

Fiscal 2021 Results Fixed Income Investors Presentation

June 2022

Mitsubishi UFJ Financial Group, Inc.



Disclaimer

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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, 2022.

Definitions of abbreviations used in this document

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

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) | | |

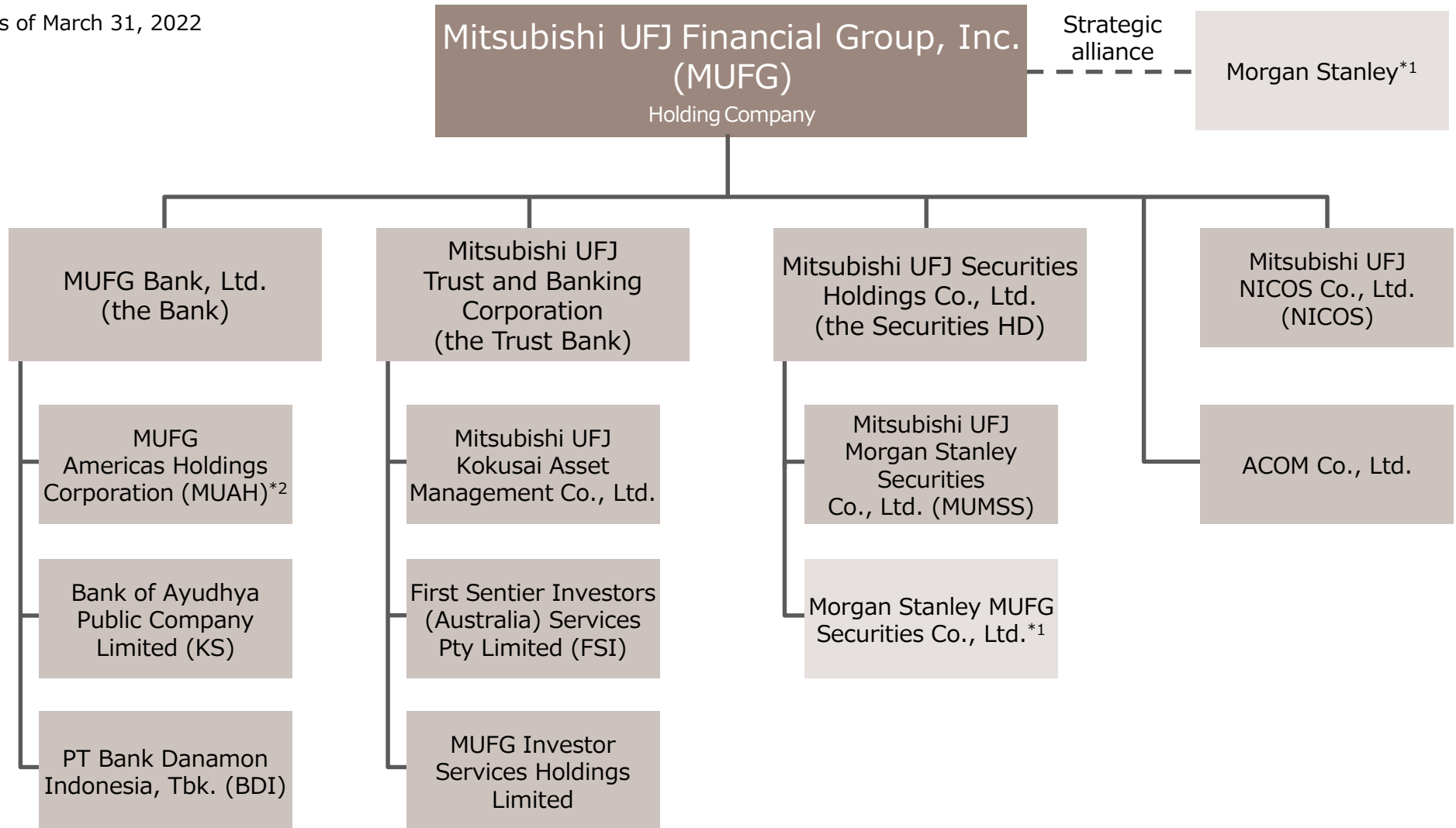
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Section 1 Overview

Group structure

As of March 31, 2022



*1 Morgan Stanley and Morgan Stanley MUFG Securities are equity method investees of MUFG as of March 31, 2022

*2 We agreed in September 2021 to sell MUB, a subsidiary of MUAH, excluding its global corporate and investment banking business and certain related business and assets and liabilities, to U.S. Bancorp, subject to certain conditions. The expected closing date has shifted to the second half of CY2022, subject to the receipt of required regulatory approvals and the satisfaction of other closing conditions

MUFG at a glance

Financials*1

Consolidated

FY2021

| | |
|---|--------------------------|
| 1 Consolidated gross profits (before credit costs for trust accounts) | ¥ 3,964.0bn / US\$32.6bn |
| 2 Profits attributable to owners of parent | ¥ 1,130.8bn / US\$9.3bn |

End Mar 2022

| | |
|------------------------------------|-------------------------|
| 3 Total assets | ¥ 373.7tn / US\$3,077bn |
| 4 Loans (banking + trust accounts) | ¥ 111.5tn / US\$918bn |
| 5 Deposits | ¥ 215.4tn / US\$1,774bn |
| 6 Market capitalization*2 | ¥ 9.5tn / US\$73bn |
| 7 Consolidated LCR*3 | 170.4% |
| 8 NPL ratio*4 | 1.18% |

Group network

(As of end March 2022)

Domestic Network:

489 locations*7

Overseas Network:

**Approx. 2,400 locations*8
across over 50 countries**

*1 Exchange rate applied is ¥121.43/US\$

*2 As of end April 2022. Exchange rate applied is ¥129.79/US\$

*3 The ratio is the three-month average of daily LCR for the three months ended March 31, 2022, 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 The calculation of the NPL ratio has been changed per amendments to the definition of risk-monitored loans under the Japanese Banking Act. Please see P.15

*5 Calculated on the basis of regulations applied at the end of March 2022

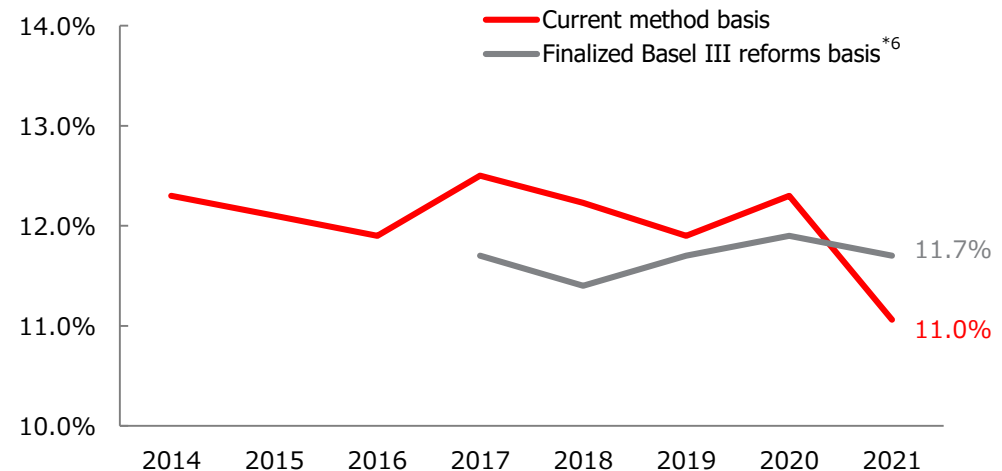
Capital

Consolidated

Common Equity Tier 1 Capital Ratio as of end March 2022 (financial strength)

11.0%

(current method basis)*5



Ratings (holding company)

(As of end April 2022)

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

*6 Estimated CET1 ratio reflecting the RWA increase calculated on the basis of the finalized Basel III reforms expected to be fully applied in 2029, according to the amended notification on capital adequacy ratio published by the FSA on April 28, 2022

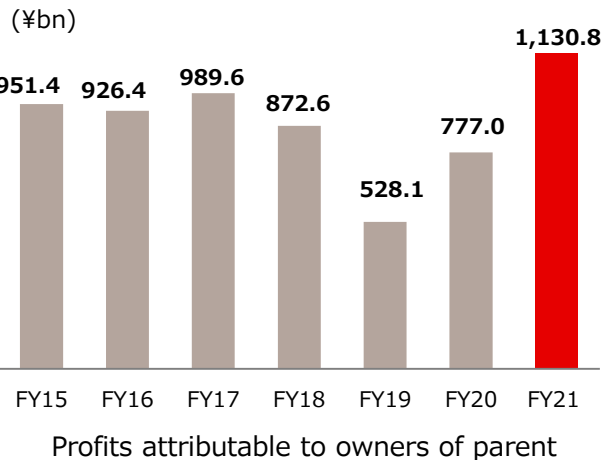
*7 A facility that houses several branches for retail clients is counted as a single location. Total of the Bank, the Trust Bank and the Securities HD

*8 Including 438 locations of Adira Finance, a subsidiary of BDI

MUFG credit highlight

Profit track record

Consolidated



Ample liquidity

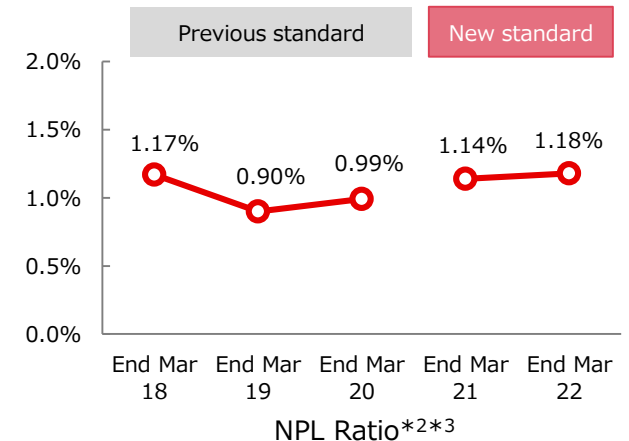
Consolidated

170.4%

Consolidated Liquidity Coverage Ratio*1
(End March 2022)

Sound asset quality

Consolidated



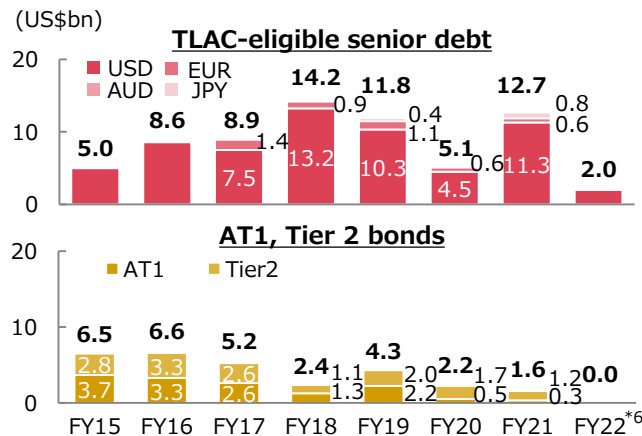
Sufficient capital

Consolidated

11.0%

CET1 capital ratio
(current method basis*4)
(End March 2022)

Issuance track record*5



Credit ratings

A1 / A- / A-

Moody's / S&P / Fitch
(End April 2022)

*1 The ratio is the three-month average of daily LCR for the three months ended March 31, 2022, 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 non-performing loans / Total loans

*3 NPL Ratio (1.14%) as of the end of March 2021 and NPL Ratio (1.18%) as of the end of March 2022 are calculated as per the amendments to the definition of risk-monitored loans under the Japanese Banking Act. Please see P.15

*4 Calculated on the basis of regulations applied at the end of March 2022 *5 Total of public issuance (excluding the amount of buyback), as of end May 2022. All figures are converted into US\$ using actual exchange rates as of end March 2022 *6 From April 1, 2022 to May 31, 2022

Section 2

Financial results

Income statement summary

| Consolidated (¥bn) | FY20 | FY21 | YoY |
|---|---------|----------------|---------|
| 1 Gross profits (before credit costs for trust accounts)*1 | 3,920.9 | 3,964.0 | 43.0 |
| 2 Net interest income | 1,905.1 | 2,043.6 | 138.5 |
| 3 Trust fees + Net fees and commissions*1 | 1,398.2 | 1,574.7 | 176.5 |
| 4 Net trading profits + Net other operating profits | 617.6 | 345.6 | (272.0) |
| 5 Net gains (losses) on debt securities | 119.0 | (140.4) | (259.5) |
| 6 G&A expenses*1 | 2,672.5 | 2,747.2 | 74.6 |
| 7 Net operating profits | 1,248.4 | 1,216.7 | (31.6) |
| 8 Total credit costs | (515.5) | (331.4) | 184.0 |
| 9 Net gains (losses) on equity securities | 130.2 | 332.6 | 202.3 |
| 10 Net gains (losses) on sales of equity securities | 138.3 | 343.8 | 205.4 |
| 11 Losses on write-down of equity securities | (8.0) | (11.1) | (3.0) |
| 12 Equity in earnings of equity method investees | 321.7 | 441.5 | 119.8 |
| 13 Other non-recurring gains (losses) | (131.3) | (121.9) | 9.4 |
| 14 Ordinary profits | 1,053.6 | 1,537.6 | 484.0 |
| 15 Net extraordinary gains (losses) | (11.5) | (47.7) | (36.2) |
| 16 Total of income taxes-current and income taxes-deferred | (185.0) | (283.4) | (98.3) |
| 17 Profits attributable to owners of parent | 777.0 | 1,130.8 | 353.8 |
| 18 EPS (¥) | 60.50 | 88.45 | 27.95 |

1 Gross profits

- Net interest income increased due to improvement of overseas and domestic corporate lending spread as well as profits from investment trust cancellation.
- Trust fees and net fees and commissions increased mainly due to investment product sales at domestic subsidiaries, and fees and commissions at FSI and overseas.
- Despite the decrease in net gains on debt securities due to the recording of losses on sales of foreign bonds during the fourth quarter when interest rates in U.S. rose, gross profits increased ¥43.0bn YoY.

2 G&A expenses / Expense Ratio

- G&A expenses excluding the impact of FX translation*2 decreased.
- Expense ratio rose to 69.3%

3 Total credit costs*3

- Despite recording an allowance related to Russia, total credit costs decreased mainly due to reversal of allowance reflecting an improvement of economic environment outlook in U.S. and reversal of allowance for credit losses etc. associated with the decision to sell all shares of MUB.

4 Profits attributable to owners of parent

- Profits attributable to owners of parent increased by ¥353.8bn to ¥1,130.8bn due to an increase of ¥202.3bn in net gains on equity securities reflecting steady stock markets as well as ¥119.8bn equity in earnings of equity method investees, mainly from Morgan Stanley, resulting in the highest profits in MUFG history.

*1 From FY21, expenses related to credit cards, which were previously recorded as G&A expenses, are recorded as fees and commissions expenses. The amount of retroactive adjustment in FY20 was ¥76.9bn *2 Impact of FX translation was approximately +¥91.0bn

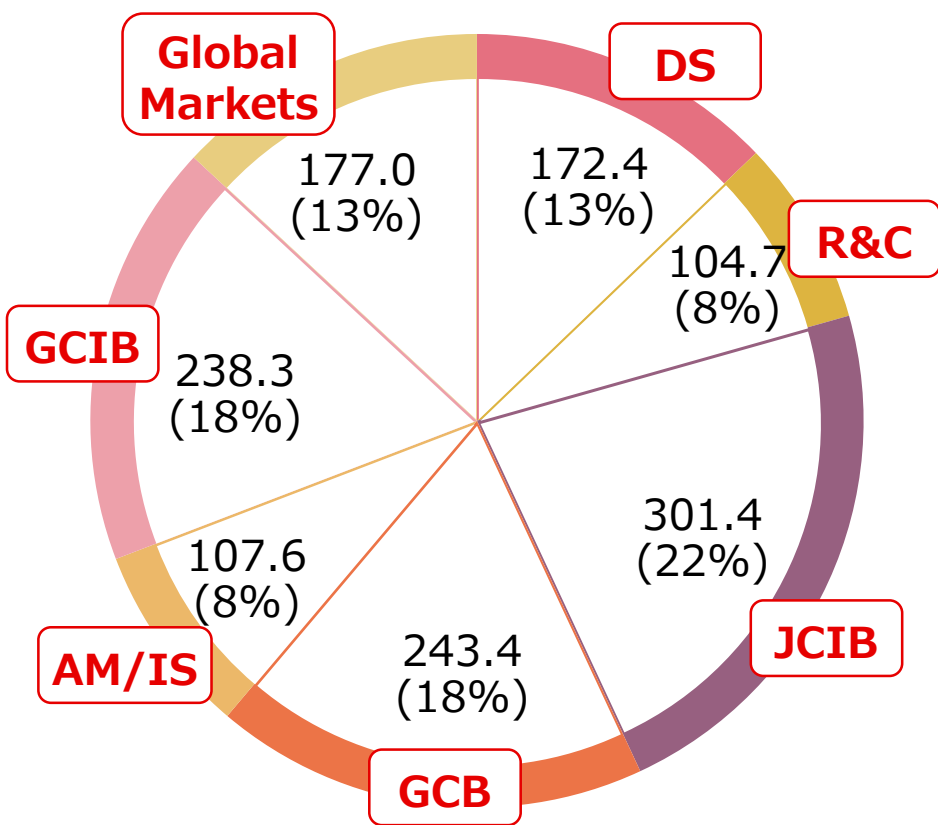
*3 Reversal of allowance for credit losses (approx. ¥60.0bn) on the assets held for sale in connection with the decision to sell all shares of MUB (which was included in the amount of gains on such sale expected to be recorded in FY22 that we described in the press release, dated September 21, 2021) was recorded in FY21

Net operating profits results by business group

Net operating profits by business group*1 Consolidated

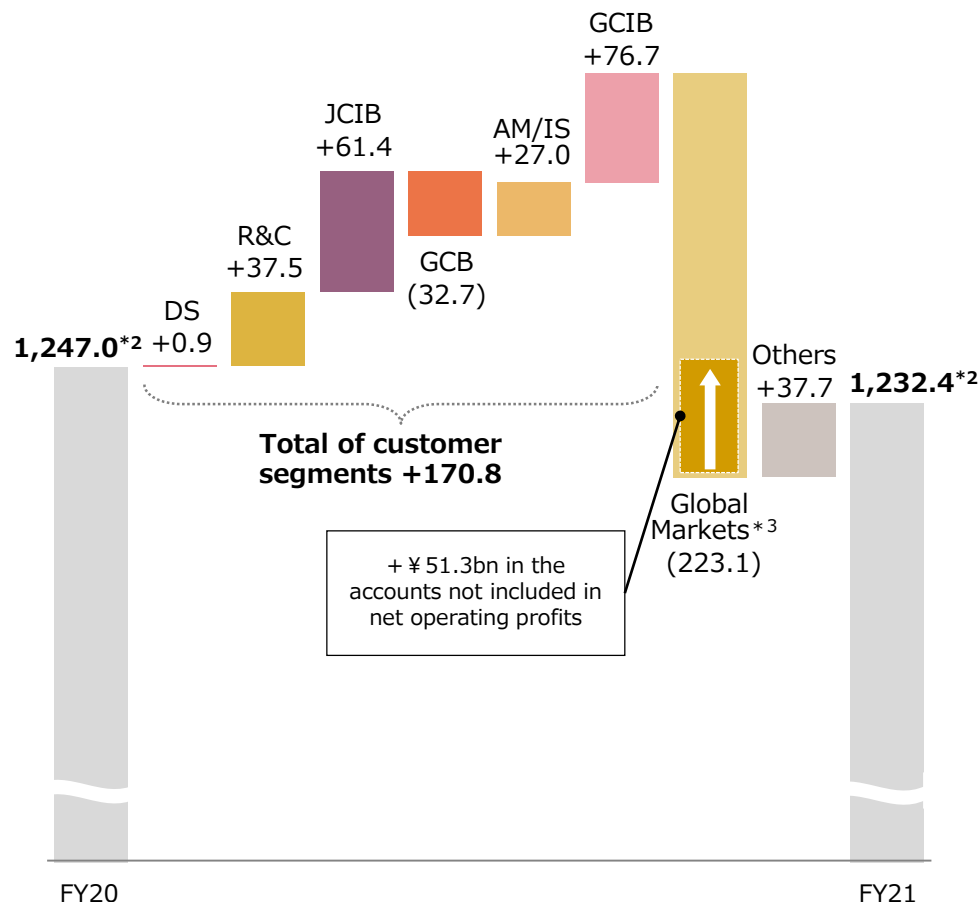
(¥bn)

FY21 ¥1,232.4bn*2



Changes by business group Consolidated

(¥bn)



