

# FY2022 IR presentation

**May 17, 2023**

Mitsubishi UFJ Financial Group, Inc.



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

# Key messages

## FY22 result and FY23 target

- FY22 result: ¥1,116.4bn in net profits\*<sup>1</sup>, achieved **over ¥1tn for 2 consecutive years**
- FY23 target: **¥1.3tn, a record high** in net profits\*<sup>1</sup>

## Progress of the medium-term business plan

- Financial target: ROE was 7.03% in FY22. **Aim to achieve MTBP target of 7.5%** in FY23
- Key strategies: **Achieved the target of the strategy for growth ahead of schedule**, while structural reforms goes on track

## Capital policy

- Progressive dividend: FY23 DPS forecast is **¥41, up by ¥9** compared to FY22, which is a record high of DPS increase
- Share buyback: **Repurchased ¥450bn** of own shares in FY22, consider share buyback in a continuous and flexible manner in FY23

## Approach to sustainability

- Carbon neutrality: Plan to publish **a transition plan for MUFG's decarbonization** in FY23
- Human capital investment: Expanded human capital investments such as raising wages. Revision of HR framework to support various careers building

\*1 Profits attributable to owners of parent

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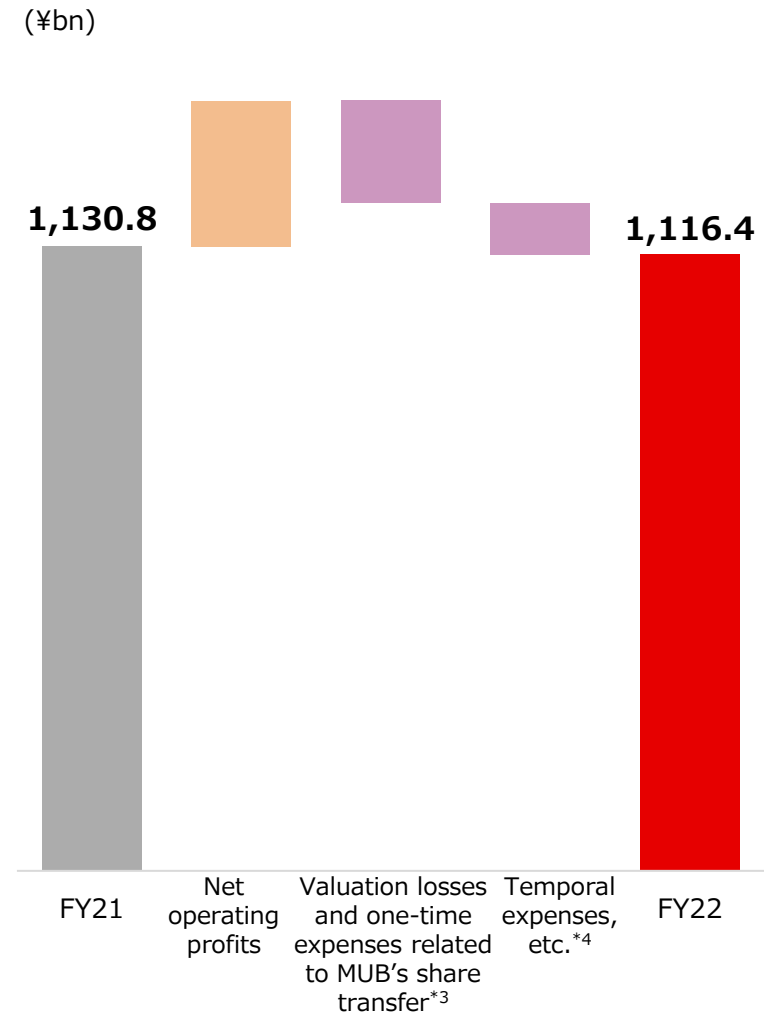
# FY22 financial results

# FY22 financial results

–¥1,116.4bn in net profits\*<sup>1</sup>, surpassing target by ¥116.4bn

Consolidated (¥bn)	FY21	FY22			Factors for changes in net profits* <sup>1*2</sup> (¥bn)
	Results	Revised target	Results	YoY	
1 <b>Gross profits</b> before credit costs for trust accounts	3,964.0	–	<b>4,503.0</b>	539.0	–
2 <b>G&amp;A expenses</b>	2,747.2	–	<b>2,908.7</b>	161.4	–
3 <b>Net operating profits</b> before credit costs for trust accounts and provision for general allowance for credit losses	1,216.7	1,500.0	<b>1,594.2</b>	377.5	94.2
4 <b>Total credit costs</b>	(331.4)	(800.0)	<b>(674.8)</b>	(343.4)	125.2
5 <b>Ordinary profits</b>	1,537.6	600.0	<b>1,020.7</b>	(516.9)	420.7
6 <b>Profits attributable to owners of parent</b>	1,130.8	1,000.0	<b>1,116.4</b>	(14.3)	116.4

Factors for changes in net profits\*<sup>1\*2</sup>



\*1 Profits attributable to owners of parent \*2 Breakdown is on a after-tax basis \*3 Valuation losses on assets held by MUB, etc. (after considering hedging effect, refer to page 71) and one-time expenses related to the sale such as advisory, expert, and business support fees: approx. ¥(40.0)bn (before tax)

\*4 One-time costs associated with U.S. pension buyouts ¥(78.1)bn (before tax) and loss on sale of shares of Chukyo Bank ¥(29.4)bn (before tax)

# Income statement summary

Consolidated	(¥bn)	FY21	FY22	YoY	After adjustment of MUB *1
1	<b>Gross profits (before credit costs for trust accounts)</b>	3,964.0	<b>4,503.0</b>	539.0	—
2	Net interest income	2,043.6	<b>2,907.5</b>	863.8	—
3	Trust fees	1,574.7	<b>1,695.4</b>	120.6	—
4	+ Net fees and commissions				—
4	Net trading profits	345.6	<b>(99.9)</b>	(445.5)	—
5	+ Net other operating profits				—
5	Net gains(losses) on debt securities	(140.4)	<b>(884.6)</b>	(744.1)	—
6	<b>G&amp;A Expenses</b>	2,747.2	<b>2,908.7</b>	161.4	—
7	<b>Net operating profits</b>	1,216.7	<b>1,594.2</b>	377.5	—
8	<b>Total credit costs</b>	(331.4)	<b>(674.8)</b>	(343.4)	50.5
9	<b>Net gains (losses) on equity securities</b>	332.6	<b>288.0</b>	(44.6)	—
10	Net gains (losses) on sales of equity securities	343.8	<b>303.9</b>	(39.8)	—
11	Losses on write-down of equity securities	(11.1)	<b>(15.9)</b>	(4.7)	—
12	<b>Equity in earnings of equity method investees</b>	441.5	<b>425.8</b>	(15.7)	—
13	<b>Other non-recurring gains (losses)</b>	(121.9)	<b>(612.5)</b>	(490.6)	(149.5)
14	<b>Ordinary profits</b>	1,537.6	<b>1,020.7</b>	(516.9)	218.1
15	<b>Net extraordinary gains (losses)</b>	(47.7)	<b>549.1</b>	596.9	(138.0)
16	<b>Total of income taxes-current and income taxes deferred</b>	(283.4)	<b>(369.6)</b>	(86.1)	—
17	<b>Profits attributable to owners of parent</b>	1,130.8	<b>1,116.4</b>	(14.3)	—
18	EPS(¥)	88.45	<b>90.73</b>	2.28	—
	<Reference>				
19	<b>ROE</b>	7.79%	<b>7.03%</b>	(0.75ppt)	
20	<b>Expense ratio</b>	69.3%	<b>64.5%</b>	(4.7ppt)	

## 1 Gross profits

- Net interest income increased due to improvement of lending spread as well as an increase of overseas interest income of loans and deposits during the period as interest rates rose globally.
- Net fees and commissions increased due to an increase in foreign loan-related fees.
- Treasury recorded ¥555.7bn in gains on investment trusts cancellation (in net interest income) and also recorded ¥(884.6)bn in net losses on debt securities due to portfolio re-balance mainly in foreign bonds. Despite the decrease in Net trading profits + Net other operating profits due to record of net losses on debt securities, profits in the sales & trading business increased by capturing market fluctuations.

## 2 G&A expenses / Expense Ratio

- G&A expenses, excluding the impact of FX fluctuation\*2 and MUB's share transfer\*3 decreased YoY.
- Expense ratio decreased to 64.5%, down by (4.7%) point YoY.

## 3 Total credit costs

- Valuation losses on loans held by MUB, etc., of ¥(393.9)bn were recorded in connection with our decision on MUB's share transfer, but total credit costs, excluding the impact on these valuation losses, was ¥(280.8)bn, an improvement of ¥50.5bn YoY.

## 4 Other non-recurring gains (losses)

- Valuation losses on bonds held by MUB, etc., were recorded by ¥(473.7) bn.

## 5 Net extraordinary gains (losses)

- Gain on the sale of MUB shares of ¥699.5 bn, including reversal of valuation losses related to MUB's share transfer, was recorded.

## 6 Profits attributable to owners of parent

- Profits attributable to owners of parent decreased by ¥(14.3)bn to ¥1,116.4bn YoY, exceeding ¥1tn two years in a row.

\*1 Adjusted the valuation losses on assets held by MUB which was reversed as extraordinary gains. Total credit cost:¥393.9bn, other non-recurring gains:¥341.0bn, ordinary profits:¥735.0bn, net extraordinary gains:(¥735.0bn) (refer to page 71) \*2 Impact of FX fluctuation was approx. +¥130.0bn

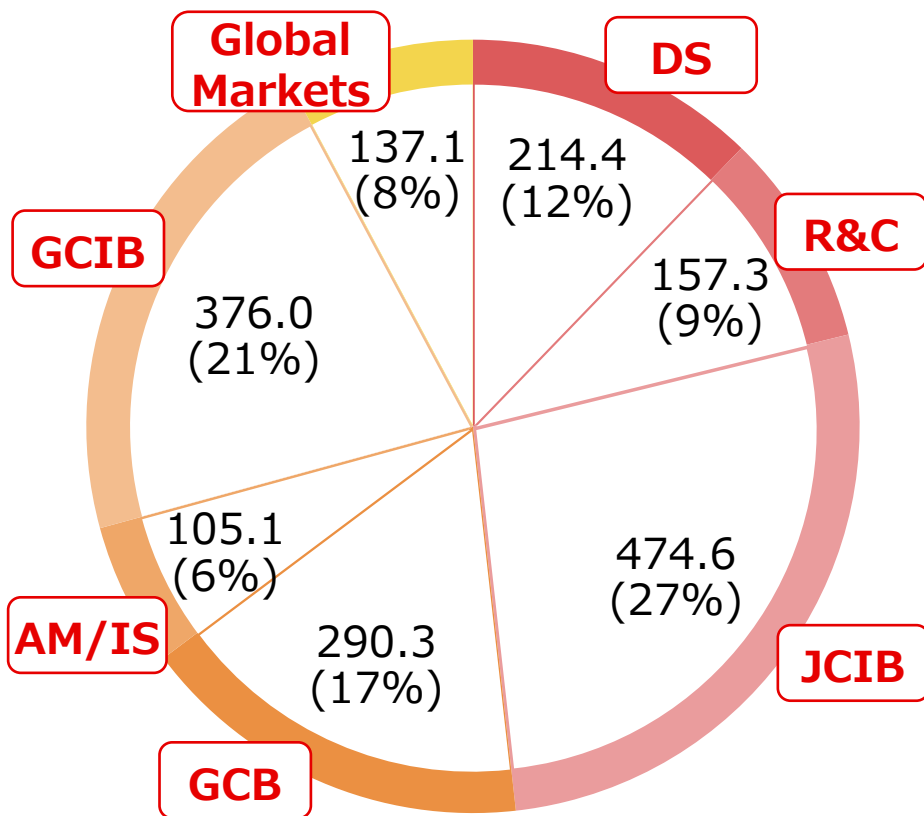
\*3 The impact of difference between Japanese GAAP and U.S. GAAP, the impact of transfers across entities with different consolidation periods and the absence of expense due to deconsolidation of MUB: approx. +¥60.0bn.

# Net operating profits results by business group

Net operating profits by business group\*1 Consolidated

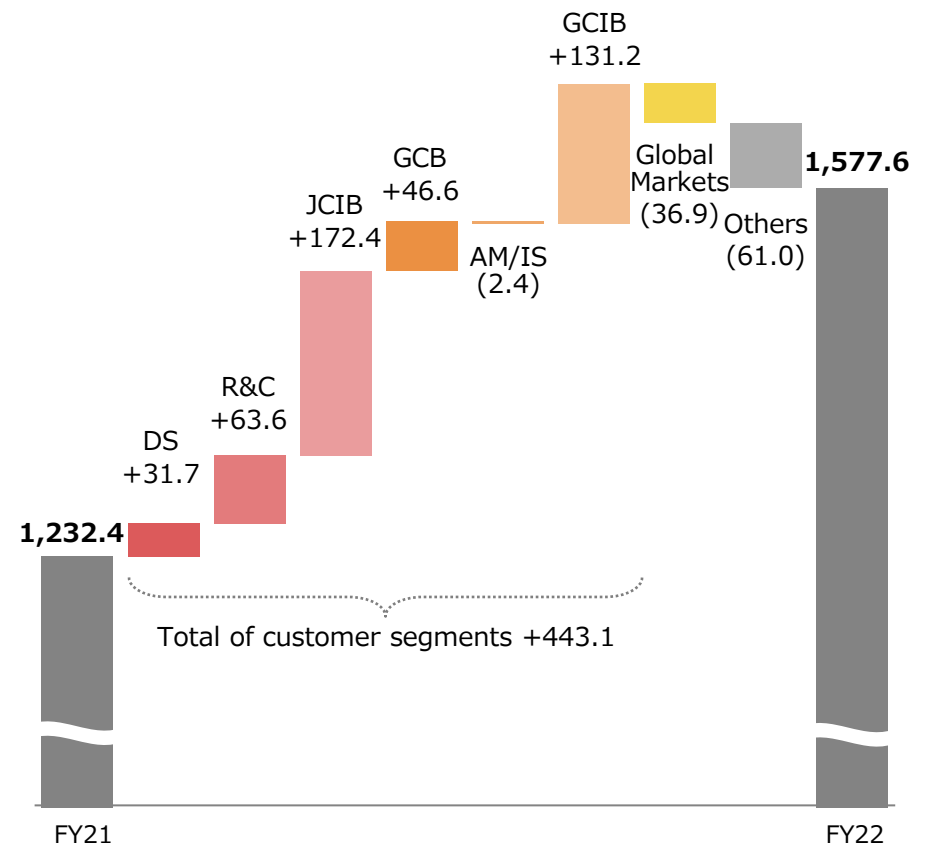
(¥bn)

**FY22 ¥1,577.6bn\*2**



Changes by business group Consolidated

(¥bn)



\*1 On a managerial accounting basis \*2 Include net operating profits from "Others" segment (FY21: ¥(116.2)bn, FY22: ¥(177.3)bn)

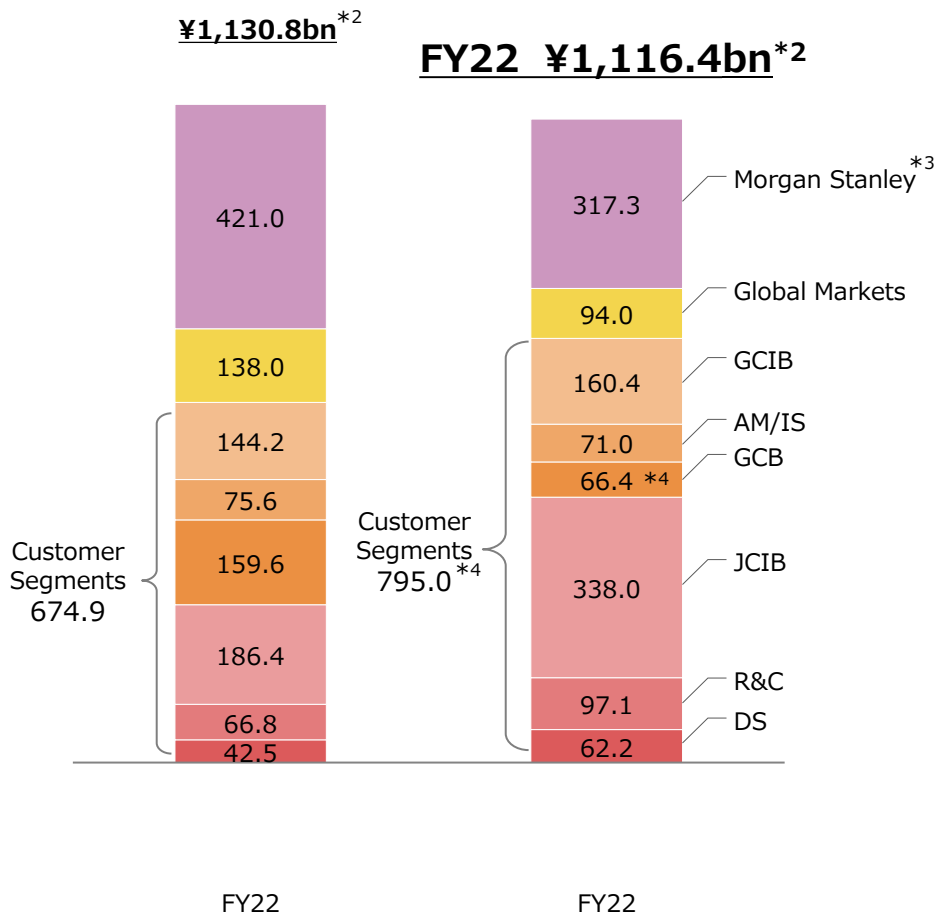


# Net income results by business group

Net income by business group, etc.\*1

Consolidated

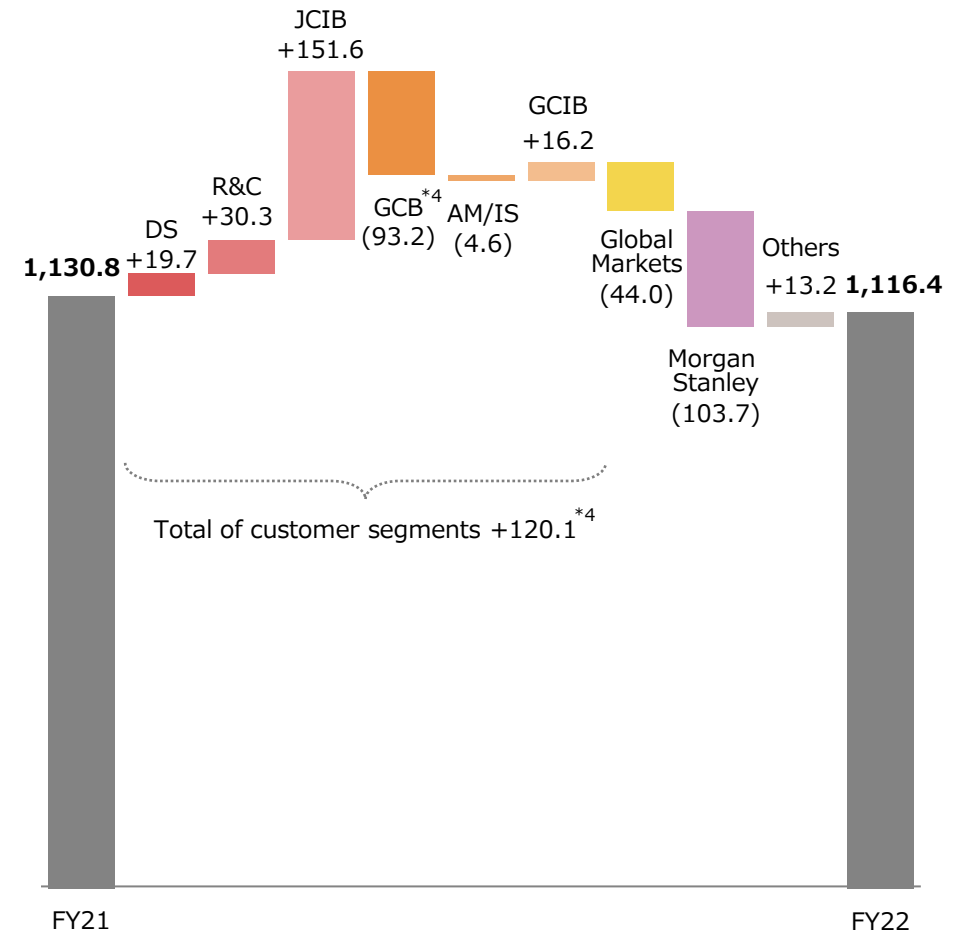
(¥bn)



Changes by business group, etc.

Consolidated

(¥bn)



\*1 On a managerial accounting basis (preliminary results). Local currency basis

\*2 Include other net income (FY21 : ¥(103.1)bn, FY22 : ¥(89.9)bn)

\*3 These figures includes gains/losses on change in equity (FY21 : ¥36.8bn, FY22 : ¥(23.7)bn)

\*4 Exclude the impact of MUB's valuation losses

# Results by business group (1)

Consolidated Business group	Net operating profits (¥bn)* <sup>1</sup>		Expense ratio* <sup>1</sup>		ROE* <sup>2</sup>		RWA (¥tn)* <sup>3</sup>	
	FY22	YoY	FY22	YoY	FY22	YoY	FY22	Changes from end Mar 22
Digital Service <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">DS</span>	209.7	27.1	72%	(4ppt)	6%	2ppt	9.5	(0.1)
Retail & Commercial Banking <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">R&amp;C</span>	146.8	53.9	76%	(8ppt)	5.5%	1.5ppt	16.6	0.3
Japanese Corporate & Investment Banking <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">JCIB</span>	412.2	127.5	43%	(9ppt)	10%	4ppt	33.2	0.6
Global Corporate & Investment Banking <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">GCIB</span>	269.4	77.6	51%	(7ppt)	8.5%	1ppt	22.8	(0.0)
Global Commercial Banking <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">GCB</span>	246.8	17.2	66%	(2ppt)	5.5% <sup>*4</sup>	(3ppt)	10.7	(5.9)
Asset Management & Investor Services <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">AM/IS</span>	97.2	(6.0)	70%	1ppt	28%	(3ppt)	2.7	0.6
Global Markets <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">Global Markets</span>	143.4	(61.9)	63%	10ppt	3%	(1.5ppt)	20.9	0.9

\*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 March).

\*4 Excluding the impact of MUB's valuation losses

## Results by business group (2)

### Digital Service\*1

(¥bn)	FY21	FY22	YoY
<b>Gross profits</b>	741.6	<b>741.5</b>	(0.1)
Loan and deposit interest income	145.4	<b>144.3</b>	(1.1)
Domestic and foreign settlement / forex	37.9	<b>36.5</b>	(1.4)
Card settlement	215.3	<b>216.3</b>	1.0
Consumer finance	275.8	<b>281.7</b>	5.9
<b>Expenses</b>	559.0	<b>531.8</b>	(27.2)
Expense ratio	75%	<b>72%</b>	(4ppt)
<b>Net operating profits</b>	182.6	<b>209.7</b>	27.1
Credit costs*2	(129.2)	<b>(76.0)</b>	53.2
<b>Net profits</b>	42.5	<b>62.2</b>	19.7
<b>RWA</b> *3 (¥tn)	9.6	<b>9.5</b>	(0.1)
<b>ROE</b>	4%	<b>6%</b>	2ppt
<b>Ave. housing loan balance</b> (¥tn)	11.1	<b>10.9</b>	(0.2)
<b>Ave. deposit balance</b> (¥tn)	56.1	<b>59.1</b>	3.0
<b>Balance of consumer loans</b> *4 (¥tn)	1.4	<b>1.4</b>	(0.0)
<b>Volume of card shopping</b> *5 (¥tn)	5.3	<b>5.7</b>	0.4

### Retail & Commercial Banking\*1

(¥bn)	FY21	FY22	YoY
<b>Gross profits</b>	583.9	<b>603.6</b>	19.7
Loan and deposit interest income	162.0	<b>178.5</b>	16.5
Domestic and foreign settlement / forex	96.3	<b>98.8</b>	2.5
Derivatives, solutions	55.5	<b>66.1</b>	10.7
Real estate, corporate agency and inheritance	61.2	<b>62.9</b>	1.7
Investment product sales	177.5	<b>168.2</b>	(9.3)
<b>Expenses</b>	490.9	<b>456.7</b>	(34.2)
Expense ratio	84%	<b>76%</b>	(8ppt)
<b>Net operating profits</b>	93.0	<b>146.8</b>	53.9
Credit costs	(2.3)	<b>(20.6)</b>	(18.3)
<b>Net profits</b>	66.8	<b>97.1</b>	30.3
<b>RWA</b> *3 (¥tn)	16.2	<b>16.6</b>	0.3
<b>ROE</b>	3.5%	<b>5.5%</b>	1.5ppt
<b>Ave. loan balance</b> *6 (¥tn)	20.1	<b>20.2</b>	0.1
Lending spread*7	0.56%	<b>0.56%</b>	(0.00ppt)
<b>Ave. deposit balance</b> (¥tn)	80.6	<b>81.2</b>	0.6

\*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 March)

\*4 Total balance of personal card loans of the 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)	FY21	FY22	YoY
<b>Gross profits</b>	589.1	<b>718.4</b>	129.3
Loan and deposit interest income	219.1	<b>328.3</b>	109.2
Domestic and foreign settlement / forex* <sup>2</sup>	82.3	<b>90.6</b>	8.3
Derivatives, solutions* <sup>2</sup>	61.3	<b>75.2</b>	13.9
Real estate, corporate agency	63.8	<b>65.7</b>	1.9
M&A·DCM·ECM* <sup>3</sup>	49.8	<b>43.2</b>	(6.7)
<b>Expenses</b>	304.4	<b>306.2</b>	1.8
Expense ratio	52%	<b>43%</b>	(9ppt)
<b>Net operating profits</b>	284.8	<b>412.2</b>	127.5
Credit costs	(114.6)	<b>(36.5)</b>	78.0
<b>Net profits</b>	186.4	<b>338.0</b>	151.6
<b>RWA*<sup>4</sup> (¥tn)</b>	32.6	<b>33.2</b>	0.6
<b>ROE</b>	6%	<b>10%</b>	4ppt
<b>Ave. loan balance (¥tn)</b>	38.1	<b>38.7</b>	0.5
Lending spread* <sup>5</sup>	0.51%	<b>0.56%</b>	0.05ppt
Ave. non-JPY loan balance* <sup>6</sup> (¥tn)	12.8	<b>12.8</b>	(0.0)
Non-JPY lending spread* <sup>5*6</sup>	0.73%	<b>0.75%</b>	0.03ppt
<b>Ave. deposit balance (¥tn)</b>	38.2	<b>36.1</b>	(2.1)
Ave. non-JPY deposit balance* <sup>6</sup> (¥tn)	15.3	<b>14.2</b>	(1.1)

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

(¥bn)	FY21	FY22	YoY
<b>Gross profits</b>	458.5	<b>549.7</b>	91.2
Loan and deposit interest income	227.3	<b>299.4</b>	72.1
Commission	206.4	<b>234.3</b>	27.9
Forex, derivatives	13.9	<b>25.6</b>	11.7
DCM·ECM	26.1	<b>17.2</b>	(8.9)
<b>Expenses</b>	266.7	<b>280.3</b>	13.6
Expense ratio	58%	<b>51%</b>	(7ppt)
<b>Net operating profits</b>	191.8	<b>269.4</b>	77.6
Credit costs	0.7	<b>(48.0)</b>	(48.6)
<b>Net profits</b>	144.2	<b>160.4</b>	16.2
<b>RWA*<sup>4</sup> (¥tn)</b>	22.8	<b>22.8</b>	(0.0)
<b>ROE</b>	7%	<b>8.5%</b>	1ppt
<b>Ave. loan balance (¥tn)</b>	19.7	<b>23.0</b>	3.3
Lending spread* <sup>5</sup>	1.21%	<b>1.36%</b>	0.15ppt
<b>Ave. deposit balance (¥tn)</b>	13.5	<b>13.0</b>	(0.6)

\*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 March) \*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)	FY21	FY22	YoY
<b>Gross profits</b>	722.4	<b>731.5</b>	9.2
MUAH*2	278.0	<b>272.7</b>	(5.3)
KS*3	322.3	<b>338.8</b>	16.5
BDI	122.2	<b>121.9</b>	(0.2)
<b>Expenses</b>	492.8	<b>484.7</b>	(8.1)
<b>(Expense ratio)</b>	68%	<b>66%</b>	(2ppt)
MUAH*2	231.4	<b>216.6</b>	(14.8)
(Expense ratio)	83%	<b>79%</b>	(4ppt)
KS*3	161.9	<b>169.3</b>	7.4
(Expense ratio)	50%	<b>50%</b>	(0ppt)
BDI	61.9	<b>66.3</b>	4.4
(Expense ratio)	51%	<b>54%</b>	4ppt
<b>Net operating profits</b>	229.5	<b>246.8</b>	17.2
MUAH*2	46.6	<b>56.1</b>	9.5
KS*3	160.4	<b>169.5</b>	9.1
BDI	60.2	<b>55.6</b>	(4.6)
<b>Credit costs</b>	(31.2)	<b>(99.8)</b>	(68.6)
MUAH*2	96.8	<b>(9.3)</b>	(106.1)
KS*3	(83.8)	<b>(66.7)</b>	17.1
BDI	(41.8)	<b>(23.8)</b>	18.0

(¥bn)	FY21	FY22	YoY
<b>Net profits</b>	159.6	<b>66.4</b>	(93.2)
MUAH*2	101.1	<b>(5.3)</b>	(106.4)
KS*3	75.2	<b>67.2</b>	(8.0)
BDI	10.7	<b>22.4</b>	11.7
<b>RWA*5 (¥tn)</b>	16.6	<b>10.7</b>	(5.9)
<b>ROE</b>	8.5%	<b>5.5%</b>	(3ppt)
MUAH*2	13%	<b>(18.5%)</b>	(31.5ppt)
KS*3	10%	<b>8.5%</b>	(1.5ppt)
BDI	6.5%	<b>13%</b>	6.5ppt
(¥tn)			
Ave. loan balance	6.1	<b>5.5</b>	(0.6)
<b>MUAH*2</b>			
Ave. deposit balance	8.6	<b>7.2</b>	(1.4)
NIM*6	2.17%	<b>2.80%</b>	0.63ppt
Ave. loan balance	6.2	<b>6.5</b>	0.3
<b>KS*3</b>			
Ave. deposit balance	6.2	<b>6.0</b>	(0.2)
NIM*7	3.24%	<b>3.45%</b>	0.21ppt
Ave. loan balance	0.9	<b>1.0</b>	0.0
<b>BDI</b>			
Ave. deposit balance	0.9	<b>0.9</b>	0.0
NIM*8	7.69%	<b>7.99%</b>	0.30ppt

\*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 Excluding the impact of MUB's valuation losses \*5 The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of March)

\*6 Excluding figures which belong to Global Markets \*7 KS entity basis \*8 OJK definition

## Results by business group (5)

### Asset Management & Investor Services\*1

(¥bn)	FY21	FY22	YoY
<b>Gross profits</b>	329.1	<b>323.2</b>	(5.9)
AM	143.9	<b>128.8</b>	(15.2)
IS	117.6	<b>129.0</b>	11.4
Pension	67.5	<b>65.4</b>	(2.1)
<b>Expenses</b>	225.9	<b>226.0</b>	0.1
Expense ratio	69%	<b>70%</b>	1ppt
<b>Net operating profits</b>	103.2	<b>97.2</b>	(6.0)
<b>Net profits</b>	75.6	<b>71.0</b>	(4.6)
<b>Economic capital (¥tn)</b>	0.3	<b>0.3</b>	0.0
<b>ROE</b>	31%	<b>28%</b>	(3ppt)

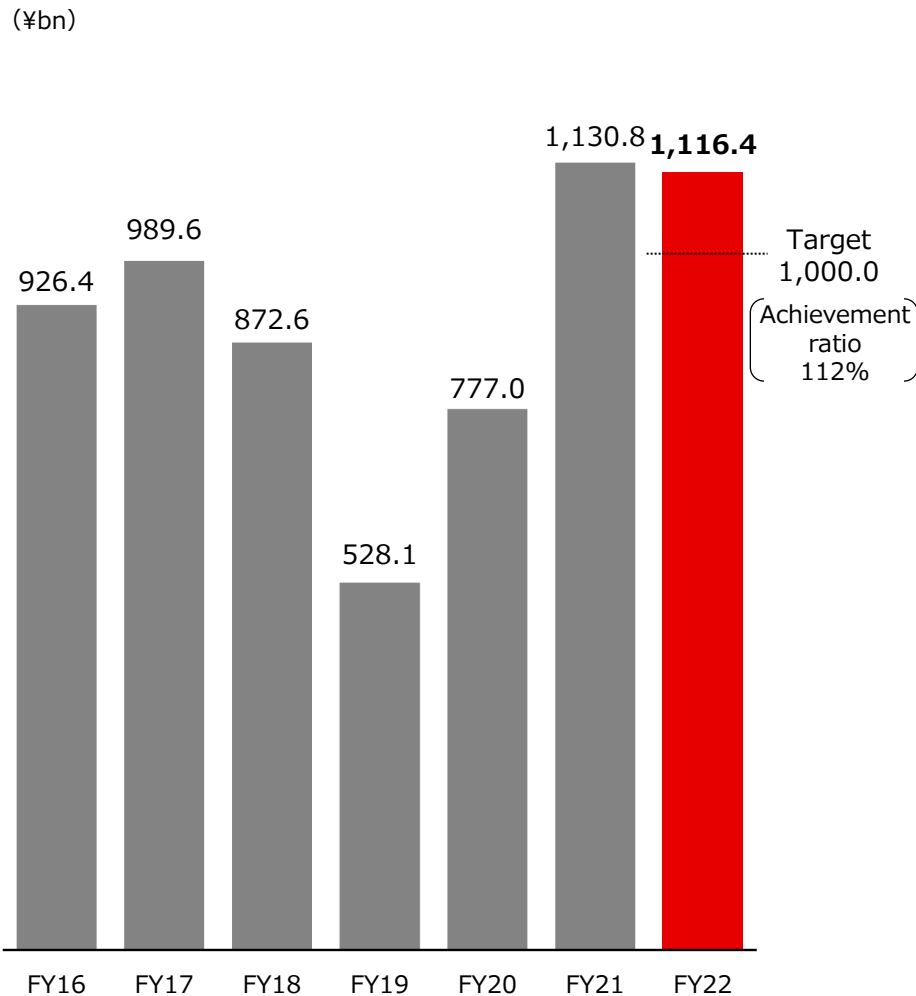
### Global Markets\*1

(¥bn)	FY21	FY22	YoY
<b>Gross profits</b>	442.3	<b>388.5</b>	(53.8)
Sales & trading	234.8	<b>339.5</b>	104.7
FIC & equity	232.8	<b>337.2</b>	104.4
Corporates	102.2	<b>162.2</b>	60.1
Institutional investors	102.9	<b>147.8</b>	44.9
Asset management	2.0	<b>2.3</b>	0.3
Treasury	209.9	<b>51.3</b>	(158.7)
<b>Expenses</b>	237.0	<b>245.1</b>	8.1
Expense ratio	54%	<b>63%</b>	10ppt
<b>Net operating profits</b>	205.3	<b>143.4</b>	(61.9)
Customer business	54.3	<b>150.6</b>	96.3
Treasury	153.8	<b>(4.0)</b>	(157.7)
<b>Net profits</b>	138.0	<b>94.0</b>	(44.0)
<b>Economic capital (¥tn)</b>	4.1	<b>4.1</b>	0.0
<b>ROE</b>	4%	<b>3%</b>	(1.5ppt)

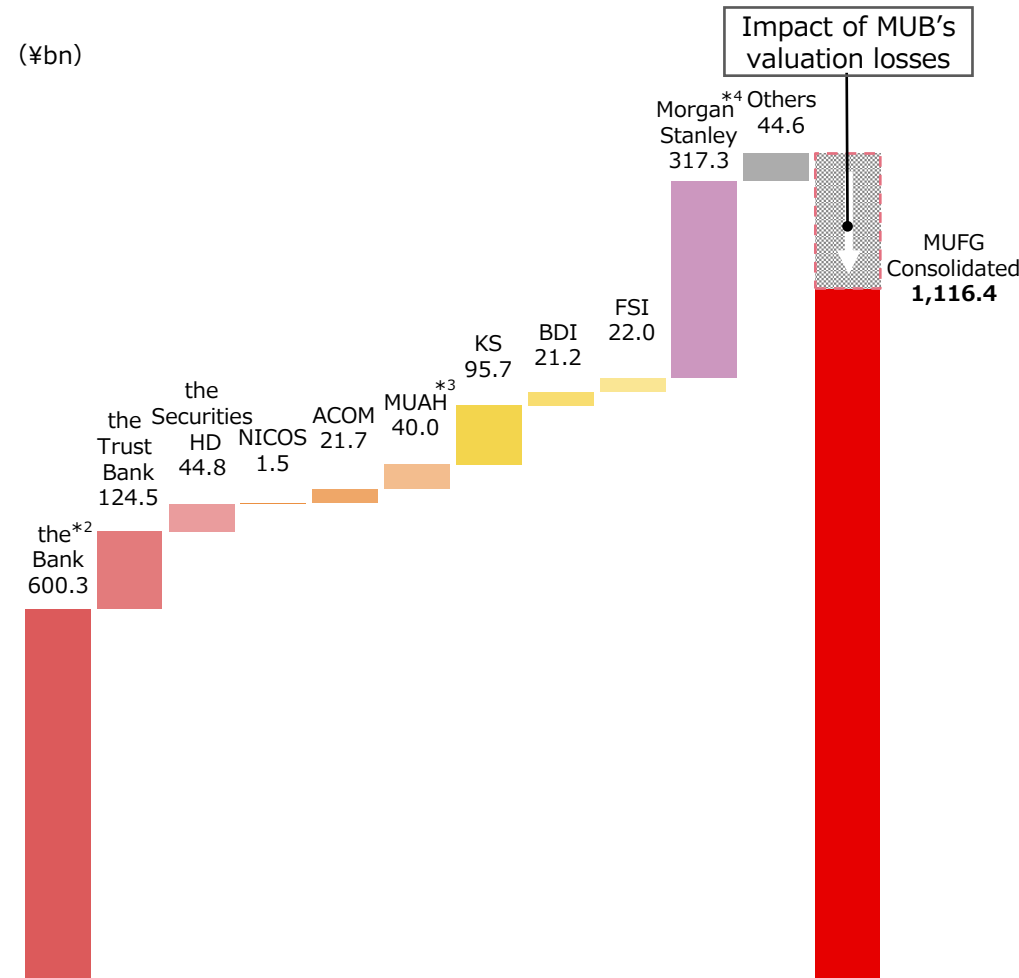
\*1 Managerial accounting basis. Local currency basis. ROE is calculated based on net profits

