from 0% to 2.5% to be calculated as the weighted average of the buffers deployed across all the jurisdictions to which MUFG has credit exposures will be imposed

\*2 Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution set out in the FSB's TLAC termsheet

\*3 It is uncertain which measure is to be taken in a given case, and ordinary resolution measures may be applied without implementing any pre-emptive capital infusion

# Multiple treatments prior to loss absorption point

- In addition to the existence of capital subordinated to TLAC senior bonds, there are multiple measures that can contribute to ensure the remoteness to PONV, although these are dependent on the premise of MUFG's self-efforts such as pre-determined recoveries, etc.
- At PONV, there is Tier 2 that is subordinated to TLAC senior bonds



\*1 Implementation of Specified Item 1 and 2 measures will depend on economic conditions and the financial institution's soundness. Also, specified item 1 measures may not necessarily be applied even before specified item 2 measures

\*2 In case TLAC ratio falls below minimum requirement, Business Improvement Order may be issued



# Japanese TLAC framework

## - Precedents of capital infusions in Japan

- The Japanese government has historically had multiple precedents of prompt corrective action and pre-emptive capital infusion\*1

### Major public sector support and resolutions

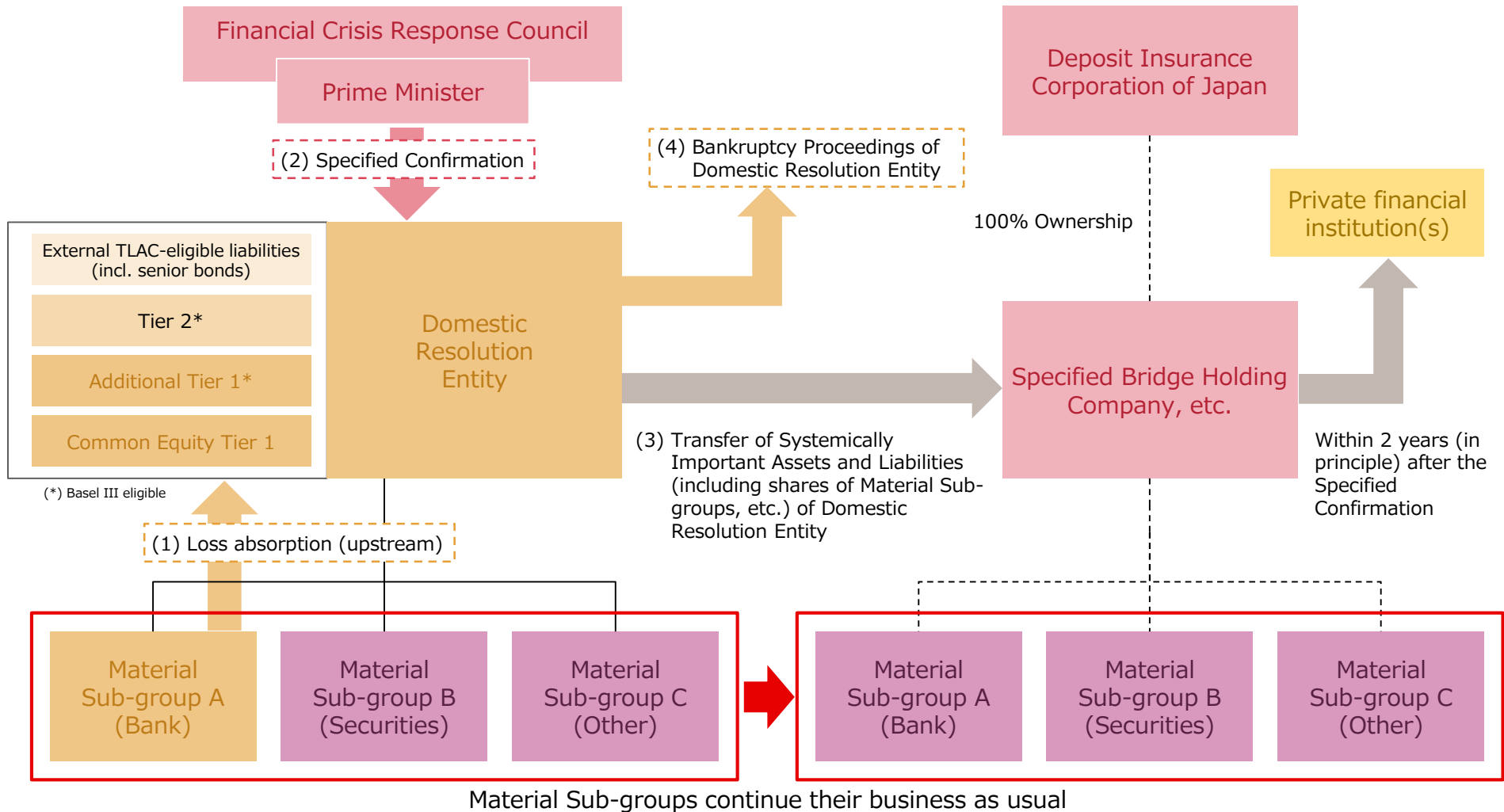
		Applicable rules	Bank	Date	Amount (¥bn)	Description
Public Sector Support	-	Article 102, Paragraph 1, Item 1 of the Deposit Insurance Act	Resona Bank	Jun 2003	296	Public funds infusion in common shares—government ownership of 50.1%
				Jun 2003	1,663	Public funds infusion in convertible preferred shares
Pre-emptive capital infusion		Act on Special Measures for Strengthening Financial Functions	Howa Bank	Mar 2014	16	Public funds infusion in convertible preferred shares
			Kirayaka Bank (Jimoto Holdings)	Dec 2012	30	Public funds infusion in convertible preferred shares
			Tohoku Bank	Sep 2012	10	Public funds infusion in convertible preferred shares
			77 Bank	Dec 2011	20	Public funds infusion in subordinated loans
			Tsukuba Bank	Sep 2011	35	Public funds infusion in convertible preferred shares
			Sendai bank (Jimoto Holdings)	Sep 2011	30	Public funds infusion in convertible preferred shares
			Miyazaki Taiyo Bank	Mar 2010	13	Public funds infusion in convertible preferred shares
			Hokuto Bank (Fidea Holdings)	Mar 2010	10	Public funds infusion in convertible preferred shares
			Kochi Bank	Dec 2009	15	Public funds infusion in convertible preferred shares
			Towa Bank	Dec 2009	35	Public funds infusion in convertible preferred shares
			Daisan Bank	Sep 2009	30	Public funds infusion in convertible preferred shares
			Kirayaka Bank (Jimoto Holdings)	Sep 2009	20	Public funds infusion in convertible preferred shares
			Michinoku Bank	Sep 2009	20	Public funds infusion in convertible preferred shares
			Minaminihon Bank	Mar 2009	15	Public funds infusion in convertible preferred shares
			Fukuho Bank	Mar 2009	6	Public funds infusion in convertible preferred shares
Hokuyo Bank	Mar 2009	100	Public funds infusion in convertible preferred shares			
Howa Bank	Dec 2006	9	Public funds infusion in convertible preferred shares			
Kiyo Holdings (Kiyo Bank)	Nov 2006	31.5	Public funds infusion in convertible preferred shares			
Resolution	Negative net worth or failed	Article 74 of the Deposit Insurance Act	Incubator Bank of Japan	Sep 2010	N.A.	First resolution in which deposit payoff rule was actually invoked
	Negative net worth or failed	Article 102, Paragraph 1, Item 2 of the Deposit Insurance Act	N.A.			
	Negative net worth and failed	Article 102, Paragraph 1, Item 3 of the Deposit Insurance Act	Ashikaga Bank	Nov 2003	N.A.	DIC acquired all shares of the bank
	-	Act on Emergency Measures for the Revitalization of the Financial Functions	Nippon Credit Bank Long-term Credit Bank	Dec 1998 Dec 1998	3.6tn 3.2tn	Purchases the shares, unsuitable assets using special financial assistance, compensation for losses and purchase of shares, capital injection etc.

\*1 It is uncertain which measure is to be taken in a given case, and ordinary resolution measures may be applied without implementing any pre-emptive capital infusion

# Japanese TLAC framework

## - A model of procedures of orderly resolution under the SPE strategy for Covered SIBs\*1

- The below is based on a possible model of Covered SIBs resolution under the SPE approach\*2 as stated in the FSA's explanatory paper outlining its approach to introduction of the TLAC framework in Japan



\*1 Covered SIBs : (i) Japanese G-SIBs and (ii) a domestic systemically important bank ("Japanese D-SIB") that is deemed to be in particular need for a cross-border resolution arrangement and of particular systemic significance to the Japanese financial system if it fails

\*2 Single Point of Entry approach : to resolve a financial group at the level of its ultimate parent, rather than the operating companies at subsidiary level in financial difficulty, by the single national financial authority