*1 On a managerial accounting basis

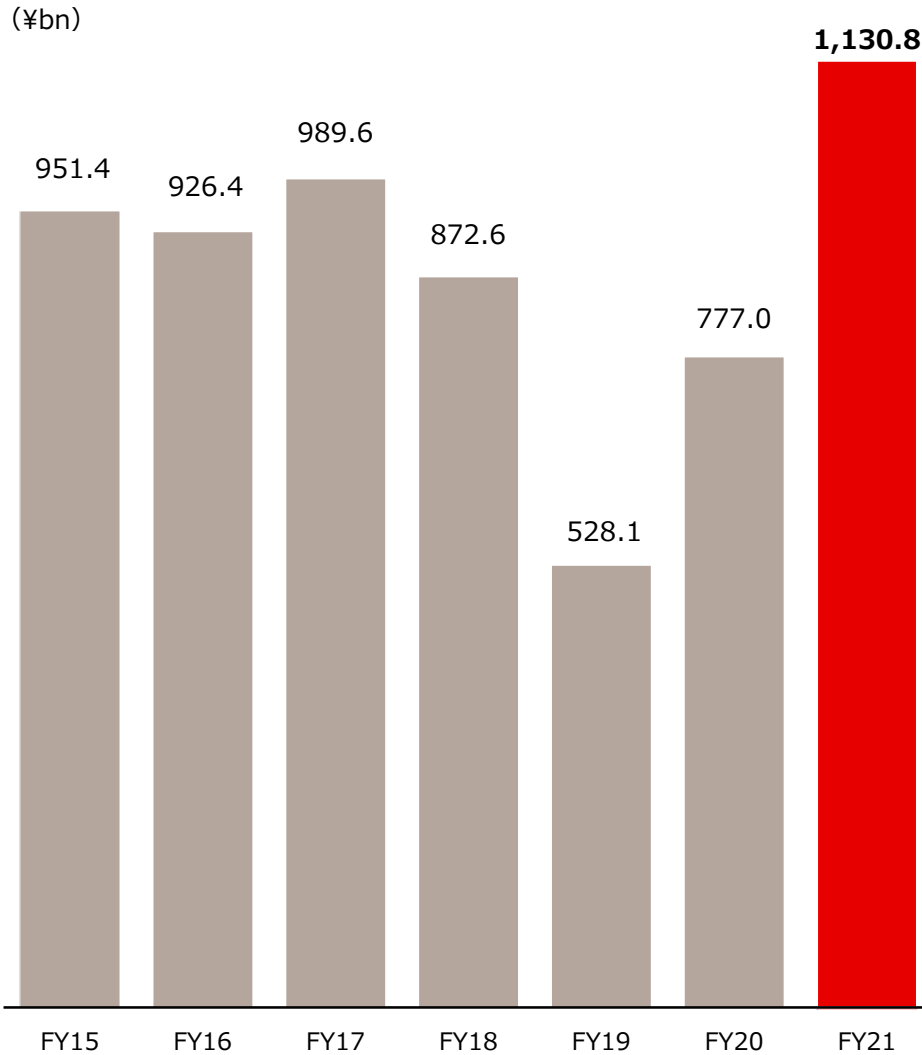
*2 Includes net operating profits (losses) from "Others" segment (FY20: ¥(150.1)bn, FY21: ¥(112.4)bn)

*3 Decrease was primarily due to the absence of net gains on debt securities recorded in FY20. Global Markets business group manages profits including accounts such as net gains (losses) on equity securities which are not included in net operating profits. The YoY change for those accounts was +¥51.3bn

Outline of profits attributable to owners of parent

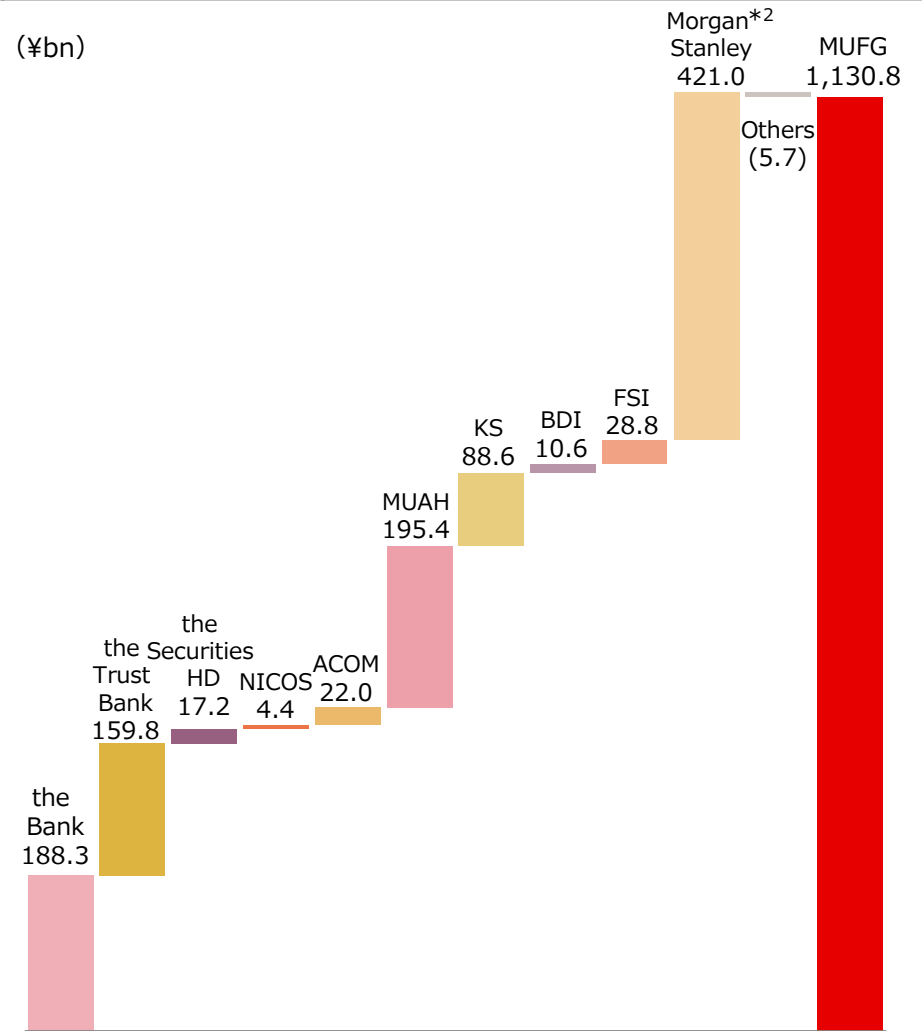
History of profits attributable to owners of parent

Consolidated



Breakdown of profits attributable to owners of parent*1

Consolidated



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

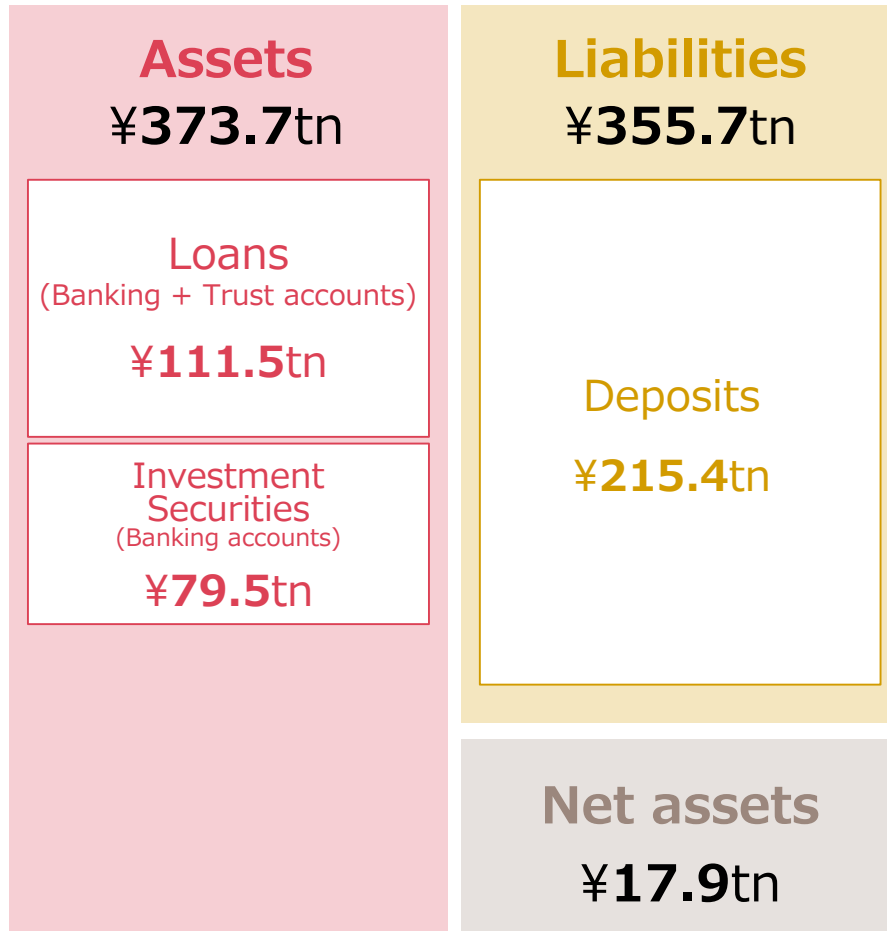
*2 The figure includes ¥36.8bn of gains on change in equity

Balance sheet summary

Condensed balance sheet

Consolidated

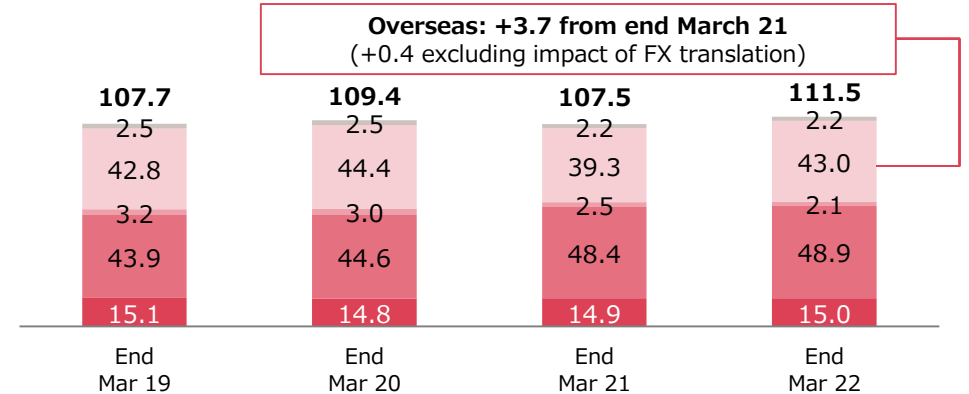
As of end March 22



Loans (Period end balance)*1

Consolidated

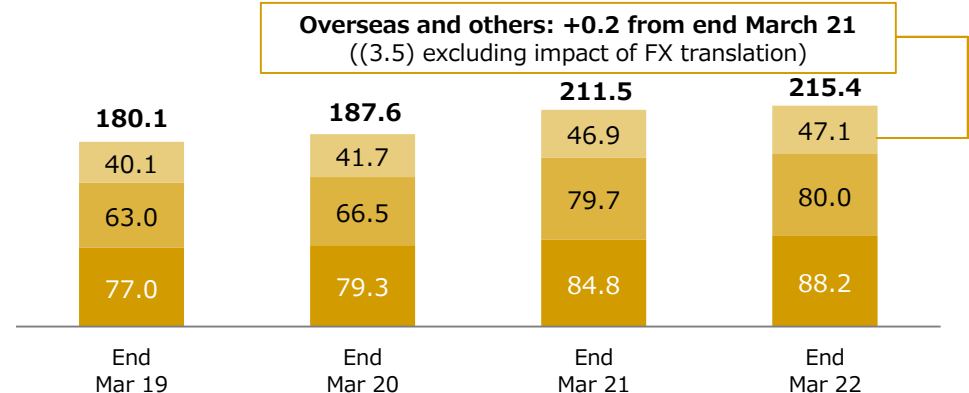
(¥tn) ■ Housing loan*2 ■ Domestic corporate*2*3 ■ Government ■ Overseas*4
■ Consumer finance / Others



Deposits (Period end balance)

Consolidated

(¥tn) ■ Domestic individual*5 ■ Domestic corporate, etc.*5 ■ Overseas and others



*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: +¥0.0tn from the end of March 2021)

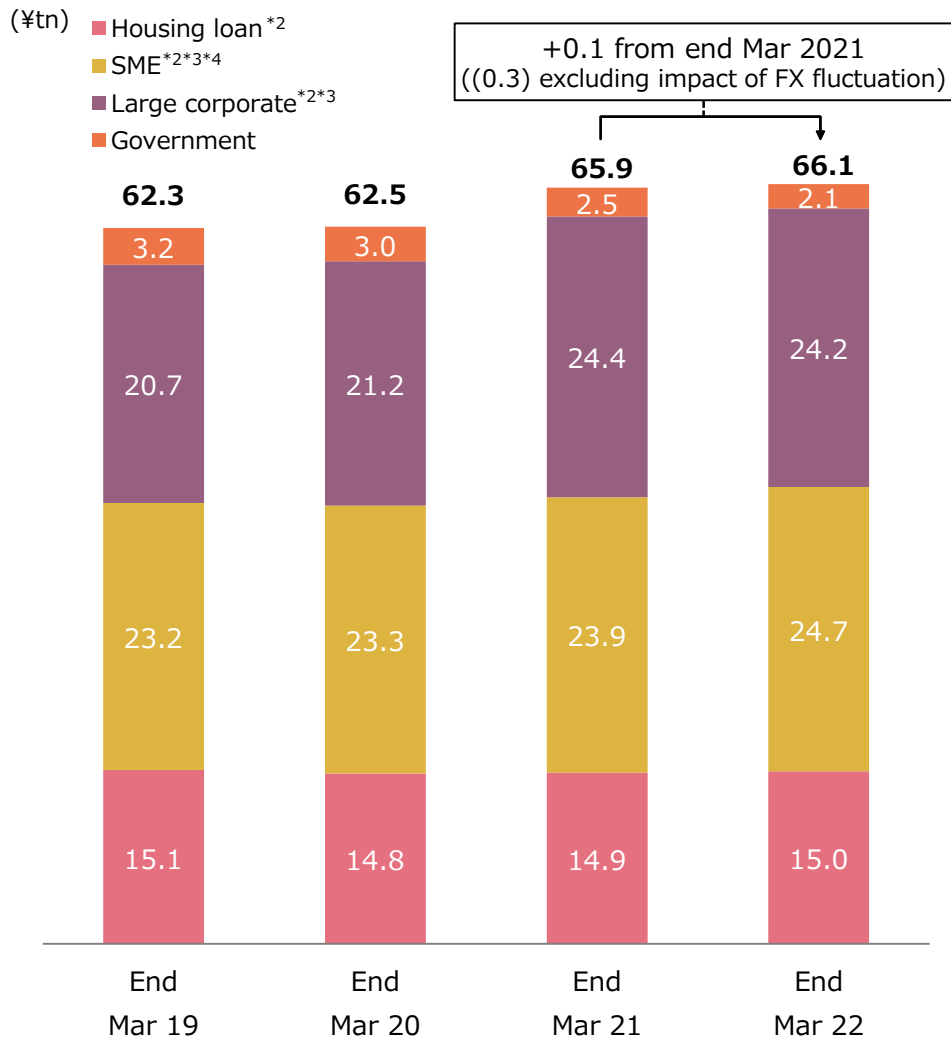
*4 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe)

*5 Non-consolidated

Domestic loans

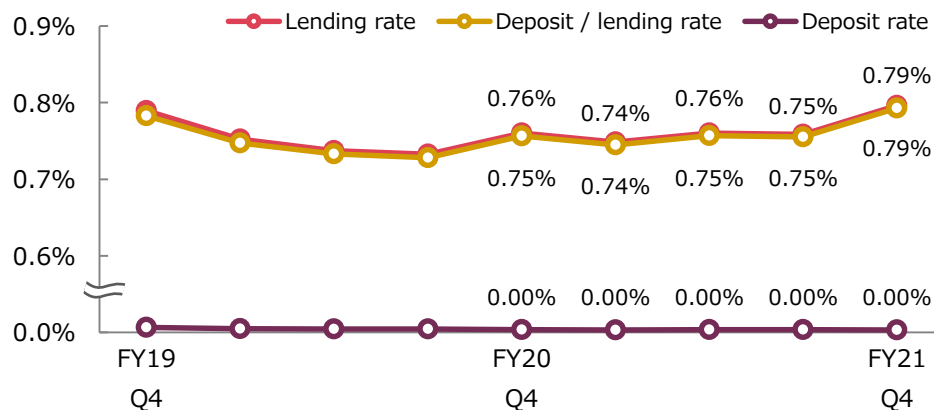
Loan balance (Period end balance)*1

Consolidated



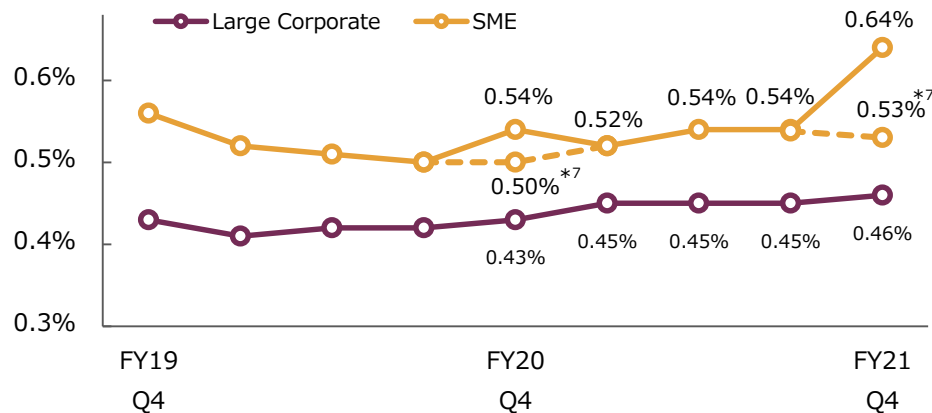
Changes in domestic deposit / lending rate*5*6

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)

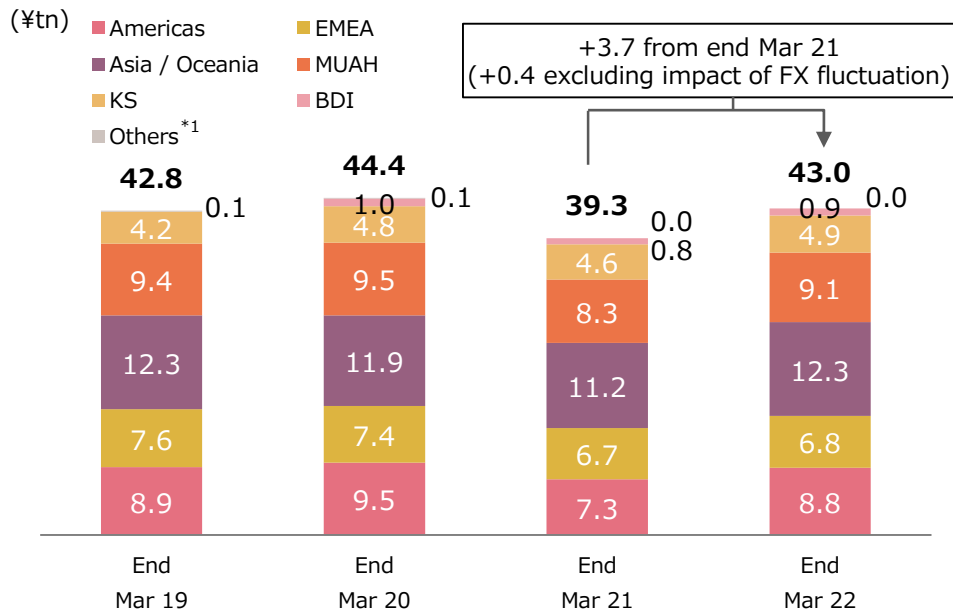
*5 Excluding lending to government etc. *6 Managerial accounting basis

*7 Excluding impact of the collective recording of interest received at fiscal year-end via COVID-19 government subsidized interest payment programs

Overseas loans

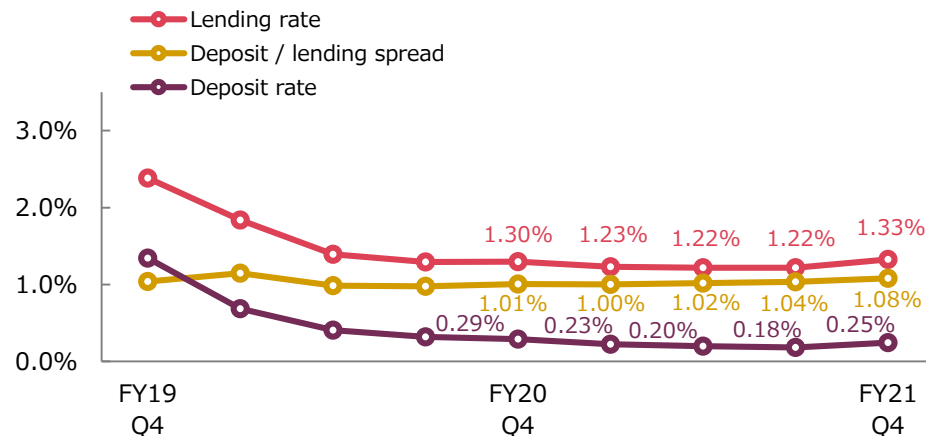
Loan balance (Period end balance)

Consolidated



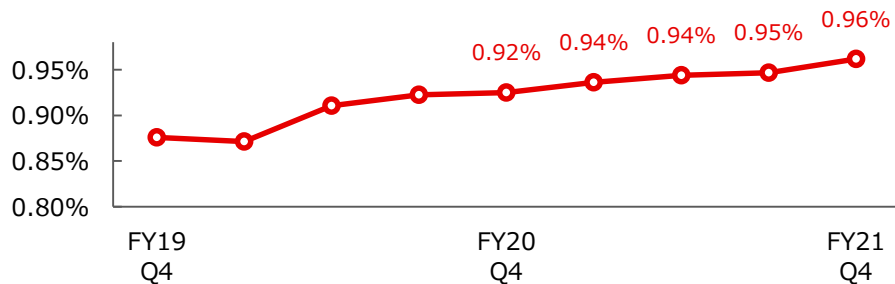
Change in overseas deposit / lending rate*2