# Achievement ratio of FY22 and breakdown by entity

Profits attributable to owners of parent Consolidated



Breakdown by entity\*1 Consolidated



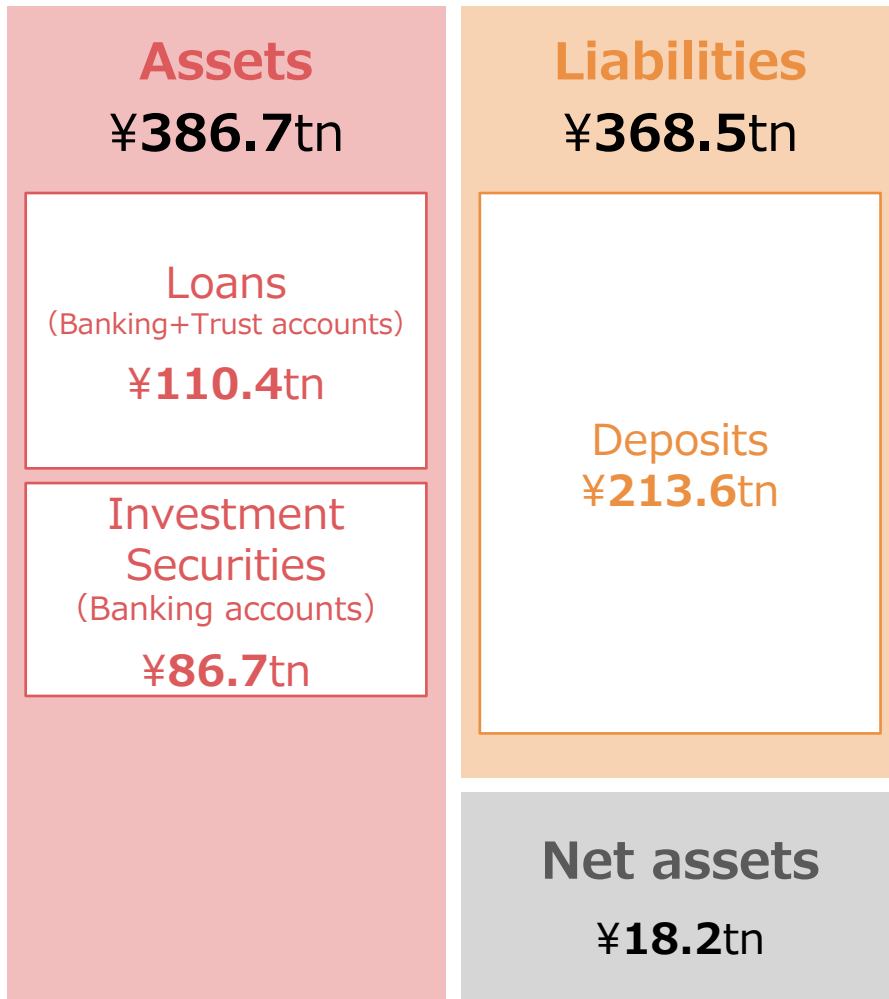
\*1 The figures reflect the percentage holding in each subsidiary and equity method investee  
 \*2 Exclude gains on the sales of shares of subsidiaries related to the MUAH repurchase of shares, ¥415.1bn.  
 \*3 Exclude the impact of MUB's valuation losses \*4 The figure includes ¥(23.7)bn of losses on change in equity

# Balance sheet summary

## Balance sheet summary

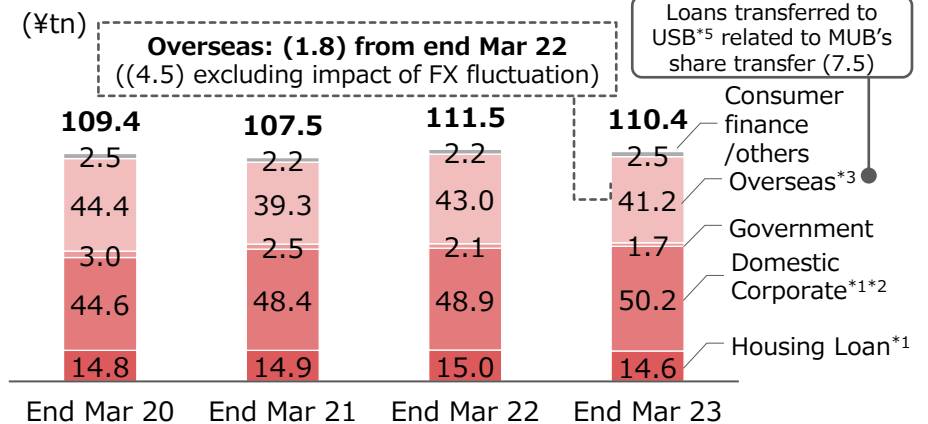
Consolidated

As of end Mar 2023



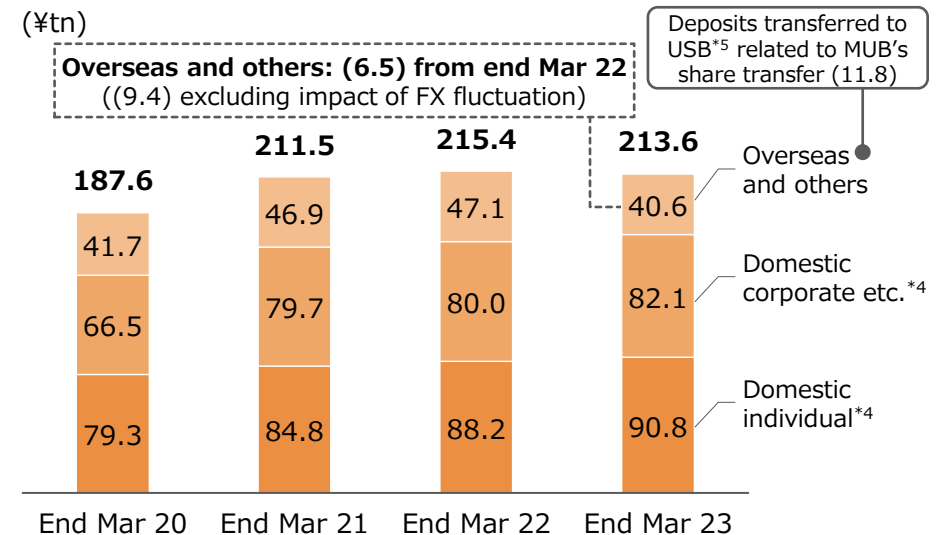
## Loans (period end balance)

Consolidated



## Deposits (period end balance)

Consolidated



\*1 Non consolidated + trust accounts \*2 Excluding loans to government and governmental institutions and including foreign currency denominated loans (Excluding impact of FX fluctuation: +¥0.8tn from end Mar 2022)

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

\*5 U.S. Bancorp



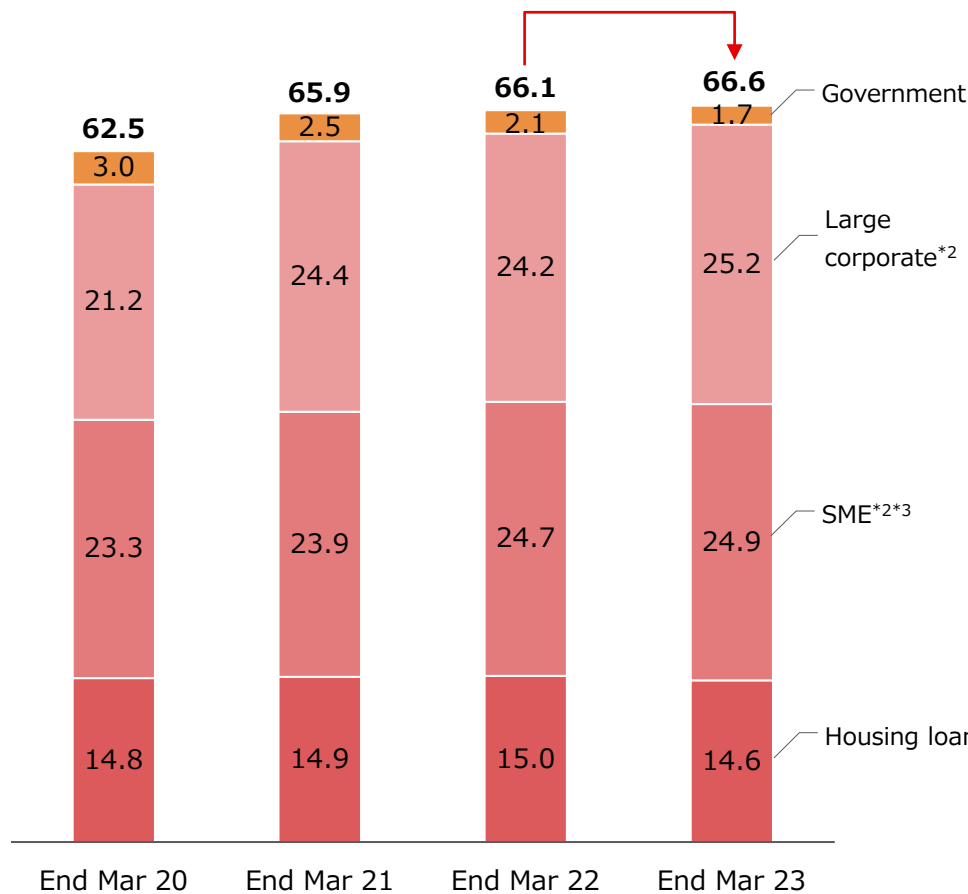
# Domestic loans

Loan balance (period end balance)\*1

Consolidated

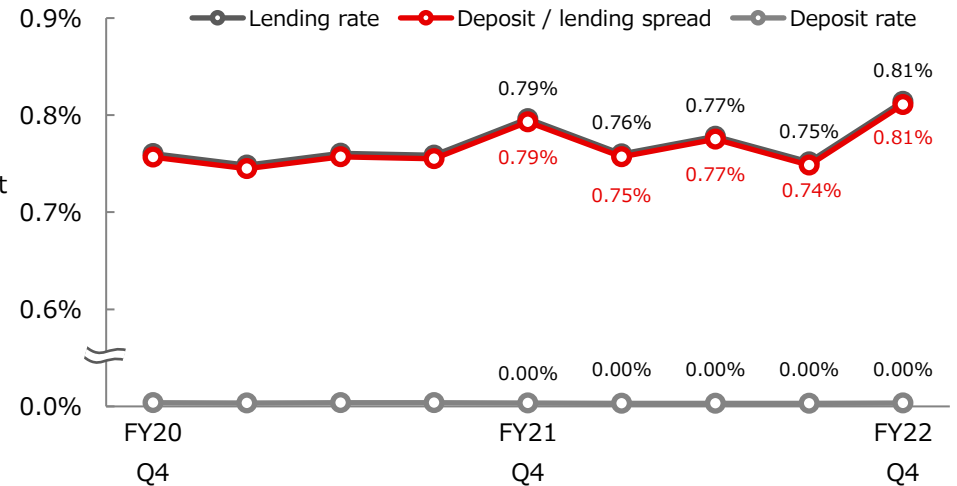
(¥tn)

**+0.5 from end Mar 22**  
(+0.0 excluding impact of FX fluctuation)



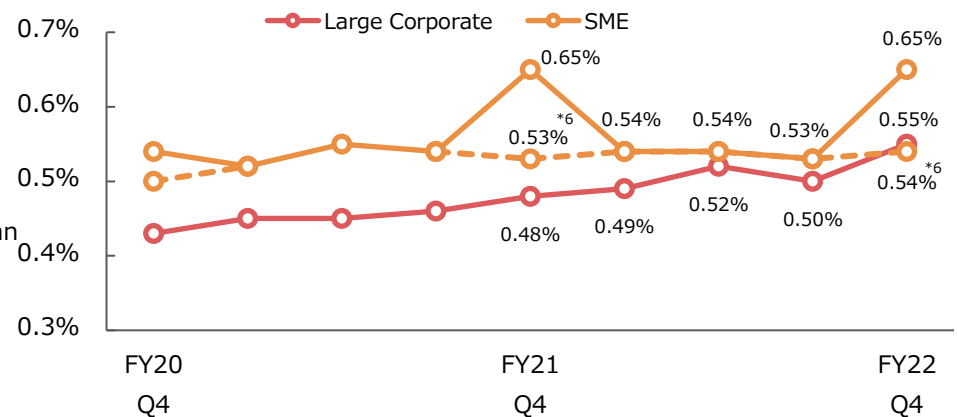
Deposit / lending rate\*4

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 Excluding lending to government \*5 On a managerial accounting basis

\*6 Excluding impact of the collective recording of interest received at fiscal year-end via subsidized interest payment programs

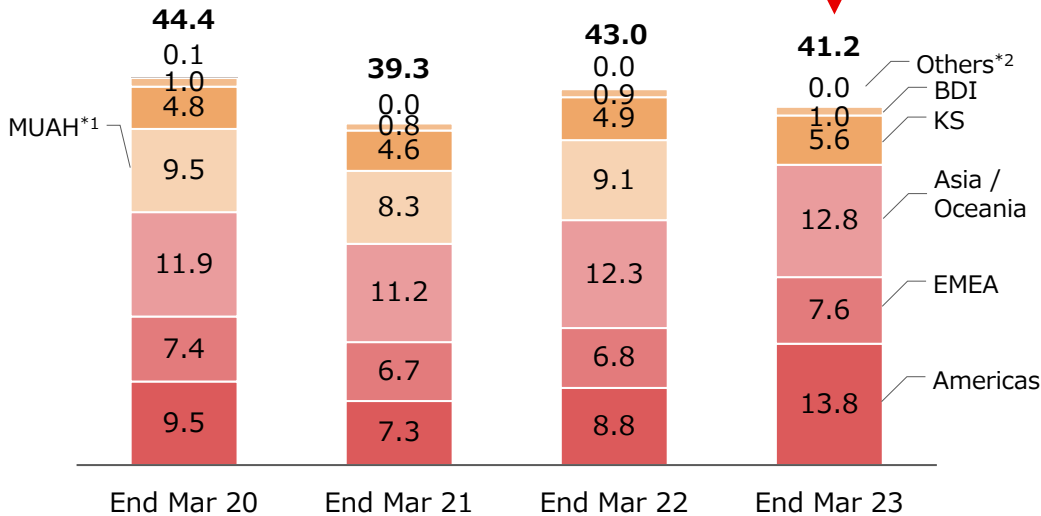
# Overseas loans

Loan balance (period end balance)

Consolidated

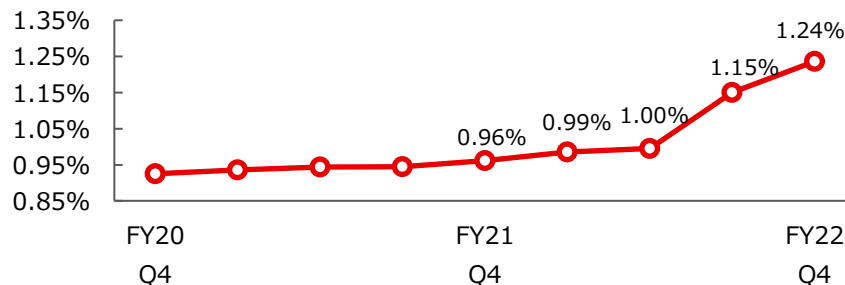
(¥tn)

(1.8) from end Mar 22  
((4.5) excluding impact of FX fluctuation)



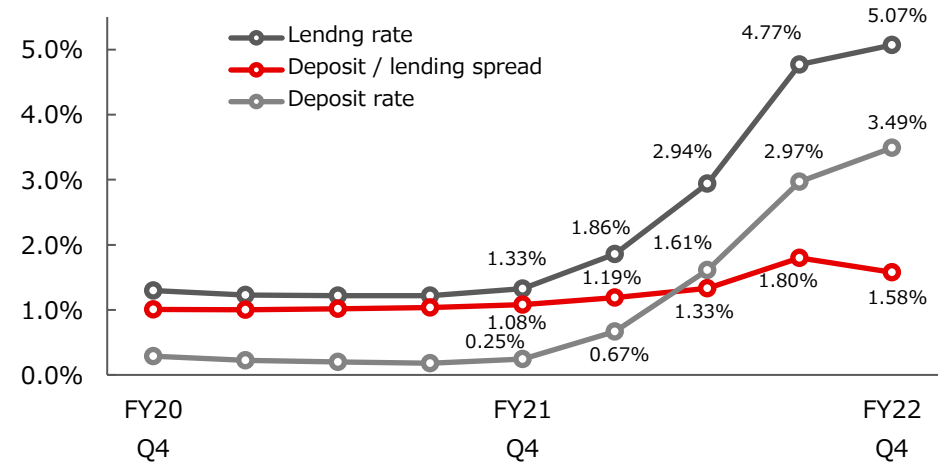
Lending spread\*3

Non-Consolidated



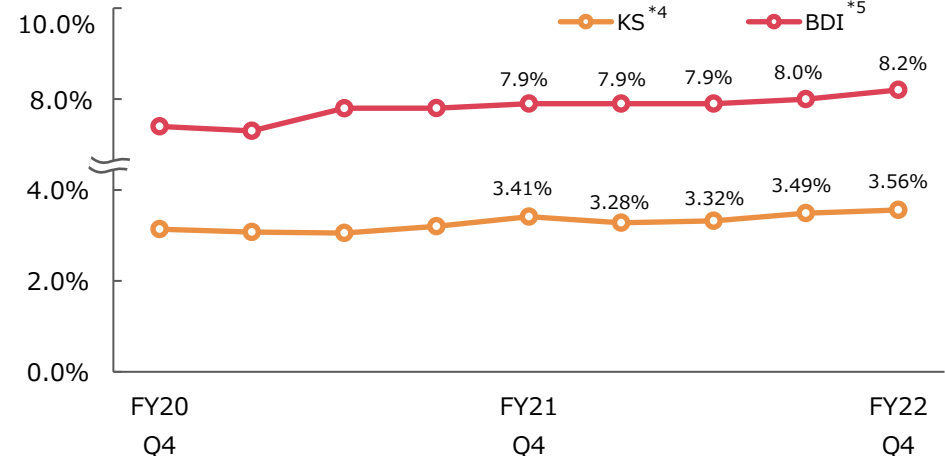
Deposit / lending rate\*3

Non-Consolidated



Net interest margin

KS / BDI



\*1 "MUAH" is included in "Americas" from End Mar 23. Approx. ¥2.7tn loans were transferred from MUAH to overseas offices of the Bank upon MUB's share transfer

\*2 Loans booked at offshore markets etc. \*3 Managerial accounting basis \*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 BDI's financial reports based on Indonesia GAAP. Calculation method modified from FY21 and retroactively applied in this document

# Investment securities (1)

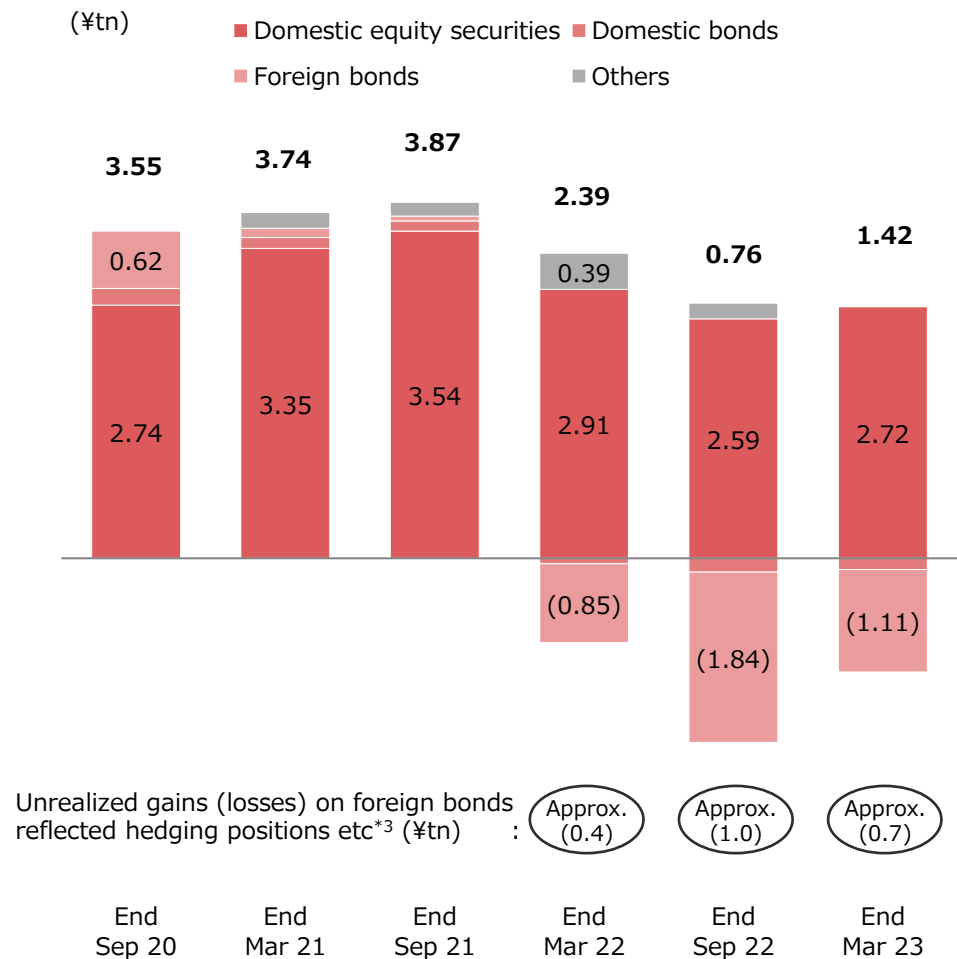
## Securities with fair value\*1

Consolidated

(#bn)	Balance		Unrealized gains (losses)	
	End Mar 23	Changes from End Mar 22	End Mar 23	Changes from End Mar 22
1 Held-to-maturity securities	21,520.0	16,924.9	—	—
2 Available-for-sale (AFS) securities	65,121.0	(9,788.6)	1,420.1	(971.7)
3 Domestic equity securities	4,271.9	(341.7)	2,720.7	(193.3)
4 Domestic bonds	29,751.9	(10,681.7)	(120.0)	(58.2)
5 Japanese government bonds (JGB)	23,518.8	(7,893.0)	(86.3)	(30.9)
6 Foreign equity securities	408.3	189.7	(65.6)	(93.3)
7 Foreign bonds	21,710.1	(320.3)	(1,116.2)	(263.3) <sup>*2</sup>
8 Others	8,978.7	1,365.5	1.2	(363.3)

## Unrealized gains (losses) on AFS securities

Consolidated



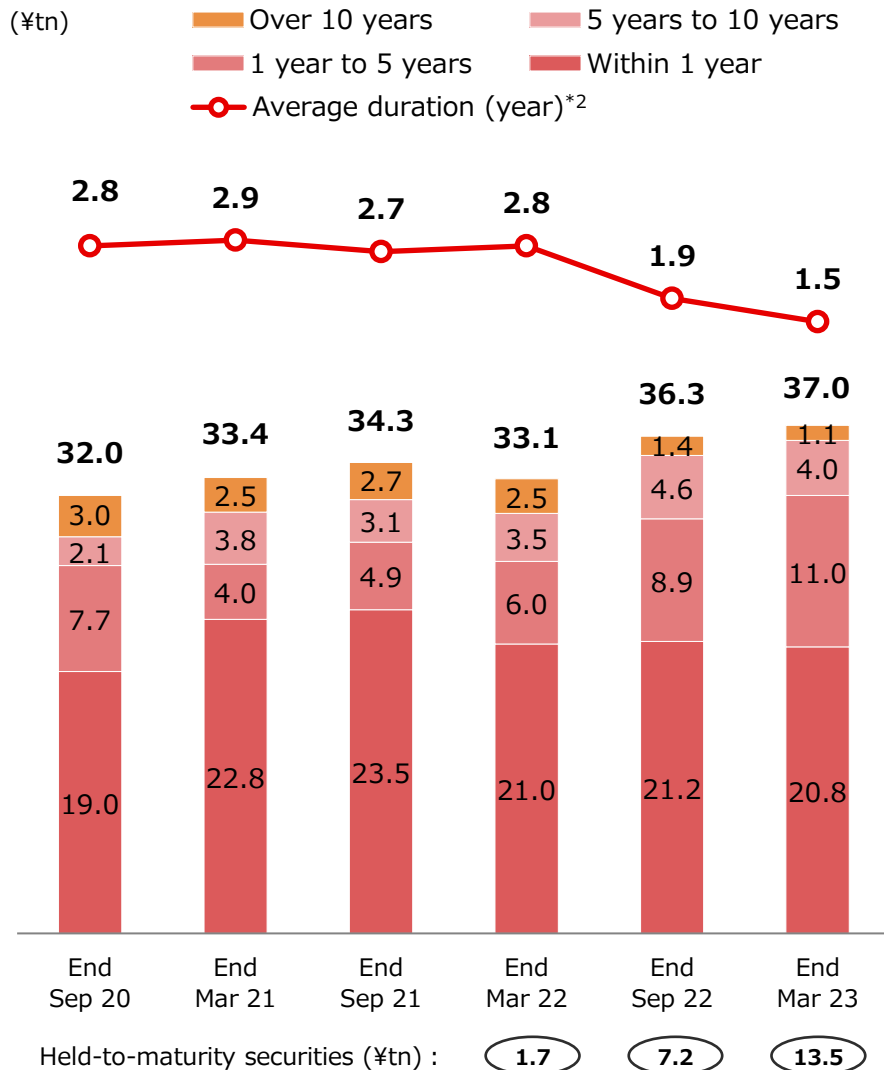
\*1 Unrealized gains (losses) excludes ¥(555.4)bn that is reflected in gains (losses) in connection with the agreement to sell all shares of MUB

\*2 Approx. ¥(0.2)tn excluding FX impact \*3 Managerial accounting basis

# Investment securities (2)

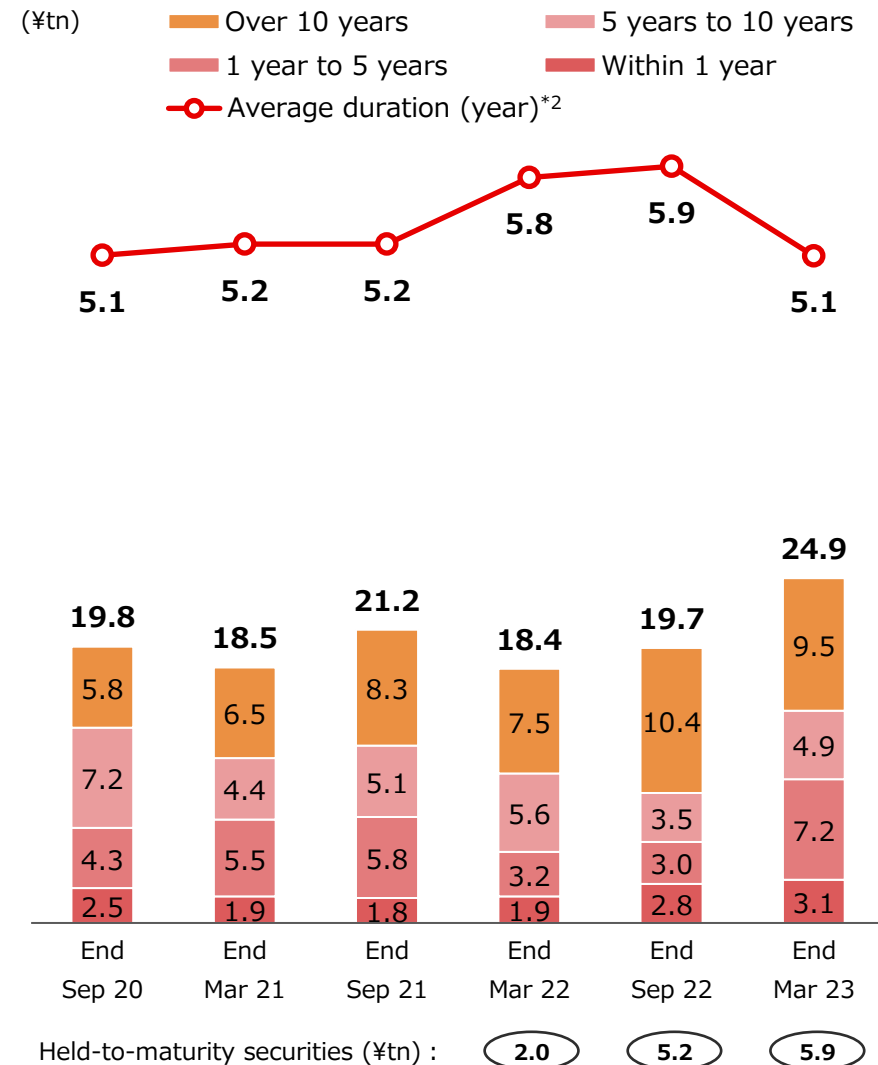
JGB balance\*1 and duration

Non-consolidated



Foreign bond balance\*1 and duration

Non-consolidated



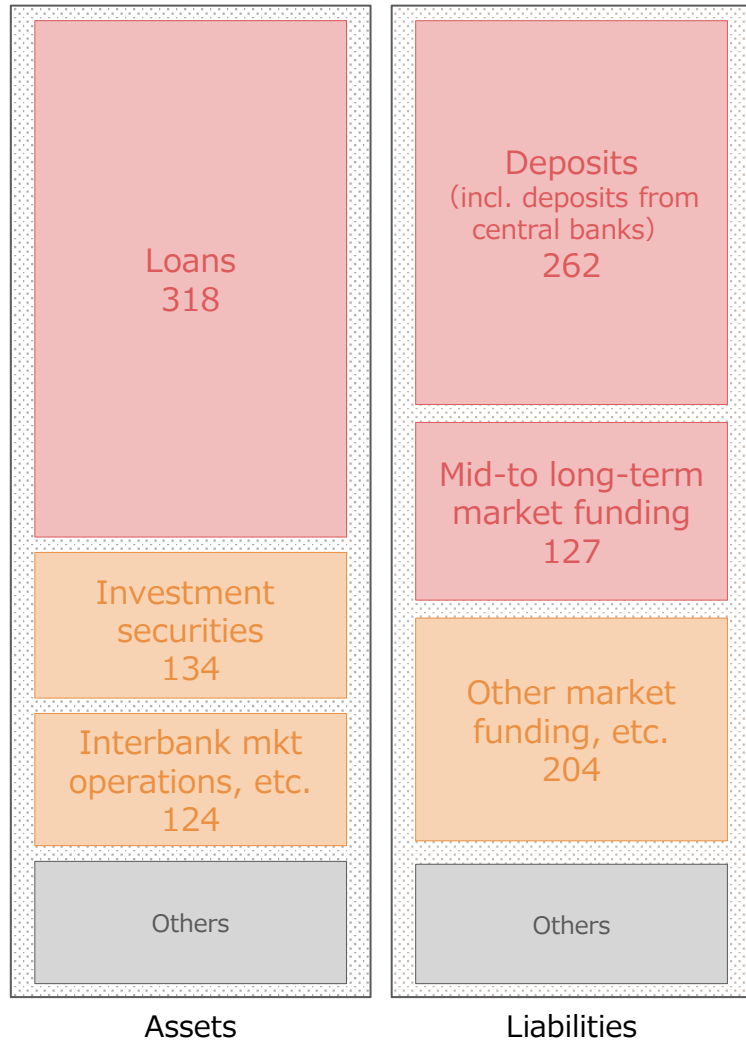
\*1 Available-for-sale securities and held-to-maturity securities

\*2 Available-for-sale securities

# Non-JPY Liquidity\*1

– Managed soundness of balance sheet based on stability

(US\$bn) As of end Mar 23



## MUFG Bank\*1's characteristics of non-JPY liquidity management

**1. Deposits:** Securing stickiness\*2 with regional and industry diversification

**2. Mid-to long-term market funding:**

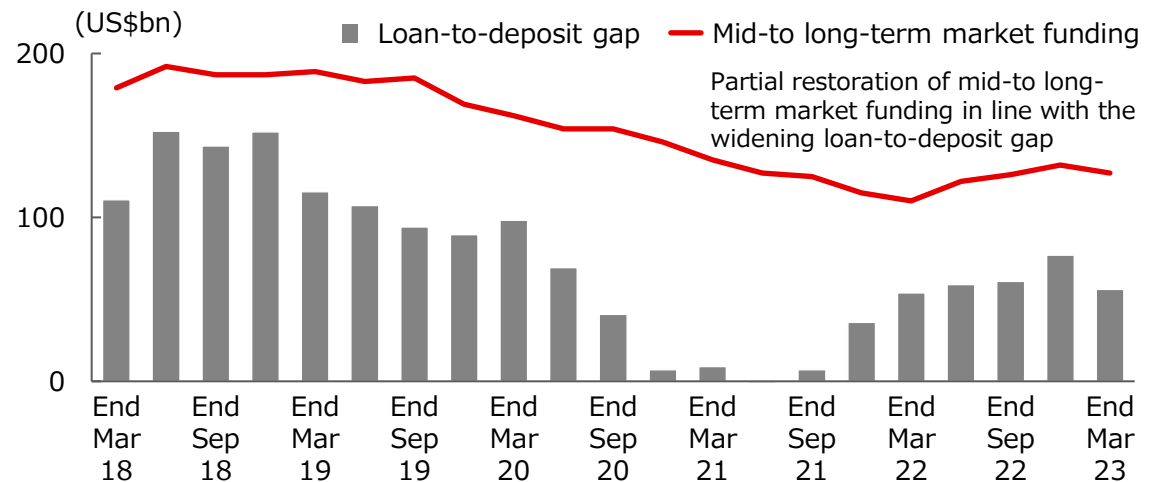
Emphasizing diversification of method and term

Corp bonds/ I/C borrowings	74	: TLAC eligible senior debt etc.
Collateralized funding, etc.	15	: Cross-currency repos*3 (utilizing JGB) etc.
Mid-long term currency swap	38	: Currency swaps are transacted in mid-to long-term

**3. Investment securities:** Possessing abundant volume of high-liquidity assets that can be quickly converted into cash, such as foreign government bonds

**4. Loans:** Within the balances of deposits and mid-to long-term market funding

## Historical loan-to-deposit gap & mid-to long-term market funding



\*1 The Bank consolidated excl. MUAH, KS and BDI. Managerial basis \*2 Deposits that are considered to remain in the bank during times of stress