# Japanese TLAC framework

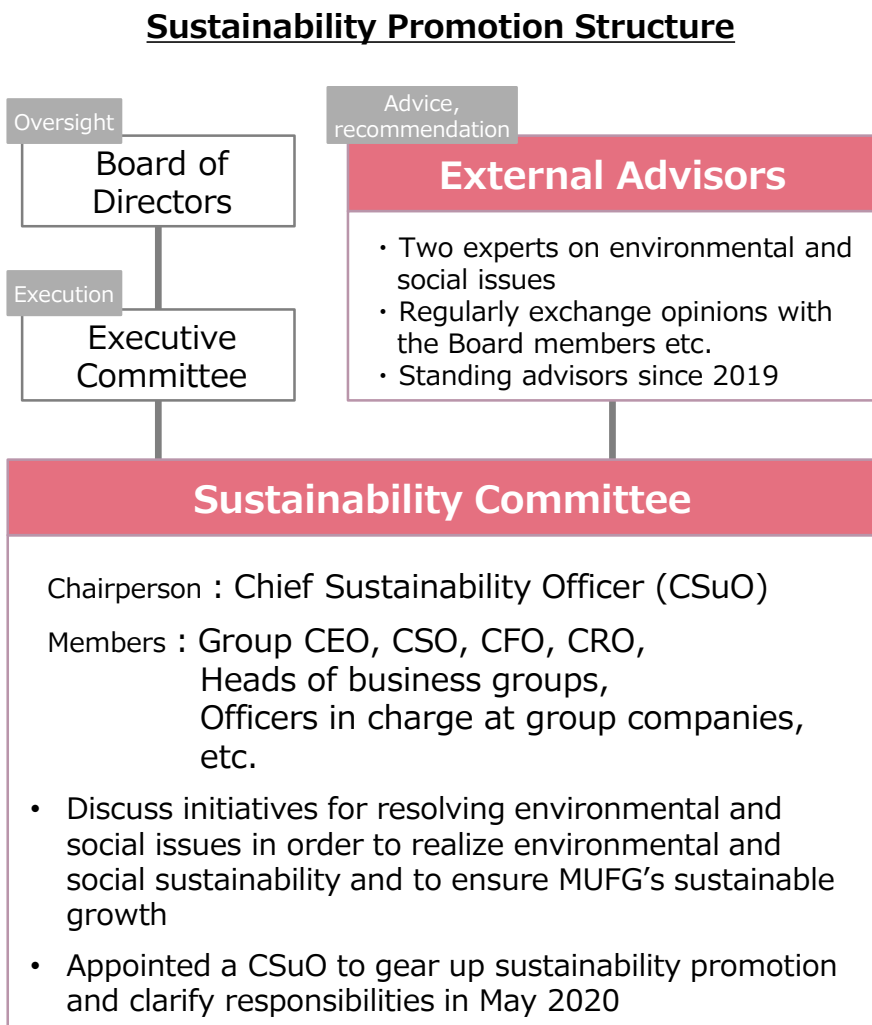
## - Requirements for external TLAC-Eligible Debt (Summary)

- Relevant obligations must be issued by a holding company designated as the Domestic Resolution Entity by the FSA;
  - There is no requirement for contractual loss absorption provisions as Japanese law provides for statutory loss absorption through bankruptcy proceedings
- Relevant obligations must be paid-in, unsecured and have a tenor of at least one year;
- Relevant obligations must not be subject to set-off or netting rights at the time of a PONV;
- Relevant obligations must not be redeemable by the holder prior to maturity, other than when redeemed at the option of the holder no less than one year after issuance;
- Relevant obligations must not be redeemable prior to maturity, other than when redeemed at the option of the issuer, in general, no less than one year after issuance, and with the FSA's prior confirmation;
- Relevant obligations must be subordinated (including by way of structural subordination only where the amount of excluded liabilities of the issuer ranking pari passu or junior to the issuer's unsecured senior liabilities does not exceed 5% of the issuer's external TLAC)

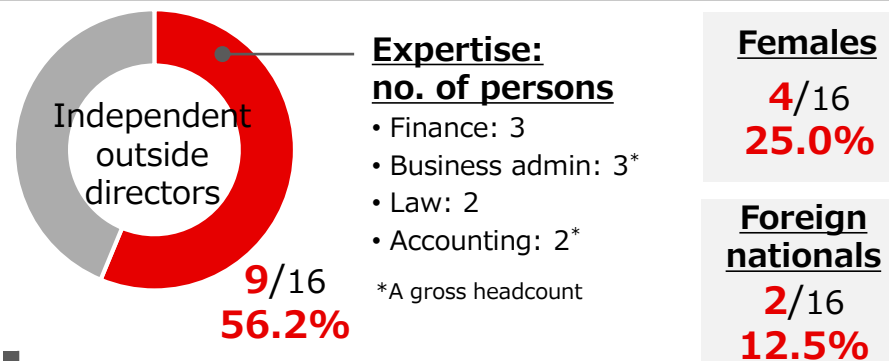
# Governance

- Measures designed to strengthen sustainability promotion structure to further deepen ESG initiatives

## Appointment of CSuO and external advisors

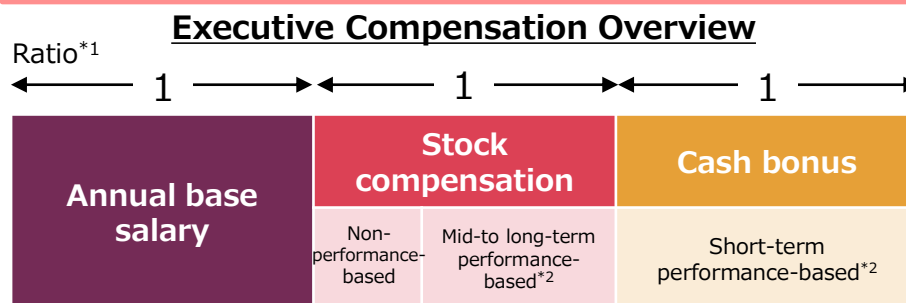


## Well-balanced Board Structure



## Revised KPI of executive compensation

**Newly add ESG evaluation in MTBP achievement evaluation \*3**



## MTBP achievement evaluation \*3

- Consolidated ROE
- Consolidated amount of expense reduction,**
- Improvement of external ESG evaluation** New

\*1 In the case of Group CEO of MUFG

\*2 Range: 0-150%

\*3 Rate of attainment of targets of the indicators in the MTBP (Medium-term Business Plan). Effective from May 2021

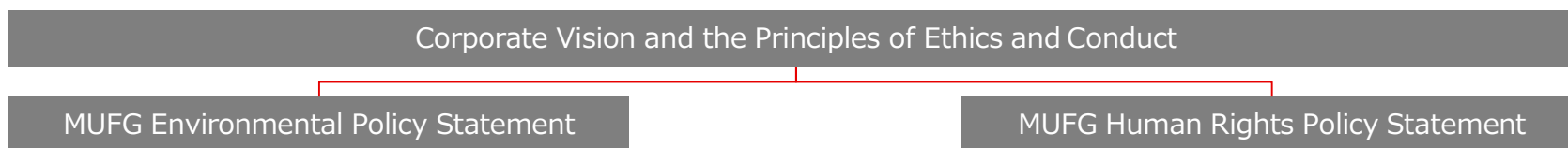
# Promote initiatives to counter climate change - TCFD

- Governance**
- Build a system for the Board of Directors to oversee climate change initiatives
    - The revision of “MUFG Environmental Policy Statement” was approved by the Board of Directors
  - Deliberate regularly at “Sustainability Committee” chaired by Chief Sustainability Officer
  - Reflect ESG elements in its executive compensation
  - Establish external advisors in the environmental and social fields
- 
- Strategy**
- Actively support financing for transition and strengthen engagement with customers
  - Support renewable energy, hydrogen, next-generation energy, etc.
  - Launch Renewable Energy Fund : ¥100bn, work on carbon offsets (afforestation, etc.)
  - Consider reflection of climate change risk into credit process
  - Enhancement of scenario analysis (2020 to 2050) : Consider expanding the scope of sectors subject to scenario analysis and utilizing NGFS\*1 scenario
    - Estimated transition risks (credit costs for energy and utility sectors): approx. ¥1bn to ¥9bn/year,
    - Estimated physical risks (credit costs expected through FY50 from flooding): cumulative total approx. ¥38bn
- 
- Risk management**
- Recognize the risks arising from climate change as one of the Top Risks
  - Consider environment and society by managing “MUFG Environmental and Social Policy Framework”
    - Revised coal-fire power generation, forestry, palm oil sectors
  - Conduct due diligence based on the Equator Principles
- 
- Metrics and targets**
- Set target of GHG (Greenhouse Gas) emissions in its finance portfolio: net zero by 2050
  - Set target of GHG emissions in its own operations: net zero by 2030
    - Aim to shift to 100% renewable energy for procured electricity of domestic offices and branches of the Bank, the Trust Bank, and the Securities HD by the end of FY21
  - Raised sustainable finance goal: ¥20tn (incl. ¥8tn for environment) to ¥35tn (incl. ¥18tn for same)
  - Set CO2 reduction target in renewable energy project financing\*2: 70million t-CO2 (cumulative total from FY19 to FY30)
  - Set reduction target for balance of project financing to coal fired power generation project\*3: 50% from FY19 by FY30 and zero targeting by FY40

\*1 Network for Greening the Financial System \*2 Cumulative annual CO2 reduction effect from renewable projects MUFG has provided finance in each fiscal year, calculated based on the amount of electricity generated, facility utilization rate, and emission factors. The value is after taking into account the share of MUFG's loan arrangement or underwriting amount \*3 We aim to disclose the portfolio reduction target for our corporate customers whose business largely involves coal-fired power generation

# Basic Environmental and Social policies and framework

- Formulated basic policies to contribute to addressing E/S issues through business activities aiming to appropriately identify and manage risks to the environment and society associated with business activities



## MUFG Environmental and Social Policy Framework\*1

- Identify “Prohibited Transactions\*1” and “Restricted Transactions\*1”
- Declare our policy of actively financing renewable energy business, such as solar and wind power generation, to help combat climate change while supporting the adoption of advanced technologies aimed at reducing GHG emissions

### Prohibited Transactions\*1

- (1) Illegal transactions and transactions for illegal purpose, (2) Transactions which violate public order and good morals,
- (3) Transactions that negatively impact wetlands designated under the Ramsar Convention,
- (4) Transactions that negatively impact UNESCO designated World Heritage Sites,
- (5) Transactions violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)\*2,
- (6) Transactions involving the use of child labor or forced labor

### Restricted transactions\*1

Cross-sectoral items	(1) Impact on Indigenous Peoples Communities, (2) Land expropriation leading to involuntary resettlement, (3) Impact on High Conservation Value areas	
	Coal Fired Power Generation Sector	Mining Sector (Coal)
Sector specific items	Oil and Gas Sector (Oil Sands, Arctic Development)	Large Hydro Power Generation Sector
	Forestry Sector	Palm Oil Sector
	Cluster Munitions Manufacturing Sector (Prohibited)	Inhumane Weapons Sector (Prohibited)

\*1 Applied to products and services, including the extension of credit and the underwriting of bonds and stocks, for corporate clients of the Bank, the Trust Bank and the Securities HD

\*2 Taking into consideration country specific considerations

# Revision of the MUFG ES Policy Framework

– Revised three sectors of restricted transactions in FY21

## Coal-Fired Power Generation Sector

- Prohibit financing to expansion of existing facilities. Stipulate consideration on individual basis from a more restrictive perspective
  - MUFG will not provide financing to new coal fired power generation projects or expansion of existing facilities. However, coal-fired power generations equipped with CCUS\*1, mixed combustion, and other technologies necessary to achieve the Paris Agreement target may be considered on an individual basis.

