



- ✓ I am Kamezawa. Thank you very much for taking time out of your busy schedule today to attend our MUFG IR presentation.
- ✓ Please turn to page 6 of the presentation material.

## Disclaimer

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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 message

### FY22H1 result

- Net operating profits: Net operating profits were ¥895.2bn, **the highest record** for the interim period
- Net profits\*<sup>1</sup>: Substantial net profits were ¥679.2bn\*<sup>2</sup>, with progress ratio for the FY22 target being **68%**

### Progress of the medium-term business plan

- Financial target: Substantial ROE is **8.4%**\*<sup>3</sup> due to the robust first-half performance of customer segment operations
- Key strategies: Having achieved steady growth in earnings power, we now intend to take on challenges to new risk-taking businesses  
Decided to **sell MUB** on 1<sup>st</sup> December, 2022

### Capital policy

- Progressive dividend: FY22 DPS forecast unchanged at ¥32, up by ¥4 compared to FY21
- Share buyback: Repurchase of own shares up to **¥150.0bn** was resolved

### Approach to sustainability

- Carbon neutrality: Published **MUFG Transition White Paper** outlining issues confronting businesses in materials and power sectors and initiatives now under way to address them

\*1 Profits attributable to owners of parent

\*2 Taking into consideration the amount to be recorded as extraordinary gains upon MUB's transfer. Net profits excluding these gains are ¥231.0bn

\*3 Substantial net profits basis. ROE before taking into consideration the amount to be recorded as extraordinary gains upon MUB's transfer is 2.91%

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FY22H1 financial results



## FY22H1 financial results and FY22 targets

– Net profits\*<sup>1</sup> considering reversal on MUB transfer\*<sup>2</sup> made good progress, progress ratio toward FY22 target was 68%

### Reasons of revised targets

- Net operating profits +¥200.0bn: revised upward due to strong performance in customer segments
- Total credit costs ¥(500.0)bn, Ordinary profits ¥(650.0)bn: Reflected valuation losses associated with accounting treatment in connection with our decision to sell all shares of MUB
- Profits attributable to owners of parent: Unchanged

Consolidated (¥bn)	FY21H1	FY22H1		FY22 full year	
	Results	Results	YoY	Revised targets	Changes from initial targets
1 <b>Gross profits</b>	1,980.8	<b>2,323.4</b>	342.5	-	-
2 <b>G&amp;A expenses</b>	1,343.2	<b>1,428.1</b>	84.8	-	-
3 <b>Net operating profits</b>	637.5	<b>895.2</b>	257.7	<b>1,500.0</b>	200.0
4 <b>Total credit costs</b>	17.9	<b>(243.8)</b>	(261.7)	<b>(800.0)</b>	(500.0)
5 <b>Ordinary profits</b>	986.0	<b>591.0</b>	(394.9)	<b>600.0</b>	(650.0)
6 <b>Profits attributable to owners of parent</b>	781.4	<b>231.0</b>	(550.3)	<b>1,000.0</b>	±0
7 <b>Considering reversal on MUB transfer*<sup>2</sup></b>	781.4	<b>679.2</b>	(102.2)	-	-
8 <b>Progress ratio</b>	-	<b>68%</b>	-	-	-

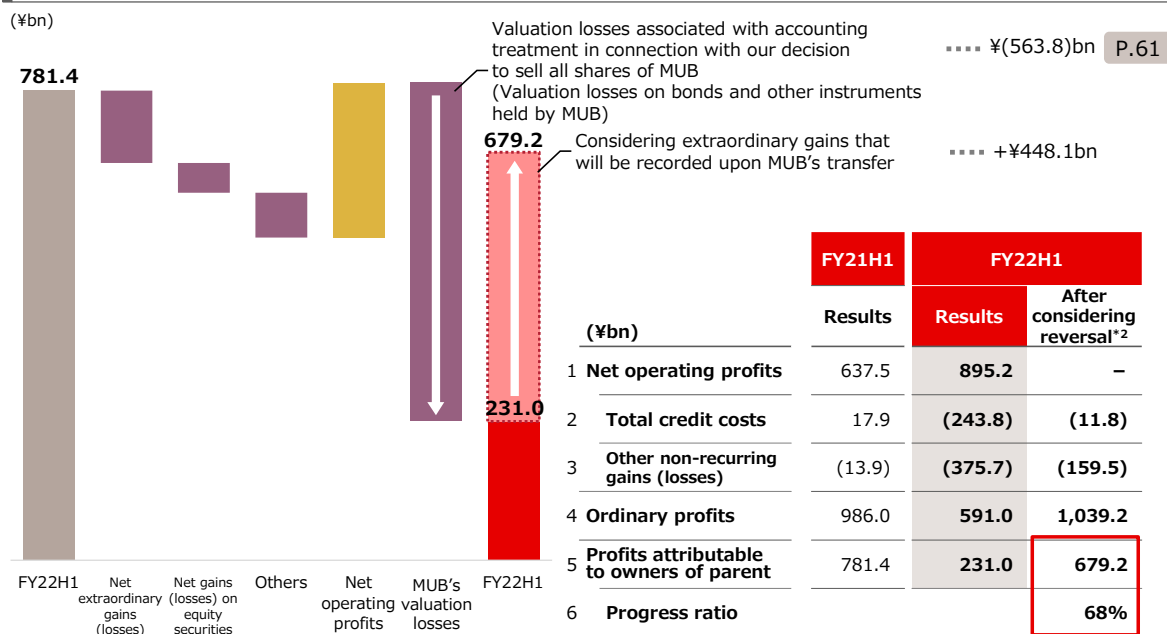
\*1 Profits attributable to owners of parent \*2 Extraordinary gains that will be recorded upon MUB's transfer

- ✓ I will start with an overview of the financial results for the first half of fiscal year 2022.
- ✓ Please look at the column that says FY22H1 results in the middle of the slide. From the top, line 1, gross profits increased by 342.5 billion yen year on year to 2,323.4 billion yen mainly due to the increase in net interest income from loans and deposits thanks to the effects of higher overseas interest rates and risk return improvement measures, as well as increase in foreign exchange and trading revenues capturing market fluctuations.
- ✓ Line 2, G&A expenses increased by 84.8 billion yen year on year, but excluding the impact of yen depreciation, which was about 111.5 billion yen, it decreased by about 27 billion yen.
- ✓ As a result, line 3, net operating profits was 895.2 billion yen, up by 257.7 billion yen year on year, marking a record high level for the first half.
- ✓ Below net operating profits, line 4, credit costs included 231.9 billion yen in valuation losses of loans due to accounting treatments specific to US GAAP, following the decision to sell MUFG Union Bank, or MUB. This resulted in a 261.7 billion yen increase year on year, but excluding such valuation losses, credit costs on a real basis were approximately 12 billion yen, remaining at a low level.
- ✓ In addition, due to the same accounting treatment, line 6, profits attributable to owners of parent was 231.0 billion yen, down by 550.3 billion yen year on year, mainly due to the recording of 331.8 billion yen in valuation losses on securities held by MUB. However, most of the one-time losses from the accounting treatment I just explained will be recorded as extraordinary gains upon MUB's transfer. Therefore, on a real basis, after taking this into account, as shown in line 7, profits attributable to owners of parent was 679.2 billion yen, a strong progress ratio of about 68% toward the full-year target of 1 trillion yen.
- ✓ Next, regarding the performance target for fiscal year 2022, we maintained the target of 1 trillion yen for profits attributable to owners of parent announced at the beginning of the fiscal year. As for the breakdown, we revised our net operating profits target upward by 200 billion yen in light of the strong progress in the first half. In addition, credit costs and ordinary profits were revised respectively, due to the accounting treatment for the sale of MUB, which causes some shifts between accounts.
- ✓ Please turn to page 7.

## Factors for changes in FY22H1 results

### Factors for changes in FY22H1 results\*1

Consolidated



\*1 Breakdown is on a pre-tax basis

\*2 Of the amount recorded as valuation losses on bonds and other instruments held by MUB, the amount to be recorded as extraordinary gains upon MUB's transfer is excluded (Total credit costs: ¥(231.9)bn, Other non-recurring gains (losses): ¥(216.1)bn)

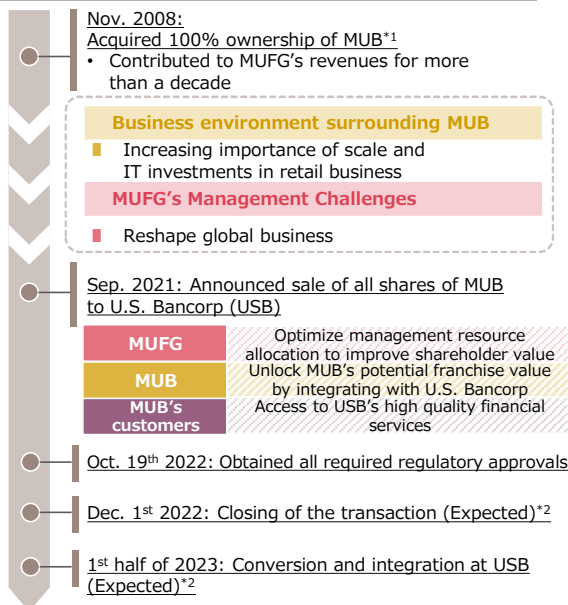
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- ✓ This page shows the factors for year-on-year changes in the first half results of fiscal year 2022.
- ✓ As explained earlier, profits attributable to owners of parent decreased due to the impact of the accounting treatment in connection with our decision to sell MUB. On the other hand, the increase in net operating profits offset the impact of the absence of M&A-related extraordinary gains that were recorded in the first half of fiscal year 2021 and the lower gains on equity securities due to the write-down of equity securities in fiscal year 2022.
- ✓ Please turn to page 8.

## <Sale of MUB> Overview

– All required regulatory approvals were obtained in October. Closing is expected on Dec. 1<sup>st</sup>

### Schedule of the sale of MUB



### Financial and capital impact (current estimation) P.62-63

- Total gain on sale is approx. ¥120.0bn (includes amounts recorded in the previous fiscal year and the following fiscal years)
- Impact on CET1 ratio is approx. +45bps

#### Transaction gain and expenses

(¥bn)	Amount
Total gain on sale (includes amounts recorded in the previous fiscal year and the following fiscal years)	Approx. 120.0
Onetime expenses related to the transaction* <sup>3</sup>	Approx. (30.0)

#### Impact on CET1 ratio

Decrease in RWA	Approx. +50bps
Investment in USB	Approx. (5)bps

#### Results of the discontinued operations (businesses held for sale) (Jan-Jun 2022, managerial basis)

- Total revenue is approx. US\$1,500mm, pre-tax, pre-provision income is approx. US\$300mm, Net income attributable to MUAH is approx. US\$250mm
- Loans held for sale is approx. US\$60bn, total deposits is approx. US\$90bn

(Above figures are a rough estimate of the results of the business held for sale, based on certain assumptions, excluding accounting adjustments for sales transaction, such as valuation losses on bonds and other instruments held by MUB)

\*1 Acquired 100% ownership of UnionBanCal Corporation (currently MUAH), parent company of Union Bank of California (currently MUB)  
\*2 Subject to fulfillment of preconditions for the closing  
\*3 Total costs of advisory and expert fees in connection with the project

- ✓ Let me provide an overview of the sale of MUB.
- ✓ In October this year, we obtained all required regulatory approvals for the sale of MUB shares and related transactions. The closing is expected on December 1.
- ✓ We expect the total gain on sale to be approximately 120 billion yen, including the portion already recorded in fiscal year 2021 and to be recorded in fiscal year 2023 and onward. We expect the impact on CET1 ratio to be around +45 basis points.
- ✓ Please turn to page 10.



## Income statement summary

Consolidated	(¥bn)	FY21 H1	FY22 H1	YoY
1	<b>Gross profits (before credit costs for trust accounts)</b>	1,980.8	2,323.4	342.5
2	Net interest income	992.4	1,674.0	681.6
3	Trust fees + Net fees and commissions	744.7	772.2	27.4
4	Net trading profits + Net other operating profits	243.6	(122.8)	(366.5)
5	Net gains (losses) on debt securities	70.5	(497.1)	(567.7)
6	<b>G&amp;A expenses</b>	1,343.2	1,428.1	84.8
7	<b>Net operating profits</b>	637.5	895.2	257.7
8	<b>Total credit costs</b>	17.9	(243.8)	(261.7)
9	<b>Net gains (losses) on equity securities</b>	126.0	76.1	(49.9)
10	Net gains (losses) on sales of equity securities	131.2	131.6	0.3
11	Losses on write-down of equity securities	(5.2)	(55.5)	(50.3)
12	<b>Equity in earnings of equity method investees</b>	218.3	239.2	20.8
13	<b>Other non-recurring gains (losses)</b>	(13.9)	(375.7)	(361.8)
14	<b>Ordinary profits</b>	986.0	591.0	(394.9)
15	<b>Net extraordinary gains (losses)</b>	69.9	(57.3)	(127.2)
16	<b>Total of income taxes-current and income taxes-deferred</b>	(225.7)	(260.8)	(35.0)
17	<b>Profits attributable to owners of parent</b>	781.4	231.0	(550.3)
18	Considering reversal on MUB transfer	781.4	679.2	(102.2)
19	EPS (¥)	60.87	18.50	(42.36)
<Reference>				
20	<b>ROE</b>	10.91%	2.91%*2	(8.00ppt)
21	<b>Expense ratio</b>	67.8%	61.4%	(6.3ppt)

\*1 Impact of FX translation was approximately +¥111.5bn

\*2 ROE considering reversal on MUB transfer was approximately 8.4%

### 1 Gross profits

- Net interest income increased due to improvement of lending spread as well as an increase of overseas interest income of lending and deposit during the period when interest rates in U.S. rose.
- Treasury recorded ¥490.1bn in gains on investment trusts cancellation (as net interest income) and also recorded ¥(497.1)bn in net losses on debt securities due to portfolio re-balance mainly in foreign bonds considering gains on hedges with derivatives.
- Thus, gross profits increased ¥342.5bn YoY.

### 2 G&A expenses / Expense Ratio

- G&A expenses excluding the impact of FX translation\*1 decreased YoY.
- Expense ratio decreased to 61.4%.

### 3 Total credit costs

- Credit costs associated with accounting treatment in connection with our decision to sell all shares of MUB (valuation losses on loans held by MUB etc.) was recorded by ¥(231.9)bn.

### 4 Other non-recurring gains (losses)

- Losses associated with accounting treatment in connection with our decision to sell all shares of MUB (valuation losses on bonds held by MUB etc.) was recorded by ¥(331.8)bn.

### 5 Profits attributable to owners of parent

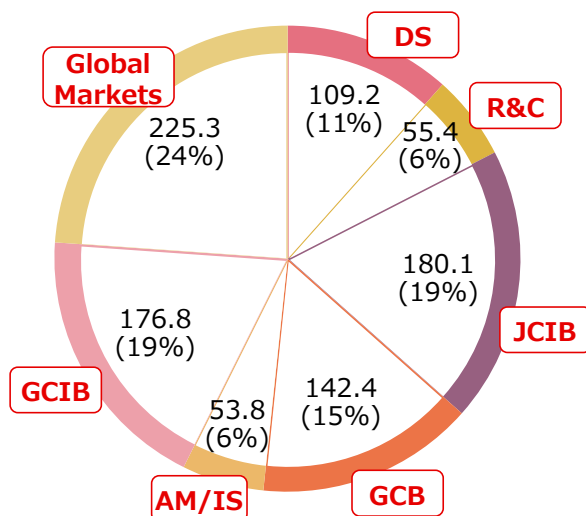
- Although profits attributable to owners of parent decreased by ¥(550.3)bn to ¥231.0bn, it is making good progress toward the FY2022 target considering gains of ¥448.1bn that will be recorded as an extraordinary gains upon MUB's transfer.

## Net operating profits results by business group

Net operating profits by business group\*1 Consolidated

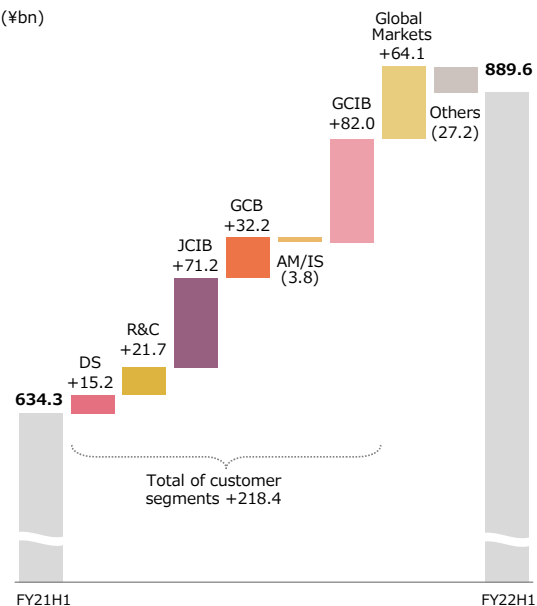
(¥bn)

**FY22H1 ¥889.6bn**\*2



Changes by business group Consolidated

(¥bn)

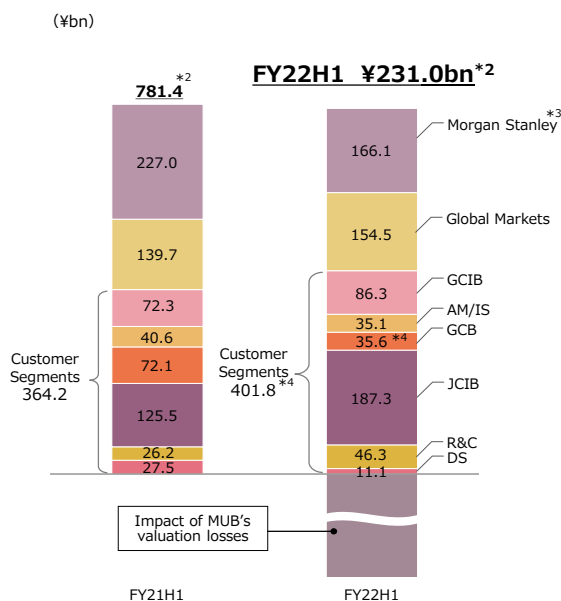


\*1 On a managerial accounting basis \*2 Include net operating profits from "Others" segment (FY22H1: ¥(53.6)bn)

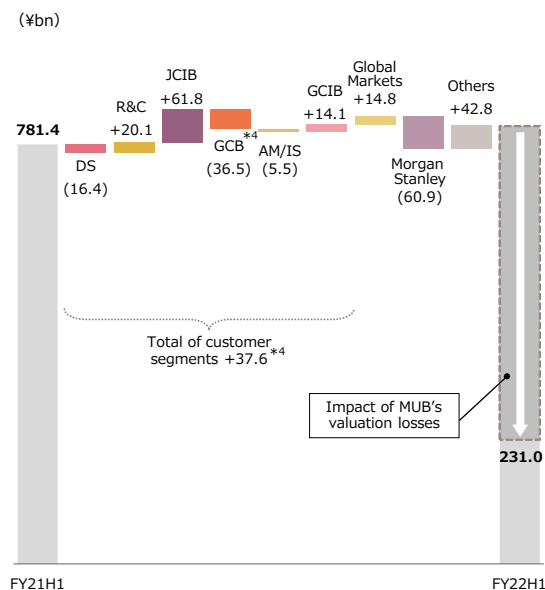
- ✓ This page shows net operating profits by business group.
- ✓ As shown in the step chart on the right, in customer segments, profits in AM/IS decreased slightly due to the absence of large performance fees we had in fiscal year 2021, but other business groups enjoyed a profit increase, including higher net interest income from loans and deposits and foreign exchange-related income, resulting in a significant increase of 218.4 billion yen in total customer segments.
- ✓ Global Markets Business Group also posted an increase of 64.1 billion yen in net operating profits as a result of portfolio rebalance with minimal financial impact by offsetting loss on sale of foreign bonds with gain on cancellation of bear funds, as well as securing earnings opportunities to flexible trading that successfully captured market fluctuations.
- ✓ Please turn to page 11.

# Net income results by business group

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










Changes by business group, etc. Consolidated



\*1 On a managerial accounting basis (preliminary results). Local currency basis  
 \*2 Include other net income (FY21H1 : ¥50.5bn, FY22H1 : ¥93.3bn)  
 \*3 These figures includes gains/losses on change in equity (FY21H1 : ¥36.8bn, FY22H1 : ¥(23.7)bn)  
 \*4 Exclude the impact of MUB's valuation losses

- ✓ This page shows net income results by business group.
- ✓ Profit declined in DS due to stock impairment losses, GCB due to the absence of reversal of credit costs in MUAH as we had in fiscal year 2021, and AM/IS due to the absence of performance fees that we had in fiscal year 2021. On the other hand, R&C, JCIB, GCIB, the entire customer segment, as well as Global Markets, reported higher profits.
- ✓ Please turn to page 18.

## Results by business group (1)

Business group	Net operating profits (¥bn) <sup>*1</sup>		Expense ratio <sup>*1</sup>		ROE <sup>*2</sup>		RWA (¥tn) <sup>*3</sup>	
	FY22 H1	YoY	FY22 H1	YoY	FY22 H1	YoY	FY22 H1	YoY
Digital Service 	107.6	13.4	71%	(4ppt)	2%	(3ppt)	9.7	0.1
Retail & Commercial Banking 	52.4	18.6	81%	(7ppt)	5%	2ppt	16.1	0.1
Japanese Corporate & Investment Banking 	151.1	45.3	50%	(9ppt)	11%	3ppt	32.4	(0.6)
Global Corporate & Investment Banking 	117.0	34.0	54%	(8ppt)	8%	0.5ppt	23.8	1.9
Global Commercial Banking 	117.5	11.6	68%	3ppt	4% <sup>*4</sup>	(4ppt)	16.7	(0.2)
Asset Management & Investor Services 	49.0	(6.9)	69%	2ppt	28%	(5.5ppt)	2.6	0.5
Global Markets 	235.7	37.9	34%	(3ppt)	9.5%	1ppt	20.7	1.7

<sup>\*1</sup> Local currency basis <sup>\*2</sup> 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)

<sup>\*3</sup> The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of September)

<sup>\*4</sup> Excluding the losses associated with accounting treatment in connection with our decision to sell all shares of MUB. ROE including this impact is (42%)

## Results by business group (2)

### Digital Service\*1

(¥bn)	FY21H1	FY22H1	YoY
<b>Gross profits</b>	372.4	<b>369.1</b>	(3.4)
Loan and deposit interest income	73.5	<b>71.9</b>	(1.5)
Domestic and foreign settlement / forex	20.1	<b>18.2</b>	(1.9)
Card settlement	106.0	<b>105.8</b>	(0.2)
Consumer finance	138.2	<b>139.8</b>	1.5
<b>Expenses</b>	278.2	<b>261.4</b>	(16.7)
Expense ratio	75%	<b>71%</b>	(4ppt)
<b>Net operating profits</b>	94.3	<b>107.6</b>	13.4
Credit costs*2	(33.9)	<b>(35.2)</b>	(1.3)
<b>Net profits*3</b>	27.5	<b>11.1</b>	(16.4)
<b>RWA*4</b> (¥tn)	9.5	<b>9.7</b>	0.1
<b>ROE</b>	5%	<b>2%</b>	(3ppt)
<b>Ave. housing loan balance</b> (¥tn)	11.2	<b>11.0</b>	(0.2)
<b>Ave. deposit balance</b> (¥tn)	55.9	<b>58.5</b>	2.6
<b>Balance of consumer loans*5</b> (¥tn)	1.5	<b>1.4</b>	(0.0)
<b>Volume of card shopping*6</b> (¥tn)	2.5	<b>2.8</b>	0.2

### Retail & Commercial Banking\*1

(¥bn)	FY21H1	FY22H1	YoY
<b>Gross profits</b>	279.2	<b>278.9</b>	(0.4)
Loan and deposit interest income	79.8	<b>82.5</b>	2.7
Domestic and foreign settlement / forex	47.4	<b>49.6</b>	2.2
Derivatives, solutions	23.4	<b>25.3</b>	2.0
Real estate, corporate agency and inheritance	25.2	<b>27.8</b>	2.6
Investment product sales	90.2	<b>83.1</b>	(7.1)
<b>Expenses</b>	245.5	<b>226.5</b>	(19.0)
Expense ratio	88%	<b>81%</b>	(7ppt)
<b>Net operating profits</b>	33.8	<b>52.4</b>	18.6
Credit costs	2.4	<b>8.6</b>	6.2
<b>Net profits</b>	26.2	<b>46.3</b>	20.1
<b>RWA*4</b> (¥tn)	16.0	<b>16.1</b>	0.1
<b>ROE</b>	3%	<b>5%</b>	2ppt
<b>Ave. loan balance*7</b> (¥tn)	20.0	<b>20.0</b>	(0.0)
Lending spread*8	0.54%	<b>0.53%</b>	(0.00ppt)
<b>Ave. deposit balance</b> (¥tn)	80.0	<b>81.7</b>	1.7

\*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 Including the impact of losses on write-down of equity securities \*4 The finalized Basel III reforms basis.

