

# MUFG Investors Day 2022

**July 2022**

Mitsubishi UFJ Financial Group, Inc.



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# Digital Service Business Group

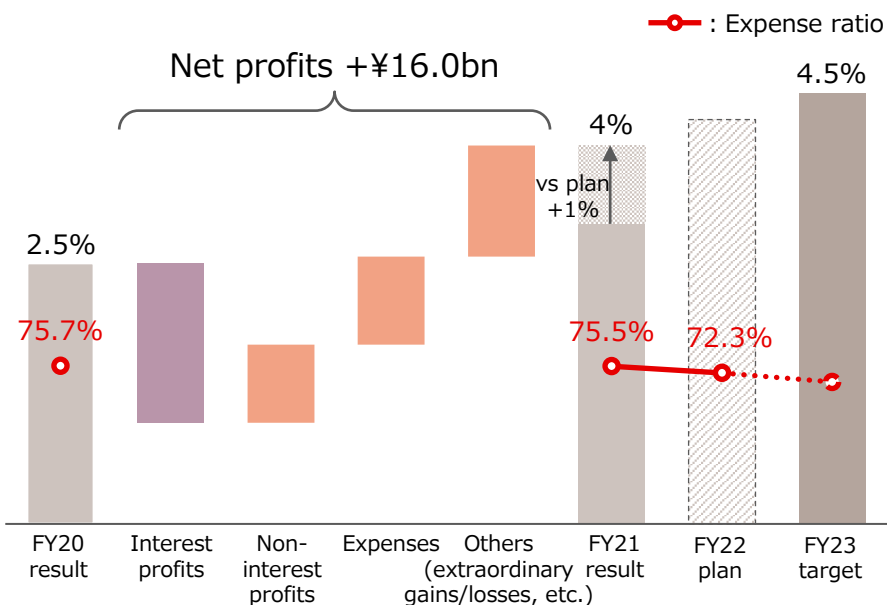
Masakazu Osawa, Group Head

# Progress of the medium-term business plan

## FY21 results

	FY21	YoY
Net operating profits (¥bn)	172.5	(0.6)
Expense ratio	76%	(0ppt)
ROE	4%	+1.5ppt
RWA (¥tn)	9.0	+0.0

## Changes in ROE



## Strategic direction

□ Achievements ■ Challenges

Review of FY21	<ul style="list-style-type: none"> <li>□ Increase the volume of residential mortgage loans extended (Conscious of interest rates and other product features)</li> <li>□ Steady progress in channel shifts (Expanding online transactions, upgrading functions)</li> <li>■ Only halfway through diversification of profit sources from the mass business</li> </ul>
Initiatives or FY22	<ul style="list-style-type: none"> <li>• Further optimization of channel network</li> <li>• Revenue growth from existing business</li> <li>• Swiftly seize opportunities arising from social trends to develop new businesses</li> </ul>

## Phased improvement of ROE

### Current MTBP

#### Key strategies

- 1 Channel shift, structural reforms (thorough cost reduction)
- 2 Revenue growth from existing business via digital transformation (RWA control, expanding BAU\*1)
- 3 Challenges for new source of revenue (Revenue growth not using RWA)

### Next MTBP onwards

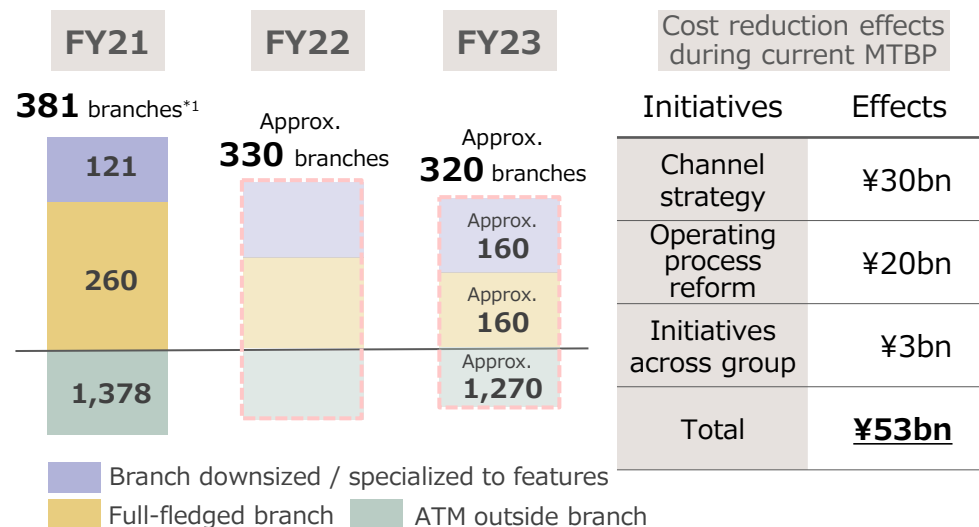
- RWA control based on profitability
- Improve net operating profits in a phased manner through structural reforms (a pillar of the current MTBP) and the diversification of profit sources (under the next MTBP)

# Key strategies (1) Channel shift and structural reforms

## Steady progress in digital shifts

### Channel strategy

- No. of customers choosing online channels increased as the result of the constant upgrading of functions
- Enhance our online customer consultation structure as part of efforts to deliver multi-channel services



## Contribute to the digital transformation of society Operating process reform

- Became the first bank in Japan to begin electronically receiving audit confirmation letters on a full scale
- Employ the Balance Gateway\*<sup>4</sup> to enable web-based balance confirmation with the Bank, thereby initiating the receipt of requests for audit confirmation letters and the issuance of such letters

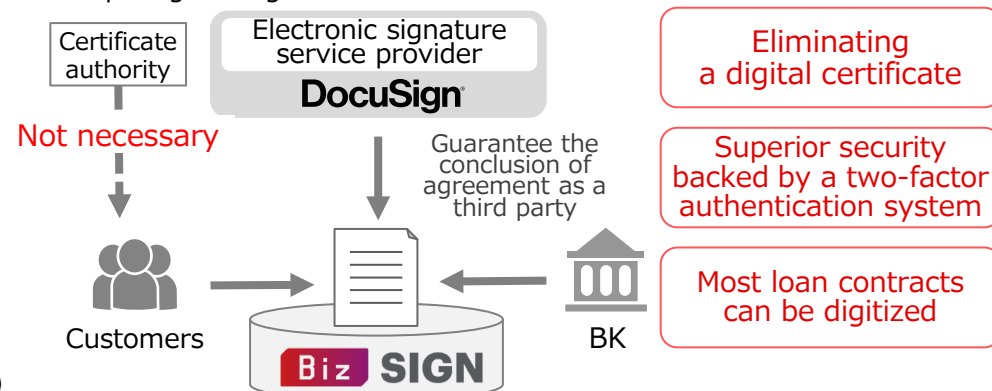
Reply in **3 business days**  
(in the shortest amount of time)

**30% of all requests**  
have been digitized

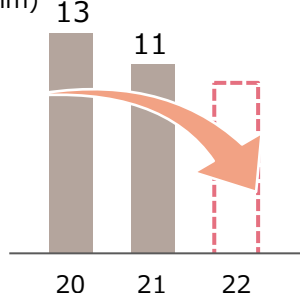


## Improve convenience via a shift to electronic contracts

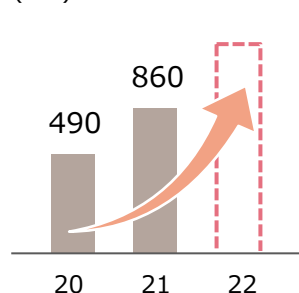
- Introduced an electronic signature system\*<sup>5</sup> involving third-party authorization service equipped with superior customer convenience (the first system of its kind in the corporate lending field)
- Capable of accommodating a broad range of signature forms, including mutual signatures, tri-party agreements and contracts requiring the signature of the Bank alone



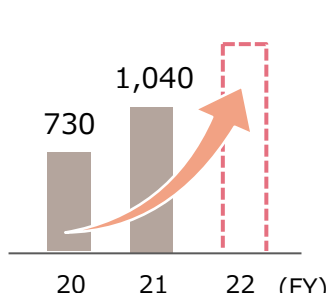
[No. of branch visitors]  
No. of EQ tickets\*<sup>2</sup> issued +  
no. of reservations for branch visits  
(mm)



[AI chatbot]  
No. of responses  
(thd)



[Smart phone app\*<sup>3</sup>]  
No. of transactions  
(thd)



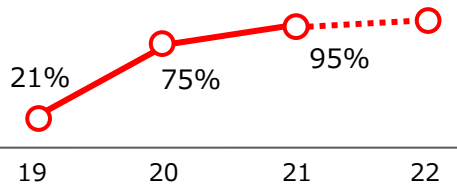
\*<sup>1</sup> BK entity basis \*<sup>2</sup> Tickets issued via the Eye-Queue to customers visiting branch counters \*<sup>3</sup> An app designed to enable users to smoothly undertake various procedures without a branch visit \*<sup>4</sup> A platform service provided by Audit Confirmation Center GK to enable the web-based balance confirmation process \*<sup>5</sup> A third-party service provider authorizes electronic signatures (Process involving third-party authorization is adopted by the Bank alone)

# Key strategies (2) Enhance revenue from existing business via digital transformation

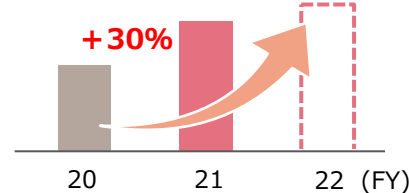
Residential mortgage business is robust as a result of improved usability by fully digitized online procedures

- Reform cost structure via digitalization. Respond to non-face-to-face transaction needs by electronic contracts completed online

[Electronic contract rate]



[New loan amount]



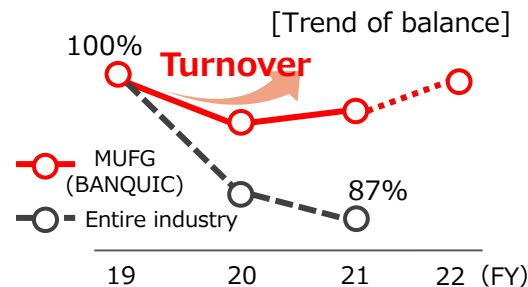
Balance of consumer finance is on a recovery track

- Released a new app to enhance customer convenience amid a harsh macro environment



Launched new app (Mar 22)

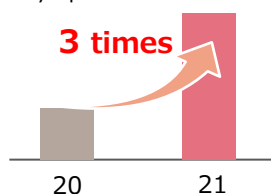
Highly rated in app store



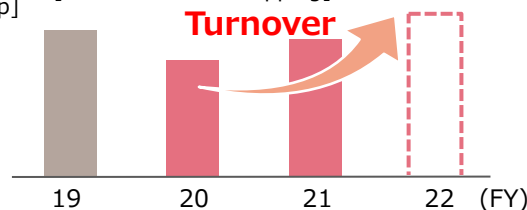
Renewed Mitsubishi UFJ Card offers superior convenience

- Official credit card of the Bank renewed with enriched functions, such as touch payment
- No. of new card members enrolled in FY21 increased YoY by 20% and 10% for individual customers and corporate clients, respectively

[Ratio of customers enrolling in the card when they open bank accounts via the app]



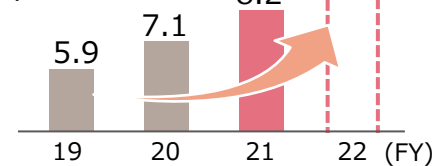
[Volume of card shopping]



Channels for non face-to-face transactions are expanding

- Constantly improve UI/UX of Mitsubishi UFJ Direct for responding to customer needs

[No. of IB\*1 service users] (mm)



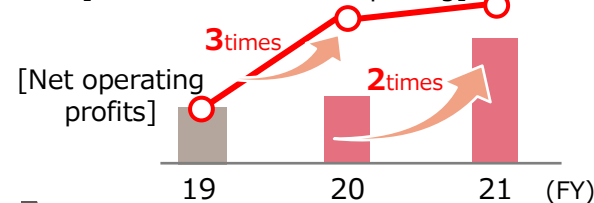
[Rating of app store\*2]



★★★★★ 4.7

- au Kabucom Securities plans to renovate its website by the end of fiscal 2022 to improve the convenience of smartphone-based transactions

[No. of new account opening]



An asset management platform encompassing an even broader product lineup

- Money Canvas has clocked approximately 1.1 million accesses since its release in December 2021
- Plans call for releasing new functions associated with fractional shares and insurance by the end of fiscal 2022



Offer comprehensive solutions supporting customers' asset formation endeavors

Stock / mutual fund

Jointly-managed money trust

Crowd-funding

Robo-advisor

Insurance

Investment using points

au Kabucom Securities  
the Bank

the Trust Bank

Funds

MUMSS  
WealthNavi

Tokio Marine & Nichido Fire Insurance  
Sampo Japan Insurance

STOCKPOINT  
CONNECT (Daiwa Securities)

\*1 Mitsubishi UFJ Direct: Internet banking for individual customers

\*2 As of end June 2022. App Store badges are an Apple Inc. trademark registered in the United States and other countries

# Key strategies (3) Challenges for new source of revenue

## Expand customer contact points deriving from digital accounts (BaaS)

- Plans to launch digital account service that provides account holders with special benefits in the form of "d points" by the end of 2022



Financial services

Financial risk mgmt.

### Digital account services



Point program

Various channels

#### Acquire new customers

Acquire new account when young people begin to use mobile phones

Throughout Japan, including regions with a fewer number of existing customers

#### Vitalize existing account

Provide customers with "d points" when mobile phone fees are paid

Make customer accounts "sticky" by offering built-in bank transfer services

#### New financial experience

Seamlessly accessible from the DOCOMO app

Provide users with casual and stress-free gateways into asset management

## Provision of loans through other external partner (CaaS<sup>\*2</sup>)

- Acom established GeNiE as its subsidiary. Business alliance with Crezit Inc. on CaaS
- Intend to enhance the lineup of such products as digital wallet and BNPL<sup>\*3</sup> going forward



### Characteristics of CaaS

- Offer loans through functions embedded in service websites run by external partner
- Enable website users to seamlessly obtain a financial experiences

### Cases of loan provision by Acom

BNPL payments can be switched to flat monthly payments

Advances on salary payments

## Exploit SMEs markets utilizing technology

- Established Biz Forward as a joint venture with Money Forward
- Accommodate customers' needs in a timely manner, helping them secure conformity with the revised Law Concerning Preservation of National Tax Records in Electronic Form, the upcoming Invoice System, etc.

### Billing agency (Nov. 2021 - )



[請求プラス]

- Act as a billing and credit research agency
- Support customers' operational efficiency and digitalization

### Online factoring (Dec. 2021 - )



[資金プラス]

- Fund-raise taking advantage of customers' own receivables
- Quick response to unexpected funding needs

## Make entries into new businesses (e.g., advertising business) upon the revision of the Banking Act

- Enter the advertising business by taking advantage of our data utilization know-how obtained through data marketing as well as our solid information security structure



Expertise in financial data



Know-how in advertising business

### Collaboration

Advertising Client

Bank

Media



collaboration



Jointly develop hypotheses based on customers' advertising needs

Analysis and targeting utilizing financial data

Deliver suitable contents

\*1 BaaS: Provide the Bank's functions through API to support services run by external partners crediting services \*3 Buy Now Pay Later

\*2 CaaS: Provide functions and platforms necessary to develop

# Platform for accelerating company-wide digital transformation

## Program aimed at creating new businesses "Spark X"

- Solicit new business proposals from employees willing to put our Purpose into practice in their own terms
- Communicate top management's commitment through the dissemination of messages to all employees
- Support and motivate employees through the provision of various seminars and training sessions as well as assistance from in-house and external specialists

### Explanatory session

Gross No. of participants: **2,500**

**580** employees applied  
from **22** group companies

### Motivating session

Gross No. of sessions held: **20**

No. of projects proposed: **650**



Continuous training for launch of project

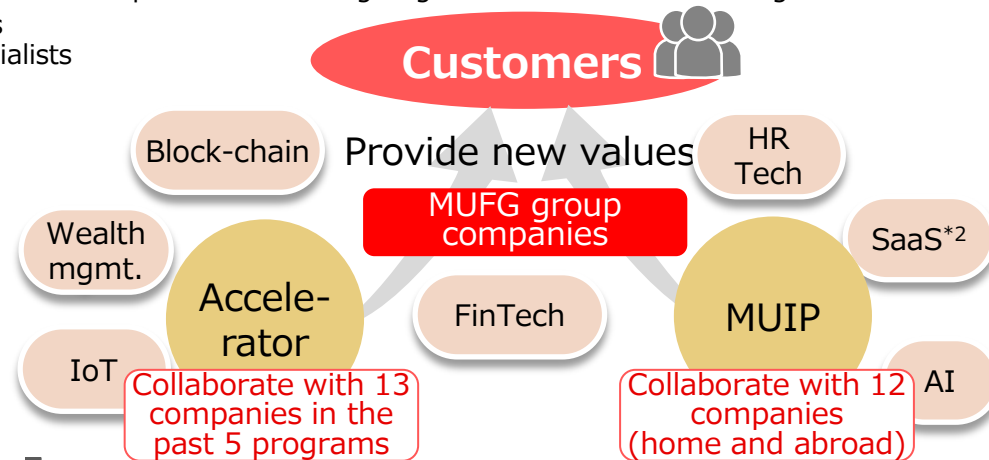
Start with employees' aspirations to make changes for the better