## Forestry Sector

- Newly add that we will confirm no illegal logging or deforestation in areas of high conservation value is taking place

## Palm Oil Sector

- Newly add that we will request our clients to publicly commit to NDPE (No Deforestation, No Peat and No Exploitation), or to provide us with action plans to accomplish this if such commitment has not yet been made

\*1 CCUS: Carbon dioxide Capture, Utilization and Storage

# MUFG's Green, Social, and Sustainability Bond Framework

<b>Use of Proceeds</b>	<ul style="list-style-type: none"><li>• An amount equivalent to the net proceeds will be allocated to finance / refinance:<ul style="list-style-type: none"><li>– Eligible Green Projects: green building, renewable energy</li><li>– Eligible Social Projects: healthcare, education, employment generation and preservation, affordable housing</li></ul></li><li>• Look back period: 24 months*<sup>1</sup> for Eligible Green Projects and 36 months for Eligible Social Projects</li></ul>
<b>Project Evaluation and Selection</b>	<ul style="list-style-type: none"><li>• Each responsible division of the Bank or MUFG selects Eligible Projects based on the criteria</li><li>• MUFG's Office of the CFO, Financial Planning Division makes a final decision on the selection</li></ul>
<b>Management of Proceeds</b>	<ul style="list-style-type: none"><li>• Net proceeds managed on a portfolio basis</li></ul>
<b>Reporting</b>	<ul style="list-style-type: none"><li>• Allocation reporting: At least annually until full allocation and in a timely manner in case of material developments<ul style="list-style-type: none"><li>– Assertions by management and a review by Sustainalytics: Until full allocation</li></ul></li><li>• Impact reporting: Annually, where feasible, containing impact metrics, reflecting the share of the relevant Eligible Projects financed by the Bank</li></ul>
<b>External Reviewer</b>	<ul style="list-style-type: none"><li>• Sustainalytics</li></ul>

“Sustainalytics believes that MUFG is well positioned to mitigate potential environmental and social risks associated with the projects funded by the green, social, and sustainability bonds”

(Source) Sustainalytics: Second Party Opinion, May 13, 2020

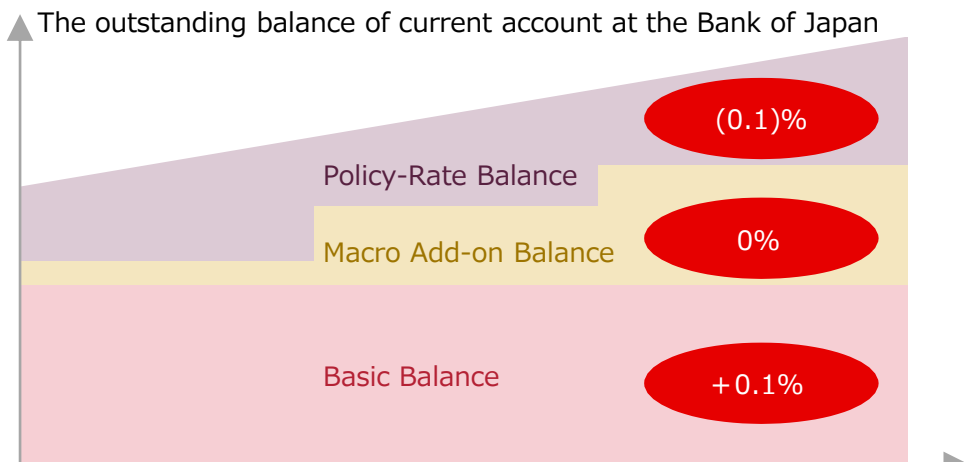
\*1 With regards to eligible green building projects, certain certification must be received during the look back period except that DBJ Green Building Certification may be received during 1 year prior to the look back period



# Economic environment in Japan

## - BoJ's quantitative and qualitative monetary easing (QQE)

### QQE with a Negative Interest Rate (January 2016)



- Three-tier system:
  - Apply a positive interest rate, a zero interest rate, or a negative interest rate to three tiers

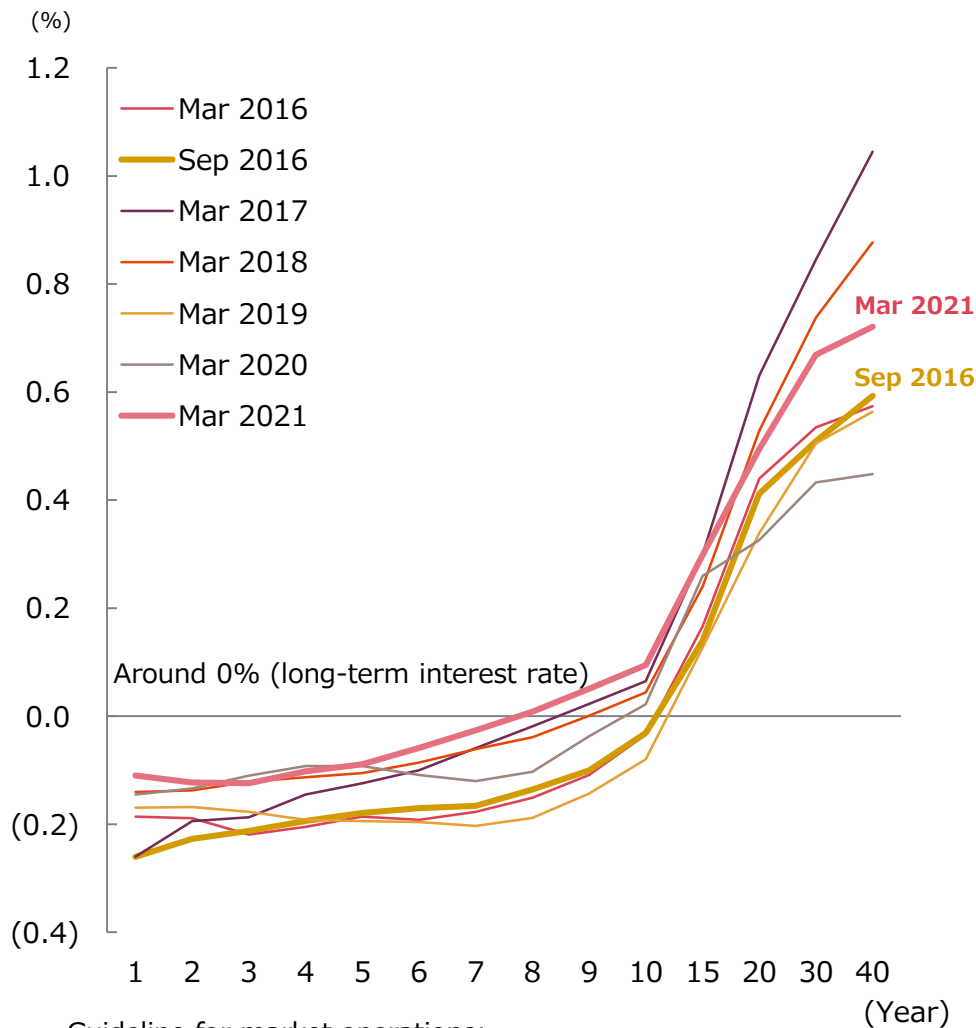
(Source) The Bank of Japan

### Introducing forward guidance for policy rates (July 2018, October 2019, April 2020, and March 2021)

- Forward guidance for policy rates
  - The Bank of Japan expects short- and long-term interest rates to remain at their present or lower levels as long as it is necessary to pay close attention to the possibility that the momentum toward achieving the price stability target will be lost
- Yield curve control
  - While maintaining the minus 0.1% target for Policy-Rate Balances and an around 0% target for 10-year Japanese government bond yields, the Bank of Japan stated that yields may move upward and downward to some extent. In April 2020, in response to the impact of the domestic and global spread of the novel coronavirus, the Bank of Japan announced measures to further enhance monetary easing including further active purchases of Japanese government bonds, etc. In March 2021, the Bank of Japan decided to continue with the current monetary easing in a sustainable manner