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

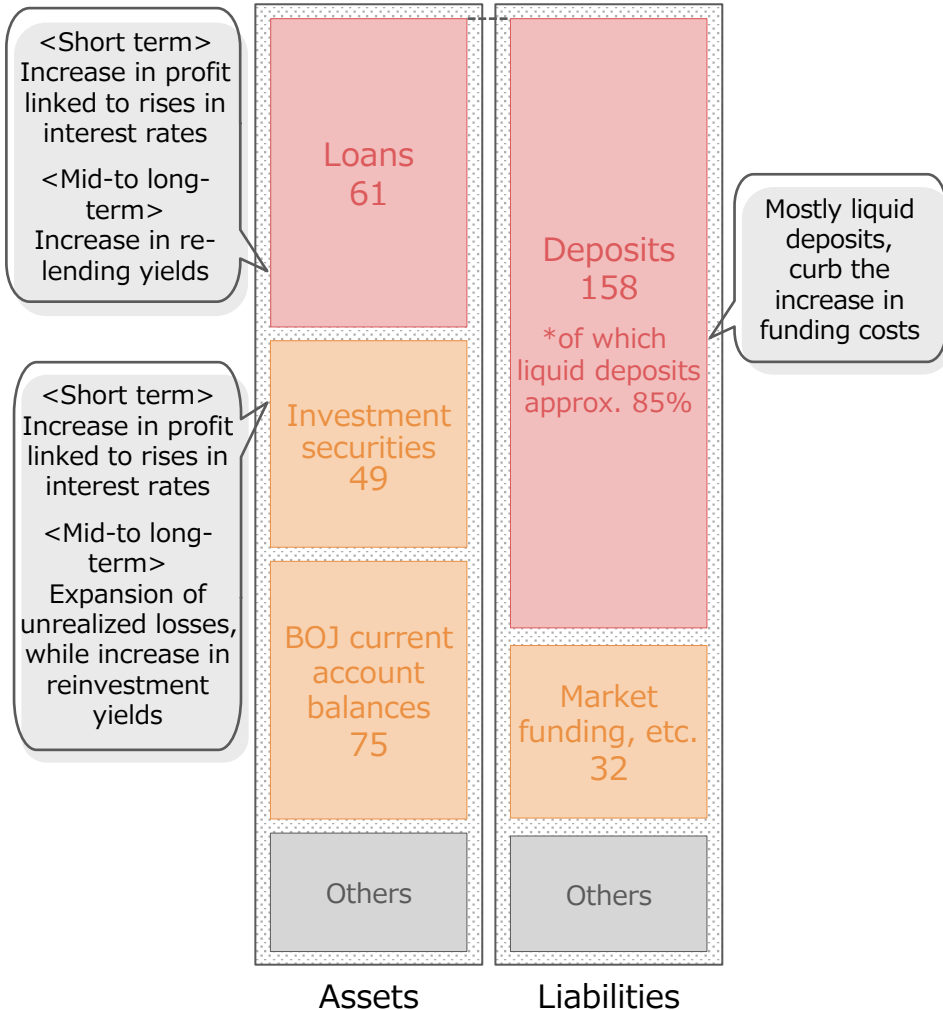
# Financial impact from rises in JPY interest rates

## JPY balance sheet

BK, non-consolidated

(¥tn)

As of end Mar 23



## Annual impact from rises in JPY interest rates\*1

BK, non-consolidated

Estimated impact on net interest income: +¥50bn~

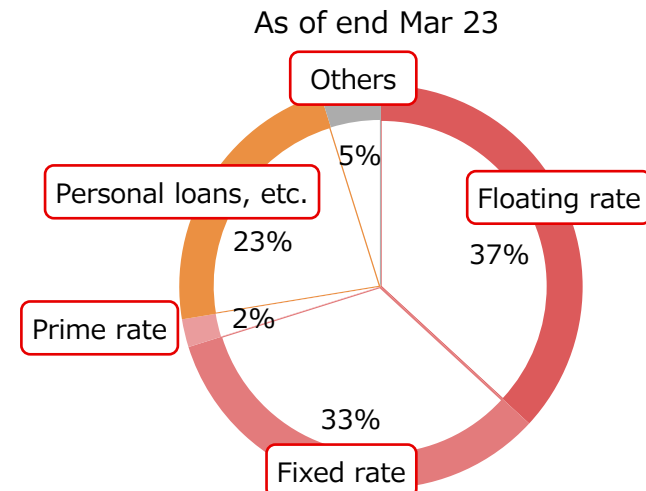
Short term rate factor	NII +¥35bn~
Mid-to long-term rate factor	NII +¥15bn~

### Simulation assumptions

- BOJ's policy rate: 0% (end Mar: -0.1%)
- 5-year JGB yield: 0.5% (end Mar: 0.09%)
- 10-year JGB yield: 1.0% (end Mar: 0.32%)
- BOJ's basic balance rate: 0.1% (end Mar: 0.1%)

## Domestic loans (JPY denominated)

BK, non-consolidated



\*1 Based on the assumption that the balance sheet is unchanged

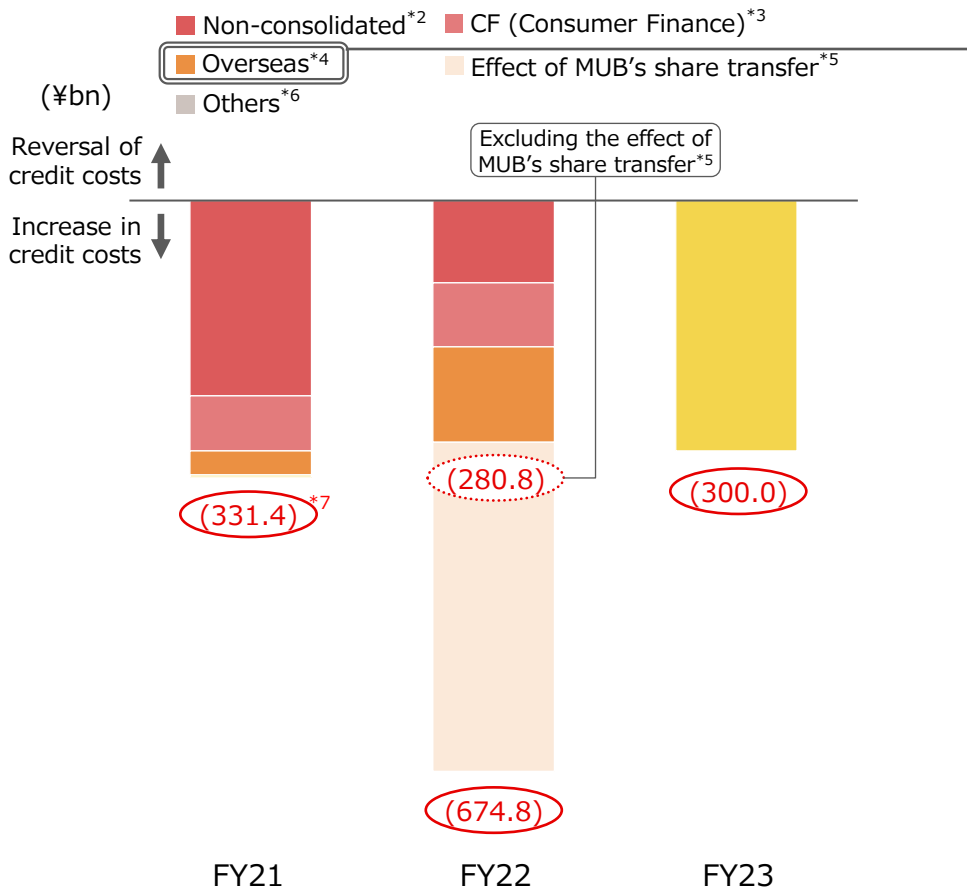
# Asset quality

– Credit costs for FY22 were ¥280.8bn excluding the effect of MUB’s share transfer.  
Total credit costs forecast for FY23 is ¥300.0bn

## Total credit costs\*1

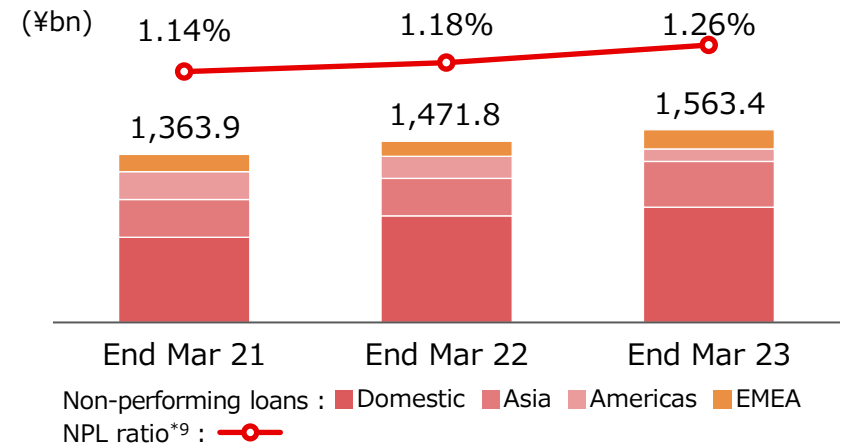
P.72 Consolidated

• FY22 results were ¥(280.8)bn on a substantial basis excluding the accounting treatment of MUB’s share transfer

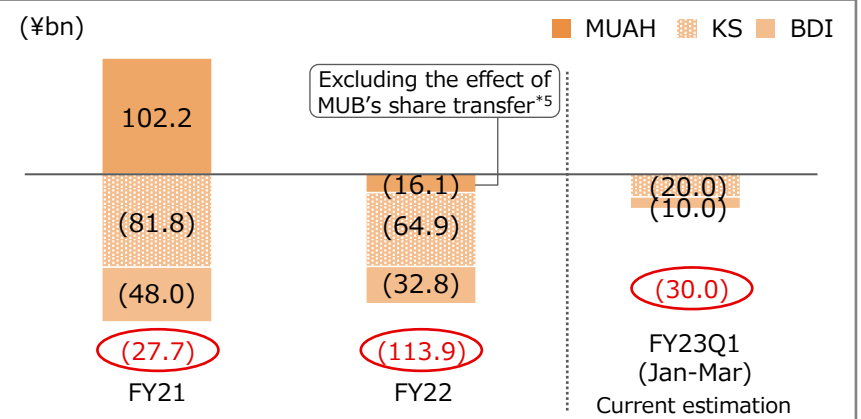


## Non-performing loans\*8

P.73 Consolidated



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

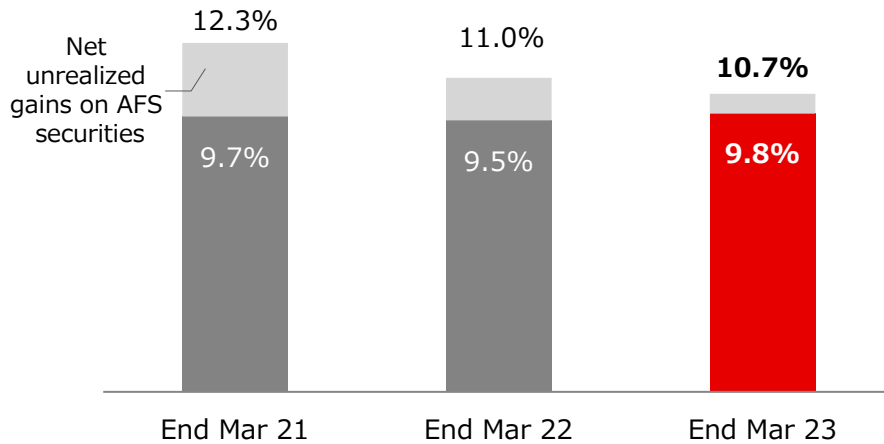


\*1 Includes gains from write-off \*2 Includes overseas branches \*3 Sum of NICOS and ACOM on a consolidated basis \*4 Sum of overseas subsidiaries of the Bank and the Trust Bank \*5 ¥(393.9)bn of valuation losses on loans sold in connection with MUB’s share transfer, etc.  
\*6 Sum of other subsidiaries and consolidation adjustment \*7 Including allowance related to Russia of approx. ¥140.0bn. Balance as of end Mar 23 is approx. ¥100.0bn \*8 Because the definition of risk-monitored loans became the same as the definition of FRA, it is disclosed as loans under the Japanese Banking Act and the FRA. Regions are based on the borrowers’ location \*9 Total non-performing loans ÷ Total loans

# Capital

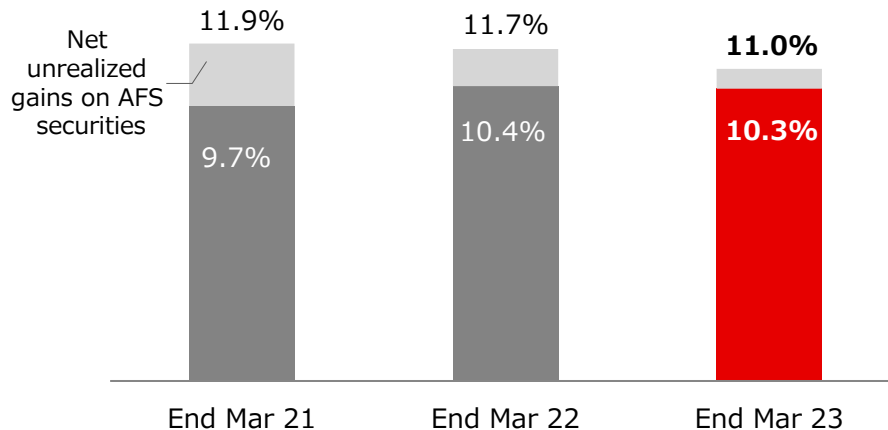
## CET1 ratio

Consolidated



## CET1 ratio (Finalized Basel III reforms basis\*1)

Consolidated



## FY22 results

Consolidated

	(¥bn)	End Mar 22	End Mar 23	Changes
1	Common Equity Tier 1 capital	13,823.9	13,280.8	(543.0)
2	Additional Tier 1 capital	1,652.3	1,582.8	(69.5)
3	<b>Tier 1 capital</b>	15,476.2	14,863.7	(612.5)
4	<b>Tier 2 capital</b>	2,382.3	2,302.3	(79.9)
5	<b>Total capital (Tier 1+Tier 2)</b>	17,858.6	17,166.1	(692.5)
6	<b>Risk-weighted assets</b>	124,914.2	123,363.3	(1,550.8)
7	Credit risk	91,927.2	87,666.4	(4,260.7)
8	Market risk	4,389.9	6,682.9	2,293.0
9	Operational risk	7,990.1	8,474.3	484.1
10	Floor adjustment*2	20,606.9	20,539.5	(67.3)
11	<b>Total exposures*3</b>	300,792.3	316,034.5	15,242.2
12	Leverage ratio	5.14%	4.70%	(0.44ppt)

\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis

\*2 Adjustments made for the difference between risk-weighted assets under Basel I and Basel III

\*3 Deposits with the Bank of Japan is excluded in total exposures

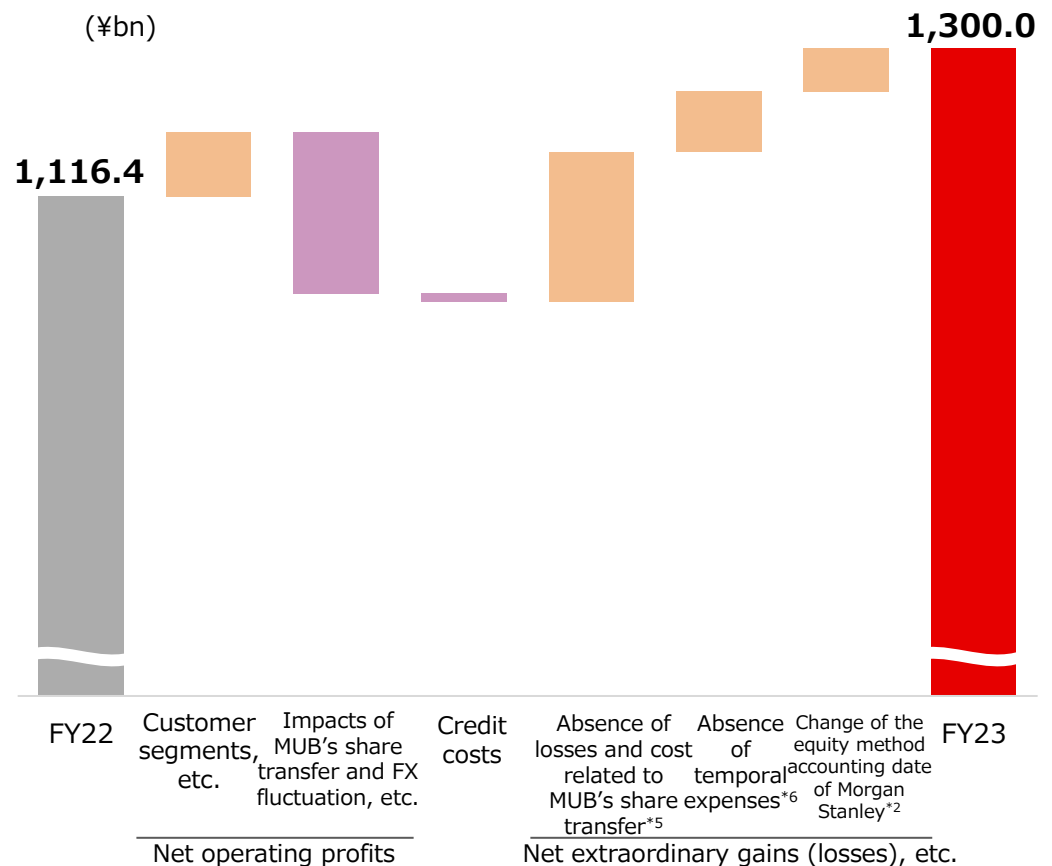


# FY23 target

- FY23 target for profits attributable to owners of parent is ¥1.3tn, the highest profits ever. Aim to achieve ROE 7.5%, the financial target of the MTBP

	FY22 Results	FY23 Target	YoY
<b>Consolidated (¥bn)</b>			
<b>Net operating profits</b>			
1 before credit costs for trust accounts and provision for general allowance for credit losses	1,594.2	1,450.0	(144.2)
2 <b>Total credit costs</b>	(674.8)	(300.0)	(19.2) <sup>*1</sup>
3 <b>Ordinary profits</b>	1,020.7	1,850.0	94.3 <sup>*1</sup>
4 <b>Profits attributable to owners of parent</b>	1,116.4	1,300.0	183.6
5 <b>ROE</b>	7.03%	7.5% <sup>*2</sup>	0.47ppt

## Factors for changes in net profits<sup>\*3\*4</sup>



<sup>\*1</sup> Changes compared with FY22 results after adjustment of valuation losses on assets held by MUB <sup>\*2</sup> Starting from FY2023, we will change the equity method accounting date for Morgan Stanley from Jan-Dec to Apr-Mar. As a result of this change, FY2023 is expected to reflect earnings for 15 months, including Morgan Stanley's financial results for the quarter ended Mar 31, 2023. The impact of this change, which is estimated to be approx. ¥60.0bn (based on the financial results for the quarter ended Mar 31, 2023) is not taken into account in calculating ROE target <sup>\*3</sup> Profits attributable to owners of parent

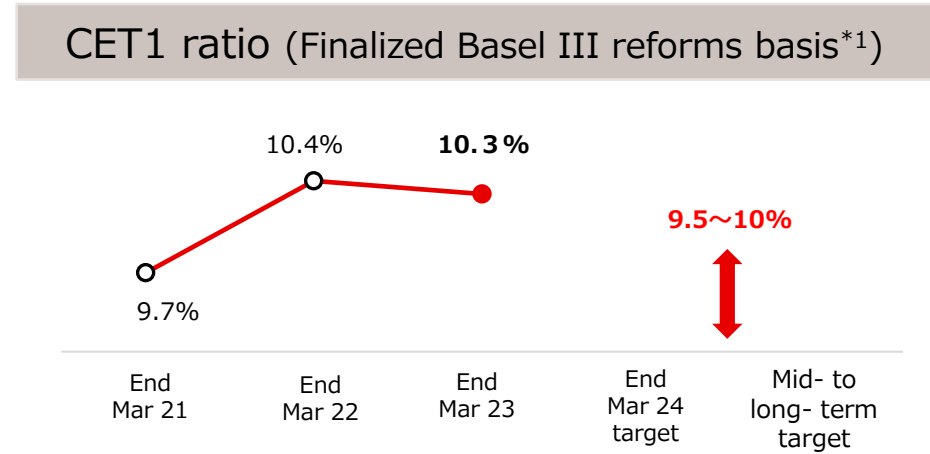
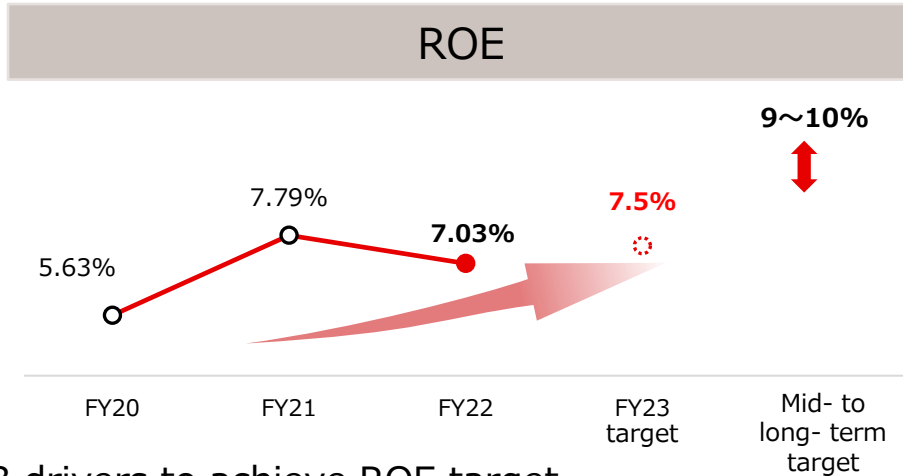
<sup>\*4</sup> Breakdown is on a after-tax basis <sup>\*5</sup> Valuation losses on assets held by MUB, etc. (after considering hedging effect, refer to page 71) and one-time expenses related to the sale such as advisory, expert, and business support fees: approx. ¥(40.0)bn (before tax) <sup>\*6</sup> One-time costs associated with U.S. pension buyouts ¥(78.1)bn (before tax) and loss on sale of shares of Chukyo Bank ¥(29.4)bn (before tax)

Progress of the medium-  
term business plan  
(MTBP)

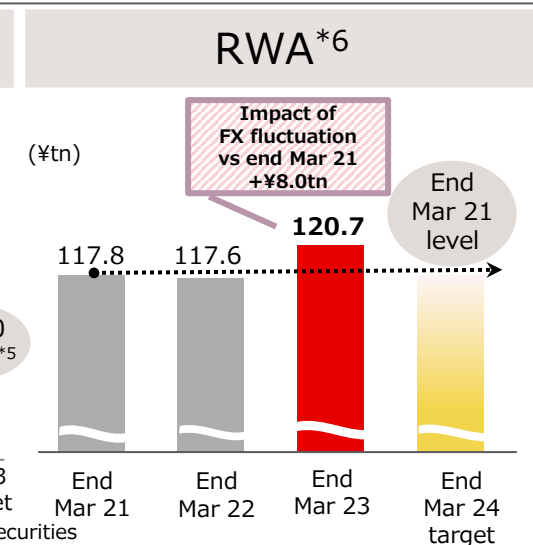
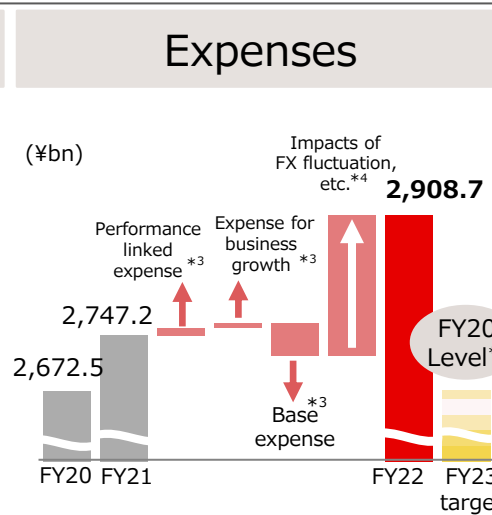
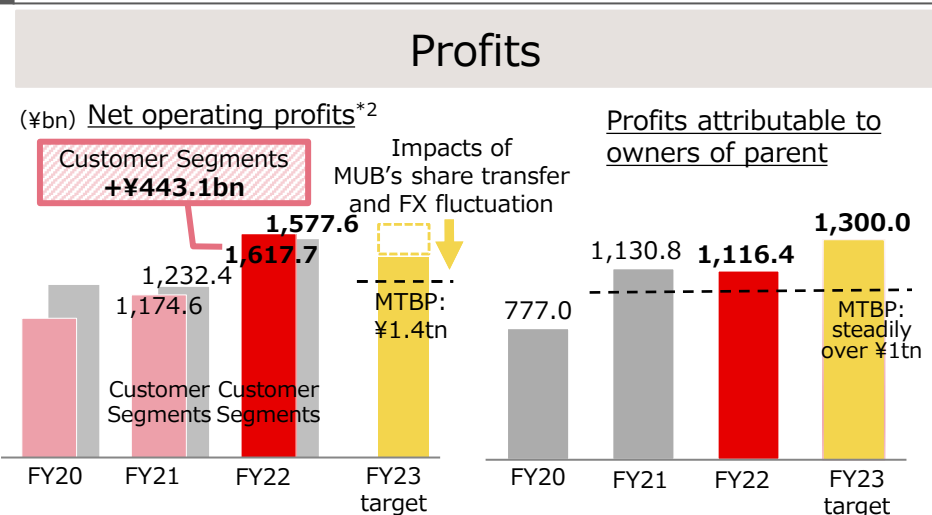
# Financial targets

– Aiming to achieve the ROE target of 7.5%. CET1 ratio has exceeded target range at 10.3%

## 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)

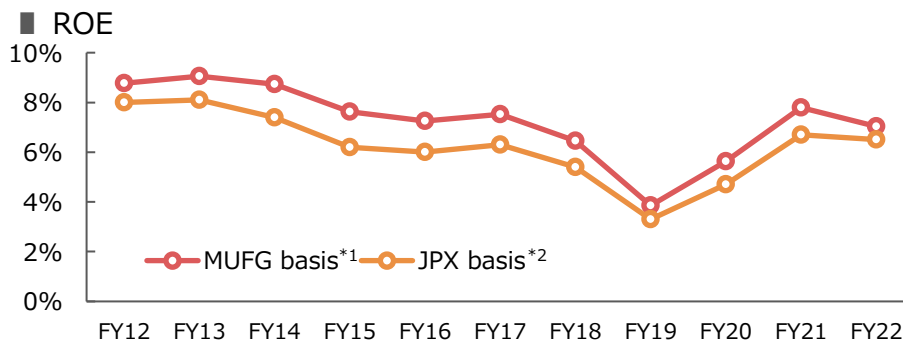
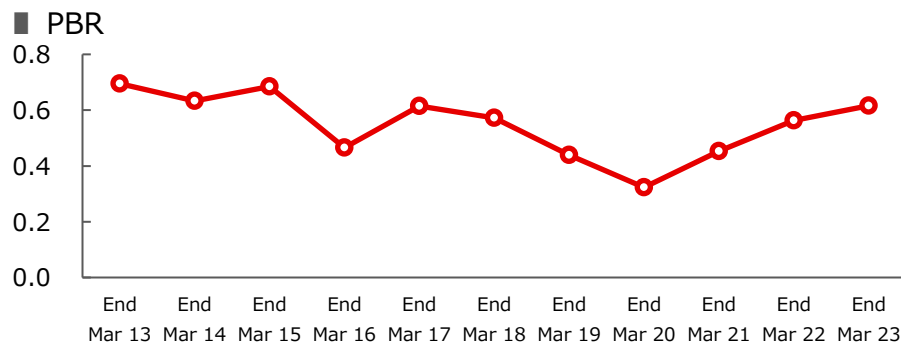
\*4 The impacts of FX fluctuation and MUB's share transfer are approx. +¥130bn and +¥60bn respectively.

\*5 Excluding performance linked expense \*6 Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities

# Initiatives to increase shareholder value

– Aim to achieve ROE above the Cost of Capital and increase shareholder value sustainably

## Current Situation: PBR and ROE

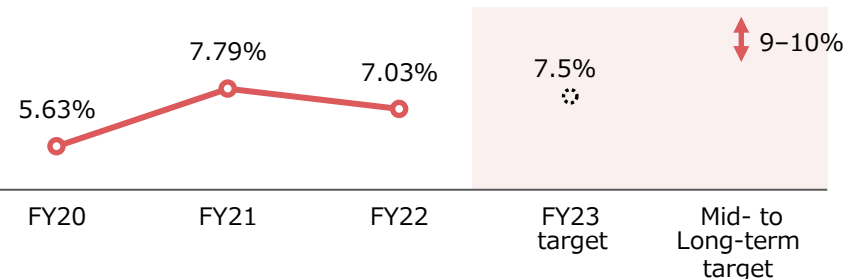


### Our recognition of issues

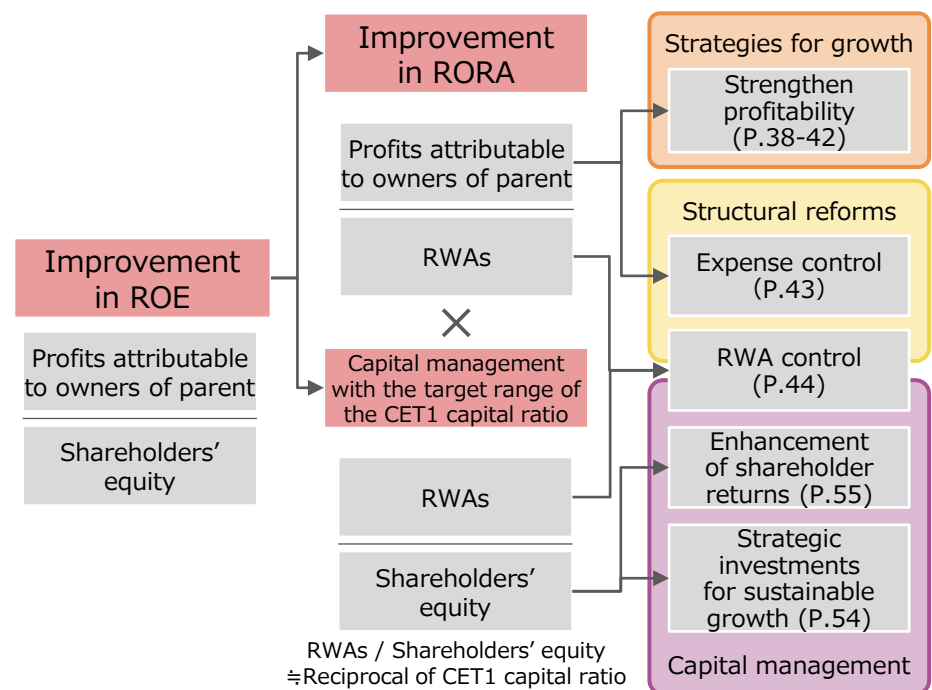
- Currently stagnant PBR is attributable to our ROE falling short of the Cost of Capital
- Aim to enhance ROE through Strategies for growth, Structural reforms and Capital management

$$PBR = 1 + \frac{\text{Equity spread (ROE - Cost of Capital)}}{\text{Cost of Capital - Growth rate}}$$

## ROE target



## Initiatives to increase shareholder value



\*1

Profits attributable to owners of parent

$\frac{\{(Total\ shareholders' \ equity \ at \ the \ beginning \ of \ the \ period \ + \ Foreign \ currency \ translation \ adjustments \ at \ the \ beginning \ of \ the \ period) \times 100 + (Total \ shareholders' \ equity \ at \ the \ end \ of \ the \ period \ + \ Foreign \ currency \ translation \ adjustments \ at \ the \ end \ of \ the \ period)\}}{2}$

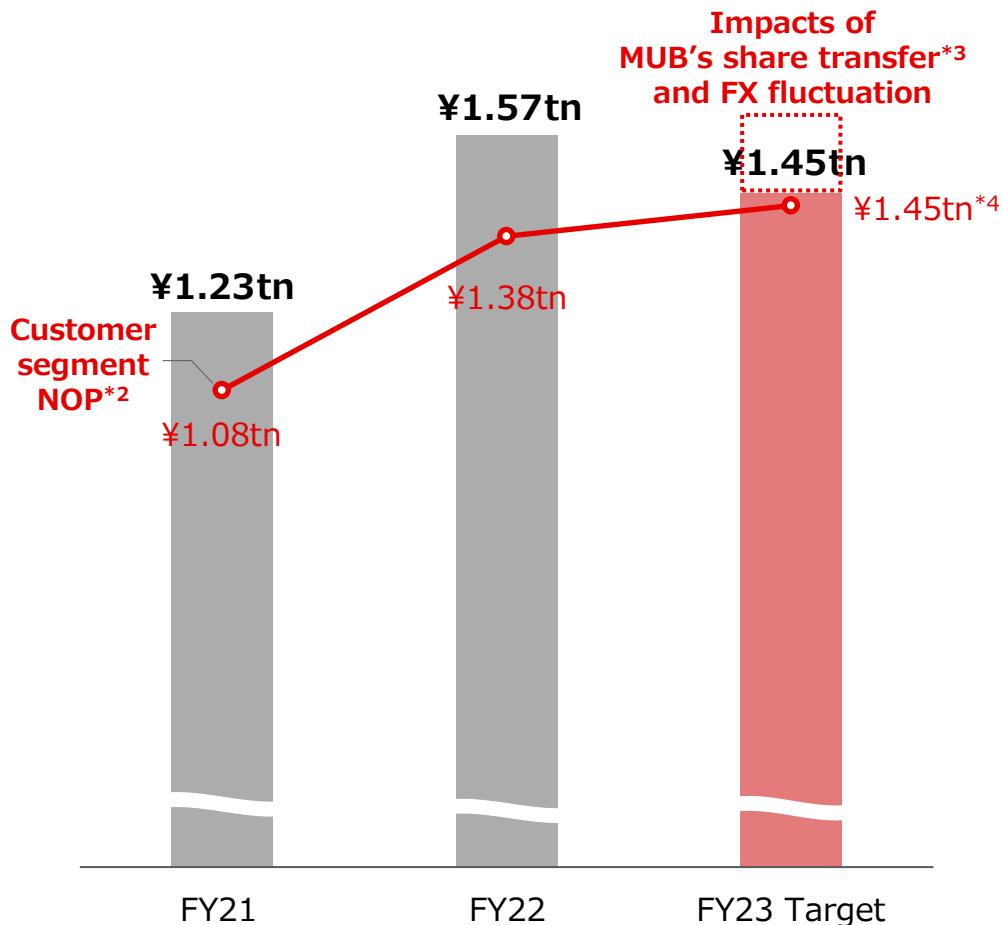
\*2 Japan Exchange Group

# Roadmap toward the Final Year of the MTBP

- Achieved MTBP target of NOP and profits attribute to owners of parent ahead of schedule. Customer segments NOP also grows steadily

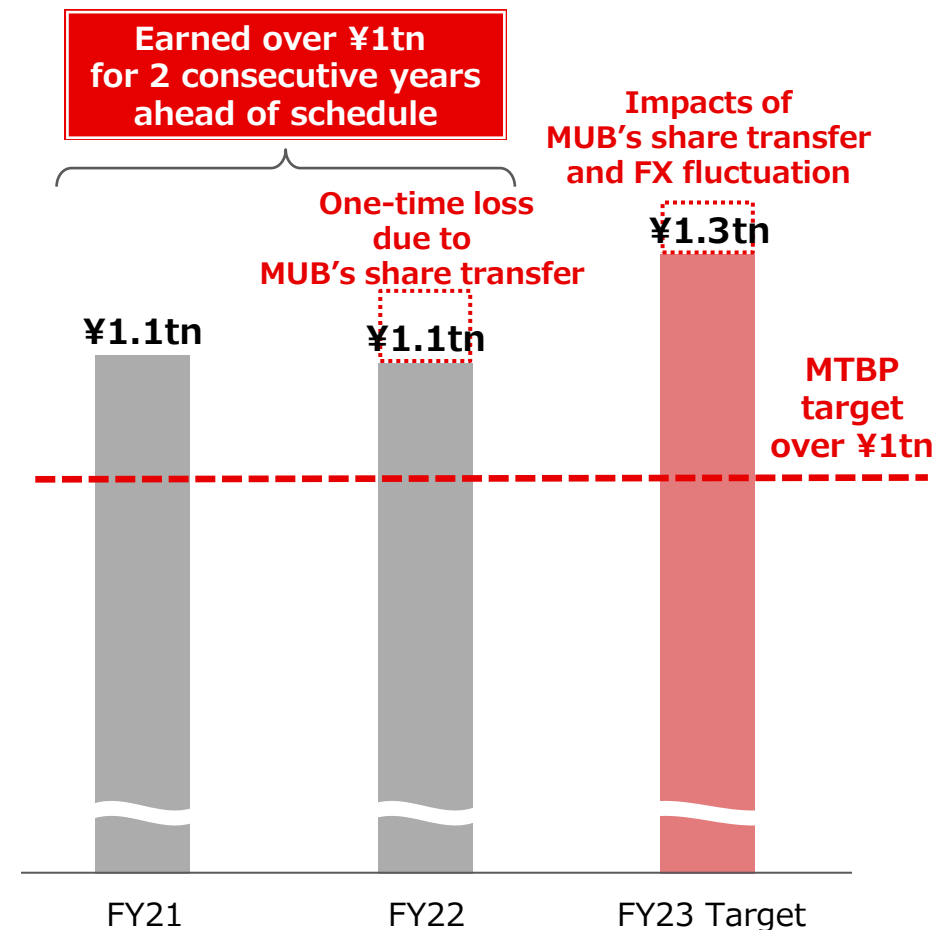
## Net operating profits\*1

- Achieved MTBP target of ¥1.4tn in FY22
- Aim to exceed MTBP target of ¥1.4tn in FY23



## Profits attributable to owners of parent

- Aim to earn over ¥1tn of net profits **for 3 consecutive years**



\*1 Managerial accounting basis (Including FX fluctuation) \*2 Managerial accounting basis. Local currency basis

\*3 Approx. ¥120bn \*4 Including changes in managerial accounting standards

# Review of the second year of the MTBP

– In the second year of the MTBP, the key strategies have steadily progressed

## Corporate transformation

### Digital transformation

Progress as a financial and digital platform operator as well as in expansion of new customer base  
P.31-33