Assign proposer as a responsible person of project



## Penetration of open innovation

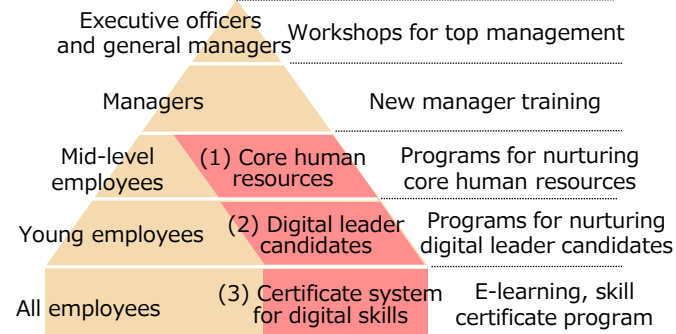
- Various collaboration cases have been created through accelerator program and investments from MUIP\*1
- Aim to create new value to be delivered to customers via the incorporation of cutting-edge businesses and technologies



## Nurturing digital specialists

- Develop layer-based training programs to nurture human resources capable of leading digital transformation
- MUFG Bank introduced a digital skill certification system based on skill standards equivalent to those required for external qualifications

### Programs aimed at nurturing digital specialists (MUFG Bank)



(1) Nurture core human resources  
**500** (target)

(2) Nurture digital leader candidates  
**1,000** (target)

(3) Digital skill certified employees  
**1,600**

# Retail & Commercial Banking Business Group

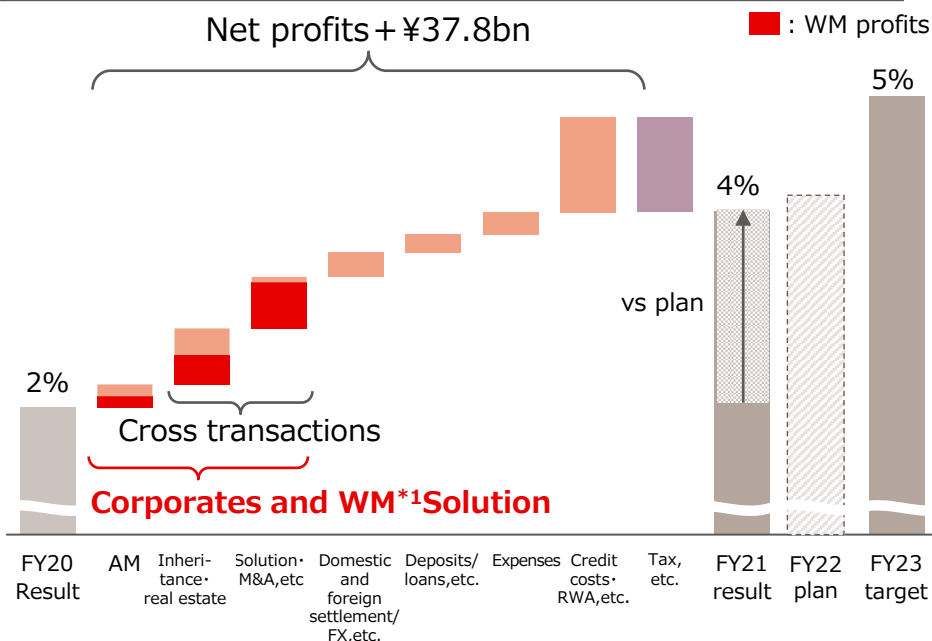
Atsushi Miyata, Group Head

# Progress of the medium-term business plan

## FY21 results

	FY21	YoY
Net operating profits (¥bn)	<b>103.9</b>	+38.2
Expense ratio	<b>83%</b>	(6ppt)
ROE	<b>4%</b>	+2ppt
RWA (¥tn)	<b>17.0</b>	(0.1)

## Changes in ROE



## Strategic direction

### Review of FY21

#### Achievements

- Penetrated our corporates and WM strategies. Invigorated succession needs-origin transactions
- Increased stock balance of investment assets by leveraging the Group's capabilities
- Took on challenges of entering new business fields; realizing our planned framework of business platform for corporate customers

#### Challenges

- Expand our capital business in terms of the scope and number of customers and get it on a profitable track
- Conscious of our comparative position vis-à-vis industry peers, work to further increase the volume of our stock balance while strengthening FX operations

### FY22 Key strategies

Improvement in profitability; business resilience

- 1 Unified promotion of corporates and WM solutions; pursuing the development of the value chain business by utilizing WM digital platform(WMPF)

Develop business foundations over the medium to long term

- 2 • Business platform for corporate customers  
• MUFG Bank Excellent Club

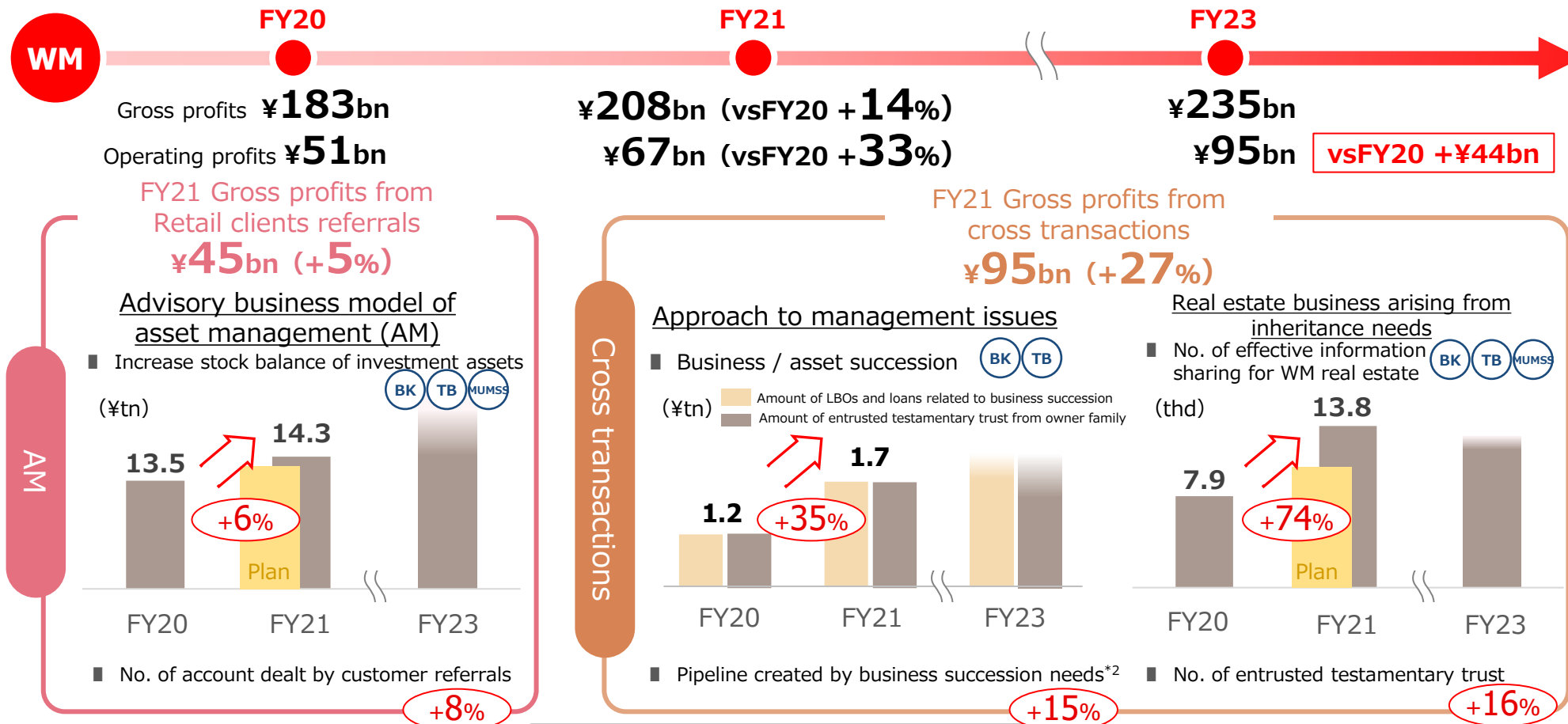
Cost reduction

- 3 Strengthen our structure for non face-to-face sales and ensure optimal staffing, etc.

\*1 Wealth management

# Review of Key Strategies

Steadily progressed growth strategies\*1



Business Opportunity

Growing asset formation needs

The coming of the era of centenarians

The coming of an era in which inheritance is deemed a matter of crucial importance

Changes in social structure

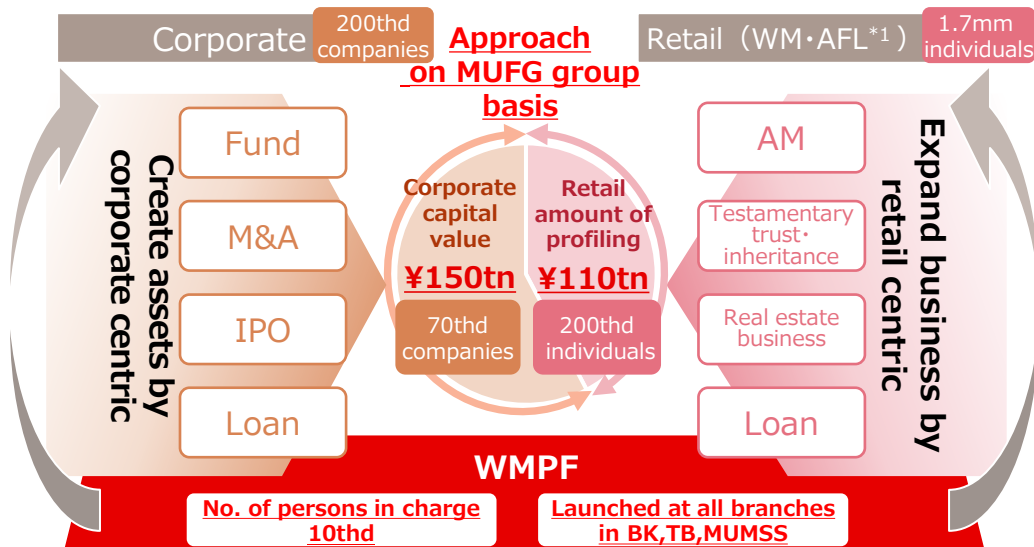
Shortage of successors

\*1 Managerial accounting basis \*2 Pipeline of profit sources (solutions, M&A, real estate, inheritance, etc.) created via transactions beginning with those addressing business succession needs

# Key strategies (1) Unified promotion of corporates and WM

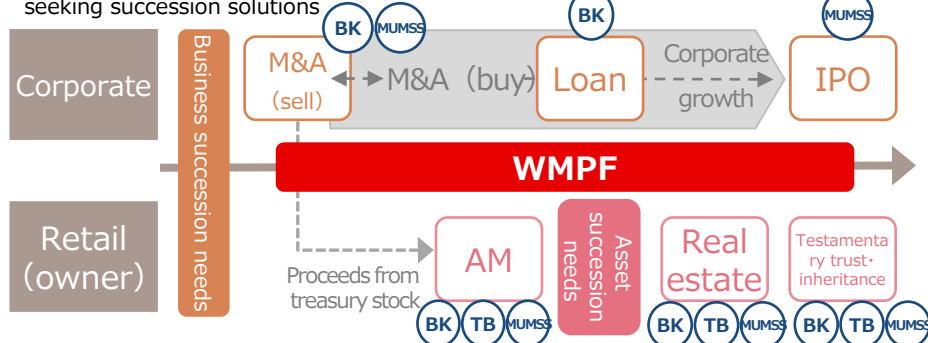
## Develop corporate and retail value chain

- Offer solutions to customers who hope to preserve the "value" they have accumulated over the years, to this end leveraging our digital-driven WMPF as a core function while taking a groupwide, integrated approach backed by our comprehensive capabilities



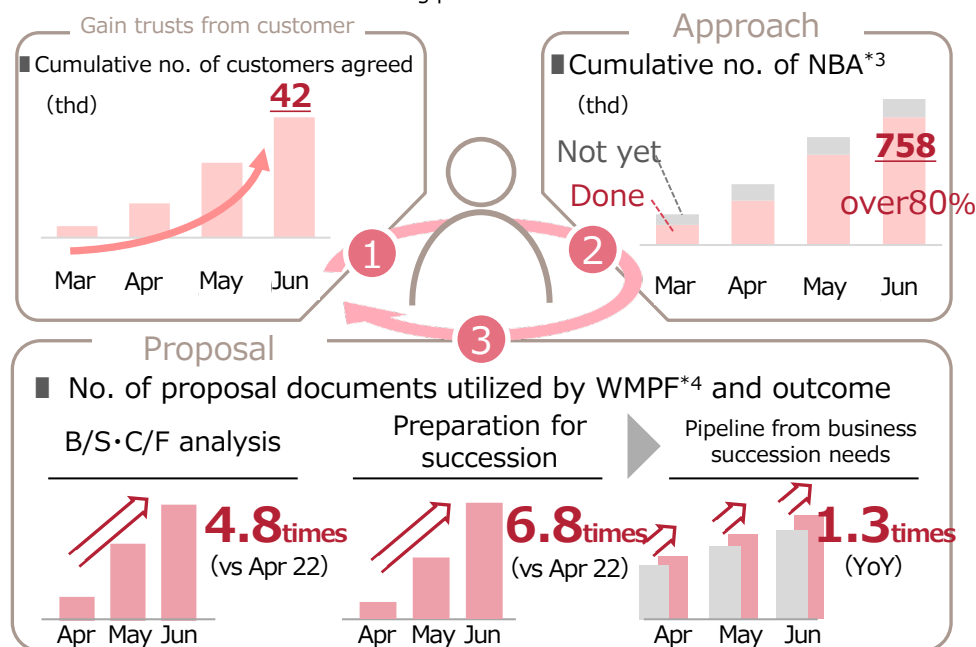
## Example of corporate and retail value chain

- Rally MUFG's comprehensive functions, bringing together our data regarding corporate and retail transactions, to accommodate the full spectrum of needs of customers seeking succession solutions

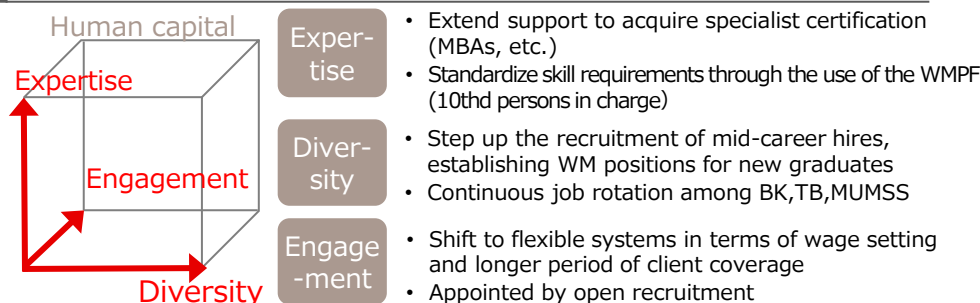


## Use of WMPF\*2

- The number of customers agreeing to sign up for WMPF and the number of proposals utilized increased at an accelerating pace



## Strengthen human capital supporting our strategies



\*1 WM : High-end (identified asset criteria over ¥2bn) , Semi-High End (identified asset criteria over ¥0.3bn) with separate criteria according to the amount of financial assets held

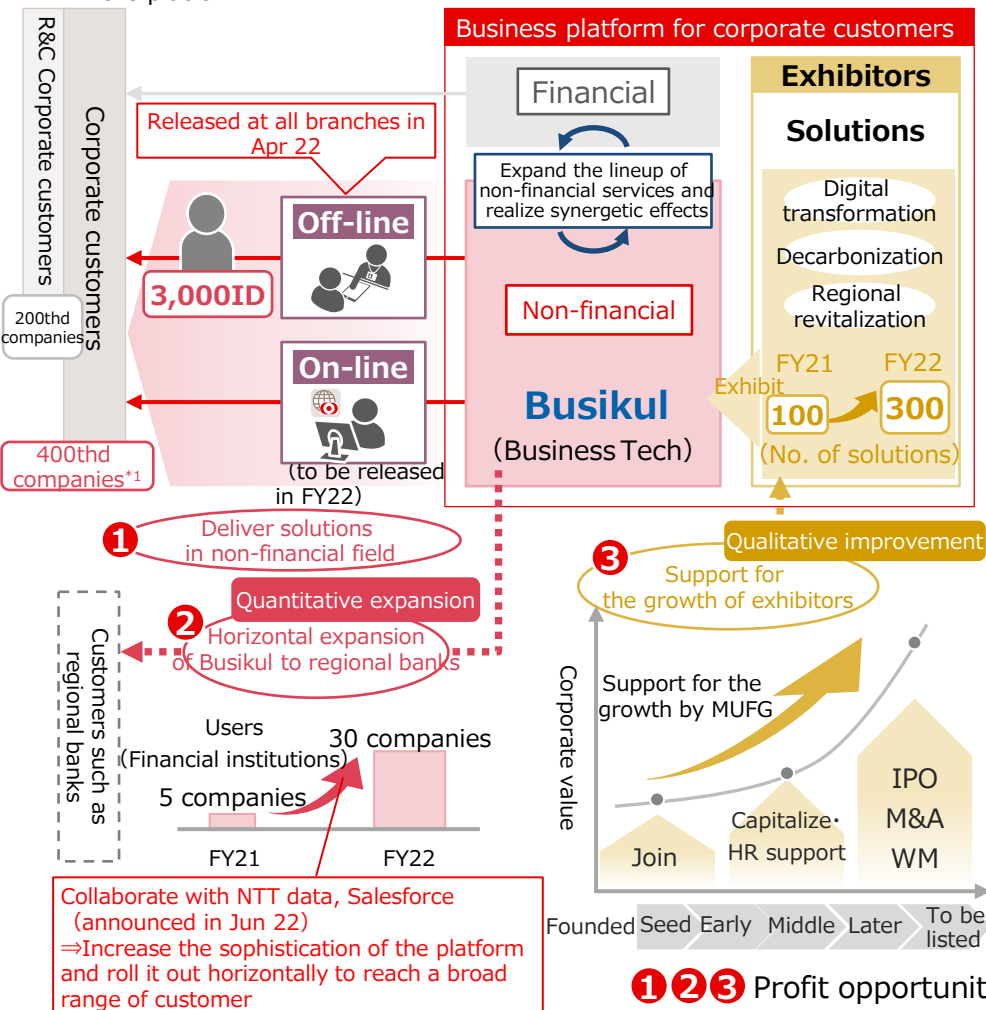
AFL : Affluent (identified asset criteria over ¥0.1bn) with separate criteria according to the amount of financial assets held