(Source) The Bank of Japan

### QQE with Yield Curve Control (September 2016)



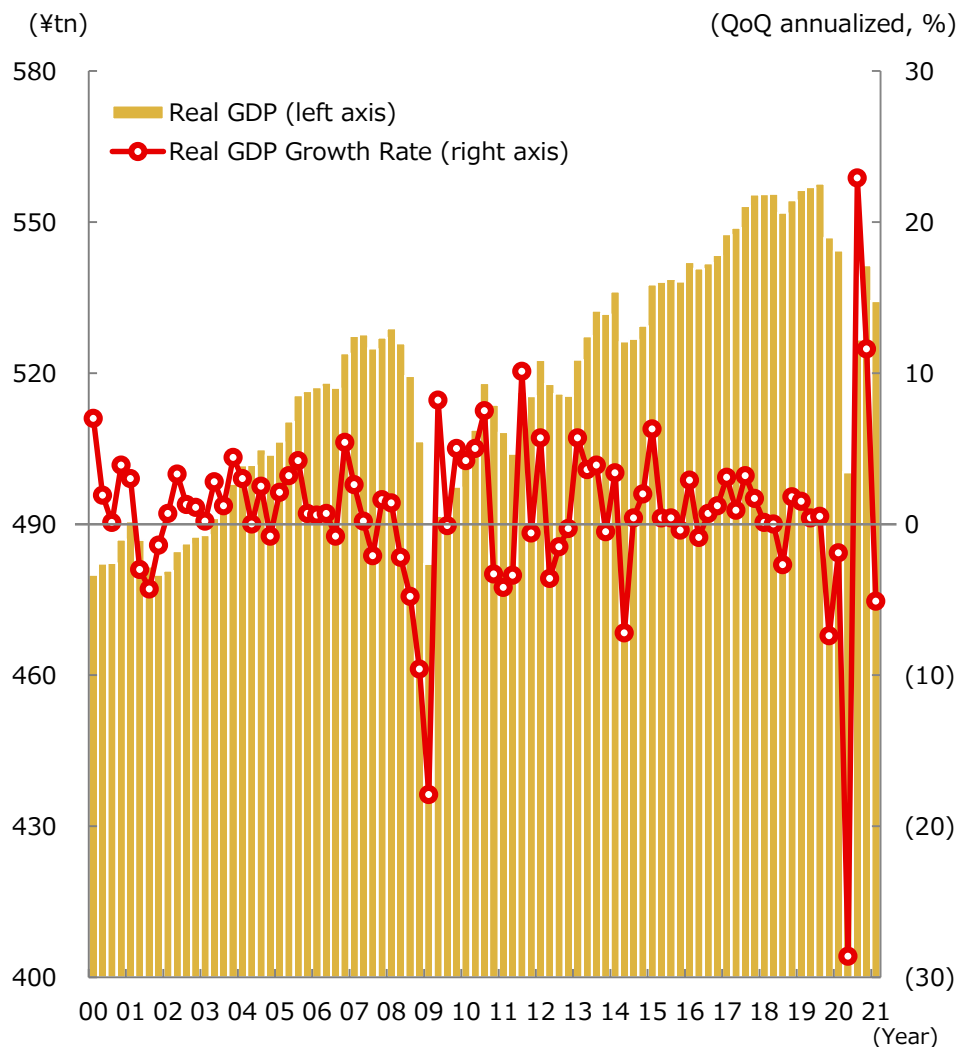
- Guideline for market operations:
  - Remain around zero percent (10-year JGB yields)

(Source) Bloomberg

# Economic environment in Japan

## - Economic environment in Japan (1)

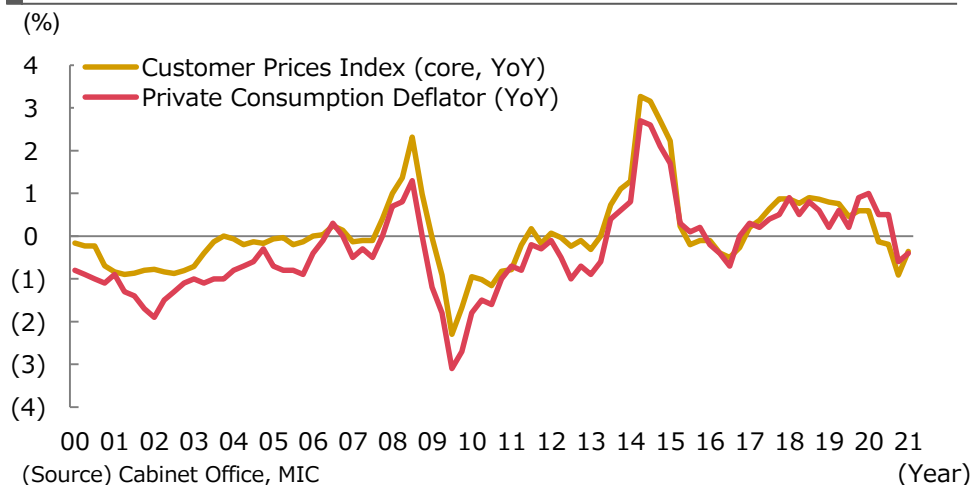
### Real GDP



### Unemployment rate and corporate bankruptcies



### Customer prices and private consumption deflator

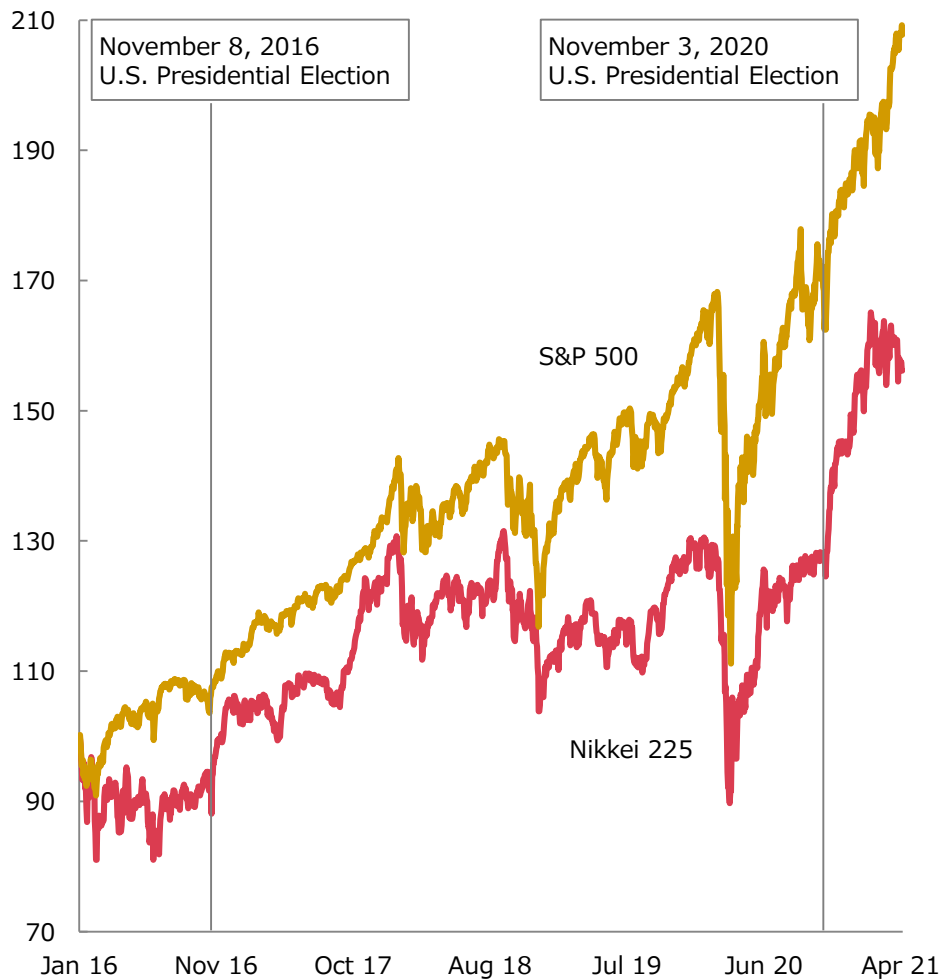


# Economic environment in Japan

## - Economic environment in Japan (2)

### Equity

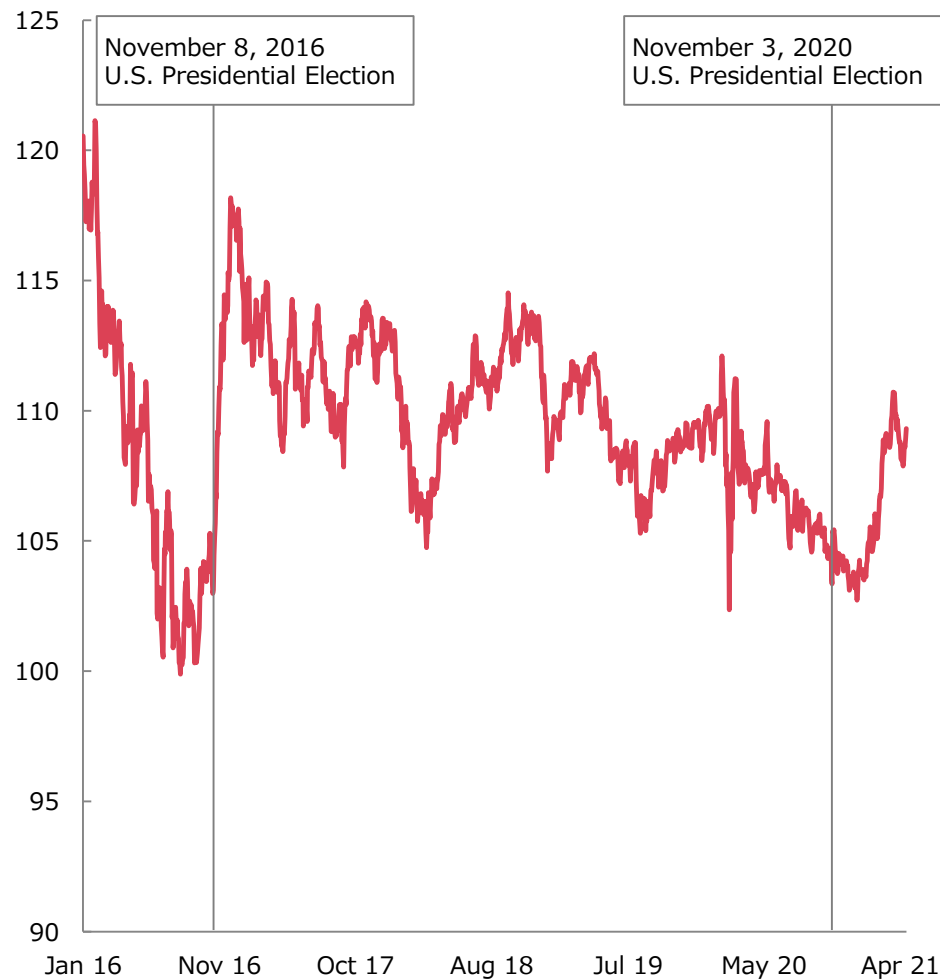
100 = Value on January 4, 2016



(Source) Bloomberg

### FX

(US\$/¥)