Managerial accounting basis. (Estimation as of September) \*5 Total balance of personal card loans of the Bank, the Trust Bank and ACOM (excl. guarantee)

\*6 For NICOS cardmembers \*7 Excluding consumer loans \*8 Excluding non-JPY mid- to long-term funding costs

## Results by business group (3)

### Japanese Corporate & Investment Banking\*1

(¥bn)	FY21H1	FY22H1	YoY
<b>Gross profits</b>	258.2	<b>301.1</b>	42.9
Loan and deposit interest income	105.7	<b>142.9</b>	37.2
Domestic and foreign settlement / forex*2	39.5	<b>47.1</b>	7.6
Derivatives, solutions*2	20.0	<b>22.4</b>	2.3
Real estate, corporate agency	24.9	<b>25.1</b>	0.1
M&A·DCM·ECM*3	26.0	<b>14.3</b>	(11.7)
<b>Expenses</b>	152.5	<b>150.0</b>	(2.5)
Expense ratio	59%	<b>50%</b>	(9ppt)
<b>Net operating profits</b>	105.7	<b>151.1</b>	45.3
Credit costs	26.9	<b>59.0</b>	32.1
<b>Net profits</b>	125.5	<b>187.3</b>	61.8
<b>RWA*4 (¥tn)</b>	33.0	<b>32.4</b>	(0.6)
<b>ROE</b>	8%	<b>11%</b>	3ppt
<b>Ave. loan balance (¥tn)</b>	38.6	<b>38.2</b>	(0.4)
Lending spread*5	0.51%	<b>0.55%</b>	0.05ppt
Ave. non-JPY loan balance*6 (¥tn)	12.9	<b>12.8</b>	(0.1)
Non-JPY lending spread*5*6	0.72%	<b>0.74%</b>	0.02ppt
<b>Ave. deposit balance (¥tn)</b>	39.1	<b>36.3</b>	(2.8)
Ave. non-JPY deposit balance*6 (¥tn)	15.7	<b>14.4</b>	(1.3)

### Global Corporate & Investment Banking\*1

(¥bn)	FY21H1	FY22H1	YoY
<b>Gross profits</b>	216.7	<b>253.2</b>	36.5
Loan and deposit interest income	109.1	<b>132.0</b>	22.9
Commission	94.1	<b>110.5</b>	16.4
Forex, derivatives	6.8	<b>12.1</b>	5.3
DCM·ECM	13.0	<b>10.1</b>	(2.8)
<b>Expenses</b>	133.8	<b>136.3</b>	2.5
Expense ratio	62%	<b>54%</b>	(8ppt)
<b>Net operating profits</b>	82.9	<b>117.0</b>	34.0
Credit costs	13.6	<b>(0.4)</b>	(14.0)
<b>Net profits</b>	72.3	<b>86.3</b>	14.1
<b>RWA*4 (¥tn)</b>	21.9	<b>23.8</b>	1.9
<b>ROE</b>	7.5%	<b>8%</b>	0.5ppt
<b>Ave. loan balance (¥tn)</b>	19.2	<b>22.1</b>	2.9
Lending spread*5	1.20%	<b>1.25%</b>	0.05ppt
<b>Ave. deposit balance (¥tn)</b>	14.3	<b>12.1</b>	(2.2)

\*1 Managerial accounting basis. Local currency basis. ROE is calculated based on net profits and excludes non-JPY mid- to long-term funding costs  
 \*2 Domestic business only \*3 Including real estate securitization etc. \*4 The finalized Basel III reforms basis. Managerial accounting basis.  
 (Estimation as of September) \*5 Excluding non-JPY mid- to long-term funding costs \*6 Sum of domestic and overseas loans and deposits

## Results by business group (4)

### Global Commercial Banking\*1

(¥bn)	FY21H1	FY22H1	YoY	(¥bn)	FY21H1	FY22H1	YoY
<b>Gross profits</b>	358.6	<b>363.6</b>	5.0	<b>Net profits</b> <sup>*4</sup>	72.1	<b>(389.8)</b>	(461.9)
MUAH <sup>*2</sup>	140.0	<b>141.4</b>	1.4	MUAH <sup>*2</sup>	30.4	<b>(475.5)</b>	(505.9)
KS <sup>*3</sup>	158.9	<b>163.1</b>	4.2	KS <sup>*3</sup>	48.3	<b>32.7</b>	(15.6)
BDI	59.5	<b>59.3</b>	(0.2)	BDI	6.8	<b>11.5</b>	4.7
<b>Expenses</b>	252.7	<b>246.1</b>	(6.6)	<b>RWA</b> <sup>*5</sup> (¥tn)	16.9	<b>16.7</b>	(0.2)
<b>(Expense ratio)</b>	70%	<b>68%</b>	3ppt	<b>ROE</b> <sup>*4</sup>	7.5%	<b>(42%)</b>	(49.5ppt)
MUAH <sup>*2</sup>	122.7	<b>116.3</b>	(6.5)	MUAH <sup>*2</sup>	7.5%	<b>(132.5%)</b>	(140ppt)
(Expense ratio)	88%	<b>82%</b>	(5ppt)	KS <sup>*3</sup>	13%	<b>8.5%</b>	(4.5ppt)
KS <sup>*3</sup>	80.8	<b>81.1</b>	0.3	BDI	8.5%	<b>13.5%</b>	5ppt
(Expense ratio)	51%	<b>50%</b>	(1ppt)	(¥tn)			
BDI	30.2	<b>32.5</b>	2.3	Ave. loan balance	6.3	<b>6.0</b>	(0.3)
(Expense ratio)	51%	<b>55%</b>	4ppt	<b>MUAH</b> <sup>*2</sup>			
<b>Net operating profits</b>	105.9	<b>117.5</b>	11.6	Ave. deposit balance	8.7	<b>8.1</b>	(0.7)
MUAH <sup>*2</sup>	17.3	<b>25.1</b>	7.9	NIM <sup>*6</sup>	2.13%	<b>2.53%</b>	0.40ppt
KS <sup>*3</sup>	78.2	<b>82.1</b>	3.9	Ave. loan balance	6.1	<b>6.4</b>	0.3
BDI	29.2	<b>26.8</b>	(2.4)	Ave. deposit balance	6.3	<b>6.1</b>	(0.2)
Credit costs <sup>*4</sup>	(30.4)	<b>(226.8)</b>	(196.3)	<b>KS</b> <sup>*3</sup>			
MUAH <sup>*2</sup>	31.2	<b>(182.1)</b>	(213.3)	NIM <sup>*7</sup>	3.08%	<b>3.36%</b>	0.28ppt
KS <sup>*3</sup>	(40.3)	<b>(33.8)</b>	6.5	Ave. loan balance	0.9	<b>0.9</b>	0.0
BDI	(18.9)	<b>(10.9)</b>	8.0	<b>BDI</b>			
				Ave. deposit balance	0.9	<b>0.9</b>	(0.0)
				NIM <sup>*8</sup>	7.55%	<b>7.90%</b>	0.35ppt

\*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 losses associated with accounting treatment in connection with our decision to sell all shares of MUB, credit costs, net profits and ROE of FY22H1 were ¥(48.3)bn, ¥35.6bn and 4%, respectively \*5 The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of September) \*6 Excluding figures which belong to Global Markets \*7 KS entity basis \*8 OJK definition

## Results by business group (5)

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

(¥bn)	FY21H1	FY22H1	YoY
<b>Gross profits</b>	167.8	<b>155.7</b>	(12.1)
AM	75.3	<b>59.4</b>	(16.0)
IS	58.1	<b>63.8</b>	5.6
Pension	34.4	<b>32.6</b>	(1.8)
<b>Expenses</b>	111.9	<b>106.7</b>	(5.2)
Expense ratio	67%	<b>69%</b>	2ppt
<b>Net operating profits</b>	55.9	<b>49.0</b>	(6.9)
<b>Net profits</b>	40.6	<b>35.1</b>	(5.5)
<b>Economic capital (¥tn)</b>	0.3	<b>0.3</b>	0.0
<b>ROE</b>	33.5%	<b>28%</b>	(5.5ppt)

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

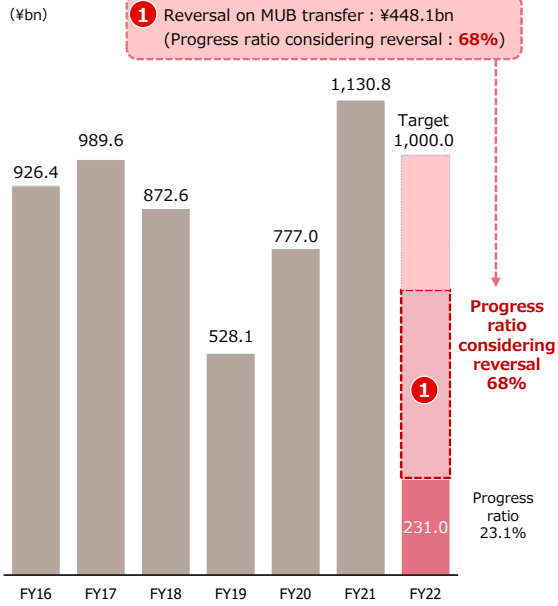
(¥bn)	FY21H1	FY22H1	YoY
<b>Gross profits</b>	312.3	<b>355.1</b>	42.8
Sales & trading	93.7	<b>165.8</b>	72.1
FIC & equity	92.8	<b>164.8</b>	72.1
Corporates	44.8	<b>83.1</b>	38.3
Institutional investors	33.2	<b>65.8</b>	32.6
Asset management	0.9	<b>1.0</b>	0.0
Treasury	221.2	<b>189.1</b>	(32.0)
<b>Expenses</b>	114.5	<b>119.4</b>	4.9
Expense ratio	37%	<b>34%</b>	(3ppt)
<b>Net operating profits</b>	197.8	<b>235.7</b>	37.9
Customer business	6.8	<b>73.5</b>	66.8
Treasury	193.8	<b>162.6</b>	(31.2)
<b>Net profits</b>	139.7	<b>154.5</b>	14.8
<b>Economic capital (¥tn)</b>	4.1	<b>4.1</b>	0.0
<b>ROE</b>	8.5%	<b>9.5%</b>	1ppt

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

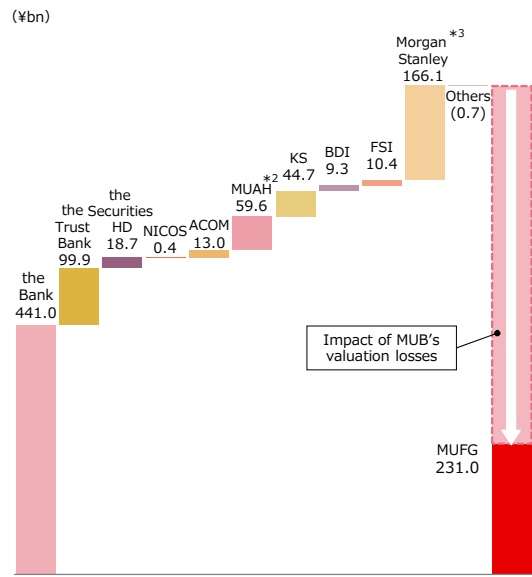


# Progress ratio of FY22 and breakdown by entity

Profits attributable to owners of parent Consolidated



Breakdown by entity\*1 Consolidated



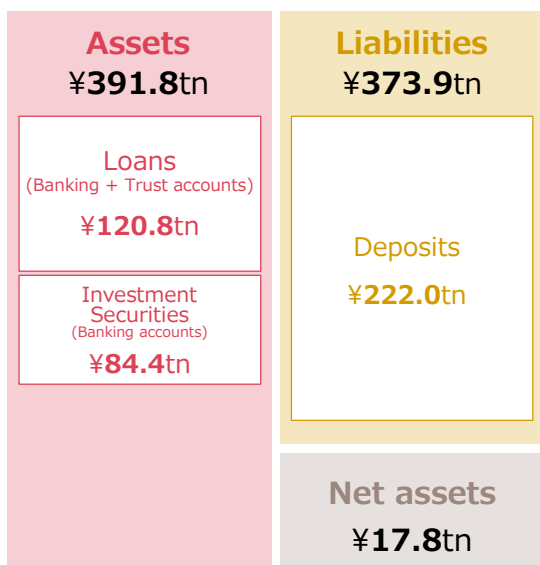
\*1 The figures reflect the percentage holding in each subsidiaries and equity method investees  
 \*2 Exclude the impact of MUB's valuation losses  
 \*3 The figure includes ¥(23.7)bn of losses on change in equity

## Balance sheet summary

### Balance sheet summary

Consolidated

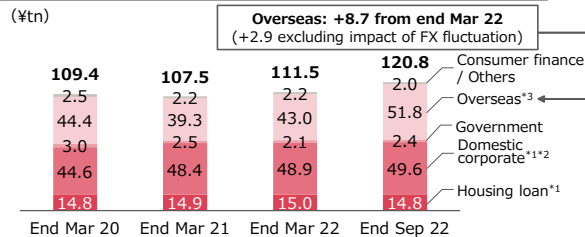
As of end Sep 2022



### Loans (period end balance)

Consolidated

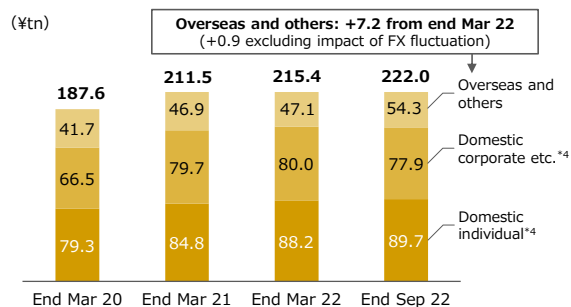
(\$tn)



### Deposits (period end balance)

Consolidated

(\$tn)



\*1 Non-consolidated + trust accounts \*2 Excluding loans to government and governmental institutions and including foreign currency denominated loans  
(Excluding impact of FX fluctuation: ¥(0.1)tn from end Mar 2022)

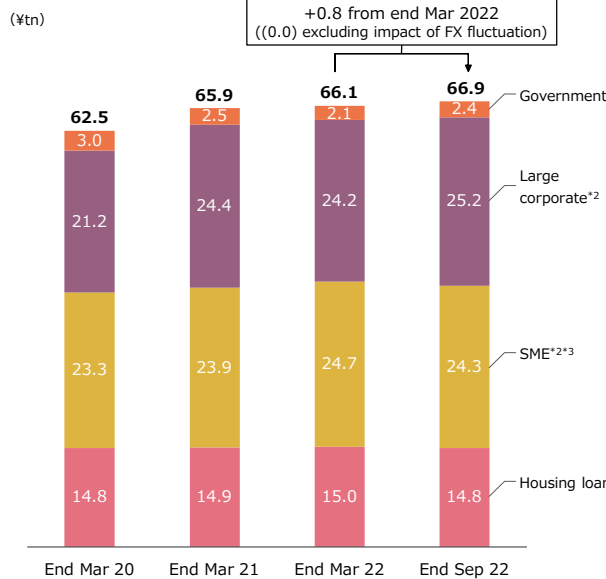
\*3 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe) \*4 Non-consolidated

 MUFG 18

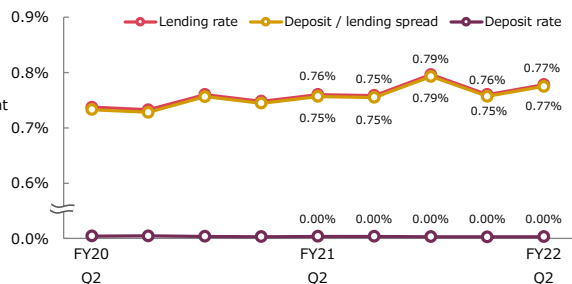
- ✓ This page shows the status of our balance sheet.
- ✓ Loans, shown in the upper-right red bar graph, increased by 9.3 trillion yen from the end of fiscal year 2021. Of this amount, 6.6 trillion yen is due to yen depreciation, so on the actual basis, excluding foreign exchange impact, loans increased by about 3 trillion yen due to an increase in overseas loans.
- ✓ The yellow bar graph on the lower right shows that deposits increased by 6.6 trillion yen, of which 6.2 trillion yen is, again, due to foreign currency effects. So excluding this impact, the actual increase is about 400 billion yen.
- ✓ Please turn to page 19.

# Domestic loans

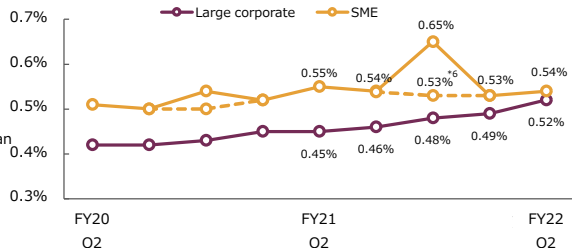
Loan balance (period end balance)\*1 Consolidated



Deposit / lending rate\*4\*5 Non-consolidated



Corporate lending spread\*2\*4\*5 Non-consolidated



\*1 Sum of banking and trust accounts \*2 Including non-JPY loans  
 \*3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)  
 \*4 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

- ✓ This page is on domestic loans.
- ✓ The upper-right yellow line graph, deposit / lending spread, is improving steadily thanks to the expansion of the lending spread for large corporations.
- ✓ Please turn to page 20.

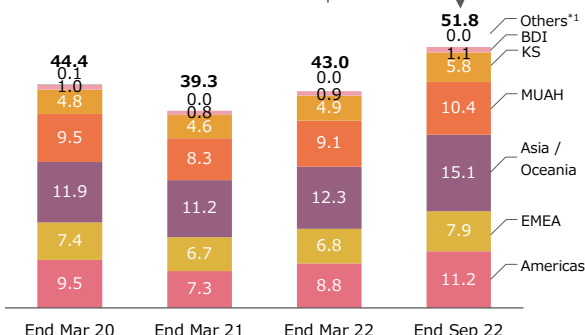
# Overseas loans

Loan balance (period end balance)

Consolidated

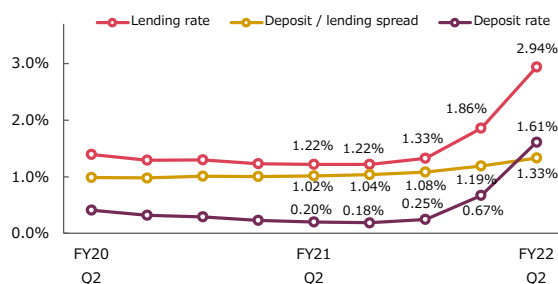
(¥tn)

+8.7 from end Mar 2022  
(+2.9 excluding impact of FX fluctuation)



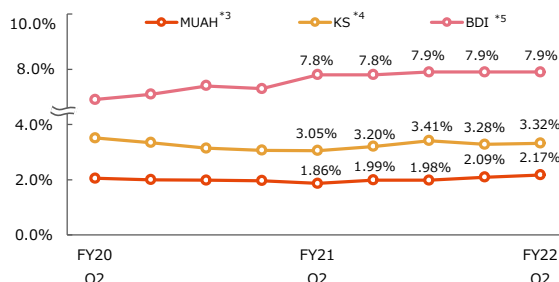
Deposit / lending rate\*2

Non-consolidated



Net interest margin

MUAH / KS / BDI



\*1 Loans booked at offshore markets etc. \*2 Managerial accounting basis \*3 Financial results based on U.S. GAAP including balance classified as held-for-sale account  
\*4 Financial 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



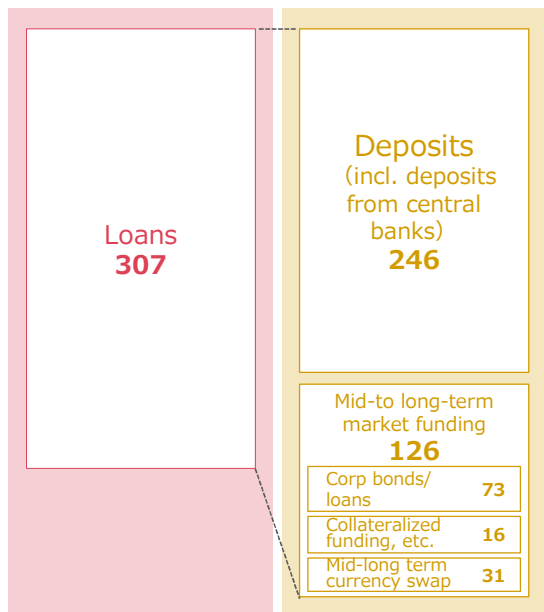
- ✓ This page is on overseas loans.
- ✓ The upper-right yellow line graph, deposit / lending spread, is steadily increasing on a non-consolidated basis, which is the simple sum of the Bank and Trust Bank, thanks to higher overseas interest rates and improved lending spread.
- ✓ Please turn to page 21.

# Non-JPY Liquidity\*1

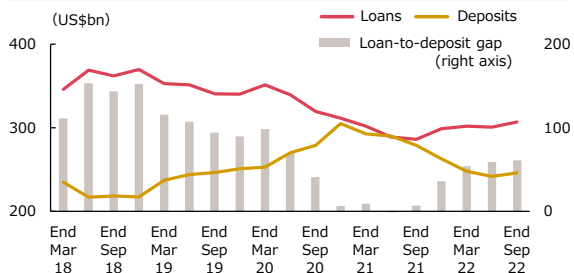
– Partially reinstated medium- to long-term market funding in light of the widening loan-to-deposit gap, to control liquidity risk

(US\$bn)

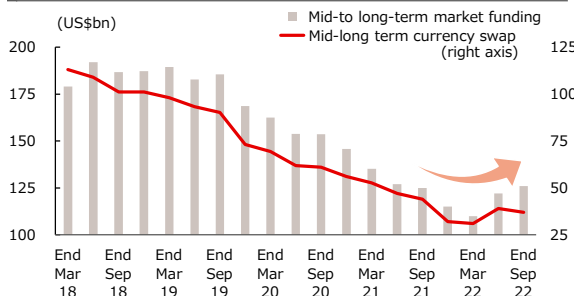
As of end Sep 2022



Historical loan-to-deposit gap



Historical mid-to long-term market funding



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

- ✓ This page is on non-Japanese yen liquidity.
- ✓ As shown in the left figure, non-Japanese yen loans are stably covered by deposits and mid- to long-term market funding.
- ✓ In addition, in view of the non-Japanese yen deposit and loan balance, the transfer of transactions from MUB and uncertainties in the market environment, we have restored some of our mid- to long-term market funding to appropriately control liquidity risk.
- ✓ Please turn to page 22.

## Investment securities (1)

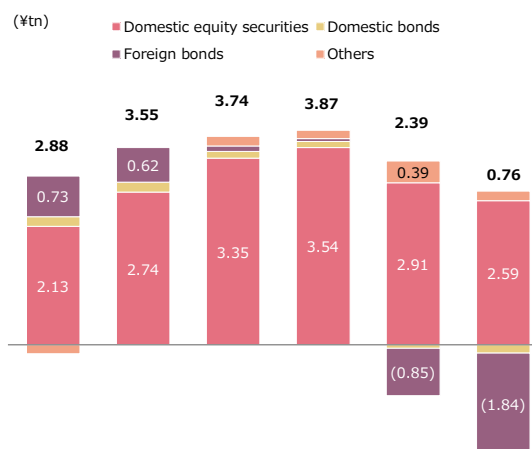
### AFS securities\*1 with fair value\*2

Consolidated

(\$bn)	Balance		Unrealized gains (losses)	
	End Sep 22	Changes from End Mar 22	End Sep 22	Changes from End Mar 22
1 Total	70,792.2	(4,117.4)	769.3	(1,622.5)
2 Domestic equity securities	4,235.7	(377.9)	2,592.4	(321.6)
3 Domestic bonds	36,936.2	(3,497.3)	(154.1)	(92.3)
4 Japanese government bonds (JGB)	29,194.6	(2,217.2)	(120.0)	(64.6)
5 Foreign equity securities	197.1	(21.4)	25.5	(2.2)
6 Foreign bonds	20,506.6	(1,523.8)	(1,840.9)	(988.0) <sup>*3</sup>
7 Others	8,916.4	1,303.2	146.5	(218.1)

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

Consolidated



Period	Unrealized gains (losses) on foreign bonds reflected hedging positions etc.*4 (¥tn)	Approx. (¥tn)	Approx. (¥tn)
End Mar 20			
End Sep 20			
End Mar 21			
End Sep 21			
End Mar 22		Approx. (0.4)	
End Sep 22		Approx. (1.0)	

\*1 Available-for-sale securities

\*2 Unrealized gains (losses) excludes ¥(385.2)bn that is reflected in gains (losses) in connection with the agreement to sell all shares of MUB

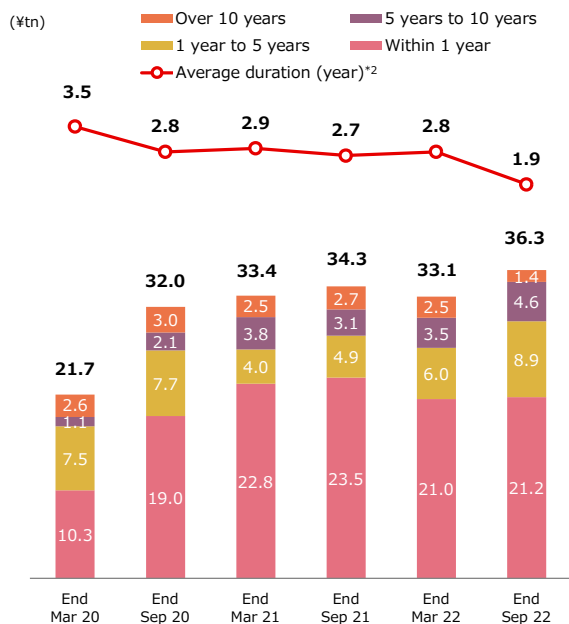
\*3 Approx. ¥(0.7)tn excluding FX impact \*4 Managerial accounting basis

- ✓ This page is on investment securities.
- ✓ Unrealized gains decreased from the end of fiscal year 2021, partly due to higher interest rates overseas. While unrealized losses on foreign bonds increased to approximately 1.8 trillion yen, the actual unrealized losses, taking into account unrealized gains from hedging position and other factors, is approximately 1 trillion yen, as shown in the lower right.
- ✓ Please turn to page 24.