\*2 Situation of utilization by relationship manager at the Bank. Preliminary results for June \*3 Next Best Action (recommendations by analytics model distributed to relationship manager) \*4 No. of proposal documents utilizing the Goal Planning System (total asset-based proposal system)

# Key strategies (2) Develop Our Business Foundations over the Medium to Long Term

## Business platform for corporate customers (support customers' DX, decarbonization, etc.)

- Launched "Busikul" at all branches in Apr 22. Bring the provision of non-financial solutions into full swing
- Aim for the quantitative expansion and qualitative improvement of the platform

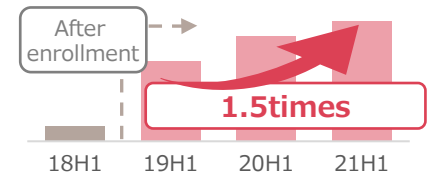


## Excellent Club (Efforts to affluent customers)

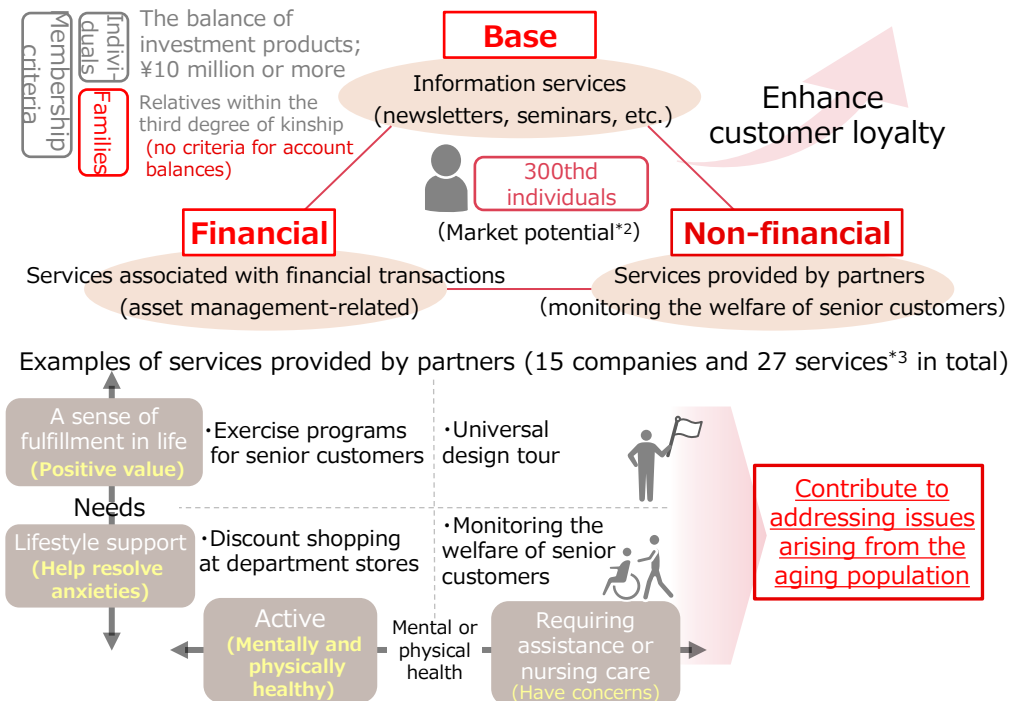
- Plans call for releasing MUFG Bank Excellent Club, a new service built on the concept behind the Trust Bank's Excellent Club, in Aug 22
- Using this service as a hook, increase the "stickiness" of transactions with affluent customers and their families, with the aim of expanding the scope of MUFG's transactions, including asset management and asset succession

### The Trust Bank's Excellent Club

Changes in AuM prior to and after enrollment in the membership  
(example of a new member who signed up in FY19 H1)



### NEW "MUFG Bank Excellent Club" (to be launched in Aug 22)



\*1 No. of customers using MUFG Biz \*2 No. of customers at the Bank whose balance of investment products is over ¥10 million or more

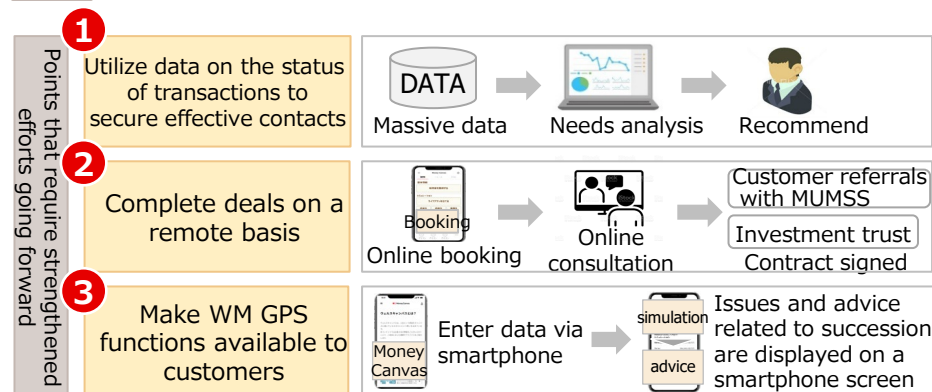
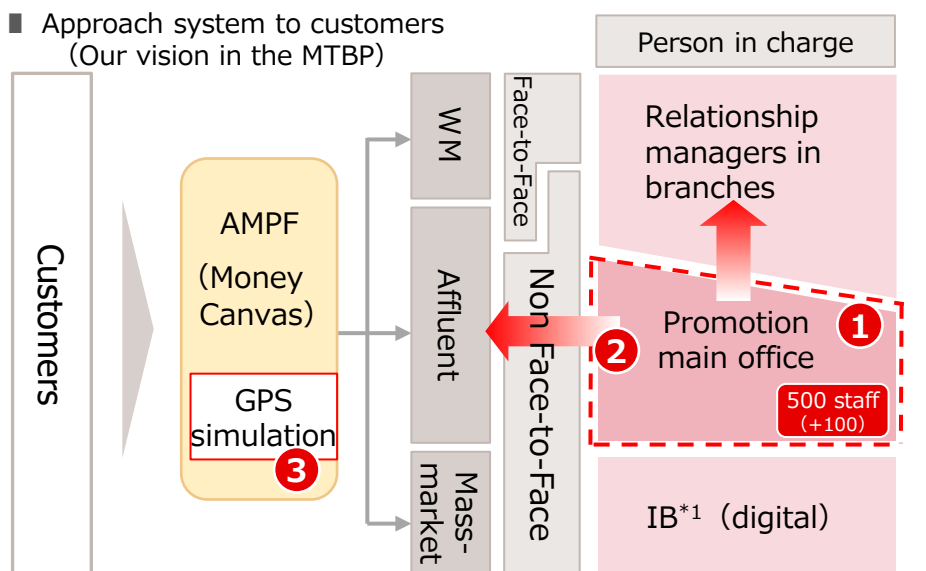
\*3 Expected number released in Aug 22

# Key strategies (3) Strengthen our structure for non face-to-face sales / cost structure reforms

## Strengthen our structure for non face-to-face sales

- Leverage database afforded by our asset management platform (AMPF) to determine customer categories; at the same time, optimize our approach to each customer category by strengthening our non face-to-face sales structure

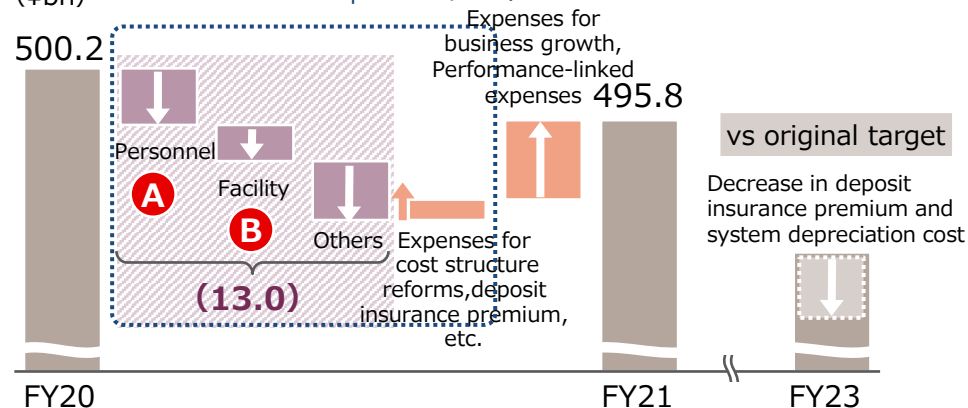
### Approach system to customers (Our vision in the MTBP)



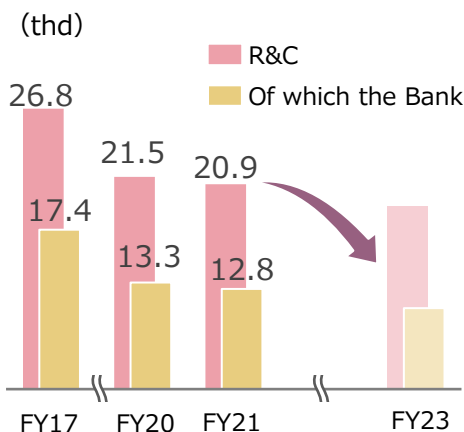
## Cost structure reforms

- Steadily reduce base expenses by streamlining staffing and reorganizing channels
- In fiscal 2023, expenses are likely to fall short of the MTBP estimate due mainly to the impairment of noncurrent assets

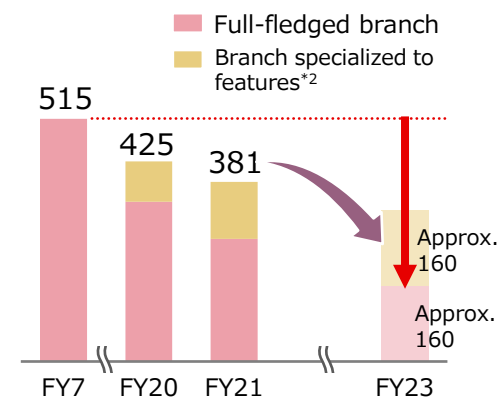
### (¥bn) Reduction of base expenses (11.0)



### No. of personnel A



### No. of branches (the Bank non-consolidated basis) B



# Japanese Corporate & Investment Banking Business Group

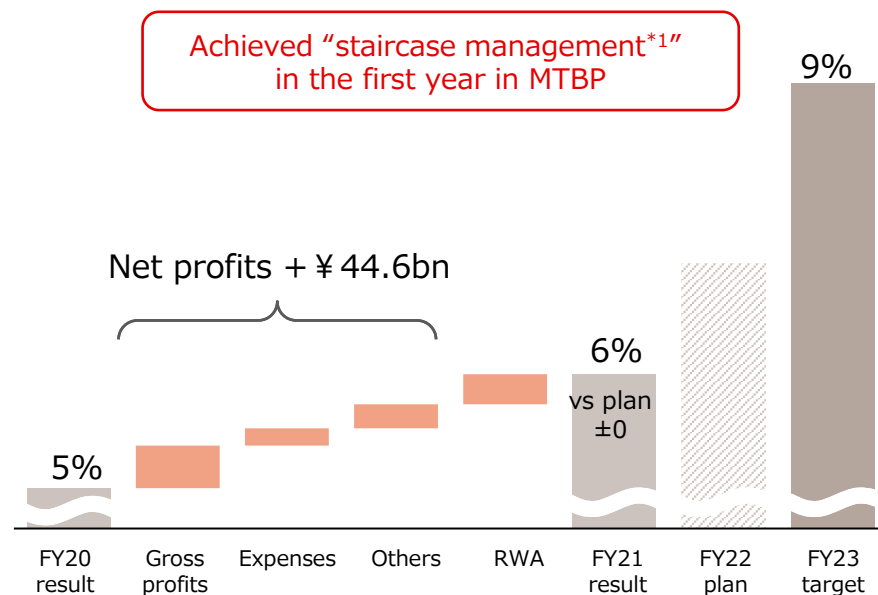
Naomi Hayashi, Group Head

# Progress of the medium-term business plan

## FY21 results

	FY21	YoY
Net operating profits (¥bn)	284.6	+45.7
Expense ratio	52%	(5ppt)
ROE	6%	+1ppt
RWA (¥tn)	32.5	(1.8)

## Changes in ROE



## Strategic direction

### Review of FY21

#### Achievements

- Improved lending spread, expanded non-interest income
- Accelerated reduction of equity holdings
- Initiatives to change the daily mode of employee behavior gradually took effect

#### Challenges

- Help employees embrace fresh awareness regarding the setting of interest rates
- Reallocation of RWA and enhance risk-taking
- Facilitate changes in customer expectations regarding the roles we should fulfill

### FY22 Key strategies

#### Continue Staircase Management

- 1 Further strengthen top-line revenues
- 2 Reallocations to highly profitable assets

#### Take on new challenges to pursue sustainable growth

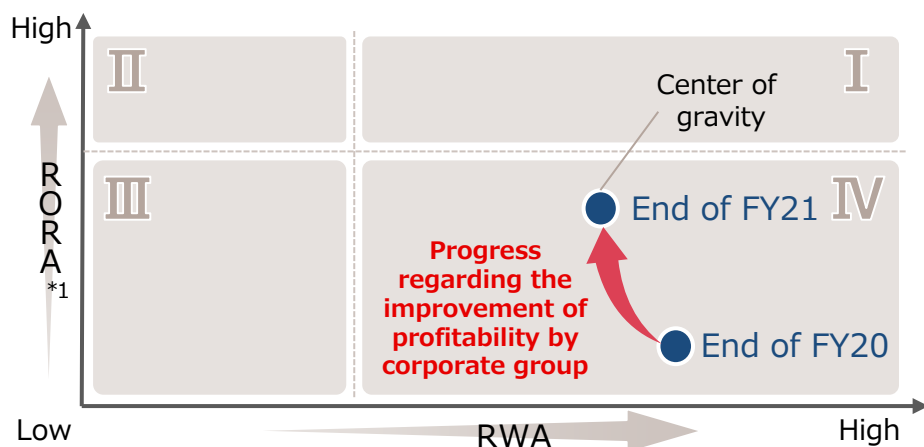
- 3 Contribute to improve our customer's medium-to long-term profit

\*1 The JCIB Business Group's management policy is to pursue steady annual performance improvement rather than simply forging ahead, hoping to achieve results in excess of planned targets

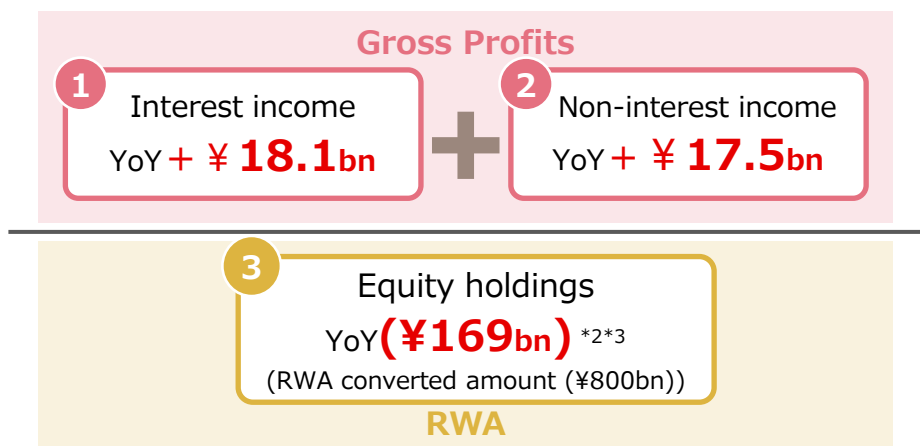
# Key strategies (1) Further strengthen top-line revenues

Achievements from our efforts to reach ROE target (FY21)

■ Profitability by company group (Total macro value)

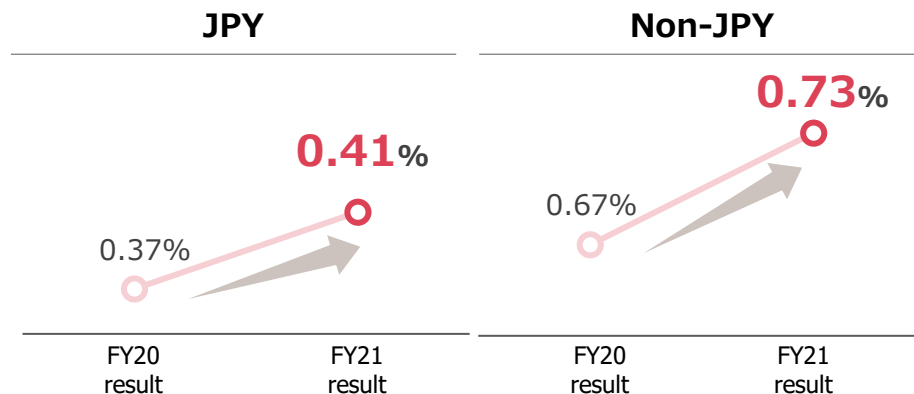


■ Achievements in FY2021



1 Progress in the improvement of the lending spread

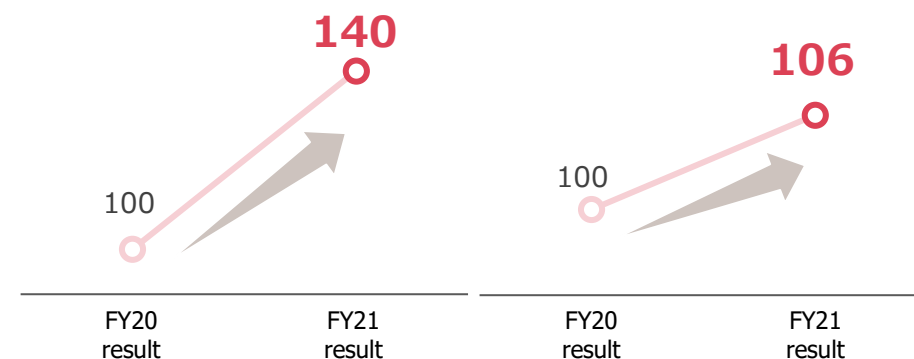
■ Trends in lending spreads \*4\*5



2 Expanded non-interest income

■ Trend in fee income from real estate brokerage (FY20 result = 100) **TB**

■ Trend in profit arising from the primary business (FY20 result = 100) **MUMSS**