Non-consolidated



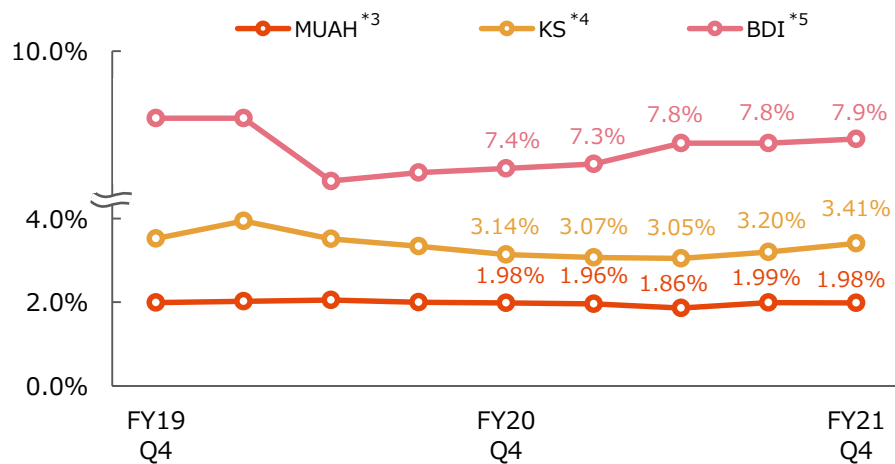
Lending spread*2

Non-consolidated



Net interest margin

MUAH / KS / BDI



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

*3 Financial results based on U.S. GAAP including balance classified as held-for-sale account

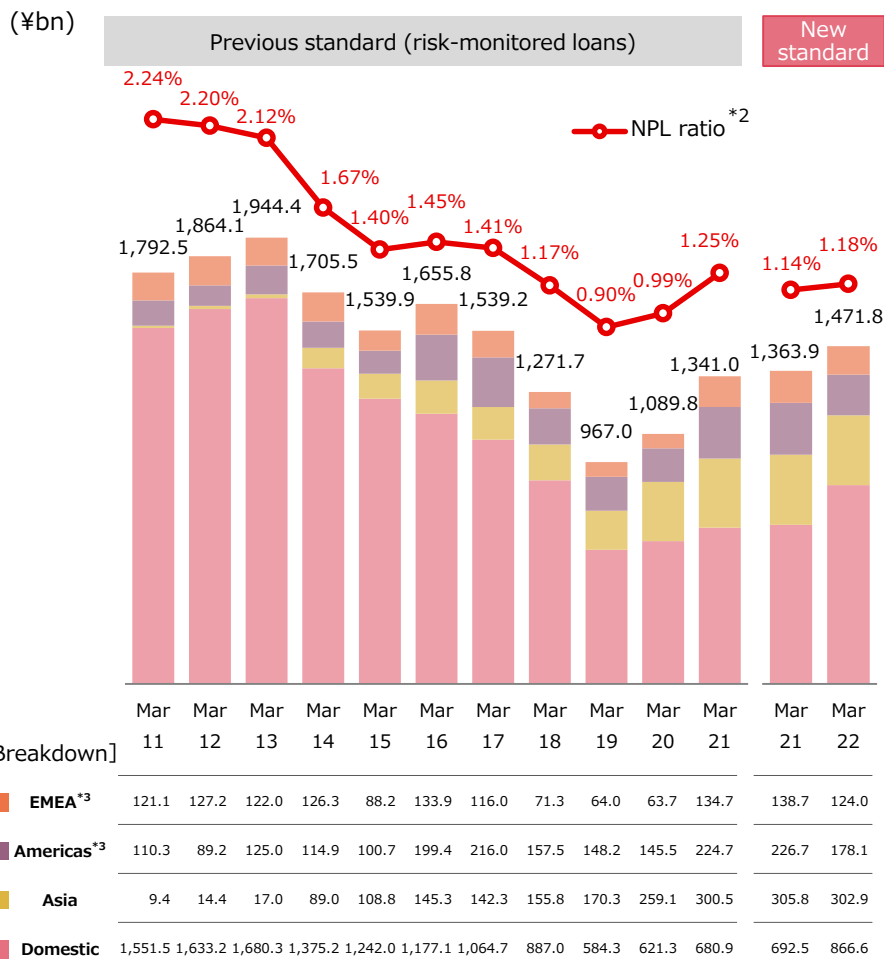
*4 Financial data as disclosed in KS's financial reports based on Thai GAAP, and starting from January 1, 2020, Thailand adopted TFRS 9 (which is broadly similar to the IFRS 9 international accounting standard)

*5 Financial data as disclosed in BDI's financial reports based on Indonesia GAAP. Calculation method modified from FY21 and retroactively applied in this document

Loan assets

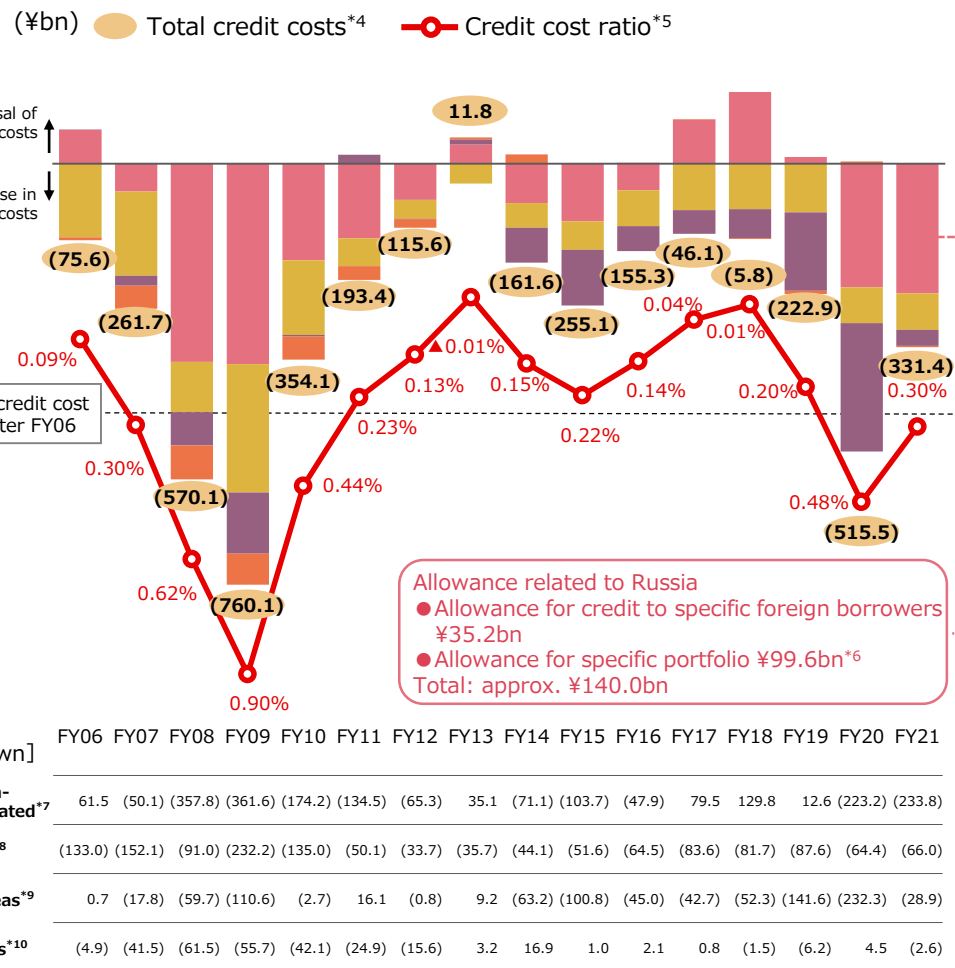
Non-performing loans*1

Consolidated



Total credit costs / Credit cost ratio

Consolidated



*1 Due to amendments to the Japanese Banking Act, the scope of risk-monitored loans disclosed under the Japanese Banking Act was changed and became the same as the scope of non-performing loans disclosed under the Japanese Financial Reconstruction Act (FRA). Under the previous standard, these loans were "risk-monitored loans," but they are now "non-performing loans." Regions are based on the borrowers' location.

*2 Total non-performing loans / Total loans

*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

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

*6 Provided for broader impact associated with the situation of Russia and Ukraine

*7 Including overseas branches

*8 Sum of NICOS and ACOM on a consolidated basis

*9 Sum of overseas subsidiaries of the Bank and the Trust Bank

*10 Sum of other subsidiaries and consolidation adjustment

Investment securities

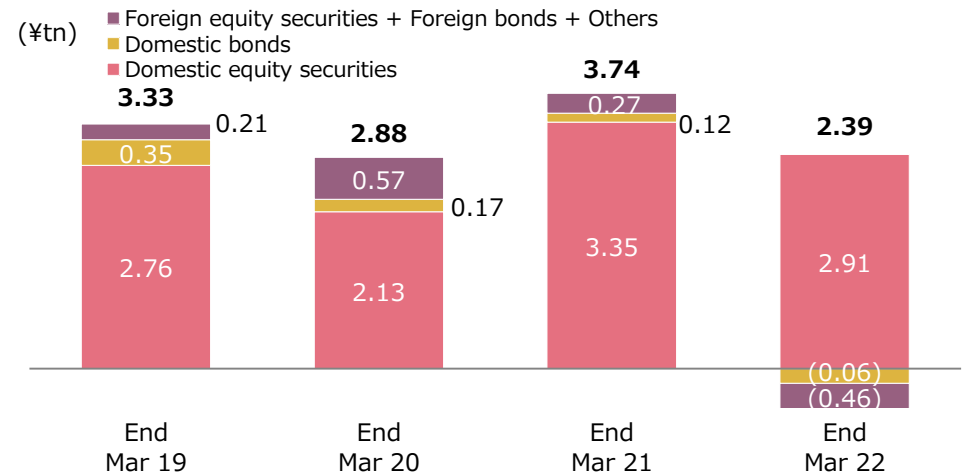
Available-for-sale securities with fair value

Consolidated

| 1 Total | Balance | | Unrealized gains (losses) | |
|------------------------------|------------|-------------------------|---------------------------|-------------------------|
| | End Mar 22 | Changes from End Mar 21 | End Mar 22 | Changes from End Mar 21 |
| 2 Domestic equity securities | 4,613.7 | (602.6) | 2,914.1 | (436.4) |
| 3 Domestic bonds | 40,433.6 | (118.6) | (61.8) | (184.3) |
| 4 Japanese government bonds | 31,411.8 | (932.8) | (55.4) | (142.3) |
| 5 Foreign equity securities | 218.5 | 132.5 | 27.7 | 6.6 |
| 6 Foreign bonds | 22,030.5 | 793.8 | (852.8) | (955.8) |
| 7 Others | 7,613.2 | 812.5 | 364.6 | 211.8 |

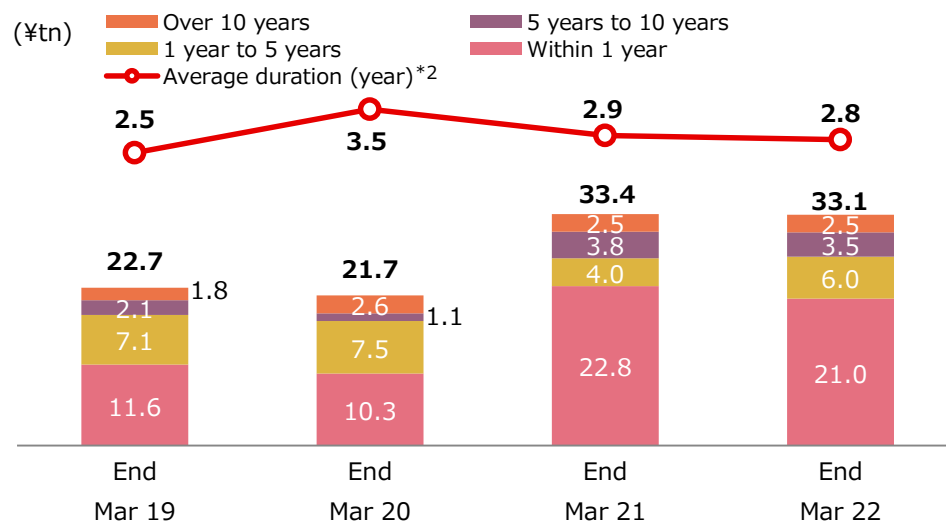
Unrealized gains (losses) on available-for-sale securities

Consolidated



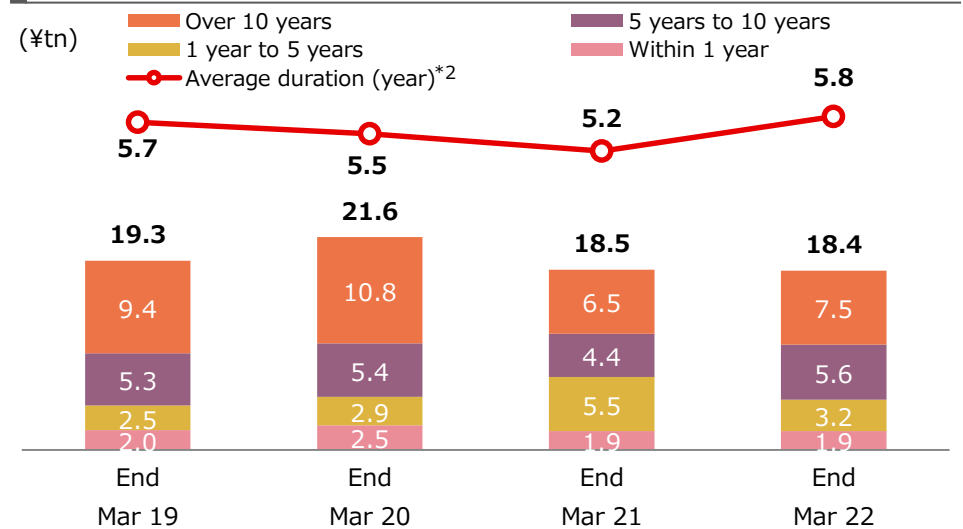
Balance of JGB portfolio*1 and duration

Non-consolidated



Balance of foreign bonds*1 and duration

Non-consolidated



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

*2 Available for sale securities

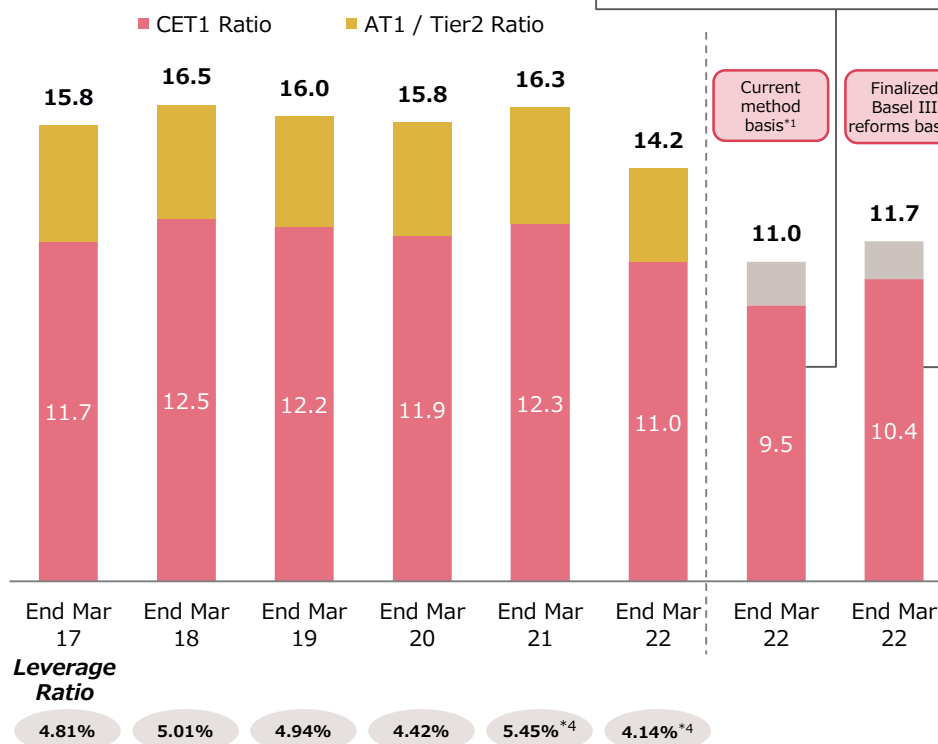
Capital

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 fully applied in 2029, according to the amended notification on capital adequacy ratio published by the FSA on April 28, 2022
*³ Adjustments made for the difference between risk-weighted assets under Basel I and Basel III
*⁴ Based on FSA notification, deposits with the Bank of Japan are excluded from total exposures

Capital summary

Consolidated

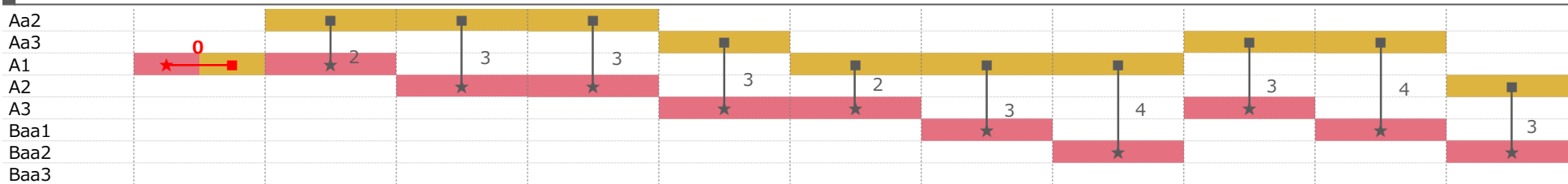
| (¥bn) | End Mar 21 | End Mar 22 | Changes |
|---|------------|------------|-----------|
| 1 Common Equity Tier 1 capital ratio | 12.3% | 11.06% | (1.26)ppt |
| 2 Tier 1 capital ratio | 13.9% | 12.38% | (1.57)ppt |
| 3 Total capital ratio | 16.3% | 14.29% | (2.02)ppt |
| 4 Leverage ratio | 5.4% | 5.14% | (0.31)ppt |
| 5 Common Equity Tier 1 capital | 14,113.7 | 13,823.9 | (289.8) |
| 6 Retained earnings | 11,200.0 | 11,998.1 | 798.0 |
| 7 Other comprehensive income | 2,986.4 | 2,565.1 | (421.3) |
| 8 Regulatory adjustments | (2,754.4) | (3,242.9) | (488.4) |
| 9 Additional Tier 1 capital | 1,869.0 | 1,652.3 | (216.6) |
| 10 Preferred securities and subordinated debt | 1,744.1 | 1,534.0 | (210.1) |
| 11 Tier 1 capital | 15,982.7 | 15,476.2 | (506.4) |
| 12 Tier 2 capital | 2,686.7 | 2,382.3 | (304.3) |
| 13 Subordinated debt | 2,206.5 | 1,730.7 | (475.8) |
| 14 Total capital (Tier 1+Tier 2) | 18,669.5 | 17,858.6 | (810.8) |
| 15 Risk weighted assets | 114,419.3 | 124,914.2 | 10,494.8 |
| 16 Credit risk | 90,410.0 | 91,927.2 | 1,517.2 |
| 17 Market risk | 4,066.8 | 4,389.9 | 323.1 |
| 18 Operational risk | 7,976.6 | 7,990.1 | 13.5 |
| 19 Floor adjustment* ³ | 11,965.8 | 20,606.9 | 8,641.0 |
| 20 Total exposures * ⁴ | 292,725.0 | 300,792.3 | 8,067.2 |