### Contribution to address environmental and social issues

Disclosed results and set interim targets through Progress Report  
P.59-64

### Transformation of corporate culture

Development of corporate culture  
“Challenge x Speed”  
P.34-35

## Strategy for growth

### Wealth management

WMPF\*1 contributes to increase cross transactions  
P.38

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

Enhancement of risk-taking in real estate sector  
Address social issues through investments  
P.39

### Asia business

Capturing the economic growth through inorganic strategy and enhance CF\*2 business  
P.40

### GCIB & Global Markets

Capturing loans and cross sells by adjusting the market condition  
Enhancement of institutional investors business  
P.41

### Global AM/IS

Enhancing global AM structure  
Progress in providing combined high-value-added-services in IS  
P.42

## Structural reforms

### Cost and RWA control

Base expense: steadily decreased  
RWA: continue disciplined management  
P.43-44

### Review of our business portfolio

Americas: focus management resources towards the wholesale business  
Asia: investment in digital finances  
P.45-46

### Transformation of platforms and our business infrastructure

Maintain resilience of overseas business and operations  
P.47

\*1 Wealth management digital platform \*2 Consumer Finance

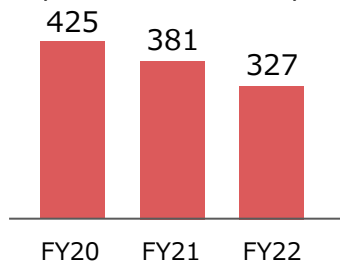
# Digital transformation (1)

– Expand customer touchpoints in an effective manner through digital transformation

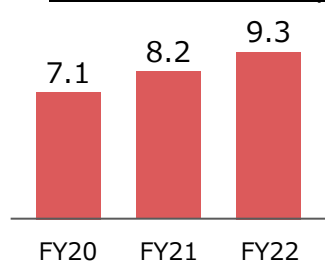
## Best mix of face-to-face and non-face-to-face customer channels

- Realize optimization of branch network after the branch consolidation. Move to a phase in which we will flexibly expand customer touchpoints to meet customer needs, both face-to-face and non-face-to-face

■ No. of branches (the Bank)  
Phase of branch network optimization is completed



■ No. of IB\*1 service users (mm)  
Increased by more than 1mm users annually



### Expand customer touchpoints

Online consultation



- Asset management-related consultation from home
- Fully digitized online procedures for some of the products

Online seminars



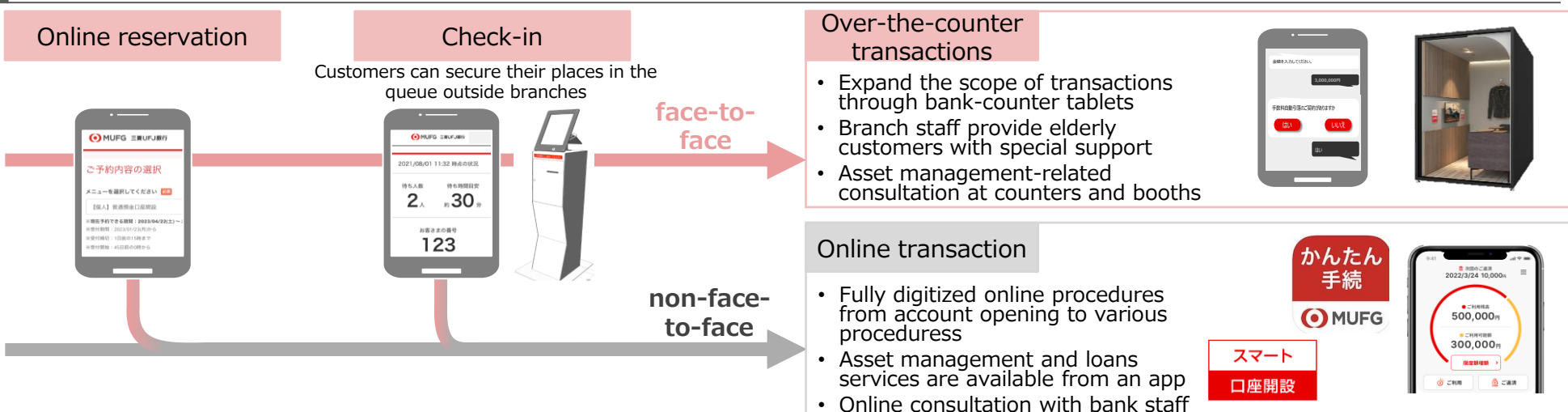
- Facilitate the use of NISA and other forms of asset building by helping raise financial literacy
- Win a greater number of customers via data utilization

New branch format



- Specialize functions by branch
- Consider opening new branches to meet face-to-face consultation needs

## Best mix of face-to-face and non-face-to-face utilizing digital transformation



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

# Digital transformation (2)

– Progress has been made in initiatives to update ourselves as a financial and digital platform operator as well as in expansion of new customer base

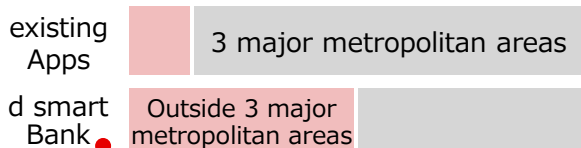
## Efforts for expanding new customer base

### Approach to customers outside metropolitan area

#### Digital account services (d smart bank)

- Launched digital account service that provides account holders with special benefits in the form of “d points” with NTT docomo
- BaaS\*1 model that provides financial services through APIs

#### Percentage of new accounts opening by region



New account openings are made possible via docomo's app



### Approach to young customers

#### Hassle-free deferred payment (Kanmu)

- Plans to acquire Kanmu, Inc., which provides Visa prepaid cards
- Aimed at equipping MUFG services with hassle-free deferred payment functions to generate new customer base



Function  
 Visa prepaid cards  
 Deferred refilling of e-money

6mm downloads by meeting a need of young adults

Consider co-development of debit card + deferred payment

## Efforts for financial and digital platform operator

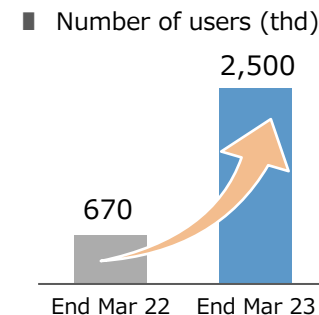
### Strengthen the base for asset building

#### Money Canvas : Asset management platform

- In addition to expanding product lineup, increase the number of users through investment using points



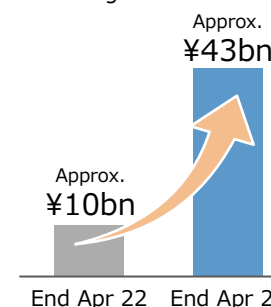
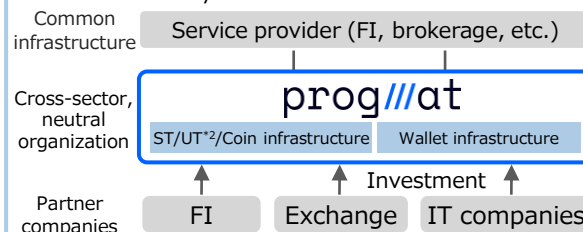
- Stock / mutual fund
- Jointly-managed money trust
- Crowd-funding
- Robo-advisor
- Insurance
- Investment using points



### Strengthen the base for investment in digital asset

#### Prograt: Digital asset platform

- Plan to establish an independent company (scheduled from Sep 2023 onwards). Balance of assets managed has reached approx. ¥43bn
- Independent company serving as a collaborative business entity
- Balance of assets managed



Realize unparalleled convenience via co-creation. Aim for the development and expansion of the digital asset market

\*1 Banking as a Service \*2 Security Token, Utility Token



# Digital transformation (3)

– Decided to invest approx. ¥200bn during FY22 to meet digital financial needs mainly in Asia

Invest in digital financial players in Asia

Expand financial capabilities through open innovation

## Home Credit | Approx. ¥87bn



Have dominant market shares in terms of POS loans\*1 in Indonesia and the Philippines (HC Indonesia, HC Philippines)

## Akulaku | Approx. ¥26bn



Providing digital financial services such as Buy Now Pay Later etc., mainly in Indonesia

## DMI Finance | Approx. ¥31.7bn



Non-Bank Financial Company (NBFC) with a focus on consumer digital lending in India

## MUFG Ganesha Fund | Approx. ¥37bn\*2

Plans to invest US\$300mm in Indian middle-to late-stage startups. Have made in a total of three investments

## MUIP\*3 Garuda Fund | Approx. 13bn\*4

The fund to invest in Indonesian startups

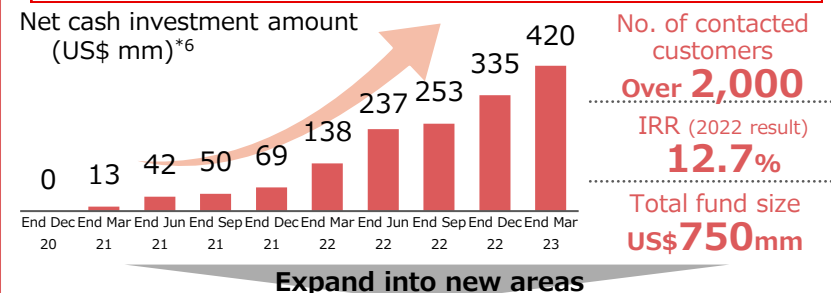
Take a broad approach to fulfill the growing financial needs in Asia

## Mars Growth Capital | Approx. ¥133bn\*5

- Utilize AI technology through joint venture with Liquidity Capital



Development of AI based financing model in fund structure: Challenge to expanding financial capabilities through technology



Expand into new areas

<b>Mars Europe</b> Up to US\$250mm Global • Enter European startup market	<b>Mars NEXI</b> Up to US\$100mm Global • Invite Japanese investors through NEXI*7 insurance
<b>Mars Japan</b> Up to ¥20bn (Reference: P.75) Japan • Nurture Japanese unicorn companies to accelerate growth • Bring "AI based financing model" of Mars to Japan	

Strengthen relationships with Liquidity Capital through investment from MUFG Bank

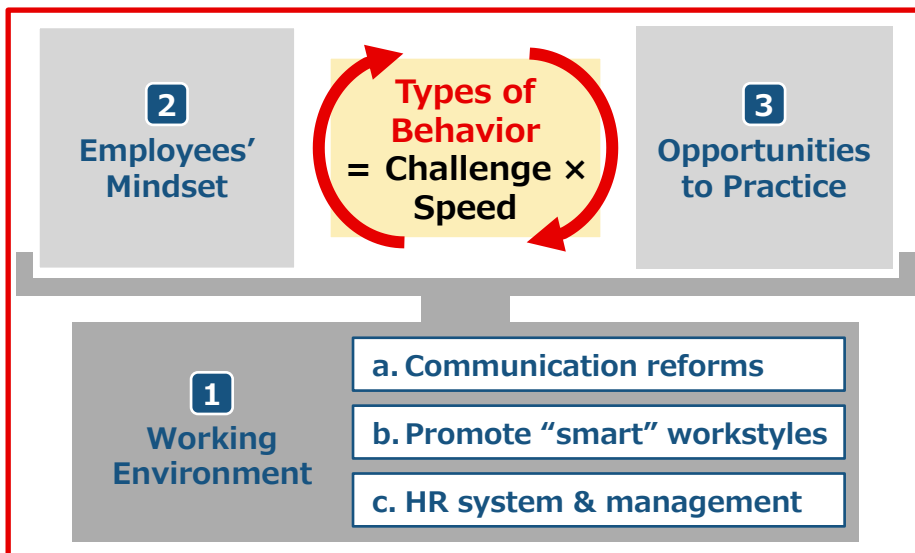
\*1 Point of sale loan is an installment loan provided at automobile and household appliance dealerships \*2 JPY equivalent of planned investment amounting of US\$300mm using actual exchange rates as of end Mar 2022 \*3 MUFG Innovation Partners \*4 JPY equivalent of commitment amount of US\$100mm using actual exchange rate as of end Jan 2023 \*5 JPY equivalent of MUFG's LP commitment (including planned amount) using actual exchange rates as of end Mar 2023. Increased amount during FY22 was US\$250mm (¥33bn) \*6 Aggregate net commitment amount of the transactions considering amortizations during investment period \*7 Nippon Export and Investment Insurance

# Transformation of corporate culture (1)

– Development of corporate culture “challenge × speed” in which employees think and act autonomously

## Framework of Transformation of Corporate Culture

- 1 Update our working environment to secure a platform supporting the transformation of employees’ behaviors
- 2 Encourage employees to develop a sense of ownership regarding MUFG’s Purpose to help them transform their mindset
- 3 Offer opportunities to practice, for example, via HR-related programs, such as “MUFG HQ bldg. project” and “Spark X”



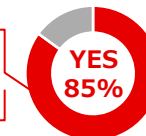
## Review of FY22 (MUFG Employee Survey)

### Challenge

- Taking on challenges seems to be strong. The number of applicants to the Career Challenge grew 20% year on year to 3,000
- However, a number of “recommend their workplaces” remain unchanged. Issues have been found in how to enable employees to feel a sense of achievement and develop their desire for contribution

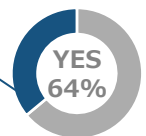
#### Willing to Take on Challenges

Highly motivated to take on challenges



#### Recommend as a Great Place to Work

Ongoing issue: Employee engagement



### Enhance the Sense of Satisfaction and Growth

Develop a sense of ownership about MUFG Way

Create challenging opportunity

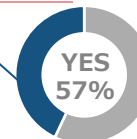
Own career development

### Speed

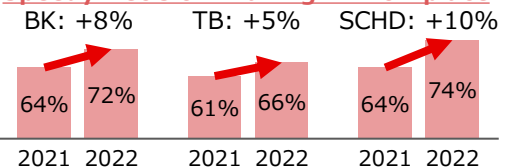
- Although the pace of decision making grew faster, we are halfway through speeding it up on a Companywide basis
- Simplification of stringent quality standard and procedure is an urgent need for fundamental improvement

#### Managed in a Simple and Speedy Manner

Ongoing issue: Simplification



#### Speedy Decision-making in Workplace



### Simplification to Improve Speed

Simplified decision-making process

Review procedures based on feedback from branches

# Transformation of corporate culture (2)

– Employee-driven practice of our Purpose, “Committed to empowering a brighter future.” based on diverse opinions voiced by Group members

## “Spark X” – In-house New Business Incubation Program



**[Spark X 2022]** (First year: 650 ideas submitted by 580 employees from 22 Group companies)

- Members of the three teams selected via the final screening have already been transferred to the DX Office and are now responsible for business development. MUFG intends to provide them with full support



Service to solve the problem of maternity office clothes



Services to create exhibition / sales opportunities for art artists



Services to achieve condo management without a board of directors

## **[Spark X 2023]**

- Promoting twofold initiatives entailing commercializing award-winning proposals and enhancing programs to establish a framework for creating new businesses



▲ Scene of the workshop



▲ Group photo after the judging session (Spark X 2022)

## MUFG Headquarters Bldg. Project “First Open Recruitment Working Group (WG)”

- Decided to build the “MUFG headquarter” to further deepen the group's integrated operations
- The concept was developed by 19 members of the first WG. Activities continued after the second WG



▲ MUFG HQ bldg. project's concept



▲ An exchange of views between outside directors and WG members

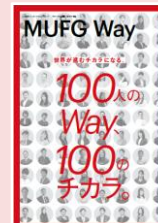
## MUFG Way Boost Project



- PJ members discover the “Employees embodying MUFG Way” and highlight their activities
- Introduced internally and externally through booklets, roundtable discussions, radio, video, and others

Publish booklet  
→ [Download](#)

Developing a sense of ownership about MUFG Way leads to spontaneous action built on the Purpose



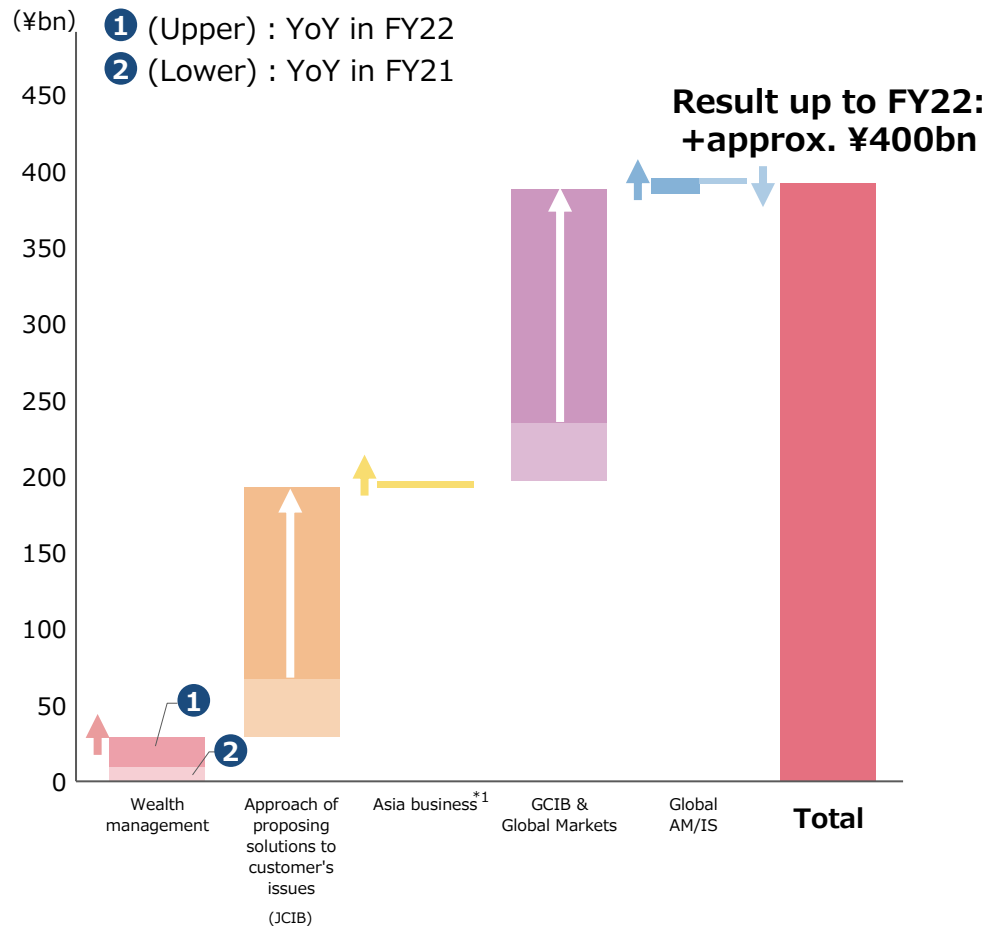
▲ Internal radio programs in which PJ members welcome employees embodying MUFG Way

# Progress of the key strategies

– Results for strategy for growth exceeded our targets and progressed ahead of schedule, while structural reforms are steadily under way mainly due to the decrease of domestic base expenses

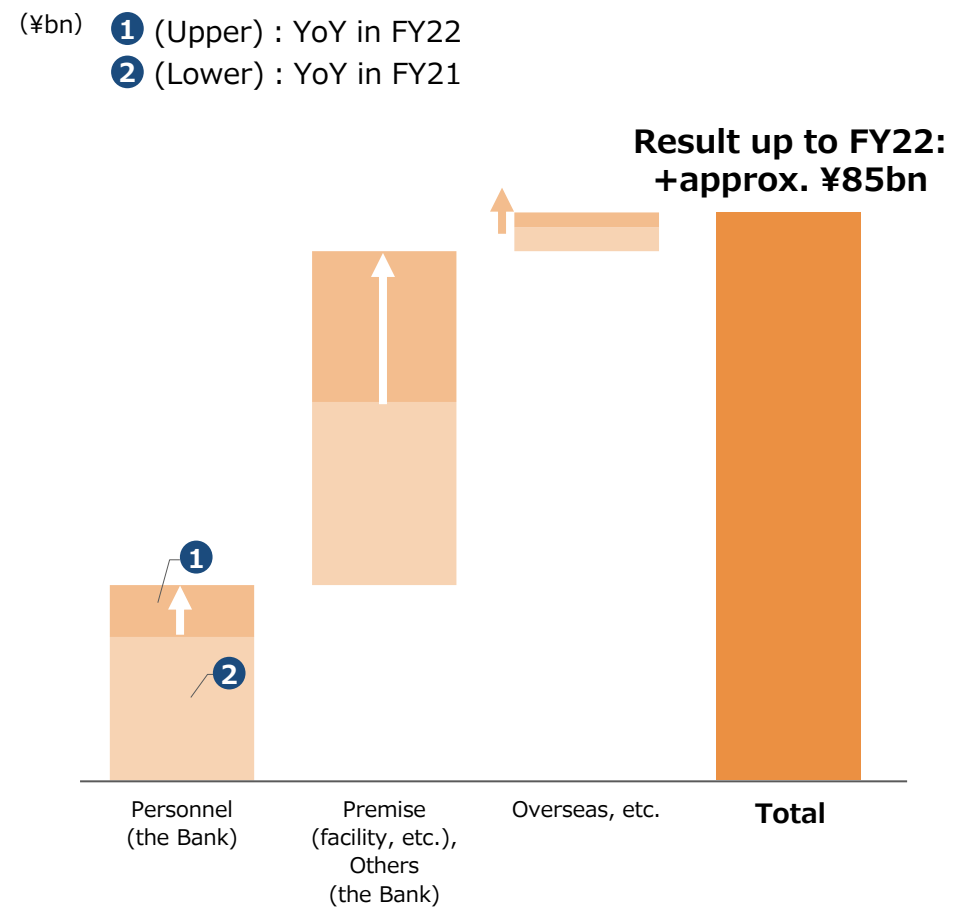
## Strategy for growth

FY23 MTBP Target (vs FY20)	Result up to FY22
+approx. ¥150bn	+approx. ¥400bn



## Structural reforms

FY23 MTBP Target (vs FY20)	Result up to FY22
+approx. ¥100bn	+approx. ¥85bn

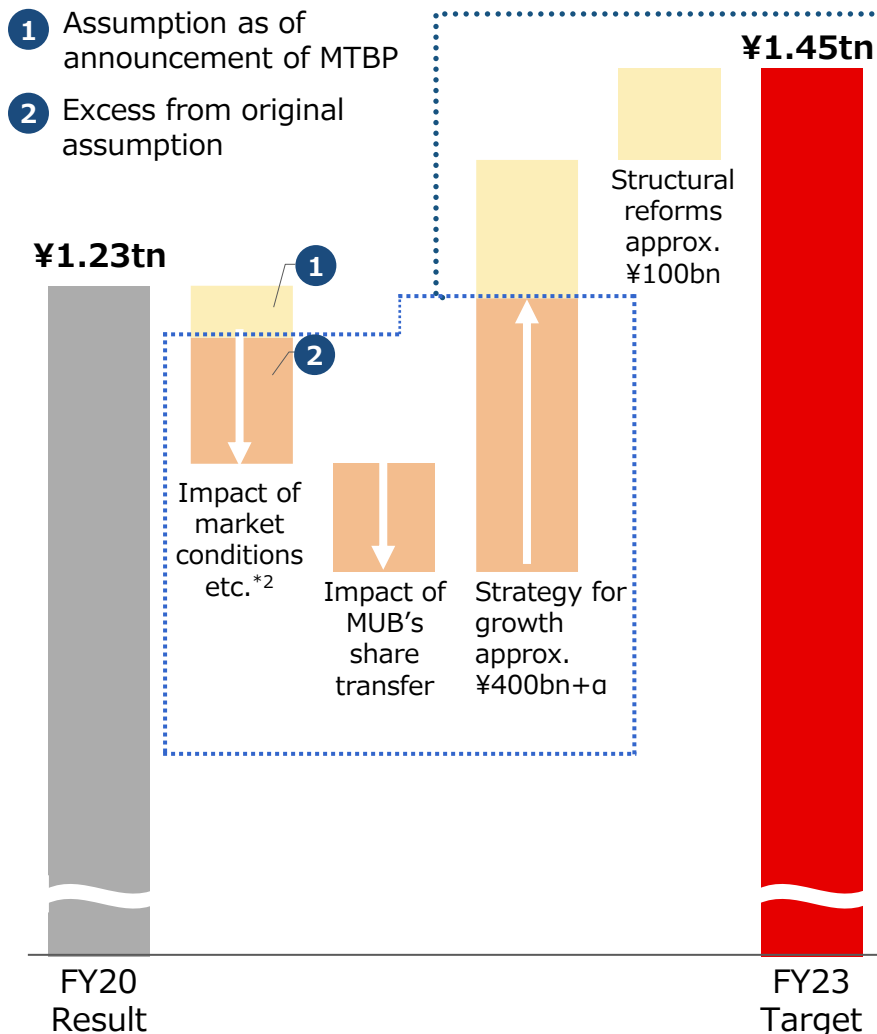


\*1 For Asia business, the estimated decrease in net operating profits during FY21 by the impact of market conditions, etc. such as the impact of policy rate cut, is not included in the MTBP target of strategy for growth. The growth from FY22 is included

# Progress of the key strategies and NOP target

– Aim to achieve NOP target despite the negative impact which was not initially expected at the announcement of the MTBP

## Path to achieve FY23 NOP target\*1



## FY23 NOP target by business group\*3

(¥bn)	FY23 Revised target	vs original MTBP target
<b>DS</b>	215	+ 10
<b>R&amp;C</b>	180	+ 40
<b>JCIB</b>	455	+ 170
<b>GCIB</b>	250	+ 70
<b>GCB</b>	230	(60)
<b>AM&amp;IS</b>	105	+ 5
<b>Global Markets</b>	125	(245)

## Major backgrounds of target revision

- JCIB・GCIB** : Increase on non-JPY loan and deposit interest income
- GCB** : MUB's share transfer
- Global Markets** : Restrained position management

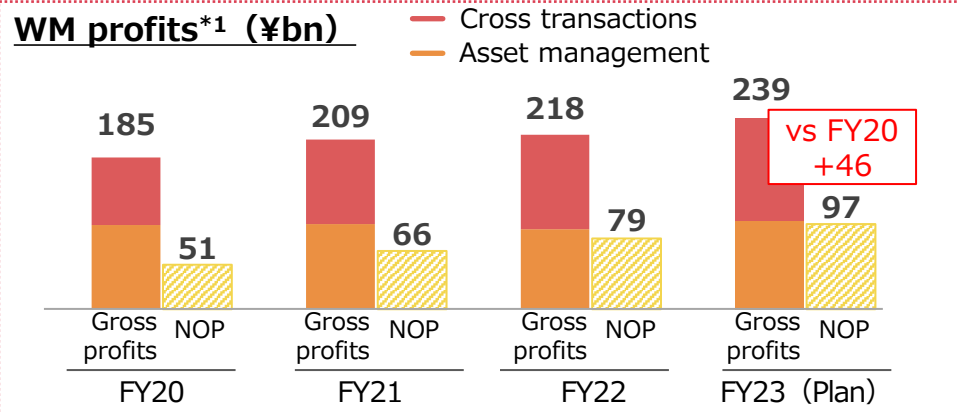
\*1 Managerial accounting basis \*2 Impact from FX fluctuation and rise in interest rates, etc.  
 \*3 On a managerial accounting basis. Including changes in standards



# Strategy of growth(1) Wealth Management (WM)

– Expansion of cross transactions and the use of WM digital platform resulted in YOY increases in both gross profits and net operating profits

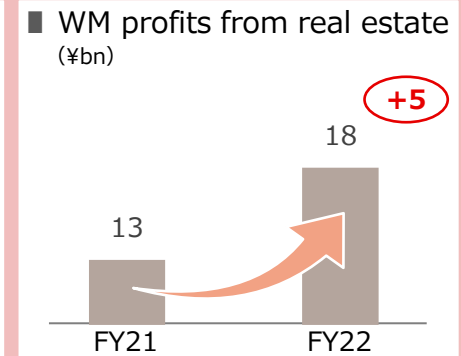
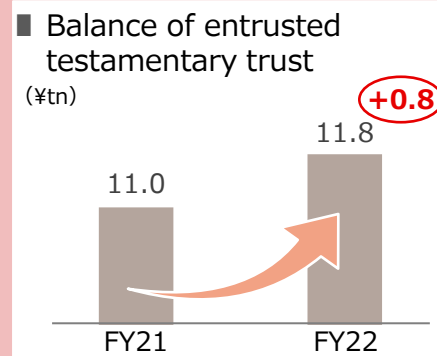
## KPI



## Progress of key strategies

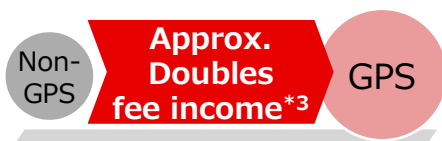
### Cross transactions

#### Real estate business arising from inheritance needs



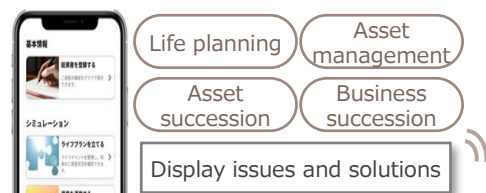
## WM digital platform (WMPF)

### Offline Proposal with GPS\*2



Open some functions online to customers

### Online Wealth Canvas\*4

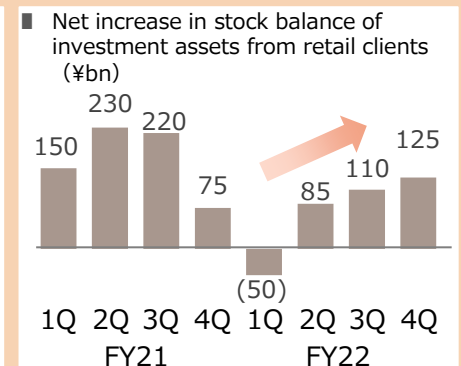
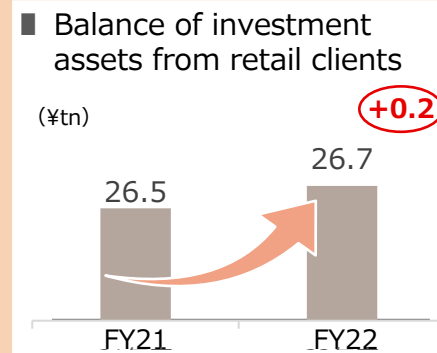


### ■ Wealth Canvas success story

- 1 Simulate the asset management plan by customer itself
- 2 Usage status will be shared with person in charge(PIC)
- 3 Consultation by PIC
- 4 Deal Execution

### Asset management

#### Asset management advisory model



\*1 Managerial accounting basis. Calculation is modified in step with the expansion of scope (incl. past year results)

\*2 Goal Planning System (total asset-based proposal system) \*3 Fee income per customer by the Bank (managerial basis, tallied from April to November 22)

\*4 Implemented in Money Canvas. Limited to customers with privilege

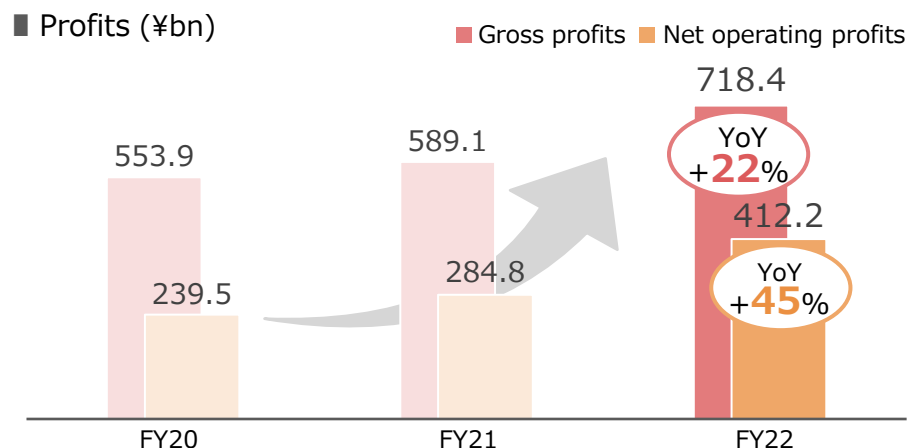
# Strategy for growth (2)

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

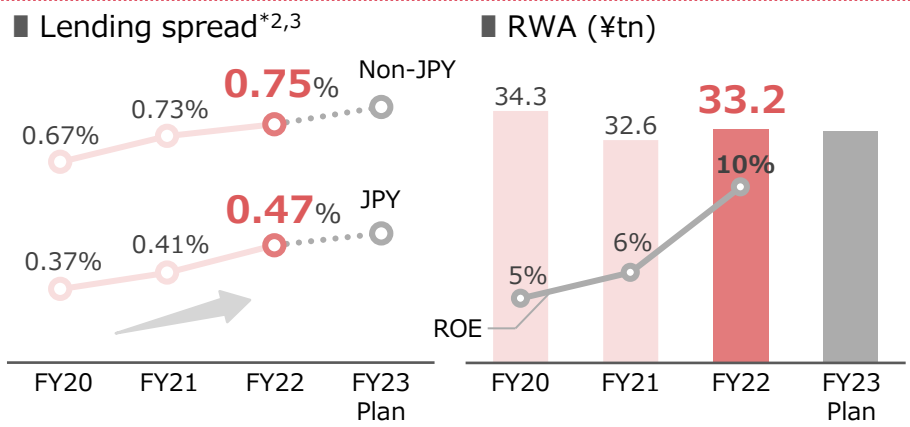
- Expand new business opportunities and contribute to address customer's social issues by enhancement of risk-taking

### JCIB's financial highlight (FY22)

- Realizing "staircase management"\*1 in FY22 by improving lending and deposit spread

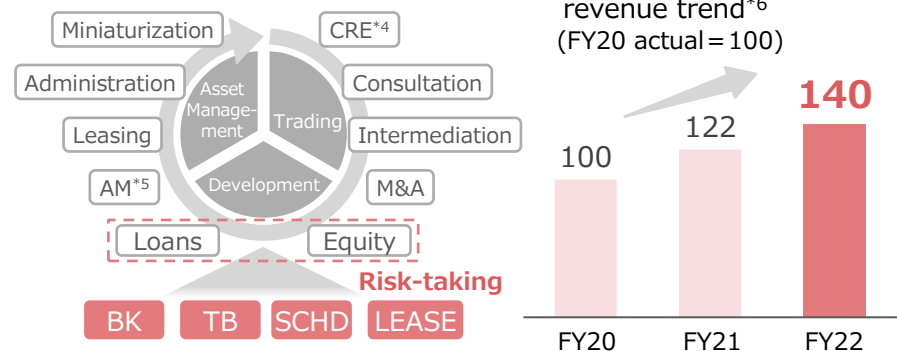


### KPI



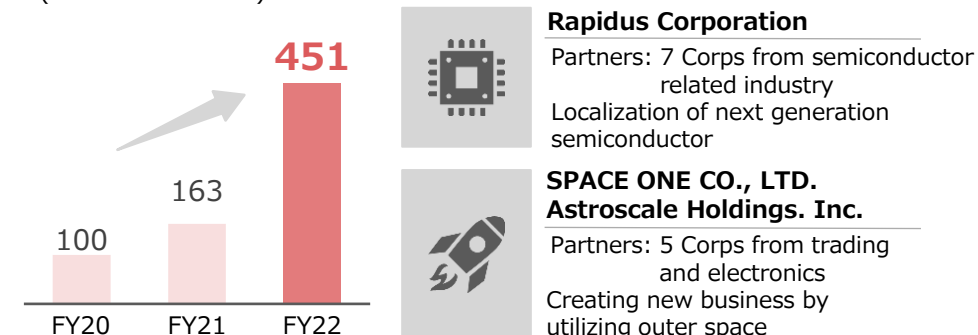
### Expand new business opportunities by enhancement of risk-taking

- Expanded revenue in real estate sector by risk-taking
- Enhancing real estate value chain
- Real estate business revenue trend\*6 (FY20 actual=100)



### Contribute to address customer's environmental and social issues

- Drive industry and business creation with customers by utilizing investments
- Investment balance trend (FY20 actual=100)
- Successful cases of investment for co-creation business



\*1 JCIB Business Gr.'s management policy is to pursue steady annual performance improvement rather than simply forging ahead, hoping to achieve results in excess of planned targets \*2 Results of JCIB (the Bank, non-consolidated basis) \*3 Calculated as net interest income / average loan balance of said period \*4 Corporate Real Estate \*5 Asset Management \*6 Total revenues of MUFG Group Companies

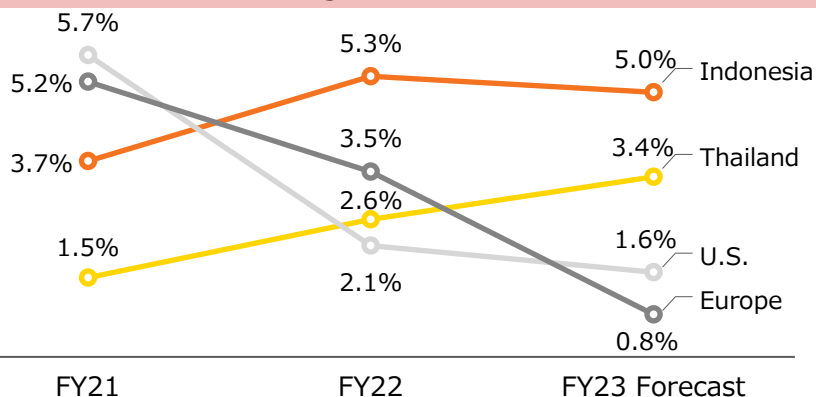
# Strategy for growth(3) – Asia business