\*1 Return On Risk-Weighted Assets \*2 Sum of the Bank and the Trust Bank including R&C

\*3 Total amount of sale \*4 Results of JCIB business group (the Bank) \*5 Calculated as net interest income / average loan balance

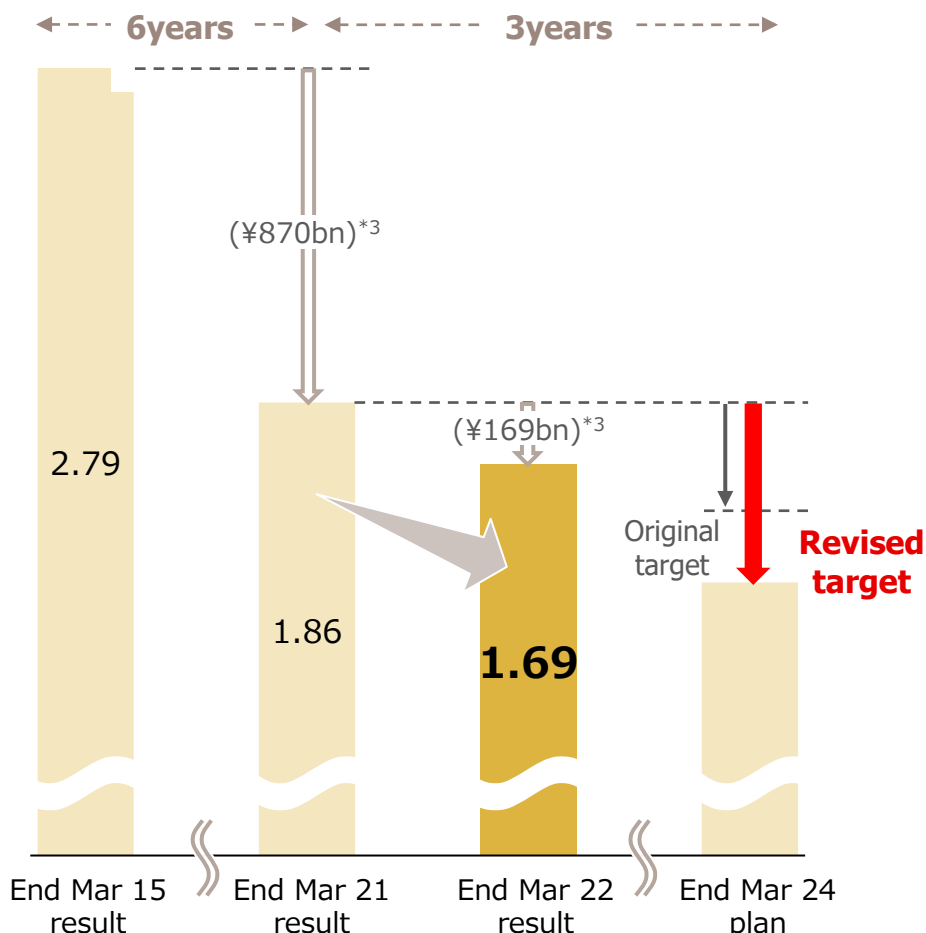
# Key strategies (2) Reallocations to highly profitable assets

## 3 Reduction of equity holdings

■ Historical performance (acquisition cost basis)\*1\*2 (¥tn)

Upwardly revised target

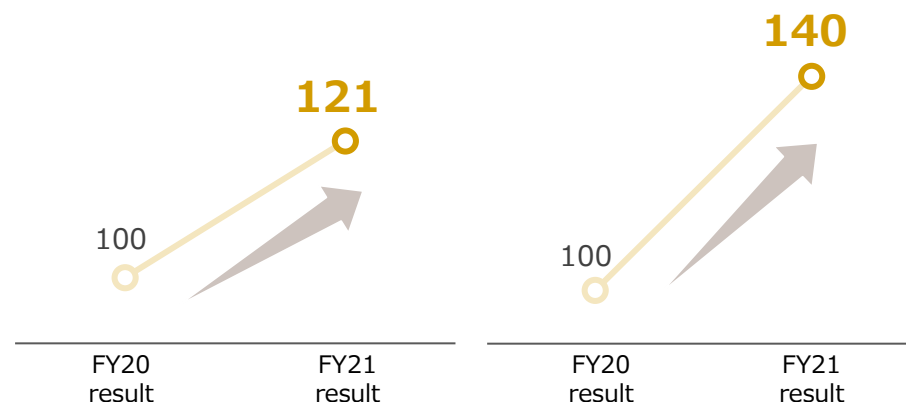
(¥300bn) and more → **(¥500bn)\*3**



\*1 Sum of the Bank and the Trust Bank including R&C \*2 Acquisition price of domestic equity securities in the category of "other securities" with market value (consolidated) \*3 Total amount of sale \*4 Mezzanine financing involving subordinated loans, preferred stocks and other instruments \*5 Non-recourse loan \*6 RM: Relationship Manager, person in charge of sales.

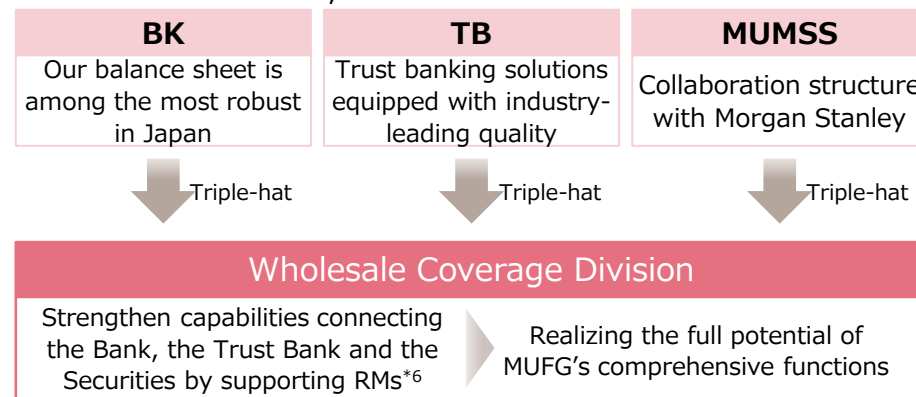
## Strengthen our risk-taking capabilities

■ Trend in the capital financing\*4 (FY20 result = 100) ■ Trend in the NRL\*5 balance in the real estate field (FY20 result = 100)



## Strengthen MUFG capabilities to provide solutions

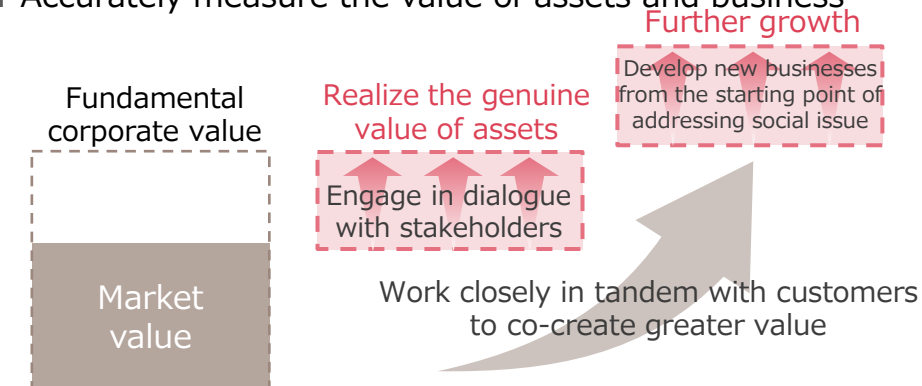
• Newly establish a triple-hat organization consisting of staff from the Bank, the Trust Bank and the Securities



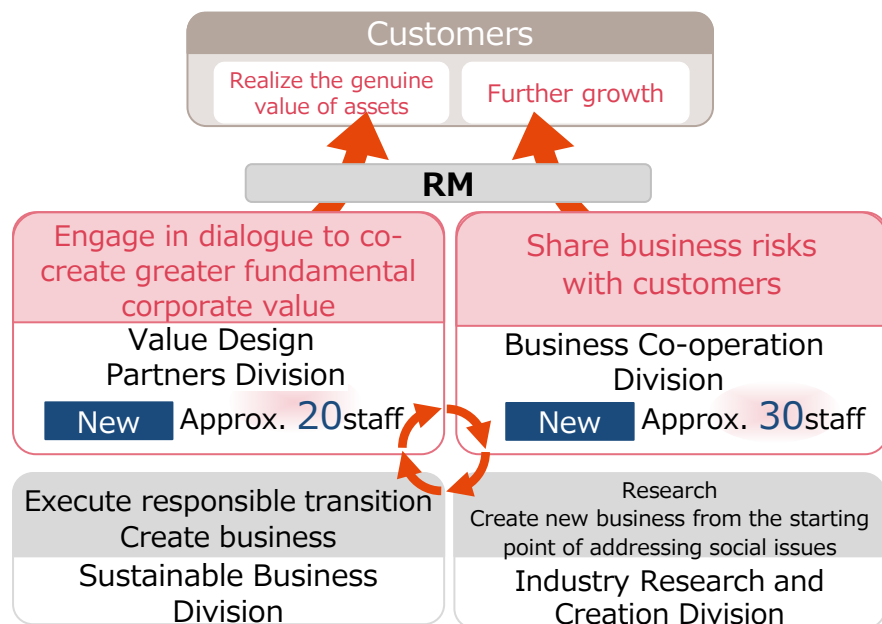
## Key strategies (3) Contribute to improve our customer's medium-to long-term profit - Facilitate changes in customer expectation regarding the roles we should fulfill -

### Approach for the co-creation of value

- Accurately measure the value of assets and business

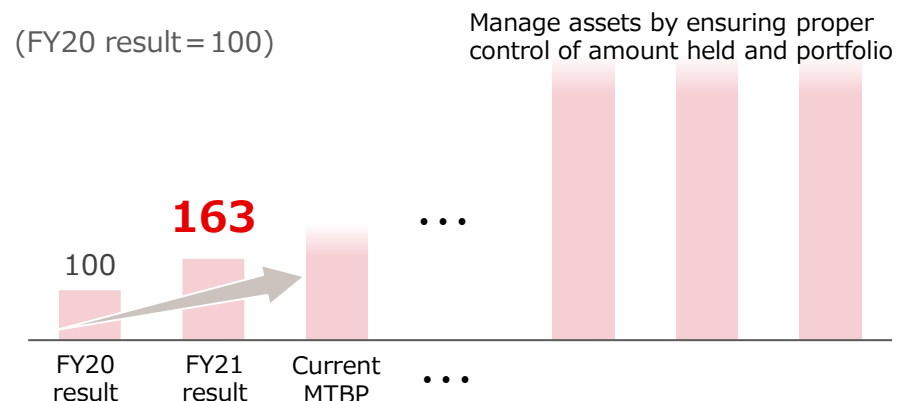


- Promotion structure



### Challenge of investment business

- Trend in investment balance



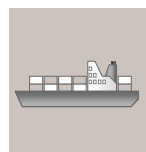
- Successful cases of investment for co-creation business



#### **Resolve driver-shortage problems of the logistics industry while reducing CO2 emissions**

Partners : Hino Motors, Ltd. And 18 others

Investee : NEXT Logistics Japan, Ltd.



#### **Maintain and develop maritime transportation by improving financial services to seafarers**

Partners : Nippon Yusen Kabushiki Kaisha, etc.

Investee : MarCoPay Inc.



#### **Optimization of supply chain through use of payment and purchase data**

Partners : Mitsubishi Corporation, etc.

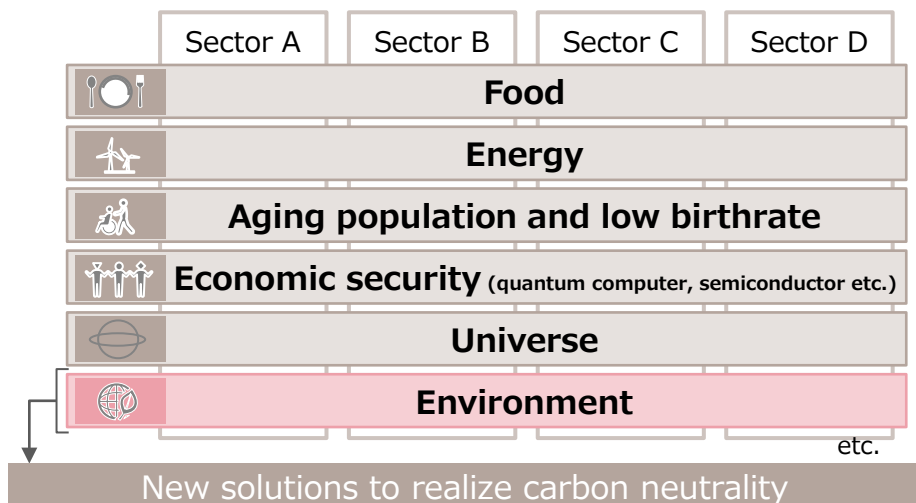
Investee : Transaction Media Networks Inc.

## Key strategies (3) Contribute to improve our customer's medium-to long-term profit

### - Facilitate changes in customer expectation regarding the roles we should fulfill -

Accelerate cross-sector activities to resolve issues society is now confronting

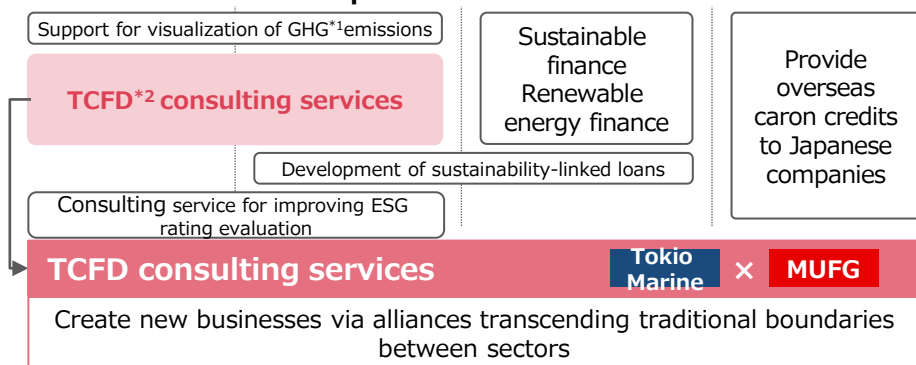
- Work in tandem with customers to create new businesses



#### Customers' issues and needs



#### Main initiatives and its position



Help employees change their daily modes of behavior

#### Karaoke\*3

- Propose new ideas to the Group Head

##### Strategy Karaoke

Five managing corporate executives proposed the creation of new business opportunities

##### Operational reforms Karaoke

46 teams of young employees proposed operational reforms

##### Investment Karaoke

125 employees at home and abroad proposed new businesses

#### Successful case of Investment Karaoke



1st case by a Japanese bank

#### **MUFG Trading, Ltd. (July 2022)**

Help customers raise the resilience of their supply chains by offering a scheme for efficiently managing their inventory holdings

#### Monthly town hall meeting (from May 2022)

- Initiatives to achieve reforms have gradually gained employee support as the Group Head and frontline employees have frequently engaged in face-to-face dialogue to address various subjects



Attended by more than **2,500** employees from sales headquarters and other relevant departments during May to July in 2022

\*1 Greenhouse Gas \*2 Task Force on Climate-related Financial Disclosures

\*3 A framework in which employees related to JCIB propose new ideas for business creation and the reform of clerical operations to the business group head

# Global Commercial Banking Business Group

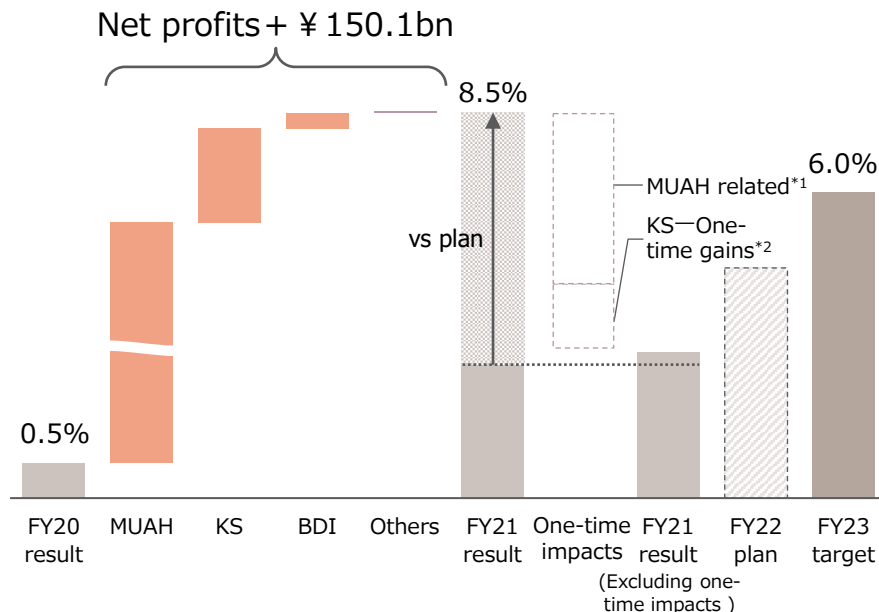
Kenichi Yamato, Group Head  
Hideaki Takase, Deputy Group Head