Global financial institutions' senior bonds ratings

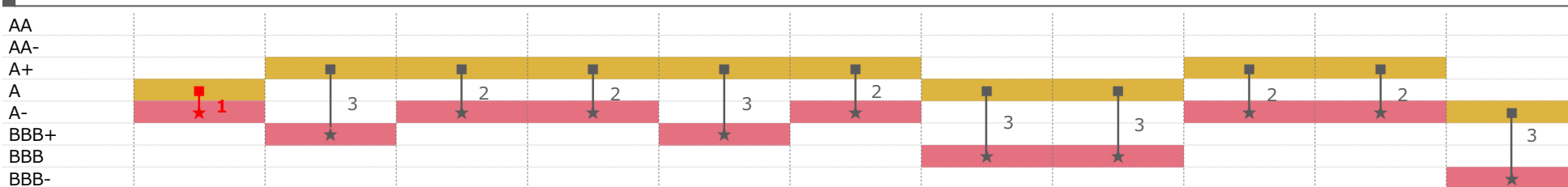
As of April 30, 2022

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

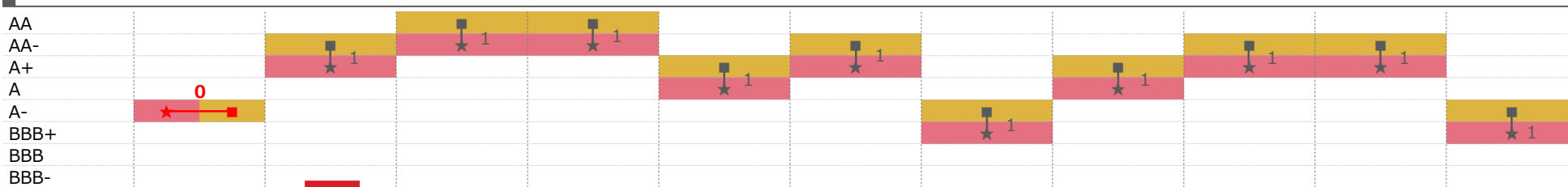
Moody's



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

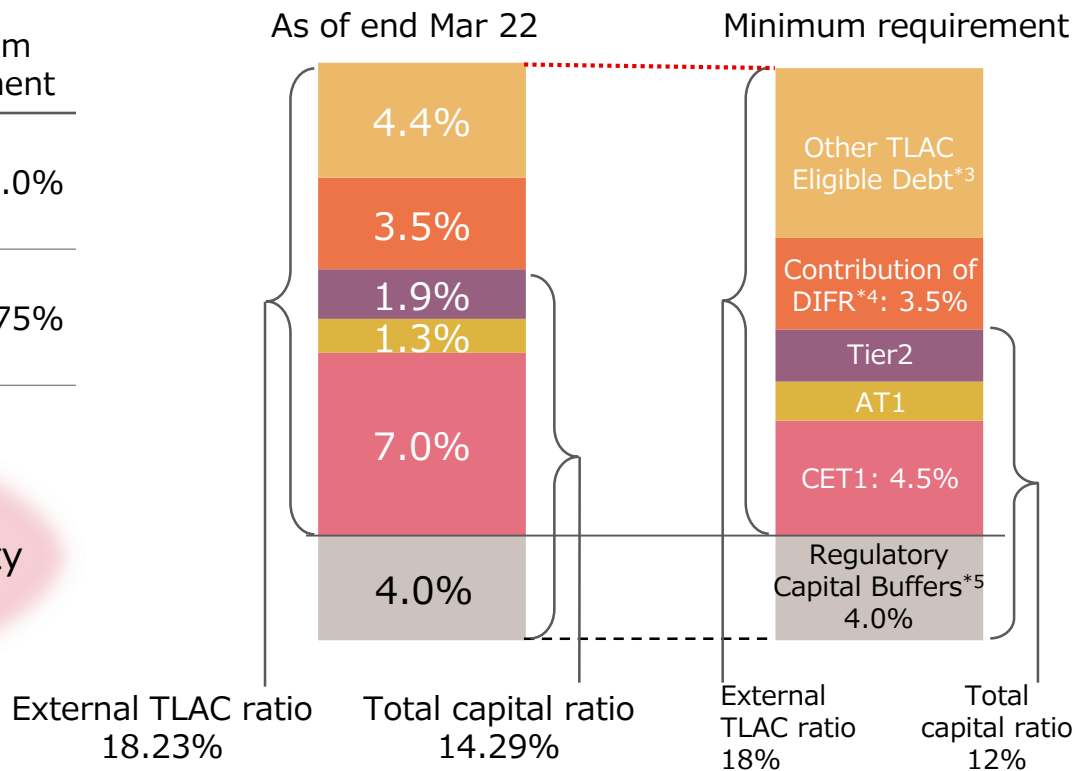
- Aiming for optimal balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
 - Secure necessary and sufficient level of capital with utilization of AT1 / Tier2
 - Maintain sustainable external TLAC ratio for the long term by raising external TLAC-eligible senior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

MUFG's external TLAC ratio and minimum requirement

| | As of end Mar 22 | Minimum requirement |
|---------------------------|------------------|---------------------|
| Risk weighted asset basis | 18.23% | 18.0% |
| Total exposure basis*1 | 9.23% | 6.75% |

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

MUFG's RWA*2 based external TLAC ratio



*1 Based on FSA notification; deposits with the Bank of Japan are excluded from total exposures for the period until March 31, 2024

*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.

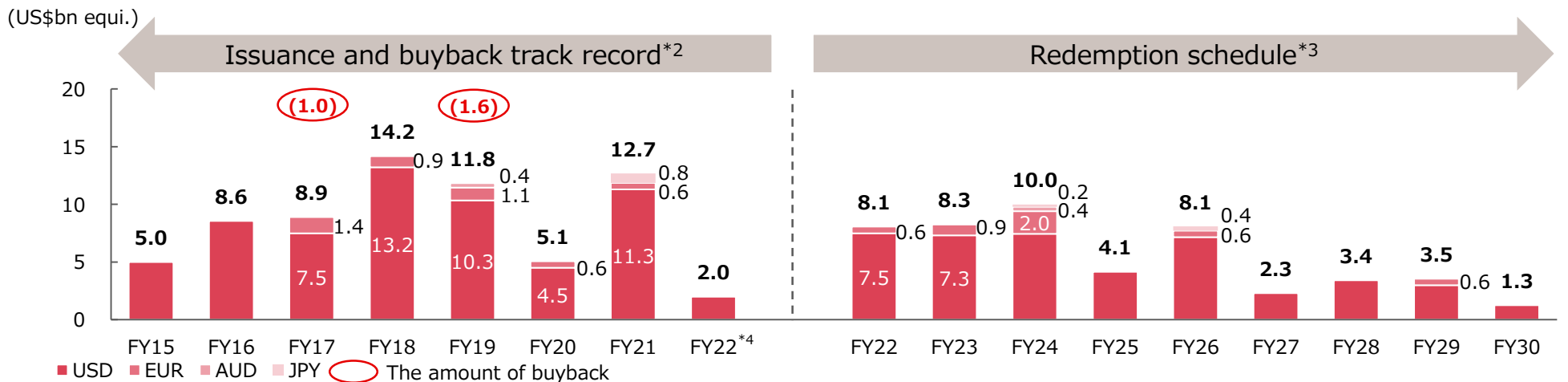
*4 Contribution of Deposit Insurance Fund Reserves : Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution set out in the FSB's TLAC termsheet

(Can include 3.5% of RWAs on and after end March 2022, in external TLAC ratio)

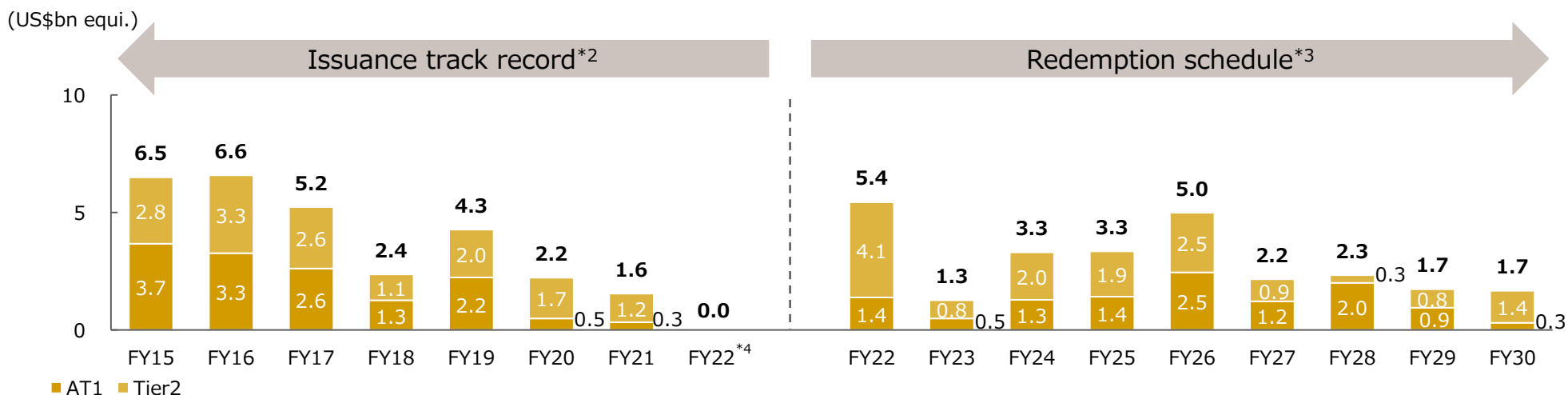
*5 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0.01%

MUFG issuance track record and redemption schedule

TLAC-eligible senior debt*1



AT1, Tier2 bond*1



*1 All figures (except that for FY22) are converted into US\$ using actual exchange rates as of end March 2022

*2 Total of public issuance (excluding the amount of buyback except that for FY22), as of end March 2022

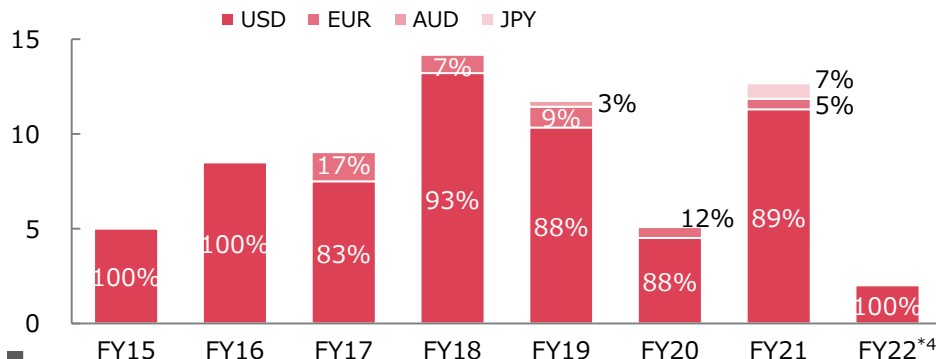
*3 Annual figures assuming that all callable notes are to be redeemed on their respective first callable dates, while there is no assurance they will be redeemed on such dates. Tier2 includes Basel II Tier2 sub notes issued by the Bank and the Trust Bank

*4 From April 1, 2022 to May 31, 2022

MUFG TLAC-eligible senior debt issuance summary

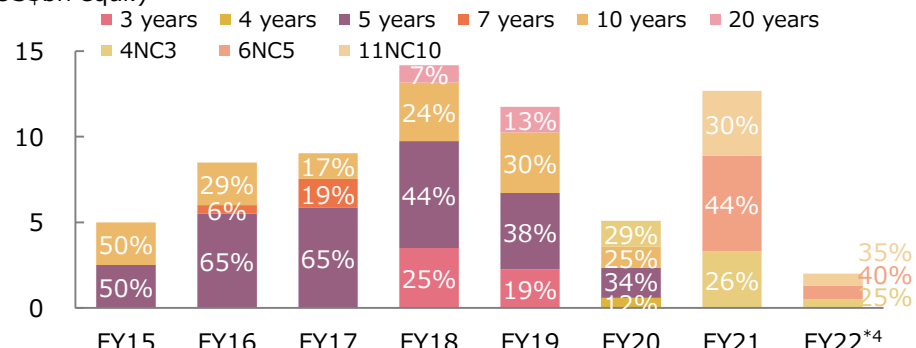
By currency*1*2

(US\$bn equi.)

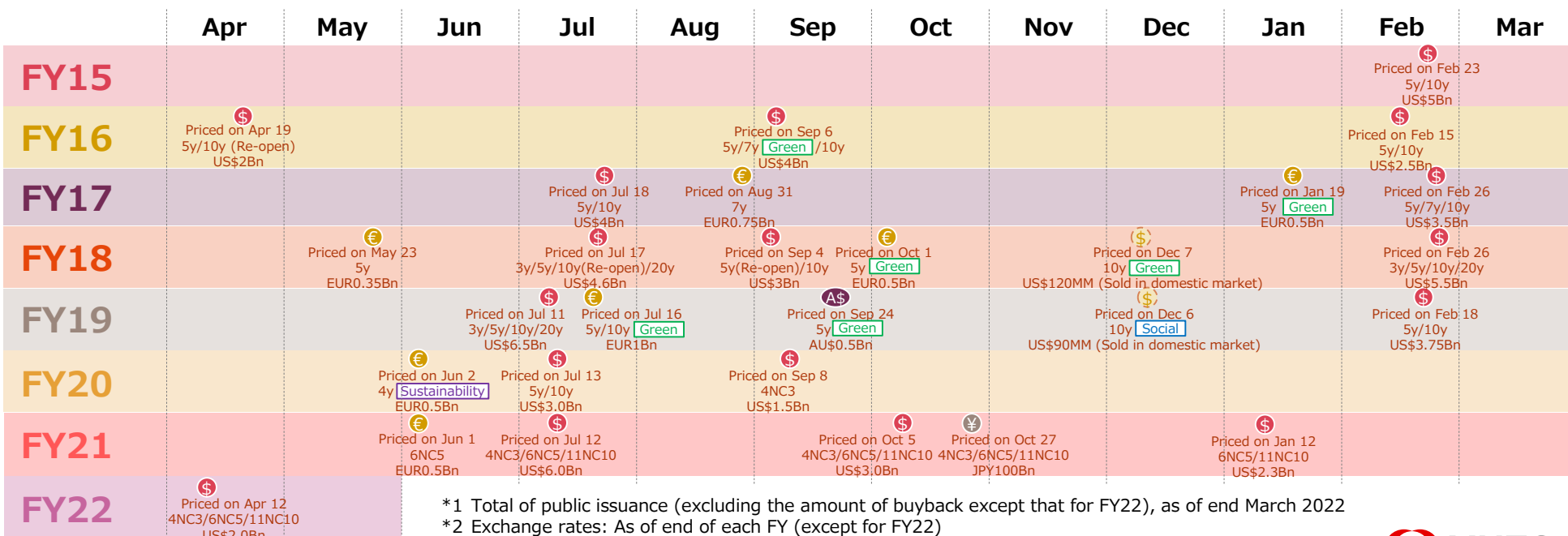


By term*1*2*3

(US\$bn equi.)



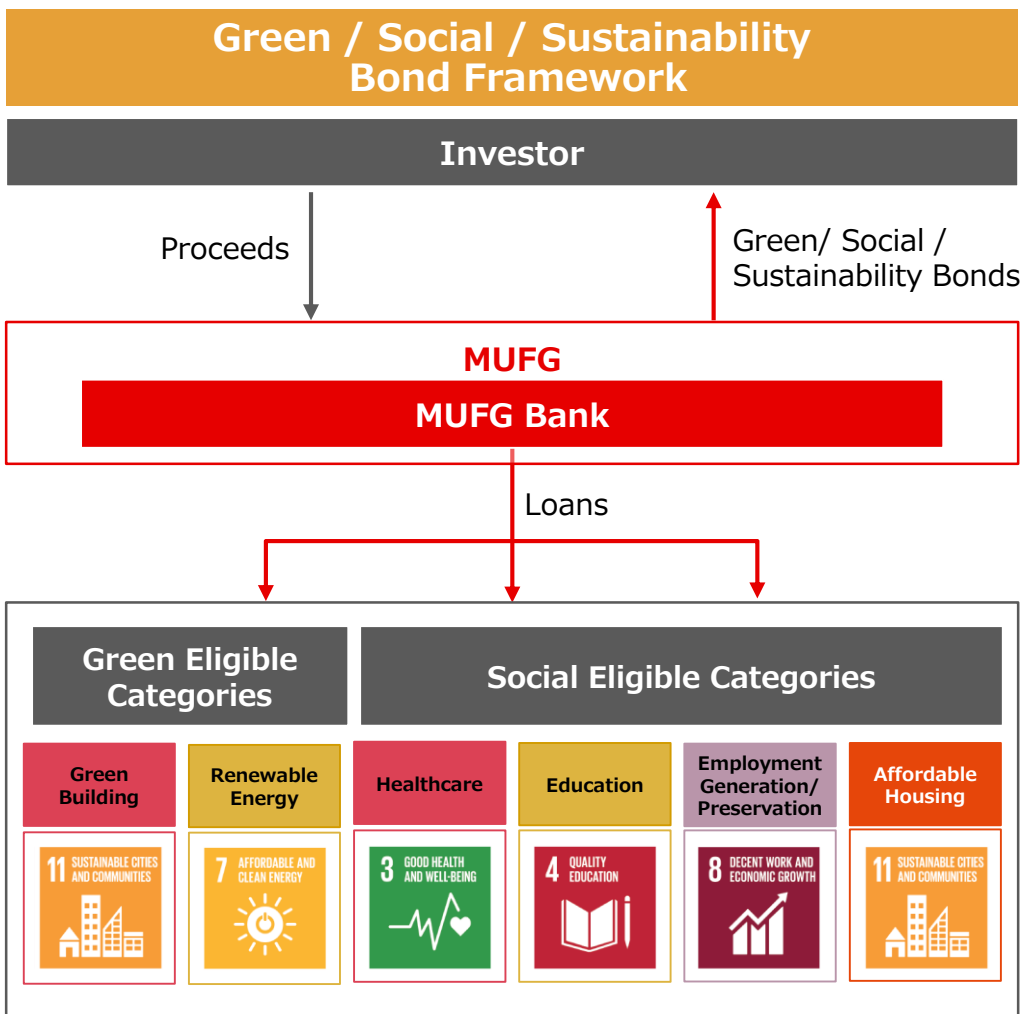
Past issuance calendar



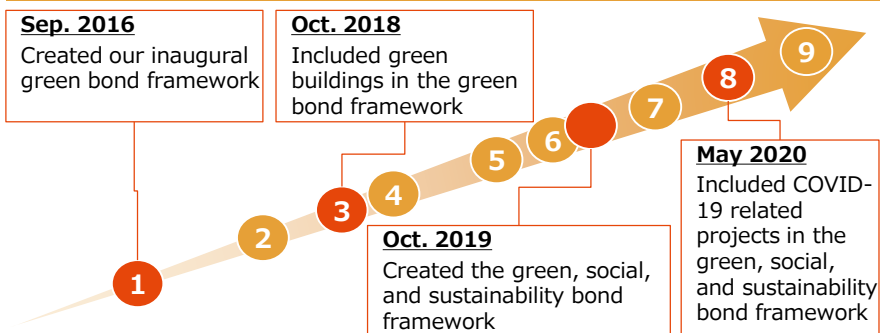
*1 Total of public issuance (excluding the amount of buyback except that for FY22), as of end March 2022
 *2 Exchange rates: As of end of each FY (except for FY22)
 *3 Re-opening bonds are included in the original bonds' terms
 *4 From April 1, 2022 to May 31, 2022

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 towards 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 Issuances

| | 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 |

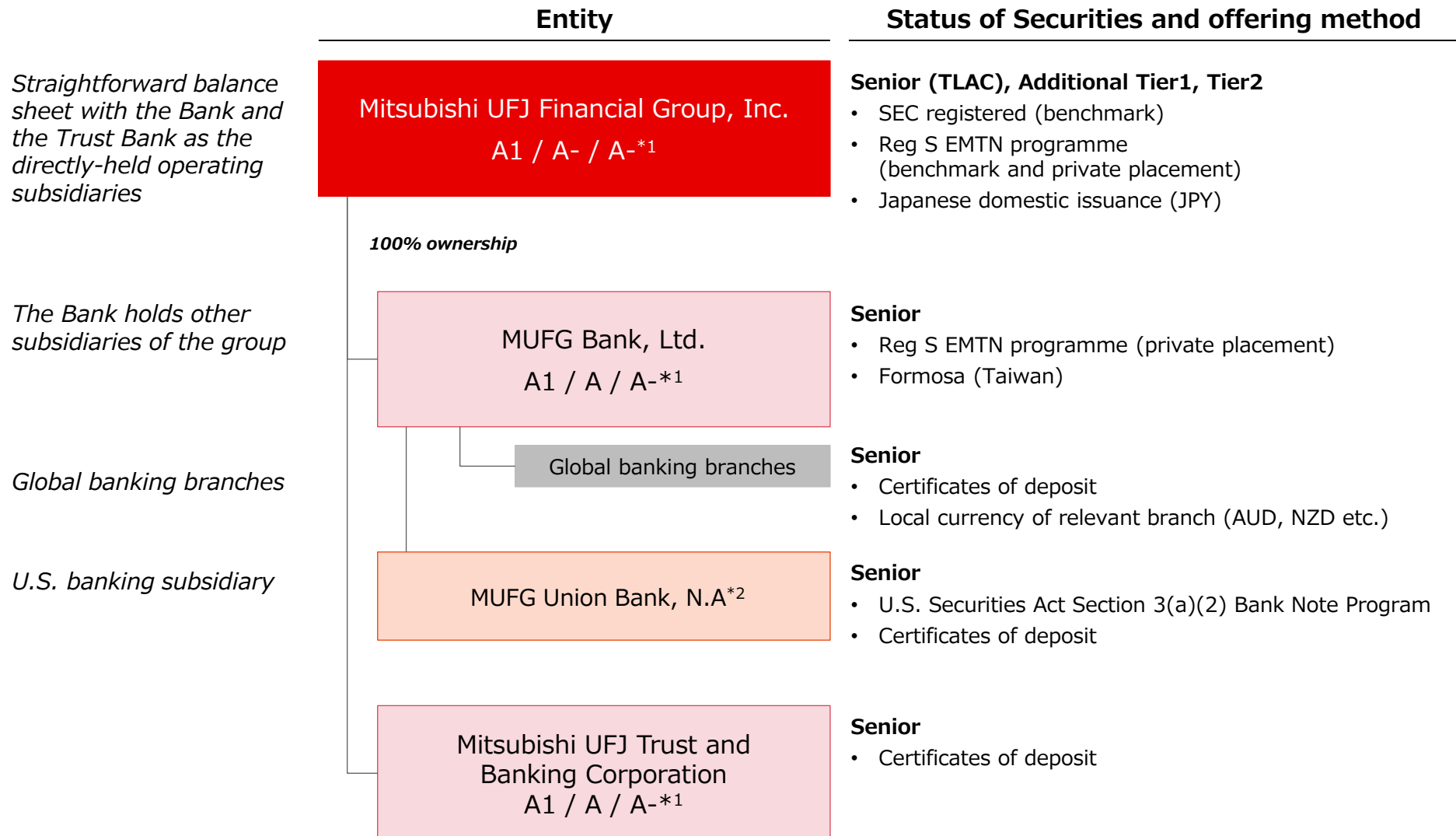
Social Bond Issuances

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

Sustainability Bond Issuances

| | 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 |

Corporate structure and issuing entities



*1 Credit ratings assigned by Moody's, S&P and Fitch, respectively, as of end April 2022