– As the macro environment remains robust, the initiatives to capture the economic growth in Asia are on track

## Macroeconomic environment in Thailand and Indonesia

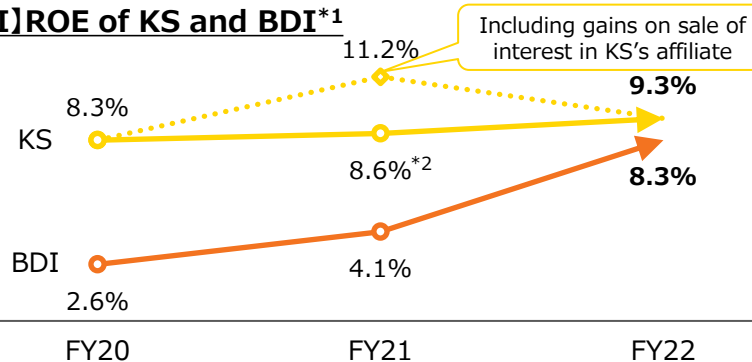
- Thai and Indonesian economies are expected to see relatively solid growth
- Performance of KS and BDI were both robust

GDP growth rate



(Source) IMF "World Economic Outlook Database, April 2023"

## [KPI] ROE of KS and BDI\*1



\*1 ROE based on local disclosure standards \*2 Excluding the extraordinary gains from the sales of 20% of shares in Ngern Tid Lor Public Company Limited  
 \*3 Name at the time of initial investment: Hattha Kaksekar Limited  
 \*4 Point of sale loan is an installment loan provided at automobile and household appliance dealerships

## Inorganic strategy of KS

- Pursue opportunities for growth in and outside Thailand



Acquisition cost of EUR596mm in 2023

Philippine & Indonesian subsidiary

## HOME CREDIT

- Consumer finance company (dominant market shares in terms of POS loans\*4 in both countries)
- Strengths in digital aspects such as application and screening models

## Enhancing BDI's consumer finance business

### Housing Loan



MUFG Jakarta Branch (BK)

Standard Chartered Acquisition of retail assets in Indonesia (To be finalized in 2023)

Strengthen retail business which has the potential to grow

### Auto Loan

- Introduced BDI customers to Adira proactively
- Increased the presence through local motor show

Indonesia's largest motor show

MUFG/BDI/Adira: Participated as main sponsors



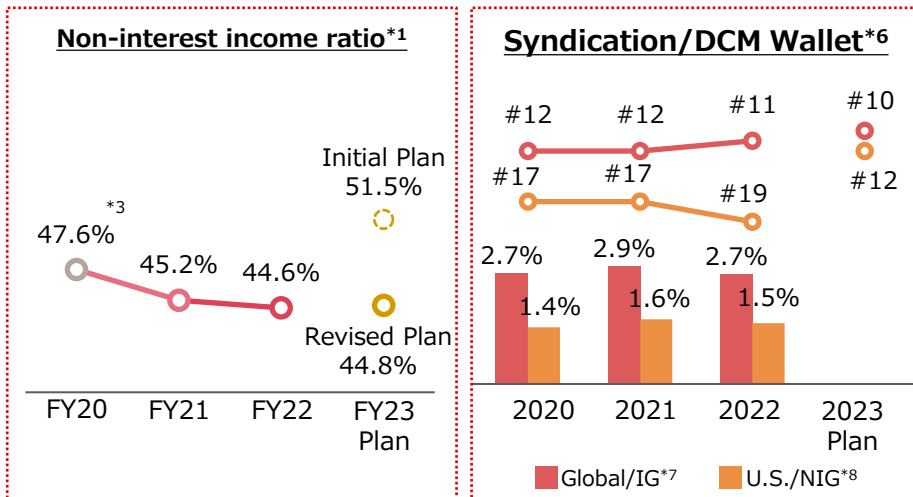
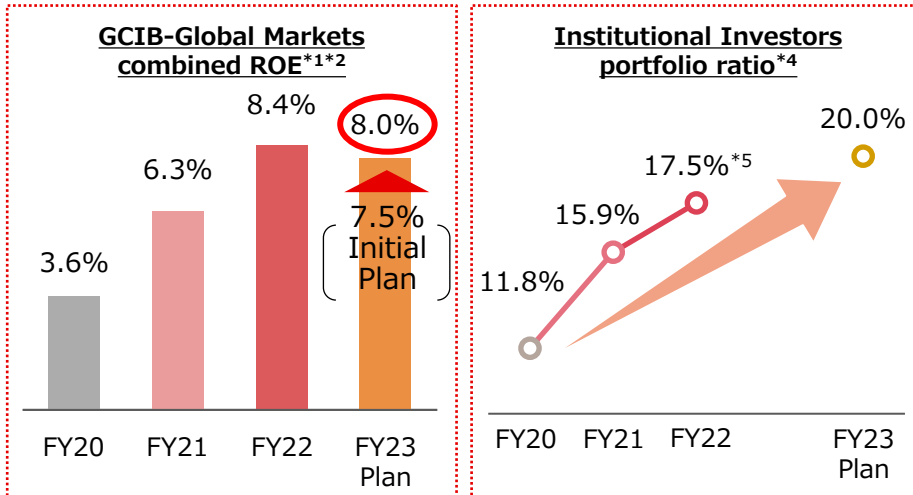
	FY22 result	FY23 target
Visitors	380thd ↗	470thd
New Loans	¥2.9bn ↗	¥4.3bn



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

– Captured strong loan and cross-selling demands by flexibly adjusting to market fluctuation  
 Institutional investors business expanding steadily

## KPI



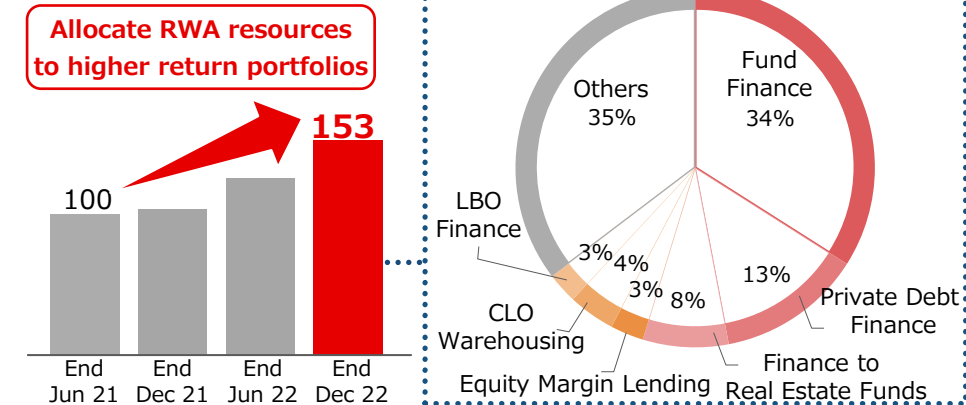
## Key points of revised KPI targets

<b>GCIB-GM combined ROE</b>	<ul style="list-style-type: none"> <li>Revised upward to ROE 8.0% (+0.5ppt vs initial plan)</li> </ul>
<b>Non-interest income ratio</b>	<ul style="list-style-type: none"> <li>Revised due to weak DCM and S&amp;T demands and continuous improvement of interest income expected in FY23</li> </ul>
<b>Institutional Investors portfolio ratio</b>	<ul style="list-style-type: none"> <li>Unchanged as a key focus area. Continue to provide diverse products based on institutional investors' demands</li> </ul>
<b>Syndication·DCM Wallet</b>	<ul style="list-style-type: none"> <li>Unchanged as a mid-to long-term target. Closely monitoring NIG market with enhanced risk management</li> </ul>

## Enhance risk appetite for institutional investors business

### ■ Institutional investors related finance portfolio<sup>\*9</sup>

(End of June 21 result=100)



\*1 Exclude impact of MUB's share transfer \*2 Targeted domains : Overall GCIB+Global Markets S&T (excl. Japanese Corporate Sales)  
 \*3 After adjustment of one off factor \*4 Loan balance in managerial basis \*5 Figure as of end of Feb 23 \*6 Source: Dealogic (Calendar year basis)  
 \*7 Investment Grade (Transactions with Investment Grade companies) \*8 Non-IG (Transactions with Non-Investment Grade companies)  
 \*9 Based on the sum of loan balance and amount of unutilized commitment in managerial basis

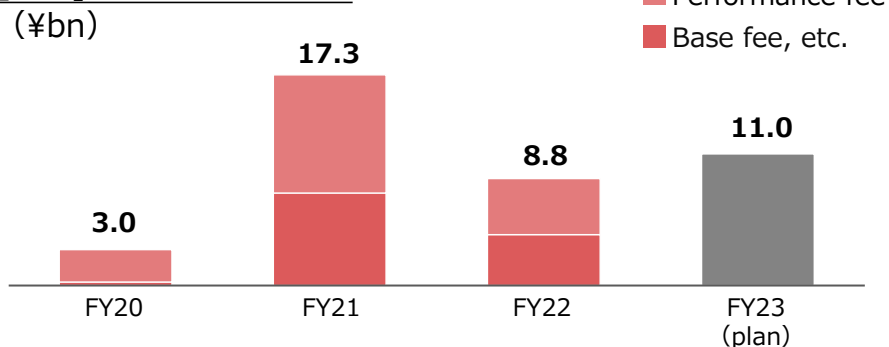
# Strategy for growth (5) - Global AM / IS

– Steadily moved forward in terms of measures to realize our vision for global AM/IS operations. Continue to consider new investments aimed at strengthening our functions

## Global AM

- Base fee decreased YoY due to AuM decrease from market decline, but received performance fee thanks to the robust performance of infrastructure fund

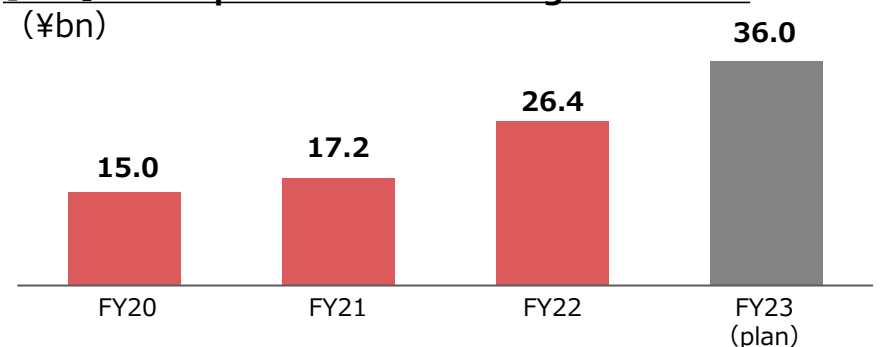
### [KPI] Global AM NOP



## Global IS

- Gross profits increased YoY due to the combined provision of high-value-added-services and U.S. interest rate hikes

### [KPI] Gross profits from banking business\*3

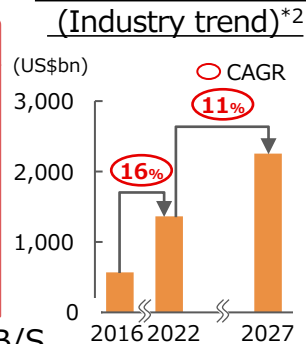


## Future initiatives

- 1 Acquisition of AlbaCore Capital\*1 by FSI Private debt balance (Industry trend)\*2

### Rationale for initiatives

- Acquire high-growth and complementary investment capabilities
  - ✓ High-growth potential in alternative credit market
  - ✓ Complement business for FSI-attractive asset class
  - ✓ Augment AuM beyond industry growth
- Expand our global customer base



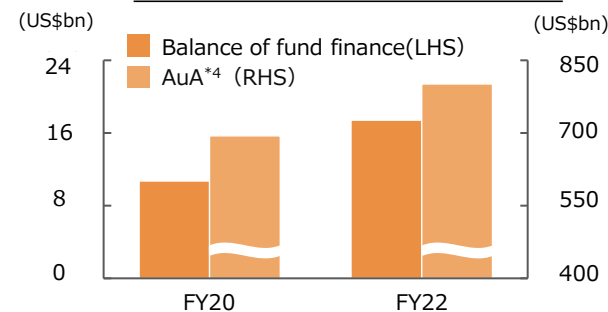
- 2 Development new products by using B/S

- Reach out to investors by accumulating track records in infrastructure-related products, etc.

## Future initiatives

- 1 Raise the bundling ratio via the provision of seamless services in Japan and overseas

### Trend of AuA and Fund finance



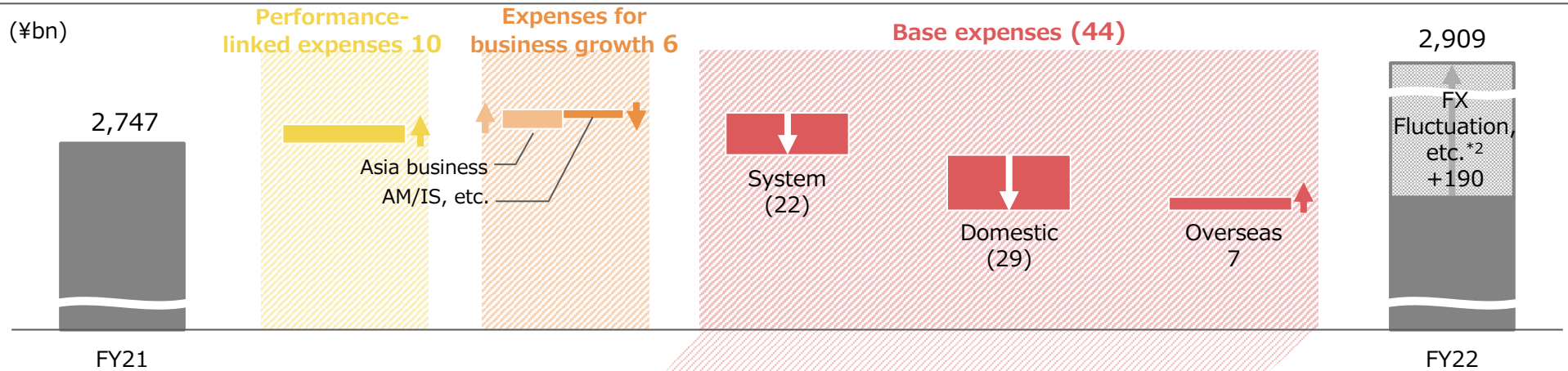
- Stably secured growth in AuA via the combined provision of fund finance, etc.

\*1 AlbaCore Capital Group \*2 (Source) Prequin \*3 Gross profits from fund finance, fund FX, interest income  
 \*4 Asset under Administration excluding assets entrusted in connection with only a limited scope of services

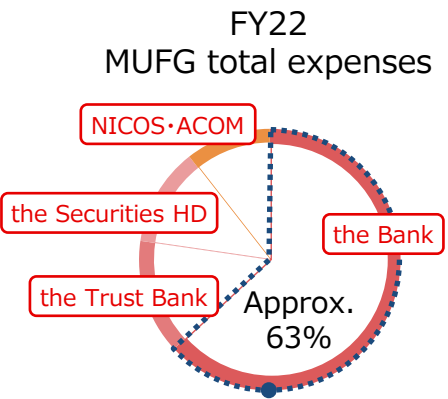
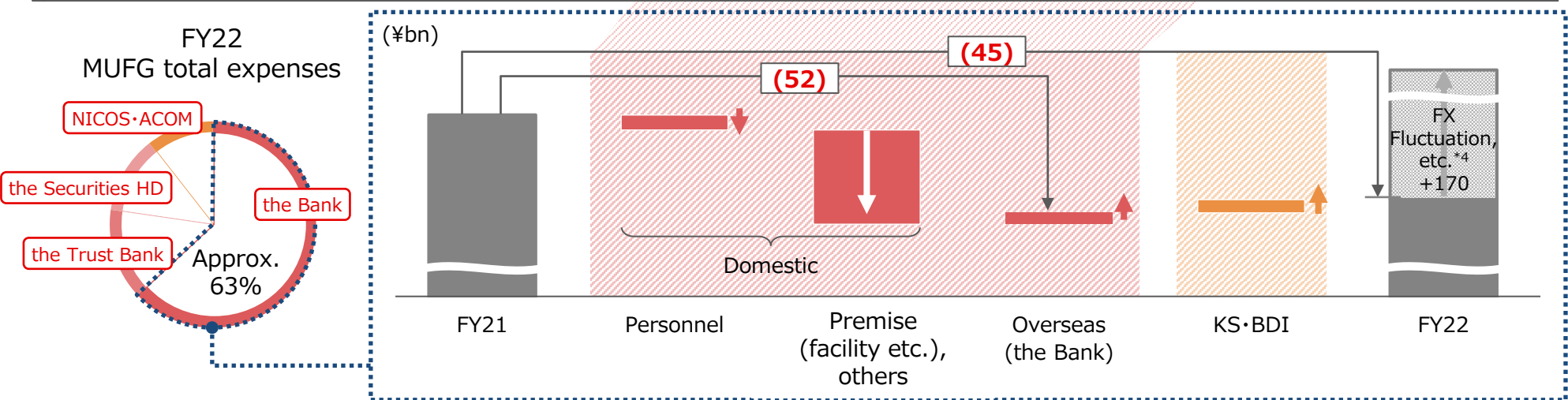
# Cost and RWA control – Expenses

– Made steady progress in the reduction of base expenses. FY22 expenses decreased YoY excluding the impact of FX fluctuation, etc.

## Expenses\*1



## Expenses (the Bank including MUAH, KS, BDI)\*1\*3

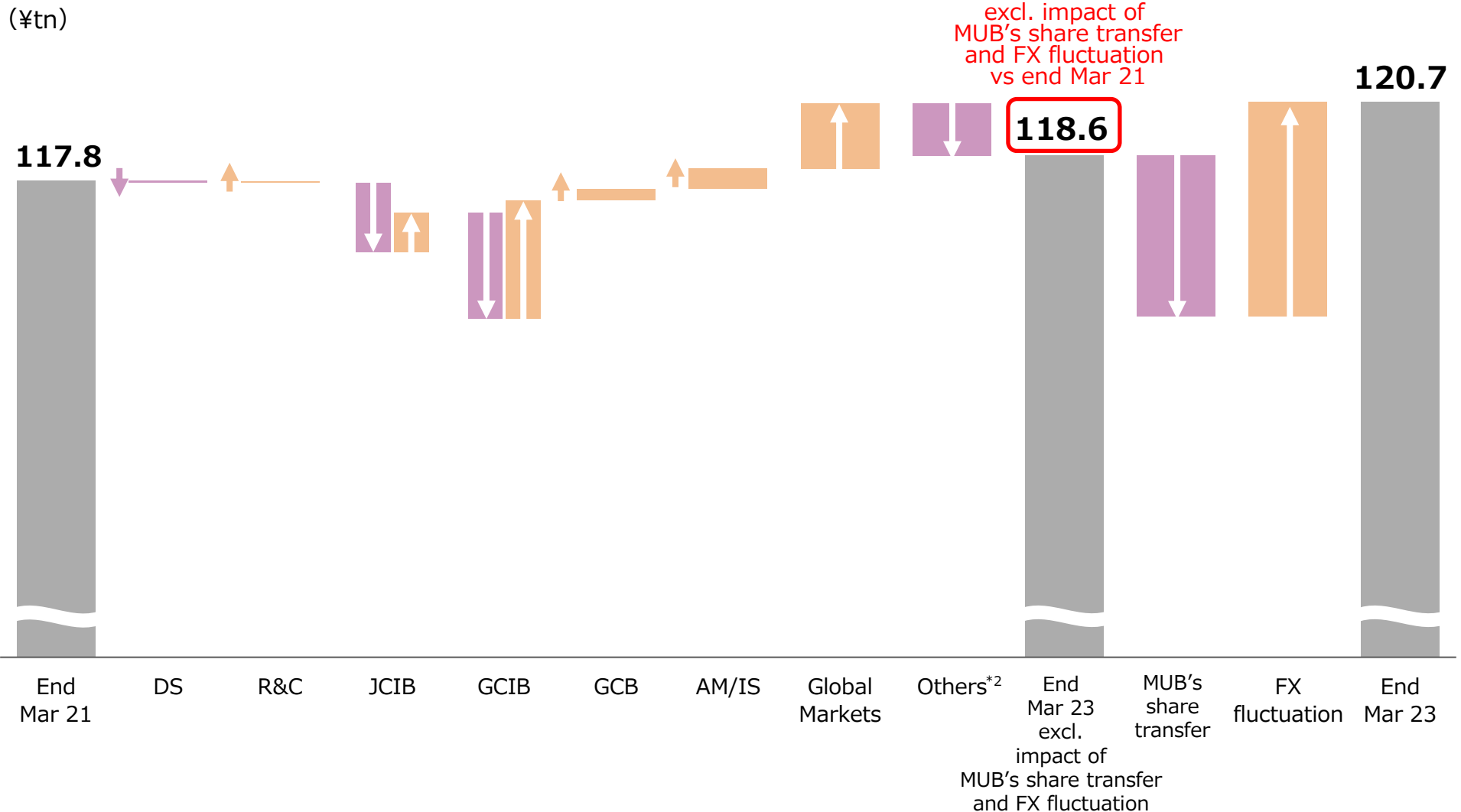


\*1 Internal managerial figure \*2 The impacts of FX fluctuation and MUB's share transfer are approx. ¥130bn and ¥60bn respectively

\*3 Includes parts of expenses for business growth, etc. \*4 The impacts of FX fluctuation and MUB's share transfer are approx. ¥110bn and ¥60bn respectively

# Cost and RWA control – RWA\*1

– RWA is controlled properly through disciplined RWA management



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

\*2 Impact of revision of Financial Services Agency Notification (effective as of Apr 28, 2022), etc.

# Review of our business portfolio (the Americas)

– Aim to improve the growth and profitability of the Americas business by focusing management resources towards the wholesale business which can leverage MUFG's strengths

## Schedule of the sale of MUB

Nov. 2008:

Acquired 100% ownership of MUB\*1

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

### Business environment surrounding MUB

- Increasing importance of scale and IT investments in retail business

Sep. 2021: Announced transfer of all shares of MUB to U.S. Bancorp (USB)

MUFG	Optimize management resource allocation to improve shareholder value
MUB	Unlock MUB's potential franchise value by integrating with U.S. Bancorp
MUB's customers	Access to USB's high quality financial services

Oct. 19<sup>th</sup> 2022: Obtained all required regulatory approvals

Dec. 1<sup>st</sup> 2022: Transferred MUB shares to USB and received USB stock\*2

May 2023: System conversion and integration at USB (scheduled)

## Future strategy of the Americas



### Future direction

- Focus management resources towards the wholesale business which can leverage MUFG's strengths
- Strengthen collaboration between the Bank, the Trust Bank and the Securities as well as the alliance with Morgan Stanley
- Build a foundation which fits the renewed business model and pursue higher efficiency



### Core businesses

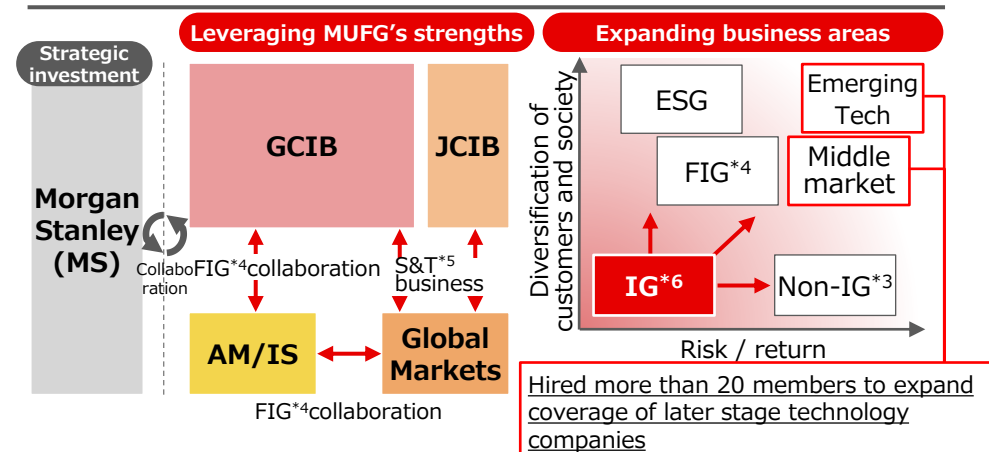
- GCIB & Global Markets
- JCIB
- AM/IS



### Areas of focus

- Non-IG\*3/Middle Market
- Sales & Trading
- ESG business

## Strategy map



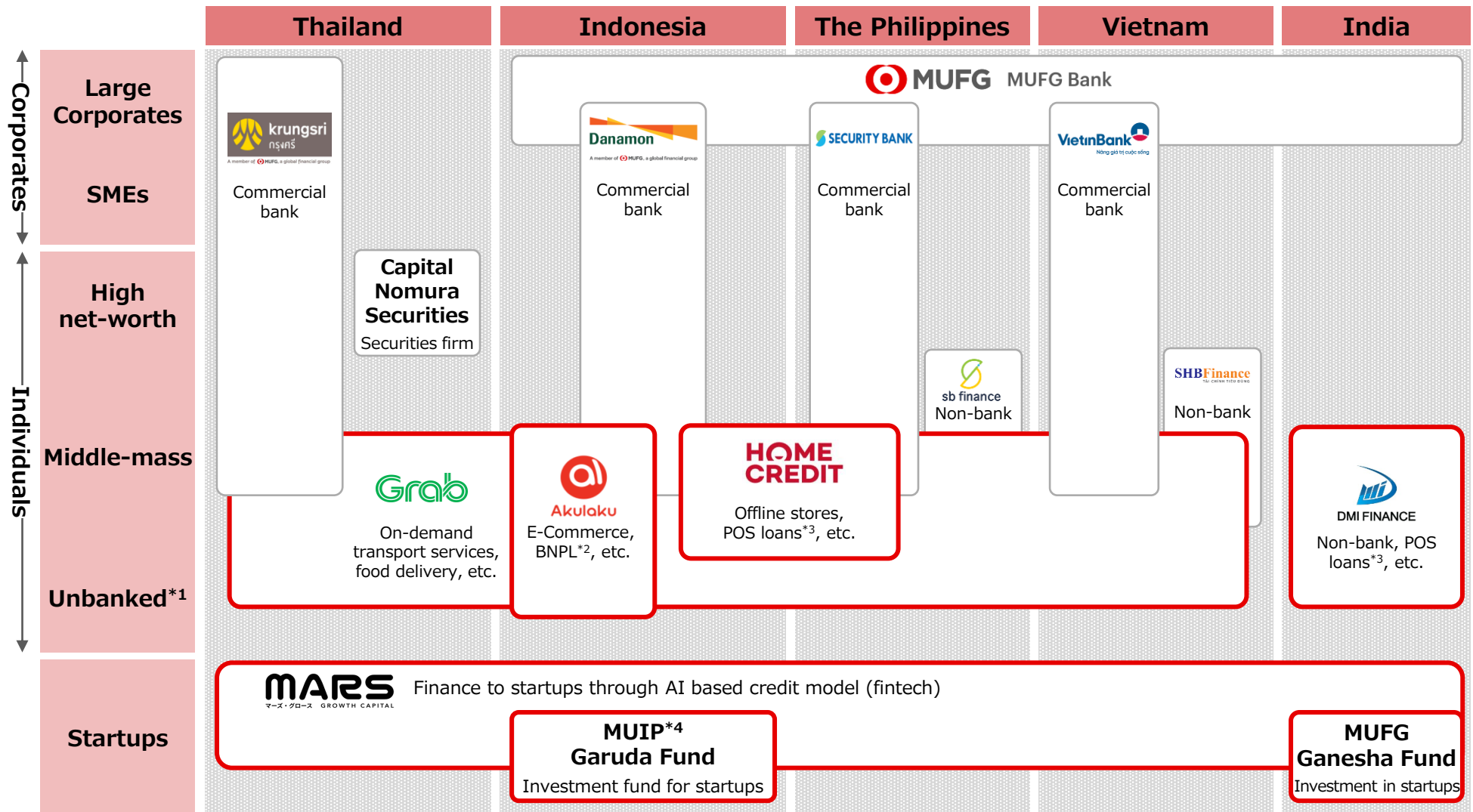
\*1 Acquired 100% ownership of UnionBanCal Corporation (currently MUAH), parent company of Union Bank of California (currently MUB)

\*2 MUB's GCIB portfolio (Loans approx. US\$20bn, etc.) were transferred to the Bank, prior to the transfer \*3 Non-Investment Grade

\*4 Financial corporations and institutional investors such as asset management companies, financial sponsors, etc. \*5 Sales & Trading \*6 Investment Grade

# Review of our business portfolio (Asia & digital)

– Aim to seize opportunities arising from Asia’s expanding financial needs through investment in digital finance, etc.



  : Digital finance investments

\*1 Customers without access to a bank account or other basic financial services

\*2 Buy Now Pay Later is a form of financing that lets consumers pay for purchases over time

\*3 Point of Sale loan is an installment loan provided at automobile and household appliance dealerships

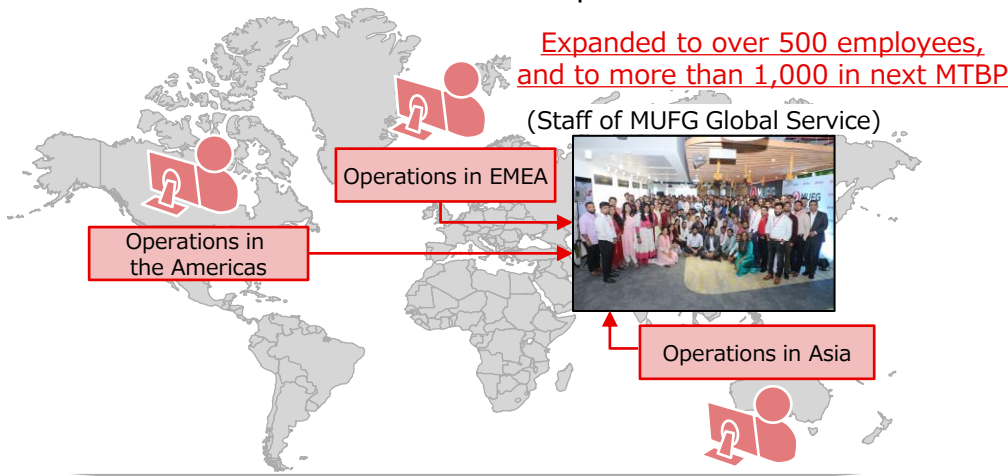
\*4 MUFG Innovation Partners

# Transformation of platforms and our business infrastructure / Evolution of business operations (overseas)

– Continue to maintain the resilience of overseas business and operations

## Reducing overseas expenses via MUFG Global Service\*1

- Utilize a subsidiary in India as an offshore hub
- Contribute to reducing expenses by centralization and standardization of overseas operations



Evolving to Center of Excellence (Knowledge, Talents) through centralization and standardization

Building an integrated management framework overarching Americas and EMEA CIB business

Appointed as Global Executive of CIB (Americas and EMEA)

Kevin Cronin



### Objectives

- Generate synergies in mature and growing capital markets
- Enhance strategy and accelerate execution capability by sharing best practices
- Improve operational efficiency (agility/speed)

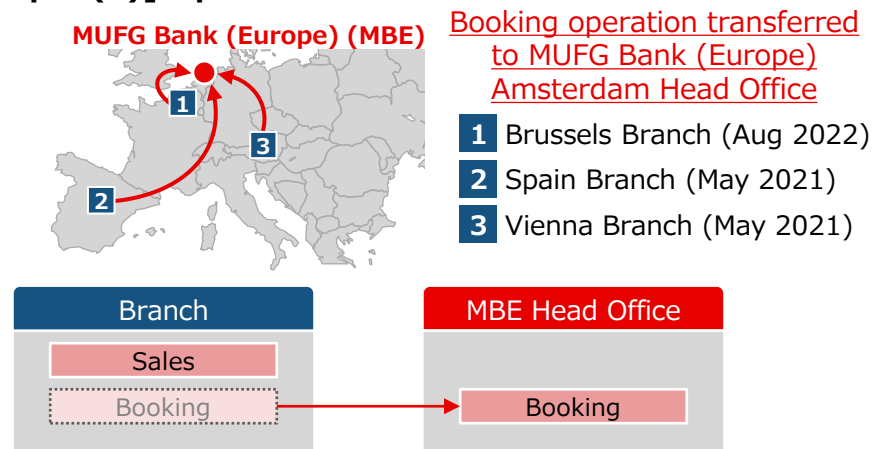
\*1 Registered name: MUFG Enterprise Solutions India Private Limited

\*2 Opening GIFT Branch in Gujarat International Finance Tec-City (GIFT City)

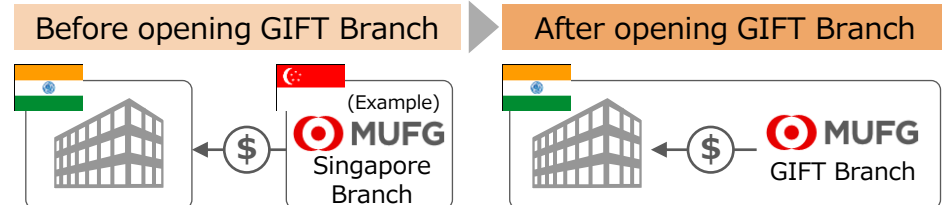
## Optimizing the overseas office network

- Pursue the optimization of office network and management resource allocation on a global basis

### [Example (1)] Optimization of branch network in EMEA



### [Example (2)] New offshore booking base in India (Aug 2022) 1st case among Japanese banks



- GIFT Branch\*2 opens as the 6<sup>th</sup> branch of MUFG Bank in fast-growing India
- Responding to diverse financing needs of customers through foreign currency loans from India



# Toward the next MTBP: Business environment

- The business environment surrounding MUFG has changed significantly since the formulation of the current MTBP and we now faces a major turning point

As of formulation of current MTBP

During current MTBP

Acceleration of pre-existing megatrends due to COVID-19 response

Digital shift in society as a whole

Heightened awareness of social issues/ social contributions

Changes in and diversification of workstyles and values



Facing a major turning point; post-pandemic normalization, escalation of geopolitical risks, etc.

Normalization of the interest rate trend / breaking away from deflation

Reversal of globalization

Trend toward full-scale DX\*<sup>1</sup>

- Generative AI
- Digital thinking

Trend toward full-scale GX\*<sup>2</sup>

- Industrial policies starting with GX

The power of technology helps secure and expand virtual connections in an era of division and decentralization among nations, economies and social components

\*1 Digital transformation \*2 Green transformation



# Toward the next MTBP: Direction of initiatives

- Strengthen and leverage our “connecting” functions as an unparalleled financial and digital platform operator

## Existing management policy

### Purpose-driven management

“Committed to empowering a brighter future.”