# Progress of the medium-term business plan

## FY21 results

	FY21	YoY
Net operating profits (¥bn)	229.4	(42.5)
Expense ratio	69%	+4ppt
ROE	8.5%	+8ppt
RWA (¥tn)	16.6	(0.6)

## Changes in ROE



\*1 The reversal of credit costs and the impact of the sale of MUB \*2 One-time gains from the sales of shares in a certain affiliate

## Strategic direction

### Review of FY21

#### Achievements

- Deepen MUFG collaboration  
~ Steady loan growth with the establishment of a collaboration framework between MUFG and Bank Danamon
- Decision on sale of MUFG Union Bank (MUB) to U.S. Bancorp  
~ Transaction to be closed in the second half of 2022

#### Challenges

- Pursuit for Carbon Neutrality (CN)  
~ Enhanced information disclosure by each Partner Bank (PB)  
Promotion of business such as Sustainable Finance
- Enhancement of Bank Danamon's consumer finance business  
~ Established a framework to roll out best practices of Krungsri (KS); expected to yield positive results from FY22
- Digital Transformation (DX) of Partner Banks  
~ Each PB's persuasion of DX ongoing; Aim to increase presence in digital area

### FY22 Key strategies

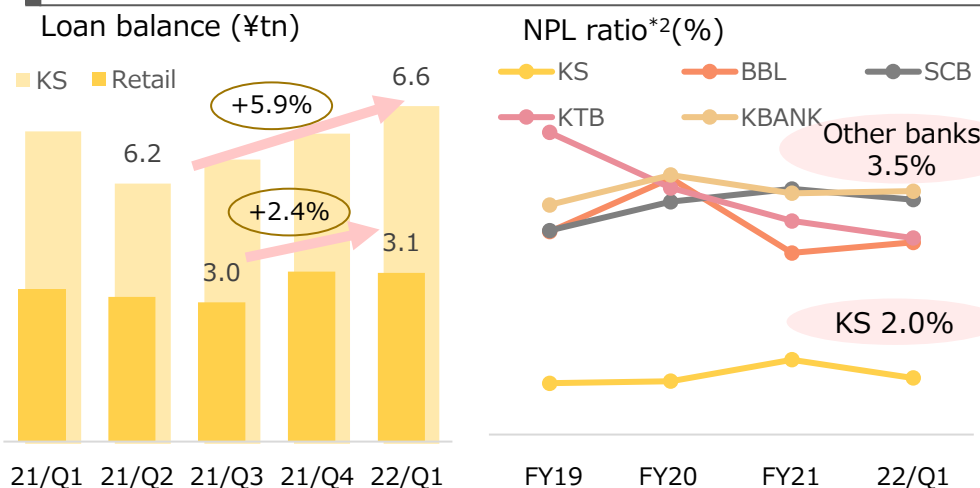
- 1 Support the growth of Bank Danamon  
~ Continuous support for consumer finance enhancement
- 2 Pursuit of new businesses  
~ Further pursuit of DX, Carbon Neutral business
- 3 Completion of the sale of MUFG Union Bank

# Krungsri (Bank of Ayudhya)

## Financial results\*1

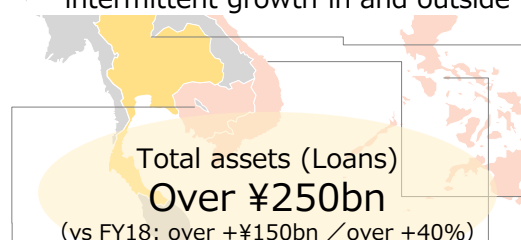
(¥bn) (THB1=¥3.43)	FY21	YoY	FY22 Q1	vs FY21 Q1
Gross profits	421.5	+30.6	96.8	+2.0
Expenses	167.9	+1.7	41.4	(0.1)
Net operating profits	253.6	+28.8	55.4	+2.1
Credit cost	108.4	(17.3)	23.3	(1.8)
Net profits	115.9	+36.9	25.4	+3.1
Loan End balance( ¥ tn)	6.5	+0.2	6.6	+0.3

## Loan balance is on recovery track, with low NPL ratio



## Inorganic strategy

- To seize opportunities arising from economic growth in neighboring countries, KS works in tandem with other PBs to proactively invest and advance abroad. Going forward, KS will pursue opportunities for intermittent growth in and outside Thailand



Cambodia (2016)

Invested in HATTHA Bank Plc.\*3  
Transitioned to a commercial bank  
after obtaining banking license



Thailand (2022)

Plan to invest in  
Capital Nomura Securities,  
a securities firm



Vietnam (2022)

Plan to invest in  
SHB Finance Company Ltd,  
a major non-bank firm



The Philippines (2020)

Established SB Finance Company, Inc.,  
a JV with Security Bank



## Investment for start-ups

- Strategic investment in fintech\*4 (Cumulative total 21 firms, approx. ¥8bn)



- First PE fund for start-ups in Thailand (Total approx. ¥10bn)

Finnoventure Fund I

### Areas for strategic investment

Big data analysis

Software development

Investment platformer

Development of accounting program

E-commerce

CRM

### Fund investors

NTT DATA  
Trusted Global Innovator



\*1 Based on local disclosure standards in Thai GAAP. Net profits represent profits attributable to owners of the parent.

Sales of affiliate's shares in FY21 Gross profits: ¥36.8bn, Net operating profits: ¥35.0bn, Net profits: ¥28.1bn

\*2 BBL : Bangkok, SCB : Siam Commercial, KTB : Krungthai, KBANK : Kasikorn

\*3 Name at the time of initial investment: Hattha Kaksekar Limited

\*4 Investment through Krungsri Finnovate (Krungsri's Corporate Venture Capital) The cumulative number of and total value of investments executed directly or through the fund

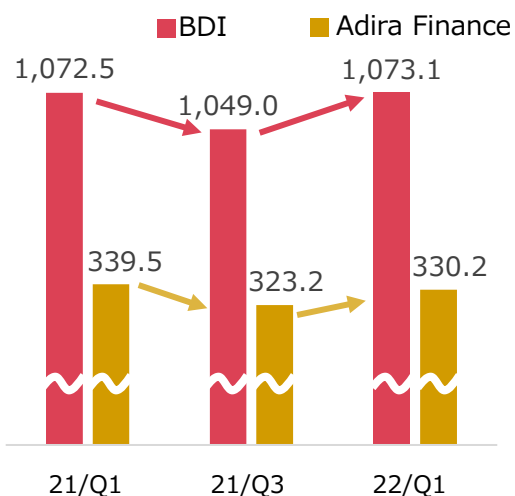
# Bank Danamon

## Financial results\*1

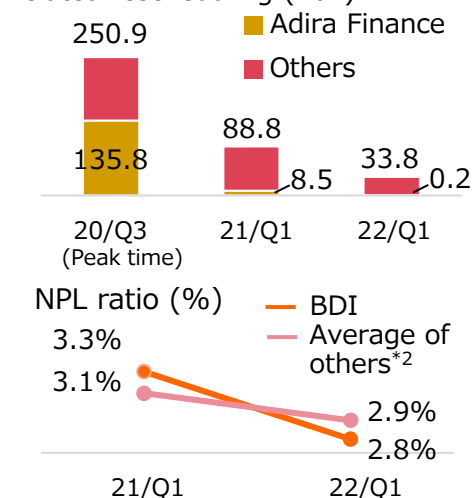
(¥bn) (IDR1= ¥ 0.0081)	FY21	YoY	FY22 Q1	vs FY21 Q1
Gross profits	136.5	(0.9)	33.5	+1.3
Expenses	69.6	+2.9	17.9	+1.2
Net operating profits	66.9	(3.8)	15.7	+0.1
Credit cost	46.1	(6.7)	6.4	(3.0)
Net profits	12.7	+4.5	7.0	+2.7
Loan End balance( ¥ tn)	1.0	(0.1)	1.1	+0.0

Loan balance bottomed out in 21/Q3, while NPL balance is on a decline

Loan balance (¥bn)



Loan balance subject to pandemic-related rescheduling (¥bn)



## Enhancement of consumer finance



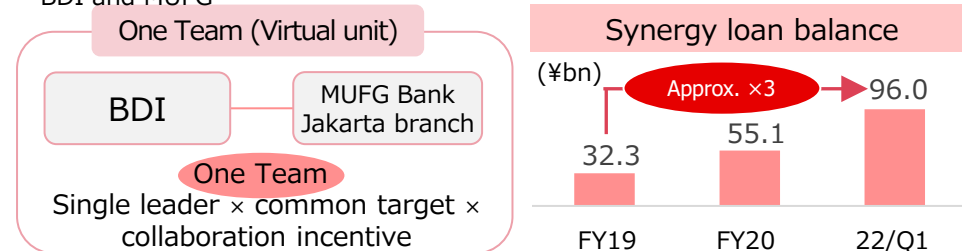
- Appointed Mr. Hafid Hadeli, former CEO of Adira Finance (ADMF), an auto-loan subsidiary of BDI, as Vice president director in charge of retail banking
- Aim to strengthen the retail business by facilitating collaboration between BDI and ADMF, as well as the introduction of expertise offered by KS

### Joint initiatives of Retail & Commercial Banking / cross-entity

Housing loan	Enhance BDI-ADMF collaboration	
Integrated approach for developers in collaboration with BDI and MUFG	Auto-loan	
Enhance product competitiveness	Deepen auto-loan transactions with dealers	Became one of three main sponsors for Indonesia's largest motor show
	Utilization of BDI's branches and RMs	
	Enhance auto-loans for commercial vehicles	Visitors 1.1mm
		Auto-loan Approx. ¥ 2.7bn*3

## Deepen MUFG collaboration

- Increased synergy loan through enhanced collaboration framework between BDI and MUFG



### Successful case : M&A Finance

Acquisition amount	Approx. ¥ 140bn in total
Execution	Sep. 2021
Sector	Telecommunication tower industry

- The largest M&A deal in the telecommunication tower industry
- BDI and MUFG integrated approach resulted in top share of loan, on a consolidated basis of BDI and MUFG

\*1 Based on local disclosure standards \*2 Average of BTN, CIMB Niaga, Maybank, OCBC, BTPN

\*3 Besides from auto-loan, increased related businesses such as credit card, residential mortgage loans and individual account opening

# Pursuit of new businesses

## Further pursuit of DX

### ■ Grab collaboration

- Steadily increased the loan balance for driver and food merchants
- Launched pilot loan for Grab users in June 2022

	Target	Launch	Result
KS 	Driver	Sep 2020	Cumulative total of 210thd loans (as of May 2022) (YoY +174%)
	Food merchants	Oct 2020	Cumulative total of 52thd loans (as of May 2022) (YoY +578%)
	App user	Jun 2022	Released

BDI



- Released co-brand credit cards in November 2021; Aiming to incorporate millennials and the Z generation



### ■ Other collaboration

KS



- E-Commerce platformer
- Discussions ongoing for provision of micro loans through Grab platform



BDI



- P2P lending platformer
- Promote financial inclusion through provision of non-collateral loans to un-banked customer base

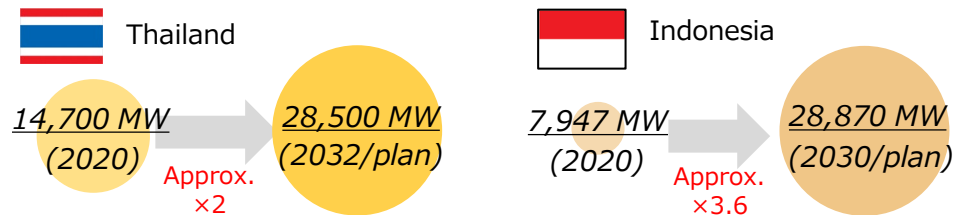


Enhance the digital presence of PBs and MUFG

## Carbon neutrality business promotion

### ■ Way forward

Financing needs are expected to increase with plans to expand renewable energy generation capacities\*1



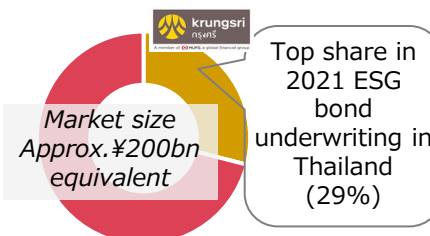
Enhance PB collaboration in face of the global movement toward decarbonization



Proactively promote business by transferring knowledge from MUFG

### ■ Initiatives in KS

Established a leading position in the ESG finance market of Thailand



Issuance total Approx. ¥7bn

- Issued the first Green Bond in Thailand's leasing sector
- KS acted as the lead underwriter and secured top share

\*1 (Source) Alternative Energy Development Plan 2018-2037, RUPTL PLN 2021-2030

# Progress on the sale of MUFG Union Bank (MUB)

## Schedule

November 2008:

Acquired 100% ownership of MUB<sup>\*1</sup>

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

### Business environment surrounding MUB

- Increasing importance of scale and IT investments in retail business

### MUFG's Management Challenges

- Reshape global business

September 2021:

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

Second half of 2022:

Closing of the transaction (Expected)<sup>\*2</sup>

First half of 2023:

System integration at USB (Expected)<sup>\*2</sup>

## Current progress

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

## Future direction

### Strategic importance of the U.S. market remains unchanged

- 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

### Capital and business alliance with U.S. Bancorp

- Indirect involvement in the U.S. retail and commercial banking businesses
- Collaborate in businesses with Japanese customers and the digital field

<sup>\*1</sup> Acquired 100% ownership of UnionBanCal Corporation (currently MUAH), parent company of Union Bank of California (currently MUB)

<sup>\*2</sup> Subject to approvals from relevant regulators and fulfillment of preconditions for the closing

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

# Unrealized losses on bonds and other instruments held by MUB

Fair value assessments of and accounting treatment applied to assets held by MUB

- As the lower of cost or market method is applied to MUAH's financial results in connection with our decision to sell MUB, MUFG's financial results (income statement) are expected to be affected by fluctuations in the fair value of MUB's asset holdings on a quarterly basis.
- Hikes in U.S. interest rates resulted in unrealized losses totaling ¥270.0bn (as of March 31, 2022<sup>\*1\*2</sup>) on MUB's holding of bonds and other instruments. However, we have countered these losses through hedging and are expecting to partially offset them by +¥15.0bn.

Bonds, etc., held by MUB	Unrealized losses as of March 31 <sup>*1*2</sup> (Incorporated into Q1 results as of June 30)	Accounting treatment	
		MUB financial results	MUFG/BK/MUAH financial results (lower of cost or market method)
① Available-for-sale securities	¥(155.0)bn	Impact on net assets	Impact on income statement and net assets
② Held-to-maturity bonds, etc.	¥(70.0)bn	No impact on income statement and net assets	Impact on income statement and net assets (However, it will be recorded as extraordinary gains upon MUB's transfer)
③ Loans	¥(45.0)bn		
④ Hedging effect	+ 15.0bn		
<b>Total</b>	<b>¥(255.0)bn</b>		

Impact on income statement of MUFG  
(including hedging effect)  
Q1: ¥(255.0)bn  
Q2: Additional loss may be recorded  
Full-year: Approx. ¥(200.0)bn

## Impact on MUFG's full-year financial results

- As unrealized losses have been increasing due to interest rate hikes since the end of March 2022, MUFG may possibly record an additional loss in Q2.
- However, net unrealized losses on available-for-sale securities (①) have already been countered through hedging.<sup>\*3</sup> MUFG thus forecasts that the impact on its full-year results including tax effect will amount to approx. ¥(200.0)bn.<sup>\*4</sup>
- On the other hand, unrealized losses on held-to-maturity bonds, etc. (②) and loans (③) are likely to be completely offset in the full-year results through the expected recording of an equivalent amount of extraordinary gains upon MUB's transfer.