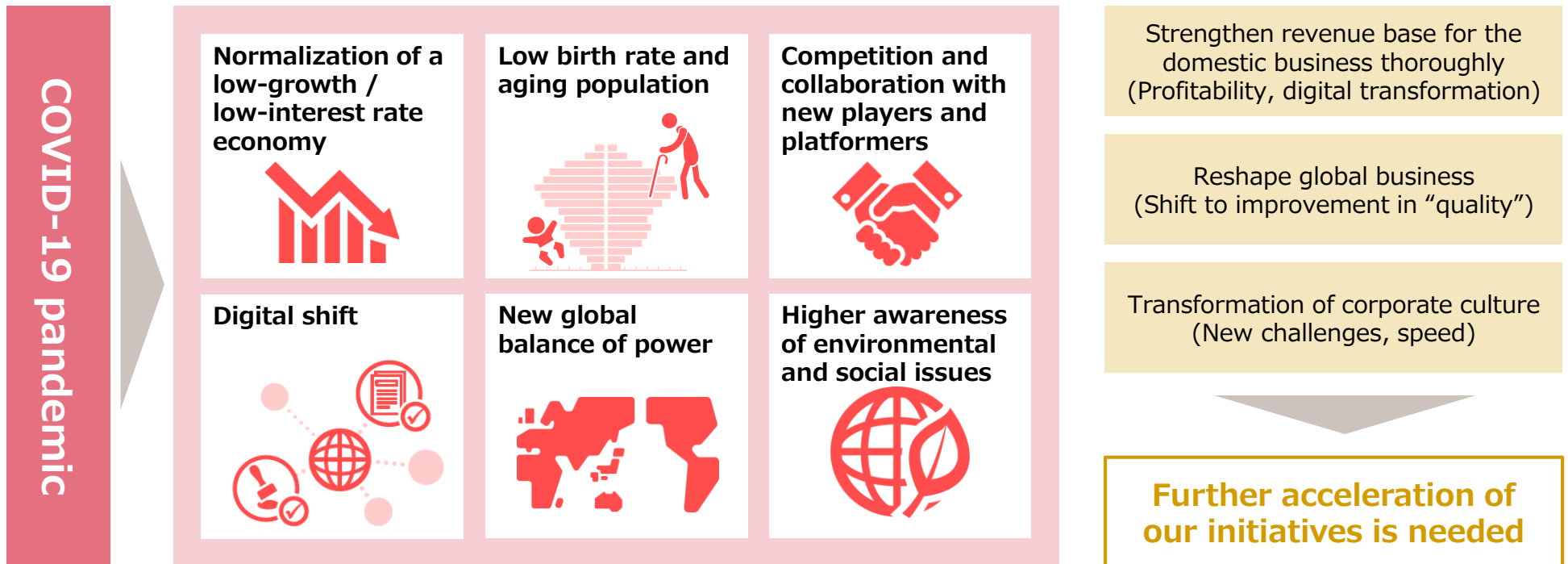
(Source) Bloomberg

# Business environment and challenges

- We must accelerate and step up initiatives under its MUFG Re-Imagining Strategy, as ongoing societal trends surrounding it are suddenly picking up speed

Business environment: Changes at unprecedented speed

Challenges



**With banks currently facing urgent calls to revisit their raison d'être, MUFG has redefined its own and publicized its “Purpose”**

# Newly defined purpose, establishment of the MUFG Way

- We have defined our purpose: “Committed to empowering a brighter future.”

## Main idea

~All of our stakeholders are overcoming challenges to find a way to the next stage, toward sustainable growth. We at MUFG will make every effort to help realize these goals. This will be our unchanging purpose now, and into the future.

**Committed to empowering a brighter future.**



The age of living is beyond 100. What shall we do next?



We will be there when you take your next step in life.

## MUFG Way

### **Purpose**

**Committed to empowering a brighter future.**

### Values

1. Integrity and Responsibility
2. Professionalism and Teamwork
3. Challenge Ourselves to Grow

### Vision

Be the world's most trusted financial group

The Purpose is the starting point for all of our business activities. It gives us direction and driving force to the promotion of strategies including medium-term business plan

# New medium-term business plan – Key strategies

- Position “Corporate transformation,” “Strategy for growth” and “Structural reforms” as the three strategies to achieve our goal in three years

## I. Corporate transformation

- Change our way of operations and executions -

- Digital transformation
- Contribution to address environmental and social issues
- Transformation of corporate culture  
(a culture that values speed & new challenges)

## II. Strategy for growth

- Strengthen profitability -

- Wealth management
- Approach of proposing solutions to customer’s issues
- Asia businesses
- GCIB & Global Markets
- Global AM / IS

## III. Structural reforms

- Ensure business resilience -

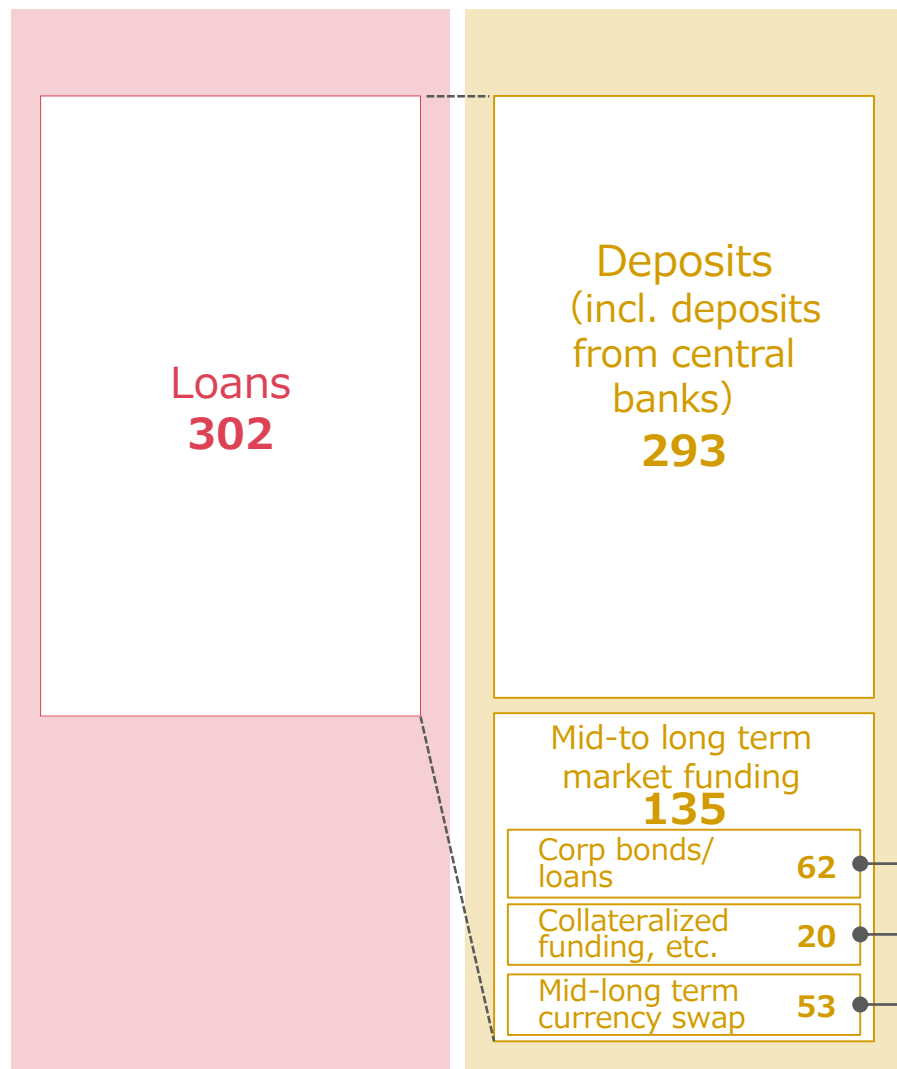
- Cost and RWA control
- Transformation of platforms and our business infrastructure
- Review of our business portfolios

# Non-JPY liquidity\*1

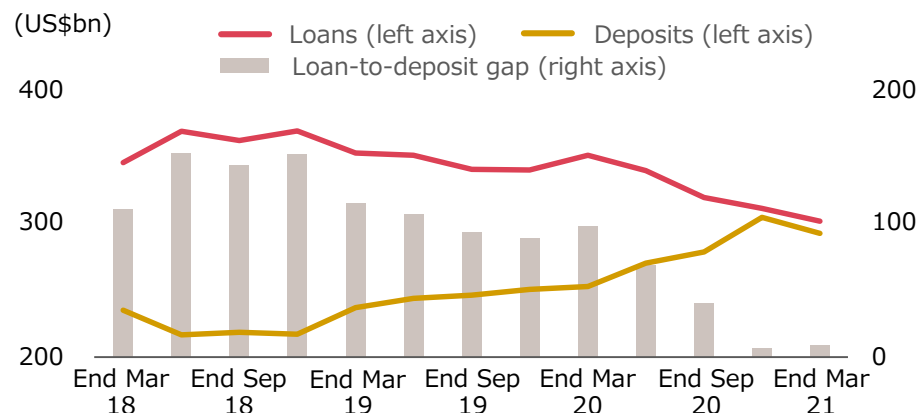
- Reduced high-cost mid-to-long term market funding with the decrease of loan-to-deposit gap

(US\$bn)