### ROE-focused management

(Profits / Expenses / RWA)

### Challenges and transformation

Corporate transformation  
Strategy for growth  
Structural reforms



## Direction of initiatives

### Maximize MUFG’s strengths

- Human resources
- Customer base
- Group capabilities
- Global network
- Integrity and Responsibility

### Further strengthen MUFG’s assets

- Investment in Human resources
- Risk taking capabilities
- Corporate culture
  - speedy decision making, taking on new challenges as a frontier
- Strategic investments (Asia, Digital and Global AM/IS)
- Data infrastructure

Strengthen and leverage our “connecting” functions as an unparalleled financial and digital platform operator to achieve further growth and gain greater competitiveness

⇒ Lay the groundwork for the next MTBP

Capital policy

## Basic policy (“Capital Triangle”)

– Implement well-balanced capital management

### Enhance further shareholder returns

- Progressive increase in dividends, flexible share repurchase (P.55)



MUFG's  
Corporate  
Value

### Maintain solid equity capital

- CET1 ratio\*<sup>1</sup> target: 9.5%-10.0% (P.52)

### Strategic investments for sustainable growth

- Focusing on capturing returns in existing investments and continuous consideration of new investments in growth areas such as Asia, digital and global AM/IS, etc. (P.54)

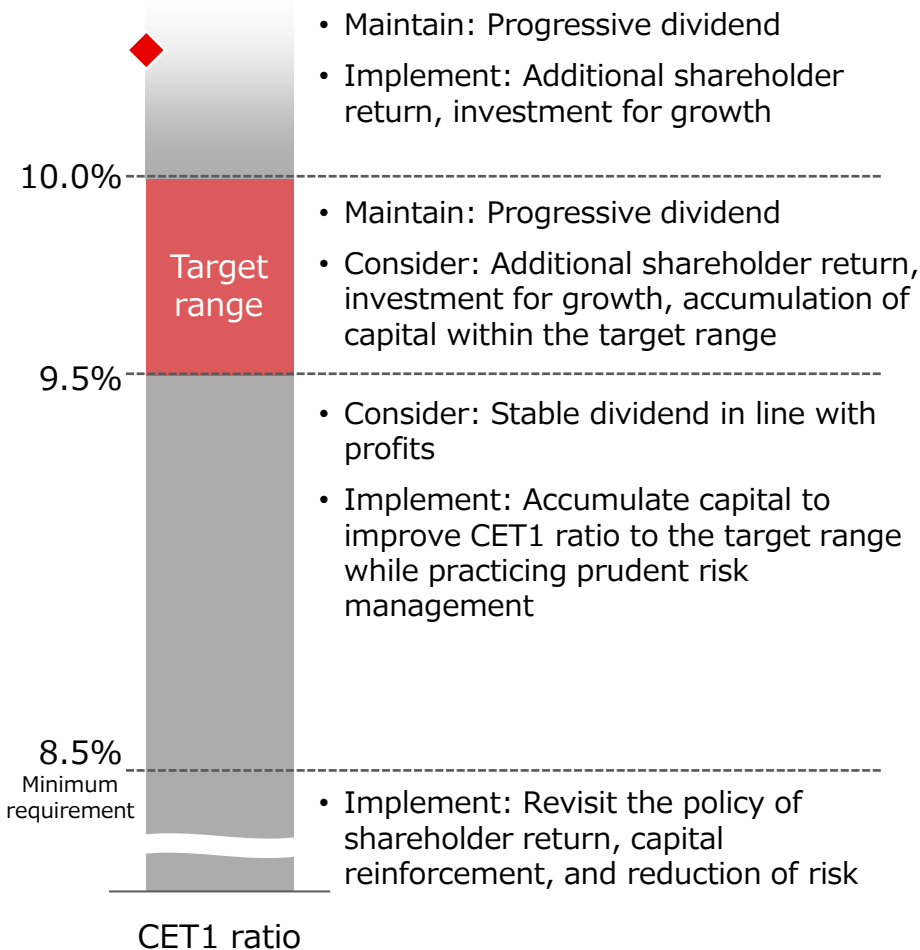
\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities

# Capital management policy

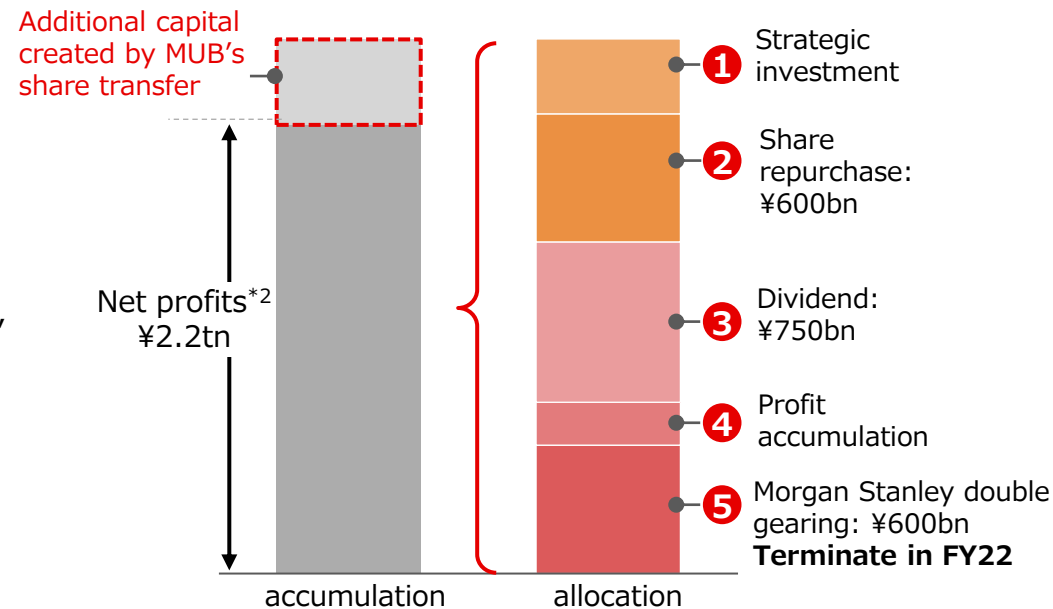
– Align our approach to capital management with business environment based on CET1 target range

## Capital management policy\*1

(End Mar 23)



## Breakdown of net profits during FY21-22



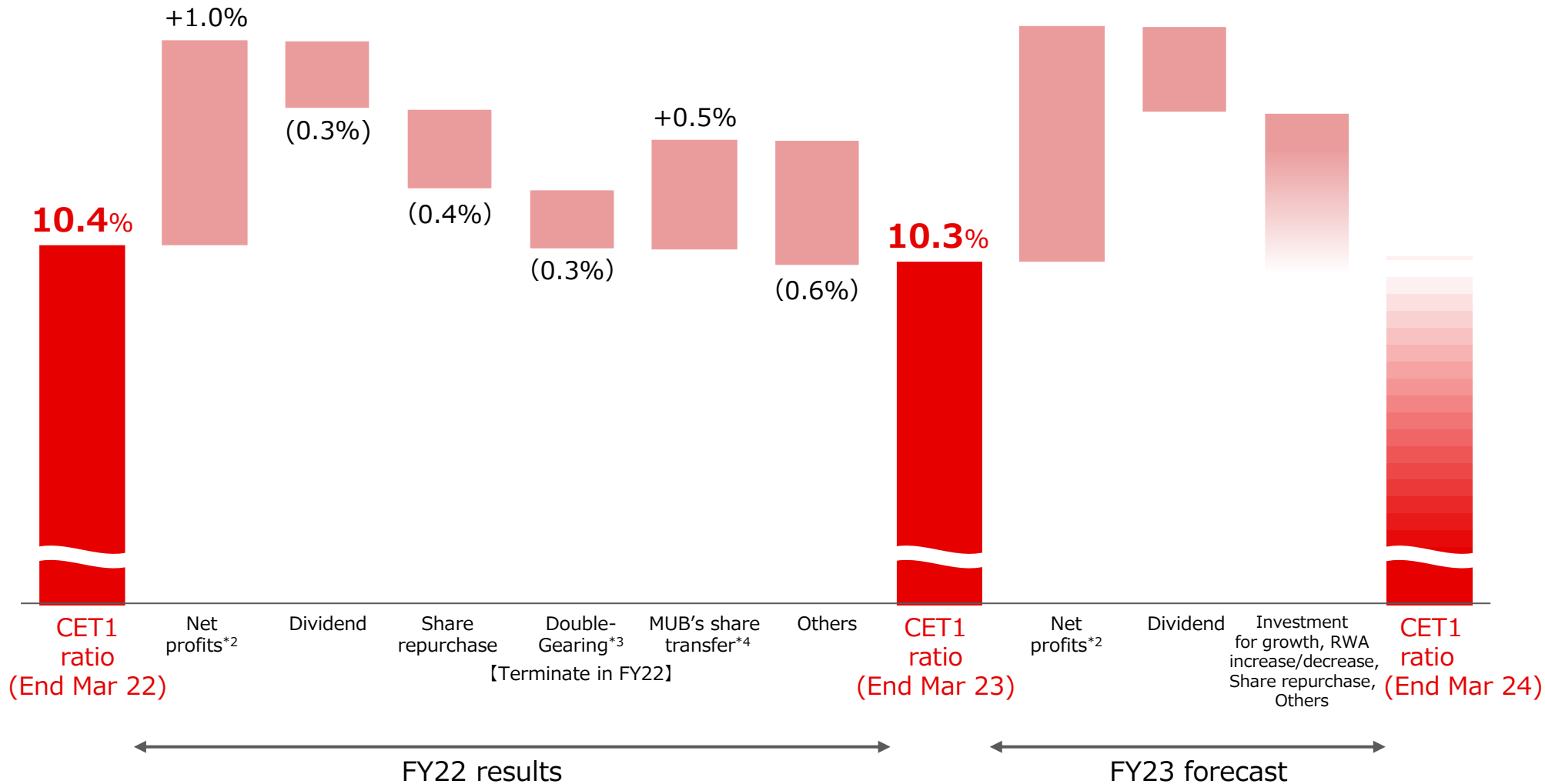
- ① Strategic investment for sustainable growth particularly in the digital domain in Asia
- ② Repurchase own shares of ¥150bn in FY21, ¥450bn in FY22
- ③ DPS up by ¥3 in FY21, ¥4 in FY22
- ④ Accumulate profit in accordance with business environment prospect
- ⑤ Termination of special treatment of investment in Morgan Stanley (terminate in FY22)

\*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

\*3 Capital deduction for the investment in Morgan Stanley

\*4 Excluding the impact of the investment in U.S. Bancorp

# Strategic investments for sustainable growth

– Consider capital utilization, albeit in a disciplined manner, as a key measure for securing sustainable growth. Periodically review the existing investments

## Disciplined investment criteria

<b>Strategy</b>	Consider new investments in growth areas such as digital, global AM/IS and Asia, etc.	<b>Profitability</b>	Profitability criteria for enhancing corporate values Periodic monitoring after investments	<b>Capital efficiency</b>	Reallocate capital to strategic areas
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Current situation of consideration

- Focus on capturing returns in existing investments
- In spite of continuous consideration, no major investment projects will be considered for the time being
- If there is no candidate satisfying our criteria, excess capital will be allocated for additional shareholder return

## Strategic Investment

Asia	Digital related	Global AM/IS
<p><b>2023</b></p> <p>Capital Nomura Securities Approx. ¥21bn*1</p> <p><b>2023 (Plan)</b></p> <p><b>HOME CREDIT</b> Approx. ¥87bn</p> <p><b>2023</b></p> <p><b>DMI FINANCE</b> Approx. ¥32bn</p> <p><b>2022</b></p> <p><b>Kanmu</b> Approx. ¥14bn*5</p> <p><b>2023 (Plan)</b></p> <p><b>ALBACORE CAPITAL GROUP</b></p>	<p><b>2022</b></p> <p><b>Kanmu</b> Approx. ¥14bn*5</p> <p><b>2016–2023</b></p> <p>Investment in open innovation Approx. 37 investees Approx. ¥67bn*6</p> <p><b>2022</b></p> <p><b>MUIP Garuda Fund</b> Approx. ¥13bn*3</p> <p><b>2022</b></p> <p><b>MUFG Ganesh Fund</b> Approx. ¥37bn</p> <p><b>2020</b></p> <p><b>Grab</b> Approx. ¥78bn</p>	<p><b>2019</b></p> <p><b>First Sentier Investors</b> Approx. ¥300bn</p> <p><b>2013–2020</b></p> <p><b>MUFG MUFG Investor Services</b> Approx. ¥76bn</p>
<p><b>2012–2019</b></p> <p><b>VietinBank</b> (Approx. ¥63bn*2)</p> <p><b>krungsri</b> (Approx. ¥536bn*2)</p> <p><b>SECURITY BANK</b> (Approx. ¥89bn*2)</p> <p><b>Danamon</b> (Approx. ¥687bn)</p>	<p><b>2022</b></p> <p><b>Akulaku</b> Approx. ¥26bn</p> <p><b>2020–2023</b></p> <p><b>MARS</b> Approx. ¥133bn*4</p>	

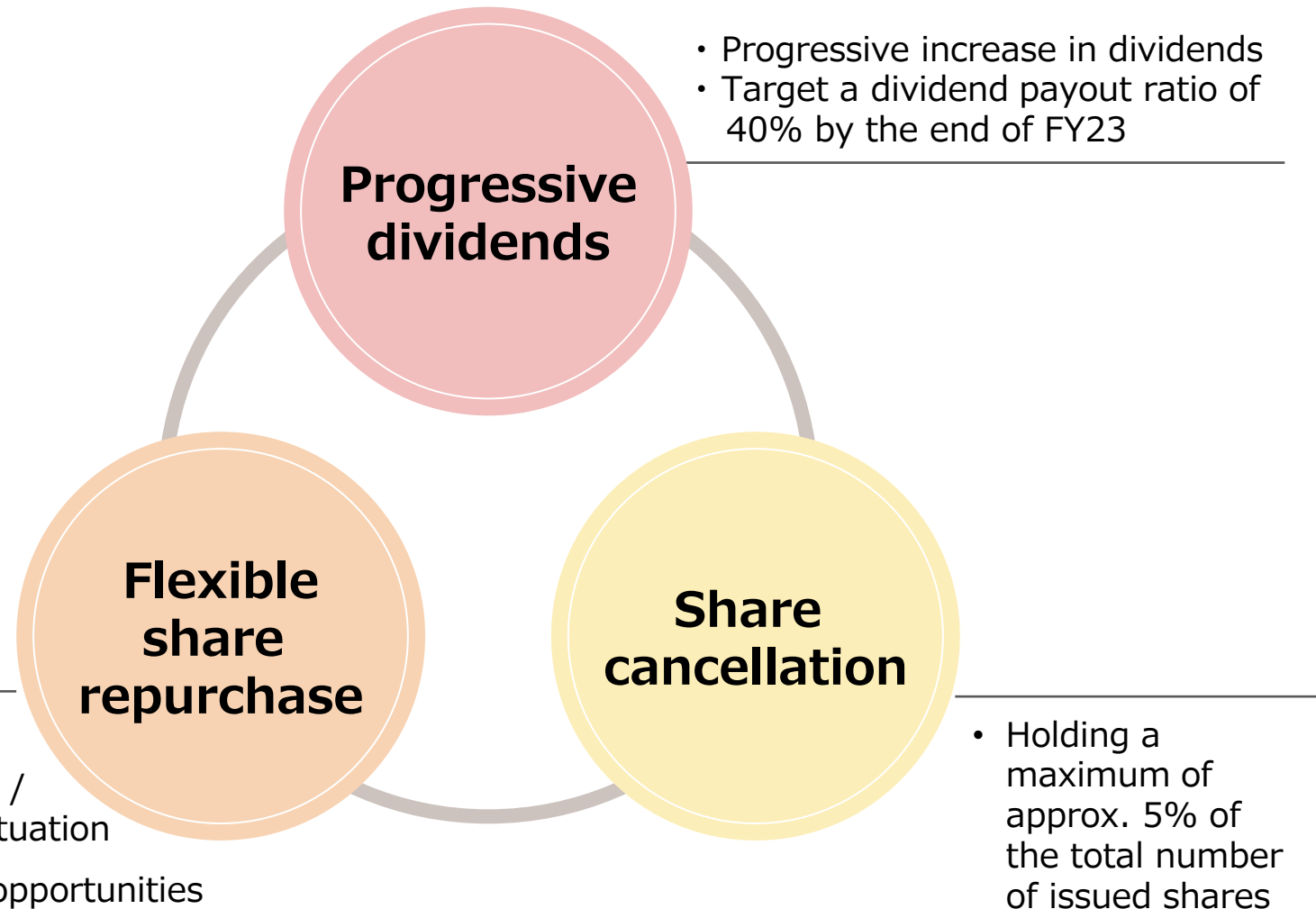
## Divestment

<p><b>2022</b></p> <p><b>UnionBank</b> Approx. ¥2.1tn*7</p>	<p><b>2022</b></p> <p><b>中京銀行</b> Approx. ¥10bn</p>
<p><b>2020</b></p> <p><b>AMPCAPITAL</b> Approx. ¥36bn</p>	<p><b>2019</b></p> <p><b>大新金融集團有限公司</b> DUI SING FINANCIAL HOLDINGS LIMITED Approx. ¥10bn</p>
<p><b>2019</b></p> <p><b>Standard Life Aberdeen</b> Approx. ¥49bn</p>	<p><b>2018</b></p> <p><b>Bradesco</b> Approx. ¥45bn</p>
<p><b>2017</b></p> <p><b>CIMB</b> Approx. ¥68bn</p>	

\*1 JPY equivalent of planned investment amounting of THB5,501mm using actual exchange rates as of end Jun 2022 \*2 Initial investment amount \*3 JPY equivalent of commitment amount of US\$100mm using actual exchange rate as of end Jan 2023 \*4 JPY equivalent of MUFG's LP commitment (incl. plan) using actual exchange rates as of end Mar 2023 \*5 JPY equivalent of shares acquisition from FreakOut Holdings, inc. \*6 Internal managerial basis \*7 Approx. US\$15.6bn of total transaction value is converted into ¥ using actual exchange rates as of 1st Dec 2022

## Basic policies for shareholder returns

- Improve shareholder returns, focusing on dividends.  
Consider share repurchase in a continuous and flexible manner



# Results of shareholder return

– FY22 total payout is ¥840bn (total payout ratio is 75.2%). DPS forecast in FY23 is up by ¥9 compared to FY22, consider share repurchase in a continuous and flexible manner

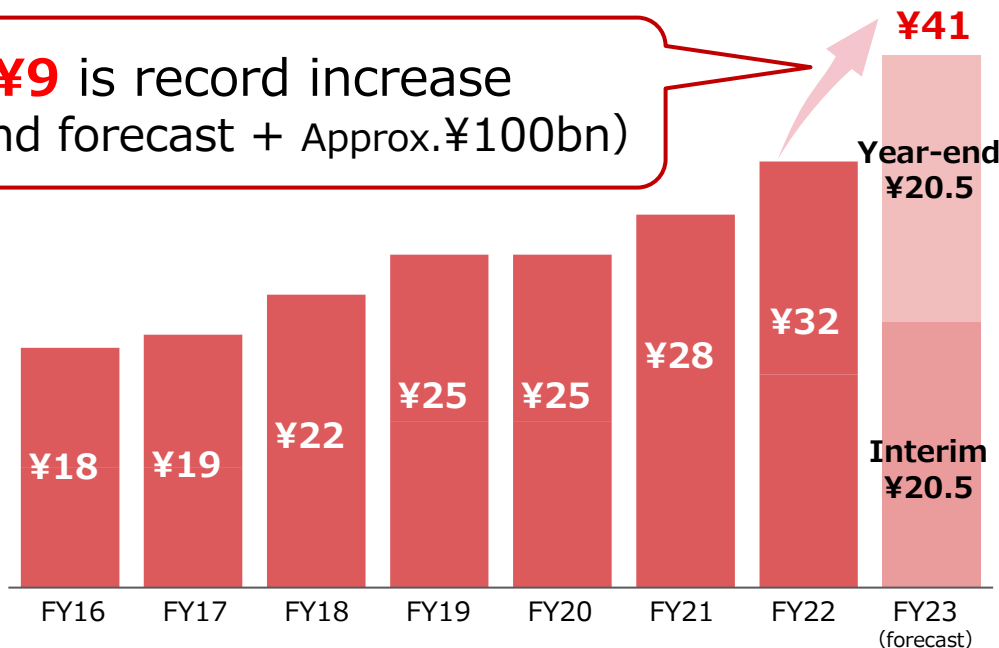
## Results and forecast for FY23

## Concepts of shareholder return

■ Dividend per share ○ Dividend payout ratio



**+¥9** is record increase  
(Dividend forecast + Approx.¥100bn)



(¥bn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23 (forecast)
Dividend	243.6	251.8	286.9	322.9	321.8	357.1	390.0	493.0
Share repurchase	200.0	200.0	150.0	50.0	-	150.0	450.0	-
Total payout	443.6	451.8	436.9	372.9	321.8	507.1	840.0	493.0
Net profits <sup>*2</sup>	926.4	989.6	872.6	528.1	777.0	1,130.8	1,116.4	1,300.0
Total payout ratio	47.9%	45.7%	50.1%	70.5%	41.3%	44.8%	<b>75.2%</b>	37.9%

## Dividend

### DPS forecast in FY23 is up by ¥9

- DPS in FY22 is up by ¥4, dividend is ¥390bn
- DPS forecast is up by ¥16 (+64%) in cumulative total during this MTBP (FY21-FY23)

### FY23 target

Net profits <sup>*3</sup> : ¥1.3tn	Dividend payout ratio: 37.9% <sup>*2</sup>
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## Share repurchase

### Repurchase own shares ¥450bn in FY22

- Promote disciplined capital policy to achieve ROE target
- Decided carefully based on some financial institutions' risk materialization. Consider share repurchase in a continuous and flexible manner in FY23

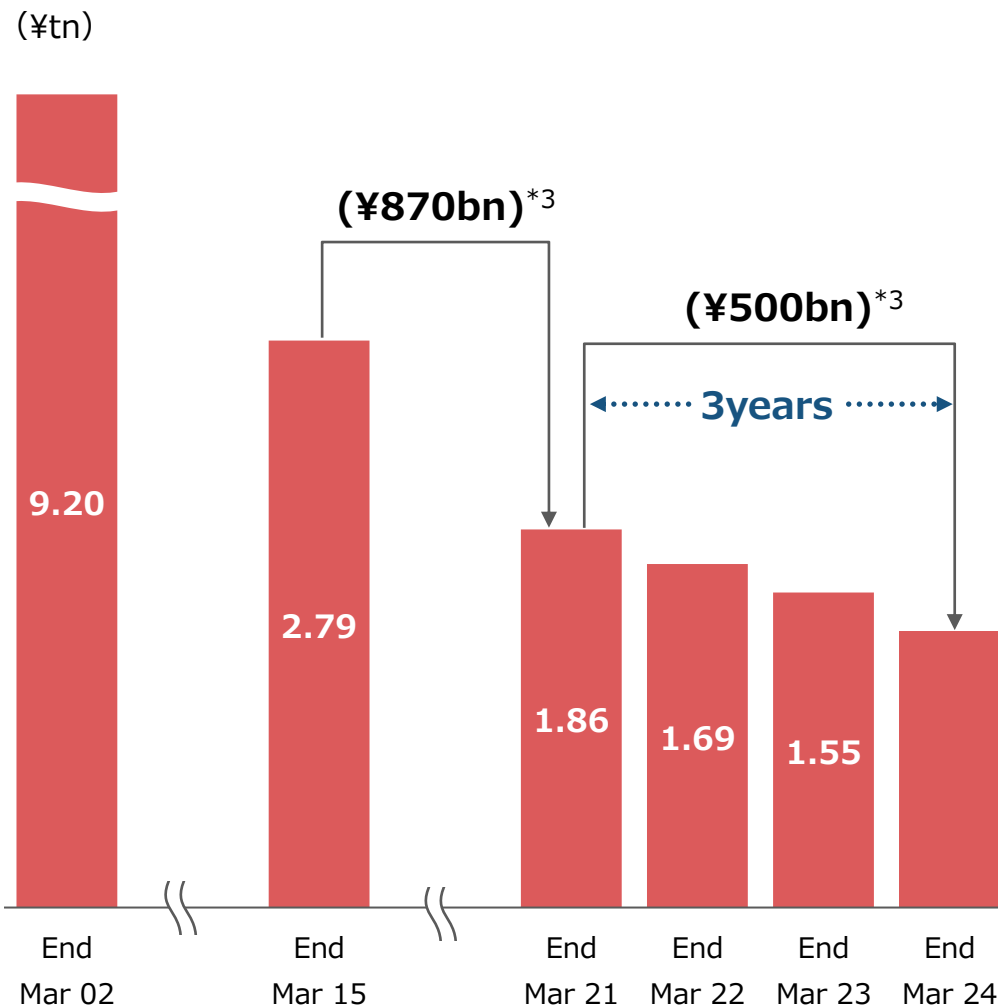
\*1 Dividend payout ratio excluding the impact of one-time amortization of goodwill: 37% \*2 Estimation based on the profits attributable to owners of parent target ¥1,300.0bn. Dividend payout ratio excluding the impact of change of the equity method accounting date for Morgan Stanley on our consolidated PL is **approx. 40%** \*3 Profits attributable to owners of parent



# Reduction of equity holdings<sup>\*1</sup>

– Reduced equity holdings of ¥154bn in FY22, ¥323bn in cumulative total from FY21

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



## 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>
FY21	470	169	301
<b>FY22</b>	<b>425</b>	<b>154</b>	<b>271</b>
<b>FY21-23 Target</b>	-	<b>500</b>	-
Agreed Amount <sup>*4</sup> (End Mar 23)	-	149	-

\*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)

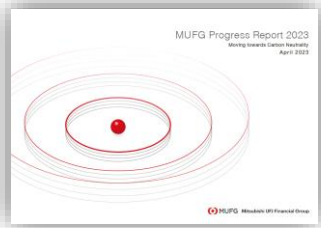
\*3 Total amount of sale \*4 Amount planned to be sold until FY23

Approach to sustainability

# Moving towards Carbon Neutrality

- Made major progress in initiatives to achieve net-zero emissions over the past 2 years
- Plan to publish a transition plan in FY2023

MUFG Progress Report  
(published in Apr 23)  
➔ [Download](#)



## FY2023

### ✓ MUFG Progress Report 2023

To be published in FY23

MUFG Transition Whitepaper 2.0

To be published in FY23

Transition plan for MUFG's decarbonization

Next Step

Complete setting NZBA's interim targets by sector by June 2024

- Auto, Airline and Coal sectors are under consideration

Result

Power, Oil & Gas sector  
(For 2020 and 2021)

Interim target

Real estate, Steel, and Shipping sector

Emissions operation

Shifted domestic electricity source to 100% renewable  
Set interim target for FY2025 & 2026

## FY2022

### ✓ MUFG Progress Report (1<sup>st</sup> ver.)

- ✓ Contributed to set guidelines
  - Asia Transition Finance
  - NZBA Transition Finance

### ✓ MUFG Transition Whitepaper

- ✓ NZAM: Set 2030 interim target

Interim target

Power, Oil & Gas sector

- ✓ Corporate finance target for coal-fired power generations
- ✓ Expansion of decarbonization support service (i.e. TCFD consultant)

## FY2021

- ✓ **MUFG Carbon Neutrality Declaration**
- ✓ Joined NZBA and participated in the Steering Group
- ✓ Participated in the GFANZ working group

### GHG\*1 Emissions

By 2050

Net zero from the financed portfolio

By 2030

Net zero from own operations

\*1 Green House Gas

# Milestones for Carbon Neutrality

- Disclosed interim target results for Power, Oil & Gas sector
- Set interim targets for Real estate, Steel, and Shipping sectors

	2019	2020	2021	2022	2023	2024	...	2030 interim target	...	2040	2050
<div style="display: flex; justify-content: space-around;"> <span>New disclosure, target or plan</span> <span>MUFG transition plan</span> <span>NZBA's target setting to be completed</span> </div>											
<b>1 Net Zero from Financed Portfolio</b>											
Power (emission intensity, gCO <sub>2</sub> e/kWh)	328	307	299	→				156–192gCO <sub>2</sub> e/kWh			Net Zero
Oil & Gas (emission reduction rate, MtCO <sub>2</sub> e)	84	81	76	→				(15%)–(28%)			
Real estate (emission intensity, kgCO <sub>2</sub> e/m <sup>2</sup> )				→							
Commercial real estate		65	→				44–47kgCO <sub>2</sub> e/m <sup>2</sup>				
Residential real estate		27	→				23kgCO <sub>2</sub> e/m <sup>2</sup>				
Steel (emission reduction rate, MtCO <sub>2</sub> e)	22		→				(22%)				
Shipping (PCA Score* <sup>1</sup> )			0.6	→				PCA ≤ 0			
<b>2 Decarbonization through Finance</b>											
Sustainable Finance (¥tn)	3.7	7.9	14.5	24.6	→				¥35tn		
Credit balance target for coal-fired power generation (FY)											
Project finance (US\$ bn)	3.58	3.77	2.95	→				(50%) from FY2019	Zero		
Corporate Finance (¥bn)		120	90	→					Zero		
<b>3 Net Zero GHG emissions from own operations</b>											
			→		FY2025	FY2026		Net Zero			
					Domestic GHG emissions (2/3) from FY2020	Gr. and global GHG emissions (50%) from FY2020					
<b>4 Decarbonization initiatives as an Asset Manager</b>											
		→						Reduce emissions per economic intensity by 50% from 2019 (targeting 55% of AuM)			

\*1 A measure of consistency that indicates the difference from the required level across the portfolio. Calculates the Vessel Climate Alignment (VCA) of individual vessels providing financing as a weighted average of the percentages in the loan portfolio

# MUFG's Approach

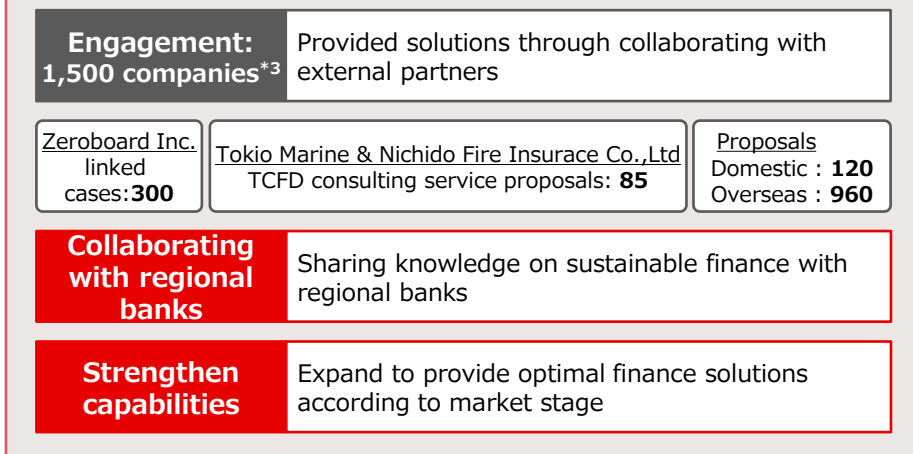
– With involvement in rulemaking and making policy recommendation, MUFG will accompany clients in a responsible manner in their efforts toward decarbonization

## 1 Policy recommendations in collaboration with industries and government agencies, involvement in international rulemaking

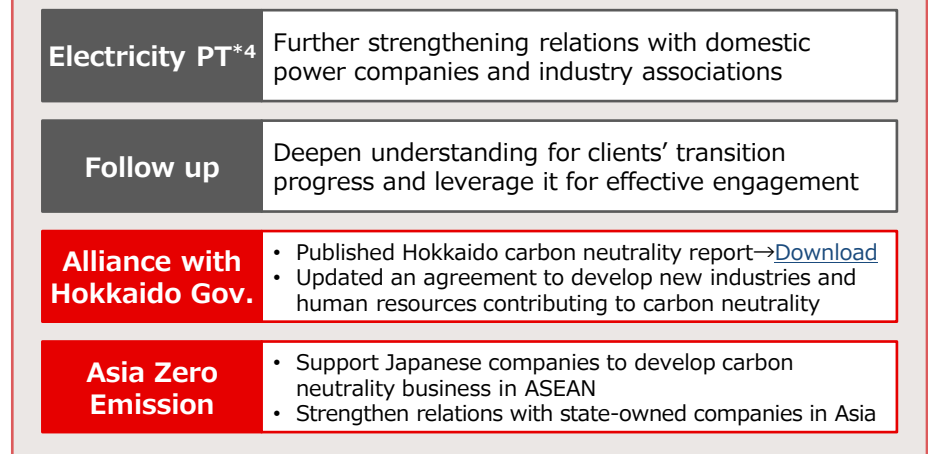
■ : Past initiatives  
■ : New initiatives



## 2 Enhance capabilities to provide solutions to support customers' decarbonization in line with government policies and strategies



## 3 Identify new needs and issues along with leveraging various relationships

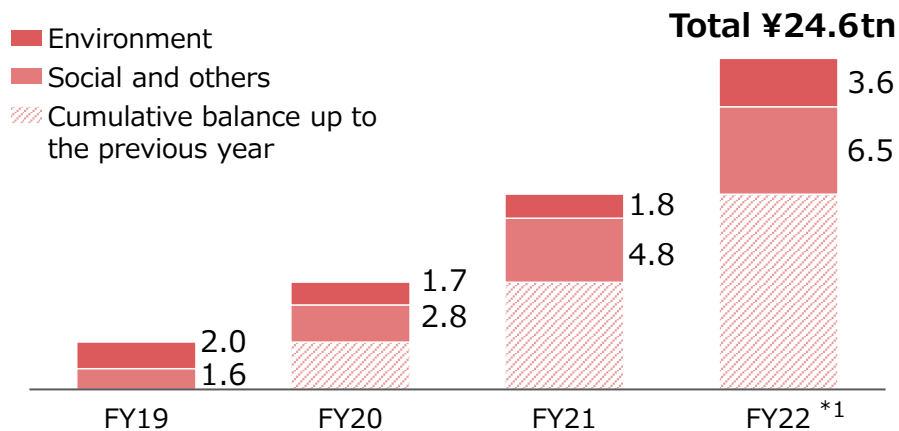


\*1 **Asia Transition Finance Study Group** \*2 **Just Energy Transition Partnership** : A partnership led by the G7 to accelerate the early retirement of emission-intensive infrastructure and support investment in renewable energy generation and relevant infrastructure \*3 Including: Linked **300** companies to Zeroboard Inc. (100 companies registered as partners of Zeroboard); Proposed TCFD consulting services (collaborating with Tokio Marine & Nichido Fire Insurance Co.,Ltd) to **85** companies and signed contracts with 11 companies; **Domestic** discussions and proposals for introducing new ESG financing (approx. **120** companies); **Overseas** discussions and proposals for transition strategy and short / mid-to-long term financing needs (approx. **960** companies) \*4 **Project Team**

# Decarbonization through Financial Services

- Steady growth in the balance of sustainable financing
- Transition support business is increasing

## Progress in sustainable finance



## Performance and external evaluation

New award established in 2022  
MUFG is the first winner

**Best Sustainable  
Finance Adviser\*2**

**Global No.1**

**BNEF\*3 2022  
Renewable Energy Sector  
League Table**

**3 years in a row**

**Wind Investment Awards  
Lender of the Year**

**Gold Award  
2 years in a row**

**The 4th ESG Finance Awards Japan  
(The Minister of the Environment Award)**

## Transition support

### First in the Japanese airline industry

Origination of a transition-linked loan to Japan Airlines Co., Ltd: Approx. ¥26.5bn



### First in the Japanese food industry

Origination of a transition-linked loan to Kirin Holdings Company, Limited: ¥50bn



### First in Japan

Money trust for individuals with green finance certification (for loan claims against Tokyu Fudosan Holdings Corporation)



### First in Japan

Green loan for a biogas power generation project using cattle manure as feedstock: for Kabuto Bio Farm, LLC. ¥3.5bn



## Renewable energy support

Financing support for one of **the world's largest** offshore wind projects\*4



Supporting **all offshore wind projects** in Japan



Co-financing with JBIC to support renewable energy project of **a state-owned oil company in Indonesia**\*5 : Total US\$ 50m



Co-financing with JICA to support **power distribution in Brazil**  
Total ¥18.2bn





\*1 Preliminary results \*2 Asset Publishing and Research Ltd established this award in FY2022 in a view of the importance of sustainable financing. MUFG is the first winner \*3 Bloomberg New Energy Finance \*4 Hornsea 2 (The UK) \*5 Project based on Asia Zero Emission Community initiative proposed by the Japanese Government

# Initiatives to reduce GHG Emissions / Carbon Credits

– Progressed in reducing GHG emissions from the financed portfolio and emissions from own operations


## Net Zero from the financed portfolio

Disclosed	<b>2030 interim target</b>		
	Power	Oil & Gas	
Newly disclosed	<b>2030 interim target</b>		
	Real Estate	Steel	
Next step	<ul style="list-style-type: none"> <li>Interim target results of Power/Oil &amp; Gas sectors</li> <li>FE<sup>*1</sup> results by sector in TCFD recommendations</li> </ul>		
	<p>Planning to set Auto, Airline, Coal and other sector targets</p> <p><small>*To be addressed by June 2024, 36 months after MUFG joining NZBA</small></p>		


## Net Zero from own operations

Disclosed	<ul style="list-style-type: none"> <li>Shifted to 100% renewable energy for electricity procured by all domestic consolidated subsidiaries</li> </ul>
Newly disclosed	<ul style="list-style-type: none"> <li>Roadmap including interim targets<sup>*3</sup> for FY2025 and FY2026</li> </ul>
Next step	<ul style="list-style-type: none"> <li>Aim to obtain third-party assurance for emissions in FY2022 on a Group and global basis</li> </ul>

## Decarbonization initiatives as an Asset Manager

Disclosed	<b>2030 interim target (NZAM)</b>		
	Reduce GHG emissions per economic intensity by 50%, compared to 2019 for 55% of assets under management		
Newly disclosed	<ul style="list-style-type: none"> <li>Established new division among 5 MUFG AM companies<sup>*2</sup></li> <li>Established a Sustainable Investing Policy</li> </ul>		
	<ul style="list-style-type: none"> <li>Conduct engagement with approx. 50 companies selected based on GHG emissions and investment amount</li> </ul>		

## Initiatives for carbon credits through forest fund investments

Next step	<ul style="list-style-type: none"> <li>Initiate creating carbon neutral financial business through forest fund investments</li> <li>Lead to vitalize domestic and global CC<sup>*4</sup> markets and stimulate potential CC offset demand</li> </ul>	
	 <pre> graph LR     FF[Forest funds] -- Investment --&gt; MUFG[MUFG]     MUFG -- Receiving CC --&gt; FF     MUFG -- CC inventory --&gt; EX[Exchange]     MUFG -- CC trading --&gt; CU[Customers]     </pre>	

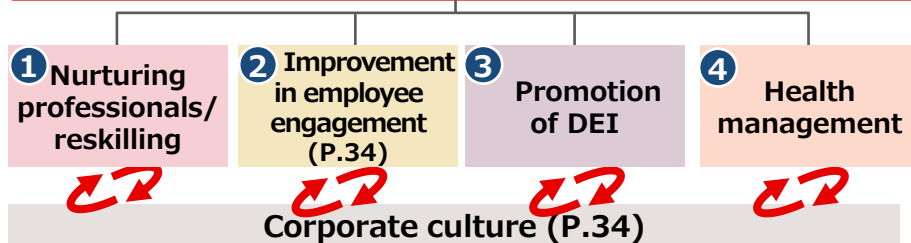
<sup>\*1</sup> Financed Emission <sup>\*2</sup> MUFG AM Sustainable Investment Division (the Trust Bank (Investment Management Division), Mitsubishi UFJ Kokusai Asset Management, MU Investments, Mitsubishi UFJ Asset Management (UK), and Mitsubishi UFJ Alternative Investments) <sup>\*3</sup> FY2025: Domestic GHG emissions 2/3 reduction from FY2020, FY2026: Group and global GHG emissions 50% reduction from FY2020 <sup>\*4</sup> Carbon Credits