*2 We agreed in September 2021 to sell MUB, a subsidiary of MUAH, excluding its global corporate and investment banking business and certain related businesses and assets and liabilities, to U.S. Bancorp, subject to certain conditions. The expected closing date has shifted to the second half of CY2022, subject to the receipt of required regulatory approvals and the satisfaction of other closing conditions

Section 4
MUFG's approach to ESG

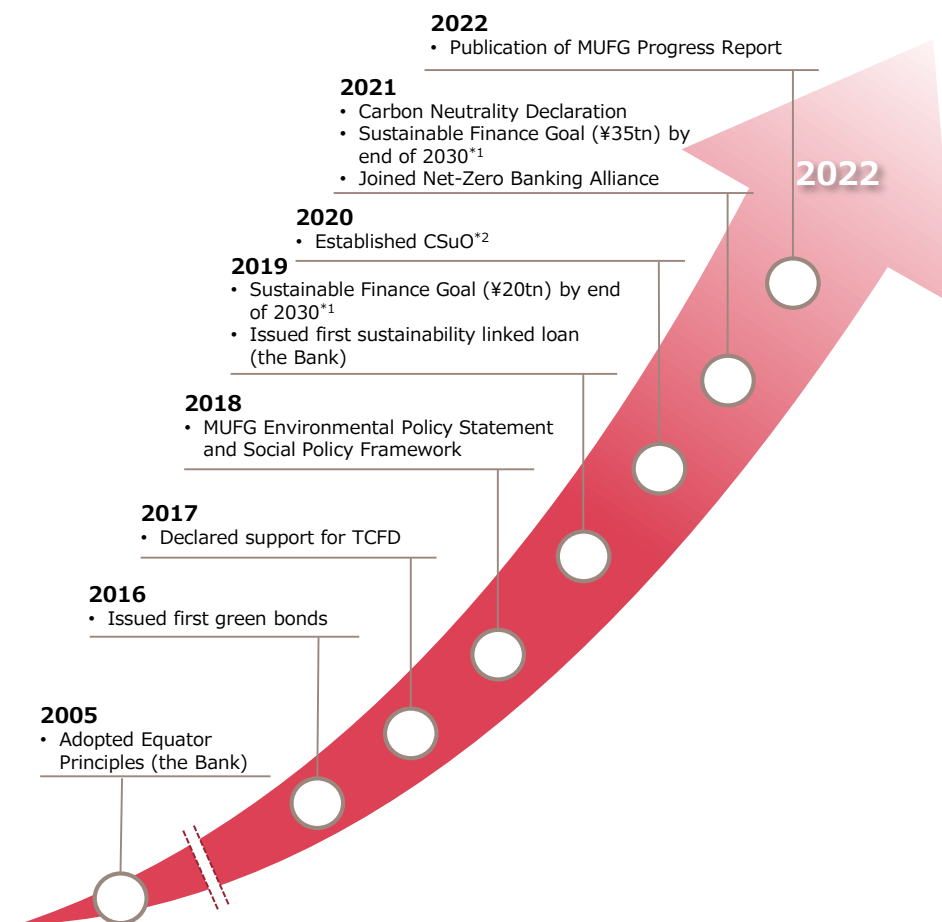
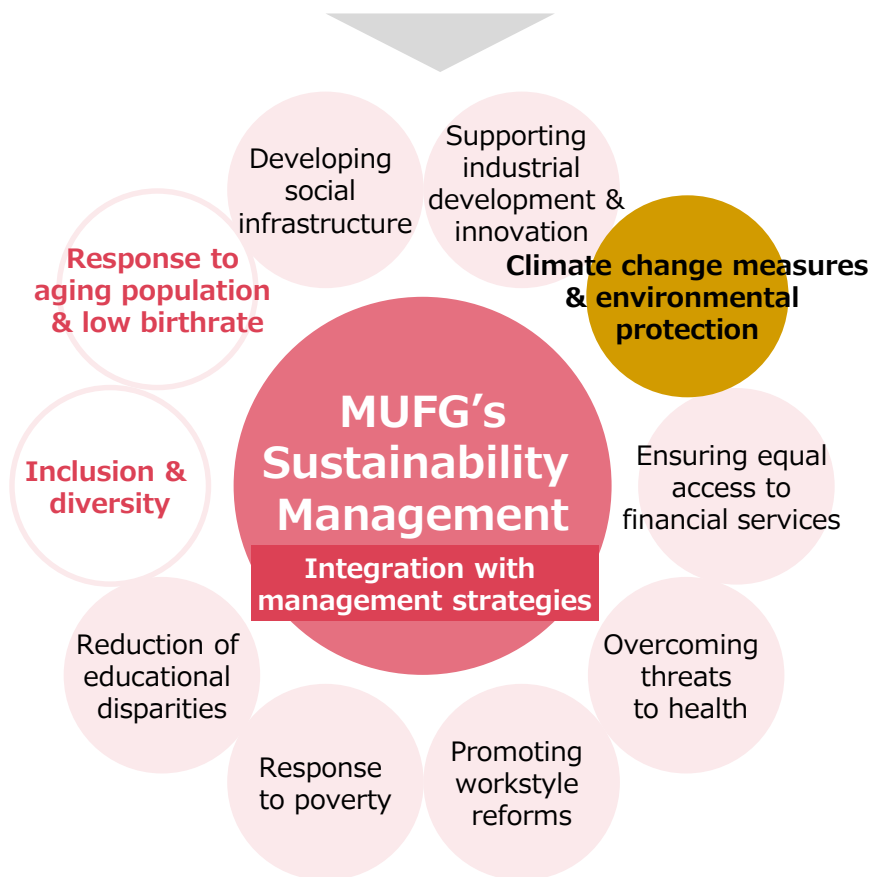
MUFG's approach to ESG

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

Major Challenges

Major actions on ESG

Consider societal expectations and affinities with MUFG's business area



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

*2 Chief Sustainability Officer

Milestones toward carbon neutrality

- Set and disclosed 2030 interim target range toward carbon neutrality by 2050
- Aim to achieve goals by supporting customers' decarbonization initiatives through financing etc.

Milestones

| | 2019 | 2020 | 2021 | ... | 2030 | ... | 2040 | ... | 2050 |
|--|---------------------------------|----------------------|-----------------------|-----|---|-----|------------------------|-----|-----------------|
| Net zero GHG emissions from the financed portfolio | | | | | | | | | Net zero |
| Power (emission intensity) *1 | 349 gCO ₂ e / kWh | | | | 156–192 NEW gCO ₂ e / kWh | | | | |
| Oil & gas (absolute emission) *2 | 83MtCO ₂ e | | | | Reduction rate 15-28% NEW | | | | |
| Decarbonization through financial services | | | | | | | | | |
| Sustainable finance (environmental only) *3 | ¥3.5tn*4 (¥2.0tn) | ¥8.0tn*4 (¥3.7tn) | ¥14.5tn*5 (¥5.4tn) | | ¥35tn (¥18tn) | | | | |
| Credit balance targets for coal-fired power generation | | | | | | | | | |
| Project finance (FY) | US\$3.58bn | US\$3.77bn | | | 50% reduction from FY2019 | | Zero | | |
| Corporate finance (FY) | | Approx. ¥120bn | | | | | Zero NEW | | |

NEW : disclosed in Apr 2022

Bold: targets

Major initiatives for customers' decarbonization

Engagement activities: dialogue with Japanese and non-Japanese customers

Approx. 550 companies

Financial support for customers' decarbonization

Initiatives for seizing future business opportunities

Launch partnerships and services aimed at assisting customers' decarbonization efforts

*1 Scope 1 of power generation businesses *2 Scope 1, 2 and 3 of upstream production businesses

*3 Cumulative balance since FY2019 *4 The figures of FY2019 and FY2020 revised due to changes in calculation method

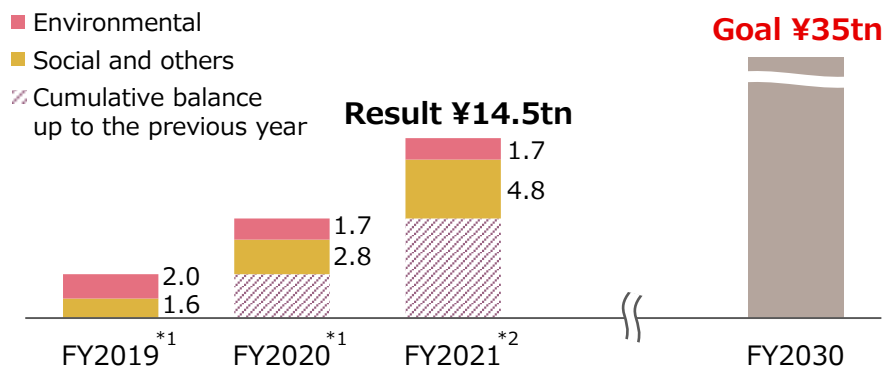
*5 The result of FY2021 is a preliminary figure

Efforts on achieving carbon neutrality

- Aim to support customers' decarbonization and seize future business opportunities through each initiative

Financial support

Progress on sustainable finance



Cases: developing products and methods



Served as the leading manager and structuring agent for the world's first transition bonds in the aviation industry (Japan Airlines Co., Ltd.)



Provided MUFG's first Positive Impact Finance^{*3} (Mitsubishi Heavy Industries, Ltd.)



Provided new finances in US and EMEA

- US: Large-scale offshore wind project finance
- EMEA: Carbon credit backed supply chain finance

Initiatives for future business opportunities

Rulemaking

- Establishing guidance and recommendations toward COP27^{*4} for further support of decarbonization by communicating among each initiatives

| Major initiatives | Objective of activities |
|--|---|
| GFANZ^{*5} Participate in working groups | Discuss initiatives of global financial sector toward net zero and recommendations to industry etc. |
| NZBA^{*6} Steering Group member, participate in working groups, and appointed as Chair | Discuss a global framework of transition finance in banking sector |
| Asia Transition Finance Study Group^{*7} | Establish common principle and standard for energy transition in Asia |

Business and market creation

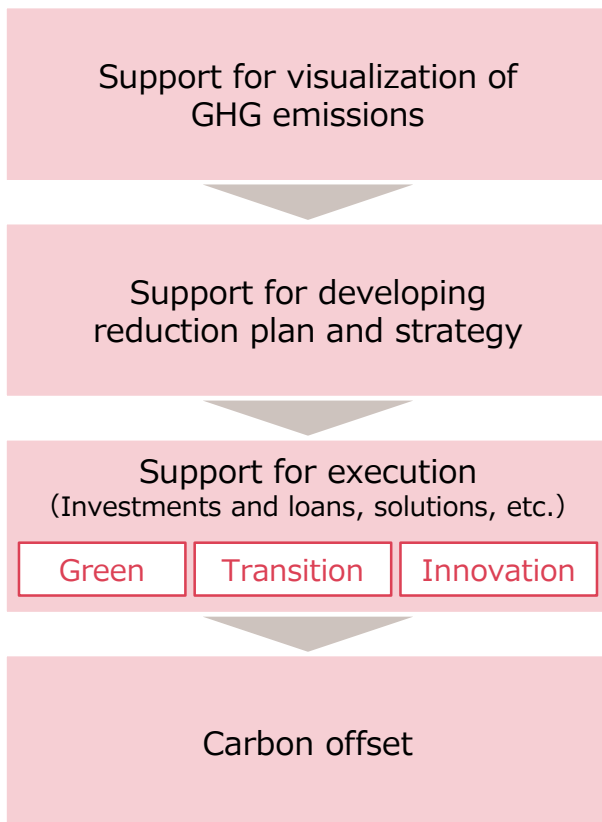
| Major initiatives | Objective of activities |
|---|--|
| Participate in Global CCS Institute (First private financial institution in Asia) | Promote global utilization of CCS ^{*8} technology |
| Participate in joint project of Marubeni Corporation and others ^{*9} | Enforce feasibility study for building ammonia supply chains |
| Support introduction of fuel cell buses | Increase demand and promote the use of hydrogen |

^{*1} The figures were revised due to changes in calculation method ^{*2} The result of FY2021 is a preliminary figure ^{*3} Finance that seeks to properly identify and mitigate potential negative environmental, social and economic impacts and make a positive contribution in at least one aspect ^{*4} 27th summit of the Conference of Parties ^{*5} Glasgow Financial Alliance for Net Zero ^{*6} Net-Zero Banking Alliance ^{*7} Initiative in which major financial institutions in Asia and global, the Financial Services Agency and the Ministry of Economy, Trade and Industry participate ^{*8} Carbon dioxide Capture and Storage ^{*9} Government agencies, power companies, and Australian companies

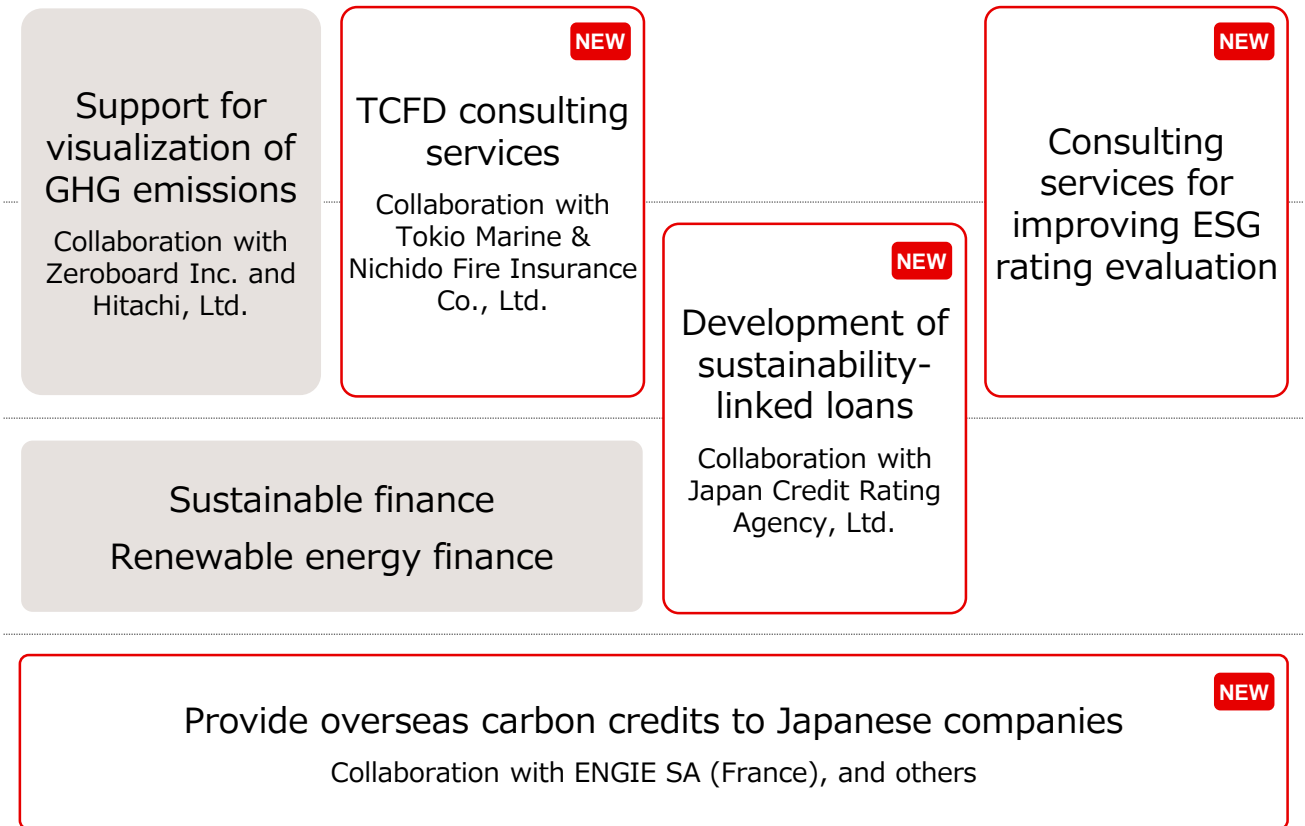
New solutions for customers' decarbonization

- Launch partnerships and services aimed at assisting customers' decarbonization efforts
- Established a system designed to provide comprehensive solutions to various customers' needs, including visualization of GHG emissions

Customers' issues and needs



Main initiatives and targeted customer needs



External recognition

Recognition of ESG-related efforts

The Third ESG Finance Awards Japan awarded by the Ministry of the Environment of Japan

- Gold award in the Banking category (MUFG Bank)
- Silver award in the Financial Services category (Securities division) (MUMSS)
- Selected as an environmental sustainable company in the Environmental Sustainable Company category



■ : indicators considered in executive compensation

| | Entities | 2020 | 2021 |
|---|---|-------|-------|
| 1 | MSCI | BBB | A |
| 2 | FTSE | 3.4 | 3.3 |
| 3 | Sustainalytics <small>*Smaller figure is higher evaluation</small> | 20.6 | 19.3 |
| 4 | S&P Dow Jones <small>*Percentile rank</small> | 75 | 74 |
| 5 | CDP | B- | B |
| 6 | Nikkei SDGs | ★4.5 | ★5.0 |
| 7 | Toyo Keizai* ¹ | 372.3 | 389.9 |



No.1 financial institution in Japan

Inclusion in ESG indices

ESG indices selected by GPIF*²



2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



Others



FTSE4Good



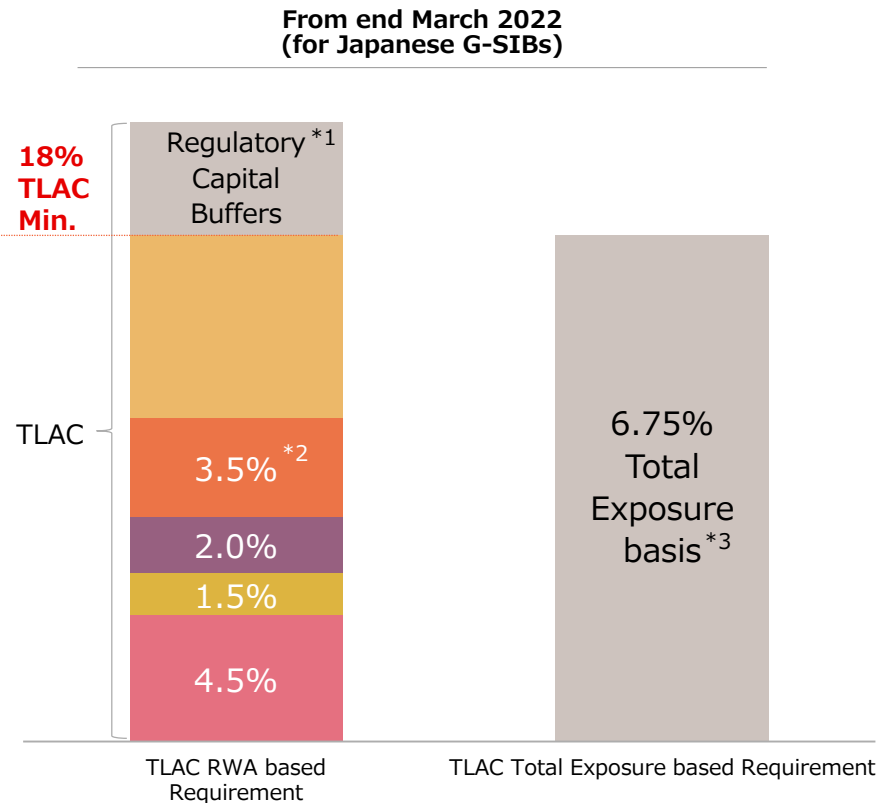
*1 Toyo Keizai Japan CSR Ranking. Toyo Keizai Inc. is an eminent economic magazine publisher in Japan

*2 Government Pension Investment Fund in Japan

Appendix

Japanese TLAC framework summary

TLAC minimum requirement



- Regulatory Capital Buffers
- Contribution of Deposit Insurance Fund Reserves
- AT1
- Other TLAC Eligible Debt
- T2
- CET1

*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 Based on FSA notification, deposits with the Bank of Japan are excluded from total exposures for the period until March 31, 2024

*4 It is uncertain which measure is to be taken in a given case, and ordinary resolution measures may be applied without implementing any preemptive capital infusion

