

# FY2021H1 IR presentation

November 18, 2021



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## Definitions of figures used in this document

Consolidated :	Mitsubishi UFJ Financial Group (consolidated)		
Non-consolidated :	Simple sum of MUFG Bank (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)		
the Bank (consolidated) :	MUFG Bank (consolidated)		
MUFG:	Mitsubishi UFJ Financial Group	FSI:	First Sentier Investors
the Bank (BK):	MUFG Bank	MUB:	MUFG Union Bank
the Trust Bank (TB):	Mitsubishi UFJ Trust & Banking Corporation	DS:	Digital Service
the Securities HD (SCHD):	Mitsubishi UFJ Securities Holdings	R&C:	Retail & Commercial Banking
MUMSS:	Mitsubishi UFJ Morgan Stanley Securities	JCIB:	Japanese Corporate & Investment Banking
MSMS:	Morgan Stanley MUFG Securities	GCIB:	Global Corporate & Investment Banking
NICOS:	Mitsubishi UFJ NICOS	GCB:	Global Commercial Banking
MUAH:	MUFG Americas Holdings Corporation	AM/IS:	Asset Management & Investor Services
KS:	Bank of Ayudhya (Krungsri, KS)		
Bank Danamon (BDI):	Bank Danamon Indonesia		

# Key message

## FY21H1 result and FY21 target

- FY21H1 result :Net profits\*<sup>1</sup> was ¥781.4bn, **91.9%** progress toward FY21 initial target
- FY21 target :Revised FY21 target **upward to ¥1,050.0bn** (up by ¥200.0bn from initial target)

## Progress of the medium-term business plan

- Financial target :Due to the decrease of credit costs, etc., ROE was **10.91% (+5.08% YoY)**  
Key Strategies (“Strategy for growth” and “Structural reforms”) are **overall steadily progressing**
- Sale of MUB :**Decided to sell MUB** with an eye to optimally allocating management resources  
(Closing of the transaction expected in 2022)

## Approach to carbon neutrality

- Financed emissions\*<sup>2</sup> :Set **2030 interim targets** for “Electricity” and “Oil & Gas” in spring 2022
- Own emissions :Reduced significantly by completing the shift of domestic electricity procurement directly by the Bank, the Trust bank, and the Securities HD to **100% renewable sources**

## Capital policy

- Progressive dividend :FY21 DPS forecast was **revised upward by ¥1 to ¥28** from previous forecast, **up by ¥3** compared to FY20
- Share buyback :Repurchase of own shares up to **¥150.0bn** was resolved

\*1 Profits attributable to owners of parent \*2 Greenhouse gas (GHG) emissions financed by loans and investments

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# FY21H1 financial results

# FY21H1 financial results and FY21 targets

– Revised FY21 target for profits attributable to owners of parent upward to ¥1,050.0bn, in light of progress in the first half

## 【Reasons of upward revision】

- Net operating profits : +¥50.0bn  
Revised upward to ¥1,150.0bn mainly due to strong performance in customer segments in H1
- Profits attributable to owners of parent : +¥200.0bn  
Revised upward to ¥1,050.0bn considering progress in H1 as well as a possibility of impairment loss of fixed assets following the implementation of new methodology on a recognition of impairment loss, consistent with the enhancement of business management framework under consideration towards the end of this fiscal year

MUFG consolidated (¥bn)	FY20H1	FY21H1		FY21 full year	
	Results	Results	YoY	Revised targets	Changes from initial targets
1 <b>Gross profits</b> *1 (before credit costs for trust accounts)	2,057.8	<b>1,980.8</b>	(76.9)	–	–
2 <b>G&amp;A expenses</b> *1	1,317.3	<b>1,343.2</b>	25.9	–	–
3 <b>Net operating profits</b>	740.4	<b>637.5</b>	(102.8)	<b>1,150.0</b>	<b>+50.0</b>
4 <b>Total credit costs</b>	(258.4)	<b>17.9</b>	276.3	<b>(150.0)</b>	<b>+200.0</b>
5 <b>Ordinary profits</b>	590.2	<b>986.0</b>	395.7	<b>1,550.0</b>	<b>+400.0</b>
6 <b>Profits attributable to owners of parent</b>	400.8	<b>781.4</b>	380.6	<b>1,050.0</b>	<b>+200.0</b>

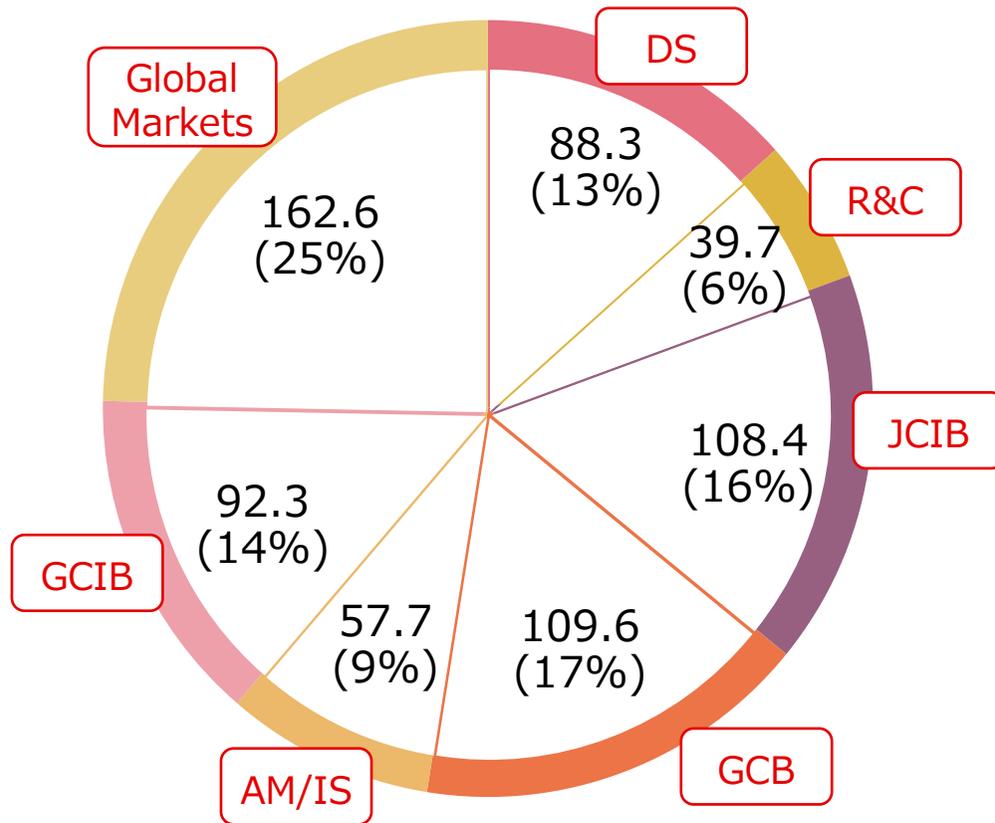
\*1 From FY21, expenses related to credit cards, which were previously recorded as G&A expenses, are recorded as fees and commissions expenses. The amount of retroactive adjustment in FY20H1 was ¥35.1bn

# Net operating profits results by business group

Net operating profits by business group\*1 Consolidated

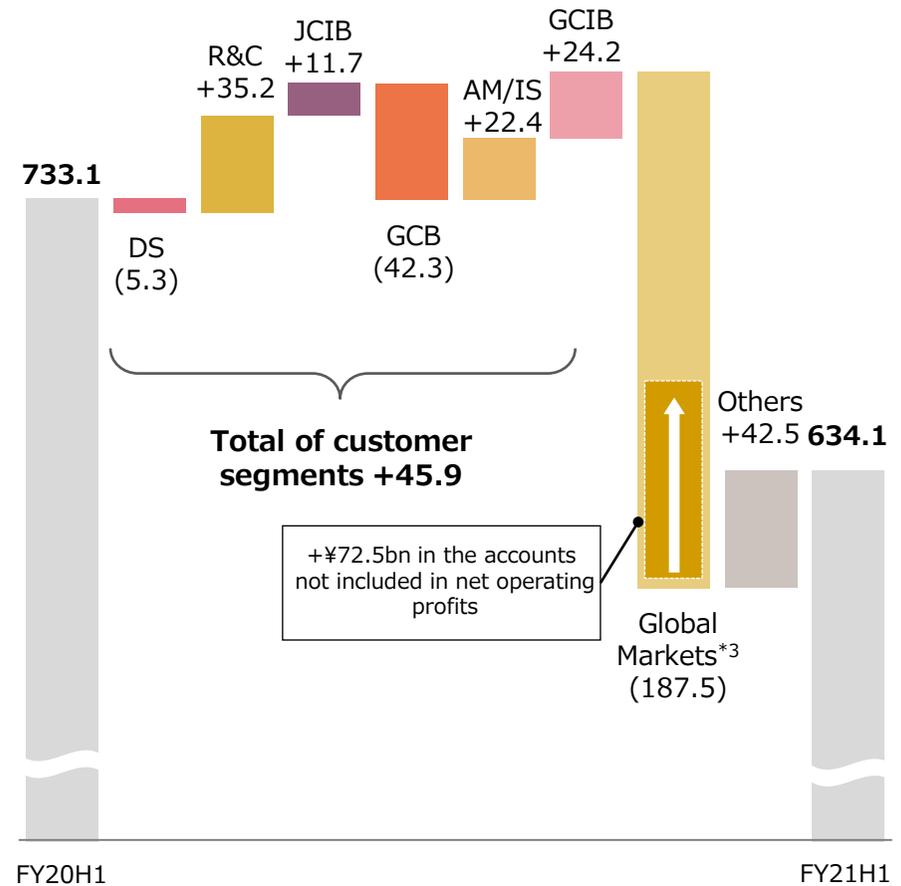
(¥bn)

**FY21H1 ¥634.1bn\*2**



Changes by business group Consolidated

(¥bn)



\*1 All figures are in actual exchange rate and managerial accounting basis

\*2 Include net operating profits from "Others" segment (FY20H1: (¥67.1)bn, FY21H1: (¥24.6)bn)

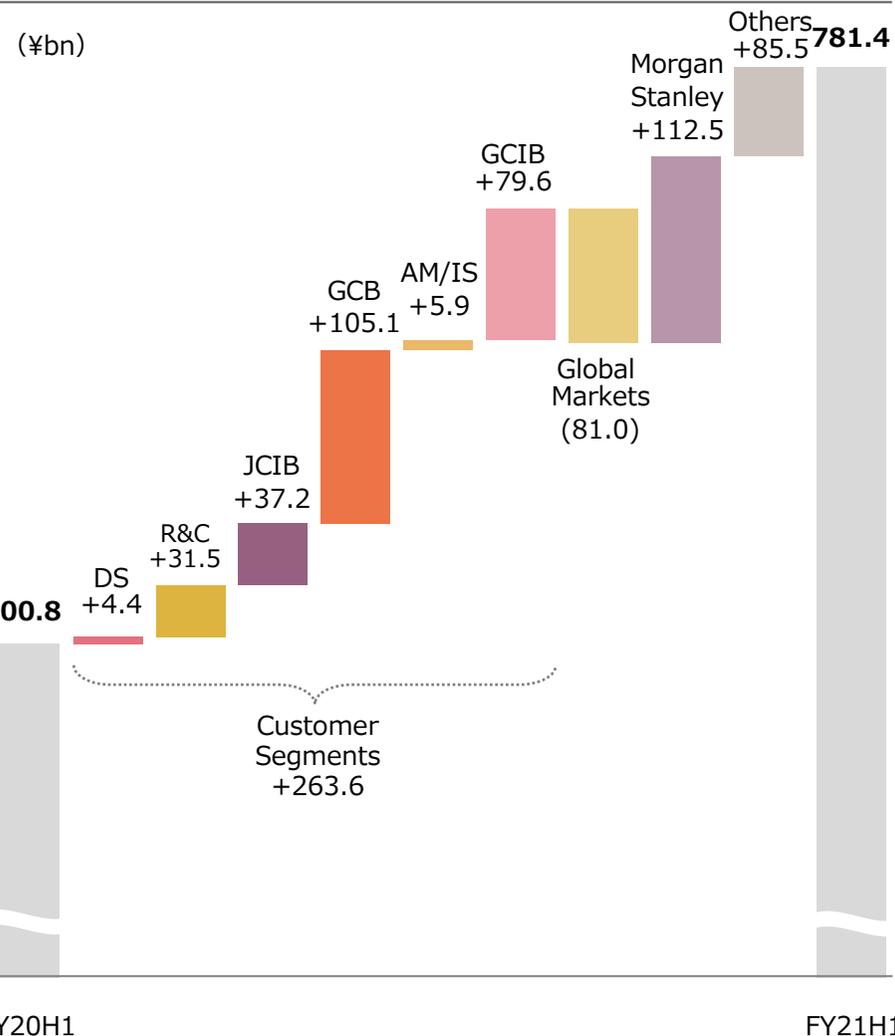
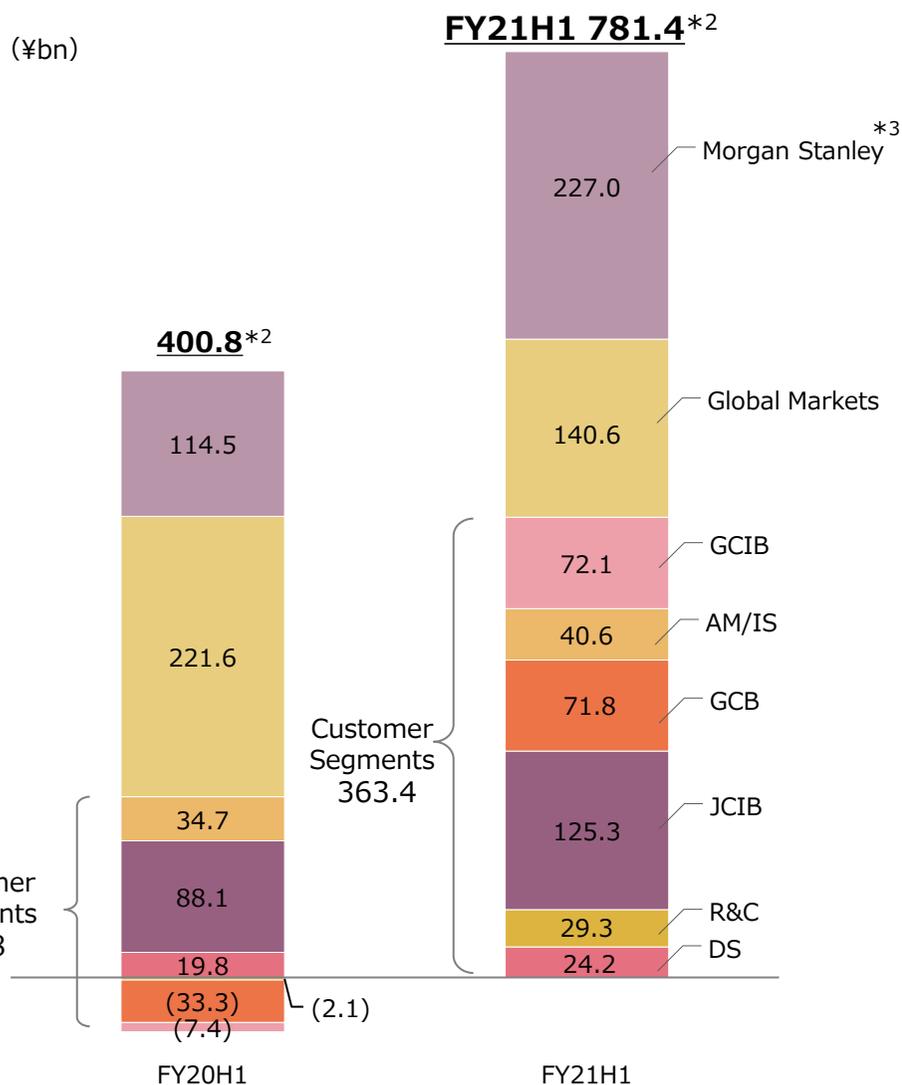
\*3 Global Markets business group manages profits including accounts such as net gains(losses) on equity securities which are not included in net operating profits.

The YoY change for those accounts was +¥72.5bn, including improvement in profits from sales of ETF +¥46.2bn and hedge profits of specified money trust +¥26.3bn

# Net income results by business group

Net income by business group, etc.\*1 Consolidated

Changes by business group, etc. Consolidated



\*1 On a managerial accounting basis (preliminary results). Local currency basis \*2 Include other net income (FY20H1: (¥35.1)bn, FY21H1: ¥50.3bn)

\*3 Includes gains/losses on change in equity (FY20H1: (¥16.5)bn, FY21H1: ¥36.8bn)

# Results by business group (1)

Consolidated	Business group	Net operating profits (¥bn)*1		Expense ratio*1		ROE*2		RWA (¥tn)*3	
		FY21 H1	YoY	FY21 H1	YoY	FY21 H1	YoY	End Sep 21	Changes from end Mar 21
	Digital Service <b>DS</b>	88.4	(5.8)	76%	1ppt	5%	1ppt	8.9	(0.1)
	Retail & Commercial Banking <b>R&amp;C</b>	39.7	35.8	86%	(12ppt)	3%	3.5ppt	16.7	(0.5)
	Japanese Corporate & Investment Banking <b>JCIB</b>	105.5	6.5	59%	(2ppt)	8%	2ppt	33.4	(0.9)
	Global Corporate & Investment Banking <b>GCIB</b>	80.7	14.5	62%	(4ppt)	7.5%	6ppt	22.2	(0.3)
	Global Commercial Banking <b>GCB</b>	105.3	(40.5)	71%	7ppt	7.5%	11ppt	17.0	(0.2)
	Asset Management & Investor Services <b>AM/IS</b>	56.0	20.8	67%	(8ppt)	33.5%	4.5ppt	2.1	0.2
	Global Markets <b>Global Markets</b>	199.2	(88.3)	36%	8ppt	8.5%	(2ppt)	19.0	0.6

\*1 Local currency basis \*2 Calculated based on Risk Assets (DS, R&C, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets).  
(Managerial accounting basis. Net profits basis. Calculated excluding non-JPY mid- to long-term funding costs)

\*3 The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of September). Actual figures as of end Mar 21 are restated

## Results by business group (2)

### Digital Service\*1

(¥bn)	FY20H1	FY21H1	YoY
<b>Gross profits</b>	366.0	<b>364.6</b>	(1.4)
Loan and deposit interest income	76.1	<b>73.5</b>	(2.6)
Domestic and foreign settlement / forex	21.9	<b>20.4</b>	(1.4)
Card settlement	107.6	<b>107.1</b>	(0.5)
Consumer finance	143.0	<b>138.2</b>	(4.8)
<b>Expenses</b>	271.8	<b>276.2</b>	4.4
Expense ratio	74%	<b>76%</b>	1ppt
<b>Net operating profits</b>	94.2	<b>88.4</b>	(5.8)
Credit costs*2	(39.7)	<b>(33.9)</b>	5.8
<b>Net profits</b>	19.8	<b>24.2</b>	4.4
<b>RWA</b> *3 (¥tn)	9.0	<b>8.9</b>	(0.1)
<b>ROE</b>	4%	<b>5%</b>	1ppt
<b>Ave. housing loan balance</b> (¥tn)	11.3	<b>11.2</b>	(0.1)
<b>Ave. deposit balance</b> (¥tn)	53.4	<b>56.2</b>	2.8
<b>Balance of consumer loans</b> *4 (¥tn)	1.4	<b>1.4</b>	(0.0)
<b>Volume of card shopping</b> *5 (¥tn)	2.4	<b>2.5</b>	0.1

### Retail & Commercial Banking\*1

(¥bn)	FY20H1	FY21H1	YoY
<b>Gross profits</b>	251.3	<b>287.5</b>	36.2
Loan and deposit interest income	81.8	<b>79.8</b>	(2.0)
Domestic and foreign settlement / forex	44.1	<b>47.3</b>	3.2
Derivatives, solutions	14.5	<b>23.5</b>	9.0
Real estate, corporate agency and inheritance	19.0	<b>25.2</b>	6.2
Investment product sales	81.0	<b>98.2</b>	17.3
<b>Expenses</b>	247.5	<b>247.8</b>	0.3
Expense ratio	98%	<b>86%</b>	(12ppt)
<b>Net operating profits</b>	3.9	<b>39.7</b>	35.8
Credit costs	(14.3)	<b>2.4</b>	16.7
<b>Net profits</b>	(2.1)	<b>29.3</b>	31.5
<b>RWA</b> *3 (¥tn)	17.3	<b>16.7</b>	(0.6)
<b>ROE</b>	(0%)	<b>3%</b>	3.5ppt
<b>Ave. loan balance</b> *6 (¥tn)	20.4	<b>20.2</b>	(0.2)
Lending spread*7	0.53%	<b>0.53%</b>	0.00ppt
<b>Ave. deposit balance</b> (¥tn)	71.9	<b>79.8</b>	7.9

\*1 Managerial accounting basis. Local currency basis. ROE is calculated based on net profits and excludes non-JPY mid- to long-term funding costs

\*2 Including provision for losses from interest repayments \*3 The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of September)

\*4 Total balance of personal card loans of the Bank, the Trust Bank and ACOM (excl. guarantee) \*5 For NICOS cardmembers

\*6 Excluding consumer loans \*7 Excluding non-JPY mid- to long-term funding costs

## Results by business group (3)

### Japanese Corporate & Investment Banking<sup>\*1</sup>

(¥bn)	FY20H1	FY21H1	YoY
<b>Gross profits</b>	251.3	<b>257.3</b>	6.0
Loan and deposit interest income	97.2	<b>105.6</b>	8.5
Domestic and foreign settlement / forex <sup>*2</sup>	37.1	<b>39.5</b>	2.4
Derivatives, solutions <sup>*2</sup>	36.8	<b>19.9</b>	(16.9)
Real estate, corporate agency	20.6	<b>24.4</b>	3.8
M&A·DCM·ECM <sup>*3</sup>	20.5	<b>26.0</b>	5.5
<b>Expenses</b>	152.3	<b>151.8</b>	(0.5)
Expense ratio	61%	<b>59%</b>	(2ppt)
<b>Net operating profits</b>	98.9	<b>105.5</b>	6.5
Credit costs	(9.7)	<b>26.9</b>	36.6
<b>Net profits</b>	88.1	<b>125.3</b>	37.2
<b>RWA<sup>*4</sup> (¥tn)</b>	34.8	<b>33.4</b>	(1.4)
<b>ROE</b>	6%	<b>8%</b>	2ppt
<b>Ave. loan balance (¥tn)</b>	41.2	<b>38.5</b>	(2.7)
Lending spread <sup>*5</sup>	0.47%	<b>0.51%</b>	0.04ppt
Ave. non-JPY loan balance <sup>*6</sup> (¥tn)	15.3	<b>12.9</b>	(2.4)
Non-JPY lending spread <sup>*5*6</sup>	0.66%	<b>0.72%</b>	0.06ppt
<b>Ave. deposit balance (¥tn)</b>	36.9	<b>39.3</b>	2.4
Ave. non-JPY deposit balance <sup>*6</sup> (¥tn)	13.7	<b>15.7</b>	1.9

### Global Corporate & Investment Banking<sup>\*1</sup>

(¥bn)	FY20H1	FY21H1	YoY
<b>Gross profits</b>	196.6	<b>212.9</b>	16.2
Loan and deposit interest income	103.9	<b>108.7</b>	4.9
Commission	80.9	<b>91.8</b>	10.9
Forex, derivatives	9.0	<b>6.8</b>	(2.2)
DCM·ECM	16.2	<b>13.0</b>	(3.3)
<b>Expenses</b>	130.4	<b>132.1</b>	1.8
Expense ratio	66%	<b>62%</b>	(4ppt)
<b>Net operating profits</b>	66.3	<b>80.7</b>	14.5
Credit costs	(74.1)	<b>16.2</b>	90.2
<b>Net profits</b>	(7.4)	<b>72.1</b>	79.6
<b>RWA<sup>*4</sup> (¥tn)</b>	22.6	<b>22.2</b>	(0.4)
<b>ROE</b>	1.5%	<b>7.5%</b>	6ppt
<b>Ave. loan balance (¥tn)</b>	22.5	<b>19.1</b>	(3.4)
Lending spread <sup>*5</sup>	1.12%	<b>1.20%</b>	0.08ppt
<b>Ave. deposit balance (¥tn)</b>	13.9	<b>14.3</b>	0.4

\*1 Managerial accounting basis. Local currency basis. ROE is calculated based on net profits and excludes non-JPY mid- to long-term funding costs

\*2 Domestic business only \*3 Including real estate securitization etc. \*4 The finalized Basel III reforms basis. Managerial accounting basis.

(Estimation as of September) \*5 Excluding non-JPY mid- to long-term funding costs \*6 Sum of domestic and overseas loans and deposits

# Results by business group (4)

## Global Commercial Banking\*1

(¥bn)	FY20H1	FY21H1	YoY
<b>Gross profits</b>	400.7	<b>361.1</b>	(39.5)
MUAH*2	153.9	<b>142.6</b>	(11.3)
KS*3	176.1	<b>158.9</b>	(17.1)
BDI	66.9	<b>59.5</b>	(7.5)
<b>Expenses</b>	254.8	<b>255.8</b>	1.0
<b>(Expense ratio)</b>	64%	<b>71%</b>	7ppt
MUAH*2	124.5	<b>125.9</b>	1.4
(Expense ratio)	81%	<b>88%</b>	7ppt
KS*3	80.2	<b>80.8</b>	0.6
(Expense ratio)	46%	<b>51%</b>	5ppt
BDI	30.8	<b>30.3</b>	(0.5)
(Expense ratio)	46%	<b>51%</b>	5ppt
<b>Net operating profits</b>	145.8	<b>105.3</b>	(40.5)
MUAH*2	29.5	<b>16.7</b>	(12.8)
KS*3	95.9	<b>78.2</b>	(17.7)
BDI	36.1	<b>29.2</b>	(6.9)
<b>Credit costs</b>	(145.1)	<b>(30.5)</b>	114.6
MUAH*2	(71.6)	<b>31.1</b>	102.7
KS*3	(47.1)	<b>(40.3)</b>	6.9
BDI	(26.0)	<b>(18.9)</b>	7.1

(¥bn)	FY20H1	FY21H1	YoY
<b>Net profits</b>	(33.3)	<b>71.8</b>	105.1
MUAH*2	(57.1)	<b>30.1</b>	87.2
KS*3	30.9	<b>48.3</b>	17.5
BDI	5.7	<b>6.8</b>	1.0
<b>RWA*4 (¥tn)</b>	17.6	<b>17.0</b>	(0.6)
<b>ROE</b>	(3.5%)	<b>7.5%</b>	11ppt
MUAH*2	(12.5%)	<b>7%</b>	20ppt
KS*3	8.5%	<b>13%</b>	5ppt
BDI	7%	<b>8.5%</b>	1.5ppt
(¥tn)			
<b>MUAH*2</b>			
Ave. loan balance	7.3	<b>6.3</b>	(1.1)
Ave. deposit balance	8.5	<b>8.8</b>	0.2
NIM*5	2.23%	<b>2.13%</b>	(0.10ppt)
<b>KS*3</b>			
Ave. loan balance	6.2	<b>6.1</b>	(0.1)
Ave. deposit balance	5.5	<b>6.3</b>	0.8
NIM*6	3.74%	<b>3.08%</b>	(0.66ppt)
<b>BDI</b>			
Ave. loan balance	1.0	<b>0.9</b>	(0.1)
Ave. deposit balance	0.8	<b>0.9</b>	0.0
NIM*7	8.08%	<b>7.55%</b>	(0.53ppt)

\*1 Managerial accounting basis. Local currency basis. Per MUAH and KS, gross profits, expenses and net operating profits include figures which belong to GCB only and not include figures which belong to other business groups. BDI entity basis. ROE is calculated based on net profits

\*2 Excluding figures belonging to TB/SCHD subsidiaries, JCIB, GCIB and Global Markets

\*3 After GAAP adjustment. Excluding figures which belong to Global Markets \*4 The finalized Basel III reforms basis. Managerial accounting basis.

(Estimation as of September) \*5 Excluding figures which belong to Global Markets \*6 KS entity basis \*7 OJK definition

## Results by business group (5)

### Asset Management & Investor Services\*<sup>1</sup>

(¥bn)	FY20H1	FY21H1	YoY
<b>Gross profits</b>	137.5	<b>167.9</b>	30.4
AM	55.3	<b>75.3</b>	20.0
IS	51.0	<b>58.1</b>	7.2
Pension	31.2	<b>34.4</b>	3.2
<b>Expenses</b>	102.3	<b>111.9</b>	9.6
Expense ratio	74%	<b>67%</b>	(8ppt)
<b>Net operating profits</b>	35.2	<b>56.0</b>	20.8
<b>Net profits</b>	34.7	<b>40.6</b>	5.9
<b>Economic capital (¥tn)</b>	0.3	<b>0.3</b>	0.0
<b>ROE</b>	29%	<b>33.5%</b>	4.5ppt

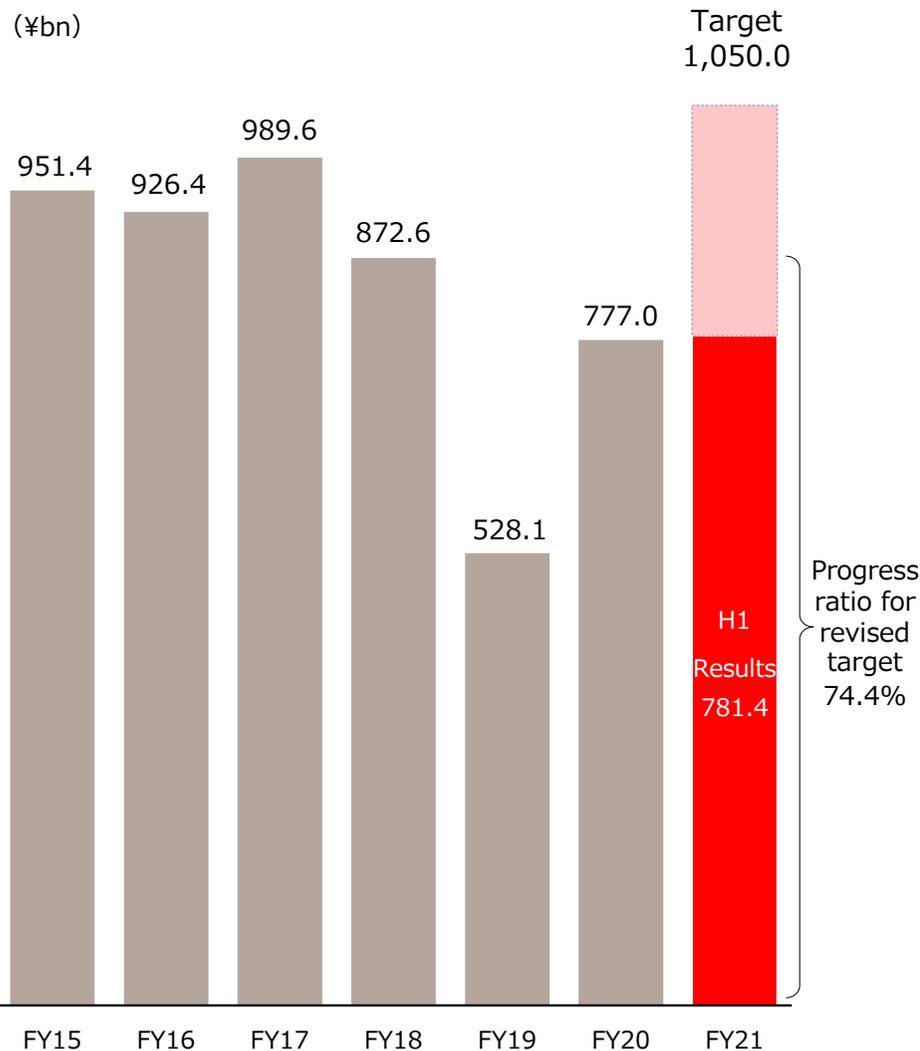
### Global Markets\*<sup>1</sup>

(¥bn)	FY20H1	FY21H1	YoY
<b>Gross profits</b>	403.2	<b>312.3</b>	(90.9)
Sales & trading	136.9	<b>93.8</b>	(43.2)
FIC & equity	136.1	<b>92.8</b>	(43.3)
Corporates	48.6	<b>44.9</b>	(3.7)
Institutional investors	72.9	<b>33.2</b>	(39.7)
Asset management	0.8	<b>0.9</b>	0.1
Treasury	270.1	<b>221.1</b>	(49.0)
<b>Expenses</b>	115.7	<b>113.1</b>	(2.6)
Expense ratio	29%	<b>36%</b>	8ppt
<b>Net operating profits</b>	287.5	<b>199.2</b>	(88.3)
Customer business	47.8	<b>7.7</b>	(40.1)
Treasury	243.6	<b>194.2</b>	(49.3)
<b>Net profits</b>	221.6	<b>140.6</b>	(81.0)
<b>Economic capital (¥tn)</b>	5.2	<b>4.1</b>	(1.1)
<b>ROE</b>	10.5%	<b>8.5%</b>	(2ppt)

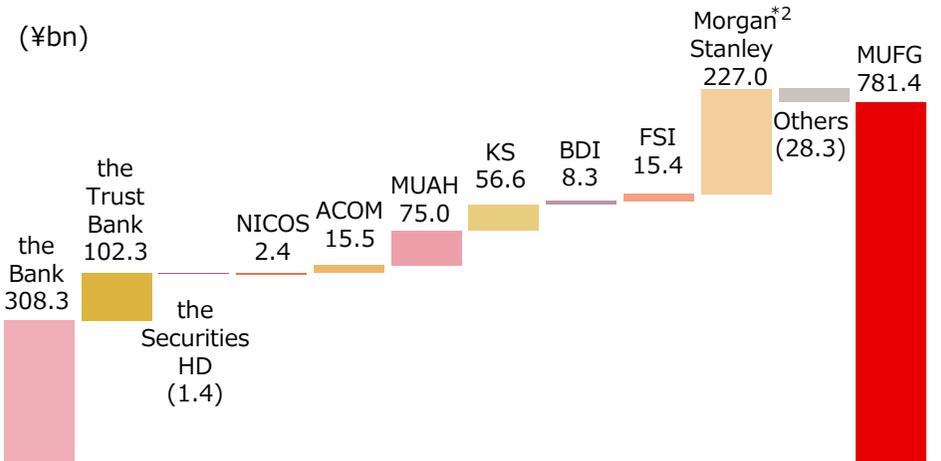
\*1 Managerial accounting basis. Local currency basis. ROE is calculated based on net profits