## Investment securities (2)

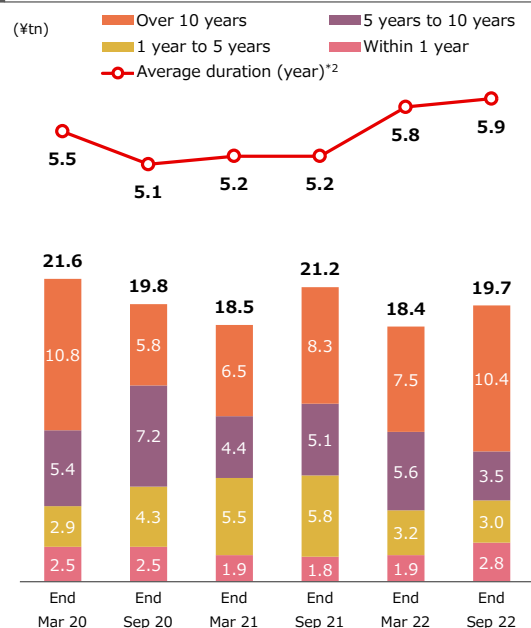
### JGB balance\*1 and duration

Non-consolidated



### Foreign bond balance\*1 and duration

Non-consolidated



\*1 Available for sale securities and securities being held to maturity  
 \*2 Available for sale securities

## Response to rises in non-JPY interest rates

– Utilize hedging tools, etc. to control unrealized losses

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

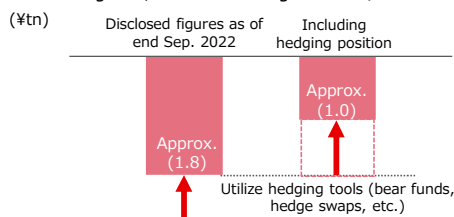
#### Current unrealized gains / losses

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

#### Controlling unrealized gains / losses of foreign bonds

- Reduce interest rate risk\*2 to the historical low level
- Utilize hedging tools to secure financial profits and sell foreign bonds with unrealized losses
- Purchase foreign bonds in the HTM securities\*3 account

### ■ Unrealized gains / losses of foreign bonds (as of end Sep. 2022)

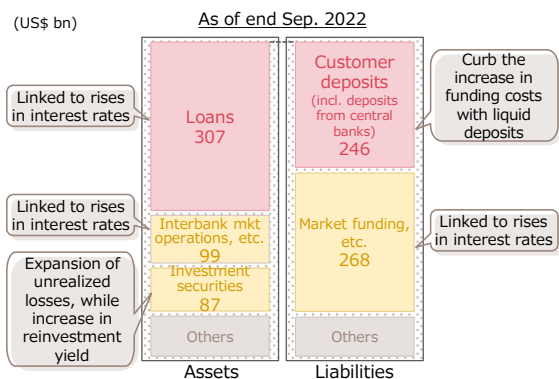


Due to reduction of foreign bonds during FY22H1, we reduced unrealized losses by approx. 30% compared to the level if we maintained the same position as of end Mar. 2022

### Impact of rises in non-JPY interest rates

Customer business	<ul style="list-style-type: none"> <li>• Increase in net interest income from loans and deposits               <ul style="list-style-type: none"> <li>- Both loans interest income and deposits interest expenses are linked to interest rates</li> <li>- Curb funding costs with liquid deposits</li> </ul> </li> </ul>
Treasury	<ul style="list-style-type: none"> <li>• Decrease in net interest income due to increase in funding costs from rises in interest rates</li> <li>• Expansion of unrealized losses in investment securities, while increase in reinvestment yield</li> </ul>

### ■ Non-JPY balance sheet\*4



\*1 Available-for-sale securities \*2 Risks of price fluctuations associated with our bond holdings due to interest rate fluctuations. MUGF consolidated basis (excluding MUB), managerial basis \*3 Held-to-maturity securities \*4 The Bank consolidated excl. MUAH, KS and BDI. Managerial basis

- ✓ Let me explain our responses to rises in non-Japanese yen interest rates.
- ✓ We maintained the overall unrealized gains on available for sale securities, including equities, and have also worked to curb the deterioration in unrealized losses on foreign bonds due to the rise in foreign interest rates.
- ✓ In addition to reducing the interest rate risk to the historical low level, we have been selling bonds with unrealized losses by utilizing hedging tools, such as bear funds.
- ✓ After sales, we also replace and reinvest in higher yield bonds in the held-to-maturity account.
- ✓ As shown in the lower left, we think we successfully controlled the deterioration of unrealized losses to a certain extent amid the significant rise in interest rates. In the second half, we plan to control unrealized losses by continuing our prudent operations under strict control of the amount of interest rate risk.
- ✓ Please turn to page 25.



# Asset quality

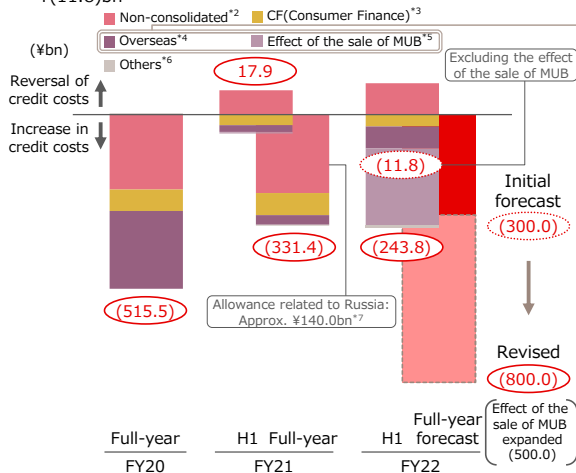
– Credit costs remain low on substantial basis excluding the accounting treatment of the sale of MUB

## Total credit costs\*1

P.66

Consolidated

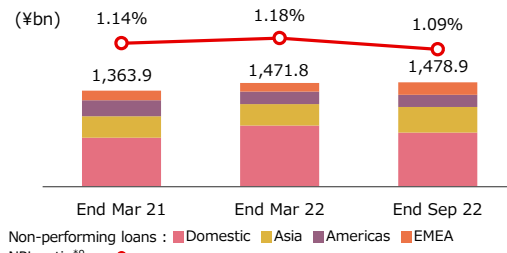
- Valuation losses on MUB's loans expanded than the initial forecast by ¥(500.0)bn due to U.S. interest rate hikes and yen depreciation
- FY22H1 results excluding the above factor remained low at ¥(11.8)bn



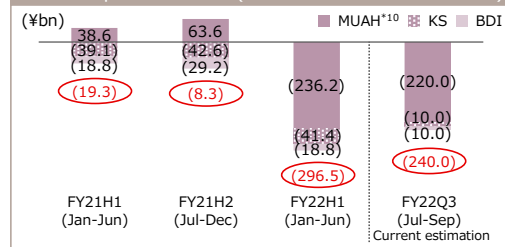
## Non-performing loans\*8

P.67

Consolidated



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



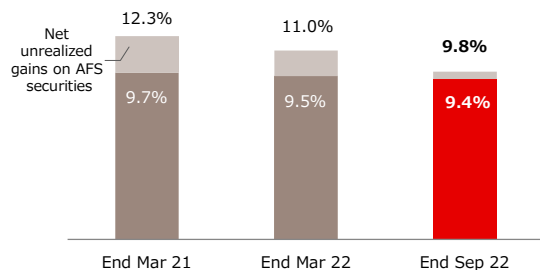
\*1 Includes gains from write-off \*2 Includes overseas branches \*3 Sum of NICOS and ACOM on a consolidated basis \*4 Sum of overseas subsidiaries of the Bank and the Trust Bank \*5 Including a ¥231.9bn loss at fair value on loans to be sold due to the execution of a transfer agreement for MUB shares \*6 Sum of other subsidiaries and consolidation adjustment \*7 Balance as of end Sep 22 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 \*10 MUAH includes valuation losses associated with loans to be sold

- ✓ As explained earlier, credit costs, excluding the impact of the accounting treatment in connection with the decision to sell MUB, were 11.8 billion yen in real terms, remaining at a low level. In addition, the balance of non-performing loans in the right bar graph has remained almost unchanged from the end of fiscal year 2021, and the non-performing loan ratio shown by the line graph also remains at a low level.
- ✓ Please turn to page 26.

## Capital

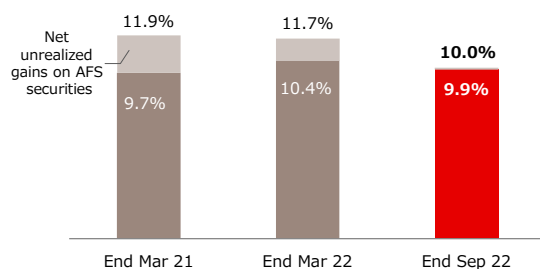
### CET1 ratio

Consolidated



### CET1 ratio (Finalized Basel III reforms basis<sup>\*1</sup>)

Consolidated



\*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

### FY22H1 results

Consolidated

	End Mar 22	End Sep 22	Changes
1 Common Equity Tier 1 capital	13,823.9	<b>12,984.2</b>	(839.6)
2 Additional Tier 1 capital	1,652.3	<b>1,759.1</b>	106.8
3 Tier 1 capital	15,476.2	<b>14,743.4</b>	(732.8)
4 Tier 2 capital	2,382.3	<b>2,490.7</b>	108.4
5 Total capital (Tier 1+Tier 2)	17,858.6	<b>17,234.2</b>	(624.3)
6 Risk-weighted assets	124,914.2	<b>132,159.3</b>	7,245.1
7 Credit risk	91,927.2	<b>100,044.5</b>	8,117.3
8 Market risk	4,389.9	<b>6,308.7</b>	1,918.7
9 Operational risk	7,990.1	<b>7,989.6</b>	(0.5)
10 Floor adjustment <sup>*2</sup>	20,606.9	<b>17,816.3</b>	(2,790.5)
11 Total exposures <sup>*3</sup>	300,792.3	<b>327,918.4</b>	27,126.0
12 Leverage ratio	5.14%	<b>4.49%</b>	(0.64ppt)

- ✓ This page shows our capital status.
- ✓ The CET1 ratio on the finalized Basel III reforms basis, excluding unrealized gains, as of the end of September, on the bottom left, was 9.9%, which is close to the upper 10% target range in the medium-term business plan, or MTBP, and remains at a satisfactory level from the soundness perspective.
- ✓ Please turn to page 28.

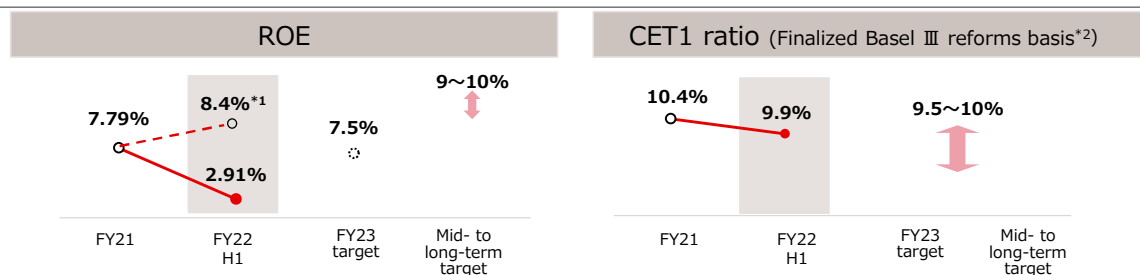
Progress of the medium-term business plan (MTBP)



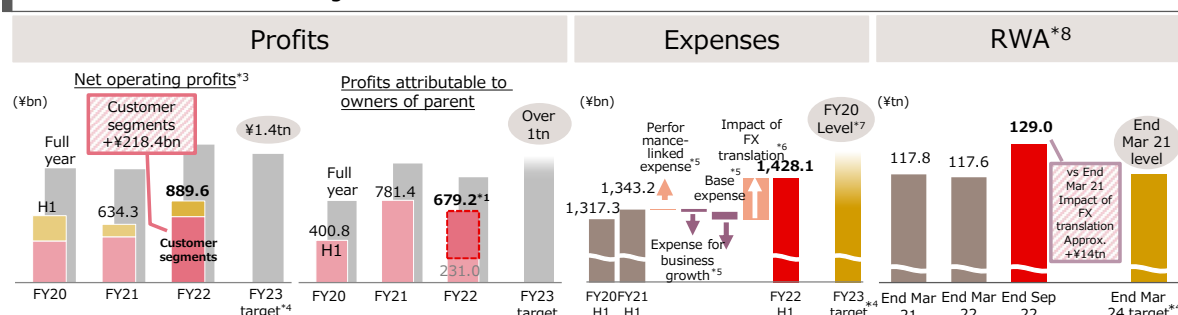
## Financial targets

– Substantial ROE is 8.4% due to the robust first-half performance of customer segment operations. CET1 ratio is 9.9% within the target range

Target for ROE / Capital management



3 drivers to achieve ROE target



\*1 After considering reversal on MUB transfer \*2 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excluding net unrealized gains on AFS securities \*3 On a managerial accounting basis \*4 Target as of announcement of the medium-term business plan \*5 On a managerial accounting basis (after adjustment) \*6 Approximately +¥111.5bn \*7 Excluding performance-linked expenses \*8 Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities

- ✓ From this page, I will explain the progress of MTBP, starting with the progress of financial targets.
- ✓ ROE, which is positioned as our largest commitment, was 2.91% for the first half of fiscal year 2022, but after taking into account the amount to be reversed when the sale of MUB is completed, ROE is actually around 8.4%, which we believe is a reasonable level.
- ✓ The bottom half shows the progress of profits, expenses and RWA, risk-weighted assets, which we positioned as the three drivers for achieving the ROE target.
- ✓ In profits, on the lower left, net operating profits increased substantially, thanks to strong customer segment earnings. Profits attributable to owners of parent is trending steadily on the actual basis.
- ✓ Expenses and risk-weighted assets, which will be explained later, are well under control in line with our policy.
- ✓ Please turn to page 29.

## Steady progress in earnings power

– Having achieved steady progress in earnings power, we now intend to tackle new risk-taking businesses to secure sustainable growth

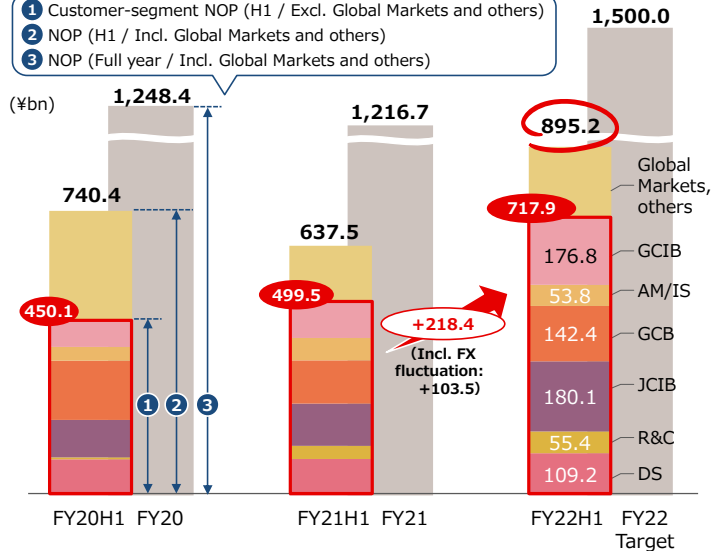
Progress of customer-segment net operating profits\*1 and net operating profits

- On the back of robust customer-segment net operating profits (①), we hit a record high in terms of first-half net operating profits (②)

① Customer-segment NOP (H1 / Excl. Global Markets and others)

② NOP (H1 / Incl. Global Markets and others)

③ NOP (Full year / Incl. Global Markets and others)



\*1 Managerial accounting basis (Including FX fluctuation)

Challenge to new risk-taking business

- Involve risk-taking as we consider changes in the business environment to be business opportunities
- Strengthen structure to support risk-taking for 1<sup>st</sup> line

Strategy for growth

① Pursue further risk-taking in existing business field (P37,P39)

Structural reforms

② Take on challenges of entering new business field (P44)

③ Utilize capital in partnering with and/or acquiring external companies (P44)

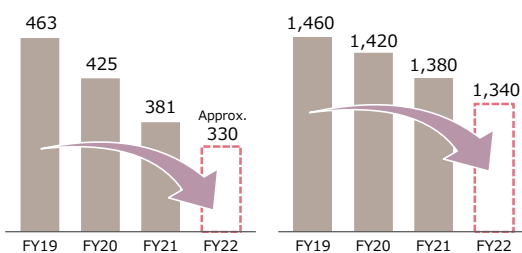
- ✓ This page shows the status of our earning power.
- ✓ The various measures set forth in the MTBP are making steady progress, and as shown in the left graph, customer segment net operating profits increased substantially by 218.4 billion yen. Excluding foreign exchange effects, net operating profits increased by approximately 110 billion yen. We believe that our earning power is steadily improving, thanks to improved spread, strong foreign exchange transactions, and reductions in base costs.
- ✓ I will explain the progress of the main strategies of the MTBP from the next page.
- ✓ Please turn to page 30.

## Digital transformation (1)

– Leverage the power of digital transformation (DX) to offer a comfortable banking experience regardless of channels (bank-counter / online)

Efficient and comfort customer experience through DX of bank-counter transactions

■ No. of branches (the Bank) ■ No. of ATM outside branch



Reduce customers' perceived waiting time Oct 2022-

- Released a new system to assist customers' bank transactions
- Enables customers to use their smartphones to confirm queue status



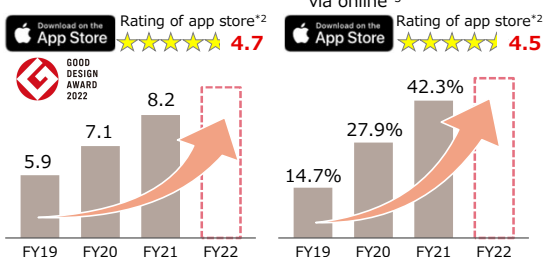
Transactions through bank-counter tablets Jul 2022-

- Complete procedures on a self-service basis smoothly
- Scope of tablet-based transactions is gradually expanding



Expand functions offered via online channels to accommodate diverse customer needs

■ No. of IB\*1 service users (mm) ■ Ratio of account openings via online\*3



Fully digitized online procedures Nov 2022-

- Asset management-related consultation from home
- Avoid waiting in line by making reservation

- No need for visiting branches
- Choose convenient time
- No need for installation of apps



Improve convenience of loan transaction Sep 2022-

- Send beneficial information by push notification functions
- Two out of three users activate the app on a monthly basis\*4

[Apps for BANQUIC]



\*1 Mitsubishi UFJ Direct: Internet banking for individual customers \*2 As of end Oct. 2022. App Store badges are an Apple Inc. trademark registered in the United States and other countries \*3 Ratio of account openings via online to the total number of account openings

\*4 Comparisons of the number of app downloads as of end Sep. 2022 and Monthly Active Users

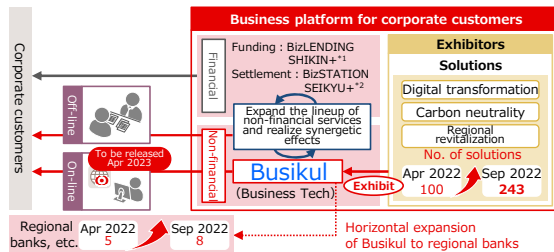
- ✓ This page shows the first pillar of our corporate transformation, which is digital transformation. On this page, I will talk about our efforts to improve convenience both in-branch and online.
- ✓ As shown in the graph at the top, we plan to consolidate more than 50 branches in fiscal year 2022. At the same time, we are promoting the digitalization of over-the-counter transactions so that our customers can transact with us comfortably.
- ✓ Since July of this year, we have been gradually introducing account opening using the over-the-counter tablets and will continue to expand the number of transactions that can be self-processed. In addition, starting this October, we are gradually introducing a new reception system that allows customers to check the waiting time at the counter on their own smartphone.
- ✓ Please look at the lower part of the page. Through continuous functional improvements of the app, online transactions are steadily increasing. In addition, we are also improving our system to meet investment consultation needs. Starting this November, for some of our products, customers will be able to complete the entire process, from asset management consultation to execution, online, without visiting our branches.
- ✓ Please turn to page 31.

## Digital transformation (2)

– Initiatives made progress to update ourselves into a financial and digital platform operator

### Busikul : Problem resolution platform

- Proposals employing Busikul exceeded 100 per-month
- Expansion of Busikul to regional banks, etc.  
Busikul has been introduced by 8 companies as of Sep 2022



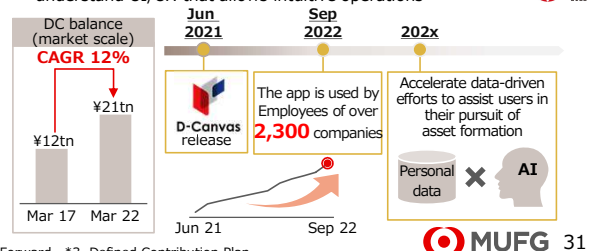
### Money Canvas: Asset management platform

- Released functions associated with fractional shares in Jul. 2022 and those associated with insurance in Oct 2022, respectively
- Since the release of the website (Dec 2021), more than 1,450thd (cumulative) users accessed



### D-Canvas: Platform for DC\*3 subscribers

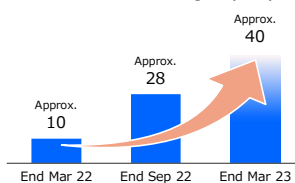
- Targeting DC subscribers, the service provides convenient assistance in realizing hassle-free asset building
- Received a GOOD DESIGN Award in recognition of its easy-to-understand UI/UX that allows intuitive operations



### Progrmat : Digital asset platform

- Balance of assets managed expects to surpass ¥40bn in FY22
- New initiative aimed at realizing cross-chain settlement, taking the global lead in introducing this cutting-edge settlement technology

- Balance of assets managed (¥bn)



\*1 Online factoring service provided by Biz Forward \*2 Billing agency service provided by Biz Forward \*3 Defined Contribution Plan

- ✓ This page shows the progress of our efforts to become a financial and digital platform operator.
- ✓ First is Busikul, a service for corporate clients, in the upper left. Busikul is a platform to help solve non-financial sector issues, such as DX and decarbonization, and was rolled out across all branches in April this year. Currently, we are providing more than 100 non-financial solutions per month through this platform and are also strengthening collaboration with regional banks to expand beyond MUFG customers.
- ✓ Progrmat, bottom left, is a platform to issue and manage tokens using blockchain technology. Starting with the first deal in July last year, we have steadily built up our track record and expect the balance of assets managed to exceed 40 billion yen by the end of this fiscal year. We also plan to issue Progrmat Coin, a stable coin, in fiscal year 2023.
- ✓ Top right is Money Canvas, our asset management platform. Since its release in December last year, it has been accessed by 1.45 million people and also offers a full lineup of insurance and other products.
- ✓ D-Canvas on the lower right is an app for defined contribution pension plan subscribers. We are continuously improving the UI/UX with the keywords easy and convenient, and employees of over 2,300 companies with a defined contribution pension plan are currently using the app.
- ✓ Please turn to page 32.