Japanese resolution system's features

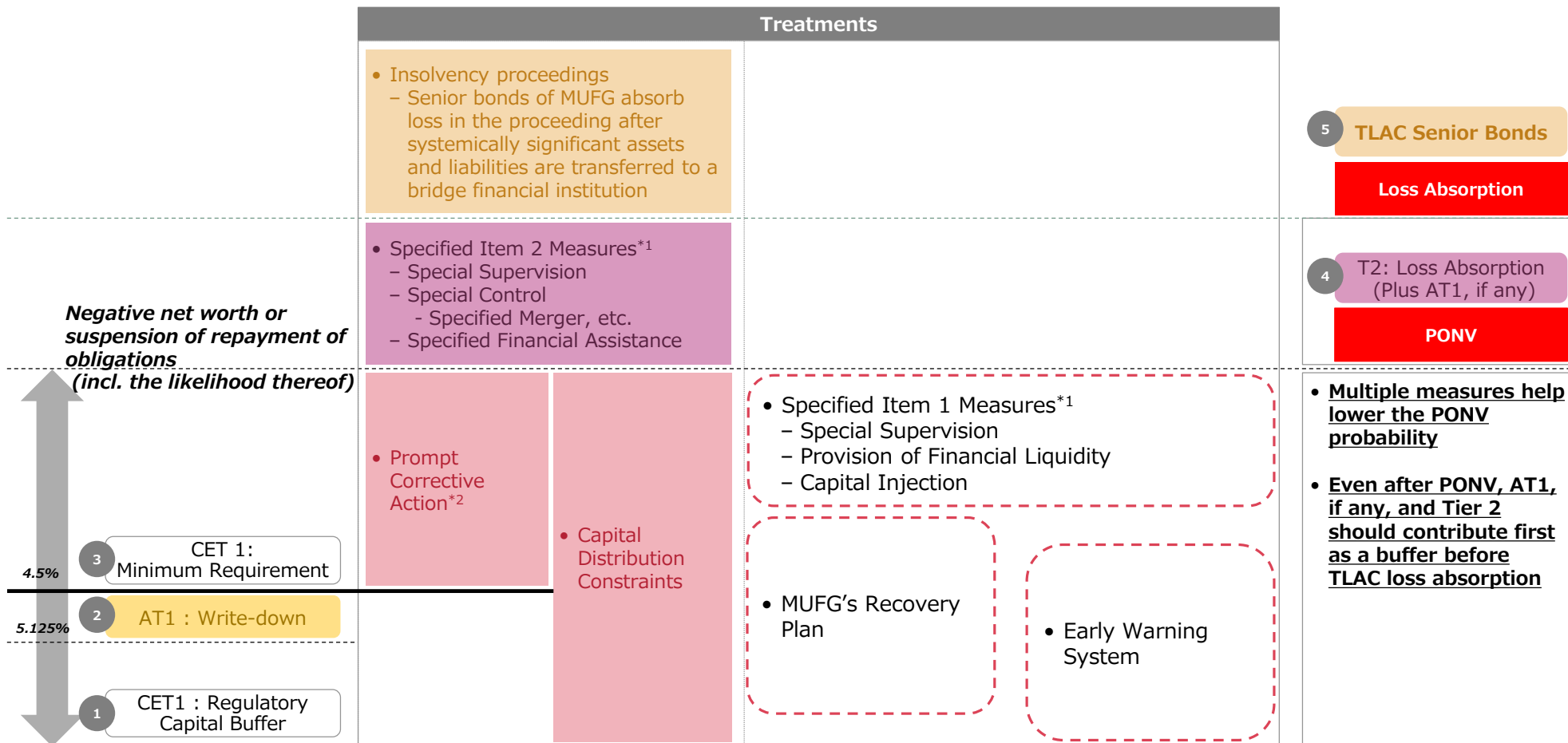
- Contribution of Deposit Insurance Fund Reserves*2
- Multiple treatments prior to loss absorption point, even after Point of Non-Viability ("PONV")
- Multiple precedents of prompt corrective action and preemptive capital infusion*4

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

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 preemptive capital infusion*1

Major public sector support and resolutions

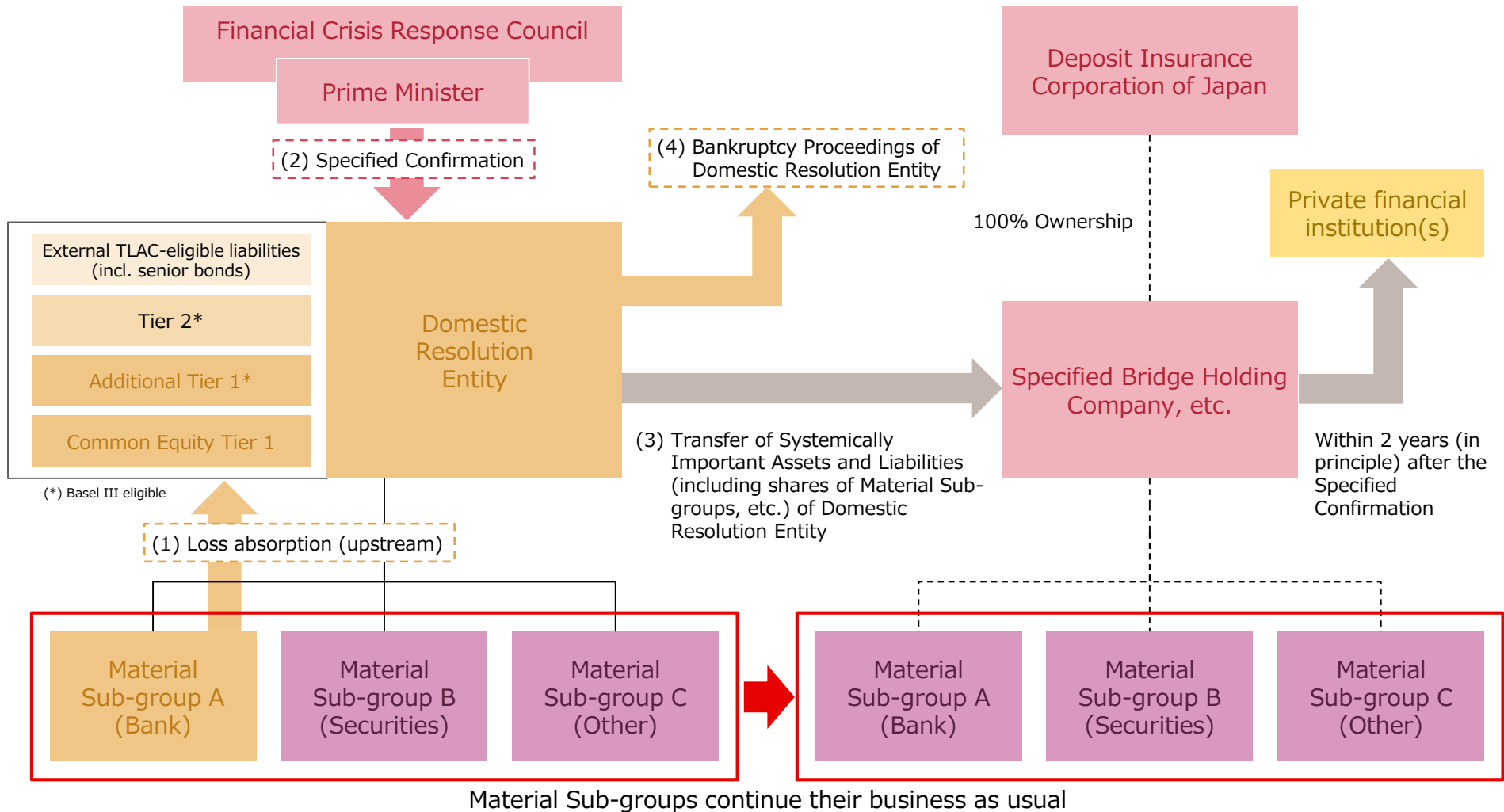
| | | Applicable rules | Bank | Date | Amount (¥bn) | Description |
|-----------------------------|-------------------------------|---|---|----------------------|----------------|--|
| Public Sector Support | - | Article 102, Paragraph 1, Item 1 of the Deposit Insurance Act | Resona Bank | Jun 2003 | 296 | Public funds infusion in common shares—government ownership of 50.1% |
| | | | | Jun 2003 | 1,663 | Public funds infusion in convertible preferred shares |
| Preemptive 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 preemptive 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)

Social (Inclusion & diversity)

- Diverse talent pools are the very foundation of innovative ideas, value-added services and a productive workplace. We continue to invest in the enhancement of diversity.

MUFG's diversity

| | Results (As of end Mar 2022) | Targets |
|--------------------------|---|---------------------------------------|
| Gender | Ratio of women in management*1 | 18% |
| | Number of female directors and executive officers*2 | 19 (As of Apr 2021) |
| | Ratio of female directors (MUFG) | 25% |
| | Ratio of male employees taking childcare leave*5 (the Bank, the Trust Bank, MUMSS) | 98%, 91%, 100% |
| Foreign nationals | Ratio of employees | 51% |
| | Number of executive officers (the Bank) | 10 (Inc. 1 woman) |
| | Ratio of foreign nationals in middle managerial positions*6 | 28.7% |
| Mid-career hires | Ratio of mid-career hires in managerial positions*7 | 10.2% |
| People with disabilities | Number of people with disabilities | Approx. 1,400 (As of end Mar 2021) |


Revised the target from 18%

Create inclusive culture where employees respect and accept diversity


Trainings and workshops etc.


- Developing women's career
- Raising awareness of unconscious bias
- Promote well balanced management of childcare, caregiving, infertility treatment
- Support LGBTQ events
- Hold a seminar with people with disability as instructors


External recognition



Recognized due to our initiatives to facilitate women's career development







Received Gold rating due to such measures as the introduction of a same-sex partnership certification program

*1 Employees in positions of line manager (*jicho* or *kacho*) or above in Japan *2 Total of MUFG, the Bank, the Trust Bank, MUMSS, and NICOS
 *3 Based on the Japanese Companies Act *4 The initiative led by the Nippon Keidanren *5 Percentage of the use of the leave by male employees of each subsidiary whose eligibility for childcare leaves expired in FY21 *6 Ratio of individuals hired overseas (the Bank and MUMSS cover overseas branches and affiliates which are substantially treated as a branch, such as MUB. The Trust Bank only covers overseas branches.) in positions equivalent to director or above to the number of those in positions equivalent to director or above in Japan and abroad *7 Ratio of mid-career hires in positions tasked with supervision (*kanri kantokusha*) (including senior manager (*joseki chosayaku*) and line manager) in Japan to the number of individuals in such positions in Japan

Social (Response to aging population & low birthrate)

- Released products and services designed to serve as solutions for Japan's aging society while joining a new project involving industry-academia collaboration in FY21

Response to aging population and low birth rate
= Help to create a safe and secure society, in which elderly people and children can live with confidence

| Issues | Aging population | | | Low birthrate |
|--------------------------------|---|--|--|---|
| | Succession of businesses and assets Deterioration in economic capabilities due to the closing or suspension of businesses | Response to the elderly Increase in number of individuals with deteriorating cognitive functions, and inheritance issues | Asset building Preparation for the coming age of centenarians | Support for next generation Education for the future |
| Main business group | R&C | R&C DS Other | R&C DS AM/IS | Other |
| Financial Services | <ul style="list-style-type: none"> Support succession of businesses and assets - Groupwide, integrated approach | <ul style="list-style-type: none"> Respond to deterioration of cognitive functions Prepare for inheritance and living wills Support testament and bestowal etc. via trust banking functions | <ul style="list-style-type: none"> Financial planning / robo-advisor Pension investment and consulting services for corporates Asset building for post retirement | <ul style="list-style-type: none"> Contribute by utilizing financial knowledge |
| | | <p>① Insurance for protection after bereavement</p> | <p>② D-Canvas</p> <p>④ Excellent Club</p> | <p>③ Money Canvas</p> |
| Infrastructure | <ul style="list-style-type: none"> Services in response to aging population and deterioration of cognitive functions (23,000 registered supporters in the Bank) | <ul style="list-style-type: none"> Universal branches Improvement of UI/UX*1 | | |
| Research / social contribution | <ul style="list-style-type: none"> MUFG Inheritance Research Institution Japan Financial Gerontology Institution | <ul style="list-style-type: none"> MUFG Financial Education Institute | | <ul style="list-style-type: none"> Financial and economic education for students from elementary – high school Donation for children and students |
| Support for employees | <ul style="list-style-type: none"> Aim to create a workplace that enables both men and women to strike an optimal balance between work and childcare, nursing care or infertility treatment (ensure that our assistance programs are known by all, promote the utilization of such programs and foster an inclusive corporate culture) | | | |

Major services released and launched

| | |
|---|--|
| ① Foreign currency-denominated insurance with a lump-sum premium for people seeking protection after bereavement (Dec 2021) | A type of insurance that is designed to enable two individuals to be insured with a single policy while providing an effective solution for issues associated with secondary inheritance |
| ② D-Canvas (Jun 2021) | Smartphone apps for defined contribution plan participants |
| ③ Money Canvas (Dec 2021) | App providing broad types of financial products for asset building |
| ④ Excellent Club*2 (Planned for FY22H1) | Expanding target of applicants for membership |
| ⑤ Industry-academia collaboration (Planned to start in FY22H1) | Joint research of products and services designed to deliver solutions for an aging society by developing technologies to assess cognitive functions and systems to verify testament capabilities, etc. |

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

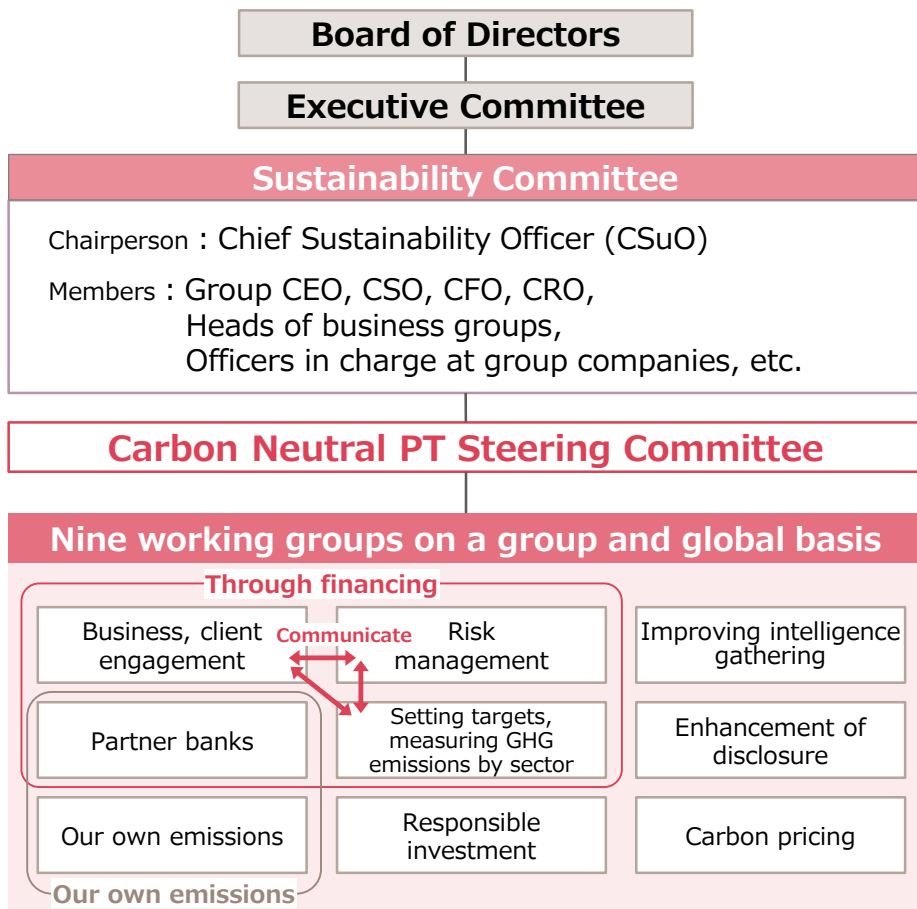
*2 Free membership service that provides financial and non-financial services to support people's lives during the era of a 100-year life expectancy

Governance

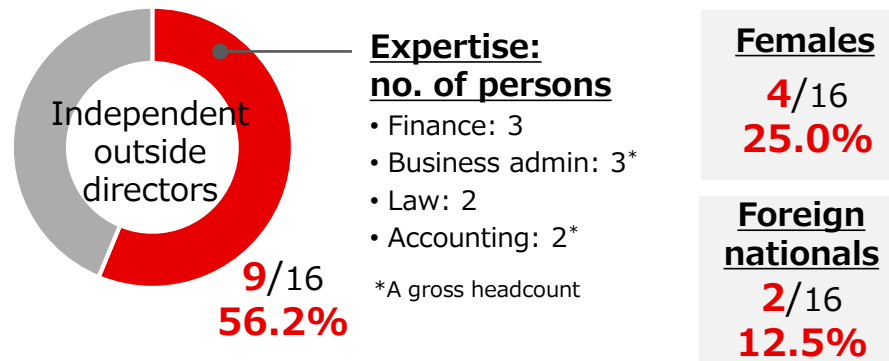
- Measures designed to strengthen sustainability promotion structure to further deepen ESG initiatives

Organizational structure for carbon neutrality

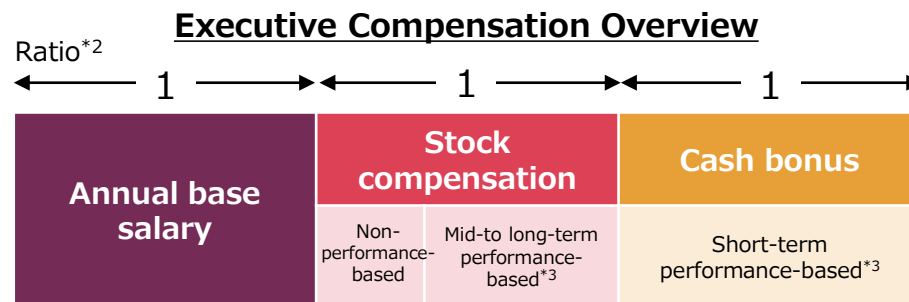
- Organized a project team that holds steering committee meetings every two months
- Established Global Head of Sustainability Engagement



Well-balanced Board Structure*¹



KPI of executive compensation



MTBP achievement evaluation*⁴

- Consolidated ROE
- Consolidated amount of expense reduction
- Improvement of external ESG evaluation

*1 Based on the proposal at the general shareholders meeting in June 2022

*2 In the case of Group CEO of MUFG

*3 Range: 0-150%

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

Governance (Structure of the Board of Directors)*1

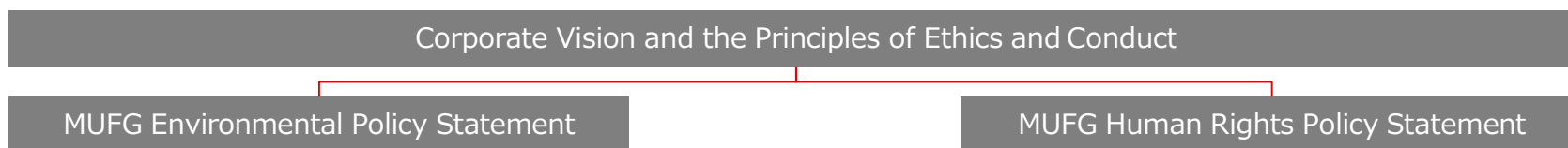
| Name | Committee-related duties | Independent Outside | Knowledge, expertise and experience | | | | | | |
|----------------------|-------------------------------|---------------------|--|---------|----------------------|---------------|--------|------------|----------------|
| | | | Corporate management | Finance | Finance & accounting | Legal affairs | Global | IT/digital | Sustainability |
| 1 Mariko Fujii | Nominating Compensation Risk* | ● | – | ● | – | – | ● | – | – |
| 2 Keiko Honda | Audit | ● | – | ● | – | – | ● | – | ● |
| 3 Kaoru Kato | Nominating Compensation Audit | ● | ● | – | – | – | – | ● | ● |
| 4 Satoko Kuwabara | Nominating Compensation* | ● | – | – | – | ● | ● | – | ● |
| 5 Toby S. Myerson | Risk | ● | – | – | – | ● | ● | – | – |
| 6 Hirofumi Nomoto | Nominating* Compensation | ● | ● | – | – | – | – | ● | ● |
| 7 Yasushi Shingai | Audit Risk | ● | ● | – | ● | – | ● | ● | ● |
| 8 Koichi Tsuji | Audit* | ● | – | – | ● | – | ● | – | – |
| 9 Tarisa Watanagase | Risk | ● | – | ● | – | – | ● | – | – |
| 10 Ritsuo Ogura | Audit | | Extensive knowledge of MUFG's business and the ability to appropriately perform management of MUFG | | | | – | – | – |
| 11 Kenichi Miyanaga | Audit | | | | | | ● | – | – |
| 12 Kanetsugu Mike | | | | | | | ● | ● | ● |
| 13 Hironori Kamezawa | Nominating Compensation | | | | | | ● | ● | ● |
| 14 Iwao Nagashima | | | | | | | ● | – | ● |
| 15 Junichi Hanzawa | | | | | | | – | – | ● |
| 16 Makoto Kobayashi | | | | | | | ● | – | ● |

Nominating: Nominating and Governance Committee member Compensation: Compensation Committee member
 Audit: Audit Committee member Risk: Risk Committee member *Chairperson

*1 Based on the proposal at the general shareholders meeting in June 2022

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 (Greenhouse Gas) 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, Shale oil and gas, Pipeline) | 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