# Progress ratio of FY21 and breakdown by entity

Profits attributable to owners of parent Consolidated



Breakdown by entity\*1 Consolidated



## Business Portfolio of MUFG

Business	Japan		Overseas	
	Banking (Large corporate)	Securities	Banking (R&C)	Card business·CF*3
Banking (Large corporate)	the Bank	MUMSS, MSMS	the Bank	NICOS, ACOM
Securities	MUMSS, MSMS	MUFG Securities	MUAH, KS, BDI (Partner banks)	NICOS, ACOM
Banking (R&C)	the Bank	MUFG Securities	Morgan Stanley	NICOS, ACOM
Card business·CF*3	NICOS, ACOM	MUFG Securities	Morgan Stanley	NICOS, ACOM
AM*4·IS*5	the Trust Bank	MUFG Securities	Morgan Stanley	NICOS, ACOM
		FSI, MUFG Investor Services		

...Unique business portfolio of MUFG

\*1 The figures reflect the percentage holding in each subsidiaries and equity method investees

\*2 The figure includes ¥36.8bn of gains on change in equity \*3 Consumer Finance \*4 Asset Management \*5 Investor Services

# Balance sheet summary

## Balance sheet summary

Consolidated

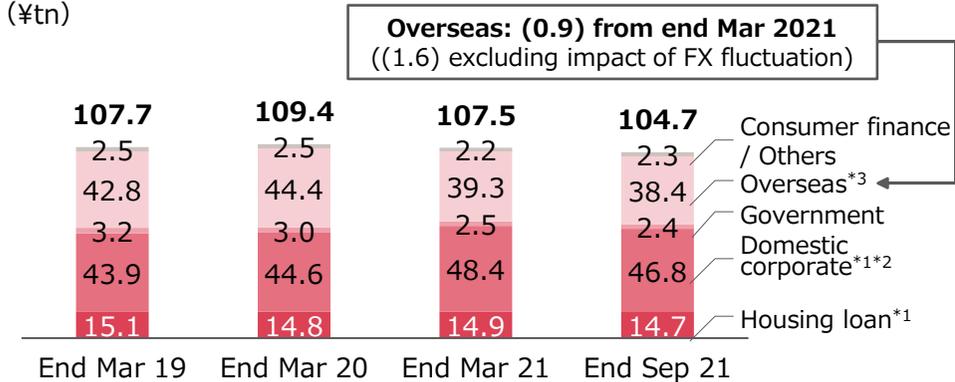
As of end Sep 2021



## Loans (period end balance)

Consolidated

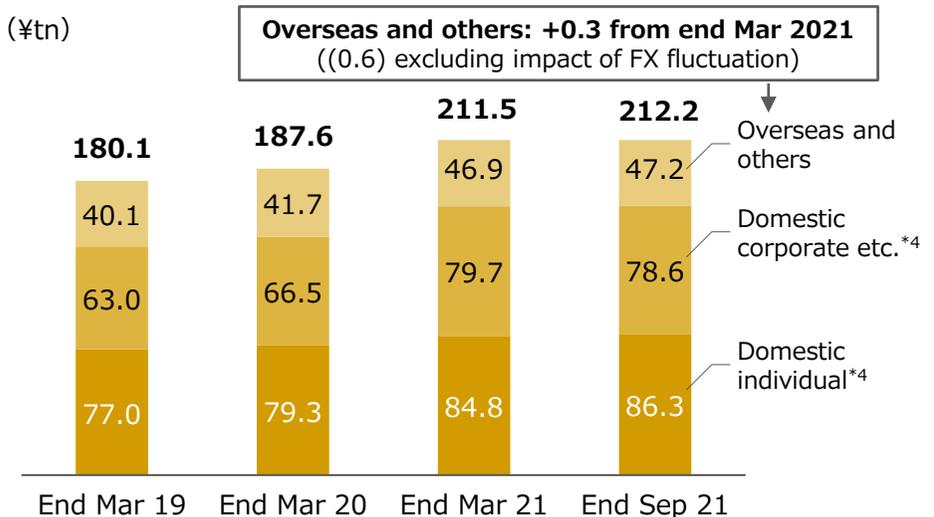
(¥tn)



## Deposits (period end balance)

Consolidated

(¥tn)



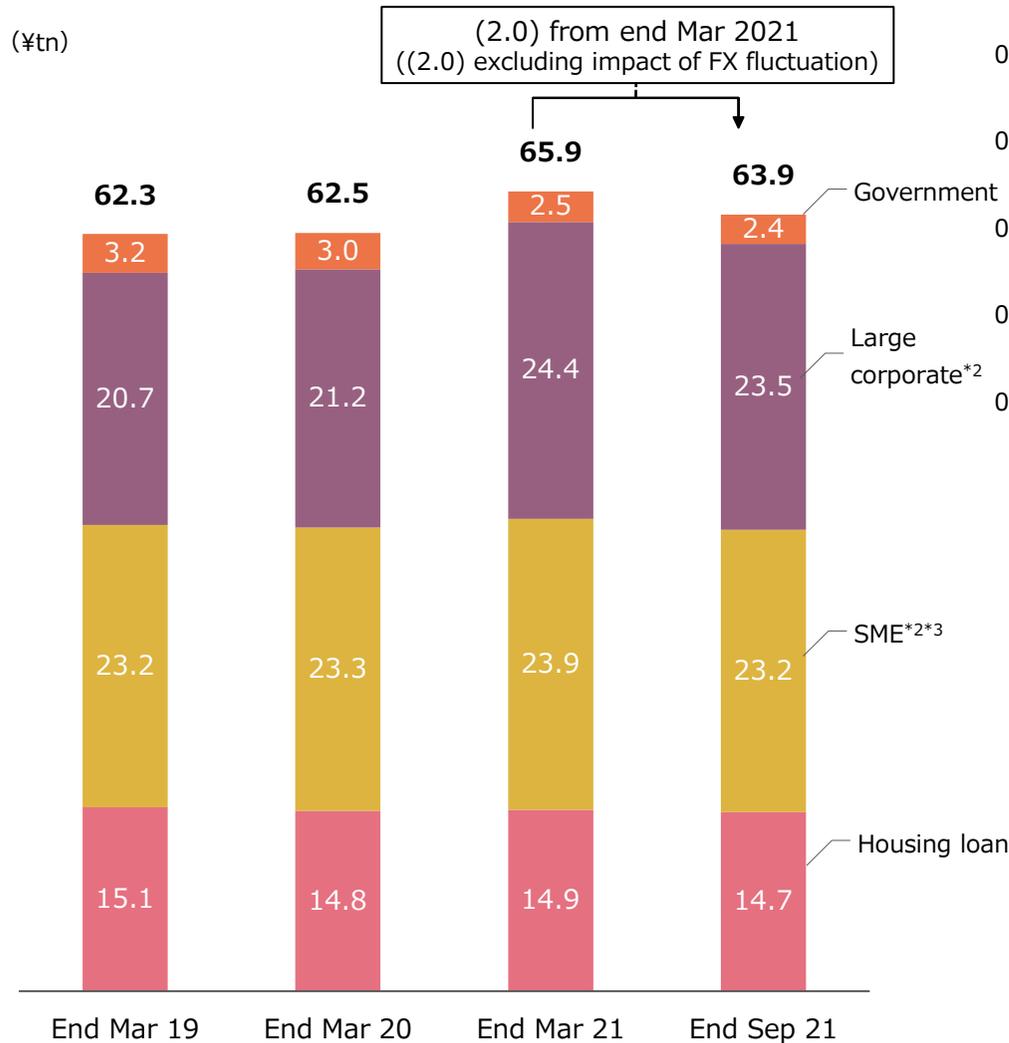
\*1 Non-consolidated + trust accounts \*2 Excluding loans to government and governmental institutions and including foreign currency denominated loans (Excluding impact of FX fluctuation: ¥(1.6)tn from end Mar 2021)

\*3 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe) \*4 Non-consolidated

# Domestic loans

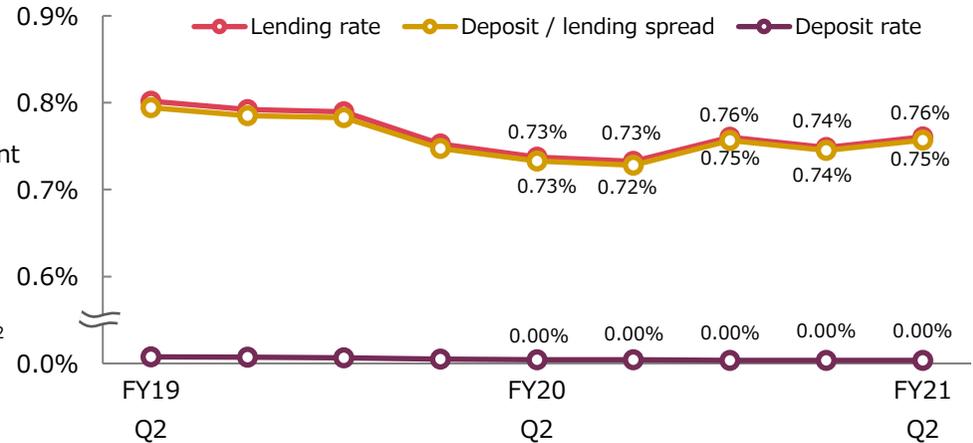
Loan balance (period end balance)\*1

Consolidated



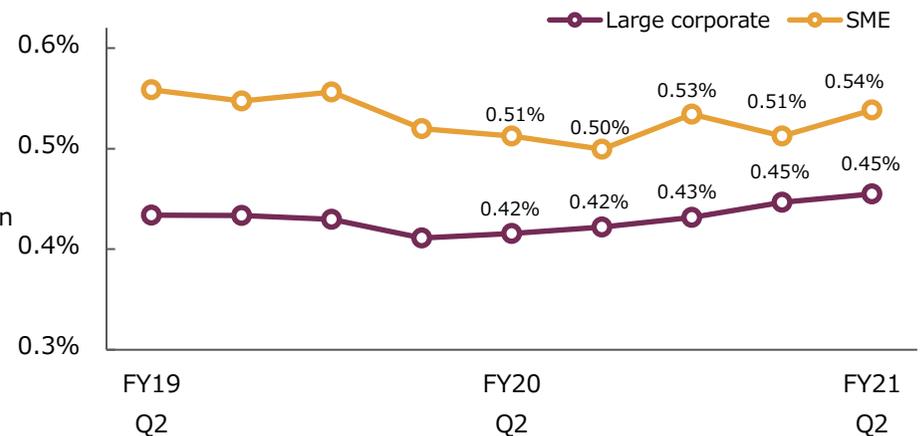
Deposit / lending rate\*4\*5

Non-consolidated



Corporate lending spread\*2\*4\*5

Non-consolidated



\*1 Sum of banking and trust accounts \*2 Including non-JPY loans

\*3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)

\*4 Managerial accounting basis \*5 Excluding lending to government etc.

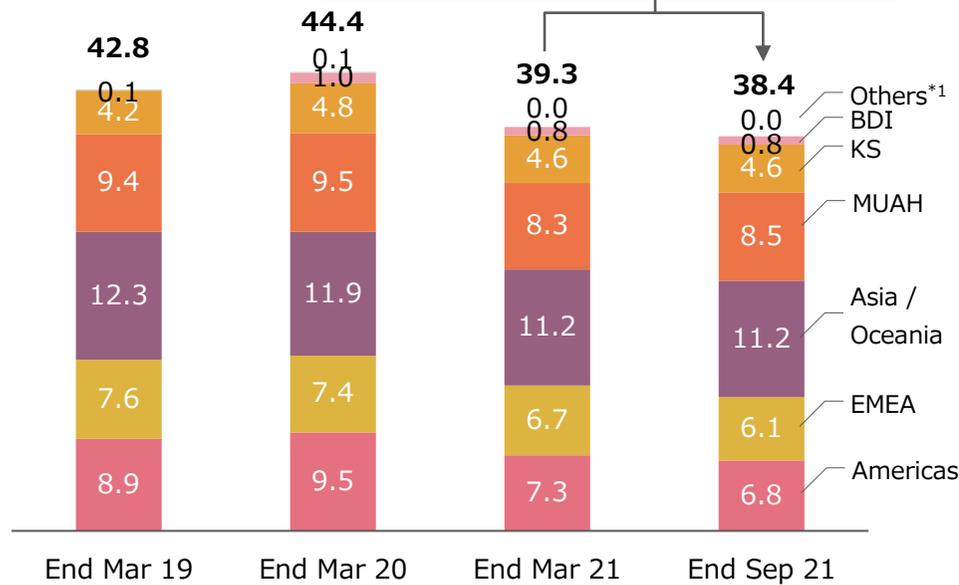
# Overseas loans

Loan balance (period end balance)

Consolidated

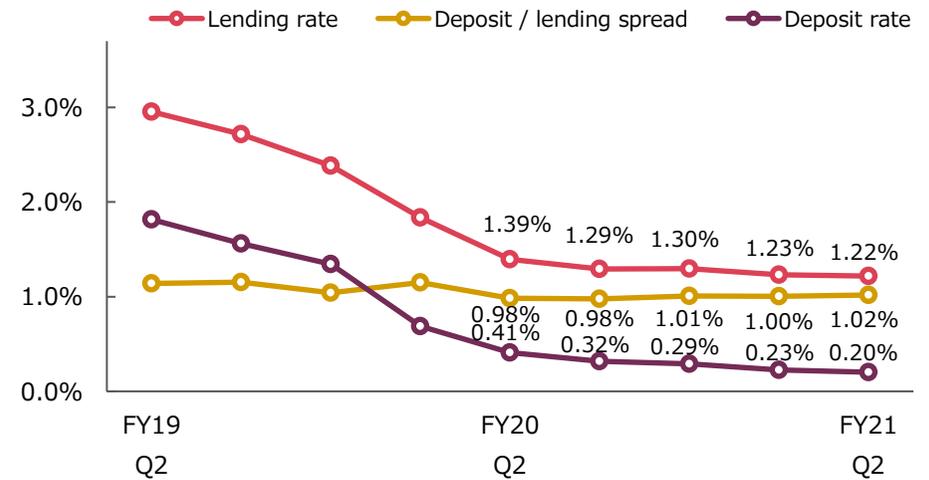
(¥tn)

(0.9) from end Mar 2021  
((1.6) excluding impact of FX fluctuation)



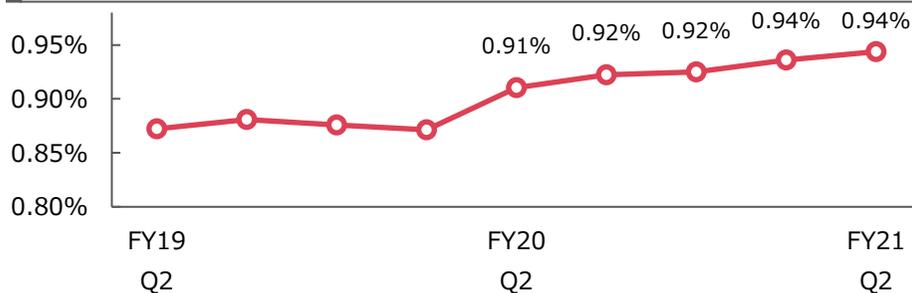
Deposit / lending rate\*2

Non-consolidated



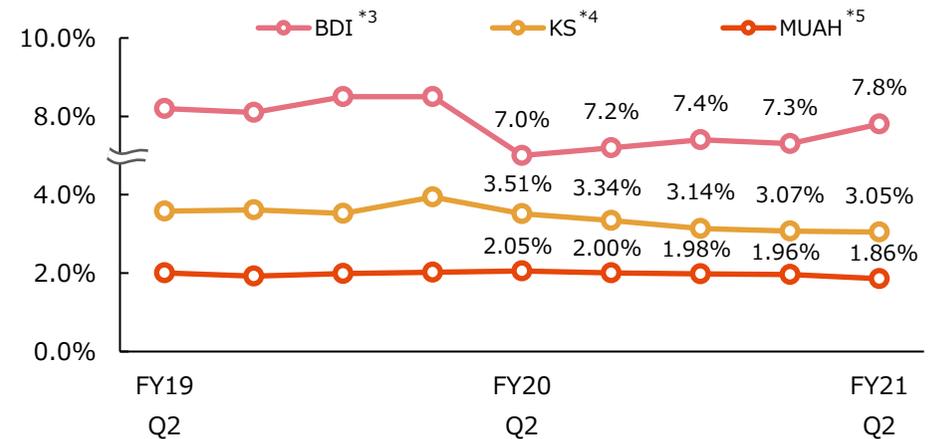
Lending spread\*2

Non-consolidated



Net interest margin

MUAH / KS / BDI



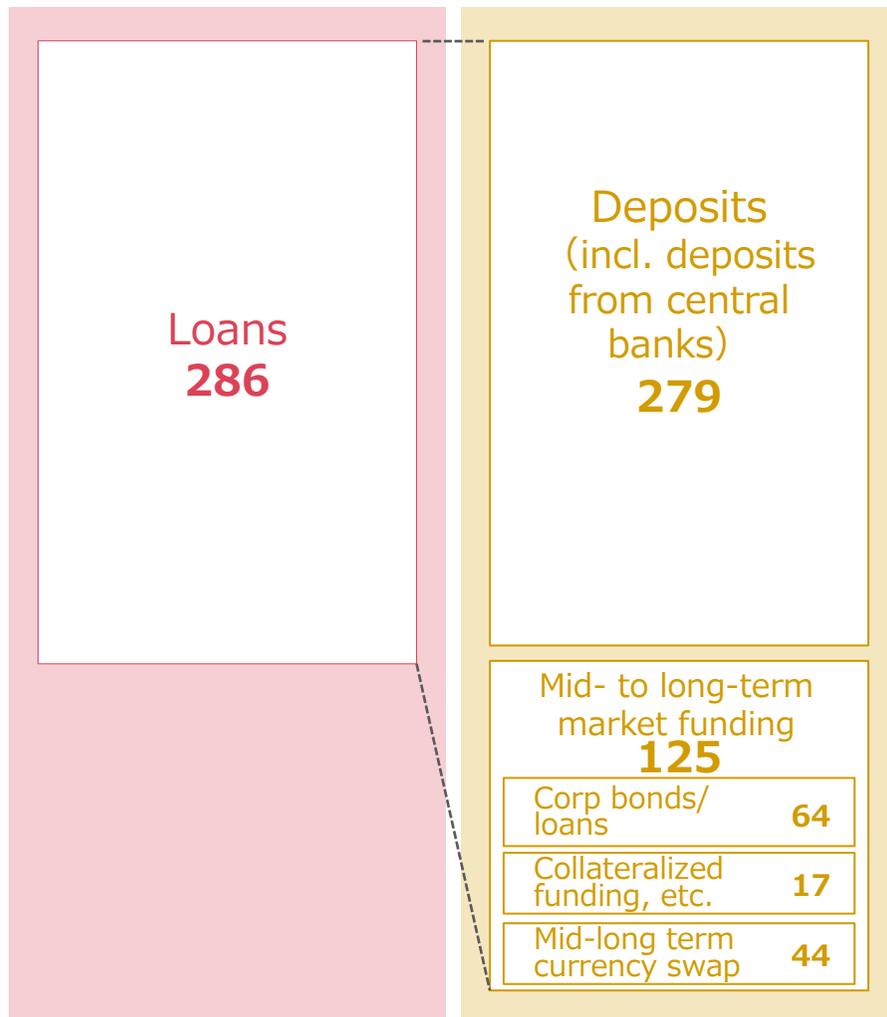
\*1 Loans booked at offshore markets etc. \*2 Managerial accounting basis \*3 Financial results as disclosed in BDI's financial reports based on Indonesia GAAP. Incorporated impact from netting-off loss on restructuring to interest income.

\*4 Financial results 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 results as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP.

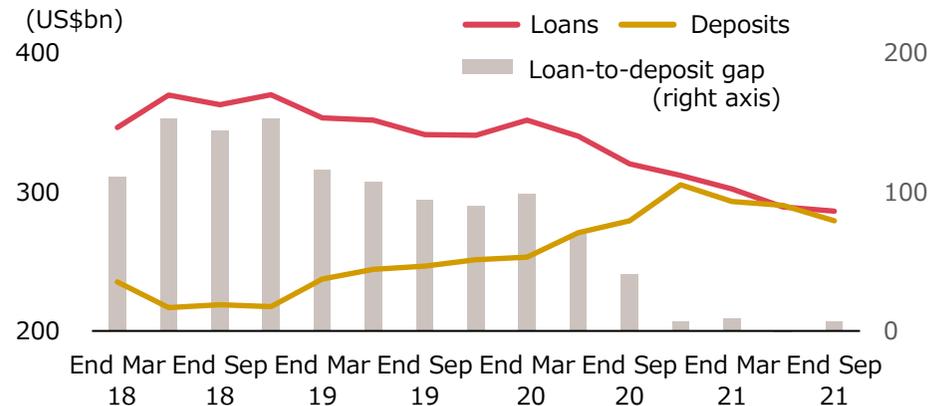
# Non-JPY liquidity\*1

– Reduced non-JPY funding cost due to the decrease of loan-to-deposit gap

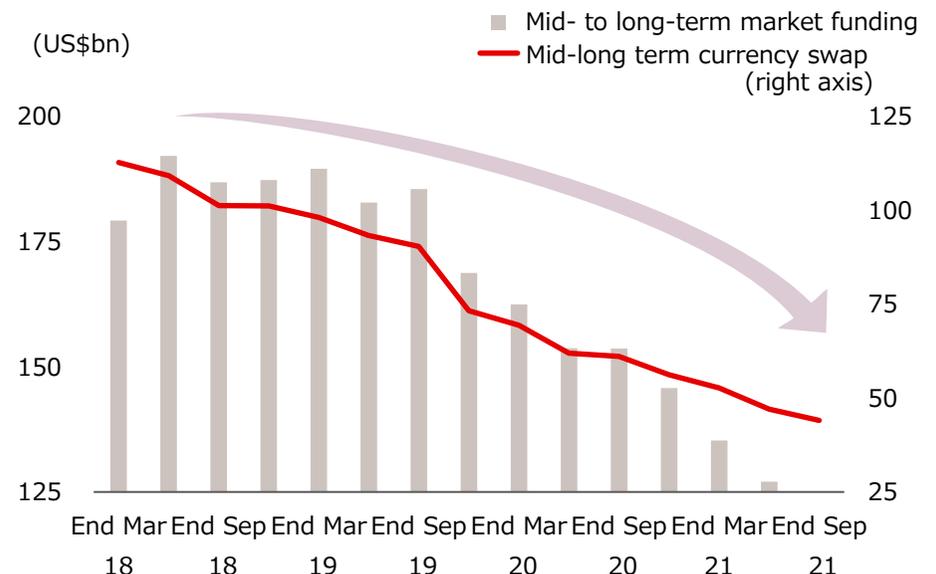
(US\$bn) As of end Sep 2021



## Historical loan-to-deposit gap



## Historical mid- to long-term market funding



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

# Investment securities (1)

## AFS securities\*1 with fair value

Consolidated

(\$bn)	Balance		Unrealized gains (losses)	
	End Sep 21	Changes from End Mar 21	End Sep 21	Changes from End Mar 21
1 Total	7,8561.1	4,669.1	3,877.5	127.5
2 Domestic equity securities	5,367.5	151.2	3,545.5	194.9
3 Domestic bonds	42,034.6	1,482.3	118.0	(4.4)
4 Japanese government bonds (JGB)	33,284.1	939.4	78.5	(8.4)
5 Foreign equity securities	108.1	22.0	41.1	20.0
6 Foreign bonds	24,505.6	3,268.9	55.1	(47.8)
7 Others	6,545.1	(255.4)	117.6	(35.1)

## Unrealized gains / losses on AFS securities\*1

Consolidated

(¥tn)

- Foreign equity securities + Foreign bonds + Others
- Domestic bonds
- Domestic equity securities

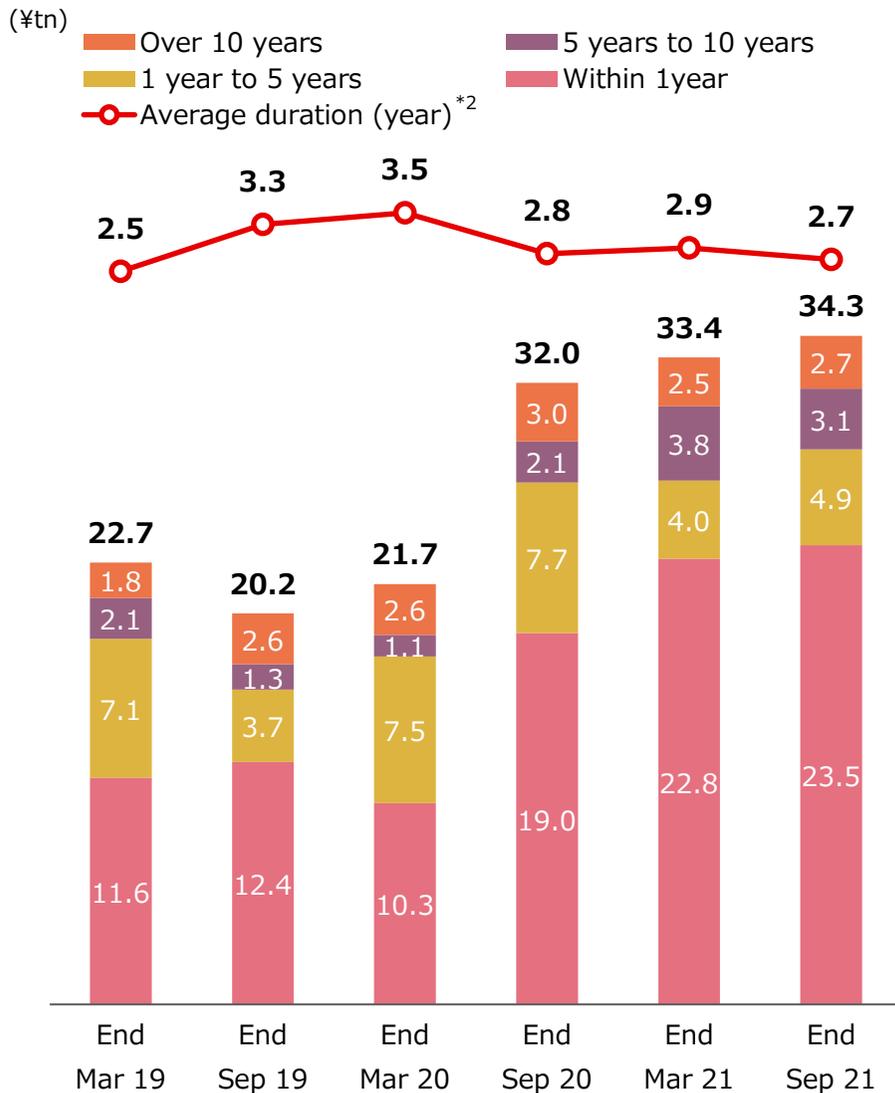


\*1 Available for sale securities

# Investment securities (2)

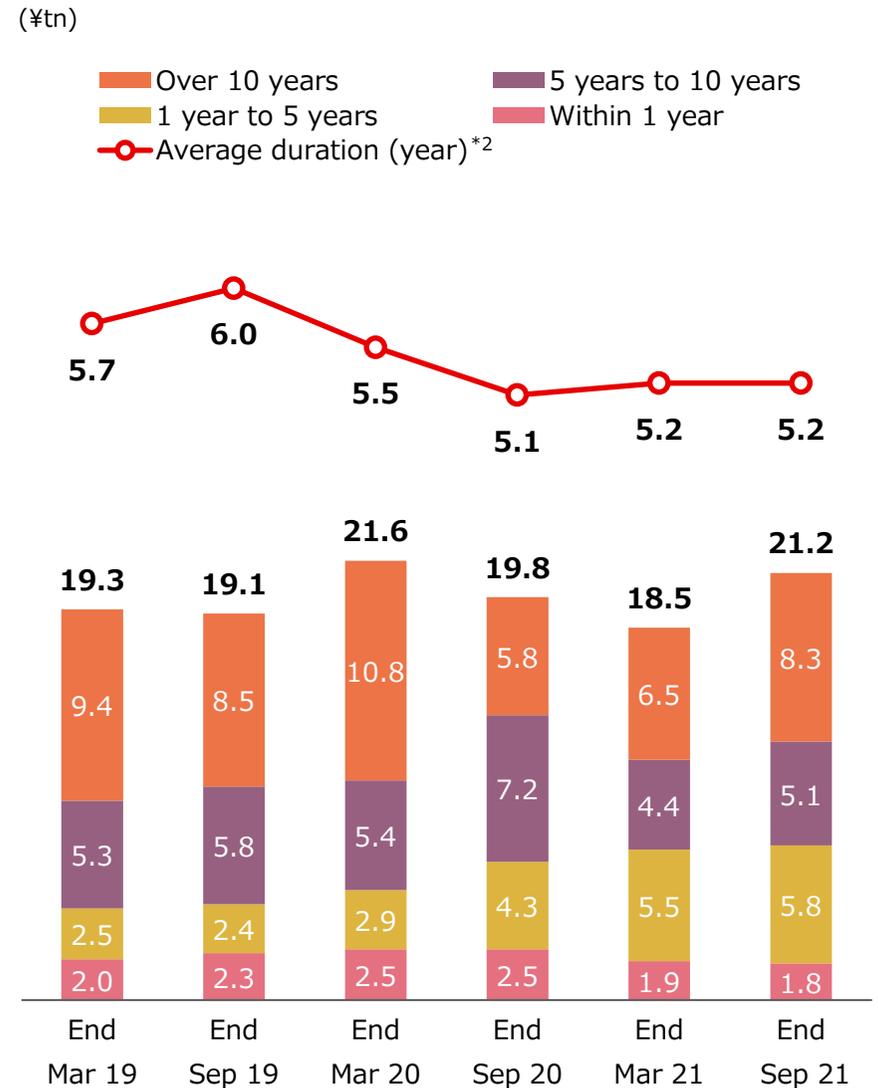
JGB balance\*1 and duration

Non-consolidated



Foreign bond balance\*1 and duration

Non-consolidated



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

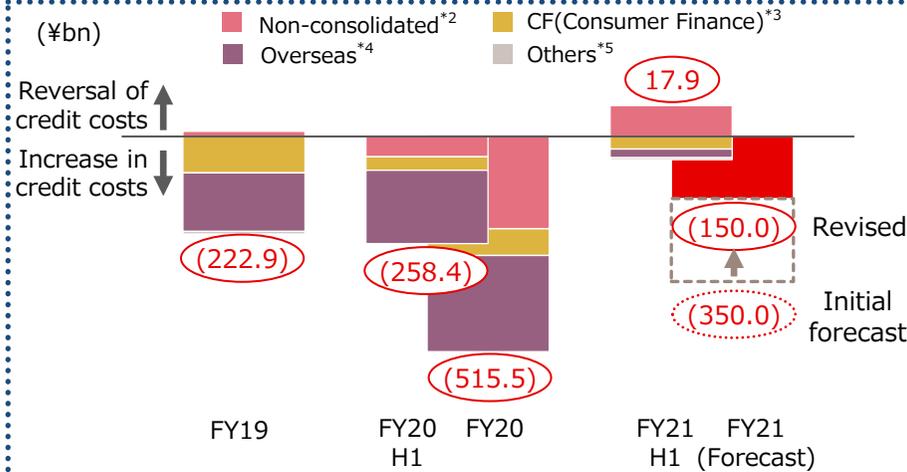
\*2 Available for sale securities

# Credit costs, risk-monitored loans

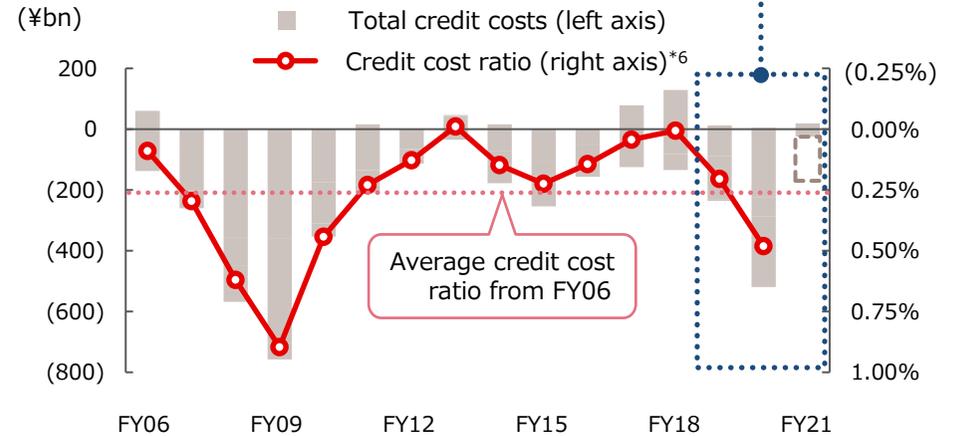
– FY21 forecast of total credit costs revised to ¥150.0bn in light of the interim results