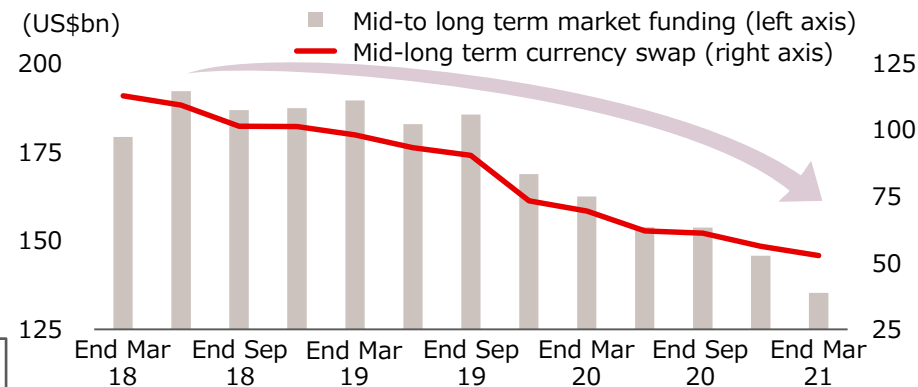
As of end Mar 2021



## Historical loan-to-deposit gap



## Historical mid-to-long term market funding



TLAC eligible senior debt etc.\*2 } Avg. tenor: approx. **7** yrs  
 Cross-currency repos\*3 (utilizing JGB) etc. }  
 Currency swaps are transacted mainly in mid-term durations } Major tenor: approx. **3-5** yrs

\*1 The Bank consolidated excl. MUAH, KS and BDI. Managerial accounting basis

\*2 Internal TLAC-eligible inter-group loans from HoldCo (MUFG) using proceeds from issuances of TLAC-eligible senior bonds by MUFG

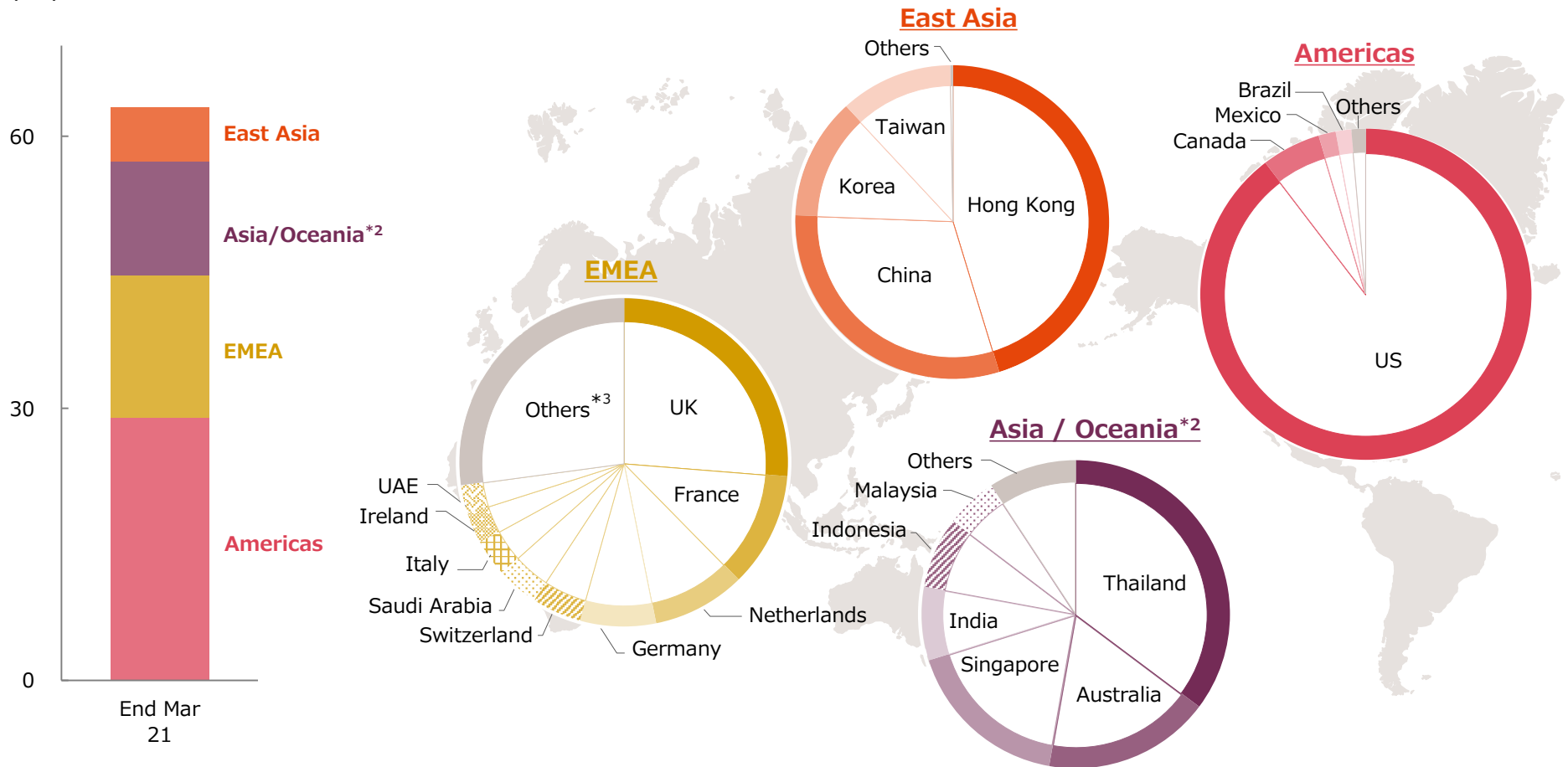
\*3 Repurchase agreement in which denominated currency is different in cash transaction and security

# Overseas corporate credit exposure

Credit exposure\*1 to overseas corporate borrowers by region

Consolidated

(¥tn)



\*1 Based on borrower's location. Including undrawn commitment, exposure in project finance etc. Excluding market risk exposure, inter-bank transactions and exposures to government agencies and central banks. Exchange rate applied is ¥110.71/US\$

\*2 Excludes BDI's exposure

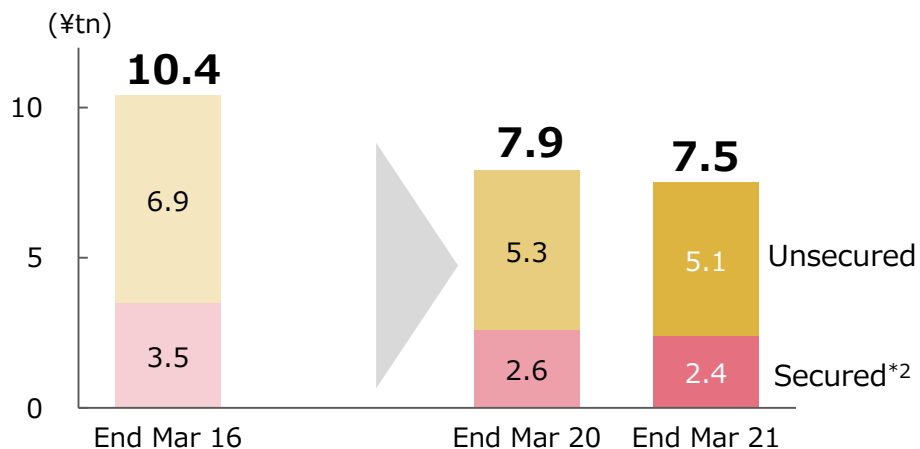
\*3 Others in EMEA are comprised of approximately 60 countries to which MUFG held less than 2.5% exposure

(Note) All figures are on managerial accounting basis



# Credit portfolio of energy and mining

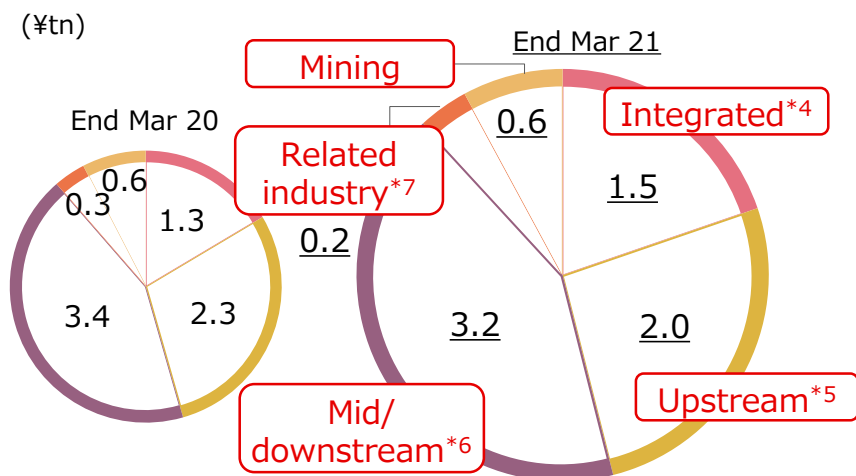
## Credit exposure\*1



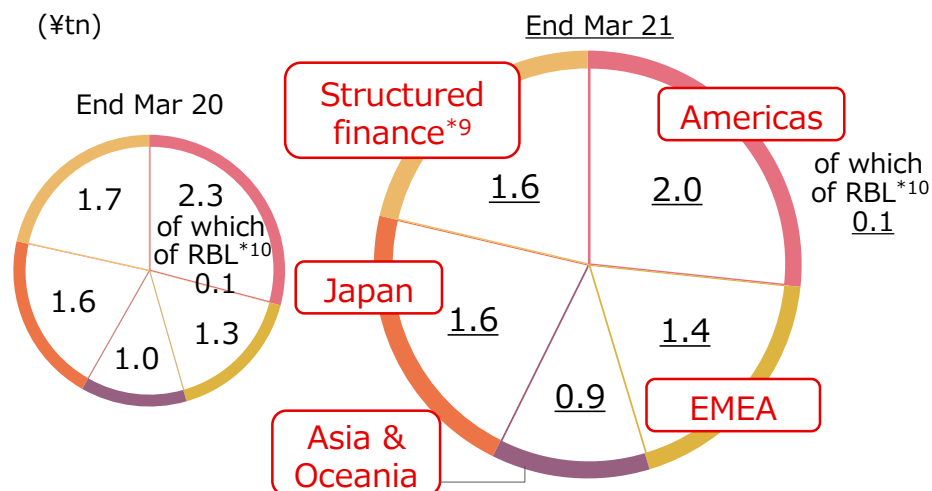
## NPLs\*3

(¥bn)	End Mar 20	End Mar 21	Changes
NPLs*3	62.1	124.1	62.0
Secured amount	45.4	92.5	47.1
Allowance	8.9	21.2	12.3
NPLs*3 (net)	7.8	10.3	2.5