MUFG's Green, Social, and Sustainability Bond Framework

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

“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

Basic policy of the medium-term business plan

- Position the 3-year term from FY21 to FY23 as the “3 years of new challenges and transformation” and seek to develop our business model to respond to the changes in environment and improve ROE

Our vision
after
3 years

Be the premier business partner that pioneers the future through the power of finance and digital services
To cope with the drastically changing society,
we commit to empowering all stakeholders to move forward to the next step

Key
strategies

Corporate transformation

Digital transformation

Contribution to addressing environmental and social issues

Transformation of corporate culture (a culture with a focus placed on “speed” and “new challenges”)

Strategy for growth

Wealth management

Approach of proposing solutions to customer’s issues

Asia business

GCIB & Global Markets

Global AM / IS

Structural reforms

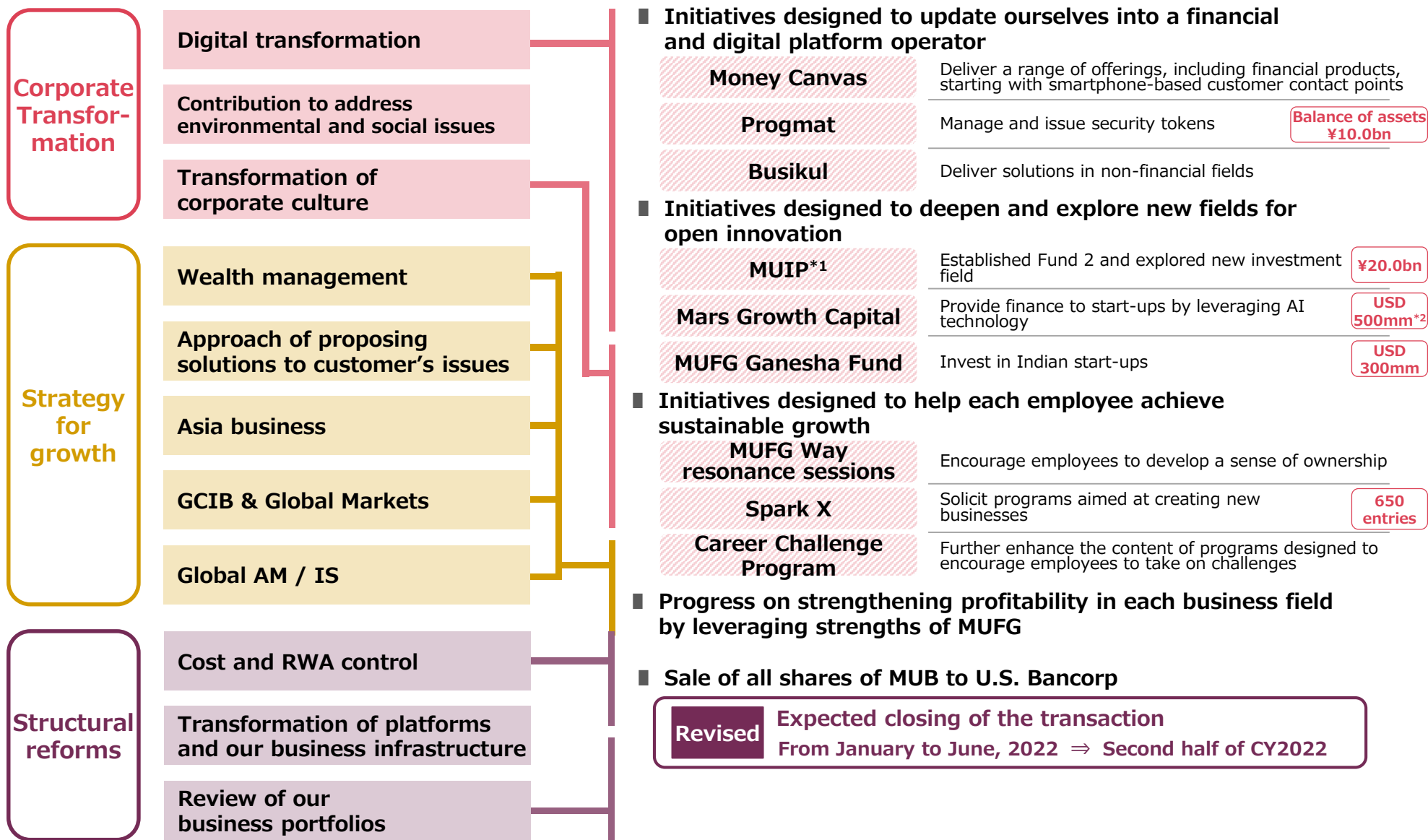
Cost and RWA control

Transformation of platforms and our business infrastructure

Review of our business portfolios

Progress on the medium-term business plan

- Progress made on major initiatives in the first year of the medium-term business plan that positions the 3-year term from FY21 to FY23 as the “3 years of new challenges and transformation.”

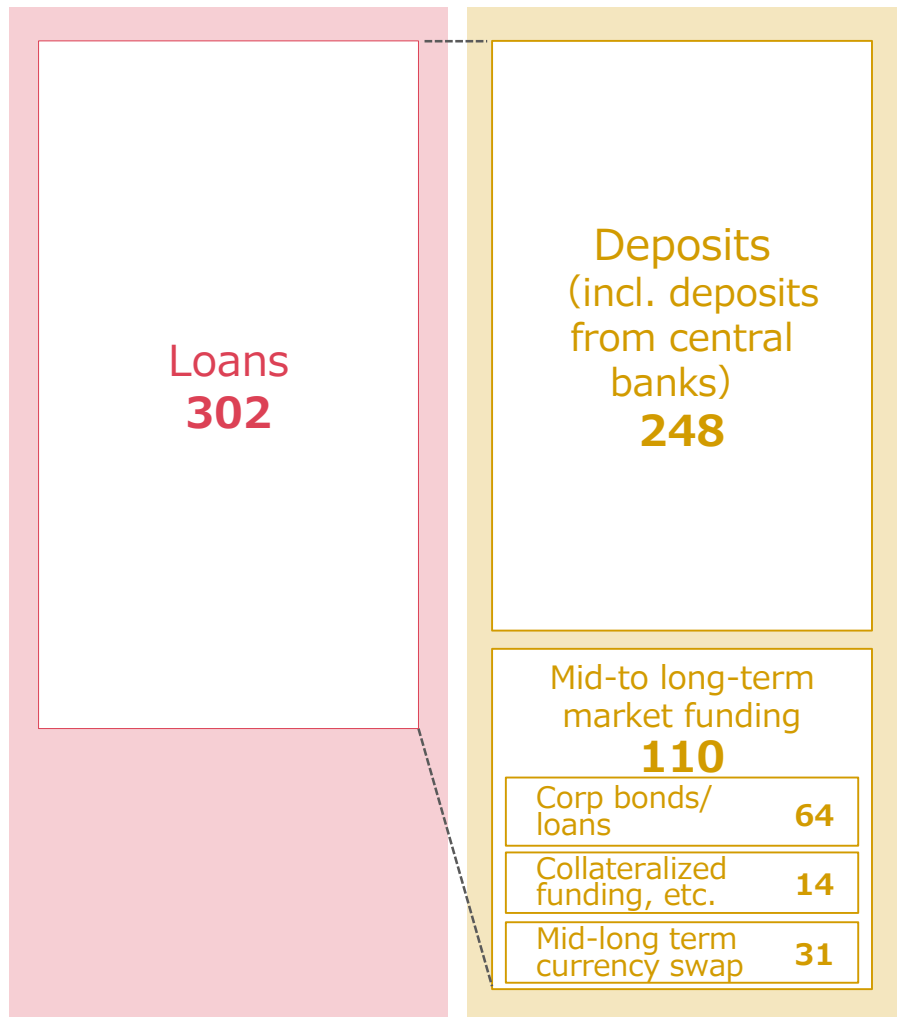


*1 MUFG Innovation Partners *2 An aggregate of Fund 1 and Fund 2 (Fund 1 : USD200mm, Fund 2 : USD300mm)

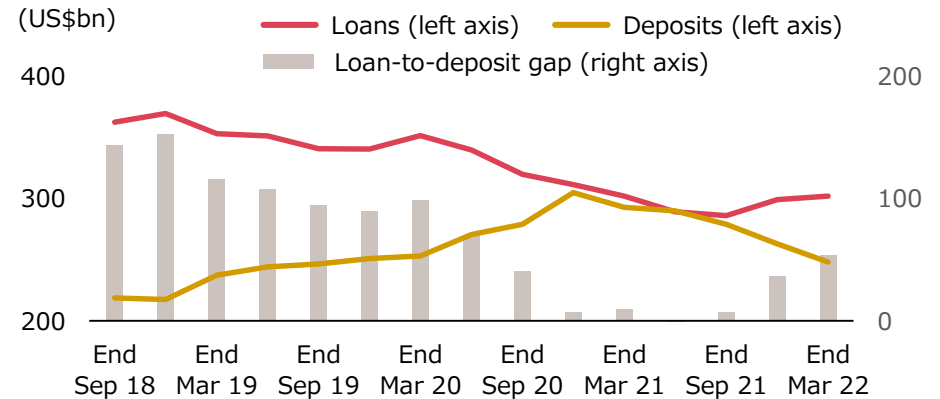
Non-JPY liquidity*1

(US\$bn)

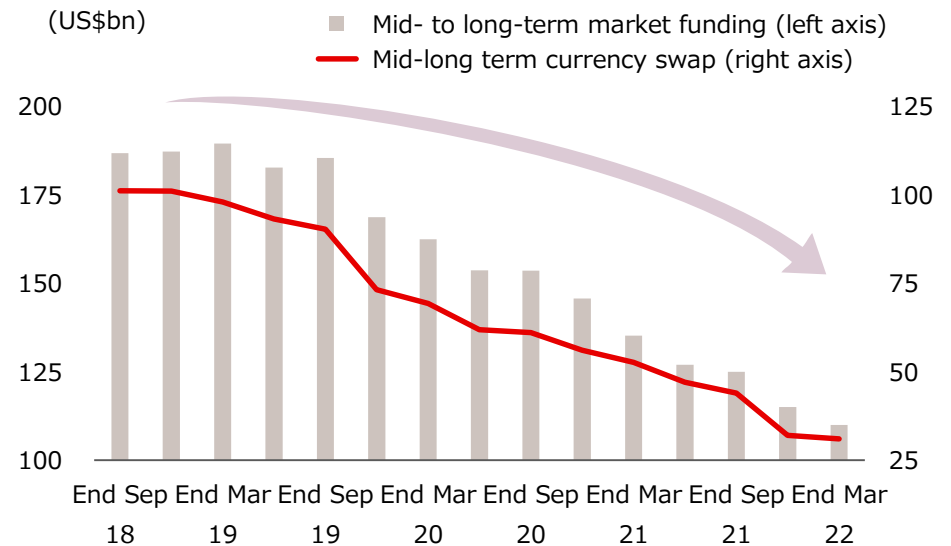
As of end March 2022



Historical loan-to-deposit gap



Historical mid- to long-term market funding



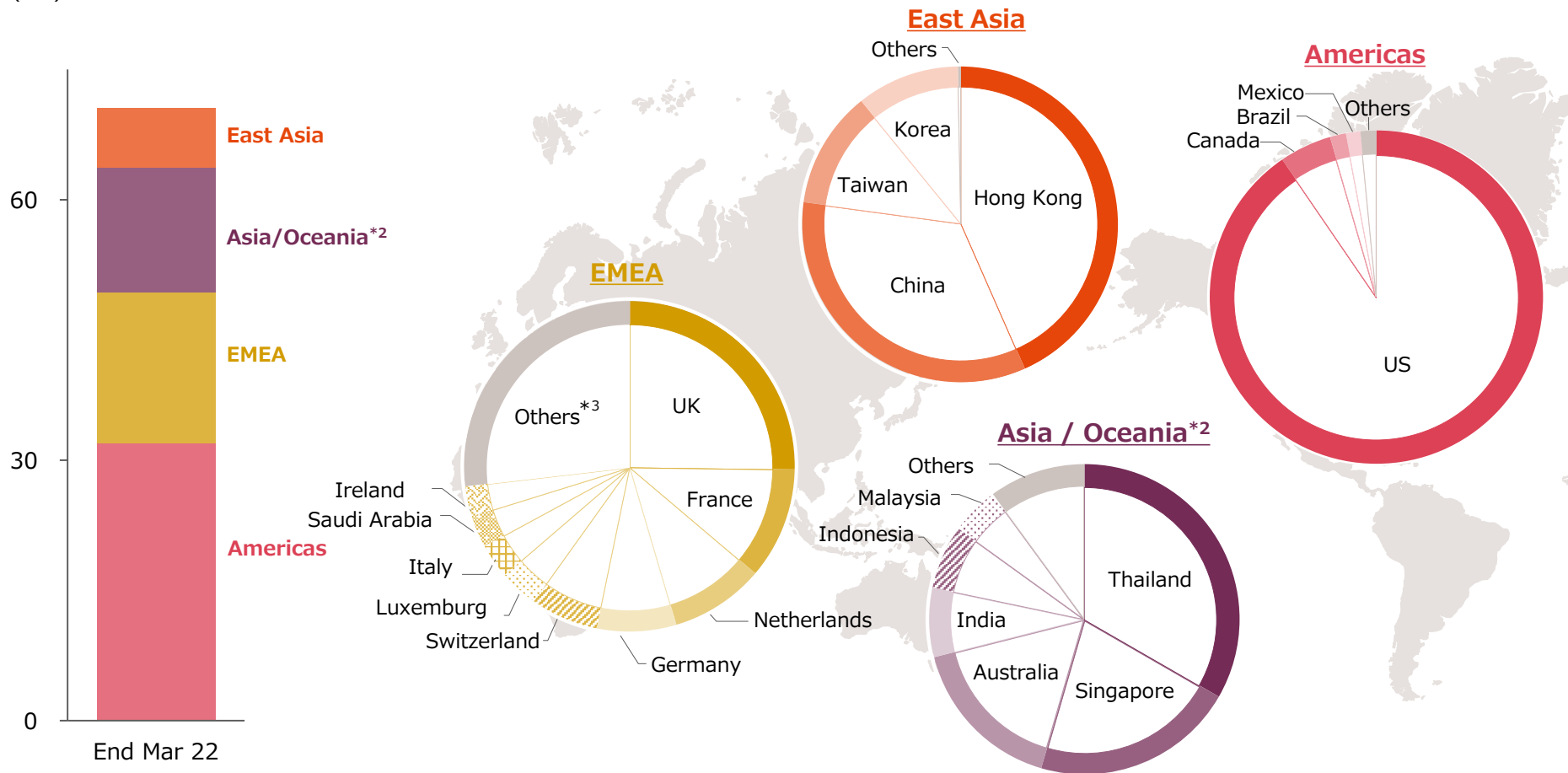
*1 The Bank consolidated excl. MUAH, KS and BDI. Managerial accounting basis

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 ¥122.39/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

Impairment loss of fixed assets / Exposures to Russia

Revision of JGAAP impairment determination process*1

Back-ground

Reviewed managerial accounting method continuously

- To ensure more efficient management of resources
- To strengthen control on profits and losses in each business group

Major changes

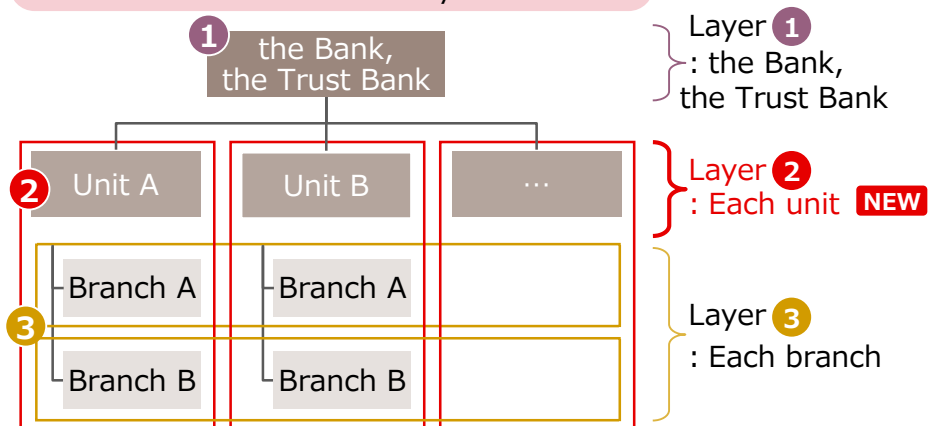
- Allocable portion of fixed assets are distributed to each unit*2
- Addition of determination process on a unit basis

Result

Better able to perform profitability-based evaluation of assets by testing them for impairment based on each unit's operating results

■ Post-revision : Addition of a layer as a basis for impairment determination

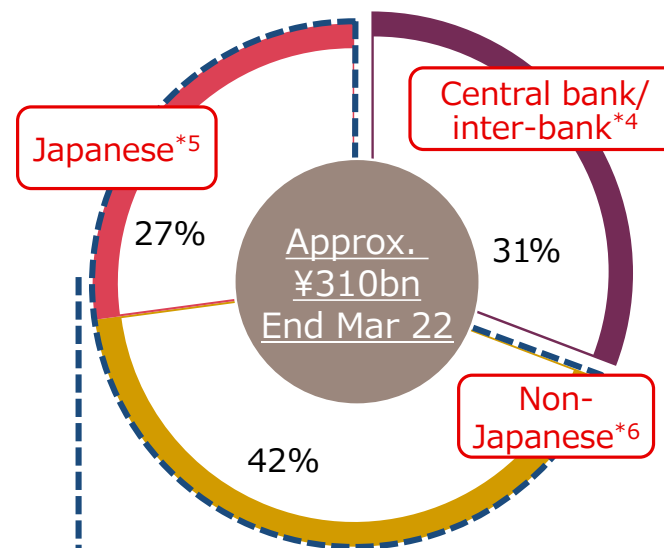
Post-revision : 3 Layers



Breakdown of exposures to Russia

• Exposure to Russia*3 was approx. ¥310bn (End Mar 22)

■ the Bank consolidated, including local subsidiary, excluding MUAH, KS, BDI



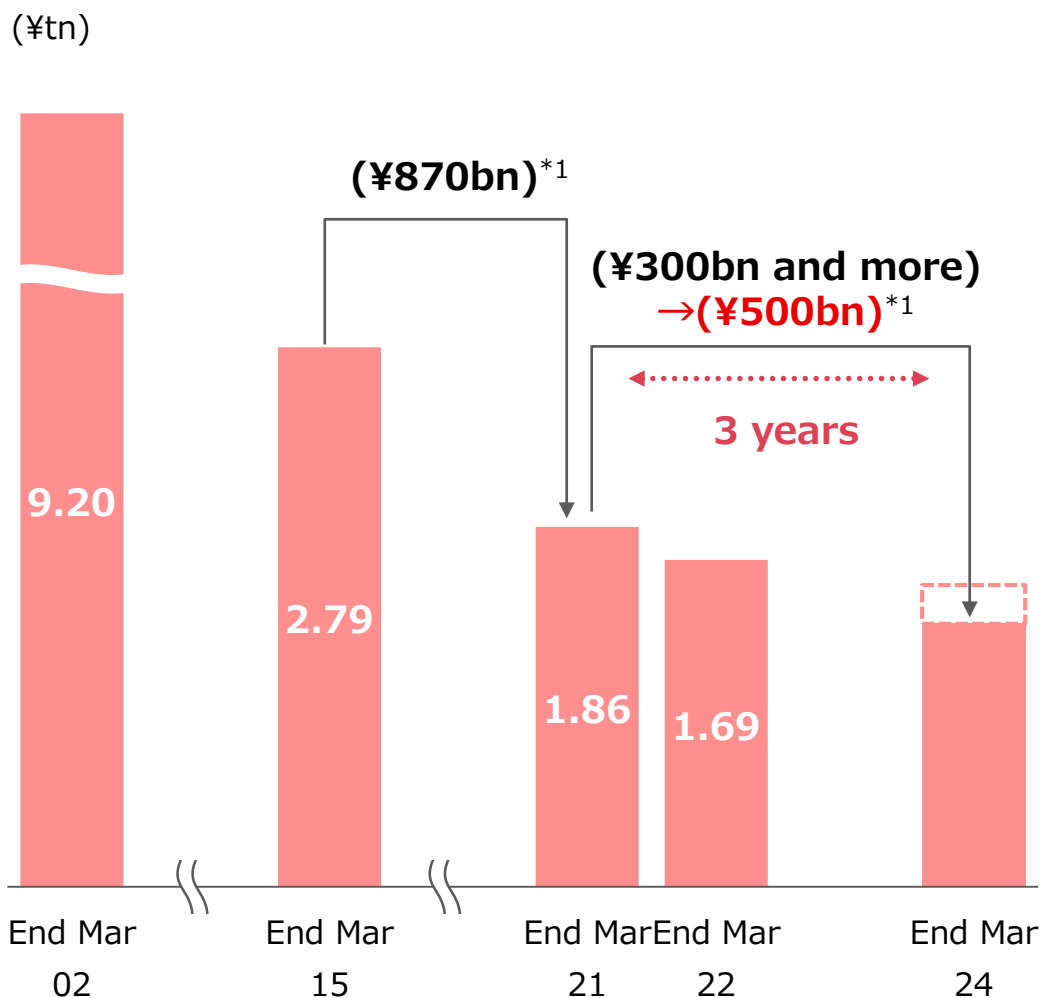
• less than 0.2% of the total balance of the Bank (consolidated)*7

*1 Recorded ¥129.8bn of impairment loss in FY21 as a result of the revision *2 Reference used to refer to each business group equivalent of the Bank and the Trust Bank
 *3 Based on borrower's location. Including undrawn commitment, market risk exposure and etc. All figures are on managerial accounting basis
 *4 Including due from banks and Russian government bond *5 Affiliated with Japanese companies
 *6 Affiliated with non-Japanese companies *7 Excluding the balance of central bank and inter-bank transactions etc.