## Total credit costs\*1

P.56 Consolidated



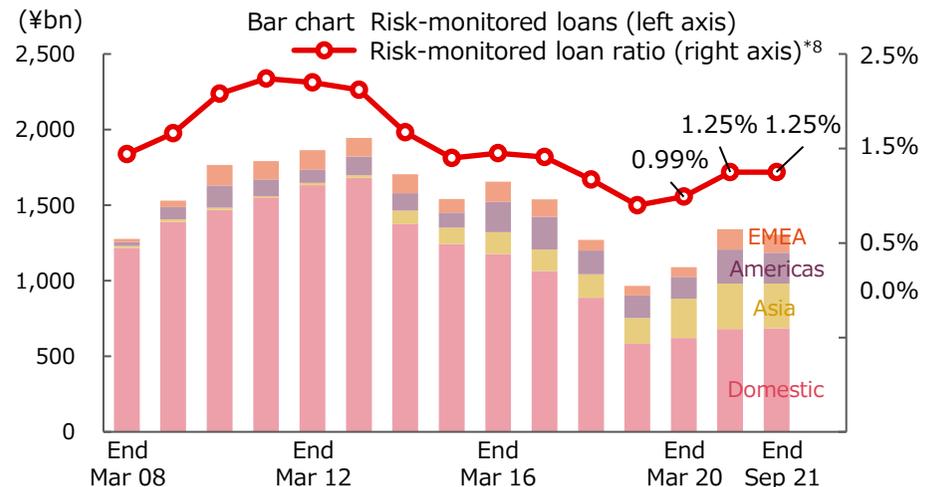
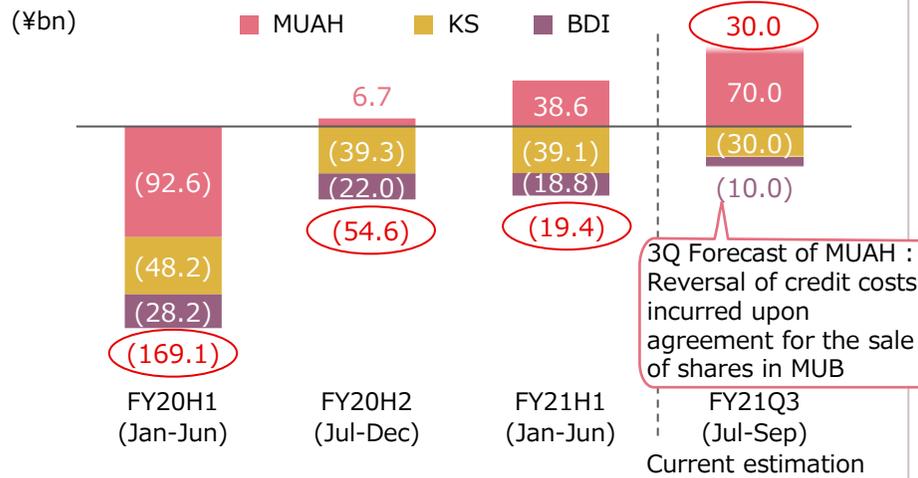
## Historical trend



## Risk-monitored loans\*7

P.57 Consolidated

### Of which partner banks (on MUFG consolidated basis)

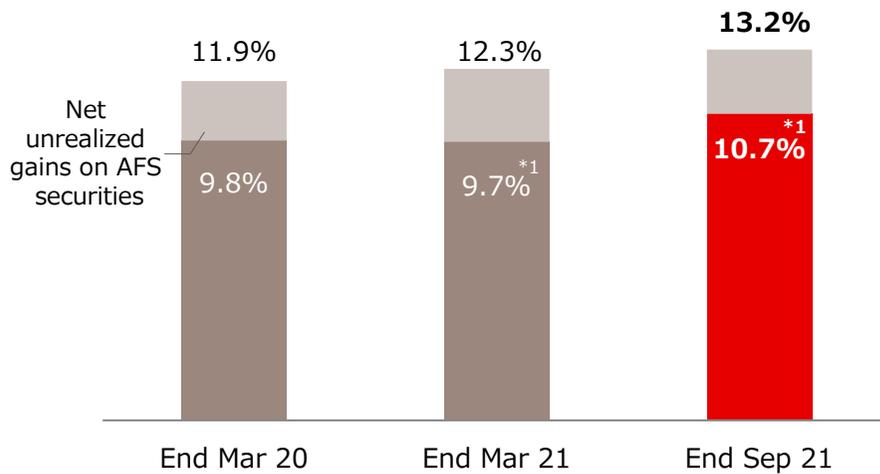


\*1 Includes gains from write-off \*2 Includes overseas branches \*3 Sum of NICOS and ACOM on a consolidated basis \*4 Sum of overseas subsidiaries of the Bank and the Trust Bank  
 \*5 Sum of other subsidiaries and consolidation adjustment \*6 Total credit costs / loan balance as of end of each fiscal year \*7 Risk-monitored loans based on Banking Act. Regions are based on the borrowers' locations \*8 Total risk-monitored loans / total loans and bills discounted (banking accounts as of period end)

# Capital

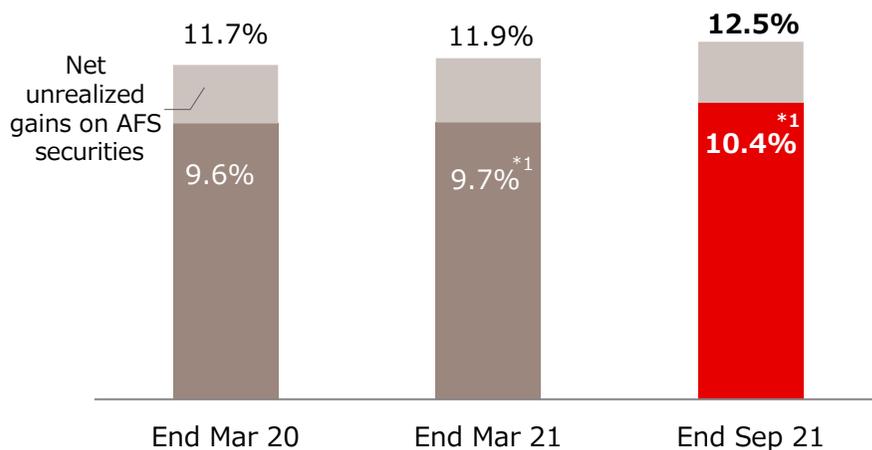
## CET1 ratio

Consolidated



## CET1 ratio (Finalized Basel III reforms basis<sup>\*2</sup>)

Consolidated



## FY21H1 results

Consolidated

	(¥bn)	End Mar 21	End Sep 21	Changes
1	Common Equity Tier 1 capital	14,113.7	<b>14,917.0</b>	803.3
2	Additional Tier 1 capital	1,869.0	<b>1,872.5</b>	3.5
3	<b>Tier 1 capital</b>	15,982.7	<b>16,789.6</b>	806.9
4	<b>Tier 2 capital</b>	2,686.7	<b>2,443.0</b>	(243.6)
5	<b>Total capital (Tier 1+Tier 2)</b>	18,669.5	<b>19,232.7</b>	563.2
6	<b>Risk-weighted assets</b>	114,419.3	<b>112,191.7</b>	(2,227.6)
7	Credit risk	90,410.0	<b>90,947.6</b>	537.5
8	Market risk	4,066.8	<b>4,280.8</b>	214.0
9	Operational risk	7,976.6	<b>7,888.8</b>	(87.8)
10	Floor adjustment <sup>*3</sup>	11,965.8	<b>9,074.4</b>	(2,891.4)
11	<b>Total exposures<sup>*4</sup></b>	292,725.0	<b>292,447.5</b>	(277.4)
12	Leverage ratio	5.45%	<b>5.74%</b>	0.28ppt

\*1 Calculated by excluding impact of net unrealized gains (losses) on available for sale securities from RWA from the end of March 2021

\*2 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis

\*3 Adjustments made for the difference between risk-weighted assets under Basel I and Basel III

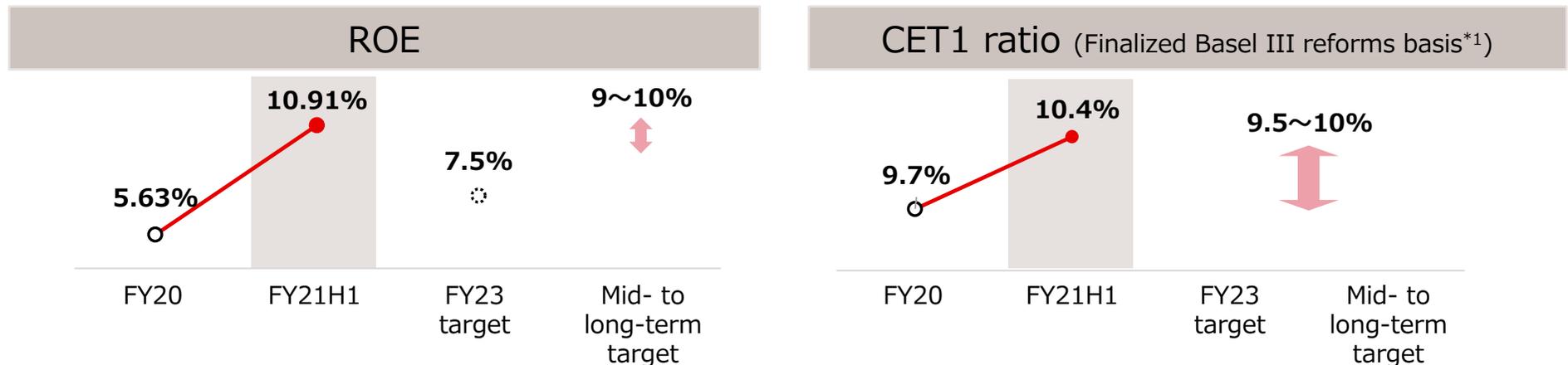
\*4 Deposits with the Bank of Japan is excluded in total exposures

# Progress of the medium-term business plan (MTBP)

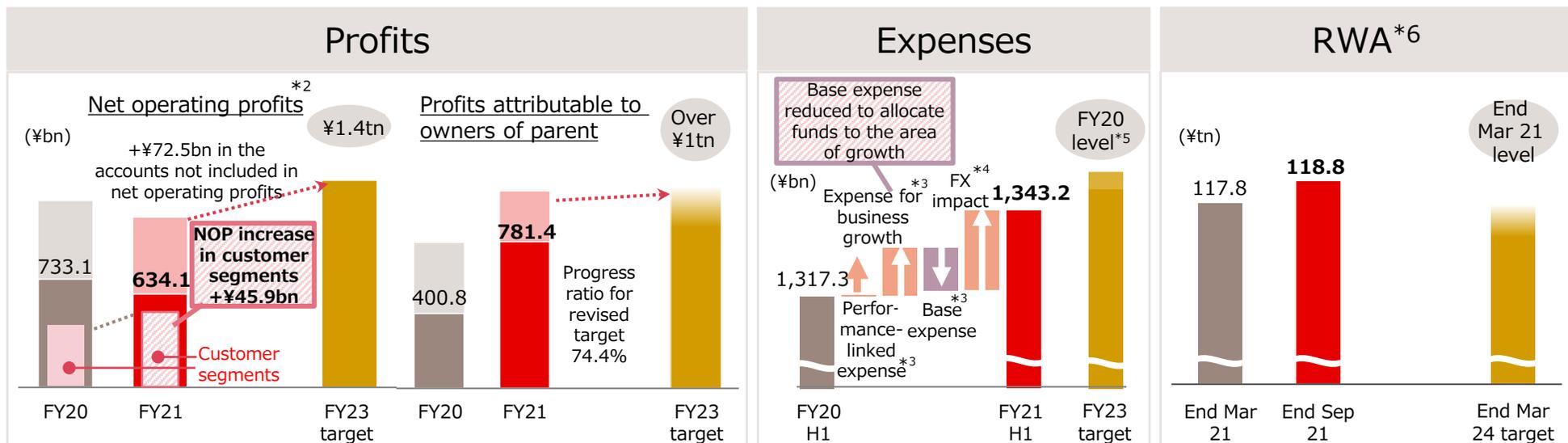
# Financial targets

– Net operating profit in customer segments steadily increased. Certain response of resource control such as expense and RWA

## Target for ROE / Capital management



## 3 drivers to achieve ROE target



\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excluding net unrealized gains on AFS securities  
 \*2 On a managerial accounting basis \*3 On a managerial accounting basis (after adjustment) \*4 Approximately +¥24.0bn  
 \*5 Excluding performance-linked expense \*6 Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities

## Basic policy

– Position the 3-year term as the “3 years of new challenges and transformation.”

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 empower all stakeholders to move to the next step forward

Financial  
target

**ROE 7.5%**  
Becoming a financial group which constantly earns  
¥1 trillion of profits attributable to owners of parent

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

# Digital transformation (1)

– Enhance new services and contact points with individual and corporate customers via collaboration with external businesses

## Money Canvas

- Deliver a broad range of offerings, including financial products with smartphone-based customer contact points

### Money Canvas

Offer comprehensive solutions supporting customers' asset formation endeavors



To be launched in Dec. 2021

Stock / Investment trust

Jointly-managed money trust

Crowd-funding

Discretionary Investment, Robo-advisor

Insurance

Investment using points

News, columns

Evaluation of investing style

Selection of financial products

Purchase



## Biz Forward

- Provide new financial services to SMEs



**Biz Forward, Inc.**  
(Established in Aug. 2021)



Launched in Nov. 2021

Billing agency



- Billing service, credit extension service, guarantee of account receivable
- Support customers' operational efficiency and reduction of credit control and management

To be launched in Dec. 2021

Online factoring



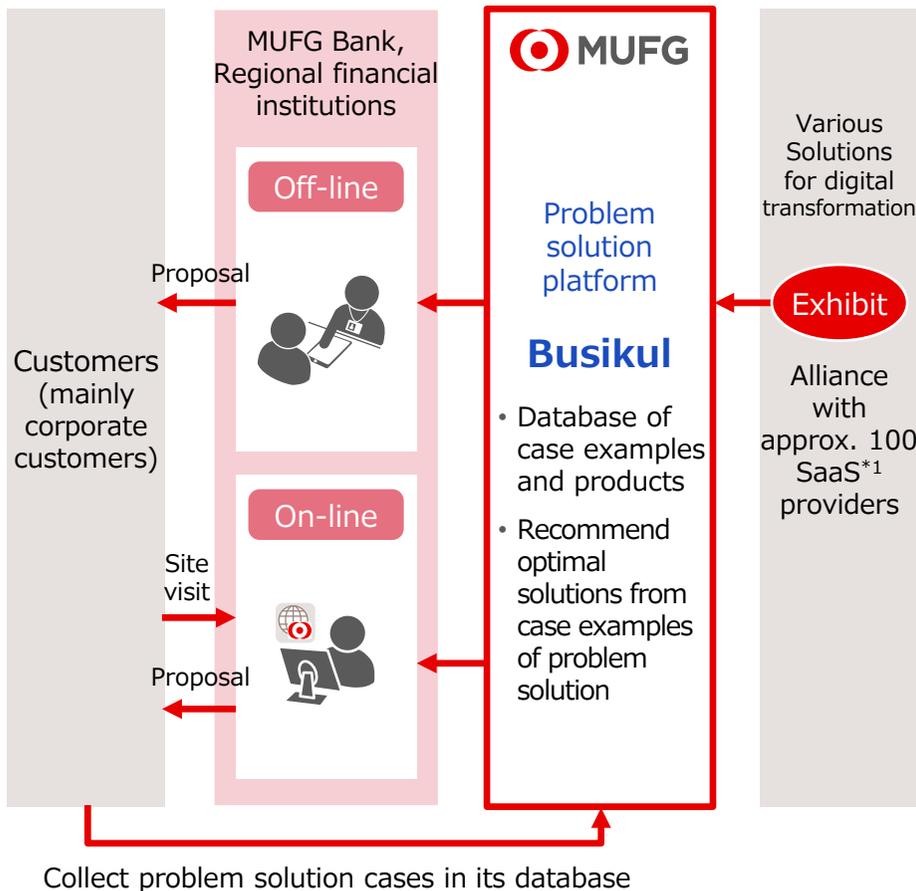
- Fund-raise taking advantage of customers' own receivables
- Quick response to unexpected funding needs due to procedures that can be completed online

# Digital transformation (2)

– New initiatives to become a financial and digital platform operator

## Promote customers' digital transformation via "Busikul"

- Business Tech Co., Ltd, operator of "Busikul", plans to become a consolidated subsidiary of the Bank (Nov. 2021)
- Plan to initiate the use of "Busikul" from FY22 to assist corporate customers in their digital transformation efforts



## Prograt

- Publicly issued security tokens backed by real estate as underlying assets in Aug. 2021 (first case in Japan)

Blockchain technology × Trust bank function

Provide security token platform which enables easy, speedy and secure financial transactions

prog///at

Securitize a variety of assets and rights

Reduce issuance and transactional costs

Fulfill requirements for perfection

## ID-linkage services (API\*2 services)

- ID-linkage services via the use of Direct\*3 accounts
- To be launched in Dec. 2021 (first case among Japanese banks)



### Advantage to business operators

- Personal verification data held by the Bank can be used
- Authorization functions that satisfy the Bank's security standards

### Advantage to users

- Relieve users of workload associated with data entry tasks
- Users are no longer saddled with the cumbersome task of managing multiple IDs and passwords

\*1 Software as a Service \*2 Application Programming Interface \*3 Mitsubishi UFJ DIRECT: Internet banking for individual customers

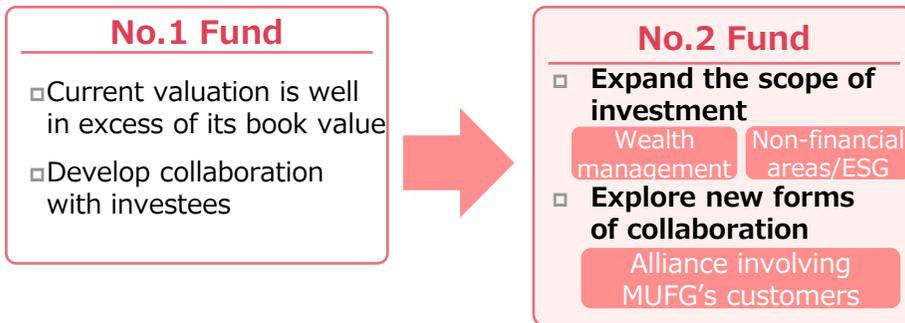
# Digital transformation (3)

– Accelerate open innovation collaborating with companies at home and abroad

## Initiatives in Japan

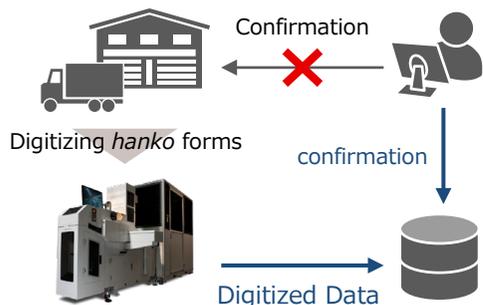
### Invest in start-ups (MUIP\*1)

- MUIP has invested in 24 start-ups (¥14.9bn in total) and has established a track record of collaboration with investees
- MUIP has established No. 2 fund (¥20bn) in Jul. 2021



### Example of collaboration with investees

- Has completed development for digitizing *hanko* forms via the utilization of technology offered by U.S.-based Ripcord, Inc.
- Has started digitization from Aug. 2021. Commission expenses associated with the storage of these forms has begun to decline
- Consider digitizing documents other than *hanko* forms and expanding the use of the technology to group wide



- High speed scanning and indexing by making use of AI and robotics tech.
- Real time confirmation of image from branches via online
- Plan to digitize more than 300mm pages of paper documents over the next 5 years

\*1 MUFG Innovation Partners

## Initiatives in Asia

### Digital tech-driven financing for start-ups (Mars)

- Signed financing agreements with seven start-ups
- Increased the size of the fund to USD200mm in Sep. 2021



Support the growth of start-ups mainly in Asia-Pacific  
Plan to launch a new fund to reach out to new customer classes

### Collaborations between Grab and Partner Banks

- In Thailand, KS and Grab are meeting strong demand for loan to drivers and food merchants, building up the loan assets
- In Indonesia, BDI and Grab launched Co-Branding Credit Card in Nov. 2021

	# of loans disbursed
<p>To drivers (Launched in Sep. 2020)</p>	<p><b>110th loans</b> 110% increase vs Mar. 2021</p>
<p>To food merchants (Launched in Oct. 2020)</p>	<p><b>20th loans</b> 290% increase vs Mar. 2021</p>

- Targeting young generation such as Generation Z and Millennials
- Collaboration includes reward programs, etc.

# Transformation of corporate culture (1)

– At MUFG Way integration sessions, each employee is encouraged to review the meaning of their duties

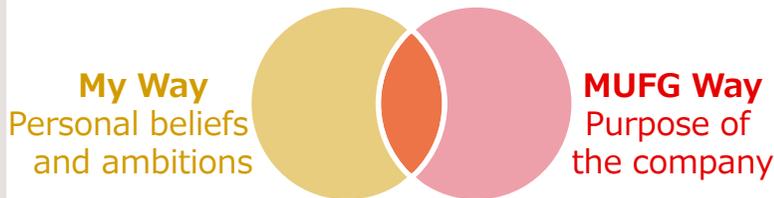
## Overview of MUFG Way integration sessions

### Purpose

- Employees are urged to discover how relevant the MUFG Way is to their tasks and actions and, on this basis, to **review the meaning of their duties**
- Enhance **mutual understanding between team members** via dialogue

### Step 1

- Each employee strives to make the MUFG Way their own by examining how it overlaps with their personal beliefs and ambitions



### Step 2

- Managers share their personal aspirations regarding the MUFG Way, engaging in dialogue with team members

Enhance engagement

Accelerate transformation of corporate culture

Enhance corporate value

## Dialogues through MUFG Way integration sessions

- Group CEO Kamezawa hosted a dialogue session to which corporate leaders were invited\*1



Prof. Kunio Ito, Hitotsubashi CFO Education and Research Center and Group CEO Kamezawa

### Cascade down

- Sessions were similarly held at branches and other business bases, with managers and their staffs discussing the MUFG Way

### A session held at the Bank's Asakusabashi Branch

Mr. Nozaki, General Manager

I would like to create a workplace in which everyone can work vibrantly in a fun way.

I was able to empathize with my branch manager as he shared his frank thoughts on how he personally practices the MUFG Way!

The session gave me an opportunity to remember what I was aiming for when I just joined the workforce and thereby reflect on the meaning of my duties.

I was able to better understand my fellow team members after hearing what they really think!

\*1 Executives of the Bank, the Trust Bank and the Securities HD, Group Head of each business group, and C-Suites attended

# Transformation of corporate culture (2)

– Employees take on challenges, transcending boundaries between business units, job categories and positions. In line with their individual ambitions and, to this end, freely contribute their ideas

## New business proposal

P.71

- Employees are encouraged to spontaneously create project proposals based on an open-minded approach



Expected to be transferred to relevant department

### Ms. Kitayama / The Bank

Through the consolidation of expertise and information held by overseas bases, I will enhance business with overseas subsidiaries of our SME clients



Currently in product design process  
in Frontier Strategy Planning and Support Division

### Mr. Aso / The Trust Bank

I will enhance the lineup of products targeting individual investors via real estate cloud funding



Assigned to Digital Service Planning Division  
in order to realize her own ideas

### Ms. Arai / The Securities HD

I will make a number of MUFG fans by creating a financial education app through which children can acquire financial literacy in a fun way

Held round-table meetings involving applicants and the Group CEO as part of efforts to enhance employee engagement

## Initiatives by business groups (from FY21)

- Promoted initiatives to help all employees, ranging from young employees to executive officers, to freely voice their opinions regardless of their positions

### JCIB “Karaoke” – reforming business structure

- Investment Karaoke: 116 employees from in and outside of Japan proposed new business
- Business Innovation Karaoke : 37 teams of newer employees proposed business innovations within MUFG
- Strategy Karaoke : Business group executives also made proposals

Global  
Markets

### Sandbox - seeking new business

- 74 Proposals from the Bank, the Trust Bank and the Securities HD
- Also held online conferences in which attendees are encouraged to express their thoughts no matter their positions

## Open EX

P.71

- Be exposed to different cultures via secondment to entities outside MUFG
- Acquire ability to take a speed-oriented management approach while enhancing digital skills
- Mr. Yoshioka is seconded to ChoQi, a cashless payment company specializing in serving hospitals and pharmacies

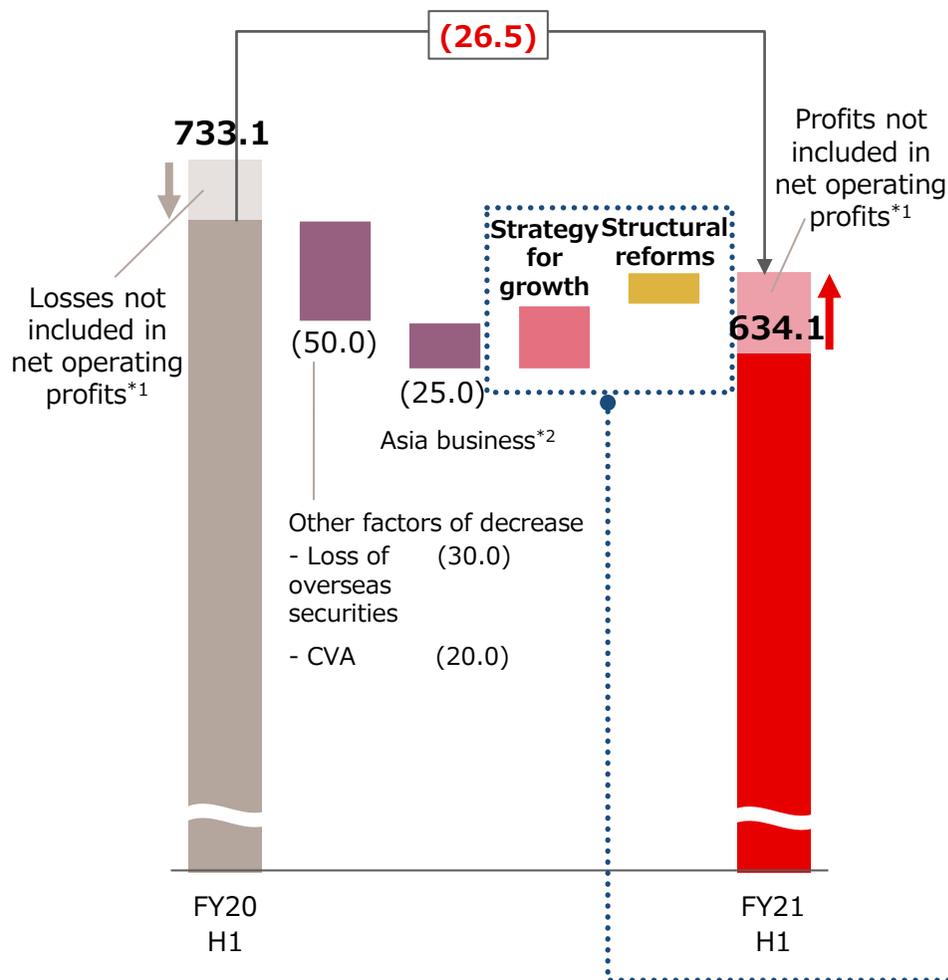
I want to become a person capable of making changes after acquiring experience outside the Bank



# Progress of net operating profits

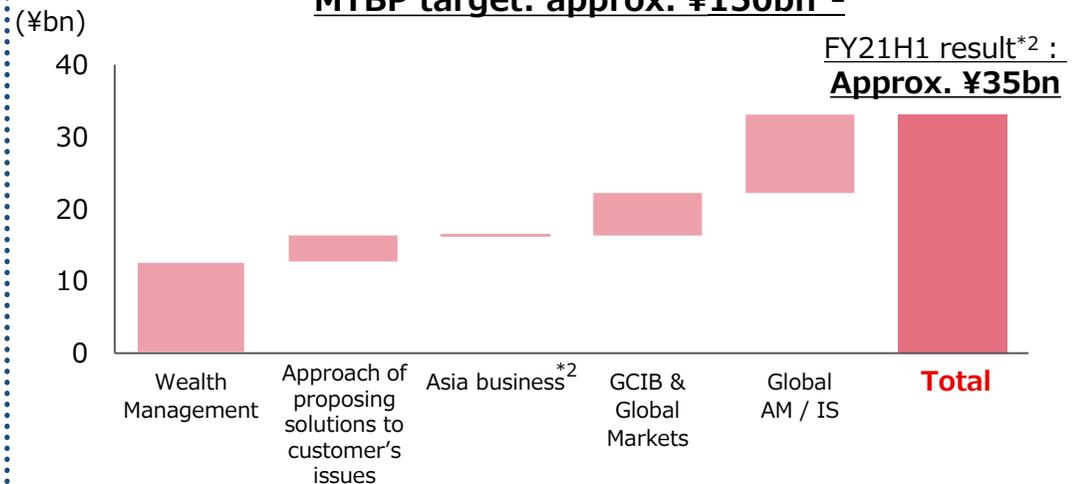
– The two key strategies are overall steadily progressing toward the MTBP target

(¥bn)



## Strategy for growth

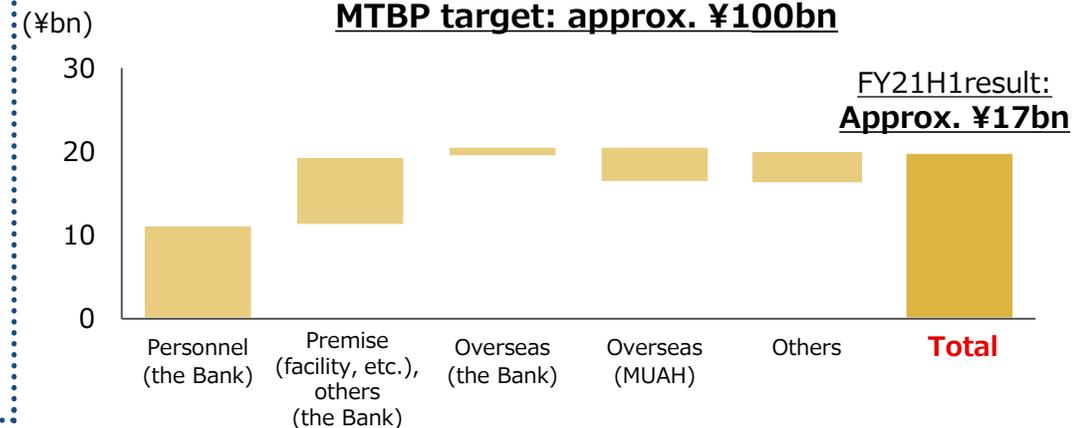
MTBP target: approx. ¥150bn\*2



FY21H1 result\*2 :  
Approx. ¥35bn

## Structural reforms

MTBP target: approx. ¥100bn



FY21H1 result:  
Approx. ¥17bn

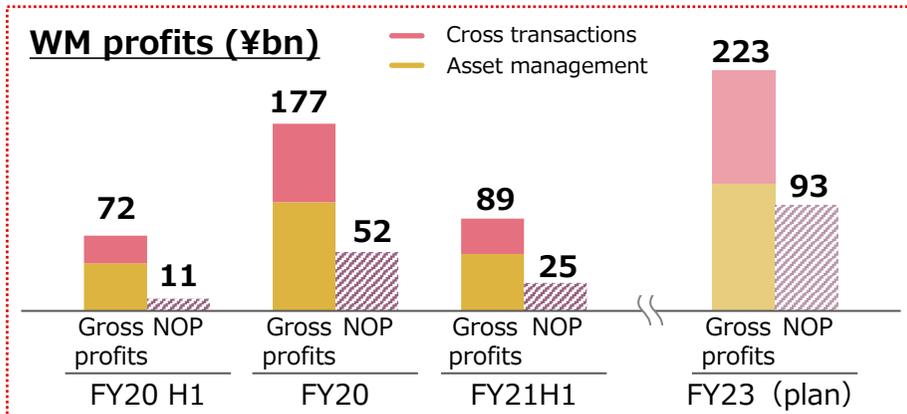
\*1 Global Markets business group manages profits including accounts such as net gains(losses) on equity securities which are not included in net operating profits. These effects are considered (The effects in FY20H1 and FY21H1 were ¥30.9bn and ¥41.6bn, respectively)

\*2 For Asia business, the estimated decrease in net operating profits during FY21 by the impact of market conditions, etc. such as the impact of policy rate cut, is not included in the MTBP target of strategy for growth. The growth from FY22 is included

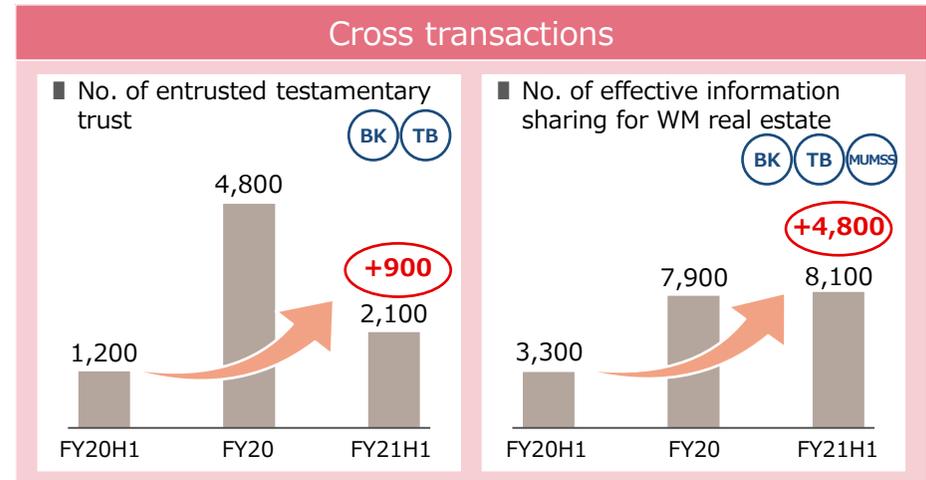
# Strategy for growth (1) - Wealth Management (WM)

– The steady execution of key strategies resulted in year-on-year increases in both gross profits and net operating profits