## Breakdown by sub-sector\*1



## Breakdown by region\*1\*8



\*1 Including undrawn commitment and excluding market exposure and BDI's exposure

\*2 Collateralized or guaranteed

\*3 NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria

\*4 Integrated business from upstream to downstream

\*5 Exploration, development and production of oil and gas

\*6 Storage, transportation, refinement, retail

\*7 Sales of mining machine to companies among upstream industry

\*8 Based on borrower's location

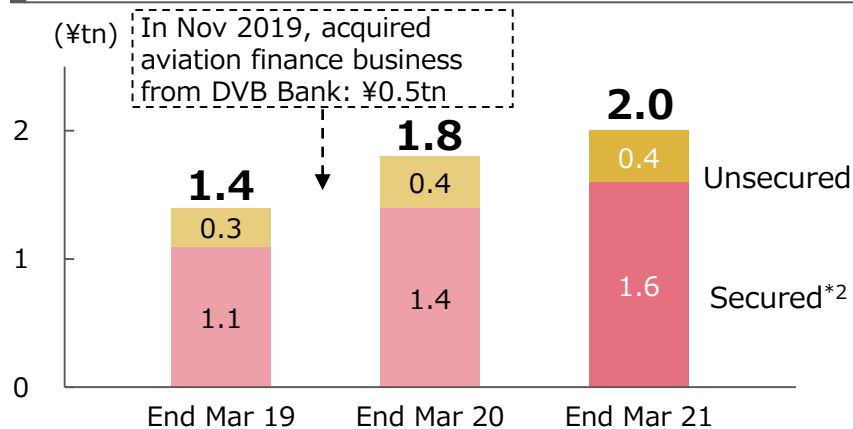
\*9 Project finance and trade finance

\*10 Reserve based lending

(Note) All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary

# Credit portfolio of air transportation (incl. aircraft finance)

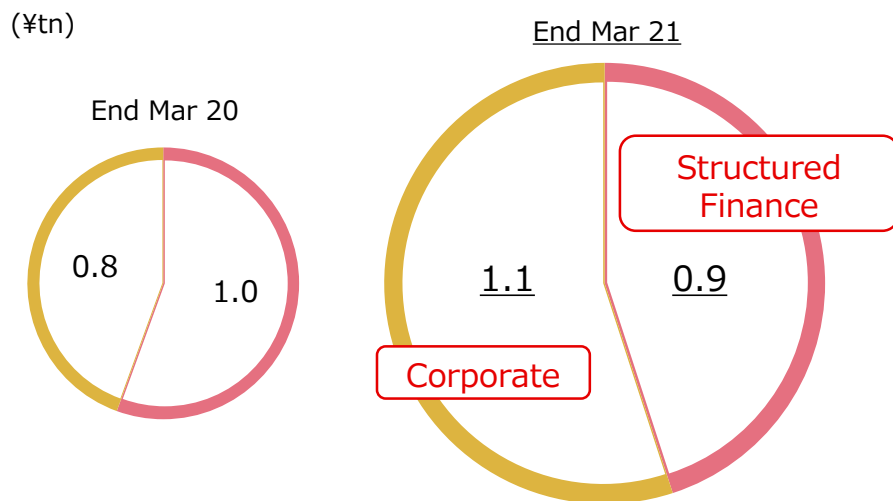
## Credit exposure\*1



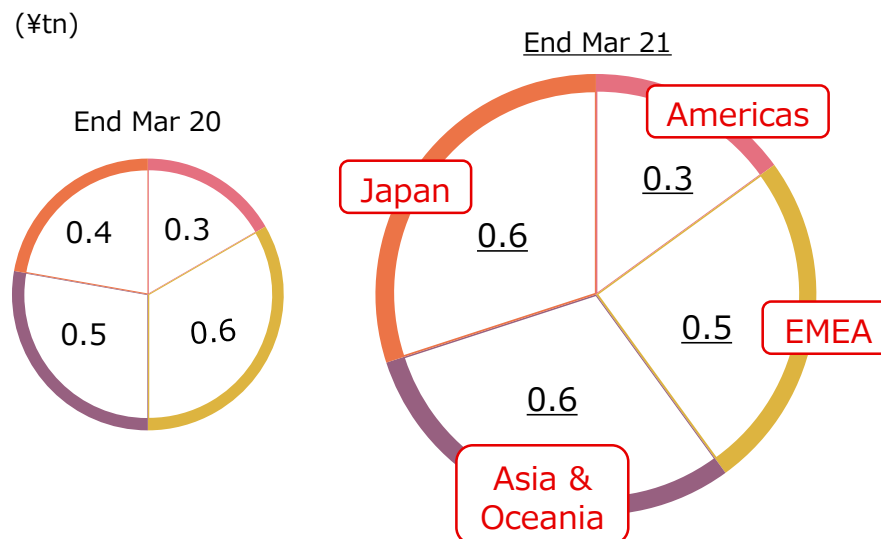
## NPLs\*3

(¥bn)	End Mar 20	End Mar 21	Changes
NPLs*3	22.5	95.4	72.9
Secured amount	19.7	56.4	36.7
Allowance	0.8	23.2	22.4
NPLs*3 (net)	2.0	15.6	13.6

## Breakdown by structure\*1



## Breakdown by region\*1\*4



\*1 Including undrawn commitment and excluding market exposure and BDI's exposure

\*2 Collateralized or guaranteed

\*3 NPLs are based on the relevant rules for risk-monitored loans under Japanese Banking Act, except for NPLs in overseas subsidiaries which are based on each subsidiary's internal criteria

\*4 Based on borrower's location

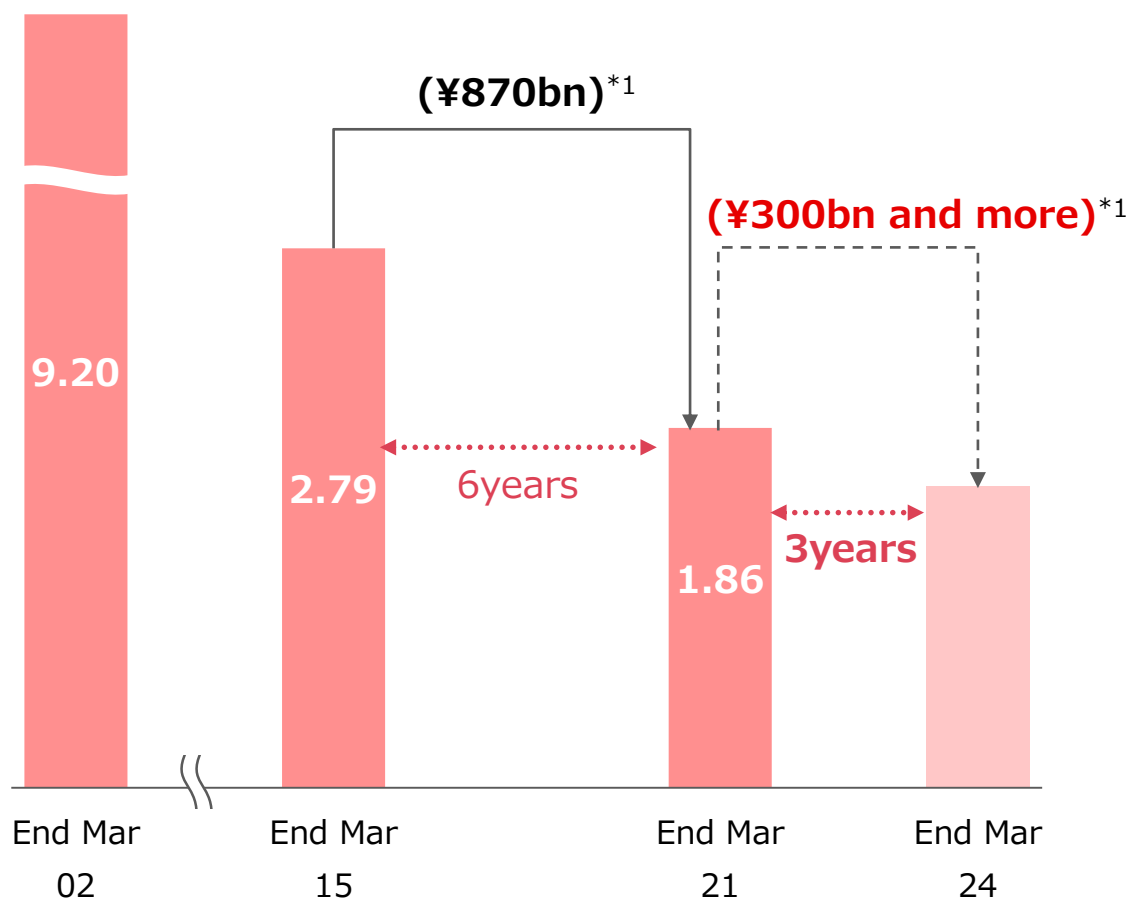
(Note) All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary

# Reduction of equity holdings

- Aim to accelerate reduction of equity holdings by ¥300bn and more\*<sup>1</sup> over the next three years

## Historical performance\*<sup>2</sup> and target

(¥tn)



## Total amount of sale\*<sup>1</sup>

(¥bn)	Amount of sale	Acquisition cost basis	Net gains (losses)
FY15	211	117	94
FY16	267	149	118
FY17	318	201	117
FY18	242	127	115
FY19	240	139	101
<b>FY20</b>	<b>267</b>	<b>137</b>	<b>130</b>
<b>Total</b>	<b>1,545</b>	<b>870</b>	<b>675</b>

\*1 Sum of the Bank and the Trust Bank. Total amount of sale on an acquisition cost basis