\*1 US\$1 = ¥122.39 (as of March 31); hedging effect amounts to US\$1 = ¥136.68 (as of June 30)

\*2 Unrealized losses recorded by MUAH as of March 31 are incorporated into MUFG's financial results in the subsequent quarterly period ending June 30

\*3 Although a portion of risks cannot be hedged, the impact is expected to be kept up to several tens of billion yen of losses

\*4 Based on the assumed exchange rate of US\$1 = ¥136.68; the figure may fluctuate in line with the exchange rates

# Global Corporate & Investment Banking Business Group

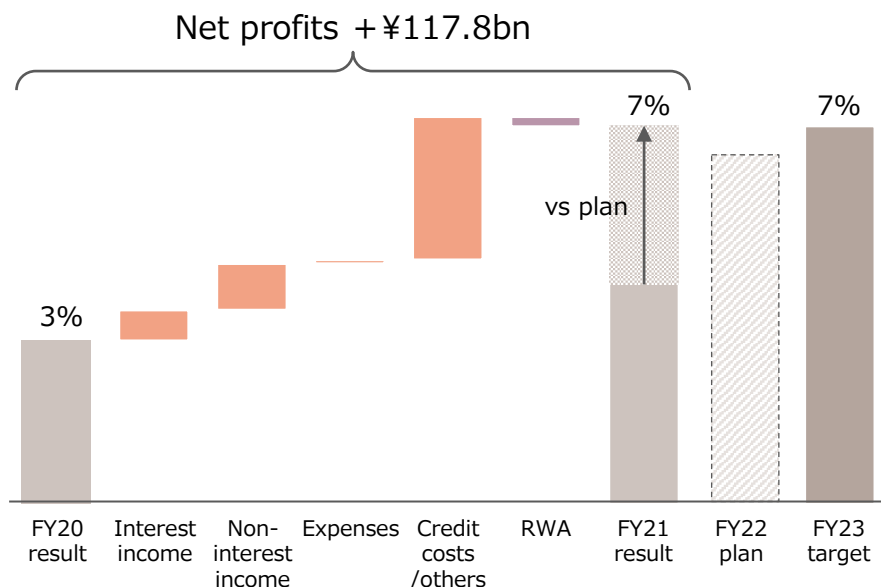
Fumitaka Nakahama, Group Head

# Progress of the medium-term business plan

## FY21 results

	FY21	YoY
Net operating profits (¥bn)	<b>186.5</b>	+45.3
Expense ratio	<b>58%</b>	(7ppt)
ROE	<b>7%</b>	+4ppt
RWA (¥tn)	<b>23.0</b>	+0.6

## Changes in ROE



## Strategic direction

### Review of FY21

KPIs	FY20	FY21	FY23
GCIB-Global Markets combined ROE* <sup>1</sup>	3.6%	<b>6.3%</b>	7.5%
Non-interest income ratio	47.6%* <sup>2</sup>	<b>45.2%</b>	51.5%
Institutional Investor portfolio ratio* <sup>3</sup>	11.8%	<b>16.3%</b>	20.0%
Syndication/DCM wallet ranking (Global/IG* <sup>4</sup> )* <sup>5</sup>	#12	<b>#12</b>	#10
Syndication/DCM wallet ranking (the U.S./NIG* <sup>6</sup> )* <sup>5</sup>	#17	<b>#17</b>	#12

### Achievements

- Continuous improvement of lending spread and B/S related incomes by optimizing B/S and expanding institutional investor portfolio ratio

### Challenges

- Expand non-interest income ratio by increasing cross-sell under stagnant market

### FY22 Key strategies

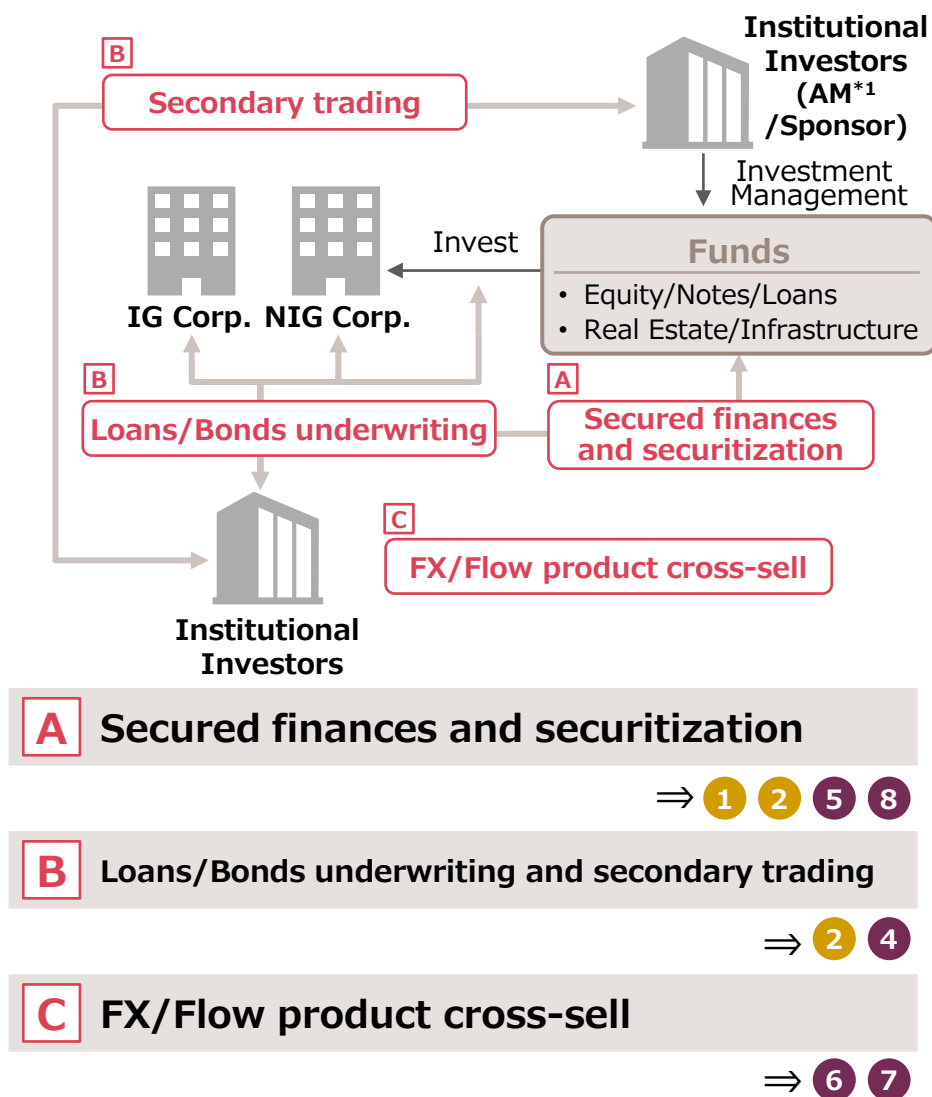
- 1 GCIB & Global Markets
- 2 Strengthen fundamental business platform
- 3 Investment in new growth opportunities

\*1 Targeted domains: Overall GCIB + Global Markets Sales & Trading (excl. Japanese Corporate Sales) \*2 After adjustment of one-time impacts

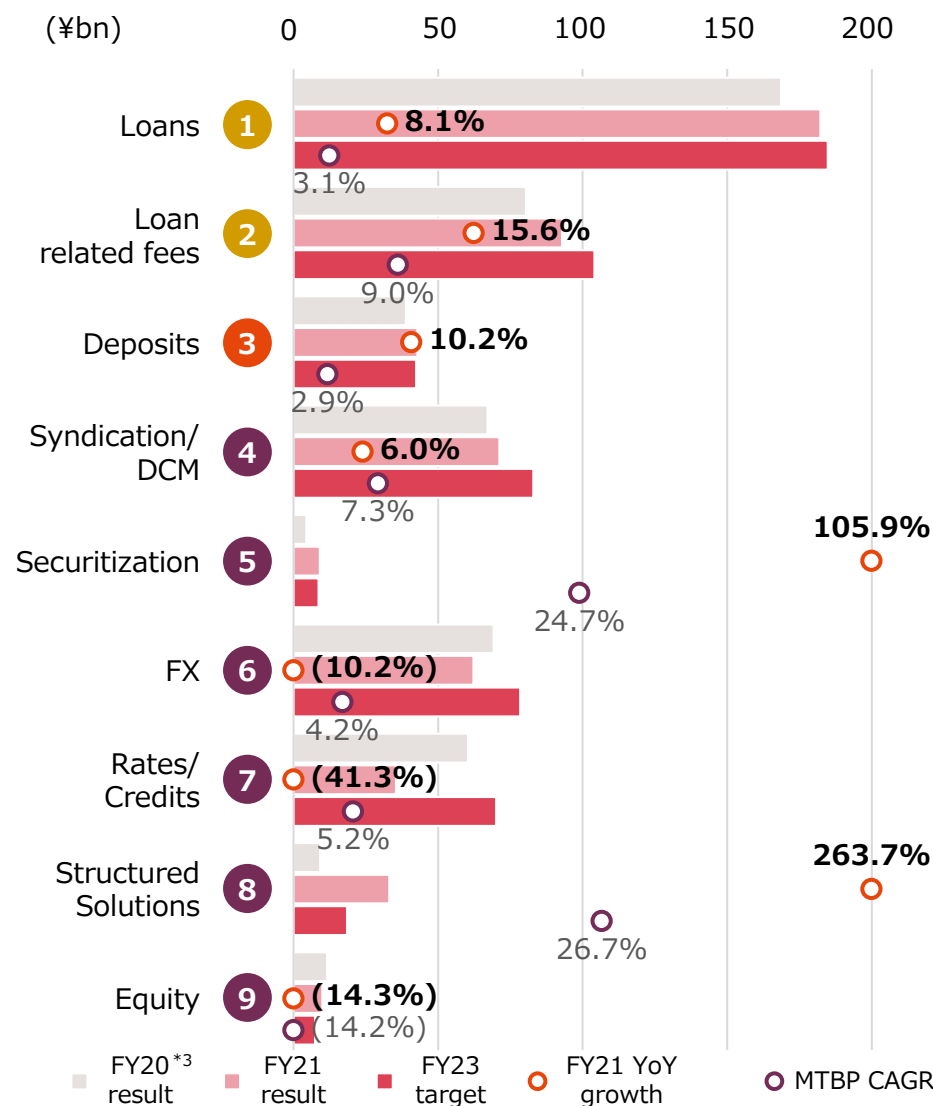
\*3 Lending amount in managerial basis \*4 Investment grade \*5 Dealogic (Calendar year basis) \*6 Non-investment grade

# Key strategies (1) GCIB & Global Markets

## Business overview and focus areas



## GCIB & Global Markets revenue<sup>\*2</sup>



<sup>\*1</sup> Asset management company <sup>\*2</sup> Targeted domains: Overall GCIB + Global Markets Sales & Trading (excl. Japanese Corporate Sales)

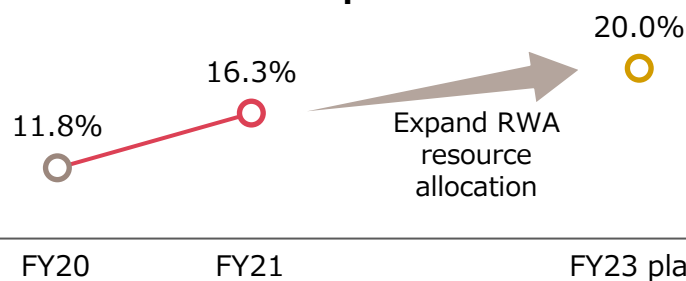
<sup>\*3</sup> After adjustment of one-time impacts

# Key strategies (1) GCIB & Global Markets

## A Secured finances and securitization

- Expand product capabilities/asset classes aligned with cyclical market changes and institutional investor client needs

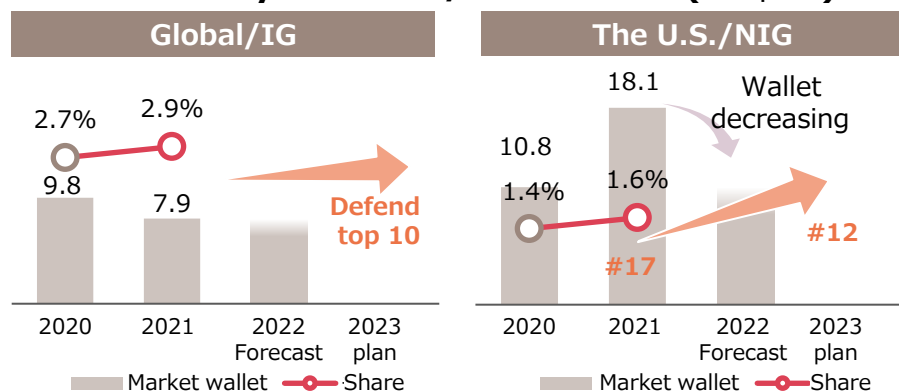
### ■ Institutional investor portfolio ratio\*1



## B Loans/Bonds underwriting and secondary trading

- Strengthen underwriting capabilities by developing strategic relation with institutional investors and collaboration with Morgan Stanley (IG/NIG/PF\*2 fields)
- Enhance secondary trading function for increasing asset velocity

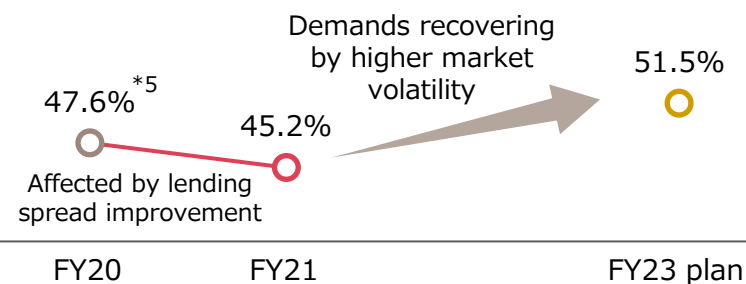
### ■ Trends of Syndication/DCM wallet (US\$bn)\*3



## C FX/Flow product cross-sell

- Invest in S&T\*4 talent to enhance product offering capabilities
- Enhance collaboration with client coverage with optimal KPIs

### ■ Non-interest income ratio



## Keys for executing growth initiatives

- Focus on "Speed" and "Flexibility" to respond to rapid changing market environment
- Invest in talent in both 1<sup>st</sup>/2<sup>nd</sup> lines to strengthen client coverage, product and risk taking capabilities

### Comprehensiveness

~Response to cyclical market

### Agility and Flexibility

~Optimal resource allocation

### Deep expertise

~Talent development aligned with the strategic focuses

\*1 Lending amount in managerial basis  
\*5 After adjustment of one-time impacts

\*2 Project Finance

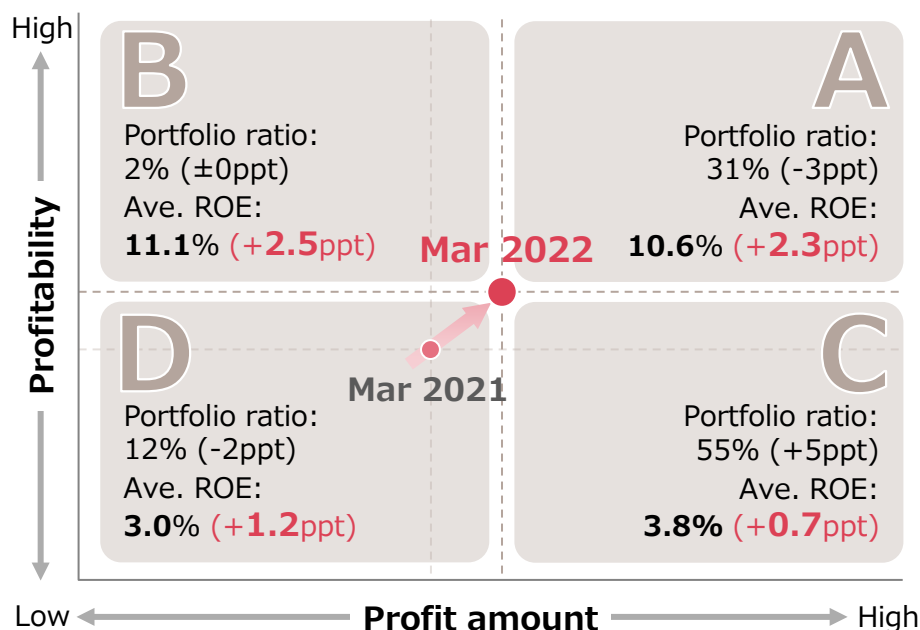
\*3 Dealogic (Calendar year basis)

\*4 Sales & Trading

# Key strategies (2) Strengthen fundamental business platform

## Portfolio optimization

### Portfolio management based on quad analysis\*1 (YoY)



- Expansion of secured finances to institutional investor clients contributes to develop higher return portfolio
- Continue disciplined deal screening and profitability monitoring

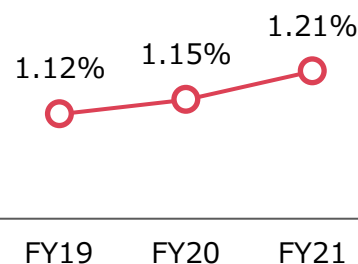
### Quad median has improving steadily

⇒ Continue quad based portfolio management as a business management principle

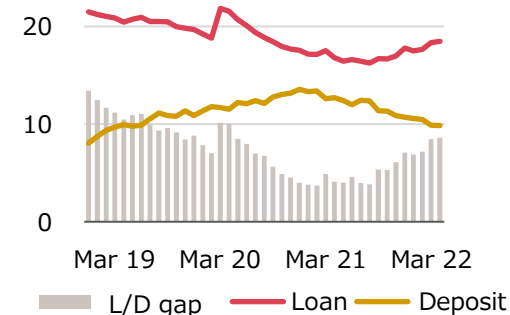
## Direction of B/S management

- Expect continuous lending spread improvement
- Focus on non-JPY loan to deposit balance management considering rate hike and sale of MUB

### Lending spread\*2



### Non-JPY loan/deposit balance (¥tn)



## Management principles

### Simplicity

- Resolve operational complexity
- Optimize business management on one MUFG basis

### Empowerment

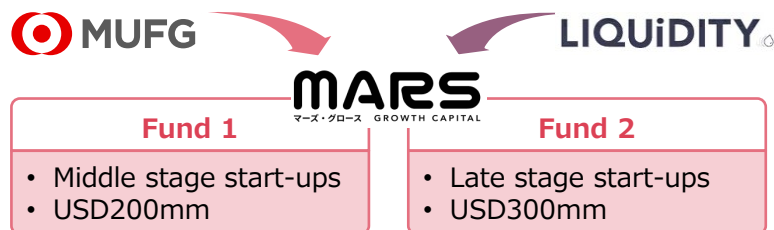
- Promote challenges and autonomy by open and flat organization

### Client Delivery

- Redouble client facing activities both in quality and quantity

# Key strategies (3) Investment in new growth opportunities

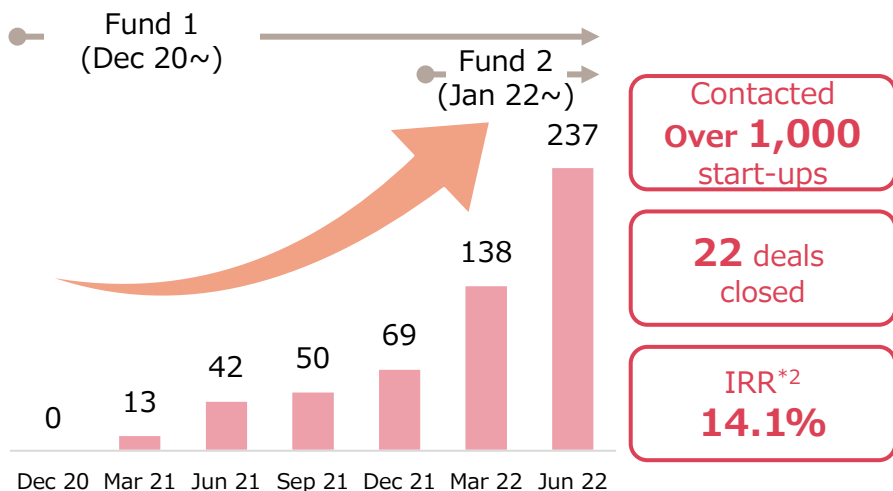
## Mars Growth Capital



Provide finance by leveraging real-time data gathering and AI technology

Support the growth of start-ups mainly in Asia-Pacific

## Trend of net cash investment amount (\$mm)\*1



**Continue further business expansion and development of AI based financing model**

## Invest in Indian start-ups: MUFG Ganesha Fund

- Invest USD300mm in Indian middle and late stage start-ups to capture the growth and exploring new business opportunities

### Business Environment surrounding India

- Strong economic growth
- Rapid digitalization
- Rise of start-ups

### Purpose of Investment

- Capture the growth of India
- Incubate new industries
- Leverage cutting-edge technologies/digital expertise

Leverage our group strengths to provide a wide range of financial services to our portfolio start-ups

## Response to sustainability and carbon neutrality

- Impact investment to VLPT\*3 (Bio-venture)
  - Invest US\$4mm for supporting R&D for COVID vaccine
- Green loan for a Saudi Arabian IWP\*4
  - Won PFI\*5 Deal of the Year
- Initiatives to promote new technologies
  - Incubation framework for hydrogen, ammonia, CCS\*6 etc.
  - Create and provide overseas carbon credits with ENGIE SA
- Renewable energy project finance league table (Americas)\*5: #1
- Won Wind Investment Awards (3 consecutive years) \*7

\*1 Aggregate net commitment amount of the transactions considering amortizations during investment period

\*2 CY2021 result

\*3 VLP Therapeutics Inc.