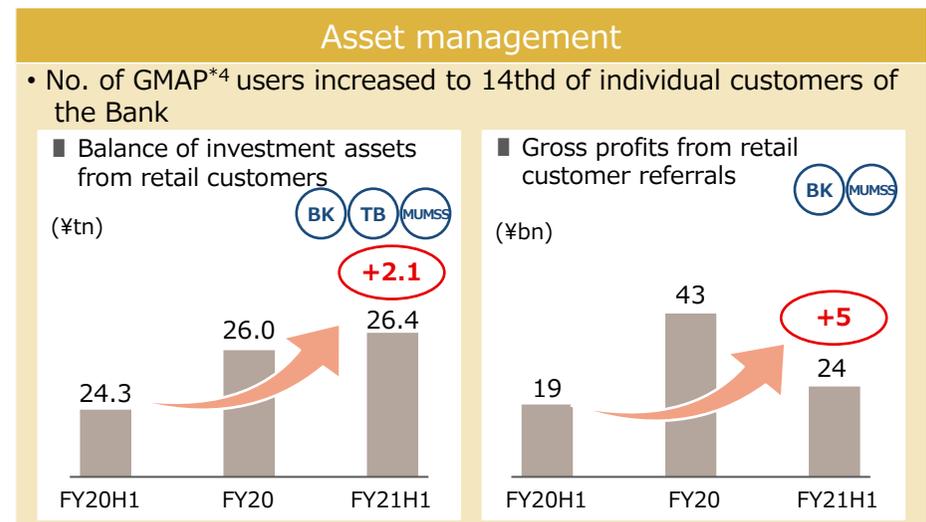
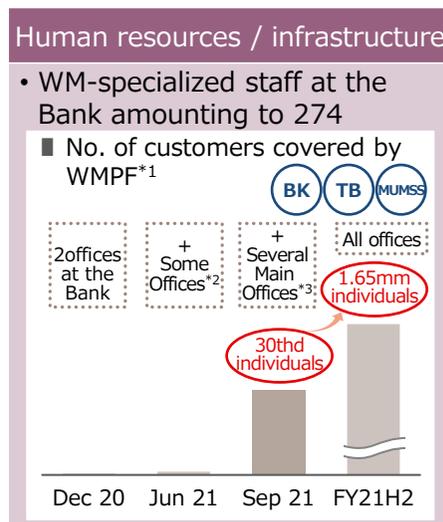
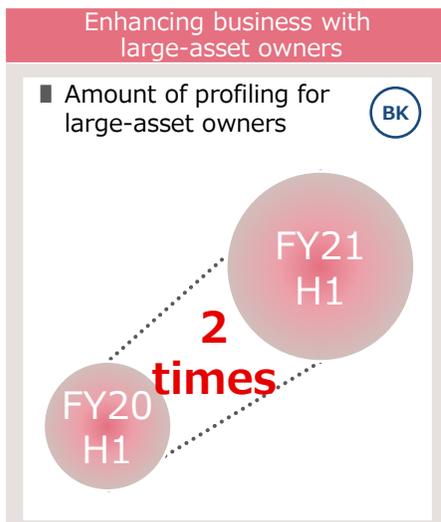
## KPI



## Progress of key strategies



## Progress of key strategies



\*1 Wealth management digital platform \*2 Two offices at the Bank and the headquarters of the Trust Bank and MUMSS

\*3 Main offices in Tokyo, Nagoya and Osaka cities at the Bank, the Trust Bank and MUMSS

\*4 Global Macro & Asset allocation Perspectives: MUFG Wealth Management's official view with regard to market outlook and investment trends

# Strategy for growth (2)

## - Approach of proposing solutions to customer's issues

- Steady progress in "staircase management" thanks to the promotion of ROE-focused initiatives and the strengthening of capabilities to address customer's management issues

### JCIB's financial highlight (FY21H1)

#### Gross profits

YoY  
+¥6.0bn

#### Net operating profits

YoY  
+¥6.5bn

#### RWA

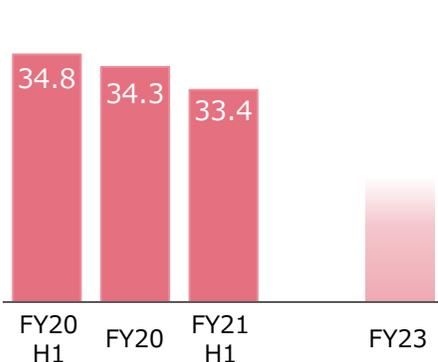
YoY  
¥(1.4)tn

#### Equity holdings

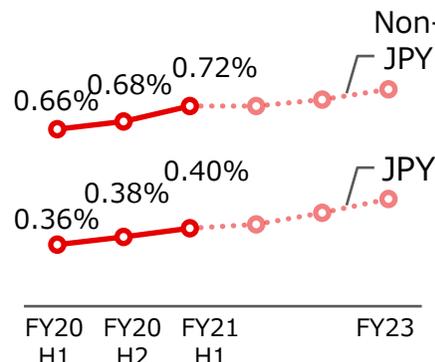
Approx. selling amount\*1  
(Acquisition cost basis)  
¥46bn

### [KPI]

#### RWA\*2 (¥tn)

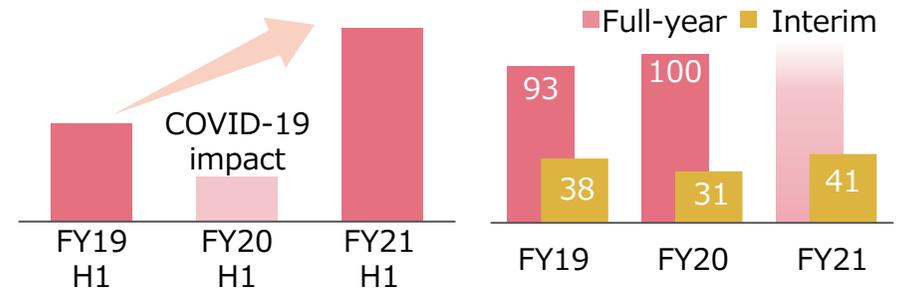


#### Lending spread\*3\*4



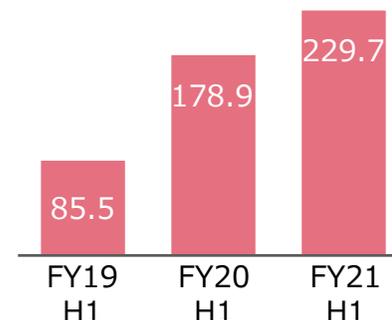
### ROE-focused initiatives, strengthening real estate business

- Lending spread associated with new loans\*5  
• Approx. +0.2% vs FY19H1
- Real estate revenue\*6 (index)  
• Increased YoY in FY21H1 (FY20=100)



### Strengthening sustainable business

- Underwriting amount of ESG bonds\*7 (¥bn)  
• #1 (in Japan)\*8
- Example  
• Invested US\$25mm in California's largest hydrogen fuel stations business (Nov. 2021)



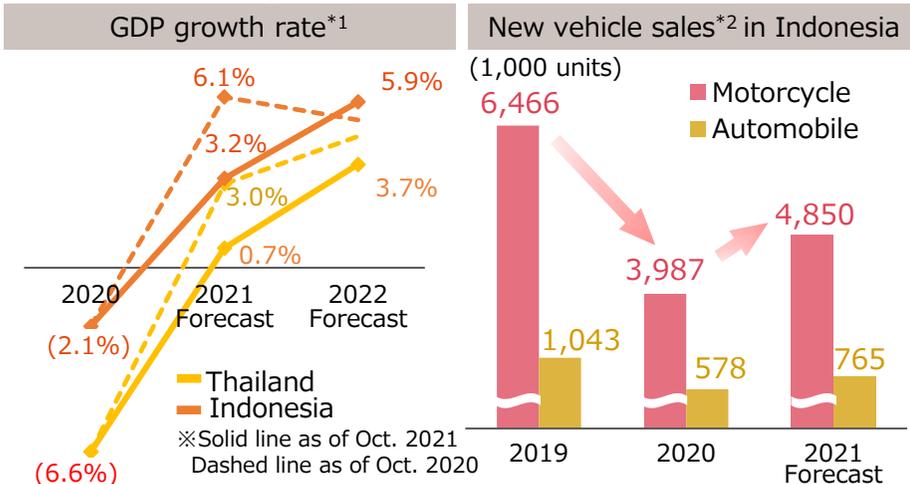
\*1 Sum of the Bank and the Trust Bank including R&C \*2 Revised FY20 result \*3 Results of JCIB (the Bank, non-consolidated basis) \*4 Calculated as net interest income / average loan balance of said period \*5 Mid- to long-term lending spreads on a consolidated basis of JPY and non-JPY (including non-JPY mid- to long-term funding costs) \*6 Real estate-related net interest income, brokerage fees, etc. \*7 Excluding bonds issued by MUFG \*8 Comparison of cumulative underwriting amount and share of public domestic green bonds by a domestic issuer (Apr. 1, 2016-Sep. 30, 2021)

# Strategy for growth (3) - Asia business

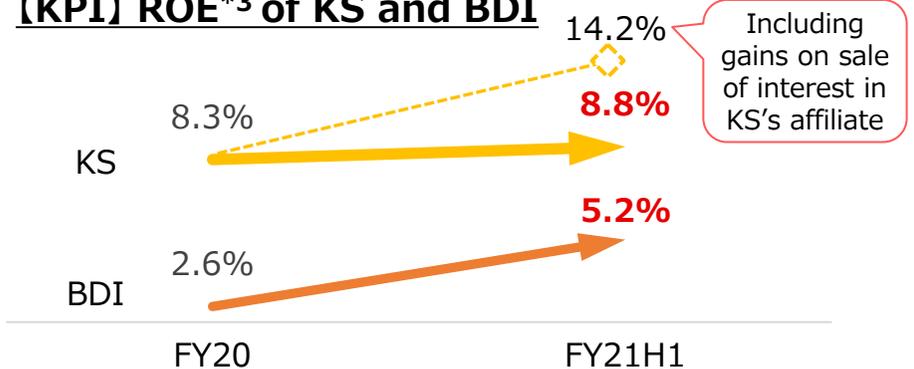
– Despite the impact of the resurgence of COVID-19, the initiatives are steadily progressing in anticipation of economic recovery

## Macroeconomic environment in Thailand and Indonesia

- GDP growth rate is expected to deviate downward from initial assumptions, but to recover from 2022 onwards
- New automobile sales in Indonesia are recovering, and BDI's loan balance is expected to increase



## [KPI] ROE\*3 of KS and BDI

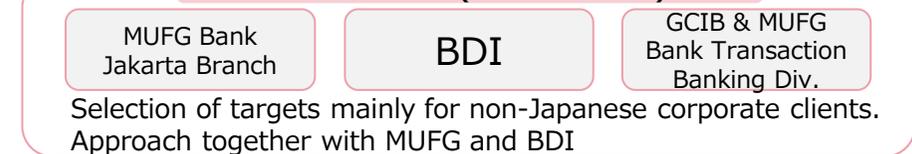


## Support the growth of BDI

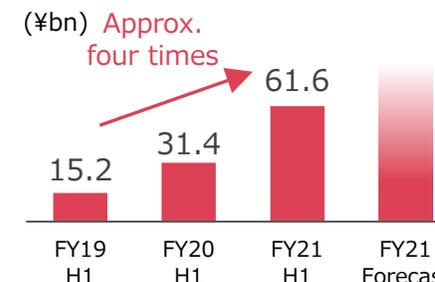
### Collaboration with MUFG

- Established a collaboration framework between MUFG and BDI
- Increased the balance of synergy loans and deposits

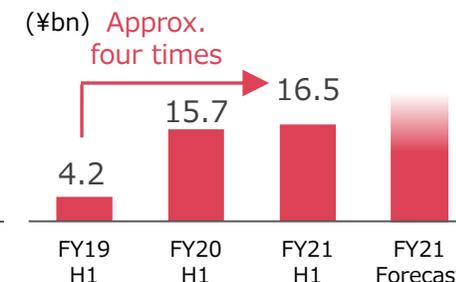
### One Team (Virtual unit)



### Synergy loan balance



### Synergy CASA\*4 balance



### Initiatives in consumer finance (CF) by sharing KS's expertise with BDI

- Former KS's Retail CF Head appointed as Commissioner of BDI
- Began new initiatives at BDI and Adira Finance\*5

Housing loan	Integrated BDI/MUFG approach to developers	Enhance product competitiveness
Auto loan	Enhance credit analysis on loans to dealers	Utilize BDI's branches and RMs

\*1 (Source) IMF "World Economic Outlook Database, Oct 2021" for Indonesia and Bank of Thailand "Monetary Policy Report, Aug 2021" for Thailand  
 \*2 (Source) Gaikindo, "Indonesian Automobile Industry Data" \*3 ROE based on local disclosure standards \*4 Current account and savings account  
 \*5 An auto loan subsidiary of BDI

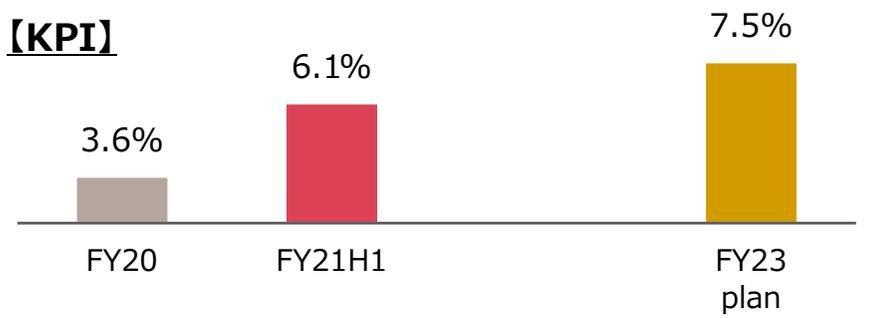
# Strategy for growth (4) - GCIB & Global Markets

– Made steady progress in the institutional investors business. Capturing transactional flows in the expected market recovery is one of the keys for further growth

## GCIB-Global Markets combined ROE\*1

- Lending spreads improved and secured finance for institutional investors made steady growth
- The reversal of credit losses due to recovery of the credit environment contributed to ROE improvement

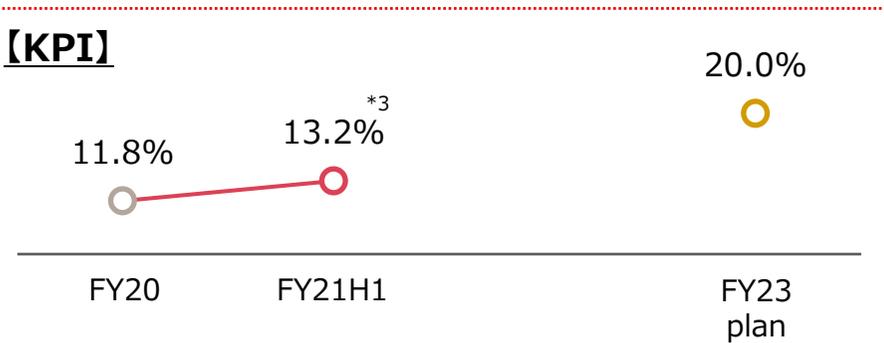
**[KPI]**



## Institutional investor portfolio ratio\*2

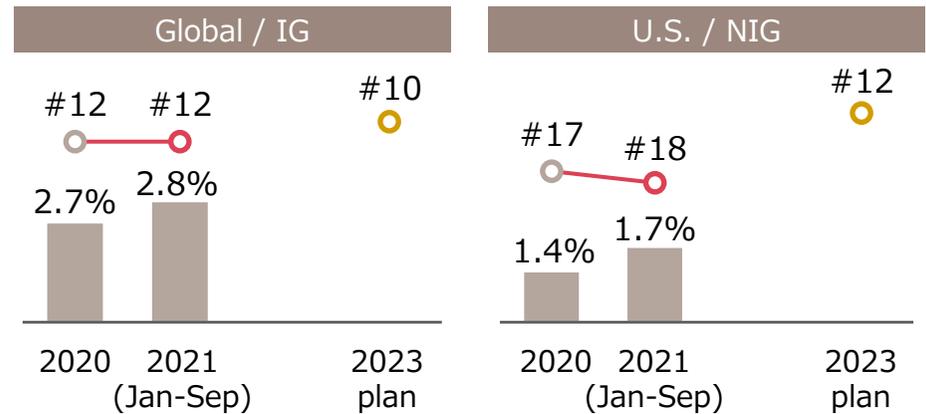
- The balance of secured finance for institutional investors expanded steadily

**[KPI]**



## Syndication/DCM wallet rank & share\*4

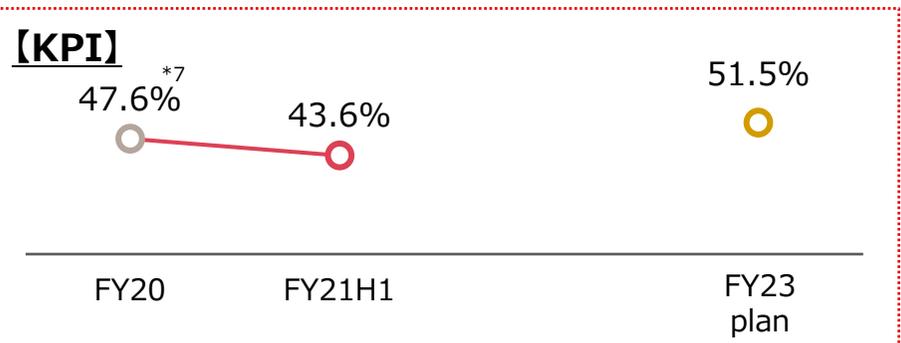
- MUFG's wallet share expanded in both IG\*5 and NIG\*6 fields



## Non-interest income ratio

- FX, rates and in transactional other businesses struggled due to global stagnation flows

**[KPI]**



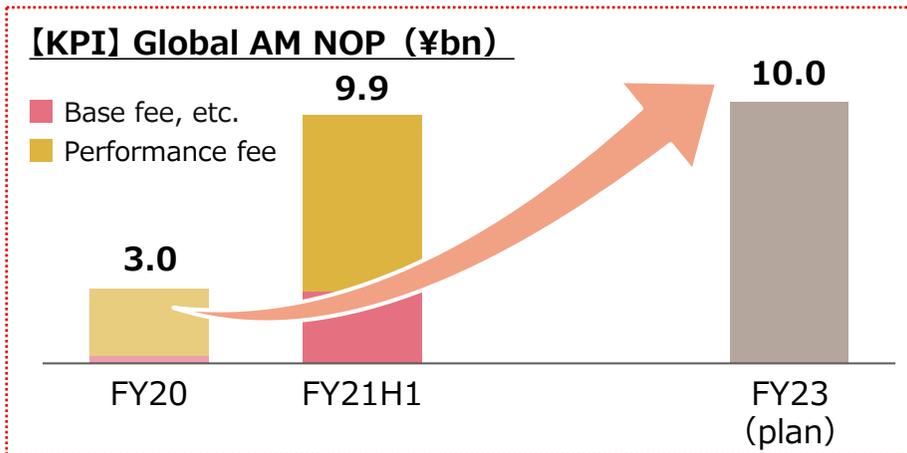
\*1 Targeted domains: Overall GCIB + Global Markets S&T (excl. Japanese Corporate sales) \*2 Lending amount in managerial basis \*3 Figure as of End Jun 21  
 \*4 Source: Dealogic (Calendar year basis) \*5 Investment Grade (Transactions with Investment Grade companies)  
 \*6 Non-IG (Transactions with Non-Investment Grade companies) \*7 After adjustment of one-time impacts

# Strategy for growth (5) - Global AM / IS

– Steadily moved forward in terms of measures to realize our vision for global AM/IS operations, with KPIs indicating solid progress

## Global AM

- Received a greater volume of performance fee thanks to the robust performance of infrastructure fund



Progress at the end of first half and future initiatives

### Progress

- Our flagship funds, such as those associated with Asia stocks, performed in excess of target

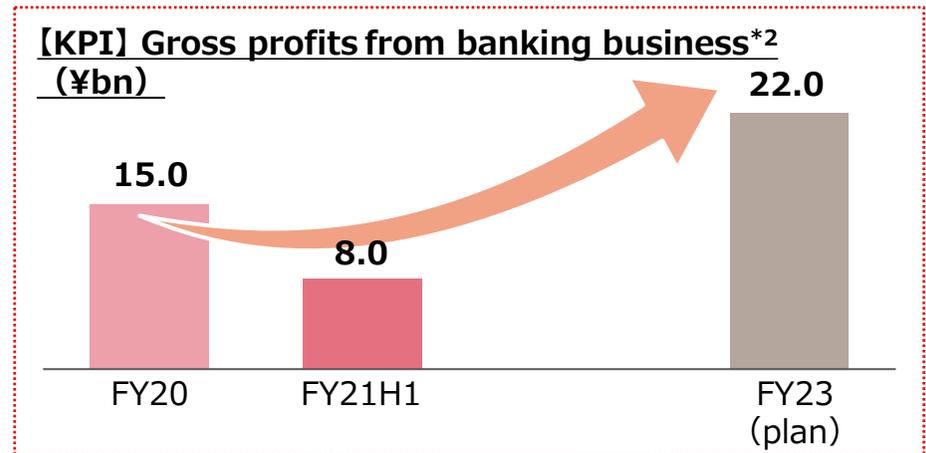
### Future initiatives

- Develop new products by employing <sup>Performance</sup> seed investment (Outperformance ratio\*1)
- Continue to consider new investments aimed at strengthening our functions

**84%**  
(Target+9%)

## Global IS

- Delivered combined solutions including fund finance and other high-value-added services



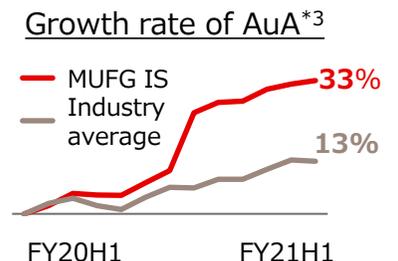
Progress at the end of first half and future initiatives

### Progress

- Growth rate of AuA is higher than the industry average thanks to synergistic effects from combined services

### Future initiatives

- Enhance the content of ESG-related services
- Continue to consider new investments aimed at strengthening our functions



\*1 Three-year performance trend as of end Jun 21. Proportion of AuM achieving asset management performance in excess of benchmarks

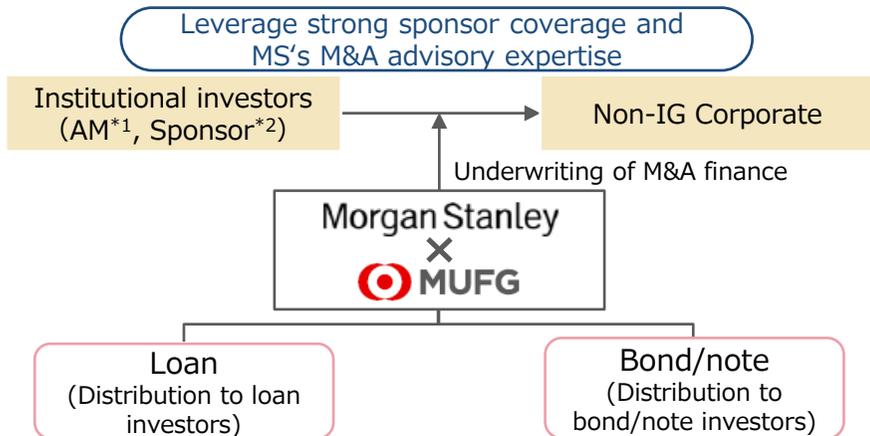
\*2 Gross profits from fund finance, fund FX, interest income \*3 Asset under Administration from alternative funds

# (Reference) Collaboration with Morgan Stanley

– Progress in investment banking and WM fields

## Institutional investor / Non-IG business GCIB

- First collaboration deal in M&A finance to Non-IG corporate



## Primary business for Japanese corporates JCIB

- Secured top tier share in investment banking field by taking full advantage of the combined strengths of MUFG and MS

### League table \*3



### Major collaborations

- Became co-lead managers in the public placement of Renesas Electronics' shares
- Together served as arrangers, underwriters and lenders in the issuance of Mercari's convertible bonds

\*1 Asset managers \*2 Financial sponsor companies such as private equity fund management companies

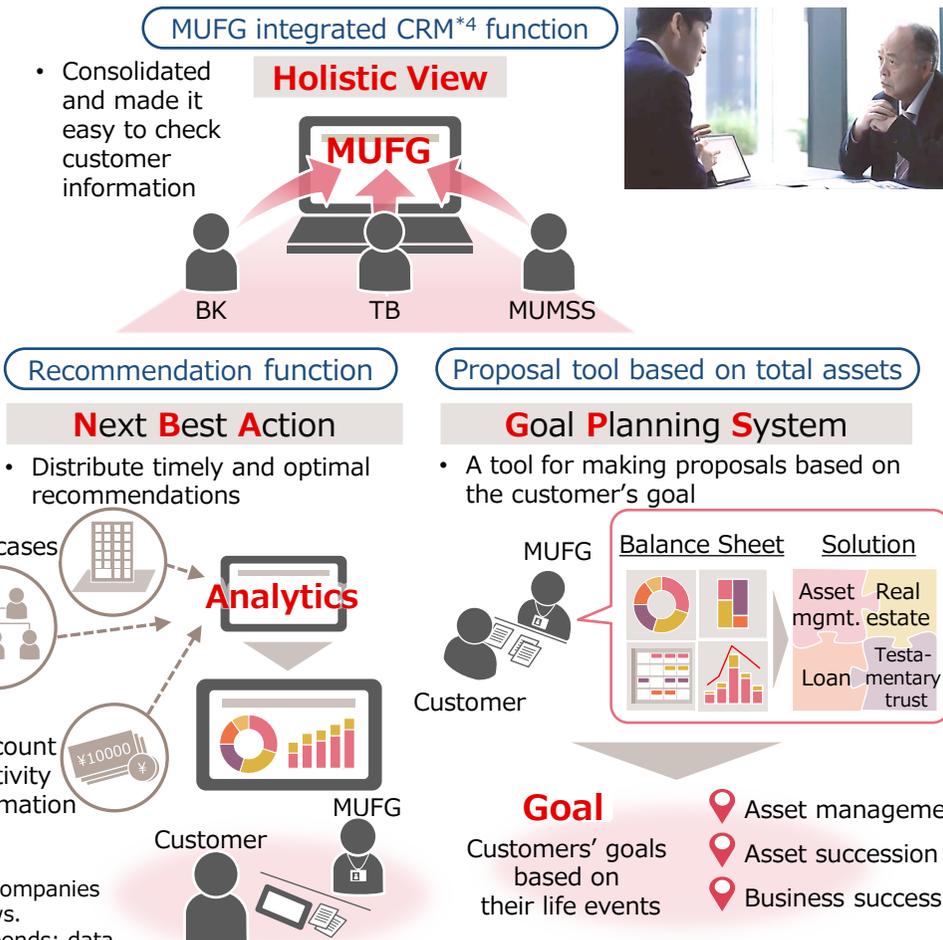
\*3 From April to September 2021. DCM includes domestic and foreign bonds. Source is as follows.

Domestic bonds: data compiled by MUMSS based on REFINITIV and DealWatchDB. Foreign bonds: data compiled by MSMS based on corporate disclosure data, Dealogic, Bloomberg, IFR, and Informa. ECM: data compiled by MUMSS based on REFINITIV.

M&A: data compiled by MUMSS based on REFINITIV and any Japanese involvement announced \*4 Customer Relationship Management

## WM digital platform R&C

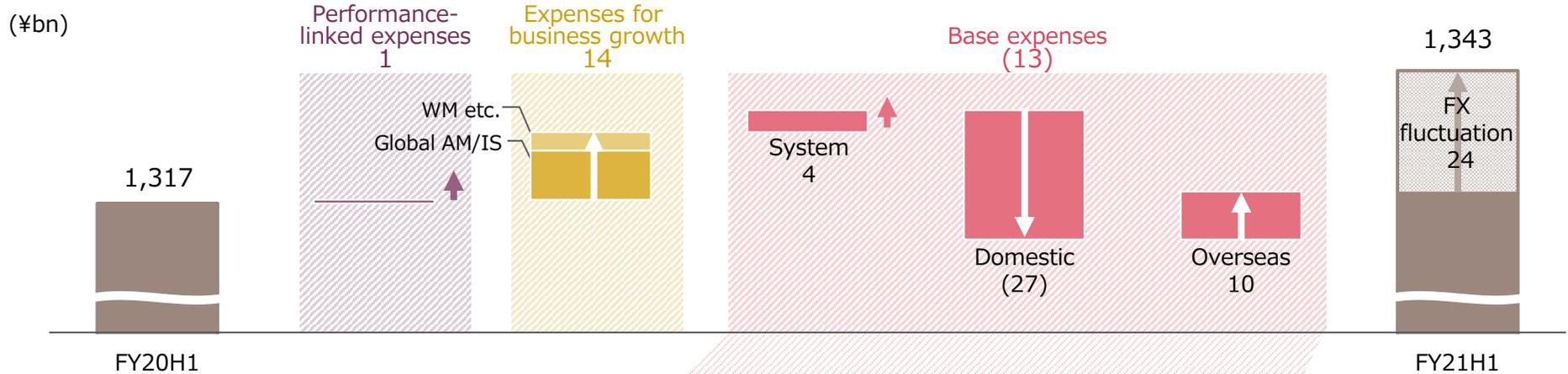
- Leveraged MS's know-how in the course of developing MUFG's unique platform
- Plans call for full-scale launch in the second half of FY2021



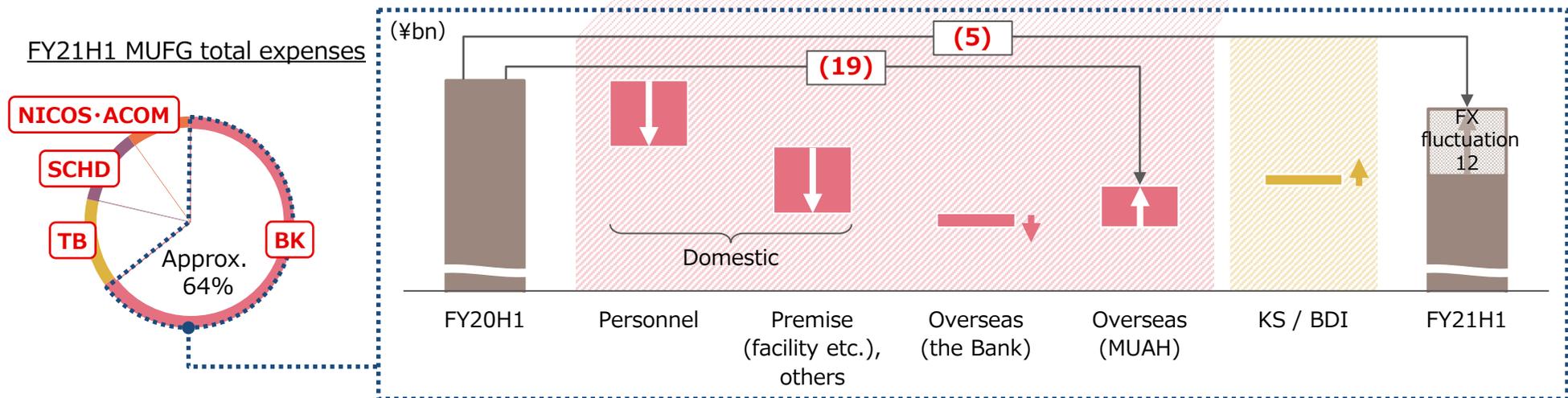
# Cost and RWA control – Expenses

– FY21H1 expenses stayed almost unchanged YoY excluding the impact of FX fluctuation due to maintained prudent control by the reduction of base expenses

## Expenses\*1



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

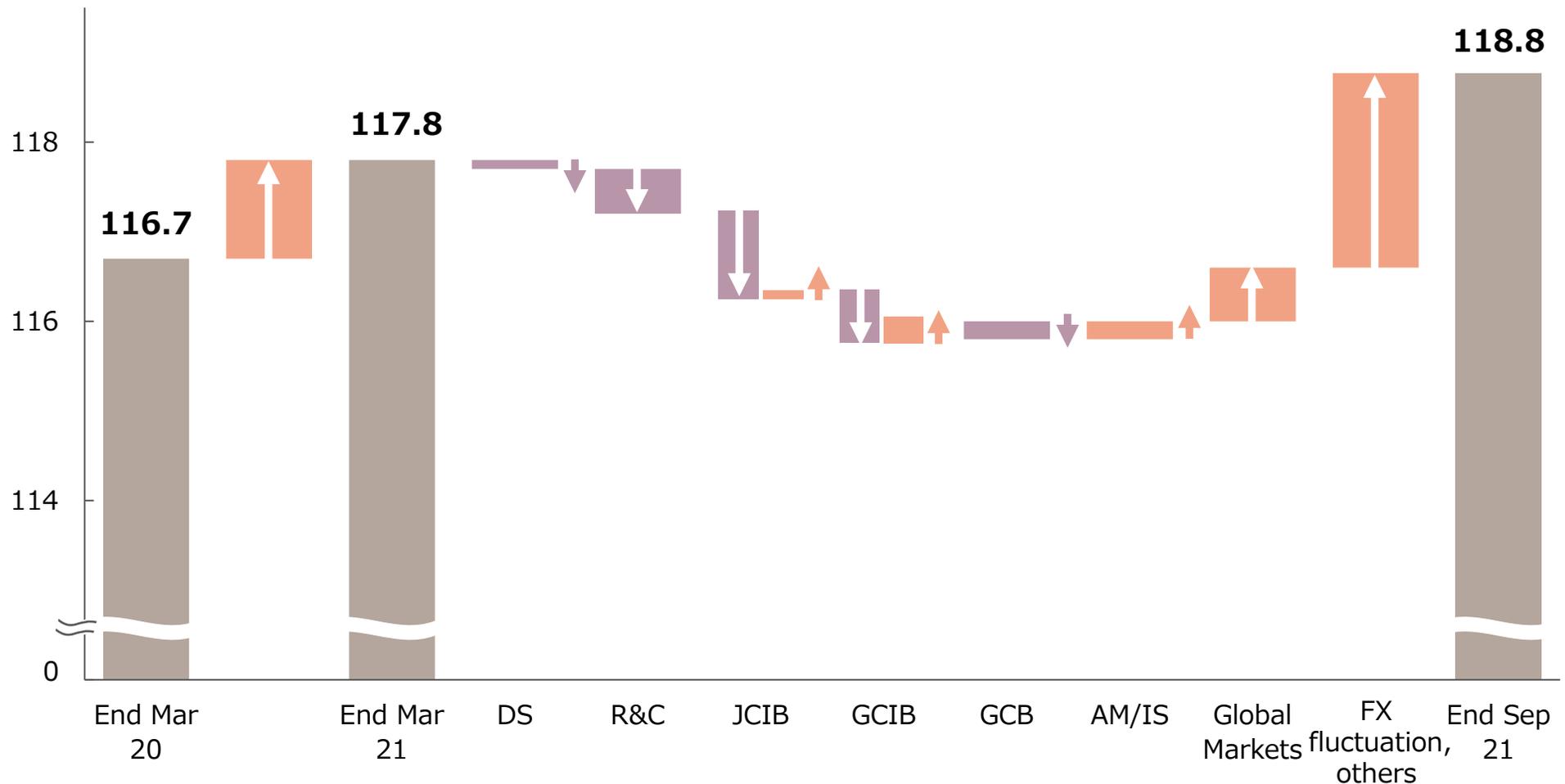


\*1 Internal managerial figure

# Cost and RWA control – RWA\*1

– RWA, excluding the impact of FX fluctuation, etc., declined through disciplined RWA management