# Initiatives for Human Capital Expansion

– Realizing human capital investment and HR framework that contribute to the recruitment and development of professionals

## Concept for human capital

Global financial group which each and every employee plays active roles lively and contributes to society and clients



## Human capital investment ① ②

■ Plan to raise wages to improve employee engagement and secure professionals

	the Bank	the Trust Bank	the Securities*1
<b>Actual Wage Increases*2</b>	Approx. 7% of annual income	Approx. 7% of annual income	Approx. 5% of monthly income*3
<b>Starting salary for new graduates in FY24*4 (vs FY23)</b>	¥255k (+50k)	¥255k (+50k)	¥267k (+12k)

■ Investing in executives and employees in anticipation of changes in the business environment

Result	FY21	FY22	FY23 plan
<b>Training &amp; Development</b>	¥3.09bn	¥3.45bn	¥4.17bn

In addition to the externally paid training and development above, MUFG provides diverse educational opportunities through trainings that are unique to each entity or common to MUFG, where executives and employees serve as instructors

\*1 MUMSS \*2 Includes base-ups, regular raise, promotion, one-time allowance, other allowances and subsidies, and bonuses (the Bank and the Trust Bank) \*3 Monthly income base raises given MUMSS bonuses are tied to performance \*4 Starting monthly salary level for general position, all-area type, and college graduates \*5 Ratio of women in line manager or higher positions in the Bank, the Trust Bank, and MUMSS in Japan \*6 Discussions are underway with the employees' union. This update is based on the assumption of a settlement with them \*7 Business Specialist

## DEI (Diversity, Equity & Inclusion) ③ P.82

Result	FY21	FY22	Target
<b>Ratio of women in management*5</b>	18%	19.6%	<b>22.0%</b> <span style="color: red;">Raised from 20%</span> By end Mar 2024

## Revision of HR framework (the Bank)\*6 ① ② ③

■ Each and every employee with diverse values pursues professionalism and builds a career autonomously. Aim to become a company that is rewarding to work for and attracts people

Item	Revising Content
<b>1. Introduce "Professionals"</b>	<ul style="list-style-type: none"> <li>Remove boundaries between Core Officers and BS*7</li> <li>Develop foundations to support employees' growth and to embrace their challenges for each assignment</li> </ul>
<b>2. Flex work location selection</b>	<ul style="list-style-type: none"> <li>Change the framework to enable employees to choose their place of work according to their life events</li> </ul>
<b>3. Introduce Ex (Expert) rank</b>	<ul style="list-style-type: none"> <li>Enable employees to enhance expertise in job area of their choice to develop career and competitive reward</li> </ul>

## Health management ④

### Initiatives to improve employees' mental & physical health

- Entities, including the Bank, the Trust bank and the Securities, issue the Health Management Declaration
- Conduct health & stress checks and health consultations in collaboration with industrial physicians

### External Evaluation



Several entities including the Trust Bank and the Securities have been certified as excellent health management companies. The Trust Bank received "White 500", a rating for the top 500 companies

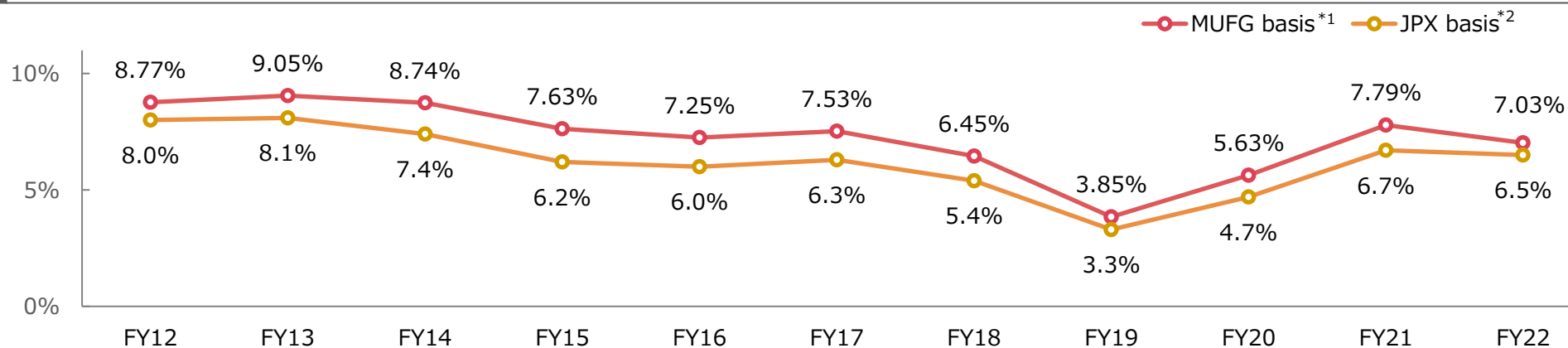


# Appendix

# ROE / EPS

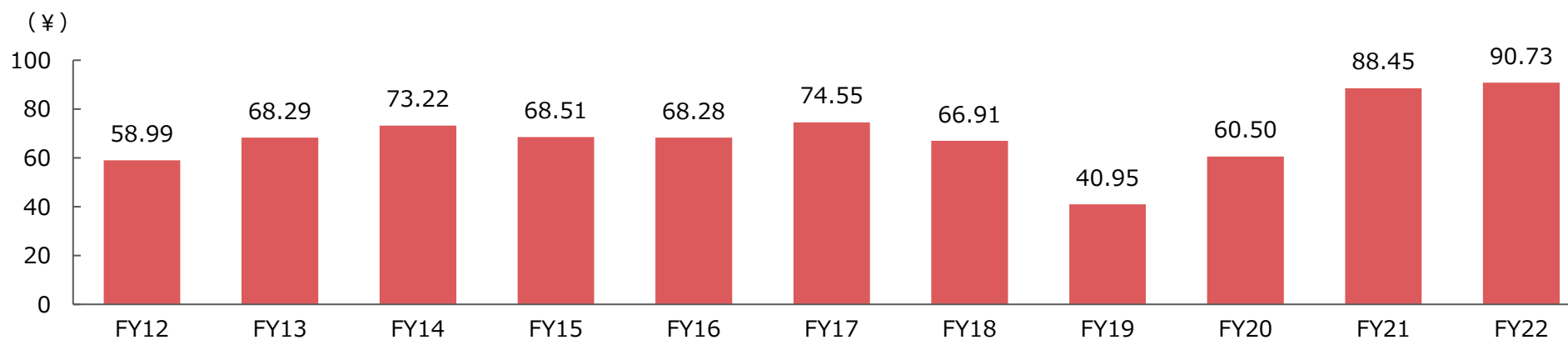
## ROE

Consolidated



## EPS

Consolidated



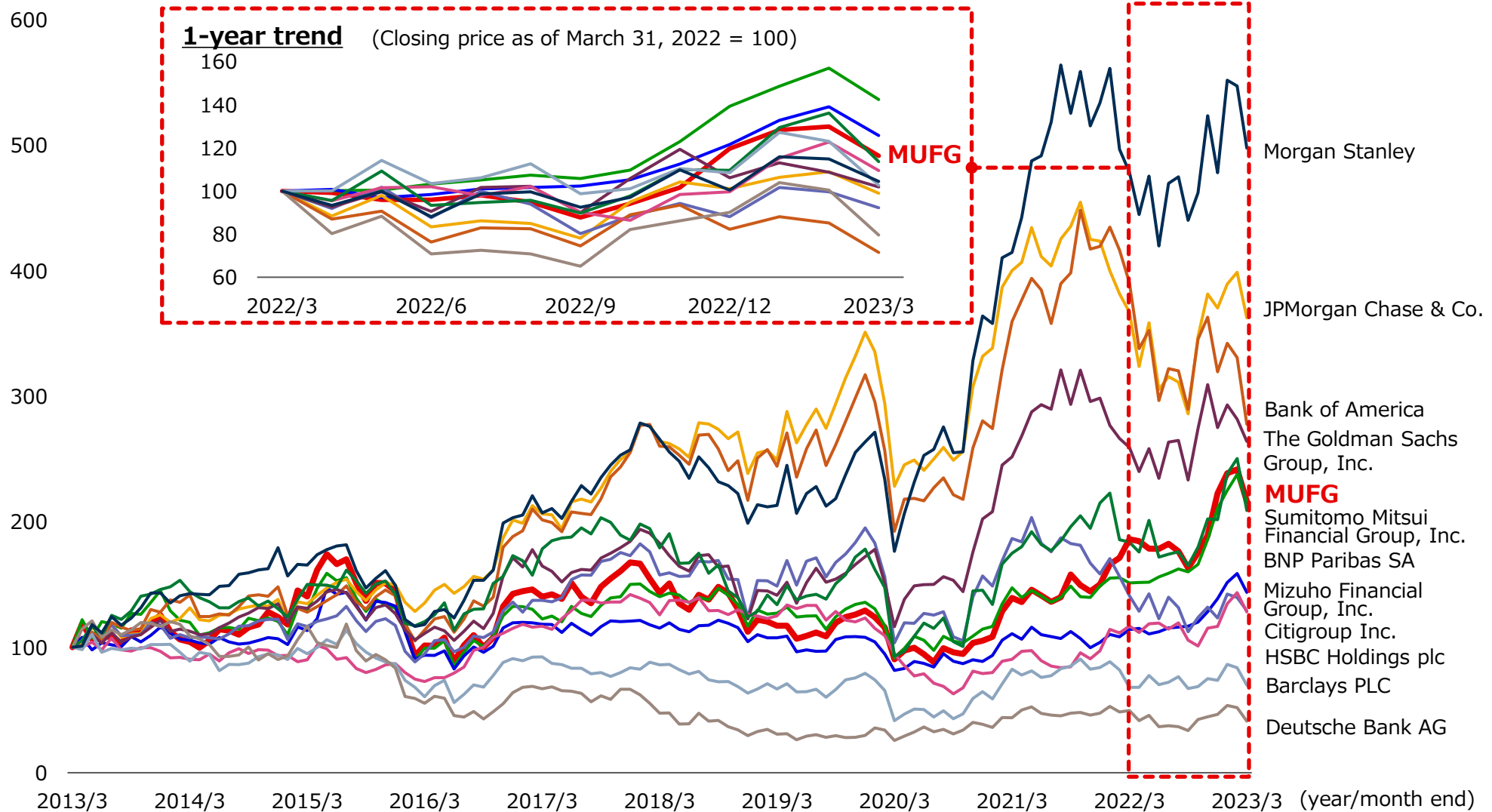
\*1  $\frac{\text{Profits attributable to owners of parent}}{\left\{ \frac{(\text{Total shareholders' equity at the beginning of the period} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period} + \text{Foreign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

\*2 Japan Exchange Group

# Total Shareholder Return (TSR) Global Comparison

## 10-year trend

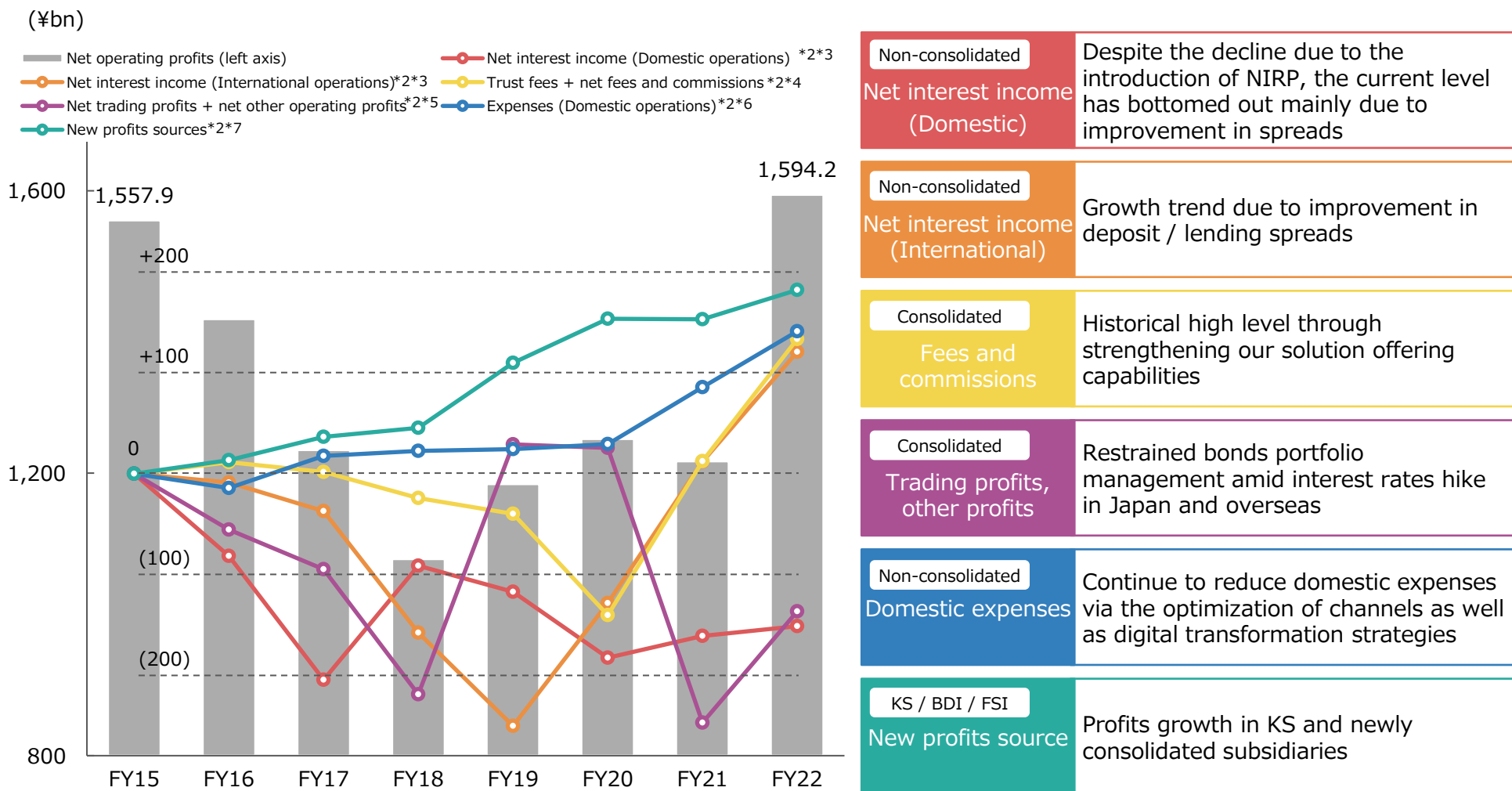
(Closing price as of March 29, 2013 = 100)



# Net operating profits trend since the introduction of NIRP\*1

– Consolidated net operating profits have improved to the level before NIRP introduced in Japan

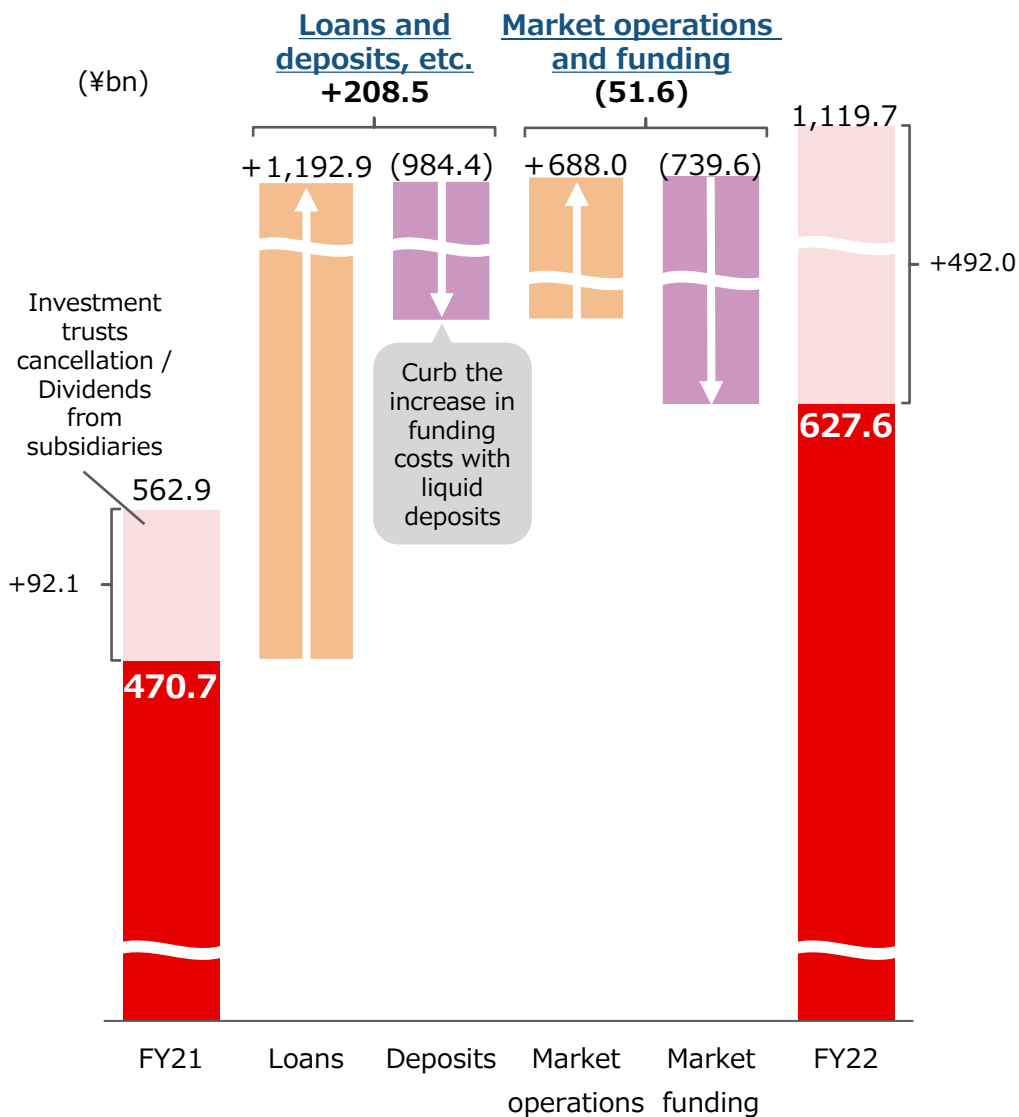
## Historical trend of consolidated net operating profits



\*1 Negative interest rate policy \*2 Managerial accounting basis. Changes from the FY15 level \*3 Excl. dividend income from subsidiaries. Excl. net gains on investment trust cancellation for FY22 \*4 Excl. KS, BDI and FSI \*5 Incl. net gains on investment trust cancellation booked under net interest income for FY22 \*6 Decreased amount of domestic expenses \*7 Net operating profits of KS, BDI and FSI

# Non-JPY net interest income & unrealized gains / losses of foreign bonds

## Factors for changes in non-JPY NII\*1 Non-consolidated



## Treasury business in response to non-JPY interest rates rise Non-consolidated

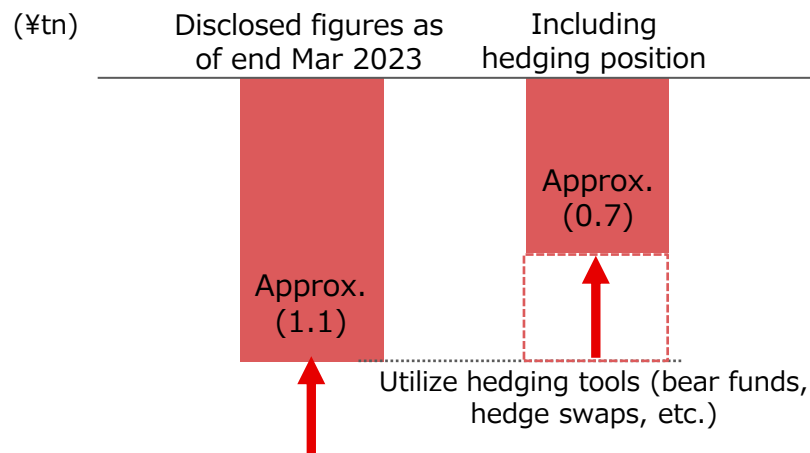
### Current unrealized gains / losses

- Unrealized losses of foreign bonds were expanding due to interest rates rise
- Unrealized "gains" on a total AFS securities\*2 basis (including equities) is over ¥1tn

### Controlling unrealized gains / losses of foreign bonds

- Reduce interest rate risk\*3 by utilizing bear funds and derivatives, etc.
- Utilize hedging tools to secure financial profits and sell foreign bonds with unrealized losses

### ■ Unrealized gains / losses of foreign bonds



Reduced unrealized losses by approx. 50% compared to the level if we maintained the same position as of end Mar 2022 (approx. (2.1))

\*1 Domestic foreign currency + overseas branches \*2 Available-for-sale securities

\*3 Risks of price fluctuations associated with our bond holdings due to interest rate fluctuations. MUFG consolidated basis, managerial basis

# Adjusted income statement summary

Consolidated (¥bn)	FY22		FY22 (adjusted)		
	Results	YoY	Results	YoY	Adjustment factor
1 Gross profits* <sup>1</sup>	4,503.0	539.0	–	–	
2 Net interest income	2,907.5	863.8	2,351.8	342.8	Recorded ¥555.7bn in gains on investment trusts cancellation which is included in net interest income, as net gains (losses) on debt securities (YoY +¥521.0bn)
3 Net trading profits + Net other operating profits	(99.9)	(445.5)	455.8	75.5	
4 Net gains (losses) on debt securities	(884.6)	(744.1)	(328.9)	(223.1)	
5 G&A expenses* <sup>1</sup>	2,908.7	161.4	–	–	
6 Net operating profits* <sup>1</sup>	1,594.2	377.5	–	–	
7 Total credit costs	(674.8)	(343.4)	(280.8)	50.5	Adjusted the valuation losses on assets held by MUB which was reversed as extraordinary gains <ul style="list-style-type: none"> <li>• Total credit costs: ¥393.9bn</li> <li>• Other non-recurring gains (losses): ¥341.0bn</li> <li>• Ordinary profits: ¥735.0bn</li> <li>• Net extraordinary gains (losses): ¥(735.0)bn</li> </ul>
8 Other non-recurring gains (losses)	(612.5)	(490.6)	(271.4)	(149.5)	
9 Ordinary profits	1,020.7	(516.9)	1,755.7	218.1	
10 Net extraordinary gains (losses)	549.1	596.9	(185.8)	(138.0)	
11 Profits attributable to owners of parent	1,116.4	(14.3)	–	–	

\*1 Impact of FX fluctuation for gross profits, G&A expenses and net operating profits were approx. +280.0bn, +130.0bn, +150.0bn, respectively

# Financial impact of MUB's share transfer

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

- Valuation losses totaling ¥952.5bn on MUB's holding of bonds and other instruments were recorded
- Through hedging transactions, ¥84.8bn gains were recorded
- Valuation losses on assets held by MUB were mostly reversed since ¥735.0bn were recorded as extraordinary gains upon MUB's share transfer and the impact on FY22 profits attributable to owners of parent after tax was ¥(158.6)bn

(¥bn)	Account	Valuation losses	Reversal as extraordinary gains	Impact on FY22 results
<b>Available-for-sale Securities</b>	Other non-recurring gains (losses)	(294.4)	76.9	(217.5)
<b>Held-to-maturity Bond, etc.</b>	Other non-recurring gains (losses)	(264.1)	264.1	0
<b>Loans*1</b>	Total credit costs	(393.9)	393.9	0
<b>Subtotal</b>		<b>(952.5)</b>	<b>735.0</b>	<b>(217.5)</b>
<b>Hedging Effect</b>	Other non-recurring gains (losses)	84.8		84.8
<b>Impact on MUFG PL before tax</b>		<b>(867.7)</b>		<b>(132.7)</b>
<b>Impact on MUFG PL after tax</b>		<b>(893.7)</b>		<b>(158.6)</b>

\*1 Including valuation losses on loans and reversal of allowance for credit losses

\*2 Amounts received within five years are expected to be recognized at discounted present value at closing, and the difference from US \$3.5 billion is expected to be amortized and accrued over 5 years (estimation using actual exchange rates as of end Dec 2022)

## Other financial and capital impact

### Transaction gain

	Amount
Total gain on sale	Approx. ¥110bn

Recorded in FY21  
Approx. ¥60bn

- Reversal of allowance for doubtful accounts due to the decision to sell MUB

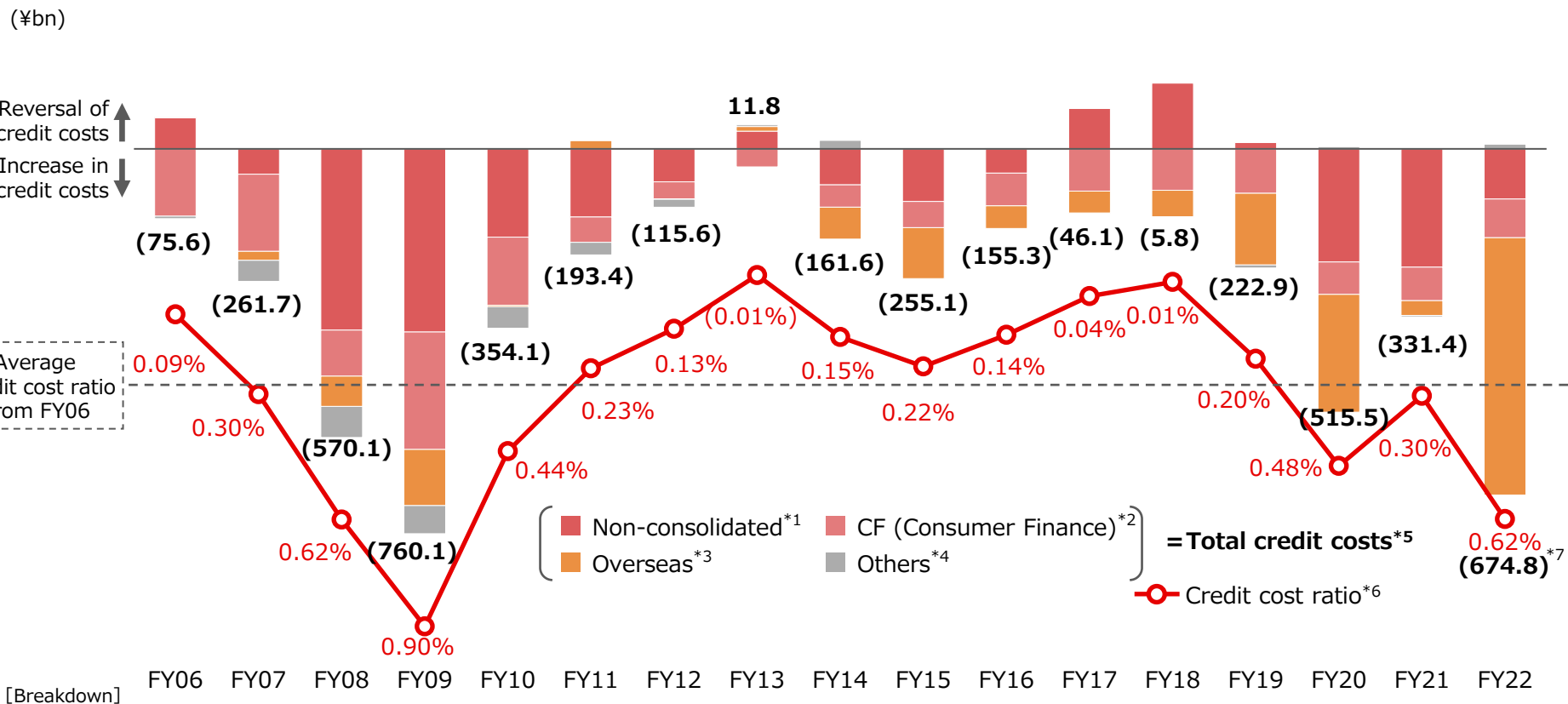
Expected to be recorded within 5 years from FY22  
Approx. ¥50bn

- The accounting treatment associated with receiving US\$3.5bn from U.S. Bancorp within 5 years will result in recording much of the gain on sale over a period of up to 5 years\*2

### Impact on CET1 ratio

	Amount
Decrease in RWA	Approx. +50bps
Investment in U.S. Bancorp	Approx. (5)bps

# Credit costs



\*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. It is currently estimated that the total credit costs of the major overseas subsidiaries (which were consolidated based on their financial statements for the fiscal year ended December 31, 2022) for the quarter ended March 31, 2023 will be approx. ¥30bn. This amount will be reflected in consolidated financial statements for the quarter ending June 30, 2023

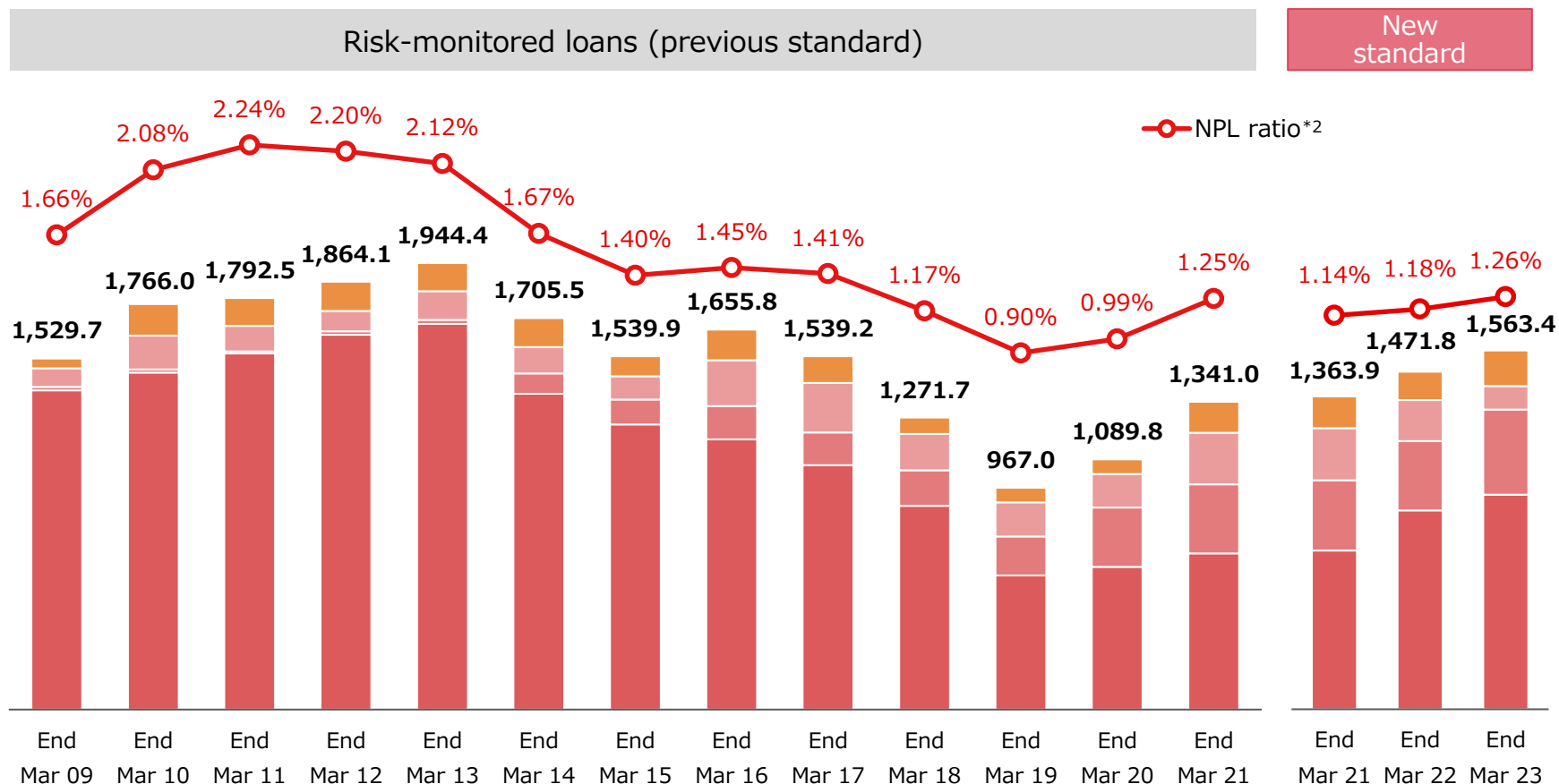
\*4 Sum of other subsidiaries and consolidation adjustment \*5 Including gains from write-off \*6 Total credit costs / loan balance as of end of each fiscal year

\*7 Including ¥(393.9)bn of valuation losses on loans sold in connection with MUB's share transfer etc.



# Non-performing loans\*1

(¥bn)



[Breakdown]

	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 Mar 21	End Mar 22	End Mar 23
EMEA*3	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	138.7	124.0	155.2
Americas*4	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	226.7	178.1	102.1
Asia	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	305.8	302.9	370.2
Domestic	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	692.5	866.6	935.8

\*1 Because the definition of risk-monitored loans disclosed before became the same as the definition of FRA, it is disclosed as loans under the Japanese Banking Act and the FRA. Regions are based on the borrowers' location

\*2 Total non-performing loans ÷ Total loans (Previous standard : Total risk-monitored loans ÷ Total loans and bills discounted (banking accounts as of period end))

\*3 End Mar 2009 - End Mar 2012 includes parts of other regions

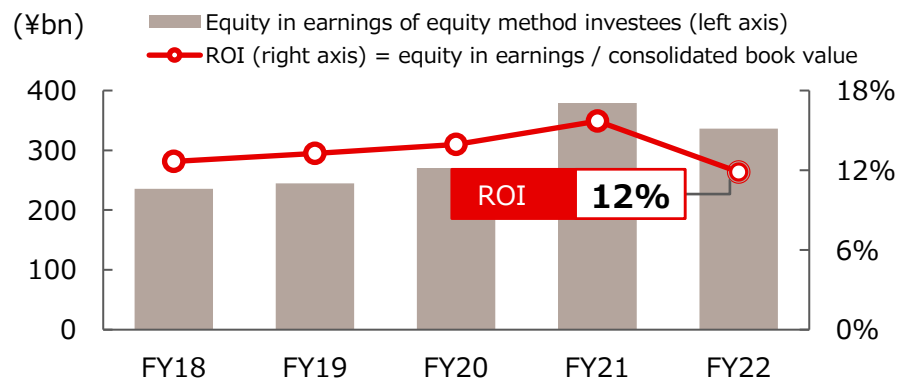
\*4 End Mar 2009 - End Mar 2012 includes only US

# Investment and alliance with Morgan Stanley

- Our investment in MS remains highly profitable
- The scope of collaboration is currently expanding from conventional investment banking businesses to encompass new fields

## Equity in earnings and ROI

- ROI, which represents our equity in earnings of MS (as an equity method investee) divided by the consolidated book value\*1 of investment, stands at 12%
- Significantly contributing to MUFG's ROE

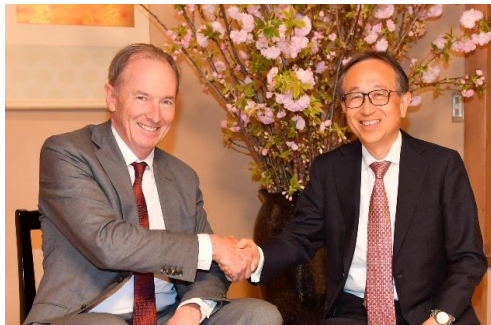


## Continuous efforts on developing alliance

- Active dialogues between top management

The Global Steering Committee (GSC) \*2 is held twice a year

Two directors \*3



## Cases of collaboration

- Collaborate globally by taking full advantage of the combined strengths of MUFG and MS

### 1 Progress of collaboration in investment banking field

**GCIB**: In addition to collaboration with LMJV\*4 in the U.S., closed ECM and M&A deals in Asia Pacific such as Singapore and Australia

**JCIB**: Collaboration in the issuance of sustainability bonds, cross-border M&A, etc.

- League tables of primary business for Japanese corporates\*5

DCM **#1**

### 2 Expansion of collaboration into new areas

**U.S. WM Retirement Plan**

**MUFG Client base** x **MS product capability**

- MS to provide consulting services on retirements and pension plans to MUFG's Japanese corporate clients in the U.S.
- Contribute to expand the collaboration in overseas Japanese corporate business area

**Mars Collaboration**

**Mars Growth Finance** x **MS IPO Capability**

- Mars to introduce pre-IPO clients to MS
- Leveraging Mars' tech-driven financing capability for start up companies and MS' ECM capability

\*1 Our holding of MS's net asset and goodwill. Includes preferred stock. ¥2.8tn as of end of March 2023 \*2 Most recently held in Tokyo in April 2023  
 \*3 Hironori Kamezawa, Masato Miyachi (Chairman of MSMS) \*4 Loan Marketing Joint Venture: JV company engaged in the corporate finance business in US  
 \*5 From April 2022 to March 2023, DCM includes domestic and foreign bonds.  
 (Source) Domestic bonds: data compiled by MUMSS based on REFINITIVE and DealWatchDB.  
 Foreign bonds: data compiled by MSMS based on corporate disclosure data, Dealogic, Bloomberg, IFR, and Informa.