## Digital transformation (3)

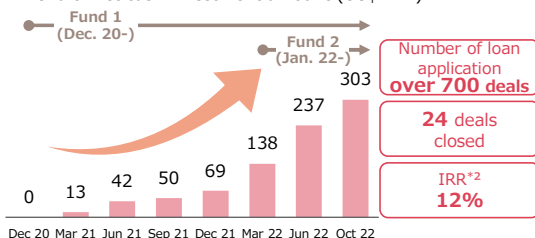
– Deepen and explore new fields of open innovation leveraging strategic investment

### Mars Growth Capital

Fund total  
US\$500mm

- Loan agreement signed with 24 startups
- Considering the further expansion of operations as well as the development of new businesses

■ Trend of net cash investment amount (US\$ mm)<sup>\*1</sup>



### MUFG Ganesha Fund

Fund total  
US\$300mm

- 1st investment was made in Sep. 2022
- Pipeline is steadily expanding (2nd investment is expected to be made by the end of 2022)

Outline of 1 <sup>st</sup> deal		Focused areas	
Name	DotPe Limited	Lending	
Established	2019	Credit cards	Healthtech
Main business	Online platform for SMEs	Agritech	

### Collaboration with Animoca Brands KK on NFT related business

- Invested US\$22.5mm in Animoca Brands KK
- Support Japanese companies in increasing their contents value and aim to create business opportunities

MUFG

- Customer network
- Expertise in safe and secure transactions

animoca  
BRANDS

- Enabling and clarifying the digital ownership of contents
- Knowledge of the NFT<sup>\*3</sup> marketplace

Contribution to the competitiveness  
of Japanese companies

### Collaborations between Grab and Partner Banks

- Built up numbers of loan disbursements in Thailand as well as numbers of co-branding credit card issuance in Indonesia
- Contributed to financial inclusion in ASEAN

	Since	Progress
Drivers	Sep. 2020	<b>257th loans disbursed</b> 127% increase vs Sep. 2021
Food Merchants	Oct. 2020	<b>70th loans disbursed</b> 268% increase vs Sep. 2021
Users	Jun. 2022	<b>Released</b> (Fully-digital)

Exploring AI-based Scoring Model

**13thd credit cards issued**  
(Nov. 2021-)

\*1 Aggregate net commitment amount of the transactions considering amortizations during investment period \*2 As of end Jun. 2022

\*3 Non-fungible token. Data that is unique, cannot be replaced, and can be transferred using blockchain technology

- ✓ This page shows our open innovation initiatives.
- ✓ First is Mars Growth Capital, AI-based startup financing, shown on the upper left. In January, we established the second fund for business expansion, which has been performing well, so we are considering further business expansion and new business development.
- ✓ Lower left is the MUFG Ganesha Fund, an investment facility for Indian startups. The first investment was made in September of this year, and the pipeline is steadily expanding with plans for a second investment by the end of the year.
- ✓ NFT and Web3-related business is on the upper right. In August, we invested in Animoca Brands, a partner in the Web3-related business. We aim to create a safe and secure trading environment and business opportunities through further collaboration with Animoca Brands.
- ✓ Lower right is our collaboration with Grab. In Thailand, Bank of Ayudhya is steadily accumulating small loans to drivers and food merchants and began offering loans to general users from June this year.
- ✓ In Indonesia, the number of co-branded credit cards issued with Bank Danamon is increasing steadily.
- ✓ Please turn to page 33.



## Transformation of corporate culture (1)

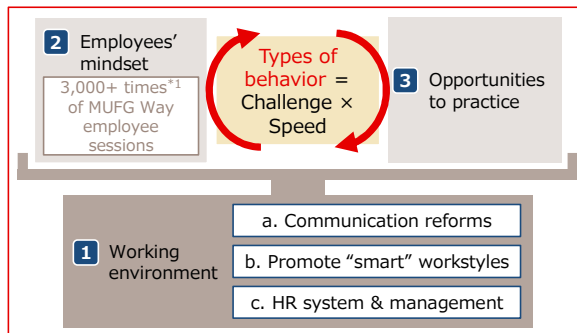
– Transform ourselves into an organization consisting of employees who autonomously consider and take action to practice our Purpose, “Committed to empowering a brighter future.”

### Overview 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”

Sustainable growth (financial and non-financial)

Accelerate business initiatives originated from the Purpose



### <Outline of My Way × MUFG Way>

- Develop each employee's own interpretations of MUFG Way and take action spontaneously

**My Way**  
Personal views  
and ambitions



**MUFG Way**  
MUFG's Purpose  
“Committed to empowering  
a brighter future.”

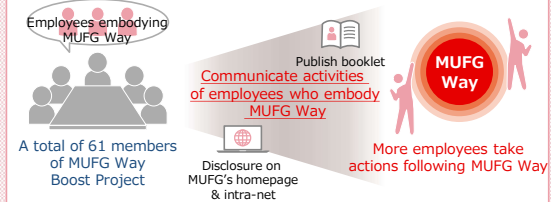
### Personal definitions of MUFG Way

Focus on employees' activities

### 2 MUFG Way Boost Project



**[Members]** 61 employees from various Group companies taking part in the above initiatives through in-house posting  
**[Overview]** The above members influence others to develop a sense of ownership about MUFG Way and expand activities built on our Purpose



\*1 Head of each branch and other business base held sessions with their respective staff, totaling to 50,000 employees. The number is as of FY21.

- ✓ One of our corporate transformations is transformation of corporate culture. In order to take action built on our purpose, “Committed to empowering a brighter future.,” we have been working to nurture the sense of ownership in each employee.
- ✓ To strengthen this momentum, we launched MUFG Way Boost Project. By communicating good examples of employees embodying our purpose, both internally and externally, we will encourage more employees to put MUFG Way into practice.
- ✓ Please turn to page 34.

## Transformation of corporate culture (2)

– Provide various opportunities for each and every one of employee to put MUFG Way into practice

Opportunities for employees to practice “Challenge Ourselves to Grow”

### 3 Spark X —In-house new business incubation program

- 650 ideas submitted by 580 employees from 22 Group companies
- Final screening session held in Nov. Three teams will commercialize their ideas



### 1-a Internal communication

- New in-house SNS platforms supporting theme-specific information sharing among users irrespective of departments they belong to
- Top management disseminates messages throughout organization while actively engaging with employees



▲ Examples of SNS communities<sup>\*1</sup> (BK and TB)

▲ Townhall by SCHD's president

\*1 Participants in employee communities formed to address particular themes, such as LGBTQ (above), digital transformation (left) and social contribution activities (right), engage with each other, exchanging opinions and sharing information

\*2 The WG members nominated via the first posting engaged in activities from April to September 2022. Plans call for continuing these activities with new members recruited through three more rounds of posting.

### 3 MUFG Headquarters bldg. project “Group open recruitment working group (WG)”<sup>\*2</sup>

- Employees at BK, TB & SCHD deliberate and determine concepts for the new HQ Bldg. to make it a symbol of MUFG
- The above process is also serving as an opportunity to promote corporate culture reforms and embody the MUFG Way



#### Voice of participants

**Asako Kobayashi, HR Div.**

I have realized that all other people coming from different departments or group entities have shared aspirations as MUFG employees. It has made me proud to be part of initiatives aimed at creating something new.

**Jumpei Obayashi, Corporate Banking Group**

Participating in this WG helped refresh my recognition of the importance of dialogue transcending sectional boundaries. The sense of unity among Group members can grow even stronger when employees across the board get together and interact.

### 1-c 3 Dual in-house assignments

Example

#### Chubu Area R&C Strategic Planning

- Customer rep. at a branch took part in strategy planning

**Kaho Kishida, Takiko branch**

Based on my understanding of the concepts behind MUFG's strategy for the area, I strove to ensure that each branch fully embraces the Group's strategic measures. Looking ahead, I intend to leverage my insight into both headquarters and branch operations.



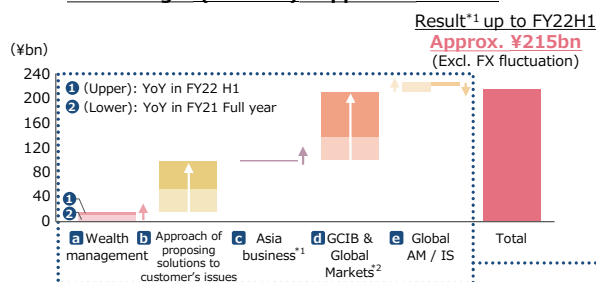
- ✓ On this page, let me introduce our efforts to put MUFG Way into practice.
- ✓ In Spark X, new business incubation program, on the left, 650 ideas were submitted and the final screening session was held on November 7. The ideas selected for this program will be put into full-scale activities for commercialization in the future.
- ✓ In the MUFG Headquarters building project on the right, a working group across the entire group – Bank, Trust Bank, and Securities – played a central role in determining the project concept and other details. I feel that this review process itself is serving as an opportunity to promote corporate culture reform and embody the MUFG Way.
- ✓ The plans for the MUFG Headquarters building and temporary relocation are still under consideration but will be finalized and announced by the end of this fiscal year.
- ✓ Please turn to page 35.

## Progress of the key strategies

– Results for growth strategies 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 P.36-40

MTBP target (vs FY20) : approx. ¥150bn\*1

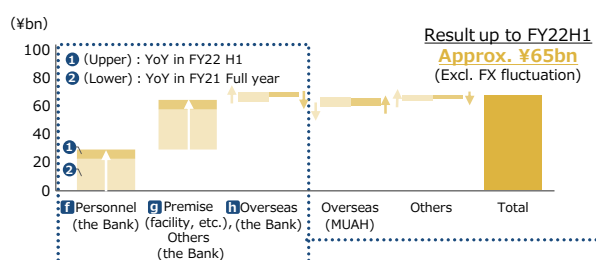


### Progress

- a • A growing number of proposals leverage wealth management digital platform, while the volume of cross transactions is expanding
- b • Secured greater profits due to margin improvement even as we reduce RWA
- c • KS made progress in its investment strategies, while BDI enhanced its consumer financing
- d • Marked strong performance by capturing robust loan demands and hedging needs under volatile market
- e • Maintained high performance in AM, while securing growth in AuA by combined provision of services in IS
- f • Decreasing personnel expenses through control of domestic employees
- g • Decreasing premise expenses due to optimization of branch network and return head quarter building, effect of impairment loss of fixed assets, etc
- h • Thorough cost control even as trend to increasing expenses due to inflation

### Structural reforms P.41

MTBP target (vs FY20) : approx. ¥100bn



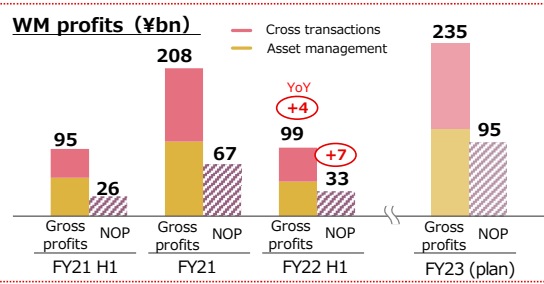
\*1 For Asia business, the estimated decrease in net operating profits during FY21 by the impact of market conditions, etc. such as the impact of policy rate cut, is not included in the MTBP target of strategy for growth. The growth from FY22 is included \*2 Excluding the loss of overseas securities of ¥30bn

- ✓ This page shows the progress of our strategy for growth and structural reforms.
- ✓ As shown in the left graph, we are targeting an increase in net operating profits of 150 billion yen in strategy for growth and 100 billion yen in structural reforms over the three-year MTBP period, and we have already achieved steady progress, achieving 215 billion yen in strategy for growth and 65 billion yen in structural reforms.
- ✓ Right side is a summary of the progress of our strategy for growth and structural reforms.
- ✓ First is wealth management. Wealth management revenues were strong, particularly in cross-transactions, thanks to the increased use of proposals based on recommendations delivered to the staff from the wealth management digital platform.
- ✓ In addition, Mitsubishi UFJ Morgan Stanley Securities won first place in the Full Service Securities category in J.D. Power 2022 Japan Investor Satisfaction Study.
- ✓ Second is the approach of proposing solutions to customers' issues. JCIB achieved year-on-year growth in both gross profits and net operating profits, mainly due to improved lending spread while reducing risk-weighted assets.
- ✓ We are working to strengthen our risk-taking capabilities in real estate finance and other areas and to provide new solutions to encourage our large Japanese corporate clients to address environmental and social issues and help them grow over the medium to long term.
- ✓ Third is Asia business. GDP growth in both Thailand and Indonesia is solid in 2022, and both Bank of Ayudhya and Bank Danamon have steadily increased their ROE. Bank of Ayudhya is actively capturing growth in neighboring countries through its inorganic strategy. Bank Danamon is accelerating group-wide collaboration, centering on the area of consumer finance.
- ✓ Fourth is GCIB and Global Markets. ROE improved as a result of strengthening highly profitable institutional investors finance and strong sales and trading activities while offsetting the sluggish corporate bond market by capturing loan demand in light of the recent changes in the market environment.
- ✓ Fifth is global AM/IS. Global AM continued to exceed its targets in terms of performance of assets under management despite highly volatile market conditions. Global IS increased its funds under administration, mainly due to synergies from the combined provisions of higher value-added services, such as finance and foreign exchange.
- ✓ Next, I will explain our progress in structural reforms. Please turn to page 41.

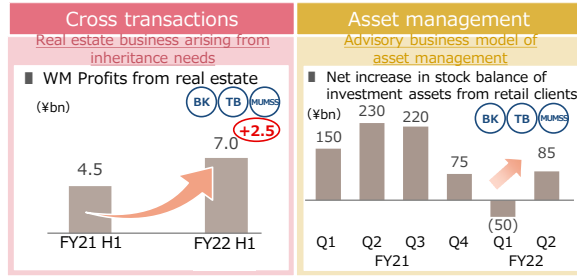
# Strategy for growth (1) - Wealth Management (WM)

– Proposals targeting retail and corporate clients via the use of WM digital platform have gained momentum. Achieved steady growth in cross transactions

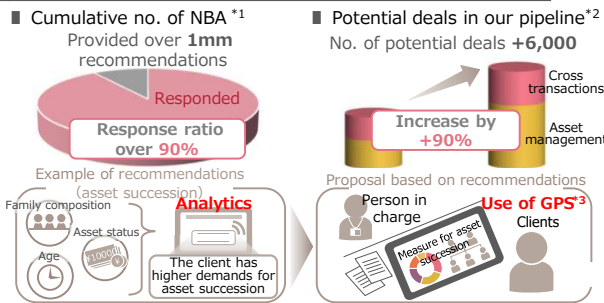
## KPI



## Progress of key strategies



## Use of WM digital platform (WMPF)



## Survey of investor satisfaction in retail asset management\*<sup>4</sup>

Ranked #1 in J.D. Power Japan Investor Satisfaction Study <Full-Service Securities>



Left: Makoto Kobayashi, President & CEO  
Right: Naoyuki Hamada, Deputy President

\*<sup>1</sup> Next Best Action (recommendations by analytics model distributed to relationship manager) tallied from Feb to Aug 2022 \*<sup>2</sup> No. of deals created via proposals employing GPS (asset management, real estate, inheritance, etc., by the Bank) as of Aug 31 2022 compared with Apr 30 2022. \*<sup>3</sup> Goal Planning System (total asset-based proposal system) \*<sup>4</sup> The 2022 Japan Investor Satisfaction Study is based on responses from 3,429 investors. <https://japan.jdpower.com/awards>

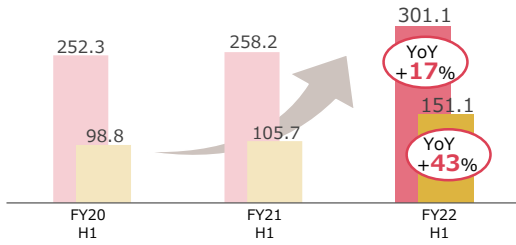
# Strategy for growth (2) - Approach of proposing solutions to customer's issues

- Contribute to improve our customer's medium-to long-term profits through the enhancement of risk-taking capabilities and provision of new solutions

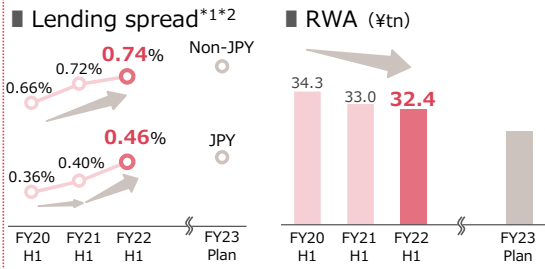
## JCIB's financial highlight (FY22H1)

- Strive to realize "staircase management" and, to this end, secure greater profits even as we reduce RWA

■ Profits (¥bn) ■ Gross profits ■ Net operating profits



## KPI



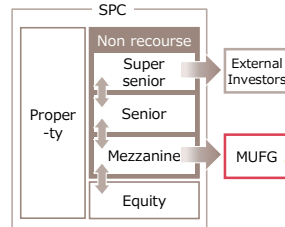
\*1 Results of JCIB (the Bank, non-consolidated basis) \*2 Calculated as net interest income / average loan balance of said period

## Enhancement of risk-taking

Risk-taking

- Raise our ability as a finance arranger and optimize our risk-taking approach to each deal

## Real estate financing deal



### Deal ①

**Invite external investors to take part in the management of "super senior" instruments**

MUFG engages in risk-taking at a deeper level via tranching, thereby expanding lending spreads

### Deal ②

**MUFG engages in underwriting of mezzanine financing**

Securing deals through the provision of a full-line package of financing services backed by comprehensive capabilities afforded by the Group

## Assist customers in their initiatives to address environmental and social issues

### MUFG Trading, Ltd. 1<sup>st</sup> case by a Japanese bank



Established in July 2022 with the objective of providing inventory financing, etc. Engaged in discussions with more than 100 corporate clients facing supply chain issues arising from price surges and supply shortages, with the aim of bringing solutions to such issues



### Assist MITSUBISHI ESTATE CO., LTD. in the issuance of sustainability-linked bonds 1<sup>st</sup> case in Japan

MUMSS acts as a structuring agent and administrative lead manager. The first deal of its kind in Japan, this issuance involves the formulation of a single framework encompassing both environmental and diversity targets

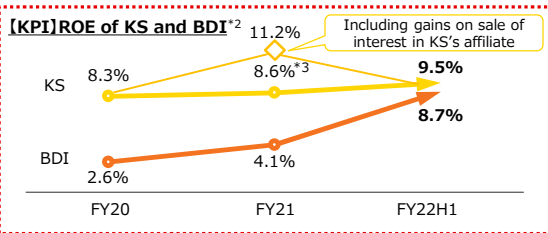
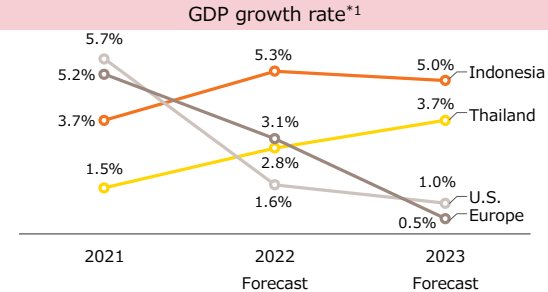


# Strategy for growth (3) -Asia business

– As the macro environment remains robust, we aim to strengthen various measures aimed at seizing opportunities arising from the economic growth in Asia

## 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



## Inorganic strategy of KS

- Pursue opportunities for intermittent growth in and outside Thailand

- Thailand (2023)**: Plan to invest in Capital Nomura Securities, a securities firm
- Vietnam (2022)**: Plan to invest in SHB Finance Company Ltd, a major non-bank firm
- Cambodia (2016)**: Invested in HATTHA Bank Plc. \*4 Transitioned to a commercial bank after obtaining banking license (2020)
- The Philippines (2020)**: Established SB Finance Company, Inc., a JV with Security Bank

## Enhancing BDI's consumer finance business

Joint initiatives of Retail & Commercial Banking / cross-entirety (BDI-ADMF\*5 collaboration, introduce expertise of KS)

<b>Housing loan</b> Integrated approach for developers in collaboration with BDI and MUFG Enhance product competitiveness	<b>Auto loan: Enhance BDI-ADMF collaboration</b> Enhance transactions with dealers and auto loans for commercial vehicles Utilize of BDI's branches and RMs	<b>Successful case</b> Became the main sponsors*6 for Indonesia's largest motor show Visitors 1.1mm Auto loan Approx. ¥2.7bn
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\*1 (Source) IMF "World Economic Outlook Database, October 2022"

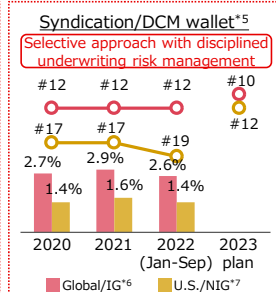
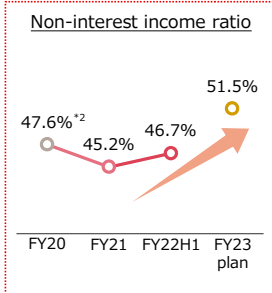
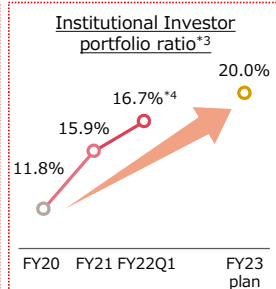
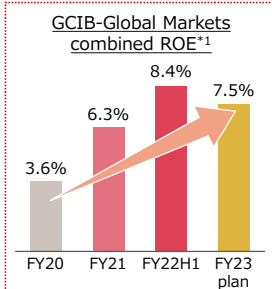
\*2 ROE based on local disclosure standards \*3 Excluding the extraordinary gains from the sales of 20% of shares in Ngern Tid Lor Public Company Limited

\*4 Name at the time of initial investment: Hattha Kaksekar Limited \*5 Adira Finance, an auto loan subsidiary of BDI \*6 MUFG, BDI and ADMF

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

– Institutional investors business and S&T performed well. Capturing robust loan demands offset the negative impact of sluggish bond markets

## KPIs

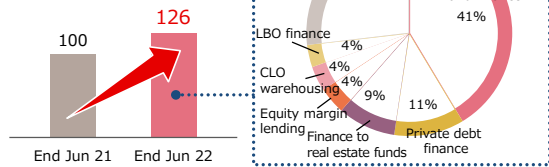


Enhance risk appetite for institutional investors business **Risk-taking**

## Institutional investors related finance portfolio<sup>\*8</sup>

(End Jun 21 result=100)

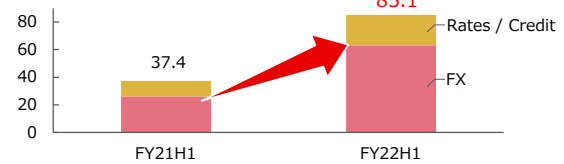
Allocating RWA resources to higher return portfolios



## Strengthen sales & trading functions

### Revenue from sales & trading business

Capturing demands under volatile market by enhancing integrated operation of GCIB and Global Markets



\*1 Targeted domains: Overall GCIB + Global Markets Sales & Trading (excl. Japanese Corporate Sales) \*2 After adjustment of one-time impacts  
 \*3 Lending amount in managerial basis \*4 Figure as of end Jun 22 \*5 Source: Dealogic (Calendar year basis)  
 \*6 Investment Grade (Transactions with Investment Grade companies) \*7 Non-IG (Transactions with Non-Investment Grade companies)  
 \*8 Based on the sum of lending amount and amount of unutilized commitment in managerial basis

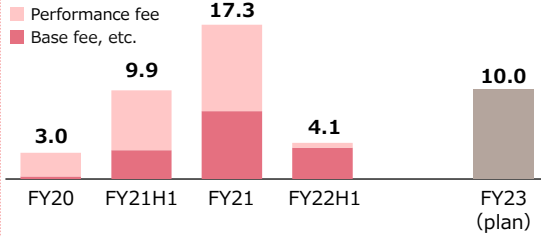
# Strategy for growth (5) - Global AM / IS

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

## Global AM

- NOP, excluding performance fee, increased YoY thanks in part to the success of cost control measures

**[KPI] Global AM NOP (¥bn)**



### Progress and future initiatives

#### Progress

- Performance has steadily exceeded targets despite highly volatile market conditions

Performance (Outperformance ratio\*1)

**83%**  
(Target+8%)

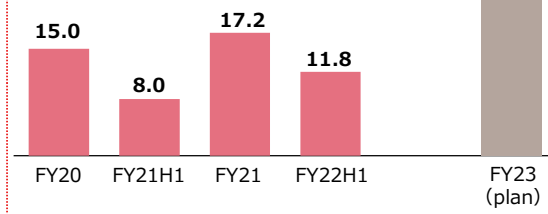
#### Future initiatives

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

## 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\*2 (¥bn)**

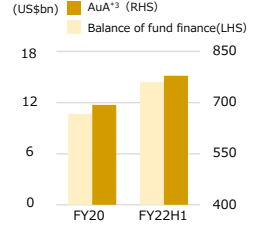


### Progress and future initiatives

#### Progress

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

Trend of AuA and Fund finance (US\$bn)