(¥tn)



\*1 Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities

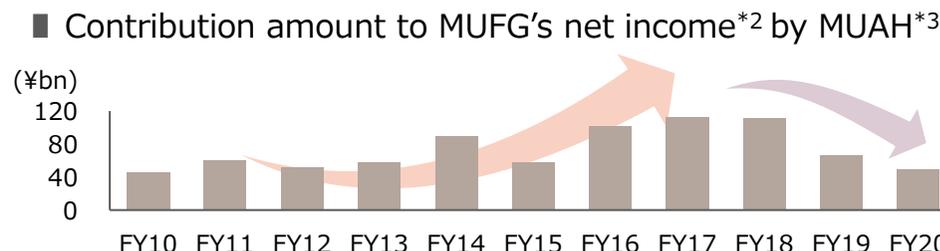
# Review of our business portfolio – Sale of MUB

– Decided to sell MUB with an eye to optimally allocating management resources

November 2008:

Acquired 100% ownership of MUB\*1

- Contributed to MUFG’s revenues for more than a decade, building on its California-based track record spanning over 150 years



### Business environment surrounding MUB

- Increasing importance of scale and IT investments in retail business

### MUFG’s Management Challenges

- Reshape global business

September 2021:

Decided to sell all shares of MUB to U.S. Bancorp

Agreed to sell MUB for an appropriate transactional price

Consideration of approx. US\$ 8.0 bn

- Price / TBV\*4: Approx. 1.3x
- Price / Earnings\*5: Approx. 13.5x

P.63

#### MUB

Unlock MUB’s potential franchise value by integrating with U.S. Bancorp

#### MUFG

Optimize management resource allocation to improve shareholder value

#### MUB’s customers

Access to USB’s high quality financial services

First half of 2022: Closing of the transaction (Expected)\*6

### Future direction

Strategic importance of the U.S. market remains unchanged

Capital and business alliance with U.S. Bancorp

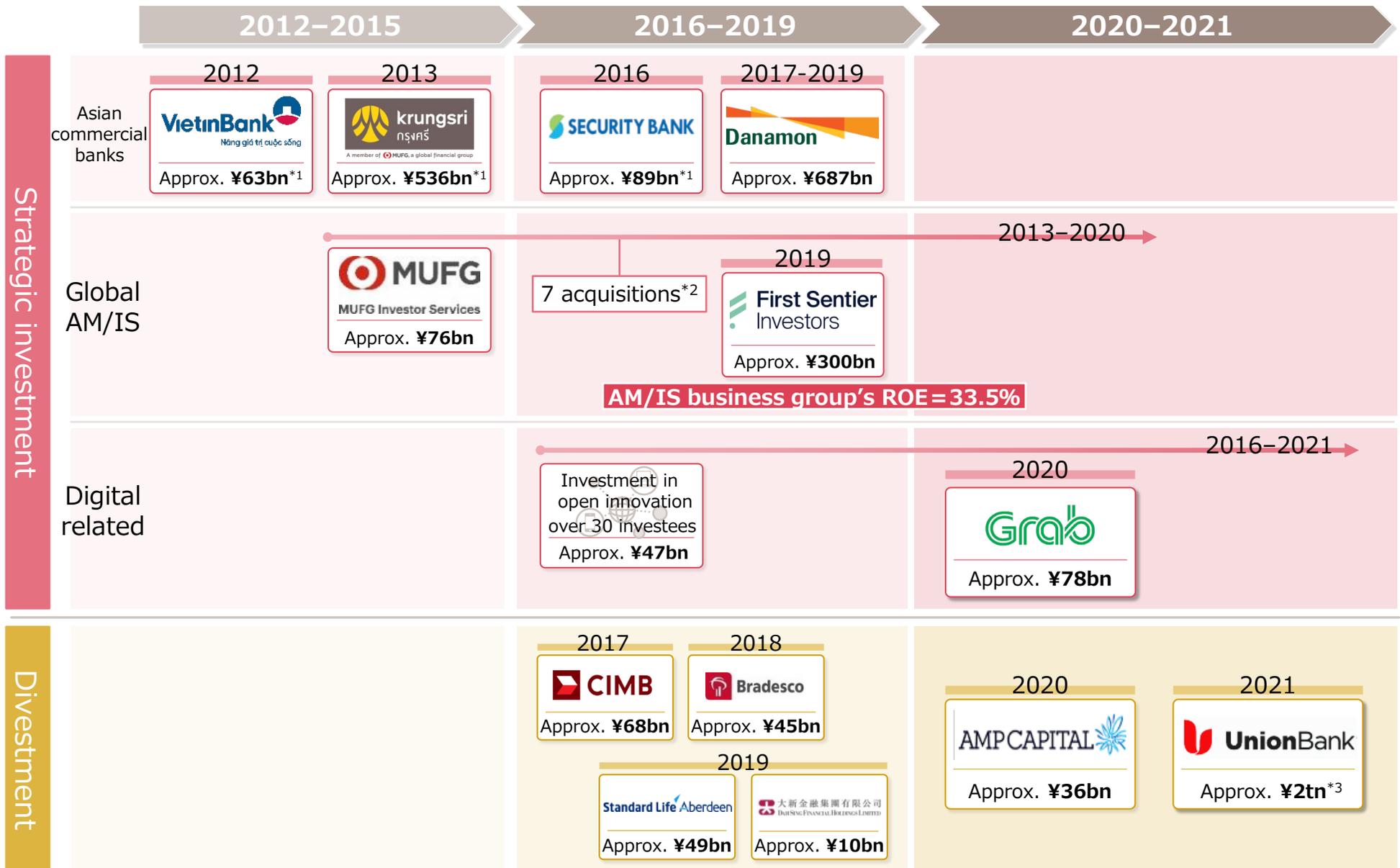
Use of released capital

- 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
- Indirect involvement in the U.S. retail and commercial banking businesses
- Collaborate in businesses with Japanese customers and the digital field
- Giving comprehensive consideration to shareholder returns, investment in growth areas, etc.

\*1 Acquired 100% ownership of UnionBanCal Corporation (currently MUAH), parent company of Union Bank of California (currently MUB) \*2 Profits attributable to owners of parent \*3 UnionBanCal Corporation until FY13 \*4 Estimated tangible book value of US\$ 6.25 bn to be delivered at the closing

\*5 US\$ 593 mm. Internal managerial figure (FY2020) \*6 Subject to approvals from relevant regulators and fulfillment of preconditions for the closing

# (Reference) History of strategic investment



\*1 Initial investment amount \*2 Butterfield, Meridian, UBS AFS, Capital Analytics, Rydex, Point Nine, Maitland \*3 Approx. US\$17.6bn which is expected as the total transaction value is converted into ¥ using actual exchange rates as of end Sep 2021. The completion of the share transfer is subject to certain conditions precedent, including the approval from relevant regulators, and is expected to be effective in CY2022 H1

# Approach to carbon neutrality

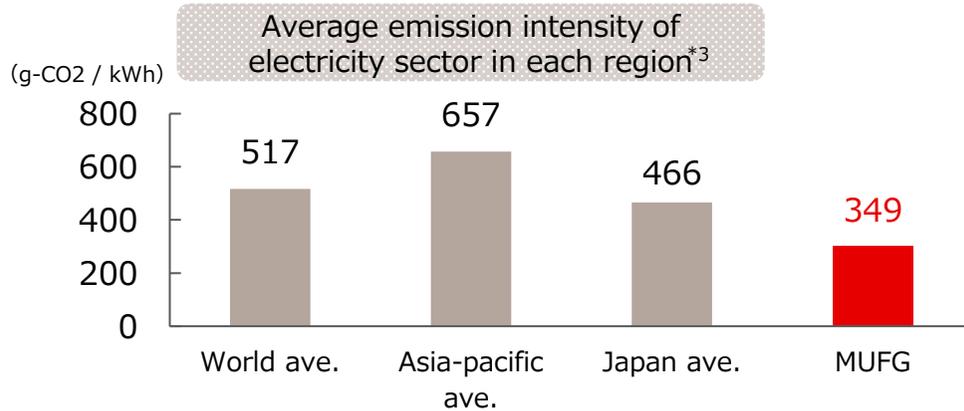
# Net-zero financed emissions (FE)<sup>\*1</sup>

– Set 2030 targets, beginning with “Electricity” and “Oil and Gas” sectors

## Progress on setting interim targets

**New update**

Current FE (intensity) <sup>\*2</sup> for “**Electricity**”  
– “**Oil & Gas**” will be disclosed in spring 2022



**Next step**

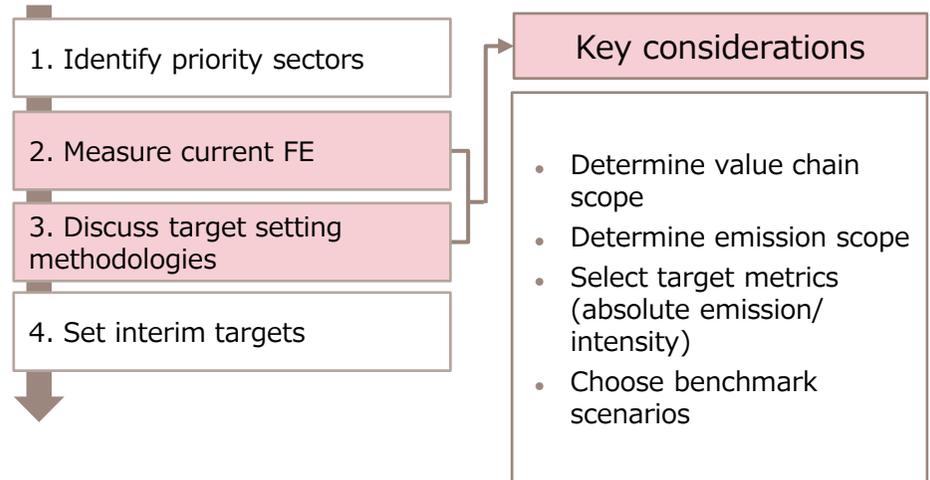
Disclose 2030 interim targets for “**Electricity**” and “**Oil & Gas**” sectors in spring 2022

Progress Report to be published

- We will continue to set interim targets for other carbon-intensive sectors as advised by NZBA<sup>\*4</sup>

## Steps to set targets per sector

- Follow a scientific approach consistent with the Paris Agreement



## Net zero in asset management business

**Joined NZAMI<sup>\*5</sup> in November 2021**

- Accelerate our efforts to net zero GHG emissions
  - Set 2030 interim target within a year of joining

<sup>\*1</sup> Greenhouse Gas (GHG) emissions financed by loans and investments

<sup>\*2</sup> Corporate finance and project finance assets related to Scope 1 of the power generation business in the electricity sector are measured (as of Dec. 2019)

<sup>\*3</sup> Based on 2019 results from the IEA World Energy Outlook 2021

<sup>\*4</sup> Net Zero Banking Alliance: An initiative for banks that are committed to achieve net zero in their lending and investment portfolio by 2050

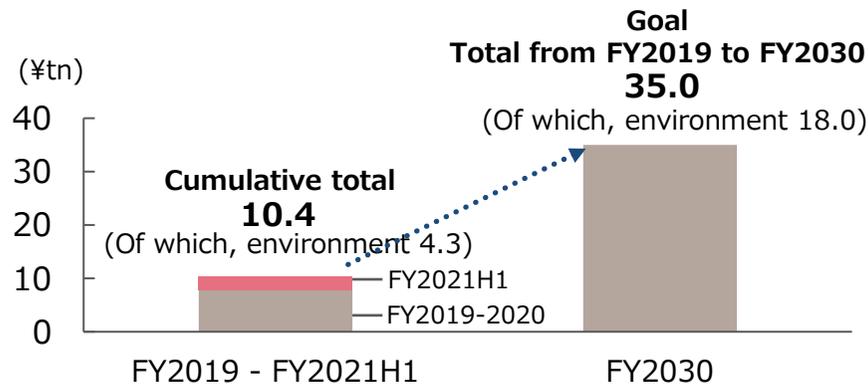
<sup>\*5</sup> Net Zero Asset Managers Initiative: An initiative mainly for asset managers that are committed to achieve net zero in their investment portfolio by 2050

# Decarbonization through financial services

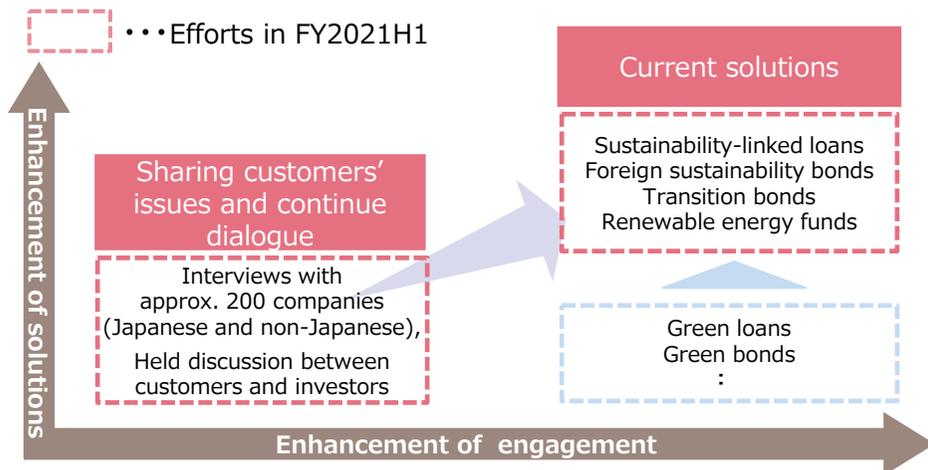
– A virtuous cycle between environment and economy: seizing business opportunities in the process of supporting customers’ decarbonization

## Progress in sustainable finance

- Proactively engaging in sustainable finance



## Enhancing customer engagement



## MUFG's new solutions

### In 2021

- **Helping customers measure GHG emissions**

Nov. Agreement on collaboration with Zeroboard Inc. Solution

- **Participation in Ministry working group\*1** Formulation of rules

- **Promoting innovation through support for start-ups**

Dec. First ESG accelerator held by a Japanese bank Solution

- **Development of transition guidelines**

Sep. Leading “Asia Transition Finance Study Group” Formulation of rules

- **Acquisition of know-how on utilization of carbon credits**

Nov. Investment in a developer and distributor of hydrogen fuel station in California Solution

- **Revitalization of the carbon credit market**

Aug. Participation in TSVCM\*2 Formulation of rules

- Strengthening solutions such as sustainability bonds through cooperation with the Bank and MUMSS
- Consideration of the possibility of utilizing satellite data
- Consideration of how to measure social impact other than GHG emissions (Impact investment, etc.)

\*1 Such as the working group for measuring, reporting and disclosing GHG emissions in accordance with the revision of Act on Promotion of Global Warming Countermeasures \*2 Taskforce on Scaling Voluntary Carbon Markets

# Decarbonization of our own emissions

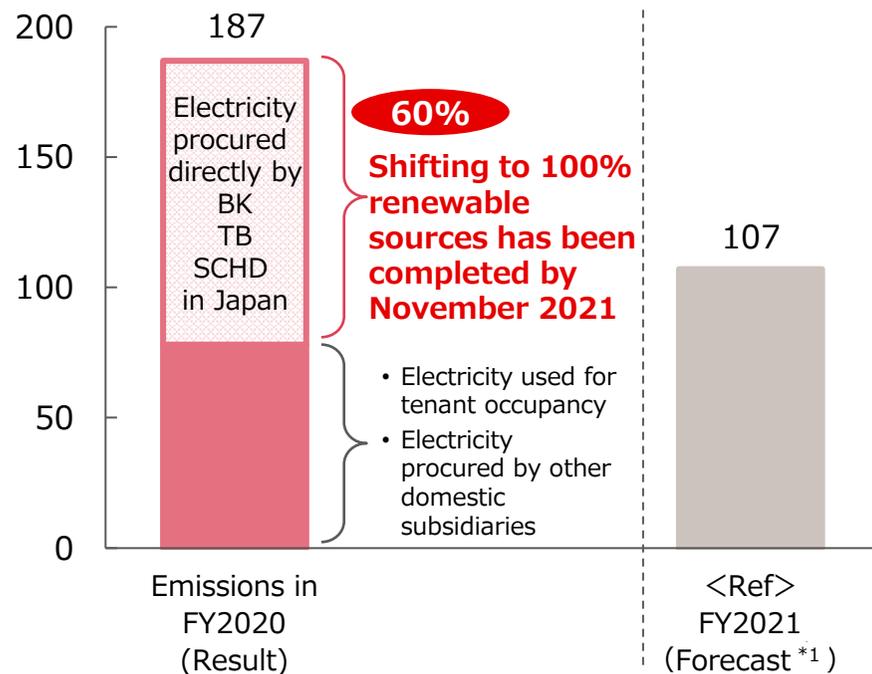
– Made significant progress in reducing GHG emissions from our own operations in Japan and measuring our GHG emissions on a global basis

## Significant reduction of GHG from own operations

**Completed ahead of schedule** Shifted domestic electricity procurement directly by the Bank, the Trust bank, the Securities HD **to 100% renewable sources by Nov. 2021**  
 -The original target was end Mar. 2022

### ■ Emissions from all domestic consolidated subsidiaries

(Thd t-CO2)



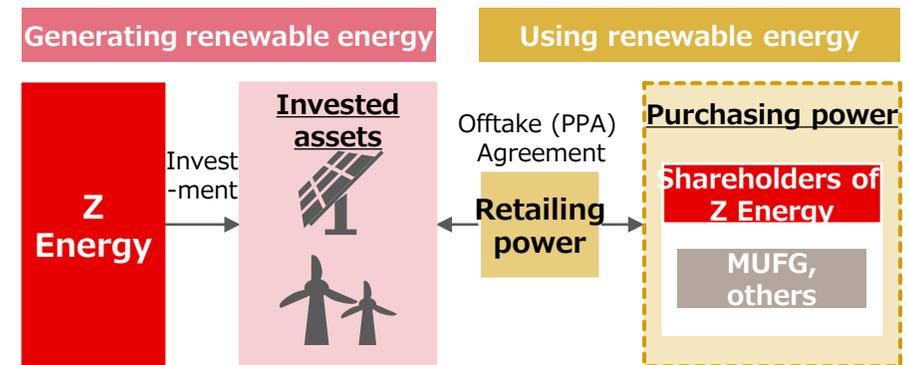
## Measurement of GHG emissions on a global basis

- Made significant progress in measuring MUFG's FY2020 emission volume on a group and global basis

	Japan	US	EU/Middle east	Asia/Oceania*3
<b>Total</b> (thd t-CO2)*2	<b>187</b>	<b>46</b>	<b>4</b>	<b>119</b>
<b>Scope1</b> direct emission	14	3	0	12
<b>Scope2</b> indirect emission	173	43	4	107

### Renewable energy fund: Z Energy Co., Ltd. \*4

- Expand the scope of invested assets and participants other than MUFG



\*1 Estimated volume calculated by deducting the effect of shifting to renewable energy from the volume of emissions in FY2020

\*2 Determined the scope by operational control approach of "GHG protocol" and measured by the market criteria

\*3 Exclude KS's subsidiaries. The figures may change in the future due to changes in calculation methods through third-party audits and certification

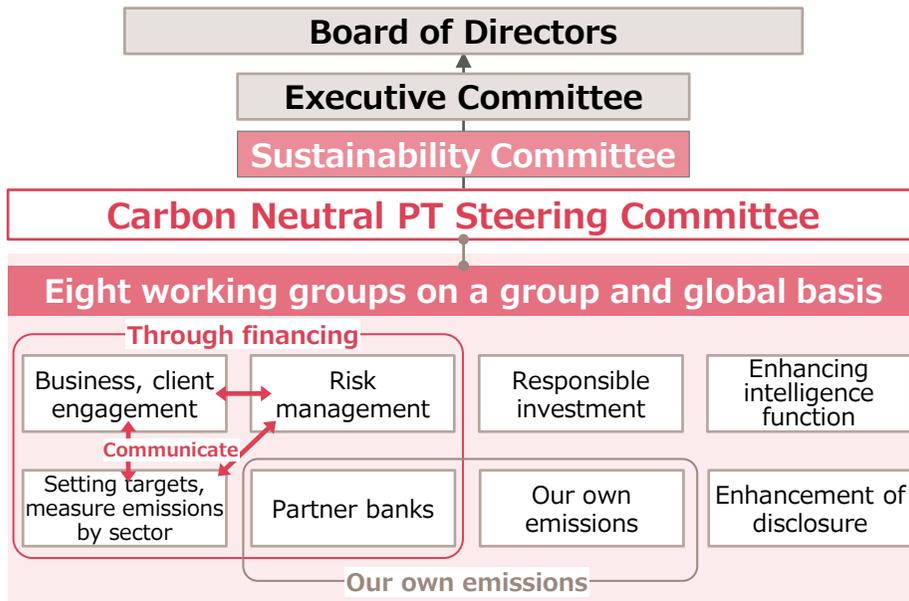
\*4 The new company established by the Bank for the launch of renewable energy fund

# Enhancement of structure / participation in global initiatives

– Made our initiatives move forward by establishing a groupwide and cross-regional structure both internally and externally

## New organizational structure for carbon neutrality

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



## Increasing our knowledge by acquiring external expertise

- Researching pathway to decarbonization and contribution of finance with the University of Tokyo. Launched ETI-CGC\*1 with them and major domestic companies
- Holds training sessions by external experts for top managements and relationship managers etc.
- Recruited an external expert as a head of SBD\*2

\*1 ETI-CGC (Energy Transition Initiative-Center for Global Commons) is an initiative comprising the University of Tokyo and 13 major Japanese companies to achieve decarbonization \*2 Sustainable Business Division

## Participating proactively in global initiatives

- Acquiring external knowledge including scientific approach know-how on a global basis



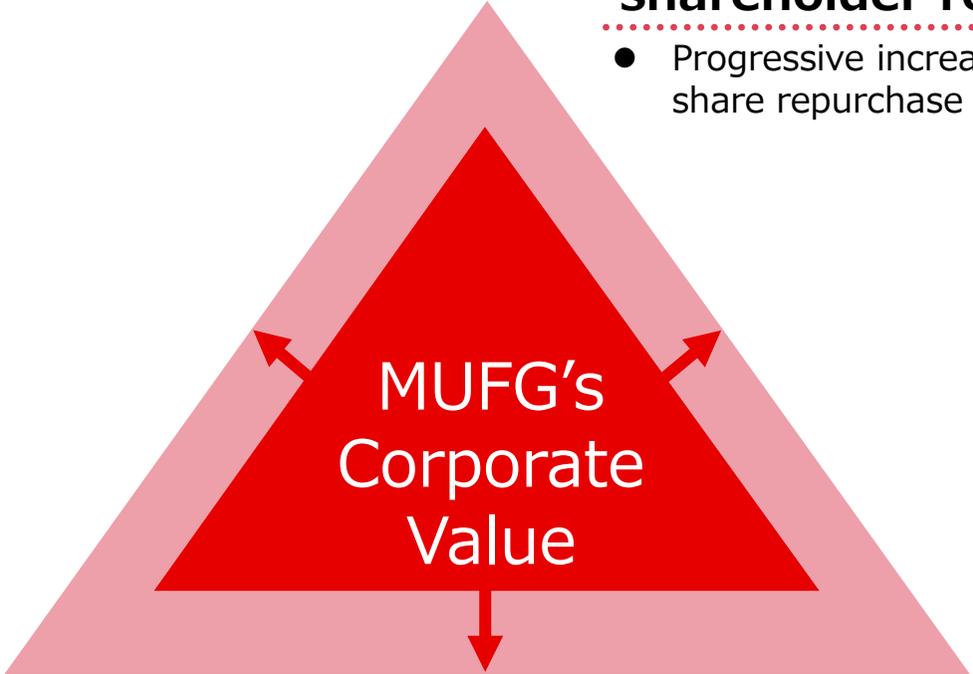
# Capital policy

## Basic policy (“Capital Triangle”)

– Implement well-balanced capital management

### Enhance further shareholder returns

- Progressive increase in dividends, flexible share repurchase



MUFG's  
Corporate  
Value

### Maintain solid equity capital

- CET1 ratio\*<sup>1</sup> target: 9.5%-10%

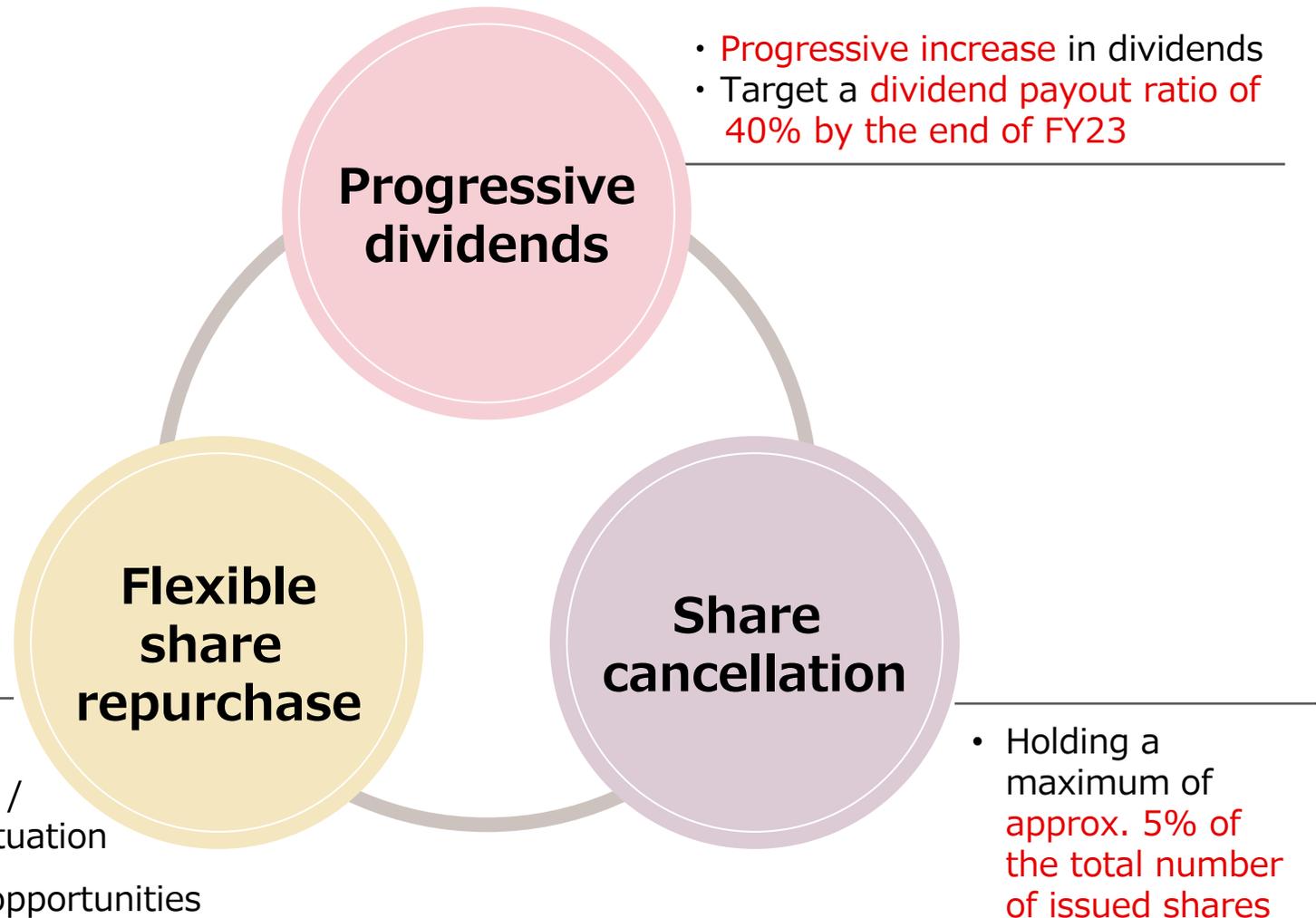
### Strategic investments for sustainable growth

- Focusing on capturing returns in existing investments and continuous consideration of new investments in growth areas such as digital and global AM/IS, etc.