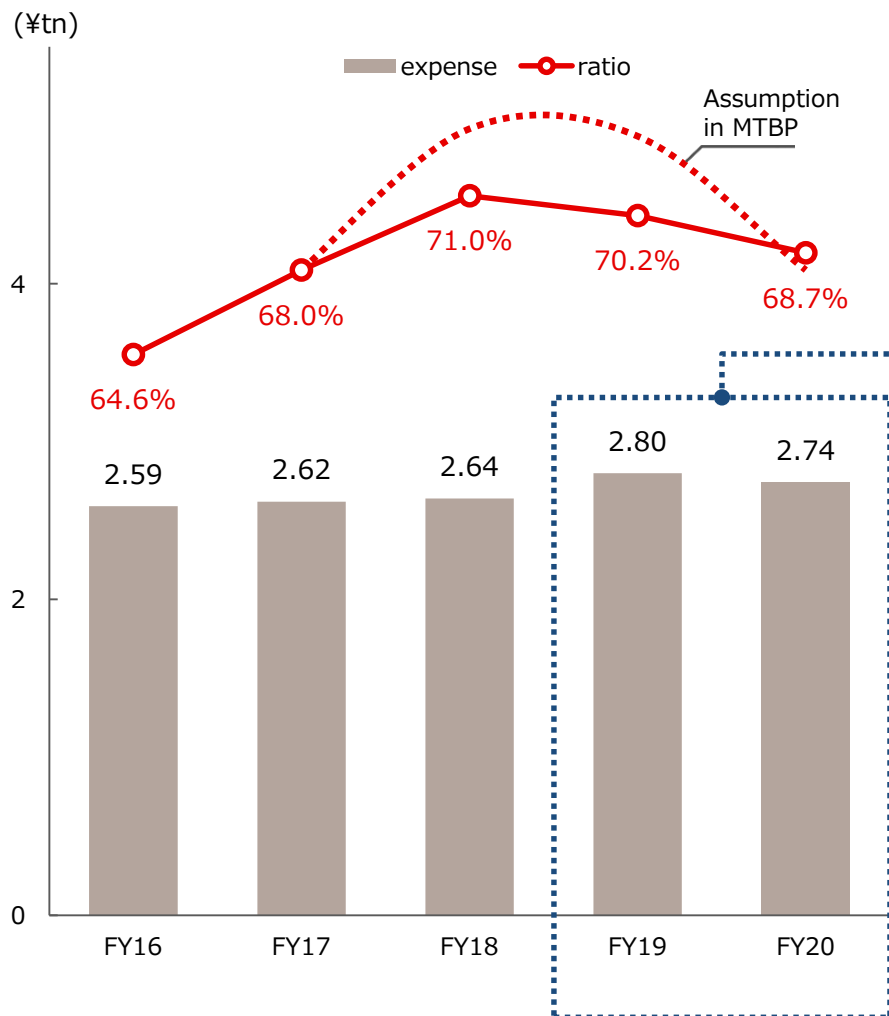
\*2 Acquisition price of domestic equity securities with the category "other securities" with market value (consolidated)

# Expenses

- FY20 expenses decreased by ¥52.3bn YoY. Expense ratio improved to 68.7% by 1.5ppt YoY

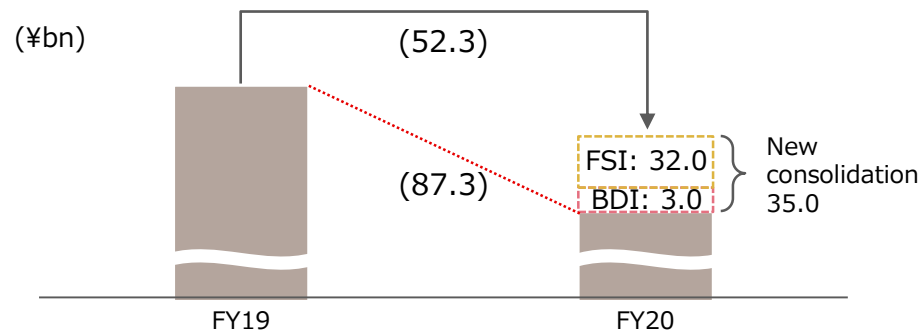
## Expense and expense ratio

Consolidated

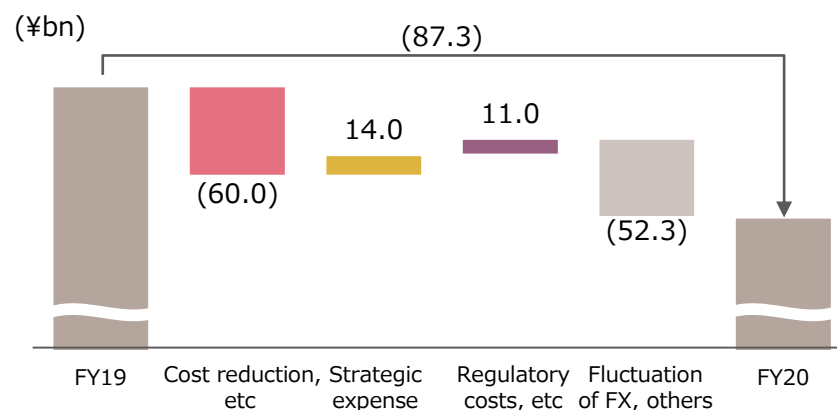


### Factor of change

Decreased ¥52.3bn YoY  
Decreased ¥87.3bn\*<sup>1</sup> excluding the impact of new consolidation



### By measures (excl. the impact of new consolidation)\*<sup>1</sup>



\*1 Internal managerial figure

# US GAAP consolidated financials - Balance sheet

## Balance sheet

(¥mm)

Assets	End Mar 20
Cash and due from banks	33,283,032
Interest-earning deposits in other banks	45,266,680
Call loans, funds sold, and receivables under resale agreements	25,164,476
Receivables under securities borrowing transactions	3,443,959
Trading account assets	47,504,058
Investment securities	43,751,242
Net loans	117,377,199
Premises and equipment	929,529
Accrued interest	308,448
Customers' acceptance liability	167,257
Intangible assets—net	1,239,526
Goodwill	517,626
Deferred tax assets	113,031
Other assets	12,687,220
<b>Total assets</b>	<b>331,753,283</b>

(¥mm)

Liabilities and shareholders' equity	End Mar 20
Total Deposits	203,954,528
Call money, funds purchased, and payables under repurchase agreements	35,518,837
Payables under securities lending transactions	1,016,874
Due to trust account and Other short-term borrowings	19,433,229
Trading account liabilities	14,767,433
Obligations to return securities received as collateral	4,806,171
Bank acceptances outstanding	167,257
Accrued interest	187,096
Long-term debt	27,926,763
Other liabilities	8,230,579
<b>Total liabilities</b>	<b>316,008,767</b>
Capital stock	2,090,270
Capital surplus	5,533,520
Retained earnings	8,319,101
Accumulated other comprehensive income, net of taxes	(420,417)
Treasury stock, at cost	(505,987)
Noncontrolling interests	728,029
<b>Total equity</b>	<b>15,744,516</b>
<b>Total liabilities and shareholders' equity</b>	<b>331,753,283</b>

# US GAAP consolidated financials - Statement of operations

## Statement of operations

(¥mm)

### Statement of Operations Data

Fiscal year ended Mar 20

Interest income	3,927,143
Interest expense	1,684,344
Net interest income	2,242,799
Provision for (reversal of) credit losses	321,713
Net interest income after provision for (reversal of) credit losses	1,921,086
Non-interest income	1,875,695
Non-interest expense	3,363,561
Income (loss) before income tax expense	433,220
Income tax expense (benefit)	114,505
Net income before attribution of noncontrolling interests	318,715
Net income (loss) attributable to noncontrolling Interests	12,760
Net income attributable to Mitsubishi UFJ Financial Group	305,955

(¥)

### Earnings (loss) per share

Fiscal year ended Mar 20

Basic earnings	
Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group	23.69
Diluted earnings	
Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group	23.47

# US GAAP consolidated financials

## - Reverse reconciliation from US GAAP to Japanese GAAP

### Reverse reconciliation of shareholders' equity and net income

(¥mm)

End Mar 20

		End Mar 20
Total equity in accordance with U.S. GAAP		
Differences arising from different accounting for:		<b>15,744,516</b>
1	Investment securities	<b>62,255</b>
2	Loans	<b>(16,108)</b>
3	Allowance for credit losses	<b>232,472</b>
4	Fixed assets	<b>355,834</b>
5	Pension liability	<b>(13,310)</b>
6	Derivative financial instruments and hedging activities	<b>285,810</b>
7	Compensated absences	<b>44,632</b>
8	Long-term debt	<b>(6,476)</b>
9	Consolidation	<b>166,290</b>
10	Goodwill	<b>196,819</b>
11	Intangible assets	<b>(8,881)</b>
12	Investments in equity method investees	<b>656,793</b>
13	Others	<b>(644,441)</b>
Deferred income tax effects of the above adjustments, when applicable		<b>(200,467)</b>
Net assets in accordance with Japanese GAAP		<b>16,855,738</b>

(¥mm)

Fiscal year  
ended Mar 20

		Fiscal year ended Mar 20
Net Income before attribution of noncontrolling interests in accordance with U.S. GAAP		<b>318,715</b>
Differences arising from different accounting for:		
1	Investment securities	<b>297,842</b>
2	Loans	<b>(1,848)</b>
3	Allowance for credit losses	<b>79,850</b>
4	Fixed assets	<b>(2,242)</b>
5	Pension liability	<b>35,077</b>
6	Derivative financial instruments and hedging activities	<b>(175,201)</b>
7	Compensated absences	<b>2,333</b>
8	Long-term debt	<b>(1,571)</b>
9	Consolidation	<b>113,623</b>
10	Goodwill	<b>(15,827)</b>
11	Intangible assets	<b>499</b>
12	Investments in equity method investees	<b>(37,634)</b>
13	Others	<b>99,845</b>
Deferred income tax effects of the above adjustments, when applicable		<b>(104,917)</b>
Net Income before attribution of noncontrolling interests in accordance with Japanese GAAP		<b>608,544</b>