#### Future initiatives

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

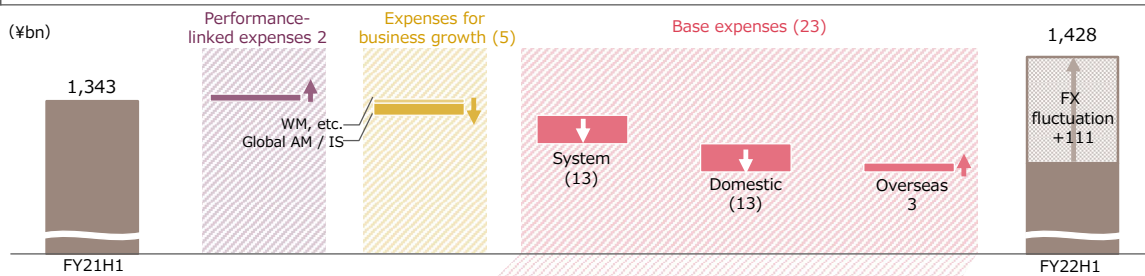
\*1 Three-year performance trend as of end Jun 2022. Proportion of AuM achieving asset management performance in excess of benchmarks \*2 Gross profits from fund finance, fund FX, interest income \*3 Asset under Administration excluding assets entrusted in connection with only a limited scope of services



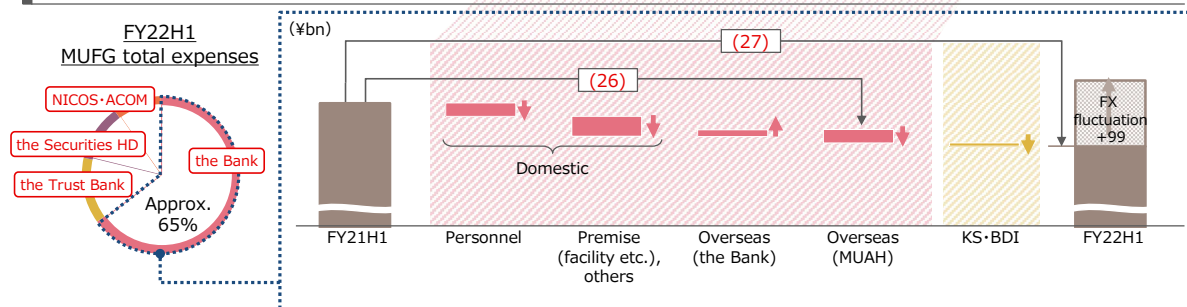
## Cost and RWA control - Expenses

– Made steady progress in the reduction of base expenses. FY21H1 expenses decreased YoY excluding the impact of FX fluctuation

### Expenses\*1



### Expenses (the Bank including MUAH, KS, BDI)\*1,2



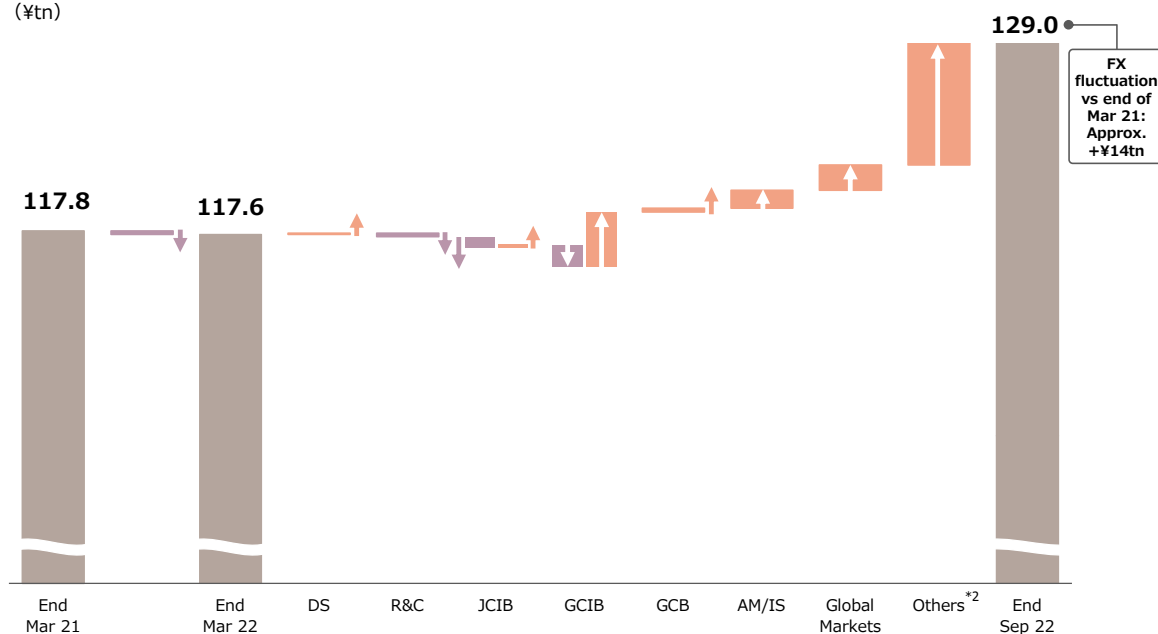
\*1 Internal managerial figure \*2 Includes parts of expenses for business growth, etc.

- ✓ The next two pages show cost and risk-weighted asset control.
- ✓ In expenses, we are making steady progress in reducing base expenses. Excluding the impact of FX fluctuations, the first half of this fiscal year, following last year, achieved year-on-year reductions, and we are pretty confident about the progress of our expense control.
- ✓ Please turn to page 42.

## Cost and RWA control – RWA <sup>\*1</sup>

– Continuously consider effective use of RWA through disciplined RWA management

(¥tn)

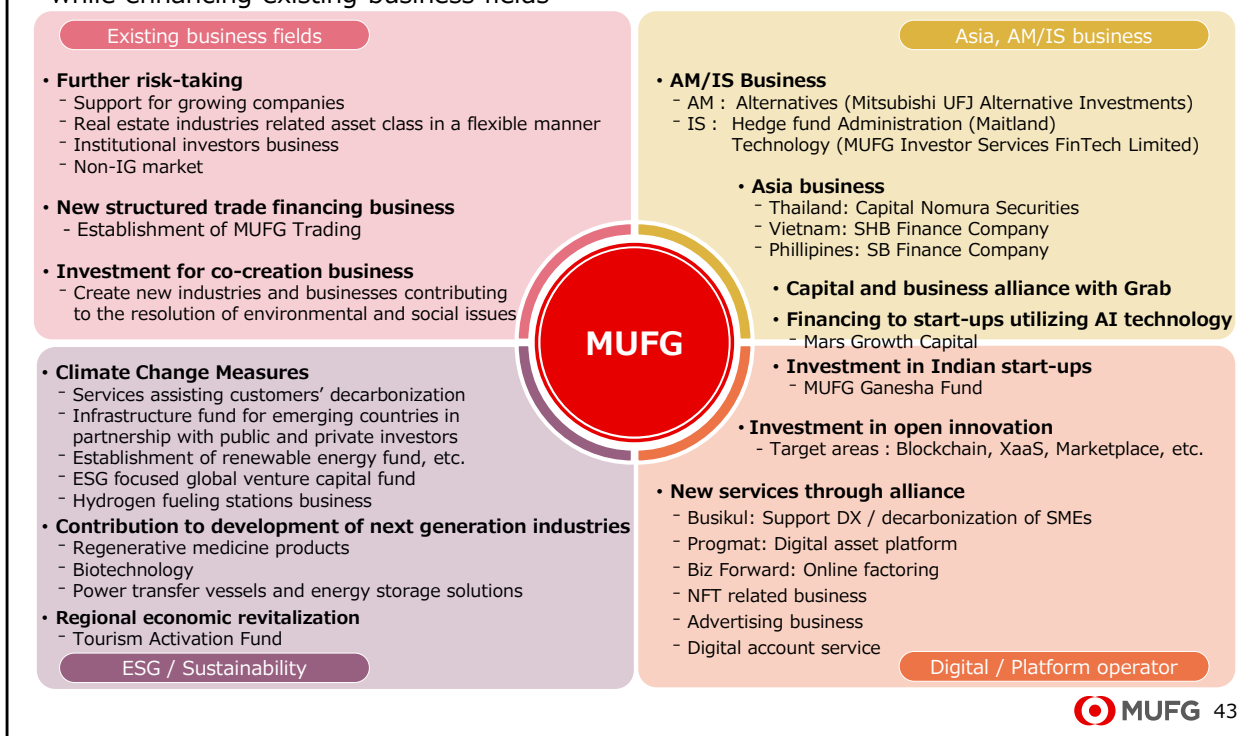


\*1 Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities \*2 Including FX fluctuation, etc. in FY22H1

- ✓ This page shows risk-weighted asset, which increased from March 31, 2021 but decreased by 3 trillion yen in real terms, excluding the foreign exchange impact, indicating our solid control. The risk return ratio has also improved as evidenced by an increase in the lending spread, and we will continue to ensure disciplined management of our operations.
- ✓ Please turn to page 43.

## Major initiatives to enhance corporate value sustainably

– Strengthen our operations in growth fields and new fields through investment and alliances while enhancing existing business fields



- ✓ In this page, I will discuss our initiatives to enhance corporate value sustainably.
- ✓ This four-quadrant map shows our approach to investment, risk-taking, alliances for growth, and the overall picture, including what I have explained so far. In addition to taking on various risk-taking challenges in the upper-left quadrant, existing business fields, we are actively investing capital and pursuing alliances, including non-financial areas in Asia and AM/IS in the upper-right quadrant and digital in the lower-right quadrant as our major growth strategies.
- ✓ Also, lower left is ESG and sustainability. For example, we are also pursuing investments and alliances in the area of green transformation in order to lead the response to climate change.
- ✓ Please turn to page 44.





## Review of our business portfolio – New initiatives for sustainable growth

– Proactively take on challenges in new fields that transcend the scope of existing businesses as we consider changes in the business environment to be opportunities

Take on challenges of entering new business fields

- Create and explore new ideas in light of the November 2021 revision of the Banking Act
- Aim to create new businesses in 2022 based on business group strategies

### Examples of new business fields

<b>DS</b> 	<p>&lt;Entering the advertising business under the Revised banking Act&gt;</p> <ul style="list-style-type: none"> <li>• Collaboration with CyberAgent, Inc.</li> </ul>
<b>JCIB</b> 	<p>&lt;New structured trade financing business&gt;</p> <ul style="list-style-type: none"> <li>• Established MUFG Trading, Ltd.</li> </ul>
<b>GCIB</b> 	<p>&lt;Financing to startups overseas&gt;</p> <ul style="list-style-type: none"> <li>• Established Mars Growth Capital (Loan agreement signed with 24 startups)</li> </ul> <p>&lt;Invest in India&gt;</p> <ul style="list-style-type: none"> <li>• MUFG Ganesha Fund (USD300mm), 1<sup>st</sup> deal closed</li> </ul>
<b>R&amp;C</b> 	<p>&lt;Provide SMEs with non-financial solution such as DX and decarbonization&gt;</p> <ul style="list-style-type: none"> <li>• “Busikul,” a problem resolution platform, was released at all branches</li> </ul>

Utilize capital in partnering with and/or acquiring external companies

- Explore investment opportunities in such fields as digital, global asset management and investor services (AM/IS) and Asia business
- Strategic investment is also considered as a measure for supporting the earlier launch of new businesses

### Examples of partnering, acquiring

<b>Web3.0</b> 	<p>&lt;Collaboration with Animoca Brands KK&gt;</p> <p>March 2022</p> <ul style="list-style-type: none"> <li>• Basic agreement to create new value by utilizing NFTs</li> <li>• Contribution to the competitiveness of Japanese companies</li> </ul> <p>August 2022</p> <ul style="list-style-type: none"> <li>• Executed investment totaling USD22.5mm in Animoca Brands KK</li> </ul>
<b>Acquisition by a Partner Bank</b> 	<p>&lt;Capital Nomura Securities&gt;</p> <ul style="list-style-type: none"> <li>• KS plans to acquire Nomura Holdings' consolidated subsidiary in Thailand (approx. ¥21bn)</li> <li>• Strengthen the securities business to expand KS's retail business as a whole</li> </ul>

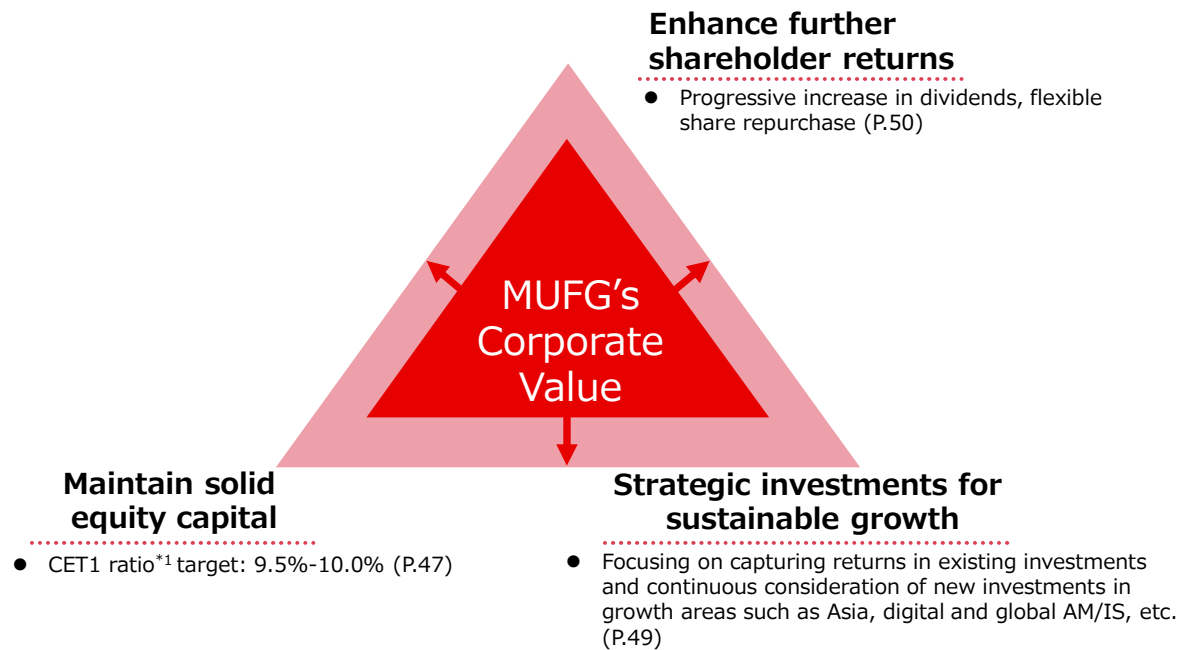
- ✓ This page introduces examples of our most recent initiatives.
- ✓ As a new piece of information, we are taking on a challenge in new business fields and considering entering the advertising business in Japan, as shown on the upper left. In June, we also decided to acquire Capital Nomura Securities to strengthen our business in Asia.
- ✓ The initiatives in the four quadrants for growth include those undertaken by each business group, those that cut across business groups, and challenges in completely new fields. We will continue to consider the use of capital in partnering with other companies to determine where and how to invest resources to achieve sustainable growth.
- ✓ Please turn to page 47.

Capital policy



## Basic policy (“Capital Triangle”)

– Implement well-balanced capital management

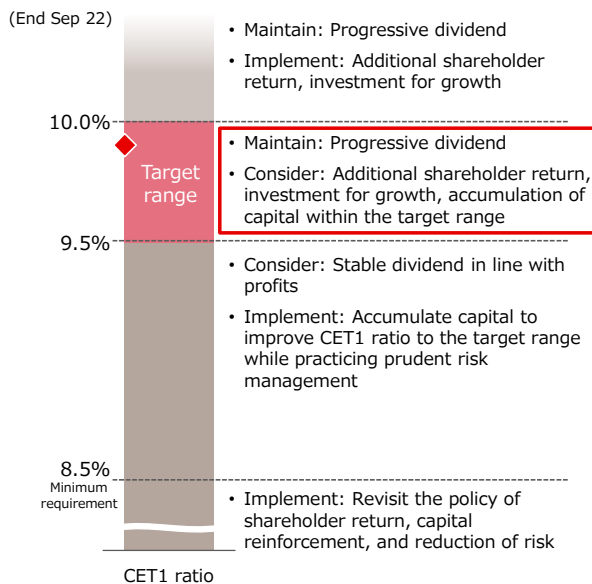


\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities

## Capital management policy

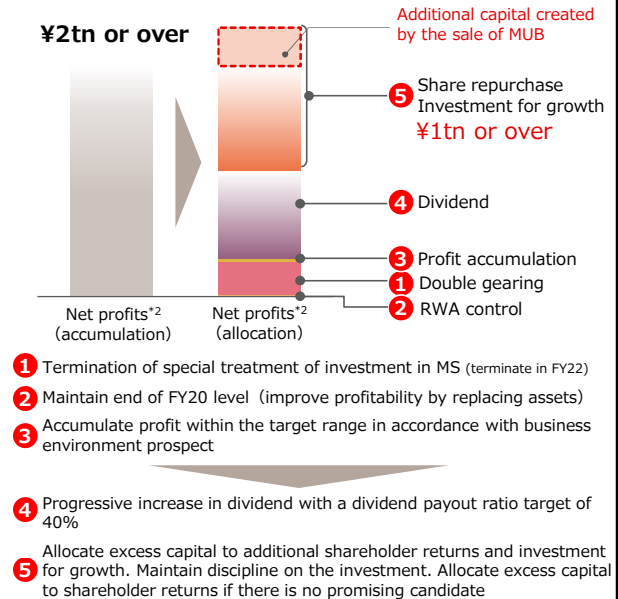
– CET1 ratio target at 9.5%–10.0%. Align our approach to capital management with CET1 ratio

### Capital management policy\*<sup>1</sup>



### Breakdown of net profits\*<sup>2</sup> during FY22-FY23

(image)



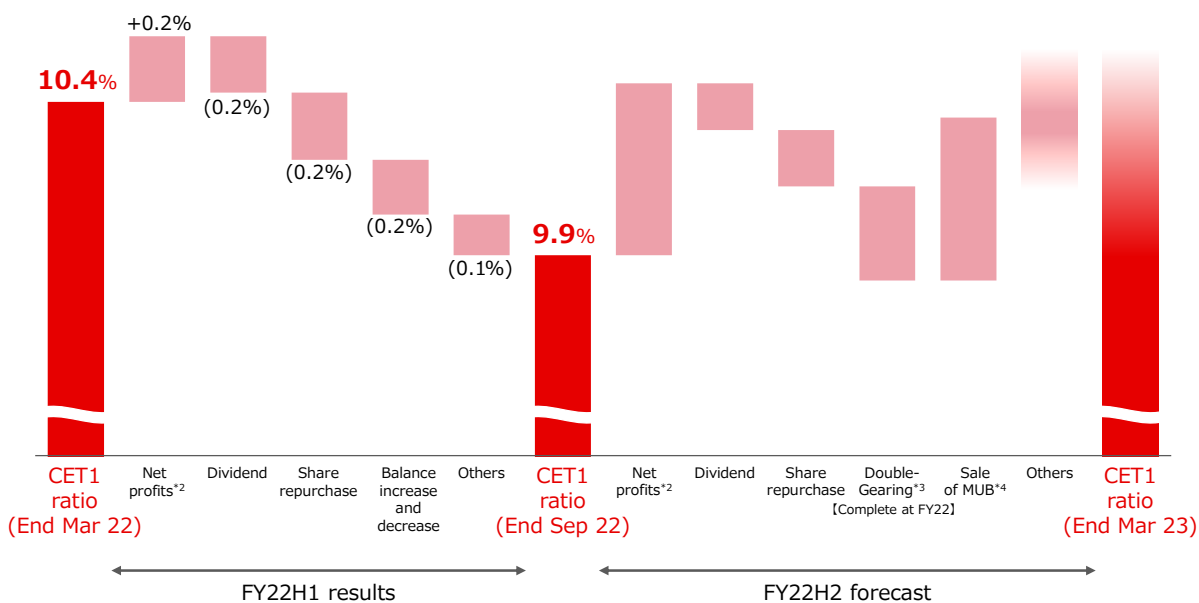
\*<sup>1</sup> Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities

\*<sup>2</sup> Profits attributable to owners of parent

- ✓ From here I will talk about capital policy.
- ✓ In the current MTBP, we announced that we will operate with a CET1 ratio target of 9.5 to 10% as our capital management policy. In line with this target range of capital management, we are considering capital allocations, including investments in growth and additional shareholder returns, while taking into account the current capital position and future prospects.
- ✓ Please turn to page 51.

# 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 MS \*4 Including the impact of the investment in USB



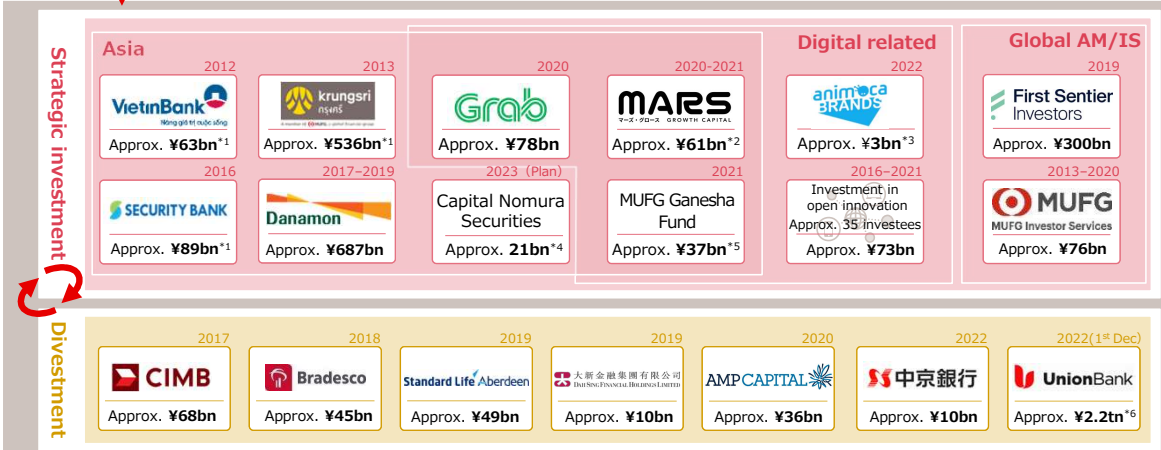
# Strategic investments for sustainable growth

– 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

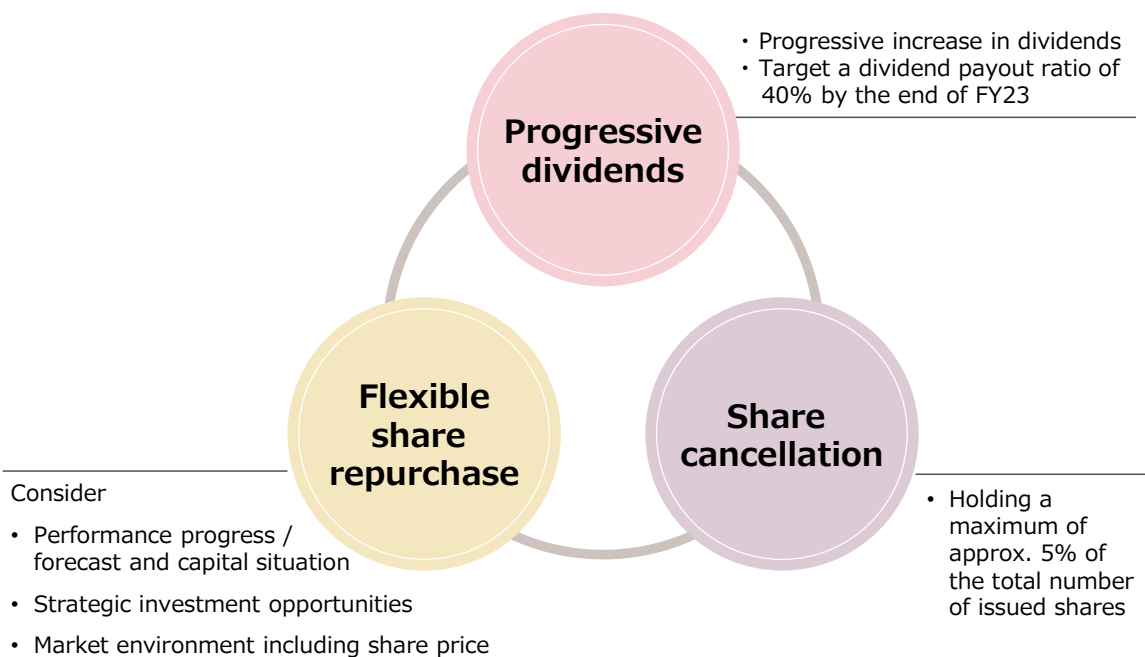


<sup>\*1</sup> Initial investment amount <sup>\*2</sup> JPY equivalent of USD500mm, MUFG's LP commitment for No. 1 and 2 funds using actual exchange rates as of end Mar 2022 <sup>\*3</sup> JPY equivalent of planned investment amounting of USD22.5mm using actual exchange rates as of end Aug 2022 <sup>\*4</sup> JPY equivalent of planned investment amounting of THB5,501mm using actual exchange rates as of end Mar 2022 <sup>\*5</sup> JPY equivalent of planned investment amounting of USD300mm using actual exchange rates as of end Mar 2022 <sup>\*6</sup> Approx. US\$15.2bn which is expected as the total transaction value is converted into ¥ using actual exchange rates as of end Sep 2022. The completion of the share transfer is subject to certain conditions precedent

## Basic policies for shareholder returns

– Improve shareholder returns, focusing on dividends.