\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities

# Basic policies for shareholder returns

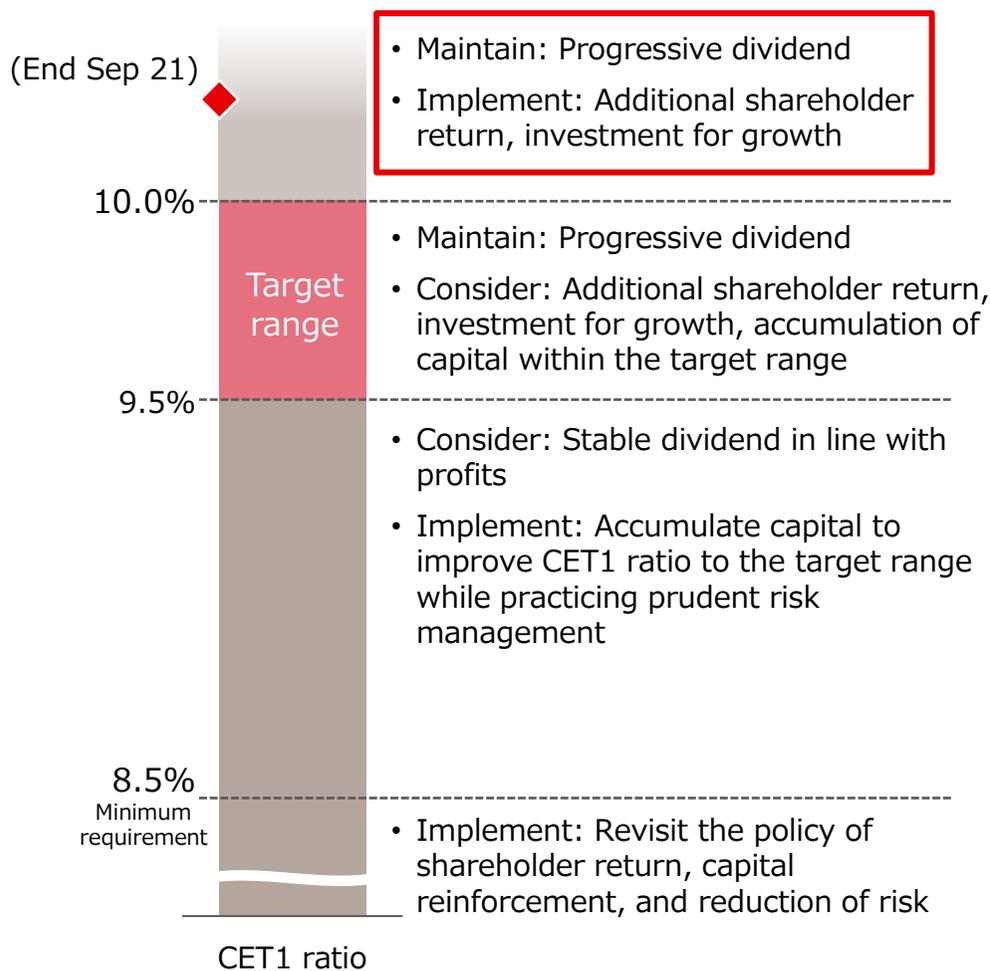
– Improve shareholder returns, focusing on dividends



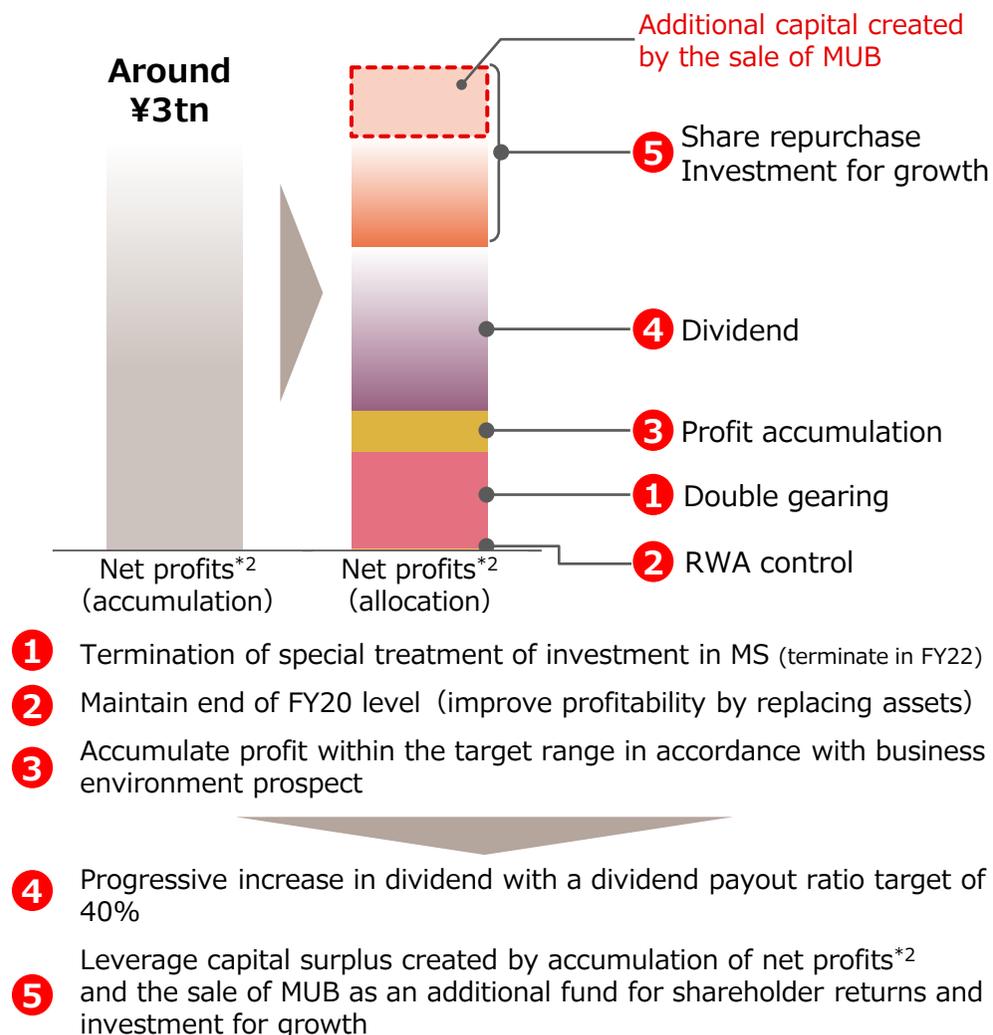
# Capital management policy

– CET1 ratio target at 9.5%–10.0%. Align our approach to capital management with CET1 ratio

Capital management policy\*1



Breakdown of net profits\*2 during MTBP period (image)

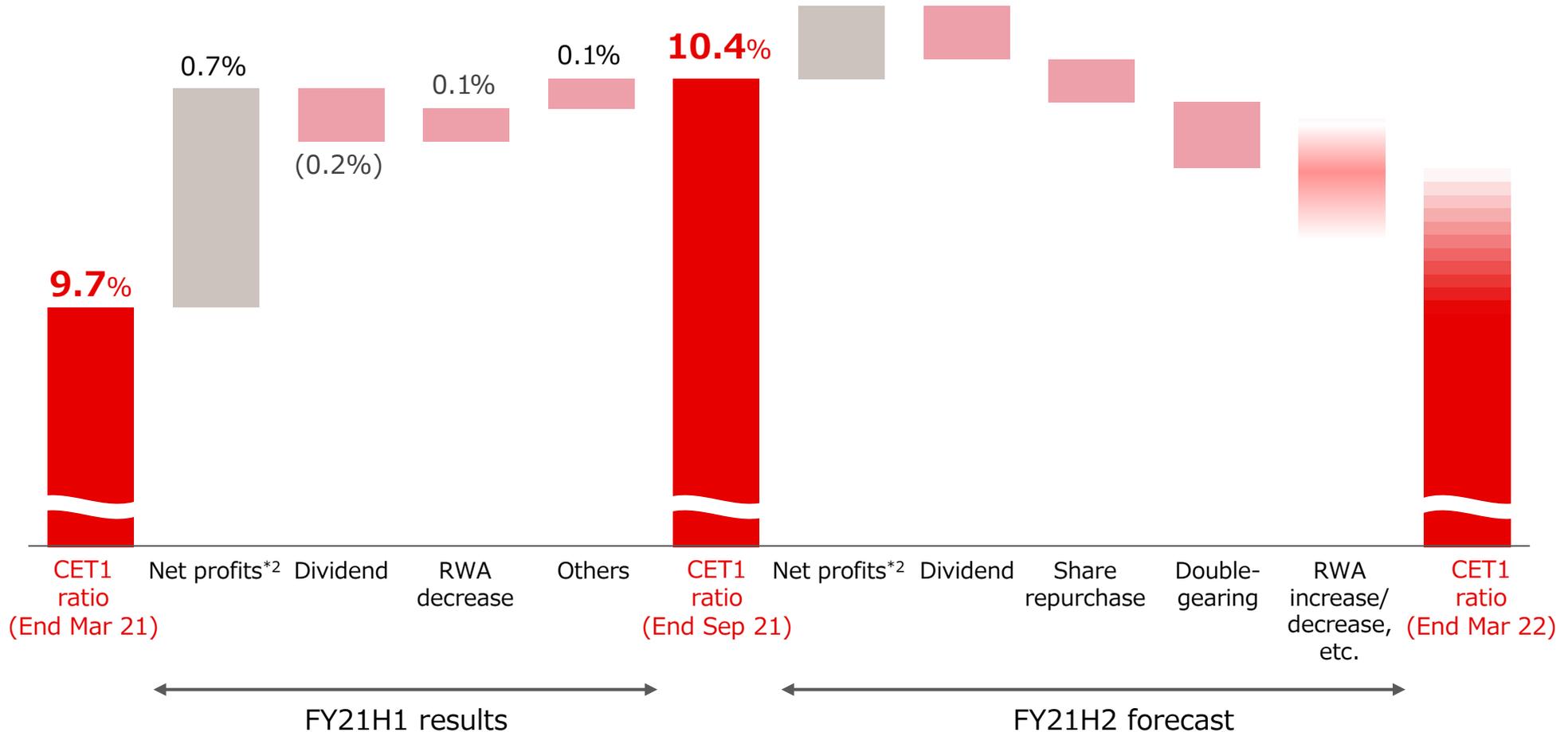


\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities

\*2 Profits attributable to owners of parent

# Capital allocation

## Capital allocation results and forecast\*1



\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities

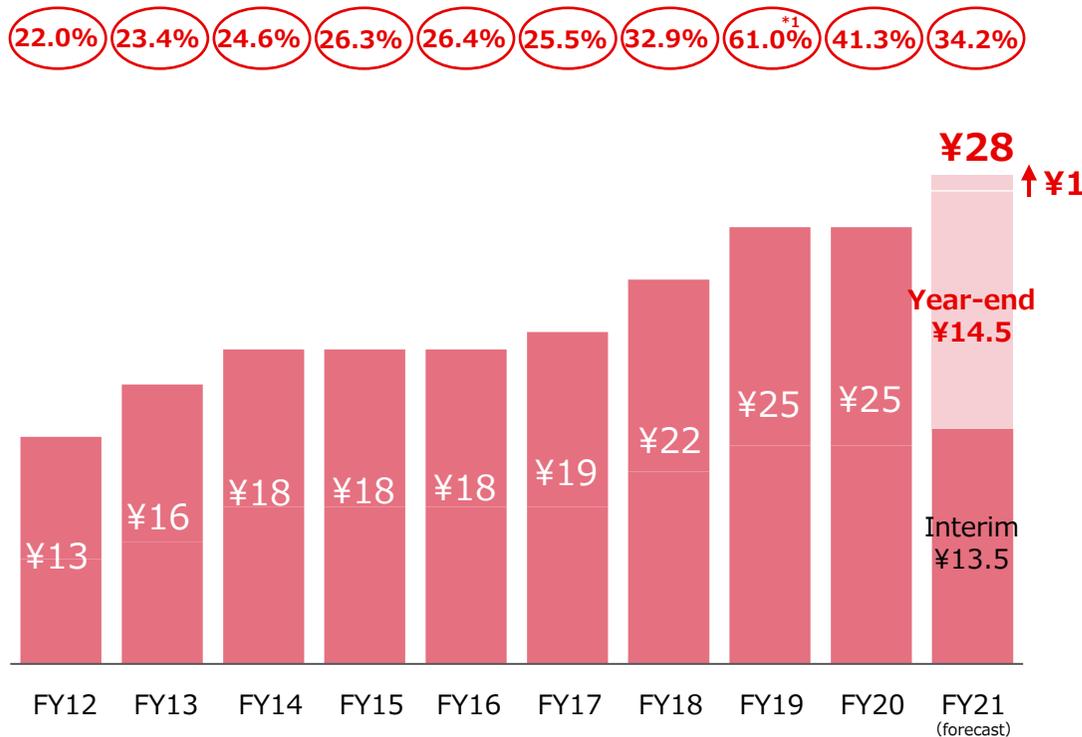
\*2 Profits attributable to owners of parent

# Results of shareholder return

– FY21 DPS forecast is revised upward by ¥1. Resolved to repurchase own shares up to ¥150bn

## Results and forecast for FY21

■ Dividend per share ○ Dividend payout ratio



(¥bn)	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 (forecast)
Dividend	184.1	226.6	253.7	249.3	243.6	251.8	286.9	322.9	321.8	359.3
Share repurchase	-	-	100.0	200.0	200.0	200.0	150.0	50.0	-	150.0
Total payout	184.1	226.6	353.7	449.3	443.6	451.8	436.9	372.9	321.8	509.3
Net profits*2	852.6	984.8	1,033.7	951.4	926.4	989.6	872.6	528.1	777.0	1,050.0
Total payout ratio	22.0%	23.4%	34.2%	47.2%	47.9%	45.7%	50.1%	70.5%	41.3%	48.5%

\*1 Dividend payout ratio excluding the impact of one-time amortization of goodwill: 37% \*2 Profits attributable to owners of parent

## FY21H1 concepts of shareholder return

### Dividend

#### **FY21 DPS forecast was revised upward by ¥1**

- Revised FY21 target upward by ¥200bn to ¥1,050bn
- Accelerate dividend increase to achieve our dividend payout ratio target for the final year of the MTBP

Net profits\*2:  
¥1tn or above

Dividend payout  
ratio: 40%

### Share repurchase

#### **Resolved to repurchase own shares up to ¥150bn**

Upward revision  
of profits

Disciplined RWA  
control

#### **Creation of capital surplus**

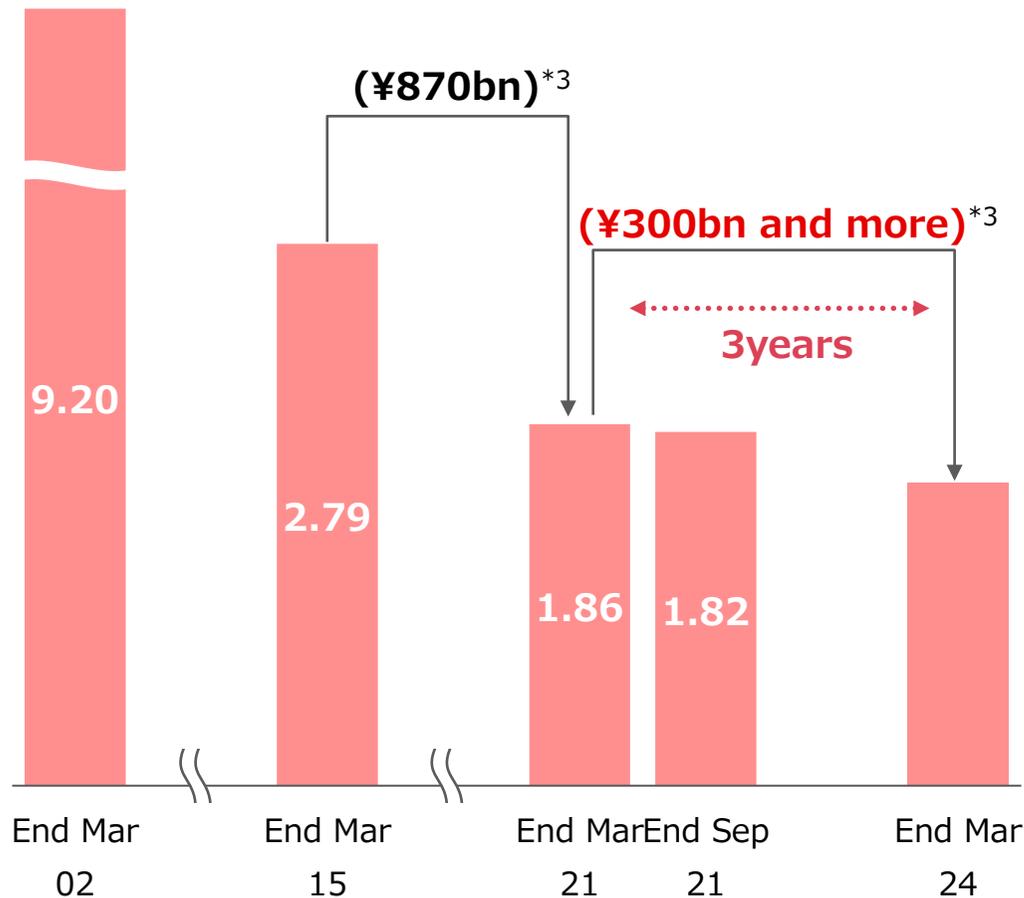
Leverage capital surplus as a fund for additional shareholder return in line with our capital management policy

# Reduction of equity holdings\*1

– Reduce equity holdings by ¥300bn and more between FY21-23. Reduced ¥46bn in FY21H1

## Historical performance\*2

(¥tn)



## Approx. selling amount

(¥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
<b>FY15-20 Total</b>	<b>1,545</b>	<b>870</b>	<b>675</b>
<b>FY21H1</b>	<b>131</b>	<b>46</b>	<b>85</b>
<b>FY21-23 Target</b>	<b>300 and more</b>		
Agreed amount (End Sep 21)	-	172	-

\*1 Sum of the Bank and the Trust Bank

\*2 Acquisition price of domestic equity securities in the category of 'other securities' with market value (consolidated) \*3 Total amount of sale

# Appendix

# Income Statement Summary

## Income Statement

Consolidated

(¥bn)	FY20H1	FY21H1	YoY
1 <b>Gross profits*<sup>1</sup></b> <b>(before credit costs for trust accounts)</b>	2,057.8	<b>1,980.8</b>	(76.9)
2 Net interest income	966.5	<b>992.4</b>	25.9
3 Trust fees + Net fees and commissions* <sup>1</sup>	655.2	<b>744.7</b>	89.4
4 Net trading profits + Net other operating profits	436.0	<b>243.6</b>	(192.3)
5 Net gains (losses) on debt securities	201.9	<b>70.5</b>	(131.3)
6 <b>G&amp;A expenses*<sup>1</sup></b>	1,317.3	<b>1,343.2</b>	25.9
7 <b>Net operating profits</b>	740.4	<b>637.5</b>	(102.8)
8 <b>Total credit costs</b>	(258.4)	<b>17.9</b>	276.3
9 <b>Net gains (losses) on equity securities</b>	24.2	<b>126.0</b>	101.7
10 Net gains (losses) on sales of equity securities	39.7	<b>131.2</b>	91.4
11 Losses on write-down of equity securities	(15.5)	<b>(5.2)</b>	10.3
12 <b>Equity in earnings of equity method investees</b>	153.1	<b>218.3</b>	65.1
13 <b>Other non-recurring gains (losses)</b>	(69.2)	<b>(13.9)</b>	55.3
14 <b>Ordinary profits</b>	590.2	<b>986.0</b>	395.7
15 <b>Net extraordinary gains (losses)</b>	(17.6)	<b>69.9</b>	87.5
16 <b>Total of income taxes- current and income taxes-deferred</b>	(132.3)	<b>(225.7)</b>	(93.3)
17 <b>Profits attributable to owners of parent</b>	400.8	<b>781.4</b>	380.6
18 EPS (¥)	31.21	<b>60.87</b>	29.65

### 1 Gross profits

- Net interest income increased due to improvement of lending spread for overseas and domestic corporate 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
- Due to the lack of net gains on debt securities earned in the previous year, gross profits decreased ¥76.9bn YoY

### 2 G&A expenses / Expense ratio

- Expense ratio rose to 67.8% due to a decrease in gross profits. G&A expenses remained almost the same level as the FY20H1 excluding impact of FX translation\*<sup>2</sup>

### 3 Total credit costs

- Total credit costs decreased significantly mainly due to improved credit quality and reversal of the allowance reflecting an improvement of economic environment outlook in U.S.

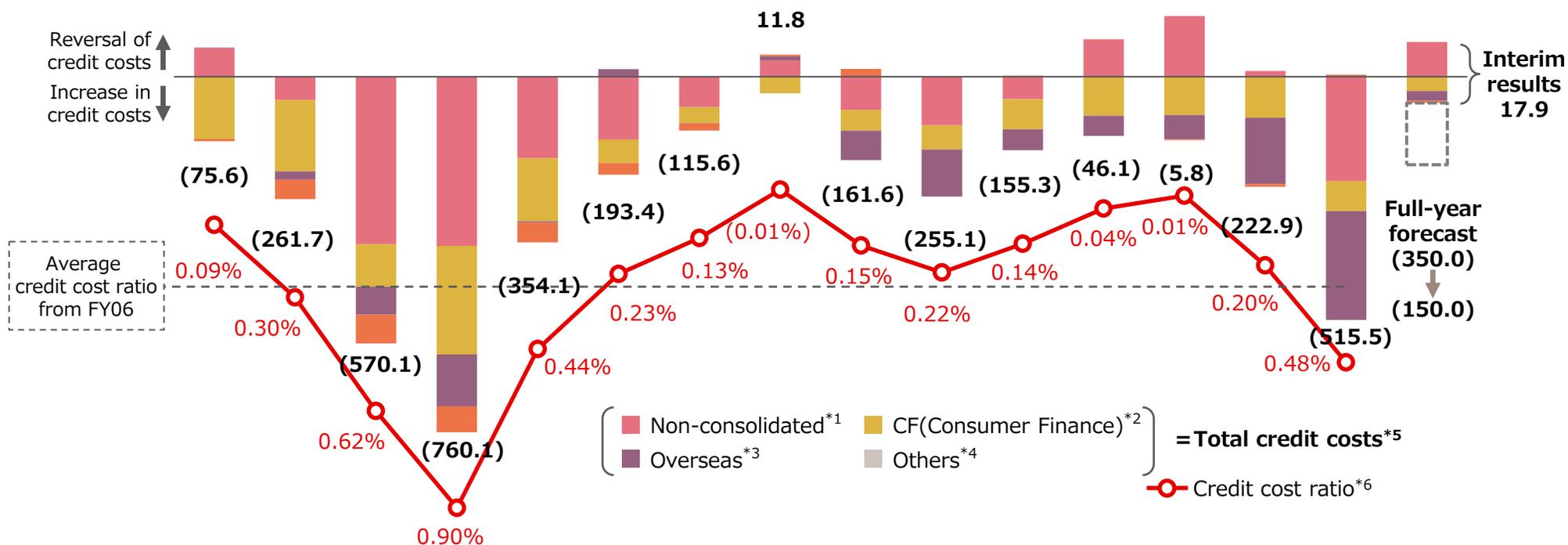
### 4 Profits attributable to owners of parent

- Profits attributable to owners of parent increased ¥380.6bn to ¥781.4bn, including an increase of ¥101.7bn net gains on equity securities reflecting steady stock markets as well as ¥65.1bn equity in earnings of equity method investees, mainly from Morgan Stanley

\*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 FY20H1 was ¥35.1bn \*2 Impact of FX translation was approximately ¥24.0bn

# Credit costs

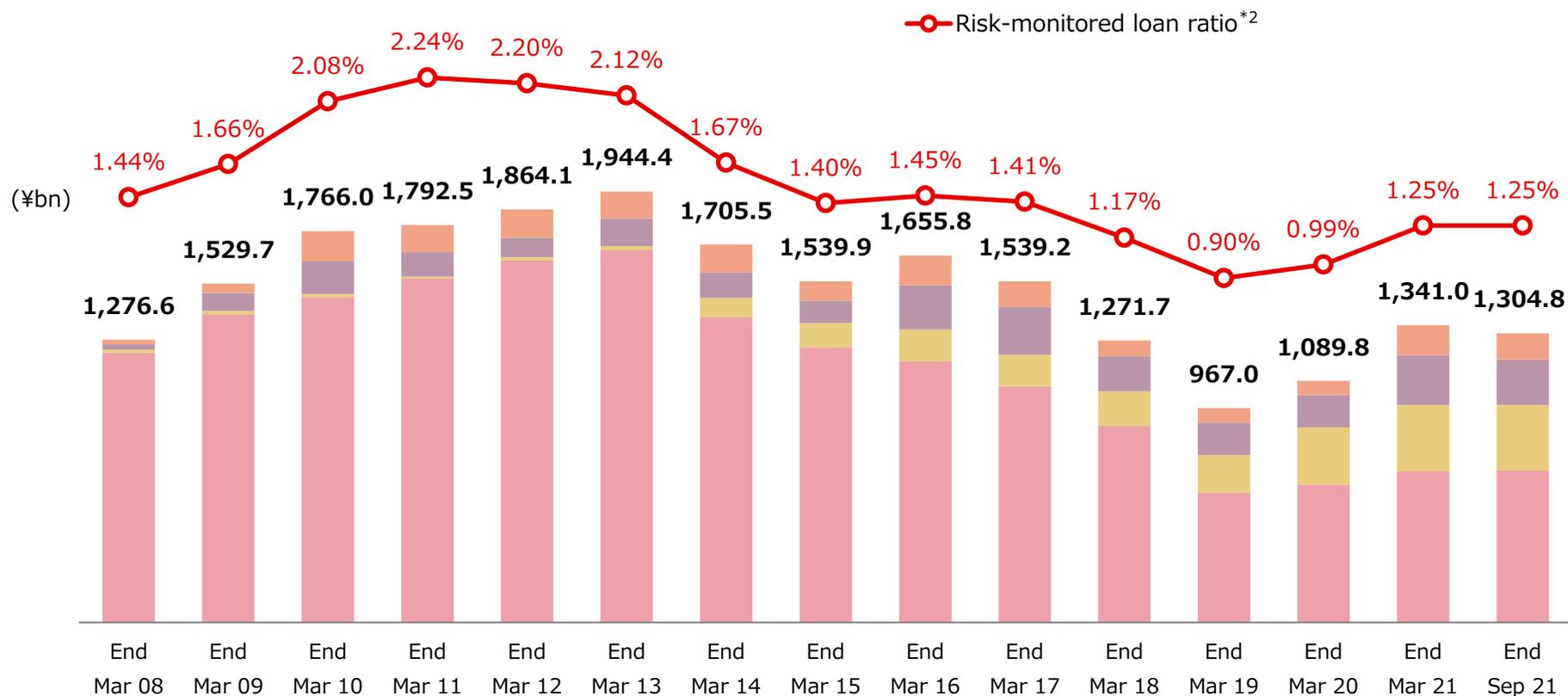
(¥bn)



[Breakdown]	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21H1
Non-consolidated	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)	74.1
CF	(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)	(30.7)
Overseas	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)	(20.7)
Others	(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	(4.7)

\*1 Including overseas branches \*2 Sum of NICOS and ACOM on a consolidated basis \*3 Sum of overseas subsidiaries of the Bank and the Trust Bank  
 \*4 Sum of other subsidiaries and consolidation adjustment \*5 Including gains from write-off \*6 Total credit costs / loan balance as of end of each fiscal year

# Risk-monitored loans\*1



[Breakdown\*3]

	End Mar 08	End Mar 09	End Mar 10	End Mar 11	End Mar 12	End Mar 13	End Mar 14	End Mar 15	End Mar 16	End Mar 17	End Mar 18	End Mar 19	End Mar 20	End Mar 21	End Sep 21
EMEA*4	21.2	42.6	136.3	121.2	127.2	122.0	126.3	88.2	133.9	116.0	71.3	64.0	63.7	134.7	119.0
Americas*5	24.8	81.2	147.3	110.3	89.2	125.0	114.9	100.7	199.4	216.0	157.5	148.2	145.5	224.7	204.7
Asia	13.1	15.4	14.4	9.4	14.4	17.0	89.0	108.8	145.3	142.3	155.8	170.3	259.1	300.5	295.7
Domestic	1,217.3	1,390.5	1,467.9	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	685.3

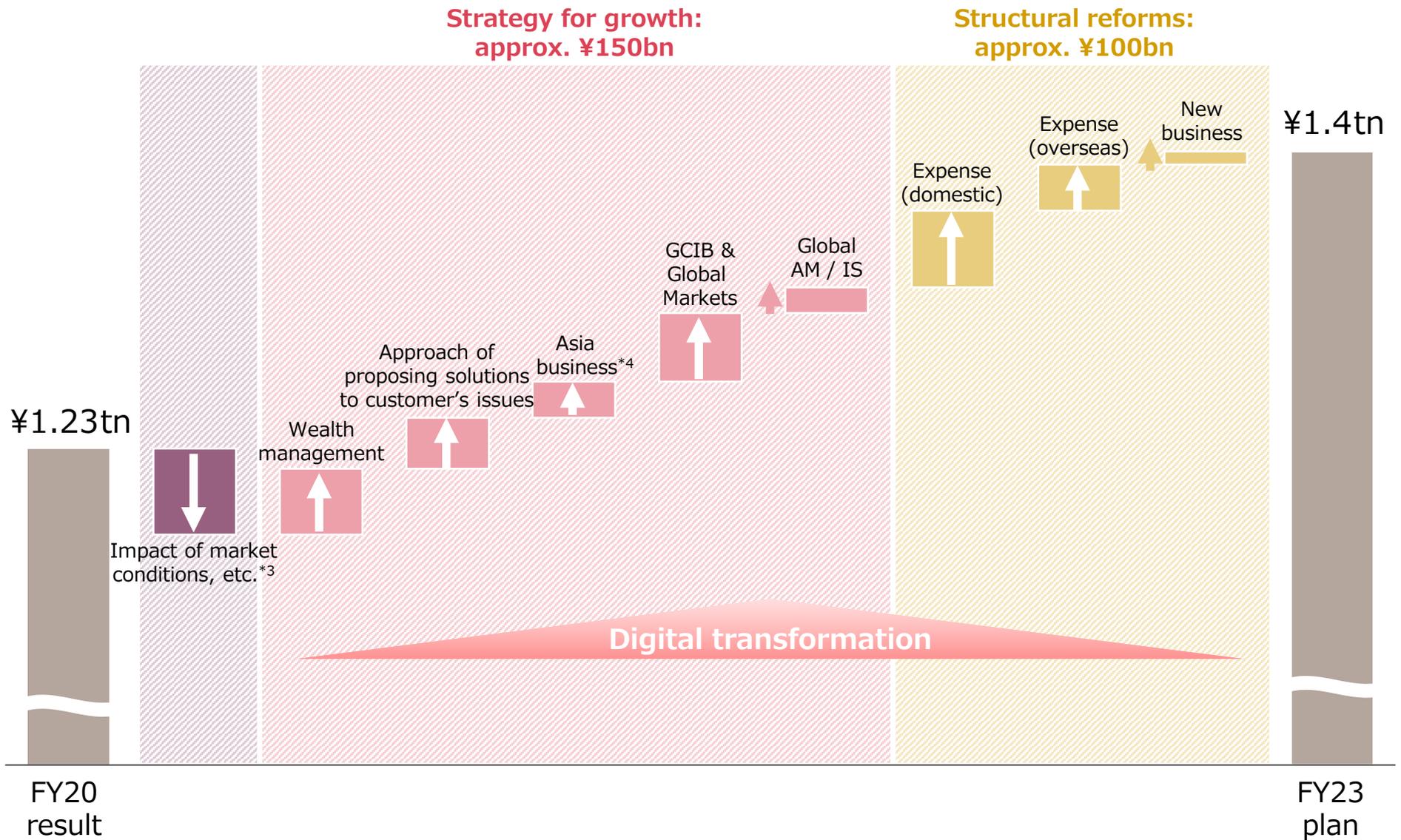
\*1 Risk-monitored loans based on Banking Act \*2 Total risk-monitored loans / total loans and bills discounted (banking accounts as of period end)

\*3 Based on the locations of debtors

\*4 End Mar 2008 - End Mar 2012 includes parts of other regions

\*5 End Mar 2008 - End Mar 2012 includes only US

# Plan of net operating profits<sup>\*1\*2</sup>



\*1 Re-shown from page 42, Fiscal 2020 Results Presentation

\*2 Managerial accounting basis. Local currency basis

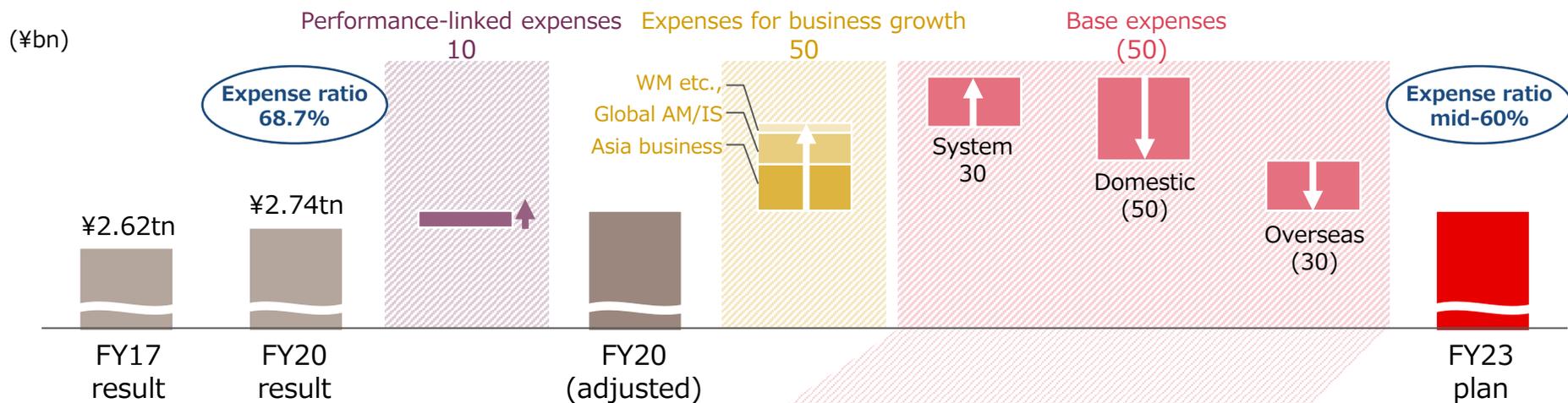
\*3 Includes impact of CVA related profits/losses, impact of policy rate cut in Asia etc.

\*4 FY23 plan versus FY21 plan. Estimated decrease in net operating profits during FY21 is included in impact of market conditions, etc.