\*4 Independent Water Project

\*5 Project Finance International

\*6 Carbon dioxide Capture and Storage

\*7 Lender of the Year

# Global Markets Business Group

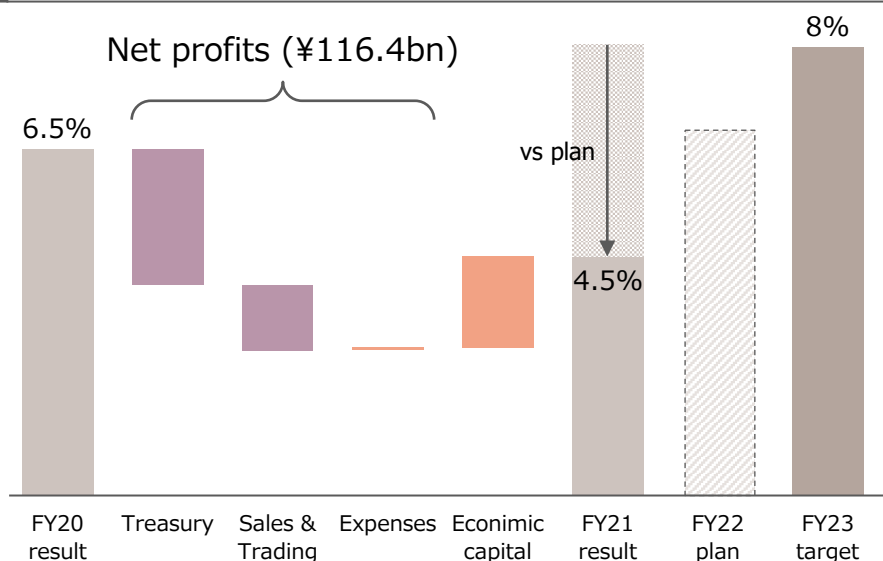
Hiroyuki Seki, Group Head

# Progress of the medium-term business plan

## FY21 results

	FY21	YoY
Net operating profits (¥bn)	208.3	(132.3)
Expense ratio	53%	+12ppt
ROE	4.5%	(2ppt)
Economic capital (¥tn)	4.1	(1.1)

## Changes in ROE



## Strategic direction

### Review of FY21

	Sales & Trading	Treasury
Achievements	<ul style="list-style-type: none"> <li>Progress in GCIB &amp; Global markets</li> <li>Promotion of digitalization</li> </ul>	<ul style="list-style-type: none"> <li>Increased profitability by reducing mid-to long term market funding, etc.</li> </ul>
Challenges	<ul style="list-style-type: none"> <li>Increase the volume of activities to capture customer needs</li> </ul>	<ul style="list-style-type: none"> <li>Flexible market operation, prompt action to improve investment yield</li> </ul>

### FY22 Key strategies

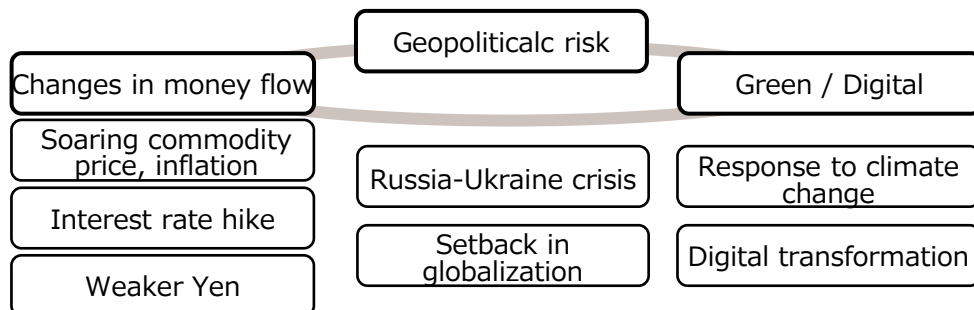
- 1 Further strengthening Sales & Trading business
- 2 Treasury business based on current market environment
- 3 Challenges for new business areas

# Key strategies (1) Further strengthening sales & trading business

## Business environment

¥404.0bn<sup>\*1</sup>

- Our customers are now confronting new needs and challenges due to changes in the business environment

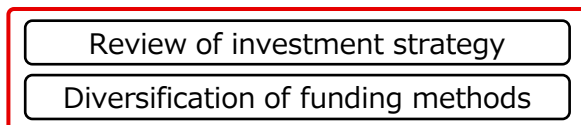


### New customers' needs & challenges

## GCIB segment (GCIB & Global Markets)

¥109.8bn<sup>\*1,2</sup>

- Allocate additional resources and strengthen functions based on needs from corporate customers and institutional investors



GCIB-Global Markets combined ROE (%)

6.5 or above

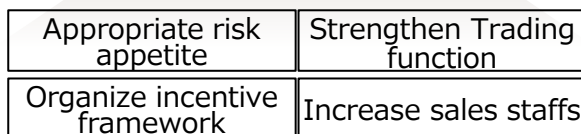
6.3



FY21

FY22

Secured Finance<sup>\*3</sup>  
Sales of loans and underwriting bonds  
Ancillary transactions (derivatives, forex)



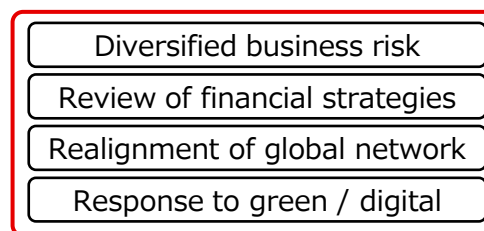
## JCIB・R&C segment

(Restrengthen Japanese business)

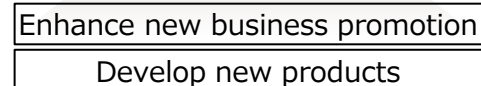
¥257.5bn<sup>\*1,4</sup>

### Business in Japan

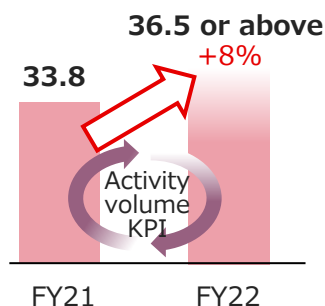
- Strengthen our capabilities to develop and deliver new solutions



Deals related with supporting foreign subsidiaries  
ESG related derivatives  
DCH<sup>\*5</sup>

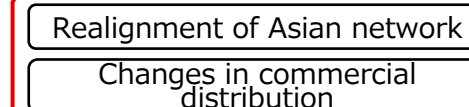


Profits from sales activities in Japan (¥bn)

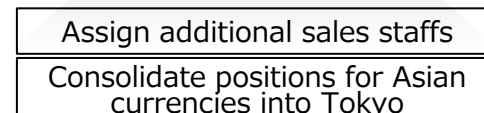


### Business with Japanese corporate in Asia

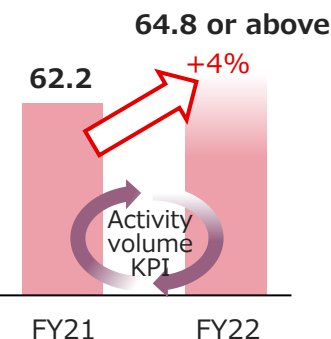
- Allocate additional resources to growth areas and streamline operations



Ordinary forex,  
capital transaction related forex,  
forex with local currency,  
interest rate derivatives



Profits from Asian business<sup>\*4</sup> (¥bn)



<sup>\*1</sup> FY22 revenue plan (before profits sharing between business group, managerial accounting basis) <sup>\*2</sup> Excludes trading revenue of BK (approx. ¥50bn)

<sup>\*3</sup> Loans collateralized by investment assets of funds <sup>\*4</sup> Includes trading revenue of BK in Asia (Approx. ¥15bn)

<sup>\*5</sup> Deal Contingent Hedge (hedging transactions to be effective or ineffective depending on success or failure in project financing)

# Key strategies (2) Treasury business based on current market environment

## Characteristics of treasury operation of MUFG

### 3 different operations

- Operations leveraging each expertise and investment style

### Treasury / New investment business

#### Existing treasury

BK

Flexible ALM management

TB

Diversified investment on a global basis

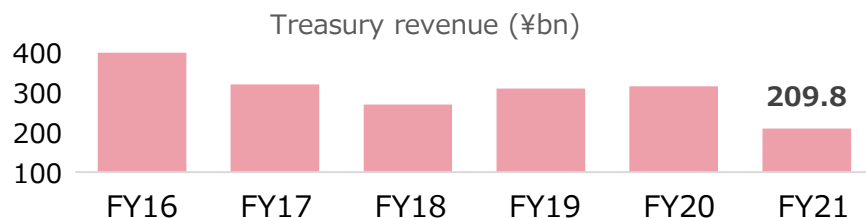
#### New investment business

MUFG, BK

Long-term, diversified portfolio management

### Balance sheet control

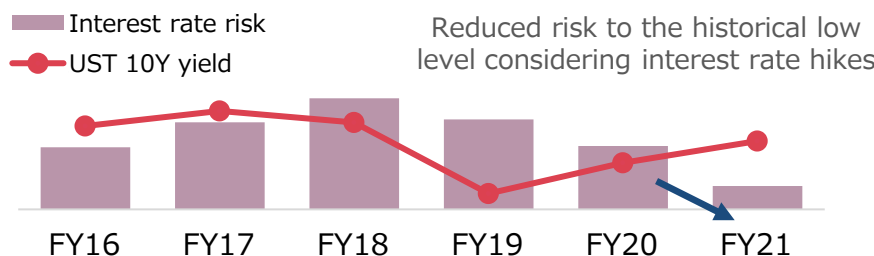
- Earn profits by implementing risk management conscious of overall balance sheet status



### Flexible and dynamic operation

- Flexible approach to operate our position (risk volume)
- Dynamic portfolio allocation

#### Non-JPY ALM interest rate risk volume / UST 10Y yield



## Current situation of Treasury business and initiatives

### Current unrealized gains/losses

- Unrealized losses of foreign bonds were expanding due to interest rate rise
- Maintain unrealized "gains" on a total AFS securities\*1 basis (including equities)

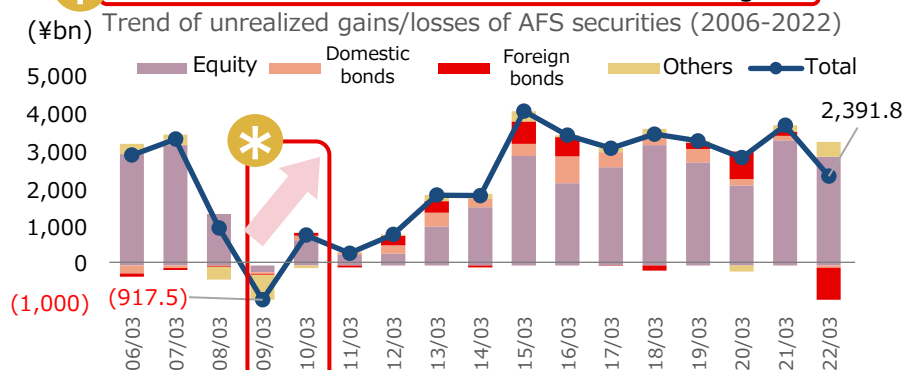
### Control method

- AFS securities: Proactively utilize hedge instruments
- Effective use of HTM securities\*2, expanding new investment business

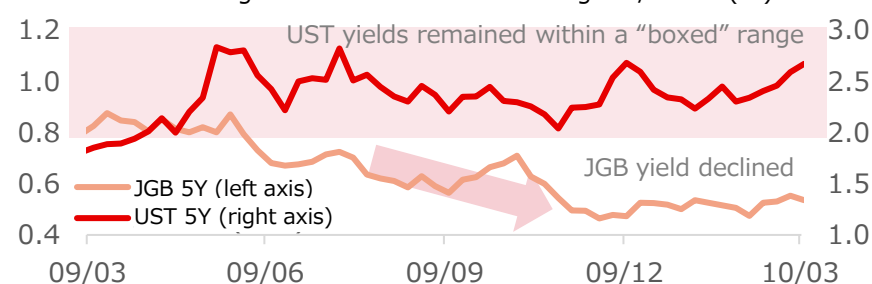
(Ref. past record)  
Deterioration in unrealized gains/losses

- JGB: Agile operations seizing opportunities arising from declines in short- to medium-term interest rates
- Foreign bonds: Flexible operation amidst "boxed" market conditions

### \* Unrealized losses were turned into unrealized gains



### (JGB) Yield during deterioration in unrealized gains/losses (%) (UST)



\*1 Available-for-sale securities \*2 Held-to-maturity securities

# Key strategies (3) Challenges for new business areas

## New investment business (Long-term, diversified portfolio management)

### Basic policy

- Diversification of asset types, duration and price ranges
- Place emphasis on ROE

Diversification  
(asset types, duration,  
price ranges)

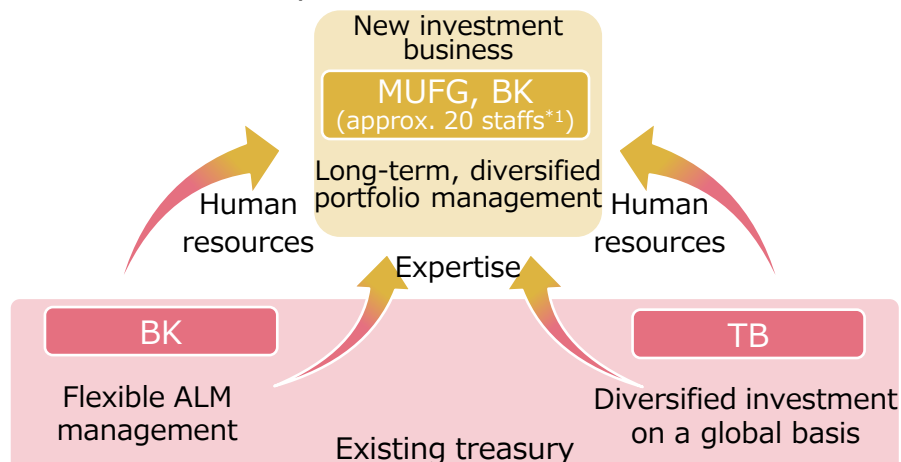
Place emphasis on ROE

Contribute to produce sustainable  
and stable profits and improve  
ROE over the long-term

### New investment framework

- Bring talents with market-related experience: (A mixed team consisting of members from BK and TB)
- Utilize knowledge: Flexible ALM management, diversified investment on a global basis

### Treasury, New investment business



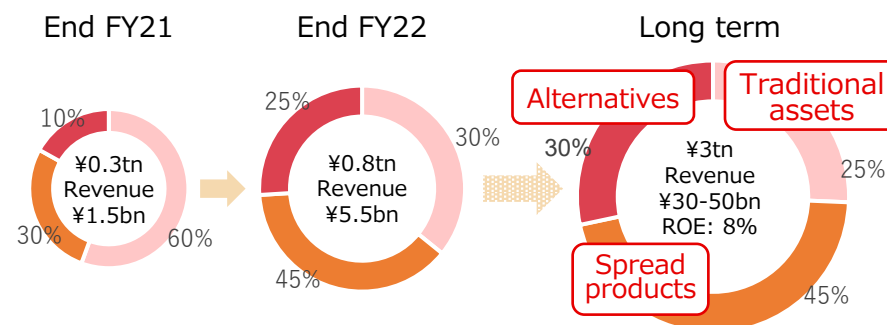
### Current progress

- Established a new investment framework consolidating the expertise of BK and TB
- Started investing in credits and alternatives
- Mainly buildup floating rate / high rating products

### Future operations

- Increase the ratio of assets incorporated into alternative and spread products
- Develop a long-term, diversified portfolio to achieve ROE of 8%
- Invest in ESG funds

[Ref.] Portfolio image



## Challenges in other new areas

### New business

- Promote
- Discover

### I&D\*

- Collaboration on NFT\*<sup>2</sup> with Animoca Brands KK
- Carbon credit (Participation in GX league, etc.)
- Business contest within Global Markets ("Sandbox")
- Women empowerment, transfer of Non-Japanese staffs to Head office in Japan, etc.