Consider share repurchase in a continuous and flexible manner

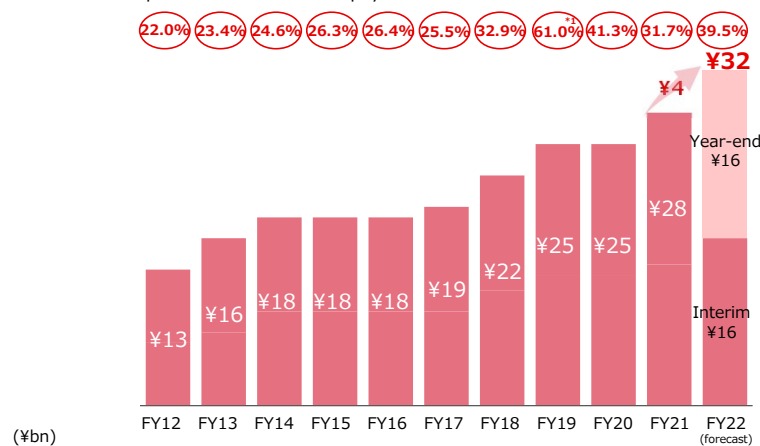


## Results of shareholder return

– Resolved to repurchase own shares up to ¥150bn

Results and forecast for FY22

■ Dividend per share ○ Dividend payout ratio



(¥bn)	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 (forecast)
Dividend	184.1	226.6	253.7	249.3	243.6	251.8	286.9	322.9	321.8	357.1	394.2
Share repurchase	-	-	100.0	200.0	200.0	200.0	150.0	50.0	-	150.0	450.0 <sup>*2</sup>
Total payout	184.1	226.6	353.7	449.3	443.6	451.8	436.9	372.9	321.8	507.1	844.2
Net profits <sup>*3</sup>	852.6	984.8	1,033.7	951.4	926.4	989.6	872.6	528.1	777.0	1,130.8	1,000.0
Total payout ratio	22.0%	23.4%	34.2%	47.2%	47.9%	45.7%	50.1%	70.5%	41.3%	44.8%	84.4%

\*1 Dividend payout ratio excluding the impact of one-time amortization of goodwill: 37% \*2 Resolved amount \*3 Profits attributable to owners of parent

\*4 Repurchase was completed

Concepts of shareholder return for FY22

### Dividend

**Maintain FY22 DPS forecast, up by ¥4 compared to FY21**

- Progressive increase in dividend per share
- Steady increase in dividends to achieve our dividend pay out ratio target for the final year of the MTBP

Net profits<sup>\*3</sup>: ¥1tn or above  
Dividend payout ratio: 40%

### Share repurchase

**Resolved up to ¥150bn, in addition to ¥300bn<sup>\*4</sup> announced in May**

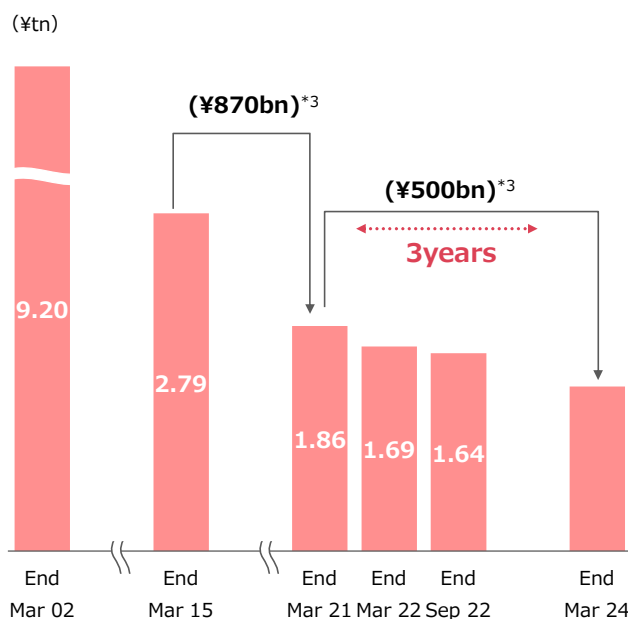
- Utilize a part of the capital release effect through the sale of MUB
- Repurchase period :by the end of Jan. 2023  
Continuously consider additional repurchase, while monitoring business environment

- ✓ This page shows our shareholder returns.
- ✓ Regarding dividends, we will pay an interim dividend of 16 yen per stock as forecasted at the beginning of the fiscal year and maintain our fiscal year 2022 dividend forecast of 32 yen per stock, an increase of 4 yen year-on-year.
- ✓ Regarding the share repurchase, we resolved to repurchase 150 billion yen. This is in consideration of the capital release effect from the sale of MUB, which is confirmed to be executed on December 1.
- ✓ In considering the amount of the share buyback, we decided on 150 billion yen, judging that it is desirable to hold capital buffer for the time being given the increasing uncertainty in the outlook of the business environment, including global inflation trends, rising volatility in financial markets, and heightened geopolitical risks.
- ✓ There is no change in our policy of disciplined capital management aimed at improving ROE. We will continue to consider implementing this policy flexibly while keeping a close eye on future changes in the situation.
- ✓ Please turn to page 52.

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

– Reduced equity holdings of ¥57bn in FY22H1, ¥226bn 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>FY22H1</b>	<b>174</b>	<b>57</b>	<b>117</b>
<b>FY21-23 Target</b>	<b>-</b>	<b>500</b>	<b>-</b>
Agreed Amount <sup>*4</sup> (End Sep 22)	-	201	-

\*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

- ✓ This page shows our equity holdings.
- ✓ As shown in the table on the right, in the first half of fiscal year 2022, we reduced our holdings by 57 billion yen on an acquisition cost basis and recorded a gain on sales of 117 billion yen.
- ✓ Please turn to page 54.

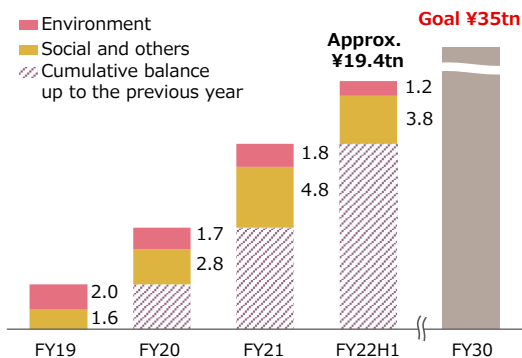
Approach to sustainability



## Approach to carbon neutrality – Progress on sustainable finance

– Steady growth in sustainable finance, with high credentials in environmental area

### Progress in sustainable finance



### External evaluation (global)

- Awarded the Lender of the Year at the Wind Investment Awards 2022, **three years in a row**
- Awarded with Project Finance House of the Year, Global\*<sup>1</sup>



### Regional credentials in environmental area

A S I A	• Became <b>the first in Japan</b> to extend green loans for data centers
	• Green loan to offshore wind power project, <b>first in APAC</b> (Taiwan) – APAC Renewable Energy Deal of the Year* <sup>1</sup>
	• Awarded the Year of the Bank* <sup>2</sup> in China – As the <b>only foreign bank</b> to receive the award
E M E A	• Financed funding platform to expand e-buses in the UK and Ireland
	• Green loan for sewage treatment plants in Saudi Arabia
	• Climate bond initiative certified solar project in Egypt
U S	• Renewable project finance – Ranked at <b>No.1 in league table</b> (PFI* <sup>3</sup> )
	• Green loan to the <b>largest solar project</b> in the US to date* <sup>4</sup>
	• Leading the decarbonization market in key asset classes such as battery storages* <sup>5</sup>

\*<sup>1</sup> Awarded by The Asset, representative financial magazine in APAC, 2022 \*<sup>2</sup> China ESG Frontier Awards 2022 \*<sup>3</sup> Project Finance International CY2022 H1  
\*<sup>4</sup> As a single financing solar project \*<sup>5</sup> Devices that enable energy from renewables to be stored and then released when power are needed

- ✓ From here I will explain our approach to sustainability, starting with our approach to carbon neutrality.
- ✓ Left side, sustainable finance is progressing steadily, reaching 19.4 trillion yen as of the first half of fiscal year 2022, against our cumulative target of 35 trillion yen by fiscal year 2030.
- ✓ In addition, as shown on the right side, we are building up a track record of support from a wide range of financing, including renewable energy in Asia, Europe, and the Americas.
- ✓ Please turn to page 55.

## Approach to carbon neutrality

### – Progress on supporting customer's carbon neutrality

– Proactive supporting of industrial transition and steady growth in business & solution for carbon neutrality

#### Transition finance

Assisted ENEOS Holdings, Inc. in the issuance of transition-linked bonds as a lead manager

- The first scheme of its kind in Japan
- Introduced in Asia Transition Finance Guideline
- ¥100bn (in total)



Assisted JERA Co., Inc., Idemitsu Kosan Co., Ltd. and Mitsubishi Heavy Industries, Ltd. in the issuance of transition bonds as a lead manager

- Model case selected by METI\*<sup>1</sup>
- Includes the first transition bond issuance in a sector
- ¥50bn (in total)



#### Progress in decarbonization business

##### Visualization



##### Visualization of GHG emissions

- Collaboration with Zeroboard Inc.
  - Collaborated cases\*<sup>2</sup> : 251
- Collaboration with Hitachi., Ltd.
  - Proposals of visualization and reduction : 16

##### Developing strategy



##### Consulting service for TCFD disclosure

- Collaboration with Tokio Marine Nichido Fire Insurance., Ltd.
  - Consulting service for disclosure\*<sup>3</sup>
  - A simplified consulting service employing a system developed by the company
- Collaboration with Codo Advisory Inc.\*<sup>4</sup> and support of transition strategy development

##### Carbon credits



##### Provide overseas voluntary carbon credits to Japanese companies

- Provide information of carbon pricing
- Released a business matching service with carbon credit provided by ENGIE Impact

\*1 Selected by the Ministry of Economy, Trade and Industry (METI) as a model financing initiative under a METI-sponsored transition financing model project

\*2 The number of cases in which clients were referred to Zeroboard following dialogue regarding the visualization of the volume of their GHG emissions

\*3 Consulting service by GX advisory task force organized with Tokio Marine Nichido Fire Insurance., LTD

\*4 The only domestic firm licensed by the ACT (Assessing low Carbon Transition: An initiative developed jointly by the French Environment and Energy Management Agency and the non-profit organization CDP with the aim of strategically transitioning to decarbonization)

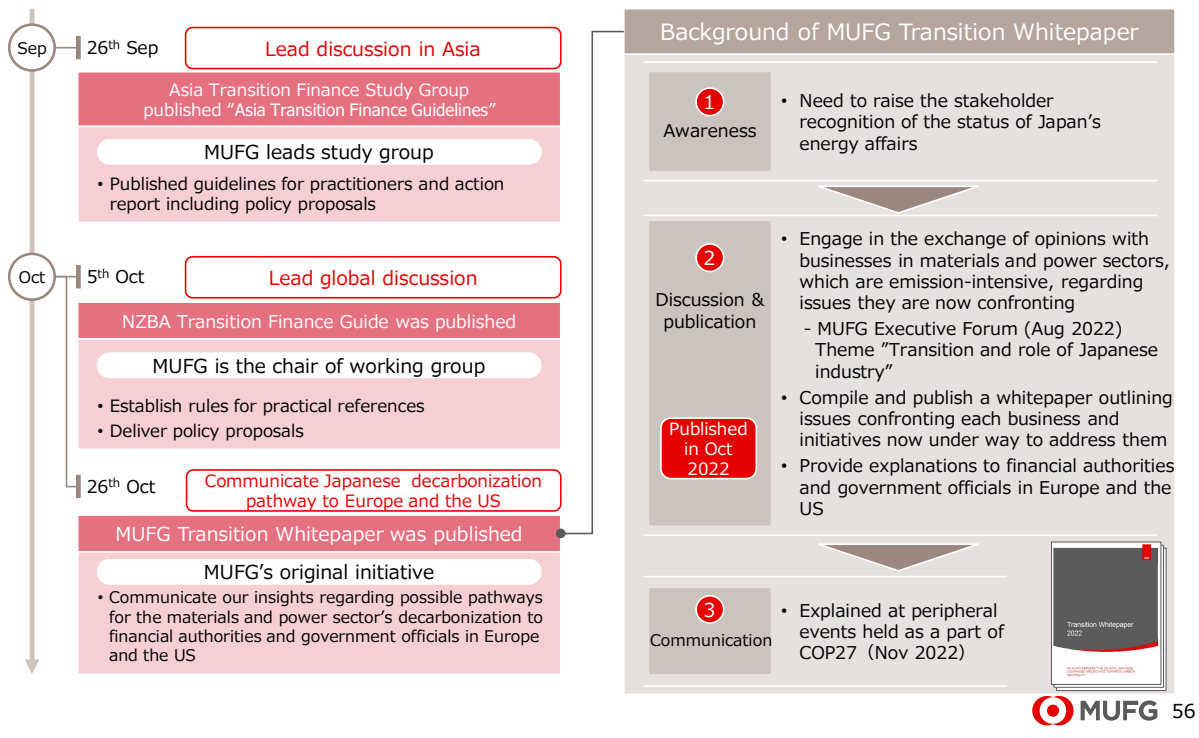
- ✓ This page shows the progress on supporting customers' decarbonization.
- ✓ On the left side, in the first half of fiscal year 2022, we proactively supported industrial transitions by serving as the lead manager for transition bond issuance for customers in various sectors.
- ✓ As shown on the right side, we are also making steady progress in providing decarbonization support services to customers through collaboration with other companies, including 251 companies collaborating with Zeroboard, a provider of GHG emission visualization services.
- ✓ Please turn to page 56.

## Approach to carbon neutrality

### –Rulemaking & communicating our view

– Communicate to stakeholders around the globe the necessity of supporting transition

MUFG Transition Whitepaper  
(Issued in Oct 2022)  
→ [Read report](#)



- ✓ This page is on rulemaking and communicating our view.
- ✓ We have been leading discussions on rulemaking in Asia and globally, and as an outcome of these discussions, we formulated and published the Asia Transition Finance Study Group guidelines in September and NZBA Transition Finance Guide in October.
- ✓ Furthermore, in October, we published the MUFG Transition White Paper with the aim of communicating the pathways for decarbonizing Japan's materials and power industries to financial authorities and government officials in Europe and the US. We also communicated this concept of transition at COP27 in Egypt.
- ✓ Please turn to page 57.



## Approach to carbon neutrality

### –Reduction of GHG emission & organizational structure

–Constant reduction in GHG emissions in our own operations and enhancing structure

#### Net-zero financed emissions

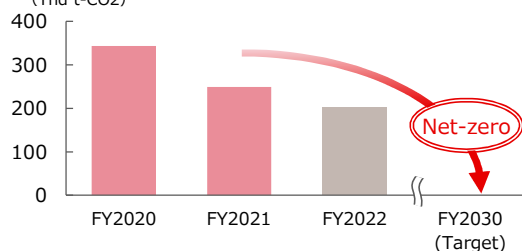
##### Next step

- ① Actual progress on Emission intensity of “power” and “oil & gas” sector
- ② Interim targets of some sectors in NZBA 9 sectors\*1

“Progress Report” will be published in next spring

#### Constant reduction in GHG emissions in our own operations

##### ■ Emissions from all consolidated subsidiaries (Thd t-CO2)



##### Completed ahead of schedule

Shifted domestic electricity procurement by all domestic consolidated subsidiaries including NICOS and ACOM to 100% renewable sources

##### Enhanced management

Achieved auto aggregation and improved efficiency by GHG management platform installed to all global group corporations

#### Decarbonization through responsible investment

##### Disclosure of NZAM interim targets for 2030

- Scope : 55% of assets under management\*2
- Reduce the volume of GHG emissions associated with them (in terms of economic-based emissions intensity) by 50% from the 2019 level

##### Approach

- Engagement with investees
- Collaboration with asset owners, etc.
- Product development aimed at contributing to net-zero emissions

#### Enhancing organizational structure (from Oct 2022)

##### Board of Directors

##### Executive Committee

##### External advisor (3 members)

New



Kenji Fuma

- ESG management consultant
- Experienced membership in multiple government-related committees

##### Sustainability Committee

New



Miyuki Zeniya

- Dedicated Chief Sustainability Officer (CSuO)
- Appointed as a chair of Sustainability Committee
- Equipped with in-depth expertise in the sustainability field

\*1 Power, oil & gas, coal, commercial and residential real estate, iron and steel, aluminum, cement, transport, agriculture  
\*2 Approx. ¥41tn (as of end Jun 2022)

- ✓ This page is on reduction of GHG emissions and organizational structure.
- ✓ Upper left, regarding net-zero financed emissions, we plan to disclose a new interim target for some sectors in the Progress Report to be issued next spring in addition to the results for the power and oil & gas sectors where interim targets have already been disclosed.
- ✓ Lower left, for GHG emissions in our own operations, we shifted our domestic electricity procurement by all domestic consolidated subsidiaries, including NICOS and ACOM, in addition to Bank, Trust Bank and Securities, to 100% renewable sources.
- ✓ Upper right shows the details of the NZAM interim targets for 2030, which we disclosed at the end of October as part of our efforts to decarbonize through responsible investment.
- ✓ Lower right is the description on enhancing our organizational structure. Mr. Fuma, an ESG management consultant, has been newly appointed as an external advisor.
- ✓ In addition, Ms. Zeniya, who has deep insight into the field of sustainability, has been appointed as the full-time Chief Sustainability Officer and the Chair of the Sustainability Committee to strengthen our structure.
- ✓ Please turn to page 58.

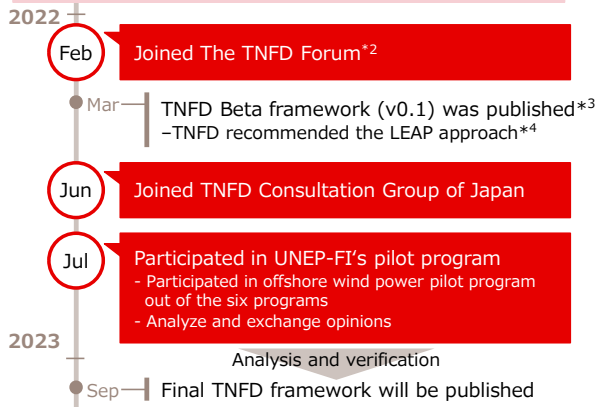
## Approach to natural capital & biodiversity

– Initiated risk assessment of natural capital for TNFD\*1 disclosure from 2023 onward

### MUFG's awareness and direction

- Awareness**
- Increased risks arising from the loss of natural capital
  - New opportunities through investment and loan aimed at preserving
- Direction**
- Appropriately assess risks and opportunities associated with natural capital

### Process for TNFD disclosure



### Risk assessment of natural capital

#### TNFD disclosure

- |                   |                       |
|-------------------|-----------------------|
| 1 Governance      | 2 Strategy            |
| 3 Risk management | 4 Metrics and targets |

- Initiated risk analysis targeting our financed portfolio via the use of the LEAP approach from risk management perspective
- Employ "ENCORE," one of the risk analysis tools, to determine the degree of our "dependence" and "impact" on the natural environment
- Assess risks by utilizing location information of project finance and sector information, and expand the scope to corporate finance

\*1 Taskforce on Nature-related Financial Disclosures \*2 The Trust Bank joined in Sep 2021

\*3 v0.2 (Jun 2022), v0.3 (Nov 2022) and v0.4 (Feb 2023) are sequentially published

\*4 The analysis process consists of four steps: 1) "Locate" contact points between the company and the natural environment; 2) "Evaluate" the degree of the company's impact and dependence in the environment; 3) "Assess" relevant risks and opportunities; and 4) "Prepare" for information disclosure on the formulation of business strategies aligned with such risks and opportunities

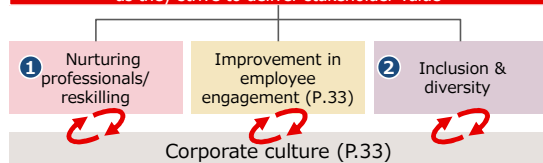
- ✓ This page is on our approach to natural capital and biodiversity.
- ✓ We recognize that loss of natural capital leads to increased risks in investment and loans, while activities to preserve natural capital also lead to new opportunities for investments and loans. Therefore, we believe it is important to properly assess risks and opportunities associated with natural capital and are currently working on this initiative.
- ✓ In preparation for TNFD disclosure in 2023 and beyond, we joined the TNFD Forum in February and started a risk analysis based on the LEAP approach. We also participate in UNEP-FI's pilot program to analyze offshore wind power in Europe.
- ✓ Please turn to page 59.

## Approach to human capital investment

– Encourage employees to take on new challenges while stepping up initiatives to develop and recruit human resources in focused field as well as to raise the ratio of female managers

### Concept for human capital

A company in which employees are empowered to work lively as they strive to deliver stakeholder value



### 1 Nurturing professionals/reskilling

■ Supporting “Growth & challenges” and “Own career development”

Results	FY21H2	FY22H1
Job Challenge applicants	1,240	1,429
Ratio of successful applicants (in total)	25%	32% (forecast)

■ A forward-looking approach to investment in officers and employees by aligning with changes in the business environment FY22

Results	FY21	FY22H1	FY22 (plan)
Training & Development <sup>*1</sup>	¥3.09bn	-	¥3.51bn
Mid-career hires <sup>*2</sup> (ratio of mid-career hires <sup>*3</sup> )	169 (22.4%)	191 (-)	338 (35.8%)

\*1 Focused on enhancing “digital” and “global” capabilities \*2 Focused on hiring professionals including digital in each field \*3 Ratio of mid-career hires to total number of new graduates and mid-career hires excluding promotion of temporary employees \*4 Ratio of women in line manager or higher positions in the Bank, the Trust Bank and MUMSS in Japan \*5 Assist female managers in their efforts to resolve issues confronting them in the course of career development, assigning officers as their mentors

### 2 Inclusion & diversity

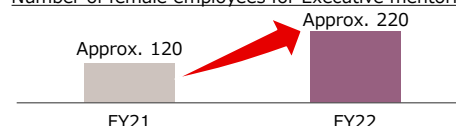
P.74

Result	Mar 2022	Oct 2022	Target
Ratio of women in management <sup>*4</sup>	18%	19%	20.0% by end Mar 2024

■ Approach to improve the ratio of women in management

Issues	Program	Level
1. Supporting career and skill development of women	Executive mentoring	Management
	MUFG Leaders Forum (executive roundtable meeting)	Management
	External training	Mid-level
2. Cultivating diversified environment	Job-level based training (training for newly appointed manager)	Newly appointed general, chief and senior managers
	Forum for general managers	All general managers
	Training of Unconscious bias	All employees

Number of female employees for Executive mentoring<sup>\*5</sup>



- ✓ This page is on our approach to human capital investment.
- ✓ MUFG is developing and recruiting human resources in line with its management plan while aiming to be a company where employees are empowered to work lively, making decisions and taking action autonomously, while taking advantage of their diverse values and strengths.
- ✓ As shown on the lower left, MUFG is actively promoting systems that encourage employees to take on challenges and develop their careers, such as the Job Challenge, as well as training and hiring in priority areas, such as digital.
- ✓ In inclusion and diversity, on the right side, we are promoting various initiatives to increase the ratio of women in management in particular. We have especially strengthened our executive mentoring program where management provides support to women in resolving issues related to career development and have doubled the number of female employees in this program compared to fiscal year 2021.

## Appendix



- ✓ That concludes my explanation. We, MUFG, will uphold our purpose, “Committed to empowering a brighter future.,” and continue to vigorously pursue challenge and transformation in order to empower all our stakeholders, including society, customers and employees, who are in the process of transformation, to move forward to the next stage.
- ✓ Let me sincerely ask all our investors and rating agencies for your continued support and further understanding.
- ✓ Thank you for your attention.