# Overview of Mars Growth Capital Japan (Mars Japan)

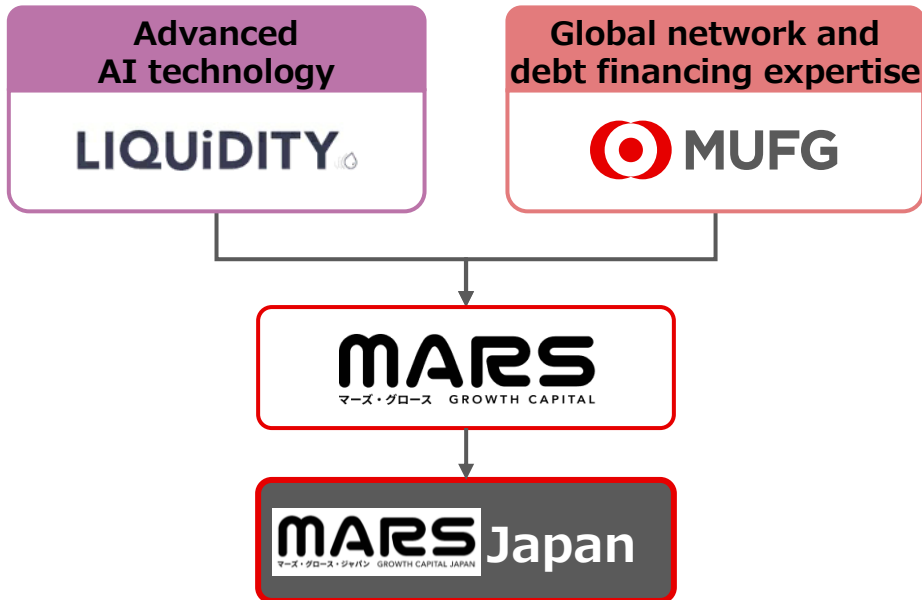
– Empowering to create and grow world-class unicorns\*<sup>1</sup> from Japan

## Strategic aim of Mars Japan

### Bring “AI based financing model” of Mars\*<sup>2</sup> to Japan

#### Strategic Aim

- Support growth of pre-unicorns\*<sup>3</sup> and unicorns in Japan
- Diversify funding options by providing debt with large ticket size
- Provide a wide range of financial solutions as MUFG Group

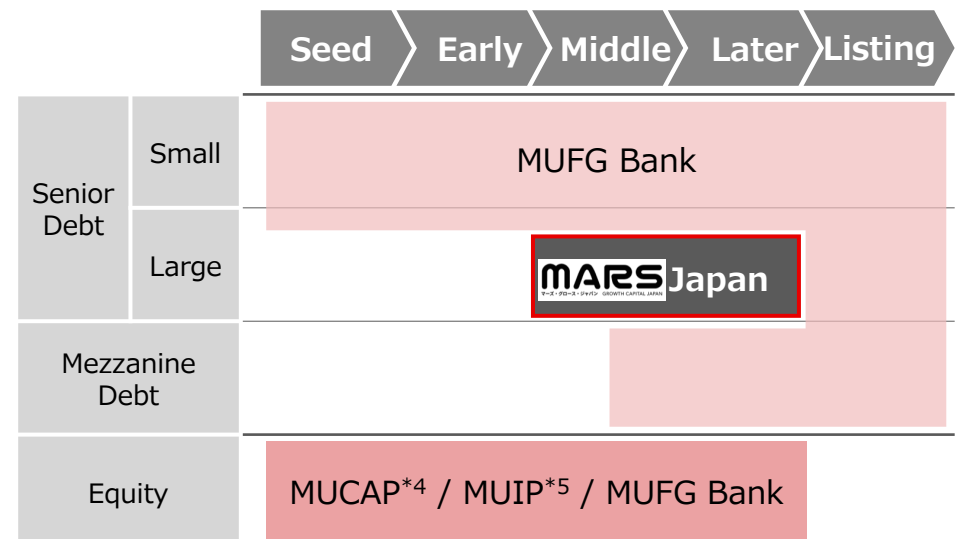


## Mars Japan Fund

<b>Target clients</b>	Pre-unicorns and unicorns in Japan
<b>Fund amount</b>	Max. ¥20bn
<b>General Partner</b>	Mars Growth Capital Japan
<b>Investors</b>	MUFG Bank, etc

## MUFG Group’s solution

- Provide both debt and equity financing solutions depending on client’s growth stage



\*1 Companies with a market capitalization of more than approx. ¥100bn \*2 Mars Growth Capital (Reference: P.33)

\*3 Companies expected to be unicorns in the near future \*4 Mitsubishi UFJ Capital \*5 MUFG Innovation Partners

# Initiatives to create a Metaverse Economic Zone

- A basic agreement was entered by 10 Japanese corporations, including major Japanese financial institutions, to create a common platform (Open Metaverse) for developing industrial Metaverses and distributing digital content.  
MUFG Bank has executed strategic investment to develop financial platform functions

## Outline of the basic agreement



## Purpose

- Create an Open Metaverse platform for corporate users by integrating the technologies and services of each company that entered the agreement, such as gamification, fintech and ICT
- Promote the interactivity of different Metaverse services and platforms to create the Japan Metaverse Economic Zone
- Establish a new social infrastructure designed to materialize corporate digital transformation (the dissemination of corporate information, marketing, workstyle reforms, etc.) as well as consumer experience transformation

## Strategic investment

- Made strategic investments to develop financial platform functions for the creation of a Metaverse Economic Zone

LOGSYS

Develop a "MULTI MAGIC PASSPORT" equipped with Metaverse functions such as authorization, payment and data management

JPUNIVERSE

Develop an open platform with a specific worldview by employing "PEGASUS WORLD KIT," a tool for Metaverse / RPG creation



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

KS\*<sup>2</sup>



(¥bn)

(THB mm)

	FY21* <sup>3</sup>	FY22	YoY	FY21* <sup>3</sup>	FY22	YoY
Total income	421.5	442.3	20.8	122,906	116,416	(6,490)
Operating expenses	167.9	193.9	26.0	48,954	51,035	2,081
Pre-provision operating profit	253.6	248.4	(5.2)	73,952	65,381	(8,571)
Expected credit loss	108.4	101.2	(7.1)	31,604	26,652	(4,952)
Net profit attributable to owners of the bank	115.9	116.7	0.7	33,794	30,713	(3,081)

BDI\*<sup>4</sup>



(¥bn)

(IDR bn)

	FY21	FY22	YoY	FY21	FY22	YoY
Total operating income	136.4	143.9	7.5	16,845	16,937	92
Operating expenses	69.5	78.3	8.8	8,581	9,214	633
Pre-provision operating profit	66.9	65.6	(1.2)	8,264	7,723	(541)
Cost of credit	46.1	28.0	(18.1)	5,699	3,301	(2,398)
Net profit after tax	12.7	28.0	15.3	1,571	3,302	1,731

\*1 All figures are converted into ¥ with actual exchange rates as of end of each period. For FY21 is THB1=¥3.43, IDR1=¥0.0081. For FY22 is THB1=¥3.80, IDR1=¥0.0085

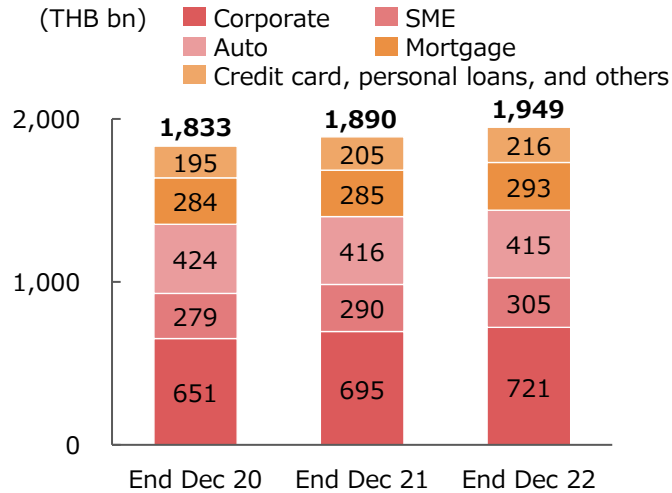
\*2 Financial results as disclosed in KS's financial report based on Thai GAAP

\*3 Including the extraordinary gains from the sales of 20% of shares in Ngerm Tid Lor Public Company Limited (TIDLOR)

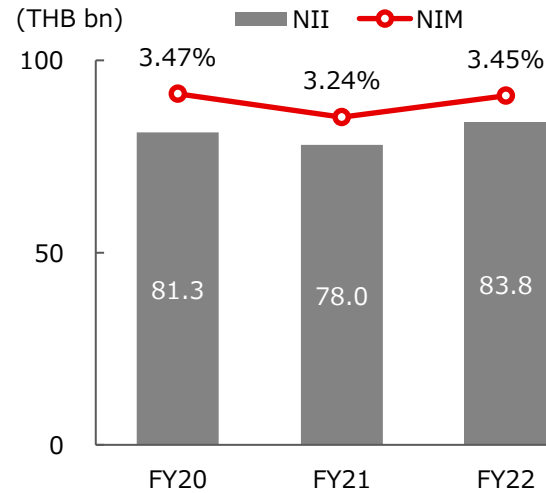
\*4 Financial results as disclosed in BDI's financial report based on Indonesian GAAP. Incorporated impact from netting-off loss on restructuring to interest income

# Key figures of KS

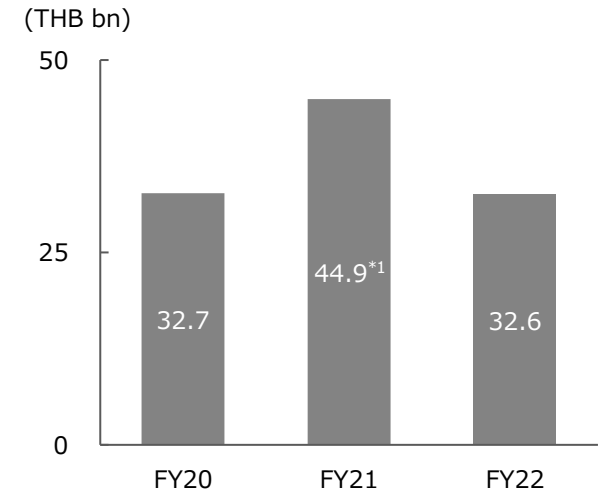
## Lending balance



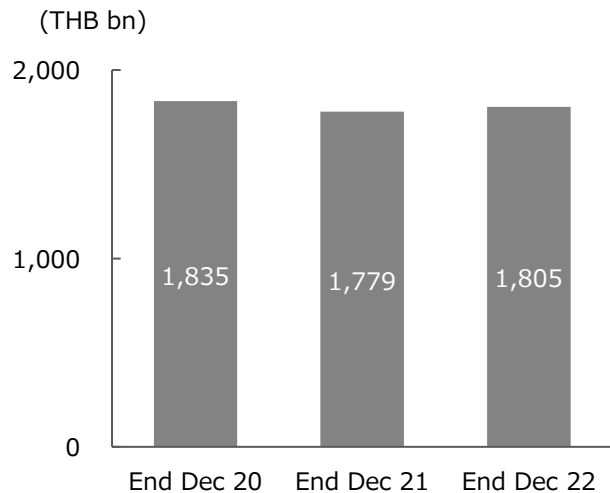
## Net interest income



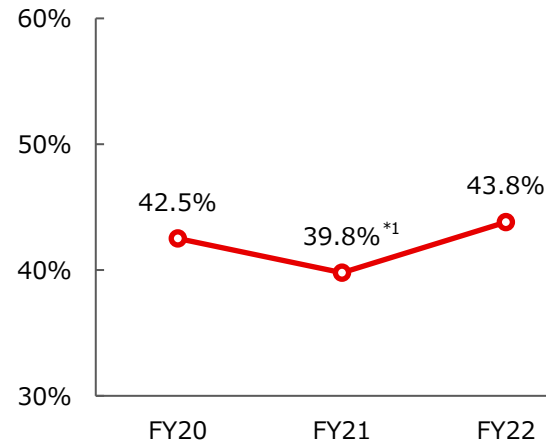
## Non-interest income



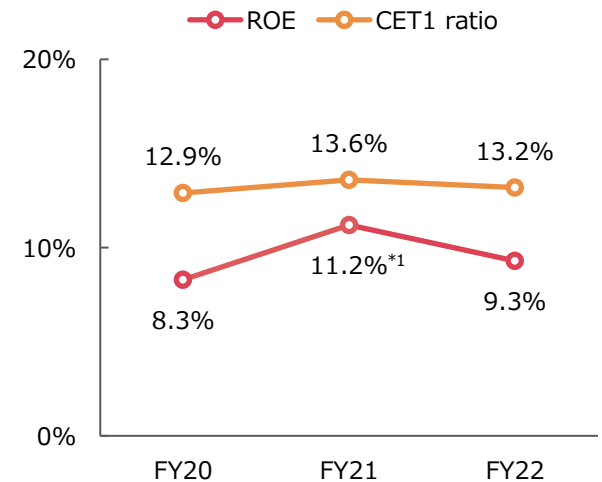
## Deposit balance



## Cost to income ratio



## ROE / CET1 ratio\*2

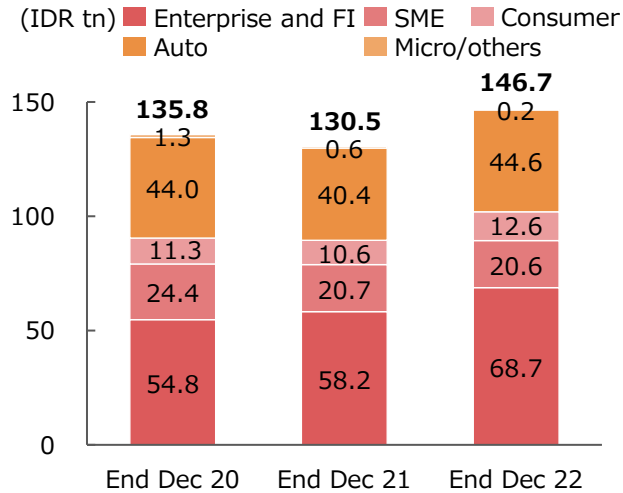


\*1 Excluding the extraordinary gains from the sales of 20% of shares in TIDLOR, normalized non-interest income, normalized cost to income ratio and normalized ROE of FY21 were THB 34.2bn, 43.2% and 8.6%, respectively

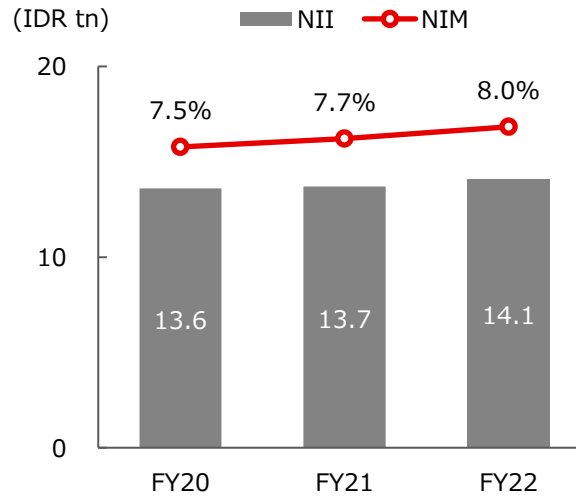
\*2 Non-consolidated

# Key figures of BDI

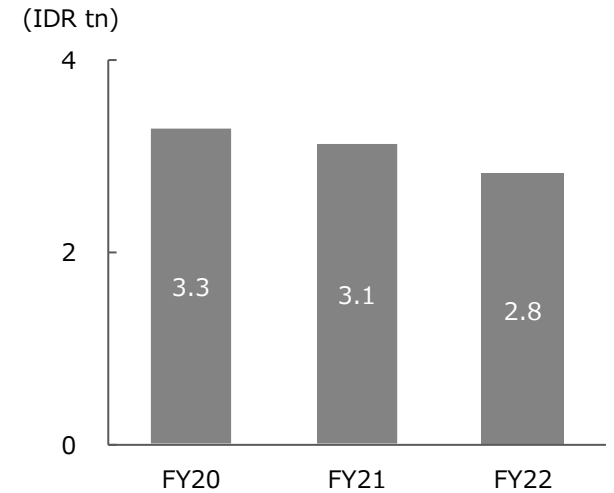
## Lending balance



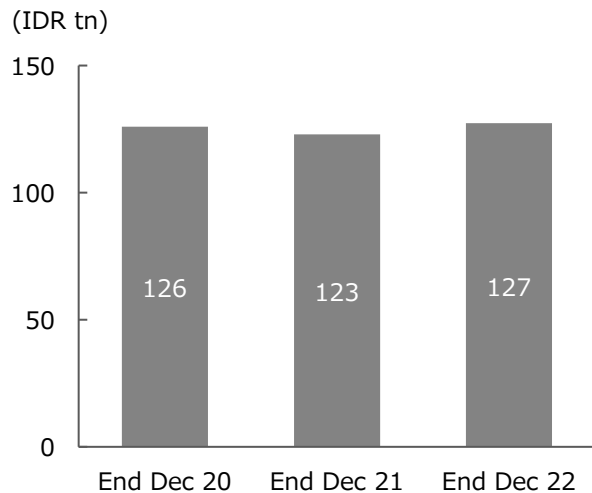
## Net interest income\*1



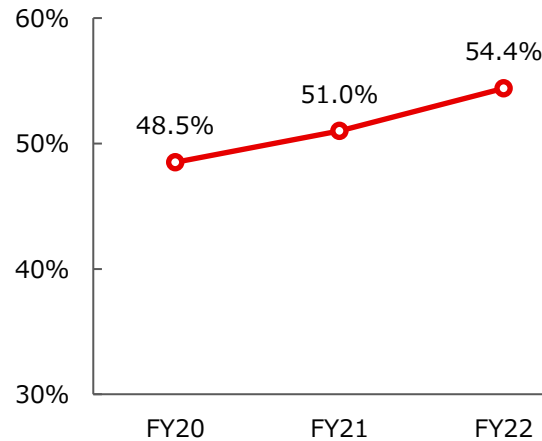
## Non-interest income



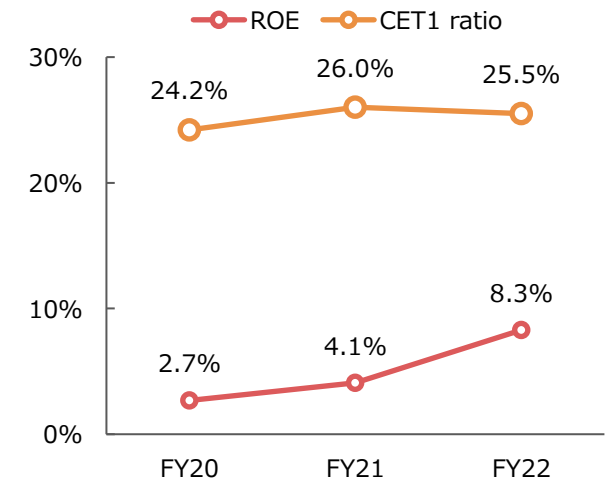
## Deposit balance



## Cost to income ratio



## ROE\*2 / CET1 ratio



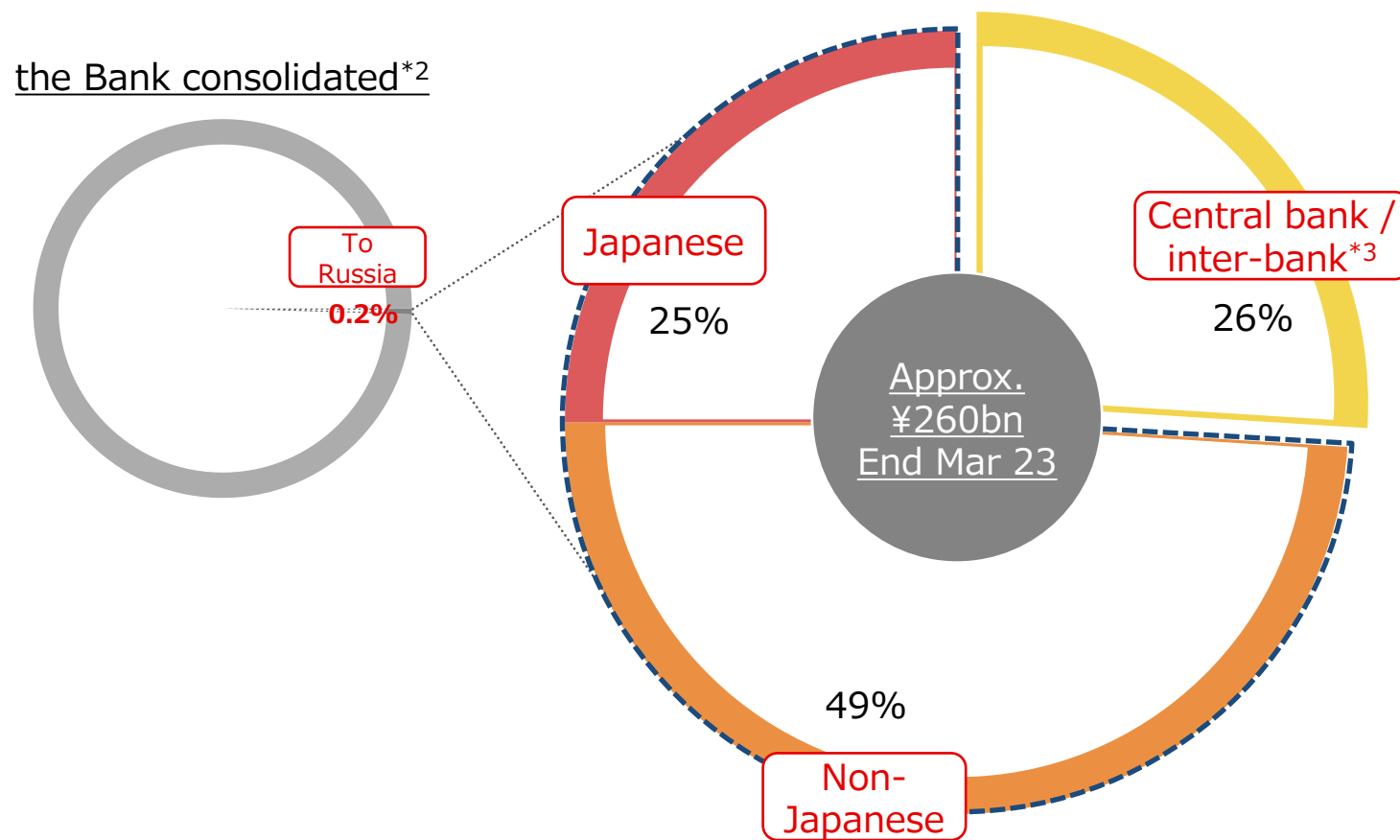
\*1 Netted-off with loss on restructuring

\*2 Following new OJK regulation dated 20 July 2020, ROE is calculated per Tier 1 capital

# Exposures to Russia<sup>\*1</sup>

- Exposures to Russia<sup>\*1</sup> was approx. ¥260bn (End Mar 23)
- Balance excluding central bank and inter-bank transactions was approx. ¥190bn, **less than 0.2%** of the total balance of the Bank consolidated

the Bank consolidated, incl local subsidiary, excl MUAH, KS, BDI



\*1 Based on borrower's location. Including undrawn commitment, market risk exposure and etc. All figures are on managerial accounting basis

\*2 Excluding the balance of central bank and inter-bank transactions etc.

\*3 Including due from banks and Russian government bond



# External evaluation

## Evaluation of ESG-related efforts

### The Fourth ESG Finance Awards Japan

- Gold award in the Banking category (the Bank)
- Silver award in the Investors category (Asset Manager division) (the Trust Bank)
- Selected as an environmental sustainable company in the Environmental Sustainable Company category



## Inclusion in ESG indices

### ESG indices selected by GPIF

Morningstar Japan ex-REIT Gender Diversity Tilt Index

MSCI Japan ESG Select Leaders Index

FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Index

S&P/JPX Carbon Efficient Index

### Others

Bloomberg Gender-Equality Index 2023

FTSE4Good

Entities		2021	2022
1	MSCI	A	A
2	FTSE	3.3	3.9
3	Sustainalytics smaller figure stands for higher evaluation	19.3	18.0
4	S&P Dow Jones	53	62
5	CDP	B	A-
6	Nikkei SDGs	★5.0	★5.0 <span style="background-color: red; color: white; padding: 2px;">Management Grand Prix</span>
7	Toyo Keizai*1	390.6	389.9

  : indicators in executive compensation

# Human Capital Investment (DEI - Diversity, Equity & Inclusion)

– Continue to invest to hire, develop, and promote diverse human resources, and increase corporate value through decision-making and innovation that reflects diverse opinions

	Results (FY22)	Target	
Gender	Ration of women in management*1	19.6% (as of Apr 2023)	22.0% By end Mar 2024
	Number of female directors and executive officers*2	19	-
	Ratio of female directors (MUFG)	25%	Agree with the "Challenge initiatives for 30% of Executives to be women by 2030"***3
	Ratio of male employees taking childcare leave*4 (the Bank, the Trust Bank, MUMSS)	91%, 100%, 100%	100%
Foreign nationals	Ratio of employees	57% (As of Mar 2023)	-
	Number of executive officers (the Bank)	8 (Inc. 1 woman)	-
	Ratio of foreign nationals in middle managerial positions*5	25.9%	Maintain or improve the current level
Mid-career hires	Ratio of mid-career hired in managerial positions*6	11.6%	Maintain or improve the current level
People with disabilities	Number of people with disabilities	Approx. 1,400 (As of June 2022)	-

**Raised from 20%**

Approach to create inclusive culture where employees respect and accept diversity

- Developing women's career
- DEI events (workshops, events devised by employees)
- LGBTQ seminars and events
- Seminars with people with disabilities as instructors
- Raising awareness of unconscious bias
- Promote well balanced management of childcare, caregiving, infertility treatment

## External evaluation



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



Initiatives such as introducing a same-sex partnership certification were evaluated



Certified as "Platinum Kurumin" (the Bank and MUMSS) by the Minister of Health, Labour and Welfare as child rearing support companies



Awarded Second Grand Prize in basic category at the Diversity Award sponsored by J-Win (the Trust Bank)



■ **MUMSS: Opened a massage room where employees with visual disabilities work as health keepers**

\*1 Ratio of women in line manager or higher positions in the Bank, the Trust Bank and MUMSS in Japan \*2 Total of MUFG, the Bank, the Trust Bank, MUMSS, and NICOS \*3 The initiative led by the Nippon Keidanren \*4 Percentage of male workers whose spouses gave birth during FY22 as the denominator and who took childcare leave during FY22 as the numerator \*5 Ratio of individuals hired overseas (the Bank and MUMSS cover overseas branches and affiliates which are substantially treated as a branch. The Trust Bank only covers overseas branches) \*6 Ratio of mid-career hired in managerial positions in Japan (including senior managers and others tasked with supervision)

■ **The Bank: Invested to Mirairo Inc., a front-runner in hiring people with disabilities**

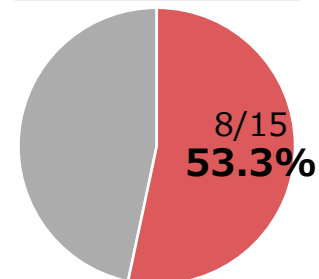


# Governance (Structure of the Board of Directors)

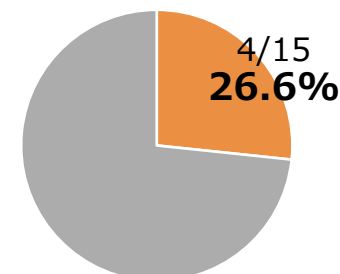
(Planned for end June 2023)

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 Hirofumi Nomoto	Nominating* Compensation	●	●	—	—	—	—	●	●
6 David A. Sneider	Risk	●	—	—	—	●	●	—	—
7 Koichi Tsuji	Audit*	●	—	—	●	—	●	—	—
8 Tarisa Watanagase	Risk	●	—	●	—	—	●	—	—
9 Kenichi Miyanaga	Audit	—	Extensive knowledge of MUFG's business and the ability to appropriately perform management of MUFG				●	—	—
10 Ryoichi Shinke	Audit						●	—	—
11 Kanetsugu Mike							●	●	●
12 Hironori Kamezawa	Nominating Compensation						●	●	●
13 Iwao Nagashima							●	—	●
14 Junichi Hanzawa							—	—	●
15 Makoto Kobayashi							●	—	●

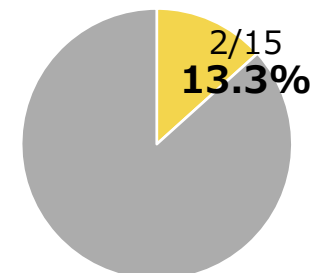
## Independent outside directors



## 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
<b>Annual base salary</b>	<b>Fixed</b>	-	<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
<b>Stock compensation</b>	<b>Non performance-based</b>	-	<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 <sup>*4</sup>	1
	<b>Medium- to long-term performance-based</b>	0% - 150%	Base amount by position ×	Target attainment rate of indices below in MTBP (1) Consolidated ROE 30% (2) Consolidated expenses reduction amount (excluding those linked to revenues) 15% (3) Ratings granted by ESG rating agencies <sup>*1</sup> 5%	<50%>	At the end of the MTBP		
		Comparison of year-on-year growth rate of indices below with competitors <sup>*2</sup> (1) Consolidated net operating profits 25% (2) Profits attributable to owners of parent 25%		<50%>				
<b>Cash bonuses</b>	<b>Short-term performance-based</b>	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 20% (2) Profits attributable to owners of parent 10% (3) Consolidated ROE 20% (4) Consolidated expense amount 10%	<60%>	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 and sustainability management<sup>*3</sup></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, raising awareness of inclusion & diversity and its promotion, and the strengthening and upgrading of MUFG's governance structure \*4 Subject to malus (confiscation) and clawback (restitution claim)

# TLAC requirement

## - The best capital mix and external TLAC ratio

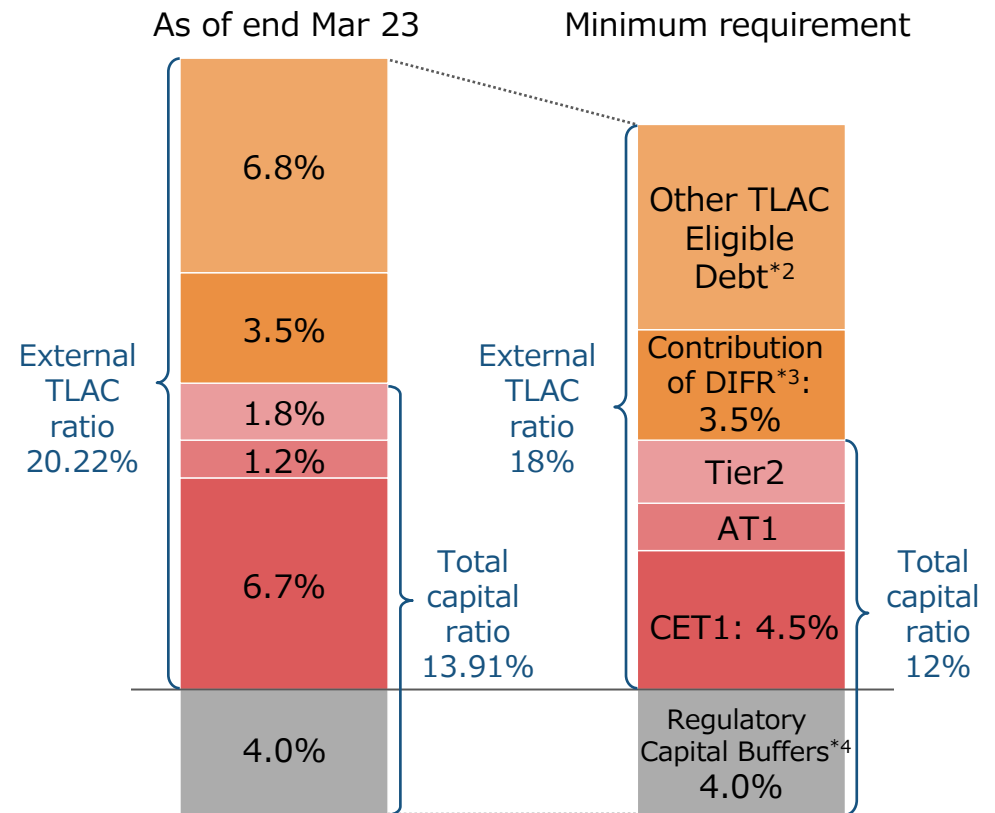
- Aiming for optimal balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
  - Secure necessary and sufficient level of capital with utilization of AT1 / Tier2
  - Maintain sustainable external TLAC ratio for the long term by raising external TLAC eligible senior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

MUFG's external TLAC ratio and minimum Requirement

	As of end Mar 23	Minimum requirement
Risk weighted asset basis	20.22%	18.0%
Total exposure basis	9.47%	6.75%

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

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



\*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 3.5% of RWAs after end Mar 2022, in external TLAC ratio)

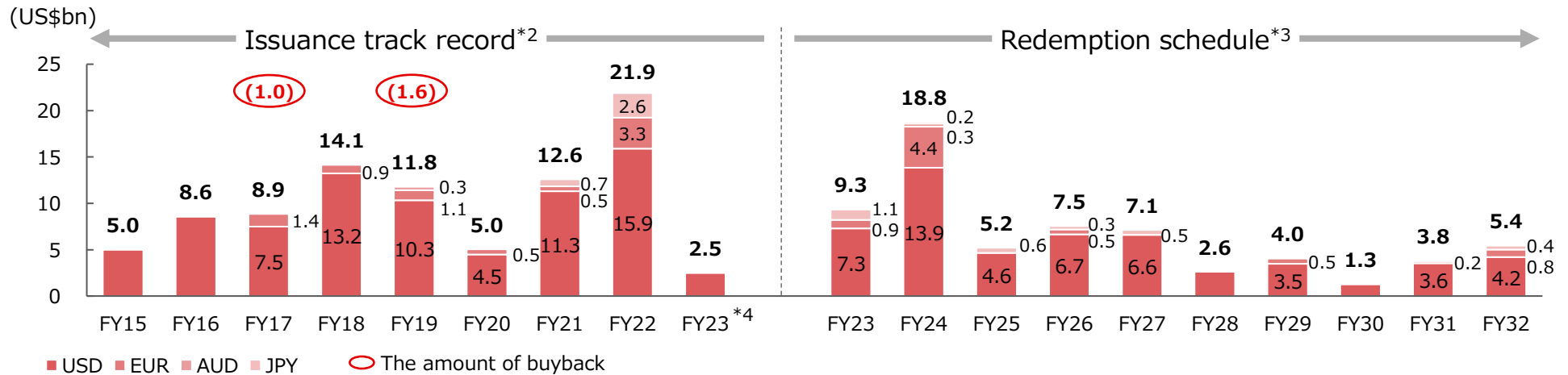
\*4 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0.04%

# TLAC requirement

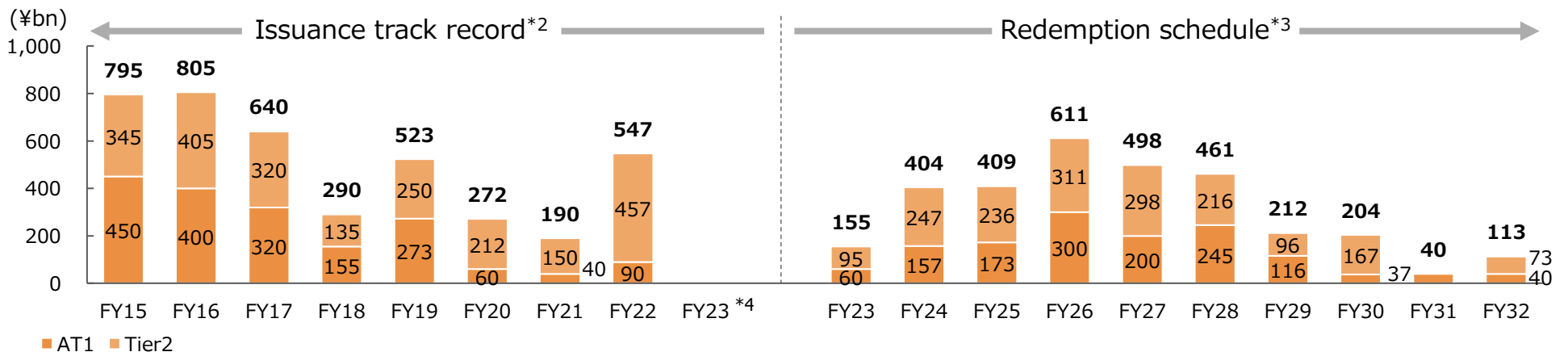
## - Issuance track record & redemption schedule

- In FY2022, maintained stable capital ratios and external TLAC ratio by proactive capital rising
- Issued USD-denominated TLAC-eligible senior bond in April 2023 (US\$2.5bn) by stimulating investor demand. It was the first USD-denominated bond issuance by G-SIBs since outbreak of uncertainty about the U.S. and European financial system stability in March 2023

### TLAC-eligible senior debt\*1



### AT1, Tier2 bond



\*1 All figures are converted into US\$ using actual exchange rates as of end Mar 2023

\*2 Total of public issuance (excluding the amount of buyback), as of end Mar 2023

\*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)

\*4 Results up to the end of Apr 2023