# Plan of expenses\*1

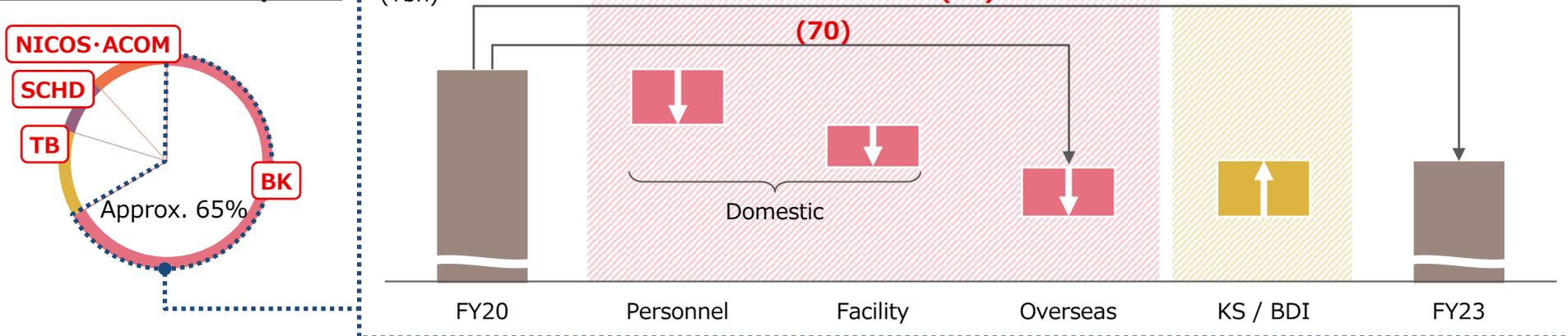
- Strictly allocate expenses in a way consistent with progress in each business.
- Reduce base expenses in order to allocate funds to the area of growth

## Plan of expenses



## Expense forecast (the Bank including MUAH, KS, BDI) \*2

### FY20 MUFG total expense

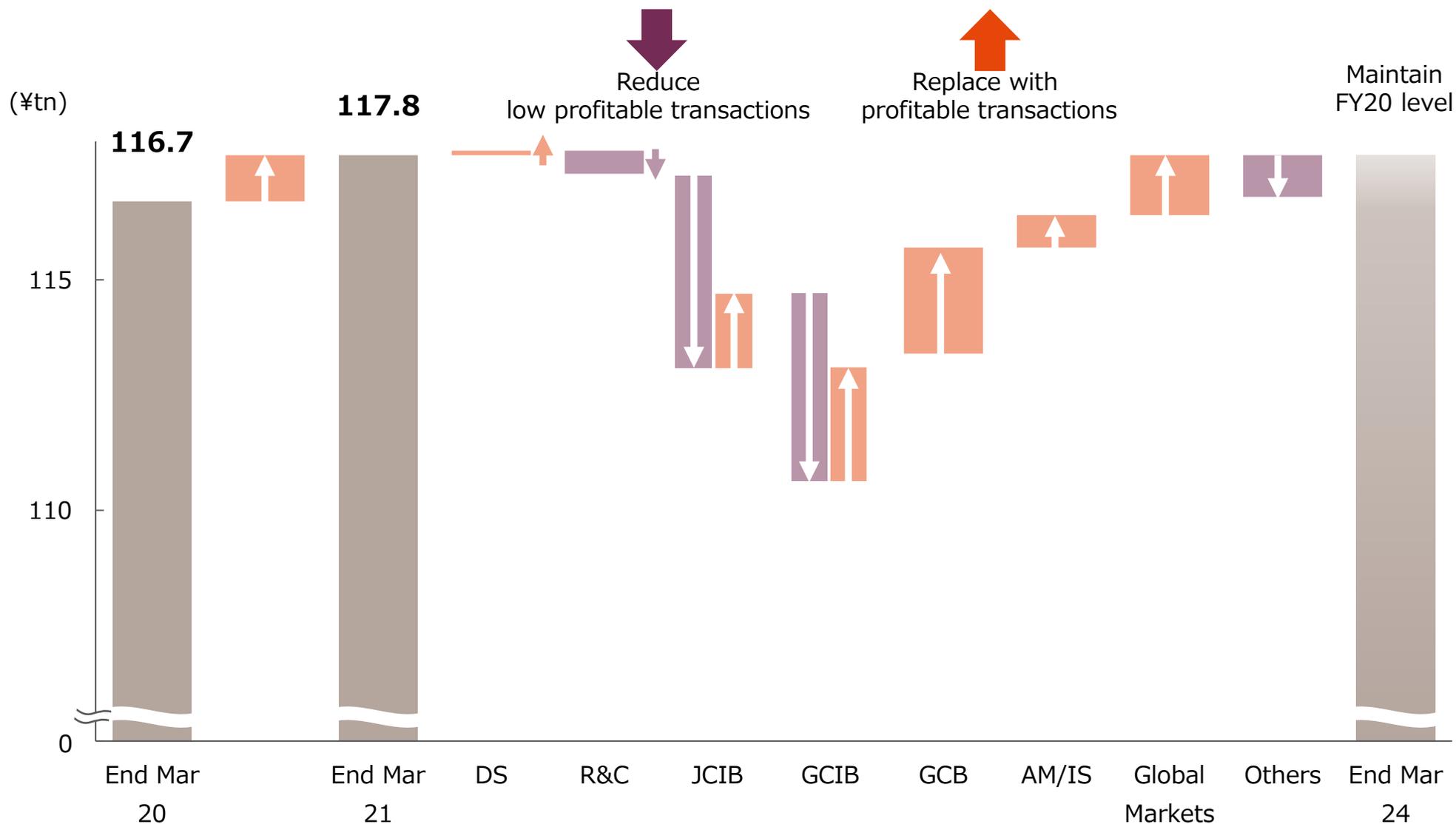


\*1 Re-shown from page 48, Fiscal 2020 Results Presentation

\*2 Internal managerial figure

# Plan of RWA <sup>\*1\*2</sup>

– Reduce low profitable transactions and replace them with profitable transactions



\*1 Re-shown from page 50, Fiscal 2020 Results Presentation

\*2 Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities

# Plan by business group <sup>\*1</sup>

Consolidated Business Group		Net operating profits (¥bn) <sup>*2</sup>		Expense ratio <sup>*2</sup>		ROE <sup>*3</sup>		RWA (¥tn) <sup>*4</sup>	
		FY23 plan	vs FY20	FY23 plan	vs FY20	FY23 plan	vs FY20	FY23 plan	vs FY20
Digital Service	<b>DS</b>	205.0	30.0	73%	(4ppt)	4.5%	2ppt	9.2	→
Retail & Commercial Banking	<b>R&amp;C</b>	140.0	75.0	77%	(11ppt)	5%	3.5ppt	16.6	→
Japanese Corporate & Investment Banking	<b>JCIB</b>	285.0	45.0	51%	(5ppt)	9%	4ppt	30.0	↘
Global Corporate & Investment Banking	<b>GCIB</b>	180.0	40.0	58%	(8ppt)	7%	4ppt	21.8	↘
Global Commercial Banking	<b>GCB</b>	290.0	20.0	64%	(1ppt)	6%	5.5ppt	19.5	↗
Asset Management & Investor Services	<b>AM/IS</b>	100.0	25.0	69%	(3ppt)	28%	(0.5ppt) <sup>*5</sup>	3.4	↗
Global Markets	<b>Global Markets</b>	370.0	(25.0)	39%	2ppt	8%	2ppt	20.7	↗

\*1 Re-shown from page 54, Fiscal 2020 Results Presentation \*2 Local currency basis

\*3 Calculated based on Risk Assets (R&C, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets) (Managerial accounting basis. Net profit basis. Calculated excluding non-JPY mid- to long-term funding costs)

\*4 The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of March)

\*5 +3% excluding the impact of profits on sales of AMP Capital shares

# Investment and alliance with Morgan Stanley<sup>\*1</sup>

- Alliance with MS focuses on collaboration in IB<sup>\*2</sup>, then expanding to WM & AM/IS
- Aim to explore new collaborations by further strengthening the alliance

## History of investment and alliance with MS

### Major background

#### 2008

- Invested US\$9 billion in preferred stock in MS to fundamentally strengthen global IB operations

#### 2009

- Established a LMJV<sup>\*3</sup> to provide corporate financing services in the Americas

#### 2010

- Established MUMSS and MSMS in Japan.

#### 2011

- Appointed the second representative to MS board of directors. Shares were converted into common stock. MS became MUFG's equity method affiliate

#### At present

- Expanding collaboration in WM and AM/IS

### Results

- Out of overseas IB operations, M&A advisory and ECM make the best use of MS functions, emphasizing on improving management efficiency

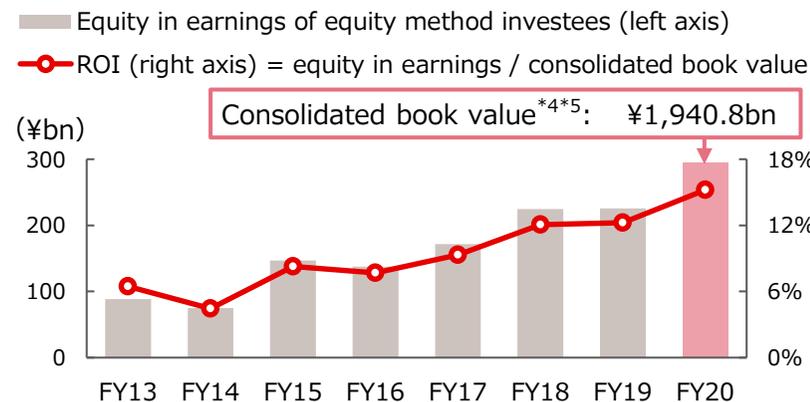
- In the DCM area, where affinity with lending is high, large-scale contracts are regularly closed through collaboration that takes advantage of the strengths of both companies

- Maintaining top-class IB league tables in Japan, centered on M&A and DCM

- Recognize MS's profit and loss by the amount of the equity ratio as equity in earnings of equity method investees

- Accelerate WM growth by learning know-hows from MS
- In AM/IS, sales of MS investment products that have strengths progressed in Japan

## Equity in earnings and ROI



## Continuous efforts on developing alliance

### Active dialogues between top management

- The Global Steering Committee (GSC) is held twice a year. Senior management, including CEOs of both companies, continue to discuss the further development of the strategic alliance.
- In recent years, collaboration and knowledge sharing progressed in WM, as discussions held at GSC being the starting point.
- Two directors (Nobuyuki Hirano and Hironori Kamezawa)<sup>\*6</sup>

### Secondment program (from 2010)

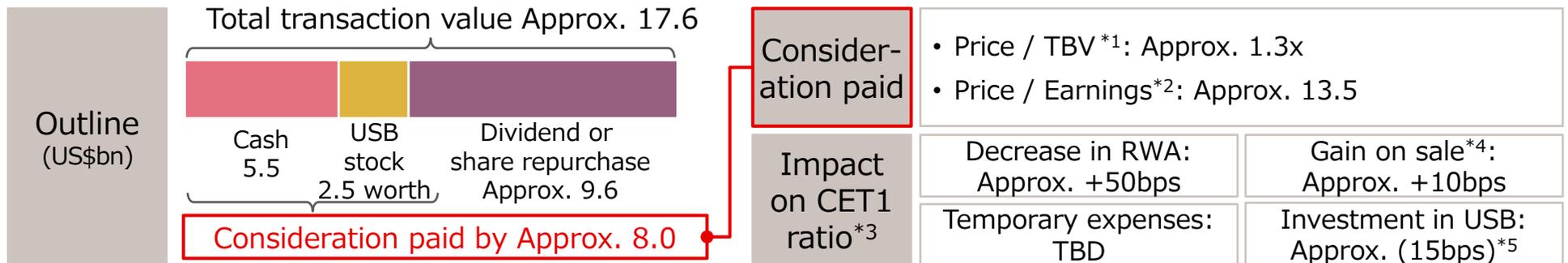
- Accumulated total number of employees dispatched from MUFG to MS is over 70<sup>\*7</sup>. Internalizing MS's advanced practices and knowledge in various fields.

**Further Strengthening the Alliance**  
 ~ Developing New Stages of Collaboration

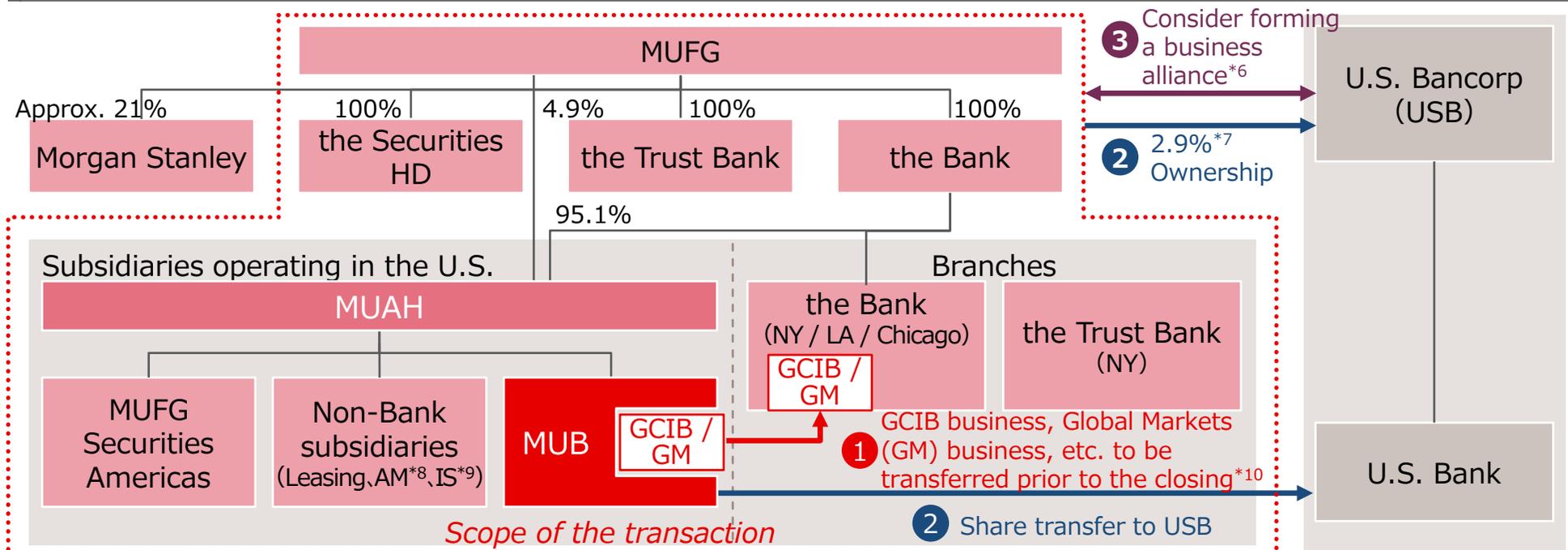
<sup>\*1</sup> Re-shown from page 79, Fiscal 2020 Results Presentation <sup>\*2</sup> Investment Banking <sup>\*3</sup> LMJV : Loan Marketing Joint Venture <sup>\*4</sup> The exception to the double-gearing regulation was lifted in stages from the end of March 2019 to the end of March 2023. Capital deductions increased. The impact on the CET1 ratio (on a regulatory finalization basis) is approx. (0.5)% as of end of March 2021 <sup>\*5</sup> Includes preferred stock <sup>\*6</sup> Elected at the MS General Meeting on May 20, 2021 <sup>\*7</sup> As of end of March 2021

# Sale of MUB (Transaction overview / Structure)

## Transaction overview



## Structure



\*1 Estimated tangible book value of US\$ 6.25 bn to be delivered at the closing \*2 US\$ 593 mm. Internal managerial figure (FY2020) \*3 Finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities \*4 Post-tax estimate \*5 Calculated based on the CET1 capital etc. as of end June 2021 \*6 Plan to discuss forming business alliances with USB after the Share Purchase Agreement is signed \*7 Post-transaction ownership ratio (based on the number of USB shares outstanding as of September 16, 2021) \*8 Asset Management \*9 Investor Services \*10 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)

# Financial results\*<sup>1</sup> of MUAH, KS, and BDI

MUAH* <sup>2</sup> 	(¥bn)			(US\$mm)		
	FY20H1	FY21H1	YoY	FY20H1	FY21H1	YoY
Total revenue	321.2	<b>321.6</b>	0.3	2,982	<b>2,909</b>	(73)
Non-interest expenses	256.3	<b>274.7</b>	18.4	2,379	<b>2,485</b>	106
Pre-tax, pre-provision (loss) income	64.9	<b>46.8</b>	(18.0)	603	<b>424</b>	(179)
Provision for credit losses	89.5	<b>(38.5)</b>	(128.1)	831	<b>(349)</b>	(1,180)
Net (loss) income attributable to MUAH	(30.5)	<b>76.3</b>	106.8	(284)	<b>690</b>	974

KS* <sup>3</sup> 	(¥bn)			(THB mm)		
	FY20H1	FY21H1	YoY	FY20H1	FY21H1	YoY
Total income	204.6	<b>228.2</b>	23.6	58,629	<b>66,343</b>	7,714
Operating expenses	84.6	<b>84.7</b>	0.0	24,266	<b>24,637</b>	371
Pre-provision operating profit	119.9	<b>143.4</b>	23.5	34,363	<b>41,706</b>	7,343
Expected credit loss	60.5	<b>52.7</b>	(7.7)	17,355	<b>15,342</b>	(2,013)
Net profit attributable to owners of the bank	47.2	<b>72.4</b>	25.1	13,540	<b>21,048</b>	7,508

BDI* <sup>4</sup> 	(¥bn)			(IDR bn)		
	FY20H1	FY21H1	YoY	FY20H1	FY21H1	YoY
Total operating income	67.5	<b>62.8</b>	(4.6)	8,889	<b>8,166</b>	(723)
Operating expenses	32.5	<b>32.3</b>	(0.1)	4,278	<b>4,201</b>	(77)
Pre-provision operating profit	35.0	<b>30.5</b>	(4.5)	4,611	<b>3,965</b>	(646)
Cost of credit	24.4	<b>19.4</b>	(4.9)	3,211	<b>2,529</b>	(682)
Net profit after tax	6.4	<b>7.6</b>	1.2	845	<b>998</b>	153

\*1 All figures are converted into ¥ with actual exchange rates as of end of each period. For FY20H1 is US\$1=¥107.74, THB1=¥3.49, IDR1=¥0.0076.

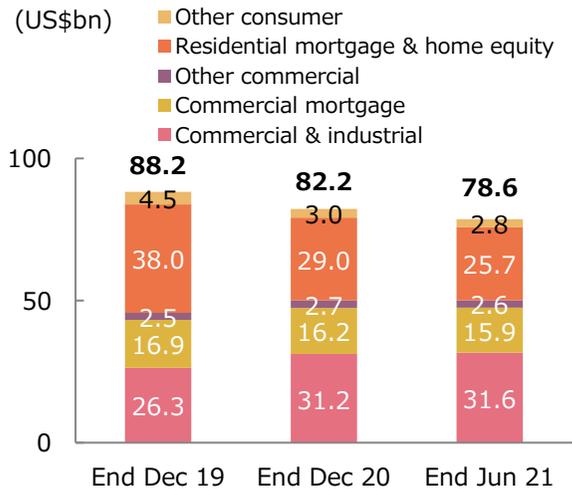
For FY21H1 is US\$1=¥110.58, THB1=¥3.44, IDR1=¥0.0077 \*2 Financial results as disclosed in MUAH's 10-Q reports based on U.S. GAAP

\*3 Financial results as disclosed in KS's financial report based on Thai GAAP

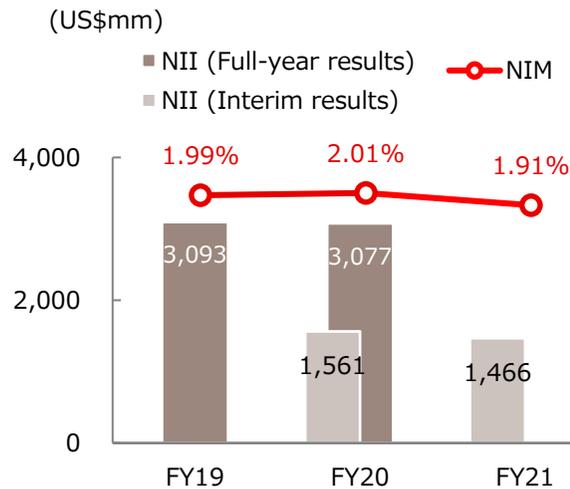
\*4 Financial results as disclosed in BDI's financial report based on Indonesian GAAP. Incorporated impact from netting-off loss on restructuring to interest income

# Key figures\*1 of MUAH

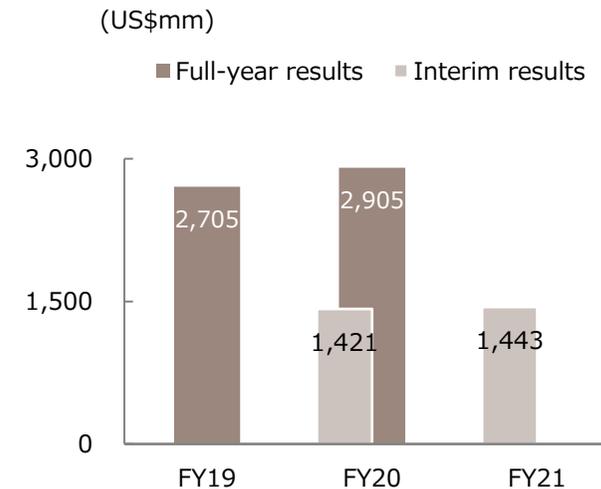
## Lending balance\*2



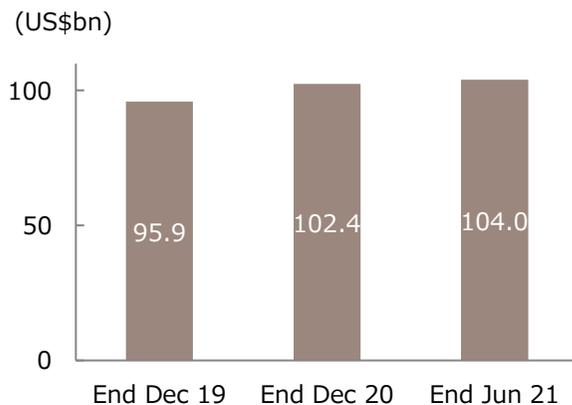
## Net interest income



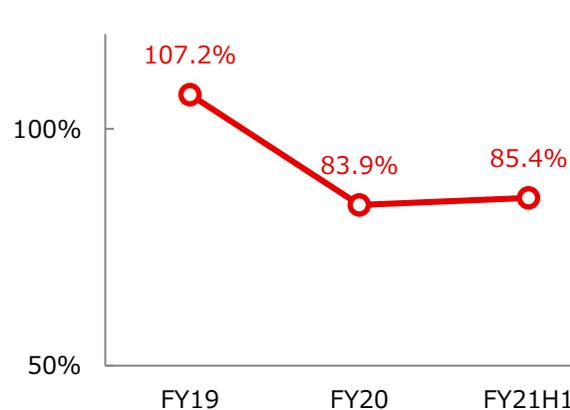
## Non-interest income



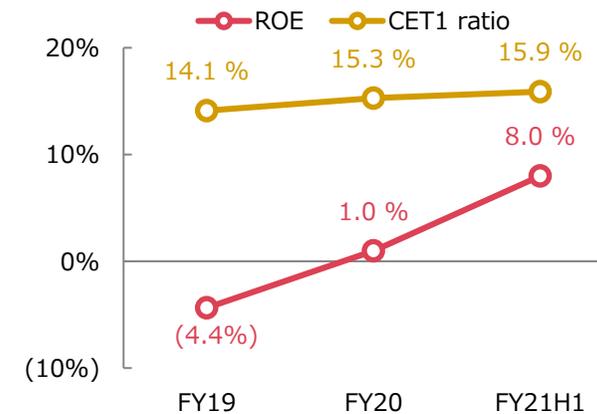
## Deposit balance



## Cost to income ratio\*3 \*4



## ROE / CET1 ratio\*5



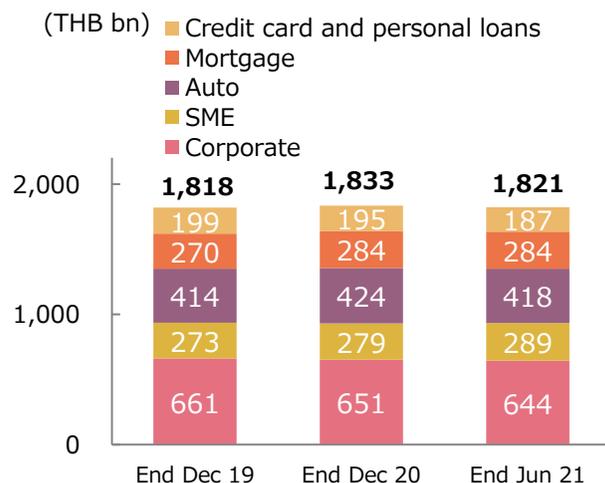
\*1 Financial results as disclosed in MUAH's 10-K and 10-Q reports based on U.S. GAAP \*2 Loans held for investment based on year-end balances \*3 Efficiency ratio

\*4 The adjusted efficiency ratio is a non-GAAP financial measure. Management believes adjusting the efficiency ratio for the fees and costs associated with services provided to MUFG Bank, Ltd. branches in the U.S. enhances the comparability of MUAH's efficiency ratio when compared with other financial institutions. Adjusted Efficiency Ratio for FY21H1 was 82.40%. In addition, management believes adjusting noninterest expense for the impact of goodwill impairment and revenue for the impact of the Tax Cuts and Jobs Act enhances comparability between periods. Adjusted Efficiency Ratio for FY19 and FY20 were 74.69% and 73.12%, respectively

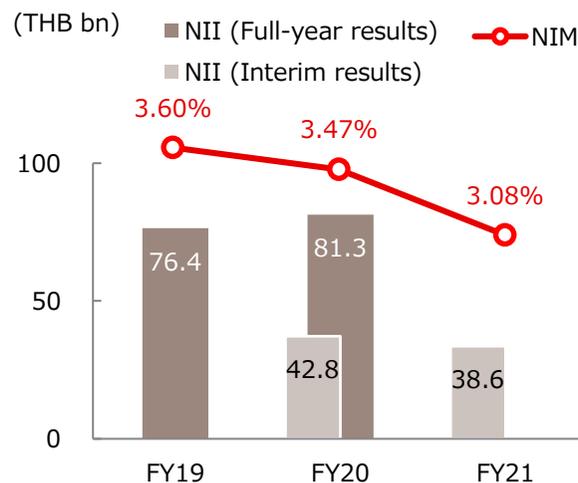
\*5 U.S. Basel III standardized approach; fully phased-in

# Key figures of KS

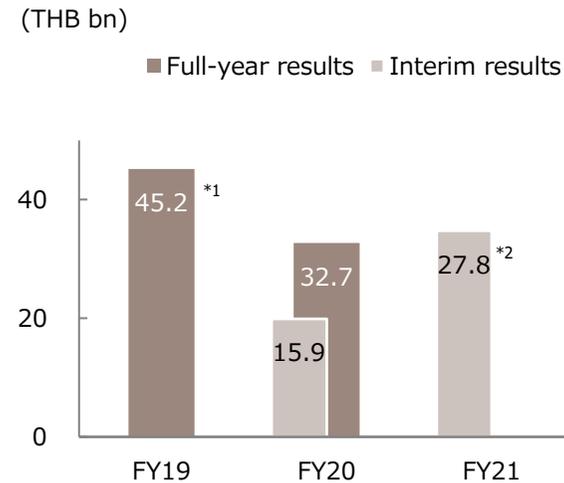
## Lending balance



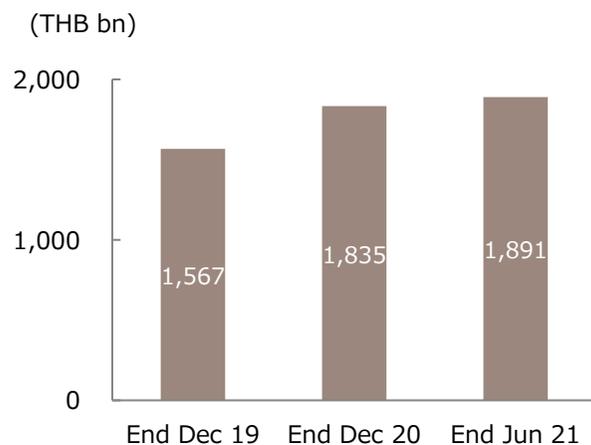
## Net interest income



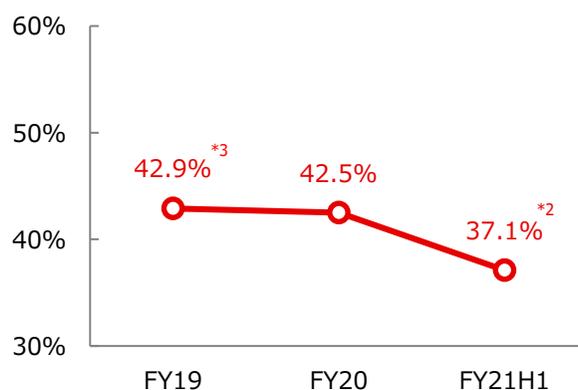
## Non-interest income



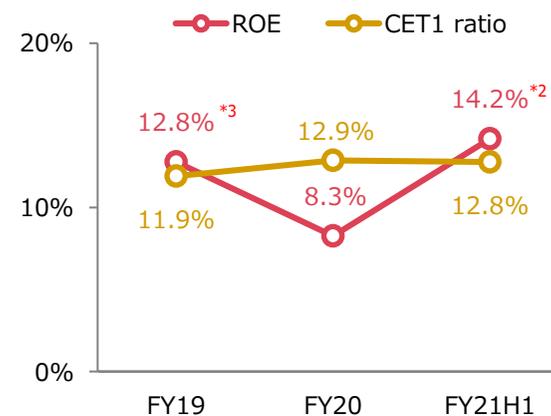
## Deposit balance



## Cost to income ratio



## ROE / CET1 ratio<sup>\*4</sup>



\*1 Excluding one-time gains on investments from the sales of 50% of shares in Ngern Tid Lor Public Company Limited (TIDLOR) (TIDLOR transaction), normalized non-interest income for FY19 recorded at THB 36.6bn. Ngern Tid Lor Company Limited changed the status to Ngern Tid Lor Public Company Limited (TIDLOR) on 17 December, 2020

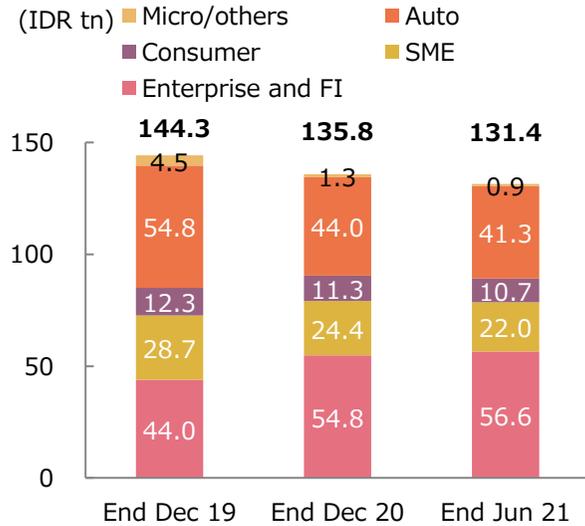
\*2 Excluding the extraordinary gains from the sales of 20% of shares in TIDLOR, normalized non-interest income, normalized cost to income ratio and normalized ROE of FY21H1 were THB 17.1bn, 43.4% and 8.8%, respectively

\*3 Excluding one-time gains on investments from TIDLOR transaction and provision in accordance to the amended Labor Protection Act, normalized cost to income and normalized ROE were recorded at 45.1% and 10.5%, respectively

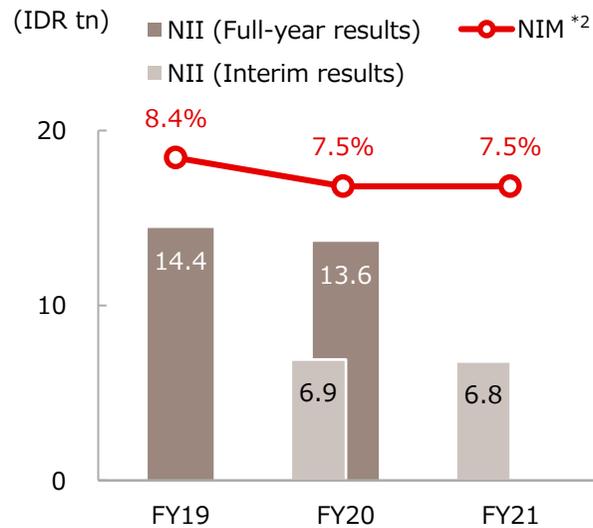
\*4 Non-consolidated

# Key figures of BDI

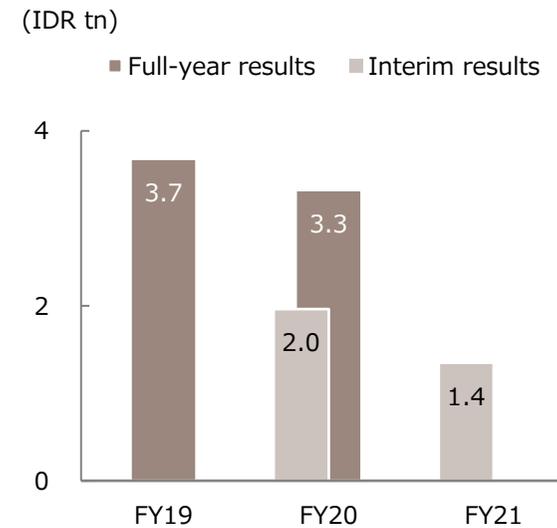
## Lending balance



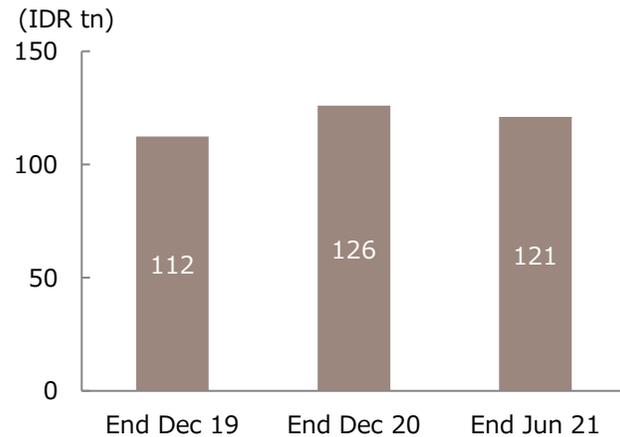
## Net interest income\*1



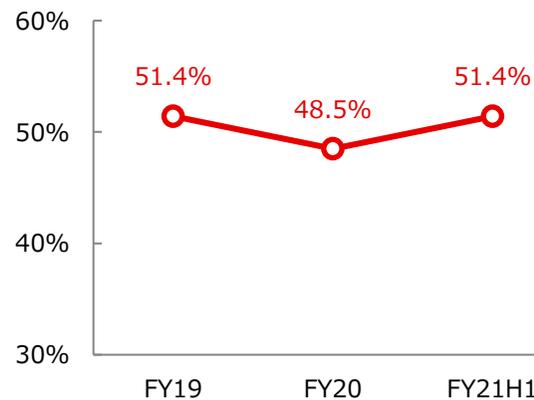
## Non-interest income



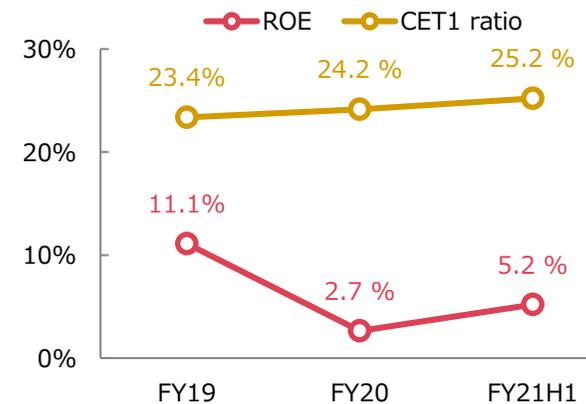
## Deposit balance



## Cost to income ratio



## ROE\*3 / CET1 ratio



\*1 Netted-off with loss on restructuring

\*2 Calculation method is modified. In accordance to the modification, NIM in FY19 and FY20 are restated

\*3 Following new OJK regulation dated 20 July 2020, ROE is calculated per Tier 1 capital

# Credit portfolio of energy

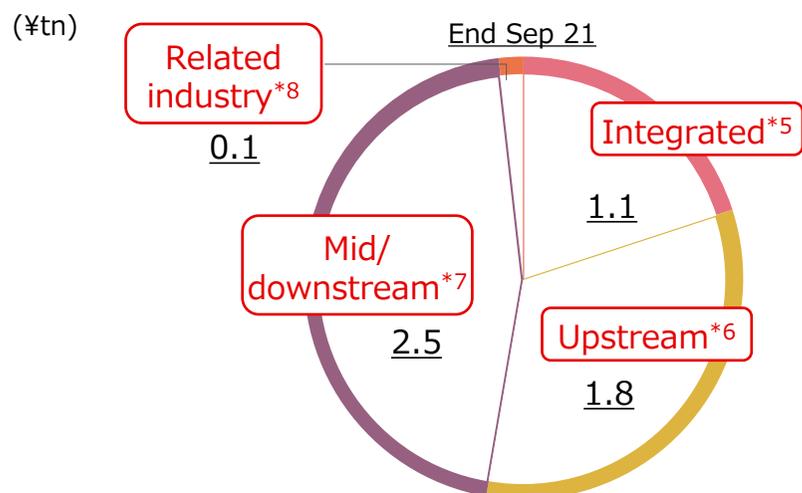
## Credit exposure\*1

(¥tn)	End Sep 21
Credit exposure	5.5
Unsecured amount	3.4
Secured*2 amount	2.1
% of total exposure*3	Approx. 5%