# (MUB-related (1)) Valuation losses on bonds and other instruments held by MUB

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

- Valuation losses totaling ¥631.8bn\*<sup>1</sup> on MUB's holding of bonds and other instruments were recorded in the first half of FY22. However, we have countered these losses through hedging and partially offset them by ¥68.0bn.
- As valuation losses have been increasing due to interest rate hikes since the end of March 2022, MUFG will record additional losses in 1-3Q (totaling approx. ¥1,040.0bn before considering hedging impact).
- Among these valuation losses, **1** tax effect of available-for-sale securities, **2** held-to-maturity securities, etc., and **3** loans will be recorded as an extraordinary gains\*<sup>2</sup> upon MUB's transfer.
- Valuation losses that will not be reversed have been countered through hedging\*<sup>3</sup>. MUFG thus forecasts that the impact on its full-year results of profits attributable to owners of parent will amount to approx. ¥(200.0)bn\*<sup>4</sup>.
- Although it has an impact on credit costs and ordinary profits, the full-year impact has been included in the financial targets, therefore FY22 target for profits attributable to owners of parent of ¥1tn remains unchanged.

(¥bn)	Account	Impact on H1	Reversal on MUB transfer	Impact on 1-3Q (est, approx.)	Reversal on MUB transfer* <sup>5</sup>	Impact on FY22 (est, approx.)	Accounting treatment
<b>1</b>	<b>Available-for-sale securities</b>	Other non-recurring gains (losses)	(249.0)	65.2	(330.0)	90.0	<ul style="list-style-type: none"> <li>Valuation losses are reflected in income statement on a quarterly basis</li> <li>Tax effect will be recorded as an extraordinary gains on MUB transfer</li> </ul>
<b>2</b>	<b>Held-to-maturity bond, etc.</b>	Other non-recurring gains (losses)	(150.8)	150.8	(270.0)	270.0	
<b>3</b>	<b>Loans</b>	Total credit costs	(231.9)	231.9	(440.0)	440.0	
<b>Subtotal</b>			<b>(631.8)</b>	<b>448.1</b>	<b>(1,040.0)</b>	<b>800.0</b>	
<b>4</b>	<b>Hedging effect</b>	Other non-recurring gains (losses)	68.0				
<b>Impact on MUFG PL</b>			<b>(563.8)</b>			<b>(200.0)</b>	

\*1 US\$1 = ¥136.68 for FY22 H1, US\$1 = ¥144.81 for FY22 1-3Q \*2 It is expected to be recorded as net extraordinary gains on MUB transfer mainly due to reduction of the book value of the assets to be sold by valuation losses

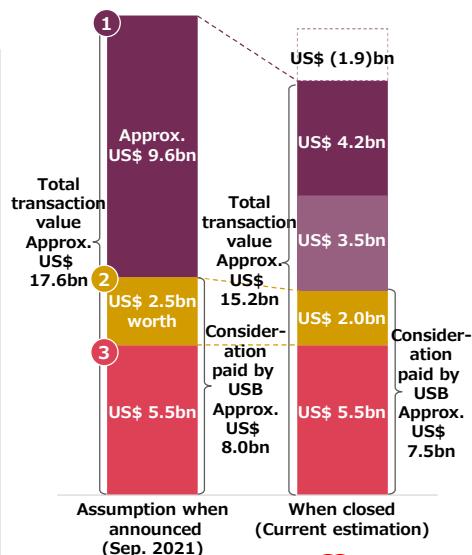
\*3 Although a portion of risks cannot be hedged, the impact is expected to be kept up to several tens of billion yen of losses \*4 Based on the assumed exchange rate of US\$1 = ¥144.81; the figure may fluctuate in line with the exchange rates \*5 The amount of reversal is estimated as of now (approx.)

## (MUB-related (2)) Transaction value and form of consideration

- The total transaction value is expected to decrease to approx. US\$15.2bn due to the valuation losses of "available-for-sale securities" caused by the rise in interest rates in the United States and the decline in the USB\*<sup>1</sup> stock price, etc.
- The amount of a dividend to be paid by MUB prior to the closing of the transaction is expected to decrease from approx. US\$9.6 bn, which was expected at the time of the announcement, to approx. US\$4.2bn. Of the difference, approximately US\$3.5 billion is expected to be paid by USB within 5 years of the sale\*<sup>2</sup>.

### Change in transaction value and form of consideration (current assumption)

(US\$ bn)	When announced	When closed	Change	Reason of change
Dividend	9.6	4.2	(1.9)	MUB's tangible book value (TBV) decreased due to a valuation loss on "available-for-sale securities" in MUB's financial results as interest rates rose in the United States. The amount of the dividend to be paid by MUB is based on MUB's TBV and, therefore, is reduced by the same amount.
			(3.5)	A decrease in the amount of a dividend to be paid by MUB prior to the closing of the transaction.
Cash received within 5 years	-	3.5	3.5	The decrease in the amount of a dividend to be paid by MUB prior to the closing would result in MUB's TBV to be US\$3.5bn higher. USB will pay MUFG such amount within five years of the sale* <sup>2</sup> .
USB stock	2.5	2.0	(0.5)	The portion of consideration paid in USB shares (approx. 44mm shares) Decline in market value due to decline in USB stock price after the announcement.
Cash	5.5	5.5	-	The portion of consideration paid in cash. No changes.
<b>Total</b>	<b>17.6</b>	<b>15.2</b>	<b>(2.4)</b>	



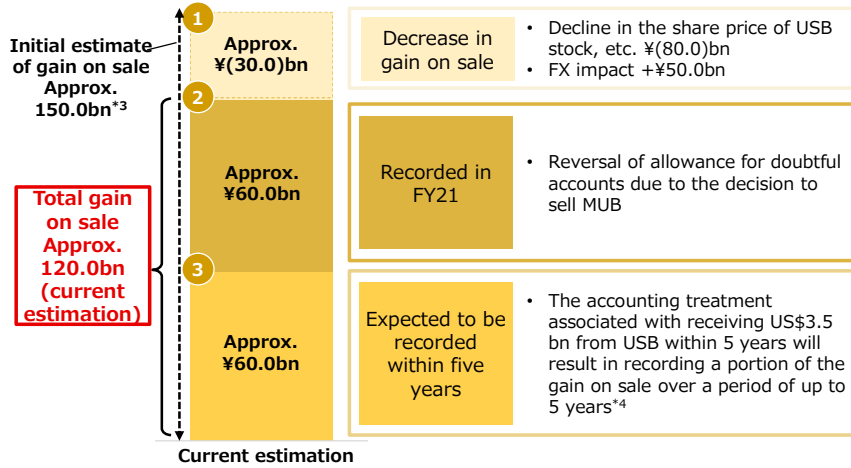
\*1 U.S. Bancorp \*2 USB has agreed to use its reasonable best efforts to pay at least \$1 billion at conversion or within 3 months thereafter

# (MUB-related (3)) Impact on MUFG's consolidated results (gain on sale/onetime expenses)

- The total gain on the sale is expected to be around ¥120.0bn, which is lower than the amount expected at the time of announcement considering the net impact of decline in USB<sup>\*1</sup> stock prices and positive FX impact
- The expected onetime expenses<sup>\*2</sup> are ¥30.0bn

## Gain on sale and onetime expenses (current assumption)

### Total gain on sale (reason of change)



### Onetime expenses

- Total costs of advisory and expert fees in connection with the project



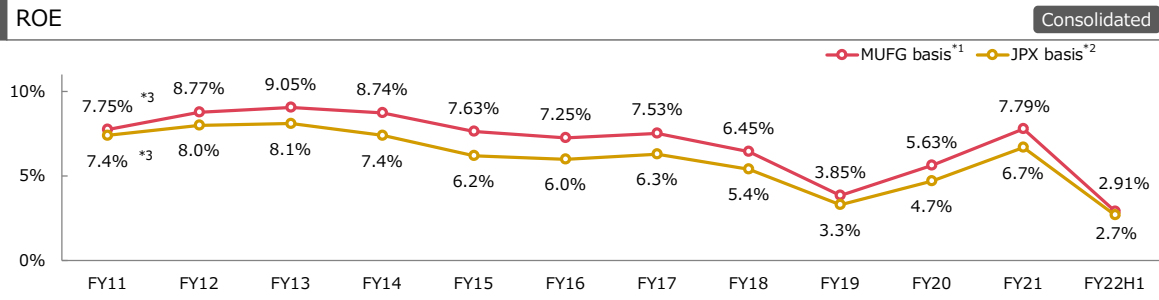
\*1 U.S. Bancorp \*2 Total costs of advisory and expert fees in connection with the project

\*3 ¥150bn was calculated as of September 2021, based on the premium of US\$1.75 billion, with certain adjustments

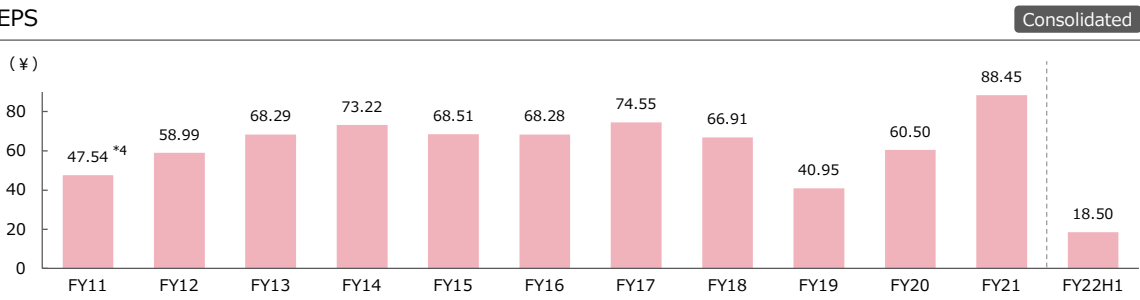
\*4 Amounts received within five years are expected to be recognized at discounted present value at closing, and the difference from US \$3.5 billion is expected to be amortized and accrued over 5 years

# ROE / EPS

## ROE



## EPS



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

\*2 Japan Exchange Group

\*3 11.10%(MUFG basis), 10.6%(JPX basis) before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

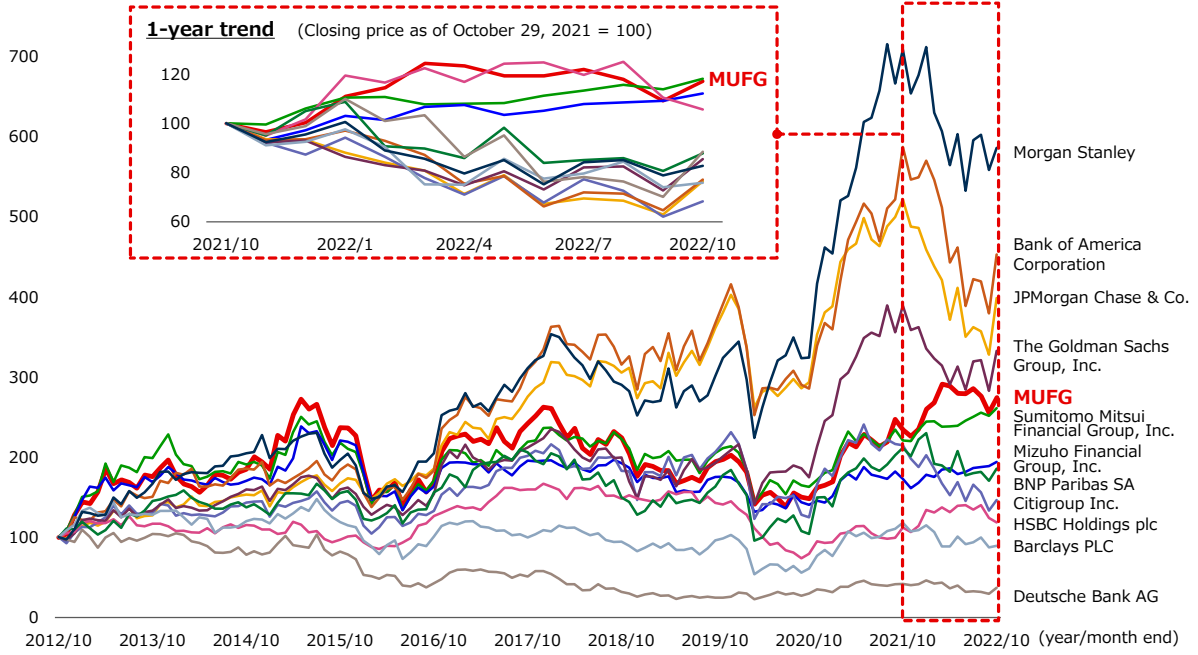
\*4 ¥68.09 before excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley



# Total Shareholder Return (TSR) Global Comparison

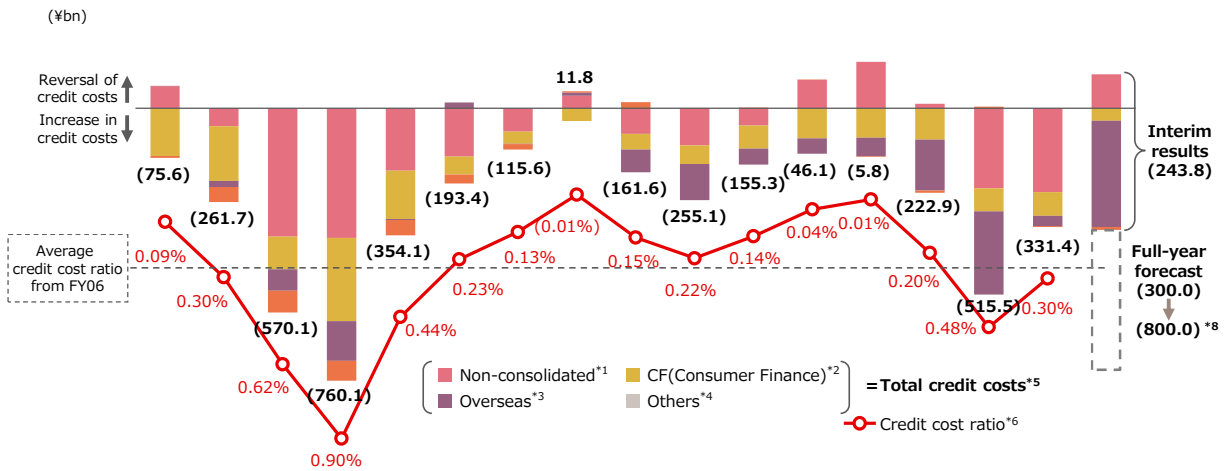
## 10-year trend

(Closing price as of October 31, 2012 = 100)



Source: Bloomberg

# Credit costs

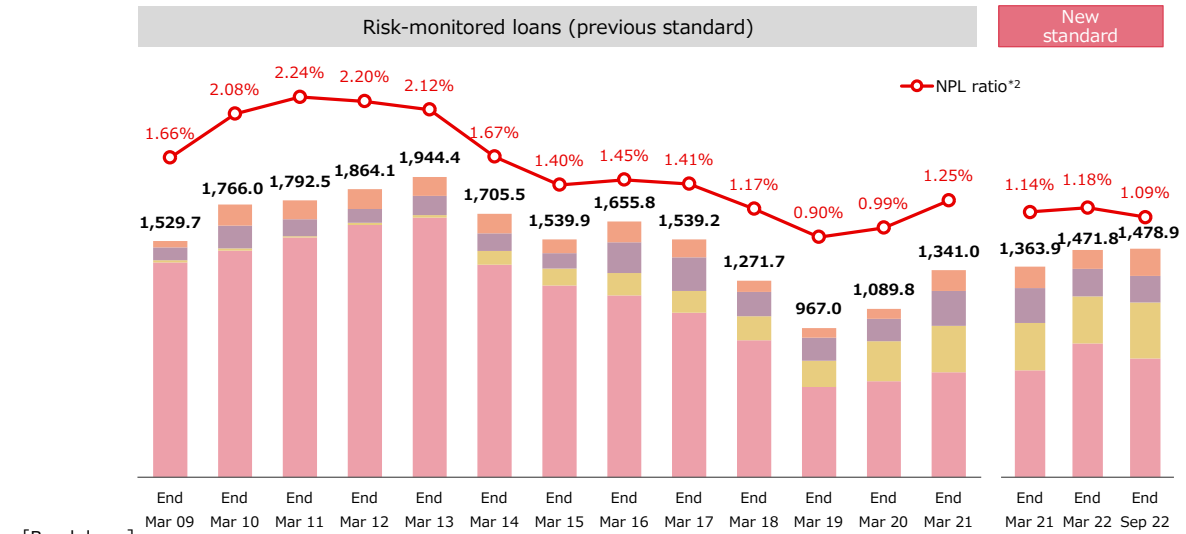


[Breakdown]	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 H1
Non-consolidated	61.5	(50.1)	(357.8)	(361.6)	(174.2)	(134.5)	(65.3)	35.1	(71.1)	(103.7)	(47.9)	79.5	129.8	12.6	(223.2)	(233.8)	95.1
CF	(133.0)	(152.1)	(91.0)	(232.2)	(135.0)	(50.1)	(33.7)	(35.7)	(44.1)	(51.6)	(64.5)	(83.6)	(81.7)	(87.6)	(64.4)	(66.0)	(34.7)
Overseas	0.7	(17.8)	(59.7)	(110.6)	(2.7)	16.1	(0.8)	9.2	(63.2)	(100.8)	(45.0)	(42.7)	(52.3)	(141.6)	(232.3)	(28.9)	(296.9) <sup>*7</sup>
Others	(4.9)	(41.5)	(61.5)	(55.7)	(42.1)	(24.9)	(15.6)	3.2	16.9	1.0	2.1	0.8	(1.5)	(6.2)	4.5	(2.6)	(7.3)

\*1 Including overseas branches \*2 Sum of NICOS and ACOM on a consolidated basis \*3 Sum of overseas subsidiaries of the Bank and the Trust Bank  
 \*4 Sum of other subsidiaries and consolidation adjustment \*5 Including gains from write-off \*6 Total credit costs / loan balance as of end of each fiscal year  
 \*7 Including ¥(231.9)bn of valuation losses on loans to be sold in connection with MUB transfer etc., \*8 Valuation losses on MUB's loans expanded than the initial forecast by ¥(500.0)bn due to U.S. interest rate hikes and yen depreciation

# 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 22	End Sep 22
EMEAs*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	176.9
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	170.0
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	363.1
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	768.7

\*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

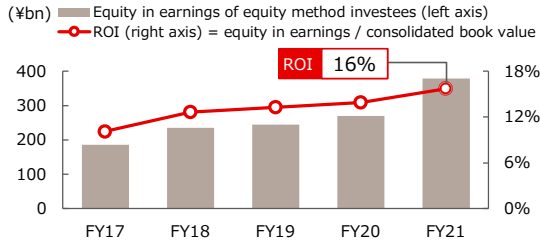
\*4 End Mar 2009 – End Mar 2012 includes only US

# Investment and alliance with Morgan Stanley

- Our investment in MS is highly profitable
- Alliance with MS progressed mainly in investment banking, while expanding to WM & AM/IS

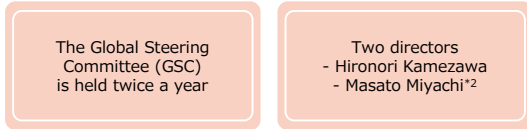
## Equity in earnings and ROI

- ROI, which represents our equity in earnings of MS (as an equity method investee) divided by the consolidated book value<sup>\*1</sup> of investment, stands at 16%
- Significantly contributing to MUFG's ROE



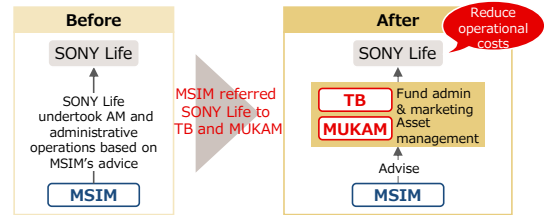
## Continuous efforts on developing alliance

- Active dialogues between top management



## 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
  - GICB** : Strengthen debt underwriting in Non-IG field
  - JCIB** : Serve as a financial advisor in multiple cross-border M&A deals
  - League tables of primary business for Japanese corporates<sup>\*3</sup>
- ② Expansion of collaboration to WM and AM/IS fields
  - WM** : Leverage information and insight afforded by MS's research capabilities to MUFG's unique house view<sup>\*4</sup>
  - AM/IS** : Formulated investment trusts in which TB and MUKAM<sup>\*5</sup> provide SONY Life<sup>\*6</sup> with their AM/IS functions employing a collaborative approach with MSIM<sup>\*7</sup>



\*1 Our holding of MS's net asset and goodwill. Includes preferred stock. ¥2.4tn as of end of March 2022 \*2. Chairman of MSMS  
 \*3 From April 2022 to September 2022. Source is as follows. M&A: data compiled by MUMSS based on REFINITIV and any Japanese involvement announced.  
 DCM includes domestic and foreign bonds. Domestic bonds: data compiled by MUMSS based on REFINITIV and DealWatchDB.  
 Foreign bonds: data compiled by MSMS based on corporate disclosure data, Dealogic, Bloomberg, IFR, and Informa.  
 \*4 MUFG Wealth Management's official position with regard to market outlook and investment trends \*5 Mitsubishi UFJ Kokusai Asset Management  
 \*6 SONY Life Insurance \*7 Morgan Stanley Investment Management

# Initiatives for providing financial services in the Metaverse

– A collaborative agreement has been reached with ANA NEO Inc. and Sompo Japan Insurance, Inc. to develop and provide financial services in the metaverse platform

## Outline of the collaboration

- To provide seamless financial services in the metaverse, the partnership will focus on:
  - Undertaking a needs assessment to determine the regulatory and institutional verification for the provision of financial functions and services in the metaverse
  - Verification of various data analyses and usefulness in the metaverse
  - Studying new business opportunities outside of the financial sector



- Provide convenient financial services in the Web 3.0 era
- Contribute to the realization of a society where users can enjoy the benefits of digitalization with peace of mind

## Approach (plan)

- Plan to open a branch on ANA GranWhale\*<sup>1</sup>, as a first step toward providing financial services in the metaverse space
  - Provide a variety of financial information utilizing the functions of Money Canvas\*<sup>2</sup>
  - Provide contents that take advantage of the unique characteristics of the metaverse




(Images)


\*1 A metaverse platform provided by ANA NEO

\*2 An asset management platform for smartphones that aims to provide comprehensive support for asset building


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

MUAH* <sup>2</sup> 	(\$bn)			(US\$mm)		
	FY21H1 (before announcing sale of MUB)	FY22H1	YoY	FY21H1 (before announcing sale of MUB)	FY22H1	YoY
Total revenue	317.5	193.6	(123.9)	2,872	1,417	(1,455)
Total noninterest expense	274.4	183.6	(90.7)	2,482	1,344	(1,138)
Pre-tax, pre-provision income (loss)	43.1	9.8	(33.2)	390	72	(317)
Provision for loan and lease losses	(38.5)	(0.2)	38.3	(349)	(2)	346
Income (loss) before discontinued operations	75.6	18.5	(57.0)	684	136	(547)
Discontinued operations, net of applicable income taxes	0	(530.5)	(530.5)	0	(3,882)	(3,882)
Net income (loss) attributable to MUAH	76.1	(512.0)	(588.1)	689	(3,746)	(4,436)

KS* <sup>3</sup> 	(\$bn)			(THB mm)		
	FY21H1* <sup>4</sup>	FY22H1	YoY	FY21H1* <sup>4</sup>	FY22H1	YoY
Total income	228.2	218.9	(9.2)	66,343	56,863	(9,480)
Operating expenses	84.7	93.9	9.1	24,637	24,397	(240)
Pre-provision operating profit	143.4	124.9	(18.4)	41,706	32,466	(9,240)
Expected credit loss	52.7	51.3	(1.3)	15,342	13,350	(1,992)
Net profit attributable to owners of the bank	72.4	58.7	(13.6)	21,048	15,252	(5,796)


BDI* <sup>5</sup> 	(\$bn)			(IDR bn)		
	FY21H1	FY22H1	YoY	FY21H1	FY22H1	YoY
Total operating income	62.8	75.7	12.9	8,166	8,238	72
Operating expenses	32.3	41.5	9.1	4,201	4,516	315
Pre-provision operating profit	30.5	34.2	3.7	3,965	3,722	(243)
Cost of credit	19.4	13.8	(5.5)	2,529	1,508	(1,021)
Net profit after tax	7.6	15.5	7.9	998	1,695	697

\*1 All figures are converted into \$ with actual exchange rates as of end of each period. For FY21H1 is US\$1=¥110.58, THB1=¥3.44, IDR1=¥0.0077.