Reduction of equity holdings

- Based on the current progress, the MTBP target has been upwardly revised to ¥500bn*1

Historical performance*2 and target



Total amount of sale*1

| (¥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 |
| FY20 | 267 | 137 | 130 |
| Total FY15-20 | 1,545 | 870 | 675 |
| FY21 | 470 | 169 | 301 |

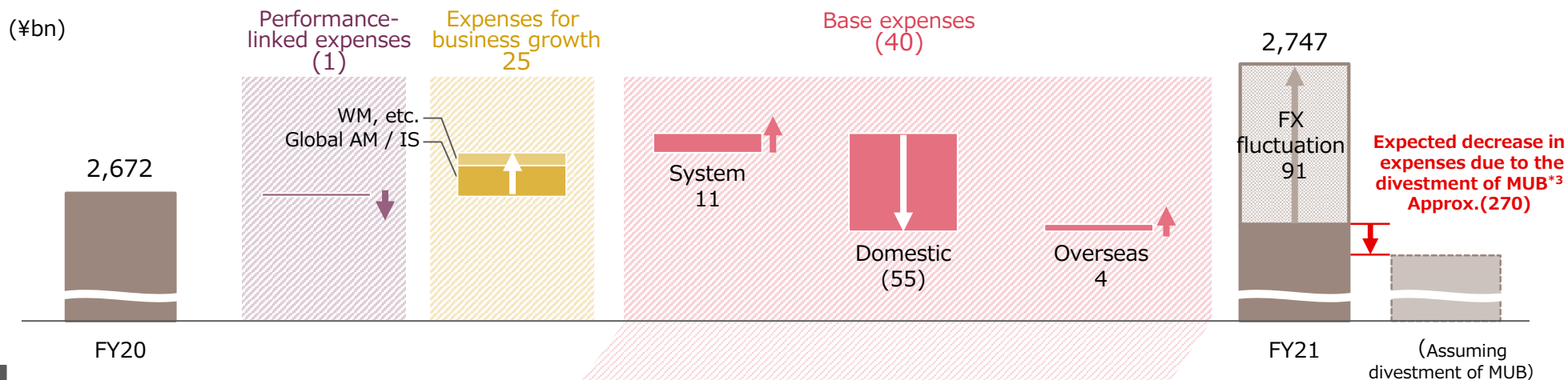
*1 Sum of the Bank and the Trust Bank. Total amount of sale on an acquisition cost basis

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

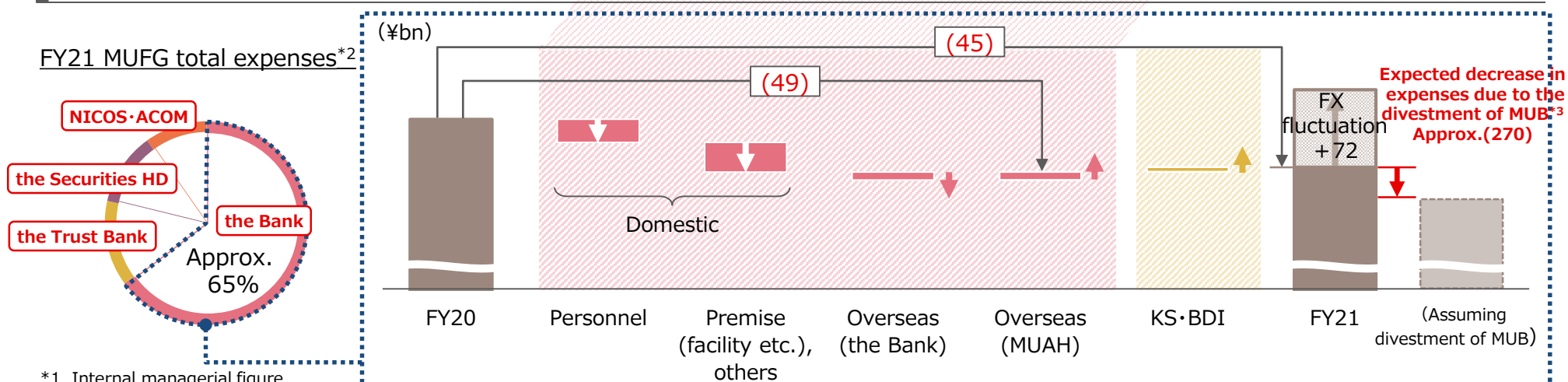
Expenses

- FY21 expenses decreased YoY excluding the impact of FX fluctuation by the reduction of base expenses in spite of expenses for business growth

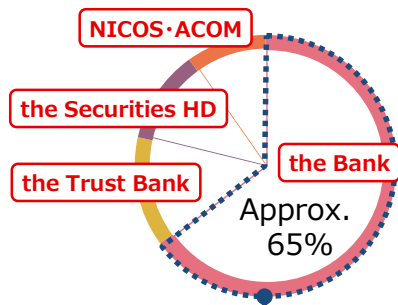
Expenses*1



Expenses (the Bank including MUAH, KS, BDI)*1*4



FY21 MUFG total expenses*2



*1 Internal managerial figure

*2 Includes FX fluctuation impact

*3 JPY equivalent (using actual exchange rates as of end March 2022) of noninterest expenses of business held for sale in the amount of approx. USD2.2bn for FY21

*4 Includes parts of expenses for business growth, etc.

Strategic investments for sustainable growth

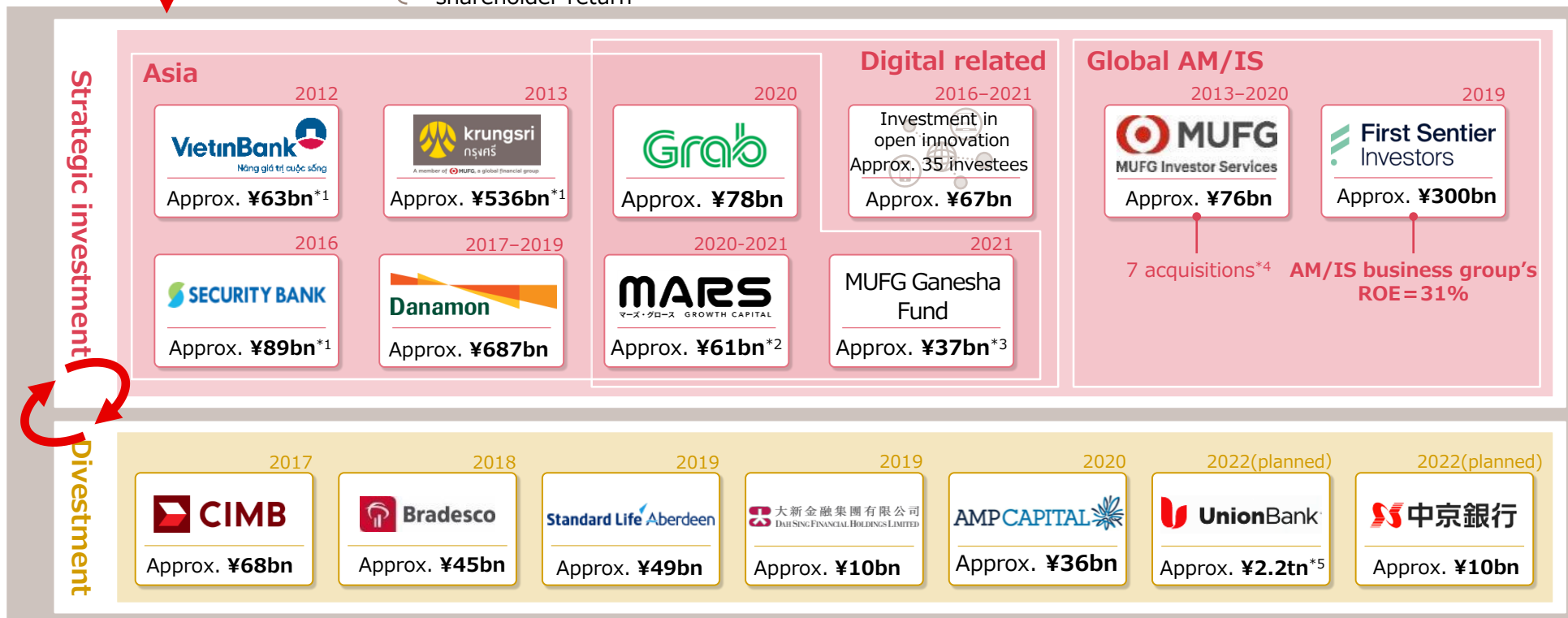
- Consider capital utilization, albeit in a disciplined manner, as a key measure for securing sustainable growth and periodically review existing investments

Disciplined investment criteria

| | | | | | |
|-----------------|---|----------------------|--|---------------------------|---------------------------------------|
| Strategy | Consider new investments in growth areas such as digital, global AM/IS and Asia, etc. | Profitability | Profitability criteria for enhancing corporate values Periodic monitoring after investments | Capital efficiency | Reallocate capital to strategic areas |
|-----------------|---|----------------------|--|---------------------------|---------------------------------------|

Current situation of consideration

- Focus on capturing returns on existing investments
- Despite continuous consideration, no major investment projects are currently planned
- If there is no candidate satisfying our criteria, excess capital is planned to be allocated to additional shareholder return



*1 Initial investment amount *2 JPY equivalent of USD500mm, MUFG's LP commitment for No. 1 and 2 funds using actual exchange rates as of end Mar 2022

*3 JPY equivalent of funds under management amounting to USD300mm using actual exchange rates as of end Mar 2022 *4 Butterfield, Meridian, UBS AFS, Capital Analytics, Rydex, Point Nine, Maitland *5 Approx. US\$17.6bn which is expected as the total transaction value (consisting of \$8.0 billion of consideration to be paid by USB and \$9.6 billion of capital to be distributed by MUB) is converted into JPY using actual exchange rates as of end Mar 2022. The completion of the share transfer is subject to certain conditions precedent, including the approval from relevant regulators, and is currently expected to be effective in CY2022 H2

Review of our business portfolio

– Progress on the sale of MUB

- Work to complete the sale of MUFG Union Bank (“MUB”) is a top priority

Schedule of the sale of MUB

November 2008:

Increased ownership of MUB to 100%*1

- Contributed to MUFG’s revenues for more than a decade

Business environment surrounding MUB

- Increasing importance of scale and IT investments in retail business

MUFG’s Management Challenges

- Reshape global business

September 2021:

Announced sale of all shares of MUB to U.S. Bancorp (USB)

Second half of 2022 (Revised):

Closing of the transaction (Expected)*2

During or after second half of 2022:

System integration at USB (Expected)*2

Current progress

- Proceeding with preparations for the sale and transition by the project team across Japan and the U.S.
- Internal preparations for the sale (including the transfer of GCIB/Global Markets business, etc. to the Bank’s branches) are generally completed
- Progress on discussions with USB regarding the closing of the sale, handling of transition period, and business alliance
- Submitted applications to the U.S. regulators and communicating with the Japanese regulator to gain approval of the transaction
- USB announced the “Community Benefits Plan”^{*3}

Financial results*4 of the discontinued operations (businesses held for sale)

| (US\$ mm) | FY21 |
|---|--------|
| Total revenue | 2,473 |
| Noninterest expense | 2,234 |
| Pre-tax, pre-provision income (loss) | 239 |
| (Reversal of) provision for credit losses | (931) |
| Net income (loss), net of taxes, excluding noncontrolling interests | 831 |
| Loans held for sale | 57,045 |
| Total deposits | 90,891 |

*1 Increased to 100% our ownership of UnionBanCal Corporation (currently MUAH), parent company of Union Bank of California (currently MUB)

*2 Subject to approvals from relevant regulators and fulfillment of preconditions for the closing

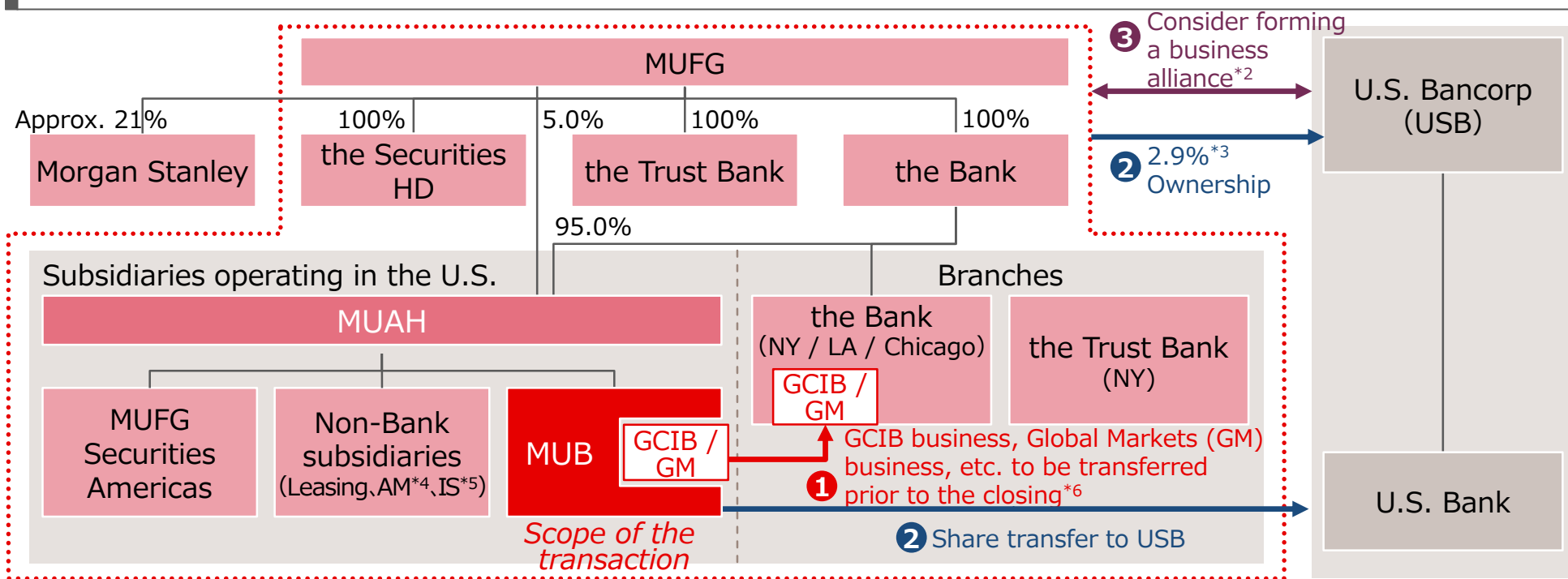
*3 USB agreed with local community groups to support equitable access to capital for low- and moderate- income communities and communities of color

*4 Financial results as disclosed in MUAH’s U.S. GAAP 2021 annual audited financial statements

Review of our business portfolio

– Progress on the sale of MUB (Structure and future direction)

Structure*1



Future direction

| Strategic importance of the U.S. market remains unchanged | Capital and business alliance with U.S. Bancorp | Use of released capital |
|--|--|---|
| <ul style="list-style-type: none"> Focus on corporate transactions through collaboration among the Bank, the Trust Bank and the Securities as well as the strategic alliance with Morgan Stanley Streamline operations and systems | <ul style="list-style-type: none"> Indirect involvement in the U.S. retail and commercial banking businesses Plan to collaborate in businesses with Japanese customers and the digital field | <ul style="list-style-type: none"> Giving comprehensive consideration to shareholder returns, investment in growth areas, etc. |

*1 The transaction is subject to conditions precedent, including approval of regulators, and closing is currently expected to be in the second half of CY2022

*2 Plan to discuss forming business alliances with USB *3 Post-transaction ownership ratio (based on the number of USB shares outstanding as of September 16, 2021) *4 Asset Management *5 Investor Services *6 GCIB business, Global Markets business to the extent related to the GCIB business (transactions with clients and investors) and certain middle and back office functions to be transferred to the Bank's U.S. branches or its affiliates (prior to the closing)

US GAAP consolidated financials - Balance sheet

Balance sheet

(¥mm)

| Assets | End Mar 21 |
|---|--------------------|
| Cash and due from banks | 49,977,480 |
| Interest-earning deposits in other banks | 53,346,721 |
| Call loans, funds sold, and receivables under resale agreements | 15,035,838 |
| Receivables under securities borrowing transactions | 3,369,903 |
| Trading account assets | 44,444,379 |
| Investment securities | 57,244,496 |
| Net loans | 114,370,472 |
| Premises and equipment | 874,992 |
| Accrued interest | 259,336 |
| Customers' acceptance liability | 283,194 |
| Intangible assets—net | 1,184,994 |
| Goodwill | 370,852 |
| Deferred tax assets | 122,031 |
| Other assets | 12,939,937 |
| Total assets | 353,824,625 |

(¥mm)

| Liabilities and shareholders' equity | End Mar 21 |
|---|--------------------|
| Total Deposits | 229,206,936 |
| Call money, funds purchased, and payables under repurchase agreements | 26,921,773 |
| Payables under securities lending transactions | 842,590 |
| Due to trust account and Other short-term borrowings | 18,079,554 |
| Trading account liabilities | 12,017,553 |
| Obligations to return securities received as collateral | 6,581,759 |
| Bank acceptances outstanding | 283,194 |
| Accrued interest | 110,856 |
| Long-term debt | 35,157,651 |
| Other liabilities | 8,378,205 |
| Total liabilities | 337,580,071 |
| Capital stock | 2,090,270 |
| Capital surplus | 5,533,761 |
| Retained earnings | 8,829,471 |
| Accumulated other comprehensive income, net of taxes | (289,481) |
| Treasury stock, at cost | (503,072) |
| Noncontrolling interests | 583,605 |
| Total equity | 16,244,554 |
| Total liabilities and shareholders' equity | 353,824,625 |

US GAAP consolidated financials - Statement of operations

Statement of operations

(¥mm)

Statement of Operations Data

Fiscal year ended Mar 21

| | |
|---|-----------|
| Interest income | 2,751,996 |
| Interest expense | 747,902 |
| Net interest income | 2,004,094 |
| Provision for (reversal of) credit losses | 484,210 |
| Net interest income after provision for (reversal of) credit losses | 1,519,884 |
| Non-interest income | 3,157,787 |
| Non-interest expense | 3,069,329 |
| Income (loss) before income tax expense | 1,608,342 |
| Income tax expense (benefit) | 444,948 |
| Net income before attribution of noncontrolling interests | 1,163,394 |
| Net income (loss) attributable to noncontrolling Interests | 46,096 |
| Net income attributable to Mitsubishi UFJ Financial Group | 1,117,298 |

(¥)

Earnings (loss) per share

Fiscal year ended Mar 21

| | |
|--|-------|
| Basic earnings | |
| Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group | 86.88 |
| Diluted earnings | |
| Earnings applicable to common shareholders of Mitsubishi UFJ Financial Group | 86.56 |

US GAAP consolidated financials

- Reverse reconciliation from US GAAP to Japanese GAAP

Reverse reconciliation of shareholders' equity and net income

(¥mm)

End Mar 21

| Total equity in accordance with U.S. GAAP | | |
|---|---|-------------------|
| Differences arising from different accounting for: | | 16,244,554 |
| 1 | Investment securities | (11,495) |
| 2 | Loans | 13,706 |
| 3 | Allowance for credit losses | 395,656 |
| 4 | Fixed assets | 338,975 |
| 5 | Pension liability | (13,383) |
| 6 | Derivative financial instruments and hedging activities | 187,549 |
| 7 | Compensated absences | 50,623 |
| 8 | Long-term debt | (6,369) |
| 9 | Consolidation | 291,740 |
| 10 | Goodwill | 327,550 |
| 11 | Intangible assets | (10,466) |
| 12 | Investments in equity method investees | 606,633 |
| 13 | Others | (542,008) |
| Deferred income tax effects of the above adjustments, when applicable | | (157,008) |
| Net assets in accordance with Japanese GAAP | | 17,716,257 |

(¥mm)

Fiscal year ended Mar 21

| Net Income before attribution of noncontrolling interests in accordance with U.S. GAAP | | |
|--|---|------------------|
| Differences arising from different accounting for: | | 1,163,394 |
| 1 | Investment securities | (728,535) |
| 2 | Loans | 29,814 |
| 3 | Allowance for credit losses | (45,989) |
| 4 | Fixed assets | (12,071) |
| 5 | Pension liability | (3,216) |
| 6 | Derivative financial instruments and hedging activities | 158,575 |
| 7 | Compensated absences | 2,720 |
| 8 | Long-term debt | (373) |
| 9 | Consolidation | (41,992) |
| 10 | Goodwill | 130,731 |
| 11 | Intangible assets | (2,027) |
| 12 | Investments in equity method investees | (120,601) |
| 13 | Others | 66,648 |
| Deferred income tax effects of the above adjustments, when applicable | | 259,889 |
| Net Income before attribution of noncontrolling interests in accordance with Japanese GAAP | | 856,967 |