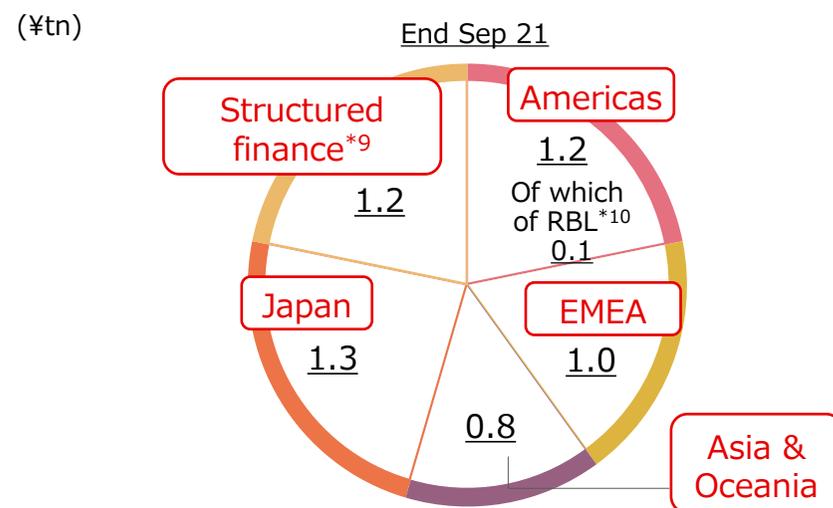
## NPLs\*4

(¥bn)	End Sep 21
NPLs*4	67.8
Secured amount	54.0
Allowance	8.8
NPLs*4 (net)	4.9

## Breakdown by sub-sector\*1



## Breakdown by region\*1

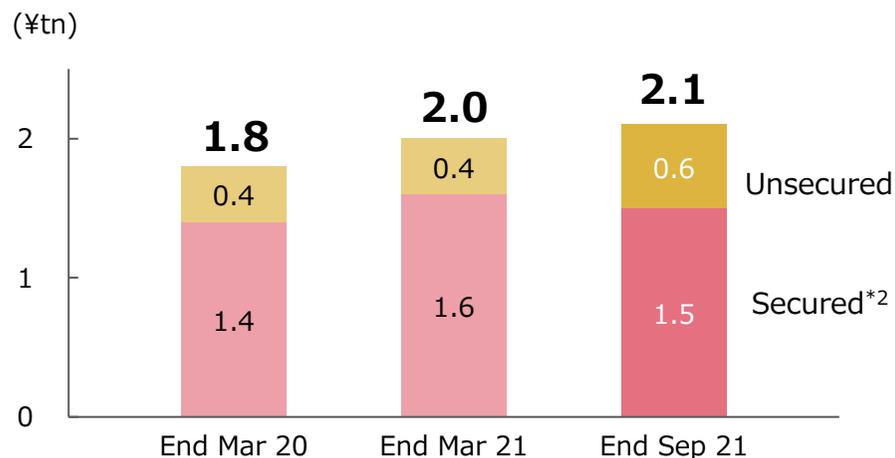


\*1 Including undrawn commitment and excluding market exposure. From end Sep 21, including only energy sector based on Global Industry Classification Standard (GICS) and excluding mining sector \*2 Collateralized or guaranteed \*3 The Bank consolidated(excl. KS, BDI) and the Trust Bank. Including undrawn commitment and excluding market exposure \*4 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 \*5 Integrated business from upstream to downstream \*6 Exploration, development and production of oil and gas \*7 Storage, transportation, refinement, retail \*8 Sales of equipment and service to companies among upstream industry \*9 Project finance and trade finance \*10 Reserve based lending

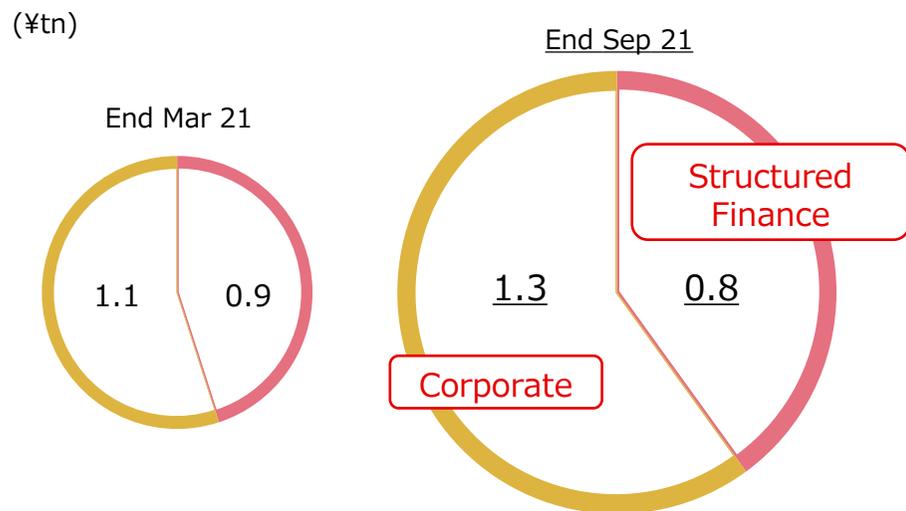
Note: All figures are on managerial accounting basis, aggregating internal management figures of each subsidiary

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

## Credit exposure\*1



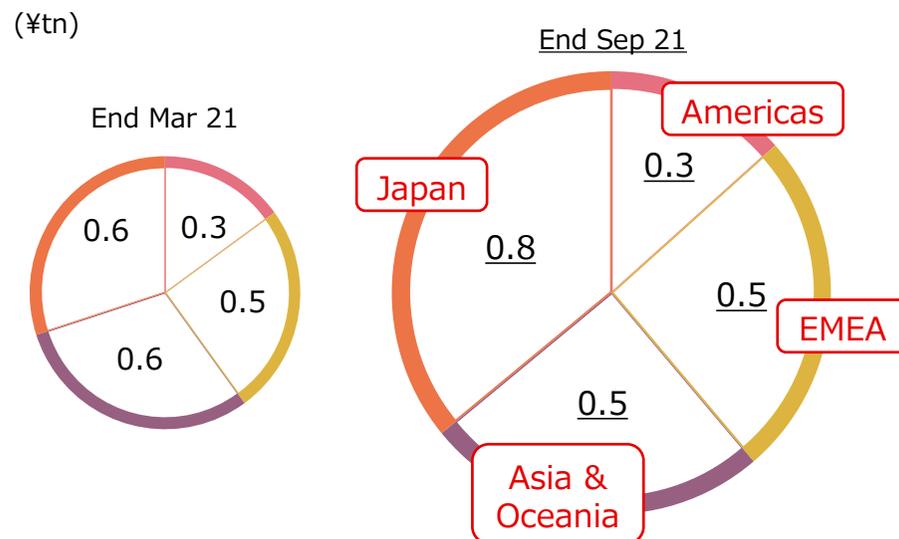
## Breakdown by structure\*1



## NPLs\*3

(¥bn)	End Mar 21	End Sep 21	Changes
NPLs*3	95.4	<b>79.7</b>	(15.7)
Secured amount	56.4	<b>47.9</b>	(8.5)
Allowance	23.2	<b>20.6</b>	(2.6)
NPLs*3 (net)	15.6	<b>11.2</b>	(4.4)

## Breakdown by region\*1



\*1 Including undrawn commitment and excluding market 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

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

# Promote and realize MUFG's purpose through the sponsorship and co-creation of business

– Become a principal partner of the new rugby league opening on January 7, 2022

## Overview of the partnership

- Empathize with the spirit of rugby "**One for All, All for One**" and the perseverance of players moving forward with the power of teamwork
- Sponsor JAPAN RUGBY LEAGUE ONE based on the affinity with MUFG's purpose of "**Committed to empowering a brighter future.**"
- Work with the League to create new business and social values (the co-creation of business)



©JRLO



## Sponsorship and co-creation of business

Sponsorship

Business co-creation

Principal partner

Promote and realize the purpose through rugby

Co-creation partner

Create new business and social values inspired by rugby

# Transformation of corporate culture – Career Challenge

– A growing number of employees used or applied for systems designed to help them gain experience in a variety of business fields and achieve autonomous career development

## Career Challenge System

Program	Details	FY20 results	FY21H1 results	FY23 targets
Job Challenge	An in-house posting system targeting Group employees. Covering the extensive scope of business fields the MUFG Group encompasses, this system offers opportunities for applicants to take on tasks that align with their desires regardless of which Group entity they belong to.	773 applicants* <sup>1</sup>	845 applicants* <sup>1</sup>	1,275 applicants* <sup>1</sup>
Open recruitment system for branch manager	An open recruitment system for general managers in domestic branches.	38 applicants	75 applicants	-
New Business Proposal	This program solicits proposals from employees with regard to new services, products and operational improvements, thereby providing employees whose proposals are selected with opportunities to launch and spearhead proposed initiatives.	386 applicants* <sup>1</sup>	123 applicants* <sup>1</sup>	400 applicants* <sup>1</sup>
Open EX	This in-house posting program was developed to provide employees with opportunities to be seconded to startups or other external corporations as MUFG's human resources evaluation criteria attach greater importance to possessing a broad range of business experience and knowledge about diverse corporate cultures.	17 employees* <sup>2</sup> (cumulative total)	28 employees* <sup>2</sup> (cumulative total)	100 employees* <sup>2</sup>
Challenge Leave	This system supports employees' pursuit of their dreams or personal growth, which may include becoming an entrepreneur, studying abroad, acquiring certification or getting elected to a public office, by granting leave for a certain period of time.	15 employees* <sup>3</sup> (cumulative total)	20 employees* <sup>3</sup> (cumulative total)	-

\*1 The Bank, the Trust Bank and MUMSS \*2 The Bank \*3 The Bank and the Trust Bank

# Social (Response to aging population & low birthrate)

– Support the coming age of centenarians through our comprehensive financial service

## Services depending on diverse lifestyles

- Consultation regarding preparations for prolonged life expectancy and optimal asset building & management
  - **Deliver a diverse range of products such as term deposits, non-JPY deposits, bonds, investment trusts and life insurance as well as products that offer tax benefits**
  - **The Bank, the Trust Bank and MUMSS provide an appointment-based proxy service free of charge**
    - Individual customers' identified asset: ¥100tn
    - AUM\*1 entrusted by individual customers: ¥25.6tn
- A digital-driven service aimed at connecting customers and their offspring
  - **Help resolve the anxiety accompanying the prospect of a possible deterioration of cognitive functions in a rapidly aging society**
    - A dedicated finance management app assists both customers and their families
    - More than 5,000 users since March 2019
  - **Enable customers to plan for future inheritance needs using digital technologies**
    - An app designed to assist elderly customers in communication with families
    - Help with the preparation of living wills



## Smooth succession of businesses and assets

- Take a groupwide, integrated approach to deliver solutions
- Meet wide-ranging needs by employing alliance partners' networks
  - **Webinars on succession of businesses and assets, etc.**
    - No. of webinars held in FY21H1: approx. 380
  - **Take full advantage of MUFG's wealth management digital platform and enhance our proposal capabilities backed by the Group's comprehensive strengths**

## Upbringing of future generation leaders

- Help them nurture capabilities to achieve independence and navigate their future as they pursue personal goals
  - **Financial and Economic Education**
    - Cumulative no. of seminars held since 2012: 3,285
- Support children and students affected by the fallout from the COVID-19 pandemic
  - **Support students who are being forced to give up higher education due to economic hardship or other reasons as well as children who have lost parents to disease or accident, etc.**

\*1 Asset under management

# Social (Inclusion & diversity)

– Develop a culture that empowers human resources with diverse personalities, competencies and experiences for MUFG’s sustainable growth

## MUFG’s diversity

		Results (As of end Mar 21)	Targets
Gender	Ratio of women in management in Japan*1	16.7%	18.0% by end Mar 2024
	Number of female directors and executive officers*2	20 (As of Apr 2021)	-
	Ratio of female directors (MUFG)	25% (As of Jun 2021)	Agreeing with the “Challenge initiatives for 30% of Executives to be Women by 2030” <sup>*3</sup>
	Ratio of male employees taking childcare leave*4 (The Bank, the Trust Bank, MUMSS)	90%, 85%, 100%	100%
Foreign nationals	Ratio of employees	52%	-
	Number of executive officers (The Bank)	13 (incl. 3 women)	-
	Ratio of foreign nationals in middle managerial positions*5	Newly disclosed 29%	Maintaining or improving the current level
Mid-career hires	Ratio of mid-career hires in managerial positions*6	Newly disclosed 9.9%	Maintaining or improving the current level
People with disabilities	Number of people with disabilities	Approx. 1,400	-

Raising awareness regarding diverse sense of value and background

### Trainings and workshops

- Unconscious bias
- Developing women’s career
- LGBTQ
- Childcare, caregiving, infertility treatment

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



A LGBTQ-related message video created together with other companies was selected as a Best Practice outstanding initiative

\*1 Employees in posts above manager \*2 Total of MUFG, the Bank, the Trust Bank, MUMSS, and NICOS \*3 The initiative led by the Nippon Keidanren  
 \*4 Percentage of the use of the leave by male employees of each subsidiary whose eligibility for childcare leaves expired in FY20 \*5 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.) to the number of those in managerial positions at home and abroad \*6 Ratio of mid-career hires to individuals in managerial positions in Japan (including senior managers and others tasked with supervision)

# Governance (Revising CG\*1 policy and enhancing disclosure)

– Incorporated our commitment to pursuing sustainability into the “MUFG CG Policies” and specified sustainability-related expertise in the directors’ skill matrix

## Responding to the CG Code revision

- Proactive approach to the development of our CG structure
  - ✓ Transitioned to a company with three committees in 2015
  - ✓ BOD\*2 has had a diverse structure with a majority of outside directors since 2018
  - ✓ Develop CG structure focusing on the effectiveness of BOD

- Checked our structure in light of the CG Code revision in 2021. Identified matters that need to be updated via discussion by BOD

Skill matrix

Diversity

Sustainability

### CG Policies Revision

In “2-1. Basic approach,” add “MUFG will actively contribute to the realization of a sustainable society” under the “MUFG Way”

In “9-4. Appropriate collaboration, etc. with all stakeholders,” add “Based on the belief that sustainable environment and society are the main prerequisites for the Group’s sustainable growth, MUFG will work to create value by solving environmental and social issues and taking the Group’s management strategy together”

### CG Report disclosure

• Enhanced disclosure on the skill matrix based on our recognition of social and management issues

• Human resource diversity is essential to “new challenges and transformation”  
 • Enhanced disclosure on “inclusion & diversity” and “employee engagement” initiatives

**Skill matrix of the Board members**  
(Knowledge, expertise and experience)

Name		Global	IT/Digital	Sustainability
Mariko Fujii	Outside  A wealth of knowledge and experience in the fields of corporate management, finance, financial accounting and law	●		
Keiko Honda		●		●
Kaoru Kato			●	●
Satoko Kuwabara		●		●
Toby S. Myerson		●		
Hirofumi Nomoto			●	●
Yasushi Shingai		●	●	●
Koichi Tsuji		●		
Tarisa Watanagase		●		
Ritsuo Ogura		Internal  Extensive knowledge of MUFG’s business and the ability to appropriately perform management of MUFG		
Kenichi Miyanaga	●			
Kanetsugu Mike	●		●	●
Saburo Araki				●
Iwao Nagashima	●			●
Junichi Hanzawa				●
Hironori Kamezawa	●		●	●

Already disclosed

Newly disclosed

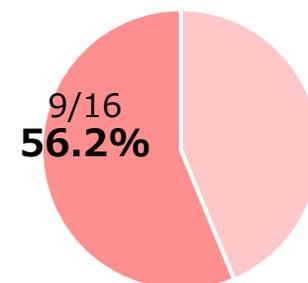
\*1 Corporate Governance \*2 The Board of Directors

# Governance (Structure of the Board of Directors)

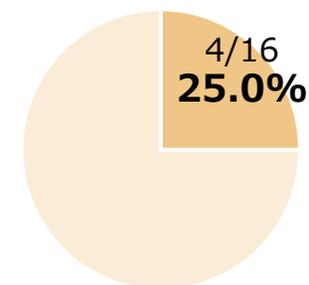
Name	Committee-related duties	Independent Outside	Knowledge, expertise and experience						
			Corporate management	Finance	Finance & accounting	Legal affairs	Global	IT/digital	Sustainability
1 Mariko Fujii	Nominating Compensation Risk*	●	–	●	–	–	●	–	–
2 Keiko Honda	Audit	●	–	●	–	–	●	–	●
3 Kaoru Kato	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 Saburo Araki				–	–	●			
14 Iwao Nagashima				●	–	●			
15 Junichi Hanzawa				–	–	●			
16 Hironori Kamezawa	Nominating Compensation			●	●	●			

(As of end June 2021)

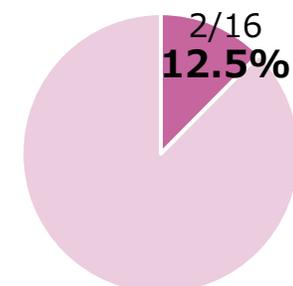
**Independent outside directors**



**Female directors**



**Foreign nationals**



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

# Governance (Compensation system)

Type of compensation	Linkage with performance	Performance-based compensation range	Standards for payment		Weight	Time of payment	Payment method	Proportion of Group CEO's compensation
Annual base salary	Fixed	-	<ul style="list-style-type: none"> <li>•Paid based on positions, etc.</li> <li>•Includes Director Allowance, Committee and Chair Allowance, Housing Allowance, Overseas Representative Allowance, etc.</li> </ul>		-	Monthly	Cash	1
Stock compensation	Non performance - based	-	<ul style="list-style-type: none"> <li>•Base amount by position</li> </ul>		-	At the time of retirement of executives	50% in shares 50% in cash *4	1
	Medium- to long-term performance -based	0% - 150%	Base amount by position ×	Target attainment rate of indices below in MTBP (1) Consolidated ROE (2) Consolidated expenses reduction amount (excluding those linked to revenues) (3) Ratings granted by ESG rating agencies*1	<50%> 30% 15% 5%	At the end of the MTBP		
		Comparison of year-on-year growth rate of indices below with competitors*2 (1) Consolidated net operating profits (2) Profits attributable to owners of parent		<50%> 25% 25%				
Cash bonuses	Short-term performance -based	0% - 150%	Base amount by position ×	Performance factor (quantitative evaluation factor applied to the Group CEO) Rate of year-on-year change and target attainment rate of indices below (1) Consolidated net operating profits (2) Profits attributable to owners of parent (3) Consolidated ROE (4) Consolidated expense amount	<60%>  20% 10% 20% 10%	Annually	Cash	1
				Status of individual execution of duties (qualitative evaluation factor applied to Group CEO) <ul style="list-style-type: none"> <li>•Improvement in customer-segment profitability</li> <li>•Risks handling</li> <li>•Advances in ESG-related initiatives to promote sustainability management*3</li> <li>•TSR, etc.</li> </ul>	<40%>			

\*1 An absolute evaluation basis in light of the degree of improvement in external ratings granted by major five ESG rating agencies (CDP, FTSE, MSCI, S&P Dow Jones and Sustainalytics) \*2 Evaluated based on comparisons with main competitors (Mizuho Financial Group and Sumitomo Mitsui Financial Group)

\*3 Includes contribution to the resolution of environmental and social concerns, improvement in employee engagement and the strengthening and upgrading of MUFG's governance structure \*4 Subject to malus (confiscation) and clawback (restitution claim)

# Promote initiatives to counter climate change - TCFD

## Governance

- Built a system for the Board of Directors to oversee climate change initiatives
- Deliberate regularly at “Sustainability Committee” chaired by Chief Sustainability Officer
- Reflected ESG elements in its executive compensation
- Established external advisors in the environmental and social fields

■ ...Major initiatives after the investor presentation in May 2021

## Strategy

- Actively support financing for transition and strengthen engagement with customers
  - Featured our customer engagement initiatives in the “MUFG Sustainability Report 2021”<sup>\*1</sup>
- Launched Renewable Energy Fund : ¥100bn, work on carbon offsets (afforestation, etc.)
- Consider reflection of climate change risk into credit process
- Organized descriptions of risk cases associated with transition risks and physical risks vis-à-vis MUFG’s main risk categories and set out a time frame for said risks
- Enhancement of scenario analysis (2021 to 2050) : Included the automobile sector into the scope of transition risk assessments; the 1.5°C scenario<sup>\*2</sup> was additionally used in assessments
  - Transition risks (energy, utility and automobile sectors): approx. ¥1.5 bn to ¥23 bn/year, physical risks (flooding): cumulative total approx. ¥38bn

## Risk management

- Recognize as one of the Top Risks and included in the Risk Appetite Framework
- Consider environment and society by managing “MUFG Environmental and Social Policy Framework” and “the Equator Principles”
  - Revised coal-fire power generation, forestry, palm oil sectors in Apr. 2021
- Changed the basis for assessments from lending balance to credit balance; enhanced the content of disclosure regarding the breakdown of carbon-related assets in energy and utility sectors

## Metrics and targets

- Set target of GHG emissions in its finance portfolio: net zero by 2050
- Set target of GHG emissions in its own operations: net zero by 2030
  - Shifted domestic electricity procurement to 100% renewable sources (The Bank, the Trust Bank, the Securities HD)
- Raised sustainable finance goal: ¥20tn (incl. ¥8tn for environment) to ¥35tn (incl. ¥18tn for same)
- Set CO2 reduction target in renewable energy project financing<sup>\*3</sup>: 70mil t-CO2 (cumulative total from FY19 to FY30)
- Set reduction target for balance of project financing to coal fired power generation project: 50% from FY19 by FY30 and zero targeting by FY40

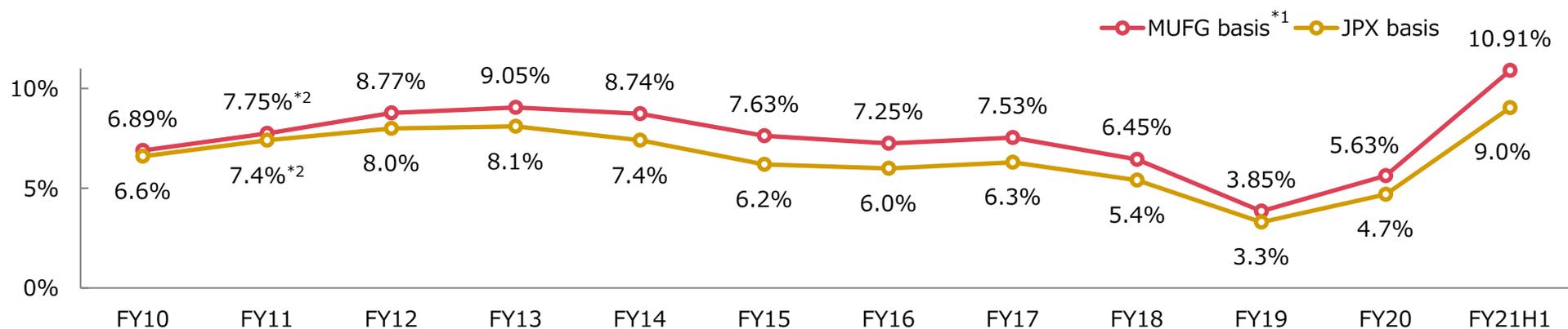
<sup>\*1</sup> English version will be disclosed around end Nov. 2021    <sup>\*2</sup> Scenario released by NGFS (Network for Greening the Financial System)

<sup>\*3</sup> Cumulative annual CO2 reduction effect from renewable energy projects MUFG has provided finance in the fiscal year, calculated based on the amount of electricity generated, facility utilization rate, and emission factors. The figure is after taking into account the share of MUFG’s loan arrangement or underwriting amount

# ROE / EPS

## ROE

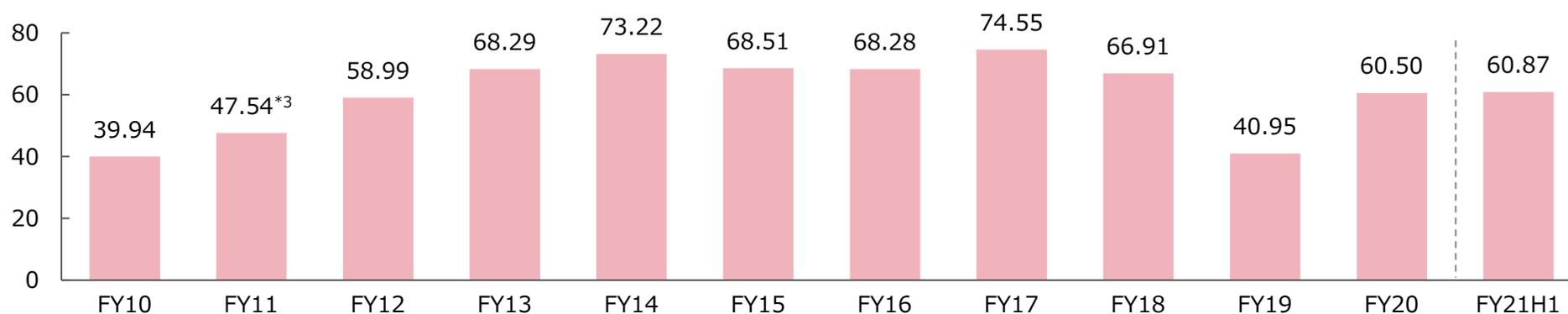
Consolidated



## EPS

Consolidated

(¥)



\*1 
$$\frac{\text{Interim profits attributable to owners of parent} \times 2}{\left\{ \frac{\text{Total shareholders' equity at the beginning of the period} + \text{Foreign currency translation adjustments at the beginning of the period}}{2} + \frac{\text{Total shareholders' equity at the end of the period} + \text{Foreign currency translation adjustments at the end of the period}}{2} \right\}} \times 100$$

\*2 11.10%(MUFG basis), 10.6%(JPX basis) before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

\*3 ¥68.09 before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

# TLAC requirement

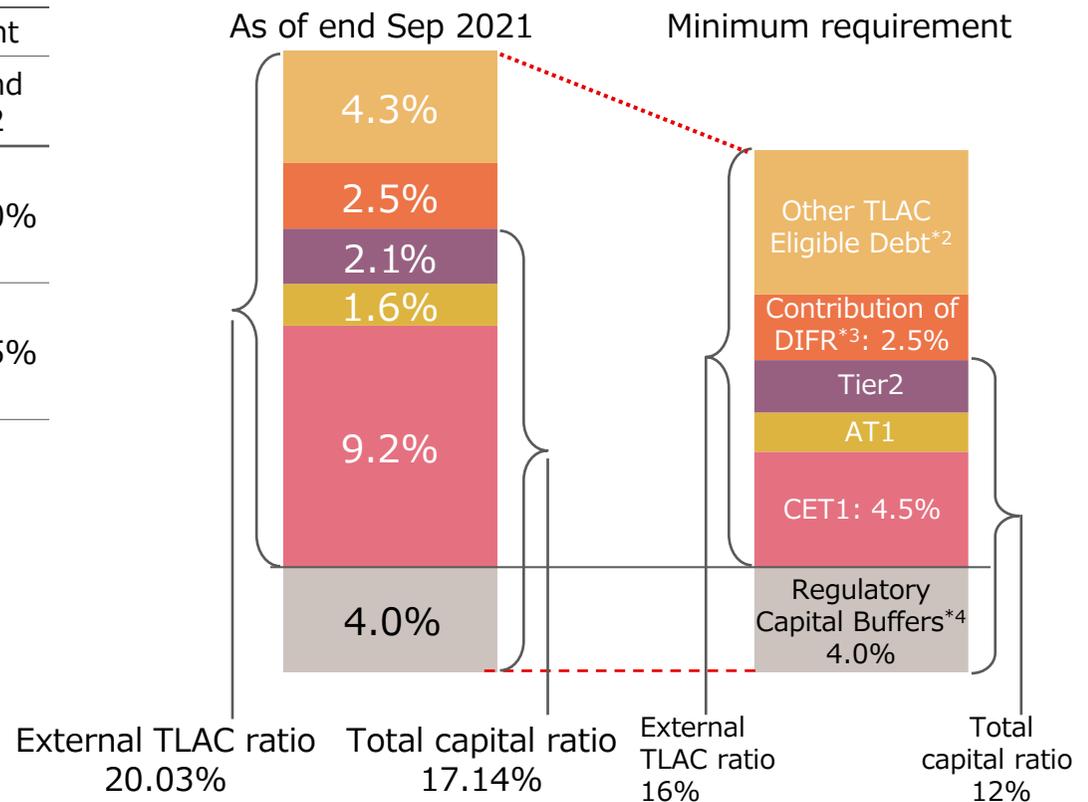
## - The best capital mix and external TLAC ratio

- 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 Sep 21	Minimum requirement	
		From end Mar 19	From end Mar 22
Risk weighted asset basis	20.03%	16.0%	18.0%
Total exposure basis	9.22%	6.0%	6.75%

MUFG's RWA\*<sup>1</sup> based external TLAC ratio



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

\*1 Risk weighted asset

\*2 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.

\*3 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

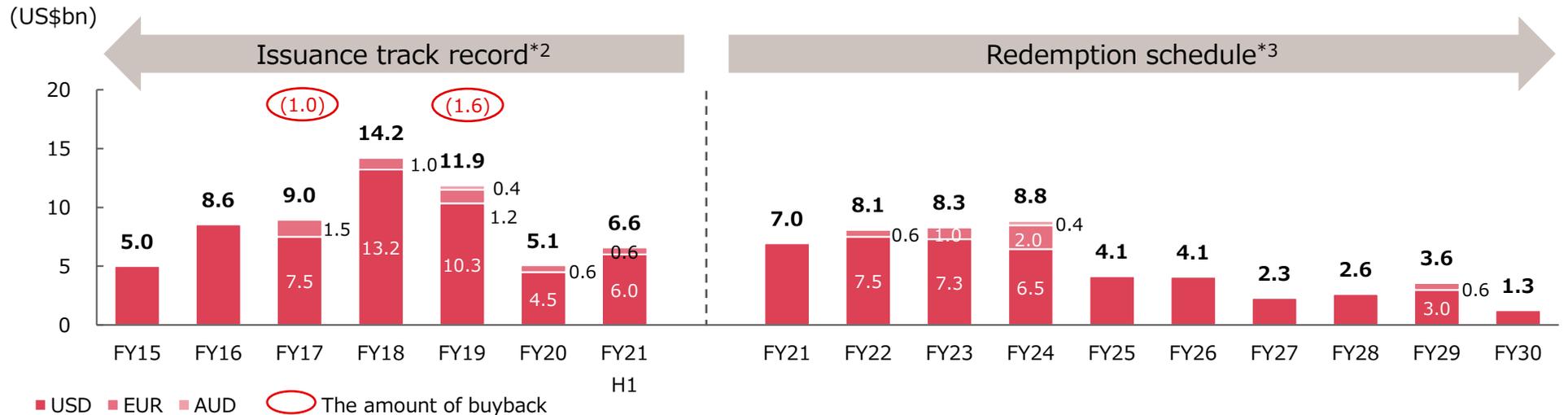
(Can include 2.5% and 3.5% of RWAs from end Mar 2019 to Mar 2022 and after end Mar 2022, respectively, in external TLAC ratio)

\*4 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0.01%

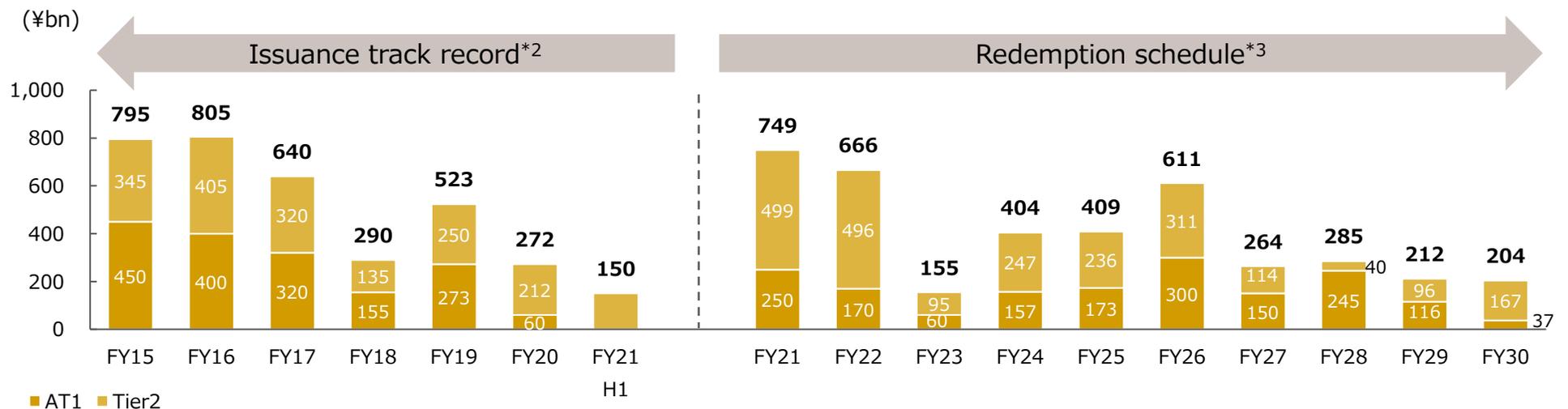
# TLAC requirement

## - Issuance track record & redemption schedule

### TLAC-eligible senior debt\*1



### AT1, Tier2 bond



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

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

\*3 Annual figures assuming that all callable notes are to be redeemed on their respective first callable dates. Tier2 contains Basel II Tier2 sub notes issued by the Bank and the Trust Bank (including their respective overseas special purpose companies)