For FY22H1 is US\$1=¥136.68, THB1=¥3.85, IDR1=¥0.0092 \*2 Financial results as disclosed in MUAH's U.S. GAAP Consolidated Financial Statements for Holding

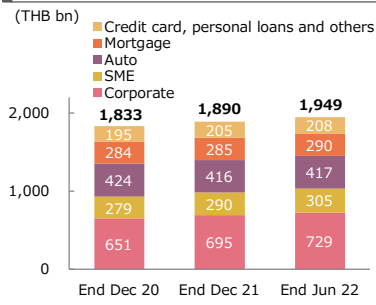
Companies—FR Y-9C \*3 Financial results as disclosed in KS's financial report based on Thai GAAP

\*4 Including the extraordinary gains from the sales of 20% of shares in Ngern Tid Lor Public Company Limited (TIDLOR)

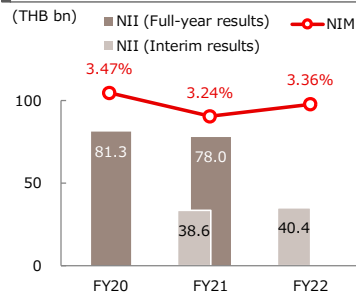
\*5 Financial results as disclosed in BDI's financial report based on Indonesian GAAP. Incorporated impact from netting-off loss on restructuring to interest income  MUFG 70

# Key figures of KS

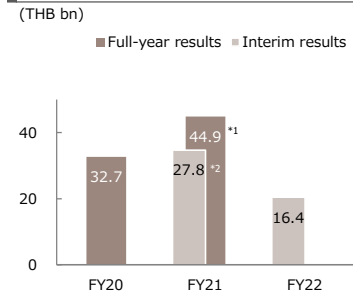
## Lending balance



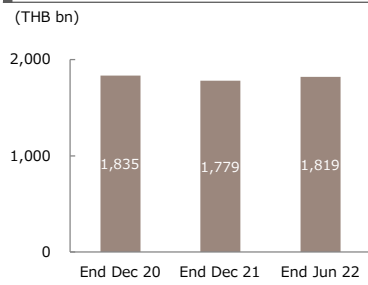
## Net interest income



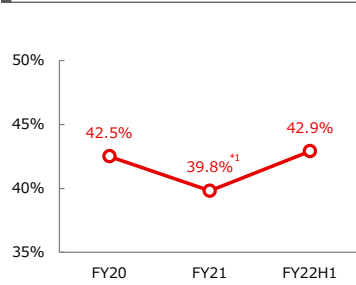
## Non-interest income



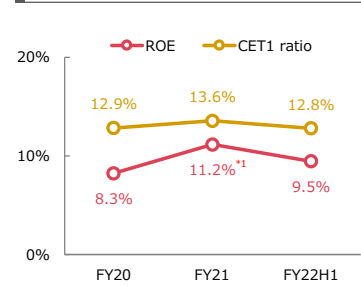
## Deposit balance



## Cost to income ratio



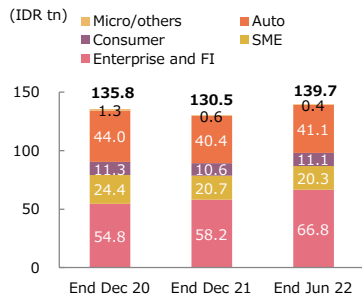
## ROE / CET1 ratio<sup>\*3</sup>



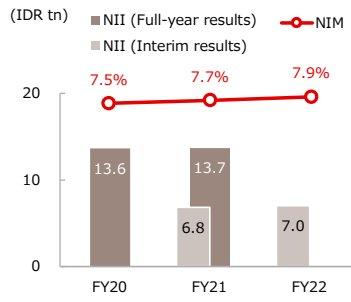
\*1 Excluding the extraordinary gains from the sales of 20% of shares in TIDLOR, normalized non-interest income, normalized cost to income ratio and normalized ROE of FY21 were THB 34.2bn, 43.2% and 8.6%, respectively  
 \*2 Excluding the extraordinary gains from the sales of 20% of shares in TIDLOR, normalized non-interest income of FY21H1 was THB 17.1bn  
 \*3 Non-consolidated

# Key figures of BDI

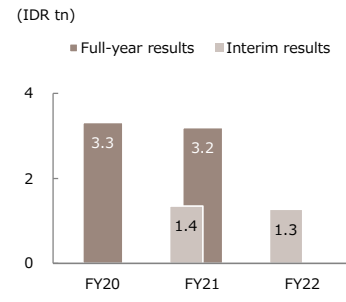
## Lending balance



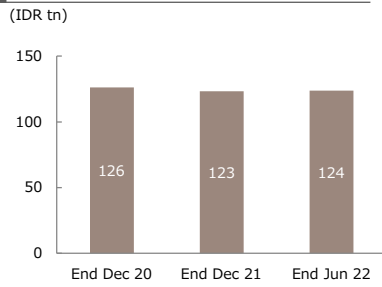
## Net interest income\*1



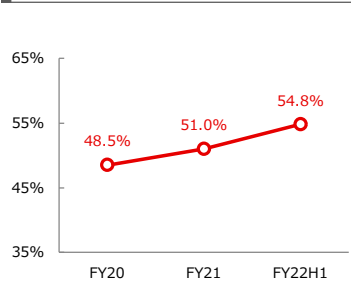
## Non-interest income



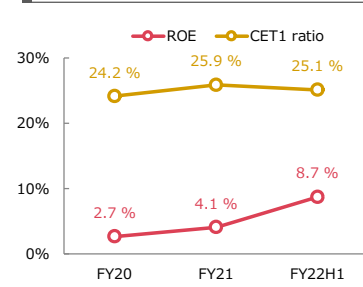
## Deposit balance



## Cost to income ratio



## ROE\*2 / CET1 ratio



\*1 Netted-off with loss on restructuring

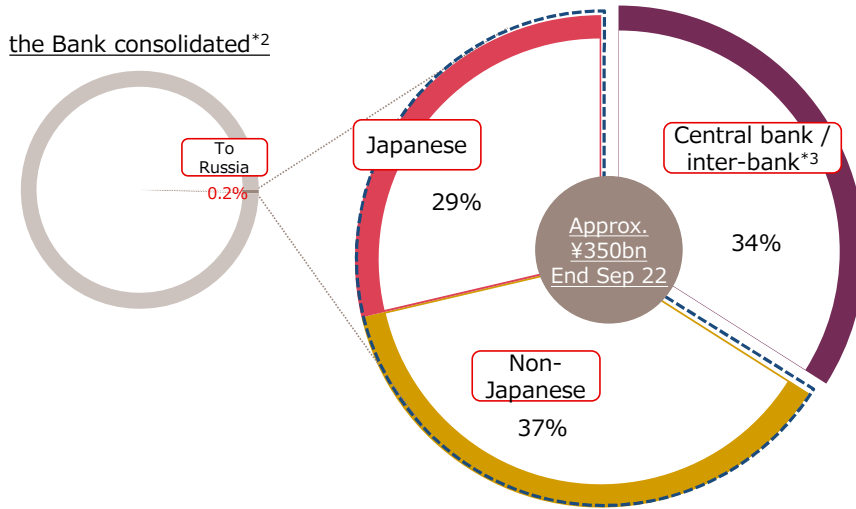
\*2 Following new OJK regulation dated 20 July 2020, ROE is calculated per Tier 1 capital



# Exposures to Russia\*1

- Exposures to Russia\*1 was approx. ¥350bn (End Sep 22)
- Balance excluding central bank and inter-bank transactions was approx. ¥230bn, **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

# Human capital investment

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

## MUFG's diversity

	Results (As of end Sep 2022)	Targets
Gender	Ratio of women in management*1 (As of Oct 2022)	19% 20.0% by end Mar 2024
	Number of female directors and executive officers*2	20 –
	Ratio of female directors (MUFG)	25% Agreeing 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)	98%, 91%, 100% (FY2021) 100%
Foreign nationals	Ratio of employees (As of Mar 2022)	58% –
	Number of executive officers (the Bank)	10 (Inc. 2 women) –
	Ratio of foreign nationals in middle managerial positions*5	29.6% Maintaining or improving the current level
Mid-career hires	Ratio of mid-career hired in managerial positions*6	11.3% Maintaining or improving the current level
People with disabilities	Number of people with disabilities (As of Jun 2022)	Approx. 1,400 –

Approach to create inclusive culture where employees respect and accept diversity

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

### 取り組みへの評価



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



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

\*1 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 the use of the leave by male employees of each subsidiary whose eligibility for childcare leaves expired in FY21 \*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.) to the number of those in managerial positions at home and abroad \*6 Ratio of mid-career hired in managerial positions in Japan (including senior managers and others tasked with supervision)

# External evaluation

## Evaluation of ESG-related efforts

### The Third ESG Finance Awards Japan

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



■ : indicators in executive compensation

	Entities	2021	2022
1	MSCI	A	-
2	FTSE	3.3	3.9* <sup>1</sup>
3	Sustainalytics *Smaller figure is higher evaluation	19.3	18.0* <sup>1</sup>
4	S&P Dow Jones *Percentile rank	74	89* <sup>1</sup>
5	CDP	B	-
6	Nikkei SDGs	★5.0	-
7	Toyo Keizai* <sup>2</sup>	389.9	-

No1. financial institution in Japan

## Inclusion in ESG indices

### ESG indices selected by GPIF

**New**  
2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

**New**  
2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

### Others

**New**  
2022 MSCI ESG Leaders Indexes Constituent

FTSE4Good

Bloomberg Gender-Equality Index 2022

\*1 As of November 2022

\*2 Toyo Keizai Japan CSR Ranking. Toyo Keizai Inc. is an eminent economic magazine publisher in Japan

# Social (Response to aging population and low birthrate)

– Released products and services designed to serve as solutions for Japan’s aging society while joining a new project involving industry-academia collaboration in FY22

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

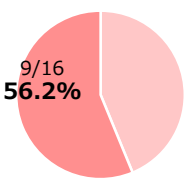
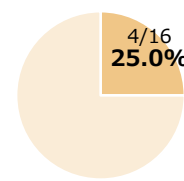
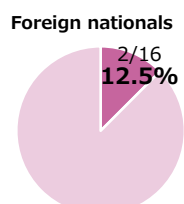
Issues	Aging population			Low birthrate
	Succession of businesses and assets Deterioration in economic capabilities due to the closing or suspension of businesses	Response to the elderly people Increase in number of dementia patients, and inheritance issues	Asset building Preparation for the coming age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

## Major services released and launched

① Tsunageru Toshin Service (Jul 2022)	The Trust Bank released new Tsunageru Toshin service (gift during life/asset succession) designed for individual customers
② Excellent Club (Aug 2022)	The Bank launched the MUFG Bank Excellent Club, a free membership service that enriches our customer’s daily lives after retirement
③ Industry-academia collaboration (Started in FY2022 H1)	The Trust Bank launched a verification testing as part of an industry-academia research collaboration to commercialize new products and services designed to deliver solutions for an aging society by developing <b>technologies to assess cognitive functions and systems to verify testament capabilities</b> , etc.

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

## Governance (Structure of the Board of Directors)

Name	Committee-related duties	Independent Outside	Knowledge, expertise and experience							(As of end June 2022)
			Corporate management	Finance	Finance & accounting	Legal affairs	Global	IT/digital	Sustainability	
1 Mariko Fujii	Nominating Compensation Risk*	●	–	●	–	–	●	–	–	<b>Independent outside directors</b>  <b>Female directors</b>  <b>Foreign nationals</b> 
2 Keiko Honda	Audit	●	–	●	–	–	●	–	●	
3 Kaoru Kato	Nominating Compensation Audit	●	●	–	–	–	–	●	●	
4 Satoko Kuwabara	Nominating Compensation*	●	–	–	–	●	●	–	●	
5 Toby S. Myerson	Risk	●	–	–	–	●	●	–	–	
6 Hirofumi Nomoto	Nominating* Compensation	●	●	–	–	–	–	●	●	
7 Yasushi Shingai	Audit Risk	●	●	–	●	–	●	●	●	
8 Koichi Tsuji	Audit*	●	–	–	●	–	●	–	–	
9 Tarisa Watanagase	Risk	●	–	●	–	–	●	–	–	
10 Ritsuo Ogura	Audit	●	Extensive knowledge of MUFG's business and the ability to appropriately perform management of MUFG	–	–	–	–	–	–	
11 Kenichi Miyanaga	Audit			●	–	–				
12 Kanetsugu Mike				●	●	●				
13 Hironori Kamezawa	Nominating Compensation			●	●	●				
14 Iwao Nagashima				●	–	●				
15 Junichi Hanzawa				–	–	●				
16 Makoto Kobayashi				●	–	●				

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

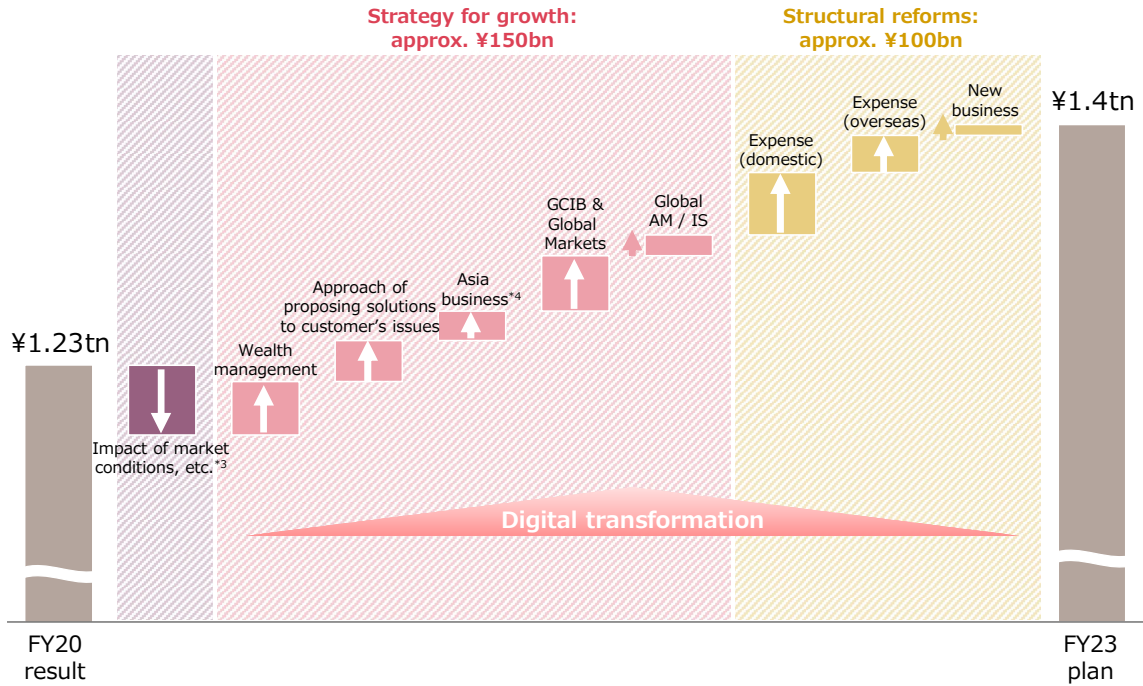
# Governance (Compensation system)

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

# Plan of net operating profits\*1

(Re-shown\*2 / Target as of announcement of the MTBP)



\*1 Managerial accounting basis. Local currency basis

\*2 From page 42, Fiscal 2020 Results Presentation

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

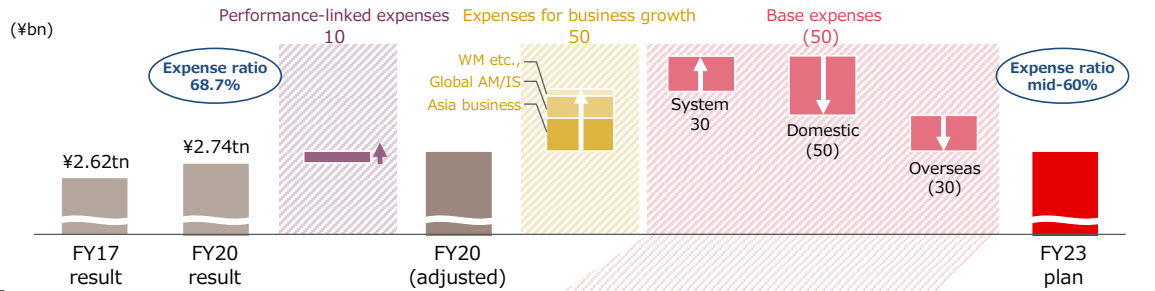
\*4 FY23 plan versus FY21 plan. Estimated decrease in net operating profits during FY21 is included in impact of market conditions, etc.

# Plan of expenses

(Re-shown\*1 / Target as of announcement of the MTBP)

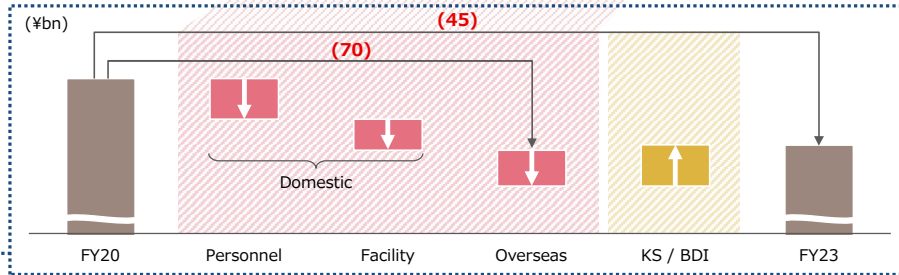
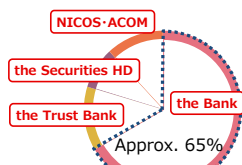
- Strictly allocate expenses in a way consistent with progress in each business.
- Reduce base expenses in order to allocate funds to the area of growth

## Plan of expenses



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

FY20 MUFG total expense



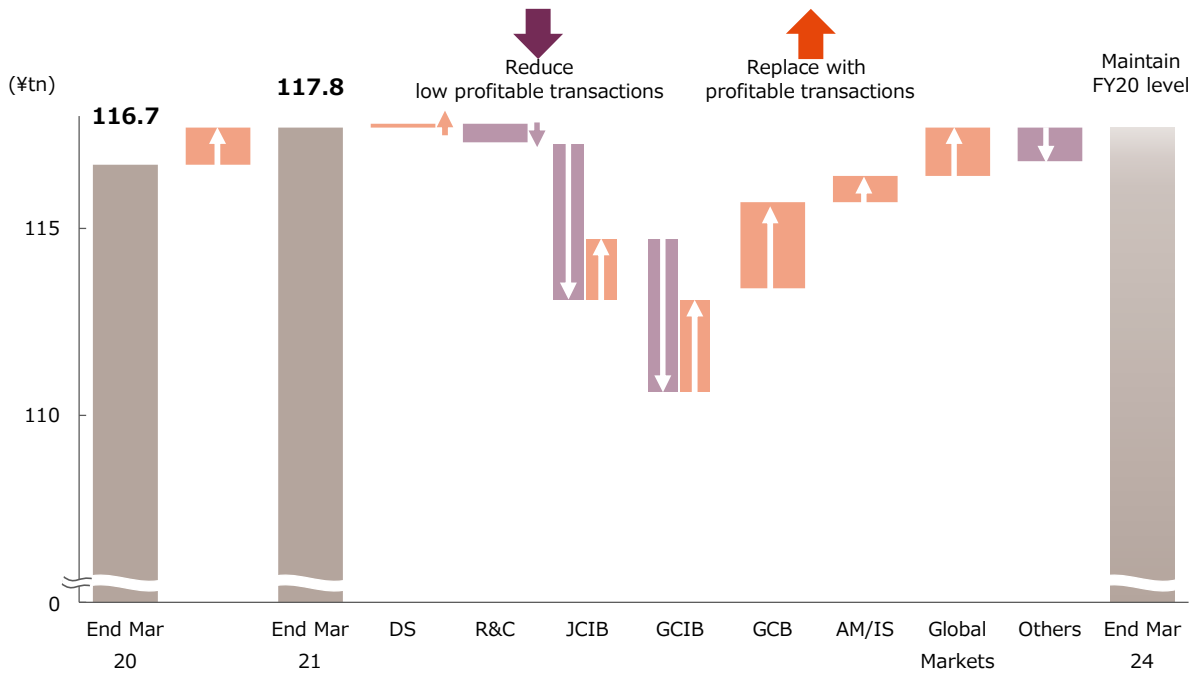
\*1 From page 48, Fiscal 2020 Results Presentation  
 \*2 Internal managerial figure



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

(Re-shown<sup>\*2</sup> / Target as of announcement of the MTBP)

– Reduce low profitable transactions and replace them with profitable transactions



\*1 Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities  
 \*2 From page 50, Fiscal 2020 Results Presentation

# Plan by business group

(Re-shown<sup>\*1</sup> / Target as of announcement of the MTBP)

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

\*1 From page 54, Fiscal 2020 Results Presentation

\*2 Local currency basis

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

\*4 The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of March 2021)

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

# TLAC requirement

## - The best capital mix and external TLAC ratio

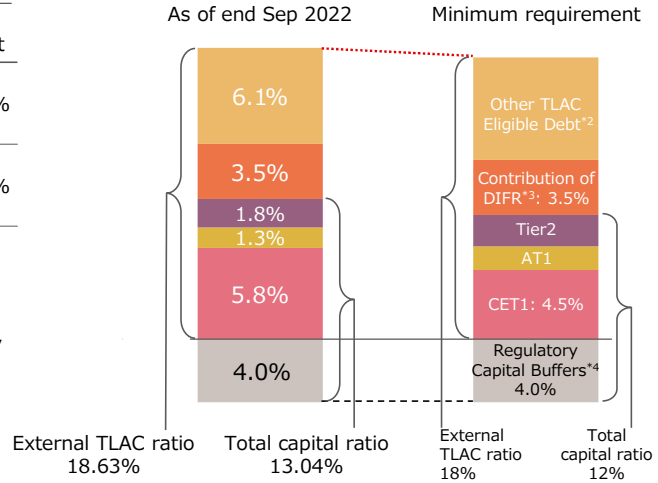
- Aiming for optimal balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
  - Secure necessary and sufficient level of capital with utilization of AT1 / Tier2
  - Maintain sustainable external TLAC ratio for the long term by raising external TLAC eligible senior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

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

	As of end Sep 22	Minimum requirement
Risk weighted asset basis	18.63%	18.0%
Total exposure basis	9.12%	6.75%

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

### MUFG's RWA\*1 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.

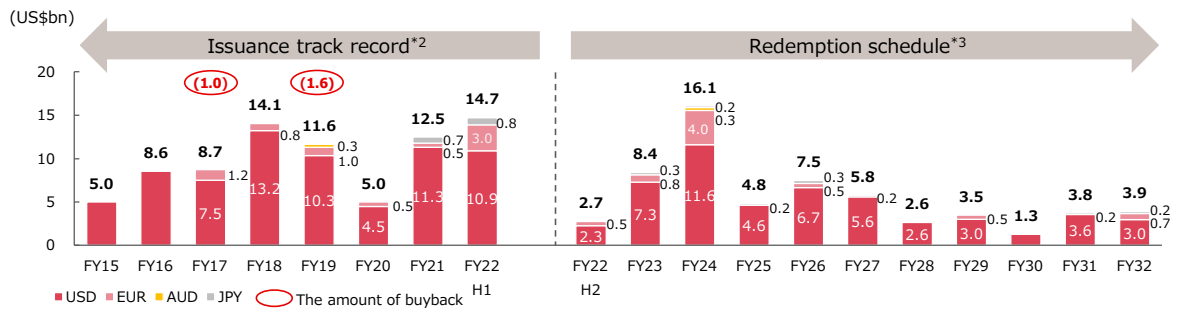
\*3 Contribution of Deposit Insurance Fund Reserves : Japanese Deposit Insurance Fund Reserves fulfill the requirements for ex-ante commitments to recapitalize a G-SIB in resolution set out in the FSB's TLAC termsheet (Can include 3.5% of RWAs after end Mar 2022, in external TLAC ratio)

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

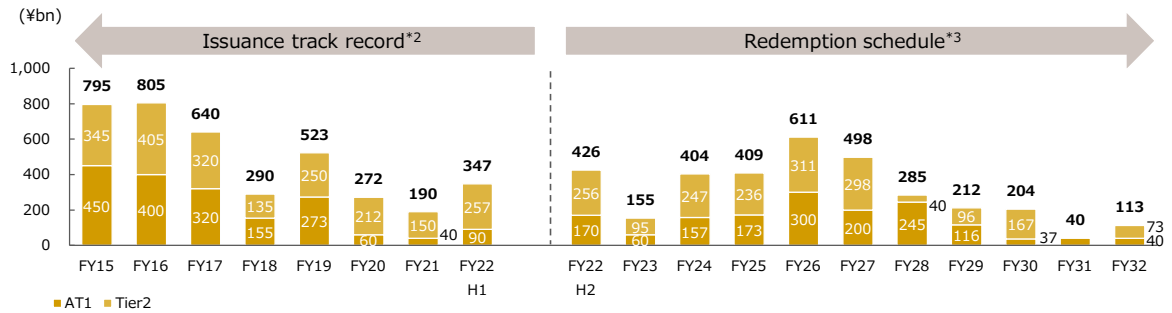
# TLAC requirement

## - Issuance track record & redemption schedule

### TLAC-eligible senior debt\*1



### AT1, Tier2 bond



\*1 All figures are converted into US\$ using actual exchange rates as of end Sep 2022

\*2 Total of public issuance (excluding the amount of buyback), as of end Sep 2022

\*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)