\*1 Sum of dedicated worker and concurrent post (on a basis of dedication) \*2 Non-Fungible Token \*3 Inclusion & Diversity

# Asset Management & Investor Services Business Group

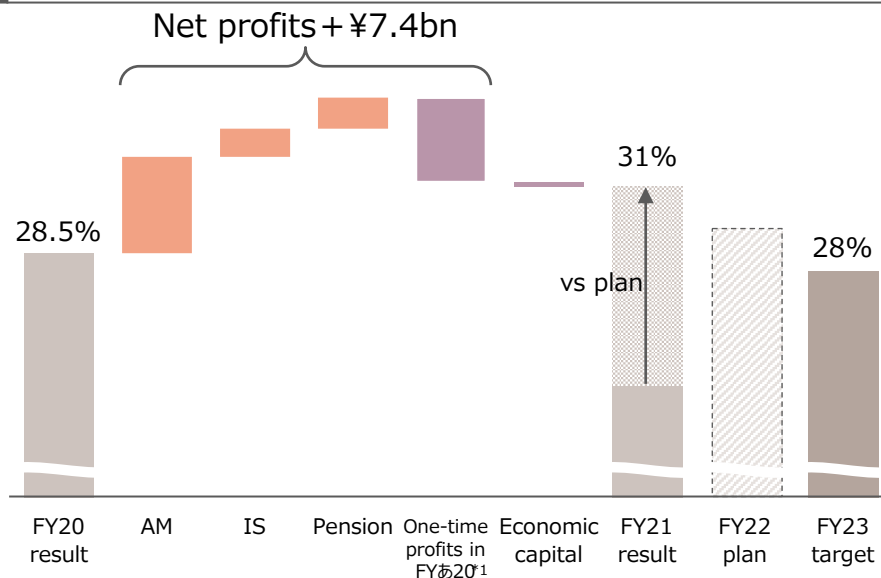
Takayuki Yasuda, Group Head

# Progress of the medium-term business plan

## FY21 results

	FY21	YoY
Net operating profits (¥bn)	<b>103.3</b>	+23.4
Expense ratio	<b>69%</b>	(4ppt)
ROE	<b>31%</b>	+2.5ppt
Economic capital (¥tn)	<b>0.3</b>	+0.0

## Changes in ROE



## Strategic direction

### Review of FY21

#### Achievements

- FSI achieved a new profit record as a result of the high performance in the funds
- Expanded AuA synergistically by progress in providing high-value-added services in global IS

#### Challenges

- Execute measures to further strengthen our profit base in response to the ongoing industry trend toward lower rates of fees and commissions
- Work to counter rises in interest rates, inflation and other changes in the environment

### FY22 Key strategies

#### 1 AM

- Global : Develop new products by employing seed investment
- Domestic : Strengthen branding in the retail field

#### 2 IS

- Global : Further expand high-value added services
- Domestic : Differentiate ourselves from competitors through the development of an asset management platform

#### 3 ESG

- Accelerate responsible investment initiatives while promoting workstyle reforms

#### 4 Digital

- Promote asset formation on the back of expansion in the scope of DC\*2 enrollment and advances in data utilization

\*1 Profits on sales of AMP Capital shares, etc. \*2 Defined Contribution Plan

# Key strategies (1) AM

## Our vision and business environment

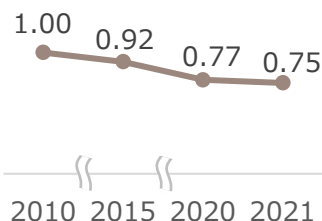
### Our vision

Asset manager delivering constantly benefit to stakeholders and leading the industry in Responsible Investment

### Business environment

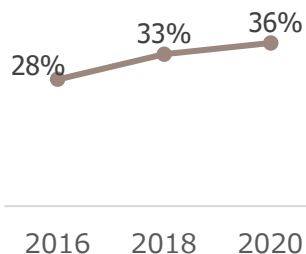
Downward trend in the rate of fees and commissions

Trends in the rate of fees and commissions \*1



Growing public interest in responsible investment

The proportion of the balance of responsible investment in AuM



## Achievements and future initiatives (global)

Increase AuM by achieving high performance in such vehicles as flagship funds

### Outperformance ratio\*2

Funds associated with stocks issued in Asia Pacific and emerging countries

**89%**

Funds associated with stocks issued in Australia

**88%**

### Future initiatives

- Develop new products by employing seed investment
- Strive further to create synergies within MUFG
- Continue to consider new investments aimed at strengthening our functions

## Achievements and future initiatives (domestic)

Strengthen profit base by adding "sticky" assets to our portfolio and expanding our market share

Strengthen branding (passive funds)

If you need asset formation  
If you need recurring investment

**eMAXIS**  
イーマaxis

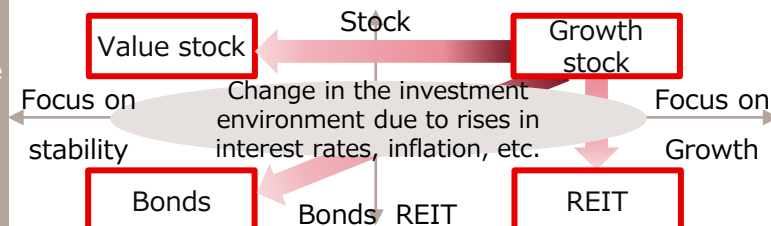
**eMAXIS Neo**  
投資のインフラに「革新」をプラス

Extensive lineup of no-load index funds\*3

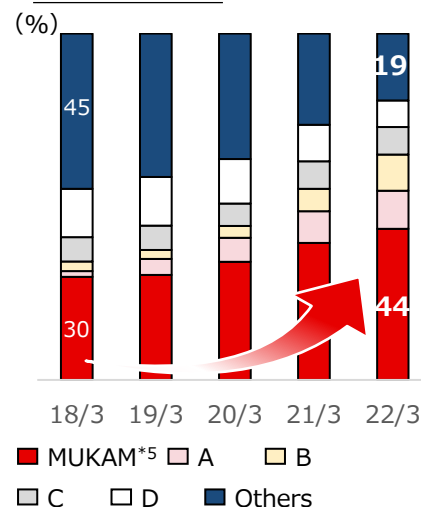
**eMAXIS+**  
イーマaxis プラス

**eMAXIS Slim**  
イーマaxis スリム

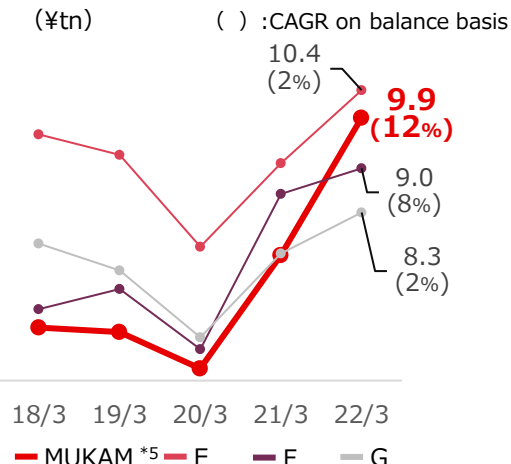
Provide optimal products in line with changes in the environment (active funds)



Market share in no-load index funds balance



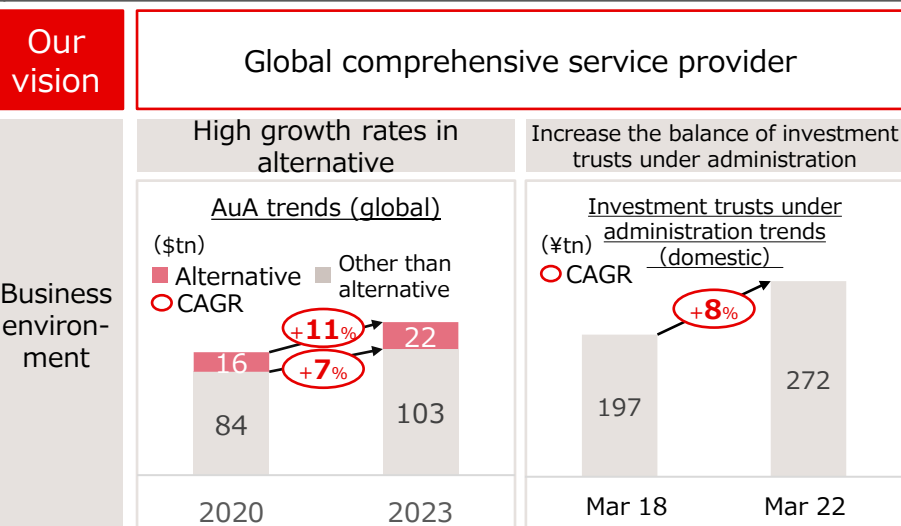
Publicly offered equity investment trust balance\*4



\*1 Trends in the rate of fees and commissions, with the rate as of 2010 set as 1.00 \*2 Three-year performance trend as of end Dec 21. Proportion of AuM achieving asset management performance in excess of benchmarks \*3 Index funds without any load \*4 Excluding ETF. Excerpt from data regarding top four firms \*5 Mitsubishi UFJ Kokusai Asset Management

# Key strategies (2) IS

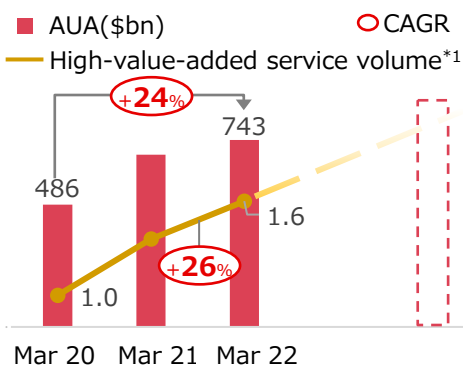
## Our vision and business environment



## Achievements and future initiatives (global)

AuA grew, as did the transactional volume of our high-value-added services; continue implementing measures to achieve growth in these areas

### Trends of AuA and transaction volume



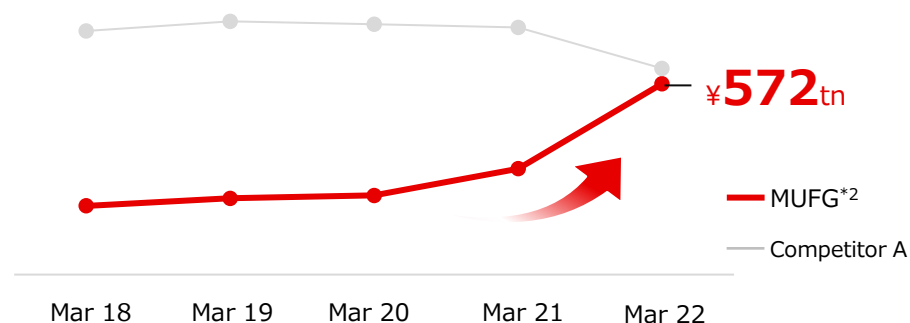
### Future initiatives

- Enhance the content of ESG-related services
- Further expand the volume of lending transactions
- Continue to consider new investments aimed at strengthening our functions

## Achievements and future initiatives (domestic)

### <Trends in AuA>

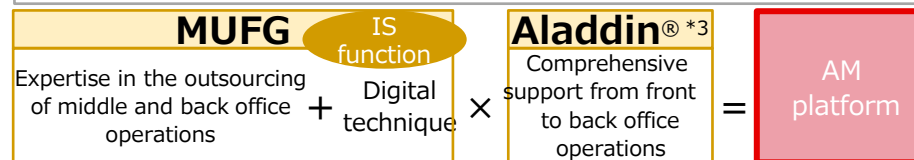
Deliver unique services that differentiate us to catch up with competitors



### <Build asset management (AM) platform>

New service

Help AM firms improve their operational efficiency by taking advantage of our investor services expertise



Ensure seamless connection across each process ranging from ordering to settlement

### Benefits of AM firms

Cost reduction

Allocate greater resources to AM

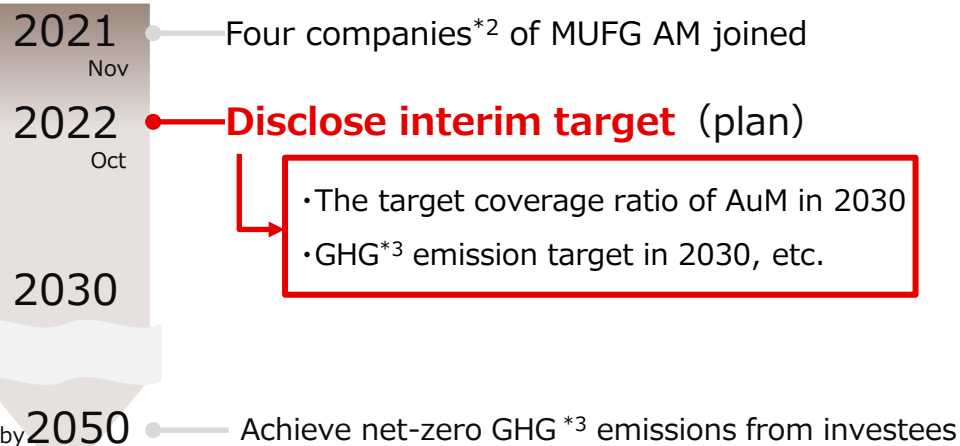
Increase the sophistication of risk management

\*1 An indicator representing growth in the volume of fund financing, security lending and FX transactions, with the volume of these transactions in fiscal 2020 defined as 1.0 \*2 AuA managed by The Master Trust Bank of Japan \*3 System provided by BlackRock Solutions® to AM firms

# Key strategies (3) ESG / (4) Digital strategies

## Responsible investment (joined NZAM<sup>\*1</sup>)

ESG



## Responsible investment (other initiatives)

ESG

Implement various initiatives as an industry leader, thereby garnering a solid reputation

RI Japan<sup>\*4</sup> The Trust Bank and FSI joined as a joint lead sponsor

Sustainable investment institute<sup>\*5</sup> Published various reports contributing sustainable investments  
•Climate and Sustainable Finance (in JAP, May 22) ,etc.

Awards related to responsible investment (excerpt)	Award	Host organization	Awarded
	Fund of the year 2020 ESG division	Morningstar	MUKAM
	Sustainable Fund Awards 2021	UNCTAD	FSI
	2021 Best of the Best Awards - Best ESG Managers in ASEAN	Asia Asset Management	FSI

## Retiree support services

New service

ESG

Support the utilization of human capital; make full use of MUFG's capabilities to resolve social issues

### Corporate customer

Division	Human capital
Corporate planning	Utilization of human capital
Sales	
...	
...	
Retiree support	

### MUFG pension business

Pension plan administration  
HR consulting  
...

Retiree support

outsourcing

Addressing issues of aging population and low birthrate

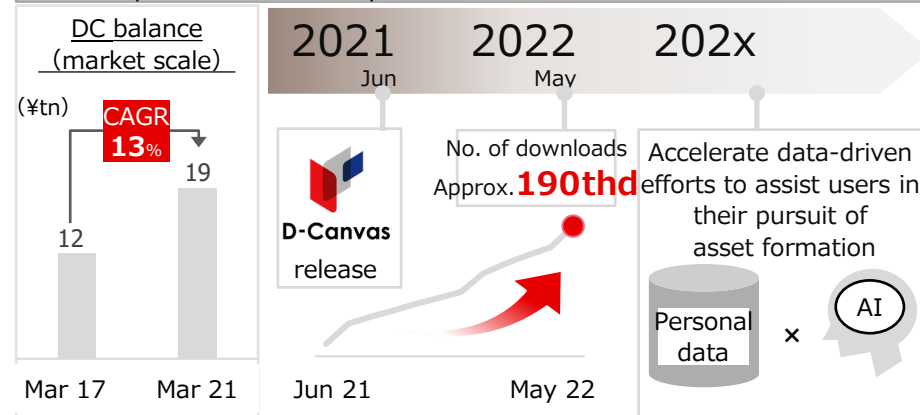
Promoting workstyle reforms

## D-Canvas (DC app)

Digital

ESG

Aid in asset formation through the provision of sophisticated UI/UX amid expansion in the scope of DC enrollment



<sup>\*1</sup> Net Zero Asset Managers initiative <sup>\*2</sup> the Trust Bank, MUKAM, MU Investments, Mitsubishi UFJ Asset Management UK <sup>\*3</sup> Greenhouse Gas

<sup>\*4</sup> Responsible Investor Japan : Industry events aimed at promoting responsible investment <sup>\*5</sup> First Sentier MUFG Sustainable Investment Institute

# Appendix

# (Re-shown) Plan by business group for the MTBP<sup>\*1</sup>

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

\*1 From page 54, Fiscal 2020 Results Presentation. Target as of announcement of the medium-term business plan

\*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 2021)

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

## Disclaimer

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. ("MUFG") and its group companies (collectively, "the group"). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see other disclosure and public filings made or will be made by MUFG and the other companies comprising the group, including the latest kessantanshin, financial reports, Japanese securities reports, Integrated reports and annual reports, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document. In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed. The financial information used in this document was prepared in accordance with Japanese GAAP (which includes Japanese managerial accounting standards), unless otherwise stated. Japanese GAAP and U.S. GAAP, differ in certain important respects. You should consult your own professional advisers for a more complete understanding of the differences between U.S. GAAP and Japanese GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this document. This document is being released by MUFG outside of the United States and is not targeted at persons located in the United States.

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

All figures are on a managerial accounting basis.

Unless otherwise noted, foreign exchange rates are based on assumed rates determined for internal managerial accounting purposes.

- ROE : Calculated based on Risk Assets (R&C, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets)  
Calculated based on net profits and excluding mid- to long-term foreign currency funding costs  
Each business group's FY22 plan and FY23 target does not include the effect of the sale of MUB
- RWA: The finalized Basel III reforms basis. Managerial accounting basis. (Estimated figure)